

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

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

**QUESTIONS ON NOTICE**

**Q1**

**Views/Morale of Reservists, Hansard 25 March 2011, page 8**

**Mr Bruce Scott**

**From my point of view, it will not be a satisfactory answer that the Queensland Government called out for helicopters, which I understand, but we have the 25th-49th out there. They train on weekends, they had been to Canungra for a fortnight couple of months earlier, living in a jungle with only what is on their backs and they are saying, 'We're ready to deploy.' One of the comments when the helicopters and other military assets were deployed as the floods got worse further east and the disasters unfolded was that—with great respect to all Emergency Management Queensland and those personnel on staff—there was always a comment, that I am sure you can appreciate, when the army was in town. There is another sense of comfort in a time of great natural disaster. It is not that the Emergency Management Queensland, the SES and all the other volunteers that were there—and they would be there to assist and not to control, obviously. I would like you to look at this and talk with Emergency Management Queensland for the future because it gets to that issue of recruitment and retention. You train these people. There are reserves out there. They are in a rural setting. They often feel isolated from the rest of the world, but they are a great asset historically. They felt that they might as well resign. We will lose those units and they will join the SES because they want to do something. They train for this, train to help in civil situations, and some of them have actually been part of the high readiness that have been into the Pacific Islands. I would like you to pursue that a bit further.**

**Response:**

Between 11-28 January 2011, the main Reserve formation, the 2nd Division, provided 364 soldiers in support of the Queensland flood emergency. The 25th/49th Royal Queensland Regiment provided a Company Group of over 101 personnel for the duration of the flood emergency in Brisbane and a further 28 personnel in the Lockyer Valley/Toowoomba/Warwick area.

Assistance in emergencies like these is coordinated by Headquarters Joint Operations Command in response to requests from a Civil Authority which outlines the situation and the assistance required. The provision of Service personnel in response to these requests is determined by a variety of factors. These include the skill-sets and equipment required, the availability of the personnel, their location, and the ability to

get them to the emergency. The conditions and the ability of the logistics at the emergency site to sustain deployed personnel are also taken into account. In some circumstances a smaller number of selected personnel is more effective, and less of a drain on already strained or non-existent infrastructure, than large numbers of volunteers.

Because of this, it is not automatic that all soldiers who are available and wish to help in an emergency are used. For example, members of 25th/49th Royal Queensland Regiment in western regions were not deployed to Brisbane and the Lockyer Valley this year because the only means to deploy them was by air assets which were fully committed to search and rescue operations.

While some individual soldiers are no doubt disappointed they were not called on to assist, the 2nd Division reports that the general morale of those units which deployed in support of the Queensland flood emergency is high.

Q2

**Impact of Australian dollar on SRP savings, Hansard 25 March 2011, page 13**

**Can you indicate the impact of the SRP savings for the last two financial years if the Australian dollar was 75c, not parity?**

**Response:**

Exposure to foreign exchange movements is managed in accordance with the Australian Government Foreign Exchange Risk Management Guidelines.

Under this arrangement Defence is protected from the risk of foreign exchange movements on a no-win/no-loss basis.

Defence is required to return to the Government any surplus foreign exchange supplementation for an appreciation of the Australian dollar relative to other currencies.

Defence is supplemented by Government for foreign exchange losses incurred due to depreciation of the Australian dollar relative to other currencies.

Under this arrangement Defence's purchasing power is not impacted by fluctuations in foreign exchange rates and therefore there is no impact on SRP savings resulting from fluctuations in the value of the Australian dollar.

In addition, the SRP savings are mainly derived from Australian based activities and are therefore not impacted by foreign exchange movements.

Q5

**Costs of civilianisation of workforce, Hansard 25 March 2011, page 18-19**

**Mr Robert**

**I have one final question on civilianisation of the workforce. The chief made the point that it is more expensive to use a military person. How do we know that? Have we gone back and checked? Have we gone back and looked at, for example, all the civilisation positions and the military positions five years ago, how many civilians now fill that function and then what the total cost would be? I am happy to go back five or six years, but you can just take a five-year point of view. Does that data exist? If we were to go back five years ago looking at the civilianisation of every position in 2005 and the cost of it, as in we took 100 military, created 100 civilianised roles, how many people at what cost have now filled those roles? Is that a piece of work that can be done?**

***Dr Watt*—Let us see if we can find a way of giving you some data on comparative costs. I doubt that we would have that detail on individual positions, because to put it simply, apart from positions changing, people change. Let us see what we can give you by way of numbers of people who moved, a snapshot of that, and some idea of comparative costs per position then as opposed to now. It is going to be approximate.**

**Response:**

Over the period FY 2005-06 to FY 2009-10 there were a total of 153 enduring civilianisations excluding Navy military positions that were temporarily civilianised during this period. This resulted in an approximate saving of approximately \$18m as shown below:

	<b>FY 05/06</b>	<b>FY 06/07</b>	<b>FY 07/08</b>	<b>FY 08/09</b>	<b>FY 09/10</b>	<b>Total</b>
Number of civilianisation's (cumulative)	45	111	129	146	153	
Savings \$m <sup>(1)</sup>	1.4	3.5	4.0	4.6	4.8	18.3

Notes:

(1) Based on FY 2009-10 average actual costs.

