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DEPSEC CASG Opening Statement

- Defence welcomes the opportunity to provide this update to the Committee on the 2020-21 and 2021-22 Defence Major Projects Reports.
- Defence remains committed to upholding transparency in relation to its largest acquisition projects and the Major Projects Report is a valuable reporting tool which contributes to this objective.
- Defence acknowledges the extensive work of the Australian National Audit Office and Defence staff in preparing the Major Projects Report each year.
- The 2020-21 and 2021-22 Major Projects Reports demonstrated that, overall, performance on cost and scope remained strong.
- Schedule performance remains an area for improvement, but the Reports did not identify performance issues of which Defence was not already aware or managing.
- Many Defence projects are complex undertakings at the cutting edge of technological, engineering and industrial capability and inevitably involve risk.
- Defence sets ambitious schedules to drive performance, efficiency and get capability to the war-fighter. We should recognise this as a feature of the process.
- The Committee's Report 489 into the 2019-20 Major Projects Report identified five recommendations and Defence has addressed and closed three.
- The two open recommendations relate to the Projects of Concern process and the outcomes of the Smart Buyer activity conducted on the Major Projects Report process. I appreciate the opportunity to brief the Committee on these issues today.
- The Deputy Prime Minister and the Minister for Defence Industry announced in October 2022 six measures for Defence to strengthen and revitalise the Projects of Concern process.
- Much progress has been made on these initiatives, including the release of a new policy that focusses on performance reporting and early warning and elevation of performance issues.
- Defence's submission to the Committee highlighted opportunities for improvements to the Major Projects Report process and consideration of the impacts of the current security environment on public reporting.
- The acknowledged need for transparency must be balanced by national security considerations. Reporting on capability acquisition and sustainment must take into account any risk to national security from disclosure. This should be a key driver in a review of the classification and scope of the Major Projects Report.
- Defence looks forward to working with the Committee and the ANAO on these issues.

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