

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 1 - Development of options for Iraq deployment

Senator Conroy asked on 22 October 2014, Hansard page 11:

Senator CONROY: You might want to take some of these on notice, as they are just factual things. I was just interested in understanding the time line of our activities. I was wondering whether you could give us an indicative date of when the government first asked the CDF to prepare options to deal with the threat of ISIL in Iraq. When did we first start gearing up for it? Minister, you might be able to help. As I said, I am happy to get an exact date later on.

Senator Johnston: I think we would need to take that on notice, because it would more than likely be a matter that was done formally, as opposed to discussions around the issue.

Senator CONROY: Sure. I appreciate that. Thank you.

Vice Adm. Griggs: We did start our first humanitarian assistance airdrop on 14 August. That was the Mount Sinjar—

Senator CONROY: Yes. So, that was our first actual activity, but, as I said, I am happy with the minister's indication of taking on notice when we first started getting ready. When were the first options presented to government? Again, I am happy for you to take that on notice. And I did want to speak specifically about the RAAF operations in Iraq. Again, just to get dates: when was the deployment of the Super Hornets first proposed to government? That would fall into the same category, I think, as Senator Johnston said. How many times have the Super Hornets flown into Iraqi airspace? I was not sure whether you mentioned 20 missions for the Hornets or 20 missions for one of the other planes.

Response:

Defence has provided regular advice to the Government on potential options for Australian Defence Force (ADF) involvement in Iraq since mid-June 2014, initially including in relation to potential ADF assistance to the Australian Embassy in Baghdad, involvement in international efforts to provide Humanitarian Assistance to Kurdish Peshmerga forces in Northern Iraq, and finally involvement in coalition efforts to combat ISIL in support of the Iraqi Government.

On 20 June, Defence deployed a small detachment of ADF personnel to support Embassy staff in Baghdad, and to assist Embassy planning for a possible evacuation of Embassy staff.

Between June and September 2014, the Chief of Defence Force also liaised with his counterparts in the United States, United Kingdom, Canada and New Zealand in order to remain informed of security developments in Iraq and US and coalition military planning. During this time the ADF conducted prudent planning and preparation for a range of possible contingencies.

The potential Australian Defence Force contribution to the international coalition against ISIL in Iraq, including the preparation and deployment of Super Hornets to the Middle East, was considered and announced by the Government on 14 September 2014.

As of 21 November 2014 the F/A-18F Super Hornets have flown 61 missions in Iraq (each mission consists of two aircraft). The KC-30A aircraft has flown 50 missions in Iraq, providing air-to-air refuelling support for Australian F/A-18Fs and other coalition aircraft. The E-7A Wedgetail aircraft has flown 33 missions in Iraq and has provided command and control and intelligence, surveillance and reconnaissance support to coalition forces.

In addition, the ADF has conducted four humanitarian airdrop missions in Northern Iraq, on 14 August, 31 August, 19 November and 21 November. The first, third and fourth airdrops delivered supplies to civilians on Mount Sinjar. The second airdrop delivered supplies to civilians in the Northern Iraqi town of Amirili.

The ADF has also conducted five military store supply missions from Europe to Erbil, Iraq to date. The first C-17A Globemaster stores mission of 2 September 2014 carried 82mm mortar rounds (38 tonnes). The second C-17A Globemaster stores mission of 4 September 2014 carried small arms 7.62mm ammunition (57 tonnes). The third C-17A Globemaster stores mission of 7 September 2014 carried small arms 7.62mm ammunition (58 tonnes). The fourth C-17A Globemaster stores mission of 16 September 2014 carried small arms 7.62mm ammunition (30 tonnes). The fifth stores mission of 24 September 2014, flown by a C-130J Hercules, carried AK47 assault rifles with slings and magazines (11.5 tonnes).

An Australian Special Operations Task Group has deployed to Baghdad to carry out an Advise and Assist mission with the Iraqi Security Forces.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 2 - Aid drops in Iraq

Senator Back asked on 22 October 2014, Hansard page 14:

CHAIR: Could you give us some understanding of the military equipment that has been provided to the Kurdish forces and of whether we are in a position to, or we have been requested to, provide further assistance to the Kurdish forces.

