

Senate Standing Committee on Foreign Affairs, Defence and Trade

Inquiry into the Impact of Defence Training Activities and Facilities on Rural and Regional Communities – 12 July 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Environmental and Bushfire Management Plans for Shoalwater Bay Training Area

Question reference number: 4

Senator: Gallacher

Type of question: asked on Wednesday, 12 July 2017, Hansard page 57

Date set by the committee for the return of answer: 31 August 2017

Question:

CHAIR: Could you tell us the part of the Spotless contract that goes to environmental land management and bushfire control, the number of personnel and the activities undertaken in that area.

Mr Grzeskowiak: It is probably better if I provide to the committee a copy of the environmental management plan or the bushfire management plans for the site. That will show you what we plan to do over a period of time. The plans look forward.

CHAIR: I want to know how many people you have on the ground actually doing something other than a plan that sits on a wall unit in your Canberra office.

Mr Grzeskowiak: We will see if we can get information for you about the activities that have been undertaken in the recent period in terms of weed management, fire management and management of the site as a Defence training area. We might clear vegetation in some areas because we need open areas for certain types of training. Other areas we will leave to grow in the way the environment naturally works—to give the Australian Defence Force a range of environments in which to train and also a range of terrains. We manage the training area to be the most useful training area, and we are attentive to things like weeds and bushfire risk.

Answer:

Defence has two environment and sustainability Australian Public Service staff allocated to Shoalwater Bay Training Area who work closely with the Spotless Services team. The Spotless team includes three staff: a land management manager, south Queensland environmental coordinator and south Queensland environmental supervisor. Spotless manages subcontracts to deliver the on ground works which can be increased dependent on the size and scale of a particular program or deliverable.

The environmental programs delivered at Shoalwater Bay Training Area are not restricted to those contracted to Spotless Services. Other programs are undertaken by

Defence environment staff, external agencies and Caring for Country programs such as monitoring of RAMSAR areas, dugong surveys, turtle surveys and seagrass monitoring.

During Talisman Saber 2017 an Environmental Monitoring Group monitored compliance to identify the need for remediation of any environmental impacts. The group comprised 12 Australian Defence Force Personnel, three United States Military personnel and two Australian Public Service staff.

Bushfire Management Hazard Reduction Works

There were 27 hazard reduction burns completed in 2015/16. The 2016/17 program included 25 hazard reduction burns over a total of 76,000 hectares of land.

High risk fire breaks were extended and widened throughout Shoalwater Bay Training Area, including grading and vegetation maintenance tasks over four different areas: The Springs Sector, Mt Krankeet Sector, Samuel Hill and Western Fire Break on the training area boundary of the Springs Sector in 2015/16.

During a bushfire in November and December 2016 Spotless engaged a contractor to construct a new track approximately 900 metres long in the vicinity of Mt Parnassus. This track was used successfully to mitigate damage that may have been caused by the fire.

Water Quality Monitoring

Water quality monitoring was established under a contract managed by JLL Augility in 2015/16. The program was sub-contracted to the Queensland Department of Science Information Technology and Innovation (DSITI). This ongoing program has established a set of more than 40 monitoring locations that form part of a state-wide program to monitor on and off site water quality.

Weed Control

In 2015/2016 financial year, Spotless services completed 26 days in the Springs Sector to monitor and control Weeds of National Significance.

Additional weed management works were performed by other contractors in 2015/16 financial year. This included 385 days total with two days of aerial treatment and the release of targeted biocontrol for the treatment of prickly pear. Other treatment techniques involved spot spraying on foot, spraying from vehicle, stump cuttings and manual removal methods. All known weed species on Shoalwater Bay Training Area were included in a risk assessment to re-evaluate their priority. The risk assessment incorporated the new weed categories under the *Biosecurity Act 2014* (QLD). A detailed weed survey, particularly for weedy *Sporobolus* grasses, was completed in May 2016 on 'The Springs' sector.

From February 2017 to April 2017 Spotless completed 75 days of weed treatment. This included surveys of the top five priority weeds, control of priority weeds, four days of aerial treatment for hymenachne/water hyacinth, control of restricted species around homesteads and campsites, control of riparian weeds along the Huttonvale

Track, herbicide controls for *Sida* at all known infestations and commenced roadside control of *Sporolobus*.

Feral Animal Control

Spotless liaised with both Defence and Queensland National Parks and Wildlife to design a co-operative program to target coastal areas to protect shorebirds and their habitat. An integrated program supported by the Fitzroy Basin Association, involving aerial culling and wild dog baiting and trapping, was developed and implemented from 2015 to 2017.

