

SSCFADT QUESTIONS ON NOTICE INDEX¶ Supplementary Estimates Hearing 29 November 2019¶Department of Defence¶

Dept	Heari ngDat e	Portfo lioQO N	Senator	Broad topic	Hansard Reference	WrittenH ansard	Hansard Page	DueDate
Depart ment of Defence	29/11 /2019	109	Kimberley Kitching	Attack class milestone s	<p>Senator KITCHING: Question on notice 41 stops with the acceptance of the first future sub, scheduled for 2032-33. Could I ask that you provide on notice an updated response to this QON covering all of the existing milestones listed but also encompassing milestones out to the 12th of the Attack class submarines, with the projected time frames for the sea trials.¶...¶Senator KITCHING: I understand it will be a nominal program, but could we include the projected time frames for the sea trials and the testing of each Attack class boat?¶...¶Senator KITCHING: Okay. One reads very broadly, Senator. I want to be clear on what you've taken on notice. I've asked for the sea trials and the testing of each attack class. Could we also include the operational tests and evaluation, and the hull qualification as well? So all the milestones for each of the 12 future subs.</p> <p>p. 30 Senator KITCHING: On notice, could defence table the scheduled or anticipated time frames for intermediate docking, mid-cycle docking and full-cycle docking?</p> <p>Senator Reynolds: For the third time, good try. That is all part of the government consideration.</p> <p>Senator PATRICK: There's nothing that prevents the Senate from asking questions about any advice that the department may have provided to government. That's a long-standing—</p> <p>Senator Reynolds: No, if you had listened earlier on, Senator Kitching did ask a question in relation to that. We don't have the figures here, so we took it on notice.</p>	Hansard	8-9, 30	24/01/20 20
Depart ment of Defence	29/11 /2019	110	Kimberley Kitching	Chief of Navy Speech	<p>Senator KITCHING: Could I move on to the possibility of future submarines being nuclear powered. Vice Admiral Noonan was quoted as telling the Pacific 29 conference: 'At this point in time I believe that they will be conventional submarines,' but then left open, the possibility by saying, 'but as I've said in past announcements, the ability we have with continuous shipbuilding is to innovate as we go.' Minister, can the government state categorically whether all 12 future submarines will be conventionally powered?¶Senator Reynolds: It has been the policy of successive Australian governments for the Future Submarine to be conventionally powered. This was reflected in the 2009 to 2013 white papers and continues to be the case under the 2016 white paper. I can confirm that a nuclear powered submarine is not being considered as an option for the Attack class submarine.¶...¶Senator KITCHING: Well, no. It is really more on the budgetary items around the out-turned figures. Minister, was Vice Admiral Noonan's speech shared with your office before he gave it?¶Senator Reynolds: I don't believe so, but I wouldn't expect it to have been shared.¶Senator KITCHING: There was no tick-tack—¶Senator Reynolds: I'll double-check but I wouldn't have expected his speech or that of any of the other service chiefs at forums like that to be shared with me beforehand.¶...¶Senator KITCHING: Just while I've got you at the table, are you able to provide the committee with your speech and any notes or transcription that occurred of the Q&A part of the discussion as well?¶Vice Adm. Noonan: The comments that you refer to occurred after the launch of the Navy Industry Engagement Strategy and I jointly launched that strategy with Minister Price, the Minister for Defence Industry. Following the delivering of my remarks, I was asked questions, which</p>	Hansard	11-12	24/01/20 20

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					<p>you referred to. ¶ Senator KITCHING: Yes. ¶ Vice Adm. Noonan: In terms of a transcript of those remarks, I'm not sure we would have a departmental transcript of them, because it was in an open area. ¶ Senator KITCHING: If you do, would you be able to— ¶ Vice Adm. Noonan: I'll see if we have a transcript of those comments.</p>			
Department of Defence	29/11 /2019	111	Rex Patrick	<p>Spartan - Military Type Certification on Cost and Project Delay</p>	<p>Senator PATRICK: Clearly there's an additional cost associated with the military-type certification that you talked about. You were expecting an FMS sale—an operational aircraft—and that's not quite what you've received. So one presumes from your original starting budget that there will have been a cost associated with the discrepancy. Do you have any details as to the cost? ¶ Air Marshal Hupfeld: I don't have details as to the cost, other than we are remaining within the allocated budget for the project. ¶ Senator PATRICK: Yes, but that might include contingency, so you might be well within the budget, but there will have been a cost associated with dealing with that particular issue. If you don't have it, perhaps take it on notice. ¶ Air Marshal Hupfeld: I'll take the detail of that on notice, but I would highlight that, with all these projects, as we deliver complex systems into operation we allow the contingency for that purpose in the projects. If there is something that we hadn't anticipated then we would aim to remedy it to deliver the capabilities that we require, and as we adjust those around what's available we would do that. In this case, it's within the boundaries of the project. ¶ Senator PATRICK: I appreciate there is a contingency; I'm just trying to understand what the actual cost to the contingency budget was for that military-type certification. I had discussions with Mr Kim Gillis when he was here about transparency in relation to delayed projects. So, we have a project that has been delayed for two years now—I think FOC is two years late or thereabouts? ¶ Air Marshal Hupfeld: I'd have to get back to you on the actual amount of delay. ¶ Senator PATRICK: I think it's about that. Whatever that delay is, it involves keeping resources on the project for that period of time and perhaps additional resources as you seek to remedy issues. It was conceded that the data that's made available to the parliament is not sufficient to be able to identify those costs. I think the quote from Mr Gillis, or it might have been the Tiger project manager, was that it's all contained within WVS information. Can you please provide the committee with the actuals of the cost associated with the two-year, or thereabouts, delay? ¶ Air Marshal Hupfeld: As with all our projects, we continue to work through these as we deliver them. I don't have that information available to us, but as we gather the outcome for the project and continue to deliver it we'll be able to provide it. So, as a question on notice, I'll provide what we have, noting that the project is not yet complete.</p>	Hansard	15	24/01/2020

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Department of Defence	29/11/2019	112	Rex Patrick	Basing of Spartan	<p>Senator PATRICK: This aircraft is planned to be moved to Amberley from Richmond. ¶ Air Vice-Marshal Hoffmann: It already has. ¶ Senator PATRICK: It has, has it? So that occurred in December last year, didn't it? ¶ Air Vice-Marshal Hoffmann: It is already up there. That is correct. ¶ Senator PATRICK: Why was that brought forward from the original planning? What was the rationale for that? That is well before FOC. ¶ Air Marshal Hupfeld: I would have to get back to you on the specific details. Other than that the facilities that we had put in as part of the planned project became available to us, the schedules for that were appropriate. From my perspective as the capability manager, it made sense to have that capability based out of Amberley. ¶ Senator PATRICK: I do not understand the totality of the project but, when I ran projects, if I had issues with a component of it, I would never want it to be further away from where the project team was, because it just adds cost. That is the motive behind the question, if you could look at that rationale and take that on notice. ¶ Air Marshal Hupfeld: Could I just clarify the question that you would like us to answer? ¶ Senator PATRICK: There would have been pros and cons to that decision to shift. If you can detail what the pros and cons were, that would then suggest why you ended up doing what you did. ¶ Air Marshal Hupfeld: I will provide an answer to a question on notice regarding the project plan for the basing of the C-27. My understanding is that it was always intended to be at Amberley.</p>	Hansard	16	24/01/2020
Department of Defence	29/11/2019	113	Rex Patrick	Spartan Through Life Support	<p>Senator PATRICK: Can you tell me how much money has been spent on the through-life contract to date? ¶ Air Vice-Marshal Hoffmann: I'm not sure I've got that one here, actually, in terms of the cost. ¶ Senator PATRICK: On notice. ¶ Air Vice-Marshal Hoffmann: I might have to take that one on notice. I don't think I have that figure— ¶ Senator PATRICK: In some sense, if you haven't hit FOC, and, as the chief has sort of alluded to, you're not achieving the flying hours that you originally intended, you are heading towards that. ¶ Air Vice-Marshal Hoffmann: Correct. ¶ Senator PATRICK: There will be a relationship between the amount of flying hours and the through-life support costs, I would imagine. How does the contract work? Is it a fixed price contract, is it a contract based on availability of aircraft, or is it time and materials? ¶ Air Vice-Marshal Hoffmann: Actually, to exactly clarify that, I'd probably have to take that on notice. But, generally, in the early days, we would have a time and materials contract as we built up our capability, but we build up the workforce, and a lot of that is the fixed cost. The variable bit is some of the parts in that. So, on the whole, the actual costs don't vary that much, in terms of the ramp up and where we're going to achieve the ROE. ¶ Senator PATRICK: If you could take that on notice— ¶ Air Vice-Marshal Hoffmann: It's just the exact nature of the contract. ¶ Senator PATRICK: Really I'm after that interaction between how you've framed up the contract and the variation caused by the aircraft not receiving FOC and indeed the lack of full flying hours—just how all that works.</p>	Hansard	17	24/01/2020

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Department of Defence	29/11/2019	114	Rex Patrick	Growler Insurance Due Diligence	<p>Senator PATRICK: Really I'm after that interaction between how you've framed up the contract and the variation caused by the aircraft not receiving FOC and indeed the lack of full flying hours—just how all that works. ¶ Can I move to Growler. I've asked questions about this in the past. It's a regular feature of estimates, although this is perhaps your first time. As to the minister, I know we engaged a little bit on this through the media! I think the status of that, at last discussion, was that the aircraft was being written off— ¶ Air Marshal Hupfeld: Sorry, Senator—say that again? ¶ Senator PATRICK: The aircraft was being written off and Defence were looking at how or whether that would be replaced. This is an FMS contract—that's my understanding—and there was a discussion about, 'There's got to be, effectively, some warranty associated with this,' noting that it was a failure of an engine part that caused it. So where are we at with respect to a decision on the number of Growlers we will have, and where are we at with the United States in terms of getting an aircraft that we paid for that was lost through no fault of our own? ¶ Air Marshal Hupfeld: The technical elements of it I will pass to my colleague, but I can confirm that yes, the aircraft was written off. The acquisition method for the Growler is a cooperative program; it's slightly different to a foreign military sales program. But the US have advised us that they are not able to provide compensation for the full cost of the aircraft. ¶ Senator PATRICK: And what's the Commonwealth's position in relation to that? The Australian taxpayer paid for an aircraft and that aircraft clearly failed. The DSDO assisted in examining the cause of that, and there is a public report. It is clear that it was not the fault of the pilot and was not the fault of the Royal Australian Air Force. How is it that we have the situation—is a contractual problem?—where we lose a very expensive aircraft? How much is each aircraft worth, approximately? ¶ Air Vice-Marshal Hoffmann: Approximately US\$85 million. ¶ ... ¶ Senator PATRICK: Can you, on notice, table that due diligence that was done—that understanding you had, going into the contract. I struggle to understand why, if you were going into a multi-billion-dollar contract—which I think is where we were with Growler; it was in the billions—you would not press the US Navy to see the terms of the contract. I understand there might be particular sensitivities. But, if you are back-to-backing something, you have a right to know exactly what the details are. ¶ Air Vice-Marshal Hoffmann: Certainly. As I said, our clear understanding as we went into that arrangement was that we would be liable.</p>	Hansard	17-18	24/01/2020
Department of Defence	29/11/2019	115	Rex Patrick	FMS Acquisition Warranties	<p>Senator PATRICK: Okay. Secretary, have you looked at this, and are we going to rethink the way we might approach FMS? In the evidence we've heard no advice, or no comparison data, was looked at in terms of options on insurance. ¶ Mr Moriarty: We have, and I'll ask Tony Fraser. ¶ Mr Fraser: Good morning. It has been a difficult lesson, and as we have pursued legal advice on all the foreign military sales and cooperative programs we'll continue to strengthen that. We have just taken on a lawyer to assist me in looking at our contracts and protections for the Commonwealth. It is quite right. One of the elements out of the Growler in particular is not just the OEM—or, in this case, the purchaser, the US Navy—but the subcontracts underneath and the various levels of warranty afforded under foreign military sales. As you would know, under the commercial sales that we've got with all the other ones, we price in and manage the warranty significantly. Part of the strength of foreign military sales and programs is the maturity of those programs—they are off the</p>	Hansard	19-20	24/01/2020

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				<p>shelf and offer us a system that has already been matured. But it is a lesson that we will take, and I'm happy to come back to you on how we're approaching it. I can come back next year as to how we're applying that across all of our provisions and what we're looking to do. ¶ Senator PATRICK: Thank you very much for that. I don't know who asked you because there are a few choices, but what about JSF? That's FMS. What's the current situation with respect to a similar sort of situation happening with the JSF? ¶ Air Vice-Marshal Hoffmann: It would be the same outcome. ¶ Senator PATRICK: So we would have— ¶ Mr Fraser: Senator, if I may, let me take it on notice because they're all varying and they're all different—some are cooperative, some are true FMS, some are different services and some of them have different obligations. I think it would be appropriate if I was able to take it on notice and come back to you in a mature sense with what we've got and where we would go as a Commonwealth to make sure that we're adequately and appropriately protected. ¶ Senator PATRICK: That seems like a very sensible approach, Mr Fraser. I wonder if you could, in doing that, look at all the current FMS projects that would be affected—in the context, there are some FMS programs that are quite old—but particularly the new ones where you'd expect there to be some warranty or process of bringing a capability into the Air Force. In terms of scope, just looking at the ones that are on foot here— ¶ Mr Fraser: Understood, and we do have examples where we have exercised warranty provisions and as to how we've contracted those. A lot of parts and components are provided for foreign military sales during support, for example, and so we're covered in warranty provisions that way. Whilst this is difficult under the recent acquisition of Growler and how that matured, it's not standing right across all of it. So it's appropriate that I review it and I'll come back to you, I think, with an informed position as to what it is that we're doing. ¶ Senator PATRICK: Because we never have any liquidated damage options on those FMSs— ¶ Mr Fraser: Not damages, no, but there are warranty provisions.</p>			
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Department of Defence	29/11/2019	116	Rex Patrick	JSF Australian Industry Involvement	<p>Senator PATRICK: But we have a situation where, in the project announcement, we have this fantastic \$9 billion number floated around. It's a little bit like the Future Submarine, where we say that 90 per cent and then 60 per cent and we actually end up at 30 per cent. So this goes to Australian industry content. What are we doing to maximise our inclusion in the global supply chain here? It doesn't seem to be anywhere near what the government expectation was or what might have been put to government when the decision was made to procure the aircraft. ¶... ¶Senator PATRICK: On notice, can someone have a look at what was taken to government—because I am relying on an Age media report—in terms of the expectation for Australian industry, perhaps broken into the design and production stages versus the sustainment stages? I do appreciate the difference between those. ¶Mr Fraser: Understood, Senator. ¶Senator PATRICK: That's clearly the benchmark upon which a decision was made. My view is that we should track against the original propositions that have been put to government. ¶Mr Fraser: Certainly. ¶... ¶Mr Fraser: To assist on the Joint Strike Fighter Australian industry participation: it's still fairly early in the program, and we expect to see significant growth with the numbers of aircraft. Therefore, the rate of growth and the amount of growth for Australian industry will continue to grow. We'll come back to you with the assessment, because I don't think it is wrong, but I will find the assessment for you of that early media report, what it is that we're doing and what we expect to achieve.</p>	Hansard	21-22	24/01/2020
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Department of Defence	29/11 /2019	117	Rex Patrick	Australian JSF Sub Contracts	<p>Senator PATRICK: My understanding is you have just signed a contract with 'IAM AUST'. ¶ Air Vice-Marshal Hoffmann: Not that I am immediately aware of—I would have to take it on notice to work out what that was and what the detail of it was. I am not immediately aware of that. ¶ Senator PATRICK: Have there been any recent contracts signed by Australian entities? Is there any contract signed in Australia with Lockheed Martin? ¶ Senator Reynolds: It may be safer to take that on notice so that we have the right information for you. ¶ Air Vice-Marshal Hoffmann: Yes, we have, but not in immediate history. There certainly is, that is why I am not quite sure what you are getting at here, to be quite honest. Did you want us to investigate that? ¶ Senator PATRICK: Yes, just— ¶ Mr Fraser: I understand where you are coming from. It is the Lockheed Martin subcontract. We will get you the information. We will try to come back to you this morning. ¶ Senator PATRICK: That would be good. That was my understanding; there had been something signed locally.</p>	Hansard	25	24/01/2020
Department of Defence	29/11 /2019	118	Kimberley Kitching	Future Subs Funding Profile	<p>Senator KITCHING: I just want to wrap up some questions on the future subs, on the expenditure arm of that. I'm happy for these to be taken on notice. It looks like there's a \$55.6 million difference between table D.3 and the PBS for 2019-20 in the estimated cumulative expenditure program. I think there's \$834.6 million that's in web table D.3, and then in the— ¶ Senator Reynolds: Senator Kitching, do you just want to hold on for a minute before going through those, because you might have to go through them again for Mr Groves? ¶ Senator KITCHING: Hi, Mr Groves. ¶ Mr Groves: Hello, Senator. ¶ Senator Reynolds: Senator Kitching? ¶ Senator KITCHING: I can probably give you a page reference. I'm in the PBS on page 118; does that help? ¶ Mr Groves: It does, yes. ¶ Senator KITCHING: In table 55, there's a \$779 million figure in the estimated cumulative expenditure column, and then, in table D.3 of the annual report, it says \$834.6 million. I just want to know why there's a difference of \$55.6 million between these figures? ¶ Mr Groves: Sorry, Senator—table D.3 was the one that was published online. Is that the one you're referring to? ¶ ... ¶ Senator KITCHING: Yes. I'm happy to give you my copy. Does that help? ¶ Mr Groves: I don't have any information on actuals in the version of D.3 that I have—on actual expenditure. ¶ Senator KITCHING: Hang on. It might be D.2. ¶ Mr Groves: There obviously could be timing, of course. One is an estimate of expenditure to 30 June; that would have been in the PBS. ¶ Senator KITCHING: Can you take it on notice and come back to me? ¶ Mr Groves: I'm happy to take it on notice, yes. ¶ Senator KITCHING: I estimate there's a \$55.6 million difference, but could you take it on notice. It's not super urgent. ¶ Mr Groves: I think timing-</p>	Hansard	28-29	24/01/2020

