



**Australian Government**  
**Department of Defence**

**Defence Submission**

**to the**

**Inquiry Into RAAF F-111 Deseal/Reseal Workers and their Families**

**by the**

**Defence Sub-Committee**

**Joint Standing Committee on Foreign Affairs, Defence and Trade**

**Department of Defence**  
**11 July 2008**

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## EXECUTIVE SUMMARY

1. This submission outlines Defence's commitment to resolving the concerns and frustrations experienced by Deseal/Reseal workers and their families and reaffirms Defence's continuing commitment, made in 2001, to do whatever it can to assist all personnel adversely affected by the F-111 Fuel Tank Maintenance Programs between 1973 and 2000.
2. In 2000, following growing concern from Unit management at the number of F-111 fuel tank maintenance personnel reporting health problems, the spray seal program was halted on 28 January and a unit investigation began.
3. The spray seal program involved a perfunctory cleaning of fuel tanks and then spraying new sealant over the exiting sealant. The particles of airborne sealant exposed maintenance staff to a number of health hazards. The investigation quickly realised there were also health issues associated with the original Deseal/Reseal programs.
4. The issues were referred to the then Chief of Air Force who convened a Board of Inquiry (BOI) in July 2000. Defence accepted its failure to provide safe working conditions, both through inadequate protective equipment and failing to ensure that the available protective equipment was correctly used by personnel. Defence actioned all 52 recommendations from the BOI, instituting wholesale changes to safety management as a result. After the release of the BOI report, Defence commissioned and funded a health study, known as the Study of Health Outcomes in Aircraft Maintenance Personnel (SHOAMP). The aim of this study was to 'assess whether adverse health outcomes reported by Deseal/Reseal personnel were associated with their involvement in Deseal/Reseal programs or activities'.
5. At the same time, in accordance with a recommendation from the inquiry, the Chief of Air Force took immediate action to commission and fund interim health care services for personnel affected by the programs until they had had their claims resolved with the Department of Veterans Affairs (DVA). The interim health care scheme was administered by the DVA and had broad eligibility criteria. At the outset it provided treatment for every health issue conceivably linked to Deseal/Reseal activities though this was subsequently moderated to health issues reasonably linked to Deseal/Reseal. After SHOAMP, temporary health care was continued for conditions linked to Deseal/Reseal in accordance with the findings of the study. In 2007, the Government announced an indefinite continuation of SHOAMP health care for those registered before 20 September 2005.
6. In December 2004, the then Ministers for Defence and for Veterans' Affairs jointly released the former Government's response to the SHOAMP. The Government recognised the special nature of the circumstances of those whose health had been adversely affected through exposure to potentially toxic chemicals in the Deseal/Reseal workplace and decided that:
  - The existing compensation arrangements for affected F-111 Deseal/Reseal personnel were adequate;
  - It was appropriate to offer a lump sum benefit to those who had experienced significant levels of concentration of the chemicals and solvents associated with the F-111 Deseal/Reseal programs.
  - Funding should be made available to DVA to provide on-going cancer and health screening and a disease prevention program.
7. Throughout this process, Defence has worked closely with DVA to support all personnel affected by the Deseal/Reseal maintenance programs. Defence and DVA have shared responsibility for the provision of health care, the administration of the SHOAMP study and the delivery of ex-gratia payments.
8. While these processes have aimed to provide some measure of support to affected personnel, Defence appreciates and understands there are continuing concerns in relation to the administration of lump sum ex gratia payments. For this reason, Defence is committed to assisting the upcoming

parliamentary inquiry to investigate and review the needs of Deseal/Reseal workers including the equity and effectiveness of the previous response and whether it remains appropriate in 2008.

9. The underlying premise of the ex gratia payment was first and foremost an acknowledgement by the Commonwealth of the very poor working conditions experienced by RAAF personnel who were required to work inside F-111 fuel tanks for extended periods while being exposed to potentially toxic chemicals. The ex gratia payment was not a substitute for compensation nor was it a way to provide long-term health care. The principal means relied upon to provide compensation and long term healthcare for those affected remains the existing safety net of military compensation and veterans' entitlements legislation.

10. There has been significant criticism of the methodology of the ex gratia payment scheme. The estimated degree of exposure to potentially toxic chemicals was the principal factor in determining eligibility for a payment. The estimated degree of exposure was equated and directly linked with Deseal/Reseal work inside F-111 fuel tanks and certain other high exposure roles.

11. Other personnel associated with F-111 fuel tank repair were possibly exposed to similar chemicals to a lesser degree. However, suffering an illness or symptom of the kind identified by SHOAMP as statistically linked to Deseal/Reseal workers was not a factor in determining eligibility. It was based on estimated exposure.

12. The ex gratia payment scheme was aimed at those who suffered the highest known degree of exposure through working inside F-111 fuel tanks or in the immediate vicinity during Deseal/Reseal operations. The basis for the scheme gives rise to the appearance of inequity from the perspective of people who may have been exposed to the same or similar chemicals and are suffering from similar health conditions.

13. The adequacy of the ex gratia payment scheme must be viewed in the context of the compensation and health care available under legislation administered by the DVA. The ex gratia payment scheme was a small part of the overall package of measures which appeared to be available to personnel who have suffered a work related illness or injury.

14. The parliamentary inquiry represents an opportunity to review the adequacy of the previous Government's response through the prism of the experiences of personnel affected by the Deseal/Reseal program and related activities. From a Defence perspective, the most important issue is the delivery of equitable health care outcomes for personnel who have suffered illness or injury as a result of chemical exposure through Deseal/Reseal or related activities. Access to health care services should be a primary consideration in an overall response that also provides fair and appropriate compensation outcomes.

