

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q1: Budget Absorbed Measures**

**Senator Fawcett** asked on 3 June 2013, Hansard page 18.

What is total of absorbed measures in this year's budget that was not available for normal spending?

What is total of absorbed measures since 2009?

**Response:**

Consistent with past practice, absorbed measures include a range of activities including incoming operations and priority capabilities.

There are nine budget measures being absorbed in the 2013-14 Budget for a total of \$362.2 million in 2013-14 and \$1,322.5 million over the Budget year and Forward Estimates. The nine measures shown in the attached Table 1 are: (1) National security – establishment of Australian Cyber Security Centre; (2) Growler (noting that \$200 million additional funding was provided); (3) Defence Abuse Reparation Payment Scheme; (4) Defence Abuse Response Taskforce; (5) Australia hosting the G20 in 2014; (6) coastal surveillance – continuation of Operation Resolute; (7) Timor Leste – transition of Australia's security commitment and future defence engagement; (8) Australia's contribution to UN Trust Fund for the African-led International Support Mission to Mali; and (9) Relocation and establishment of a jointly-operated United States C-band space surveillance radar.

For the period 2009-10 to 2016-17, Defence is absorbing an estimated \$4,106.1 million on budget measures.

Financial Year	Data Source	Program	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	Total
			\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	
FY 2009-10	PBS (Pg 17)	Expansion of the ADF Health Care Trial	16.012	13.823	14.370	0.000	0.000	0.000	0.000	0.000	44.206
FY 2009-10	PBS (Pg 17) (Note 3)	Australia United States Enhanced Defence Cooperation - Humanitarian Assistance/Disaster Relief	0.280	1.395	2.840	3.175	4.037	4.337	1.833	1.681	19.378
FY 2009-10	PBS (Pg 17) (Note 3)	Navy Workforce - increased capacity	30.540	90.715	129.010	148.829	159.829	165.383	171.142	177.114	1,072.662
FY 2009-10	PBS (Pg 17) (Note 3)	Retention of Accommodation on Deployment	7.557	7.848	7.740	7.910	8.254	8.435	8.621	8.810	64.975
FY 2009-10	PBS (Pg 17)	Land Operations in Complex Environments	5.260	21.707	28.860	17.176					73.003
FY 2009-10	PBS (Pg 17)	Continuation of Critical Infrastructure Protection program	1.890	1.938	1.938	2.050					7.816
FY 2009-10	PBS (Pg 27)	Force Protection Electronic Counter Measures Operation Catalyst - Iraq Australian Defence Force Embedded Personnel in Iraq Cessation	49.700	0.000	0.000	0.000					49.700
FY 2009-10	PBS (Pg 27)		2.300	0.000	0.000	0.000					2.300
FY 2009-10	PAES (Pg 21)	Counter Improvised Explosive Device equipment - Operation Slipper <sup>1</sup>	40.000	0.000	0.000	0.000					40.000
FY 2009-10	PAES (Pg 21)	ASPI Funding <sup>1</sup>	2.800	0.000	0.000	0.000					2.800
FY 2010-11	PBS (Pg 25) <sup>1</sup>	Enhanced Force Protection <sup>1</sup>		40.000	0.000	0.000					40.000
FY 2010-11	PBS (Pg 25) <sup>1</sup>	Force Protection Review	97.600	0.000	0.000	0.000					97.600
FY 2010-11	MYEFO 10-11 (pg 152)	Looking after our troops - specialist medical care		0.500	1.400	4.300					6.200
FY 2010-11	MYEFO 10-11 (pg 152)	Looking after our troops - strategic health alliances		1.100	3.600	3.300					8.000
FY 2010-11	MYEFO 10-11 (pg 153)	Looking after our troops - The Simpson Program for wounded ADF members		0.200	5.000	8.600					13.800
FY 2010-11	MYEFO 10-11 (pg 153)	Re-invigorating the Reserves		0.000	0.000	0.000					0.000
FY 2010-11	MYEFO 10-11 (pg 153)	Reserve Humanitarian Assistance and Disaster relief capability		1.500	2.900	3.100					7.600
FY 2011-12	PBS (Pg 28) <sup>1</sup>	Coastal Surveillance - Operation Resolute <sup>1</sup>				9.800	0.000				9.800
FY 2011-12	PBS (Pg 28) <sup>1</sup>	RAAF Williamtown - Improving aircraft noise management <sup>1</sup>				0.000	0.000				0.000
FY 2011-12	PBS (Pg 28) <sup>1</sup> (Note 3)	C-17 Globemaster III Fleet - acquisition of additional aircraft (5th)		211.866	3.322	29.851	5.398	4.405	4.722	4.295	263.869
FY 2011-12	PBS (Pg 28) <sup>1</sup>	Royal Fleet Auxiliary Largs Bay - acquisition		106.115	50.010	0.000					156.125
FY 2011-12	PAES (Pg 22) <sup>1</sup>	AE1 <sup>1</sup>				0.800					0.800
FY 2011-12	PBS (Pg 32) <sup>1</sup>	Operation Kruger <sup>1</sup>			2.100						2.100
FY 2012-13	PBS (Pg 29) <sup>1</sup>	Operation Resolute <sup>1</sup>				9.500					9.500
FY 2012-13	PBS (Pg 29) <sup>1</sup>	Operation Kruger <sup>1</sup>				1.900					1.900
FY 2012-13	PBS (Pg 29) <sup>1</sup> (Note 3)	Intermodal terminal at Moorebank in Western Sydney - Defence relocation				64.800	104.600	132.800	29.800	0.000	332.000
FY 2012-13	PBS (Pg 29) <sup>1</sup> (Note 3)	Bushmaster vehicles - acquisition of long-lead supplies				10.918	0.488	1.404	1.404	1.404	15.698
FY 2012-13	PBS (Pg 30) <sup>1</sup> (Note 3)	CH-47D Chinook Fleet - acquisition of two additional helicopters			18.179	8.185	2.569	3.032	3.032	0.695	33.692
FY 2012-13	PBS (Pg 30) <sup>1</sup>	Electronic Warfare System - long lead item equipment purchase			14.800	0.000					14.800
FY 2012-13	PBS (Pg 30) <sup>1</sup> (Note 3)	C-17A Globemaster aircraft - acquisition (6th)			182.518	32.455	15.818	27.327			268.118
FY 2012-13	PBS (Pg 30) <sup>1</sup>	Maritime Humanitarian Assistance and Disaster Relief Capability - acquisition of an Offshore Support Vessel			130.000	0.000					130.000
FY 2013-14	PBS (Pg 15)	National Security - establishment of Australian Cyber Security Centre									0.000
FY 2013-14	PBS (Pg 15)	Growler					218.800	363.000	384.600	212.700	1,179.100
FY 2013-14	PBS (Pg 15)	Defence Abuse Reparation Payment Scheme					83.900				83.900
FY 2013-14	PBS (Pg 15)	Defence Abuse Response Taskforce <sup>2</sup>					37.100				37.100
FY 2013-14	PBS (Pg 15)	Australia to host the Group of 20 in 2014					7.100				7.100
FY 2013-14	PBS (Pg 15)	Coastal Surveillance - continuation of Operation Resolute					9.900				9.900
FY 2013-14	PBS (Pg 15)	Timor-Leste - transition of Australia's security commitment and future Defence engagement					5.400				5.400
FY 2013-14	Budget Paper 2 (pg 110)	Australia's contribution to UN Trust Fund for the African-led International Support Mission to Mali				5.000					5.000
FY 2013-14	Budget Paper 2 (pg 111)	Relocation and establishment of a jointly-operated US C-band space surveillance radar				0.500					0.500
<b>Annual Totals</b>			<b>253.939</b>	<b>498.607</b>	<b>608.387</b>	<b>360.349</b>	<b>663.173</b>	<b>710.123</b>	<b>604.954</b>	<b>406.899</b>	<b>4,106.131</b>
<b>Total Absorbed Measures Since 2009-10</b>			<b>253.939</b>	<b>762.446</b>	<b>1,360.833</b>	<b>1,721.182</b>	<b>2,384.356</b>	<b>3,084.478</b>	<b>3,699.432</b>	<b>4,106.131</b>	

- Note
1. Data sourced from the respective PBS, PAES or MYEFO.
  2. Defence Abuse Response Taskforce funding provided in FY2012-13 over two financial years.
  3. Data for FY2013-14 to FY2016-17 has been sourced from Defence's Financial Management System.

**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q2: Breakdown of costs associated with projects**

**Senator Johnston** asked the question, upon notice, on 3 June 2013:

What is the proportion breakup of the \$343m across development funding, classified funding and DCP funding? (Hansard, page 10)

**Response:**

The Defence Capability Plan (DCP) funding for 2013-14 is \$343m. This is identified in the key capital investment and sustainment programs table on page 13 of the Defence Portfolio Budget Statements 2013-14, noting the original printed version of this table omitted the line description *Defence Capability Plan (Unapproved)*.

The proportion breakup for the \$343m in 2013-2014 for program development funding, classified programs and DCP funding is provided in the table below:

**Proportion Breakdown for the Defence Capability Plan budget in Financial Year 2013-14 per approval type**

<b>Approval Type</b>	<b>Percentage of Financial Year 2013-14 funds</b>
Other**	17%
Classified	10%
1st Pass	31%
2nd Pass	42%
Total	100%

\*\* "Other" includes Project Development Funding, Priority Industry Fund and Defence Innovation Realisation Fund.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q3: ADF Bulk Fuel Installations**

**Senator Johnston** asked during the hearing on Monday 3 June 2013, Hansard page 25:

Provide a summary of the ADF Bulk Fuel Installations problem and what we have done to address it. What is the funding estimate for remediation?

**Response:**

A remediation program was initiated in January 2013, reporting to a three star steering group chaired by the Vice Chief of the Defence Force. Remediation has commenced on all sites, with work to date focused on the highest priority remediations.

Audit findings to date have identified non-compliances in safety signage (fading), non conforming electrical equipment, electrical bonding or earthing, non-compliant testing laboratories and bunding in poor condition.

Audits of the material deficiencies in the Defence estate are currently 70% complete, and a funding estimate for remediation is not available yet.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q4: Cost of Growler**

**Senator Johnston** asked on 3 June 2013, Hansard page 20-21:

How much of the cost of Growler will be absorbed by Defence in the financial years 2013-14, 2014-15 and 2015-16?

**Response:**

As announced as part of the 2013 White Paper, the Government has decided to acquire 12 new-build EA-18G Growler electronic attack aircraft instead of converting 12 of Australia's existing F/A-18F Super Hornet aircraft into the Growler configuration.

As outlined in the 2013-14 Defence Portfolio Budget Statements, these additional 12 aircraft will cost approximately \$2.7 billion.

In the 2013-14 Budget, the Government provided Defence with an additional \$200 million towards this purchase in 2014-15.

The remaining funding will be met from within existing Defence resources. This includes the \$1.5 billion already committed in the Defence Capability Plan to convert 12 of Australia's existing F/A-18F Super Hornet aircraft into the Growler configuration, which will no longer go ahead.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates - 3-4 June 2013**

**Q5: Force Posture Review (FPR) Recommendations**

**Senator Macdonald** asked on Monday, 3 June 2013, Hansard page 36:

When were announcements made in relation to not proceeding with the FPR's recommendations in relation to using Brisbane as a further naval fleet base?

**Response:**

The Government released a declassified version of the Australian Defence Force Posture Review's (ADFPR) final report on 3 May 2012, and advised that the recommendations of the Review with major resource implications would be considered as part of the *2013 Defence White Paper*.

The Government's decision to not proceed at this time with ADFPR Recommendation 14: "*Defence should commence planning now on long term options for establishing a supplementary east coast fleet base at Brisbane for the Future Submarine and large amphibious ships*" was included in the *2013 Defence White Paper* released on 3 May 2013 (Page 49).

As the Government had stated across this period that this matter would be addressed in the context of Government's decisions on the *2013 Defence White Paper*, this was the most appropriate time to publicly announce this decision.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q6: ANBYG1 Collins Combat System**

**Senator Fawcett** asked on 3 June 2013 Hansard page 61:

With respect to the ANBYG1 Collins combat system, have all 4 of the submissions to the APB working group to date been rejected?

**Response:**

None of the submissions developed to date by Australian industry for the AN/BYG-1 Advanced Processor Build (APB) development program have been accepted into production.

The system solutions developed by Australian industry have not addressed the priorities established for ongoing development of the AN/BYG-1.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q7: Joint Australia/United States Force Posture Working Group**

**Senator Ludlam** asked on Monday 3 June 2013, Hansard page 54:

Is the statement of joint principles for the joint AS-US force posture working group (referred to in a media article of 2012) subject to change? Is it an evolving document? Can it be tabled?

**Response:**

A classified statement of principles was agreed by Australia and the United States in 2010 at AUSMIN to guide working group bilateral discussions on options for cooperation on the United States force posture review.

This document provided guidance for the early exploration of options by officials from Australia and the United States to enhance our defence cooperation through force posture initiatives. It is not an evolving document and does not govern the implementation of the initiatives.

A request for access to this document under the Freedom of Information Act was not agreed as this could diminish the positive working relationship between the Australian and United States Governments. Likewise, tabling the document could diminish the positive working relationship between the Australian and United States Governments.

The *1963 Status of Forces Agreement* has provided the legal framework for the deployment of United States visiting forces since 1963, and applies to United States Marine Corps personnel in northern Australia.

There is no secret agreement governing the implementation of agreed United States force posture initiatives in northern Australia or the activities that deployed United States forces might undertake.

The joint announcement made by the Prime Minister and the President of the United States in November 2011 that there would be a rotational United States Marine Corps presence in Darwin was based on the text of a written joint communiqué which was agreed between the two Governments and made public at the time by the Prime Minister's office.

Aside from the joint communiqué referred to above there are no other written agreements between the Australian and United States Governments specifically relating to the United States Marine Corps rotational deployments and increased aircraft cooperation in northern Australia.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q8: Collins Combat System**

**Senator Fawcett** asked on 3 June 2013 Hansard page 61:

If it is a partnership where we are looking to actually develop with the US this system, would it be your expectation that we could potentially take a part in providing one of our boats as a test bed for fielding systems? If there has been a change made, we could actually look at doing some of that test and evaluation here?

**Response:**

Testing and evaluation is performed at various stages during the joint development of AN/BYG-1 software. Most of the work is performed in purpose-built land-based facilities, prior to the final product being released for at-sea testing aboard a nominated submarine. Given the tempo of the development cycle and the nature of testing to be performed, the at-sea testing and evaluation activity is conducted aboard United States submarines.

On receipt of a new AN/BYG-1 software release from the joint program office, Australian staff conduct a series of acceptance tests in land-based facilities and aboard a Collins Class submarine to confirm that the new software is performing to expectations. Subject to operational requirements, Collins Class submarines are periodically used to test Australian unique capabilities that are not included in the jointly developed AN/BYG-1 software.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates Hearing - 3-4 June 2013**

**Q9: Defence Retirement Payments - Cost of Living**

**Senator Xenophon** provided in writing:

What is the detailed basis of costing the restoration of defence retirement payments to the cost of living? The Prime Minister and other government ministers and members claim that the cost would be “\$6 billion”, or “\$billions”. The Department of Finance has never published the costing on which these claims are made.

**Response:**

In late 2010 the Australian Government Actuary was engaged to provide the Government with costings for the Opposition’s Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010. The Actuary’s advice was not about the restoration of superannuation retirement payment to the cost of living. The Bill proposed to change the indexation of the Defence Forces Retirement Benefits (DFRB) and Defence Force Retirement and Death Benefits (DFRDB) retirement pay for members aged 55 and over from Consumer Price Index (CPI) to something similar to Age Pension indexation.

The costings identified that if the indexation proposal was implemented on 1 July 2011, there would be a \$6.2 billion increase to the projected unfunded liability.

The Actuary's advice on the costing of indexation of DFRDB pensions from age 55 as proposed by the Opposition’s Bill (including DFRB pensions) is enclosed.



Ref No.:

[REDACTED]

13 January 2011

[REDACTED]

Director Superannuation Policy  
BP35-3-074  
Department of Defence  
Brindabella Circuit  
CANBERRA ACT 2600

[REDACTED]

**COSTING OF INDEXATION OF DFRDB PENSIONS FROM AGE 55 AS PROPOSED BY THE OPPOSITION'S BILL (INCLUDING DFRB PENSIONS)**

I refer to your request seeking our advice on the cost impacts of indexing DFRDB and DFRB superannuation pensions in line with the indexation methodology proposed in the Opposition's Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010. As the Bill is currently drafted, the proposed method of indexation would apply only to DFRDB pensions. Changes to the indexation of DFRB and MSBS pensions are not included in the Bill. However, you have asked us to provide a separate costing that includes DFRB pensioners on the assumption that if a change is made to the DFRDB pension indexation methodology, then subsequently, an equivalent change would also be made DFRB pension indexation methodology. For this costing, therefore, we have assumed the changed indexation arrangements would apply to both DFRDB and DFRB pensioners over age 55. CPI indexation would continue to apply for those pensioners less than age 55. This includes invalidity A and B pensions and spouse death in service pensions.

The proposed indexation methodology for those over age 55 is quite complex but, in effect, would result in a rate of indexation that is at least as much as the Age Pension increase every six months. It could be more but it can't be less. We have looked at the increases that would have resulted using the proposed methodology given the Age Pension and CPI increases over the past fifteen years and, based on this analysis, estimate that the methodology included in the Bill would result in an average indexation rate approximately 0.3 percentage points per annum higher than the Age Pension increases.

The Age Pension has traditionally increased in line with the CPI (or more recently the increase in the Pensioner and Beneficiary Living Cost Index, if greater) but is subject to a minimum percentage of MTAW. In the long term, wages increase at a faster rate than CPI and hence in the long term the Age Pension increases in line with MTAW. However, from

[REDACTED]

time to time there are changes to Age Pension arrangements which could result in an unexpected increase or decrease in Age Pension payment rates. The most recent example of this was the 2009 Rudd government increase in the minimum rate of Age Pension for singles from 25% of MTAWWE to 27.7% of MTAWWE (with similar increases in the couples' rate).

We have previously done costings for MTAWWE indexation for DFRDB and DFRB pensioners over age 55 with the results given in our letter of 7 October 2010 to Mr George Sotiropoulos. For this costing, we assumed that MTAWWE indexation of pensions would be at the rate of 4.0% pa compared to the rate of 2.5% pa assumed for CPI indexation. If it is assumed that there will be no further one off increases in Age Pension rates in the future, then the comparable pension increase assumption for those aged over 55 should be 4.3% pa (4.0% pa MTAWWE indexation plus 0.3% pa for the Bill methodology relative to Age Pension increases).

#### **Approach and Assumptions**

We have used data as at 30 June 2009 for the costings and assumed that the first indexation date under the new arrangements would be 1 July 2011. That is, the last indexation date under the current (CPI) arrangements would be 1 January 2011. There were 56,949 DFRDB pensioners valued as at 30 June 2009 (including DFRB pensioners). Total annual DFRDB pensions valued as at 30 June 2009 were \$1,276m. The total number of DFRDB contributors valued as at 30 June 2009 was 4,612 with total superannuation salaries of \$430m.

We have used the same assumptions as were used for the Long Term Cost Report as at 30 June 2008. We have further assumed that pensions for those over age 55 will be increased at 4.3% per annum. For those less than age 55, the pension will continue to be CPI linked and we have retained the 2.5% pa assumed rate of CPI increases for the period until age 55 is attained.

#### **Results**

There are a number of measures of the cost of moving to Opposition's proposed indexation. They are:

- the increase in the unfunded liability and the notional employer contribution rate;
- the additional cash expenditure; and
- the fiscal balance.

**[REDACTED]**



***Unfunded liability and notional employer contribution rate***

This provides the best measure of the underlying costs to the Commonwealth arising from the benefit improvement in present day terms. The increase in the unfunded liability represents the increase in costs in respect of employment service provided by members of the DFRDB up to 30 June 2011. The increase in the notional employer contribution rate measures the increased cost as a percentage of salaries for future employment service after 30 June 2011 by members of DFRDB.

Multiplying the percentage increase in the contribution rate by projected salaries gives the additional accrual cost relating to service after 30 June 2011 in nominal dollar terms. When these additional nominal dollar costs are discounted to give a present value and combined with the additional unfunded liability, it gives the total cost of the benefit improvement.

As there are only a small proportion of DFRDB members serving in the ADF and they are mostly expected to retire over the next 5 to 10 years, over 95% of the total cost of the benefit improvement relates to employment service provided before 30 June 2011.

***Unfunded Liability***

Our latest estimate of the unfunded liability for DFRDB (including DFRB) as at 30 June 2009 is \$25.4bn. The DFRDB unfunded liability is expected to plateau in nominal dollar terms for the near future and is projected to be \$25.5bn at 1 July 2011. The following table shows the impact of the indexation proposal if it were to be implemented as at 1 July 2011.

	<b>Projected Unfunded DFRDB Liability (1 July 2011) (\$bn)</b>	<b>Increase in Projected Unfunded Liability (1 July 2011) (\$bn)</b>
Current arrangement	25.5	0.0
Opposition Bill indexation from age 55	31.7	6.2

***Notional Employer Contribution Rate***

The effect on the notional employer contribution rate from the indexation proposal if it were to be implemented as at 1 July 2011 is as follows:



	<b>Notional Employer Contribution Rate</b>	<b>Increase as a Percentage of DFRDB Superannuation Salaries</b>
	<b>%</b>	<b>%</b>
Current arrangement	33.3	0.0
Opposition Bill indexation from age 55	40.6	7.3

Note that the notional employer contribution rate for the current arrangement is based on calculations using data as at 30 June 2009. The resulting contribution rate is slightly different from that from the latest Long Term Cost Report which used data as at 30 June 2008.

The impact of the increased employer cost in dollar terms resulting from the higher notional employer contribution rates can be seen in the additional accrual cost figures given in the table reconciling the opening and closing additional unfunded liabilities used to derive the fiscal balance outcomes.

#### ***Additional Cash Expenditure***

The additional cash expenditure provides an estimate of the future cash impacts on the Commonwealth's cash budget from the benefit improvement. It is important to note that it takes a considerable time for the additional expenditure to peak and that additional cash expenditure is incurred over a very long period of time (including years after the end of the projection period).

The total cost of the benefit improvement can be calculated as the sum of the discounted future additional cashflows (including those not shown after the end of the projection period) and this will give an identical result to the total cost calculated as the sum of the additional unfunded liability and discounted additional future accruals. In other words, the unfunded liability plus additional notional employer contributions are measuring the same thing as the additional cash expenditure. It is important to note that this relationship only holds where a scheme has been closed to new members.

The table below shows the expected additional cash expenditure to 2054/55 if the change were to be introduced with effect from 2011/12 with the first indexation date under the new arrangements being 1 July 2011. As the expenditure is shown in nominal dollars and has not been discounted to give a present value, the additional expenditure has also been expressed as a percentage of GDP using the same projected GDP figures as were used for the Long Term Cost Report as at 30 June 2008.

**████████████████████**

	<b>Additional Expenditure (Opposition from age 55) \$m</b>	<b>Additional Expenditure (Opposition from age 55) % GDP</b>
2011/12	14	0.001%
2012/13	33	0.002%
2013/14	53	0.004%
2014/15	75	0.005%
2015/16	98	0.006%
2016/17	123	0.007%
2017/18	149	0.008%
2018/19	176	0.009%
2019/20	205	0.010%
2020/21	235	0.011%
2021/22	267	0.012%
2022/23	299	0.013%
2023/24	332	0.014%
2024/25	366	0.014%
2025/26	401	0.015%
2026/27	437	0.016%
2027/28	472	0.016%
2028/29	508	0.016%
2029/30	544	0.017%
2030/31	580	0.017%
2031/32	616	0.017%
2032/33	650	0.017%
2033/34	685	0.017%
2034/35	718	0.017%
2035/36	749	0.017%
2036/37	780	0.017%
2037/38	808	0.017%
2038/39	835	0.017%
2039/40	860	0.016%
2040/41	882	0.016%
2041/42	901	0.016%
2042/43	918	0.015%
2043/44	931	0.015%
2044/45	941	0.014%
2045/46	948	0.014%
2046/47	950	0.013%
2047/48	949	0.013%
2048/49	944	0.012%
2049/50	934	0.011%
2050/51	921	0.011%
2051/52	903	0.010%
2052/53	882	0.009%
2053/54	857	0.009%
2054/55	828	0.008%

Note that although the projected additional cash expenditure is only shown to 2054/55, there is further additional cash expenditure in subsequent years. The amounts involved are falling rapidly in terms of a percentage of GDP as most pensioners would be quite old at this stage but the additional cash expenditure would still be considerable in 2011 terms.

### ***Fiscal balance***

Fiscal balance figures are used for accrual accounting purposes. They are also mandatory for cabinet submissions. However, great care should be exercised when using fiscal balance figures for decision making purposes, particularly in the area of unfunded superannuation arrangements.

In the short term, the fiscal balance figures can be thought of as a measure of the cost to Government of the benefit improvement that is not being captured by the cash expenditures. For the proposal under consideration, for example, additional cash expenditures are small in the short term but the interest on the additional unfunded liability is substantial. In this regard, the fiscal balance figures provide a useful reminder that this is an expensive measure.

However, it is important to note that there is no direct relationship between the fiscal balance results and the total cost of the benefit improvement other than in the first year of the projection.

In the context of the current costing, the short term fiscal balance costs probably are not unreasonable when used in a decision making context. However, over the period from 2011/12 to 2049/50, we are of the view that, overall, the fiscal balance figures present a misleadingly high representation of the underlying costs to the Commonwealth.

The table below reconciles the opening and closing additional liability for the period from 2011/12 to 2049/50. The first five columns (excluding the year) reconcile the opening and closing additional liabilities; the closing additional liability is the opening additional liability plus the additional accrual cost plus the additional interest cost less the additional payments. These figures are then used to derive the fiscal balance figures for the benefit improvement for the same period. The fiscal balance is the sum of the accrual cost and the interest cost. The figures in the table are shown to the nearest \$0.1m to make it easier to follow through the reconciliation. It should be noted that the implied level of accuracy of the figures from this practice, particularly the additional liability figures, is definitely not warranted. Elsewhere in this letter we have quoted figures at a level which we believe is more reflective of the warranted accuracy.

The additional accrual figure is the value of the extra benefits accruing as a result of service as an ADF member during the year. (The superannuation package for a serving ADF

**████████████████████**

member is worth more because of the better indexation arrangements for pensions.) The interest rate used for the reconciliation and the fiscal balance is 6% per annum. The interest cost assumes a full year's interest cost on the opening additional liability and half a year's interest cost on the difference between the Additional accrual cost and the Additional payments.

Year	Opening additional liability (\$m)	Additional accrual cost (\$m)	Additional interest cost (\$m)	Additional payments (\$m)	Closing additional liability (\$m)	Additional fiscal balance (\$m)
2011/12	6,157.2	18.7	369.6	(13.7)	6,531.8	388.3
2012/13	6,531.8	15.8	391.4	(32.9)	6,906.1	407.2
2013/14	6,906.1	13.2	413.2	(53.3)	7,279.2	426.4
2014/15	7,279.2	11.0	434.9	(75.0)	7,650.1	445.9
2015/16	7,650.1	8.8	456.4	(98.2)	8,017.1	465.1
2016/17	8,017.1	7.2	477.6	(122.7)	8,379.1	484.8
2017/18	8,379.1	5.4	498.5	(148.8)	8,734.3	503.9
2018/19	8,734.3	4.1	519.0	(176.3)	9,081.1	523.1
2019/20	9,081.1	3.1	538.9	(205.2)	9,417.9	542.0
2020/21	9,417.9	2.3	558.2	(235.3)	9,743.1	560.5
2021/22	9,743.1	1.8	576.8	(266.6)	10,055.0	578.5
2022/23	10,055.0	1.2	594.5	(299.0)	10,351.7	595.7
2023/24	10,351.7	0.7	611.3	(332.2)	10,631.5	612.0
2024/25	10,631.5	0.4	627.1	(366.3)	10,892.6	627.4
2025/26	10,892.6	0.2	641.7	(401.2)	11,133.3	641.9
2026/27	11,133.3	0.1	655.1	(436.6)	11,351.9	655.2
2027/28	11,351.9	0.0	667.2	(472.3)	11,546.7	667.2
2028/29	11,546.7	0.0	677.8	(508.4)	11,716.1	677.7
2029/30	11,716.1	0.0	686.9	(544.4)	11,858.6	686.9
2030/31	11,858.6	0.0	694.4	(580.2)	11,972.7	694.4
2031/32	11,972.7	0.0	700.2	(615.7)	12,057.2	700.2
2032/33	12,057.2	0.0	704.2	(650.5)	12,110.9	704.2
2033/34	12,110.9	0.0	706.4	(684.5)	12,132.8	706.4
2034/35	12,132.8	0.0	706.8	(717.5)	12,122.0	706.8
2035/36	12,122.0	0.0	705.2	(749.3)	12,077.8	705.2
2036/37	12,077.8	0.0	701.6	(779.7)	11,999.7	701.6
2037/38	11,999.7	0.0	696.1	(808.3)	11,887.5	696.1
2038/39	11,887.5	0.0	688.6	(835.1)	11,741.0	688.6
2039/40	11,741.0	0.0	679.0	(859.6)	11,560.4	679.0
2040/41	11,560.4	0.0	667.6	(881.7)	11,346.3	667.6

Year	Opening additional liability (\$m)	Additional accrual cost (\$m)	Additional interest cost (\$m)	Additional payments (\$m)	Closing additional liability (\$m)	Additional fiscal balance (\$m)
2041/42	11,346.3	0.0	654.1	(901.1)	11,099.3	654.1
2042/43	11,099.3	0.0	638.8	(917.6)	10,820.5	638.8
2043/44	10,820.5	0.0	621.7	(931.0)	10,511.2	621.7
2044/45	10,511.2	0.0	602.9	(941.0)	10,173.0	602.9
2045/46	10,173.0	0.0	582.4	(947.5)	9,807.8	582.4
2046/47	9,807.8	0.0	560.4	(950.2)	9,418.0	560.4
2047/48	9,418.0	0.0	537.0	(949.0)	9,006.0	537.0
2048/49	9,006.0	0.0	512.5	(943.7)	8,574.8	512.5
2049/50	8,574.8	0.0	486.9	(934.4)	8,127.3	486.9

Note that the sum of the accrual cost and the interest cost may not be exactly equal to the fiscal cost due to rounding.

As noted previously, the additional accrual cost is the projected salaries for a financial year multiplied by the additional notional employer contribution rate. It should be noted that the projected salary figures have been based on the assumptions used for the Long Term Cost Report. Since 2008, the numbers of serving members of the ADF in DFRDB have not fallen as fast as would be predicted by the Long Term Cost Report assumptions. This is for a number of reasons. The first is that the Long Term Cost Report assumes that all members currently over age 55 and those projected to still be in service at that age retire immediately. This is clearly not what happens in practice. The second is that the Long Term Cost Report does not allow for new re-entered recipients. Recent years have seen significant increases in the number of re-entered recipients, most of whom are accruing benefits under the DFRDB. The third is that there seems to have been a noticeable reduction in exits from the ADF in recent years which may be partly due to the introduction of a number of retention initiatives. As there are more serving ADF personnel in DFRDB than anticipated using the Long Term Cost Report assumptions and we would expect this to persist, at least in the short term, in practice the accrual costs would almost certainly be higher than those given above.

#### Comments on Results

It can be seen from the results that a move to Opposition's proposed indexation methodology for DFRDB pensioners aged 55 or more is an expensive benefit improvement. Such a move results in about a 25% increase in the total cost of DFRDB (including DFRB).

Additional Commonwealth cash expenditure in the first few years after any change would be relatively small but the additional amount of cash expenditure would increase and become very noticeable. Extra annual cash expenditure in nominal dollars would peak after about

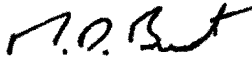
35 years time at around \$950m. The peak extra annual expenditure expressed as a percentage of GDP occurs after around 25 years.

**Clawback**

The costs above represent the additional costs for DFRDB (including DFRB). If these extra costs are incurred by the Commonwealth for the DFRDB, there should be some consequential reduction in the Commonwealth's Age Pension outlays and some consequential increase in taxation receipts. This is referred to as Clawback. Clawback estimates are very subjective as they involve assumptions about future Age Pension levels and means tests, as well as assumptions on tax rates and thresholds. Clawback also involves making assumptions about the private savings and spending behaviour of DFRDB pensioners. We have not provided a clawback estimate in this advice.

Should you wish to discuss this letter please contact me on [REDACTED].

Yours sincerely



Michael Burt  
Actuary

[REDACTED]

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 - 4 June 2013**

**Q10: Cost Drivers of Recruitment in Defence**

**Senator Johnston** asked on Monday 3 June 2013, Hansard page 65:

**Major Gen. Fogarty:** We have been recruiting for some time. We recruit anywhere between 6,000 to 10,000 new entrants to the Australian Defence Force every year. The figures that have been provided to you, and which I confirmed were roughly about \$60 million to \$80 million a year, are consistent with what we have been doing over recent years.

**Senator JOHNSTON:** Why is it so high? Is it the number of people? Is it the quality of the people? Is it how much time we spend on each person? What is the big cost driver in recruitment in Defence? It strikes me that \$74 million per annum is very high.

**Major Gen. Fogarty:** I will take the question on notice and provide you a detailed list of the breakdown of that \$60 million to \$80 million a year. I can confirm that the period from 1 July to 31 December 2012 was in fact \$37.567 million.

**Response:**

(1) The cost drivers of Australian Defence Force recruitment are divided into four broad categories:

- (a) Recruiting targets and priorities;
- (b) Marketing expenditure;
- (c) Recruiting Facilities and Information and Communications Technology; and
- (d) Assessment of candidates.

(2) The \$60-80 million per annum spent on the Recruiting Services Contract can be broken down into four elements paid to the Recruiting Services Contractor:

- (a) A fixed fee cost which covers the extensive fixed elements of the contract. Total fixed fee costs for the financial year 2012-13 were approximately \$45 million.
- (b) A per head enlistment fee which is paid for each enlistment. Total per head enlistment fees for the financial year 2012-13 were approximately \$22 million.
- (c) Reimbursable costs incurred by the contractor to cover the variable costs associated with recruiting. Total reimbursable costs for the financial year 2012-13 were approximately \$2.5 million.
- (d) High value target payments which are incentives for the recruitment of high priority job types and other Defence priorities. Total high value target payments for the financial year 2012-13 were approximately \$1 million.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE—COMMITTEES**

**Senate Budget Estimates - 3-4 June 2013**

**Q11: (Armidale Class Patrol Boat) Patrol Days Lost due to Unscheduled Crew Absences**

**Senator Kroger** asked on 3 June 2013 Hansard page 72:

In financial year 2012–2013 for Operation Resolute, were there any Armidale Class Patrol Boat patrol days lost due to unscheduled crew absences?

**Response:**

During 2012 and to 3 June 2013 no availability days have been lost due to crew absences for Armidale Class Patrol Boats (ACPBs) force assigned to Operation Resolute.

In non-Operation Resolute Armidale Class Patrol Boat (ACPBs), five availability days have been lost due to the absence of mission essential crew members: one ACPB for three days in October 2012 and one ACPB for two days in April 2013.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE—COMMITTEES**

**Senate Budget Estimates - 3–4 June 2013**

**Q12: Armidale Crews Not-at-Sea Ratio (70 to 30)**

**Senator Kroger** asked on 3 June 2013 at Hansard page 71.

(For FY 2012-13) how many Armidale crews actually were deployed on patrol or active out at sea in excess of the targeted 70 to 30 ratio?

**Response:**

Commander Joint Task Force 639 keeps statistics on the operational tempo of all Force Assigned Armidale Class Patrol Boat (ACPB) crews by month. The statistics show that, for 2012-13, all ACPB crews exceeded the operational tempo target of 70 per cent at sea to 30 per cent alongside when force assigned to Operation RESOLUTE during the fiscal year. The lowest ratio achieved by a specific crew for that period was 72:28 and the highest ratio was 88:12. The average across the ACPB Fleet for 2012-13 was 80:20, which accords with the estimate made by the Chief of Navy to Senator Kroger on the day of Senate hearings (Hansard p.70).

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates – 3-4 June 2013**

**Q13 - Budgets for Seaworthiness Board and Rizzo Reform Program Board**

**Senator Johnston** asked on 3 June 2013 at Hansard page 78.

What are the budgets for the Seaworthiness Board and the Rizzo Reform Program Board?

**Response:**

The budgets for the Seaworthiness Board and the Rizzo Reform Program Board are as follows:

**Seaworthiness Board**

The budget for the Seaworthiness Board for FY12/13, based on allocated funded reserve days to Seaworthiness Board members, is \$233,432.80. This allocation includes preparation, conduct and debrief for four seaworthiness boards and two seaworthiness workshops. This figure was calculated using non specialist reserve top pay rate for; Rear Admiral, 70 days at \$684.16 per day, Commodore, 300 days at \$587.53 per day, and Captain (Medical Officer), 15 days at \$618.84 per day.

**Rizzo Reform Program Board**

All Rizzo Reform Program Board meetings are held in Canberra. All board members are Permanent Naval Force or Australian Public Service and reside in Canberra, with the exception of the Fleet Commander who attends via video conferencing. Therefore the budget allowance for a Rizzo Reform Program Board is nil.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q14: Spanish Combat Replenishment Ship *Cantabria***

**Senator Macdonald** asked on 3 June 2013, Hansard page 80.

When you say supporting ships in the local area, do you mean ships other than those engaged in Operation Resolute or for ships including those involved in Operation Resolute?

**Response:**

The Royal Australian Navy ship HMAS *Parramatta* was not force assigned to Operation Resolute at the time it was replenished by the Spanish Combat Replenishment Ship *Cantabria*.

HMAS *Parramatta* had been released from Operation Resolute at Christmas Island and was proceeding to Darwin. Enroute, HMAS *Parramatta* was refuelled by the Spanish Combat Replenishment Ship *Cantabria*, before it was force assigned again into Operation Resolute.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates hearing - 3-4 June 2013**

**Q15: Operational Budgets of Operation Resolute**

**Senator Kroger** asked on 3 June 2013 at Hansard page 76.

Have you ever had to alter your operational budgets from other areas in the current financial year to cover the increasing costs of Operation RESOLUTE and the support it requires from the Navy?

**Response:**

Yes. Operation Resolute has been funded from within Navy's Group budget allocation, as it did not meet the \$10m threshold for it to be funded on a no win/ no loss basis. As at 31 May 2013 Navy has expended \$2.9m in the current financial year - which comprises of suppliers expenses of \$2.6m and employee allowances \$0.3m.

Navy has increased the level of sustainment funding for Armidale Class Patrol Boats during 2012-13 by \$1.1m - from \$35.7m to \$36.8m. This increased sustainment funding was provided for the following:

- In-service support performance payment; and
- Rigid hull inflatable boat reconfiguration trial.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates – 3-4 June 2013**

**Q16: BAE Systems Australia and Wearings**

**Senator MacDonald** asked on Monday 3 June 2013,

In regard to the recent Senate SQN 2970 mechanical work done in Townsville and Bandiana.

- 1) On cost comparison of Wearings against BAE Defence averaged across 4 Wearings engines? Why did Defence average across 4 and not 12? [MacDonald: Wearings claim that averaged across 12 would give a cheaper answer].
- 2) Can we provide breakdown on parts for Mack truck engines?
- 3) What does the DIDs system cost for transport of engines noted in the previous SQON from Senator MacDonald?

**Response:**

(1) When comparing Wearings Diesel Engine Services Pty Ltd and Defence's prime contractor, BAE Systems Australia (BAESA), Defence compared 'like for like'. The cost of each engine rebuild is dependent on the condition of the internal components of the engine. The decision to average the cost across four rebuilds per engine type was based on providing a comparison for similar work undertaken between Wearings Diesel Engine Services Pty Ltd and BAESA.