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					<p>wise, of course, we would've been doing the PBS well in advance. That would've been an estimated actual for the expenditure to the end of June, and then what we would've put in the annual report would've reflected what our actual result was. Whether that's the variance or not, I'll take that on notice.¶Senator KITCHING: Okay. Maybe also on notice then—in the portfolio budget statements for 2019-20, Defence has estimated expenditure of 289 million. In the column 'budget estimate 2019-20, future submarine design and construction', it says 289 million. That's less than Defence's initial estimated expenditure of 418 million in the financial year 2018-19 and less than the actual expenditure of 358 million for the financial year as shown in the annual report. Why are you expecting the expenditure to be less this financial year than last?¶Mr Groves: Part of the answer is: what would've been reflected in the PBS was based on what had been approved at that time. There were subsequent approvals that went before government, which then meant that, formally, we would've changed that estimate of expenditure. But I'd prefer to take all those reconciliations on notice and come back to you in a written form.</p>			
Department of Defence	29/11/2019	119	Kimberley Kitching	Collins Full Cycle Docking Location	<p>Senator KITCHING: Okay. What date did defence provide formal advice to the government seeking a decision with respect to the future location of the FCD?¶Senator Reynolds: I will probably have to take that on notice. Can you provide more clarity about what exactly you're seeking?¶Senator KITCHING: When did the department provide advice to the government about the location of the full-cycle docking?¶Senator Reynolds: In anticipation of the decision before the end of the year?¶Senator KITCHING: Yes.¶Senator Reynolds: I have to take that on notice.</p>	Hansard	29	24/01/2020
Department of Defence	29/11/2019	120	Rex Patrick	Naval Group Presentation	<p>Senator KITCHING: I might go to Collins class now.¶Senator PATRICK: If I could ask a question. Rear Admiral Sammut, you would be aware that there was a tweet released by Naval Group, where French senators were being briefed on the Future Submarine project, and there was some construction site information in that. Was that presentation run past defence?¶Rear Adm. Sammut: That particular presentation wasn't run by defence.¶Senator PATRICK: No, was it run by past defence? Was it presented to you for the okay to release information to the French senators?¶Rear Adm. Sammut: No, but, in that particular case, Naval Group Australia was able to make a judgement as to whether they needed to show us or not. What it was talking about was the various options that are being considered in regard to the development of the submarine construction yard.¶Senator PATRICK: Noting that it has been provided to French senators, can you see if you can get what was provided to those French senators and provide that to Australian senators through this committee?¶Rear Adm. Sammut: I'll endeavour to do that.</p>	Hansard	30	24/01/2020

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Department of Defence	29/11/2019	121	Kimberley Kitching	Life of Type Extension Schedule	<p>Senator KITCHING: Could I go to the life-of-type extension program for Collins class? I'm looking at the Hansard from Defence estimates from April and also the Collins class full cycle docking location study interim report from February this year. Will the program ensure that the Collins class is regionally superior until its withdrawal from service?¶Rear Adm. Sammut: The life-of-type extension program, in conjunction with capability upgrades that are currently being put into the Collins class, are aimed at ensuring that our Collins class submarines remain potent and agile and able to conduct operations over their extended life.¶Senator KITCHING: On notice, would you be able to provide the scheduled or anticipated dates for life-of-type extension activity in a full-cycle docking for each of the Collins class submarines?¶Rear Adm. Sammut: Yes.</p>	Hansard	30	24/01/2020
Department of Defence	29/11/2019	122	Kimberley Kitching	Life of Type Extension IIP Funding Line	<p>Senator KITCHING: Is there a specific line item in the IIP that covers the Collins?¶Rear Adm. Sammut: Yes.¶Senator KITCHING: Could you tell me where that is in the IIP, or take that on notice?¶Rear Adm. Sammut: I don't know whether it's in the public IIP. It is certainly within defence's Integrated Investment Plan, where we have funding for all activities undertaken by defence. It is a funded line item within defence's Integrated Investment Program.¶Senator KITCHING: But not in the public part of IIP?¶Rear Adm. Sammut: I need to check if it's listed at a public level or whether—¶Senator KITCHING: That's fine.¶Rear Adm. Sammut: However, as I said, it is a funded line item within defence's overall investment program.¶Senator KITCHING: In that same estimates period—I'm on page 49 now—I'd have to confirm that there is no specific line item for that, but it certainly will be covered in the funding envelope that's currently envisaged out over that period of time within the whole of the IIP. If you could take it on notice and let me know.¶Rear Adm. Sammut: Yes, it has a project name and a funding line.</p> <p>p. 30 Senator KITCHING: In relation to the date defence provided formal advice to government, are you able to furnish the committee with that today?</p> <p>Senator Reynolds: We'll see what we can do, but we'll certainly take it on notice. We don't have that information here today.</p>	Hansard	32, 40	24/01/2020
Department of Defence	29/11/2019	123	Rex Patrick	ASC Workforce	<p>Senator KITCHING: Can ASC maintain its workforce for the full-cycle docking and for the LOTE from 2026—and I don't want to get into a debate about location—in the event that the location of this work was to move from Osborne?¶Senator Reynolds: Senator Kitching, I'd say good try again. That falls squarely into a matter that's currently before government for consideration.¶Senator KITCHING: I have an inquisitive mind!¶Senator PATRICK: Again, the Senate is not fettered from asking those questions.¶Senator ABETZ: Nor is the minister in answering them.¶Senator Reynolds: Exactly right. I did not in any way constrain Senator Kitching's questions; I just said that it is not something that we can cover at the moment because it is a matter before government.¶Senator PATRICK: All matters are before government, so are you advancing a public interest immunity in relation to that?¶Senator Reynolds: Senator Patrick, I'm just saying that I'm not in a position to answer that because it is a matter before—¶Senator PATRICK: You know how the resolutions work, Minister. You can either answer a question properly or you can claim—¶Senator Reynolds: Senator Patrick, I will take the question on notice.</p>	Hansard	33	24/01/2020

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Depart ment of Defence	29/11 /2019	124	Kimberley Kitching	Hunter Class Schedule	<p>Senator KITCHING: Let me put it this way: when is construction on the first of the Hunter class scheduled to be completed? ¶ Ms Lutz: On the actual construction, I'd have to get that date for you. We've got delivery dates, so I can give you the planned delivery date, but not end of construction, because there are phases for construction and setting to work. ¶ Senator KITCHING: What's the anticipated date for the initial operational capability. ¶ Ms Lutz: Planned initial operational capability is the end of 2031. ¶ Senator KITCHING: So not any earlier than that? ¶ Ms Lutz: No. ¶ Senator KITCHING: Would it be the case that the ninth and last of the class would commence construction around December 2038? ¶ Ms Lutz: I'd have to confirm that date. ¶ Senator KITCHING: Now I'm in the project overview and statement of requirements. There's a section entitled 'Drumbeat'. The ships are to be built at a drumbeat or a rate of two years—that is, 24 months before the start of construction of each ship. That's from a RAND estimate. They're the ones doing the risk assessment, are they? ¶ Ms Lutz: No, we do a regular risk assessment with ASC Shipbuilding. ¶ Senator KITCHING: On those dates, if they're 24 months between the start of construction of each ship, won't the last one be delivered in 2038 not just commence construction in 2038? ¶ Ms Lutz: I don't have those dates in front of me; I'd have to get back to you on that. ¶ Senator KITCHING: If you could take them on notice, that would be great, and when the last of the class is now expected to complete construction—if it's not, as I estimate, 2038. ¶ Ms Lutz: Yes. ¶ Senator KITCHING: Thank you. If initial operational capability for the first future frigate is around—I think you said 31, didn't you? ¶ Ms Lutz: Yes. ¶ Senator KITCHING: I had calculated it at 2930, but if it's 2931 the ninth frigate would enter service around 2047. Is that right? ¶ Ms Lutz: I believe it's the early forties, but I would need to confirm that. ¶ Senator KITCHING: Is it possible for Defence on notice to provide a summary of key targets and milestones covering the build phase of this project, including the expected commencement and conclusion years? ¶ Ms Lutz: Yes. ¶ Senator KITCHING: This is for the build of each of the Hunter class as well as their expected commissioning test and evaluation and entry into service dates. Is that possible? ¶ Ms Lutz: Again, it would be a nominal schedule. ¶ Senator KITCHING: I think Mr Moriarty is expressing— ¶ Mr Moraitis: It will be a nominal schedule.</p>	Hansard	35	24/01/20 20
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Department of Defence	29/11/2019	125	Kimberley Kitching	Capital Investment Expenditure	<p>Senator KITCHING: I think Senator Patrick had some questions on this, but he has vacated the field. I might go on to capital investment underspend. The PBS shows that the actual amount of capital investment from 2016-17 to 2019-20 has been \$5.17 billion less than the amounts originally budgeted for those years. Why is that the case? Mr Groves: Sorry, could you repeat that? Senator KITCHING: I'm looking at the ASPI cost of Defence budget brief 2019-20. That shows that the actual amount of capital investment from 2016-17 to 2019-20 has been \$5.17 billion less than the amounts originally budgeted for those years. Is that right, and why is that the case? Mr Groves: I seem to recall that the figure was broadly correct when we had a look at it. There are a variety of changes that happen to our capital budget each year. I'd have to dig through to check the numbers, but I think one of the biggest changes was in relation to foreign exchange adjustments that have happened to our budget over that period of time, which then flow through to actuals. There were also some delays in some of the projects as they were ramping up, compared to what was originally envisaged in the white paper, but I think the most significant change was in relation to the foreign exchange. Senator KITCHING: So the spend is not as predicted in the white paper? Mr Groves: No. Our budget gets adjusted each budget update for foreign exchange, and, depending on how that moves each year, then flows through to both revised budget numbers and actuals. Senator KITCHING: So that's the main reason why there's been an underspend—not because of projects being delayed, for example, or because other projects might have been affected? So it's the foreign exchange rate? Mr Groves: I'm remembering back to the time when that report came out. I do recall that we did some analysis on it. I'd have to take on notice the detail, but the majority of it was due to foreign exchange—probably around half. I'm not saying that there wasn't any of what you describe as delays in projects compared to what was envisaged in the 2016-17 budget. Senator KITCHING: You've said half might be due to foreign exchange rate variance? Mr Groves: Yes. Senator KITCHING: Is any of it due to shifting funds allocated for capital investments to other parts of the budget? Mr Groves: If we're comparing right back to the white paper—the first budget year after that was the 2016-17 year—there was some recalibration as projects got underway, and there might have been some movement between acquisition and sustainment in relation to the capabilities. I'd have to unpack that in detail. Senator KITCHING: Are you able, on notice, to give a list of reasons for why there's been an underspend? Mr Groves: Yes, we can certainly give our view of what contributed to that \$5 billion variance. Senator KITCHING: Can I also ask you, if money has been moved around, where there's been an overspend on certain projects? Mr Groves: Across all of those years? That would be a very detailed document across multiple hundreds and hundreds of acquisition projects. Senator KITCHING: Would you be able to give the main ones? I don't want you to not have Christmas. Would you be able to give me the main ones and then either I can put some questions on notice or we can revisit it in February? Mr Groves: We'll see what we can provide for you that doesn't go into hundreds of lines in a spreadsheet. We can focus on some of the bigger projects over that period. Mr Groves: I have found the information that I was chasing up for your previous question. It is not going to go down to the detail that you were requesting, and I am still happy to take that on notice, of course. Our highlevel figures related to that \$5 billion figure</p>	Hansard	36-37	24/01/2020
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					that was quoted in the ASPI article was that around \$1 billion was related to foreign exchange, so I was a little bit wrong on that; \$3 billion was related to reprioritisations within the Integrated Investment Program, and that also included—and I would have to break that out—moving some money into sustainment from acquisition; and approximately \$1 billion in other movements in defence capital, which would have included some of the transfers of our funding to ASD when ASD was made a separate agency. But I would have to give you the more detailed break-up of those components, and we will still look at the larger projects.			
Department of Defence	29/11/2019	126	Kimberley Kitching	IIP Funding Allocations	<p>Senator KITCHING: Thank you. I might go to some changes in the IIP projects now. I am happy for you to take this on notice, but I want to first explain why I am asking. In recent estimates hearings, when we have asked how new capability projects will be funded, we are often told that the funding will come from within the IIP, that other projects within the IIP will be adjusted to make room. I think we have had some of that today as well. I will give an example from estimates in April. Former senator Claire Moore asked about the funding of Pacific defence measures and was told: ¶If your question was, 'Are there activities we're not doing because of the south-west Pacific measures?' the answer is that funding for much of what Mr Hamilton and others have described has come from our Integrated Investment Program. We've freed money up by reprioritising some of the projects and other capability delivery time lines in order to have the money for Blackrock in Fiji, the Vanuatu facilities and others. So the impact has been less on activities we're doing; it's been, in part, largely carried by the project schedules and adjustments to project schedules. ¶And there have been similar responses when we have asked about other new defence projects. Is the IIP kind of like a black box where it has funding but there are an increasing number of new projects announced and there is little visibility around the changes to existing projects? ¶Senator Reynolds: I think that is probably one for me. I will go back to what we talked about earlier on today. The government has given Defence a funding envelope of \$200 billion over 10+ years. As I said before, we have approved 334 capability proposals that currently value \$110.8 billion out of that funding envelope. As I have also said publicly before, Defence is currently undertaking a force structure plan to ensure that our current force structure and associated resourcing requirements to deliver the IIP continues to remain affordable and to ensure that it remains optimised to respond to changing priorities such as the Pacific step up, technology advancements, emerging threats—which we are all very familiar with—and other strategic drivers in the region. The IIP itself is complex, and it</p>	Hansard	38-39	24/01/2020

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					<p>is very actively and closely managed by both government and Defence to ensure we get the best capability outcomes that we require over time. So it is dynamic. ¶Senator KITCHING: Is it possible, on notice, that we could be provided with an itemised list of all approved and/or not approved projects within the Defence IIP that have had their projected or actual time frames, schedules, milestones and/or funding modified or changed since the IIP program was published on 25 February 2016? ¶Senator Reynolds: We'll take that on notice, but, again, as I've said very publicly, we are going through this force structure plan process, which will come to government in the first quarter of next year, and not only will that provide more guidance for government but also we will release the outcomes of that publicly in due course—in the first half of next year. So I'll take the specifics of what you're seeking on notice, but we'll also provide you with the links. Vice Admiral Johnston has said a lot of this information is open source, and then we'll take the rest on notice. ¶Senator KITCHING: Could I also ask for an indication of the extent of any modification or change to any of the projects and, where there has been a change or modification that has been made to prioritise or to accommodate another project, could there be an indication about what other projects have triggered the change or modification? ¶Senator Reynolds: We'll take that on notice again because it's quite a large question to answer. I just make the point that with 344 projects underway, and with the methodology that we've talked about at some length today to make sure that, as the projects mature and as new threats come in and there are new priorities like the Pacific Step-up, it is dynamic, and you'd expect that. So we'll take that on notice and provide what we can. ¶Vice Adm. Johnston: If I might just help bound the question to the answer in a way that I think might be more useful for you, could we answer it by indicating that those projects that have had a change in scope or either the initial or final operational capability are the major elements to a project. What I'm trying to avoid giving you is: sometimes we change the in-year funding. There's no change overall, but we may make a change to the spend profile—so that's a change in the project but doesn't change their capability outcome or the scope of it. It might be the ramp up of a project team or the ability of a contractor to be able to come on board. We could answer your question by the capability milestones and the scope changes. ¶Senator KITCHING: Thank you. That would be helpful. ¶... ¶Senator Reynolds: Of course, mindful of Senator Patrick's great pleasure in going backwards quite extensively, I would be very happy to provide a comparison with the previous government's record on this issue as well, if you like. ¶Senator KITCHING: I was actually going to ask you for that—only from when the IIP was first published on 25 February 2016.</p>			
Department of Defence	29/11/2019	127	Rex Patrick	Boomeranger Contract	<p>Senator PATRICK: How many potential suppliers were identified and asked to provide input? ¶Ms Lutz: As I said, Senator, the decision was made at second-pass approval at the end of 2017 to select Boomeranger as it was an integral part— ¶Senator PATRICK: I get that; I'm just asking whether you looked anywhere else in the process before that. You didn't look anywhere else? Did you go to anyone other than Boomeranger? ¶Senator Reynolds: Senator Patrick, can I just remind you and the committee members of the circumstances that surrounded that second-pass approval—and that was the jobs of over 200 workers in South Australia. So some decisions were made upfront not to compromise the design budget and schedule of the program to ensure that there was continuity of</p>	Hansard	40-41	24/01/2020

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					work, ¶... ¶Senator PATRICK: I know you want to avoid this. My focus is on this particular contract. Going into the second pass, how many Australian companies were invited to make a submission? I understand you've made some decisions. I'm looking at the point at which you did that. ¶Ms Lutz: Prior to that there were three candidates that went through the competitive valuation process. ¶Senator PATRICK: Thank you. ¶Ms Lutz: You would have to go to each of those competitors to find out how they went to market and how they determined— ¶Senator PATRICK: How many of those were Australian? ¶Ms Lutz: I can't answer that at the moment. I would have to find that out. ¶Senator PATRICK: Thank you very much. Who signed the contract? Was it a minister or was it a senior official? ¶Ms Lutz: The Commonwealth has signed the contract. ¶Senator PATRICK: Which official signed the contract? Was it the minister— ¶Ms Lutz: No. ¶Senator PATRICK: or was it— ¶Ms Lutz: A senior official. ¶Senator PATRICK: Okay. Pretty much the rule here is that if it's a senior official we're entitled to know the name. Who signed the contract? ¶Mr Moriarty: We'll find that out for you.			
Department of Defence	29/11/2019	128	Rex Patrick	OPV Australian Contracts	Senator PATRICK: Two choices. First is a count by way of money that's been spent with an Australian entity, but that entity may well have contracted the work overseas; or are you saying the 60 per cent is where we've taken Australian taxpayers' dollars, that we've contracted an Australian entity and that work has stayed in Australia? ¶Ms Lutz: The second. ¶Senator PATRICK: So this is work done in Australia by value? ¶Ms Lutz: Yes. ¶Senator Reynolds: I can also clarify that. It's 60 per cent and rising of Lurssen Australia's \$2 billion contract for Australian work. ¶Senator PATRICK: I'm looking forward to seeing that list and thank you very much. ¶Senator Reynolds: \$1.2 billion, just to be clear. ¶Senator PATRICK: And we'll get the details on notice. Thank you.	Hansard	44	24/01/2020
Department of Defence	29/11/2019	129	Anthony Sheldon	BUPA - Health Services Contract Bids	Senator SHELDON: Thank you. In that context, I want to ask a series of questions regarding the Bupa contract. There are some simple, straightforward questions to start with. Bupa took over the Defence health contract from Medibank from 1 July. How many companies bid for the contract, and who were they? ¶Air Vice-Marshal Smart: We had a number of companies that bid initially. I would have to get on notice the exact number. We did an initial down-selection to three, and then we engaged in a competitive dialogue process over a number of months with the three. We then down-selected to two, the final two being Medibank Health Solutions and Bupa. Then we made our final decision based on the information provided through that competitive dialogue process, and then a final proposal was submitted by both of those companies. ¶Senator SHELDON: Just on notice, we can get the list of the other companies, but who was the third company? ¶Air Vice-Marshal Smart: That was a company that was set up specifically for the bid, so it doesn't actually exist anymore. It was actually created for that bid. I'll get information on that on notice as well.	Hansard	45-46	24/01/2020