Vice Adm. Griggs: We have conducted five resupply missions into Erbil out of both Albania and Bulgaria. It has mainly been small arms, mortars and things like that. We can get you some detail on that. It has not been heavy weapons, and it has not been us providing it. We have been doing the transportation, as I said, from Albania and Bulgaria. My understanding is that we do not have any of those missions in train for planning purposes at the moment.

CHAIR: Mention was made earlier of the humanitarian action, which you said commenced on 14 August. Can you please give us some understanding of what humanitarian assistance has been provided by the ADF?

Vice Adm. Griggs: I can get you the exact details of what was in the loads, but it was effectively water, blankets and that sort of thing, particularly onto Mount Sinjar. We also did in Amerli as well, so there were two separate areas where we provided humanitarian assistance.

Response:

There have been five military resupply tasks to the Kurdish Peshmerga that provided the following:

- 38 tonnes of 82 mm mortar rounds
- 145 tonnes of 7.62 mm ammunition, and
- 1,104 AK47 rifles

There have been two humanitarian assistance airdrop missions as follows:

- 14 August 2014 to Mt Sinjar – delivering sufficient food and water for 3,750 people for one day, and
- 31 August 2014 to Amerli – dropping 15 bundles containing water, biscuits, hygiene packs and tarpaulins.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 3 - Supporting arrangements with Iraqi Government for deployment

Senator Conroy asked on 22 October 2014, Hansard page 15:

Senator CONROY: Okay, thank you. The sort of agreement we have been talking about with the Iraqis has usually been covered by a status of force agreement. That is what we have usually wrapped up these arrangements within. Is that the normal process?

Vice Adm. Griggs: That depends on the length of the activity and the sovereign government who you are dealing with. That is one mechanism.

Senator CONROY: That is the most common one though, is it not?

Vice Adm. Griggs: Common—I mean, we have one, for example, in Afghanistan which has been recently signed for the NATO part of—

Senator CONROY: And we had one previously for activities in Iraq?

Vice Adm. Griggs: I would have to take that on notice. That was some years ago.

Senator CONROY: Minister, have we used an exchange of letters for an ADF deployment before or is this just due to the unique circumstances?

Senator Johnston: I would have to take that on notice as to an exchange of letters. We had previously, in Iraq, an arrangement that was appropriate in terms of our participation in a multinational force. But, of course, we had UN Security Council resolution 1790, which provided us with a mandate to go into Iraq previously. All I can say about what we have is that Defence is certain of the view that this is a very strong arrangement that provides the necessary protection for our people that we want and need.

Response:

The legal arrangements for Australia's previous presence in Iraq before 31 December 2008 were based on a United Nations Security Council mandate (UNSC Resolution 1790) and Iraqi domestic law, contained in Coalition Provisional Authority Order 17 (revised). Those arrangements ceased at the end of 2008. The presence of ADF personnel in Iraq after 31 December 2008, until withdrawal prior to 31 July 2009, was provided for under separate Iraqi domestic law.

The ADF has used an exchange of letters for previous deployments other than Iraq.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Questions on Notice No. 4 - Role of ADF following 2003 Iraqi conflict

Senator Conroy asked on 22 October 2014, Hansard page 17:

Senator CONROY: Was the ADF involved in training, advising and assisting the Iraqi army following the 2003 conflict?

Vice Adm. Griggs: I would have to take that on notice, the exact mission that we had down at al-Muthanna.

Senator CONROY: You have got the Chief of Army here, who might be able to help.

Vice Adm. Griggs: He might.

Senator CONROY: I am assuming the answer is yes, but I just wanted have a discussion about that.

Lt Gen. Morrison: I will have to take that question on notice. We were there in more of a protect, secure and stabilise role.