15. The health care and compensation issues stemming from the F-111 fuel tank maintenance programs present unique problems in achieving equitable outcomes. Deseal/Reseal workers who were military or Commonwealth employees have recourse to differing Commonwealth statutory health care and compensation regimes whereas contractors may only be able seek redress through State Workcover legislation or at common law.

16. Some Deseal/Reseal personnel may not be experiencing health affects now but they may experience chemical exposure related health problems in the future. The overall response should take account of these latent health issues in a similar manner to the Commonwealth approach to potential asbestos exposure. Personnel who have been exposed to potentially toxic chemicals should be provided with the means to be registered and identified now so that access to health care for anticipated health conditions is simplified and guaranteed.

17. The parliamentary inquiry might like to consider what steps can be taken under existing compensation and veterans' entitlements legislation to facilitate greater access to health care, compensation and pension entitlements. This may include creating a special class for Deseal/Reseal workers enabling access to veterans care.

### Commentary against Applicable Terms of Reference

*The Terms of Reference are contained in the left-hand column with responses in the adjoining right-hand column. Original paragraphs have been numbered for ease of reference.*

	<b>Terms of Reference</b>	<b>Response</b>
1	<p>The Inquiry will consider the adequacy and equity of the Health Care Scheme in meeting the health and support needs of participants and their families and whether this was consistent with the SHOAMP findings.</p>	<ul style="list-style-type: none"> <li>• There have been two transitional health care schemes applied to persons affected by the Deseal/Reseal programs</li> <li>• The interim health care scheme was established in response to recommendation 2.8 from the 2001 F-111 Deseal/Reseal BOI<sup>1</sup>. DVA administered the interim health care scheme from funds provided by Defence. This arrangement was detailed in a Letter of Agreement signed between Defence and DVA in November 2001.</li> <li>• The care provided covered any health issue that could be reasonably linked to work on Deseal/Reseal programs. Care was provided without distinction to Defence, civilian and contractor staff.</li> <li>• To receive care a person was required to submit a claim for compensation to DVA.</li> <li>• Interim health care was put in place pending the resolution of compensation claims.</li> <li>• Members of the Support Group commented favourably on the level of care provided under the interim health scheme.</li> <li>• The second, or ‘SHOAMP’, health care scheme restricted the level of health care to those health issues identified by the SHOAMP Study.</li> <li>• This scheme was also funded by Defence and administered by DVA. This arrangement was detailed under a second Letter of Agreement between Defence and DVA in November 2005.</li> <li>• Affected persons who had not yet registered were required to register by submitting claims to DVA by 20 September 2005 in order to be entitled to care under the SHOAMP health care scheme.</li> <li>• The SHOAMP scheme is transitional and will continue until applicants claims have been finally</li> </ul>

<sup>1</sup> See – [http://www.airforce.gov.au/organisation/info\\_on/units/F111/index.htm](http://www.airforce.gov.au/organisation/info_on/units/F111/index.htm)

		<p>resolved under legislation administered by DVA</p> <ul style="list-style-type: none"> <li>• Members of the Support Group commented on the reduced number of conditions covered by the SHOAMP Health Care Scheme and the cut-off date for registration of new claimants.</li> <li>• The families of affected personnel were not eligible for health care under either scheme, except for counselling covering genetic issues and broader lifestyle issues.</li> </ul>
1	<p>Matters to be considered will include, but not be limited to:</p> <p>a. The differences and transitional arrangements between the interim health care scheme and the final scheme.</p>	<ul style="list-style-type: none"> <li>• The interim health care scheme had wide eligibility criteria, providing care for any condition reasonably linked to Deseal/Reseal operations.</li> <li>• The SHOAMP health care scheme provides care for the range of conditions identified by SHOAMP as being statistically linked to Deseal/Reseal personnel.</li> <li>• In 2007, the Government announced an indefinite continuation of SHOAMP health care for those registered before 20 September 2005.</li> <li>• The former Government determined that care would continue under certain conditions: all those covered under interim health care were automatically covered under SHOAMP health care, but any new recipients had to register by 20 September 2005.</li> <li>• Additionally, a decision was made by the former Government that those who had received treatment or medication for cardio vascular conditions, even though these conditions were not recognised by SHOAMP, would continue to receive care until other arrangements for care in the public health system could be made.</li> </ul>
1	<p>b. The timing of cessation of access to the health care scheme</p>	<ul style="list-style-type: none"> <li>• SHOAMP health care was originally intended to continue until all cases for compensation and benefits had been finally determined but in 2007, the Government announced an indefinite continuation of SHOAMP health care for those registered before 20 September 2005.</li> </ul>
1	<p>c. The range of treatment and health benefits provided under the Health Care scheme</p>	<ul style="list-style-type: none"> <li>• Under the interim health care scheme, a Doctors Advisory Committee consisting of Defence and DVA representatives made decisions on the range of conditions that should be treated.</li> <li>• Under the SHOAMP health care scheme, the Doctors Advisory Committee determined whether</li> </ul>

