

GOVERNMENT RESPONSE

TO

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

REVIEW OF THE DEFENCE ANNUAL REPORT 2001-02

*Supplied with Compliments
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March 2004

RECOMMENDATION 1:

The Committee recommends that the Government investigate claims of possible duplication between the Tactical Assault Group (TAG) and State Police Forces and clearly set out the long term role of the TAG, its working relationship with State Police Forces and the types of action that the TAG will perform that State Police Forces will not. Second, the Commonwealth Government should consult with State Governments about their capacity to provide response capabilities to chemical, biological, radiological, nuclear and explosive incidents. Following this consultation, the Commonwealth Government should clearly set out its future role for the Incident Response Regiment (IRR). Third, the Commonwealth Government should clarify whether it is satisfied that funding for the enhanced TAG capability and the IRR has achieved an adequate balance between the two. [Paragraph 2.39]

Government Response:

Not Agreed. While some duplication exists in basic capabilities between the Tactical Assault Groups (East and West) and police assault groups, the Tactical Assault Groups have capabilities that do not exist among the police assault groups and are unlikely to for many years in the states. Offshore, ship-under-way and oil-rig recovery are just three capabilities that state and territory police are highly unlikely to develop the assets to undertake.

The Tactical Assault Groups also have a number of classified capabilities to which police assault groups do not have access. These capabilities are made available to Defence through its overseas links and its status as a Commonwealth agency. In general, the Tactical Assault Groups have a far higher level of capability to respond successfully to a terrorist situation than police assault groups. Additionally, the level of training and capabilities among each of the state and territory police assault groups varies considerably.

As the threat to domestic security has broadened in recent years, there has been a requirement to combine a chemical, biological and radiological (consequence management) capability with the Tactical Assault Groups' assault capability. This requires a joint capability between the Army's Incident Response Regiment and the Tactical Assault Groups. State and territory police do not have either the chemical, biological and radiological response capability or the cooperative training necessary to undertake such operations. It is also unlikely that most states will attain this capability in the near future.

The long-term role of the Tactical Assault Groups will remain unchanged from their present role; that is, responding to a domestic terrorist situation and recovering Australia's interests, assets and personnel located overseas. The Australian Government requires a response capability to protect national interests and to assist those of the states which do not have the ability to respond appropriately to a serious domestic counter-terrorism situation.

The working relationship between the Tactical Assault Groups and police assault groups is cooperative and cordial. Both groups work together within the context of the National Counter-Terrorism Committee regime of exercises. The Special Air Services Regiment also conducts an annual training course for police assault group members from each state and territory as part of Defence's commitment to the committee's training program.

There is no balance required between the Tactical Assault Groups and the Incident Response Regiment as each provides different, although complementary, capabilities in responding to a terrorist incident. The Tactical Assault Groups respond to siege/hostage-type incidents while the Incident Response Regiment responds to chemical, biological, radiological incidents. The Tactical Assault Groups and Incident Response Regiment would work together if a terrorist hostage recovery task also involved a chemical, biological or radiological component. In both cases, the Army will deliver a capability with the resources provided.

RECOMMENDATION 2:

The Committee recommends that the Department of Defence provide details in its Annual Report of the Army's personnel deficiencies, including the personnel shortage profile, the measures being undertaken to address these problems including policies arising from the *Defence Personnel Environment Scan 2020* and the time required to achieve optimum personnel levels. [Paragraph 3.31]

Government Response:

Agreed in principle. Future annual reports will provide greater detail on Army personnel deficiencies and actions being undertaken to address those deficiencies, although information on the establishment and strength of individual units cannot be provided for security reasons.

RECOMMENDATION 3:

The Committee recommends that when the 2003-2013 Defence Capability Plan is released, the Department of Defence should release a statement indicating, and giving reasons for, the key changes that have been made to Defence capability. [Paragraph 3.41]

Government Response:

Not agreed. A new Defence Capability Plan has been published. The Minister for Defence, the Chief of the Defence Force and the Service Chiefs made statements at their press conference on 7 November 2003.

