

“DMO is engaged in challenging acquisition and sustainment activity, involving leading edge technology, complex systems integration and engagement with international defence industry,” Dr Gumley said.

The Government expects DMO to deliver maximum value for every dollar spent on its acquisition and through-life support contracts.

It expects budget approvals to be lean, delivery schedules to be tight and demanding technical challenges to be met. This is essential for the ADF to get the capabilities it needs to do its job.

Schedule delay is a problem with military projects worldwide. DMO is currently managing more than 200 projects, each valued at greater than \$20 million, and with the largest at \$15 billion.

Defence’s analysis of the underlying causes of project slippage continues to show particular risk related to foreign industry’s capacity to meet the challenges of Defence’s expanding capital investment program.

DMO has acquisition projects valued at \$60 billion under management with a further \$40 billion of whole-of-life sustainment projects over 10 years.

DMO must accept risk and manage it carefully. To only take on low-risk projects would compromise the ADF’s performance on operations and would not be in the national interest.

The average delay on major projects has improved since 2003. While any delay is disappointing, DMO actively works with the contractor to deliver quality capability and prevent any further delay.

DMO achieved unqualified financial statements in its first year as a prescribed agency. This is a tribute to its robust business model and to the professionalism of its people.”