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Foreign Affairs, Defence and Trade  
References Committee

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**Report on the inquiry into materiel  
acquisition and management in Defence**

**March 2003**

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## **TERMS OF REFERENCE**

On 13 March 2002, the Senate referred the following matters to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by 2 December 2002. On 12 November 2002, the Committee sought and the Senate subsequently agreed to an extension of time to report to 27 March 2003.

1. Whether the current materiel acquisition and management framework of the Department of Defence is effective in meeting the organisation's equipment requirements.

2. In considering this matter, the committee is to examine and report on the following issues:

(a) whether the current materiel acquisition and through-life support system is meeting, and will continue to meet, the needs of Defence and Defence industries in a timely, cost-effective and qualitative manner;

(b) the impact of the Defence Materiel Organisation acquisition reform program on materiel acquisition and management;

(c) the current status of major equipment projects in meeting the organisation's requirements;

(d) the impact of the creation of decentralised System Program Offices on materiel acquisition and management; and

(e) any other issues relevant to the effectiveness of the current acquisitions framework which arise in the course of the inquiry.



# CONTENTS

<i>Membership of the Committee</i>	<i>iii</i>
<i>Terms of reference</i>	<i>v</i>
<i>Acronyms and abbreviations</i>	<i>ix</i>
<b>Recommendations</b>	<i>xi</i>
<b>Introduction and summary</b>	<i>xix</i>
Background	<i>xix</i>
Nature of the Senate inquiry	<i>xx</i>
Findings	<i>xxi</i>
<b>Chapter 1—The DMO’s reform program</b>	<b>1</b>
The establishment of the DMO	2
The nature of DMO’s reforms	4
Organisational structure reforms	5
Process reforms	5
People reforms	7
<i>Turnover, retention and the loss of expertise</i>	8
General impact of reforms thus far	11
Creation of the System Program Offices	13
<b>Chapter 2—Capability development and acquisition</b>	<b>21</b>
<b>Chapter 3—The DMO and industry</b>	<b>29</b>
Funding and budget issues	32
How industry perceives DMO and the reform agenda	35
The relationship of SMEs to DMO	39
Industry–DMO feedback mechanisms	42
Requirements for cultural change	44

Complaint handling and disputes	52
Other issues raised by industry	56
<i>Unsolicited proposals</i>	56
Private financing initiatives	59
Defence—industry partnerships	61
<b>Chapter 4—Projects and project management</b>	<b>65</b>
Enforcement of contract provisions	72
Project Governance Boards	75
Transparency of projects and project management	77
<b>Chapter 5—Tenders and contracts</b>	<b>81</b>
<i>Refining the paperwork</i>	84
Partnerships and alliances	87
Evolutionary acquisition	89
<i>Transparency in tendering and contracting</i>	92
<b>Chapter 6—Test and evaluation</b>	<b>95</b>
<b>Appendices</b>	
<b>Appendix One</b>	
Submissions received by the Committee	103
<b>Appendix Two</b>	
Witnesses who appeared before the Committee at public hearings	105
<b>Appendix Three</b>	
Benchmarks for Committee scrutiny of DMO	109



# ACRONYMS AND ABBREVIATIONS

ABL	Australian Business Limited
AIG	Australian Industry Group Defence Council
AII	Australian industry involvement
ANAO	Australian National Audit Office
ASDEFCON	Australian Defence contract
ASPI	Australian Strategic Policy Institute
CA	Chief of Army
CAF	Chief of Air Force
CTD	Capability and technology demonstrator program
DCP	Defence capability plan
DIAC	Defence Industry Advisory Council
DMO	Defence Materiel Organisation
DSTO	Defence Science and Technology Organisation
DT&E	Development test and evaluation
DTRIALS	Director of trials of the review of test and evaluation in Defence
EA	Evolutionary acquisition
FIC	Fundamental inputs to capability
IPT	Integrated project team
JCPAA	Joint Committee of Public Accounts and Audit
OT&E	Operational test and evaluation
PMM	Project management methodology
PMT	Project management team
PSP	Professional service provider
R&D	Research and development
SAMS	Standard acquisition management system
SMART	Strategic materiel acquisition request for tender
SME	Small to medium enterprise
RFI	Request for information

RFT	Request for tender
SPI	Smart procurement initiative
SPO	System program office
TCD	Test concept documents
T&E	Test and evaluation
TLS	Through life support
TRA	Technical regulatory authority
TRAMM	Technical regulation of Army materiel manual
UK MOD	United Kingdom Ministry of Defence
USDM	Under Secretary Defence Materiel
VCDF	Vice Chief of the Defence Force