Response:

As part of the Australian Defence Force (ADF) mission in Iraq (2003-2009), Operation Catalyst, ADF personnel were responsible for training approximately 36,000 members of the Iraqi Army, Navy and Marines, including the conduct of specialist training in logistics support, counter-insurgency operations and maritime interception and interdiction operations.

ADF elements deployed on Operation Catalyst which had a specific training focus included the Royal Australian Navy-led Iraqi Coastal Defence Force training team and the Australian Army Training Team - Iraq. The Army delivered training in a wide variety of areas including basic recruit training, officer training, logistics, counter insurgency and assistance to Iraqi Training Battalions.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 5 - Length of ADF deployment on warlike operations

Senator Lambie asked on 22 October 2014, Hansard page 18:

Senator LAMBIE: Is it true that some serving members have completed five or six or even seven tours of combat duty in a war zone in the last decade because we did not have enough troops, reserves or resources?

Lt Gen. Morrison: It is true that members of the Defence Force, especially the Army, in recent times have been committed to numerous tours in operational areas, and in some cases that has been around the numbers that you have just asked about. In each case they have been psychologically assessed as ready for further service; they have had to have completed psychological examination and testing on their return and they have of course been given periods of relief between operational tours. In every case they have been volunteers for it. With respect to whether the multiple tours have been an indication that we have been too small in size, I do not agree that that has been the case. We are a defence force of a given size, the Army has a regular force of just under 30,000, our special forces who have had multiple tours, but they are not the only ones, are of a certain size that meets the requirements of the government and the CDF, and I think in every case we have managed the multiple tours as best we can.

Vice Adm. Griggs: There have been 73,991 members of the ADF that have deployed since 1999—38.5 per cent of them have deployed once; 23.9 per cent of them have deployed twice; 27.2 per cent of them have deployed between three and five times and 10.4 per cent have deployed six or more times. I think that puts some numbers around it.

Senator LAMBIE: Let me get this right. We stretched our tours from six months to eight months and some of these guys have now done four to five years in a war zone—is that what you are telling me,

Vice Admiral Griggs? I find that absolutely astounding.

Vice Adm. Griggs: I did not tell you that at all—I told you what the percentage numbers of deployments were.

Senator LAMBIE: Yes, and that would show me that some of them have done four or five years in a war zone.

Vice Adm. Griggs: No, that is not a correct assumption to draw. Some may have, but some of these tours are only two to three months. They are not all eight or six months.

Senator LAMBIE: What percentage of these men have done over three years in a war zone?

Vice Adm. Griggs: I do not know. I will have to take that on notice.

Response:

For those assigned to operations (73,991 members) during the period 1 January 1999 to 30 September 2014, 0.07 per cent (52 members) have completed over three years (1,095 days) cumulative service on a warlike operation.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 6 - Defence contracts

Senator Xenophon asked on 22 October 2014, Hansard page 20:

Senator XENOPHON: I have a minute that has been obtained under freedom of information. It is marked 'Security in Confidence' but it has been obtained, with some redactions. This minute is from the Royal Australian Navy Fleet Command; it is a minute dated April 13—I think the actual date may have been redacted. It relates to issues of Defence contracts and contractors. I am not going to refer to any specific case.

Vice Adm. Griggs: You do not have to. I know what it is.

Senator XENOPHON: I just want to get to the principle of where Defence is on this issue. It says, 'Defence contracts. Consider inserting a non-disparagement clause into all future Defence contracts.' There is a typo there. It goes on to say, 'This will prevent those who are engaged by Defence from making comments which may be adverse to Defence's reputation and interests without requiring that the information upon which such comments are based be obtained through their official engagement with Defence. This moves away from the concept of disclosure of official information and extends the matters about which contractors are not permitted to publicly discuss to include their personal opinions and observations on Defence matters for the duration of the contract.' Are you familiar with that particular minute, Vice Admiral Griggs?

Vice Adm. Griggs: Yes; I am, in broad terms.

Senator XENOPHON: Is that inconsistent with the matters raised by the Defence minister on 11 October 2012?

Vice Adm. Griggs: Senator, if you want to go into this, I can go into this.