		<p>medical conditions were covered by SHOAMP.</p> <ul style="list-style-type: none"> <li>Defence has no records in relation to the treatment and health benefits provided under the health care schemes.</li> </ul>
1	d. Whether the current ( <i>SHOAMP</i> ) Health Care Scheme is consistent with the range of treatment and health benefits available to persons under other Health Care Schemes;	<ul style="list-style-type: none"> <li>Defence does not have records in relation to the range of treatment and health benefits that have been provided under the SHOAMP health care scheme.</li> </ul>
1	e. The adequacy of arrangements under the Health Care Scheme affected family members (including widows) or serving members; and	<ul style="list-style-type: none"> <li>Current serving members receive full health care through Defence Health Services.</li> <li>Family members of persons receiving health care under interim and SHOAMP health care were offered counselling covering genetic issues and broader lifestyle issues. There has been no medical study in relation to family members of personnel associated with Deseal/Reseal programs.</li> <li>The transitional health care arrangements have focussed on any persons who experienced exposure to harmful chemicals during Deseal/Reseal activities while their claims are being finalised with DVA.</li> <li>There have been no claims lodged by family members in relation to an illness or condition attributed to Deseal/Reseal.</li> </ul>
1	f. If the Health Care Scheme is not considered to be an adequate response to the health and support needs of the participants and their families, consider and report on possible alternatives that are considered to be adequate in light of the findings of SHOAMP and other Health Schemes.	<ul style="list-style-type: none"> <li>The health care schemes were designed as interim arrangements pending the long-term health care of serving members.</li> <li>The Deseal/Reseal community have had trouble in dealing with military compensation and veterans' entitlements legislation.</li> <li>Consideration should be given as to what steps can be taken under existing military compensation and veterans' entitlements legislation to facilitate greater access to health care compensation and pension entitlements. This may include creating a special class for Deseal/Reseal workers</li> </ul>
2	The Inquiry will consider the adequacy and equity of the financial element of the Ex	<ul style="list-style-type: none"> <li>A joint Ministerial Media Release dated 19 August 2005 advised that the Federal Government had made \$20.8 million available from the Defence portfolio for the ex gratia lump sum. An</li> </ul>

	<p>Gratia Scheme and whether it was consistent with:</p> <ul style="list-style-type: none"> <li>(i) the findings of SHOAMP,</li> <li>(ii) the Health Care Scheme response</li> <li>(iii) the Tier definitions, and</li> <li>(iv) one off payments to other veteran groups</li> </ul>	<p>additional, \$3 million was paid for administrative costs. Subsequently, when payments exceeded available funds, additional funding of \$1.8 million was made available for claims, a total commitment of \$25.6 million.</p> <ul style="list-style-type: none"> <li>• The underlying premise of the ex gratia payment was not as a substitute for compensation nor to help provide health care.</li> <li>• The ex gratia payment was first and foremost an acknowledgement by the Commonwealth of the very poor working conditions of maintenance staff in the Deseal/Reseal programs who were required to work inside F-111 fuel tanks for extended periods while being exposed to potentially toxic chemicals.</li> <li>• The safety net provided by compensation and veterans' entitlements legislation is the principal mechanism relied upon to provide appropriate compensation and health care.</li> </ul>
2	<p>The Inquiry will consider, but not be limited to:</p> <p>a. Whether the lump sums available under the ex gratia scheme were appropriate.</p>	<ul style="list-style-type: none"> <li>• Given the amount of money made available and the anticipated number of personnel involved in the Deseal/Reseal programs, a decision was made to pay \$40,000 for 'core' desealers and \$10,000 for those who worked nearby and were exposed to similar working conditions.</li> <li>• Noting that the ex gratia payment is not intended to be a substitute for compensation; Defence would welcome an opportunity to explore alternative outcomes.</li> </ul>
2	<p>b. Whether the lump sums available were appropriate given the findings of the SHOAMP</p>	<ul style="list-style-type: none"> <li>• It is now close to three years since the Government response to SHOAMP. It may now be appropriate to reconsider the funds made available for ex gratia payments taking into account the compensation and health care outcomes that Deseal/Reseal personnel have received. Defence would welcome an opportunity to explore alternative outcomes.</li> </ul>
2	<p>c. Whether the lump sums were consistent with other one-off payments made to veteran groups</p>	<ul style="list-style-type: none"> <li>• Comparisons with any other ex gratia payments are not useful as circumstances vary considerably.</li> </ul>
2	<p>d. When assessing the question of adequate remedies whether regard should be given to</p>	<ul style="list-style-type: none"> <li>• The concerns raised by the Support Group and individuals clearly indicate a level of dissatisfaction with outcomes achieved under the existing framework of compensation and</li> </ul>



	the establishment of a dedicated administrative assessment and settlement scheme, and	<p>veterans' entitlements legislation.</p> <ul style="list-style-type: none"> <li>• Defence supports the exploration of all remedies to achieve equitable health and compensation outcomes for personnel whose health has been affected by Deseal/Reseal operations.</li> <li>• Particular consideration should be given to whether special status can be achieved for Deseal/Reseal personnel within the existing legislative framework. This would allow utilisation of current DVA resources and avoid the inevitable additional administrative and personnel costs of creating a new body.</li> <li>• Defence would support exploring additional initiatives such as a dedicated administrative assessment and settlement scheme.</li> </ul>
2	e. If the lump sums available under the ex gratia scheme are not considered to be financially adequate, discuss what compensatory payment would be appropriate in light of the SHOAMP findings and other one-off payments made to veterans groups, and the full range of benefits and compensation available under other Commonwealth and State statutory schemes or common law damages available under Australian law	<ul style="list-style-type: none"> <li>• The ex gratia lump sum could be increased and the criteria for eligibility could be reviewed.</li> <li>• However, the ex gratia lump sum should not be equated with compensation and any new arrangements should not deprive persons affected of the compensation they may be entitled to under statutory schemes or common law, nor should they be disadvantaged with any other entitlements they may have.</li> <li>• Payment by way of compensation may limit claims for compensation under statutory schemes or at common law and may affect member's entitlements for welfare and housing under State and Commonwealth provisions.</li> <li>• Commonwealth legislation was enacted in FY 2006-07 to have the ex gratia payment accepted as a tax-free payment.</li> <li>• Many recipients of the ex gratia lump sum have not presented with any health conditions associated with working on Deseal/Reseal.</li> <li>• Even though there is a potential that personnel could develop exposure related health conditions in the future, currently they are not entitled to any benefits under compensation laws.</li> <li>• The key driver for additional measures should be achieving appropriate long term health care outcomes for all those affected.</li> </ul>
2	f. If the Health Care Scheme is not considered to be an adequate response to the health and support needs of the participants and their	<ul style="list-style-type: none"> <li>• The Health Care Schemes were designed as interim arrangements pending the long-term health care of serving members.</li> </ul>