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Department of Defence	29/11/2019	130	Anthony Sheldon	BUPA - Procurement Considerations	<p>Senator SHELTON: If you looked over the company's operations, did you also look at the fact that Bupa Australia, including its aged-care business, paid only \$113.5 million in tax in 2016-17, which, in the case of its total income, was only one per cent? ¶ Air Vice-Marshal Smart: Each of the particular companies was looked at in terms of their viability, but that matter is really not a matter for Defence. ¶ Senator SHELTON: Minister, this company is awarded a contract and it's paying one per cent tax. Is that efficient? ¶ Senator Reynolds: What I'll have to do is take that on notice because I haven't got the actual details here. CHAIR: Minister, does income bear any relationship to profit? ¶ Senator Reynolds: I would have said not. ¶ CHAIR: No. Therefore— ¶ Senator Reynolds: And I understand the political point that Senator Sheldon is making. But I'll take it on notice. ¶ Senator SHELTON: I'm not making so much a political point, I'm making a point regarding the importance of looking at contracts and the efficiency of contracts. Bupa is the 30th largest company in Australia. It's operated from the UK. Medibank, by comparison, is the 32nd largest company in Australia, obviously making it smaller than Bupa. Its tax for the same period was \$170.48 million. This was in the same tax year that Bupa—substantially larger—paid substantially less tax. So when we're making efficiency decisions, we don't take into account whether they're paying their tax or not. ¶ Senator Reynolds: As I said, I'll take it on notice because you're quoting figures that I do not have in front of me. ¶ Senator SHELTON: Minister, can I just ask the question a different way. Take the detail on notice in the response—I'm happy to cede that, because they're readily available publicly. I'm asking the question this way, then: is tax, and what these companies pay in tax, a question that's taken into account when you're looking at the efficiency of a contract being awarded? ¶ Senator Reynolds: As I said, I've taken that on notice so I provide an accurate answer for you.</p>	Hansard	47	24/01/2020
Department of Defence	29/11/2019	131	Anthony Sheldon	ACCC action against BUPA	<p>Senator SHELTON: Back to the contracts: I note it's about innovation, better services, efficiency and best value for money, and you do an assessment. We don't know whether you do an assessment about tax, because you're taking that on notice, which means that either you don't know or you're avoiding the answer. Another question, because we're looking at the issue of performance: are you aware that the ACCC has court action against Bupa in part of its business for charging residents for services not delivered? ¶ Air Vice-Marshal Smart: As I said earlier on, the aged-care business and the private health insurance business are separate lines of operation within the Bupa management structure. They keep those management structures separate, and this is an entirely different line of business within the Bupa company overall. ¶ Senator SHELTON: Is the aged-care business answerable to the CEO of Bupa? ¶ Air Vice-Marshal Smart: Again, I'm not here to comment on the aged-care business; it's a separate line of business. ¶ Senator SHELTON: No, I'm asking you a question: is the CEO of Bupa responsible for all the divisions within the Australian operations? ¶ Air Vice-Marshal Smart: I would have to take that on notice to get the specific arrangements.</p>	Hansard	48	24/01/2020
Department of Defence	29/11/2019	132	Anthony Sheldon	BUPA - Vic Psychology Service	<p>Senator SHELTON: Are you aware that in its failure to properly administer its operations, Bupa has discontinued the Victorian clinical psychology services because of a number of issues with the initial plan, including feedback from psychologists? Bupa decided to take another approach and have decided to directly engage psychologists to provide these services.</p>	Hansard	49	24/01/2020

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Department of Defence	29/11/2019	133	Kimberley Kitching	Capability Proposals	At Estimates on 29 November 2019, Senator Reynolds said: "As you know, under the White Paper – the funding for the White Paper and the IIP – it was \$200 billion was allocated out over 10 plus years. Now, so far against that, 334 capability proposals have been approved by Government, which takes the total amount of that committed to date to \$110.8 billion." Please provide an itemised list of the 334 capability proposals that have been approved by Government, with the funds committed to each project listed in both constant and out-turned dollars.	Written		24/01/2020
Department of Defence	29/11/2019	134	Kimberley Kitching	Future Submarines – 'regionally superior'	The 2016 Defence White Paper states that Australia will acquire 12 "regionally superior" Future Submarines. How and on what basis does Defence define "regionally superior" in the context of the Future Submarines? Please outline any metrics and/or criteria that have or will be used when evaluating the superiority of the Future Submarine fleet vis-à-vis other regional submarine fleets.	Written		24/01/2020
Department of Defence	29/11/2019	135	Kimberley Kitching	Future Submarines – variations and changes charges	What happens if the Commonwealth wants variations to the baseline design for the Future Submarine? Does Naval Group charge the Commonwealth for design modifications, including with respect to sub-systems? If the batteries for the Future Submarine are changed to lithium ion, would there be any cost to the Commonwealth as a result of a redesign of the Future Submarine to accommodate changes in weight or density? If so, has Defence undertaken any analysis of the costs? If yes, what is Defence's estimated rough order of magnitude cost for the change?	Written		24/01/2020
Department of Defence	29/11/2019	136	Kimberley Kitching	5200 Direct Jobs Estimate	The 2017 Naval Shipbuilding Plan states that: "From 2022, workforce demand in South Australia will increase rapidly to meet the start of the future frigate and future submarine projects. Demand for construction workers will reach a peak of around 5 200 in 2026". Please provide a breakdown of the contribution of each project to the estimated peak of around 5,200 direct jobs in South Australia in 2026. At Estimates on 29 November 2019, Senator Reynolds stated that "early projections are holding up" with respect to the Naval Shipbuilding Plan's statement that the shipbuilding workforce will peak at around 5,200 direct jobs in South Australia in 2026. Please provide Defence's current projections of the ramp towards a peak of around 5,200 direct shipbuilding jobs in South Australia in 2026, including any key milestones or targets out to 2026. At Estimates on 29 November 2019, Mr Chesworth said with respect to the Naval Shipbuilding Plan's statement that the shipbuilding workforce will peak at around 5,200 direct jobs in South Australia in 2026 that the use of 'around' meant there was "a little bit of wiggle room in there". What was the margin of error in the 5,200 direct jobs in South Australia in 2026 estimate at the time the Naval Shipbuilding Plan was published? What is Defence's current assessment of the margin of error in the 5,200 direct jobs in South Australia in 2026 estimate in the Naval Shipbuilding Plan? At Estimates on 29 November 2019, in response to a question about whether the 2000 jobs involved in Collins class sustainment were included as part of the Naval Shipbuilding Plan's estimate of a peak of around 5,200 direct shipbuilding jobs in South Australia in 2026, Mr Dalton said "correct". When asked if those 2000 Collins class sustainment jobs were split across South Australia and Western Australia, Mr Dalton said "all those jobs are in South Australia". Does Defence stand by Mr Dalton's statements that: (i) the estimate of 5,200 direct shipbuilding jobs in South Australia in 2026 includes 2000 jobs associated with Collins class sustainment; and (ii) that all of the 2000 jobs associated	Written		24/01/2020

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					with Collins class sustainment are in South Australia?			
Department of Defence	29/11/2019	137	Kimberley Kitching	Collins Fleet docking timeframes	Please provide an itemised list of the scheduled or anticipated timeframes for intermediate docking, mid-cycle docking and full-cycle docking for each of the submarines across the Collins fleet until their withdrawal from service.	Written		24/01/2020
Department of Defence	29/11/2019	138	Kimberley Kitching	Future Submarines – technology refresh	At Estimates on 29 November 2019, in respect of technology upgrades for the Future Submarines, Rear Admiral Sammut said that “the cost estimate that we have quoted includes a technology refresh for the submarines”. • Approximately what percentage of the \$50 billion constant dollars ‘cost estimate’ has been set aside for a technology refresh? What is the approximate dollar value in both constant and out-turned dollars? • At what point (or points) in the Future Submarine build program and/or life-cycle is the technology refresh expected to occur?	Written		24/01/2020
Department of Defence	29/11/2019	139	Kimberley Kitching	Future Submarines – Australian Companies involvement	In Senate Estimates in April this year, Rear Admiral Sammut explained that Defence was using the Australian Industry Capability Network to approach Australian industry about work on the Future Submarine project. Rear Admiral Sammut stated: “At this stage, we have 1,113 companies—Australian companies, companies with an Australian Business Number—that have registered interest with Naval Group. Naval Group has placed 105 work packages ... and we are going out with requests for information, indeed 1,018 to Australian companies.” • How many Australian businesses are in the Australian Industry Capability Network in each State/Territory? • How many Australian companies are newly registered with Naval Group? • What type of components or services are Australian companies indicating they are interested in providing? • How many of these companies are making the same product and therefore competing against one-another? • How many work orders have been placed with Australian companies for the build and supply of components or supply of services for the Future Submarines? • What is the dollar value of these work orders to date and what is their value as a percentage of the overall projected build cost of the Future Submarines? • Please provide a detailed list of these work orders to date. • What are the requirements from the French Government to certify these Australian-made products to be able to be put into the Attack Class submarines? • Does the French Government need to sign off on Australian companies looking to enter their products into the Naval Group supply chain? • If these are being built for the Australian Navy, do these companies need to be certified to Australian Standards as well? • What threshold does Naval Group have to meet to use non-Australian suppliers for the Future Submarines?	Written		24/01/2020
Department of Defence	29/11/2019	140	Kimberley Kitching	Future Submarines – 60 items	At Estimates on 29 November 2019, Rear Admiral Sammut said that “... from this point on though, for the remainder of critical main and standard and secondary equipment, Naval Group Australia has the task of approaching Australian industry to identify suitable suppliers of those equipments”. Rear Admiral Sammut went on to refer to about 60 such items. • Please provide a list of the approximately 60 items Rear Admiral Sammut was referring to. • What is the approximate value of these items as a percentage of the overall	Written		24/01/2020

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					projected build cost of the Future Submarines? • Is Naval Group Australia contractually required to source these items from an Australian supplier? • What threshold does Naval Group have to meet to use non-Australian suppliers for the Future Submarines?			
Department of Defence	29/11/2019	141	Kimberley Kitching	Future Submarines – allowance in budget	Is there allowance within either the Future Submarine acquisition budget, or the Future Submarine sustainment budget, to cover the costs of the establishment of a new submarine base for the Future Submarines should the Government decide to do so? If so, does this sit within the acquisition or sustainment budget – and what amount has been set aside in both constant and out-turned dollars?	Written		24/01/2020
Department of Defence	29/11/2019	142	Kimberley Kitching	Future Submarines – docking location	On current planning, where will mid-cycle and full cycle docking be conducted for the Future Submarines? If this is yet to be determined, approximately when does Defence anticipate a decision will be made on the location of this maintenance work for the Future Submarines?	Written		24/01/2020
Department of Defence	29/11/2019	143	Kimberley Kitching	Future Submarines – docking maintenance schedule	Please provide a nominal indicative schedule for the anticipated mid-cycle and full cycle docking maintenance for the Future Submarine fleet. If Defence is unable to provide an indicative schedule, please indicate the approximate intervals during the life of the Future Submarine fleet that Defence anticipates mid-cycle and full cycle docking will occur (for example, full cycle docking for each boat every 10 years).	Written		24/01/2020
Department of Defence	29/11/2019	144	Kimberley Kitching	ASC Assessment – Collins FCD location	Does Defence agree with ASC’s assessment in the ‘Collins Class Full Cycle Docking Location Study Interim Report’ that: “An announcement of the plan to relocate FCD work from ASC in SA to WA is expected to result in significant increased turnover at ASC North as a consequence of the low number of staff in this group who are willing to relocate to WA.” If Defence disagrees with ASC’s assessment, please outline on what basis Defence reached a different conclusion.	Written		24/01/2020
Department of Defence	29/11/2019	145	Kimberley Kitching	Future Frigates Schedule Review	At Estimates on 29 November 2019, Ms Lutz said with respect to the construction of the Future Frigates: “We are currently doing a schedule review to ensure that all of the critical milestones mean we’ve got sufficient float to enable us to meet that date.” • When did the schedule review commence? • When will it conclude? • Is Defence conducting the review? If so, which area of Defence? If not, which outside organisation is conducting the review? • Please provide a copy of the review’s terms of reference.	Written		24/01/2020
Department of Defence	29/11/2019	146	Kimberley Kitching	Future Frigates assumed phasing	At Estimates on 29 November 2019, Ms Lutz said with respect to the financial figures contained in Web Table D.2 of the 2018-19 Defence Annual Report regarding the Future Frigates: “The contract was signed end of 2018. There was a certain assumed phasing that would occur in the first half of 2019 and that did not ramp up as we had assumed.” • What was the assumed phasing? • What were the phases of the project involved? • How and to what extent were those phases re-programmed?	Written		24/01/2020

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Department of Defence	29/11/2019	147	Kimberley Kitching	ASC Shipbuilding job losses	In response to questions about ASC Shipbuilding job losses at Osborne in South Australia during Estimates on 23 October 2019, Ms Lutz said “There are 220 jobs at risk by the end of March next year” and “There are 17 positions at risk between now and the end of 2019”. Ms Lutz also said that “It means we look to be able to redeploy them in either BAE Systems, other shipbuilding companies, on Hunter, on OPV, and we are also, as I specified, developing this training course to start in the next year” and that “I’m assuming that half of those will go into the diploma, and possibly half will be at risk”. • What funding has been allocated by Defence for the workforce upskilling? • Is this funded under existing contracts or has additional funding been provided? • How much funding has been allocated? • What is the nature of the upskilling programs? For example, what occupations – and what are the numbers of each occupation in each of the upskilling programs? • What opportunities has Defence examined and identified for the remaining 50 percent of the workforce? • Which prime companies is Defence working with and where are those discussions up to? • What opportunities have been identified?	Written		24/01/2020
Department of Defence	29/11/2019	148	Kimberley Kitching	OPVs – direct and indirect jobs	During Estimates on 9 April 2019, Senator Cormann said: “The Arafura class patrol vessels, the OPVs—400 direct jobs”. • How many direct and indirect shipbuilding jobs have currently been created by the OPV project to date? • Where have these direct jobs been created? • When will the 400 direct jobs be created? • How many of these 400 direct jobs will be at Osborne? • How many of these 400 direct jobs will be at Henderson? • Have there been any job losses at Osborne on the OPV project to date? • Will there be any direct job losses at Osborne on the OPV project before the end of the year? • Could Defence please provide a profile of the expected direct and indirect OPV shipbuilding jobs created each year for the next five years, broken down by geographical location (i.e. South Australia vs Western Australia)?	Written		24/01/2020
Department of Defence	29/11/2019	149	Kimberley Kitching	OPV construction	With respect to the Offshore Patrol Vessels (OPVs): • Please provide a timeline with key milestones for the build of each of the 12 OPVs – including when construction will commence and be completed, when sea trials will occur, operational test and evaluation, and when each ship is expected to be commissioned and accepted into service. • The Naval Shipbuilding Plan states that construction of the OPVs will “... begin at the Osborne Naval Shipyard from 2018 and transferring to the Henderson Maritime Precinct when the future frigate construction program commences in 2020”. • On what date will the transfer of the OPV build to Henderson commence? • At what point will the transfer of the OPV work to Henderson conclude? • Please provide a summary of the key dates and milestones for the transfer of OPV work from Osborne to Henderson	Written		24/01/2020
Department of Defence	29/11/2019	150	Kimberley Kitching	SEA 1905 – program update	On 29 April 2019, the Prime Minister announced that the Government would build three naval vessels in Henderson, Western Australia – two mine warfare support vessels and a hydrographic vessel. The Prime Minister said: “We will bring forward the replacement of the Huon-class mine hunters from the 2030s to the mid-2020s, as part of our new Maritime Mine Countermeasures Program (to be known as SEA 1905)”. • What is the current status of SEA 1905? • What public information is available about SEA 1905 and where can it be located? • Has SEA 1905 received first pass approval? If so, when? • What are the next	Written		24/01/2020

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					steps for this project? Please provide a timeline of key milestones and gates for the project.			
Department of Defence	29/11/2019	151	Kimberley Kitching	SEA 1905 – funding	On 29 April 2019, the Prime Minister announced that the Government would build three naval vessels in Henderson, Western Australia – two mine warfare support vessels and a hydrographic vessel. The Prime Minister said that: “Over \$1 billion has been allocated for the Defence Integrated Investment Program to deliver the full scope of SEA 1905, including the building of the two mine warfare support vessels and investment in new mine countermeasure systems.” • Will Defence receive an additional capital injection to fund SEA 1905 or will funding be drawn from within the existing Integrated Investment Program (IIP) budget? • If funding is to come from within the existing IIP budget, will this necessitate any reprogramming and/or rephrasing of other projects within the IIP? If so, what other projects will be reprogrammed and/or rephrased to provide funding for SEA 1905? • How much of the \$1 billion is attributable to construction of the two mine warfare support vessels? • How much of the \$1 billion is attributable to construction and/or acquisition of new mine countermeasure systems? • How much of the \$1 billion is attributable to support and sustainment of the two mine warfare support vessels? • How much of the \$1 billion is attributable to support and sustainment of the new mine countermeasure systems?	Written		24/01/2020
Department of Defence	29/11/2019	152	Kimberley Kitching	SEA 1905 – jobs	On 29 April 2019, the Prime Minister announced that the Government would build three naval vessels in Henderson, Western Australia – two mine warfare support vessels and a hydrographic vessel. The Prime Minister said that: “This will ensure we maintain the 1,000 new jobs created to support continuous naval shipbuilding in West Australia and boost the state’s economy.” • Did Defence provide advice to Government on the number of jobs associated with these three vessels? If so, when? • What workforce modelling did Defence undertake with respect to these three vessels? When was this modelling conducted? • How many of the 1000 jobs are direct shipbuilding construction jobs at Henderson? • How many of the 1000 jobs are indirect jobs in Western Australia? • How many of the 1000 jobs are indirect jobs outside of Western Australia? • How many of the 1000 jobs will be newly created jobs directly attributable to these three vessels? • How many of the 1000 jobs are attributable to the construction of the two mine warfare support vessels? How many of these will be direct construction jobs at Henderson? • How many of the 1000 jobs are attributable to support and sustainment of the two mine warfare support vessels? How many of these will be in Western Australia? • How many of the 1000 jobs are attributable to the construction of the hydrographic military survey vessel? How many of these will be direct construction jobs at Henderson? • How many of the 1000 jobs are attributable to support and sustainment of the hydrographic military survey vessel? How many of these will be in Western Australia?	Written		24/01/2020
Department of Defence	29/11/2019	153	Kimberley Kitching	SEA 2400 – update	On 29 April 2019, the Prime Minister announced that the Government would build three naval vessels in Henderson, Western Australia – two mine warfare support vessels and a hydrographic vessel. The Prime Minister said that: “First pass approval of this hydrographic military survey vessel is expected in fourth quarter 2019, with the build commencing in the	Written		24/01/2020

