

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**ADDITIONAL ESTIMATES 2015**

Prime Minister and Cabinet Portfolio

**Department/Agency:** Australian National Audit Office

**Outcome/Program:**

**Topic:** Risks – selecting a single partner

**Senator:** Xenophon

**Question reference number:**105

**Type of question:** Hansard, FPA Monday 23 February 2015, page 128

**Date set by the committee for the return of answer:** 10 April 2015

**Number of pages:** 1

**Question:**

**Senator XENOPHON:** I will put some questions on notice, but can you tell me what risks are associated with selecting a single partner after a request-for-proposals stage—which I understand to be quite loose, noncommittal and subject to future changes from both supplier and purchaser?

**Mr McPhee:** I do not think I can do justice to that question.

**Senator XENOPHON:** Perhaps you can take that on notice.

**Mr McPhee:** Yes.

**Answer:**

The ANAO's audits of Defence procurement indicate that the key considerations for the effective acquisition of specialist military equipment include: sound capability definition; the quality of proposals submitted by industry; whether the proposed capability solution is developmental or mature; the quality of Defence's assessment, test and evaluation of proposals; and the quality of project management, governance and oversight arrangements. These considerations require careful attention regardless of the number of industry partners.