

**JOINT STANDING COMMITTEE OF FOREIGN AFFAIRS, DEFENCE AND  
TRADE**

**REVIEW OF THE 2009-10 DEFENCE ANNUAL REPORT**

**QUESTIONS ON NOTICE**

**Q3**

**APS numbers and locations, from EL1 and above, Hansard 25 March 2011, page 15**

**Mr Robert**

**Can you provide the committee with the number of EL1s, EL2s and SES officers, in the Public Service and their locations.**

**Response:**

<b>Classification</b>	<b>ACT</b>	<b>NSW</b>	<b>NT</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>VIC</b>	<b>WA</b>	<b>Overseas</b>	<b>Total</b>
<b>Executive Level 1</b>	2,674	399	35	122	496	8	693	79	58	<b>4,564*</b>
<b>Executive Level 2</b>	1,116	141	9	34	417	3	350	22	38	<b>2,130</b>
<b>Senior Executive Service 1</b>	86		1				1		2	<b>90</b>
<b>Senior Executive Service 2</b>	34			1	7		4			<b>46**</b>
<b>Senior Executive Service 3</b>	13				2		1			<b>16***</b>
<b>TOTAL</b>	<b>3,923</b>	<b>540</b>	<b>45</b>	<b>157</b>	<b>922</b>	<b>11</b>	<b>1,049</b>	<b>101</b>	<b>98</b>	<b>6,846</b>

**Notes**

Information is correct as at 31 March 2011. The location and classification level is for the Actual Position filled.

\* Executive Level 1 results include 58 employees who are in a broadband classification that includes the Executive Level 1 Classification. This reporting methodology is consistent with that used for the Defence Annual Report.

\*\*Includes 31 SES Band 2 Officers, 13 Chiefs of Division (level 2) & 2 Medical Officer Grade 6

\*\*\*Includes 13 SES Band 3 Officers, 3 COD3s. CODs and MOs are equivalent to SES levels (like Star Rank levels for the Australian Defence Force) but do not fall under the same APSC guidelines as the SES so are not counted as part of the SES cap, but are counted for other reporting purposes.

Q4

**Growth in civilian personnel numbers, Hansard 25 March 2011, page 15**

**Mr Robert**

**Can you explain what is driving a 12.6 per cent growth in civilian bureaucracy in the department, including the DMO?**

*(Question follows the following statement, provided here for context: Moving on to the 2011 budget and looking at budget forecasts, it has the number of civilian APS in Defence rising by 12.6 per cent over the forward estimates, so by 2013-14 there will be 2,570 extra public servant civilians on top of the 2009-10.)*

**Response:**

With the release of the 2011-12 Portfolio Budget Statement (PBS) on 10 May 2011, the situation with regard to Defence's APS workforce has changed substantially from the time Mr Robert's question was asked. In the interest of currency, the following response is provided based on the figures contained in the 2011-12 PBS.

The 2009 White Paper and the Workforce and Shared Services Stream of the Strategic Reform Program (SRP) predicted a net increase from these two initiatives in Defence's APS workforce of 1,655 from 2010-11 to 2013-14.

There are two main drivers for the increases. First, the need to invest in Force 2030 capability development initiatives, and second, the need to support SRP related reforms to the Defence workforce mix, creating significant cost savings.

The workforce reforms comprise:

- the civilianisation of non-combat-related ADF roles, noting that civilians are around 30% cheaper to employ; and
- conversions within the civilian workforce from contractors to APS positions, saving some 15 to 30% per employee.

In parallel with growth, reductions to the net APS workforce result from efficiency and economy measures, the introduction of a first phase of Shared Services reform in Defence, and improvements in the Sustainment and Logistics reform streams.

On top of these increases and reductions totalling 1,655, further growth was planned to make up a deficit against the budgeted workforce in 2010-11, and there are pre-existing fluctuations due to factors such as some Defence Capability Plan projects ending while others commence.

The overall effect of these increases and reductions was to have been a growth from 2010-11 to 2013-14 of some 1,975 APS staff.

However, progress on the SRP suggests that more can be done, and a second phase of reform to shared services and other efficiency measures means that Defence can reduce this overall forecast growth by 1,000 over the next three years, to a net growth of 975 APS staff.