In order to provide greater clarity the following table has the total number of engine rebuilds by Wearings Diesel Engine Services Pty Ltd and a comparison with similar work undertaken by BAESA for an equivalent number of vehicle variants. As each engine rebuild is different and therefore at a different cost the table outlines 38 rebuilds undertaken at Wearings Diesel Engine Services Pty Ltd and, as stated, as close as possible to an equivalent in the Defence network. One engine rebuilt by Wearings Diesel Engine Services Pty Ltd for a Unimog Medium Recovery Vehicle (MRV) in September 2011 was not included in the calculations as BAESA did not undertake any similar work during the same period.

Type	Financial Year 2010-11			Financial Year 2011-12		
	No. of Jobs Compared	Wearings Average Cost	BAESA Average Cost <sup>4</sup>	No. of Jobs Compared	Wearings Average Cost	BAESA Average Cost <sup>4</sup>
Land Rover 4x4	5	12, 256.43	11, 361.59	2	12, 453.11	7, 592.52
Land Rover 6x6	5	12, 548.70	9, 390.09	0	-	-
Unimog	10	16, 351.62	13, 965.88	11 <sup>1</sup>	16, 394.02	20, 152.33 <sup>2</sup>

Mack	4	29, 378.34	15, 803.12 <sup>3</sup>	1	27, 968.68	18, 458.85
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**Notes:**

1. Wearings Diesel Engine Services Pty Ltd rebuilt 12 Unimog engines, however, only 11 were 'averaged' as one Unimog rebuild was of a MRV variant (in September 2011 at a cost of \$17, 335.24). BAESA did not undertake any similar work during the same period.
2. Under the Enhanced Equipment Pool trial in the financial year 2011-12, 66 per cent of Army's poorest conditioned Unimogs were returned to Joint Logistics Command for management and subsequent deep level maintenance. This resulted in a number of extensive engine rebuilds by BAESA at Bandiana above the expected rebuild requirement. As a consequence in the financial year 2011-12, BAESA costs for Unimog engine rebuilds were higher based on a larger number of work hours and/or subsequent increase in repair parts per vehicle.
3. BAESA only completed 3 Mack engine rebuilds during this period. Therefore the BAESA cost, as recorded, is the average of these three rebuilds while the Wearings Diesel Engine Services Pty Ltd cost for Mack engine rebuilds is averaged over four rebuilds.
4. The price for works completed by BAESA at Bandiana, also includes costs for packaging and storing at the national engine storage facility at Bandiana. The cost for distribution to/from Bandiana is absorbed by standing distribution arrangements. These costs are provided as a response to Question 3

For the period 1 July 2012 to 6 May 2013 BAE Systems Australia, at Bandiana, refurbished a total of 111 engines. Only three engines (two Land Rover and one Unimog) were dispatched from Townsville for exchange. This exchange occurred as it was assessed that there was no value for money in the rebuilding of the engines in Townsville. It was intended that these three engines be assessed as 'blocks', to be broken down to component parts in order to refurbish other engines in the network.

(2) The attached table lists the base repair parts used by BAESA at the National Pool repair at Joint Logistics Command Unit – Victoria, to cost the rebuild of Mack truck engines. However there is no standard cost as each engine rebuild can vary and additional parts may be required. Defence receives a discount for parts through the Mack Through Life Support Contract with Volvo Group Australia.

Item	Description	Part Number	Qty Req	March 2013	Total
1	gasket, turbo to exhaust manifold	590GB49	1.00	\$9.50	\$9.50
2	bearing, ball, annular, overall steel, 0	25100046	1.00	\$89.96	\$89.96
3	gasket set, upper cylinder and lower cr	126SB184A	1.00	\$239.42	\$239.42
4	thermostat, flow control,	215SB165CP3	1.00	\$47.70	\$47.70
5	hose, coolant-silicone, 1-1/4 in. id, 2 i	160AX532P2	1.00	\$8.32	\$8.32
6	hose, coolant-silicone, size 16, 4 ply, 1	160AX538	2.00	\$5.27	\$10.54
7	hose, preformed, air inlet, turbocharger	744GB310P2	1.00	\$29.46	\$29.46
8	hose, nonmetallic, 3 in.od	744GB310	1.00	\$22.59	\$22.59
9	hose, rubber, coolant, 1-1/2 in id	8218-4	1.00	\$52.68	\$52.68
10	hose, coolant-silicone, 2 ply, 1-3/4 in	160AX523	1.00	\$9.78	\$9.78
11	switch, elct., sender unit	7MG26AP6	1.00	\$127.98	\$127.98
12	hose, preformed, rubber synthetic, interc	744GB232	1.00	\$30.46	\$30.46
13	hose, coolant-silicone, size 14, 7/8 in	160AX537P2	1.00	\$6.54	\$6.54
14	gasket, turbo oil drain tube to hose	590GB1296A	1.00	\$5.78	\$5.78
15	hose, oil return, turbocharger,	744GB230AP4	1.00	\$40.58	\$40.58
16	stud, plain, st	616GC180B	4.00	\$21.58	\$86.32
17	nut, self-locking, extended washer, hexagon	21AX852	4.00	\$5.79	\$23.16
18	plug, expansion, crankcase, lh, front	79AX65	9.00	\$4.08	\$36.72
19	guide, valve stem, plain.	714GB210P4	12.0	\$17.67	\$212.04

20	plug, expansion, cylinder head, 1-3/4 in.	79AX66Z	4.00	\$7.18	\$28.72
21	seat, valve, insert, inlet, standard size	13GC2237	6.00	\$18.61	\$111.66
22	insert, engine valve seat, exhaust, std.	13GC2247P15	6.00	\$19.55	\$117.30
23	insert, injection nozzle holder,	12GC129	6.00	\$57.98	\$347.88
24	nut, plain, hexagon, 7/16 in.14 unc-2b co	25106105	12.0	\$0.52	\$6.24
25	hose, preformed, rubber synthetic, front	744GB37P3	1.00	\$21.04	\$21.04
26	valve, poppet, engine, inlet	690GC428	6.00	\$112.27	\$673.62
27	valve, poppet, engine, exhaust	688GC337A	6.00	\$114.73	\$688.38
28	spring, relief valve plunger, steel	572GC130	1.00	\$10.46	\$10.46
29	plunger, oil pressure relief valve,	296GC21A	1.00	\$19.14	\$19.14
30	filter servicing kit, 3 oil filter, ele	57GC295C	2.00	\$76.64	\$153.28
31	spacer, ring, copper, 0.891 in.id, 1.125 i	39AX23	1.00	\$2.71	\$2.71
32	sleeve, seal, coupler, synthetic rubber	52AX36	2.00	\$3.50	\$7.00
33	sleeve, seal, coupler, synthetic	52AX37	2.00	\$0.82	\$1.64
34	washer, flat,	20704755	12.0	\$0.69	\$8.28
35	clamp, hose, band, steel, zinc plated, worm	20704991	2.00	\$5.62	\$11.24
36	clamp, hose, worm drive, 1.060 to 2.000 i	85135334	4.00	\$4.22	\$16.88
37	clamp, hose, worm drive, 0.8 to 1.5 inche	83AX838	8.00	\$3.53	\$28.24
38	clamp, hose, worm drive, 0.690 to 1.250 i	83AX756	2.00	\$1.57	\$3.14
39	hose, preformed, tip turbine fan to air	774GB37P5	1.00	\$11.65	\$11.65
40	stud, plain, unc, 2b, steel, 7/16 in.thd, 0.	616GC28A	12.0	\$11.44	\$137.28
41	hose, coolant-silicone, 2 ply, 1-1/2 in.	160AX534	1.00	\$10.74	\$10.74
42	nozzle assembly, fuel, pressure, atomizi	736GB335X	6.00	\$149.12	\$894.72
43	transmitter, temperature, electrical, resi	AYG9603	1.00	\$15.46	\$15.46
44	hose, nonmetallic, 0.188 in. nominal id.	243AX6F	1.00	\$5.15	\$5.15
45	locking plate, nut and, bolt	87GC212	4.00	\$11.50	\$46.00
46	locking plate, nut and, bolt	87GC213	2.00	\$12.41	\$24.82
47	plug, pipe, steel, 1/2in nptf/m, headless,	A-A-59616ACABUD	3.00		\$0.00
48	cap, fuel return line, cap, fuel return	25108378	1.00	\$1.10	\$1.10
49	clamp, hose, spring tension type, 0.240 i	83AX906	1.00	\$0.78	\$0.78
50	clamp, hose, worm drive, 3.310 to 4.250 i	20705940	2.00	\$4.73	\$9.46
51	washer, key,	83GC11	1.00	\$7.01	\$7.01
52	gasket,	590GB2111A	2.00	\$5.75	\$11.50
53	clutch assembly, friction, consists of c	2104-208935182	1.00	\$882.38	\$882.38
54	plug, expansion, 2.624 in min./2.629 in.	277GC116	1.00	\$14.73	\$14.73
55	plug, aircraft, mater, 1.38 in. dia x 0.2	79AX67	4.00	\$2.35	\$9.40
56	siege, valve shut-off	8609-HD811231	1.00	\$14.09	\$14.09
57	spacer, sleeve, 13/32 in. nom id, 13/16	35AX437	4.00	\$18.47	\$73.88
58	washer, key, steel, 0.75 in. w, 0.036 in	87GC133	6.00	\$2.42	\$14.52
59	nut, self-locking, hexagon, injection pum	142GC172	1.00	\$15.00	\$15.00
60	washer, flat, copper, 1.016 in. id, 1.25	38AX53	1.00	\$3.87	\$3.87
61	plate, instruction, valve clearance adju	25104472	1.00	\$8.59	\$8.59

<b>Total</b>	<b>\$5, 558.51</b>
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(3) The current Defence Integrated Distribution System cost to transport engines, by type, from Townsville to Bandiana is:

- Mack - \$1, 232.80
- Unimog - \$625.60



- Land Rover (4x4) - \$414.92
- Land Rover (6x6) - \$432.40.

Note: These costs are based on average engine 'block' weight (kgs).

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates hearing – 3-4 June 2013**

**Q17: DSD Involvement in investigation relating to Dalai Lama visit**

**Senator Ludlam** asked on 3 June 2013 Hansard page 109:

After Adam Bandt MP met the Dalai Lama in June 2011, Adam Bandt's service had been subject to an unauthorised access at that time and that a document in relation to the Dalai Lama's visit was accessed by some unauthorised person at about the time of the visit.

- (1) are you able to tell me whether ASD was involved in an investigation or response to that breach?
- (2) whether ASD expertise was called upon to provide some advice?
- (3) whether ASD at the time was notified?
- (4) whether ASD expended any resources investigating that incident?
- (5) to the limits of what you are able to tell us, what kind of outcome there was—who you think the accessing party might have been and what measures were taken subsequent to that event. That is on or sometime after 14 June 2011.

**Response:**

The Australian Signals Directorate, as the information security authority for the Australian Government, provides advice and assistance on information security to all Commonwealth agencies to help improve their security. This includes providing advice and assistance to the Department of Parliamentary Services. As a matter of principle and long standing practice, Defence does not comment on specific cyber incidents.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates Hearing - 3-4 June 2013**

**Q18 - Flying Costs for Spanish Navy Personnel**

**Senator Johnston** asked on 3 June 2013, Hansard page 79:

Do we pay the costs of flying Spanish Navy personnel in and out as part of *Cantabria* MOA and \$14 million cost?

**Response:**

As per the Project Arrangement to the Memorandum of Understanding between the Ministry of Defence of Spain and the Australian Department of Defence, the Royal Australian Navy has agreed to cover the costs of flights to and from Australia for Spanish Armada personnel associated with the deployment of the ESPS *Cantabria*.

The purpose of the flights is for activities such as two partial crew rotations, leave back to Spain for some core crew who will remain posted to the ship throughout the deployment and compassionate travel if required. The total component of the budget allocated for these flights is \$0.514 million over FY 2012/13 and FY 2013/14, out of the \$14.0 million total budget.

To defray some part of the flight costs, the RAAF has agreed to provide two Air Lift Support flights to conduct the crew rotations. This has been provided under the current rate of effort for the KC30 and the first flight occurred from 27 May to 3 June 2013. This has resulted in a saving of approximately \$0.174 million from the budget for the *Cantabria* deployment in FY 2012/13. The total saving to the portfolio realised a small saving of approximately \$15,000. A second RAAF flight is planned in August 2013, for the next crew rotation, which will occur provided it also represents value for money.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q19: Rockhampton Regional Airport**

**Senator Ian MacDonald** asked on Monday 3 June 2013, Hansard page 119:

**Senator IAN MACDONALD:** I am interested in what your arrangements are with the Rockhampton regional airport, because I understand they come up for review. Then I am interested, with the Singaporean air force authorities, what the arrangements are with either you or the Rockhampton Airport.

**Response:**

- (1) Defence is currently in negotiation with Rockhampton Regional Council regarding a seven year extension to Defence's existing lease arrangements at Rockhampton Airport. The current lease is due to expire in November 2013.
  
- (2) Services used by the Singaporean Armed Forces at Rockhampton Airport are directly contracted by the Singaporean Armed Forces from the Rockhampton Regional Council and Air Services Australia. Defence has no involvement.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q20: Regional Force Surveillance Units**

**Senator Eggleston** asked on Monday 3 June 2013, Hansard page 81:

- (1) How many men are in each of these sections of this group?

**Senator Macdonald** subsequently asked on Monday 3 June 2013 - Hansard page 81:

- (2) Could you in those figures give us an indication of whether they are going down or up?

**Responses:**

- (1) There are three regional force surveillance units (RFSUs):
- 51st Far North Queensland Regiment (51 FNQR);
  - North West Mobile Force (NORFORCE); and
  - The Pilbara Regiment (PILBARA REGT).

All of these units contain both members of the Australian Regular Army (ARA) and members of the Active Reserve (ARES). The below table provides the strength of each RFSU as at 1 June 2013, by gender and service type.

	51 FNQR			NORFORCE			PILBARA REGT		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
<b>ARA</b>	4	60	64	4	57	61	6	44	50
<b>ARES</b>	63	333	396	85	481	566	20	150	170
<b>Total</b>	67	393	460	89	538	627	26	194	220

The ARES component of the above table is broken down as per the below.

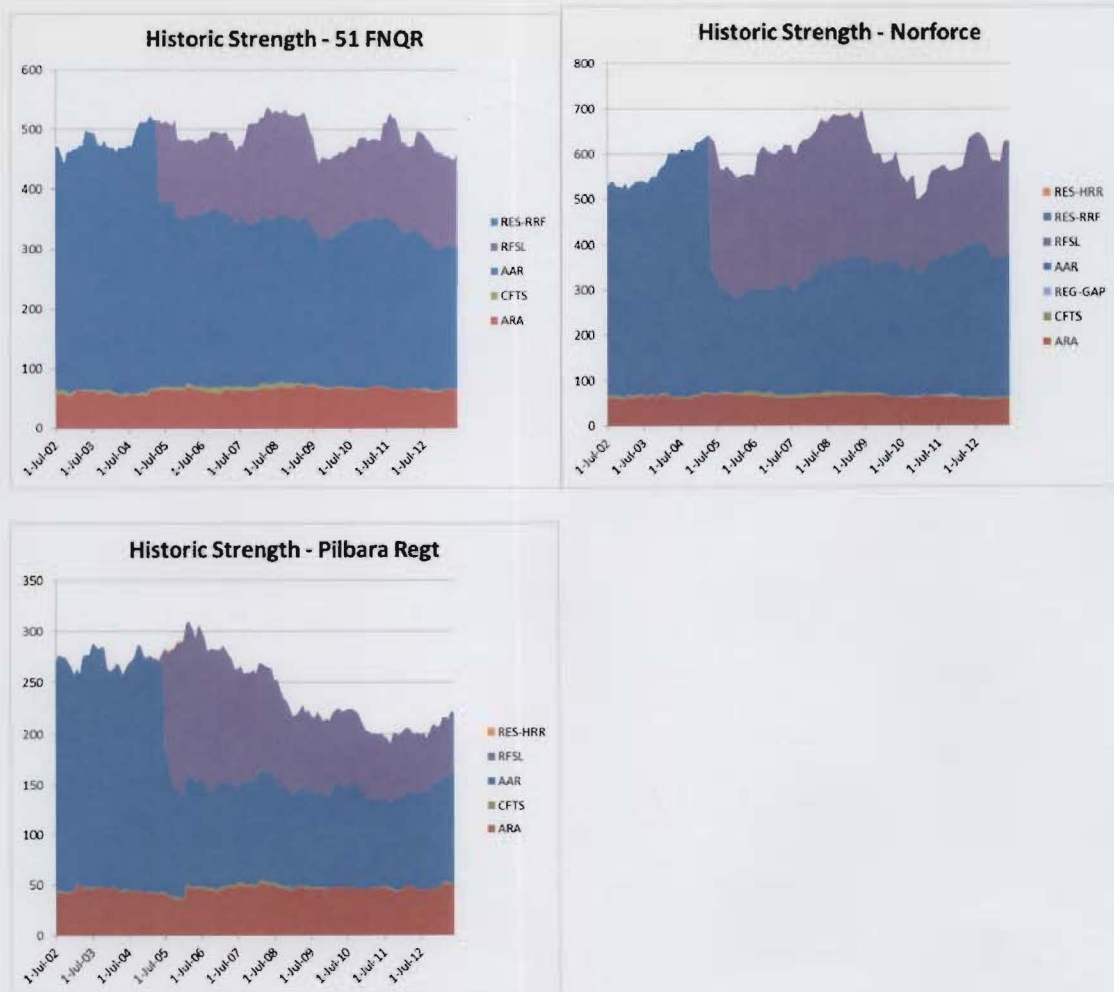
	51 FNQR			NORFORCE			PILBARA REGT		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
AAR	39	200	239	60	250	310	13	97	110
CFTS					3	3		1	1
RES-HRR					1	1			
RES-RRF	1		1		1	1			
RFSL	23	133	156	25	226	251	7	52	59
<b>ARES total</b>	63	333	396	85	481	566	20	150	170

Note: AAR = Army Active Reserve  
 CFTS = Continuous Full Time Service  
 RES-HRR = High Readiness Reserve  
 RES-RRF = Ready Reaction Force

RFSL = Regional Force Surveillance List

- (2) The ARA strength of the RFSU's has been quite stable over time. The charts below show that the component of the workforce that fluctuates the most is the AAR and the RFSL. In the past two years, total strength has decreased in 51FNQR, increased in Norforce and increased in the Pilbara Regiment. Recent manning strength fluctuations are mainly related to the active identification and discharge of ARES and RFSL members who are no longer able to offer effective service. This has not reduced the capability of the units, and they have actually increased their operational outputs through this time.

It is important to note that before July 2005, the RFSL category did not exist and all part-time soldiers in the RFSU were categorised as AAR. Since July 2005, this has been divided between AAR and RFSL, but there was little change to the overall strength of the reserve component over this time.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q21: Project Overlander and Repair of G-Wagons: Involvement of Mercedes**

**Senator Macdonald** asked on 3 June 2013 Hansard page 94.

For Project Overlander and repair of G-Wagons, where is Mercedes operating for major level repairs?

**Response:**

For Project Overlander LAND 121 Phase 3A and major-level repairs of the G-Wagons, Mercedes-Benz Australia/Pacific Pty Ltd operates in Mulgrave, Victoria.

UNCLASSIFIED

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates hearing – 3-4 June 2013**

**Q22: Head Contractor for Defence Logistics Transformation Program**

**Senator MacDonald** asked during the hearing on Monday 3 June 2013:

- (1) Who is the head contractor for the Defence Logistics Transformation Program?
- (2) I am also interested to know, if they are not a Townsville based firm, whether there is any requirement in the contracts for use of Townsville based firms that had tendered for the previous iteration of this work. Is that possible to do?

**Response:**

- (1) The Townsville component of the Defence Logistics Transformation Program is being delivered by Boulderstone Queensland Pty Ltd, using Defence's managing contractor contract.

Procurement of trade packages has seen 22 of the 61 trade packages let to sub-contractors. The remaining packages will be progressively let over the next 12 to 18 months in support of the construction program.

The major sub-contractors engaged to date are:

- Demolition - Markwell Group (Townsville)
  - Civil - Shamrock (Brisbane - all sub-contractors and materials supplied locally)
  - Detailed Excavation - Mite Construction (Townsville Office)
  - Structural Steel - Cairns Steel Fabricators (Townsville Fabrication Workshop)
  - Electrical - Nilsen QLD Pty Ltd (Townsville office)
  - Mechanical - RST Air-conditioning (Townsville)
  - Concrete Supply - Boral (Townsville Office)
  - Concrete Place and Finish - Watts Construction (Townsville)
  - Hydraulic Services - SPD Contracting (Townsville)
- (2) No. Defence engages the managing contractor. The contract has no clauses to identify the source of the sub-contractors. However, it could be reasonably expected that sub-contractors in the local area may be more competitive than those from other states.



**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q23 - IT integration**

**Senator Johnston** asked on Monday 3 June 2013, Hansard page 125

For the IT integration from over 200 sites to eight sites, can you advise where the 8 sites are without affecting tender?

**Response:**

The data centre consolidation program aims to consolidate 280+ data centres to eight core locations. Defence is unable to publicly divulge the location of these sites for security reasons but would be pleased to provide a private briefing if requested.

**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q24: Terrestrial Communications Project**

**Senator Johnston** asked on Monday 3 June 2013, Hansard page 126:

What cost do we incur in the interim with a contractor who has obviously got a sizeable technically skilled workforce treading water while we wait for this tick-off.

**Response:**

Defence remains focussed on achieving Public Works Committee (PWC) approval for the Terrestrial Communications Project by end of this calendar year and continues to manage closely Telstra, our Defence Support and Reform Group managing contractor and our own teams to ensure this critical milestone is met.

Throughout the contract negotiations with Telstra, Defence worked to ensure the information needed to make a PWC submission would be available to the PWC when it considered the Terrestrial Communications Project.

Slippage to the PWC target date would see additional costs to Defence of approximately \$639,000 each month. This estimation does not include any potential costs incurred by Telstra. The contract allows for 3 months slippage without additional costs from Telstra.

A delay to PWC will also cause a delay to delivery of the final operating capability. This would result in a loss of non-financial benefits such as increased capacity for new site connectivity for Defence sites. It also raises the possibility of sustainment cost increases as replacement of our legacy network was planned by mid 2016.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q25: Dispute between Serco Sodexo Defence Services and Townsville Demolition.**

**Senator MacDonald** asked on Monday, 3 June 2013, Hansard page 75:

What does Defence know about a dispute between its contractor Sodexo Serco and a subcontractor called Townsville Demolition?

**Response:**

Defence is aware of a dispute between Serco Sodexo Defence Services, the Base Services Contract provider in North Queensland, and Townsville Demolition, a Serco Sodexo Defence Services sub-contractor related to a demolition project at Macrossan. The matter is between the parties, and Defence is not involved in the dispute. The dispute has not affected the provision of base services to Townsville.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q26: Annual cost of Participation in the AN/BYG-1 Working Group**

**Senator Johnston** asked on 3 June 2013, Hansard page 63:

What is the annual cost of our participation in the AN/BYG-1 working group? And when did we start participating? Include information on voting decisions.

**Response:**

Development priorities for the AN/BYG-1 Tactical Sub-system are driven by the operational requirements of the United States Navy (USN) and the Royal Australian Navy (RAN).

USN fleet requirements are determined by the USN Submarine Tactical Requirements Group (STRG). The STRG considers USN fleet development priorities for a range of systems including AN/BYG-1. Until recently, Australian development requirements for the AN/BYG-1 have been primarily represented by the Australian Operational Requirements Manager, who is based at the United States Naval Undersea Warfare Centre in Newport, Rhode Island. The Operational Requirements Manager participates in the STRG as an invited (non-voting) member. This is one of numerous roles performed by the Australian Operational Requirements Manager in the normal course of their duties and specific STRG related costs are not readily identifiable.

Australia's contribution to the broader AN/BYG-1 Armament Cooperative Project is in the order of USD 20 million per year. This contribution funds Australia's share of the design, development, production, test, evaluation and support of AN/BYG-1 products. Australia is the junior partner in the cooperative development program; paying 15 per cent of the total program cost.

Australian requirements are formally developed by the recently established Royal Australian Navy Submarine Capability Requirements Group (SCRG). In addition to having the opportunity to influence AN/BYG-1 development through participation in the STRG, Australia can now also influence development priorities through direct communication with the United States Navy's Sea Systems Command.

Australia has been participating in the AN/BYG-1 development program since 2004.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate budget Estimates – 3-4 June 2013**

**Q27: Allocation of live rounds to Reservists**

**Senator Macdonald** asked on Tuesday 4 June 2013, Hansard page 21:

Is it possible for you to pick one at random – an average reservist soldier – and let me know, just for my information, what allocation or what requirement a Reserve soldier in a year or in a training period, whatever it is, would be required to be exposed to at the Army's direction?

**Response:**

(1) Small Arms Readiness Requirements

As an individual requirement, each soldier is to successfully pass the shooting standards set down in *Defence Instruction (Army) OPS 80-1 Army Individual Readiness Notice* which was issued in 2011.

The policy mandates that soldiers must fire the F88 Live Fire (LF) 1 – Grouping practice on the issued service rifle and achieve a group size of 200 mm or less. Grouping is the foundation of effective shooting and the ability to consistently achieve a tight group of shots is an indication that the individual firer can progress to more advanced shooting.

A soldier who fires at practice and can achieve the required group size is considered qualified. The practice is fired annually for Active Reservists and biannually for Regulars. The live fire shoot requires 23 rounds per firer with extra rounds made available if reshoots are needed.

While the preference is for soldiers to qualify with ball ammunition, the qualification can also be obtained using the Weapon Training Simulation System. Access to the simulation system is generally only at the larger military bases.

Ammunition Allocations

Ammunition allocations are not made to individual Reservists but allocated to Units to meet the Unit or Formation preparedness requirement. The numbers shown below do not account for Regular staff in Reserve units. It also does not imply that the rounds are available only for the conduct of annual mandatory qualifying practice shoots.

The amount of 5.56 mm ammunition for the F88 AUSTEYR that was allocated to the 2nd Division in the 2012/13 financial year was equal to 85 rounds per Reservist across the Division.

When comparing two geographically close Reserve organisations, it can be seen that the ability to access simulation has an effect on allocations. For example, in the 2012-13 financial year the Queensland based 11th Brigade received an allocation of 82 rounds per Reservist. In contrast, the soldiers from 51st Far North Queensland Regiment received 168 rounds per Reservist. This reflects their lack of access to a Weapon Training Simulation System facility and also the need to have live ammunition available for their surveillance patrols.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q28: Abolishment of Defence Committees under the Black Review**

**Senator Fawcett** asked on Tuesday 4 June 2013, Hansard page 24-26:

Since the Black Review, how many Defence committees have been abolished?

**Response:**

Out of the 311 committees identified by Defence, 104 were abolished and 6 were merged as described in the attached table.

**TABLE REGARDING THE DISBANDMENT OF DEFENCE COMMITTEES**

<b>GROUP</b>	<b>NUMBER OF COMMITTEES IDENTIFIED</b>	<b>NUMBER OF COMMITTEES ABOLISHED</b>	<b>NUMBER OF COMMITTEES MERGED AND WHO IS THE CHAIR</b>
Strategy	4	0	0
Chief Financial Officer	8	2	0
Air Force	7	0	0
Defence Support and Reform Group	11	1	0
Capability Development Group	6	1	0
Workplace Health and Safety Committees	4	2	0
Defence People Group	1	0	0
Vice Chief of the Defence Force	105	3	2 <sup>a</sup> - VCDF
Navy	31	7	
Army	3	1	0
Intelligence and Security	64	51	0
Chief Information Officer	18	7	4 <sup>b</sup> - CIO
Defence Materiel Organisation	8	0	0
Defence Science and Technology Organisation	41	29	0
<b>TOTAL</b>	<b>311</b>	<b>104</b>	<b>6</b>

**Notes:**

- a. Two committees have been merged into 2 other committees already in existence at the time of the Black Review.
- b. Four committees have been merged into 1 committee already in existence at the time of the Black Review.



**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q29: Information systems in Defence**

**Senator Johnston** asked on Monday 3 June 2013, Hansard page 31:

Could you tell me which DCP plans in 2012—just 2012; we will not speculate as to what comes forward—are relevant to the rationalisation of the 3,500 separate systems. I hope there are numerous.

**Response:**

There a number of 2012 Public Defence Capability Plan (DCP) projects relevant to the rationalisation of the 3500 information systems in Defence including:

- JP2077 Phase 2D – Improved Logistics Information Systems
- JP2064 Phase 3 – Geospatial Information Infrastructure and Services
- JP2096 – Phase 1 – Surveillance Enhancement
- JP 2080 Phase 2B.1 – Defence Management System Improvement - Personnel System
- JP2080 Phase 3 & 4 – Defence Management Systems Improvement – Financial System
- JP 1544 Phase 1 – Enterprise Content Management System

Other non-DCP investment in information system rationalisation takes place as part of Defence information and communications technology (ICT) investment activities. The associated ICT investment plan is currently awaiting Government consideration.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q30: Time frame for implementation of risk competencies.**

**Senator Fawcett** asked on 4 June 2013, Hansard page 47:

What is the time frame for when you will outline the competencies for various forms of risk (contractual, technical etc)? Include the stakeholders who will have to verify that those competencies are, in fact, appropriate for the task that you are setting out to achieve. I also want to know the difference that may make to your risk process.

**Response:**

- (1) As part of the Capability Development Improvement Program, Capability Development Group (CDG) has developed a risk management plan, which defines the activities required to implement a more active and disciplined approach to identifying and managing project and program risks within the capability development process. The risk management plan also outlines the approach required to sustain the adoption of these behaviours and practices in the longer term.
- (2) The activities contained within the plan include:
  - (a) establishing a dedicated risk management support function within CDG to provide risk management support to projects and programs, recognising that contractor support is initially required to stand it up;
  - (b) establishing a risk competency network within CDG to quality-assure risk information within project risk registers, and provide direct support in the consistent application of risk management practices;
  - (c) delivering a program of risk management training to support the development of risk management competencies to all management levels within CDG;
  - (d) formally integrating the risk management training with the Capability Development Skilling Program, which is an annual program of training that is delivered through the calendar year to all CDG staff;
  - (d) providing facilitated risk assessment workshops for projects at critical points within the Kinnaird Two Pass Process to identify strategic, tactical and operational risks related to the delivery of the capability. This will also encompass identifying other risks including environment, safety and materiel implementation risks.

(3) This plan has already commenced and will continue to be delivered over the next 12 months. CDG has already established a Risk Management Cell, which was formally stood up in May 2013. Currently, we have engaged a contractor, who is a member of the joint Australian Standards and New Zealand Standards technical committee for risk management, to lead the formative period of the Risk Management Cell.

(4) CDG integrated project teams bring together Defence Groups such as Defence Science and Technology Organisation (DSTO), Defence People Group (DPG), Defence Support & Reform Group (DSRG) and the Defence Materiel Organisation (DMO) who have a responsibility to deliver specific risk assessments across the areas of technical, facilities, workforce, environmental and materiel implementation. CDG through the Risk Management Cell will begin working with DSTO, DSRG, DPG and the DMO to document when to use and how to aggregate these expert risk assessments. CDG will also ensure the Integrated Project Team (IPT) staffs have the appropriate delegations and competencies to undertake those expert risk assessments. We intend to complete this exercise by May 2014.

(5) CDG will engage with the following stakeholders to identify the appropriate competencies:

<b>Group</b>	<b>Type of Expert Risk Assessments delivered by Defence Groups</b>
Defence Science and Technology Organisation	Technical risk indicator
	Technical risk assessment (mandatory competency for all Project Science & Technology Advisers)
Defence People Group	Workforce risk assessment
Defence Support & Reform Group	Facilities & Training Areas Risk Assessment
	Environmental risk assessment
Defence Materiel Organisation	Materiel implementation risk assessment

Note: that Defence reforms from Recommendations 11 and 25 of the Senate Inquiry into Defence Procurement have amended capability development policy to require the collaboration of DSTO with Service Test & Evaluation units and acquisition agencies in a risk treatment workshop for all First Pass projects. This should ensure more robust assessment and mitigation of certification and integration risks.

(6) Since its establishment the Risk Management Cell has been prioritising projects that are 16 weeks away from their scheduled committee date, and will be reviewing the quality of project risk information. Based on information quality, the Risk Management Cell will determine whether it needs to intervene and engage more intensively with the project. If risk information quality is insufficient, the Risk Management Cell may decide to facilitate a project risk assessment workshop with members of the project IPT and thus provide targeted capability building support in relation to risk management.

(7) Project risk assessment workshops are the mechanism in CDG where IPT members identify each project's most critical and strategic risks. Depending on where the project is within the Kinnaird Two Pass Process, the Risk Management Cell will design a fit-for-purpose risk assessment workshop that allows members of the IPT to:

- (a) identify strategic risks related to the delivery of the capability; and

(b) discuss openly the risks identified from the expert risk assessments prepared by expert Defence Groups. This allows the IPT to collaboratively build appropriate treatment actions to address those risks.

(8) It is expected that the Risk Management Cell will fully commence implementation of this quality assurance and project engagement strategy by the end of July 2013. This process has already commenced with priority projects.

(9) CDG has been delivering a risk management skilling program since late 2012. This training continued up until April 2013 to coincide with entry of newly posted military staff. A list of staff who have accessed this skilling program has been maintained.

(10) CDG will continue to offer risk and issue management training to its project and program managers through the Risk Management Cell. The Risk Management Cell will also identify outstanding training needs in Capability Systems Division. Risk and issue management training sessions will again be established and untrained staff will be directed to attend. CDG expect this to commence by July 2013.

(11) In the next posting cycle in February 2014 all newly posted staff will undergo risk and issues management training.

(12) As part of normal management arrangements, line managers in CDG are responsible for reviewing the quality of risk management, and assessing the competence of project personnel in relation to all management capabilities, including risk management. Further, CDG has surveyed all staff to create baseline information about practices, skills and content in relation to both project and program risk management. This survey will be repeated on either a six or 12 month basis to establish longitudinal data and analysis about the capability of staff in relation to risk management.

**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q31: Statistics for Disparate Logistics Systems**

**Senator Johnston** asked on Tuesday 4 June 2013, Hansard page 30:

In 2006, when we stood up this project, how many disparate logistics systems did we have and how many do we have today?

**Response:**

In 2006, there were an estimated 250 logistics information systems in use in Defence.

In July 2010, based on an environmental scan commissioned by Joint Logistics Command (JLC) Defence identified 116 logistics systems in use.

Of these 116 systems, there are 33 logistics systems formally managed by the Chief Information Officer Group under a Service Level Agreement with JLC.

Established governance arrangements will ensure that Defence progressively moves towards further application rationalisation, with JP 2077 Phase 2D being a major investment project to further standardise, consolidate and rationalise logistics applications.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q32: Breakdown of Overseas Development Assistance spend**

**Senator Rhiannon** asked on 4 June 2013, Hansard pages 50 and 51.

Please provide a detailed breakdown of the ODA spend of \$10.190m for financial year 2012-13 and a breakdown of \$0.4m in financial year 2013-14?

**Response:**

The attached table provides a detailed breakdown of Defence's ODA spend including the 2012-13 estimate of \$10.190m, the revised 2012-13 estimate of \$9.157m and the 2013-14 estimate of \$0.411m.

## Attachment A.1

### ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2014

Ser	Projects/Expenditure Item (a)	Purpose Category (b)	FY 06-07 AUD (c)	FY 07-08 AUD (d)	FY 08-09 AUD (e)	FY 09-10 AUD (f)	FY 10-11 AUD (g)	FY11-12 AUD (h)	FY12-13 AUD (EST) (i)	FY12-13 AUD (REVISED EST) (i)	FY13-14 AUD (EST) (i)	Category Totals By Purpose AUD (j)	Totals (k)
1	Scdfidkar Flood Mitigation	Civil Works	11,730	158,037								169,767	
2	Tarin Kot Waste Management	Civil Works		95,166			205,303					300,469	
3	Tarin Kot Waste Management Facility	Civil Works				1,163,204		7510				1,170,714	
4	Tarin Kot Wells - various location	Civil Works	18,103	63,621	309,990	48,363	23,473	4,272				467,822	2,108,772
5	Baluchi Community Project	Community		781	364,342							365,123	
6	Chora Food Storage Cellars	Community				72,389	6,291					78,680	
7	Rosic Khan Mosque	Community				61,589	184,616	9,058				255,263	
8	Sorgh Morghab Mosque	Community				232,736	804,987					1,037,723	
9	Sorkh Morghab Community Projects	Community			589,925	74,097						664,022	
9a	Radio Television Authority Rebuild	Community							1,252,397	1,252,397	50,000	1,302,397	3,703,208
10	Afghan Health and Development Services Training Facility	Education	4,890	848,269	886,509	40,812						1,780,480	
11	Malalai Girl's School	Education					1,501,939	72,563				1,574,502	
12	Naway Walch School	Education		136,724								136,724	
13	Talani School	Education	92,051	81,335	2,341							175,727	
14	Tarin Kot Boys High School	Education			1,289,479	130,335	29,401					1,449,215	
15	Tarin Kot Boys Primary School	Education			1,298,467	828,397	44,446					2,171,310	
16	Tarin Kot Boys School	Education	88,077	677,965								766,042	
17	Tarin Kot Girls School Expansion	Education				223,461						223,461	
18	Trade Training Centre	Education	111,092	95,475								206,567	
19	Womens Training Project	Education	3,682	3,254								6,936	8,490,964
20	Project removed as this was an ANA check point											0	
21	Governor's Compound	Governance		111,502								111,502	
22	Governor's Shura Building (including Governors Compound Rectification)	Governance						1,546,508	393,172	92,679		1,639,187	
23	Ministry of Energy & Water Compound	Governance			15,621	233,183	355,222	22,882				626,908	
24	Ministry of Rural Reconstruction and Development Compound Refurbishment	Governance		5,598	125,786	2,295						133,679	
25	National Directorate of Security Compound	Governance	340,349	449,174	20,316							809,839	
25a	TK Prison Water Tower	Governance						21,443				21,443	
26	Project removed as this was an ANA check point											0	3,342,558
27	Chora Clinical Health Centre Expansion	Health				168,509	892,361	46,558	2,877	2,483		1,109,911	
28	Dorofshan Basic Health Care Centre	Health			354,024	110,221						464,245	
29	Mirabad Basic Health Centre	Health				21,237						21,237	
30	Sorkh Morghab Basic Health Centre	Health			1,356,732							1,356,732	
31	Tarin Kot Hospital	Health	629,231	963,508	548,065	12,882						2,153,686	
31a	Tarin Kot Hospital Doctors Accomodation	Health					162,236.00	19,179	15,480			177,716	
32	Yaklenga Health Centre	Health	164,566	360,865								525,431	
32a	Tarin Kot Solid Waste Containment Project	Health							694,285	723,684	68,000	791,684	6,600,642
33	Alexander Hill Bridge	Transport					274,036	152				274,188	
34	Baluchi Crossing	Transport		368,638	399,420							768,058	
35	Chutu II Bridge	Transport					186,202					186,202	
35a	Chutu Bridge repairs	Transport					136,347					136,347	
36	Eastern Causeway	Transport	308,006	723,713	20,155							1,051,874	
37	Irish Crossing Refurbishment	Transport				26,166						26,166	
38	Kowtval Crossing	Transport			3,152,356	374,384						3,526,740	
39	Sajawal Crossing	Transport					136,213	1,829,207	423,859	88,241		2,053,661	
40	Sorkh Lez Crossing	Transport										0	
41	Talani Crossing	Transport			2,675	85,516						88,191	
42	Tarin Kot Roads	Transport						3,275,219	767,165	111,262		3,386,481	
43	Zabul Bridges	Transport			1,204							1,204	
43a	Route Whale East	Transport						5,442,079	5,804,954	293,000		6,097,954	17,597,066
44	Quick Impact Projects <sup>1</sup>						679,786	55,284				735,070	735,070
	<b>SubTotal</b>		<b>1,771,777</b>	<b>5,143,625</b>	<b>10,737,407</b>	<b>3,909,776</b>	<b>5,460,623</b>	<b>7,052,892</b>	<b>8,995,013</b>	<b>8,091,180</b>	<b>411,000</b>	<b>42,578,280</b>	<b>42,578,280</b>
	<b>Aggregated Employee Costs - Net additional costs of ADF personnel</b>		<b>2,678,996</b>	<b>7,109,470</b>	<b>4,685,788</b>	<b>3,641,652</b>	<b>784,458</b>	<b>720,060</b>	<b>721,000</b>	<b>647,991</b>	<b>0</b>	<b>20,268,415</b>	
	<b>Aggregated Support Costs - Net ADF personnel support and associated costs</b>		<b>1,445,175</b>	<b>4,901,203</b>	<b>2,589,838</b>	<b>2,407,154</b>	<b>455,439</b>	<b>473,315</b>	<b>474,000</b>	<b>417,837</b>	<b>0</b>	<b>12,689,960</b>	
	<b>SubTotal</b>		<b>4,124,171</b>	<b>12,010,673</b>	<b>7,275,626</b>	<b>6,048,806</b>	<b>1,239,897</b>	<b>1,193,375</b>	<b>1,195,000</b>	<b>1,065,828</b>	<b>0</b>	<b>32,958,375</b>	
	<b>Total</b>		<b>5,895,948</b>	<b>17,154,298</b>	<b>18,013,033</b>	<b>9,958,582</b>	<b>6,700,520</b>	<b>8,246,267</b>	<b>10,190,013</b>	<b>9,157,008</b>	<b>411,000</b>	<b>75,536,655</b>	

**Note:1.** No further breakdown of actual projects can be provided. QIPs provide a short to medium term development effect at the local level. The aim of a QIP is to provide funding for materials, labour and/or local national specialist advisors that benefit of people normally a village or community group. The stated goal is to provide entry into local communities, thereby facilitating closer engagement with key leaders and the community as a whole.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q33: Team Australia - Paris Airshow**

**Senator Johnston** asked on 4 June 2013 Hansard pages 54-56.

For the Team Defence Australia delegation to Paris Airshow please advise:

- (a) What amount does DMO contribute to Team Defence Australia attendance at Paris Airshow;
- (b) How is Team Australia chosen; and
- (c) How long has team Australia been in existence.