	families, consider and report on possible alternatives that are considered to be adequate in light of the findings of SHOAMP and other Health Schemes.	<ul style="list-style-type: none"> <li>• The Deseal/Reseal community have had trouble in dealing with military compensation and veterans' entitlements legislation.</li> <li>• Consideration should be given as to what steps can be taken under existing military compensation and veterans' entitlements legislation to facilitate greater access to health care, compensation and pension entitlements. This may include creating a special class for Deseal/Reseal workers</li> </ul>
3	The Inquiry will consider whether the overall handling and administration of ex gratia and compensation claims was appropriate, timely and transparent for both participants and their families.	<ul style="list-style-type: none"> <li>• The intention to make a lump sum payment was announced by Government in December 2004.</li> <li>• The eligibility criteria and administrative arrangements were the subject of considerable review by Government and were settled and agreed by Government in the period between December 2004 and August 2005.</li> <li>• The eligibility criteria and administrative arrangements were announced in August 2005 and the processing of submissions by eligible persons began shortly thereafter.</li> <li>• The Secretaries of DVA and Defence signed a formal Memorandum of Understanding in early 2006 that set out the responsibilities of each party.</li> <li>• Defence provided DVA with the funding for the scheme and staff to provide technical advice.</li> <li>• Their task was to consider claims in accordance with the approved criteria for the lump sum on behalf of the DVA financial delegate.</li> </ul>
3	The Inquiry will consider whether, but not be limited to:  a. Cross agency cooperation was effective;	<ul style="list-style-type: none"> <li>• There was full and effective consultation between Defence, DVA and other Departments.</li> </ul>
3	b. The documentation and records held by both agencies as they related to Deseal/Reseal was adequate;	<ul style="list-style-type: none"> <li>• Claimants were asked to provide as much information as they could, including service, medical, technical training records and affidavits.</li> <li>• Maintenance records for individual aircraft are only available from 1992.</li> </ul>
3	c. The standard of evidence required to substantiate a claim was reasonable, and if not, whether alternative standard of proof may	<ul style="list-style-type: none"> <li>• There were no rules of evidence.</li> <li>• Statutory declarations were accepted in conjunction with supporting documentation.</li> </ul>

	be used when making an eligibility determination;	
3	d. There has been equitable treatment of service personnel, public servants, civilian employees and contractors involved in Deseal/Reseal activities;	<ul style="list-style-type: none"> <li>The record keeping for each group has been different. Defence records are possibly more accessible than those for civilian employees or contractors, noting that one contractor is no longer operating.</li> </ul>
3	e. Staffing resources were adequate to produce a timely result;	<ul style="list-style-type: none"> <li>Defence provided three experienced staff to DVA to assist in processing claims.</li> </ul>
3	f. There were unreasonable delays in the process, taking into account the complex nature of issues; and	<ul style="list-style-type: none"> <li>The Government response including a lump sum payment was announced in December 2004.</li> <li>The eligibility criteria and administrative arrangements were the subject of considerable review by Government and were settled and agreed by Government in the period between December 2004 and August 2005.</li> <li>Defence does not hold records in relation to individual claims in order to assess whether results were timely after the commencement of the scheme.</li> </ul>
3	g. The overall handling of ex gratia and compensation claims was appropriate and timely.	<ul style="list-style-type: none"> <li>Please refer to responses at 4.e. and 4.f. above.</li> </ul>

## BACKGROUND INFORMATION

### *Chronology of Events*

#### **1973 – 2000**

1. **1973:** The first of 24 F-111C aircraft arrived in Australia in June 1973. Problems with aircraft panel sealant were evident soon after arrival when maintenance crews discovered uncured seal while investigating a fuel leak. The silicon seal proved to be hygroscopic and eventually expanded by 25% in volume. The internal expansion punctured the fuel tank sealant, allowing fuel to leak.
2. **1974 – 1976:** Initially, aircraft were treated individually through ad hoc sealant rework, or ‘pick and patch’, until the problem grew and a formal ‘Deseal/Reseal’ program was introduced. ‘Pick and patch’, was carried out between programs and continues to the present time.
3. **1977 – 1982:** The first Deseal/Reseal program ran from 1977 to 1982 and used the chemical SR51 (SR = sealant remover) and SR51A, which are now considered to be toxic. This involved RAAF personnel from No 3 Aircraft Depot.
4. **1985 – 1993:** The separate, but linked, ‘wings’ program ran from 1985 to 1993. This program did not involve fuel tank entry.
5. **1991 – 1993:** The second Deseal/Reseal program ran from 1991 to 1993 and used more benign chemicals and processes, but still demanded exacting (mechanical) cleaning standards that took aircraft offline for up to six months. This second program involved contractor staff from Hawker De Havilland and some RAAF personnel involved in training and contract supervision.
6. **1996 – 1999:** The less rigorous spray seal program ran from 1996 to 1999. This process involved a basic clean and then a spray of sealant in the tanks with aircraft off-line for several weeks. While the chemicals were also relatively benign, the exposure to airborne particles of sealant exposed maintenance staff to a hazard. This program involved RAAF Personnel from 501 Wing (Fuel Tank Repair Section).
7. There had been reports of health issues amongst personnel in the F-111 fuel tank maintenance section from the beginning of the Deseal/Reseal programs, but these remained unresolved.
8. **1999:** Late in 1999, a change of SNCOs in the fuel tank maintenance wing at Amberley saw an increase of technical staff visiting the medical section with ongoing medical concerns.
9. At the same time, PAF medical staff left for East Timor leaving one (ex-RAAF) Medical Officer to cope. He became concerned with the number of staff presenting from the fuel tank maintenance section with similar health conditions.
10. **2000:** After investigating, the Medical Officer contacted the CO of the Aircraft Maintenance Squadron, who in turn alerted the Officer Commanding 501 Wing to the issue. On Friday 28 Jan 2000 the spray seal program was halted and on the following Monday an investigating officer was appointed to consider the health concerns.

