SPEECH

Thursday, 5 May 2016

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES
Mr CONROY (Charlton) (09:43): by leave—I rise to talk about the major projects report—one of the excellent initiatives from the Public Accounts and Audit Committee. The member for Groom was right to highlight a few of the brief issues that have come out from that report. I will not go into detail because today is a very important day for a lot of people, but I just want to highlight a few worrying trends. Firstly, there is the inconsistent treatment of contingency in major projects. This inconsistency adds budget risk to the Commonwealth, and that is of concern. Secondly, there is the treatment of schedule changes when a project is re-baselined by a further government decision—that is, truly understanding the schedule delay if a project goes back for a revised second-pass approval.

Thirdly, I am concerned about the management of project payments by the Department of Defence. To smooth things over when something gets delayed, sometimes they bring payments forward. While that makes sense, it potentially exposes the Commonwealth to forgone revenue.

Fourthly, I want to highlight concerns around the AWD contract, the pain-gain model, and whether people in the private sector that are partners to this contract truly are feeling pain from mismanagement of this contract. I want to highlight that, in evidence to the committee, Defence admitted that both the MRH, the multirole helicopter, and the armed reconnaissance helicopter are still unable to deploy to high-threat environments like the Middle East—despite acquisition starting well over a decade ago, supposedly, for MOTS aircraft. That is something that constrained governments of both persuasions and that needs to be improved upon.

I do want to highlight a good news story, which is that, after concerted actions by the Department of Defence, in particular the Navy, under the last two governments the Collins class submarines are achieving excellent availability. They are hitting their targets. That means that we are getting the training pipeline for new submariners. The Collins is proving to be the best conventionally powered submarine in the world. So, despite a lot of myths out there from the media and other people, the Collins class submarine is a great capability that really is the spearhead for the ADF and it is doing great work. As the chair alluded to, future committee hearings will be looking more at defence sustainment, which is well over half the capability budget for the Department of Defence.

Finally, on behalf of the Labor members, I thank the secretariat. Public Accounts and Audit is one of the premier committees of parliament, and it is served by a great secretariat that does brilliant work. I pay tribute to the two chairs of the committee I have served under in this parliament, the member for Boothby and then the member for Groom. The member for Groom came in as chair in the middle of our most heated inquiry of the last three years, where a few young turks from both sides of parliament were trying to make their names—

Mr Ian Macfarlane: You were one of them!

Mr CONROY: I was one of the young turks—and he controlled us superbly. He looked at the public interest, he understood where people were heading and he managed a very heated committee process very well. So I pay tribute to the members for Groom and Boothby and wish them every success in their future endeavours. Thank you very much.