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CEO/OUT/2013/95

Mr David Brunoro
Secretary
Joint Committee of Public
Accounts and Audit
Parliament House
CANBERRA ACT 2600

Dear Mr Brunoro

HANSARD CORRECTION

I am writing to you to clarify evidence that I gave at the Defence Major Projects Report hearing held on 13 March 2013.

During the hearing, I referred to findings of an independent review of DMO projects that was conducted by Independent Project Analysis (IPA). This review, as I mentioned to the committee, returned some very positive results about the DMO's performance in managing projects compared to the private sector.

In answering a question from Senator Mark Bishop (page 4 of the Proof Hansard 13/03/2013), I said

“We have just had an IPA report done comparing us with the whole of international industry. The first finding in that report was that it is stunning, the performance of Defence in DMO, compared with major projects around the world. On average we come in under budget. On average, mega projects around the world—and they compared us with 14,000 projects—came in 25 per cent over budget.”

I would like to clarify the statement I made about the scope of the comparison that was undertaken. It would be more appropriate to say

“We have just had a benchmarking report done by IPA comparing us with a sample of their database of 14,000 projects. The first finding in that report was that it is stunning, the performance of Defence in DMO, compared with major projects around the world. On average we come in under budget. On average, mega projects around the world—and they compared us with a sample from their database of 14,000 projects—came in 25 per cent over budget.”

I have spoken about this review during a number of other public presentations and transcripts of these speeches are available online. Detailed information about the review's findings is also available on the DMO website:

http://www.defence.gov.au/dmo/news/dmobulletin/2012_issue6/Page6.cfm

I apologise for any misunderstanding that may have arisen.

Yours sincerely

Warren King
Chief Executive Officer

24 April 2013