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					early 2020s, at Henderson.” • What is the current status of SEA 2400? • Has first pass approval for the hydrographic vessel occurred? If so, on what date? • What are the next steps for this project? Please provide a timeline of key milestones and gates for the project. • What are Defence’s current anticipated dates for construction to commence and conclude? • Will Defence receive an additional capital injection to fund SEA 2400 or will funding be drawn from within the existing Integrated Investment Program (IIP) budget? • If funding is to come from within the existing IIP budget, will this necessitate any reprogramming and/or rephrasing of other projects within the IIP? If so, what other projects will be reprogrammed and/or rephrased to provide funding for SEA 2400? • What are the estimated costs for SEA 2400? Please provide a breakdown of costs that delineates between acquisition costs for the vessel and any other systems or capabilities being acquired under SEA 2400. Please also provide figures for support and sustainment costs that delineates between those costs attributable to the vessels and those attributable to other systems or capabilities being acquired under SEA 2400.			
Department of Defence	29/11/2019	154	Kimberley Kitching	SEA 1180 and SEA 5000 – overseas primes	With regard to SEA 1180 and SEA 5000, is it correct that Defence has agreed that overseas Primes can use, in large part, their existing overseas supply chains for at least the first three vessels? What actions are being undertaken by Defence to implement the Australian Industry Capability Policy in these Major Defence Industry Contracts awarded to overseas-owned Primes?	Written		24/01/2020
Department of Defence	29/11/2019	155	Kimberley Kitching	Australian Industry content in supply chains	For major naval shipbuilding contracts, the split of contract value is typically about 30:70 between shipyard work and the supply chain. Given the SEA 1000 and SEA 5000 contracts with the Primes do not include any mandatory requirement for a minimum level of local content in the supply chains, what work is Defence doing to ensure local Australian industry content? • Has Defence and/or the Government made any recommendations to, or placed any required outcomes on, the Primes to ensure Australian-owned Industry Participation (AIP) content within the supply chains? • Has Defence participated in any re-negotiations to increase participation of Australian-owned companies within the supply chains? • Will the Primes have contractually binding clauses for Australian content? • Has there been any development on the Bill of Materials (BOM) for each platform? If so, is there a register of interest for potential Australian companies for each item on the BOM? • Has the department conducted any consultations or meetings with Australian-owned companies to ascertain if they are satisfied with progress in relation to Australian participation within the supply chain? If so, what dates were these meetings held? Who attended these meetings? • Has any correspondence been circulated regularly to Australian companies about the number of contracts awarded for Australian Industry Participation and the value to date? • How will the local industry participation be transparently monitored and reported in SEA1000 and SEA5000? • What is the current status for the process of EOIs for the Future Submarine Program? • What has been activity undertaken with the Australian Industry Capability Network to obtain EOIs? • What are the requirements under the strategic partnership agreement (SPA) between the Commonwealth and Naval Group to ensure capability gaps in SME supply chain companies are supported and developed?	Written	Written	24/01/2020

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Department of Defence	29/11/2019	156	Kimberley Kitching	Naval Shipbuilding Advisory Board	With regard to the Naval Shipbuilding Advisory Board (NSAB): <ul style="list-style-type: none"> • What is the mission of the NSAB? • How does this work with the Naval Shipbuilding College? • How does this work with the Industry Reference Committees? • What was the cost of the NSAB for each of FY16/17, FY17/18 and FY18/19? What are its costs so far this financial year? • How many times did the NSAB meet (in person or by telephone) in each of FY16/17, FY17/18 FY18/19? Please provide a list of all meetings since the NSAB was established. • Which members of the board were present for these meetings? Please identify which members attended and participated in each meeting. • How many times has the NSAB met so far this financial year? • Has the NSAB produced any reports? If so, how many reports have been produced and on what dates were they finalised? 	Written		24/01/2020
Department of Defence	29/11/2019	157	Kimberley Kitching	Ministerial responsibilities	With regard to the Ministerial responsibilities listed on the Defence website (https://www.minister.defence.gov.au), Mr Hawke's overarching responsibility is listed as: "Support the Minister for Defence with Defence's contribution to the Australian Government's Indo-Pacific Step-Up". <ul style="list-style-type: none"> • Why does this refer to the 'Indo-Pacific Step-Up' rather than the 'Pacific Step-Up'? • What Indian-ocean countries are now officially part of the Government's 'Step-Up' initiative? • What discussions occurred with the Prime Minister and/or his office about expanding the 'Step-Up' to encompass the 'Indo-Pacific'? When did those discussions occur and who participated? • Was the Department of Foreign Affairs and Trade and/or the Minister for Foreign Affairs consulted on the expansion of the 'Step-Up' to encompass the 'Indo-Pacific'? When did those discussions occur and who participated? 	Written		24/01/2020
Department of Defence	29/11/2019	158	Kimberley Kitching	Ministerial briefs	Please provide a list of briefs, submissions and/or formal advice requested by each of Defence's four Ministers and their offices since 18 May 2019. Could this please be broken down by which Minister or office requested the advice, on what date the request was made, and when the resulting advice was provided. Please list the subject or topic of each brief, submission and/or piece of formal advice – with appropriate redactions to protect national security. Please also note whether the resulting brief, submission and/or formal advice was copied to other Ministers within the Defence portfolio – and if so, which Minister or Ministers. For the avoidance of doubt, this pertains only to the subject of any requests initiated by Defence's Ministers and/or their offices and not the contents of any advice.	Written		24/01/2020
Department of Defence	29/11/2019	159	Kimberley Kitching	Defence Exports	The Minister's Foreword in the Defence Export Strategy states: "[The] goal over the next decade to 2028 is to achieve greater export success to build a stronger, more sustainable and more globally competitive Australian defence industry to support Australia's Defence capability needs." <ul style="list-style-type: none"> • Phase 1 of the strategy – setting up institutional arrangements – was to be completed by the end of 2018. Has this been done? • What are the details of the institutional arrangements? • The Government said it would provide \$6.3 million per annum for developing a strong defence market intelligence capability and implementing strategic multi-year campaigns for priority markets and capabilities, including expanded trade shows and targeted trade missions – has this been done? • How much has been spent and where? • What market intelligence capability has been developed? • What trade shows and trade missions have been carried out? • The Government announced \$3.2 million per annum for sustaining and expanding the Global Supply Chain program. How many SMEs have 	Written		24/01/2020

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					benefitted from this program and who are they? The Government announced \$4.1 million per annum to support Australian SMEs to seek new opportunities – how many SMEs have benefitted from these grants? The Government announced it would establish a dedicated mechanism for EFIC (Export Finance Australia) to refer applications for defence export finance worth up to \$3.8 billion to be written on the National Interest Account. Has this mechanism been established? Has EFIC provided any defence export finance using this arrangement? If so, what amount of finance has been provided by EFIC? How many companies in Australia are actively exporting Defence products? What is the contribution to the economy of these Defence export companies in GDP terms? How many people are employed because of the work of Defence export companies? How many new companies has the Government made “Defence Export Ready” since this strategy was released? How much investment in each individual company does it take to make them Defence export ready on average? The certification process for Australian companies under the Defence Export Control System so that they can export is seen by many SMEs as being difficult and cumbersome. How long does Defence take to assess an application for an export certificate or permit? What is the average time it takes certificates to be processed in order for Australian companies to become Defence ready? What is the longest a company has had to wait for this process to occur? What are the barriers to processing these applications faster? The Defence website says the Defence Export Control system is staffed by a small team – how many staff are assigned to work on considering applications for export certificates? Has that number been rising or falling in recent years? Has the Government given any commitment to increase resourcing for Defence Export Controls to make it easier for Australian Defence SMEs to become export ready?			
Department of Defence	29/11/2019	160	Kimberley Kitching	Defence Export Permit application assessments	When assessing a defence export permit application: What are the circumstances that would require the Department of Defence to request additional supporting documentation from the applicant, such as a completed ‘DEC04 End-User Certificate by a Foreign Government’? What is threshold for this assessment? What is the process for Australian businesses that are exporting to ‘bulk stock’ warehouse consignees, where an end user is unknown and cannot be identified by the Australian exporter? Does the same assessment process apply to small Australian businesses supplying component parts that will be exported through several countries as part of a broader supply chain (for example, where the part might go to the UK to be fitted on to another part, and then exported to Germany)? What is the government doing to assist small businesses manage international tender processes where low-quantity supply contracts don’t meet the threshold for foreign buyers to complete end-user certificates?	Written		24/01/2020
Department of Defence	29/11/2019	161	Kimberley Kitching	Exports to India	Does the government have any current concerns with exporting Australian defence goods and services to India? If so, what are they and why, and what factors did the department consider when making this assessment? Is the government sending a defence trade delegation to India next February (5-8) to attend the DefExpo tradeshow? Did the government fund and support a defence industry trade exhibition in India earlier this year, as part of the Australian Defence Force’s Indo-Pacific Endeavour Task Force? Why is the government funding programs that facilitate Australian businesses’ access to the Indian market if there are concerns about Australian exports into this region? Why is the	Written		24/01/2020

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					government funding defence industry engagement with India, only to then restrict market access for Australian small businesses through substantial regulatory barriers, once they have worked so hard to win contracts in this market?			
Department of Defence	29/11/2019	162	Kimberley Kitching	Pacific 2019	At the Pacific 2019 international maritime expo in Sydney, the Defence Minister said that Defence is undertaking a reassessment of the strategic assumptions that underpin the most recent White Paper. • Will that be made public and, if so, when? • If those strategic assumptions change, could that mean new force structure changes and will those changes be funded from existing resources or will additional appropriations be required? • The Defence Minister also announced a separate review to examine how to make the ADF more responsive to changing circumstances. • How and when will that be made public?	Written		24/01/2020
Department of Defence	29/11/2019	163	Kimberley Kitching	Recruiting international citizens to the ADF	Has there been any consideration of recruiting Pacific islanders to the ADF and what legal changes would be required to do so?	Written		24/01/2020
Department of Defence	29/11/2019	164	Kimberley Kitching	Investment Property Presentation	In 2018, then Defence Minister Marise Payne directed Defence to investigate whether senior members of the military allowed an investment property spruiker, Hugh Ochremienko, on to Lavarack Barracks to pitch to soldiers deploying to the Middle East. • Who in Defence was charged with undertaking the investigation? • When was the investigation commenced and completed? • To whom in Defence's senior leadership group was the report presented? • Was the report provided to the Minister? If so, when? • Has the report of the investigation been made publicly available? • If not, why not? • Also if not, please provide a copy to the Committee, with appropriate redactions as necessary. • What were the key findings of the investigation? • What actions have been undertaken as a result of the investigation? • Will there be any compensation for soldiers that have lost money as a result of investing with Mr Ochremienko? • Did any of the soldiers interviewed in the investigation indicate that they were told by Mr Ochremienko and/or his associates to use their superannuation savings to buy property?	Written		24/01/2020
Department of Defence	29/11/2019	165	Kimberley Kitching	ANAO Report into Travel	With respect to the ANAO report, 'Defence's Administration of Travel Allowances Paid to APS Employees': • The ANAO found that records requested as part of this audit were in many cases not easily accessible – and in 21 per cent of cases a valid delegate approval could not be provided. It also found Defence essentially relies on an honesty system – it is left to individuals or individual business areas to maintain sufficient records to demonstrate that travel costs were appropriate and authorised. What is Defence doing to address this situation? • Is Defence taking steps to better manage travel records and approvals going forward? If so, what steps has Defence taken? • The audit also found records of approved travel are not held centrally. Is Defence taking any steps to rectify this? • The audit also found one officer ran up \$86,000 in fraudulent credit card expenses by withdrawing cash and paying for personal expenses and international travel. How does Defence account for breaches like this happening? • What is Defence doing to stop these things from occurring in the first place? • The key conclusion of the audit was that Defence's arrangements for providing assurance over the payment of travel allowances to APS employees were not fully	Written		24/01/2020

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				<p>effective. Defence has also identified shortcomings in the design of detective controls for credit cards and the ANAO found that preventative controls are not fully effective. How does Defence explain this? ¶What is Defence doing to address these key findings? ¶Has any advice on the audit findings or these issues more broadly been provided to Ministers, and if so when? ¶If so, was there any response from Ministers or their offices to this advice or have any directions been provided to the department? ¶These findings were based on a sample of travel allowance transactions and Defence has identified the fraudulent use of Defence travel cards and credit cards are a department-wide risk. Given that, how confident is Defence that there is not a much wider issue across the Department? ¶Has Defence undertaken its own internal audits on these matters? ¶The Department's Fraud Control and Investigations Branch indicated it would investigate these unauthorised transactions. Has this happened? ¶When did this investigation commence and has it concluded? If not, when will it conclude? ¶What progress has been made with regard to the investigation and what, if any, outcomes have been identified to date? ¶The audit identified a number of instances where Defence reports to senior committees overstated the progress of activities intended to improve assurance across the administration of travel and credit cards. These instances included advice that recommendations from reviews and audits had been addressed, when they had not. Does Defence agree with the ANAO that inaccurate performance reporting like this reduces accountability and senior leaders' ability to assess risks and consider the need for remediation strategies? ¶How does Defence account for this apparent pattern of behaviour? ¶What is the Department doing to address this? ¶A 2015 Review of Red Tape in Defence made similar findings and various recommendations around streamlining Defence's administration of travel approvals. A 2015-16 ANAO audit of Defence's Management of Credit and other Transaction Cards found that Defence did not have a complete and effective set of controls to manage the use of credit and other transaction cards, and made recommendations on the use of credit cards. In addition, in May 2017 the Foreign Affairs, Defence and Trade References Committee expressed interest in the Auditor-General following up on the recommendations made in that audit report. Evidently, some of these recommendations have either not been implemented, or only been partially implemented. Why is this? ¶Why has Defence not taken action sooner and failed to respond to these previous audits and reviews which had identified these issues, and failed to implement all of the recommendations of these reviews? ¶Defence has established a Travel Board to oversee travel policy and compliance. Please provide an update on its activities. ¶Has it led to any improvements? If so, what are those improvements and how has Defence measured and quantified those improvements? ¶What assurances can Defence provide that the Travel Board will improve the quality and accuracy of advice provided to Defence's senior committees? ¶That 2015 Review of Red Tape in Defence recommended Defence produce a succinct policy guidance document in plain English and that one area within the Department have policy and administrative responsibility for travel allowances. The ANAO also found there are still gaps, inconsistencies and duplication in guidance on travel policy. Has any action in response to these findings taken place?</p>		
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Department of Defence	29/11/2019	166	Kimberley Kitching	FOI – MINDI travel	With regard to a recent Freedom of Information application by SBS journalist Brett Mason seeking the cost of a trip to Europe by the Minister for Defence Industry: <ul style="list-style-type: none"> • What was the basis for Defence advising the applicant that it would take 45 hours to search for and retrieve such information? • What was the basis for Defence advising that it would take a further 97 hours to make a decision on the FOI request? • Does Defence advise its Ministers’ offices about FOI applications that are under consideration? <ul style="list-style-type: none"> o If so, what form does that advice take? o Also if so, what role do Ministers’ offices have in editing and clearing FOI responses? • Did Defence advise the Minister for Defence Industry or her office that this FOI application concerning her travel had been lodged? <ul style="list-style-type: none"> o If so, when did Defence provide that advice to the Minister or her office? 	Written		24/01/2020
Department of Defence	29/11/2019	167	Kimberley Kitching	Industrial Action against Broad spectrum	With respect to industrial action by the Australian Manufacturing Workers Union against Broad spectrum over the past three years at DMSS sites: <ul style="list-style-type: none"> • Has Defence had any engagement with Broad spectrum in relation to the industrial action? <ul style="list-style-type: none"> o If so, when did those engagements occur? o Also if so, please provide the Committee with correspondence, emails and any related documents regarding Defence’s engagement with Broad spectrum on this matter. • Has the Department had any concerns over the industrial action? <ul style="list-style-type: none"> o If so, what are Defence’s concerns? • How many working hours have been lost due to this industrial action at Broad spectrum? • In answer to question 4(b) of Senate Question on Notice 614, the Department states that the DMSS contract held by Broad spectrum, “does not enable the recording of hours lost due to industrial action”. <ul style="list-style-type: none"> o Why does Defence not expect a contractor that is required to deliver a specified number of working hours to maintain a record of hours lost to sustained industrial action over a long period of time? o Does Defence agree that hours lost to industrial action is directly material to a contractor being able to meet their KPIs if deliverable hours is a KPI? o How is it possible that so many hours can be lost and financial abatement is not applied, as is Defence’s right under the contract? • In answer to question 6 of Senate Question on Notice 614, the Department states that “industrial action may affect the maximum number of hours Broad spectrum can deliver. However, over a quarter, any impact may be limited or offset”. By what means could Broad spectrum limit or offset the impact of the industrial action? <ul style="list-style-type: none"> o For example, has Broad spectrum brought in sub-contractors? If so, have they had the necessary security clearances? 	Written		24/01/2020
Department of Defence	29/11/2019	168	Kimberley Kitching	APS staffing	With respect to APS staffing levels: <ul style="list-style-type: none"> • Defence’s latest annual report shows the number of APS employees was 16,902 in 2018-19. Is that as at 30 June 2019? <ul style="list-style-type: none"> o If not, what is the figure as at 30 June 2019? • The Annual Report shows that the 2018-19 figure of 16,902 APS employees is down from 18,798 in 2017-18. That’s 1,896 fewer APS employees, a 10 per cent cut. Why has Defence run down its APS staff levels by such a large amount? <ul style="list-style-type: none"> • Is Defence under the current Average Staffing Level (ASL) cap? If so by how much? • What will be the impact on Defence of the additional efficiency dividend announced by the Government just before the 2019 federal election? <ul style="list-style-type: none"> o How many jobs does Defence expect to cut as a result of this additional efficiency dividend? o Where are those jobs likely to come from? • What are the guidelines or practices that apply when a contractor or labour 	Written		24/01/2020

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					hire staff member is engaged instead of an APS employee? • How does Defence decide if work is going to be done by an APS employee or someone employed under contract, labour hire arrangements or some other third party arrangement? • What is the staffing budget for directly employed staff versus staff engaged through contracting and labour hire arrangements? • Is work that has traditionally been performed by APS staff being allocated to uniformed personnel in the Defence Finance Group? Is this because of the ASL cap? • Is work that has traditionally been performed by APS staff being allocated to Defence Reservists? If so, how many Defence Reservists are currently being employed in the Department of Defence? Is this because of the ASL cap? • Are contractors in the Capability Acquisitions and Sustainment Group being effectively employed using 'capability money' – money that would ordinarily be spent on military equipment?			
Department of Defence	29/11/2019	169	Kimberley Kitching	First Principles Review – Staffing impact	What impact has the First Principles Review had on APS staffing levels? • Have staffing cuts because of the First Principles Review been driven by that Review's focus on 'contestability' and 'transactional work'? • What does 'contestability' mean in terms of the First Principles Review? • What does contestability mean at the service delivery, program and project levels? • Is contestability purely a commercial process that outsources functions or does it consider the long-term viability of the affected functions?	Written		24/01/2020
Department of Defence	29/11/2019	170	Kimberley Kitching	2018 YourSay Survey	With respect to Defence's biannual YourSay survey in 2018: • Have those survey results been made available to staff yet? If not, when will they be? • What do those results indicate about employee attitudes in Defence? • How do those results compare with previous surveys?	Written		24/01/2020
Department of Defence	29/11/2019	171	Kimberley Kitching	Fuel storage	During Supplementary Budget Estimates on 24 October 2018, Commander of Joint Logistics, Major General Mulhall, said: "Regarding this notion of how much stock we actually have, our assessment is that we have significant holdings and it is sufficient for our defence purpose". Since then, the Department of the Environment and Energy published the interim report of the Liquid Fuel Security Review, which reported that: "Defence maintains storage facilities around the nation, with stock levels normally around 50 per cent of total Defence storage capacity. These stocks provide several weeks' coverage for vehicle and jet fuels to months of supply for naval fuels at normal rates of consumption". How are these 'normal rates of consumption' calculated? For example, does Defence average its annual consumption across several years to identify these 'normal rates'? Do these 'normal rates of consumption' include fuel use during exercises and operations – or is the use of fuels during exercises and operations considered to be 'extraordinary' consumption that is calculated separately? Is it correct to assume that these 'normal rates of consumption' only account for fuel use in Australia? Is it also correct to assume they do not take into account, for example, ADF assets refuelling in the Middle East? What is the rationale for Defence's stock levels being maintained at around 50 per cent of total storage capacity rather than closer to 100 per cent? With regard to Major General Mulhall's comments at Supplementary Budget Estimates last year that Defence has: "significant holdings and it is sufficient for our defence purpose": What are the trigger points or factors that Defence would see as necessitating higher stock holdings of fuel? Are Defence's fuel holdings assessed against these factors as part of a regularly scheduled process or is it more ad hoc? The interim report of the Liquid Fuel Security Review states: "Defence has a range of	Written		24/01/2020