#### ***F-111 Deseal/Reseal Board of Inquiry***

11. **2000 – 2001:** After several months of investigation, the size and nature of the problem stretching back 27 years was realised. CAF then convened a BOI in July 2000 and the report from this BOI was made public on 8 September 2001 after interviewing 750 witnesses and scrutinising 1.5 million pages of documents, at a cost of \$10.5 million.
12. The BOI determined that there were problems with safety management, but its principal finding was that, *‘in excess of 400 people have long-term damage to their health’*<sup>2</sup> due to exposure

<sup>2</sup> Paragraph 1, Page 1, Chapter 1, Volume 1: The Report of the F-111 Deseal/Reseal BOI, 2 July 2001.

to chemicals used in fuel tank maintenance. CDF, the Secretary and CAF accepted all 52 recommendations in the report.

13. Defence acknowledged the Inquiry finding that there had been serious shortcomings in safety management concerning F-111 fuel tank maintenance. The Deseal/Reseal programs were found to have exposed maintenance staff to toxic chemicals of various sorts and combinations which had caused, '...*long term damage to their health*'.<sup>3</sup> In short, F-111 fuel tank maintenance staff had been badly let down.

14. The Inquiry prompted a major overhaul of safety management within Defence that has continued through to the present day. In 2002, the Defence OH&S Committee was established in response to the inquiry. In addition, each of the Services has introduced new safety management systems, while the whole of Defence approach is articulated in the current OH&S Strategy 2007-2012. This strategy details the standard of safety that is demanded in Defence.

15. While the recommendation from the inquiry largely dealt with safety management, the two recommendations that dealt with those affected by work with F-111 fuel tank maintenance were as follows:

a. **Recommendation 2.8**

'Defence should ensure that all personnel, who may have been exposed to toxic chemicals in any of the programs, are provided with medical checkups and sympathetic advice and treatment. This should be at regular intervals, and careful records should be kept. This approach should be refined, as the results of the DVA study become known'.<sup>4</sup>

b. **Recommendation 9.2**

'Defence should appoint someone to act as advocate for fuel tank repair workers whose health has been affected. This advocate should assist these workers in dealing with the authorities and, in particular, assist in preparing compensation claims'.<sup>5</sup>

### **SHOAMP**

16. **April 2000:** The Minister Assisting the Minister for Defence, Bruce Scott MP, directed a health study to be conducted to determine what the effects of the Deseal/Reseal programs had been on individuals. The study would be funded by Defence but was delayed until after the BOI.

17. **2001:** In accordance with recommendation 2.8 from the BOI report, DVA provided interim health care to all maintenance staff involved in the Deseal/Reseal programs. Funding for the interim health care scheme was provided by Defence.

18. **2002 – 2004:** SHOAMP began in early 2002 and presented four reports with a fifth and final report in October 2004. The *statistical* study examined 659 Deseal/Reseal staff and used other Defence personnel from RAAF Amberley and Richmond as control groups.

19. SHOAMP reported an association between F-111 Deseal/Reseal involvement and poor physical and mental quality of life, erectile dysfunction, depression, anxiety and subjective memory impairment. While no significant evidence of increased mortality or cancer was found, a 40 to 50 per cent higher incidence in cancer in the Deseal/Reseal group was reported.

<sup>3</sup> Page 1, F-111 Deseal/Reseal BOI Report of 2 July 2001.

<sup>4</sup> Page 8, Chapter 1, Volume 1, Deseal/Reseal BOI Report. This recommendation provided the basis for the interim health care arrangements from 8 September 2001, the date the Board of Inquiry Report was released to the public, in accordance with a Letter of Agreement between DVA and Defence

<sup>5</sup> Page 6, Chapter 9, Volume 1, Deseal/Reseal BOI Report. Chief of Air Force appointed an advocate on 8 September 2001, who continues to act as a Military Compensation Liaison Officer for serving members.

20. The effects on families from chemicals associated with the Deseal/Reseal processes remains an issue. There was no evidence found during the Health Study of any association between Deseal/Reseal exposure and miscarriage or still births, but the original concerns could not be addressed during SHOAMP<sup>6</sup>.

### ***The Government Response***

21. **2004:** December - The Government accepted responsibility for the health outcomes from the Deseal/Reseal programs and announced that compensation arrangements under existing compensation legislation were adequate, a lump sum payment, continuation of Health Care and funding for a Health Screening Program.

22. DVA continued the provision of health care to affected personnel, but covering only those conditions recognised by SHOAMP. A Letter of Agreement between Defence and DVA provided details for the continued provision of health care.

### ***The Ex Gratia Payment***

23. **2005:** August – The announcement of the lump sum payment included considerable detail on the definitions of eligibility for what was to be an ex gratia payment. The definitions included ‘Tiers’ of eligibility which detailed the level of exposure of those directly involved in the Deseal/Reseal Programs and those who worked on the periphery. Further details regarding the Tiers of Eligibility are attached at Annex B<sup>7</sup>.

24. Based on these definitions, DVA administered payments to claimants with technical assistance from Defence staff to assist DVA in determining eligibility for the ex gratia payment. The ex-gratia payments were funded by Defence and this arrangement was detailed under a Memorandum of Understanding, signed in 2006, between Defence and DVA.