Senator XENOPHON: I just want—

Vice Adm. Griggs: You do not want to go into the details but to answer this properly, you need to go into the details.

Senator XENOPHON: No, Vice Admiral. I am asking the questions. I have a specific question in terms of general policy. I find that minute quite disturbing because it seems to indicate a policy within Defence to say that we will effectively gag people through a non-disparagement clause even though the matters they comment on are not a part of their official engagement with Defence through a contractual relationship. Is that a fair summary? Am I misinterpreting it?

Vice Adm. Griggs: No. The context of this case is very important.

Senator XENOPHON: No.

Vice Adm. Griggs: I am sorry; it is very important. If you will not let me go into the details of it, then I am not going to be able to answer it in a way—

Senator XENOPHON: No; I think you misunderstand where I am coming from on this. I am trying to establish whether there is, indeed, a policy in Defence of having a non-disparagement clause with respect to contractors to basically shut them up if they comment on Defence issues, notwithstanding that it has nothing to do with their official engagement or their contractual engagement with Defence. Is there a policy position with respect to a non-disparagement clause in Defence contracts?

Vice Adm. Griggs: I do not believe there is. In the way that you have characterised it, I do not believe there is a policy.

Senator XENOPHON: How would you characterise it? Is there a non-disparagement clause within Defence for Defence contractors?

Vice Adm. Griggs: The issue here comes to the use of official information.

Senator XENOPHON: No, it does not; I am sorry. Let me repeat that. Perhaps I did not enunciate it clearly enough for you. It says, 'This moves away from the concept of disclosure of official information and extends the matters about which contractors are not permitted to publicly discuss so as to include their personal opinions and observations on Defence matters for the duration of the contract.' That seems to me to go way beyond the issue of disclosure of official material that they have.

Vice Adm. Griggs: My understanding is that that did not occur.

Senator XENOPHON: I am sorry. There is a security-in-confidence minute that is basically saying, 'We're going to extend the net so that even if they comment on issues that go beyond the issue of the official information they obtain as a result of any contractual relationship with Defence, we can actually shut them up.' That is what it says.

Vice Adm. Griggs: It did not happen.

Senator XENOPHON: Is this now a redundant policy?

Vice Adm. Griggs: It was not a policy. It was a minute in relation to a specific case proposing an alternative way of dealing with that issue, which has not taken place.

Senator XENOPHON: So you are saying that there is a minute—which you are aware of—that talks about a non-disparagement clause in all future Defence contracts. Is there a non-disparagement clause in Defence contracts?

Vice Adm. Griggs: Not to my knowledge.

Mr King: To the best of my understanding—I have checked with my staff—there is no policy of non-disparagement clauses.

Senator XENOPHON: Just so we can clarify this—and I am conscious of time, Chair—can you advise that this minute was indeed a mistake and that it is not the policy of Defence to have either a non-disparagement clause or to in any way seek to punish a contractor that speaks out on Defence issues even if they are not within the purview of their contractual relationship?

Vice Adm. Griggs: There is no policy. Again, the minute was in the context of a particular case, which we are not talking about, and it makes it very difficult for me to answer it in—

Senator XENOPHON: Okay. I do not want to constrain you unduly. Let's not talk about it in a way that will identify the individual involved.

Vice Adm. Griggs: There is no policy.

Senator XENOPHON: Why would there be a minute to that effect?

Vice Adm. Griggs: The minute is not a policy. The minute is from a subordinate command dealing with a particular issue and proposing a way—

Senator XENOPHON: It seems to me that, on the basis of that security-in-confidence minute, it is about effectively setting someone up for punishment because they have been outspoken on Defence matters.

Vice Adm. Griggs: I disagree with that, Senator.

CHAIR: Is that a comment or are you asking a question, Senator Xenophon?

Senator XENOPHON: I am asking the question: do you understand that it could be characterised as effectively saying, 'We are going to go down this path to punish a particular individual'?