**Response:**

(a) Defence will contribute approximately \$150,000 to Team Defence Australia's attendance at the Paris Airshow. These costs include trade show registration for companies, construction of the stand, publication of the admission booklet and travel and accommodation for departmental staff. Companies participating as part of Team Defence Australia pay their own travel and associated expenses.

(b) The criteria for selecting companies to participate under the Team Defence Australia banner are:

- (i) Applicability of the product or service to a Defence environment;
- (ii) Companies with Australian intellectual property and a high level of Australian manufacture or service provision;
- (iii) Degree to which the product or service directly supports the Australian Defence Force; and
- (iv) Degree to which the product or service is unique or niche.

c) Team Defence Australia was adopted by the Defence Materiel Organisation in 2012 and has evolved from the Team Australia branding which has been used to promote Australian defence exports since the 1990s.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q34: Payment to Mr Yardley**

**Senator Macdonald** asked on Monday 3 June 2013, Hansard page 120;

What is the status of an ex gratia payment to Mr Yardley regarding a fire on high range training facility near Townsville?

**Response:**

The Department of Finance and Deregulation (Finance) sought advice from the Department of Defence (Defence) in relation to Mr Yardley's request for an act of grace payment. Defence is currently preparing a submission in relation to Mr Yardley's case. Once Defence finalises its submission, it will be provided to Finance. A copy of Defence's submission will also be provided to Mr Yardley, by Defence, to ensure he has an opportunity to comment on the Defence submission.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q35: DMO Trips to Sweden for Collins Submarine Intellectual Property Rights**

**Senator Johnston** asked the following on Tuesday 4 June 2013 (Hansard page 43):

How many trips to Sweden did DMO have to try to secure Collins submarine intellectual property rights?

**Response:**

In total three overseas trips were undertaken by senior Defence Material Organisation (DMO) representatives to secure Collins submarine intellectual property rights, including two to Sweden. A trip to Thailand in September 2012 included discussion of Collins submarine intellectual property rights as part of a broader defence materiel bilateral meeting.

<b>Dates</b>	<b>Attendees</b>	<b>Location</b>
19 – 27 Nov 2011	Mr Warren King, Chief Executive Officer DMO Ms Liesl O'Meara, Special Counsel, DMO Mr Mark Gairey, Director Program Management, Future Submarine	Sweden
20 Sept 2012	Mr Harry Dunstall, Deputy Chief Executive Officer Ms Michele Miller, Director International Materiel Cooperation	Sweden
25 – 28 Mar 2013	Mr Harry Dunstall, Deputy Chief Executive Officer Mr David Gould, General Manager Submarines Ms Liesl O'Meara, Special Counsel	Thailand (Bangkok)



**Stephen Smith MP  
Minister for Defence**



**23 JUL 2013**

Senator Alan Eggleston  
Deputy Chair  
Senate Standing Committees on Foreign Affairs, Defence and Trade  
Parliament House  
CANBERRA ACT 2600

*Alan*

Dear ~~Senator~~

I write to correct the answer provided in response to 'Question on Notice No 35: Defence Materiel Organisation trips to Sweden for Collins Submarine Intellectual Property Rights', of the 3 to 4 June 2013 Senate Standing Committee on Foreign Affairs, Defence and Trade Budget Estimates Hearing.

The question asked was "How many trips to Sweden did DMO have to try to secure Collins submarine intellectual property rights?"

In response, the word 'Thailand' was inserted incorrectly. The answer was based on incorrect Defence Departmental advice.

The correct response to 'Question on Notice No 35: Defence Materiel Organisation trips to Sweden for Collins Submarine Intellectual Property Rights' is enclosed for your information.

I take very seriously the provision of any incorrect information to the Parliament. I have asked the Secretary of the Department to reinforce with all concerned the need to be accurate with the provision of information to the Parliament.

Yours sincerely

*Best wishes*

Stephen Smith  
Encl

**Senate/Joint Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

Senate Budget Estimates 3-4 June 2013 - DMO Trips to Sweden for Collins Submarine Intellectual Property Rights

Senator Johnston asked the following on Tuesday 4 June 2013 (Hansard page 43):

How many trips to Sweden did DMO have to try to secure Collins submarine intellectual property rights?

**Response:**

Three trips were undertaken by senior Defence Materiel Organisation (DMO) representatives to secure Collins Submarine intellectual property rights. The trip undertaken in September 2012 discussed Collins Submarine intellectual property rights as part of a broader defence materiel bilateral meeting.

<b>Dates</b>	<b>Attendees</b>	<b>Location</b>
19 – 27 Nov 2011	Mr Warren King, Chief Executive Officer DMO Ms Liesl O'Meara, Special Counsel, DMO Mr Mark Gairey, Director Program Management, Future Submarine	Sweden
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**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q36: National Action Plan for Women**

**Senator Rhiannon** asked on 4 June 2013, Hansard Page 48:

**What measures have the ADF put in place to implement the national action plan on women, peace and security in Afghanistan?**

**Response:**

National Action Plan objectives have not been specifically directed for Australian Defence Force (ADF) operations in Afghanistan. Defence have been operational in Afghanistan during the periods 3 December 2001 to 17 December 2002 and then 13 July 2006 to present. The National Action Plan was only recently launched (March 2012), and Defence, with input from the Australian Civil-Military Centre (ACMC) and other stakeholders across the Department, is developing a detailed implementation plan.

Afghanistan is a challenging environment for pursuing the principles of United Nations Security Council Resolution (UNSCR) 1325, as female participation in the Afghan National Army (ANA) and Government remains limited. Nevertheless, where possible, ADF personnel have implemented several initiatives in Afghanistan that align closely with Defence responsibilities under the National Action Plan, even if this has not been deliberately targeted. Specifically, these include:

**(a) Promoting Women Peace and Security implementation internationally by:**

- i) liaising with international partners – including the United Nations (UN) and North Atlantic Treaty Organization (NATO) - to discuss gender mainstreaming initiatives for operations in areas such as Afghanistan. In 2011, Defence exchanged ‘best practices’ and lessons learned with UN Women and NATO. In May 2012, a Defence officer attended the ‘NATO Committee on Gender Perspective’ annual conference in NATO Headquarters in preparation for deploying to Afghanistan as a Gender Advisor in ISAF Joint Command. The officer currently ensures that gender perspectives are mainstreamed into the conduct of NATO-led operations in Afghanistan, including advising senior military leadership on the role of gender in operations and planning, and advising on the implementation of the Afghanistan Government’s gender equity policies.
- ii) supporting greater participation and empowerment of Afghan women within their local communities. ADF Female Engagement Teams (FETs) have operated in Uruzgan in support of United States government and non-government organisation programs to develop vocational skills, health services, and employment opportunities for Afghan women. Australian personnel from the FETs and Provincial Reconstruction Team have engaged with local women where community

concerns and needs for improving lives have been openly discussed with female soldiers. Additionally, the Special Operations Task Group has deployed patrols of female medics to provide health services to women and girls. The ADF constructed a girls' school in Malalai, and developed the Dorafshan Basic Health Centre, which has specialised female clinics and separate staff accommodation.

- iii) Defence supports greater participation of Afghan women in the military by providing an example for women in military roles. Female ADF members mentor the senior leadership of the ANA 205 Corps and work alongside Afghans with the 4/205 Brigade.

**(b) Increasing the participation of Australian women in the ADF**

- i) As at 1 April 2013, Operation SLIPPER had the highest number of Australian servicewomen serving in a single operation with 125 women in Afghanistan (this figure was part of a total of 276 women in the wider Middle East Area of Operations).
- ii) ADF servicewomen have actively participated in patrols outside the wire in such roles as combat medics, Bushmaster crew commanders, civil-military liaison and tactical intelligence. At different times, servicewomen have also flown CH-47 Chinooks in Afghanistan, and have commanded sub-elements of deployed forces.
- iii) ADF servicewomen have various roles: they assumed tactical command and control of the Afghanistan airspace as Commander of the Control and Reporting Centre; filled the Commanding Officer role at Multi-National Base Command (TarinKot); filled the role of most senior National Commander in Afghanistan for ADF support elements and embedded ADF personnel; led the Army Rotary Wing Group detachment in Afghanistan; and commanded logistics nodes in Afghanistan as part of the Force Support Unit.

Defence will soon establish a dedicated National Action Plan Director position, giving overall coordination responsibility to the Vice Chief of the Defence Force, and enabling a more effective Defence-wide approach to the National Action Plan's implementation and reporting. The expected appointee is currently deployed operationally in a gender advisor role but is expected to take up the new position in September 2013, reporting directly to VCDF. The National Action Plan Director will be expected to complete a Defence-wide implementation plan to achieve a more deliberate approach to implementation of gender initiatives, including on operations.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q37: DMO Attendance at 2013 Avalon Air Show**

**Senator Johnston** asked on 4 June 2013, Hansard pages 53-54.

How many DMO officials attended the 2013 Avalon Air Show?

What was the cost?

**Response:**

A total of 178 Defence Materiel Organisation (DMO) staff attended the Avalon Air Show and of these:

- (a) 38 attended one day;
- (b) 32 attended two days; and
- (c) 108 attended three days or more.

DMO staff (civilian and military personnel at various levels) actively engaged with industry during the Air Show, including through numerous one-on-one meetings with companies and broader Defence and industry forums, and participation in networking events sponsored by industry and state governments.

Costs associated with DMO staff attendance at the Avalon Air Show totalled \$211,877, including the cost of interstate travel and accommodation for 157 DMO staff (the remaining staff being locally based).

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q38: Indonesia acquiring Military hardware**

**Senator Fawcett** asked on Monday 3 June 2013 Hansard page 58:

Can you clarify whether some of these media reports, specifically about our closest neighbour, Indonesia, are correct?

In the last year and a half, basically, they have purchased six batteries, so 36, of 155 millimetre self-propelled artillery; seven batteries, so 42, of self-propelled long-range artillery, the rocket variant; 100 main battle tanks; and 37 amphibious tanks.

They have established a factory to manufacture Chinese designed guided missiles of various types. There are three submarines—type 209s as a part of a larger buyer—and potentially AH-64 Delta Apache helicopters.

**Response:**

Indonesia is seeking to upgrade its military capabilities with small purchases of modern systems.

Indonesia has ordered three CHANG BOGO diesel-powered attack submarines from South Korea. The first submarine is unlikely to arrive in Indonesia before 2016. The CHANG BOGO is a modern version of the existing Indonesian Type 209 submarines purchased from Germany in the early 1980s.

Indonesia is seeking an agreement with China to locally-produce surface-to-air and anti-ship missiles. Indonesia has had a domestic rocket production program for a number of years.

Indonesia has signed an agreement to procure 37 French-produced 155 mm CAESAR, truck mounted artillery weapons, forming two new artillery battalions. The agreement was signed in 2012 and delivery is expected between 2013 and 2014.

Indonesia has ordered 37 BMP-3F (BMP - *Boyevaya Mashina Pekhoty*) amphibious Infantry Fighting Vehicles from Russia – the first of which arrived in 2010. Indonesia is likely to order further BMP-3F, funding permitting.

Indonesia has signed agreements with Germany to purchase 104 Leopard 2 Main Battle Tanks and 50 Marder Infantry Fighting Vehicles. The German government has recently approved the export of the vehicles to Indonesia, with the initial deliveries expected later this year.

In 2012, Indonesia stated it was seeking to acquire eight refurbished AH-64 Apache helicopters from the United States, and the United States gave in-principle agreement to the procurement. However, Indonesia has yet to confirm the Apache purchase and, due to the high cost of the airframes, is now considering other helicopter types.



Brazil's *Avibras Industria Aeroespacial* signed a contract in late 2012 to supply Indonesia with 36 ASTROS-2 (ASTROS - Artillery Saturation Rocket System) multiple rocket launcher systems. Delivery of the ASTROS system is likely to occur over the next three years.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q39: AN/YBG-1 Australian Industry Proposals**

**Senator Fawcett** asked on 3 June 2013 Hansard page 62:

Could you explain why the Australian industry has been briefed that the proposals should be between US\$150,000 to US\$300,000 while in the US, apparently - I hope to get clarification - the brief is up to US\$500,000. There are actually different goalposts set for players from Australia and the US.

**Response:**

Defence has confirmed with the facilitators of recent AN/BYG-1 industry briefings in the United States and Australia that the dollar amounts included in the briefings provided to Australian industry are consistent with those included in briefings to United States industry. The target band is \$150,000 USD to \$300,000 USD.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q40: Operation SLIPPER Budget**

**Senator Fawcett** asked on 3 June 2013 (Hansard page 47).

- (1) Can you break that down for the committee into funding that was spent on the acquisition of urgent operational requirements and associated sustainment for that?
- (2) Can you also break it down further into that equipment which is going to be brought back to Australia?
- (3) Can you further break it down into what training activities have been conducted here in Australia in preparation for deployment and operations as part of our Afghanistan commitment that have replaced training that was funded out of the normal appropriation for Defence for any given body of troops or service?

**Response:**

- (1) Defence is currently unable to separately identify the acquisition cost of rapid acquisitions and urgent operational procurements for Operation SLIPPER.
- (2) Defence has not yet determined which equipment acquired through rapid acquisition or urgent operational procurement will be returned to Australia and introduced into service after the operation has concluded.
- (3) Under the agreed operations funding arrangement, Defence is funded on a no-win no-loss basis for the net additional costs of operational training for major operations. There has been very little impact on the baseline raise, train and sustain training activities.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q41: Army Reserve Lieutenants training in mortar units.**

**Senator Humphries** asked on Monday 3 June 2013 – Hansard page 87:

How many Lieutenants in the General Reserve Royal Australian Artillery (RAA) have been trained in their Regimental Officer Basic Course as part of mortar units?

**Response:**

Six Lieutenants are fully qualified (having completed the Mortar Operator Course, Command Post Operator Course and Section Commander Course).

Three Lieutenants have been trained in Basic Mortars only (having completed the Mortar Operator Course).

Therefore, a total of nine officers have a qualification.

## Senate Standing Committee on Foreign Affairs, Defence and Trade

### QUESTIONS ON NOTICE – COMMITTEES

#### Senate Budget Estimates – 3-4 June 2013

#### **Q42: Estate Maintenance**

**Senator Fawcett** asked on Monday 3 June 2013, Hansard page 120.

**Senator FAWCETT:** I am assuming as part of your infrastructure appraisal that you have your red flashing light 'must be done for safety' through to somebody who wants a new flower bed, and in between there is probably a grading. Do you have a cut-off? If the flower bed never gets done, nobody will ever really care, but if those buildings do not get knocked down they will. Clearly there is an intermediate scale. Do you have a cut-off such that you can say that above that cut-off, this is the liability that the Commonwealth has?

**Mr Grzeskowiak:** Not in such precise terms as you might be looking for, I think.

**Senator FAWCETT:** Why not?

**Mr Grzeskowiak:** We look every year within the funding we have available, within the list of work requested. And that is not a static list, of course. Every day of the week there are new requests for work coming into a process, and we prioritise health and safety first, capability second, and then a range of other issues, and that may mean that maintenance jobs that some people would like to have done do have to wait a fair while.

**Senator FAWCETT:** I understand that. I understand the list will be dynamic. My question is: do you have a firm cut-off on that scale, so whether it keeps getting bumped year to year or whether you think you will manage to fund it next year; you will know what the outstanding liability is at a given point in time?

**Mr Grzeskowiak:** Yes. We do have estimates of the outstanding liability but I do not think I have that figure here. Perhaps we could come back with it tomorrow.

**Senator FAWCETT:** Please do that; thank you.

#### **Response:**

An annual appraisal process of estate infrastructure is conducted to inform a three year rolling program of works. The risk managed (planned) works funding element is allocated according to a matrix of risk (1 on a scale of 5) and an asset's contribution to capability (1 on a scale of 5). Works that are unfunded continue to be tracked in the Defence Estate Management System and will be further considered in subsequent infrastructure appraisal processes as the risk profile changes. The three year program from 2013-14 has identified a requirement of \$1,207 million.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q43: Wearings**

**Senator MacDonald** asked on Tuesday 04 June 2013,

I refer to the Joint Logistics Unit and the Wearing, Bandiana, issues in Townsville that we talked about. I heard overnight that a lot of the Bandiana work done by BAE actually goes to a subcontractor. My question would be to add to those that have been taken on notice. As I understood, the Admiral said yesterday that he was going to redo the answers. If I could just alert him to the issue relating to subcontractors to BAE at Bandiana and what their part in it is—that is, how the bills are paid and whether the bills from BAE include the bills from this subcontractor there.

**Response:**

The Bandiana site is the national deep level maintenance centre for Defence. BAE Systems Australia is the prime contractor that provides this capability. With the exception of specialist machining such as line boring engine blocks or resurfacing cylinder heads, all work is completed in Defence facilities by BAE Systems Australia at Bandiana.

On average in both Financial Year 2010-2011 and 2011-12, 13% of the total work in support of engine rebuilds was sub-contracted by BAE Systems Australia to external trade repair agencies in the Bandiana region for specialist machining.

Under current contract arrangements BAE Systems Australia at Bandiana pay external trade repair agents through their internal order system. On completion of the work order the total trade repair component is billed to the Commonwealth.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q44: Pharmacists at James Cook University**

**Senator Macdonald** asked on Tuesday 4 June 2013, Hansard page, 10

“Is it intended to continue participation in the pharmacy clinical placements at James Cook University in Townsville? Apparently there has been some delay in getting the placements for this year. Does anyone know anything about that, or am I in the wrong program?”

**Response:**

Defence is progressing a James Cook University request to place students into Defence pharmacy in Townsville through the establishment of a placement agreement in accordance with Defence procedures. Placement agreements ensure that supervision, workplace health and safety and indemnity requirements are addressed in support of the placement.

A signed placement agreement was received from James Cook University on 5 June 2013. The agreement is currently being staffed for signature within Defence.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q45: Registrars and GP training**

**Senator Fawcett** asked on Tuesday 4 June 2013, Hansard page 16

On GP training, how many registrars do we have who are training with the ADF?

**Response:**

Currently, within the Australian Defence Force there are 67 uniformed General Practice Registrars, at various stages of the General Practice continuum. This includes 14 in the Royal Australian Navy, 29 in the Australian Army and 24 in the Royal Australian Air Force.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q46: Australia-Sweden submarine intellectual property agreement**

**Senator Johnston** asked on 4 June 2013, Hansard page 41.

Upon signing the implementing agreement, are we bound to pay pursuant to that agreement or understanding between the two governments within 30 days?

**Response:**

The Department of Defence is bound to pay within 30 days of receiving an invoice from the Swedish Defence Materiel Administration (Försvarets materielverk, FMV) delivered on or after the signing of the implementing agreement.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q47: Cost growth pressures**

**Senator Fawcett** asked on 3 June 2013 a question, Hansard pages 27 and 28.

How much is the shortfall in funding, or liability, required to upgrade or make good current capability with respect to training facilities, equipment and doctrine development?

**Response:**

As outlined in the 2011-12 (PBS Page 17 – *Strategic Reform Program*) and 2012-13 (PBS Page 16 – *Contribution to the Fiscal Strategy*) Budget, the savings contributed by Defence in support of the Government's fiscal strategy will have no adverse impact on operations and have been designed to have minimum impact on the delivery of core Defence capabilities.

Over the 2013-14 Budget and Forward Estimates period there are currently no accumulated funding deficiencies for upgrades, maintenance or training for existing capabilities as the Government's fiscal strategy was designed to have minimum impact on the delivery of core Defence capabilities.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q48: MU90 and Mark 46 Torpedos and Anzac/Adelaide Class Frigates**

**Senator Humphries** asked on 4 June 2013 Hansard page 62.

When will the MU90 replace the Mark 46 on the ANZAC/Adelaide Class Frigates?

**Response:**

The MU90 is expected to achieve final operating capability by end 2013. The ANZAC and Adelaide Class Frigates will be capable of employing both MK46 and MU90 until the AP-3C Orion, which also employs the MK46, is withdrawn from service around 2020.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q49: Staffing (Recruitment)**

**Senator Eggleston** provided in writing:

How many ongoing staff were recruited this financial year to date?  
What classification are these staff?

How many non-ongoing positions exist or have been created this financial year to date?  
What classification are these staff?

This financial year to date, how many employees have been employed on contract and what is the average length of their employment period?

**Response:**

1. The ongoing APS hires for the period 1 July 2012 to 31 May 2013 was 936 broken down into the following classifications:

APS 1	11
APS 2	166
APS 3	94
APS 4	207
APS 5	146
APS 6	179
EL 1	83
EL 2	40
SES Band 1	6
SES Band 2	2
SES Band 3	1
Secretary	1

2. For the period 1 July 2012 to 31 May 2013, the number of non-ongoing APS positions that existed or were created was 350, broken down into the following classifications:

APS 1	6
APS 2	11
APS 3	42
APS 4	34
APS 5	55

APS 6	76
EL 1	89
EL 2	32
SES Band 1	3
SES Band 2	2

3. Contract staff are defined as non-ongoing. For the period 1 July 2012 to 31 May 2013 the number of non-ongoing APS personnel employed was 560. The average service length for APS non-going personnel was 158.5 days over that period.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q50: Defence Implementation of Audit Recommendations**

**Senator Xenophon** provided in writing:

The ANAO report tabled on 27/02/2013 'Defence Implementation of Audit Recommendations' states that half of the sample (14) recommendations that ANAO examined in this audit (all of which were reported as implemented by Defence) were assessed as not being adequately implemented. (Summary Introduction para 17.)

The average time taken by Defence to complete recommendations examined by the ANAO was approximately 400 days, which was on average 175 days later than the original estimated completion date agreed between the Defence Group responsible for implementing the recommendation and Defence internal audit. (Summary Introduction para 17.)

The ANAO's sample testing highlighted problems with timeliness, and some issues with the extent of implementation - Report Page 19 - para 34.

- (1) Why has there been a delay in these implementations?
- (2) Will ANAO's recommendations be implemented and not just incorrectly signed off? The closure minutes attached for this audit do not cover any part of Recommendation 1. However, the comments included in ARMS for Recommendation 1c stated that the following action was being taken: recruitment and training of required staff; drafting of a formal agreement with the ADF Investigative Service (ADFIS); and the launch of new unit within ADFIS under the terms of a signed MOU to meet the requirement of the recommendation.
- (3) In hindsight, can Defence explain what happened to the ANAO recommendation in 1991 to develop and maintain a centralised database containing relevant details of all fraud allegations, investigations and outcomes?
- (4) Was this database kept and maintained?
- (5) What happened to the case management system for use by all investigative agencies in Defence that was to be operational by the end of 2000?

**Response:**

- (1) The Australian National Audit Office (ANAO) identified a range of possible causes for late implementation or non-implementation of recommendations in Defence. Table 3.8 on page 83 of the ANAO's report lists these. Defence does not disagree with the potential causes identified by the ANAO, and notes that, at times, a combination of these may result in delays to the implementation of an audit recommendation.

(2) Defence Audit Branch is reviewing all ANAO recommendations identified as having been 'partially implemented' or for which the ANAO could not find sufficient evidence to demonstrate full implementation. Where a recommendation has been deemed partially implemented, Defence will request further evidence from responsible officers to gain additional assurance that the recommendation was considered and appropriately implemented.

In January 2012, Defence mandated the requirement for the Defence Chief Audit Executive to review all evidence supporting the implementation of ANAO performance audit recommendations, prior to approving their closure. Defence notes that many of the recommendations reviewed by the ANAO predate Defence procedures introduced to provide assurance over the implementation of audit recommendations.

Defence is confident that these procedures provide a greater level of assurance that recommendations have been implemented as intended.

(3) Defence fully implemented the 1991 recommendation and developed the Defence Policing and Security Management System (DPSMS). DPSMS is a centralised case management database containing the details of all fraud allegations, investigations and outcomes. DPSMS is not limited to the recording of fraud cases. It is a corporate case management system used by Defence Policing and Security Organisations to record the details, decision points, outcomes and people involved in their incidents and investigations. The use of DPSMS is mandated in Defence Instructions (General) Administrative 45-2 *The Reporting and Management of Notifiable Incidents*, re-issued on 26 March 2010.

(4) Yes

(5) DPSMS became operational in September 2000. The system has been upgraded to maintain currency with extant policies and procedures.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q51: Staffing (Staff leaving)**

**Senator Eggleston** provided in writing:

How many ongoing staff left the department/agency this financial year to date?  
What classification were these staff?

How many non-ongoing staff left department/agency this financial year to date?  
What classification were these staff?

How many contract staff left department/agency in the year this financial year to date?  
What classification were these staff?

**Response:**

1. For the period 1 July 2012 to 31 May 2013, the number of ongoing APS personnel separated from the department was 1947, broken down into the following classifications:

APS 1	44
APS 2	141
APS 3	167
APS 4	202
APS 5	312
APS 6	482
EL 1	407
EL 2	176
SES 1	9
SES 2	3
SES 3	3
Secretary	1

2. For the period 1 July 2012 to 31 May 2013, the number of non-ongoing APS personnel separated from the department was 396, broken down into the following classifications:

APS 1	72
APS 2	82
APS 3	80
APS 4	38



APS 5	48
APS 6	35
EL 1	28
EL 2	12
SES 3	1

3. Contract staff are defined as non-ongoing; refer to the response to Part 2 above.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q52: Initial Operating Capability (IOC)**

**Senator Xenophon** provided in writing:

How can initial operational (IOC) capability be declared before, at the very least, satisfactory completion the Initial Operational Test and Evaluation (IOT&E) Phase of testing?

**Response:**

US Acquisition rules in relation to Initial Operational Test and Evaluation (IOT&E) and Initial Operational Capability (IOC) are a matter for the US Government.

In Australia Initial Operational Capability (IOC) is the state achieved when a capability is available in its minimum usefully deployable form. The requirements to achieve IOC will be defined by the Capability Manager. IOC is not necessarily directly linked to the completion of the Initial Operational Test and Evaluation (IOT&E), although some aspects of IOC may be confirmed during IOT&E.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 13**

**Q53: Staffing (Voluntary and Involuntary Redundancies)**

**Senator Eggleston** provided in writing:

(a) How many staff reductions/voluntary redundancies have occurred this financial year to date? What was the reason for these reductions? (b) Were any of these reductions involuntary redundancies? If yes, provide details. (c) Are there any plans for further staff reductions/voluntary redundancies? If so, please advise details including if there is a reduction target, how this will be achieved, and if any services/programs will be cut. If there are plans for staff reductions, please give the reason why these are happening. (d) Are there any plans for involuntary redundancies? If yes, provide details.

**Response:**

- (a) As outlined in the *Defence Portfolio Budget Statements 2013-14*, it is estimated that, as at 1 July 2013, Defence's actual Australian Public Service (APS) workforce will be approximately 20,950 on 1 July 2013, representing a reduction of approximately 1,200 between 1 July 2012 and 1 July 2013, with an average staffing level across the financial year of 21,544. The workforce savings have been made possible by continuing reforms to Defence's business practices, in particular through the wider application of Shared Services reform. The workforce savings were achieved through a combination of natural attrition and voluntary redundancies. FY 2012-13 saw 714 employees take up the offer of a voluntary redundancy, of which 628 were as a result of the Defence Initiated Voluntary Redundancy Program undertaken over the period August 2012 to January 2013. The remaining 86 were a result of normal change activities being undertaken in Defence.
- (b) There were no involuntary redundancies in FY 2012-13.
- (c) Yes, but details are still being finalised.
- (d) No.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q54: Printing Costs**

**Senator Eggleston provided in writing on 14 June 2013:**

How many documents (include the amount of copies) have been printed this financial year to date? How many of these printed documents were also published online?

**Response:**

Defence prints hard copies of reports/statements/papers produced within the Department. Examples include statutory documents such as the Portfolio Budget Statements, the Portfolio Additional Estimates Statements and the Annual Report, which are intended for Parliamentary purposes and external transparency. Other examples include internal documents such as audit reports, financial statements, and discussion papers.

Publications such as the Defence Annual Report, Portfolio Budget Statements and Portfolio Additional Estimates Statements are published online on the Internet and Defence Intranet.

Numbers of copies printed for each document differ greatly depending on the nature of the document and its intended audience.

Given the breadth of the question and the diversity of documents printed within Defence, it is not possible to provide a more specific response without an unreasonable diversion of resources.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q55: IOC of Australian JSF Fleet**

**Senator Xenophon** provided in writing:

The US Acquisition Rules require IOT&E testing to be satisfactorily completed before declaration of IOC. Therefore, isn't this latest announcement yet again another JSF Program breach of US Acquisition Rules if not in breach of US Statutes on Duty of Care?

What is the IOC for the Australian JSF fleet, as planned?

Is the planned Australian IOC in Australia and if not, why not?

**Response:**

The declaration of Initial Operational Capability for the United States is a matter for the United States Government.

The *2013 Defence White Paper* released by Government on 3 May 2013 indicated a planned Australian Initial Operational Capability (IOC) for the Joint Strike Fighter of 2020. The declaration of IOC will occur in Australia.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimate – 3-4 June 2013**

**Q56: JSF Program Financing**

**Senator Xenophon** provided in writing:

What does the following highlighted statement by Mr Wilshire mean and what & why are there concerns of “bankers/financiers”, as suggested by this statement: "This is very good news for suppliers to the JSF Program and should provide your bankers/financiers with confidence that the program is moving forward apace".

**Response:**

Australian industry has invested heavily in the JSF program, to achieve the technical, quality and business processes necessary to manufacture high technology components for the F-35 Program. Business cases for such investment were predicated on a much earlier and higher production rate than has been the case. Delays in the US JSF program have resulted in reduced F-35 aircraft production numbers to date.

The recent commitment to the F-35 by the Australian Government as part of the 2013 Defence White Paper, along with statements by the senior executives in the United States Department of Defense and Lockheed Martin that the production rate is set to rise, should be seen as positive signs by the financiers and bankers of Australian companies involved in F-35 production.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q57: Graduate Recruitment**

**Senator Eggleston provided in writing:**

- (1) Provide an update on expenditure for 2014 Graduate Recruitment to date. Please itemise and detail costs.
- (2) Has any travel been incurred for 2014 Graduate Recruitment? Please itemise and detail costs.

**Response:**

- (1) Expenditure for activities relating to 2014 graduate recruitment to date for the Defence Graduate Development Program, Defence Materiel Organisation Materiel Graduate Scheme, Intelligence and Security Development Program, and Navy Civilian Engineer Development Program is \$435,628. This includes:
  - (a) Marketing and advertising (primarily non-print):

(i) University stall bookings for careers fairs	\$ 47,527
(ii) Marketing strategy and creative development	\$ 69,870
(iii) Advertising development and placement	\$ 97,780
  - (b) Recruitment services:

(i) Development of web application system	\$ 42,153
(ii) Psychometric testing and recruitment services	\$ 151,920
(iii) Administration of assessment centres	\$ 26,378
- (2) Travel expenses incurred in relation to 2014 graduate recruitment to date are \$ 94,791. This includes:

(a) Attendance at 30 university and industry events	\$ 59,801
(b) Assessors attending assessment centres	\$ 34,990

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q58: Commercial Contract Payments**

**Senator Xenophon** provided in writing.

Defined by year, how many commercial contracts have been paid incorrectly and what was their value?

How much has been recovered because of an error in payments since 2010?

**Response:**

Defence has identified incorrect payments to suppliers over the past three financial years as follows:

<b>Financial Year</b>	<b>Number</b>	<b>Value</b>
10/11	16	\$6,464.19
11/12	13	\$24,959.30
12/13	16	\$98,404.81
<b>Total</b>	<b>45</b>	<b>\$129,828.30</b>

Defence has recovered the entire amount.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates hearing – 3-4 June 2013**

**Q59: Meeting Costs**

**Senator Eggleston** provided in writing:

(1) What is the Department/Agency's meeting spend for this financial year to date? Detail date, location, purpose and cost of all events, including any catering and drinks costs.

(2) For each Minister and Parliamentary Secretary office, please detail total meeting spend for this financial year to date. Detail date, location, purpose and cost of each event including any catering and drinks costs.

(3) What meeting spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.

(4) For each Minister and Parliamentary Secretary office, what meeting spend is currently being planned for? Detail date, location, purpose and cost of each event including any catering and drinks costs.

**Response:**

Defence's travel costs associated with meetings are provided in Defence's response to Senate Budget Estimates Question on Notice No 92: Travel Costs taken from the 3-4 June 2013 hearing.

Defence's hospitality costs associated with meetings are provided in Defence's response to Senate Budget Estimates Question on Notice No 109: Hospitality and Entertainment taken from the 3-4 June 2013 hearing.

An unreasonable diversion of departmental resources would be required to provide information on other aspects of meetings such as dates, locations, purposes and costs of individual meetings.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates hearing – 3-4 June 2013**

**Q60: Operation MAJORCA**

**Senator Xenophon** provided the following questions in writing on 14 June 2013:

Is Operation MAJORCA (joint operation by Defence Inspector General and Australian Federal Police)

- (1) Still an ongoing operation?
- (2) Been replaced by another ongoing operation?
- (3) Is there an intelligence and reporting process in place to support either Operation MAJORCA or any replacement operation?
- (4) Will the Busuttil Report (c1997) be made public, and if so when?
- (5) Given that Operation MAJORCA may have concluded has a report of the outcomes of Operation MAJORCA been tabled to the Parliament?

**Response:**

(1) Operation MAJORCA was an investigation conducted by the Australian Federal Police with the support of the Inspector General of Defence. It is not an ongoing operation.

(2), (3) and (5) Any questions in relation to Operation MAJORCA, its replacement (if any), reporting and intelligence should be directed to the Australian Federal Police.

(4) The Busuttil Report was conducted under the Defence (Inquiry) Regulations 1985 made under the *Defence Act 1903*. In accordance with section 63 of the Regulations, the report can only be released after Ministerial approval. Defence currently does not intend to propose the releasing of the Busuttil Report.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q61: Program Launch Costs**

**Senator Eggleston provided in writing:**

(1) What is the Department/Agency's program launch spend for this financial year to date? Detail date, location, purpose and cost of all events, including any catering and drinks costs.

(2) For each Minister and Parliamentary Secretary office, please detail total program launch spend for this financial year to date. Detail date, location, purpose and cost of each event including any catering and drinks costs.

(3) What program launch spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.

(4) For each Minister and Parliamentary Secretary office, what program launch spend is currently being planned for? Detail date, location, purpose and cost of each event including any catering and drinks costs.

**Response:**

Defence does not have programs that are identified under the Department of Finance and Deregulation's Central Budget Management System.

Defence undertakes a range of program launches which include a range of costs including salaries, hire and catering. These programs are not individually identified on Defence's Financial System and to do so would require an unreasonable diversion of resources.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q62 - Board Appointments**

**Senator Eggleston** provided in writing:

Provide an update of the boards within this portfolio, including: board title, terms of appointment, tenure of appointment and members. What is the gender ratio on each board and across the portfolio? Please detail any board appointments for this financial year to date.

**Response:**

In accordance with Senate Orders I3 and 14 of June 2008, information regarding Defence board appointments, changes to board appointments and gender ratio for each board as at 5 April 2013 was tabled in the Senate on 27 May 2013. This information does not include boards within the portfolio that relate to the Department of Veterans' Affairs.

Additionally, Defence contributes to the Gender Balance on Australian Government Boards Report annually in accordance with guidelines provided by the Office for Women (FaHCSIA). The Government released the Gender Balance on Australian Government Boards Report on 15 November 2012.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q63: LAND 121: Project Overlander**

**Senator Macdonald** provided in writing.

(1) Will RAEME facilities at bases across Australia require equipment upgrades in order to deliver the Land Systems maintenance work for which personnel are currently being trained at Gaza Ridge?

(2) (a) What is the proposed/estimated cost of these upgrades? (b) What is the proposed/estimated timeframe for these upgrades?

(3) Will maintenance works conducted on-base by RAEME void any conditions of the warranty on the Mercedes G-Wagon?

(4) If Mercedes will 'remedy by repair' any defects found in the G-Wagon for three years, will Mercedes continue to warrant an engine component that has been repaired by RAEME personnel/at RAEME workshops?

(5) Will any vehicle maintenance on the 7500 vehicles being acquired under Project Overlander be made available to civilian contractors in the local areas adjacent to bases where the G-Wagons are allocated?

**Response:**

(1) Upgrades and enhancements will be required to some Royal Australian Electrical and Mechanical Engineers (RAEME) facilities. The facilities requirements are still being developed and are Commercial-in-Confidence.

(2)

(a) As the facilities requirement for LAND 121 is still being finalised, an accurate cost estimate of each RAEME facility is not available and are Commercial-in-Confidence.

(b) The upgrade of these facilities is estimated to begin in early 2016.

(3) Army and Air Force maintenance personnel are responsible for conducting light and medium grade repairs on the Mercedes-Benz G-Wagon fleet. When conducted in accordance with the approved maintenance documentation, these repairs will not void the vehicle warranty.

(4) As detailed above, as long as Army and Air Force maintenance personnel conduct repairs in accordance with the approved maintenance documentation, there is no impact on the warranty; Mercedes-Benz will continue to warrant the engine components.