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					contingency options to meet increased fuel demand. These include increasing storage by: <ul style="list-style-type: none"> ensuring existing fuel storage is held at maximum capacity using surge provisions in supply contracts buying additional fuel and paying for its storage in commercial facilities hiring commercial fuel tankers for additional storage capacity. <p>The contingency options outlined in the interim report assume a capacity to go to the market and procure more fuel. In a time of heightened tensions or a war-like situation in Australia’s immediate region, how confident is Defence that it could procure additional fuel through its supply contracts? The interim report says Defence’s fuel stocks: “... provide several weeks’ coverage for vehicle and jet fuels”. Is it the case that the “several weeks’ coverage” would very quickly dwindle if the ADF was conducting, for example, major air operations from the Australian mainland? Is it fair to say that the current assessments about the adequacy of Defence’s holdings do not assume major operations being conducted from the Australian mainland? What is Defence doing to improve the certainty of its existing fuel supply chain? In Darwin, for example, is it correct that fuel arrives at Darwin Port, that there is some storage at the port, and then fuel is trucked to RAAF Base Darwin? Does that mean that Defence’s fuel supply to RAAF Base Darwin and other defence establishments in the area is subject to the vagaries of the NT’s weather, road closures and vehicle accidents, and unrestricted access to Darwin Port?</p>			
Department of Defence	29/11/2019	172	Kimberley Kitching	Army Pacific Support Company	Can Defence please provide an update on the establishment of the new Army Pacific Support Company? <ul style="list-style-type: none"> How many ADF personnel are involved? Where will it be based? What activities will be undertaken? Which Pacific countries will be involved? 	Written		24/01/2020
Department of Defence	29/11/2019	173	Kimberley Kitching	White House fact sheet	A fact sheet issued by the White House during the Prime Minister’s visit to Washington says: “Our two countries have agreed to develop a new mechanism to strengthen and align coordination of our Indo-Pacific strategies to promote peace and stability in the region.” <ul style="list-style-type: none"> Is Defence aware of the agreement to develop this new mechanism? What information does Defence have about the new mechanism? Does Defence expect to be involved? How will the new mechanism fit into existing coordination arrangements between Australia and the US? 			24/01/2020
Department of Defence	29/11/2019	174	Kimberley Kitching	ICT Investment	Defence’s Portfolio Budget Statements 2019-20 (table 4, page 20) estimates investment on ICT projects of \$3,588.1 million over the forward estimates. <ul style="list-style-type: none"> What are the main components of this ICT investment plan? What are the largest ICT investment projects Defence is currently undertaking? <p>The Australian Strategic Policy Institute’s Defence Budget Brief 2019-2020 has looked at the ICT investment numbers in the Portfolio Budget Statements and Portfolio Additional Estimates Statements (page 47). Those numbers show ICT investment dropped from around \$850 million in 2016-17 to \$245 million in 2017-18. <ul style="list-style-type: none"> What was the reason for the sharp drop in 2017-18? What have been the actual outcomes for ICT investment expenditure in each year since 2013-14? <p>ASPI’s Defence Budget Brief 2019-2020 says there is no discussion or meaningful information about Defence’s ICT investment program in the PBS, Defence’s Annual Report, Defence’s website or the ANAO’s Major Projects Report. ASPI states: “A project could go catastrophically bad or require a budget increase of hundreds of millions of dollars and there would be no public reporting on it. It isn’t clear how parliament is informed of the performance of the ICT</p> </p>	Written		24/01/2020

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					program” (page 47). • Why does Defence provide so little public reporting of its ICT investment projects? • What steps will Defence take to improve public reporting and accountability for its ICT investment projects?			
Department of Defence	29/11/2019	175	Kimberley Kitching	Tiger Helicopter	With respect to Army’s Tiger helicopters: • What is the current operational availability of the Tigers? • What is the cost per flying hour of the Tigers? • Is Defence satisfied with the Tiger’s performance in the maritime environment? • The Integrated Investment Program notes the Tiger’s troubled history and says: “essential upgrades are programmed to maintain the capability’s effectiveness”. • What is the status of these upgrades? • What is the cost of these upgrades? • What is the remaining effective life of the Tigers? • The Integrated Investment Program also states that: “Defence will invest in a future armed reconnaissance capability to replace the Tiger, which could include manned or unmanned systems or a combination of both, to be introduced from the mid-2020s.” • What is the status of the project to replace the Tigers? • Has first pass approval been provided? If so, when? • Has second pass approval been provided? If not, when is it anticipated the second pass approval will be considered? • The media has reported that Defence has issued a request for information to replace the Tigers with a mature, off the shelf, manned helicopter. Is that correct? • What are the capabilities and details in terms of numbers of aircraft set out in the request for information? • Has Defence decided it will not consider unmanned systems as part of this project? • Media reports say Boeing has put forward its AH-64E Apache and Bell has put forward the AH-1Z Viper. • Have any other capabilities been proposed? • What would be the cost of acquiring the relevant number of Apaches? • What is the cost per flying hour of the Apache? • What are the next steps in this project?	Written		24/01/2020
Department of Defence	29/11/2019	176	Kimberley Kitching	US Force Posture Initiative	With respect to the US Force Posture Initiatives: • This year’s US Marine presence is reported to have reached around 2,500 personnel, up from around 1,580 the previous year. This appears to have occurred in two waves, with the first wave of Marines arriving in around April as normal, and then a second wave in July. How many Marines arrived in each of these waves or tranches? • Why did the Marines arrive in two distinct waves or tranches rather than as one six-month rotation? • How long did the first tranche of Marines remain in Australia? Was it for a full six-month rotation? • How long did the second tranche of Marines remain in Australia? • Were all 2,500 Marines based in Darwin for the duration of their stay? If not, where were they based? • Is there currently sufficient living and working accommodation and infrastructure to support a rotation of 2,500 Marines and equipment in Darwin for the full duration of a six-month rotation? If not, what needs to be built for this to be possible? • How many Marines does Defence anticipate will be in next year’s rotation in Darwin? Is it likely to be more or less or the same as this year at around 2,500 personnel? • If it is likely to be about the same, is Defence planning on the full complement of around 2,500 Marines being deployed as one body for the full six-month rotation or is it more likely it will again occur in two tranches with different lengths of stay? • What infrastructure has been built by Australia and/or the United States to date to support the Marine Rotation Force – Darwin? Please provide an itemised list of all infrastructure built to date, including approximate costs for the works and the extent of any cost-sharing between Australia and the United States. • What additional infrastructure has been identified as	Written		24/01/2020

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					being required to support the Marine Rotational Force – Darwin? Please provide an itemised list of additional infrastructure required and, where known, an indication of whether there will be any cost-sharing between Australia and the United States as well as any anticipated rough order of magnitude costs. With respect to the Enhanced Air Cooperation element of the US Force Posture Initiatives, please provide an itemised list of all activities that have occurred under this element of the US Force Posture Initiatives since its inception in February 2017. What infrastructure has been built by Australia and/or the United States to support the Enhanced Air Cooperation element of the US Force Posture Initiatives? Please provide an itemised list of all infrastructure built to date, including approximate costs for the works and the extent of any cost-sharing between Australia and the United States? What additional infrastructure has been identified as being required to support Enhanced Air Cooperation activities? Please provide an itemised list of additional infrastructure required and, where known, an indication of whether there will be any cost-sharing between Australia and the United States as well as any anticipated rough order of magnitude costs? According to ASPI’s Peter Jennings, writing in The Australian newspaper on 14 September this year: “At the time of the Obama-Gillard agreement on expanded co-operation in 2011, it was thought that a US naval presence operating out of HMAS Stirling in Western Australia would be a new phase of engagement”. Have there been any discussions with the United States on expanding the US Force Posture Initiatives in Australia, including with respect to a naval element?			
Department of Defence	29/11/2019	177	Kimberley Kitching	Northern Territory Infrastructure work packages	The Government announced on 3 May 2019 that it would direct Defence to bring forward the start date on approved defence infrastructure work packages in the Northern Territory. Please provide a list of all approved defence infrastructure work packages in the Northern Territory as of 1 May 2019, the estimated total cost of work package, the date that work commenced on each package and the amount of actual expenditure on each package to date.	Written		24/01/2020
Department of Defence	29/11/2019	178	Kimberley Kitching	AIR 6000 Phase 2A B	In regard to AIR 6000 Phase 2A/B: Defence’s 2018-19 Annual Report shows in Web Table D.2 – Top 30 Acquisition Projects by Expenditure that expenditure on this project in 2018-19 was \$1,942 million. That was up from the Budget estimate of \$1,821 million. What caused the extra \$121 million in expenditure? Is the Joint Strike Fighter acquisition on the projects of interest list? If so, when did it first become a project of interest? Also if so, why is it regarded as a project of interest? The December 2018 Capability Acquisition and Sustainment Quarterly Performance Report’s traffic light indicators have risks to schedule and cost marked as amber. What are the risks to the cost of the project? What are the risks to the schedule? Are there any risks to the capability? If so, what are they? What remediation strategies are in place to deal with these risks?	Written		24/01/2020
Department of Defence	29/11/2019	179	Kimberley Kitching	ANAO Major Projects Report - JSF	In the ANAO’s 2017-18 Major Projects Report and the Project Data Summary Sheet (PDSS) for the Joint Strike Fighter project, Section 5.2 of the PDSS identifies project issues. Can Defence please provide an explanation of these issues and an update on remedial action for each of the following: Maintenance Weapon Loading Small Group Try Outs Ejection system Continuous Capability Development and Delivery Delays to software upgrades to the Full Mission Simulator Follow On Modernisation upgrades Delivery schedule for the BLOS (Beyond Line of Sight) communications capability Delivery of Enterprise Architecture	Written		24/01/2020

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					Management ¶ Delayed provision of contracted training workforce. ¶ The PDSS also notes the issues around maritime strike capability and says Air Force is investigating options. What is the state of play with the F-35A's maritime strike capability – when does Defence expect to have that capability and what options are there for addressing this issue?			
Department of Defence	29/11 /2019	180	Kimberley Kitching	JSF Sustainment – Global Support Solution	<p>A report by the US Government Accountability Office in April 2019 entitled F-35 Aircraft Sustainment (GAO-19-321) identified significant supply chain issues with the F-35 in the US. It says: <i>“The US Air Force, Marine Corps, and Navy share a pool of spare parts with partners around the world. But shortages, repair backlogs, and mismatched parts are keeping F-35s on the ground. For example, F-35 aircraft were unable to fly nearly 30 per cent of the time from May through November 2018 because they didn't have the parts they needed.”</i> ¶ How are these problems affecting Australia? ¶ The US GAO report also says: <i>“DOD's networks for moving F-35 parts around the world are immature, and overseas F-35 customers have experienced long wait times for parts needed to repair aircraft.”</i> ¶ Has that been Australia's experience? ¶ The ANAO's Report No 14 of 2018-19 on the Joint Strike Fighter - Introduction into Service and Sustainment Planning says there is a lack of confidence within Defence about the global support arrangements for aircraft based outside the US and that Defence has identified the immaturity of the Global Support Solution (GSS) as the primary risk to JSF sustainment. ¶ What are the issues with the GSS? ¶ How will this affect introduction of the Australian aircraft into service and their availability and operation? ¶ What steps are being taken to address the risks to the JSF's sustainment? ¶ The ANAO report says Defence has informed the Air Worthiness Board that global shortages of spare parts might mean that Australia does not have enough spares for the Joint Strike Fighter to meet its operational requirements. ¶ Can Defence explain the problem with spare parts? ¶ Has Defence updated its advice to the Air Worthiness Board on this issue? If so, when and what advice has been provided on this issue? ¶ The ANAO report says: <i>“... Defence is dependent on a spare parts supply system that is not fully developed, and is currently experiencing shortages due to competition for parts as the global JSF aircraft fleet increases ... Defence has recognised that supply shortages are a risk to the JSF aircraft's introduction into Australian service, and is largely dependent on the solutions the F-35 JPO is putting in place to increase the availability of spare parts for the global JSF aircraft fleet.”</i> ¶ Has Defence developed any options for managing these risks beyond relying on the Joint Program Office? ¶ The ANAO report says the Independent Assurance Review Board has also raised concerns about the GSS. It quotes the October 2018 Independent Assurance Reviewer as saying: <i>“The project team advised of a range of measures being undertaken by the US JPO to resolve the issue, but in my view the situation will not be fully resolved for a number of years.”</i> ¶ Does Defence agree with the Independent Assurance Review that this situation will not be resolved for a number of years? ¶ The ANAO report quotes the Independent Assurance Reviewer as saying: <i>“I am concerned about the level of funding for operation and support of our JSF. The funds required for sustainment, even for the next few years, have yet to be quantified or allocated. Sourcing the operating and sustainment funds for FOC [Final Operational Capability] and beyond could be a major challenge, particularly if those costs are not contained through the global support arrangements.”</i> ¶ Is it correct that the funds needed for sustainment in the next few years have yet not been quantified or allocated? If so, why not and when will the</p>	Written		24/01/2020

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					funds be quantified and allocated? If not, what amount of funds will be required for sustainment in both constant and out-turned dollars and have these funds been approved by government? The ANAO report says Defence's JSF Division has identified cost pressures. What are these pressures? The ANAO report says the JSF Division has developed cost reduction and deferral options and presented these to Government. What are these options? What steps are being taken to ensure there is sufficient funding for operation and sustainment of Australia's Joint Strike Fighters?			
Department of Defence	29/11/2019	181	Kimberley Kitching	JSF Potential Retrofits	A report by the US Government Accountability Office in April this year on the Joint Strike Fighter (GAO-19-321) says the 357 aircraft delivered through 2018 will need retrofits to fix deficiencies and design issues found during testing. It says this number includes international partner and foreign military sales aircraft. Will any of the aircraft being acquired by Australia require retrofitting to address these issues?	Written		24/01/2020
Department of Defence	29/11/2019	182	Kimberley Kitching	Pilot Training System Project	Can Defence provide the following information about the Pilot Training System project (AIR5428PH1). What type of aircraft and other systems are being acquired? Why is this project listed as a Project of Interest – what are the issues? When will the project achieve Initial Operational Capability (IOC) and Final Operational Capability (FOC)? How much of a delay is that from the originally scheduled IOC and FOC? What are the issues needing remediation and what is the remediation strategy? Has flying training started on the new equipment? How many aircraft have been delivered?	Written		24/01/2020
Department of Defence	29/11/2019	183	Kimberley Kitching	Airborne Early Warning and Control Upgrade project	Can Defence provide an update on the Airborne Early Warning and Control Upgrade project (AIR5077PH5A)? The March 2019 Capability Acquisition and Sustainment Quarterly Performance Report says there has been 12 months slippage from the original schedule. Why is that? What date was Final Operational Capability originally scheduled and what date is it now expected to be achieved? What remediation strategies are being implemented?	Written		24/01/2020
Department of Defence	29/11/2019	184	Kimberley Kitching	ADF Superannuation Scheme	Where is the Government up to in implementing the Budget measure to extend ADF Superannuation Scheme membership eligibility to allow ADF personnel to remain contributory members after they leave the ADF? What are the steps needed to implement this measure? Will it require legislation or other regulatory changes to ADF Super?	Written		
Department of Defence	29/11/2019	185	Kimberley Kitching	LAND2097 Phase Four	Can Defence provide an update on the progress of LAND2097 Phase Four – the Special Forces light helicopter project? Given the success of several military off the shelf purchases – such as the C-17A, the super Hornet and MH-60R for Navy – is Defence considering a military-off-the-shelf purchase for LAND2097 Phase Four? Rather than purchase another different helicopter type, is Defence considering purchasing the latest in-service Special Forces Blackhawk type used by the US military to reduce risk and ensure there are no capability gaps? If not, why not?	Written		24/01/2020
Department of Defence	29/11/2019	186	Kimberley Kitching	Defence Estate Energy Strategy	Defence is the biggest energy user in the Federal Government and the Defence Estate Energy Strategy sets out how energy saving initiatives will be implemented. When is Defence planning to provide the follow up Defence Estate Energy Strategy, given the current Strategy is due to expire shortly? The first section of the Strategy outlines Defence's goals toward improving efficiency of existing assets and equipment. One of its goals is to "continue to improve the availability, quality and resolution of energy usage data	Written		24/01/2020