Vice Adm. Griggs: The person who wrote the minute did not have the authority to go down that path. It was a proposal—

Senator XENOPHON: Thank you. So that we can wrap this up, can you, on notice, provide details of what occurred subsequently to that? Was there in fact correspondence or were there minutes that said, 'We are not going down that path; there will be no adverse action'? What actually happened in relation to this specific case? I think you can answer that without making particular reference to or identifying the person involved.

Vice Adm. Griggs: I can tell you right now that the contract and its options—the two options that were appended to the original contract—ran their course fully.

Senator XENOPHON: You can give an unambiguous assurance that there is no culture within Defence, no unwritten rule, that basically says that, if you are speaking out about issues as a contractor, that could have adverse consequences?

Vice Adm. Griggs: There is no policy position.

Senator XENOPHON: Okay. But you can assure us that there is not—

Vice Adm. Griggs: I cannot assure you what views everyone in Defence holds on this matter, but what I can say is that in this instance the contract ran its course, both options were exercised and ran their course and we repatriated the training back into Navy.

Senator XENOPHON: Finally in respect of this, can you assure me that there is not a log, or is notice taken if a contractor speaks out or is critical of Defence—going back to the issue of the contestability of ideas I referred to from Senator Johnston's fine speech back in 11 October 2012—

Senator Johnston: I thought that might come back to haunt me at some stage.

Senator XENOPHON: No, it should not haunt you. You should be very proud of that speech, Minister. It was a very good speech.

Senator Johnston: Thank you.

Senator XENOPHON: What processes, what procedures, are in place—and I am happy for you to take this on notice—to ensure that those who speak out on Defence issues that may be critical of Defence policies are not in any way either targeted or prejudiced in terms of their dealings with Defence as a result of their views?

Vice Adm. Griggs: We can take that on notice.

Senator XENOPHON: Thank you.

Response:

The Commonwealth Procurement Rules (CPRs) and Defence procurement policy does not allow tenderers to be discriminated against, or subject to prejudice, because of past critical comment of Defence. In fact, the CPRs specifically state that all tenderers must be treated fairly and equitably based on their commercial, legal, technical and financial abilities.

Once in contract, a supplier's performance is managed in accordance with the terms and conditions of the relevant contract. Defence contracting templates do not prevent, or impede, contractors from speaking out and being critical of Defence policies. As previously answered under Question on Notice No. 15 from the Joint Standing Committee on Foreign Affairs, Defence and Trade's inquiry into the Defence Annual Report 2012-13, 6 June 2014, no action has been initiated (or is proposed) with respect to amending Defence contract templates to preclude contractors from engaging in public comment about Defence.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 7 - Defence medical personnel numbers

Senator Lambie asked on 22 October 2014, Hansard page 27:

Senator LAMBIE: Are the civilian doctors and civilian nurses within the medical corps prepared to fight Ebola alongside the military? I am not sure what their contracts are, so do they get to move out if they do not want to fight this if it hits? How big is the medical corps within the armed forces that is military?

Vice Adm. Griggs: I would have to take the exact numbers on notice.

Response:

The Government has recently announced a plan to deploy health care workers to West Africa via the contractor Aspen Medical. This is unrelated to the Australian Defence Force (ADF) contract for health services within ADF health facilities and there are no plans to deploy ADF health workers to West Africa.

ADF health facilities, like all Australian general practitioners and practice staff, are aware of and alert to the Ebola crisis, with plans in place for identifying and dealing with potential patients. If a patient who was suspected of having ebola presented to an ADF health facility, arrangements are in place for isolation of the patient and immediate referral to the designated jurisdictional public health authority.

There are 1,959 full-time ADF health personnel: 412 in the Navy, 1,177 in the Army and 370 in the Air Force. There are 1,562 reserve ADF health personnel: 327 in the Navy, 876 in the Army and 359 in the Air Force. The ADF health workforce includes doctors, nurses, allied health professionals and medical assistants.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 8 - ADF personnel rotation - Operation Resolute

Senator McEwen asked on 22 October 2014, Hansard page 28:

Senator McEWEN: Do we have a figure for how many ADF personnel in total have rotated through Operation Resolute between September 2013 and 12 June this year?

