

Committee Inquiry Recommendation Joint Committee of Public Accounts and Audit

Inquiry

Recommendation

As per Joint Committee of Public Accounts and Audit Report 489 (Attachment 1) into Defence Major Projects Report 2019-20: *“The Committee recommends that the Department of Defence and the ANAO provide the Committee with a joint briefing on the outcome of the Smart Buyer review in the next Parliament so that the Committee can consider changes to Major Projects Report processes and scope if warranted.”*

Defence Response: Defence Agrees.

Defence provided the following response to the recommendation via Government Response in September 2022:

“Defence conducted a Smart Buyer Review in March 2021 to explore options for contemporising the MPR to ensure it remains fit for purpose in delivering the information needs of stakeholders and aligned with the current and future complex operating environments. Outcomes from the Smart Buyer Review, (Attachment 2), were generally consistent with current and previous JCPAA recommendations. The Review recommended some incremental changes which Defence and ANAO have either completed (such as the inclusion of a Glossary) or continue to work through (such as automation of data collection). However, the Review also suggested that Defence should work with ANAO and the Committee over the next two years to explore the core issues of efficiency and effectiveness of the MPR, and consider leveraging overseas exemplars. The safeguarding of capability information remains a priority, particularly in the current security environment. All external reporting, as individual or a group of reports, must take into account the risk to national security should information disclose an Australian Defence Force capability or identify a gap that could be used by foreign agents or adversaries. Defence considers that security considerations, balanced with the need for transparency, should be a key driver for a review of the classification of the MPR. Defence continues to work with ANAO on this aspect.”

Action required to Implement:

The Joint Committee of Public Accounts and Audit conducted a hearing on 19 May 2023 regarding the “Inquiry into the Defence Major Projects Report 2020-21 and 2021-22”.

Defence provided a submission to the inquiry that also detailed the Smart Buyer Review into Major Projects Report implementation actions (Attachment 3, page 2).

As part of the hearing, the Deputy Secretary Capability Acquisition and Sustainment Group briefed the Committee on the implementation of actions arising from the Smart Buyer Review into the Major Projects Report (Attachment 4, page 15, para 1).

Defence continues to work closely with ANAO on enhancing the accessibility and readability of the Major Projects Report. The ANAO and Defence will conduct an annual review of the Major Projects Report and will review the guidelines for 2023-24 MPR. These revised guidelines will be submitted by ANAO to the Joint Committee Public Accounts and Audit by 31 August 2023 for seeking their agreement.

Status Update: Ready for closure

The Joint Committee of Public Accounts and Audit inquiry into the 2020-21 and 2021-22 Major Projects Report was conducted 19 May 2023 and considered the Smart Buyer review on the Major Projects Report and whether the process and report remain fit for purpose.

Defence continues to contemporise the Major Projects Report to ensure it remains fit for purpose, delivers information according to the needs of stakeholders, and is aligned with the current and future complex operation environment. Improvements include the inclusion of a Glossary and the limited automation of data collection and review.

The 19 May 2023 Joint Committee of Public Accounts and Audit inquiry acknowledged (Attachment 4 page 15, para 7) Defence's implementation actions and agreed that the current process and format of the Major Projects Report remains appropriate for the 2022-23 and 2023-24 publications.

Separate to the closure of Report 489 Recommendation 5, the 19 May 2023 Joint Committee of Public Accounts and Audit inquiry noted that a broader Government, ANAO and Defence review of the need for a Major Projects Report, and in what form is required, should be undertaken in the latter half of 2023. (Attachment 4 page 15, para 10).

For Closing:

Defence has now briefed the Joint Committee Public Accounts and Audit during the 47th sitting of Parliament and The Committee has considered the changes implemented to the Major Projects Report. Defence's briefing on the implementation of Smart Buyer report to the Committee closes Recommendation 5 arising from the Joint Committee of Public Accounts and Audit Report 489.

Attachments:

1. JCPAA Report 489
2. Smart Buyer Review Report into MPR
3. Defence submission to JCPAA Apr 2023
4. HANSARD Public Accounts and Audit Joint Committee (Draft)