Q7

**Policy concerning rehabilitation and deployment, Hansard 25 March 2011, page 27**

**Dr Stone**

**There used to be a policy where if you could not be immediately deployed in the ADF then you were not able to stay in the ADF. Has this changed?**

***Air Chief Marshal Houston*—I will come back to you in terms of the policy, but our intent at the moment—and the practice that we are applying—is one where we return people to deployable status as best we can. The previous standards that applied no longer apply and we have changed the policy to that extent. But I will send you the policy, because we have changed it and our intent is to get all of those people back to the workplace and back to deployable status.**

**Response:**

The ADF requires a higher level of medical and physical fitness of its members than civilian organisations. Military personnel must meet strict standards and pass regular testing of their health and fitness for employment and their ability to deploy on overseas missions.

Defence is committed to ensuring that for those who become wounded, injured or ill, their recovery, rehabilitation and return to work is a priority. Military personnel who are wounded, injured or ill have access to high quality medical and specialist treatment and rehabilitation services. These are provided by Joint Health Command through garrison health services and programs such as the Australian Defence Force Rehabilitation Program (ADFRP).

The ADFRP aims to support their return to work in current or different duties or trade or, if this is not possible, they will be rehabilitated, medically discharged and supported to transition to the civilian environment. Medical discharge is the last option and, wherever possible, ADF members who no longer meet health standards for their trade or profession are offered the option of retraining for another employment category.

The program has contributed to the increase in Defence's capability by reducing the number of days lost through injury, as well as supporting the retention of experience through a reduction in medical separations.

The response provided by the CDF on 25 March 2011 confirms that Defence is in practice, returning people to deployable status as best as we can. The policy related to medical employment classification has been reviewed and was re-released 1 July 2011. The revision has expanded employment and deployment options as a consequence of the inclusion of additional sub-classifications. In particular, the introduction of an extended (two year) rehabilitation classification provides ADF members with a longer period of recovery and potential for continued service. To ensure that the support provided to wounded, injured or ill members continues to meet the needs of the individual, and their families, and to ensure ease of access,

Defence and Veterans' Affairs has jointly initiated the Support for Wounded, Injured or Ill Program (SWIIP) that will develop a whole-of-life framework for the care of injured or ill ADF members during their service and after transition from the ADF.

Q8

**ADF Gap Year and Navy placements, Hansard 25 March 2011, page 28-29**

**Mrs Gash**

**The internet is still showing 147 available places in the Navy. People have changed their positions, they have changed their careers and they have been offered a position already. Now they are told they can no longer take the gap year. I just want an explanation.**

**Response:**

Defence Force Recruiting does not now, and has never, indicated the number of Gap Year positions available on its internet site ([www.defencejobs.gov.au](http://www.defencejobs.gov.au)). Navy Headquarters has also confirmed that none of its internet sites would have indicated the number of Gap Year positions available during the period when Navy Gap Year was open. Without additional information as to the particular site Mrs Gash referred during her question, Defence is unable to provide additional comment.

The specific constituent case mentioned during the hearing has been addressed in correspondence to Mrs Gash by the Minister for Defence Science and Personnel.

Q9

**Women in senior ranks in the ADF, Hansard 25 March 2011, page 32**

**Dr Stone**

**How are the trends going with recruitment of Indigenous Australians, say, from southern Australia? I know I am asking lots of questions at the same time. Also, in terms of the mix in the Defence Forces of people other than Anglo derived, how are we going, for example, with reflecting the mix of the Australian population? I am talking about the Asian Australian proportion, the Australians who are from the Middle East and who are not from a Christian background, for example? Can you explain to me where are we going and what the trends are? Can you provide the proportions of women in senior ranks.**

**Response:**

This response should be read in conjunction with the responses provided by the Chief of the Defence Force, Air Chief Marshal Houston, and Deputy Secretary People Strategies & Policy Group, Mr Phil Minns, on page 33 of the Hansard transcript of the 25 March 2011 Defence Annual Report Hearing, Joint Standing Committee on Foreign Affairs, Defence and Trade.

As at 1 April 2011, the percentage of women in senior positions are:

- ADF senior ranks (Colonel or higher) 6.7 per cent; and
- Defence APS women in senior positions (EL2 or higher) 20 per cent.

Since 30 June 2005, the participation of women in senior ADF ranks is as follows:

	2005	2011 (1 March 2011)
Two star	1	1
One star	0	7
Colonel (E)	12	31

The diversity statistics are:

- Indigenous: ADF 0.8 per cent and APS 0.5 per cent; and
- Non English Speaking Background: ADF 5.2 per cent and APS 13.3 per cent.

