



THE HON. JOEL FITZGIBBON MP Minister for Defence

Saturday, 2 May 2009

THE GOVERNMENT'S RESPONSE TO THE MORTIMER REVIEW

The Minister for Defence, the Hon. Joel Fitzgibbon MP, today released the Government's response to the independent review into Defence Procurement and Sustainment, conducted by Mr David Mortimer AO.

Commissioned by the Rudd Government in 2008, the Mortimer Review made 46 recommendations to improve the way Defence develops, acquires and sustains military capability. The Government has announced that it has agreed to 42 of these recommendations in full and to the partial implementation of a further three. Only one recommendation, relating to establishing the Defence Materiel Organisation as an Executive Agency, was not agreed to by the Government.

"The Government's response highlights the scale of change needed to improve Defence procurement. The Defence Materiel Organisation will embark on a radical change program to become more business-like in supporting its customer, Defence," Mr Fitzgibbon said.

The Government's response recognises the strong record of reform in the Defence Organisation since the 2003 Kinnaird Review, and is framed around four key principles:

- The Defence Organisation must become more accountable and transparent in managing the billions of dollars invested in building military capabilities;
- The Defence Materiel Organisation must strengthen its capacity to provide independent advice to Government;
- The Defence Materiel Organisation needs a strong business-like culture to deliver projects on-time, on-budget and to Defence's requirements; and
- The strong relationship between Defence and the Defence Materiel Organisation must be further strengthened. The key priority is meeting Defence's military capability needs and by extension keeping Australia secure.

"The Government's 20 point plan sets out the steps the Defence Materiel Organisation and Defence will take to deliver on these principles. It presents the high points of an extensive reform agenda," Mr Fitzgibbon said

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Mr Fitzgibbon said that the Government's response represents a comprehensive reform program for the management of Defence capability acquisitions.

"The implementation of this response will see earlier engagement by the Defence Materiel Organisation in the major capital equipment acquisition process as part of the Defence Strategic Reform Program," Mr Fitzgibbon said.

"In particular the Defence Materiel Organisation will assume greater responsibility for provision of cost, risk, and schedule information to the Government.

"It is imperative that we achieve the best performance we can in the delivery of military equipment to ensure that the Australian Defence Force is able to respond to different strategic threats and that our men and women in uniform have the capability they need to perform every task as safely, effectively and efficiently as possible."

Copies of the Government's response are available at:
<http://www.defence.gov.au/header/publications.htm>

The 2009 Defence White Paper represents the most comprehensive statement on Defence ever produced. It affirms the Government's commitment to the defence of Australia, the protection of our sovereign interests and the security and stability of our region.

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