



Australian Government
Department of Defence
Capability Acquisition and
Sustainment Group

PGCS Locknote

Conference Summary and Some extras

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- Theme: Delivering project success in the next decade:
 - The importance of coordinated teamwork
 - The technology and evolution of supporting integrated project teams
 - Link between governance and controls
 - Capability of people - skills need to be nurtured and developed

- Advances and challenges in **project controls** space remains a core element in the PGCS mix:
 - Work Planning and Work Packaging
 - Earned Value Management
 - Linking EVM with agile
 - Cost estimation: parametric methodology and confidence level analysis
 - Managing risk
- PGCS profits: Supporting Project management research and development in Australia.

"Defence's use of spreadsheets as a primary form of record for risk management is a high risk approach. Spreadsheets lack formalised change/version control and reporting, thereby increasing the risk of error"

ANAO - 2017-18 Major Projects Report

- The Defence Strategic Update 2020
 - Strategic competition up
 - Warning time down
 - Escalating national risk
 - “Shape, Deter, Respond”
- Force Structure Plan 2020
 - New capabilities for the ADF
 - Significant investment
 - Ambitious timelines and high Government expectations

Government's \$89bn shipbuilding project at 'high risk' of expensive blowout, audit warns - ABC News

'Of course it contains risk'

Defence Industry Minister Christopher Pyne defended the decision to build the vessels in Australia.

"We make no apologies for deciding to invest in Australian-built ships, creating Australian jobs and using Australian steel rather than buying foreign ships off the shelf and using Australian tax dollars to strengthen the defence industries and increase employment and wealth overseas," he said.



Christopher Pyne said the project was a huge undertaking, "so of course it contains risk". (ABC News: Marco Catalano)

"Building an Australian shipbuilding and submarine industry is a huge undertaking, it's a nation-building project so of course it contains risk."

The report also revealed almost \$7 billion might need to be brought forward for the submarine project, but Defence insisted it could make savings to cover the cost.

- In taking on high risk endeavours, what is Government's risk appetite?
- Why are we in trouble if it goes wrong?
- What does it mean to accept risk?

CASG Risk Management Reform Program – History

- **Phase 1:** Remodel Risk Management in CASG within the Defence Enterprise Risk Management Framework (July – December 2017).
 - A review and blueprint for change
- **Phase 2:** Activate CASG Risk Management Reform Support activities (July 2017 – October 2018).
 - **Common and core practices** introduced at the group and domain/division level.
- **Phase 3:** Alignment of CASG Risk Management Practices (June 2018 – November 2019)
 - to coordinate **alignment** of risk management practices across all CASG domains, divisions, functions, System program offices (SPOs), programs, projects and specialist risk areas.

- In June 2020, roll-out commenced
 - Release of the Group Policy Package,.
- Since then we have:
 - » Embedded bi-monthly Domain Risk Management Working Groups.
 - » Released agreed Project, Product and Business Risk Matrices.
 - » Commenced transition of all project, product and business risks into *Predict!* v6 software.
 - » Established a CASG Risk Management Community of Practice.

- Over the coming months we will:
 - » Release an updated CAS-RM Manual.
 - » Developing online eLearning package(s) that specifically cover risk management practices within CASG.
 - » Update *Predict!V6* software training to ensure it remains relevant to CASG business.
- Continue moving projects and products onto *Predict!6*



Q&A