Two reviews have been initiated to examine the pathways for women – the first will examine pathways for women in ADF leadership roles, and is being led by Ms Elizabeth Broderick. The second will examine Defence APS Women's Leadership Pathways, and is being led by Ms Carmel McGregor. Ms Broderick is working to complete her task by the end of 2011, and Ms McGregor will report at the end of July 2011.

In terms of the way forward Defence is implementing a range of initiatives designed to attract and retain employees from diverse backgrounds through the Multicultural Recruitment and Retention Strategy:

(a) Defence Force Recruiting (DFR) is conducting extensive research into Culturally and Linguistically Diverse (CALD) communities with a view to better understanding the factors that influence people from CALD backgrounds when making employment decisions. Recruiting activities include:

- Use of the 'Proud to Belong in the Australian Defence Force' banner to promote career opportunities in the ADF to CALD communities.
- Reviewing existing national research on recruitment and retention of CALD employees.
- All generic DFR advertising (Television, Print, Online and Radio) must consider ADF workforce diversity and aims to portray diversity including women, Indigenous and CALD serving members.
- Developing, producing and distributing an ADF Guide for Parents/Guardians through DFR Centres nationally.
- Continued participation in community engagement programs that target employee prospects from CALD backgrounds and also targets their influencers; parents and community leaders.

(b) Fairness and Resolution Branch is developing a range of products and services to aid increased cultural awareness across Defence and to facilitate retention of people from CALD backgrounds. These initiatives include:

- The distribution of an 'ADF Guide to Religion and Belief' that aims to inform employees and members of the religious needs of different cultural groups.
- The release of the 'Diversity in Defence' guidance document that draws together many elements of diversity across Defence.
- Conducting further research into the current level of diversity in the ADF and attitudes towards greater diversity.

**Q10**

**Update on PMKeyS upgrade, Hansard 25 March 2011, page 34**

**Mr Robert**

**Could you provide an update on the PMKeyS upgrade to the new version of the software, including the CENRESPAY integration as well as where Defence is up to with its planning with respect to moving allowances and dropping them down from about \$1,000 to a reasonable number.**

**Response:**

### **PMKeyS Refresh**

The Technical Refresh project is currently running under budget and is due for completion in April 2012 as originally proposed. There has been minimal change to the originally planned scope of work. The only key milestone change has been the implementation of Reserve payroll (replacing CENRESPAYII ), originally planned for July 2011, which is now planned for implementation in October 2011.

### **Allowances**

The strategic review of allowances is the next tranche of reform of remuneration for members of the ADF. It follows on from the officer and other ranks pay structure reforms in 2007-08. The review deals with the seventeen categories of pay-related allowances that currently fall under the jurisdiction of the Defence Force Remuneration Tribunal (DFRT). The aim of the review is to consolidate and simplify the structure and administration of these allowances and ensure they continue to support the people capability requirements of the ADF, and enable more cost effective administration of allowances.

The review is presently in the analytical phase where various options for the reform of the allowance structures are being evaluated. It is anticipated that Defence will make submissions on proposed reforms of the allowances to the DFRT in late 2011 and in 2012.

The strategic review of ADF pay-related allowances does not deal with the large range of domestic allowances that underpin the conditions of service that are provided to members of the ADF, such as leave, travel, housing, removal and location.



Q12

**Update on ADF Family Healthcare Trial, Hansard 25 March 2011, page 40**  
**Mr Robert**

**Could we have an update on initial outcomes of the ADF Family Healthcare Trial.**

**Response:**

The Australian Defence Family Health trial provides payment to enable free basic healthcare to Australian Defence Force (ADF) dependants.

Approximately 16,000 dependants or 22 per cent of the estimated 70,000 Australian Defence Force dependants are eligible to participate in the trial.

As at the end of May 2011 the overall dependant registration for Stage One was 44 per cent, specifically:

- Cairns 52 per cent;
- Katherine 29 per cent;
- Singleton 47 per cent;
- Sale 60 per cent; and
- The Pilbara Region 55 per cent.

Overall dependant registration for Stage Two was 25 per cent, specifically:

- Puckapunyal 22 per cent;
- Darwin 22 per cent; and
- Townsville 28 per cent.

Defence completed a mid-trial evaluation in June 2010. Compilation and analysis of information sourced during the evaluation determined whether the trial was achieving the aim of improving recruitment and retention in the ADF.

