



## **Public Accounts Committee tables its review of the Defence Major Projects Report**

Parliament's Joint Public Accounts and Audit Committee (JCPAA) today tabled its report into the Australian National Audit Office (ANAO) and Defence Materiel Organisation (DMO) Major Projects Report (MPR) 2013-14.

Committee Chair, Dr Andrew Southcott MP, said that the DMO MPR constitutes the ANAO's review and analysis of the progress of selected major Defence acquisition projects managed by DMO, and aims to consider cost, schedule, and capability performance and to function as a longitudinal analysis of procurement projects over time.

"Specific areas of focus in the Committee's review of this year's report include some particular projects listed in the 'Projects of Concern' as well as broader issues regarding governance and business processes" Dr Southcott said.

The Committee, in conjunction with Defence and ANAO, is now focussed on establishing a mechanism through which sustainment reporting can be better scrutinised. Sustainment expenditure is currently at approximately \$5 billion per annum and predicted to increase significantly over time. The Committee considers sustainment expenditure to be an area requiring further parliamentary scrutiny on the adequacy and performance of Defence involving billions of dollars in the future and the scrutiny of sustainment expenditure will complement the reporting of acquisition spending in the MPR.

DMO's abolition and the Department of Defence re-absorbing the DMO's functions, has added an extra dimension to this year's review.

"The Committee, along with ANAO, DMO and the Department of Defence, have worked diligently and constructively over the past eight years to progress the MPR to where it is today. The reforms to the Department are designed to bolster efficiency and they should not result in a diminution in the intensity with which Defence approaches its work. The Committee looks forward to working with the new reformed Department of Defence to produce the same high-quality MPR in the future so as to ensure that the improvement gains made in terms of project acquisition management over the past eight years are maintained. This also applies to the new sustainment reporting that the Committee, ANAO and Defence are now embarking upon." Dr Southcott said.

The JCPAA's report can be found at the Committee's website <http://www.aph.gov.au/jcpaa>.

**For media comment:** please contact Committee Chair, Dr Andrew Southcott MP, on 0402579674 (Matthew Hee).

**For information about the inquiry and public hearing:** please contact the Committee Secretariat on (02) 6277 4615, email [jcpaa@aph.gov.au](mailto:jcpaa@aph.gov.au), or visit the Committee website <http://www.aph.gov.au/jcpaa>.