Vice Adm. Griggs: I can tell you that since 1999 around 21,000 people have deployed to Resolute.

Senator McEWEN: Since 1999?

Vice Adm. Griggs: Yes, and that includes its predecessor operations, Relex and others.

Senator McEWEN: Perhaps you could take on notice—

Vice Adm. Barrett: I can take that on notice and find those figures.

Senator McEWEN: the statistic from September to June, and then also from 12 June to the current time.

CHAIR: So September 2013 to June, and then June to now.

Response:

Below are the numbers of ADF personnel deployed to Operation Resolute during the specified periods. It does not count multiple deployments; it shows how many individual people have been to the Operation, not how many times they have been there.

Table 1 - ADF Personnel assigned to Operation Resolute from 1 September 2013 - 12 June 2014 and subsequently deployed within the specified area

Service	Number of Personnel
Navy	3,754
Army	752
Air Force	929
ADF Total	5,435

Table 2 - ADF Personnel assigned to Operation Resolute from 13 June 2014 – 23 October 2014 and subsequently deployed within the specified area

Service	Number of Personnel
Navy	808
Army	254
Air Force	421
ADF Total	1,483

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 9 - Injuries - Op Resolute

Senator McEwen asked on 22 October 2014, Hansard page 28:

Senator McEWEN: Correct. In response to a question on notice asked by Senator Conroy regarding unscheduled breaks or leave from Operation Sovereign Borders duties—it is question on notice No. 22—the department stated that there were 68 injuries and illnesses relating to personnel deployed on Operation Resolute duties, and that 40 of the 68 cases required medical evacuation. Can you elaborate on the nature of those injuries and whether or not they were as a direct result of tasks associated with Operation Resolute?

Vice Adm. Griggs: We will take that on notice.

Senator McEWEN: It seems like a lot of injuries. Is it? Is it a high number for a deployment of that nature?

Vice Adm. Griggs: It really depends on the nature of the injuries. They could be sprains. Someone could have bumped their head going through a hatch or going down a ladder. Without knowing the details, it is hard to say.

Senator McEWEN: But you can provide that information?

Vice Adm. Griggs: In broad terms, yes. (...)

Senator McEWEN: Can I ask my other questions before we go to that? They are more statistical—sorry, Admiral Walker—and I am pretty sure you will have to take them on notice. To enable a comparison, would you be able to provide details of the casualty notifications and the number of medical evacuations for Navy deployed to the MEAO from September 2013 until 12 June?

Vice Adm. Barrett: Yes, we can do that. The data clearly will need to be normalised because we have more ships in Resolute than we have in the MEAO.

Senator McEWEN: Would you also provide an update on the number of casualties reported and medical evacuations for Resolute between 13 June and today, 22 October, and for Navy operations in the MEAO as well for that period of time, 13 June to 22 October.

Vice Adm. Barrett: I think I have it—that is a follow-on from the previous question.

Senator McEWEN: Correct.

Response:

With reference to the medical evacuations from Operation Resolute during the period 18 September 2013 to 12 June 2014, 50 per cent (20) were due to injury. As stated in the response to Question on Notice No 22 from the June 2014 Budget hearing, significant effort would be required to determine if the injuries, or illnesses, were as a direct result of Operation Resolute tasks. However, the number of evacuations for this period is not considered exceptional.

Of those personnel deployed to Navy operations in the Middle East Area of Operations between 18 September 2013 to 12 June 2014, 11 ADF personnel required evacuation; four for medical illness and seven for injury.

Between 13 June 2014 and 22 October 2014, two ADF personnel required evacuation from Operation Resolute; one for medical illness and one for injury. During the same period, five ADF personnel required evacuation from Navy operations in the Middle East Area of Operations; three for medical illness and two for injury.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 10 - Afghan National Security Forces

Senator Fawcett asked on 22 October 2014, Hansard page 31:

Senator FAWCETT: Vice Admiral Griggs, can I take you to your opening statement? You made a comment about our contribution to Resolute Support, which I think is an ongoing coalition support mission in Afghanistan. I think you mentioned a figure of \$300 million.