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					<p><i>through the energy sub-meter program.</i>” As part of this, Defence has an initiative to continue to roll-out the sub-meter program across the Defence Estate. ¶ Given the Strategy preceding the current Strategy stated in 2008 that the roll-out of the sub-metering program was expected to be complete within two to three years, can Defence advise what stalled this process, and whether the roll-out is now in fact complete across the Defence Estate? ¶ Another goal of the Strategy is to <i>“implement a supported energy audit improvement program targeting high energy use facilities each year.”</i> ¶ How many Defence Estate facilities have been audited in the period of the Strategy, 2014 to 2019? ¶ What was the outcome of these audits? What remedies were taken if a facility’s energy consumption was high? ¶ How many audits resulted in facility retrofits? How much was energy consumption reduced following any retrofits? ¶ Another of the Strategy’s goals is to develop <i>“energy management plans for all regions and priority sites.”</i> ¶ Have energy management plans been developed for all priority sites? ¶ Another section of the Strategy is concerned with using energy from renewable and alternative sources. ¶ How many Defence Estate facilities were generating or operating using renewable energy prior to this Strategy? ¶ How many feasibility studies have been completed at priority sites to determine the sites with the greatest renewable energy potential? ¶ How many facilities are earmarked to transition to operating using renewable energy sources? ¶ How many Defence Estate sites in total are currently generating and operating on renewable energy sources?</p>			
Department of Defence	29/11/2019	187	Kimberley Kitching	Incoming Government Brief – Fraud Loss and recovery	<p>Defence recently released the Incoming Government Brief under Freedom of Information. The document was heavily redacted. At page 251 of the Incoming Government Brief released under FOI a table showing fraud losses and recoveries over recent years has been redacted. ¶ Why was this table redacted when the same information about fraud losses and recoveries is published every year in Defence’s annual report? ¶ On what basis did Defence’s FOI decision maker conclude that this material was exempt under section 47D of the FOI Act – which applies to material that would have an adverse impact on the Commonwealth’s financial interests – when Defence publishes this information every year in its annual report? ¶ Is Defence satisfied that the decision to redact this table in the Incoming Government Brief complied with the Freedom of Information Act? ¶ Are the figures on fraud losses and recoveries in the Incoming Government Brief different to the figures published in the annual report? ¶ If so, why?</p>	Written		24/01/2020
Department of Defence	29/11/2019	188	Kimberley Kitching	Incoming Government Brief – ICT Vetting System	<p>Defence’s Incoming Government Brief, which was recently released under Freedom of Information, discusses a project to develop a new ICT vetting system for the Australian Government Security and Vetting Agency (AGSVA). ¶ Can Defence provide an overview of the purpose of this project? ¶ What capabilities will the new system provide? ¶ How much will the new system cost? ¶ Has funding been provided? ¶ Where is the procurement process up to? Has a request for tender been issued? If so, when? Has a proponent been selected? If so, when and who was the proponent? ¶ What is the role of the Industry Vetting Providers in the Government’s security vetting processes? ¶ How many APS employees were engaged by AGSVA at 30 June 2019? ¶ How many contractors or Industry Vetting Provider employees were engaged in AGSVA operations at 30 June 2019? ¶ Evidence presented to the Joint Committee of Public Accounts and Audit in August 2018 indicated that 85 per cent of security clearances are undertaken by contractors, including a growing number of positive</p>	Written		24/01/2020

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					vetting clearances. ¶Is this growing use of contractors driven by Average Staffing Level (ASL) caps? ¶Should ASL caps be imposed on a function that is central to protecting national security?			
Department of Defence	29/11 /2019	189	Kimberley Kitching	Pacific Step Up HADR Vessel	<p>With regard to the acquisition of the dedicated vessel the Prime Minister announced on 8 November 2018 as part of the Pacific ‘Step-up’, Vice Admiral Noonan said during Budget estimates on 10 April this year that: “... we’re still looking at a variety of options, and I’d be looking to provide advice to government later this year for consideration in terms of what we might go forward with for that vessel”. ¶Has Defence now provided advice to the Government on potential options? ¶If so, when did Defence provide those options and has the Government made a decision? ¶If not, is Defence still intending to provide options to the Government this year or is that now more likely to occur next year? ¶In April, Vice Admiral Noonan was only willing to provide a broad outline of what this vessel might look like; that it would be: “more than a thousand tonnes and probably less than 6,000 tonnes”. Now that Defence has had a further six months to work through the details, what type of vessel does Defence envisage filling this role? ¶What type of ship is Defence looking at acquiring? ¶How large will it be? ¶Will it have an aviation capability such as helicopter landing facilities? ¶When does Defence expect to finalise its acquisition plans for this vessel? ¶Will Defence need Cabinet approval – when will that happen? ¶When will Defence approach the market? ¶What is the expected cost of the vessel? ¶When is it expected to be commissioned and enter into service? ¶Vice Admiral Noonan also said in April that: “What I’m currently looking at is what might be available in terms of a short-term requirement, if we are to put something there quickly—and it might be that we lease a commercial vessel in the first instance ...”. ¶Does that remain the case – is Defence still looking at the option of leasing a commercial vessel in the first instance ahead of a more permanent solution? ¶¶When asked where this vessel would be built during an interview on Sky News on 15 November 2018, then Defence Minister Christopher Pyne said: “I strongly anticipate it will be built in Australia”. ¶Do all options under development and/or consideration assume the vessel will be built in Australia? ¶Are there any options under development and/or consideration that involve a vessel built elsewhere? If so, what are those options? ¶Is Defence also looking at the possibility of procuring a second-hand vessel rather than having one purpose built? If so, has Defence already identified any potential second-hand vessels for purchase? ¶¶At Additional Estimates on 20 February this year, officials said that acquisition and sustainment of this vessel will be funded from within the Defence Integrated Investment Program (IIP) without any new capital injection. Secretary Moriarty said: “We will reprioritise to take into account this new government initiative”. ¶•</p> <p>Does it remain the case that funding for the dedicated Pacific vessel will be from the IIP without any new capital injection? If so, what other IIP projects have been reprioritised to take into account the new vessel. ¶¶At Additional Estimates on 20 February this year, Vice Admiral Johnston said: “To fund the provisions for the south-west Pacific measures, what we looked at was: there were some estate impacts, some capability equipment impacts and some of our training systems. They involve generally re-profiling, so moving money around or some adjustments in time frames”. He then confirmed that other</p>	Written		24/01/2020

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					<p>programs were: “Deferred or the profiling of them, when they have money available, has been shifted”. • Could Defence please detail which other programs have been deferred or reprofiled and to what extent in terms of both time and money? • With respect to the operation of this vessel: • What operational activities are intended to be carried out by the vessel? • Would it only be operating in response to humanitarian or disaster relief situations when they occur – or will it conduct other operations when there are no immediate crises to respond to? • Where will it be based? • How much time is it anticipated that it would spend in the Pacific? • Former Defence Minister Pyne said it would operate “semi-permanently” in the south west Pacific. What does that mean? • Vice Admiral Noonan has said the vessel would operate for months at a time in the Pacific. Can Defence provide more details of the kind of deployments and operations that will be undertaken? • What are the challenges for sustainment and crewing? • What arrangements are being made to sustain operations for months at a time in the south west Pacific?</p>			
Department of Defence	29/11/2019	190	Kimberley Kitching	Pacific Patrol Boat Program	<ul style="list-style-type: none"> With regard to the Pacific Patrol Boat Program: • How many of the new Pacific patrol boats have been completed and handed over to date? • To which countries have new boats been handed over and when was each boat handed over? • Is the program on track to complete and hand over all 21 vessels by 2023? • What are the expected completion and hand over dates for each of the remaining boats? • There have been media reports that Samoa was left without a patrol boat for several months after its old boat was sailed to Australia in June before it took delivery of its new boat. • Is that correct? If so, why did that happen? • Media reports quoted Samoa’s police commissioner saying he was worried about how police would respond to any incidents without a patrol boat for four months. Are there any steps Defence can take to avoid gaps in the smaller Pacific partner countries between returning the old boats and taking delivery of the new vessels? • With respect to Papua New Guinea’s boat, HMPNGS Ted Diro: • Why has HMPNGS Ted Diro been returned to Australia for maintenance? • What was the problem with the HMPNGS Ted Diro? • Who will meet the cost of repairing the Ted Diro? • What is the cost expected to be? • What steps is Defence taking to ensure similar problems will not affect the other completed patrol boats? 	Written		24/01/2020
Department of Defence	29/11/2019	191	Kimberley Kitching	Vehicle Jacks	<ul style="list-style-type: none"> Has Defence purchased imported or locally-manufactured jacks for the Army’s Bushmaster vehicles? • Has Defence purchased imported or locally-manufactured jacks for the Hawkei vehicles? • Has Defence or its prime contractors purchased imported jacks which do not meet Australian Standards? • Is Defence purchasing imported jacks which are more expensive than the locally manufactured alternatives? 	Written		24/01/2020
Department of Defence	29/11/2019	192	Kimberley Kitching	Self-Propelled Howitzers	<p>On 14 May this year, the Prime Minister, Senator Reynolds and (now) Senator Henderson issued a joint media release committing to the acquisition of 30 self-propelled howitzers. • When did Defence become aware that this announcement was going to take place – and how did Defence become aware? • Did Defence provide any advice to government about the acquisition of 30 self-propelled howitzers? If so, when was it provided, by what date did Defence seek approval for the acquisition, and when was approval granted? • Did this</p>	Written		24/01/2020

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					<p>acquisition go through a formal Cabinet process? If so, when? What are the estimated costs associated with this acquisition and when did Defence develop those costings? How will this acquisition be funded – will it be through a new capital injection or will the Integrated Investment Program be re-programmed? Please provide an itemised and dated list of all correspondence, advice and submissions provided to or requested by the Prime Minister, Senator Reynolds and/or the then Member for Corangamite and their offices with respect to this matter. For the avoidance of doubt, this request relates to the dates of all correspondence and/or advice, not the contents. In the 14 May media release, Senator Reynolds is quoted as saying that the government will use “an accelerated approval process”. What is the “accelerated approval process” the Department is using? Did Defence recommend this “accelerated approval process” to government and, if so, when? What steps have been taken to date as part of this “accelerated approval process” and when did they occur? Please provide a detailed timeline for the key milestones and gates for the approval and acquisition process for this acquisition. On 10 September 2019, the Geelong Advertiser published an article entitled ‘Defence project is yet to fire’ that quotes a Defence spokesperson as saying: “Defence will provide options to the Government for consideration”. Is it accurate that at the time this article was published, Defence was yet to provide options to Government? Has Defence now provided formal advice on options for this acquisition? If so, when? If not, when is Defence planning to provide this advice to the Government? In the 14 May press release, Senator Reynolds said: “This will ensure that an Australian prime contractor can deliver a world-class platform with work beginning in Geelong before the end of 2022-23”. Did Defence provide any advice or recommendations to the Government concerning the geographical location of this work? If so, when and by what means was that advice provided? Did Defence advise the Government that work on this capability could commence before the end of 2022-23? When and by what means was that advice provided? What level of certainty does Defence have that work on this capability will commence before the end of 2022-23? What is the risk assessment associated with this timeframe? The 14 May Government press releases states that the howitzers will be: “... built and maintained in Geelong, creating up to 350 jobs”. Did Defence provide advice to government on expected job creation figures and, if so, when? What workforce modelling did Defence conduct – and when was it conducted – to arrive at a figure of “up to 350 jobs”? How many of these 350 jobs are direct jobs or indirect jobs? To date, how many jobs has this acquisition created – and how many of those are in Geelong? When will the complete complement of “up to 350 jobs” be realised – and how many of those will be in Geelong?</p>			
Department of Defence	29/11/2019	193	Kimberley Kitching	BUPA	<ul style="list-style-type: none"> With the respect to Bupa being selected for the Defence health contract: What were the criteria used during the tender selection process? What was the relative weighting given to each criterion? How was Bupa ranked relative to other bidders against each of the criterion? At what point(s) in the process did Defence provide formal or informal updates or advice to the Minister and the Minister's office on the contract? Please provide an itemised list of all communications and/or advice to or from the Department and the Minister and the Minister's office about this matter. For the avoidance of doubt, this request 	Written		24/01/2020

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					relates to the dates of all correspondence and/or advice, not the contents.¶As part of its bid, did Bupa make any undertakings with respect to reducing costs?¶Are there any elements of the arrangements with Bupa that include goals or targets with respect to cost reductions over the life of the contract?¶Did Defence recommend a preferred supplier to Government for this contact – and was Bupa Defence’s recommended supplier?¶At any point in the process, did Defence put forward a view or advice to the Minister that a company other than Bupa was Defence’s preference or that another company had been ranked more highly than Bupa during the assessment of competing bids?¶At any point in the process, was Defence asked to re-examine or review its assessment of the competing bids?¶Please provide a timeline of the key milestones in the tender and selection process, outlining the key steps and phases of each of those processes, as well as the approval process by Government.			
Department of Defence	29/11/2019	194	Kimberley Kitching	Australian Antarctic Program	<ul style="list-style-type: none"> ○ With regard to the support Defence provides to the Australian Antarctic Program under Operation Southern Discovery:¶Could Defence outline what support is currently provided under this Operation?¶Does Defence provide any other support with respect to Australia’s presence in Antarctica outside the ambit of Operation Southern Discovery?¶Does Defence have any asserts permanently based in Antarctica – or are they rotated in as required?¶Is Defence concerned about reports that other nations, including China and Russia, may have established assets with dual-use civil-military purposes in the Antarctic?¶Does Defence have any role in monitoring or assessing concerns about militarisation in the Antarctic region?¶What, if any, involvement has Defence had in ensuring that Australia’s Antarctic claim is free of other states’ military assets?¶Does Defence envisage taking on an increased role in the future in protecting Australia’s Antarctic interests given increased activity in the area from other states?¶For example, has Defence given any consideration to a dedicated heavy-lift support capability in the Antarctic?¶What about future naval capabilities – has any consideration been given to their design and use in the context of potentially operating more frequently in the Antarctic region?¶Has Defence had any discussions with close partners, such as New Zealand, about shared defence logistics support arrangements in Antarctica? 	Written		24/01/2020
Department of Defence	29/11/2019	195	Kimberley Kitching	PFAS	With respect to per- and poly-fluoroalkyl substances (PFAS): ¶Has the Government received any written advice regarding the suitability of establishing Maximum Residue Limits for PFAS in the following food items: beef, milk, green vegetables, eggs?¶Has the Government received any advice from any overseas jurisdictions regarding the setting of Maximum Residue Limits for PFAS in beef and milk?¶Has the Government ratified or is it intending to ratify the Stockholm Convention Annexes about PFAS?¶Is the Government aware of any current legislation that prevents it from ratifying the Stockholm Convention Annexes?¶What is the situation regarding litigation against the Commonwealth regarding PFAS contamination around the nation?¶Is the Commonwealth involved in or prepared to	Written		24/01/2020

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					engage in settlement negotiations with the claimants? Are there contingency plans in place for the possibility of an outcome against the Commonwealth? Can Defence please provide a summary of its views with respect to the latest international research regarding the possible health effects of PFAS and landscape and waterways decontamination techniques? What are the latest plans to deal with the decontamination processes of affected land and waterways? What assurances is the Government providing to affected communities regarding health monitoring and remediation?			
Department of Defence	29/11/2019	196	Kimberley Kitching	MRH90 - Taipan	With regard to the capability acquisition project AIR9000 Phase 2, the MRH90 Taipan helicopter, and the discussion of this project in the ANAO's 2017-18 Major Projects Report, including the Project Data Summary Sheet: When will Final Operational Capability be achieved? How many of the 47 helicopters are currently fully operationally capable? In what way was the cargo hook's design incompatible with carrying ADF equipment? How did the cargo hook come to be designed in a way that was incompatible with carrying ADF equipment? Does the cargo hook work yet? What have been the issues with the Fast Roping, Rappelling and Extraction system? Why was the initial system not suitable? What has been done to address the problem? Is the Electronic Warfare Self Protection system working? What have been the issues with this system? What was the problem with the initial Aero-Medical Evacuation capability? Do the helicopters now have a suitable Aero-Medical Evacuation capability? What have been the issues with the Gun Mount System? What have been the issues with the Mission Management Systems? Defence's March 2019 Capability Acquisition and Sustainment Quarterly Performance Report says there is a chance that the MRH Program may not be able to retain sufficient levels of experienced and skilled workforce to achieve the required rate of acquisition deliverables. Why has the project been having difficulty retaining skilled workers, what is the current level of risk around workforce retention and what impact is this having on the capability and the project schedule?	Written		24/01/2020
Department of Defence	29/11/2019	197	Kimberley Kitching	MRH90 Transition	Please provide the Committee with an update on the transition of the MRH90 Multi-Role Helicopter for special forces and counter terrorism support in Army's 6th Aviation Regiment, replacing the Blackhawk?	Written		24/01/2020
Department of Defence	29/11/2019	198	Kimberley Kitching	MRH90 – Expenditure and Schedule	<ul style="list-style-type: none"> With regard to the capability acquisition project AIR9000 Phase 2, Defence's 2018-19 annual report shows in <i>Web Table D.2 – Top 30 Acquisition Projects by Expenditure</i> that expenditure on the MRH project in 2018-19 was \$105 million, \$81 million less than the Budget estimate of \$186 million. The table states: "The financial variation is primarily due to the re-prioritisation of delivery of key capabilities to support integration of MRH-90 into 6 Aviation, with non-essential elements being delayed." Does that mean that capabilities are being delayed? What are the capabilities that have been delayed? How are these delays affecting the MRH's integration into Army's 6th Aviation Regiment? How are they affecting 6th Aviation's ability to support Special Forces? Is the Government satisfied that Airbus Asia-Pacific is fulfilling all of its contracted obligations, especially in regards to logistics support? Is Airbus Asia-Pacific meeting its Deed of Guarantee obligations to improve MRH90 fleet availability to 75 per cent? 	Written		24/01/2020

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					<p>¶What is the current rate of MRH90 fleet availability? ¶When will the MRH90 be fully ready to assume the special forces and counter terrorism support mission? ¶Will there be any capability gaps for the counter terrorism role during the transition from Blackhawk to MRH90? ¶What is the Government doing to ensure there are no operational risks to the critical counter terrorism role given the national terrorist threat level remains at PROBABLE? ¶Given the numerous ongoing issues with the MRH90, why has the Government persisted in using an air mobility helicopter (the MRH90) to replace a tactical battlefield helicopter (the Blackhawk)?</p>			
Department of Defence	29/11/2019	199	Kimberley Kitching	MRH90 – Former CDF Advice	<p>What advice did the former Chief of the Defence Force Angus Houston give to Government and Army in 2016 on the suitability of the MRH90 Multi-Role Helicopter to replace the Blackhawk for the special forces helicopter mission? ¶Did the Government fully accept all the recommendations that former CDF Angus Houston made regarding the suitability of the MRH90 for the special forces’ role in his 2016 Army Aviation Review? If not, why not? ¶Will the Government provide a releasable version of the Houston Army Aviation Review for the public record?</p>	Written		24/01/2020
Department of Defence	29/11/2019	200	Kimberley Kitching	Hawkei – Expenditure and Schedule	<ul style="list-style-type: none"> With regard to the capability acquisition project LND121 Phase 4, the Protected Mobility Vehicle – Light (Hawkei): ¶Defence’s 2018-19 annual report shows in <i>Web Table D.2 – Top 30 Acquisition Projects by Expenditure</i> that actual expenditure on this project in 2018-19 was \$89 million, down \$307 million on the Budget estimate of \$396 million. The table says this variation is mainly due to delays in the delivery of engine components. Can the Department update the Committee on the issue with the engine manufacturer? ¶When will the Hawkei achieve Initial Operational Capability (IOC) and Final Operational Capability (FOC)? ¶How much of a delay is that from the originally scheduled IOC and FOC? ¶What are the reasons for the delays? ¶Have the performance failures identified in the Reliability Growth Trials been resolved? ¶How did the vehicles perform when they were trialled in Iraq and Afghanistan last year? ¶Has Reliability Demonstration Testing of the Hawkei vehicles been completed? Are there any reliability issues outstanding? If so, what are they? ¶Has Production Readiness Acceptance Testing commenced? When is it expected to commence and be completed? ¶Has the project entered Stage 3, full rate production? When is that expected? 	Written		24/01/2020
Department of Defence	29/11/2019	201	Kimberley Kitching	Special Operations Capability Enhancements	<ul style="list-style-type: none"> With regard to the capability acquisition project JNT2097 Phase 1B, Special Operations Capability Enhancements: ¶When will the project to acquire new Special Operations Vehicle fleets and networked capabilities achieve Initial Operational Capability (IOC) and Final Operational Capability (FOC)? ¶How much of a delay is that from the originally scheduled IOC and FOC? ¶What are the reasons for the delays? ¶Can Defence provide the Committee with the details of the subcontractor insolvency issue – who is the prime contractor, who is the subcontractor, what was the subcontractor’s role in the project, when did the subcontractor become insolvent and how has the impact of the insolvency on the project been resolved? ¶What other issues have been affecting the capability or 	Written		24/01/2020