(5) The maintenance regime determined by Project Overlander uses the Original Equipment Manufacturers for heavy-grade repairs. Army and Air Force maintenance personnel are responsible for conducting light and medium grade repairs on the Mercedes-Benz G-Wagon fleet. Repairs to less complex equipment, such as the lightweight and light trailers which are towed by the G-Wagon may have maintenance conducted by civilian contractors.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – ESTIMATES**

**Senate Budget Estimates – 3-4 June 2013**

**Q64: Freedom of Information**

**Senator Eggleston** provided in writing:

- a) Has the department/agency received any updated advice on how to respond to FOI requests?
- b) What is the total cost to the department to process FOI requests for this financial year to date?
- c) How many FOI requests has the Department received for this financial year to date?
- d) How many requests have been denied and how many have been granted?
- e) Has the department failed to meet the processing times outlined in the FOI Act for any requests? If so, how many and why? Do any of these requests remain outstanding? If so, how many and why?

**Response:**

- a) Defence has sought external legal advice, where necessary, for a small number of more complex requests relating to personal information applications. Defence Housing Australia (DHA) has access to legal service providers should a specific Freedom of Information (FOI) request necessitate advice of a more specialised nature. Defence and DHA make use of publicly available guidance from the Office of the Australian Information Commissioner (OAIC). Additionally, some Defence and DHA officers attend briefings from legal service providers.
- b) This figure will be available in the OAIC Annual Report 2012-13. Financial expenditure and staff hours are provided to the OAIC annually. The OAIC uses an internal formula, which generates the figures for the annual report.
- c) Details for Defence are publicly available on the Defence internet at <http://www.defence.gov.au/foi/foiStatistics.htm>. DHA has received 10 requests.
- d) Details for Defence are publicly available on the Defence internet at <http://www.defence.gov.au/foi/foiStatistics.htm>. DHA has completed seven requests, of which five were granted, two were denied and one was withdrawn.

- e) Defence and DHA have met all processing times outlined in the FOI Act.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q65: Community Cabinet Meetings**

**Senator Eggleston** provided in writing:

- (a) Provide an update of how many Community Cabinet meetings has the Minister attended this financial year to date? List date and location.
- (b) How many Departmental Officers travelled with the Minister for the Community Cabinet meetings for this financial year to date? What was the total cost of this travel? List travel type, accommodate and any other expenses. Which Community Cabinet meetings did the Departmental Officers attend? List date and location.
- (c) What was the total cost to the Department and the Ministers office for the Community Cabinet meetings for this financial year to date?

**Response:**

- (a) A Defence Minister and/or Parliamentary Secretary has attended six Community Cabinet meetings this financial year to date. The dates and locations are as follows:
  - 10 July 2012 in Oxley, Queensland;
  - 5 September 2012 in Brand, Western Australia;
  - 14 November 2012 in Petrie, Queensland;
  - 27 March 2013 in Hasluck, Western Australia;
  - 17 April 2013 in Deakin, Victoria; and
  - 22 May 2013 in Blaxland, New South Wales.
- (b) Three Departmental officers travelled with a Defence Minister or Parliamentary Secretary attending three Community Cabinet meetings this financial year to date. The total cost of this travel was \$6,431.30. These Departmental officers either flew or drove to/from Community Cabinet locations and travelled by taxi or hire car to/from venue. Departmental officers were accommodated in hotels and provided with travel and

incidental expenses within their entitlements. The Community Cabinet meetings which Departmental officers attended were held on:

- 10 July 2012 in Oxley, Queensland;
- 5 September 2012 in Brand, Western Australia; and
- 14 November 2012 in Petrie, Queensland.

(c) Total cost to the Department was \$6,431.30. The cost for all other travel undertaken by the Ministers and Parliamentary Secretaries are paid for by the Department of Finance and Deregulation (DoFD). These costs are tabled in the Parliament every six months in a report titled 'Parliamentarians' Travel'. These reports also include dates, destination and purpose for the travel and are published on the DoFD website.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q66: Defence Indigenous Development Program (DIDP)**

**Senator Macdonald** provided the following question in writing:

(1) Have enrolments been finalised for the 2013 DIDP? (2) How many students have been enrolled? (3) Have the residential arrangements for the course been completed? (4) Where will the residential components of the course take place? (5) Does the DIDP enrolment process draw from the RFSU program at 51FNQR, NORFORCE and the Pilbara Regiment? (6) Are Regional Force Surveillance List personnel eligible for enrolment in the DIDP?

**Response:**

- (1) Yes. All trainees are enlisted in either NORFORCE or 51 Far North Queensland Regiment.
- (2) Twenty trainees are enlisted in the North Queensland program. Thirty trainees are enlisted in the Northern Territory program.
- (3) Contracts have been signed for accommodation, Vocation Educational and Training (VET) and Language, Literacy and Numeracy (LLN) courses for both locations.
- (4) The residential training component for the Northern Territory program will take place at the Batchelor Institute of Indigenous Tertiary Education located in Batchelor, NT. Trainees live onsite. The residential training component for the North Queensland program will take place at the Tropical North Queensland TAFE. Trainees live at the Tropicana Lodge Motel in Cairns, QLD.
- (5) Yes.
- (6) Yes.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q67: Reviews**

**Senator Eggleston** provided in writing:

- (1) For this financial year to date:
- (a) How many Reviews are being undertaken?
  - (b) What reviews have concluded, and for those that are still ongoing, when will those reviews be concluded?
  - (c) Which of these reviews has been provided to Government?
  - (d) When will the Government be responding to the respective reviews that have been completed?
  - (f) Has the Government responded to all reviews within the timeframe? If not, why not?
  - (g) What is the estimated cost of each of these Reviews?
  - (h) What reviews are planned?
  - (i) When will each of these reviews be concluded?

**Response:**

- (1)
- (a)-(b) An updated list from February of the reviews being undertaken by the Department of Defence for this financial year to date is provided in the table below. No other reviews are currently planned.

Table: Defence reviews for 1 July 2012 to 30 June 2013

<b>Name of Review</b>	<b>Concluded / Date of Conclusion</b>	<b>Has the review been provided to Government?</b>	<b>Status of Government Response</b>	<b>Cost of review</b>
<i>Force Structure Review</i> Analyse the current and required force structure against strategic outlook. Develop force structure options cognisant of risk.	Concluded	Yes	Informed The 2013 White Paper.	Cost has been absorbed within Defence.
<i>Five Year Audit of the Australian Defence Force Investigative Service</i>	Concluded September 2012	No. This is an internal Defence review.	N/A	Approximately \$38,600 GST exclusive
<i>Review into ADF Health Services Following Transition of Garrison Health to Joint Health Command</i>	Concluded	No. This is an internal Defence review.	N/A	Approximately \$1900 – travel only The value of the Defence staffing and administrative resources used in this review has not been estimated.
<i>Review into the Strategic Direction of the Army Malarial Institute</i>	Concluded	No. This is an internal Defence review.	N/A	Approximately \$5000 – travel only. The value of the Defence staffing and administrative resources used in this review has not been estimated.

<p>Provision of View Point Modelling (VPM) Program Simulator Tool</p> <p>VPM has been undertaken in two distinct stages:  Stage A - an initial QuickScan view of the sources of complexity and interrelationship of major influences within the program,  Stage B - full VPM simulator is developed.</p>	<p>Estimated conclusion is mid 2013</p>	<p>No. This is an internal Defence review.</p>	<p>N/A</p>	<p>The total cost of the International Centre for Complex Project Management engagement is \$347,930.</p>
<p><i>The Moon-Weber Review - The Review of delivery of Legal Services by ADF Legal Officers to the ADF and Defence</i></p> <p>This was conducted by Mr John Weber – Chief Executive Partner, Minter Ellison together with Brigadier Michael Moon</p>	<p>Concluded July 2012</p>	<p>No. This is an internal Defence review.</p>	<p>N/A</p>	<p>The quantifiable costs of the Moon-Weber review are estimated as being \$147,630. This review was conducted using a combination of departmental and external resources. Departmental travel expenditure related to this review was \$13,533. The cost of Minter Ellison’s services in relation to this review was \$134,097 (GST inclusive). The value of the Defence staffing and administrative resources used in this review have not been estimated.</p>
<p><i>Rethinking Systems of Inquiry, Investigation, Review and Audit in Defence (The Re-thinking Inquiries Review)</i></p>	<p>Expected conclusion is mid 2013</p>	<p>No. This is an internal Defence review.</p>	<p>N/A</p>	<p>The core aspects of the Re-thinking Inquiries review has been almost entirely conducted using internal Defence staff (ADF and APS personnel). It is not possible at this stage to provide a reliable estimate of these internal costs. An External consultant and Legal Service Providers have been utilised to support aspects of the Re-thinking Inquiries review. An ICT Feasibility study has also been undertaken for a whole of Defence ICT solution for incident reporting and case management. Total external expenditure for the Re-thinking Inquiries review is estimated not to exceed \$550,000.</p>
<p><i>Defence Legal Establishment Review</i></p>	<p>Expected Last quarter of 2013</p>	<p>No. This is an internal Defence Review.</p>	<p>N/A</p>	<p>Following on from the Moon/Weber Review (see above), COSC agreed that Head Defence Legal would conduct a review of all ADF and APS legal officer positions. Phase One is being conducted by Defence staff (ADF and APS personnel). Phase two of the Review will be conducted by an external consultant at a cost of approximately \$50,000.</p>
<p><i>Review of the Weapons of Mass Destruction (Prevention of Proliferation) Act 1995</i> conducted by Mr Bill Blick AM PSM.</p>	<p>Defence received Mr Blick’s report on 31 July 2012.</p>	<p>Yes</p>	<p>The Blick Review is currently under consideration.</p>	<p>\$73,739 for consultancy services and \$3,186 for associated travel costs for Mr Blick (Total: \$76,924).</p>

<p><i>Review of the Notifiable Incidents in Defence</i> This review was directed by the CDF and conducted by Inspector General ADF to identify whether the current system of reporting notifiable incidents in Defence remains effective or could be improved.</p>	Concluded November 2012	No. This is an internal Defence review.	N/A	The review has been conducted internally and has not been separately costed.
<p><i>Review of the Military Justice Arrangements applying in the Defence Material Organisation</i> This review was directed by the CDF and conducted by Inspector General ADF to examine military justice arrangements for ADF personnel employed in the integrated environment of the Defence Material Organisation.</p>	Concluded October 2012	No. This is an internal Defence review.	N/A	Required no additional funding.
<p><i>Review of Operations and Maintenance of Ships of Commercial Design</i></p>	Concluded October 2012	No. This is an internal Defence review.	N/A	\$8800 in reserve wages, \$6300 in travel (approx as final reconciliation not yet complete)
<p>P3M3 Assessment As part of the ICT Reform Agency Capability Initiative, the Government directed that agencies complete regular P3M3 assessments of their portfolio, program and project management capability, to compare their actual capability to their target capability, and report the results to the Secretary's ICT Governance Board commencing in September 2012.</p>	Concluded September 2012	Yes	N/A	\$69,960 (GST inclusive)
<p><i>Review into the Treatment of Women in the Australian Defence Force (the Broderick Review)</i> This review is conducted by Ms Elizabeth Broderick, Sex Discrimination Commissioner, on behalf of the Australian Human Rights Commission (AHRC)</p>	<p>Phase 1 (Review into the Treatment of Women at the Australian Defence Force Academy (ADFA)) tabled in Parliament on 3 November 2011. Phase 2 (Review into the Treatment of Women in the Australian Defence Force) tabled in Parliament on 22 August 2012. Phase 3, an implementation audit of the Phase 1 Report, commenced in October 2012 and the audit of the Phase 2 Report is expected to commence in August 2013. A further report on the Review from the AHRC is expected in early 2014.</p>	Yes	<p>On 26 November 2012, the Minister for Defence announced that Defence has accepted all 21 Recommendations from the Phase 2 report of the Broderick Review, six in-principle and 15 in full.</p> <p>On 20 June 2013, the Minister provided Parliament with an update on the Broderick review.</p>	<p>Phases 1 and 2 – \$3.059 million Phases 3 and 4 – \$2 million budgeted</p>

<i>Technical Regulatory Frameworks Workforce (TRFW) Review</i> Commitment in Defence Enterprise Collective Agreement 2012-2014. Review includes a work value assessment and development of strategic solutions in attracting, developing and retaining Defence APS engineering and technical skills.	Research and analysis was completed by 30 November 2012. Expecting to be finalised mid 2013.	No. This is an internal Defence review.	N/A	\$0.630 million
<i>The Mercer Review</i> DSA organisational analysis	Concluded October 2012	No. This is an internal Defence Review.	N/A	\$463,909
<i>Security Governance Framework Review</i> An assessment of the present security governance arrangements in Defence with respect to the Protective Security Policy Framework and Shared Services requirements.	Concluded December 2012	No. This is an internal Defence review.	N/A	\$78,750 (GST inclusive)
<i>The IGIS Review into the Analytic Independence of DIO</i>	Concluded March 2013	No	N/A	Nil
Estate Consolidation Project – Revision and Update post <i>ADF Posture Review</i>	Concluded December 2012	Yes	Informed the 2013 White Paper	Total cost approximately \$1,845,330 (GST exclusive)
Collins Class Sustainment Study (Coles Study)	Phase 1 and 2 Completed. Phase 3 concluded in December 2012.	Yes	On 14 June 2013, Government announced agreement for the Collins Class Submarine fleet to transition immediately to a 'single stream full cycle docking' program. This initiative addresses a number of the key recommendations of the Coles Study for improving Collins Class sustainment and availability.	Total contracted price for all Phases to date \$10.730 million (GST inclusive).
<i>Own Motion Review into the Equity and Diversity Program in Defence</i>	Expected July 2013	No, this is an IGADF internal Defence review.	N/A	The review is being conducted internally and has not been separately costed.
<i>Air Force Headquarters Strategy and Capability Improvement Project Review</i>	Expected August 2013	N/A	N/A	\$550,000 GST inclusive

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 and 4 June 2013**

**Q68: Air Mobility Control Centre**

**Senator Ian Macdonald** provided in writing on 14 June 2013.

- (1) How many of each type of aircraft make up the AMCC fleet flown out of Richmond?
- (2) What is the current operational status of the AMCC fleet at RAAF Richmond across all aircraft types?
- (3) What operational factors have led to a 26 per cent reduction in C-130J flying hours identified in Senate Additional Estimates Answer to Question on Notice, QON Number 52?
- (4) How many personnel who are directly associated with AMCC fleet operations (pilots, aviation technicians, air traffic control etc) are currently posted to RAAF Richmond?
- (5) How many personnel who are directly associated with AMCC fleet operations (pilots, aviation technicians, air traffic control etc) were posted to RAAF Richmond in the 2011-12 financial year?
- (6) How many personnel who are directly associated with AMCC fleet operations (pilots, aviation technicians, air traffic control etc) will be posted to RAAF Richmond in the 2013-14 financial year?

**Response:**

Defence would like to offer Senator Macdonald the opportunity to visit RAAF Base Richmond to be briefed on the Air Mobility Control Centre (AMCC).

- (1) The Air Mobility Control Centre (AMCC) does not have a fleet of aircraft. They are only responsible for tasking aircraft from Air Lift Group for activities associated with training and operations other than those conducted in the Middle East Area of Operations.
- (2) The AMCC does not have a fleet of aircraft. They have command and control of aircraft while conducting exercises and operations on behalf of Commander Joint Operations Command.
- (3) The changes to the flying hour achievement is due to the retirement of the C-130H in December 2012. The achievement of C-130J flying hours has remained as planned.



(4) There are currently 37 personnel posted to the AMCC at RAAF Base Richmond

(5) Of the 37 personnel employed at the AMCC at RAAF Base Richmond, there were ten people that were newly posted to the AMCC in the 2011-12 financial year.

(6) Of the 37 personnel employed at the AMCC at RAAF Base Richmond, Air Force is planning to post 15 people to the AMCC in the 2013-14 financial year to replace the 15 people who will be posted out.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q69: Consultancies**

**Senator Eggleston** asked on 14 June 2013:

- (1) How many consultancies have been undertaken this financial year to date? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source, etc). Also include total value for all consultancies.
- (2) How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.

**Response:**

- (1) From 1 July 2012 to 31 May 2013 Defence entered into 425 new consultancy contracts with a total contract value of \$41,047,584 (305 contracts were above \$10,000 with a total value of \$40,465,182). For consultancy contracts let between 1 July 2012 and 31 May 2013 greater than \$10,000 the details of consultant's name, the subject matter, the duration and cost of the arrangement and the method of procurement are provided in Table 1.
- (2) The Defence Annual Procurement Plan (APP) published on AusTender provides details of known forward consulting contracts with a value greater than \$1 million. Lower value contracts and contracts whose details are not known at the time of publishing the APP will not be shown on AusTender. The consultant's name, subject matter, duration, costs, method of procurement is not known when financial plans are collated, these details are published on AusTender when the contract is let.

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
	<b>Officer of the Secretary and CDF</b>						
1	ANU - School of Pacific & Asian	13-Sep-12	15-Mar-13	Academic Research	Limited tender	B	77,714
2	Dr Allan Hawke	20-Jul-12	30-Jun-13	Defence White Paper Ministerial Advisory Group	Limited tender	B	264,000
3	Ernst & Young	5-Oct-12	30-Apr-13	Professional Enterprise Risk Management Services	Prequalified tender	B	165,000
4	James Stanley Gordon	26-Nov-12	30-Jun-13	Legal Services	Limited tender	B	209,000
5	Mr Andrew John Kirkham	30-Jan-13	30-Jun-13	Provision Legal Services	Limited tender	A	68,749
6	Mr Paul Rizzo	20-Jul-12	30-Jun-13	Defence White Paper Ministerial Advisory Group	Limited tender	B	240,000
7	Mr Richard John Burbidge QC	5-Apr-13	30-Jun-13	Legal Service - Commission Of Inquiry	Limited tender	B	163,550
8	Peter Raymond Callaghan	15-May-13	30-Jun-13	Provision Of Legal Services	Limited tender	B	297,000
9	Richard C. Smith	20-Jul-12	30-Jun-13	Defence White Paper Ministerial Advisory Group	Limited tender	B	264,000
10	Telstra Corporation Limited	25-Feb-13	30-Jun-13	Telecommunications Equipment And Usage.	Limited tender	B	238,600
11	Telstra Corporation Limited	28-Feb-13	30-Jun-13	Telecommunications Equipment And Usage	Limited tender	B	59,300
12	Telstra Corporation Limited	13-Aug-12	30-Jun-13	Telecommunications Equipment And Usage	Limited tender	B	33,300
13	Telstra Corporation Limited	13-Aug-12	30-Jun-13	Telecommunications Equipment And Usage	Limited tender	B	33,000
14	Telstra Corporation Limited	14-Aug-12	30-Jun-13	Telecommunications Equipment And Usage	Limited tender	B	39,500
14	<b>SECCDF Total</b>						<b>2,152,713</b>
	<b>VCDF</b>						
1	Ernst & Young	22-May-13	31-May-13	Analysis Into WHS & Environmental Requirements	Open tender	B	265,000
2	Financial & Technical Solutions	21-Feb-13	30-Jun-13	Deliver And Facilitate Financial Education	Limited tender	B	20,000
3	Grey Advantage Consulting Pty Limit	18-Dec-12	1-Oct-13	Curriculum Development Review	Open tender	B	68,000
4	Grey Advantage Consulting Pty Limit	16-Jan-13	30-Jun-13	Service Level Framework Progress Report	Open tender	C	15,000
5	Noetic Solutions Pty Ltd	25-Jan-13	30-May-13	Future Of Peacekeeping Operations' Project	Limited tender	B	57,503
6	Power Initiatives	20-Sep-12	28-Sep-12	Infrastructure Mapping Workshop	Limited tender	B	74,855
7	Sai Global	7-Dec-12	30-Jun-13	Audit Services	Limited tender	C	29,975
7	<b>VCDF Total</b>						<b>530,332</b>
	<b>JOC</b>						
1	Aurecon Australia Pty Ltd	5-Oct-12	31-Aug-13	Environment Assessment	Prequalified tender	B	191,679
2	Tresscox	26-Nov-12	30-Jun-13	Legal Fees	Open tender	B	98,640
2	<b>JOC Total</b>						<b>290,320</b>
	<b>ARMY</b>						
1	Allocate Software Pty Ltd	15-May-13	30-Jun-13	Software Licence	Limited tender	A	660,000



Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
	<b>CFOG</b>						
1	Dun & Bradstreet Australia Pty Ltd	14-Sep-12	30-Jun-13	Specialist Services To Provide Mercantile Data	Open tender	B	16,435
2	Synergy Global	16-Aug-12	30-Jun-15	Coaching Mentoring Services For Finance Domain SES	Open tender	B	895,000
2	<b>CFOG</b>						<b>911,435</b>
	<b>CIOG</b>						
1	Alcatel Australian Ltd	29-Apr-13	31-May-13	Project Management Training Services	Prequalified tender	A	27,610
2	CDM	14-May-13	30-Jun-13	Site Integration Services	Prequalified tender	A	57,005
3	Corporate Scorecard Pty Ltd	10-Apr-13	30-Jul-13	Project Support	Open tender	C	253,000
4	Dotindots	16-Apr-13	24-May-13	Desktop Evaluation Services	Limited tender	B	54,230
5	Echelon Consultancy And Training	21-Mar-13	22-Apr-13	Computer Room Infrastructure Management Plan	Limited tender	C	17,908
6	Ernst & Young	9-Apr-13	30-Jun-14	Provision Of Technical Services	Open tender	C	390,972
7	Finite It Recruitment Solutions	21-Mar-13	6-Mar-14	Information Technology Services	Open tender	C	407,001
8	Finite It Recruitment Solutions	20-Mar-13	6-May-13	Provision Of Technical Services	Open tender	C	82,500
9	Hewlett-Packard Australia Pty Ltd	6-Sep-12	31-Oct-12	Desktop Cloud Environment	Open tender	A	11,000
10	Microsoft Services Pty Ltd	20-Dec-12	28-Mar-13	Software Support And Associated Services	Limited tender	B	301,214
11	Oakton Services Pty Ltd	24-May-13	19-Sep-13	Capability Assessment	Prequalified tender	C	55,352
12	Oakton Services Pty Ltd	3-Aug-12	30-Sep-12	Conduct ICT Capability Assessment	Open tender	B	69,960
13	Pricewaterhousecoopers	4-Apr-13	30-Jun-13	ICT Project Support	Open tender	C	187,000
14	Tectonica Australia Pty Ltd	11-Jan-13	1-Jun-13	Training Needs Analysis	Open tender	B	347,760
15	The Frame Group Pty Limited	28-Mar-13	31-Aug-13	Commercialisation Of It Services	Open tender	C	198,000
15	<b>CIOG Total</b>						<b>2,460,512</b>
	<b>DSTO</b>						
1	Deloitte Touche Tohmatsu	2-Aug-12	31-Dec-12	DSTO Strategic Plan Development	Open tender	B	412,500
2	Technology And Management	20-May-13	31-Mar-14	Expert Review Of Documentation	Limited tender	B	41,721
2	<b>DSTO Total</b>						<b>454,221</b>
	<b>Defence Support Group</b>						
1	AEC Environmental Pty Ltd	16-Jul-12	30-Jun-13	Asbestos Remediation Works	Prequalified tender	B	57,732
2	Aecom	13-Sep-12	30-Sep-12	Maintenance And Repair Services	Open tender	B	22,000
3	Aecom Australia Pty Ltd	29-May-13	30-Oct-13	Assessment Of Wharves & Associated Infrastructure	Open tender	C	556,512
4	Allens	6-Dec-12	31-Mar-13	DL0185/2012 - Legal Services	Open tender	B	53,988
5	Allygroup	14-Sep-12	31-Jan-13	DL0143/2012- Legal Services	Prequalified tender	B	79,800

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
6	Ashurst Australia	22-Oct-12	31-Oct-12	DL0163/2012 - Legal Service	Open tender	B	17,289
7	Ashurst Australia	13-Nov-12	30-Dec-13	ID1066/2012 - Legal Services	Open tender	B	121,132
8	Ashurst Australia	13-Nov-12	31-Mar-13	DL0176/2012 - Legal Services	Open tender	B	75,677
9	Ashurst Australia	27-Nov-12	28-Feb-13	DL0183/2012 - Legal Services	Open tender	B	31,162
10	Ashurst Australia	21-Dec-12	30-Jun-13	DL0195/2012 - Legal Services	Limited tender	B	84,893
11	Ashurst Australia	11-Sep-12	30-Jun-13	ID1029/2008 Legal Services	Open tender	B	91,859
12	Ashurst Australia	11-Feb-13	31-May-13	DL0016/2013 - Legal Services	Open tender	B	15,596
13	Ashurst Australia	25-Mar-13	30-Jun-13	ID1075/2012 - Legal Services	Open tender	B	101,987
14	Ashurst Australia	5-Apr-13	30-Jun-14	ID1008/2013 - Legal Services	Limited tender	B	121,434
15	Ashurst Australia	5-Apr-13	30-Jun-13	ID1010/2013 - Legal Services	Limited tender	B	43,522
16	Ashurst Australia	15-May-13	30-Jun-14	ID1141/2008 - Legal Services	Open tender	B	72,998
17	Ashurst Australia	15-May-13	30-Dec-13	ID1060/2012 - Legal Services	Open tender	B	111,799
18	Ashurst Australia	28-May-13	30-Jan-14	ID1082/2009-Legal Services	Open tender	B	60,843
19	Ashurst Australia	30-May-13	30-Jan-14	ID1055/2012 - Legal Services	Open tender	B	112,698
20	Ashurst Australia	16-Jul-12	31-Dec-12	DL0114/2012 - Legal Services	Open tender	B	70,588
21	Ashurst Australia	19-Jul-12	30-Jun-13	DL0028E03/2012 - Legal Services	Open tender	B	1,710,619
22	Ashurst Australia	26-Jul-12	30-Dec-12	ID1100E03/2007 - Legal Services	Open tender	B	10,452
23	Ashurst Australia	7-Aug-12	30-Sep-12	DPE2008/2012 - Legal Services	Open tender	B	11,167
24	Ashurst Australia	8-Aug-12	30-Jun-13	ID1045/2012 - Legal Services	Open tender	B	51,641
25	Ashurst Australia	4-Jul-12	31-Aug-12	DL1111/2012 - Legal Services	Open tender	B	12,203
26	Ashurst Australia	23-Aug-12	30-Jun-13	DL0128/2012 - Legal Services	Open tender	B	91,727
27	Ashurst Australia	10-Sep-12	31-Dec-12	ID1083/2008 - Legal Services	Open tender	B	45,357
28	Ashurst Australia	14-Sep-12	30-Jun-14	ID1053/2012- Legal Services	Open tender	B	105,884
29	Ashurst Australia	2-Oct-12	30-Dec-12	ID1063/2012 - Legal Services	Open tender	B	24,206
30	Australian Government Actuary	16-Oct-12	30-Jun-13	Actuarial Services	Prequalified tender	B	91,000
31	Australian Government Solicitor	2-Nov-12	30-Nov-12	DL0147/2012 - Legal Services	Open tender	B	12,788
32	Australian Government Solicitor	5-Nov-12	30-Jun-13	ID1070/2012 - Legal Services	Open tender	B	106,755
33	Australian Government Solicitor	14-Nov-12	31-Dec-12	DL0177/2012 - Legal Services	Open tender	B	18,392
34	Australian Government Solicitor	10-Jan-13	31-Mar-13	DL0003/2013	Open tender	B	13,151
35	Australian Government Solicitor	24-Jan-13	28-Feb-13	ID1000/2013 - Legal Services	Open tender	B	26,158
36	Australian Government Solicitor	25-Feb-13	30-Apr-13	DL0027/2013 - Legal Services	Limited tender	B	34,238
37	Australian Government Solicitor	25-Jan-13	30-Mar-13	DPE2000/2013 - Legal Services	Open tender	B	15,147
38	Australian Government Solicitor	19-Mar-13	31-Mar-13	DL0036/2013 - Legal Services	Prequalified tender	B	13,211
39	Australian Government Solicitor	26-Mar-13	31-May-13	DL0044/2013 - Legal Services	Limited tender	B	12,925

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
40	Australian Government Solicitor	2-Apr-13	31-May-13	DL0046/2013 - Legal Services	Limited tender	B	10,076
41	Australian Government Solicitor	22-Oct-12	30-Jun-13	DL0140/2012 - Legal Services	Open tender	B	15,444
42	Australian Government Solicitor	17-Apr-13	31-May-13	DL0049/2013 - Legal Services	Limited tender	B	17,133
43	Australian Government Solicitor	29-Apr-13	30-Dec-13	ID1018/2013 - Legal Services	Limited tender	B	312,493
44	Australian Government Solicitor	9-May-13	30-Jun-13	DL0009/2013 - Legal Services	Limited tender	B	100,757
45	Australian Government Solicitor	14-May-13	30-Jun-13	DL0032/2013 - Legal Services	Limited tender	B	32,390
46	Australian Government Solicitor	24-May-13	30-Aug-13	ID1028/2013 - Legal Services	Limited tender	B	15,659
47	Australian Government Solicitor	4-Jul-12	31-Aug-12	DL0109/2012 - Legal Services	Open tender	B	17,644
48	Australian Government Solicitor	23-Aug-12	31-Oct-12	DL0134/2012 - Tied Work	Limited tender	B	10,230
49	Australian Government Solicitor	13-Sep-12	30-Mar-13	ID1036/2012 - Legal Services	Open tender	B	39,606
50	Australian Government Solicitor	5-Sep-12	30-Sep-12	DL0135/2012 - Legal Services	Open tender	B	10,428
51	Australian Government Solicitor	11-Sep-12	31-Oct-12	DL0141/2012- Legal Services	Open tender	B	12,265
52	Australian Government Solicitor	21-Aug-12	31-Dec-12	DL0133/2012 - Legal Services	Open tender	B	16,148
53	Australian Government Solicitor	4-Oct-12	30-Nov-12	DL0153/2012 - Legal Services	Open tender	B	22,160
54	Australian Government Solicitor	11-Oct-12	31-Oct-12	DL0161/2012 - Legal Services	Open tender	B	10,785
55	Australian Government Solicitor	10-Sep-12	31-Dec-12	DL0136/2012 - Tied Work	Open tender	B	30,762
56	Blue Visions Management Pty Ltd	11-Oct-12	1-Dec-16	Blue Vision Engaged To Review The Managing Contractor's Delivery Phase Program	Limited tender	C	22,044
57	Bti Consulting Pty Ltd	27-May-13	30-Sep-13	Research Building Information Modelling	Limited tender	B	79,000
58	Chambers Of Douglas J Campbell SC	11-Sep-12	31-Oct-12	DL0139/2012- Legal Services	Open tender	B	25,000
59	Clayton Utz	2-Nov-12	31-Dec-12	DL0097E01/2012 - Legal Services	Open tender	B	20,163
60	Clayton Utz	17-Sep-12	28-Feb-13	DL0130/2012 - Legal Services	Open tender	B	49,063
61	Clayton Utz	6-Dec-12	30-Apr-13	DL0222E03/2008 - Legal Services	Open tender	B	10,384
62	Clayton Utz	27-Nov-12	30-Jan-13	ID1070E03/2007 - Legal Services	Open tender	B	22,372
63	Clayton Utz	14-Dec-12	31-May-13	DL0068/2012 - Legal Services	Open tender	B	29,594
64	Clayton Utz	5-Dec-12	30-Jun-13	ID1004E02/2011 - Legal Services	Open tender	B	69,080
65	Clayton Utz	21-Dec-12	7-Feb-13	DL0200/2012 - Legal Services	Limited tender	B	23,615
66	Clayton Utz	10-Dec-12	31-Jan-13	DL0189/2012 - Legal Services	Open tender	B	14,762
67	Clayton Utz	9-Aug-12	30-Jun-13	ID1052E01/2011 - Legal Services	Open tender	B	170,148
68	Clayton Utz	21-Jan-13	30-Apr-13	DL0166/2012 - Legal Services	Open tender	B	38,685
69	Clayton Utz	11-Feb-13	30-Jun-13	ID1002/2013 - Legal Services	Prequalified tender	B	78,947
70	Clayton Utz	11-Feb-13	30-Jun-13	ID1001/2013 - Legal Services	Prequalified tender	B	79,640
71	Clayton Utz	16-Jan-13	31-Mar-13	DL0107E04/2011 - Legal Services	Open tender	B	108,724
72	Clayton Utz	7-Nov-12	30-Jun-13	ID1039/2012 - Legal Services	Open tender	B	92,838

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
73	Clayton Utz	26-Mar-13	30-May-15	ID1076/2012 - Legal Services	Open tender	B	121,759
74	Clayton Utz	20-Mar-13	30-Jun-13	ID1006/2013 - Legal Services	Limited tender	B	65,230
75	Clayton Utz	19-Mar-13	30-Jun-13	ID1007/2013 - Legal Services	Limited tender	B	37,290
76	Clayton Utz	2-Apr-13	31-May-13	DL0047/2013 - Legal Services	Limited tender	B	26,228
77	Clayton Utz	24-Apr-13	30-Jun-13	DL0158/2012 - Legal Services	Open tender	B	111,731
78	Clayton Utz	19-Apr-13	30-Jun-13	ID1019/2013 - Legal Services	Limited tender	B	79,244
79	Clayton Utz	24-Apr-13	30-Jun-13	DL0054/2013 - Legal Services	Limited tender	B	13,420
80	Clayton Utz	26-Apr-13	30-Dec-14	ID1014/2013 - Legal Services	Prequalified tender	B	384,945
81	Clayton Utz	2-May-13	30-Dec-13	ID1022/2013 - Legal Services	Limited tender	B	78,925
82	Clayton Utz	8-Feb-13	30-Jun-14	DL0551E01/2006 - Legal Services	Open tender	B	357,559
83	Clayton Utz	8-May-13	31-Jul-13	DL0056/2013 - Legal Services	Limited tender	B	34,199
84	Clayton Utz	11-Sep-12	31-Mar-13	ID1051/2012- Legal Services	Open tender	B	86,280
85	Clayton Utz	11-Sep-12	31-Mar-13	DL0138/2012 - Legal Services	Open tender	B	69,252
86	Clayton Utz	18-Jul-12	31-Dec-12	ID1044/2012 - Legal Services	Open tender	B	22,968
87	Clayton Utz	5-Oct-12	31-Dec-12	ID1064/2012 - Legal Services	Open tender	B	10,736
88	Clayton Utz	5-Oct-12	31-Dec-12	DL0068E08/2007 - Legal Services	Open tender	B	28,915
89	Cogent Business Solutions Pty Ltd	7-May-13	31-Aug-13	Strategic Planning And Investment Prioritisation	Open tender	B	165,000
90	Corporate Scorecard Pty Ltd	9-Aug-12	30-Jun-13	Support For Future Acquisition Strategy For Delivery Of Base Services	Open tender	B	140,000
91	Corporate Scorecard Pty Ltd	8-Aug-12	31-Dec-12	Payment For Financial Investigation Services By Corporate Scorecard For Land17 Phase 1A	Limited tender	B	16,500
92	CPA Australia	5-Nov-12	16-Nov-12	Congress 2012	Limited tender	A	19,009
93	CSG Demining Consultants Pty Ltd	27-Mar-13	30-Jun-13	Provision Of Unexploded Ordnance Services	Open tender	B	25,150
94	Csiro - Davies Laboratory	7-Aug-12	31-May-13	Sustainability Monitoring	Limited tender	B	287,100
95	Dia Piper Australia	22-Oct-12	30-Nov-12	DL0162/2012 - Legal Services	Open tender	B	13,167
96	Dia Piper Australia	22-Oct-12	30-Mar-13	DL0152/2012 - Legal Services	Open tender	B	89,611
97	Dia Piper Australia	22-Nov-12	30-Jun-13	DL0182/2012 - Legal Services	Open tender	B	30,360
98	Dia Piper Australia	20-Nov-12	30-Oct-13	ID1071/2012 - Legal Services	Open tender	B	60,865
99	Dia Piper Australia	5-Dec-12	31-Dec-12	DL0168/2012 - Legal Services	Open tender	B	40,497
100	Dia Piper Australia	11-Feb-13	30-Jul-13	DL0011/2013 - Legal Services	Limited tender	B	99,220
101	Dia Piper Australia	25-Mar-13	31-May-13	DL0011/2013 - Legal Services	Prequalified tender	B	33,842
102	Dia Piper Australia	25-Mar-13	30-Jun-13	DPE2004/2013 - Legal Services	Limited tender	B	14,465
103	Dia Piper Australia	18-Mar-13	14-Dec-13	DL0087E01/2009- Legal Services	Open tender	B	1,574,795
104	Dia Piper Australia	16-Jul-12	30-Jun-13	ID1031/2012 - Legal Services	Open tender	B	13,193
105	Dia Piper Australia	8-Aug-12	30-Sep-12	DL0125/2012 - Legal Services	Open tender	B	12,789



Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
106	Dia Piper Australia	3-Sep-12	30-Sep-12	DL0124/2011 - Legal Services	Open tender	B	32,010
107	Dia Piper Australia	23-Aug-12	30-Jan-13	ID1047/2012 - Legal Services	Open tender	B	14,369
108	Dia Piper Australia	10-Sep-12	31-Oct-12	DL0137/2012- Legal Services	Open tender	B	12,657
109	Dia Piper Australia	5-Oct-12	30-Jun-13	ID1050/2012- Legal Services	Open tender	B	106,896
110	Dia Piper Australia	4-Oct-12	31-Dec-12	ID1062/2012 - Legal Services	Open tender	B	35,552
111	Environment Auditors	10-Aug-12	30-Jun-13	Auditor For Remediation Of Trichloroethylene Plume	Limited tender	B	54,164
112	Ernst & Young	20-Feb-13	1-Mar-13	Review Of Operating Model	Open tender	B	275,000
113	Ernst & Young	26-Mar-13	30-Apr-13	Due Diligence Project Review	Open tender	C	214,500
114	Executive Central GR	2-May-13	30-Jun-13	Provision Of Executive Coaching	Open tender	C	22,110
115	Fox Tucker Lawyers	4-Mar-13	31-May-13	DL0025/2013 - Legal Services	Prequalified tender	B	52,800
116	Ghd Pty Ltd	10-Jan-13	30-Jun-13	Environmental And Infrastructure Services	Open tender	B	25,565
117	Ghd Pty Ltd	28-Feb-13	30-Jun-13	Upgrade Paint Mixing Room	Limited tender	B	35,251
118	Grant Thornton	31-Jul-12	4-Aug-12	Forensic Accounting And Auditing	Open tender	C	87,912
119	Grosvenor Management Consulting	14-Aug-12	30-Sep-12	Provision Of Management Advisory Services	Limited tender	C	26,414
120	Hays Response Management	7-May-13	20-Dec-13	Recruitment - File Audit	Limited tender	A	126,002
121	Hays Response Management	9-May-13	20-Dec-13	Recruitment	Open tender	A	161,279
122	Hays Specialist Recruitment	5-Dec-12	28-Jun-13	Recruitment For Records Management Project	Open tender	A	39,500
123	Hunt & Hunt	21-May-13	30-Nov-13	DPE2006/2013 - Legal Services	Open tender	B	10,175
124	Hunter Water Australia Pty Ltd	20-Feb-13	30-Jun-13	Construction Works	Limited tender	B	1,210,000
125	Hwl Ebsworth Lawyers	7-Nov-12	31-May-13	DL0170/2012 - Legal Services	Open tender	B	38,664
126	Hwl Ebsworth Lawyers	9-May-13	30-Jun-13	DL0062/2013 - Legal Services	Limited tender	B	11,561
127	Hwl Ebsworth Lawyers	24-May-13	30-Jun-14	DL0066/2013 - Legal Services	Limited tender	B	76,698
128	Hyder Consulting	17-Jul-12	16-Jul-13	Review Of Fire Safety Rectification Works	Limited tender	B	10,934
129	International Fire Protection P/L	3-Oct-12	30-Oct-12	Assessment Services Of Base Services Retendering	Limited tender	B	25,000
130	Jacobs Australia	8-Feb-13	15-May-13	Electronic Program Management Tool	Open tender	B	40,101
131	Jobsgoldcoast	4-Jul-12	4-Jul-12	Career Transition Assistance Scheme	Prequalified tender	B	43,833
132	Key Energy And Resources	4-Aug-12	3-Aug-16	Energy Consultancy Services	Open tender	B	797,584
133	Kitbag Consulting Pty Ltd	7-Mar-13	21-May-13	Development Of A Business Process Model	Open tender	B	120,000
134	KPMG	13-Jul-12	31-Aug-12	Development Of A Petroleum Oils & Lubricants Management Statement Of Work	Open tender	B	117,700
135	KPMG Australia	9-Apr-13	30-Jun-13	Financial Audit Of Contract Service Provider	Open tender	C	138,430
136	KPMG Australia	8-Aug-12	30-Jun-13	Support To Update And Maintain Software/Systems	Open tender	B	136,953
137	KPMG Corporate Finance (Aust)	10-May-13	30-Jun-13	Logistics Advisor For Contract	Limited tender	B	511,044
138	Lander & Rogers Lawyers	18-Feb-13	31-Mar-13	DL0020/2013 - Legal Services	Prequalified tender	B	42,120

