HOUSE OF REPRESENTATIVES
COMMITTEES
Public Accounts and Audit Committee
Report
SPEECH
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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES


The reform of the Department of Defence, following the release of the government's First principles review: one Defence in April 2015, represents an opportunity for Defence to redress some of the issues identified within the MPR and by the JCPAA. Ongoing commitment, resourcing and leadership will be required to fully exploit the opportunities that the First Principles Review process offers.

In this year’s review of the ANAO-Defence MPR, the committee has reviewed a number of specific projects, including some of the most problematic—namely the Air Warfare Destroyers and the MRH90 helicopter acquisition. The committee notes that, despite expectations that the risks involved in these projects were considered to be mitigated, errors in risk assessments and suboptimal contract arrangements have resulted in Australian taxpayers carrying a greater burden than necessary. That is a small understatement. Despite some significant improvement in project management and capability delivery, the committee remains concerned that slippage of projects is still occurring. It is also disappointing that some large projects, such as the Air Warfare Destroyers, still require significant sums of additional funding despite all the progress that has been made over the past decade in better managing these types of acquisitions. The committee does, however, note with satisfaction that the MPR, as a document and as a process, has developed into an excellent tool to assess the status of Defence major acquisition projects. The committee commends both the ANAO and the Department of Defence on their continued work on this topic—work that shall continue into the next parliament and beyond.

I thank committee members for their deliberation on these significant matters. I commend the report to the House.

As this will be my last address to the House, I thank the committee for their spirit and cooperation and for the way they went about a task which always has the potential to be made a political football, if that is the intent of the individual. That did not occur on this committee and I commend both sides of the House for doing that. The committee’s work is extraordinarily important. We are very ably supported by a very professional secretariat. I thank David and his team for the support they have given us. The work of this committee will continue in the next parliament. Despite the fact that I am retiring very soon, as I understand it, I will continue to take great interest in the work of this committee, because its work is crucial. If we are to address some of the major deficiencies in the expenditure of taxpayers' funds, this committee is pivotal to that. So I wish the committee in the 45th Parliament all the best. Thank you.