

Opening session

- 2.1 The Secretary of Defence and the Chief of the Defence Force (CDF) appeared at the opening session in which a range of generic issues were raised.
- 2.2 The key issues raised during the opening session focused on the investigations of the Inspector-General of the ADF, the honours and awards system, and progress with reforms to the Defence Material Organisation (DMO) including the appointment of the new CEO of the DMO.
- 2.3 In addition, the Secretary and CDF addressed matters relating to the Defence Capability Review focusing on the decisions to retire early the F-111, and to purchase new main battle tanks for the army. These matters are discussed in chapter five which deals with capability issues.

Military justice and the Inspector-General of the ADF

- 2.4 Mr Geoff Earley was appointed as the Inspector General of the ADF (IGADF) in January 2003. The IGADF is established by the CDF to 'provide a means for review and audit of the military justice system independent of the ordinary chain of command.'¹ In addition, the IGADF provides 'an avenue by which failures of military justice may be exposed and examined so that the cause of any injustice may be remedied.'² The IGADF reports directly to the CDF.
- 2.5 The key functions of the IGADF include:

1 Inspector General Australian Defence Force, Information Leaflet, 2003.

2 Inspector General Australian Defence Force, Information Leaflet, 2003.

- receiving submissions and investigating complaints;
 - conducting performance reviews;
 - providing advice; and
 - contributing to awareness and improvement.³
- 2.6 In relation to performance reviews, the IGADF measures key performance indicators and conducts 'audits of unit records, procedures, practices, training and competencies relevant to military justice.'⁴
- 2.7 One of the issues examined during the hearing was the performance outcomes of the IGADF including the number and type of investigations conducted. Defence indicated that at the time of the hearing, the IGADF had received 69 references.⁵ These references were considered by the IGADF between 13 January and 12 December 2003. Tables 2.1 to 2.4 provide more detail on the nature of the work performed by the IGADF.

Table 2.1 References to Inspector General ADF by subject matter - 13 January to 12 December 2003

Subject matter	Number of occurrences ⁽¹⁾	Percentage
Abuse of authority	20	11.2
Abuse of process	9	5.0
Avoidance of due process	14	7.8
Conflict of interest	1	0.6
Cover up/failure to act	16	8.9
Denial of legal rights	6	3.4
Denial of natural justice	20	11.2
Error in disciplinary process	17	9.5
Error of law	11	6.1
Harassment	24	13.4
Unlawful/extra-judicial punishment	1	0.6
Victimisation/bastardisation/threats/intimidation	26	14.5
Other	14	7.8
Total	179	100

1. A reference may include allegations with more than one subject matter

Source *Department of Defence, Submission 1, Question 1.*

3 Inspector General Australian Defence Force, Information Leaflet, 2003.

4 Inspector General Australian Defence Force, Information Leaflet, 2003.

5 General Peter Cosgrove, Chief of Defence Force, Department of Defence, *Transcript*, p. 7.

Table 2.2 References to Inspector General ADF by Services involved - 13 January to 12 December 2003.

Service	Number of references	Percentage⁽¹⁾
Navy	10	14.5
Army	43	62.3
Air Force	15	21.7
Tri-Service ⁽²⁾	1	1.4
Total	69	100

1. Figures do not add due to rounding

2. Tri-Services refers to joint units

Source Department of Defence, Submission 1, Question 1.

Table 2.3 References to Inspector General ADF by gender of originator - 13 January to 12 December 2003

Gender	Number of references⁽¹⁾	Percentage
Male	58	80.6
Female	14	19.4
Total	72	100

1. A reference may include more than one originator

Source Department of Defence, Submission 1, Question 1.

Table 2.4 References to Inspector General ADF by title of originator - 13 January to 12 December 2003

Rank	Number of references ⁽¹⁾	Percentage ⁽²⁾
Colonel	2	2.8
Wing Commander	2	2.8
Squadron Leader	3	4.2
Major	7	9.7
Captain (Army)	3	4.2
Flight Lieutenant	4	5.6
Lieutenant (Navy)	2	2.8
Flying Officer	1	1.4
Lieutenant (Army)	1	1.4
Officer Cadet	2	2.8
Warrant Officer (all services)	4	5.6
Flight Sergeant	1	1.4
Corporal	7	9.7
Lance Corporal	1	1.4
Able Seaman	2	2.8
Private	14	19.4
Aircraftman/aircraftwoman	2	2.8
Seaman	2	2.8
Civilian ⁽³⁾	11	15.3
Other	1	1.4
Total	72	100

1. A reference may include more than one originator

2. Figures do not add due to rounding

3. Civilian means a person other than an ADF member

Source Department of Defence, Submission 1, Question 1.

Conclusions

2.8 As part of the review of the 2001-02 Defence Annual Report, the committee recommended that Defence include, in its Annual Report, the work and performance outcomes of the IGADF. The Government agreed to this recommendation and noted that 'the IGADF will provide, in the Defence annual report, an overview and an aggregate summary of investigations conducted during the year.'

2.9 ADF personnel, the parliament and the community require adequate reporting of the work performed by the IGADF. The committee will, when

the 2003-04 Defence Annual Report is released, scrutinise the level of detail provided on the activities and performance outcomes of the IGADF.