A key finding was that more than 65 per cent of responding ADF members rated the implementation of the ADF Family Health trial from moderately to extremely important in influencing their decision to remain in the ADF.

Further, the key message from families was that they want the trial to be expanded nationally, a choice of General Practitioner, access to additional allied health services and simplified trial registration processes.

The findings drove the development and implementation of a revised model which was implemented with effect 1 April 2011 and comprises the following features:

- One medical model for all trial locations;
- Eligible ADF dependants are free to access unlimited trial benefits from any general practice within Australia;
- The range of eligible medical items has been extended to include all Medicare Benefit Schedule Item Numbers provided in a general practice setting;

- Existing dental benefits have been extended to include other allied health services (such as optometry, physiotherapy) up to a capped limit per dependant, per calendar year; and
- Reduction of the administrative burden relating to Australian Defence Force dependant registration.

The trial is scheduled to be conducted until 30 June 2012.

Final evaluation of the trial has commenced and will provide Government with factual data informing the direction of future healthcare provision for Australian Defence Force dependants.

Q13

**Redress of grievance matters, Hansard 25 March 2011, page 41**

**Dr Jensen**

**Why did CDF say some years ago that all outstanding redresses of grievance matters had been satisfactorily addressed? With respect to the issue of Air Commodore Gary Bates, why was this matter and other matters still outstanding at the time? Why have both this and other matters taken so long to address? What happened with the redress of grievance submitted by Air Commodore Bates years ago?**

**Response:**

Defence believes Air Commodore Bates did not submit a redress into the matters he continues to raise about his service in the RAAF. As such, it is unclear whether this question is properly directed to the redress of grievance process, or claim made by Air Commodore Bates under the Compensation for Detriment Caused by Defective Administration (CDDA) Scheme.

**Redress of Grievance**

At the time the Chief of the Defence Force made the statement it was correct. While individual members may not accept or be satisfied with the outcome of their individual requests for redress of grievance, all matters had been decided through proper process.

The Chief of the Defence Force has personally been involved with members' redresses referred to him and has made every effort to resolve grievances. The redress grievance process does not have an unlimited range of remedies and cannot always provide the resolution members seek. Once the Service Chief or the Chief of the Defence Force (as appropriate) has made a decision on the redress of grievance the process is complete, regardless of whether a member accepts, is satisfied, or otherwise with that decision.

Other avenues are available to consider outcomes sought by members, such as debt waiver and compensation, which are not outcomes available from the redress of grievance process. Air Commodore Bates has progressed his claim through one of those avenues. Defence holds no outstanding requests for redress of grievance or other complaints from Air Commodore Bates.

**CDDA Claim**

Air Commodore Bates' CDDA claim has been the subject of thorough consideration and rejected by decisions in 2004 and 2009. Air Commodore Bates made representations to the Commonwealth Ombudsman about his CDDA claim and the Commonwealth Ombudsman's Office investigated those claims. The Commonwealth Ombudsman closed their investigation and noted they "*...considered the decisions made on the two CDDA claims lodged by AIRCDRE Bates (sic) to sit within the*

*boundary of reasonable decision making having regard to the circumstances of the case.”*

Notwithstanding Air Commodore Bates dissatisfaction with the outcome, Defence considers the matters have been thoroughly considered and addressed, and are finalised.

Q14

**Real cost of Operation Resolute, Hansard 25 March 2011, page 47**

**Mr Robert**

**My understanding from the budget is that in financial year 2009-10 Op Resolute was \$10.3 million. However, can you take on notice and get back to the committee with the real cost of Op Resolute? When I say ‘real’, in the budget papers the cost of all Defence assets, as I understand it, includes P3C Orions, seven patrol boats, RFSU elements, platoon size, transit security elements, with a number of surface and minor and major fleet vessels on standby. Those costs are sunk costs within the Defence budget. If the military was not stumping up under Op Resolute, those assets would need to be provided by Customs. I would like to know the real cost of Op Resolute. If the military were not doing this, if Border Protection Command minus military assets, were required to enforce the government’s policy position, what would it cost? Where would it get its assets from, and what would it cost, to get an overall picture?**

**Response:**

It is Government policy to supplement Defence for the net additional costs of major operations it is involved in.

Defence does not estimate the full cost of operations as this would not enhance budget processes as Government seeks only to supplement Defence funding for the net additional costs of conducting operations.

