



To: Joint Committee of Public Accounts and Audit Inquiry into Commonwealth Procurement

By email to: jcpaa@aph.gov.au

Dear Committee

Request for Submission from the Australian Maritime Safety Authority to the Inquiry into Commonwealth Procurement

The Australian Maritime Safety Authority's (AMSA) contract for Search and Rescue (SAR) Aircraft (the Contract) is its largest by value (\$640m over 15 years) and extremely important in terms of service delivery in the national SAR system. The contract provides for highly modified aircraft and specialist crews at three locations that can undertake search and life sustaining operations across AMSA's area of SAR responsibility.

Given the value and critical operational nature of the services to be delivered by the successful vendor, AMSA conducted a comprehensive competitive open procurement process. This process leveraged lessons learned from previous engagements with oversight of the approach to market by independent probity advisors and in-house legal counsel.

AMSA's SAR role demands that the service offers a high level of availability and a fast response when tasked. To ensure the service is delivered to a high standard, AMSA has invested considerable time and effort in managing the contract and was pleased to note the ANAO recorded in Audit report No.27 (2020-21) 'Management of the Search and Rescue Aircraft Contract' that it was "being delivered in accordance with the planned cost, scope and delivery timeframe".

In establishing the contract, AMSA analysed the risks inherent in the service and determined which of the parties was best placed to take responsibility for them. That work proved invaluable when modifications to the aircraft were delayed impacting service commencement; the contractor faced a significant financial incentive to minimise delays. Ongoing service delivery is supported by robust KPIs which are clear, quantifiable, reward excellent performance, and have proven a significant motivation for achievement of the base performance targets.

AMSA also closely monitors contract terms, including extension options, to ensure that sufficient lead times are provided to allow AMSA to plan for and return to the market if required to confirm ongoing value for money.

While there are similarities with the surveillance operation contracted by Home Affairs, including companies within the same group providing the services and the need for specialised aircraft, the operational requirements of the two services are very different. AMSA has engaged with Home Affairs on a number of occasions since the completion of both AMSA's audit and that of Home Affairs.

Yours sincerely


MICK KINLEY

22 November 2022