Reforms to the Defence Material Organisation

2.10 In September 2003 the Government announced reforms to the DMO arising from the Kinnaird Report. In particular, the Government indicated that it would:

- establish the DMO as a prescribed agency under the *Financial Management and Accountability Act* to facilitate its evolution towards a more business like identity. As a prescribed agency, the DMO will be financially autonomous from the Department of Defence and be required to prepare separate and auditable financial statements, improving the financial transparency and accountability of the DMO.
- strengthen the capability development and assessment process before projects are handed to the DMO. This will be achieved by forming a new Capability Group within Defence headquarters to be managed by a three star official (military or civilian) reporting directly to the Secretary and Chief of the Defence Force. The new 3 star position will be appointed on merit for an extended tenure and will be solely responsible for capability development and ensuring that project proposals put to Government have reliable cost and schedule estimates.
- establish an eight-member Advisory Board to provide advice to the head of the DMO on strategic issues and to report to the Ministers for Defence and Finance and Administration at regular intervals on the implementation of the Kinnaird recommendations. The Advisory Board will comprise four private sector members (one of whom will be Chair) together with the Secretaries of Defence, Finance and Administration, Treasury and the Chief of the Defence Force.
- give the Chief Executive Officer (CEO) of the DMO an expanded range of powers to make improvements to the delivery of Defence projects and the management of the DMO, including empowering the CEO to revise DMO staffing and remuneration policies in order that the CEO is able to attract and retain high quality project managers from the military, industry or public service on the basis of merit and for extended tenures.
- strengthen the current two-pass approval system to facilitate early engagement with industry and provide a better basis for project scope and cost. This will be achieved by allocating additional funding at first-pass approval to allow Defence to undertake a detailed study of

capability options and by mandating the early involvement of Defence Science and Technology Organisation and the Department of Finance and Administration to provide external evaluation and verification of project proposals.

- establish cost centres in Defence and the Department of Finance and Administration, which will build on Defence's decision earlier this year to establish a Cost Assessment Group; strengthen the review of project costs and risks; and provide a quality assurance role for the Government.
- extend the role of Project Governance Boards to advising the CEO of the DMO on through-life support issues in order to provide greater recognition of the importance of managing the whole-of-life of a particular capability.⁶

2.11 At the time of the hearing, the appointment of a CEO of the DMO had not been made. There was, however, discussion about the salary level and conditions of service that might be offered to a prospective CEO.

2.12 On 30 January 2004 the Defence Minister, Senator the Hon Robert Hill, announced that Dr Stephen Gumley had been appointed as the new CEO of the DMO.⁷ Dr Gumley was previously the CEO of the Australian Submarine Organisation.

Honours and Awards System

2.13 In relation to the ADF honours and awards system, Defence was asked about the processes used by Government to determine which military and military related service on Australian soil is afforded some form of recognition. Defence stated:

The Chiefs of Service Committee, under my chairmanship, did consider the matter of recognising service on Australian soil, along with some other aspects to do with service offshore. In a contemporary sense, we are quite clear that we do not agree with the recognition of service—in a campaign medal sense—on Australian soil. The reasons are that the range of activities we normally undertake on Australian soil is such that they are amply recognised in other ways for those who have done particularly well and need to be recognised in a meritorious way. In other

⁶ Minister for Defence, *Statement*, Reforms Relating to the Procurement Process Within the Department of Defence, 18 September 2003, p. 2.

⁷ Senator the Hon Robert Hill, Defence Minister, Media Release, CEO Appointed to Defence Material Organisation, 30 January 2004.

activities—firefighting, flood relief et cetera—we join with the rest of the community.⁸

- 2.14 The Defence honours and awards system has recently generated some debate in the community. Mr John Bell, for example, has in correspondence to the committee broadly argued the need for an adequate system to determine which military related service on Australian soil is afforded some form of recognition. Mr Bell is not arguing for recognition or honours for just general service on Australian soil. His focus is ensuring that ADF personnel performing service which is conspicuous for its contribution to the ADF in a time of need should be justly recognised.
- 2.15 Mr Bell, for example, notes that during World War II, non-campaign military service on Australian soil was recognised by the Australian Service Medal between 1939 to 1945. In relation to the Vietnam War, Mr Bell states that it ‘is clearly my belief that those who rendered regular service in Australia because of the Vietnam War should be recognised by way of a medal.’
- 2.16 On 25 February 2004 the Government announced that a group of prominent Australians would ‘explore issues about appropriate recognition of ADF service.’⁹ Currently, service personnel receive medal recognition after 15 years of service with the Defence Long Service Medal. The Minister Assisting the Minister for Defence, the Hon Mal Brough, MP, indicated that he has decided to seek advice ‘following calls for further recognition of service with an additional medal awarded after two years of reserve or full-time service.’

Conclusions

- 2.17 Personnel of the ADF make a valuable contribution to Australia’s security. A career in the ADF can be rewarding but at the same time it can be arduous and, at times, dangerous. It is essential, therefore, that the working environment and conditions of service be favourable to ensure that Australia’s personnel are adequately recognised and supported. An effective Honours and Awards system is one part of this package of recognition. The committee heard that there was the need for a more effective honours and awards system to assess and recognise the service performed by ADF personnel on Australian soil.
- 2.18 The committee notes that the Government has implemented a review focusing on appropriate recognition of ADF service. This is timely and

8 General Peter Cosgrove, Chief of Defence Force, Department of Defence, *Transcript*, pp. 17-18.

9 The Hon Mal Brough, MP, Minister Assisting the Minister for Defence, *Media Release*, Recognition of ADF Service, 25 February 2004.

may provide an opportunity to examine in more detail some of the issues presented to the committee about the processes used by Government to determine, through fair and equitable criteria, which military and military related service on Australian soil is afforded some form of recognition. The committee, therefore, will send this report to the Defence review so that these issues can be considered. The committee will await the findings of this review.