The total number of feral animals controlled from December 2015 to March 2017 by Defence contractors was:

- 1,855 pigs
- 68 feral horses
- 22 cattle
- 2 foxes
- 35 wild dogs
- 48 rabbits
- 25 feral cats
- 2 deer

In addition, Queensland Parks and Wildlife Marine Parks conducted a complimentary aerial cull in September 2016 to improve the management of pests within the catchment area. This cull controlled 158 pigs and one cat in the coastal zone of Shoalwater Bay Training Area. A wild dog baiting program carried out throughout 2015/16 resulted in 25 baits taken by wild dogs.

Flora and Fauna Monitoring

Twenty-three sites across the Shoalwater Bay Training Area were surveyed for fauna in April 2016. Additional opportunistic sites were also surveyed targeting particular species such as water mouse and northern quoll. The 14 day survey detected 4,593 individuals, covering 200 species: 10 amphibians; 37 reptiles; 127 birds; and 26 mammals. Ten species were identified as significant (listed as Vulnerable, Critically Endangered or under an international migratory agreement). A majority of the sites were also surveyed between 2011 and a continuing increase in species richness was observed.

Helicopter-assisted rapid flora and fauna assessments were conducted at 45 sites, including mountain tops, 14 islands and coastal areas over a three day period in April 2016. A total of 154 plant specimens were collected; 60 bird, 12 reptile and nine mammal species were found. A small daisy (*Camptacra* sp.) collected in 2012, 2014 and 2016 is yet to be described. Fifteen of the fauna species have not been detected previously during the land based surveys. A single Death Adder (Vulnerable – *Qld Nature Conservation Act 1992*) was found in Dismal Sector, the first time this species has been recorded during fauna surveys on the Shoalwater Bay Training Area. A flock of Critically Endangered (*Environmental Protection and Biodiversity Conservation Act 1999*) Great Knot was recorded, along with seven species of birds under international agreements with Japan, China and the Republic of Korea.

AECOM was engaged to perform shore bird monitoring and koala surveys in 2016. No direct koala observations were made, but faecal pellets were positively identified demonstrating the present of a low-density koala population in Shoalwater Bay Training Area. An aerial condition assessment of the damage caused to suitable koala habitat by TC Marcia was also conducted. Two shorebird and seabird monitoring surveys were undertaken in the first six months of 2016. February and April 2016 surveys estimated 21,232 and 14,655 birds respectively. The lower count in April reflected the departure of some migratory birds.

Foreign Affairs, Defence and Trade References Committee

Inquiry into the impact of Defence training activities and facilities on rural and regional communities – 12 July 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Money spent on local contracts in previous years.

Question reference number: 6

Senator: Gallacher

Type of question: asked on Wednesday, 12 July 2017, Hansard page 61

Date set by the committee for the return of answer: 31 August 2017

Question:

Mrs Wood: I would like to add that in Defence we award in the order of 30,000 contracts a year, and we do have a record of engaging with SMEs. Last financial year, 58 per cent of those contracts were awarded to SMEs. So this idea that we aggregate everything and have primes for everything is a bit of a misconception. We do award a lot of local contracts.

CHAIR: Just in relation to that, you have been active in this area for 50-odd years, so would you be able to give us the last 10 years spend on local suppliers and service providers?

Mrs Wood: Unfortunately we don't keep that data.

CHAIR: Is that because you don't spend anything?

Mr Grzeskowiak: We will have a look at what we can do for the last few years. I can't commit to the last 10 years, because the records—

CHAIR: You have been here for 50. You should have a demonstrated track record of local involvement with small to medium enterprises that you could put out on the table and say: 'This is what we do here. We come here, we have an operation, we involve all these people, we spend this money and we engage with local communities.' I just find it incongruous that the local community tell us this and then we have just had a statement to say that you do 30,000 contracts for small to medium enterprises. All I am asking is: what do you do here?

Mr Grzeskowiak: Yes, and we are going to look at that and we will look at that across the board. I am just saying that going back 10 years might be a bit difficult, but certainly the last few years shouldn't be a problem in that space...

CHAIR: If I am a local small to medium enterprise here, do I get visibility of where the money is being spent?

Cdre Norris: I am not aware of it being published, no.