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
139	Lander & Rogers Lawyers	19-Apr-13	30-Jun-13	ID1020/2013 - Legal Services	Limited tender	B	11,667
140	Lander & Rogers Lawyers	13-May-13	30-Jun-13	ID1009/2013 - Legal Services	Limited tender	B	31,944
141	Maddocks	29-Apr-13	30-Jun-14	ID1017/2013 - Legal Services	Limited tender	B	29,928
142	Maddocks	21-Aug-12	30-Sep-12	DPE2009/2012 - Legal Services	Open tender	B	11,327
143	Minter Ellison	23-Oct-12	30-Dec-12	ID1068/2012 - Legal Services	Open tender	B	13,824
144	Minter Ellison	20-Nov-12	30-Jan-13	ID1068E02/2008 - Legal Services	Open tender	B	12,055
145	Minter Ellison	18-Jan-13	30-Apr-13	DL0005/2013 - Legal Services	Prequalified tender	B	22,127
146	Minter Ellison	5-Mar-13	30-Jun-13	ID1004/2013 - Legal Services	Prequalified tender	B	12,973
147	Minter Ellison	10-Apr-13	31-Dec-13	DL0144/2012- Legal Services	Open tender	B	378,277
148	Minter Ellison	13-May-13	30-Aug-13	ID1026/2013 - Legal Services	Limited tender	B	29,899
149	Minter Ellison	22-May-13	30-Nov-13	DPE2005/2013 - Legal Services	Open tender	B	57,662
150	Minter Ellison	19-Jul-12	31-Aug-12	DL0119/2012 - Legal Services	Open tender	B	10,325
151	Minter Ellison	25-Jul-12	30-Dec-12	ID1038/2012 - Legal Services	Open tender	B	74,610
152	Minter Ellison	14-Sep-12	31-Oct-12	ID1052/2012- Legal Services	Open tender	B	14,665
153	Nga.Net Pty Ltd	28-May-13	12-Jul-13	System Administration Support	Limited tender	B	70,541
154	Norton Rose	23-Oct-12	30-Apr-13	DL0164/2012 - Legal Services	Open tender	B	167,189
155	Norton Rose	6-Dec-12	30-Jan-13	ID1073/2012 - Legal Services	Open tender	B	10,913
156	Norton Rose	3-Apr-13	30-Jun-13	Hydraulic Investigation	Limited tender	C	10,423
157	Norton Rose	5-Mar-13	30-Jun-13	DPE2001/2013 - Legal Services	Open tender	B	15,167
158	Norton Rose	25-Jul-12	30-Dec-12	ID1046/2012 - Legal Services	Open tender	B	10,724
159	Norton Rose	13-Sep-12	30-Sep-12	ID1061/2012- Legal Services	Open tender	B	34,920
160	Norton Rose	4-Oct-12	31-Jan-13	JLG4001E04/2010 - Legal Services	Open tender	B	13,271
161	Norton Rose	5-Oct-12	30-Nov-12	ID1067/2012 - Legal Services	Open tender	B	65,450
162	Origin Consulting Group Pty Ltd	8-Apr-13	31-Dec-13	Organisational Effectiveness Profiling	Limited tender	B	33,000
163	Paladin Risk Management Services	19-Feb-13	30-Jun-13	Provision Of Specialist Risk Management Services	Open tender	B	220,200
164	Paladin Risk Management Services	30-Apr-13	30-Jun-13	Provision Of Specialist Risk Management Services	Prequalified tender	B	84,000
165	Power Initiatives	12-Apr-13	19-Apr-13	Independent Cost Review	Open tender	C	63,784
166	Pricewaterhousecoopers Legal	19-Dec-12	21-Dec-12	Analysis Of Strategic Reform Program Change Survey	Open tender	B	68,399
167	Profmark Consulting Pty Limited	27-Mar-13	30-Jun-13	Internal And External Client Surveys	Limited tender	C	70,000
168	Providence Consulting Group Pl	2-Jul-12	30-Jun-13	Security And Searches Implementation FY 12/13.	Open tender	B	399,047
169	Providence Consulting Group Pl	4-Jul-12	21-Dec-12	Professional Services.	Open tender	B	154,000
170	Providence Consulting Group Pl	4-Jul-12	21-Dec-12	Professional Services.	Open tender	B	176,000
171	Providence Consulting Group Pl	4-Jul-12	21-Dec-12	Professional Services.	Open tender	B	184,250
172	Providence Consulting Group Pl	4-Jul-12	21-Dec-12	Professional Services.	Open tender	B	170,500

Table 1

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Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
173	Providence Consulting Group Pl	9-Jul-12	21-Dec-12	Professional Services.	Open tender	B	176,000
174	Qinetiq Technical Consulting	4-Jul-12	21-Dec-12	Professional Services	Open tender	B	173,500
175	Qinetiq Technical Consulting	24-Jul-12	14-Sep-12	Project Management Audit Services	Limited tender	B	60,800
176	Right Management	6-Jul-12	30-Jun-13	Preparation And Delivery Of Leadership Training	Prequalified tender	B	48,001
177	Risk Decisions Pty Ltd	30-Apr-13	30-Jun-13	Provision Of Specialist Risk Management Services	Prequalified tender	B	32,005
178	Sinclair Knight Merz Defence P/L	27-Feb-13	30-Mar-15	National Program Support Service Provision	Prequalified tender	B	572,000
179	Sinclair Knight Merz Defence P/L	16-May-13	30-Mar-15	National Program Support Service	Prequalified tender	B	94,229
180	Sinclair Knight Merz Defence P/L	24-Aug-12	30-Jun-13	National Program Support Service	Open tender	B	148,969
181	Southern Cross Computing Pty Ltd	17-Aug-12	31-Dec-13	Engagement Of Professional Services	Open tender	B	204,100
182	Sparke Helmore	16-Oct-12	30-Nov-12	DL0157/2012 - Legal Services	Open tender	B	24,020
183	Sparke Helmore	21-Dec-12	31-Mar-13	DL0198/2012 - Legal Services	Limited tender	B	30,674
184	Sparke Helmore	21-Dec-12	31-Jan-13	DL0199/2012 - Legal Services	Limited tender	B	28,204
185	Sparke Helmore	4-Feb-13	30-May-14	Probity Advisory Service	Open tender	B	44,000
186	Sparke Helmore	5-Feb-13	30-Jun-13	Engagement Of Sparke Helmore For Probity Services On Project C8910 Liverpool Military Area High Volt	Open tender	B	10,105
187	Sparke Helmore	25-Feb-13	31-May-13	Legal Services	Limited tender	C	155,872
188	Sparke Helmore	12-Mar-13	31-Mar-13	DL0029/2013 - Legal Services	Prequalified tender	B	10,450
189	Sparke Helmore	13-Mar-13	31-Jul-13	DL0035/2013 - Legal Services	Prequalified tender	B	77,513
190	Sparke Helmore	13-Mar-13	31-Jul-13	DL0034/2013 - Legal Services	Prequalified tender	B	77,513
191	Sparke Helmore	6-Sep-12	30-Jun-13	ID1104/2007 - Legal Services	Open tender	B	22,015
192	Sparke Helmore	10-Apr-13	30-Jun-13	ID1015/2013 - Legal Services	Limited tender	B	50,449
193	Sparke Helmore	16-Jul-12	30-Jun-13	ID1029E02/2009 - Legal Services	Open tender	B	53,893
194	Sparke Helmore	17-Jul-12	30-Jun-13	ID1042/2012 - Legal Services	Open tender	B	53,065
195	Sparke Helmore	2-Aug-12	30-Oct-12	Probity Services For Corrosion Control Facility Head Contractor Tender	Prequalified tender	A	18,805
196	Sparke Helmore	8-Aug-12	31-Dec-14	Australian Defence Force Investigative Services- Probity Services Contract-Locations Australia Wide	Limited tender	B	40,732
197	Sparke Helmore	21-Aug-12	31-Oct-12	DL0131/2012 - Legal Services	Open tender	B	39,475
198	Sparke Helmore	21-Aug-12	30-Jun-13	ID1021E01/2008 - Legal Services	Open tender	B	52,140
199	Sparke Helmore	24-Sep-12	28-Feb-13	DL0149/2012 - Legal Services	Open tender	B	77,700
200	Sparke Helmore	28-Sep-12	30-Nov-12	DL0155/2012 - Legal Services	Open tender	B	10,300
201	Sparke Helmore	26-Sep-12	31-Oct-12	DL0148/2012 - Legal Services	Open tender	B	12,035
202	Sparke Helmore	4-Oct-12	30-Jun-13	ID1065/2012 - Legal Services	Open tender	B	39,190
203	Sparke Helmore	15-Oct-12	30-Jul-15	Probity Advice For The Development Phase Of Land 121-Stage 2 Unit Sustainment Facilities	Open tender	B	80,900
204	Stephen Skehill	8-May-13	31-Jul-13	DL0063/2013 - Legal Services	Limited tender	C	44,000

Table 1

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Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
205	Thales Australia	6-Feb-13	30-Jun-13	Site Remediation Plan For Acid Project	Open tender	A	48,022
206	Thiess Environmental Services	16-Oct-12	31-Dec-12	Site Remediation Work	Open tender	B	980,697
207	Thiess Services Pty Ltd	4-Dec-12	31-Dec-12	Remediation Work	Open tender	B	980,697
208	Transfield Services	26-Oct-12	29-Jun-13	Trade Waste Rectification Works	Prequalified tender	B	86,900
209	Transfield Services	16-Jul-12	30-Jun-13	Fire Management Plan Development	Prequalified tender	B	10,997
210	Transfield Services	3-Jul-12	30-Jun-13	Hazardous Area Electrical Rectification Works	Prequalified tender	B	19,910
211	Transfield Services	6-Aug-12	30-Jun-13	Wildlife Safety Officer Services	Prequalified tender	B	77,000
212	Worley Parsons Services Pty Ltd	10-Sep-12	30-Jun-13	Redesign Of Drainage Works At Herberfield Original Prepared By The Vendor	Limited tender	B	13,816
213	Wyle Laboratories, Inc	2-Apr-13	30-Jun-13	Aircraft Noise Modelling Services	Limited tender	B	56,877
214	Yarrimbah Consulting	2-Oct-12	4-Oct-12	Provision Of Investigation Services	Limited tender	B	21,000
214	<b>Defence Support Group Total</b>						<b>22,327,211</b>
	<b>INT-SEC</b>						
1	Apis Learning & Development Pty	4-Sep-12	20-Nov-12	Training Services	Limited tender	B	37,782
2	Booz & Company (Australia) Pty Ltd	10-Apr-13	30-Jun-13	ICT Architecture Documentation	Open tender	B	150,000
3	Catalyst Interactive Pty Ltd	3-May-13	30-Jun-13	Provision Of Training Services - ICT Accreditation	Limited tender	B	43,890
4	Consulting Safety International	15-Mar-13	30-Jun-13	Audit Services For WHS Management System	Open tender	C	58,530
5	CSC Australia Pty Ltd	25-Sep-12	30-Jun-13	Software Developer Services	Open tender	B	98,269
6	Entrust Ltd	1-Feb-13	30-Jun-13	IT Software Support Services	Limited tender	B	31,638
7	Hewlett-Packard Australia Pty Ltd	6-May-13	30-Jun-13	Provision Of Application Support Services	Limited tender	A	66,528
8	Icon Recruitment Pty Ltd	27-Sep-12	28-Jun-13	IT Service Framework, Independent Advice	Open tender	C	305,653
9	Kelly Perrott	23-Nov-12	30-Jun-13	Psychological Assessment For DIO	Prequalified tender	B	11,000
10	Lockheed Martin Australia Pty Ltd	22-Feb-13	30-Jun-13	Contractor Support For Project Documentation	Open tender	A	38,374
11	Macquarie University - Sydney	18-Jul-12	15-Sep-12	Research Services	Limited tender	B	18,247
12	Noetic Solutions Pty Ltd	12-Sep-12	1-Dec-12	Management Advisory Services	Open tender	B	78,750
13	Principals Pty Limited	29-Jan-13	7-Mar-13	Development Of Guides	Open tender	B	16,500
14	Providence Consulting Group Pl	16-Jan-13	30-Jun-13	Security Risk Management Governance Project	Open tender	B	264,385
15	PS Management Consultants	10-Dec-12	30-Jun-13	Technical Training	Limited tender	A	43,552
16	Qinetiq Consulting Pty Ltd	6-Feb-13	30-Jun-13	Requirements Analysis And Mapping Services	Prequalified tender	B	374,525
17	Red Hat Asia-Pacific Pty Ltd	29-Apr-13	1-Jul-14	Platform Professional Services	Limited tender	B	326,912
18	Remote Pty Ltd	22-Feb-13	30-Jun-13	Contractor Support For Project Documentation	Open tender	A	49,911
19	Training Systems Services Pty Ltd	6-Feb-13	30-Jun-13	Development Of Training Course	Open tender	B	40,000
20	UXC Limited	7-Mar-13	30-Jun-13	Network Engineering Services	Open tender	A	80,850

Table 1

<b>Consultancy reported YTD FY 2012/13</b> <b>1 July 2012 to 31 May 2013 (value \$10,000 and Above)</b>							
Count	Consultant Name	Start Date	End Date	AusTender Description	Procurement Method	Justification	AusTender Contract Value as at 31/05/13
21	UXC Limited	10-Sep-12	30-Sep-13	Business Intelligence System	Open tender	A	2,258,146
22	Wordcraft Pty Ltd	10-May-13	31-Aug-13	Employee Training	Limited tender	B	27,310
22	<b>INT-SEC Total</b>						<b>4,420,750</b>
	<b>PSPG</b>						
1	Aecom Australia Pty Ltd	21-Dec-12	1-Dec-13	Third Party Variation Auditor	Open tender	B	223,380
2	CPM Reviews Pty Ltd	17-Apr-13	31-May-13	Code Of Conduct Preliminary Investigation	Open tender	C	12,958
3	Mercer	17-Jan-13	18-Feb-13	Australian Military Senior Leaders' Remuneration R	Prequalified tender	C	103,950
4	Nous Group	20-Sep-12	5-Oct-12	Development Of A New Implementation Strategy	Open tender	B	98,000
5	Sms Management & Technology	27-Sep-12	30-Jun-14	Audit And Assurance Manager	Limited tender	A	447,550
5	<b>PSPG Total</b>						<b>885,838</b>
<b>305</b>	<b>Total</b>						<b>40,465,182</b>

A -	Skills Currently Unavailable Within Agency
B -	Need for Specialised or Professional Skills
C -	Need for Independent Research or Assessment

		Value
<b>Total Contracts =</b>	<b>425</b>	<b>41,047,584</b>
Above \$10k =	305	40,465,182
Below \$10k =	120	582,402

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates Hearing - 3-4 June 2013**

**Q70: Carnegie Wave Energy**

**Senator Macdonald** provided in writing:

- (a) Has the Carnegie facility commenced functional operation?
- (b) How much energy is the Carnegie facility generating for HMAS Stirling?
- (c) What costs have been absorbed by Defence in order to connect the Carnegie facility to the HMAS Stirling power supply?
- (d) How much of the \$17.7 million provided by the Western Australian and Commonwealth Governments was applied to infrastructure enhancements at HMAS Stirling?

**Response:**

- (a) No. Carnegie has not yet commenced construction of their wave energy facility.
- (b) No energy is being generated for HMAS Stirling because the wave energy facility is yet to be constructed.
- (c) Defence have not contributed any funding toward the project other than in-kind costs associated with preparation of the licence and a peppercorn lease over the licensed area.
- (d) The \$17.7 million dollar contribution by the West Australian and Commonwealth Governments is fully allocated to Carnegie for the development and construction of the wave energy facility and has not been used for infrastructure enhancements at HMAS Stirling.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q71: Media Monitoring**

**Senator Eggleston** provided in writing.

(1) What is the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office for this financial year to date? (a) Which agency or agencies provided these services? (b) What is the estimated budget to provide these services for the year 2012-13? (c) What has been spent providing these services this financial year to date?

(2) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the department/agency for this financial year to date? (a) Which agency or agencies provided these services? (b) What is the estimated budget to provide these services for the year 2012-13? (c) What has been spent providing these services this financial year to date?

**Response:**

- (1) \$42, 650.64, as at 31 May 2013.
- (a) These services were provided by iSentia (formerly known as Media Monitors).
  - (b) A specific amount is not budgeted for each ministerial office's use of media monitoring.
  - (c) The table below details expenditure for each ministerial office on media monitoring services provided by iSentia other than press clips. The figures are GST exclusive for 2012-13 as at 31 May 2013.

Minister for Defence (Mr Smith)	\$35,536.24
Minister for Defence Materiel (Dr Kelly)	\$584.21
Minister for Defence Science and Personnel (Mr Snowdon)	0
Parliamentary Secretary for Defence (Senator Feeney)	\$4,667.64
Former Parliamentary Secretary for Defence (Dr Kelly)	\$1,862.55
<b>TOTAL</b>	<b>\$42,650.64</b>

- (2) \$657, 724, as at 31 May 2013.
- (a) These services were provided by iSentia (formerly known as Media Monitors).
  - (b) The estimated departmental budget for media monitoring in 2012-13 is \$747,500 and \$42,000 for Defence Housing Australia.
  - (c) Department of Defence: \$641,724 and Defence Housing Australia: \$16,000, as at 31 May 2013

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q72: Base Security**

**Senator Macdonald** provided in writing:

Recent attacks against Defence Force personnel in Europe have prompted a review of base security and procedures for the safety of Australian Defence Force personnel.

(1) Will the Base Security upgrades currently in-progress be revised or enhanced as a result of events in London and Paris?

(2) Are security enhancements planned for Defence Department facilities around the country that currently do not have the same security measures in place as defence bases (such as Russell offices) ?

(3) Will the Australian Defence Force be making a procedural response to events in London and Paris or will there be infrastructure enhancements at security post on Defence bases?

(4) In light of events in London and Paris, will Defence be reviewing decisions to replace ADF personnel with APS and third-party contractor staff at security checkpoints?

**Response:**

(1) – (2)

Defence's protective security arrangements are intelligence-led and risk-based. Defence applies security arrangements based on threat and risk assessments in line with security in-depth principles. Security Risk Treatment packages are being delivered at 88 bases across the Defence estate, along with additional enhancements at 16 priority sites.

Security at Defence bases is closely monitored and continuously reviewed. Security arrangements at bases are adjusted as necessary, informed by national and state intelligence. Security arrangements at Defence bases reflect the current security environment.

(3) and (4)

Defence takes the security of its personnel and facilities within Australia and abroad very seriously and there are a range of measures in place to mitigate against the security risks faced by our personnel.

Defence base security is reviewed regularly and in response to changes in the assessed threat level. Our protective security arrangements are intelligence-led and risk based. Following the London and Paris attacks the Defence Security Authority (DSA), drawing upon current threat assessments, has assessed that an increase in SAFEBASE warning levels is not required at this



time. Nonetheless, the DSA has recommended that Base Security Managers assess the security arrangements at all Defence bases to ensure that they are effective and appropriate.

Defence uses a number of measures to mitigate a range of security risks. These measures are based upon security-in-depth, which includes effective and well established security arrangements, layered security, training and security awareness for staff, and ongoing engagement with relevant security agencies.

Defence threat assessments draw on intelligence from national security and State/Territory law enforcement agencies.

It should be noted that the London and Paris attacks did not take place on military establishments so changes to security posts/checkpoints would not have prevented the attacks.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 June 2013**

**Q73: Social Media**

**Senator Eggleston provided in writing.**

(1) Has there been any changes to department and agency social media or protocols about staff access and useage of Youtube; online social media, such as Facebook, MySpace and Twitter; and access to online discussions forums and blogs since May 2012 Budget Estimates? If yes, please explain and provide copies of any advice that has been issue.

(2) Does the department/agency monitor usage of social media? If yes, provide details of the usage (for example details could include average hours per employee, hours when useage peaks). Has there been a change to the department/agency protocols due to staff useage? If no, why not? Will the department/agency monitor useage in the future?

(3) Does social media impact on employee productivity? Provide details (details could include increased internet usage in general or increased internet usage in standard business hours).

**Response:**

(1) No. There has been no change to protocol about staff access and usage of social media since the May 2012 Budget Estimates.

On 7 March 2012, the Minister for Defence, former Secretary of the Department of Defence and the Chief of the Defence Force released the Reviews into Defence Culture and the Defence response to the Reviews: "Pathway to Change: Evolving Defence Culture". The independent *Review of Social Media and Defence* was released as one of these reviews. The Review examined the impact of the use of social media in Defence, with the aim of developing measures to ensure that the use of new technologies is consistent with ADF and Defence values. The Government agreed to the seven recommendations of the Review. Defence recently updated its social media policy and guidance in line with one of the Review's recommendations.

(2) Defence does not monitor usage of social media by its employees and does not intend to do so. Usage of Defence's ICT resources is monitored for security, compliance and maintenance purposes and to detect any inappropriate behaviour. Defence personnel must only use Defence ICT Resources in a manner that is appropriate and in accordance with Defence instructions.

With respect to the use of social media, only a small number of employees are allowed to access social media through the Defence Restricted Network. This access is permitted to enable those employees to conduct their duties, and they are discouraged from using this access for personal pursuits.

Defence does monitor international and national commentary on social media that is publically available and relevant to the work of Defence. This monitoring helps Defence to build a better understanding of the medium as well as to identify, monitor and report on issues of interest in social media.

Defence also provides training to help personnel manage the risks associated with their use of social media. Defence security policy mandates that all personnel undertake annual training with respect to their security responsibilities, and safe use of the web is a component of this training. ADF members who deploy on operations are provided with additional guidance on the responsible use of social media.

(3) As Defence does not monitor social media use by its employees, Defence is unable to answer this question.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q74: Australian Defence Medal**

**Senator Macdonald** provided in writing:

The answer to Question on Notice No. 67 from previous Estimates indicates that the cost of the Australian Defence Medal ceremonies in 2011/12 was \$1,448.

- a. Have the Australian Defence Medal presentation ceremonies been discontinued?
- b. If the cost to defence was less than \$1500 for the ceremonies (less than 1.5% of the cost of minting and distributing the medals), what process was applied to identify this expenditure as a savings priority?

**Response:**

- (a) Yes. On 14 September 2012, Senator the Hon David Feeney wrote to all Federal Members of Parliament advising that the Department of Defence will no longer be providing support for presentation ceremonies of the Australian Defence Medal by Members of Parliament to ex-serving members of the Australian Defence Force.
- (b) A review into the service provided by the Department of Defence found that the significant effort and liaison involved in coordinating presentation ceremonies was not justified for the small number of members electing to have their medals presented.

**Senate Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q75: Internet**

**Senator Eggleston** provided in writing:

Has the department experienced any internet problems, such as but not limited to slow internet or internet blackouts? If yes, what was the reason for this? Did it impact the Minister's office?

**Response:**

Internet access to the department is facilitated through the High Availability Internet Gateway Service (HAIGS) which completed service transition on 12 June 2012.

Internet issues experienced by the department from 29 March 2012 to 6 December 2012 are provided within Question on Notice No.62 taken from the Senate Supplementary Budget Estimates hearing of 17 October 2012.

Since 6 December 2012 Defence has suffered one incident (on 30 April 2013), of approximately one and half hour duration, that may meet the definition of an 'intermittent internet access' and 'slow internet' performance. The occurrence of this unplanned interruption has been linked to a Domain Name Service (DNS) server failure at the ACT data centre.

Where staff in the Minister's office use the Defence Restricted Network to access the internet, those users would have been affected by the intermittent access in the same manner as other Defence users. The Minister's public website is not hosted by Defence and as such this service was not affected by this disruption.

Other than the issue noted above, the HAIGS service has maintained a 100 per cent availability level for Defence internet services.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q76- Stolen Valour**

**Senator Macdonald** provided in writing:

With reference to the Government's announced proposals to amend the Defence Act (1903) Cth to enhance the offence for falsely wearing military decorations:

What deficiencies were identified with the existing offence provisions under s80 of the Defence Act (1903) Cth?

When does the Government intend to make public its proposed amendments to the Defence Act (1903) Cth?

What is the nature of the amendment?

Will next-of-kin of service personnel (living or deceased) be impacted under these amendments?

Who will police/adjudicate compliance with any amended provisions of the Defence Act (1903) Cth?

**Response:**

- (1) No deficiency was identified. The proposed offence is in addition to the protections for service decorations that are currently contained in the Defence Act, and is in line with suggested changes to the Defence Act that have previously been raised by veterans and the Prime Ministerial Advisory Council on Ex-Service Matters as well as in line with Commonwealth guidance regarding the wearing of unofficial service decorations (for example, on the Government's 'It's an Honour' website).
- (2) Defence had sought a place on the 2013 winter Parliamentary program for this measure. However, due to Government drafting priorities this measure is yet to be finalised. Defence will continue to progress the unofficial service decoration measure when Government drafting resources become available.
- (3) The proposed amendment to the *Defence Act 1903* will make it an offence to wear an unofficial service decoration (that is, a service decoration that has not been officially conferred on an individual) on the left breast.
- (4) Family members will not be affected by this proposed amendment.
- (5) As with all other offence provisions in this part of the Defence Act, investigation and prosecution will be a matter for the police and the Director of Public Prosecutions.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q77: Staff Amenities**

**Senator Eggleston** provided in writing:

What amenities are provided to staff? Provide a list, including any costs and the reason for providing the amenity.

**Response:**

The information in the response to Supplementary Budget Estimates Question on Notice No. 63 from the hearing on 17 October 2012 relating to staff amenities remains extant.

Due to the breadth of the question, establishing a cost for providing these amenities would be an unreasonable diversion of departmental resources.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q78 - Coffee Machines**

**Senator Eggleston** provided in writing:

Has the department/agency purchased coffee machines for staff useage?

If yes, provide a list that includes the type of coffee machine, the cost, the amount, and any ongoing costs such as purchase of coffee or coffee pods and when the machine was purchased.

Why were coffee machines purchased?

Has there been a noticeable difference in staff productivity since coffee machines were purchased?

Are staff leaving the office premises less during business hours as a result?

Where did the funding for the coffee machines come from?

Who has access?

Who is responsible for the maintenance of the coffee machines?

How much was spent on maintenance in this financial year to date, include a list of what maintenance has been undertaken.

Where does the funding for maintenance come from?

What are the ongoing costs of the coffee machine, such as the cost of coffee?

Does the department/agency rent coffee machines for staff useage?

If yes, provide a list that includes the type of coffee machine, the cost, the amount, and any ongoing costs such as purchase of coffee or coffee pods and when the machine was purchased. Why are coffee machines rented?

Has there been a noticeable difference in staff productivity since coffee machines were rented?

Are staff leaving the office premises less during business hours as a result?

Where does the funding for the coffee machines come from?

Who has access?



Who is responsible for the maintenance of the coffee machines?

How much was spent on maintenance in this financial year to date, include a list of what maintenance has been undertaken.

Where does the funding for maintenance come from?

What are the ongoing costs of the coffee machine, such as the cost of coffee?

**Response:**

**Table 1** provides details of coffee machines purchased and their ongoing costs in financial year 2012-13. **Table 2** provides details of machines purchased prior to financial year 2012-13 that have ongoing costs.

In general Defence staff have the option to utilise cafes which are located within or close to most Defence establishments or to make their own coffee using staff lunchroom facilities.

Providing further detail would be an unreasonable diversion of departmental resources.

**Table 1**

**New Coffee Machines purchases for financial year 2012-13**

Type of Coffee Machine	Cost	Number of Coffee Machines Purchased	Ongoing costs (ie. purchase of coffee or coffee pods)	Date of purchase	Reason for the purchase of the coffee machine	Where did the funding for the coffee machine come from?	Who is responsible for the maintenance of the coffee machine	How much was spent on maintenance in 2012-13	How much was spent on maintenance this financial year to date?	What maintenance has been undertaken	Where does the funding for maintenance come from?
Gemini Coffee Machine	\$1205	1	\$95pa	02 Aug 12	Replacement for broken machine	Operation Slipper operational supplementation	Under Warranty	Nil	Nil	Nil	Internal Budget
Seaco Coffee Machine	\$2410	2	\$190pa	02 Aug 12	Replacement for broken machine	Operation Slipper operational supplementation	Under Warranty	Nil	Nil	Nil	Internal Budget
Gemini CS 100 Pro	\$3602	2	\$855pa	10 Sep 12	Replacement for broken machine	Operation Slipper operational supplementation	Under Warranty	Nil	Nil	Nil	Internal Budget
Gemini CS 220	\$3973	1	\$95pa	09 Oct 12	Replacement for broken machine	Operation Slipper operational supplementation	Under Warranty	Nil	Nil	Nil	Internal Budget
DeLonghi Nespresso Lattissima Plus	\$854	1	\$982pa	20 Feb 13	Replacement for broken machine	Operation Slipper operational supplementation	Under Warranty	Nil	Nil	Nil	Internal Budget
Breville Fresco	\$600	1	Nil	20 Sep 12.	Used for office visitors and by staff	Unit Budget	Number 76 Squadron - Non public monies	-	-	-	Non public monies
Nespresso Coffee	\$5,636.3	1	Nil	12 June 13	Use whilst transferring	Unit Budget	Number 34 Squadron -	-	-	-	(Unit budget)

Machine & Dispenser Model CS220	6				through the Special Purpose Aircraft Terminal		Public funds				
Dual Filter Espresso Coffee Machine	\$486.75	1	\$100 pa	27 May 2013	For meetings with visiting foreign and domestic dignitaries.	Unit Raise, Train, Sustain funding	Unit	Nil	Nil	Nil	Unit Raise, Train, Sustain funding
DeLonghi Nespresso	\$250.00	1	Nil	24 April 2013	General well-being.	Special Forces Training Centre	Commando Training Wing members	Nil	Nil	Nil	Members
Aldi Pod	\$118.99	1	Nil	17 May 2013	24 hour supervision of recruits.	Direct Unit Funding	Staff	Nil	Nil	Nil	Members
Coffee Cup MachS1 2.0	\$89.00	1	\$150.78pa	20 Feb 2013	Commander 5 Brigade Office for visitors.	Unit Budget	Commander 5 Brigade's Personal Assistant	Nil	Nil	Nil	Members
Small portable generic brand	\$100	1	Nil	May 2013	It was purchased as part of a small & basic field kitchen used by staff on remote trials.	Project trial funds	Users	Nil	Nil	Nil	Members

**Table 2**

**Previously purchased Coffee machines with ongoing costs and/or maintenance costs for financial year 2012-13**

Type of Coffee Machine	Cost	Number of Coffee Machines Purchased	Ongoing costs (ie. purchase of coffee or coffee pods)	Date of purchase	Reason for the purchase of the coffee machine	Where did the funding for the coffee machine come from?	Who is responsible for the maintenance of the coffee machine	How much was spent on maintenance in 2012-13	How much was spent on maintenance this financial year to date?	What maintenance has been undertaken	Where does the funding for maintenance come from?
Nespresso	-	-	\$187pa	Not in FY 12-13	Commanding Officer and guests	Public funds (Unit budget)	Number 1 Combat Communications Squadron	-	-	-	N/A
Saeco Royale	-	-	\$218pa	Not in FY 12-13	Used for office visitors. Staff can use however are to pay for consumables	Public funds (Unit budget)	Combat Support Group	-	-	-	Public funds (Unit budget)
PROCAFFE	-	-	Nil	Not in FY 12-13	Base Commander and guests	Public funds (Unit budget)	Number 27 Squadron	\$418.75	\$418.75	Full service	Public funds (Unit budget)
Le San Morco	-	-	\$360pa	Not in FY 12-13	Used for office visitors and by staff	Public funds (Unit budget)	Headquarters Air Command	\$330	-	Service every 12-18 months	Public funds (Unit budget)

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate budget Estimates – 3-4 June 2013**

**Q79: Army discharge rates**

**Senator Macdonald** provided in writing:

According to answers to Question On Notice No. 49 from previous Estimates, Army discharge rates have hit their highest level in five years with 11.8 per cent of soldiers discharging in 2011/12 (an increase of 3 per cent on 2010/11 and 4.4 per cent on 2009/10). 56.8 per cent of the 2011/12 discharges were voluntary. Previous highest figures were 12.6 per cent and 11.9 per cent respectively for 2005/6 and 2006/7.

- (1) What percentage of currently serving personnel are within their 'Return of Service Obligation' period?
- (2) Is the Soldier Transitioning Centre receiving additional resources to enable it to provide services to the increased number of personnel transitioning to civilian employment?
- (3) Is the Soldier Recovery Centre monitoring the number of discharges that are due to PTSD or other mental health indicators?
- (4) How many of the 2011/12 discharges were due to PTSD or other mental health indicators?
- (5) Can the department provide details of the retention initiatives that are currently being utilised to encourage the ongoing service of experienced personnel?

**Response:**

Army separation rate by financial year since 2004-05 is as follows:

<b>Financial year</b>	<b>Separation rate</b>
2004-05	12.7 per cent
2005-06	12.6 per cent
2006-07	11.9 per cent
2007-08	10.6 per cent
2008-09	10.3 per cent
2009-10	7.4 per cent
2010-11	8.8 per cent

2011-12	11.8 per cent
2012-13	12.3 per cent

Highest separation rate of 12.9 per cent occurred in November 2005. Lowest separation rate of 7.3 per cent occurred in August 2010.

The low separation rates observed from 2008 to 2011 were a consequence of a variety of factors, which both increased the proportion of personnel serving under an initial obligation and provided retention incentives for those whose obligation was complete. The factors which increased the proportion of personnel under an initial obligation included surge recruiting for various initiatives from late 2007 to 2010. Retention initiatives included the introduction of amended pay scales and various bonuses.

As the effect from these factors diminished, the separation rates commenced a period of readjustment as those who had delayed their separation throughout 2008-11, or were constrained by their initial obligation period, started to leave. Although this readjustment is continuing, rates are now exhibiting behaviours closer to the long-term average and, on 1 June 2013, were down from 12.7 per cent in January 2013.

- (1) The proportion of personnel currently under an initial employment period is approximately 35 per cent. If all personnel under some form of service obligation are counted, including those under an initial employment period, retention or return-of-service obligation, the number is approximately 47 per cent.
- (2) The ADF Transition Centres (ADFTC) have primacy over all transition issues and are managed by the Defence Community Organisation (DCO). Commencing in 2010, Army has established 12 Army Personnel Coordination Detachments (APCD), from within existing resources. The APCDs are located in the major troop concentration areas and their work is coordinated nationally by the Headquarters of the Army Personnel Support Centre. Each APCD consists of an Australian Regular Army officer, an Army Reserve Assistant and an Australian Regular Army Trade Transfer and Retention Warrant Officer. The 12 APCDs are collocated, where possible, with the local ADFTCs. The APCDs work with the ADFTC to provide assistance and guidance to Army personnel and their families throughout the transition period.
- (3) The Soldier Recovery Centres (SRC) manage complex rehabilitation cases relating to both physical and mental health. The SRCs monitor their case mix and measure their rehabilitation performance, but they do not specifically focus on Post Traumatic Stress Disorder (PTSD) or other mental health outcomes. Moreover, there are a large number of mental health cases (including PTSD) that are considered uncomplicated and are not referred to SRCs to manage or monitor.
- (4) Between 1 January 2011 and 31 December 2012, 6,644 personnel discharged from the Army. Of these, 1,251 Army personnel were medically discharged. This information is drawn from a personnel database that does not contain the medical conditions. Over the same period, 1,434 members are recorded on a Medical Employment Category Advisory and Review Service database as having been recommended for medical discharge. This database contains details of the medical

condition(s) and is the source of the following data. Of the 1,434 members recommended for medical discharge, a mental health disorder was the primary reason for discharge for 417 members (29 per cent), of which 213 had PTSD. In addition, of the remaining 1,017 members whose primary reason for discharge related to a physical injury or illness, 311 also had a mental health diagnosis, including 74 members with PTSD. The table below provides a breakdown between 2011 and 2012 and does not demonstrate any significant changes in the number or percentage of recommendations for medical discharge with PTSD between 2011 and 2012.

	<b>2011</b>	<b>2012</b>
<b>Total determined by Medical Employment Classification Review Board unfit for Army Service</b>	<b>778</b>	<b>656</b>
<b>Primary cause of recommendation is a mental health disorder, of who diagnosed PTSD</b>	<b>206</b> <i>108</i>	<b>211</b> <i>105</i>
<b>Primary cause for recommendation is a physical disorder, of who also have a mental health diagnosis, of who diagnosed with PTSD</b>	<b>572</b> <i>143</i> <i>38</i>	<b>445</b> <i>168</i> <i>36</i>

- (5) Army has undertaken a number of initiatives aimed at improving retention in different categories and groups of Service personnel. These include:
- a. Trade Transfer - Army is actively recruiting internally to fill vacancies and is providing additional opportunities for experienced personnel to change trades while continuing their Army career.
  - b. Flexible Work Arrangements - There has been a concerted communication effort to encourage all members and commanders to utilise Flexible Work Arrangements. These are designed to allow members to balance more effectively their personal responsibilities with the demands of Service life.
  - c. Increased Carer's Leave - On 1 December 2012, changes to carer's leave provisions for ADF members came into effect. This included an increase in the number of carer's leave days from five to ten. Prior to the changes, the range of circumstances under which a member could apply for carer's leave was limited. Now carer's leave can also be provided to members whose dependants are injured or affected by an unexpected emergency.
  - d. Paid Parental Leave - On 28 February 2013, changes to Paid Parental Leave, providing greater flexibility in how this leave is taken, came into effect. Members can now choose to take their parental leave at full pay, half pay or a combination of both.
  - e. ADF Purchase Leave - From 26 July 2013, ADF members will be able to purchase additional recreational leave. The ability to purchase leave will benefit all members including members who have exhausted most of their recreation

leave, members trying to extend the amount of paid leave available to them in conjunction with maternity or parental leave, as well as members who have family commitments.

f. Changes to facilitate in-home child care - ADF members will soon be allowed to have a non-dependent person live in their Defence-subsidised housing for the purpose of providing in-home child care.

g. Retention bonuses – The Pay and Conditions Manual (PACMAN) provides a number of remuneration levers that provide for financial incentives to retain personnel. Examples include the MSBS Retention Initiative and bonus initiatives for Recruit Instructors and targeted Employment Categories.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates Hearing – 3-4 June 2013**

**Q80: Contractors**

**Senator Eggleston** asked on 14 June 2013:

For this financial year to date:

- (1) Has the department/agency ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details (including the work undertaken and the cost).
- (2) Has the department/agency ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details (including the work undertaken and the cost).
- (3) Has the department/agency ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details (including the work undertaken and the cost).
- (4) Has the department/agency ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details (including the work undertaken and the cost).
- (5) Has the department/agency ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details (including the work undertaken and the cost).
- (6) Has the department/agency ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details (including the work undertaken and the cost).
- (7) Has the department/agency ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details (including the work undertaken and the cost).
- (8) Has the department/agency ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details (including the work undertaken and the cost).
- (9) Has the department/agency ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.
- (10) What contractors have been employed by the department/agency? If yes, provide details (including the work undertaken and the cost).

