



**Australian Government**

**Department of Defence**

Defence Support Group

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### **Defence Support Group**

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# DSG – The facts and figures...



## Assets

- Defence Support maintains over **400 properties**, and over 3 million hectares of land
- The Gross Replacement value of the Defence Estate is estimated at \$50 billion



## People

- Defence Support manages **4600 staff** including 900 military staff and over 7000 contractors.
- Defence Support has 20% of the Defence civilian workforce across five Divisions.

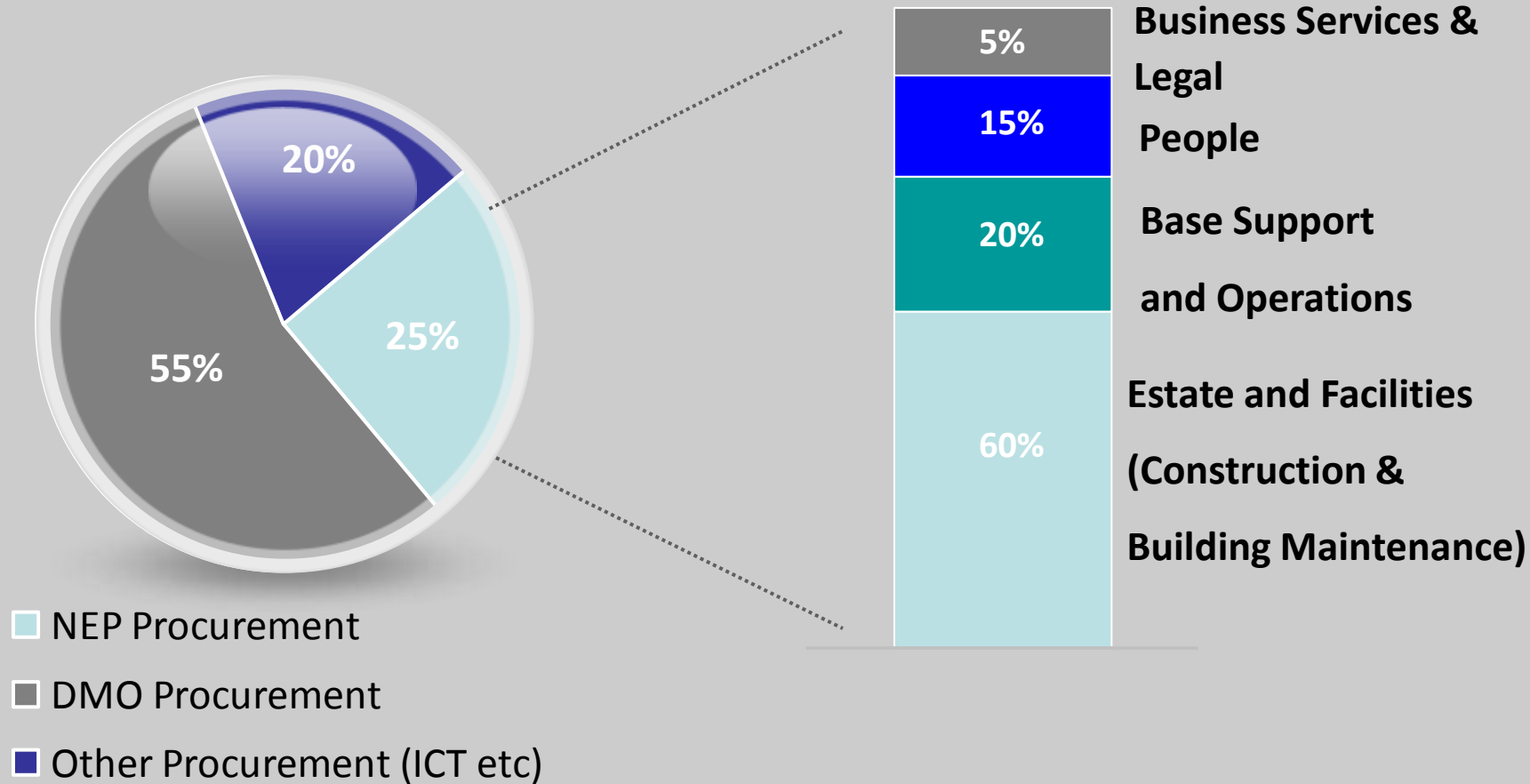


## Budget

- Annual budget of **\$4 billion**
- Defence Support spends about \$10 million every day
- Major Capital Facilities - \$1.5 billion (10-11)
- Garrison Support - \$470 million (10/11)
- Estate maintenance - \$450 million (10-11)

# The Procurement Landscape - Where DSG Fits in

Broad Defence Procurement Market Share...