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					schedule for this project? Defence's March 2019 Capability Acquisition and Sustainment Quarterly Performance Report says the Special Operations Vehicle – Commando fleet commenced remediation in November 2018. What issues needed remediation? Have they been resolved?			
Department of Defence	29/11/2019	202	Kimberley Kitching	Seahawk Romeo AWD Integration	<ul style="list-style-type: none"> With regard to capability acquisition project AIR9000 Phase 8, the Seahawk Romeo Integration into the AWDs: Have the 24 new Seahawk Romeo helicopters acquired for Navy been purchased completely off the shelf or have some modifications been required? If modifications have been required, can Defence provide the Committee with details? Can Defence provide the Committee with an update on whether the new Seahawks are ready to be deployed with the ANZAC Class frigates and the Hobart class Air Warfare Destroyers? What modifications are required to the Hobart class Air Warfare Destroyers for interoperability with the Seahawk Romeos? Why are these modifications being done after the delivery of the AWDs rather than in their original development and construction? When does Defence currently expect to achieve Initial Operational Capability and Final Operational Capability for deploying the Seahawk Romeos at sea? Defence's 2018-19 annual report shows in <i>Web Table D.2 – Top 30 Acquisition Projects by Expenditure</i> there has been a variation in Budgeted expenditure on the Seahawk Romeo project in 2018-19. The table says this is "primarily due to delayed weapons deliveries and Foreign Military Sales payment occurring in July 2019." What weapons deliveries were delayed? What was the cause of the delay? How long was the delay? Has the issue been resolved or are further delays likely in the future? 	Written		24/01/2020
Department of Defence	29/11/2019	203	Kimberley Kitching	ANAO Report – Naval Construction	<ul style="list-style-type: none"> The Australian National Audit Office Report 39 of 2017-18, <i>Naval Construction Programs – Mobilisation</i>, says at pages 48-9 that Defence advised the Government in 2015 that the Government's decision to accelerate the build of the Offshore Patrol Vessels and Future Frigates would add around \$5 billion to \$6 billion to its forward capital and operating program out to 2024-25: Can the Department provide the Committee with an updated number on how much the Government's acceleration decision added to the costs of these programs? What were the drivers of the additional costs? The ANAO report also states that Defence advised that to offset the additional \$5-6 billion a range of capability trade-offs would be necessary, including cancellation, deferral, and reduction of scope and funding provisions for projects across the Defence portfolio: What projects were cancelled, deferred or subject to schedule changes? What projects received a reduction in scope or capability? What projects received a reduction in funding provisions? 	Written		24/01/2020
Department of Defence	29/11/2019	204	Kimberley Kitching	Landing Helicopter Docks	With regard to the capability acquisition project JNT2048 Phase 4A, Amphibious Ships – Landing Helicopter Docks: When is Defence currently expecting to achieve Final Operational Capability for the Landing Helicopter Docks? Defence's March 2019 Capability Acquisition and Sustainment Quarterly Performance Report says significant propulsion and corrosion issues emerged in 2017 and both ships were docked for urgent rectification work. Have those issues been resolved? When will all of the defects and outstanding	Written		24/01/2020

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					requirements be rectified? The March 2019 Capability Acquisition and Sustainment Quarterly Performance Report also says that some underlying issues are inherent in the design of the vessels and require redesign effort: What are the issues inherent in the design of the vessels? Why were flaws baked into the design of the ships? What is the status of the redesign effort for these issues? What have been the problems with the support and sustainment system? The Australian National Audit Office's 2017-18 <i>Major Projects Report</i> says support of the two vessels will be affected by spares and equipment that are not appropriate for Australian Navy usage, leading to an impact on sustainability and cost. What are the issues with spares and equipment? What is the impact on sustainability and cost? Can Defence advise the Committee of the details of the Roadmap to Final Materiel Release that was agreed in October 2018?			
Department of Defence	29/11/2019	205	Kimberley Kitching	LHD Landing Craft Amphibious Watercraft Replacement	<ul style="list-style-type: none"> Regarding the LHD Landing Craft Amphibious Watercraft Replacement (JP2048 Phase 3): Have LHD/LLC interface trials occurred? If so what was the result? Has the Navy Operational Testing been completed? What is the maximum sea state that the LHD Landing Craft can transport the M1 Abrams Tank from the LHD to shore and vice versa? Can Defence explain that sea state in lay-person's terms? How does this compare to comparable navies? Can they land their tanks in higher sea conditions? How does this compare to the performance of the earlier landing craft with the Leopard Tank? What is the current forecast date for Final Operational Capability? 	Written		24/01/2020
Department of Defence	29/11/2019	206	Kimberley Kitching	HMAS Perth	<ul style="list-style-type: none"> With regard to the <i>HMAS Perth</i>: Is the <i>Perth</i> still in dry dock at Henderson? When was the last time the <i>Perth</i> was deployed on operation? On what date was it first placed into dry dock? Why was it placed into dry dock at that time – is it correct to interpret the response to Senate Question on Notice No 233 of 25 July 2019 as meaning that the original reason was so the <i>Perth</i> could have routine maintenance activity? Did that routine maintenance take place? If so, when was that maintenance completed? If not, why not? Is it correct that the decision was then taken to lay up the ship for an extended period because a crew was not available? When was that decision taken? The response to the question on notice says at paragraph 8: "The Navy workforce supply capacity relative to appropriately qualified personnel, particularly in the technical trades, prevents the Navy fielding a sustainable crew for HMAS Perth at this time." (Response to Senate Question on Notice No 233 of 25 July 2019). Does that mean Navy did not have enough qualified personnel to make up a crew to put the <i>Perth</i> to sea? What types of skills are in shortage? Is that still the case? Is it correct that the <i>Perth</i> has been in dry dock since December 2016 and is now scheduled to have its Anzac Midlife Capability Assurance Program (AMCAP) starting in January 2020? How long will the AMCAP take to be completed? The response to Senate Question on Notice No 233 of 25 July 2019 indicates that once the AMCAP is completed there will be a period of ship readiness assessment before it will be available for deployment. What is involved in the readiness assessment and how long will it take? When will the <i>HMAS Perth</i> next be available for operational deployment? Have personnel shortages led to any other Navy vessels being laid 	Written		24/01/2020

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					<p>up in recent times or having operational deployments scaled back? If so, please provide the Committee with details. What impact has the lay-up of the <i>Perth</i> had on Navy's surface combatant ship availability and Defence operations? Did Defence scale back or curtail any planned operational activities due to the lay-up of the <i>Perth</i>? The Australian National Audit Office's report on sustainment of the Anzac class frigates states: "The unplanned, extended lay-up of <i>HMAS Perth</i> places further pressure on the other ANZAC class frigates and potentially adds to the cycle of operating the class outside of its Statement of Operating intent to meet capability and availability requirements." (ANAO, <i>ANZAC Class Frigates – Sustainment</i>, March 2019, p 40). Does Defence agree? What impacts has the <i>HMAS Perth</i> lay-up had on the rest of the Anzac class vessels? What steps are being taken to deal with the personnel shortages that caused this issue? How confident is Defence that this will not occur again – that Navy will not have to place a sophisticated platform into dry dock for four or five years due to a lack of personnel?</p>			
Department of Defence	29/11/2019	207	Kimberley Kitching	Anzac Class Availability	<ul style="list-style-type: none"> With regard to Defence's responses to Senate questions on notice numbers 225 to 231 lodged on 25 July 2019 which indicate that on 25 July 2019 all eight of the Navy's Anzac class frigates were not available for operations: Where were <i>HMAS Arunta</i> and <i>HMAS Toowoomba</i> alongside for planned or routine maintenance? Where were <i>HMAS Anzac</i> and <i>HMAS Warramunga</i> undergoing their Mid-Life Capability Assurance Program? For how long was <i>HMAS Ballarat</i> on leave following a nine-month deployment? Where was <i>HMAS Stuart</i> undergoing certification and audit activity ahead of sea trials? <i>HMAS Parramatta</i> was returning from the TALISMAN SABRE Exercise – does that mean she was not available for operations? For how long before and after 25 July 2019 was it the case that none of the Navy's Anzac class frigates were available for operations? How frequently is it the case that none of the Anzac frigates is deployed? What was the availability rate of the Anzac frigates for the whole of 2018? What has been the availability rate for the 2019? Can Defence provide the Committee with a breakdown of the periods in which six or fewer Anzac class frigates were on operational deployment since 1 January 2016, showing the timeframes and the numbers on operational deployment. 	Written		24/01/2020
Department of Defence	29/11/2019	208	Kimberley Kitching	Anzac Air Search Radar Replacement project	<p>Defence's 2018-19 Annual Report shows in <i>Web Table D.2 – Top 30 Acquisition Projects by Expenditure</i> that actual expenditure on the Anzac Air Search Radar Replacement project in 2018-19 was \$64 million, down \$20 million from the Budget estimate of \$84 million. The table says this variation is "primarily due to a second of class vessel experiencing delays in the sustainment led Anzac Midlife Capability Assurance Program." Can the Department explain this issue? Which vessel was affected?</p>	Written		24/01/2020
Department of Defence	29/11/2019	209	Kimberley Kitching	JSF ALIS	<p>With regard to the Joint Strike Fighters, a US Government Accountability Office report has identified major problems with the JSF Autonomic Logistics Information System (GAO, April 2019, <i>F-35 Aircraft Sustainment</i>). The incoming US Air Force Secretary Heather Wilson has been quoted as saying ALIS is "a proprietary system so frustrating to use, maintainers said they were wasting 10-15 hours a week fighting with it ... and looking for ways to bypass it to</p>	Written		24/01/2020

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					make F-35s mission capable.” (<i>Air Force Tries to Fix F-35’s ALIS</i> , Breaking Defense, 6 March 2019). Can Defence explain the functions that the Autonomic Logistics Information System carries out, what have been the problems with ALIS and what steps are being taken to address these problems? ¶¶With regard to the Australian National Audit Office’s report on the Joint Strike Fighter’s introduction to service which says Defence has concerns about the security of Australian data within the Autonomic Logistics Information System (ANAO Report Number 14 of 2018-19, <i>Joint Strike Fighter – Introduction to Service and Sustainment Planning</i> , p 37-8):¶What are the concerns about Australian sovereign data?¶What steps have been taken to address these concerns?¶Is Defence satisfied that Australia will have acceptable sovereign data management under ALIS?¶Has the issue been resolved? If yes, how has it been resolved?¶What happens if the issue cannot be resolved?			
Department of Defence	29/11/2019	210	Kimberley Kitching	Climate Change	Is Defence planning for possible impacts of climate change on the ADF’s activities and requirements in coming years? What are those impacts? Would they require additional funding?	Written		24/01/2020
Department of Defence	29/11/2019	211	Kimberley Kitching	Climate Change in the Pacific	What engagement has Defence had with its counterparts in the Pacific on climate change?¶Has Defence analysed the international law or maritime boundaries issues associated with rising sea levels for Pacific island countries? If yes, can Defence provide the Committee with an overview of this analysis? Do rising sea levels pose risks to the sovereignty of low-lying Pacific atoll nations? What are those risks?	Written		24/01/2020
Department of Defence	29/11/2019	212	Kimberley Kitching	Climate Change Security Advice	Has Defence provided advice to Government on the security and defence aspects of climate change since September 2013? If yes, when was that advice provided and in what form?	Written		24/01/2020
Department of Defence	29/11/2019	213	Kimberley Kitching	AusTender Reporting	Paragraph 7.18 of the Commonwealth Procurement Rules requires relevant Commonwealth entities to report contracts on AusTender within 42 days of entering into a contract where the contract is valued above the relevant reporting thresholds. A search of Defence Contract Notices published between 1 January and 30 September 2019 identified more than 3,000 contracts worth more than \$7.9 billion which were apparently published more than 42 days after the contract start date. In hundreds of these cases, the contract notices were apparently published several years after the contract start dates. Examples include:¶A \$472.9 million contract with Navantia SA for Air Warfare Destroyer platform design published more than 11 years after the start date (Contract Notice CN 3599202)¶A \$271.8 million contract with MSS Security for building support services published more than four years after the start date (CN3564017)¶A \$164 million contract with DMOJSF for aircraft published more than seven years after the start date (CN3597573)¶A \$154.1 million contract with Atlantic and Peninsula Australia Pty Ltd for maintenance and support services published more than three years after the start date (CN3603621)¶A \$108.6 million contract with James Fisher Australia for technical services relating to marine craft systems and subassemblies published more than four years after the start date (CN3613317)¶Why is this happening? Is it due to errors in the AusTender system, has Defence been failing to comply with the 42-day reporting requirement, or is there another explanation? If Defence has been failing to comply: why has this happened; how many contracts have been	Written		24/01/2020

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					affected; over what period of time has this been an issue; and what is being done to rectify the situation?			
Department of Defence	29/11/2019	214	Kimberley Kitching	Environmental Working Groups	With regard to the evidence by Vice Admiral Johnston and Mr Fraser at the Committee's hearing on 29 November 2019 that Environmental Working Groups (EWGs) are the primary mechanism by which Defence is updating industry about changes to its investment program and engaging with industry, since the publication of the Integrated Investment Program in 2016 :• On what dates have EWGs been held?• Which capability streams were dealt with at each EWG?• Who was invited to attend each EWG and which companies or organisations did they represent?• Who attended each EWG?• What capability acquisition projects were dealt with at each EWG?• What other topics or subjects were dealt with at each EWG?• Is the information which Defence provides to industry at EWGs publicly accessible, classified or subject to other confidentiality requirements?• Please provide the Committee with copies of any presentations, reports or papers delivered by Defence at each EWG and with any minutes or meeting notes recording the discussions at each EWG.	Written		24/01/2020
Department of Defence	29/11/2019	215	Kimberley Kitching	Flammable Cladding	With respect to flammable cladding issues discussed at Estimates on 23 October 2019:• Has the larger audit of Commonwealth buildings been finalised?• Has rectification work been carried out on the five Defence sites (Fisherman's Bend, HMAS Penguin, Edinburgh Defence Precinct, HMAS Cairns and RAAF Townsville) that were identified as having non-compliant external cladding material?	Written		24/01/2020
Department of Defence	29/11/2019	216	Kimberley Kitching	Bupa Psychologist providers	With respect to the direct network of psychologists Bupa has engaged to provide psychology services after it abandoned its initial subcontractor Victorian Clinical Psychology Services (VCPS):• How many providers have been engaged through this approach? • How does this compare to the number of providers managed by the previous contractor/subcontractor? • Is the new network smaller than the previous network of active psychologists?• Has Bupa maintained the same or better service levels under the new contract as compared to the previous contract?	Written		24/01/2020
Department of Defence	29/11/2019	217	Kimberley Kitching	BUPA Penalties	In the Foreign Affairs, Defence and Trade Legislation Committee Estimates hearing on 29 November 2019, Defence advised that penalties were being put in place for when Bupa was not meeting its contractual obligations. •What is the nature of these penalties? What are the amounts? •How many times have penalties been imposed? •Previous media reports ("Defence reins in Bupa over psychology", Canberra Times, 23 September 2019) have quoted Defence saying no financial penalties had been imposed against Bupa for underperformance in relation to invoicing of providers. Has this changed?	Written		24/01/2020
Department of Defence	29/11/2019	218	Kimberley Kitching	BUPA – Outstanding Invoices	An article in the Canberra Times on 23 September 2019 ("Defence reins in Bupa over psychology") cited "teething issues" with the invoicing system, whereby some psychologists said they were still waiting to be paid for invoices from seven weeks prior, and had concerns defence personnel who had been referred to see a psychologist were not being seen, with the referrals stuck with Bupa. •Have all outstanding psychologists' invoices been paid? If so, on what date?•Have all concerns with the invoicing system been rectified? If not, why not? When does Defence expect this to be rectified? •Has Defence pursued any	Written		24/01/2020

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					legal or court action against Bupa in relation to contractual issues? ¶If not, why not? ¶Are any other dispute mechanisms in place? If so, has Defence exercised any of these? What has been the outcome of these processes?			
Department of Defence	29/11/2019	219	Kimberley Kitching	Defence Reserves Council Review	What was the policy rationale for the decision to dissolve the Defence Reserves Support Council (DRSC) at the end of the year and replace it with a new advisory body? ¶With respect to the Defence Reserves Support Council (DRSC): ¶When did it engage KPMG to review the DRSC? ¶When was the report finalised and delivered? ¶What were the findings and recommendations of the report? ¶Was any other feedback sought by or provided on the DRSC? What was that feedback? ¶Did the Minister agree with the advice and recommendations in the KPMG report?	Written		24/01/2020
Department of Defence	29/11/2019	220	Kimberley Kitching	DSRC – Decision and Advice	With respect to the decision to dissolve the Defence Reserves Support Council (DRSC), what formal or informal advice was provided to the Minister and the Minister’s office concerning this matter? ¶On notice, please provide an itemised and dated list of all correspondence, advice and/or submissions provided to and/or requested by the Minister and Minister’s office with respect to this matter? ¶With respect to the decision to dissolve the Defence Reserves Support Council (DRSC), what if any consultation on the announcement was undertaken with stakeholders, including: ¶With the DRSC National Council? If so when? ¶With defence force, defence welfare and employee/Reservist organisations, for example, the Defence Reserves Association, Australian Defence Association, Defence Force Welfare Association, Australian Council of Trade Unions /Unions Australia? If so when? ¶If not, why not? ¶Will any consultation be undertaken going forward? If so, when?	Written		24/01/2020
Department of Defence	29/11/2019	221	Kimberley Kitching	DRSC - Replacement Body	With respect to the decision to dissolve the Defence Reserves Support Council (DRSC), when was the KPMG report provided to DRSC National Council members? ¶Is it the case that National Council members were only provided with the report on the day of the announcement? ¶Will the report be released publicly? If not, why not? ¶Please provide a copy of the report to the Committee. ¶With respect to the decision to dissolve the Defence Reserves Support Council (DRSC) and establish a new replacement body: ¶How will members be appointed? ¶Who will decide these appointments? ¶When will members be appointed? ¶Has Defence, or a party acting on behalf of Defence, undertaken any interviews to select members? If so, when were these undertaken? ¶Will the new body be subject to any independent oversight? ¶Will it be subject to Ministerial approval processes? ¶Will the new body include representation from states and territories, the regions, defence force, defence welfare and employee/Reservist organisations? ¶With respect to the Defence Reserves Support Council (DRSC), when does Defence intend to formally dissolve the DRSC? ¶Has Defence consulted all members of the DRSC National Council on this?	Written		24/01/2020
Department of Defence	29/11/2019	222	Kimberley Kitching	Reprioritisation of funds within IIP	In response to questions at the Committee’s hearing on 29 November 2019 about the \$5.17 billion underspend on budgeted capital investment for the period from 2016-17 to 2019-20, Mr Groves provided evidence that approximately \$3 billion related to reprioritisations within the Integrated Investment Program, including some movement of funds from acquisition into sustainment. Please provide the Committee with an itemised list showing amounts, details and reasons for all reprioritisations within the IIP, movements of funds	Written		24/01/2020