Based on actual expenditure in FY2009-10, including remuneration and on-costs, the average total cost of a military member (excluding Star ranked officers) was \$150,375 which is higher than the average total cost of \$119,077 for a civilian employee.

The higher cost for military members arises from remuneration including allowances and additional on-costs for health, housing, removals and other costs that are not typically incurred with civilian employees.

The 2008 Audit of the Defence Budget also acknowledged that the full costs of civilian employees are significantly lower than their military equivalents.

Q6

**Indemnification clauses – Secretary and CDF, Hansard 25 March 2011, page 19**  
**Dr Jensen**

**Can you tell me if those contracts that you signed for your positions have indemnification clauses?**

***Dr Watt*—I do not know whether, as the secretary of the department, I am any different from other APS officers. I suspect I am not, so I would have no more than whatever indemnification applies to everyone else. I believe that, but I will confirm this, that I would have no more indemnification than any other member of the APS. Again, I would need to confirm the exact nature of the indemnification.**

**Response:**

The CDF is not on a contract per se - he is appointed by the Governor General for a specified term as a Statutory Office Holder. His remuneration is set by the Remuneration Tribunal. Similarly, the Secretary is appointed by the Prime Minister under a Prime Minister's Determination, which is consistent with the appointment of other portfolio secretaries. These arrangements do not provide for specific and individual indemnity arrangements.

The Legal Services Direction 2005, issued in accordance with the Judiciary Act 1903, outline the circumstances in which all Financial Management and Accountability Act 1997 agencies, including Defence, provide legal assistance at Commonwealth expense to Commonwealth employees.

The general policy underlying the provision of such assistance is that the Commonwealth should act properly as an employer in supporting employees who have acted reasonably and responsibly in performing their duties.

**Q11**

**Rehabilitation Platoons, Hansard 25 March 2011, page 40**

**Dr Stone**

**Do we still have rehabilitation platoons?**

**Response:**

Yes. Rehabilitation platoons within Army enable coordination of a range of services (medical, specialist, physical training, administrative) that are critical to returning injured soldiers to work.

The overall rehabilitation plan is designed and directed by the local medical centre.

There are also organisations such as the Training Rehabilitation Wing at Moorebank which provide a dedicated rehabilitation service for trainers at the Schools of Artillery, Armour, Engineering and Infantry.

Q16

**Policy Relating to On/Off Base Location for Defence Support Activities, Hansard  
25 March 2011, page 51**

Mrs Gash

- (a) **To relieve accommodation on base and strengthen security several state and local governments invested in industrial subdivisions adjacent to Defence infrastructure, such as airfields, ports and other bases. Can you advise me whether the Department of Defence will continue to support this regional investment by encouraging Defence contractors to establish off base, and can you also assure these investors that there is no policy by the Department of Defence to concentrate Defence support activities back on base in certain locations?**
- (b) **Would Defence prefer contractors to be back on base?**

**Response:**

- (a) The 2009 Defence White Paper – Defending Australia in the Asia-Pacific Century: Force 2030 outlined the Government’s strategic basing principles to meet the future needs of Defence. One of these principles is that Defence should aim to group bases near strategic infrastructure and industry to promote knowledge sharing, innovation, and to maximise the effectiveness of industry support to the Australian Defence Force (ADF).

The Government recognises the important role that Defence industry plays in support of ADF capability. The provision of on-base facilities for Defence contractors will only be approved where there is strong operational justification for contractors to be on base. A reduction in direct project costs is not seen to be a sufficient justification for contractors to be provided with facilities. Defence contractors who are permitted to use on-base facilities will be expected, at minimum, to pay costs associated with the occupancy of those facilities.

- (b) Allowing use of the estate by non-Defence entities requires a careful balance to ensure Defence is able to continue to deliver capability and support ADF personnel. Defence generally prefer contractors located off-base.

**Q17**

**ADF dogs, Hansard 25 March 2011, page 54, 58**

**Senator Furner and Senator Ian Macdonald**

- (a) Can you please explain how the dog breeding program at RAAF Base Amberley is going, and whether it is a case of that being rolled out to other bases?**
- (b) Are dog patrols used on Australian bases? Which bases?**

**Response:**

- (a) The Military Working Dog Breeding Program is meeting its requirement to breed sufficient numbers of military working dogs for the RAAF schedule of training. Sufficient military working dogs are available and assessed at 'course ready status' to team with individual handlers to conduct training, which in turn meets the requirements for dogs across all RAAF Bases.

There is no plan to expand the breeding program or 'roll out' to other bases. Such a plan would not be cost effective as it would require considerable funding to support dedicated breeding facilities and personnel at each location. The centralisation of the breeding program at RAAF Base Amberley is essential to ensure best practice is maintained through one centre or location of military working dog training and subject matter expertise.

- (c) Military working dog teams are employed on most RAAF Bases where aircraft exist to support the overall security posture of the Base. Security duties are varied but include mobile and foot patrols. Military working dog teams are permanently stationed at RAAF Bases Amberley and Townsville in Queensland, Darwin and Tindal in the Northern Territory, Richmond and Williamstown in New South Wales, Pearce in Western Australia and Edinburgh in South Australia.