# DSG – A flavour of what we do...



## ***Estate, Facilities and Environment***

- The construction of new facilities to support Defence Capability
- The **maintenance of facilities** across the Defence Estate
- **Environmental** and heritage management
- Management of Defence's **leases, disposals and acquisitions**



## ***Base Services & Operations Support***

- Provision of services to **support Defence Bases** across Australia, ranging from cleaning, guarding and hospitality and catering services
- Dedicated base support teams, **working with our customers to deliver defence capability**
- **Customer support access channel management** providing service centres, 1800 Defence and dedicated web services



## ***Personnel Services***

- Provision of **military and civilian personnel centres** support personnel administration and pay
- **Housing** for ADF members
- **Removal and relocation** services to support the ADF in over 20,000 movements every year
- Identifies and implements proactive strategies to increase the **awareness of conduct** and performance
- **ADF family support**



## ***Business Services***

- A series of **'back of house' functions** ranging from library services, mail to records management
- **Financial services** including accounts processing and debt recovery
- **Procurement services** through the newly established Non equipment Chief Procurement Officer



## ***Legal Services***

- Provision of **Legal advice** and services to Defence
- **Preparation of wills** and power of attorney for ADF members
- **Managing civil claims** on behalf of Defence

# Key Issues



## **The Estate**

*Providing a strategically aligned affordable and sustainable estate that supports capability*



## **Non Equipment Procurement**

*Lead acquisition, procurement and category management activities for some of the NEP categories, for other categories, provide assistance to undertaking the procurement activity*



## **Strategic Reform Program**

*Making ever minute, every dollar and every round count*



## **Improving our Procurement capability and improving relationships with industry**

*By increasing our agility, improving our internal expertise and building and sustaining relationships with Defence industry*

# The Defence Estate



## Managing the Defence Estate

- Balance Sheet Value \$20bn
- Approximate Replacement Value \$50bn
- 10/11 spend is over \$2bn
- Opportunity for work across the spectrum of Estate Services (Construction, maintenance, environment etc)
- Recent PPP success with LEAP 2. All Projects over \$50M assessed for PPP viability
- Recent ANAO audit requires an increased understanding of our estate condition.
- A new Garrison Estate Management System will be in place to support Defence by the end of 2012
- Additional Funding of over \$2bn available under Defence White Paper will help address deterioration.
- New OHS legislation in 2012 will require a clear *understanding* of Defence and industry liabilities and mutual obligations

# Non Equipment Procurement

## DSG Procurement

- Comprehensive Maintenance Support and Garrison Support Services Contracts – Future acquisition Strategy
- [Whole of Government travel procurement arrangements]

## Overseeing Defence Non Equipment Procurement

- DSG role position of Non Equipment Chief Procurement Officer started in July 2010
- All 'NEP' valued at over \$1m comes through DSG
- Leading reform within Defence, to improve procurement arrangements for 17 categories of reform including Professional Services.



# Strategic Reform Program

Australian Government  
Department of Defence

THE STRATEGIC REFORM PROGRAM  
MAKING IT HAPPEN

MAKE EVERY MINUTE, DOLLAR AND ROUND COUNT  
[www.defence.gov.au](http://www.defence.gov.au)

## Supporting the SRP

### Non Equipment Procurement reform:

- 17 categories including building maintenance, garrison services, health, training, removals and travel.
- To deliver \$3.2 billion savings (including investment) over the decade
- Reform must include buying and contracting as well as implementing smarter processes, and managing demand and consumption.
- Nearly 100 different initiatives

**We must work closely with industry to identify areas of inefficiency and waste and improve our systems and processes.**

### Work Force Shared Services Reform:

Workforce & Shared Service Reform to provide an integrated, flexible and adaptive workforce. to meet Defence capability priorities. Four components:

**DSG leading NEP Centre of Excellence, payroll reform,** and improvements to our base and customer support services.

# Improving Procurement capability

## Building and sustaining relationships

### Improving Relationships with industry

Improved visibility of Defence procurement through the Defence Annual Procurement Plan.

The development of a Defence NEP and Estate Industry Engagement Charter provides greater clarity over mutual roles and responsibilities

### Improving Governance

Developing clear governance mechanisms, such as the Defence Estate Investment and Performance (DEPIC) committee has allowed for a greater understanding within Defence of its corporate requirements.

### Improving our agility

**Developing internal expertise** (enhancement of centre of procurement and contracting excellence)

Improving procurement capability through **training, business systems and better practices**



**Do You Have Any Questions?**



**Enjoy your beer !**