Vice Adm. Griggs: The \$300 million was for the commitment to sustain the Afghan National Security Forces, the Australian commitment for the sustainment of the ANSF.

Senator FAWCETT: Can you explain a little more about how that is being delivered? Is that being given essentially as a cash grant to the Afghan national government? Is it being delivered through the coalition? I am interested in the due diligence of how that money is being spent.

Vice Adm. Griggs: I think I will take the governance aspects of that on notice. I do not want to mislead. There is a governance construct, and I think it would be best if we did that on notice.

Response:

Australia remains committed to providing US\$100m per year, for three years, from 2015, towards the sustainment of the Afghan National Security Forces. Defence will provide US\$80m per year through the Afghan National Security Fund. The Department of Foreign Affairs and Trade will provide the remaining US\$20m per year.

The United States has held responsibility for the management of the Afghan National Army Trust Fund since 2009. The NATO ANA (Afghan National Army) Trust Fund Office manages the ANA Trust Fund on a daily basis within Afghanistan, with oversight provided by the US Office of the Under Secretary for Defense, and regular scrutiny of expenditure and governance conducted by the US Department of Defense Inspector General. The NATO ANA Trust Fund Office liaises closely with Australia prior to the expenditure of funds.

Following agreement at the 2012 Chicago Summit to strengthen funding mechanisms, ISAF partners agreed to revised arrangements and responsibilities for the post-2014 ANA Trust Fund. These arrangements include increased internal and external auditing as well as reporting and accountability mechanisms, such as commitment letters in which the Afghan Government commits to comply with conditions and caveats attached to donor funds.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No.11 - Operation Aslan rotations

Senator Fawcett asked on 22 October 2014, Hansard page 31:

Senator FAWCETT: Sure. We have had a lot of focus on the Middle East, but we still have people in other parts of the world. Regarding Operation ASLAN, could you confirm whether we still have people in South Sudan?

Vice Adm. Griggs: We do. We have 21, I believe, at the moment.

Senator FAWCETT: Has the scope of their work or their role changed since they were first deployed there?

Vice Adm. Griggs: No, they are still observers.

Senator FAWCETT: How much longer is it planned for them to be on the ground in Sudan?

Vice Adm. Griggs: I do not believe there is any intention to withdraw from that mission. As you know, it is still a deeply troubled and divided country.

Senator FAWCETT: How long are the rotations for the people in Operation ASLAN?

Vice Adm. Griggs: It is normally about four to six months. I will get some detail and come back to you during the day, if that is fine.

Senator FAWCETT: Sure.

Response:

The typical rotation duration for the majority of the Australian contingent deployed on Operation ASLAN in the South Sudan is six months. However, the Commander of the Australian Contingent is deployed for 12 months. On occasions we have deployed personnel other than the Commander for 12 months in specialist roles; an example being the Senior Military Justice Expert to the Mission in 2013.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 12 - Personnel numbers involved in Operation RENDER SAFE

Senator McGrath asked on 22 October 2014, Hansard page 32:

Senator McGRATH: Vice Admiral, in your opening statement you mentioned Operation Render Safe 2014. Are you able to expand on that a little bit, particularly how many personnel are involved in it?

Vice Adm. Griggs: I can get you the exact numbers later in the day, but it would be several hundred.

Response:

A total of 434 Australian Defence Force (ADF) personnel and three Australian Public Servants have been committed to Operation Render Safe 2014 over the period 7 October 2014 – 21 November 2014. A multinational defence contingent is undertaking explosive ordnance disposal activities in the district of Torokina, Bougainville, Papua New Guinea. The ADF contribution, by service, is:

- Navy, 228 personnel;
- Army, 192 personnel; and
- Air Force, 14 personnel.