Mr Grzeskowiak: Senator, I can give you some information from some of the contracts under my remit just for the last financial year. We will take your question on notice and see if we can give a broader answer. In the Rockhampton area—this is looking at my service delivery contracts, so that is grounds maintenance, waste collection, security access control, all those sorts of things—the people that perform

those works on direct contracts to Defence employ 36 local people, with two Indigenous people as part of that number. Twenty-six local businesses are engaged through subcontracting processes from those contracts. There are two Indigenous businesses as part of that 26. The value of products and services provided by local business in the last financial year was \$16.6 million. That wouldn't be all of the Defence expenditure. That is through the base services and facilities-type contracts in Rockhampton in the last financial year.

Senator BACK: In your area of responsibility.

Mr Grzeskowiak: In my area, yes. Of course, there would be other elements of spend from other parts of Defence. We will go and have a look and see if we can get some better figures on those for the last few years.

Answer:

Defence does not track expenditure within the corporate financial system on vendor activity by location of production, or delivery of goods and services.

To capture such information would require a significant impost on industry and on Defence's existing information systems.

Defence's systems do identify vendor activity by the billing address of the vendor, which only identifies where invoices are raised rather than where work is carried out or produced.

The Defence spend in the Electorate of Capricornia over the decade (2006-07 to 2015-16) is outlined below:

FINANCIAL YEAR	MILITARY EMPLOYEE EXPENSES \$'000	CIVILIAN EMPLOYEE EXPENSES \$'000	FACILITIES CAPITAL \$'000	FACILITIES OPERATING \$'000	GRANTS \$'000	MAJOR CAPITAL EQUIPMENT \$'000	SUPPLIER EXPENSES \$'000	Total \$'000
2006-07	1,635	883	10,861	745	1,649	120	3,188	19,082
2007-08	2,093	1,004	1,550	883	1,639	15	2,716	9,901
2008-09	1,587	964	11,956	181	0	7	1,168	15,863
2009-10	1,089	849	597	533	-	1	3,651	6,720
2010-11	702	725	9,284	764	-	-	1,145	12,619
2011-12	685	527	66	676	-	85	5,805	7,844
2012-13	764	466	3,193	794	-	2	3,087	8,306
2013-14	1,047	148	9	770	-	16	3,146	5,136
2014-15	1,300	146	784	707	-	5	805	3,748
2015-16	1,315	146	821	1,002	-	0	2,951	6,235
TOTAL	12,218	5,859	39,122	7,055	3,288	251	27,663	95,455

All Defence procurement over \$10,000 is published on AusTender which includes details of the supplier, the total value of the contract, method of procurement and description of the procurement.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Impact of Defence Training Activities and Facilities on Rural and Regional Communities – Rockhampton – 12 July 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Discussion with Mr Geddes

Question reference number: 7

Senator: Gallacher

Type of question: asked on Wednesday, 12 July 2017, Hansard page 53

Date set by the committee for the return of answer: 31 August 2017

Question:

Brig. Beutel: If I could come to Senator Gallacher's question first, in relation to how subcontractors are protected under our forms of contract, as you are aware through your work with the Public Works Committee, for our managing contractor form of contract we establish a trust account, so again under the managing contractor form of contract, with the contractor not being able to self-perform the works, they engage a subcontractor under a separate contract between the managing contractor and a subcontractor. As works are undertaken and they are completed, a progress claim is made by the subcontractor. That subcontractor is required also to provide evidence to the managing contractor in relation to the payment of his subcontracts, and then once that is undertaken we pay the full amount after verification of the works being undertaken and there is the payment down. Under a head contractor, we don't establish a trust account under that form of contract but what we do require, again as you are aware, are stat decs for that. We had a similar issue in a New South Wales project where a subcontractor to the head contractor, a civil works company, had gone into administration and the sub-subcontractor was left owing moneys. That still has not been resolved.

CHAIR: Whilst it is not perfect, there is a process in place and that applies here.

Mr Geddes: In my situation I cannot chase it up with the prime contractor. The bloke who talks to me will not tell me who his prime contractor is.

Brig. Beutel: We will talk later, after we have finished.

CHAIR: We have that on the record and you'll sort that out; I'm sure there'll be a solution there.

Answer:

Defence can confirm that The Caves Quarry CQ Pty Ltd has been provided information regarding the identity of the head contractor for this project, CC Pines Pty Ltd.

The Operations Manager of CC Pines Pty Ltd has also advised Defence that Terrequip Pty Ltd has initiated payment and provided a remittance of the disputed amount to The Caves Quarry CQ Pty Ltd on 17 October 2017.