The net additional cost of an operation includes such things as any movement costs, additional personnel costs such as rations and allowances, extra fuel used by assets deployed, and remediation costs on completion of the operation, including repair and overhaul of equipment and replacement of consumables.

The full cost associated with Operation Resolute is not specifically captured within Defence’s financial systems.

Q15

**Headquarters NORCOM, Hansard 25 March 2011, page 49**

**Mr Robert**

**I am happy for you to take on notice to provide a list of the assets in equipment and manpower that have been force assigned from various agencies to Commander, Protection Command, if you are happy with that?**

- (a) Commander NORCOM is the Deputy Commander of JTF 639. Is he Deputy Commander of Border Protection Command as well, or is that a Customs officer?**
- (b) How much of Headquarters NORCOM's current tasking comes through JTF 639, and how much is through the normal tasking that comes down to them? In other words, how much of their time is taken up by Operation Resolute? If you could come back with the detail for the last five years with the percentage of his time that has been taken up with Operation Resolute.**
- (c) What is the Commander NORCOM, and Headquarters NORCOM as an entity, now not doing because of the substantial requirement for Operation Resolute?**

**Response:**

- (a) Commander Border Protection Command (BPC), also Commander Joint Task Force 639 (CJTF 639), has two deputies: one ADF officer and one Customs officer. Commander Northern Command (COMNORCOM) is Deputy Commander JTF 639 (DCJTF 639). A Customs Officer in BPC is Deputy Commander BPC.**
- (b) Commander NORCOM duties include DCJTF 639 (OPERATION RESOLUTE); Senior ADF Officer Northern Territory; Senior ADF Officer Larrakeyah Barracks and Defence Establishment Berrimah; and ADF Principle contact for Defence Aid to the Civil Community in the Northern Command Area of Operations. COMNORCOM is also prepared to command ADF and Whole of Government operations in the northern approaches as directed by Chief of Joint Operations. Approximately 65 per cent of NORCOM workload is dedicated to OPERATION RESOLUTE. A breakdown of the commitment between the two roles is detailed below including significant events/ activities for the year:**

	<b>NORCOM</b>		<b>OP RESOLUTE</b>	
<b>2006</b>	TC Monica / Mounting HQ OP ASTUTE	35 %	FFV surge activity	65 %
<b>2007</b>	TC George	35 %	FFV surge activity	65 %
<b>2008</b>	TC Helen	40 %	Low FFV/SIEV activity	60 %
<b>2009</b>		35 %	SIEV surge activity	65 %
<b>2010</b>		25 %	SIEV surge activity	75 %
<b>2011<sup>1</sup></b>	TC Carlos	25 %	SIEV surge activity	75 %

<sup>1</sup> Figures for 2011 are estimates only

			<b>Five year average</b>	67.5 %
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(c) Commander NORCOM manages his resources to meet his organisational priorities. The organisation has had an operational role in the border protection domain (through Operations RESOLUTE, RELEX and CRANBERRY) since the inception of the Headquarters in 1988. Throughout this period successive incumbents of the Commander NORCOM position have balanced the roles abbreviated in the answer to part (b).

Q18

**Threat and Risk Assessment and New Building Requirements, Hansard 25**

**March 2011, page 56**

**Mr Robert**

**Will there be any requirement for any physical building that goes to public works post financial year 2013-14 as a result of the threat and risk assessment process you went through?**

**Response:**

Subject to Parliamentary approval, significant planned works identified during the threat and risk assessment process that was completed as part of the Base Security Improvement Program, will start in mid-2012 and finish in 2013. At this stage, no public works will be needed after financial year 2013-14. Some infrastructure improvements, such as upgraded vehicle and personnel entry and exit points and the construction of vehicle inspection bays, are scheduled for consideration at the Public Works Committee in early 2012.

Nevertheless, base security threat and risk assessments will be conducted periodically (beyond the Base Security Improvement Program) and new security requirements may be identified. These assessments may generate the need for public works additional to those scheduled for Public Works Committee consideration in 2012.

Also, the Base Security Improvement Program consists of more than infrastructure improvements. Other program elements include incorporating a number of mandatory security measures into base security policy and plans, establishing an enhanced self-defence capability at some larger Defence bases, increasing the police presence at Defence bases, introducing a non-consensual inspection and search regime, and improving lighting and closed circuit television. These changes are not required to go through the Public Works Committee. Some of these enhancements (such as improved lighting and boundary security) involve one-off expenditures and are on schedule to be completed within the next two years. Other improvements, such as the enhanced self-defence capability and increased police presence, will have ongoing operating costs beyond 2013-14.