**Response:**

For this financial year 1 July 2012 to 31 May 2013:

- (1) Hawker Britton – No.
- (2) Shannon's Way – No.
- (3) John Utting & UMR Research Group – No.
- (4) McCann-Erickson – No.
- (5) Cutting Edge – No.
- (6) Ikon Communications – No.
- (7) CMAX Communications – No.
- (8) Boston Consulting Group – Yes. Payments totalling \$2,999,941 were made to Boston Consulting Group for providing strategic services to CIO Group for the period 1 July 2012 to 31 May 2013.
- (9) McKinsey & Company – No.

From 1 July 2012 to 31 May 2013 Defence entered into contracts with 3172 contractors totalling \$7.47 billion. Details of contracts are published on the Austender website <https://www.tenders.gov.au>. Due to the breadth and complexity of the question, information on the work undertaken by each contractor is not readily available and an unreasonable amount of departmental resources would be required to develop a response.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates - 3-4 June 2013**

**Q81: Grants**

**Senator Eggleston** provided in writing:

Could the department/agency provide an update list of all grants, including ad hoc and one-off grants for this financial year to date? Please provide details of the recipients, the amount, the intended use of the grants and what locations have benefited from the grants. Have all grant agreement details been published on its website within the required time frame? If not, provide details.

**Response:**

- (1) Details of the grants awarded by the Department of Defence (Defence) for 2012-13 to date, excluding the Defence Materiel Organisation (DMO), are provided at Attachment 1.
- (2) Full details of all grants made by Defence are reported on the Defence official website ([www.defence.gov.au/header/publications.htm#d](http://www.defence.gov.au/header/publications.htm#d)) in accordance with the Commonwealth Grant Guidelines.
- (3) All Defence (excluding the DMO) grants were published on the Defence official website within the appropriate time frames.
- (4) Details of grants awarded by the DMO for 2012-13 to date are provided at Attachment 2.
- (5) Full details of all grants made by the DMO are reported on the Defence official website ([www.defence.gov.au/header/publications.htm#d](http://www.defence.gov.au/header/publications.htm#d)) in accordance with the Commonwealth Grant Guidelines.
- (6) All DMO grants were published on the Defence official website within the appropriate time frames.

DMO grants are reported on the following websites:

- Skilling Australia's Defence Industry (SADI) Program for 2012-13 available at:
  - Round 1  
[www.defence.gov.au/dmo/id/SADI/SADI\\_CommonwealthGrantsTable\\_FY1213.pdf](http://www.defence.gov.au/dmo/id/SADI/SADI_CommonwealthGrantsTable_FY1213.pdf)
  - Round 2  
[www.defence.gov.au/dmo/id/sadi/SADI\\_CommonwealthGrantsTable\\_FY1213\\_r2.pdf](http://www.defence.gov.au/dmo/id/sadi/SADI_CommonwealthGrantsTable_FY1213_r2.pdf)
- Defence Industry Innovation Centre (DIIC) for 2012-13 available at:  
[www.defence.gov.au/dmo/id/industry\\_skilling/ISPE\\_GrantsReporting.pdf](http://www.defence.gov.au/dmo/id/industry_skilling/ISPE_GrantsReporting.pdf)

- Priority Industry Capability Innovation Program for 2012-13 available at [www.defence.gov.au/dmo/id/picip/PICIP\\_Round2\\_Grant\\_recipients.pdf](http://www.defence.gov.au/dmo/id/picip/PICIP_Round2_Grant_recipients.pdf)
- New Air Combat Capability for 2012-13 available at: [www.defence.gov.au/dmo/jsf/NACC\\_ISP.cfm/](http://www.defence.gov.au/dmo/jsf/NACC_ISP.cfm/)

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates – 3-4 June 2013**

**Q82: Corporate Cars**

**Senator Eggleston** provided in writing:

- (a) How many cars are owned by each department/agency?
- (b) Where is the car/s located?
- (c) What is the car/s used for?
- (d) What is the cost of each car for this financial year to date?
- (e) How far did each car travel this financial year to date?

**Response:**

- (a) As at 31 May 2013, Defence owned 2349 passenger vehicles including sedans, station wagons and multi-purpose vehicles (excluding four wheel drive vehicles, buses and trucks). This is down from a total of 2446 vehicles reported on 31 January 2013 due to the programmed reduction in the size of the fleet under the Strategic Reform Program.
- (b) These passenger vehicles are located throughout Australia and overseas (Singapore and Malaysia) as follows:
  - Australian Capital Territory 211
  - New South Wales 741
  - Northern Territory 164
  - Queensland 481
  - South Australia 143
  - Tasmania 37
  - Victoria 391
  - Western Australia 154
  - Singapore 4
  - Malaysia 23
- (c) These passenger vehicles are used to meet departmental administrative requirements, support training activities and base operations.
- (d) As at 31 May 2013, the cost of owning the 2349 passenger vehicles during financial year 2012-13 was approximately \$5.566 million or \$2369 per vehicle, comprising net acquisition (capital cost less revenue received), operating, maintenance and domestic fuel costs.

(e) A complete data set of the distance travelled for individual Defence-owned vehicles during financial year 2012-13 is not available and would not be confirmed within the time available to respond to this Question on Notice. As at 31 May 2013, average whole-of-life utilisation during financial year 2012-13, across a sample of 333 cars at disposal was 14,127km per annum per vehicle.

**Note:** Ownership costs are reduced this year, due to revenue for vehicles replaced in May/June 2012 not being received until the current financial year. The lower than normal operating costs will continue for the remainder of this and next financial year, due to a programmed reduction in the size of the fleet under the Strategic Reform Program.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q83: Taxi Costs**

**Senator Eggleston** provided in writing:

1. How much did each department/agency spend on taxis this financial year to date? Provide a breakdown for each business group in each department/agency.
2. What are the reasons for taxi costs?

**Response:**

(a)

The table below represents the Department of Defence, including the Defence Materiel Organisation, approximate spend on taxis domestically and overseas for financial year 2012-2013 up to 31 May 2013.

<b>Department/Agency</b>	<b>Financial Year 2012-2013 (up to 31 May 2013)</b>
Department of Defence	\$11.9m (incl. GST)

The Defence travel program is very large and complex. To provide the level of detail as requested would represent an unreasonable diversion of resources as taxi travel data is not captured or maintained at such a level in Defence's financial system.

(b)

Defence travel policy and procedural framework provides Defence staff and their manager's flexibility to determine the most suitable and cost effective means of transport, hire cars and private vehicles.

Taxis are commonly used when:

- ii. It represents the most efficient and effective means of transport;
- iii. No other reasonable alternate transport is available; and/or
- iv. Shared use represents more cost effective outcomes.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 & 4 June 2013**

**Q84: Hire Cars**

**Senator Eggleston** provided in writing:

- (a) How much did each department/agency spend on hire cars this financial year to date?  
Provide a breakdown of each business group in each department/agency.
- (b) What are the reasons for hire car costs?

**Response:**

(a)

The table below represents the Department of Defence, including the Defence Materiel Organisation, approximate spend on hire cars domestically and overseas for financial year 2012-2013 up to 31 May 2013.

<b>Department/Agency</b>	<b>Financial Year 2012-2013 (up to 31 May 2013)</b>
Department of Defence	\$12.5m (incl. GST)

The Defence travel program is very large and complex. To provide the level of detail as requested would represent an unreasonable diversion of resources as hire car data is not captured or maintained at such a level in Defence's financial system.

(b)

Defence travel policy and procedural framework provides Defence staff and their manager's flexibility to determine the most suitable and cost effective means of transport, hire cars and private vehicles.

Hire cars are commonly used when:

- It represents the most efficient and effective means of transport;
- No other reasonable alternate transport is available; and/or
- Shared use represents more cost effective outcomes



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q85: Commissioned Reports**

**Senator Eggleston** provided in writing:

- (1) How many Reports have been commissioned by the Government in your department/agency this financial year to date? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.
- (2) How much did each report cost/or is estimated to cost?
- (3) How many departmental staff were involved in each report and at what level?
- (4) What is the current status of each report? When is the Government intending to respond to these reports?

**Response:**

No reports have been commissioned by the Government in Defence during 2012-13.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q86: Credit Cards**

**Senator Eggleston** provided in writing.

- (a) Provide a breakdown for each employment classification that has a corporate credit card.
- (b) Please update details of the following –
  - i. What action is taken if the corporate credit card is misused?
  - ii. How is corporate credit card use monitored?
  - iii. What happens if misuse of a corporate credit card is discovered?
  - iv. Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken.
  - v. What action is taken to prevent corporate credit card misuse ?

**Response:**

- (a) There are 64,944 Defence Travel Cards (DTC) and 7,144 Defence Purchasing Cards (DPC) issued to Australian Public Servants (APS) and Australian Defence Force (ADF) personnel who are required either to undertake travel or to procure items on behalf of the Commonwealth.

(b)

- (i) It is mandatory in Defence for suspected misuse of a corporate credit card to be reported to a Defence Investigative Authority for investigation.

For ADF personnel, there are three options available for dealing with misuse of corporate credit cards, depending on circumstances such as the seriousness and criminality involved in the matter. The three options include administrative action for low-level matters by the chain of command; investigation by the Service Police under the *Defence Force Discipline Act 1982*; or, for more serious cases, referral for prosecution under civil criminal law.

Misuse of a corporate credit card involving APS employees that warrants criminal prosecution is investigated under the criminal law. The employee's misconduct is simultaneously dealt with under misconduct provisions of the *Public Service Act 1999*. Less serious matters that do not meet the criteria for criminal prosecution are dealt with through misconduct provisions alone.

For ADF personnel, administrative or disciplinary action may include counselling, reprimands, loss of pay, rank, privileges or seniority, a term of military imprisonment and administrative discharge from the Service. For APS personnel, administrative action may

include counselling, reprimands, fines, reduction in salary or classification or termination of employment.

In all cases, if a debt to the Commonwealth is identified, Defence makes every effort to recover the debt in full.

- (ii) Corporate credit card transactions are monitored by card providers, account holders, supervisors, resource and governance areas, cost centre managers, Corporate Card Support Centre staff and the Inspector General of Defence.

Each day's transactional information is available to be viewed by all stakeholders via the card management system the next business day. The Corporate Card Support Centre also reviews a percentage of daily transactions to identify any unusual trends.

The Inspector General of Defence regularly monitors all corporate credit card activity to identify potentially suspicious transactions. If suspicious transactions are found, an explanation is sought from the relevant manager.

Additionally, the DTC and DPC corporate card providers notify Defence of any unusual spending or merchant activity that they detect.

- (iii) Refer to answer for question (i).
- (iv) For the last reporting period of July 2011 to March 2013, there were 21 DTC and four DPC investigations finalised with an assessed loss of just over \$87,000. This equates to less than 0.009 per cent of fraud on a total spend of \$888.2 million comprising 2.86 million individual transactions. Allegations and outcomes are listed in the table below:

<b>Rank/Level</b>	<b>Allegation</b>	<b>Value (\$)</b>	<b>Outcome</b>
APS 2	Misuse DTC	5,596.25	Recognisance to be of good behaviour for a period of three years.
APS 3	Misuse of DTC	4,080.00	Employment terminated under the <i>Public Service Act 1999</i> .
APS 3 &  APS 4	Misuse of DTC	2,903.19	Employment terminated under the <i>Public Service Act 1999</i> .  18 months imprisonment released forthwith to be of good behaviour for 24 months. Employment terminated under the <i>Public Service Act 1999</i> .
APS 4	Misuse of DPC	130.00	Resigned before disciplinary

<b>Rank/Level</b>	<b>Allegation</b>	<b>Value (\$)</b>	<b>Outcome</b>
			action could be taken.
APS 6	Misuse of DTC	57.60	Received formal reprimand and a fine of \$500.
EL1	Misuse of DTC	779.02	Resigned before disciplinary action could be taken.
EL1	Misuse of DTC	1,047.65	Employee counselled.
Private	Misuse of DTC	3,052.50	Member counselled.
Private	Misuse of DTC	1,400.00	Administrative action. Member counselled.
Private	Misuse of DPC	3,326.04	Member counselled.
Private	Misuse of DTC	900.00	Dismissed from ADF and fined \$1,500.
Private	Misuse of DTC	1,560.00	Member counselled.
Private	Theft of DTC	1,500.00	Member reprimanded and counselled.
Able Seaman	Misuse of DTC	186.40	Member counselled.
Leading Aircraftman /Woman	Misuse of DTC	14,488.76	Reduction in rank from SGT to LAC/W and received 28 days detention.
Corporal (Army)	Misuse of DTC	77.70	Member counselled.
Corporal (Army)	Theft of DTC	28,658.27	4 month prison sentence to be served by way of intensive community correctional order.
Leading Seaman	Misuse of DTC	613.75	Member reprimanded.
Sergeant	Misuse of DPC	260.00	Member counselled.
Sergeant	Misuse of DTC	2,323.59	Charges not perused due to

<b>Rank/Level</b>	<b>Allegation</b>	<b>Value (\$)</b>	<b>Outcome</b>
			member medically discharging.
Sergeant	Misuse of DTC	852.00	Member counselled and given 14 days extra guard duty.
Warrant Officer Class 1	Misuse of DTC	4,593.25	Severe reprimand and fined.
Lieutenant Commander	Misuse of DTC	1,792.62	Member issued with Notice to Show Cause. Member censured.
Squadron Leader	Misuse of DPC	7,121.25	Recognisance to be of good behaviour for a period of two years.

(v) In addition to the monitoring mechanisms described in (i) above, Defence has a number of other mechanisms in place to guard against credit card misuse. Defence places a strong emphasis on fostering and maintaining the highest standards of ethical behaviour, which play an important role in preventing fraud and helping to detect it once it occurs. Within this context, Defence has a comprehensive fraud control framework that is underpinned by:

- a. the Defence Values;
- b. intelligence-driven internal audits,
- c. systematic analysis of corporate information and communications technology systems;
- c. the Defence Whistleblower Scheme;
- d. the investigation and prosecution of reported frauds;
- e. the recovery of defrauded moneys (where possible);
- f. Education programs consisting of either face-to-face ethics and fraud awareness presentations or completion of an on-line eLearning ethics and fraud training module;
- g. the provision of quarterly fraud statistics to Groups to facilitate the ongoing fraud risk assessment process;
- h. specialist workshops in fraud risk assessment, the evaluation and treatment of fraud risks, and the development of fraud control plans;
- i. the provision of a central point of contact by the Inspector General for policy, guidance and advice on ethics and fraud related issues;
- j. Defence Audit and Risk Committee (DARC) oversight of the development and implementation of the fraud control plan; and

- k. A comprehensive suite of policies aimed at ensuring that Defence personnel behave in a proper manner, which in turn mitigates the risk of fraudulent conduct.

Other mechanisms in place to guard against credit card misuse include:

- a. delegate approval and funds availability sign off prior to the commitment of Commonwealth monies;
- b. credit card limits, cash advance controls and card merchant blockings;
- c. a two-step process (involving both the card-holder and supervisor) for acquittal of expenditure that includes the provision of expenditure documentation to the supervisor.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q87 Government Payment of Accounts**

**Senator Eggleston** provided in writing

For this financial year to date, has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not? Provide details, including what has been the timeframe for payment of accounts. Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached)

For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year? Where interest is being paid, what rate of interest is being paid and how is this rate determined?

**Response:**

In the current financial year to 31 May 2013 Defence has made 1,624,802 payments to suppliers with 99.1% of these made on time. This exceeds the 90% on time payment performance expectation contained in the Department of Innovation, Industry, Science, Research and Tertiary Education Survey of Australian Government Payments to Small Business.

No interest has been paid on overdue amounts by Defence for either the current or previous financial years.

Interest payable would be calculated in accordance with the rate and methodology advised in the Department of Finance and Deregulation Circular 2012/02.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q88: Stationery Requirements**

**Senator Eggleston** provided in writing on 14 June 2013:

How much was spent by each department and agency on the government (Ministers/Parliamentary Secretaries) stationery requirements in your portfolio (i.e. paper, envelopes, with compliments slips) this financial year to date?

What are the department/agency's stationery costs for the financial year to date?

**Response:**

(1) The current stationery cost for financial year to date, borne by the Department on behalf of Ministers and Parliamentary Secretaries is \$1451.32 GST inclusive. This figures are correct as at 1 July 2013.

The breakdown of the cost is below:

Stationery	Total
Ministerial Envelopes	\$ 550.00
Ministerial Letterhead Paper	\$ 901.32
Grand Total	\$1,451.32

(2) Defence (including the Defence Materiel Organisation) has spent \$9,304,238 (GST exclusive) on stationery for the period 1 July 2012 to 14 June 2013.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q89: Provision of Equipment**

**Senator Eggleston provided in writing:**

- (a) For departments/agencies that provide mobile phones to Ministers and/or Parliamentary Secretaries and/or their offices, what type of mobile phone is provided and the costs?
- (b) For departments/agencies that provide electronic equipment to Ministers and/or Parliamentary Secretaries and/or their offices, what are the ongoing costs for this financial year to date?
- (c) Is electronic equipment (such as ipad, laptop, wireless card, Vasco token, BlackBerry, mobile phone (list type if relevant), thumb drive) provided to department/agency staff? If yes provide details of what is provided, the purchase cost, the ongoing cost and a breakdown of what staff and staff classification receives it.
- (d) Does the department/agency provide their Ministers and/or Parliamentary Secretaries and/or their offices with any electronic equipment? If yes, provide details of what is provided, the cost and to who it is provided.

**Response:**

- (a) Defence Portfolio Ministers, Parliamentary Secretaries may be provided with a BlackBerry handset and/or iPhone and their staff may be provided with a BlackBerry handset in accordance with the whole-of-government panel arrangements for the procurement for telecommunications carriers, commodities and other associated services. The type of equipment that is provided is based on the individual requirements of the user. Equipment costs are approximately \$632.00 (GST exclusive) per unit for the BlackBerry and \$921.00 (GST exclusive) for the iPhone5.
- (b) The ongoing costs (GST exclusive) for the provision of electronic equipment to the office of the Defence portfolio Ministers and Parliamentary Secretary for the financial year 2012-13 for the period 1 July 2012 to 31 May 2013 are included in Table A. This information is correct as at 21 June 2013.

**Table A**

Office of the	Financial Year 2012-13
Minister for Defence (Mr Smith)	\$106,231.61
Minister for Defence Science and Personnel (Mr Snowden)	\$23,408.10
Parliamentary Secretary for Defence (Senator Feeney)	\$13,095.49
Minister for Defence Materiel (Dr Kelly)	\$4,337.80
Former Minister for Defence Materiel (Mr Clare)	\$20,663.14
Former Parliamentary Secretary for Defence (Dr Kelly)	\$11,688.10
<b>Total (GST exclusive)</b>	<b>\$179,424.24</b>

(c) Departmental staff may be provided with electronic equipment such as, BlackBerry, Telstra Next G data cards, mobile phones, laptops, Vasco tokens and iPads. A detailed breakdown of purchase costs, ongoing costs and a breakdown of departmental staff and classification that received the electronic equipment is not readily available. To gather this information would require an unreasonable use of Defence resources and as such is considered an unjustified diversion of resources.

(d) Table B provides details of all mobile electronic equipment that is currently issued to the Ministers, Parliamentary Secretary and their staff as at 21 June 2013. Table C provides details of current mobile equipment costs (GST exclusive) per unit, this information is correct as at 21 June 2013.

**Table B**

Minister for Defence (Mr Smith)	ADC	1	1	1	1		1
	DLO	1	1	2	2		
	Minister				1	1	
	Ministerial Staff	10	15	7	15		1
	<b>Total</b>	<b>12</b>	<b>17</b>	<b>10</b>	<b>19</b>	<b>1</b>	<b>2</b>
Minister for Defence Materiel (Dr Kelly)	DLO	1	1	1	1		
	Minister	1	1	1	1		
	Ministerial Staff	6	7	5	5		1
	<b>Total</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>7</b>		<b>1</b>
Minister for Defence Science and Personnel (Mr Snowden)	ADC	1	1	1	1		1
	DLO	1	1	1	1		
	Minister	1	1	1	1		
	Ministerial Staff	1	1	3	3		1
	<b>Total</b>	<b>4</b>	<b>4</b>	<b>6</b>	<b>6</b>		<b>2</b>
Parliamentary Secretary (Senator Feeney)	DLO	1	1	1	1		
	Parliamentary Secretary	1	1	1	1		
	Ministerial Staff	2	2	3	3		
	<b>Total</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>		

**Table C**

<b>Equipment</b>	<b>Cost per unit (GST Exclusive)</b>
Laptop	\$966.50
BlackBerry	\$632.00
DREAMS (Vasco) Token	\$28.25 <sup>1</sup>
Datacard (Wireless USB 4G)	\$172.00
iPad (64GB)	\$765.00
iPad (32GB)	\$670.00
iPhone 4S (32GB)	\$979.00
iPhone 5 (32GB)	\$921.00 <sup>2</sup>

<sup>1</sup> Does not include user data subscription fee of \$5.00 per token.

<sup>2</sup> Includes Apple care services.

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<sup>1</sup> Does not include user data subscription fee of \$5.00 per token.

<sup>2</sup> Includes Apple care services.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q90: Media Subscriptions**

**Senator Eggleston** provided in writing:

- What pay TV subscriptions does your department/agency have?
- Please provide a list of what channels and the reason for each channel.
- What is the cost for this financial year to date?
- What newspaper subscriptions does your department/agency have?
- Please provide a list of newspaper subscriptions and the reason for each.
- What is the cost for this financial year to date?
- What magazine subscriptions does your department/agency have?
- Please provide a list of magazine subscriptions and the reason for each.
- What is the cost for this financial year to date?

**Response:**

(1) and (2) Defence subscribes to standard pay TV packages available domestically and at overseas posts, and in-country local pay TV. Channels viewed include, among others: Defence Public Affairs, Parliamentary Channels, ABC News, CNN, Sky News, BBC World News, CNBC, Bloomberg, and Al Jazeera.

The department subscribes to pay TV for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Ministers, Government and senior Defence executives
- to provide greater awareness of parliamentary proceedings to enable timely support to Ministers, Government and senior Defence executives
- operational support, particularly involving conflicts, emergency situations, natural disasters and extreme weather events
- amenity for deployed and remote-location personnel where free-to-air channels are not available (including provision of satellite TV to Navy ships as a Navy personnel retention initiative).

(3) The department spent \$433,047 on TV subscriptions this financial year as at 4 June 2013.

(4) and (5) Newspaper subscriptions include all of the major national newspapers as well as relevant major regional papers. The department is unable to provide a detailed list of all newspaper subscriptions in Defence, as it would require an unreasonable diversion of departmental resources.

The department subscribes to newspapers for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Ministers, Government and senior Defence executives
- to provide greater awareness of parliamentary proceedings to enable timely support to Ministers, Government and senior Defence executives
- operational support, particularly involving conflicts, emergency situations, natural disasters, and extreme weather events
- provided as a condition of service where applicable.

(6) The department spent \$230,898<sup>1</sup> on newspaper subscriptions this financial year as at 4 June 2013.

(7) and (8) The department subscribes to a range of magazines due to the diverse nature of its environment, with subject matters including, inter alia, history of warfare, aviation, Australian law, economy, finance, geography and fitness.

The department subscribes to magazines for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Ministers, Government and senior Defence executives
- to support professional development
- to enhance troop morale and provide amenity for deployed and remote-location personnel.

(9) The department spent \$384,338<sup>2</sup> on magazine subscriptions this financial year as at 4 June 2013.

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<sup>1</sup> The figure of \$230,898 includes Defence Materiel Organisation's magazine subscriptions cost, as these are not identified separately from newspaper subscriptions in the financial reporting system.

<sup>2</sup> The figure of \$406,363 does not include Defence Materiel Organisation's magazine subscriptions cost, as these are included in the newspaper subscriptions cost figure.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q91: Electricity Purchasing**

**Senator Eggleston** provided in writing:

- (a) What are the details of the department/agency electricity purchasing agreement?
- (b) What are the department/agency electricity costs for this financial year to date?

**Response:**

(a) Defence has eight electricity contracts with licensed retailers that account for eighty percent of Defence's consumption. The details of the eight electricity contracts are:

- (i) South Australia – Momentum Energy - Contracted from 1 October 2010 for three years;
- (ii) Western Australia – Perth Energy - Contracted from 1 December 2010 for three years;
- (iii) Queensland – Energy Australia - Contracted from 1 May 2010 for four years;
- (iv) New South Wales – ERM Power Retail - Contracted from 1 July 2011 for four years;
- (v) Australian Capital Territory – ERM Power Retail - Contracted from 1 July 2011 for four years;
- (vi) Northern Territory – Power and Water Corporation - Contracted from 1 September 2011 for two years;
- (vii) Victoria – ERM Power Retail - Contracted from 1 July 2012 for four years; and
- (viii) Tasmania – ERM Power Retail - Contracted from 1 July 2012 for two years.

Defence has also entered into arrangements in Victoria, New South Wales and the Australian Capital Territory to supply electricity to small Defence sites in these jurisdictions. The arrangements deliver a discount to the standard tariff and savings to Defence. Other small Defence sites across Australia are supplied by local or default retailers at standard or regulated tariffs. Defence procures electricity for its large sites on a state by state basis using an open market tender approach advertised on AusTender.

(b) As at 31 May 2013, the cost of electricity (based on invoices received and paid) by Defence for the financial year 2012-13 was \$125.016 million (excluding GST).

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q92: Travel Costs**

**Senator Eggleston** provided in writing.

- (a) For the financial year to date, please detail all travel for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
- (b) For the financial year to date, please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals). Also provide a reason and brief explanation for the travel.
- (c) What travel is planned for the rest of this financial year? Also provide a reason and brief explanation for the travel. What travel is planned for the rest of this calendar year? Also provide a reason and brief explanation for the travel.
- (d) What is the policy for business class airfare tickets?
- (e) Is there still a reduction in business flights as per the media release by the Minister for Finance and Deregulation and the Special Minister of State dated 25 September 2012?
- (f) Are lounge memberships provided to any employees? If yes, what lounge memberships, to how many employees and their classification, the reason for the provision of lounge membership and the total costs of the lounge memberships.
- (g) When SES employees travel, do any support or administrative staff (such as an Executive Assistant) travel with them? If yes, provide details of why such a staff member is needed and the costs of the support staff travel.
- (h) Does the department/agency elect to offset emissions for employees work related travel? If yes, what is the cost?

**Response:**

- (a) Annexes A and B provide details of costs (GST exclusive) that have been expensed for the period 1 July 2012 to 31 June 2013 by the department for official overseas and domestic travel undertaken in support of the Ministers and Parliamentary Secretary. The table at Annex A includes footnotes with updated expenditure information and financial adjustments that have been received by the department for travel undertaken between 1 July 2012 and 30 May 2013. This information is correct as at 1 July 2013.

The costs for all other travel undertaken by the Ministers and Parliamentary Secretary are paid for by the Department of Finance and Deregulation (DoFD). These costs are tabled in the Parliament every six months in a report titled 'Parliamentarians' Travel'. These reports also include dates, destination and purpose for the travel and are published on the DoFD website.

- (b) & (c) For 2012-13 to date, as at 31 May 2013, Defence (which includes the Defence Materiel Organisation) has spent approximately \$314 million (exclusive of GST) on travel-related expenses. For 2011-12, Defence spent approximately \$459 million (exclusive of GST) on travel-related expenses. These figures represent the entire Department of Defence workforce: APS employees, full-time ADF members and ADF Reservists and encompass business, training, operational, removal and condition of service leave travel. The figure does not include charter aircraft used for deployments and exercises.

The Defence travel program is very large and complex and it is not possible to provide data broken down at the level requested as it is not captured or maintained at that level. Defence undertakes in excess of 200,000 domestic trips each year and has over 1.5 million individual transactions made through its travel card program. Trips may be made using commercial means (air, car hire, rail etc), Service vehicles or in some cases private vehicles and Defence does not have a single data-source that identifies each trip undertaken or planned to be taken for central reporting.

- (d) Travel entitlements for non-SES employees and ADF equivalents, SES members and equivalents, Star-ranked officers and statutory office holders are:

	Domestic	International
Non-SES (equiv)	Economy	Business Class
SES (equiv)	Business Class (except for travel between Sydney and Canberra, which is economy)	Business Class or First Class where Business Class is not available
Statutory Office Holders	Tier 1 – Highest available class Tier 2 – Business Class	Tier 1 – Business or First Class Tier 2 – Business Class

- (e) For 2012-13 to date, as at 31 May 2013, the total invoiced airfare spend was approximately \$121 million (GST inclusive). This is a 27 per cent reduction compared to the same point in 2011-12.
- (f) Please see the response to the 13 February 2013 Additional Estimates Question on Notice No. 111, part (e), as the information relating to Travel Costs remains extant.



- (g) Please see the response to the 13 February 2013 Additional Estimates Question on Notice No. 111, part (f), as the information relating to Travel Costs remains extant.
- (h) Please see the response to the 13 February 2013 Additional Estimates Question on Notice No. 111, part (g), as the information relating to Travel Costs remains extant.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates Hearing – 3-4 June 2013**

**Q93: Legal costs**

**Senator Eggleston** provided in writing.

- 1) What sum did each portfolio department and agency spend on legal services for this financial year to date within the department/agency? Please provide a list of each service and costs.
- 2) What sum did each portfolio department and agency spend on legal services this financial year to date from the Australian Government Solicitor? Please provide a list of each service and costs.
- 3) What sum did each portfolio department and agency spend on legal services this financial year to date from private firms? Please provide a list of each service and costs.
- 4) What sum did each portfolio department and agency spend on legal services this financial year to date from other sources? Please provide a list of each service and costs.

**Response:**

- (a) The Department of Defence's approximate legal expenditure (GST inclusive) for 2012-13, as at 30 June 2013, was \$63,531,334.14. This is broken down as follows:

- Internal Expenditure \$41,255,136.38
- External Expenditure \$22,276,197.76

The figures above do not include the Defence Materiel Organisation's (DMO) legal expenditure. DMO's legal expenditure (GST exclusive) for 2012-13, as at 30 June 2013, was \$14,368,708.62. This figure is broken down as follows:

- Internal Expenditure \$ 2,627,054.56
- External Expenditure \$11,741,654.06
  - consisting of:
    - Professional Fees \$11,323,663.10
    - Disbursements \$ 417,990.96

- (b) Defence (excluding DMO) spent \$3,842,954.49 on legal services from the Australian Government Solicitor in 2012-13, as at 30 June 2013. These services were:

- Advice in relation to litigation \$ 616,770.97
- Advice on other legal matters \$3,226,183.52

Tied legal work accounted for 37.5% of this expenditure.

In 2012-13, as at 30 June 2013, the DMO purchased \$907,961.85 (GST Exclusive) in legal services from the Australian Government Solicitor.

- (c) Defence (excluding DMO) spent \$18,433,243.27 on legal services from private firms in 2012-13, as at 30 June 2013. Listing every matter that this expenditure relates to is not practical due to the large volume of individual transactions. AusTender provides details of all new matters raised during the year and the value of the commitment, but it does not list the value of the expenditure. In the tables below, the expenditure has been broken down into litigation services and other legal matters, and then further refined by the panel to which the work was assigned.

**Advice in relation to litigation**

**\$ 4,025,021.35**

Commercial, including contract, acquisitions and PPP	Ashurst	-\$37,231.90 <i>(negative figure as a result of a transaction from FY2011-12 being amended in FY2012-13)</i>
	Clayton Utz	\$947,934.80
	Norton Rose Fulbright	\$175,211.23
Dispute Resolution	DLA Piper	\$1,860,310.79
Employment and Industrial Relations	Ashurst	\$174,133.65
	Clayton Utz	\$74,631.21
	DLA Piper	\$4,532.00
	Minter Ellison	\$46,830.44
Finance, including Private Finance	Minter Ellison	\$10,019.13
Government and Administrative, including Privacy and FOI	Ashurst	\$7,134.95
	Clayton Utz	\$219,567.77
	Minter Ellison	\$12,182.27
	Sparke Helmore Lawyers	\$11,105.86
LSMUL – Corporate and Commercial Law	Ashurst	\$15,000.00
	Minter Ellison	\$72,275.00

	Piper Alderman	\$10,000.00
LSMUL – Government and Administrative	HWL Ebsworth	\$15,632.10
Negligence and other common law claims	Clayton Utz	\$18,322.00
	DLA Piper	\$48,831.90
	Minter Ellison	\$2,692.80
Non Panel (Tied Work)	Attorney General's Department	\$39,822.62
	Office of Parliamentary Counsel	\$75,188.56
Property, Leasing, Land Planning and Disposals	Clayton Utz	\$22,841.96
	Norton Rose Fulbright	\$18,417.27
	Sparke Helmore Lawyers	\$148,346.55
Technology and Communications	Sparke Helmore Lawyers	\$31,288.39

**Advice on other legal matters**

**\$14,408,221.92**

Commercial, including contract, acquisitions and PPP	Ashurst	\$1,764,895.42
	Clayton Utz	\$4,344,428.75
	DLA Piper	\$21,084.22
	Minter Ellison	\$838,124.81
	Norton Rose Fulbright	\$290,781.86
	Sparke Helmore Lawyers	\$247,468.36
Construction Engineering and Infrastructure	Allens Arthur Robinson	\$6,565.50
	Minter Ellison	\$14,640.78
Dispute Resolution	HWL Ebsworth	\$8,780.40

Employment and Industrial Relations	Ashurst	\$48,989.91
	Clayton Utz	\$145,930.21
	DLA Piper	\$21,120.00
	Maddocks	\$11,000.00
	Minter Ellison	\$14,199.46
	Sparke Helmore Lawyers	\$5,907.50
Environment, Heritage and Indigenous	Clayton Utz	\$56,541.88
	DLA Piper	\$85,546.20
	Minter Ellison	\$238,763.42
Finance, Including Private Finance	Minter Ellison	\$23,259.17
Government and Administrative including Privacy and FOI	Ashurst	\$5,879.48
	Clayton Utz	\$257,042.50
	DLA Piper	\$1,108,998.94
	Minter Ellison	\$106,681.34
	Norton Rose Fulbright	\$6,281.44
	Sparke Helmore Lawyers	\$67,042.13
Intellectual Property	Allens Arthur Robinson	\$5,326.70
	Clayton Utz	\$76,370.80
	Minter Ellison	\$15,670.38
LSMUL – Corporate and Commercial Law	Ashurst	\$92,610.34
	Clayton Utz	\$350,695.65
	DLA Piper	\$94,395.00
	Fox Tucker Lawyers	\$30,873.00
	Lander and Rogers	\$15,970.60

	Maddocks	\$8,520.16
	Minter Ellison	\$21,969.70
	Norton Rose Fulbright	\$4,224.78
	Sparke Helmore Lawyers	\$191,436.58
LSMUL – Government and Administrative	DLA Piper	\$10,483.44
	HWL Ebsworth	\$14,238.00
	Maddocks	\$5,232.00
	Minter Ellison	\$25,115.30
	Norton Rose Fulbright	\$8,777.50
	Sparke Helmore Lawyers	\$1,099.06
	Hunt & Hunt	\$8,696.00
LSMUL – Tied Work	Attorney General's Department	\$4,545.15
Negligence and other common law claims	Clayton Utz	\$9,696.50
	DLA Piper	\$15,893.25
Non-Panel (Tied Work)	Attorney General's Department	\$123,398.89
Non-Panel	Allens Arthur Robinson	\$22,660.60
	Allocatur Consulting PTY LTD	\$20,895.88
	Allygroup	\$84,873.01
	DFAT	\$125,445.31
	Chambers of Douglas J Campbell	\$10,450.00
	HWL Ebsworth	\$627.77
	Kate Eastman	\$5,850.00
	Michael J Heath Barrister at Law	\$2,873.86

	Stephen Lloyd SC	\$4,700.00
	Miles & Stockbridge	\$2,110.68
LACE	Blake Dawson Waldron	\$5,398.70
	David McLure	\$6,193.00
	Fisher Dore Lawyers	\$8,937.50
	Landers & Rodger	\$1,778.70
	Paul C F Hornsby	\$537.50
	Tony Hargreaves and Partners	\$212,148.47
	HWL Ebsworth	\$541.20
	NLC Law Asia LLP Advocates & Solicitors	\$14,832.84
Defence Force Advocate	R Kenzie QC	\$301,787.66
Property, Leasing, Land Planning and Disposals	Ashurst	\$401,166.29
	Clayton Utz	\$107,653.68
	DLA Piper	\$65,194.55
	Minter Ellison	\$58,417.83
	Norton Rose Fulbright	\$123,912.97
	Sparke Helmore Lawyers	\$298,384.57
Technology and Communications	Clayton Utz	\$1,250,742.71
	DLA Piper	\$102,954.25
	Minter Ellison	\$8,410.80
	Sparke Helmore Lawyers	\$283,549.13

In 2012-13, as at 30 June 2013, the DMO purchased legal services from the following firms:

- Allens Arthur Robinson \$ 91,277.49
- Ashurst (formerly known as Blake Dawson) \$3,105,838.79
- Clayton Utz \$1,762,403.93
- DLA Piper (previously DLA Phillips Fox) \$2,892,791.70

• Minter Ellison	\$ 812,872.86
• Norton Rose Fulbright	\$ 302,761.82
• Sparke Helmore	\$1,367,387.71
• Proximity <sup>[1]</sup>	\$ 343,617.50
• Maddocks <sup>[1]</sup>	\$ 81,550.40
• Mills Oakley	\$ 19,193.21
• HWL Ebsworth	\$ 53,996.80

1. In the response to Question on Notice 72, following the Senate Supplementary Budget estimates hearing on 17 October 2012, these legal services were reported as other sources

- (d) In 2012-13, as at 30 June 2013, Defence and the DMO did not purchase any legal service from other sources.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q94 – Education Expenses**

**Senator Eggleston** provided in writing:

What is the department/agency's guidelines on study? For this financial year to date, detail all education expenses (i.e. in house courses and tertiary studies) for each portfolio department and agency. Include what type of course, the total cost, cost per participant, the employment classification of each participant, how many participants and the amount of study leave granted to each participant (provide a breakdown for each employment classification). Also include the reason for the study and how it is beneficial for the department/agency.

**Response:**

(a) The purpose of all studies managed or funded by Defence is to ensure that employees have the skills and knowledge to do their jobs. In order to meet the diverse skill requirements of its large workforce, Defence manages many types of education and training programs for large numbers of students. There is a large body of published policy and guidance on the management of this education and training. Common principles embedded throughout policy and guidelines are that all education and training must:

- contribute to meeting Defence capability requirements or other essential outcomes required by legislation or government direction;
- be quality-assured; and
- be efficient and accountable in the use of resources.

(b) Within a reasonable application of resources, Defence is unable to detail all education expenses, including the types of all courses, costs and details of participants in all formal education and training at the level of detail requested. Defence financial management systems do not support true cost attribution that would be necessary to provide this information.