### ***2006 to Present***

25. **2006 – 2007:** The F-111 Deseal/Reseal Support Group has raised concerns over the eligibility criteria and cut off dates for the ex gratia payment with federal members of Parliament and successive Ministers. Lack of official records has also frustrated maintenance staff in proving their eligibility for the ex gratia payment.

26. From 2001, DVA received claims for health care and compensation from maintenance staff with service related health conditions. Claimants were given the option of having their claim dealt with immediately or held pending the SHOAMP study. The claims are dealt with in accordance with military compensation legislation.

27. **2008:** The new Federal Government has agreed to a Parliamentary Inquiry that will investigate and review claims for compensation from former Deseal/Reseal workers including the Commonwealth’s response to the health and support needs of former F-111 Deseal/Reseal workers and their families.

### **Common Law Claims**

28. There are 31 common law claims seeking damages against the Commonwealth arising out of the F-111 Deseal/Reseal programs. The claims are before the Queensland Supreme Court and commenced between 2002 and 2006.

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<sup>6</sup> Paragraphs 14.6 Page 303, Chapter 14, SHOAMP Report, Vol 5, September 2005.  
<http://www.defence.gov.au/health/research/shoamp/i-SHOAMP.htm>

<sup>7</sup> See also [http://www.dva.gov.au/f111\\_lump\\_sum.htm](http://www.dva.gov.au/f111_lump_sum.htm)

29. Three external legal services providers instructed by Defence Legal represent the Commonwealth. The Commonwealth's lawyers are engaged in pre-hearing exchanges with the plaintiffs' lawyers and alternative dispute resolution mechanisms are being explored.
30. The plaintiffs are either former RAAF members who participated at various times between 1975 and 1999 in the Deseal/Reseal programs, or employees of sub-contractors used by the RAAF for the second program between 1991 and 1993. They are seeking compensation for loss and damage, past and future economic loss and past and future medical expenses.
31. The claims essentially allege that the Commonwealth was negligent in failing to appropriately warn the plaintiffs about the risk of injury through exposure to chemicals used in the Deseal/Reseal process and to provide appropriate safety equipment for use when handling those chemicals. The range of injuries alleged to have been caused by the Commonwealth's negligence include fatigue, depression, psoriasis, sexual dysfunction, headaches, aching joints, memory loss, recurrent skin rashes, nerve damage, chemical induced dementia, cognitive disorder, emphysema, agoraphobia, irritable bowel syndrome, brain tumour, skin cancer, obesity, and alcohol dependence.
32. The common law damages claims are independent of the ex-gratia payments made to former maintenance staff by the former Government. Defence is cognisant of the importance that, in the interests of these plaintiffs, any settlement of the common law claims takes account of the long-term impact on the plaintiffs' statutory entitlements. In each case, careful consideration will be given to obtaining a balance between the general proscription against 'double compensation' and the need to provide for long-term medical treatment for former RAAF members who have been injured in the course of their employment.
33. Two further claims were settled by Workcover Queensland. Those claims were from ex-employees of Hawker de Havilland, who were contracted to undertake the second Deseal/Reseal program.
34. Two separate class actions commenced in the Queensland Supreme Court in December 2006 and January 2007. The first proceeding was instituted by a former RAAF worker suing in a representative capacity on behalf of himself and group members allegedly exposed to chemicals used in F-111 Deseal/Reseal programs between 1 December 1988 and 31 December 1999. The second was instituted by another former RAAF worker on behalf of himself and group members allegedly exposed to chemicals between 1 June 1973 and 30 November 1988.
35. The two class actions, as filed in the Queensland Supreme Court, had a number of flaws. They did not distinguish between the differing Deseal/Reseal programs or the different chemicals that were used during those programs. The claims also did not identify the numbers or identities of members of the class of claimants or the quantum of damages claimed. It also appeared that the actions would be time-barred under the Queensland Limitation of Actions Act. Given these issues, the Commonwealth made application to the Queensland Supreme Court for a strikeout of the claims. The Commonwealth's application was due to be heard on 11 April 2007. However, on the day prior to this, solicitors for the class action claimants approached the Commonwealth's solicitors proposing that parties consent to the claims being struck out with each bearing their own costs. This offer was accepted by the Commonwealth and the claims were struck out on 11 April 2007. Thus the actions were discontinued by consent of both the plaintiffs and the Commonwealth in April 2007.

## Comparison Between Deseal/Reseal and 'Pick and Patch' Activities

The following information details a number of fundamental and unique differences between the duties of a full time Deseal/Reseal worker and a 'Pick and Patch' worker.