**Q19**

**Security at Scherger, Hansard 25 March 2011, page 57**

**Senator Ian Macdonald**

**Who is doing security at the Scherger bare base? Who is looking after Defence assets there now? It is obviously a bare base, but do you rely on the Department of Immigration security to protect your limited assets at Scherger?**

**Response:**

RAAF Base Scherger has four permanent Air Force personnel on base who are responsible for a range of tasks, including security of all Defence assets when the airbase is not activated for Defence purposes. The Department of Immigration and Citizenship provides security at the detention compound and access control to the base at the main gate, but does not provide security for Defence assets.

Q20

**DMO Liability Risk Assessments and Contingency Plans, Hansard 25 March 2011, page 60-62**

**Dr Jensen**

**Referring to the DMO document headed “Liability Risk Assessment”:**

**The concern I have is that in terms of the advice on what to do if the risk level of a project is extreme... “Mitigate the risk of it is cost effective, otherwise prepare a contingency plan”. That is incredibly weak. Do you not think that the advice on what to do should be a hell of a lot tighter on that in terms of actually taking action immediately? There is no urgency there that I find in the wording and yet the risk is extreme.**

**Response:**

At the outset, it should be noted what the purpose of the Liability Risk Assessment (LRA) document is. This document sets out the process developed to ensure that the Defence Materiel Organisation (DMO) complies with the requirement of the Commonwealth Procurement Guidelines that agencies must undertake a risk assessment prior to agreeing to any limitation of liability in a contract. It is not intended to be an overarching project risk assessment document, however it will be influenced by risks identified by the project that could give rise to loss or liability by the Commonwealth, contractor or third parties.

The LRA document and process are therefore consistent with, and a subset of, the broader DMO project risk management framework, as reflected in the DMO Project Risk Management Manual (PRMM). The DMO project risk management framework is designed to ensure Defence is complying with world standards (such as ISO 31000 - Risk Management).

Defence agrees with Dr Jensen’s assertion that urgency of action is an important consideration for personnel conducting risk assessments and believes that extant departmental policy and practice reflect this view.

DMO policy stipulates that where a risk assessment has been conducted resulting in identification of risks with a ‘severe’ outcome, a range of risk avoidance options are to be considered, up to and including the complete cessation of the project. The policy is intended to be expressed in such a way as to allow projects the flexibility to develop informed and appropriate responses to risks.

The DMO PRMM provides detailed policy and practice guidance on how risk is to be approached when undertaking DMO projects.

The PRMM states that when assessing options for risk treatment the timeline of anticipated risks is to be considered and a category of urgency is to be applied, ranging from urgent (risk treatment required within one month) to long-term (requiring treatment within 6 – 12 months). The reason for this timeline is because the effectiveness of risk treatment strategies is frequently dependent upon the expeditious implementation of those strategies. Conversely, though a risk may be assessed as ‘severe’, the risk itself may be reasonably expected not to transpire for a significant period of time, over which risk treatment strategies for that particular risk

may change significantly. This is dealt with by constant monitoring and frequent review of the project's risk profile over time.

This is an illustrative example of where contingency planning can be effective in managing a risk where immediate or urgent action may have an insignificant (or at worse, detrimental) impact upon the risk or other risks faced by the project.

The DMO is required to consider cost-effectiveness in all aspects of its business, including in risk management. Contingency plans play a role in risk management by providing options for responding to risks that develop into liabilities despite implementation of all cost-effective risk treatment options and strategies.

Q21

**Off the Shelf vs Systems Integration, Hansard 25 March 2011, page 67**

**Mr Robert**

**Have you gone back to analyse whether it would have been better to buy something homogenous off the shelf rather than walk down the systems integration path? For example, if I can use an Apache Longbow versus an armoured attack helicopter, my understanding is—and I accept I could be wrong—that the Longbow was a lot more expensive than the ARH. Has any work been done to say, ‘We are down the path of the ARH. Here is the total cost of where we are versus the total cost bid for ostensibly an off the shelf product that we could have got’ and in hindsight perhaps the Longbow was a better option. It would have been in service easier. It has greater interoperability. It would have been quicker, et cetera.**

**Response:**

A review of this nature of the specific equipment system has not been able to be undertaken. It is difficult to determine with a reasonable level of accuracy how much such an option would have cost, the likely timeframes for delivery or the ultimate through-life costs. However, Defence has moved to having an off-the-shelf (OTS) option as a benchmark for Government consideration of new capability acquisitions. When Defence assesses a developmental option against an OTS option it estimates the likely impact of delays and additional effort for the developmental option. All factors are considered including the relative risk assessments, the comparative costs including the costs of integration, the through-life costs, and other commercial aspects that could impact on the development and use of the capability.