The vast majority of education and training provided to Defence members is designed and delivered in-house, most of the fixed and variable costs of doing so are not uniquely captured and are generally reflected in the general operating budget of the Defence element responsible for the delivery of the education and training.

Defence does capture the cost of education and training activities that are commercially procured. To 31 May 2013, in FY 2012-13, this amounted to \$282.3m.

Major cost components of Defence Education and Training activities were:

- Travel related to training: \$64.5m;
- Payments to the University of New South Wales under the Australian Defence Force Academy contract: over \$52.1m;
- Procured military training including flight and submarine training: \$98.6m;
- Attendance by Defence personnel at conferences and seminars: \$3.8m;
- information and technology training and education: \$3.1m; and
- Overseas Training \$5.5m.
- Expenditure on non-military training was \$41.9m, which includes payments to Universities and Technical and Further Education institutions. This last figure also includes funds managed by the Groups and Services to provide education and training to meet their specific needs and that expended by authorities responsible for the deployment of Defence-wide business policies and processes.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q95: Executive Coaching and Leadership Training**

**Senator Eggleston** provided in writing:

In relation to executive coaching and/or other leadership training services purchased by each department/agency, please provide the following information for this financial year to date:

1. Total spending on these services
2. The number of employees offered these services and their employment classification
3. The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification)
4. The names of all service providers engaged for each service purchased from a provider listed under (4) please provide:
  - a) The name and nature of the service purchased
  - b) Whether the service is one-on-one or group based
  - c) The number of employees who received the service and their employment classification
5. The total number of hours involved for all employees (provide a breakdown for each employment classification)
  - d) The total amount spent on the service
  - e) A description of the fees charged (i.e. per hour, complete package) where a service was provided at any location other than the department or agency's own premises please provide:
    - i. The location used
6. The number of employees who took part on each occasion (provide a breakdown for each employment classification)
7. The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
  - ii. Any costs the department or agency's incurred to use the location.

**Response:**

(1-7) Defence information management systems do not support separate cost attribution specifically for executive coaching and training expenses categorised as leadership. These systems do not record each separate coaching session or leadership course attended by a Defence member / employee nor the number of participants or other attributes such as hours involved, training venue or any applicable study leave. Expenditure on commercially procured non-military training to 31 May 2013 for the Financial Year 2012-13 was \$41.9m.

Some civilian senior executive level coaching is provided at a corporate level, however the majority of other leadership training is externally purchased, including executive coaching which is managed at group, divisional, and branch level. Senior military leadership training is provided through attendance at Australian Defence College programs.

Service providers with contracts for the provision of leadership training or coaching in the period 01 July 2012 to 31 May 2013 are listed below. Some of the contracts listed are multi-year contracts, extending over a time frame well beyond this financial year, so the costs in the 'value' column need to be understood in this light. This list is not exhaustive and does not include service providers that may provide training where leadership is not the primary or only content. The latter include principally a number of TAFE institutions and universities.

Supplier Name	Description	Value (AUD)
AIPM - AFP	Executive leadership program	14,000
ANZSOG LTD	Executive Fellows Program 2012	28,380
Australian Public Service Commission	Educational services	45,625
Australian Public Service Commission	Training	10,599
Australian Public Service Commission	Executive and senior executive leadership programs	42,050
Australian Public Service Commission	EL2 Career Development	188,000
Centre For Public Management	Coaching Services	11,660
Chandler Macleod Group	Coaching Services	111,750
Chandler Macleod Group	Coaching Services	107,842
Chief Executive Women	Chief Executive Women's Leaders Program	13,750
Harvard University Business School	Education and development	65,901
Directions for Change	Senior Executive Coaching	11,495
Dominic Downie and Associates	Senior Executive Coaching	2,768
Harvard University Business School	Education and development	66,000
HCA Leadership Programs Pty Ltd	Leadership Program	39,039

HCA Leadership Programs Pty Ltd	Education and Development	55,539
Human Synergistics (AUST)	Leadership development workshop and pilot	53,137
Human Synergistics (AUST)	Leadership development workshop and pilot	39,005
Human Synergistics (AUST)	Leadership training	275,629
Human Synergistics (AUST)	Leadership development workshops	126,819
Human Synergistics (AUST)	Leadership Development Workshops	315,541
Liquid Learning Group	National Public Sector Leadership Summit	19,046
Nous Group	Senior Executive Coaching	6,000
NOUS Group	Deliver senior leadership program	359,520
Right Management	Prepare and deliver leadership training	48,000
Rogensi Pty Ltd	Extraordinary leader Program	32,006
Ross Begbie And Associates Pty Ltd	Results Through People workshops	10,800
Ross Begbie And Associates Pty Ltd	Results Through People workshops	76,500
Saville Holdsworth Pty Ltd Australia	Executive Level development programs	305,000
Saville Holdsworth Pty Ltd Australia	Senior Executive 360 degree feedback	24,960
Shackleton Management Solutions P/L	Professional Mentoring Services	13,200
The Leadership Academy	Leadership Development	11,560
Upton Martin Consulting	Executive Leadership Development Program	630,016
Veritas Alliance	Senior Executive coaching	7,845
VT Coach Pty Ltd	Senior Executive coaching	10,540
Whon Pty Ltd	Executive Learning Group Membership and training	12,100
Whon Pty Ltd	Provision of executive coaching program	29,370
Workplace Training	Leadership Exchange Training Conference	18,995
Workplace Training&Advisory Aust	The leadership Journey Program	21,321
Yellow Edge	Senior Executive coaching	4,840
Yellow Edge	Leadership Training	16,500

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q96: Media Training**

**Senator Eggleston** provided in writing:

- (1) In relation to media training services purchased by each department/agency, please provide the following information for this financial year to date:
- (a) Total spending on these services;
  - (b) The number of employees offered these services and their employment classification;
  - (c) The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification); and
  - (d) The names of all service providers engaged. For each service purchased from a provider listed under (d), please provide:
    - a) The name and nature of the service purchased;
    - b) Whether the service is one-on-one or group based;
  - (e) The number of employees who received the service and their employment classification (provide a breakdown for each employment classification);
  - (f) The total number of hours involved for all employees (provide a breakdown for each employment classification);
    - a) The total amount spent on the service; and
    - b) A description of the fees charged (i.e. per hour, complete package).
- (2) Where a service was provided at any location other than the department or agency's own premises, please provide:
- (a) The location used;
  - (b) The number of employees who took part on each occasion;
  - (c) The total number of hours involved for all employees who took part (provide a breakdown for each employment classification); and
  - (d) Any costs the department or agency's incurred to use the location.

**Response:**

- (1) The following information is provided in relation to media training services purchased by Defence for this financial year as at 27 June 2013:
- (a) \$152,979 (GST exclusive)

- (b) Training was available to ADF members and APS employees likely to engage with the media.
  - (c) As at 27 June 2013, 128 people have completed the training conducted by Media Manoeuvres on behalf of Defence. Information about their employment classification is not readily available. Course attendance was classified as duty and study leave was not required.
  - (d) Media Manoeuvres has been contracted to provide media awareness and skills training. The following information is provided in relation to the nature of the service purchased:
    - (i) Media Manoeuvres was contracted by Defence to deliver three types of courses: a series of one-day duration media awareness and interview skills courses, a series of one-day duration media awareness and writing skills courses; and a half-day course for senior Defence staff conducted when required.
    - (ii) Both one-on-one and group based training was delivered.
  - (e) 128 people (2 x Navy, 58 x Army, 24 x Air Force and 44 x APS) attended one of the eighteen courses conducted on behalf of Defence. Information about their employment classification is not readily available.
  - (f) 116 people completed the one-day Defence training courses, which is the equivalent of 870 hours. Nine people completed the half-day course which is the equivalent of 31.5 hours, and three people attended a tailored course equating to five hours. Information about their employment classification is not readily available.
  - (g) For financial year 2012-13, Media Manoeuvres has provided media awareness and skills training for \$152,979 GST exclusive (as at 27 June 2013).
  - (h) The breakdown of costs incurred under contract is commercial-in-confidence.
- (2) The following information is provided in relation to the location of the training purchased:
- (a)-(d) All contracted media training was conducted at Defence establishments.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q97: Paid Parental Leave**

**Senator Eggleston** provided in writing:

- (a) Please list how many staff in each department and agency are eligible to receive payments under the Government's Paid Parental Leave scheme?
- (b) For this financial year to date list which department/agency is providing its employees with payments under the Government's Paid Parental Leave scheme? Please list how many staff and their classification are in receipt of these payments.
- (c) What is the paid parental scheme offered by each department and agency? How many staff have used the scheme this financial year to date?

**Response:**

- (a) Defence is unable to provide a list of how many staff are eligible. All Australian Defence Force (ADF) members and Defence Australian Public Service (APS) employees that meet the eligibility criteria in the *Paid Parental Leave Act 2010* are eligible to receive payments under the Australian Government's Paid Parental Leave scheme. The Family Assistance Office (FAO) is responsible for determining the eligibility of each claimant and whether the employer, or the FAO, will administer payments.

Defence provides these payments to ADF members and Defence APS employees who are new claimants where the FAO has requested Defence take on the paymaster role for the claimant. The total cannot be provided by Defence as it only deals with payments for new claimants where the FAO has requested the Defence take on the paymaster role for the claimant.

- (b) For the period 1 July 2012 to 17 June 2013, Defence made payments to 803 ADF Permanent Force members, 12 ADF Reserve members and 354 APS employees. The numbers of Defence APS employees who have received, or were in receipt of, Paid Parental Leave payments by classification during the period 1 July 2012 to 17 June 2013 are as follows:

<b>Classification</b>	<b>Total Employees</b>
APS 1	2
APS 2	10



APS 3	46
APS 4	37
APS 5	68
APS 6	103
Executive Level 1	75
Executive Level 2	13
Senior Executive Service	0
<b>Total</b>	<b>354</b>

- (c) Defence APS employees, including Senior Executive Service employees, are eligible for maternity leave, adoption or fostering leave and parental leave. Eligible employees can access up to 52 weeks of maternity leave, of which 14 weeks are paid. The paid portion can be taken at full pay or at half pay to extend the period to 28 weeks. Eligible employees can access 14 weeks of paid adoption or fostering leave.

Eligible APS employees can access parental leave up to the second anniversary of the date of birth or placement (for fostering or adoptions) of their child. The first four weeks, reduced by any periods of paid leave granted for maternity or adoption or fostering purposes, are paid. The paid portion can be taken at half pay to extend the period to eight weeks.

Eligible ADF members can access up to 52 weeks of maternity leave, of which the first 14 weeks are paid. The paid portion can be taken at full pay or at half pay to extend the period up to 28 weeks.

Eligible ADF members may be granted paid parental leave within 66 weeks of the birth or adoption of their child. The paid parental leave benefit is 14 calendar days at full pay. An eligible member may apply to take their paid parental leave at half pay or a combination of full pay and half pay. The leave may be taken in one or two absences. Parental leave taken at half pay will extend the period of leave to a maximum of 28 calendar days at half pay.

The numbers of Defence APS employees who have received the Department's Parental Leave or were in receipt of it, during the period 1 July 2012 to 17 June 2013 are as follows:

<b>Classification</b>	<b>Total Employees</b>
APS 1	3
APS 2	7

APS 3	14
APS 4	26
APS 5	54
APS 6	151
Executive Level 1	133
Executive Level 2	26
Senior Executive Service	0
<b>Total</b>	<b>414</b>

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Additional Budget Estimates hearing – 3-4 June 2013**

**Q98: Training for Portfolio Minister and parliamentary Secretaries**

**Senator Eggleston** provided in writing:

(a) For this financial year to date, how much has been spent on training for Ministers and Parliamentary Secretaries in your portfolio? Itemise each training, cost and for which Minister and/or Parliamentary Secretary the training was for.

(b) For this financial year to date, how much has been spent on training for staff of Ministers and Parliamentary Secretaries in your portfolio? Itemise each training, cost and for which Minister and/or Parliamentary Secretary the training was for.

(c) For this financial year to date, how much has been spent on training designed to better suit the needs of Ministers and Parliamentary Secretaries in your portfolio? Itemise each training, cost and for which Minister and/or Parliamentary Secretary the training was for, and how many employees attended and their classification.

**Response:**

(a) and (b) The Department for Defence has not funded or paid for any training for the Ministers or Parliamentary Secretary or their staff during the financial year to date 1 July 2012 to 17 June 2013.

(c) The Department offers three workshops designed to assist Defence personnel to better understand their role in supporting parliamentary processes and providing quality, accurate and timely advice. Costs and participation rates for each workshop for this financial year to date (1 July to 31 May 2013) are provided below:

**Financial Year to Date (1 July 2013 to 31 May 2013)**

<b>Course</b>	<b>Participant level</b>	<b>Approximate Cost<sup>1</sup> (exc GST)</b>	<b>Number of Participants</b>
Ministerial Awareness and Writing	APS5 to EL1 and military equivalents	\$14,934.97	409
Advising Government and Ministers	EL1 to EL2 and military equivalents	\$59,862.71	89
Working with Government	SES Band one and above and military equivalents	\$12,928.62	12
<b>Total</b>		<b>\$87,726.30</b>	<b>510</b>

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<sup>1</sup> Includes travel, venue hire, catering, courier charges and contract facilitation charges, where appropriate.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q99: Briefings for the Australian Greens and Independents**

**Senator Eggleston provided in writing on Friday 14 June 2013:**

Have any briefings and/or provision of information been provided to the Australian Greens?

If yes, please include:

- How are briefings requests commissioned?
- What briefings have been undertaken? Provide details and a copy of each briefing.
- Provide details of what information has been provided and a copy of the information.
- Have any briefings request been unable to proceed? If yes, provide details of what the requests were and why it could not proceed.
- How long is spent preparing and undertaking briefings/information requests for the Australian Greens? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

Have any briefings and/or provision of information been provided to Independents? If yes, please include:

- How are briefings requests commissioned?
- What briefings have been undertaken? Provide details and a copy of each briefing.
- Provide details of what information has been provided and a copy of the information.
- Have any briefings request been unable to proceed? If yes, provide details of what the requests were and why it could not proceed.
- How long is spent preparing and undertaking briefings/information requests for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.
- Which Independents have requested briefings and/or information?

**Response:**

Defence provides information and undertakes requests from the Australian Greens, Independents and other political parties on matters relating to Defence in the usual course of Parliamentary and Ministerial business, including in the course of responding to Parliamentary Committees and Questions on Notice.

The specific detail sought in the question, such as the detail of each representation and the amount of time taken to prepare a response, is not readily available. To provide the information would be an unreasonable diversion of departmental resources.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 and 4 June 2013**

**Q100: Shredders**

**Senator Eggleston** provided in writing:

Has the department/agencies purchased any shredders this financial year? If yes, provide details of how many shredders were purchased, the cost of each shredder, why each new shredder was needed and the purpose for which the shredder is to be used.

**Response:**

As part of its standard office fit out Defence purchases shredders that have been endorsed by the Security Construction and Equipment Committee to shred paper and Optical Media material, classified up to and including Top Secret. The shredders were purchased to replace machines that had failed, to provide a new service where required, and to fit out new offices under major projects.

In this financial year, through its central contracts area Defence purchased the shredders listed below:

Paper shredders

Type of shredder	Number	Cost each (GST inc)	Cost total (GST inc)
Small (Navy ships)	1	\$ 2,385.90	\$ 2,385.90
	1	\$ 3,188.90	\$ 3,188.90
Medium (Navy ships)	1	\$ 3,023.90	\$ 3,023.90
	3	\$ 3,255.18	\$ 9,765.53
	1	\$ 3,340.98	\$ 3,340.98
	1	\$ 3,848.90	\$ 3,848.90
Medium (Other)	167	\$ 2,832.50	\$ 473,027.50
Large (Other)	45	\$ 6,022.50	\$ 271,012.50

Optical media shredders

Type of Shredder	Number	Cost Ea (GST inc)	Cost Total (GST inc)
Medium	5	\$ 5,274.50	\$ 26,372.50
<b>TOTAL</b>	<b>225</b>		<b>\$ 795,966.60</b>

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q101: Protective security policy framework**

**Senator Eggleston** asked, in writing:

Provide an update for your department/agency, including what is your current compliance level, what are you doing to manage risk, what is being done to comply with the mandatory requirements and details of any department/agency specific policies and procedures.

**Response:**

The information provided in response to Question on Notice No. 85 from the Senate Supplementary Budget Estimates Hearing of 17 October 2012 remains extant.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3 & 4 June 2013**

**Q102: Office Locations**

**Senator Alan Eggleston** provided in writing:

1. Please provide a list of all office locations for all departments and agencies within the portfolio by:
  - a. Department/Agency;
  - b. Location;
  - c. Leased or Owned;
  - d. Size;
  - e. Number of Staff at each location and classification;
  - f. If rented, the amount and breakdown of rent per square metre;
  - g. If owned, the value of the building;
  - h. Depreciation of buildings that are owned;
  - i. Type of functions and work undertaken.

**Response:**

(a) – (h) Please see the table below.



Building Location	Owned or Leased	Net Lettable Area m2	Employees at locality (includes: Australian Public Servants (APS levels 1-6, Executive levels 1-2, and Senior Executive Service), military members, and contractors)	Annual Rent (ex GST) \$m	Rent per Square Metre (ex GST) \$/m2
8 McMinn Street, Darwin NT 800	Leased	515.60	Total: 27 APS – 19 ADF – 8	246,785.04	478.64
3 Tybell Street, Winnelle NT 820	Leased	720.80	Total: 13 APS – 10 ADF – 3	216,240.00	300
84 Coonawarra Road, Winnelle NT 820 (Warehouse/Office/Land)	Leased	726.9 (office)  (26,900 total leased area)	Total: 51 APS – 11 ADF – 21 Contractor – 19	772,000.08 (Whole site)	28.70
28 – 32 King Street, Raymond Terrace, NSW 2324	Leased	2583.00	Total: 191 APS – 155 ADF – 36	144,0987.48	553.04
270 Pitt Street, Sydney NSW 2000	Leased	24,140.50	Total: 936 APS – 470 ADF – 353 Contractor – 113	13,882,080.7 2	575.05
311 High Street, Penrith NSW 2750	Leased	3,849.00	Total: 170 APS: 139 ADF – 19 Contractor – 12	1,291,638.48	335.58
13 Garden Street, Eveleigh NSW 2015	Leased	4,910.40	Total: 77 APS – 75 ADF – 2	2,891,793.84	588.91
8 Station Street, Wollongong NSW 2500	Leased	3,821.00	Total: 167 APS – 120 ADF – 45 Contractor – 2	1,531,481.28	400.81
232 Sharp Street, Cooma NSW 2630	Leased	1,425.00	Total: 89 APS – 84 ADF – 3 Contractor – 2	174,984.6	122.80
85 Chalgrove Avenue, Rockingham WA 6168	Leased	4,259.72	Total: 263 APS – 64 ADF – 113 Contractor – 86	1,014,026.28	238.05
661 Bourke Street, Melbourne VIC 3000	Leased	19,026.70	Total: 856 APS – 639 ADF – 161 Contractor – 56	8,071,237.20	424.21
324 St Kilda Road (Level 1), Melbourne VIC 3004	Leased	867.50	This is a 12 month temporary lease for tender activities relating to the Defence Logistics	253,562.52	292.29

			Transformation Program. Defence staff and contractors are visiting the site for this project.		
151-171 Roma Street, Brisbane QLD 4000	Leased	1,912.00	Total: 92 APS – 60 ADF – 4 Contractor – 28	714,725.52	373.81
Units 1-5, 105 Winton Road, Joondalup, WA, 6027	Leased	1012.00	Total:17 ADF – 17	112,310.04	110.98
Unit 3, 23-25 Chalgrove Avenue, Rockingham, WA, 6168	Leased	569	Total: 67 APS – 11 ADF – 30 Contractor – 26	147,939.84	260.00
Part Level 2, 55-57 Berry Street, Nowra, NSW, 2541	Leased	547	Total: 7 APS – 5 ADF – 2	176,751.24	323.13
39 Brindabella Circuit, Canberra Airport ACT 2609	Leased	1,471.10	Total: 3212 APS – 1723 ADF – 1223 Contractor – 266	659,266.08	448.14
26 Brindabella Circuit, Canberra Airport ACT 2609	Leased	8,136.00		3,755,900.28	461.64
20 Brindabella Circuit, Canberra Airport ACT 2609	Leased	960.00		391,602.72	407.92
18 Brindabella Circuit, Canberra Airport ACT 2609	Leased	1,781.00		720,961.32	404.81
33 Brindabella Circuit, Canberra Airport ACT 2609	Leased	5,896.00		2,849,653.08	483.32
35 Brindabella Circuit, Canberra Airport ACT 2609	Leased	6,501.00		2,870,416.92	441.53
31 Brindabella Circuit, Canberra Airport ACT 2609	Leased	4,714.00		1,836,102.96	389.50
29 Brindabella Circuit, Canberra Airport ACT 2609	Leased	6,056.00		2,337,616.03	386.00
25 Brindabella Circuit, Canberra Airport ACT 2609	Leased	7,540.30		3,294,539.88	436.92
26 Fairbairn Avenue, Canberra Airport ACT 2609	Leased	4,681.00		Total: 967 APS – 418 ADF – 314 Contractor – 235	1,791,278.52
24 Fairbairn Avenue, Canberra Airport ACT 2609	Leased	4,832.00		1,983,286.80	410.56

28 Fairbairn Avenue, Canberra Airport ACT 2609	Leased	4,537.00		1,664,883	366.96
10 Richmond Avenue, Canberra Airport ACT 2609	Leased	809.60		302,434.08	373.56
26 Richmond Ave, Fairbairn	Leased	4,756		1,870,525.32	393.30
1 Molonglo Avenue, Canberra Airport ACT 2609	Leased	12,945.00		5,480,208.12	423.35
8 Thesiger Court, Deakin ACT 2600	Leased	1,560.00	Total: 65 APS – 44 ADF – 9 Contractor – 12	586,599.84	376.03
109 Kent Street, Deakin ACT 2600	Leased	9,036.00	Total: 360 APS – 82 ADF – 26 Contractor – 252	2,872,261.32	317.87
Anzac Park West, Constitution Avenue, Canberra ACT 2600	Leased	17,686.00	Total: 956 APS – 619 ADF – 48 Contractor – 289	5,719,304.04	323.38
219 Northbourne Avenue, Turner ACT 2601	Leased	7,371.50	Total: 149 APS – 24 ADF – 96 Contractor – 29	2,456,619.60	333.26
91 Northbourne Avenue, Turner ACT 2612	Leased	750.20	Total: 33 APS – 9 ADF – 24	379,144.92	505.39
2 Barrow Place, Queanbeyan NSW 2620	Leased	7,100.00	Total: 69 APS – 68 ADF – 1	734,850	103.50
1 Dairy Road, Fyshwick ACT 2609	Leased	1,187.00	Total: 48 APS – 10 ADF – 37 Contractor – 1	342,172.44	288.27
5/101 Tennant Street, Fyshwick ACT 2609	Leased	1,830.00	Total: 15 APS – 6 ADF – 8 Contractor – 1	532,896	291.20
10 Whyalla Street, Fyshwick ACT 2609	Leased	2,747.00	Total: 44 APS – 2 ADF – 12 Contractor – 30	537,996.84	195.85
105 Tennant Street, Fyshwick ACT 2609	Leased	1,080.00	Total: 0	307,800	285
101/109 Flemington Road, Mitchell ACT 2911	Leased	4,120.00	Total: 245 APS – 3 ADF – 1 Contractor – 241	1,263,022.44	306.55

34 Lowe Street, Queanbeyan NSW 2620	Leased	1,058.00	Total: 14 APS – 11 ADF – 3	216,085.08	204.24
13 London Circuit, Canberra ACT 2601	Leased	636.00	Total: 21 APS – 3 ADF – 18	275,002.08	432.39

Building Location	Owned or Leased	Net Lettable Area	Employees at locality (includes: Australian Public Servants (APS levels 1-6, Executive levels 1-2, and Senior Executive Service), military members, and contractors)	Gross Book Value as at 31/05/13	Net Book Value as at 31/05/13	Accumulated Depreciation – 31/05/13
		m2		\$m	\$m	\$m
R1 Sir Thomas Blamey Square, Russell ACT 2601	Owned	27,226.00	Total: 7012 APS – 4068 ADF – 2426 Contractor – 518	81,491	80.797	0.695
R2 Sir Thomas Blamey Square, Russell ACT 2601	Owned	24,785.00		71.858	71.245	0.612
R3 Sir Thomas Blamey Square, Russell ACT 2601	Owned	7,175.00		17.050	16.903	0.146
R8 Sir Thomas Blamey Square, Russell ACT 2601	Owned	9,438.00		20.066	19.859	0.206

**Notes:**

The above information does not include office functions located on Defence bases, high security sites or premises of less than 500 square metres in area.

- (i) The work undertaken by Defence covers a broad range of disciplines and job types, including administration, procurement, logistics, research and development, planning, training, information communications technology and engineering. Work performed will also include Service-specific trades and employment categories and the broad range of unit-specific work undertaken by soldiers, sailors and airmen/airwomen. A mix of these work types will be performed at most Defence sites.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q103: Communications Staff**

**Senator Eggleston** provided in writing:

1. For all departments and agencies, please provide – in relation to all public relations, communications and media staff – the following:
  - a. By Department or agency:
    - i. How many ongoing staff, the classification, the type of work they undertake and their location;
    - ii. How many non-ongoing staff, their classification, type of work they undertake and their location;
    - iii. How many contractors, their classification, type of work they undertake and their location;
    - iv. How many are graphic designers;
      - a. How many are media managers; and
    - vi. How many organise events.
2. Do any departments/agencies have independent media studios? If yes, why? When was it established? What is the set up cost? What is the ongoing cost? How many staff work there and what are their classifications?

**Response:**

The majority of staff engaged in public affairs roles within the Department of Defence are located in the Communication and Media Branch and the Strategic Communication Branch.

As at 31 May 2013 the Communication and Media Branch employed 47 permanent civilians, four permanent military members, two non-ongoing civilian personnel and two contractors.

Communication and Media Branch is responsible for day to day media operations, both nationally and regionally; collation and distribution of Defence imagery and video; and producing the Navy, Army and Air Force newspapers and the Defence magazine.

As at 31 May 2013 the Strategic Communication Branch employed 30 permanent military members, 31 part-time military members and nine ongoing permanent civilian staff.

Strategic Communication Branch undertakes strategic communication planning and provides advice to commanders at the military strategic, operational and formation headquarters levels. It also delivers military public affairs training and preparedness functions; as well as assigned military public affairs personnel, who deploy at short notice for short duration tasks to obtain imagery and video to report on Defence personnel serving in Australia and overseas.

As at 31 May 2013, in addition to the Communication and Media and Strategic Communication Branches, there were a further 56 ongoing civilians, six contractors and 19 permanent military staff who provided public affairs support as part of their regular duties within the Defence Groups and Services.

**Media managers.** Communications and public affairs staff in the Groups and Services may have media management responsibilities, however are not specifically employed in this role.

**Event organisers.** Four personnel are identified as having specific event organisation or management responsibilities, however, other public relations, communications and media staff may, on occasion, undertake, or assist with, event organisation or management tasks.

**Media studios.** The Directorate of Digital Media within the Communication and Media Branch is equipped to receive and process video and stills imagery for provision to the media as well as web clips and image galleries for the Defence website. However, Defence does not regard this as an independent media studio.

Communication and Media Branch	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	51	Executive: 1 x permanent SES Band 1 1 x permanent Acting EL2 1 x permanent APS6 1 x permanent APS4 Defence News: 1 x permanent EL2 6 x permanent EL1 4 x permanent APS6 2 x permanent CPL 1 x permanent LS Media Operations: 1 x permanent EL2 1 x permanent EL1 1 x permanent APS6 2 x permanent APS4/5  Defence Digital Media: 1 x permanent EL2 5 x permanent EL1 5 x permanent APS6	Public affairs support for Defence and Ministers in the areas of media operations (enquiries & responses), Defence newspapers, imagery (stills and video), online content, entertainment media liaison, regional media engagement, corporate identity, archiving and records management.	Canberra



		<p>2 x permanent APS5  1 x permanent part-time APS6  1 x permanent part-time APS5  Operations, Regions &amp; Services:  1 x permanent COL  Regional Managers  Public Affairs:  1 x permanent EL1  1 x permanent APS6  1 x permanent EL1  1 x permanent EL1  1 x permanent APS2  1 x permanent part-time EL1  1 x permanent EL1  1 x permanent EL1  1 x permanent EL1  1 x permanent Acting EL1  Service Advisers:  2 x permanent EL1</p>	<p>Provide public affairs support to all Defence elements in region.</p> <p>Strategic Communication Advisers to Chiefs of Navy and Air Force.</p>	<p>Sydney  Sydney  Perth  Adelaide  Adelaide  Melbourne    Brisbane  Townsville  Darwin  Darwin    Canberra</p>
(b) Non-ongoing staff	2	<p>1 x temporary part-time EL1  1 x temporary APS6</p>	<p>Regional Manager Public Affairs  Defence Newspapers</p>	<p>Melbourne    Canberra</p>
(c) Contractors	2	N/A	Web programmers	Canberra

Key: SES: Senior Executive Service, EL: Executive Level, APS: Australian Public Service, COL: Colonel, MAJ: Major, WO2: Warrant Officer Class 2, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman.

Strategic Communication Branch	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	1	1 x permanent AIRCDRE <sup>1</sup>	Executive: <ul style="list-style-type: none"> <li>• Strategic communication planning and advice</li> <li>• Military information activities planning/execution</li> </ul>	Canberra
	3	1 x permanent EL1 1 x Reserve WGCDR 1 x permanent APS4	Directorate Plans & Policy: <ul style="list-style-type: none"> <li>• Military information activities planning/execution</li> </ul>	
	4	1 x permanent COL 1 x permanent LTCOL 2 x permanent EL1	Directorate Operations: <ul style="list-style-type: none"> <li>• Strategic communication planning &amp; advice</li> <li>• Military information activities planning/execution</li> </ul>	
	33	1 x permanent MAJ 2 x permanent CAPT 4 x Reserve LTCOL 11 x Reserve MAJ 13 x Reserve CAPT 2 x Reserve LT	Military Public Affairs Support (Preparedness & Training): <ul style="list-style-type: none"> <li>• Military public affairs doctrine, training and preparedness</li> <li>• Augment (when needed) the provision of military public affairs support to ADF operations, training and support tasks</li> </ul>	
	24	1 x permanent LCDR <sup>2</sup> 4 x permanent CAPT 1 x permanent FLTLT 2 x permanent WO2 1 x permanent PO 2 x permanent Army SGT 1 x permanent RAAF SGT 1 x permanent LS 5 x permanent Army CPL 3 x permanent RAAF CPL 1 x permanent AB	1 <sup>st</sup> Joint Public Affairs Unit: <ul style="list-style-type: none"> <li>• Provision of military public affairs support to ADF operations, training and support tasks.</li> </ul>	

	1	1 x permanent LAC 1 x permanent APS4		
	4	1 x permanent WGCDR <sup>3</sup>	Administrative & logistic support to StratCom Executive	
		1 x permanent EL2 3 x permanent ELI	Long-term absences: Maternity leave/leave/medical leave/temporary transfer to another Group	
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Key: SES: Senior Executive Service, EL: Executive Level, AIRCDRE: Air Commodore, APS: Australian Public Service, COL: Colonel, LTCOL: Lieutenant Colonel, MAJ: Major, WGCDR: Wing Commander, CAPT: Captain (Army), FLTLT: Flight Lieutenant, LT: Lieutenant (Army), FLGOFF: Flying Officer, WO2: Warrant Officer Class 2, PO: Petty Officer, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman, LCPL: Lance Corporal, LAC: Leading Aircraftsman, AB: Able Seaman.

Notes:

1. Media/public relations are only one aspect of this appointment, which also includes responsibility for oversight of select special ADF projects.
2. This Officer is 'on loan' from HMAS HARMAN acting as Officer Commanding the unit (included in unit total). Permanent MAJ assumes appointment post deployment in Aug 13.
3. Currently staffed by a permanent SQNLDR Administration Officer on Higher Duties Allowance.

Navy	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	11	1 x CFTS (Reserve) LCDR 1 x CFTS (Reserve) LEUT 1 x permanent part-time EL1 1 x permanent APS6 1 x CFTS (Reserve) LEUT 1 x permanent LEUT 1 x permanent EL1 1 x permanent APS6  1 x permanent LCDR 1 x permanent APS6 1 x permanent APS5	Director Comms and Media  Comms and Media  Comms and Media  Comms and Media  Comms and Media Comms and Media Comms and Media  Events Events Events	Canberra  Canberra Canberra Canberra  Sydney Sydney  Perth Canberra Canberra  Canberra Brisbane Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Army	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	7	1 x permanent EL2 1 x permanent EL1 1 x permanent APS6 1 x permanent APS6 1 x permanent APS5 1 x permanent APS5 1 x permanent APS4	Director Army Communication Army Branding Communication Adviser Public Affairs Officer Communication Officer Graphic Designer Research Assistant	Canberra Canberra Canberra Brisbane Canberra Canberra Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Air Force	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	5	1 x permanent EL1  2 x permanent APS 6  2 x permanent FLTLT	Public affairs support for Air Force, including answering media enquiries and proactive regional media engagement	Glenbrook  Canberra Richmond  Williamstown Amberley
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Office of the Secretary and Chief of the Defence Force (OSCDF)	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	1  1	1 x permanent EL1  1 x permanent EL1	Strategic Communications Adviser to the Chief of the Defence Force  Strategic Communications Adviser to the Chief of the Defence Force Commissions of Inquiry	Canberra  Position based in Canberra but officer works remotely from Brisbane
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Vice Chief of the Defence Force Group	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	1	1 x permanent EL1	Office of the Vice Chief of the Defence Force: Strategic Communication Adviser	Canberra
	3	1 x permanent EL1 1 x permanent APS6 1 x permanent EL1	Cadet, Reserve and Employer Support Division: EL1 & APS6 ADF Cadets, Defence Youth, Defence Work Experience and Engagement Program. Support Plan Suakin – Reserve Reform Stream.	Gold Coast Canberra
	2	1 x permanent EL1 1 x permanent APS6	Australian Defence College: Communications Advisers to ADFA, ADC	Canberra
	1	1 x permanent EL1	Australian Civil-Military Centre: Corporate communications	Queanbeyan
	1	1 x permanent EL1	Joint Health Command: Strategic Communication Adviser	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	1	N/A	Specialist communication advice to ADFA.	Canberra
	1	N/A	Support to Defence Health Contract	Canberra

Military Headquarters Support (FORCOMD, HQ 1 Div, HQ 1 Bde, HQ 3 Bde, HQ 7 Bde, HQ NORCOM, HQ SOCOMD)	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	8	1 x permanent MAJ 1 x permanent LT 1 x permanent CAPT 1 x permanent CAPT 1 x permanent CAPT 1 x permanent CAPT 1 x permanent LEUT 1 x permanent MAJ	Organic public affairs support to military headquarters.	Sydney Sydney Brisbane Darwin Townsville Brisbane Darwin Bungendore
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Defence People Group	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	7	3 x permanent EL1 1 x permanent part time EL1 1 x part time APS6 (Comms) 1 x part time APS6 (Graphic Design) 1 x permanent APS5 (Comms)	Strategic communication for Defence People Group, internal and external communications on people matters, provision of advice to DPG subject matter experts on communication planning and products, events management, executive speech writing and presentations, coordination and development of responses to media enquiries relating to people matters.	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Intelligence and Security	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	6	2 x permanent EL1 3 x permanent APS6 1 x permanent APS5	Defence Awareness Security Communications	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	1	APS6	Web work in relation to the electronic Defence Security Manual	Canberra
Defence Science and Technology Organisation	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	8	1 x permanent EL2 1 x permanent EL1 1 x permanent EL1 1 x permanent APS 6 1 x permanent EL1 1 x permanent APS 6 1 x permanent APS5 1 x permanent part-time APS5	Director Corporate Communications Web Manager Internal Communications Regional Communications Events Management Graphic Designer Graphic Designer	Canberra Canberra Melbourne Melbourne Edinburgh Edinburgh Edinburgh Brisbane
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	1	N/A	Research, write and produce monthly internal staff magazine (part time)	Edinburgh
	1	N/A	Research, write and produce quarterly external defence science magazine (part time)	Edinburgh
	1	N/A	Web Designer	Melbourne
Defence Materiel Organisation	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	3	1 x permanent EL2 (50% of role) 1 x permanent EL1 1 x permanent APS 6	Director Media Media and Communication Management	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A



Capability Development	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	1	1 x permanent APS 5	Media, Communication, Coordination (also supports Group governance and planning activities)	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Chief Information Officer Group	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	4	4 x permanent EL1	Internal and external communications in support of major ICT projects	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
HQ Joint Operations Command	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	4	1 x permanent LTCOL 1 x permanent MAJ 1 x permanent CAPT 1 x permanent LCDR (filled by Navy LEUT)	Support to ADF Operations/Joint & Combined Exercises  (Supports ADF's 24-hour Watch/ Control Centre)  Coordination of HQ JOC (CJOPS and/or staff) media engagements/events e.g. Roundtable and interviews	HQJOC, Bungendore
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Chief Operating Officer	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	0	N/A	N/A	N/A
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Chief Finance Officer Group	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	0	N/A	N/A	N/A
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Defence Legal				
(a) Ongoing staff	0	N/A	N/A	N/A
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A
Defence Support and Reform	Number of staff	Classification	Type of Work	Location
(a) Ongoing staff	1	1 x permanent EL1	Strategic Communication Advisor	Canberra
(b) Non-ongoing staff	0	N/A	N/A	N/A
(c) Contractors	0	N/A	N/A	N/A

Key: CJOPS: Chief of Joint Operations, SES: Senior Executive Service, EL: Executive Level, APS: Australian Public Service, COL: Colonel, LTCOL: Lieutenant Colonel, CMDR: Commander, LCDR: Lieutenant Commander, MAJ: Major, SQNLDR: Squadron Leader, LEUT: Lieutenant (Navy), CAPT: Captain (Army), FLTLT: Flight Lieutenant, WO2: Warrant Officer Class 2, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman, LCPL: Lance Corporal, LAC: Leading Aircraftsman, AB: Able Seaman.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q104: Alternative Policy Costings**

**Senator Eggleston provided in writing**

Has the Department undertaken any alternative policy costings or advice? If yes, provide details of what these costings or advice were, including provision of costings or advice documents and assumptions used, and who made the request and when.

**Response:**

The Department routinely provides a variety of policy advice to Government. Questions regarding the details of the policy advice (including costings) are matters for Government.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q105: Pre-election appointments**

**Senator Eggleston** provided in writing:

Provide a list of any appointments made in your portfolio that will commence after the announced election date of 14 September 2013. Provide details of the appointment including position and length.

**Response:**

As of 24 June 2013, there are no appointments that will commence after the previously announced election date of 14 September 2013.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q106: Public Service Efficiencies**

**Senator Eggleston provided in writing:**

(1) Please provide details of the amended operational efficiencies your agency will make as per 2013-14 Budget Measure 'Public Service efficiencies' (see 2013-14 Budget Paper No 2 p108).

(2) In addition, please provide the following detail: Can you quantify the estimated savings for each year over the forward estimates for savings achieved by implementing more efficient management structures, through a reduction in expenditure on staff across the Executive Level (EL) 1 and 2, and Senior Executive Service (SES) levels?

(3) Can you quantify the estimated savings for each year over the forward estimates for savings achieved by revising down the occupational density target for all new leases, buildings and major fit-outs undertaken by agencies from 16 square metres per occupied workpoint down to 14 square metres?

**Response:**

(1) and (3)

Defence is aware of the proposed efficiency measures and is working with central agencies in deciding how they will be implemented. No decisions on implementation or quantification of savings have yet occurred.