RECOMMENDATION 4:

The Committee recommends that the Department of Defence should respond to the measures proposed by the Australian Strategic Policy Institute (ASPI) to improve Defence budgetary transparency discussed on pages 99 to 105 of the ASPI Defence Budget Brief 2003-04. [Paragraph 4.22]

Government Response:

Agreed. Defence's *Portfolio Budget Statements 2003-04* incorporated many of the suggestions subsequently made by ASPI in its Budget Brief. The amount of financial information and performance information contained in the statements has increased substantially and the presentation is clearer and more systematic.

The expanded statements received favourable comment from the Senate Foreign Affairs, Defence and Trade Legislation Committee, central agencies and the media. In addition, ASPI has stated "...it must be said that in some areas Defence has gone beyond the level of disclosure we suggested." (*The Cost of Defence: ASPI Budget Brief 2003-04*, page 99)

Defence will continue to improve the quality and the extent of the performance information it provides, as evident in the *Defence Annual Report 2002-03*.

RECOMMENDATION 5:

The Committee recommends that the Department of Defence outline in its Annual Report Australia's role in the Joint Strike Fighter program, the projected cost, lifecycle costs, transitional arrangements and progress with Australian industry involvement in the program. The Department

of Defence should include performance targets and objectives in its reports. Subsequent Annual Reports should report outcomes against those targets and objectives. [Paragraph 5.44]

Government Response:

Not agreed. Defence will continue to include qualitative information in its annual report addressing Australia's role in the Joint Strike Fighter program and progress with Australian industry involvement.

As the Government has made no decision on whether to purchase the aircraft, it would be inappropriate to include cost and funding figures in a public document such as the annual report.

In addition, while a broad description of the industry strategy for the new air combat capability has been released publicly, further details remain commercial-in-confidence.

RECOMMENDATION 6:

The Department of Defence should include cost data on the ADF Reserve Forces including total cost data and cost data by Service. The Defence Portfolio Budget Statement should include a new Outcome Statement which includes information on the Reserves and provides information about Reserve capability together with measurable performance indicators down to formation equivalent level. [Paragraph 6.19]

Government Response:

Agreed in Part. The ADF Reserve Forces are an intrinsic part of total Navy, Army and Air Force capabilities and, as such, are included in the cost of Service output tables contained in portfolio budget statements and the annual report.

Defence is considering ways of providing more information on the Reserves in future portfolio budget statements and annual reports. These could include a qualitative assessment, in each of the Service outcomes, of the Reserves' contribution to capability. The provision of Reserve cost data is not readily available as Defence's financial information systems are configured to meet the outcome/output performance reporting structure mandated by the Government. Notwithstanding, Defence will endeavour to provide greater visibility of Reserve costs in the future, commencing with personnel costs.

RECOMMENDATION 7:

The Department of Defence should include detailed information in the Defence Annual Report on the role, structure and function, including transition to new functions, of Reserve forces and the extent to which Army is blending them with regular Army units. This description should provide a diagrammatic representation detailing all Army Reserve units, their size, location and the regular units that they support. [Paragraph 6.20]

Government Response:

Not agreed. The Defence Annual Report is an outcome/output-based document and all components of the Australian Army (reserve and regular) are reported on that basis. Chapter Two of the 2001-02 report highlights the force elements that contributed to the Defence outcome and the Army output (from 2003-04, Army capability has a separate outcome). The appendix to the Annual Report provides a summary of the Army's structure down to unit level, identifying all reserve and integrated units. Cross referencing between the appendix and Chapter Two allows for easy identification of the role and function of reserve and integrated units and their contribution over the

period of the report. Chapter Five provides a summary of reserve strengths by rank, location and gender.

RECOMMENDATION 8:

The Department of Defence should include information in the Defence Annual Report detailing the work and performance outcomes of the Military Inspector General of the Australian Defence Force (Military Justice). [Paragraph 6.34]

Government Response:

Agreed. The Inspector General of the Australian Defence Force will provide, in the Defence annual report, an overview and an aggregate summary of investigations conducted during the year.

RECOMMENDATION 9:

The Department of Defence should provide the Committee with the final report of a review of the Defence Legal Service which was due for completion by 30 June 2003. This report should be provided to the Committee by 31 October 2003. [Paragraph 6.35]

Government Response:

Agreed: A copy of the report will be provided to the committee when consideration of the report is completed.