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					from acquisition to sustainment, movements of funds from capital investment to other parts of the Defence budget and/or other elements that make up this amount of approximately \$3 billion.			
Department of Defence	29/11/2019	223	Kimberley Kitching	Movements of Defence Capital	In response to questions at the Committee's hearing on 29 November 2019 about the \$5.17 billion underspend on budgeted capital investment for the period from 2016-17 to 2019-20, Mr Groves provided evidence that approximately \$1 billion related to other movements in Defence capital, including transfers of funding to the Australian Signals Directorate. Please provide the Committee with an itemised list showing amounts, details and reasons for all the movements of Defence capital that make up this amount of approximately \$1 billion	Written		24/01/2020
Department of Defence	29/11/2019	224	Kimberley Kitching	Overspend	Further to questions at the Committee's hearing on 29 November 2019 about capital investment spending since the 2016 White Paper and variances between budget estimates and outcomes over the period from 2016-17 to 2019-20, please provide the Committee with an itemised list of all projects where the outcome was an overspend compared to budget estimates, including amounts, details and reasons for the overspends.	Written		24/01/2020
Department of Defence	29/11/2019	225	Kimberley Kitching	Inspection Reports of leased buildings	At Estimates on 23 October 2019, with respect to flammable cladding issues, Mr Grzeskowiak stated that all owners of buildings leased by Defence were asked to conduct necessary inspections. How many inspection reports of leased buildings have been returned and how many are non-compliant?	Written		24/01/2020
Department of Defence	29/11/2019	226	Kimberley Patrick	Defence Industry	1. Noting Defence Industry is now a Fundamental Input to Capability (FIC), which division within the Dept of Defence is responsible for the development and sustainment of Australian Industry? 2. Who within the Dept of Defence carries that responsibility?	Written		24/01/2020
Department of Defence	29/11/2019	227	Rex Patrick	Global Supply Chain	Noting that in November 2018 Min Ciobo stated in a Press Release "The GSC [Global Supply Chain] Program has facilitated the award of over \$1 billion worth of contracts to around 170 Australian defence companies and research institutions". a. How has the GSC helped to prepare Australian Defence Industry for work on the relevant local (Australian) programs, with the GSC participant prime companies? b. What work for Australian Defence Industry in the relevant local programs with the GSC participants, was secured as a result of the GSC?	Written		24/01/2020
Department of Defence	29/11/2019	228	Rex Patrick	Competitive Evaluation Process	Through the tendering and Competitive Evaluation Process (CEP) potential Prime contractors engage with Australian industry to identify relevant local suppliers. This engagement has also been supported by funding CEP's and the funded Global Supply Chain program. a. How many Australian Defence companies were prequalified to secure work in the relevant Australian programmes: i. SEA 5000 Future Frigate ii. LAND 400 (Combat Reconnaissance Vehicle) iii. LAND 121 Phases 3B and 5B (Army Medium and Heavy trucks and Trailers) b. How many Australian Defence companies have secured work in the following programmes: i. SEA 5000 Future Frigate ii. LAND 400 (Combat Reconnaissance Vehicle) iii. LAND 121 Phases 3B and 5B (Army Medium and Heavy trucks and Trailers)	Written		24/01/2020

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Department of Defence	29/11/2019	229	Rex Patrick	AIC Tender Submission	Tender respondents are required to submit an AIC plan as part of their tender response. This forms part of the evaluation and selection process. Are these AIC plans used as the baseline document for a resultant contract? If not why not?	Written		24/01/2020
Department of Defence	29/11/2019	230	Rex Patrick	Industrial Capability Plan	Noting the guidance in the Defence Industrial Capability Plan and the Defence Export Strategy, namely "To achieve the Governments vision, Australia must broaden and deepen its defence industry to maximise involvement in the acquisition, operation and sustainment of defence capability over the next decade". a. Please explain how the approach to acquisition on the major shipbuilding programs is supporting these objectives? b. What role is Defence taking in the selection/inclusion of suppliers for the major shipbuilding programs?	Written		24/01/2020
Department of Defence	29/11/2019	231	Rex Patrick	Prime Contractors	Prime contractors have conducted, and are conducting, audits and assessments of potential Australian suppliers, a number of industry members are now convinced that these audits have a preconceived outcome, 'fail or unsuitable'. Subsequently they get no work. a. How would Defence respond to that as a statement? b. What role does Defence take, if any, in these reviews or the assessments? The majority of the Australian defence industry members operate at the behest of the Department of Defence or more often via the Prime Contractors the Department enters into contract with. Many of these tier 2 or lower level suppliers have expressed concern about potential or actual repercussions and in some cases intimidation. a. Is the Department aware of this? b. How is, or what will, the Department do to address this?	Written		24/01/2020
Department of Defence	29/11/2019	232	Rex Patrick	C-27J (Spartan)	The C-27J underwent combined 1 st / 2 nd Pass Approval in Apr 2012, then proceeded as an FMS acquisition. Cancellation of the US program has hindered their introduction into service with the RAAF. Noting the changes to the USAF C-27J program and the experience defence is now having with the aircraft in country, has there or will there be a review of the original assessment, aircraft selection and procurement strategy? If yes when will this be done, If not why not? How has the actual experience with the aircraft affected the value for money assessment on which procurement was based? The aircraft has for the last few years had lower than planned flight hours. What are the underlying causes of these shortfalls? What is the Structural Substantiation Program? The lack of the US Military Type Certificate (MTC) has materially increased the cost, effort and schedule risk associated with the program, specifically in obtaining an MTC. Explain: What is the cost increase? What has the impact been on the risk profile? How is CASG/RAAF resolving the MTC issue? What are the known incomplete capability requirements that have been identified? What is meant by the statement "some of which will be matured beyond FOC". The aircraft was being procured to replace the Caribou. Can defence confirm that the aircraft will meet the operational requirements (as a replacement for the Caribou) for which it was acquired? What is the model of the Through Life Support (TLS) contract with Northrop Grumman? Is the cost to the Commonwealth reduced to accord with the lower level of operations and flying hours?	Written		24/01/2020

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Department of Defence	29/11/2019	233	Rex Patrick	F-35 Global Support	What is the current status of the F-35 Global Support System (GSS)? ¶ What is the current expectation on when the GSS will achieve full maturity? ¶ Noting that 2 nd Pass Approval was obtained with a forecast Rough Order of Magnitude (ROM) prepared by Defence, how are the costs of sustainment developing against Defence's original forecast ROM? ¶ How is defence intending to manage the additional costs of the GSS? ¶ Defence has recently signed a sustainment contract with Lockheed Martin Australia. Is this contract outside the F-35 GSS? ¶ The Minister for Defence has made a statement in relation to the new sustainment contract " <i>It delivers a more responsive and cost-effective solution for key aspects of Australian F-35A maintenance management</i> " against what cost baseline was it being compared to? ¶ For the JSF Australia is dependent on a spare parts supply system that is not fully developed and has been experiencing shortages due to competition for parts as the global aircraft fleet increases. Defence has previously advised that it is expected that these shortages will continue beyond transition of the JSF into Australian service. Defence has recognised that supply shortages are a risk to the JSF aircraft's introduction into Australian service, and is largely dependent on the solutions the F-35 Joint Project Office (JPO) is putting in place to increase the availability of spare parts for the global JSF aircraft fleet. ¶ How effective have the JPO's reforms been in addressing the deficiencies? ¶ What is the projected impact on operational availability? ¶ Will there be any cost implications for Australia	Written		24/01/2020
Department of Defence	29/11/2019	234	Rex Patrick	Sovereign sustainment	Defence has previously identified ten sovereign sustainment requirements. Has defence identified any sovereign sustainment requirements in addition to these? ¶ What are the additional associated costs to address the sovereign sustainment requirements? ¶ What is the fidelity of the cost estimates for the sovereign sustainment requirements? ¶	Written		24/01/2020
Department of Defence	29/11/2019	235	Rex Patrick	Engine Testing	Will the Engine testing facility at Amberley be operational in December (2019), or is it subject to further delays? If it is delayed, what is the projected delay and what costs are associated with the delays?	Written		24/01/2020
Department of Defence	29/11/2019	236	Rex Patrick	Turkey – GSS	Does defence have any concerns regarding possible compromise of the JSF, its associated technology or technical data as a result of Turkey's removal?	Written		24/01/2020
Department of Defence	29/11/2019	237	Rex Patrick	Arafura Suppliers	How were potential suppliers for the Arafura Class Sea Boats identified? ¶ How did Defence solicit the information from the potential suppliers on which to make the assessment and how were they then assessed? ¶ How many Australian suppliers were considered? ¶ How did Defence undertake source selection? ¶ The contract notice advises the Limited Tender was under section "10.3.d.iii. <i>Supply by particular business: due to an absence of competition for technical reasons</i> ", how was the information obtained to make this determination? ¶	Written		24/01/2020
Department of Defence	29/11/2019	238	Rex Patrick	Boomeranger Acquisition	1. What is the contractual model/structure Defence is establishing with the supplier, Boomeranger Boats? ¶ Who signed the contract? ¶ Who approved the acquisition strategy for the sea boats? ¶ Was there Ministerial approval/endorsement prior to	Written		24/01/2020

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					contract signature? ¶If yes which Minister? ¶If not why not?¶How does this procurement align with Commonwealth procurement guidelines?			
Department of Defence	29/11/2019	239	Rex Patrick	Arafura Requirements	1. Can the Department/Project/Navy confirm the boats being procured meet the Australian requirements of the National Standard for Commercial Vessels (NSCV) as they are OTS? And how this has been determined?¶Noting previous issues Navy has had with RHIB's, what input have they had in defining the requirements for the Arafura Class Sea Boats? ¶Does the contract with Boomeranger include a through life/in service support element (beyond the supply of initial spares)?	Written		24/01/2020
Department of Defence	29/11/2019	240	Rex Patrick	Rental Properties	<p>Noting:¶There are 3 homes in Goolwa that belong to the Army Amenities Fund (AAF), these are available for service personnel to rent out at lower rates (tariff about \$90/night). The bathrooms and laundries were recently upgraded (with a corresponding increase in tariff from \$55).¶Goolwa is at the mouth of the Murray River on Lake Alexandrina, 83 km south of Adelaide and 19 km from Victor Harbour¶These are currently the only AAF facilities in SA.¶The AAF Board visited 21 and 22 August (first time in about 10 years), gave the caretaker a certificate of appreciation, toured the homes and local area.¶23 August the AAF Board advised the caretaker the homes were to be sold off in Jan 2020.¶The AAF has holiday Amenities in Coogee (NSW), Goolwa (SA) and Docklands (VIC).¶From the 2018-19 Annual Report, the Goolwa homes had actual occupancy below the target, but they were closer than the other two facilities, planned occupancy/usage of the other two facilities (but considerably less usage by Army personnel).¶¶</p> <p>Location:Target Occupancy %:Actual Occupancy %:Army Occupancy %¶Coogee:65:51:56¶Goolwa:60:51:24¶Docklands:80:61:71¶The AAF provides their Annual Report to the Minister for Veterans and Defence Personnel. Office bearers are appointed by the Chief of Army.¶Concern has been raised about the loss of the amenity (the only one in SA) and the short notice of the planned disposal.¶Questions:¶1. How is divestment of assets considered and approved?¶2. Was anyone in the Department aware of the divestment decision? ¶a. If yes how were they involved?¶3. What oversight does the department have in regards to investment/divestment decisions of the AAF?¶4. Noting the property portfolio did not 'break even or better', what options were considered to address this situation?</p>	Written		24/01/2020

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Department of Defence	29/11/2019	241	Rex Patrick	Future Submarines milestones	<p>a. Defence has previously provided advice on the following Milestones and the associated scheduling, can defence provide advice on the current scheduling for these milestones? ¶ System Definition Review (Combat Systems) ¶ System Requirements Review (Definition Phase - Platform Systems) ¶ Preliminary Design Review (Combat Systems) ¶ Preliminary Design Review (Platform Systems) ¶ Critical Design Review ¶ Operation of the Propulsion System Land Based Test Site ¶ Operation of the Combat System Physical Integration Facility ¶ Construction of the first Future Submarine (commencement) ¶ Construction of the second Future Submarine (commencement)</p>	Written		24/01/2020
Department of Defence	29/11/2019	242	Rex Patrick	Sub Design Milestones	<p>a. In reference to the response to “SSCFADT - SBE – 23 OCT 2019 - Q17 - Submarine Design Contract Milestones – Patrick” provided by Defence. This response provided advice on two Milestones and their associated dates. ¶ Can defence confirm that there are only two milestones under the contract or contracts they have with Naval Group Australia or related entities? ¶ If there are additional milestones can defence provide advice (the original title, new title if it has changed and timing) on the other milestones? ¶ Can defence advise the current planned or if the milestone has concluded, the actual date of conclusion of the following Milestones: ¶ System Requirements Review (Combat Systems) ¶ Concept Studies Review (Platform Systems) ¶ If they have been completed how many issues requiring resolution were identified?</p>	Written		24/01/2020
Department of Defence	29/11/2019	243	Rex Patrick	Statement of Tax Record	<p>1. From 1 July 2019 contracts greater than \$4M with the Government (incl Defence) requires suppliers to provide a Statement of Tax Record (STR), these are sought from and issued by the ATO. ¶ From Sect 6b of the ‘Black Economy Procurement Connected Policy’ a Satisfactory STR will be issued if: ¶ The applicant is up-to-date with registration requirements which may include being registered for an Australian Business Number (ABN) and GST, and having a Tax File Number; ¶ The applicant has lodged at least 90 per cent of all income tax returns, Fringe Benefit Tax returns and Business Activity Statements that were due in the last four years or the period of operation if less than four years. Reasonable delays in lodgements due to extensions agreed to by the Australian Taxation Office (ATO) will not affect the receipt of a satisfactory STR; and ¶ On the date the STR is issued, the applicant does not have \$10,000 or greater in overdue debt due to the ATO (excluding debt subject to a taxation objection, review or appeal under the provisions of Part IV C of the Taxation Administration Act 1953). If the applicant</p>	Written		24/01/2020

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					has entered into a payment plan with the ATO, they will meet this criterion. How many STR's has the Department received from potential suppliers since they came into force? Can the Department of Defence explain how the STR helps to, or ensures, they do not enter into contracts with companies operating out of tax havens or avoiding corporate Tax?			
Department of Defence	29/11/2019	244	Rex Patrick	Sea 5000 Program	1. BAE has identified and pre-qualified more than 700 potential Australian companies for work on the Hunter Class Frigate program. How many Australian companies have been shortlisted? How many Australian companies have been contracted thus far? What are the values of these contracts? What is the nature of the work/supplies (e.g. design support, Training, supply of equipment, etc) they have been contracted to provide? Has BAE submitted an AIC Plan? If BAE has submitted an AIC Plan why is there not a public version of the AIC plan available? If there is a public version please provide a copy?	Written		24/01/2020
Department of Defence	29/11/2019	245	Rex Patrick	Industry Capability Network	1. Members of Australian industry are of the understanding that around 30 work packages had been identified for which business cases needed to be prepared and that the Commonwealth has, or had, set aside \$50-60 Million to develop them or the ones What is the status of this program? How is the Commonwealth involved/participating in the assessment of the business cases for Australian work and selecting those to go forward? Work packages being released on the Industry Capability Network (ICN) are lower level Category C and D packages (e.g. Fire Extinguisher brackets stowages and lifebuoy release units; Cable identification, Pipe Support Manacles, etc. Can the Department explain how this type of work is developing Australia's defence industry (noting the Govt's definition of Australian Defence Industry as per the Defence Industrial Capability Plan)?	Written		24/01/2020
Department of Defence	29/11/2019	246	Rex Patrick	Type 26 Program	How many Australian companies have been able to secure work in the Type 26 program in the UK or the broader global opportunities in both the UK and Canada?	Written		24/01/2020
Department of Defence	29/11/2019	247	Rex Patrick	Design for Sovereign Operations	Noting that sustainment should be a fundamental element of the design activity, how have Australia's existing or emerging industrial capabilities been incorporated into the design, to ensure the platform is being designed for sovereign operations and sustainment.	Written		24/01/2020
Department of Defence	29/11/2019	248	Kimberley Kitching	Climate Change Risks Analysis	What analysis has Defence undertaken with respect to the strategic risks associated with climate change?	Written		24/01/2020

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Department of Defence	29/11/2019	249	Rex Patrick	Australian Companies contracted by Luerssen	<p>Senator Reynolds: Senator Patrick, there are a couple of points. A press release is one thing, but let's have a look at some of the facts. If you take the OPV project itself—and I know that has been the subject of some discussion and was part of the first question—Luerssen Australia have now hit their benchmark of 60 per cent and they are growing. There are 300 Australian companies, under their AIC program, are now in the supply chain for OPVs alone. I prefer to deal in facts and to have a look at the evidence. ¶ Senator PATRICK: Can you provide a list of Australian entities that have been contracted under Luerssen? My understanding is that a decision has been made to utilise the existing supply chain for the first couple of vessels. ¶ Senator Reynolds: No, that is not correct. ¶ Senator PATRICK: Minister, can't ignore something like this. I just wonder whether or not you could engage with AIDN. Has anyone picked up the phone and said, 'We clearly need to sit and talk'? These are all respectable organisations. ¶ Senator Reynolds: The secretary has acknowledged that. Again, the facts are very clear. All of the projects, as has been said, are at various stages of design and build. As that progresses, Melissa Price, in particular has a laser-light focus now on the Australian industry content plans, particularly for the small and medium enterprises, and is doing a lot of great work with the department and others on that. So it would be incorrect to say that there is no engagement with AIDN and the other industry associations. But, again, let's have a look at the facts. The fact in relation to the OPVs, for example, is that they have already hit 60 per cent of their AIC, with over 300 companies now contracted in their domestic supply chain. ¶ Senator PATRICK: Let's go to the OPV— ¶ Senator Reynolds: Sorry; I think Sheryl had something to say. ¶ Ms Lutz: I was just going to say that that includes more than 50 SMEs in that list of 300. ¶ Senator PATRICK: And you've taken on notice that you will provide some details on that—thank you.</p>	Hansard	40	24/01/2020
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