



Auditor-General for Australia



1 September 2025

Mr Josh Burns MP
Chair
Joint Committee of Public Accounts and Audit
Parliament House
CANBERRA ACT 2600
By email: jcpaa@aph.gov.au

Dear Mr Burns

Joint Committee of Public Accounts and Audit Report 507: *Inquiry into the 2022–23 Major Projects Report*

I am writing in relation to the recommendations directed to the Australian National Audit Office (ANAO) contained in the JCPAA Report 507: *Inquiry into the 2022–23 Major Projects Report*.

Recommendation 1

The Committee recommends that the Australian National Audit Office and Department of Defence put forward amendments to the Major Projects Report Guidelines that ensure lessons are reinstated to the PDSSs and clarity is provided on the nature and scope of lessons to be included so the intent of this section of the Guidelines is fulfilled.

ANAO Response:

The ANAO agrees to the recommendation and will work with the Department of Defence (Defence) to propose an update to the 2025–26 Major Projects Report (MPR) Guidelines. This may include defining ‘strategic’ and ‘systemic’ lessons in the context of Defence’s practices commensurate with the intent of the Guidelines. Defence will need to implement appropriate internal controls to ensure disclosure of this information in PDSSs is supported by appropriate evidence for ANAO review. The ANAO anticipates that the proposed 2025–26 MPR Guidelines will be provided to the JCPAA by end August 2025 for endorsement, as part of normal practice.

Recommendation 4

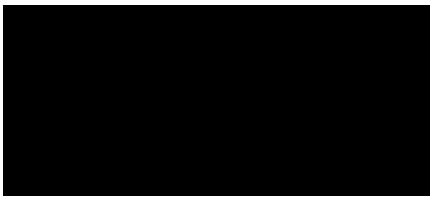
The Committee recommends the ANAO and Department of Defence examine and provide to the Committee in the draft 2025–26 Major Projects Report Guidelines, options for including in the MPR, in an easily accessible format, a high-level summary of modifications to scope, schedule and budget for ‘in-year’ and ‘life-to-date’ of each project. This would allow for the easy identification of project variations, scope changes, and real cost increases. It would include an explanation of: the source of funding for scope changes, whether scope was transferred to other projects/phases, the extent of real budget increases and how they have been met, and whether timeframes were extended.

ANAO Response:

The ANAO agrees to the recommendation and will work with the Department of Defence (Defence) to clarify available project data and provide options for inclusion in the draft 2025–26 Major Projects Report (MPR) Guidelines. The ANAO anticipates that the proposed 2025–26 MPR Guidelines will be provided to the JCPAA by end August 2025 for endorsement, as part of normal practice.

The ANAO notes that while Defence may hold the information the Committee seeks to include in the MPR, it will be up to Defence to ensure the data can be captured and identified in the PDSSs or as part of the *Statement by the Secretary of Defence*.

Yours sincerely



Dr Caralee McLiesh PSM
Auditor-General