36. **Tank Preparation.** Preparing fuel tanks for the Deseal/Reseal process required workers to spend lengthy periods inside fuel tanks defueling, mopping up excess fuel, removing fuel system plumbing and associated avionic or electrical wiring. This work was not part of 'pick and patch' activities.
37. **Chemical Desealing.** The Deseal/Reseal process required that the old sealant be removed from the entire internal surface of the fuel tank. During the first Program, this occurred by slashing the old sealant, and then preparing and installing the SR-51 chemical sprinkler system. This system heated and pumped this toxic chemical solvent throughout the aircraft's fuel tanks for 24 hours to soften the existing sealant.
38. During this process, Deseal/Reseal workers had to repair the barrier that prevented chemical leaks and open the chemical reservoir to take regular readings. After this chemical Desealing process was completed, Deseal/Reseal workers on the first Program had to re-enter fuel tanks to flush them out and remove the SR-51 sprinkler plumbing, and all covers. This chemical Desealing process did not occur during any 'pick and patch' activities.
39. **Water Pick.** Over time, a number of methods were utilised to remove the chemically softened sealant. Usually, Deseal/Reseal workers entered the fuel tanks with a 'water pick laser gun' which operated at very high pressure (up to 10,000 psi), and used this process to remove the old sealant.
40. This was extremely dangerous work as the 'gun' could easily sever fingers or toes if accidentally mishandled within the confined space of the tanks. Staff contracted infections resulting from the contaminated water.
41. In the later Wing Deseal/Reseal Program, walnut-blasting equipment was used involving finely ground walnut shells. This process had similar occupational hazards to the water gun but with dust as a hazard. This phase lasted about 2 weeks at three shifts a day. Again, this work was not undertaken as part of 'pick and patch' activities.
42. **Hand Pick and Cleaning.** Once the 'water pick' phase was completed, Deseal/Reseal workers re-entered the fuel tanks to 'hand pick' and physically remove any remaining sealants. This was achieved by using an assortment of dental picks, wire brushes, scrapers and rags.
43. This process used a general purpose solvent and took approximately 28 days for 24 hours per day utilising three shifts a day to complete. Similar tasks using general purpose solvents were undertaken during squadron pick and patch activities, but were generally of much shorter duration than the hand pick and cleaning phase of the Deseal/Reseal programs and significantly less intensive in terms of the amount of sealant needing to be removed.
44. Further, this type of pick and patch activity using general purpose solvents is not specific to F-111 aircraft. Similar processes are used in other ADF aircraft, including Hercules, Orion and Blackhawk.
45. **Reseal.** Deseal/Reseal workers then completely resealed all the fuselage fuel tanks by firstly laying an epoxy barrier compound to the seams and voids inside the tanks, and then applying three



coats of new sealant. This process took between 3-4 weeks, usually at two shifts per day, but often at three shifts per day. This process was not part of 'pick and patch' activities.

46. **Chemicals Used.** The Report of the F-111 Deseal/Reseal the BOI made extensive inquiries into the chemicals used during the programs and reported in detail on the risks to individuals. Some chemicals were not used in 'pick and patch' activities while others were not used in the same combinations or quantities.

47. **Replumbing.** F-111 Deseal/Reseal workers then re-entered the tanks to replace all the fuel tank plumbing and components on a shift work basis. Fuel tanks were then flushed, fuel filtered and then re-flushed up to ten times to remove waste residue associated with this process.

48. Any fuel leaks discovered during this process were repaired by the Deseal /Reseal workers who then re-entered the fuel tanks and carried out any necessary repairs using normal 'pick and patch' techniques.

49. Following the 'pick and patch' conducted at 482, 1 and 6 Squadrons, fuel tanks did not require flushing, reflecting the limited waste residue associated with this process.

50. **Personal Protective Equipment (PPE).** The BOI in its 2001 Report notes that, 'There was general recognition of the need for a significant range of PPE for all phases of the deseal/reseal activities'.<sup>8</sup> The BOI was presented with evidence that despite acceptance that PPE was required, the equipment supplied was poorly identified in the early programs with regard to suitability and adequacy for the tasks. By the time of the spray seal program provision of PPE had matured considerably, but there were still issues concerning the adequacy of the performance and supply of PPE.

51. A second issue in regard to PPE was an unwillingness to use unsuitable PPE in an environment where maintenance staff could be hampered in their tasks by the PPE. Supervision was difficult or non-existent when staff were isolated inside an aircraft

### **Aircraft Maintenance Records**

Representations were made to the previous Minister regarding the storage of F-111 aircraft maintenance records at RAAF Base Amberley. Investigations by Defence staff revealed the following information.

52. An Air Force Group Captain visited RAAF Base Amberley in 2006 to personally establish the location and status of any F-111 aircraft documentation that may have been archived at Amberley based units.

53. Staff at Numbers 1 and 6 Squadrons were interviewed regarding the location and status of archived aircraft maintenance documentation.

54. The location referred to by the Deseal/Reseal Support Group, together with other areas which may have held archived documentation, were physically inspected but no F-111 aircraft documentation was found that was dated prior to 1992.

55. Boeing Australia (Amberley) also confirmed that they are only in possession of F-111 aircraft documentation which coincides with the transfer of depot level maintenance to Boeing Australia in November 2001.

56. The documentation of the four formal Deseal/Reseal Programs was recorded on documents EE500, EE505, EE506, EE508 and Program task Worksheets. This documentation was returned to

<sup>8</sup> Third paragraph Chapter 8 Vol 2, F-111 DS/RS BOI Report, 2 July 2001. At: [http://www.airforce.gov.au/organisation/info\\_on/units/F111/vol2/VOLUME2%20Part1.htm#chapter8](http://www.airforce.gov.au/organisation/info_on/units/F111/vol2/VOLUME2%20Part1.htm#chapter8)

the operating squadrons (Numbers 1, 6 and 482 Squadrons) at the completion of individual aircraft servicing.

57. Prior to 2002, aircraft maintenance documentation was only retained for five years in accordance with Defence Instruction (Air Force) AAP 7001.006-1 Section 1 Chapter 2 Paragraph 212. The documentation was then destroyed in accordance with Australian Archive Disposal Authority 569. This policy was changed in 2002, to require all aircraft maintenance documentation to be retained for the life of the aircraft.

58. However, despite the RAAF-wide policy in effect in 1992, the Chief Engineer at RAAF Base Amberley had become concerned over the level of maintenance records held regarding the F-111 Fleet. During his tenure, records were not destroyed in accordance with existing RAAF policy.

59. Consequently, as has been established, the complete maintenance documentation for F-111 aircraft only exists from 1992 until now.

### **Division of Responsibilities between Defence and DVA**

Defence (Air Force) and DVA shared responsibilities for the provision of health care, the conduct of the Health Study, health monitoring, and payment of the ex gratia lump sum.