Q22

**Tiger training in Oakey, Hansard 25 March 2011, page 68**

**Senator Forshaw**

**Referring to the Army training contract in Oakey with Boeing:**

**How many people have been trained in respect of the Tiger through the program? Please provide a total number, as well as some idea of how the program is tracking.**

**Response:**

- ARH training at Oakey is conducted by Australian Aerospace
- As at 11 August 2011, approximately 64 aircrew and 170 technicians have been trained using the aircraft, simulators and training devices for the 'Tiger' Armed Reconnaissance Helicopters (ARH).
- In 2001, the Commonwealth of Australia signed a contract for 22 ARH. As at 3 May 2011, 20 aircraft have been delivered to Army. Four of the aircraft are allocated to a rolling two month retrofit program which addresses configuration changes since the start of production. The remainder are to be delivered by the end of 2011.
- Army has been flying the ARH Tiger since January 2005. The total flying time accrued in Australia is in excess of 7900 hours.
- ARH aircrew training is progressing, with the sixth Regiment Pilot ARH Transition, and the associated Battle Captain ARH Transition, courses complete.
- The ARH capability is developing slowly due to lower than expected flying rates of effort. This has forced a prioritisation in spare parts demands across the fleet as well as a delay in the commencement of subsequent ARH aircrew training courses until financial year 2011/12
- The Helmet Mounted Sight and Display (HMSD) night vision devices have not yet completed acceptance for training which is affecting the progression of a night capability for the ARH. TopOwl Configuration-3 HMSD has not achieved predicted serviceability rates, and is not yet available for training. There is a risk that the serviceability of night vision devices will further delay acceptance into operational service.

Q24

**French Armed Reconnaissance Helicopter deployment in Afghanistan, Hansard  
25 March 2011, page 71**

**Mr Robert**

**Referring to the deployment of France's Armed Reconnaissance Helicopter  
(ARH) into Afghanistan:**

**Has it been engaged with a J-TAC on the ground in terms of coordinating fire?**

**Response:**

Yes. Aerial fire support for the French Armed Reconnaissance Helicopters in Afghanistan is coordinated from the ground. This coordination is conducted by their equivalent of the ADF's Joint Terminal Attack Controllers (JTACs).

Q25

**Air-to-Air Refuelling Tanker, Hansard 25 March 2011, page 75**

**Dr Jensen**

**On the issue of the air-to-air refuelling tanker being delayed for 18 months, what caused that delay and how is it that the Spanish managed to get their case E30 certified before us, despite the fact that they were further behind the tree in terms of orders?**

**Response:**

Australia is the lead customer for the new-generation A330 Multi Role Tanker Transport (MRTT) Aircraft, which is being developed by Airbus Military and will be known as the KC-30A in Royal Australian Air Force (RAAF) service. While Airbus Military is based in Spain, the Spanish Air Force is not currently a customer for the aircraft.

The major cause of the delays in the Australian program is an underestimation of the technical complexity and work effort needed to design, test and certify a modification to convert a commercial A330 aircraft into the world's most advanced new-generation air-to-air refuelling aircraft.

Despite these delays, Australia remains the lead customer for certification, acceptance and introduction into service of the A330 MRTT ahead of the United Kingdom, Saudi Arabia and United Arab Emirates. The Australian A330 MRTT has consequently been used as the first-of-type for civil certification by the European Airworthiness Agency (EASA) of the modified tanker variant with military systems installed but not operative, and then for military certification by the Spanish Military Airworthiness Agency (INTA) of the refuelling and other military systems.

**Q26**

**Explosive Ordnance, Hansard 25 March 2011, page 82**

**Ms Brodtmann**

**Are you professionalising explosives (ordnance workforce) as well? Is that happening as well? It is being rolled out to the explosive ordnance?**

**Response:**

Yes. The Defence Materiel Organisation is professionalising its workforce that are in the explosive ordnance domain. This process will provide employees with nationally recognised competencies, resulting in a strengthening of skills to better provide ADF capability.