(2) This question duplicates a question taken on notice by the Department of Finance and Deregulation at its appearance before the Senate Finance and Public Administration Committee on 29 May 2013 (Hansard reference page 48). Accordingly, please refer to the Department of Finance and Deregulation's response to question F10 from the Senate Finance and Public Administration Committee.

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**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q107: Public Service efficiencies**

**Senator Eggleston** provided in writing:

- a. Has there been a reduction in business flights?
- b. What are the estimated savings for each year over the forward estimates?
- c. Has there been a reduction in the use of external consultants and contractors?
- d. Has this impacted on the Department/agency, and how?
- e. What are the estimated savings for each year over the forward estimates?
- f. Provide an update of moving recruitment advertising online. Is any recruitment still in printed materials, and if yes, why?
- g. What are the estimated savings for each year over the forward estimates?
- h. Has the department/agency reduced its printing costs? If no, why not?
- i. Have printing costs increased, and if yes why and how much?
- j. Has the five per cent savings target been achieved – if yes, how, or if it will not, why not?
- k. What are the estimated savings for each year over the forward estimates?

**Response:**

- (a) For financial year to date, as at 31 May 2013, total invoiced airfare spend was approximately \$121 million (GST inclusive). This is a 27 per cent reduction compared to the same point in 2011-12.
- (b) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information relating to business flights remains extant.
- (c) Full year data for spend on external consultants and contractors is not yet available. However, based on mid year data it is anticipated that Defence will achieve a reduction in the order of \$50 million.
- (d) Please see part (f) of the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.

- (e) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (f) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (g) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (h) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (i) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (j) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.
- (k) Please see the response to the 13 February 2013 Additional Estimates question on Notice No. 88, as the information contained in the response remains extant.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q108: Advertising**

**Senator Eggleston** provided in writing on 14 June 2013:

What was the total cost of all advertising for the financial year to date?

Is the advertising campaign or non-campaign advertising?

Provide details of each advertising, including the program the advertising was for, the total spend and the business that provided the advertising services.

Has the Department of Finance and Deregulation provided any advice about the advertising?

Provide details of each advertising item.

Has the Peer Review Group (PRG) and/or Independent Communications Committee (ICC) provided any advice about the advertising? Provide details of each advertising item.

Did the Advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies? Provide the details for each advertising item.

Provide details for any other communications program, including details of the program, the total spend and the business that provided the communication services. What advertising – Campaign and Non-Campaign – and other communications programs is the Department/Agency undertaking, or are planning to undertake?

**Response:**

Defence's advertising expenditure for the period 1 June 2012 to 14 June 2013 (including the Defence Material Organisation) is \$41,373,313 (GST exclusive).

The details of the persons or organisations paid, or on behalf of, Defence, are currently being compiled and will be available in the Defence Annual Report 2012-13.

Defence adheres to the guidelines for Government advertising as determined and provided by the Department of Finance and Deregulation.



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q109: Hospitality and Entertainment**

**Senator Eggleston** provided in writing.

- (1) What is the Department/Agency's hospitality spend for this financial year to date? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (2) For each Minister and Parliamentary Secretary office, please detail total hospitality spend for this financial year to date. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (3) What is the Department/Agency's entertainment spend for this financial year to date? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (4) For each Minister and Parliamentary Secretary office, please detail total entertainment spend for this financial year to date. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (5) What hospitality spend is the Department/Agency planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (6) For each Minister and Parliamentary Secretary office, what hospitality spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (7) What entertainment spend is the Department/Agency planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (8) For each Minister and Parliamentary Secretary office, what entertainment spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (9) Is the Department/Agency planning on reducing any of its spending on these items? If so, how will reductions be achieved and what are the estimated savings over each year of the forward estimates?

**Response:**

- (1) For the period 1 July 2012 to 31 May 2013, the Defence portfolio's total expenditure on hospitality (excluding the Minister's Office and minor portfolio bodies) is \$1,099,203 as shown in Table 1. Details of date, location, purpose and cost (GST exclusive) of each event are provided at Table 2.

(2) Table 3 provides details of hospitality expenditure for the period 1 July 2012 to 31 May 2013 for the Ministers and Parliamentary Secretaries. Details provided include date, location, purpose and cost (GST exclusive) of each event.

(3) and (4) The Defence systems show that the Defence Portfolio and Ministers/Parliamentary Secretaries' offices have not undertaken any entertainment activities.

(5) Planned expenditure on hospitality for the Defence portfolio for June 2013 is shown at Table 4. Details of the date, location and purpose of planned hospitality expenditure are not available until events are approved.

(6) The Department has not been advised of any anticipated hospitality expenditure for each Minister and Parliamentary Secretary office.

(7) and (8) The Department and each Minister and Parliamentary Secretary are not planning any entertainment events.

(9) The Defence Instruction (General) PERS 25-7, *Gifts, Hospitality and Sponsorship*, requires all officials to comply with a comprehensive approval and reporting process for hospitality. With this control framework, hospitality expenditure is expected to decrease.

## For Accounting Period From 1 July 2012 to 31 May 2013

Group: SEC & CDF				
Register for Hospitality Provided to the Private or Public Sector and Special Events				
Date Hospitality Provided	Location of Hospitality	Purpose of Hospitality	Value of Hospitality excl GST	Total No. of Attendees
6/03/12	Duntroon House, RMC	Religious Advisory Committee to the Services (RACS) Lunch with the CDF	233	13
4/07/12	Bridges House, CDF Residence	GEN Syren Dinner - Chairman of the European Union Military Committee Visit	936	14
11/07/12	Bridges House, CDF Residence	ADM Locklear Dinner - US PACOM Visit	982	11
11/07/12	Italian and Sons Restaurant	LUNCH WITH HEAD OF ACC JOHN LAWLER	97	2
12/07/12	Waters Edge Restaurant Canberra	US PACOM Spouses program	292	5
13/07/12	ALTO Restaurant Canberra	US PACOM Spouses program	287	4
13/08/12	Bridges House, CDF Residence	GEN Mattis Dinner - US CENTCOM Visit	1,088	14
20/08/12	Bridges House, CDF Residence	Dinner for DFA Presentation/Awards	1,275	21
22/08/12	Duntroon House, RMC	Gender Equality Advisory Board formal dinner	1,192	16
5/09/12	Bridges House, CDF Residence	Dinner in honour of UAE COS	915	14
2/10/12	Courgette Restaurant	US Ambassador Jeffery Bleich to A Luncheon	146	2
3/10/12	Duntroon House, RMC	Farewell - Duncan Lewis	1,890	34
3/10/12	Urban Pantry Manuka	Lunch for Ex COA/VCDF to discuss Defence Strategic Direction	69	2
31/10/12	Bridges House, CDF Residence	Dinner in honour of Ambassador to Belgium - Duncan Lewis	1,047	12
1/11/12	Bridges House	Pakistan Counterpart dinner	996	15
2/11/12	Bridges House	East Timor Counterpart dinner	606	13
12/11/12	Acqua Viva, Perth	COSC Dinner	2,638	18
20/11/12	Italian and Sons Restaurant	Hosted Ian Thomas from Boeing Australia to Lunch	177	2
26/11/12	Bridges House	Official networking dinner	1,160	12
29/11/12	Ottoman Restaurant	Private Dinner for Michelle Flournoy & Larry Kamer from the Boston Consulting Group	287	3
5/12/12	Bridges House	Networking dinner	1,094	13
14/12/12	Bridges House	Reception in Honour of the Service Attaches and Advisors Group	1,917	80
19/12/12	Bridges House	Thank you dinner for US Ambassador	174	4
18/01/13	Halo Restaurant	Aukmin UK Delegation to dinner	333	4
21/01/13	Bridges House	Dinner in Honour of the Chief of Defence Staff, UK General Sir David Richards & Lady Caroline Richards	905	15
26/02/13	Bridges House	Dinner in Honour of Thai CDF	1,160	17
26/02/13	Duntroon House, RMC	Lunch in Honour of Thai CDF	478	17

## For Accounting Period From 1 July 2012 to 31 May 2013

<b>Group: SEC &amp; CDF</b>				
<b>Register for Hospitality Provided to the Private or Public Sector and Special Events</b>				
<b>Date Hospitality Provided</b>	<b>Location of Hospitality</b>	<b>Purpose of Hospitality</b>	<b>Value of Hospitality excl GST</b>	<b>Total No. of Attendees</b>
5/03/13	Duntroon House, RMC	Religious Advisory Committees Lunch	426	14
13/03/13	CDF Office	CDF hosting MAJGEN Turner for lunch in his office	54	3
18/03/13	Duntroon House	Dinner in honour of Vietnamese MINDEF	2,545	29
19/03/13	Mesh Restaurant Opposite House Beijing	Secretary Hosted Dinner for John Garnaut from Fairfax Media while in Beijing on 19 March 2013	105	2
20/03/13	Mesh Restaurant Opposite House Beijing	Secretary Hosted Breakfast for Jane Perlez New York Times while in Beijing on 20 March 2013	24	2
9/04/13	CHARCOAL RESTAURANT CBR	SECRETARY Hosted Dinner for media representatives	236	3
16/04/13	Bridges House	Defence Support Dinner	1,363	15
24/04/13	Bridges House	Dinner in honour of rep for Turkish CDF	1,700	14
6/05/13	Courgette Restaurant	Host Dinner for Director National Geospatial Agency Letitia Long	1,412	10
22/05/13	Bridges House	Dinner in honour of The Defence Special Needs Support Group	1,375	20
<b>Total</b>			<b>31,614</b>	

Note: For those events where the date of hospitality occurred prior to the reporting period, their costs were paid in the reporting period or they were omitted from the previous report.

## **Hospitality spend for the Ministers and Parliamentary Secretaries**

For the period from 1 July 2012 to 31 May 2013

### **Minister for Defence – Mr Smith**

#### **10 April 2012**

Larrakeyah Barracks, Darwin  
Arrival of USMC to Darwin  
\$88.00<sup>1</sup>

#### **18 April 2012**

Sofitel Hotel, Brussels  
Working Lunch  
\$468.66

#### **4 September 2012**

Four Seasons Hotel, Jakarta  
Dinner banquet with Indonesian counterparts and senior Indonesian Defence  
Commentators  
\$755.16

#### **10 September 2012**

Parliament House, Canberra  
Hosted morning tea Singapore-Australian Joint Ministerial Committee  
\$40

#### **25 September 2012**

Imperial Hotel, Tokyo, Japan  
Breakfast with Japanese counterparts and senior Japanese Officials  
\$581.21

#### **26 September 2012**

Imperial Hotel, Tokyo, Japan  
Breakfast with Japanese counterparts and senior Japanese Officials  
\$495.10

#### **26 September 2012**

Imperial Hotel, Tokyo, Japan  
Dinner with Japanese counterparts and senior Japanese Officials  
\$130.86

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<sup>1</sup> Receipts for this function were received and acquitted in December 2012.

**10 October 2012**

Sofitel Hotel, Brussels  
Hosted breakfast during North Atlantic Treaty Organization  
\$405.41

**14 November 2012**

Balthazar Restaurant, Perth  
AUSMIN Function  
\$808.18

**28 November 2012**

Parliament House, Canberra  
Hosted 34 Squadron end of year "Thank you" function  
\$3,512.89

**Total: \$7285.47**

**Minister for Defence Materiel – Mr Clare**

**30 May 2012**

Parliament House, Canberra  
First meeting of the Future Submarine Industry Skills Plan – Industry Panel  
\$221.45

**19-20 November 2012**

Parliament House, Canberra  
Projects of Concern Summit Bi-Annual Meeting  
\$803.60

**Total: \$1025.05**

**Minister for Defence Science & Personnel - Mr Snowdon**

**17 February 2012**

Larrakeyah Barracks, Darwin  
Working breakfast with VCDF  
\$27.00

**20 June 2012**

Parliament House, Canberra  
Working lunch with incoming and outgoing commander for US Marines in NT  
\$130.45

**23 August 2012**

Parliament House, Canberra

Hosting Defence Families Australia Function

\$102.73

**27 August 2012**

Timor-Leste, Dili

Working breakfast with Secretary State Pinto

\$279.74

**9 November 2012**

Pee Wee's Restaurant, Darwin

Welcome reception for Commander United States Pacific Command

\$805.91

**Total: \$1,345.83**

**Parliamentary Secretary for Defence – Mr Feeney**

Nil Expenditure

**Parliamentary Secretary for Defence – Mr Kelly**

Nil Expenditure

**Hospitality and Representational Allowance Planned Expenditure  
For the Period From 1 July 12 to 30 June 13**

Service / Group	Representational Allowance Planned \$000	Hospitality Expense Planned \$000	Total Expense Planned \$000
OSCDF	547	149	696
VCDF		87	87
JOC		38	38
Navy		120	120
Army		60	60
Air Force		187	187
CDG		7	7
COO		12	12
CFO		0	0
DSTO		19	19
Intelligence & Security		43	43
<b>Total Defence (Excl. DMO)</b>	<b>547</b>	<b>722</b>	<b>1,269</b>
DMO			0
<b>Total Defence Inc DMO</b>	<b>547</b>	<b>722</b>	<b>1,269</b>
DHA		33	33



**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q110: Secretary's views on investigative framework**

**Senator Xenophon** provided in writing.

Can the current Secretary of Defence comment on his predecessors' statement that he was not satisfied with the investigative framework within the Department of Defence? If so, what changes have been made to protect the integrity of the reporting process?

Referring to your predecessor's comments last year, do you concur with his comments regarding investigative framework? Have you made any changes, if not, why not?

If you have not made changes, in light of the previous quote what is the reason(s) for not doing so?

If you have made changes, then what changes have you made?

Are the changes that you have made quantifiable?

If the changes have not been rolled out, when will this be commenced and how long will the process take?

**Response:**

I understand that the former Secretary, Mr Duncan Lewis' evidence to the Committee on 28 May 2012, referred to work underway through the Re-thinking Systems of Inquiry, Investigation, Review and Audit in Defence project.

That Review continues, with the CDF and myself expecting to receive the Review over the coming months.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates Hearing – 3-4 June 2013**

**Q111: Engagement with Indonesia**

**Senator Di Natale** provided in writing:

Who actually makes the determination to limit involvement, DIAC or Defence? What is the process between Defence and DIAC for exchanging information and making determinations? Is your Department aware of how many times Indonesian military personnel have had visas rejected on the basis of human rights concerns? Do you seek out this information?

**Response:**

As per the Department's response to Question on Notice 134 from Senate Additional Estimates, Defence continually assesses its engagement with Indonesia and limits engagement with individuals where we have information to support allegations of human rights concern. Defence assesses whether engagement with the relevant individual or individuals serves the national interest, including in the context of any known or claimed background of human rights concern, on the basis of whole of government consultations. These assessments are classified. Information is exchanged via Australian Government official communications networks.

The processing of visa applications is the responsibility of the Department of Immigration and Citizenship (DIAC). DIAC processes visa applications for official and non-official travel, including travel by foreign military personnel for private purposes. As previously advised in the Department's response to Question on Notice 134 from Senate Additional Estimates in February 2013, as part of the visa process, all foreign military personnel visiting Australia are assessed against a number of criteria, including security, health and character. Criminality is relevant to the consideration of character, including concerns about such things as crimes against humanity and human rights violations more generally. Defence seeks to limit engagement with individuals with backgrounds of human rights concern, including through assessment of potential invitations to visit Australia. With regard to those officials invited by Defence, the Department is not aware of any visa applications being rejected on character grounds. Defence is not aware of any visa rejections for military personnel travelling privately to Australia.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q112: Defence Abuse Response Taskforce**

**Senator Xenophon** provided in writing:

Can the Minister advise the amount of legal fees paid by the Government for financial years 2010-11, 2011-12 and 2012-13 to:

- (a) The Attorney-General's Department, Defence Legal (Directorate of Litigation) and private law firms retained on behalf of the Government in relation to allegations of sexual harassment, sexual abuse/assaults, assaults or discrimination;
- (b) Reserve legal officers (including both training days and sessional fees) employed by the Australian Defence Force to represent ADF members adversely affected (ie respondents/defendants) as a result of allegations of sexual harassment, sexual abuse/assaults, assaults or discrimination;
- (c) Reserve legal officers (including both training days and sessional fees) employed by the Australian Defence Force to represent ADF members who have lodged complaints or grievances in relation to sexual harassment, sexual abuse/assaults, assaults or discrimination;
- (d) In the 6 years prior to the Skype ADFA incident that resulted in the DPA Piper Inquiry, what legal advice had Defence/AG provided or received in relation to the systemic issues that existed in the ADF? In particular, if complaints were being made in relation to sex-related offences and legal advice was being provided in response to these offences, it necessarily follows that legal advice would be provided to prevent claims occurring.

**Response:**

- (a) The Department of Defence has engaged private law firms through the previous Defence Legal panel of external legal service providers and the current Legal Services Multi-Use List in relation to allegations of sexual harassment, sexual abuse/assaults, assaults and discrimination. The legal fees paid were:
  - 2010-11 – \$ 73,640.87
  - 2011-12 – \$218,156.51
  - 2012-13 – \$241,667.68

In addition to the figures above, the costs incurred for the financial years for the DLA Piper Review are as follows:

- 2010-11 – \$ 463,335.75
- 2011-12 – \$9,698,355.91
- 2012-13 – \$1,088,890.94

- (b) Defence is unable to respond to questions in relation to Reserve legal officers because it would require an unreasonable use of departmental resources.
- (c) Defence is unable to respond to questions in relation to Reserve legal officers because it would require an unreasonable use of departmental resources.
- (d) Defence legal is not aware of advice of this nature being sought or coordinated by Defence Legal in the past six years.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates Hearing - 3-4 June 2013**

**Q113 - Dry dock at Port Moresby**

**Senator Ian Macdonald** asked on 4 June 2013, Hansard page 121.

Do you know if anyone from Navy has had a look at the dry dock at Port Moresby?

**Response:**

The Curtain Brothers' dry dock facility on Motukea Island, Port Moresby is expected to commence operations in mid-2014. RAN advisers to the Papua New Guinea Defence Force (PNGDF) Maritime Element in Port Moresby have observed progress of the new dry dock during regular visits to Motukea Dockyard and are broadly aware of its potential capacity.

Any future consideration of use of this facility for the maintenance of Navy ships would require a technical assessment to determine if the facilities are suitable for the support of Navy vessels, coupled with engagement with, and appropriate agreements between, the PNG and Australian Governments.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates Committee – 3-4 June 2013**

**Q114: Expenditure contained in Defence White Paper 2013**

**Senator Johnston** asked on Monday, 3 June 2013, Hansard page 31:

How much of the expenditure contained in the Defence white paper of 2013 is in the forward estimates?

**Response:**

Defence White Paper 2013 expenditure over the Forward Estimates period is \$113.1 billion (see *Portfolio Budget Statements 2013-14* page 14 [Table 1] and page 195 [Table 95]).

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 03-04 June 2013**

**Q115: Remediation of Facilities**

**Senator Johnston** asked on 03 July 2013 Hansard page 46.

1. What does facilities remediation mean?
2. Let us clarify this; there are four facilities that you are going to remediate. I take it that is three forward operating bases and the main base at Tarin Kowt?
3. What was it like before we built those facilities there?
4. What is the main problem with doing that, there is \$45 million?
5. Who did the scoping on that \$45 million, do we know?

**Response:**

- 1) (a) The term ‘facilities remediation’ has evolved to mean the transfer/gifting, or deconstruction/demolition of facilities and infrastructure. Within the transfer/gifting activity, facilities are made safe, ‘Afghan sustainable’ (if applicable) and environmentally clean. Within the deconstruction/demolition activity, the structures are levelled and land is cleared of debris and building material and made environmentally clean.
- (b) All Australian-owned facilities and infrastructure in Multi-National Base-Tarin Kot (MNB-TK) will be remediated prior to 31 December 2013. Remediation options include:
  - i) transfer to other Australian Government agencies;
  - ii) gifting to other Coalition Forces or to the Government of the Islamic Republic of Afghanistan;
  - iii) sale; or
  - iv) demolition / deconstruction.
- (c) Those conducting redeployment planning within the Joint Task Force 633 (JTF633) have undertaken extensive planning for the remediation of Australian facilities and infrastructure in MNB-TK. A large proportion of the Australian-owned infrastructure and facilities at MNB-TK will be gifted to the NATO Training Mission – Afghanistan (NTM-A) for future use by the 4<sup>th</sup> Brigade, 205<sup>th</sup> Hero Corps, Afghan National Army (4/205 Bde ANA). Where Australian-owned infrastructure and facilities are demolished / deconstructed, the sites will be completely cleared of all debris and building waste and left environmentally clean.

- 2) (a) All Forward Operating Bases (FOB) across Uruzgan Province have now been transferred to the ANA or closed. MNB-TK remains the only base with a permanent Coalition Force presence, with Australian forces withdrawal from the base due by 31 December 2013.  
  
(b) MNB-TK is a US-owned and operated base in partnership with Australia. There are four camps within MNB-TK: Camps Ripley, Cole, Russell and Holland. The US has responsibility to remediate Camps Ripley and Cole and Australia has responsibility to remediate Camps Holland and Russell. In addition, there are some shared facilities and infrastructure which will be jointly remediated.
- 3) (a) Prior to the commencement of building a military FOB, the site was farmed or unused land with old structures from the Russian occupancy period. Australia commenced construction of facilities in 2005. Where Australian-owned infrastructure and facilities will be demolished / deconstructed, the site will be cleared of all debris and building waste and environmentally cleared in accordance with the extensive range of international agreements, conventions and Australian legislation that relate to the protection of the environment while on operations.
- 4) (a) In accordance with the Public Works Committee (PWC) submission, \$47.2 million was the estimated cost for the remediation work in MNB-TK based on a worse-case scenario of having to demolish both Australian camps, potentially through contracted labour. This scenario may not eventuate, however, as, at present, it is expected that the majority of the infrastructure will be gifted to the ANA.  
  
(b) When initial planning for the remediation of Australian-owned infrastructure and facilities at MNB-TK commenced, there were four main risks were identified:
  - (i) potential increase in threat level;
  - (ii) disposal method;
  - (iii) demand for contractor support; and
  - (iv) Australian engineering capacity.  
(c) Significant work is being undertaken to ensure gifting to the Government of Afghanistan only occurs for items that they have the organic capability and funding to sustain into the future.  
  
(d) The operating environment within Uruzgan Province remains uncertain. The main focus for Australian forces is providing adequate force protection, and advising and assisting the 4/205 ANA. Negotiations with the NTM-A are still taking place regarding the final gifting of facilities and infrastructure. Subject to successful completion of these negotiations, Australian forces expect to complete remediation activities by 31 December 2013.



- (e) In reference to environmental remediation, Australia is required to comply with a range of international agreements, conventions and Australian legislation that relate to the protection of the environment while on operations. Australian and ISAF environmental policy requires that all practical steps be taken to mitigate environmental damage due to ADF action.
- (f) An environmental condition survey has been conducted, including targeting soil sampling around MNB-TK, identifying several areas of concern that may require remediation. An Environmental Officer is now stationed at MNB-TK and is working closely with the Force Extraction Unit to ensure that all remediation and environmental responsibilities are met. Australia will dispose of all hazardous waste in accordance with relevant legislation and conventions.
- 5) (a) The Transition and Redeployment Planning Team (TRPT) conducted extensive redeployment and remediation planning. The initial scoping by the TRPT to remediate MNB-TK resulted in the \$47.2 million estimate. This was based on the worst-case scenario; that is, the complete demolition / deconstruction of all Australian-owned facilities at MNB-TK utilising contracted labour.
- (b) The Engineer Support Element from JTF633 and the Force Extraction Unit continue to conduct a more detailed analysis based on the remediation options available, including the use of both military and contracted labour. This analysis has been able to better define the work involved and refine costs estimates.
- (c) The estimates provided by the TRPT have been reviewed and validated a number of times, including via the Portfolio Budget Submission process and the PWC process. In undertaking the process to gain PWC referral and parliamentary expediency for the MNB-TK Remediation Project, the estimates were reviewed in detail and validated based on a worst-case scenario. Parliament moved the expediency motion on 16 May 2013 approving the project.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 June 2013**

**Q116: Military collaboration**

**Senator Ludlam** asked on 3 June 2013, Hansard page 49:

Were there civil society organisations and researches and so on present as well?

**Response:**

Yes. The Forum was made up mainly of military personnel and Defence officials but did include a presenter from the Department of Agriculture, Fisheries and Forestry. Additional presenters included representatives from the University of Colorado, the Bangladesh Institute of Peace and Security Studies, the International Rice Institute, the Mekong River Commission, and the Mongolian Institute of Meteorology, Hydrology and Environment.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates - 3-4 June 2013**

**Q117: Rotation of crew**

**Senator Kroger** asked on 3 June 2013 at Hansard page 73.

In terms of the rotation of crew, for instance, with leave, is there an absolute cap, if you like? If you have someone who is down from one particular crew and that crew cannot leave unless you bring someone on who is rostered off, as I said, is there a cut-in time whereby you cannot consider that as an option? Can you provide details of the protocol in relation to that?

**Response:**

Business rules have been developed for the provision and management of Operational Reliefs in the personnel management system to protect respite entitlements for those personnel who undertake those duties. The rules effectively limit the frequency with which personnel can be employed as an Operational Relief, thereby ensuring respite from seagoing duties. While it is preferable that personnel tasked to fill a personnel vacancy are volunteers, volunteer status is not essential when filling a mission-critical personnel deficiency. Departures from these rules requiring personnel to be compelled to undertake Operational Relief duties will only be considered in exceptional circumstances where Government Directed Operations and other missions as deemed by the Fleet Commander are considered essential. The rules are:

- for each seven-day period (or part thereof) that a member undertakes Operational Relief duties, one month's respite (or 'quarantine' from Operational Relief duties), up to a maximum of three months, is to be provided from further Operational Relief duties;
- personnel in 'quarantine' and those on approved leave are not normally to be approached for Operational Relief duties;
- the 'quarantine' period commences on the first day the member returns to his/her unit; and
- exceptions to periods of 'quarantine' protection may only occur with the approval of Force Commanders – this includes using personnel already on leave.

For the purposes of the Patrol Boat Group, those personnel in Off-Rotation periods are regarded to be 'quarantined' and the above rules apply.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q118: *Cantabria* costs**

**Senator Johnston** asked on 3 June 2013, Hansard page 79.

With regard to *Cantabria*, there is nothing more in the nature of costs of operation or anything like that? Is it a wet hire for us that we are paying the fuel and we are providing the food, or it is just all in the \$14 million?

**Response:**

The form of the Project Arrangement to the Memorandum of Understanding between the Ministry of Defence of Spain and the Australian Department of Defence concerns the employment of the ESPS *Cantabria* and agreed tasking and activities, and as such can be considered a 'wet hire'.

The Project Arrangement stipulates agreed funding liabilities, with capped liability, where appropriate, for ill-defined costs such as emergency defect repair. The total cost to the Commonwealth is budgeted not to exceed \$14 million.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q119 - Army Reserve Strength**

**Senator Humphries** asked on Monday 3 June 2013, Hansard page 81:

With regard to Army reserve strength, obviously you have figures on a month-by-month basis. If we could have that projection back to 2009, maybe in a table form, that would be useful.

**Response:**

The total Active Reserve strength is made up of High Readiness Reserve, Army Reserve Continuous Full Time Service, Army Active Reserve, Regional Force Surveillance List and Local Observer Elements.

**Active Reserve Numbers**

<b>As at 1<sup>st</sup> of Month</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>January</b>	16,560	16,896	16,767	16,672	16,640
<b>February</b>	16,637	16,952	16,941	16,799	16,686
<b>March</b>	16,819	17,074	17,030	16,968	16,737
<b>April</b>	16,912	17,160	17,046	17,032	16,834
<b>May</b>	16,953	17,199	16,984	17,090	16,728
<b>June</b>	16,988	17,202	16,939	17,063	16,575
<b>July</b>	17,029	17,225	16,894	16,939	
<b>August</b>	16,942	17,181	16,929	17,024	
<b>September</b>	16,904	17,125	16,953	16,971	
<b>October</b>	16,892	17,066	16,960	16,945	
<b>November</b>	16,855	16,907	16,744	16,871	
<b>December</b>	16,927	16,848	16,661	16,729	

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 2013**

**Q120: Your Say Survey**

**Senator Humphries** asked on 3 June 2013, Hansard page 115:

What proportion of people say that they are disappointed with their career management? Relating to career management attitudes, could you give us the results of, say, the last 12 quarters, please?

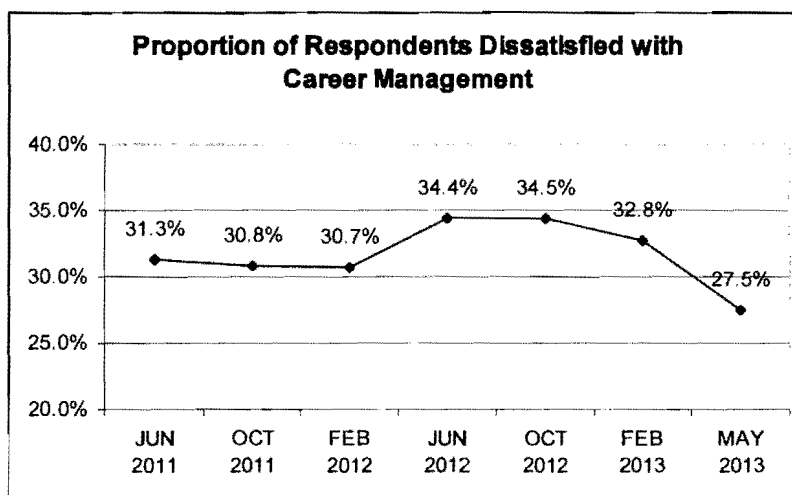
**Response:**

1. Between 2009 and 2012, data about ADF members' satisfaction with their career management has been collected via the *Defence Attitude Survey* (DAS). The DAS is an attitudinal, self-report measure that captured a range of data on organisational climate. The DAS was administered to approximately a 12 per cent random sample stratified by Service, rank and gender, three times per year during this period.
2. Two questions were included in the DAS that related to satisfaction with career management. Although they are similar, the emphasis and context of the questions have resulted in a different trend in responses. The first question was asked in the context of the overall Defence Employment Offer (DEO) and refers to a member's satisfaction with their overall career management. The second question refers specifically to the career management *process* and was asked as part of a set of items around the theme of "satisfaction with your career". Data from the question outlined in paragraph four more accurately addresses whether people are disappointed with their career management as opposed to the career management process overall.
3. In 2013, the DAS was replaced by the *YourSay: Organisational Climate Survey*. The wording and order of some former DAS items changed and new items were added. As such, comparisons between 2012 and 2013 data are problematic, as differences in results may be due in part to the changes in survey design rather than actual changes in attitudes. The DEO section remained consistent between the two versions of the survey and, as such, 2013 data is included for the DEO item. The second item, however, was more affected by changes in the survey and therefore 2013 data has been excluded from this analysis.

**Question: “Please indicate how satisfied you are with the *Career Management* aspect of Defence employment”**

4. This question was first incorporated into the DAS/YourSay in June 2011. Therefore, data prior to this time is not available. Overall, a larger proportion of people were satisfied with their career management than dissatisfied.
5. Statistical analysis of these results indicates that the level of dissatisfaction with career management was significantly different across time (the probability of the difference occurring by chance was less than 5 per cent).

<b>Defence Employment Offer - Satisfaction with the career management aspect of Defence employment.</b>			
<b>Administration</b>	<b>Very Dissatisfied and Dissatisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Very Satisfied and Satisfied</b>
JUN 2011	31.3%	28.7%	40.0%
OCT 2011	30.8%	29.4%	39.8%
FEB 2012	30.7%	29.9%	39.4%
JUN 2012	34.4%	29.0%	36.6%
OCT 2012	34.5%	30.5%	35.0%
FEB 2013	32.8%	31.8%	35.5%
MAY 2013	27.5%	29.9%	42.6%

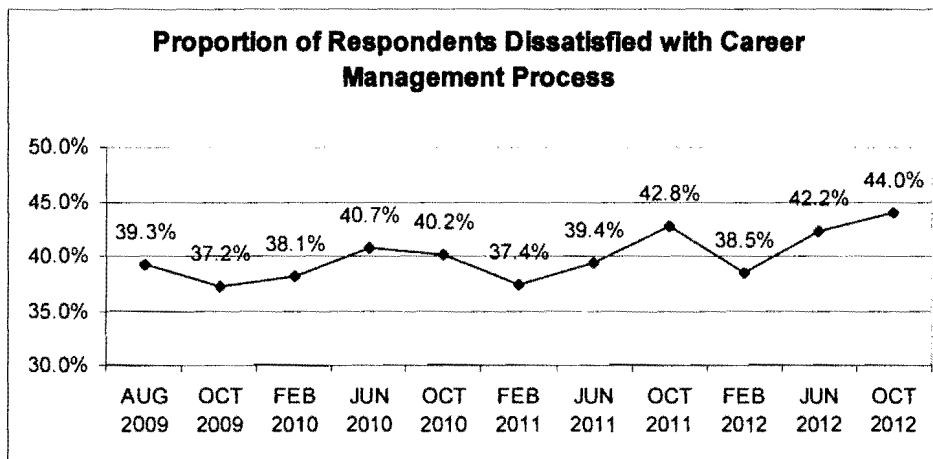


**Question: “I am satisfied with the career management process”**

6. The DAS was first administered tri-yearly in Aug 2009. Prior to this, the DAS was administered annually. Therefore, tri-yearly data prior to Aug 2009 is not available. Overall, a slightly larger proportion of people were satisfied with the career management process than dissatisfied, although approximately 15 per cent of respondents indicated that they were ‘uncertain’.
7. Statistical analysis of Aug 2009 to Oct 2012 data for this item indicates that the level of dissatisfaction with the career management process was significantly different across time (the probability of the difference occurring by chance was less than 5 per cent).

**I am satisfied with the [Service] career management process.**

<b>Administration</b>	<b>Strongly Disagree and Disagree</b>	<b>Uncertain</b>	<b>Strongly Agree and Agree</b>
AUG 2009	39.3%	16.0%	44.7%
OCT 2009	37.2%	13.7%	49.1%
FEB 2010	38.1%	14.8%	47.1%
JUN 2010	40.7%	14.8%	44.5%
OCT 2010	40.2%	13.6%	46.2%
FEB 2011	37.4%	16.6%	46.0%
JUN 2011	39.4%	15.6%	45.0%
OCT 2011	42.8%	14.2%	43.0%
FEB 2012	38.5%	16.9%	44.6%
JUN 2012	42.2%	16.2%	41.6%
OCT 2012	44.0%	14.9%	41.2%





**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates 3-4 - June 2013**

**Q121: JP2077 2D**

**Senator Johnston** asked on 4 Jun 13 Hansard page 29

You would agree that this program is not scheduled to be completed until 2017-18, in the Defence Capability Program of last year. Can you confirm the years of JP2077 2D?

**Response:**

The Defence Capability Guide 2012, Initial Operating Capability planned schedule, is for between FY2016-17 to FY 2018-19.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Budget Estimates – 3-4 June 2013**

**Q122 - Narrowing lines of responsibility**

**Senator Fawcett** asked on 4 June 2013 Hansard page 26.

Are you able to provide us a more detailed brief as to how you are narrowing, if you like, what I would call the lines of responsibility?

**Response:**

In light of the Black Review and other Defence reviews, Defence has undertaken a number of accountability reforms that serve to clarify individual responsibilities, and thus narrow our lines of responsibility. These reforms are ongoing, and while Defence does not have a perfect system, we have progressed some initiatives that are already yielding good results, and we will continue to review our progress. Specifically Defence has undertaken the following:

- (a) Defence's committee processes have been rationalised and reformed from the top down to clarify responsibilities and strengthen accountability. Senior Committees are solely decision making bodies and no longer consider noting/for information items. The chair of each committee has also been appointed as the sole decision maker for the committee, to ensure that excessive consultation and disagreement will not prevent a decision being made.
- (b) Defence's reformed enterprise planning system identifies an individual officer who is responsible for each deliverable, and progress is monitored quarterly. Additionally, the new enterprise risk system assigns a single Defence Committee member as a Risk Steward, with overall carriage for each agreed enterprise risk.
- (c) Defence's civilian performance agreements have been strengthened to ensure that individual outputs are defined using specific performance metrics, and are linked with the business unit plans and associated outputs.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates - 3-4 June 2013**

**Q123: Industry role in test activities**

**Senator Fawcett** asked on 4 June 2013 Hansard pages 72 and 73.

What about consultation with industry in terms of where industry sees itself playing a role and where Defence sees industry playing a role, particularly for the command and control and authorisation aspects of test activities? Has that been explored?

**Response:**

In order to engage industry about its greater involvement in trials and evaluation, in 2011 Defence commissioned the Rapid Prototyping Development and Evaluation program to undertake *Quicklook 79 - Management of Joint Test and Evaluation*. The *Quicklook* report was published in February 2012 and involved 16 industry participants. All 16 participants received a copy and the report was part of a lecture to the Systems Engineering Test and Evaluation conference held in Brisbane mid-2012 (copies are available on application to RPDE at [info@rpde.org.au](mailto:info@rpde.org.au)). The report recommended specific areas for greater industry involvement in Defence joint trials and evaluation activities. This was in the context of the trials and evaluation roadmap and the Australian Defence Trials and Evaluation Office 2013-14 work plan. The report also recommended improvements to the contracting model to facilitate more expeditious engagement of industry. Capability Development Group is acting upon these recommendations and due to implement them in a new industry partnership panel by the beginning of FY 2014-2015. *Quicklook 79* did not look specifically at industry involvement in command and control and authorisation aspects of trials and evaluation.

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate Budget Estimates – 3-4 June 20123**

**Q124 - Defence Export Controls**

**Senator Fawcett** asked on 03 June 2013 Hansard page 57.

With that work you are doing in your working group trying to make the process more streamlined, are you still sticking with individual applications that are processed one by one?

**Response:**

- (1) The Minister for Defence has appointed a Strengthened Export Controls Steering Group to oversee the operation of the *Defence Trade Controls Act 2012* (the Act) over a two-year implementation period. The Steering Group is in place to ensure the Act strikes an appropriate balance between meeting Australia's international obligations and national security requirements; while not unnecessarily restricting trade, competitiveness, innovation, research or international collaboration.
- (2) As part of its work the Steering Group has been tasked to consider the adequacy of organisational and governmental arrangements in place to identify, assess and manage risks, costs and administrative burden associated with the new regime of controls.
- (3) The Steering Group has identified broader exemptions and exclusions for defence and dual-use goods and technologies as one area for consideration, testing and evaluation through its pilot program. A potential outcome of this work may be a more streamlined export application process for controlled goods and technologies.
- (4) The Defence Export Control Office has also introduced a new e-business model and operating system where industry can apply for export permissions online. The new IT model will facilitate more timely interaction with industry and improve management information and reporting capabilities.
- (5) This work will be balanced against Australia's steadfast commitment to its international counter proliferation obligations, and to an Australian export control system that ensures Australia exports responsibly.
- (6) As part of this system of controls, the Defence Export Control Office conducts a robust case-by-case assessment process on all applications to export goods controlled under Regulation 13E of the Customs (Prohibited Exports) Regulations 1958; goods or services which may be prohibited for export under the Weapons of Mass Destruction

(Prevention of Proliferation) Act 1995; and non-regulated goods that may contribute to a 'military end-use' may be prohibited under section 112BA(1) of the Customs Act 1901.

(7) Every effort is made to assess applications within the Government's time frames (up to 15 working days for routine applications, and up to 35 working days for applications requiring referral to Committee members). Occasionally these timeframes are not met due to a case requiring advice from several agencies, and/or additional information from the applicant.