60. **2001:** Interim Health Care in accordance with BOI recommendation 2.8 was provided by DVA but Defence funded the scheme and Defence vetted applicants. This arrangement was detailed in a Letter of Agreement signed by Chief of Air Force and Secretary of DVA in November 2001.

61. **2001:** SHOAMP Health Study was funded by Defence and managed by DVA. This study was eventually named the Study of Health Outcomes in Aircraft Maintenance Personnel (SHOAMP) by the contactors – the University of Newcastle Research Associates

62. **2004:** Defence and DVA adopted a collegiate approach in providing Government with advice in relation the Health Study.

63. **2004:** DVA was provided with additional portfolio funding to cover the health monitoring scheme.

64. **2005:** SHOAMP Health Care: The SHOAMP Health Care Scheme was funded by Defence and administered by DVA. The arrangements were detailed in a Letter of Agreement signed by Chief of Air Force and Secretary of DVA in November 2005.

65. **2005:** The payment of the ex-gratia lump sum benefit was administered by DVA and funded by Defence. Defence also provided technical assistance to DVA in assisting to determine eligibility for the ex-gratia payment. A Memorandum of Understanding signed by the Secretary of Defence and the Secretary of DVA formalised the arrangements.

66. **2006:** Defence continued funding SHOAMP Health Care Scheme.

67. **2007/2008:** Portfolio transfer of funds from Defence to DVA continues to fund the SHOAMP Health Care Scheme. Budget appropriation approved to cover funding in following years.

**GLOSSARY of TERMS USED**

BOI	Board of Inquiry – Military legal inquiry with powers to compel witnesses
CO	Commanding Officer
CAF	Chief of Air Force
Defence	The Department of Defence, which includes the Royal Australian Air Force
Deseal/Reseal	The process of removing sealant from the internal surfaces of F-111 fuselage fuel tanks using chemical and mechanical methods by individuals entering the tanks for prolonged periods
DS/RS	Deseal/Reseal
DVA	Department of Veterans Affairs
F-111	Long range, all-weather, strategic strike and reconnaissance aircraft
‘Pick and Patch’	Sealant Rework
501 Wing	Wing – Air Force organisational structuring of several maintenance squadrons or units. 501 was the maintenance Wing at Amberley, formed in 1992 by the amalgamation of No 3 Aircraft Depot and No 482 Maintenance Squadron.
Sealant Rework	Flight line level ad hoc repair to the sealant of fuel tanks
SNCO	Senior Non Commissioned Officer

## DEFINITION OF A DESEAL/RESEAL PARTICIPANT FOR THE PURPOSES OF THE LUMP SUM PAYMENT SCHEME

### Tier 1 - \$40,000

A person who meets any one of the following criteria will be eligible to receive a lump sum payment of \$40,000:

1. A person who spent at least 30 cumulative working days on the Fuselage Deseal/Reseal or Respray Programs during the period 1977 – 1982, 1991 – 1993 and 1996 – 2000, whose duties involved working inside F-111 fuel tanks; **or**
2. A person who spent at least 30 cumulative working days on the Wing tank program during the period 1985 – 1992; **or**
3. A person who spent at least 60 cumulative working days carrying out Sealant Rework ( Pick and Patch) during the period 1973 – 2000 while attached to an F-111 Deseal/Reseal section; **or**
4. Boiler and Plant Attendants whose usual place of duty was the Base Incinerator as an Incinerator operator and who spent at least 30 cumulative working days undertaking these duties during the period 1976 – 1986; **or**
5. A person who can demonstrate that they would have met one of the above criteria except for the fact that they:
  - had an immediate physical reaction; **and**
  - required medical treatment or intervention; **and**
  - were given a work restriction or medical fitness advice (PM 101) stating that they should not return to that working environment.

### Tier 2 – \$10,000

A person who meets any one of the following criteria will be eligible to receive a lump sum payment of \$10,000:

- 1 A person who spent between 10 and 29 cumulative working days on the Fuselage Deseal/Reseal or Respray Programs during the period 1977 – 1982, 1991 – 1993 and 1996 – 2000, whose duties involved working inside F-111 fuel tanks; **or**
- 2 A person who spent between 10 and 29 cumulative working days on the Wing tank program during the period 1985 – 1992; **or**
- 3 A person who spent between 20 and 59 cumulative working days carrying out Sealant Rework (Pick and Patch) during the period 1973 – 2000 while attached to an F-111 deseal/reseal section; **or**
- 4 Boiler and Plant Attendants whose usual place of duty was the Base Incinerator as an Incinerator operator and who spent between 10 and 29 cumulative working days undertaking these duties during the period 1976 – 1986; **or**
- 5 Fire Fighters whose usual place of duty was a Unit at RAAF Base Amberley and who spent at least 60 cumulative working days actively involved in the burning of by-products from the F-111 DSRS process during the period 1976 – 1994; **or**
- 6 Personnel who were **not** involved in tank entry and whose usual place of duty was the Rag Hangar for 60 cumulative working days during the period Dec 1977 - Nov 1983; **or**
- 7 Personnel who were **not** involved in tank entry and whose usual place of duty was Hangar 255, 260, 277 or 278 for a continuous period of 60 cumulative working days during the period 1977 – 1982, 1991 – 1993 and 1996 – 2000; **or**
- 8 A person who can demonstrate that they would have met one of the above criteria except for the fact that they:
  - had an immediate physical reaction; **and**
  - required medical treatment or intervention; **and**

- were given a work restriction or medical fitness advice (PM 101) stating that they should not return to that working environment.

**Note:** Only one ex-gratia payment may be made regardless of how many times a person may be eligible. Where a claimant is assessed as eligible for both payments, the higher amount will be paid.