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Australian Government
Department of Defence

SEC/OUT/2015/284
CDF/OUT/2015/1496

Dr Andrew Southcott MP
Chair
Joint Committee of Public Accounts and Audit
PO Box 6021
Parliament House
CANBERRA ACT 2600

Dear Dr Southcott

We write to you in response to the Joint Committee for Public Accounts and Audit – JCPAA Report 448: Review of the 2013-14 Defence Materiel Organisation Major Projects Report.

The report contains a recommendation which relates to matters that are the responsibility of the Department of Defence. We have reviewed the recommendation and consider that it should be categorised as ‘administrative’ rather than ‘policy’ in nature. Enclosed is an Executive Minute in response to the recommendation. The Department of Defence agrees in principle to the recommendation and this position has been agreed by the Minister for Defence.

If you require further information on this matter, Defence’s point of contact is Mr Brian Agnew, Acting Assistant Secretary Ministerial and Parliamentary Business, who can be contacted on (02) 6265 7897 or via email to brian.agnew@defence.gov.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dennis'.

Dennis Richardson
Secretary

20 November 2015

R1-5-CDF Suite
PO Box 7900
Canberra BC ACT 2610

Enclosure:

1. Executive Minute

A handwritten signature in blue ink, appearing to read 'MD Binskin'.

MD Binskin, AC
Air Chief Marshal
Chief of the Defence Force

23 November 2015

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EXECUTIVE MINUTE

on

JOINT COMMITTEE OF PUBLIC ACCOUNTS AND AUDIT REPORT NO. 448

REVIEW OF THE 2013-14 DEFENCE MATERIEL ORGANISATION MAJOR PROJECTS REPORT

Response to the recommendation(s)

Recommendation No. 1

The Committee recommends that the reformed Department of Defence continues to provide the same priority and appropriate resources to the MPR in the future as DMO have done in the past so that the achievements of the past eight years are not lost. The same level of effort should also apply to the future development of sustainment reporting.


Response: Agree in principle

The Department of Defence (Defence) will assign appropriate resources for the development of the 2014-15 and 2015-16 Major Projects Reports. As Defence transitions under the First Principles Review, both priorities and allocation of resources will be reviewed.

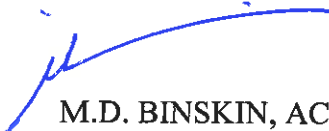
The current reporting arrangements effectively balance the obligation to allow Parliamentary scrutiny of expenditure of Commonwealth funds on sustainment efforts, while protecting the classified information on capability readiness and availability.

Current arrangements to report Commonwealth expenditure is via Portfolio Budget Statements (PBS), and the Defence Annual Report (DAR) to Parliament, and the Preparedness reporting to Government. Classified information which is associated with sustainment is separately provided to Government.

As agreed at the JCPAA hearing on 27 February 2015 (Review of the 2013-14 Defence Materiel Organisation Major Projects Report) in order to provide the JCPAA with more visibility on sustainment, Defence will undertake annual in-camera briefings in line with tabling of the Defence Annual Report. The next in-camera briefing to the JCPAA is scheduled to occur in a secure room at the Russell precinct on 13 November 2015.


Dennis Richardson
Secretary

20 November 2015


M.D. BINSKIN, AC
ACM
Chief of the Defence Force
23 November 2015