**Q27**

**JSF Costs, Hansard 25 March 2011, page 94**

**Dr Jensen**

**What was the provision (for the New Air Combat Capability – AIR 6000).**

**Response:**

As advised to the Committee by Dr Gumley in July 2008, the Defence Capability Plan (DCP) provision for our procurement of around 100 Joint Strike Fighters was approximately \$12-14 billion. The provision has not needed to have been changed other than for adjustments for exchange rate and inflation.

W1

**Personnel Wounded on ADF Operations**

**Whole Committee**

**How many personnel have been wounded on ADF operations in combat in Timor Leste, the Solomon Islands, Iraq and Afghanistan?**

**Response:**

As at 24 June 2011, a total of 181 personnel have been wounded on ADF operations in Afghanistan, and 28 personnel wounded in Iraq. Figures relating to wounded in Afghanistan are regularly updated on the Defence Website at <http://www.defence.gov.au/op/afghanistan/info/personnel.htm>

Current Operations in Timor Leste and the Solomon Islands are considered non-warlike.

W2

**ADF Pay Remediation**

**Whole Committee**

- (a) **What is the current status of ADF pay remediation, and what confidence do you have that the necessary improvements are going to be achieved?**
- (b) **What potential is there for simplification and automation of existing systems?**

**Response:**

(a) Since the establishment of the Payroll Remediation Task Force on 2 February 2010, Defence has achieved a number of payroll improvements:

- Policy has been issued by the Secretary and Chief of the Defence Force - the latest of which details key responsibilities and accountabilities for the delivery of personnel and pay administration support to Defence personnel on operations and exercises. For the first time an Enterprise Business Process Owner, Deputy Secretary Defence Support, has been appointed for Personnel and Pay Administration.
- The rollout of the Payroll Assurance Framework has commenced, in conjunction with a pay business model, with completion expected in the next 12-18 months. This will lead to implementation of a robust compliance and controls testing regime which will result in better management practices across the entire pay domain.
- The Task Force has conducted regular pay day audits, which have resulted in understanding process issues and targeted remediation work.
- In line with the above points, the Task Force also continues to liaise and network with various Defence stakeholders such as Headquarters Joint Operations Command, the three Services, People Strategies & Policy Group and Chief Information Officer Group to progress improvements of personnel administration and pay for Defence. The Task Force has also presented this material as part of quarterly updates to the Australian National Audit Office.
- In keeping with the Strategic Reform Program, work is ongoing for the consolidation of all military payroll processing under one area of responsibility. This will result in complex transactions and manual processing being undertaken by one central authority, not fragmented as is currently the case.

Military pay remediation is an exceptionally large and complex area of reform, and will involve the resolution of a number of personnel and pay administration anomalies, process mapping, intensive consultation and cultural changes. However significant improvements have already been made through the Task Force activities and, with cooperation and continued consultation with stakeholders, this will continue.

(b) There are multiple streams being done in Defence to look at the complex pay structures for the military workforce, as well as increasing automation in the pay systems.

Further smaller scale automation in the pay systems will not occur until post the Personnel Management Key Solution (PMKeyS) Technical Refresh project scheduled for completion by mid-2012. This is necessary because under the Refresh the PMKeyS technical platform is being migrated to a compliant Peoplesoft software version necessitating a freeze to system changes that would be required under automation. Further automation is scheduled commencing financial year 2012-13.

Large scale pay automation is to be addressed as part of JP2080 Phase 2B.1, the Personnel Systems Modernisation Project, which will enable a range of human resources and payroll reforms. This project is currently in the requirements gathering and definition stage, with First Pass approval expected in financial year 2011-12.

JP2080 Phase 2B.1 will incorporate Defence's existing military payroll functionality from ADFPAY (military pay system) into the PMKeyS used by Defence for civilian payroll. This will provide a single payroll system for the military and civilian workforce, and allow ADFPAY to be decommissioned. The payroll functionality will be delivered on the new Oracle PeopleSoft Commercial-off-the-Shelf (COTS) platform as far as practicable, which is being introduced in the first instance as part of the current Refresh activity.

It is anticipated that much of the manual processing currently required, due to a lack of interoperability between current ICT systems, will be resolved through integrating these systems into the single, automated ICT solution.

Defence has devised an initial approach to mitigate considerable risks in the ability of a COTS solution to incorporate all military payroll functionality. This mitigation approach includes the ability to run existing or new bespoke solutions to address any business practices that cannot be supported by the COTS product, if necessary as a final measure.