The operation is a multinational activity with an additional 54 personnel from five other countries:

United States, 21 personnel;
Canada, 13 personnel;
New Zealand, ten personnel;
Solomon Islands, six personnel; and
United Kingdom, four personnel.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No.13 - Costs for Iraq deployment

Senator Ludlam asked on 22 October 2014, Hansard pages 32 and 33:

Senator LUDLAM: I have some follow-up questions on the cost of the deployment into Iraq. How much has been spent so far on our latest iteration of involvement in Iraq—so, maybe starting from 1 June of this year?

Senator Johnston: I think we might have to take that on notice because we do not as yet have that data.

Senator LUDLAM: We do not know how much we have spent?

Senator Johnston: Not until we sit down and work out what beginning and end point we want to analyse. For MYEFO, we will have some data. But, given that we do not have an accurate period of time that we will be conducting this operation, we have not to this point in time, I do not believe—and I stand to be corrected—have a running tally that we can give you. But, ultimately, those numbers will be very transparently disclosed in MYEFO and the budget.

Senator LUDLAM: What is the estimated cost of keeping the force in the field, as we have thus far? What is the average monthly estimated cost of the Air Force deployment, the SAS deployment and those who surround them?

Senator Johnston: Again, we would need to take that on notice because we do not have a configuration, a regular configuration such as we now have in Iraq, that we can draw upon for information. So we will collate that, on notice, for you and tell you what we think the average representative cost fairly is, but it will take some time for us to put all that together.

Senator LUDLAM: Just to be clear, then, I have asked for two separate things. One is: what has been expended thus far? I picked a starting date of 1 June; if you want to pick a different starting date, that is all right. The second is the average ongoing monthly costs. I am a bit surprised that you are not able to even provide us with order-of-magnitude estimates, though, Minister.

Senator Johnston: Because we are at a very early stage and we have not actually deployed fully. We have been running now for three or four weeks in various iterations. We started off with heavy-lift aircraft, then we deployed the tanker, the E7 and the fighter aircraft. It will take some time for those costs to filter through. But bear in mind we would have been training with many of these assets in any event; the wages and salaries of the personnel would have been paid in any event—and there is an allowance that goes on top of that. We will put that together, on notice, for you and give you as accurate a representation of the costs to date and the average monthly costs as we can?

Response:

At this point it is not possible to provide an accurate expenditure figure for the net additional costs of the Iraq Deployment, Operation Okra. Cost capture arrangements are in place, however this is a new operation and not all of the expenses incurred by Defence have been fully attributed to it.

The estimated net additional cost of operations in Iraq for 2014-15 will be outlined in the Mid Year Economic and Fiscal Outlook.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 14 - Pathway to Change progress update

Senator Reynolds asked on 22 October 2014, Hansard page 41:

Senator REYNOLDS: My question for Air Chief Marshal Binskin is in relation to the Pathway to Change program. I had the privilege of being involved through the Chief of Army's program a couple of years ago. Could you provide us with an update on the implementation and any successes of the program to date. (...)

Senator REYNOLDS: Would it be possible to get some more information on things like your initial observations and lessons learnt? I am happy to take those on notice.

Response:

Since *Pathway to Change* was launched in March 2012, substantial progress has been made. As at 11 September 2014, 157 (90 per cent) of the 175 Key Actions and Review recommendations outlined in *Pathway to Change* have been finalised.

Key achievements include:

- establishing the Sexual Misconduct Prevention and Response Office;
- the release of the Australian Defence Force (ADF) Alcohol Management Strategy; and
- an increased focus on improving diversity and inclusion within Defence.

Defence recognises that, to realise enduring cultural change, a sustained effort from all Defence staff and, in particular, Defence leaders will be required over many years. Defence has therefore established a quarterly reporting and evaluation regime to capture the success of *Pathway to Change* in achieving its cultural intent.

Initial observations indicate that positive cultural change is occurring under the six key *Pathway to Change* levers for cultural change and reinforcement. Examples are summarised for each lever below:

- **Leadership and accountability:** Perceptions of Defence commitment to creating a diverse workforce are increasing.
- **Values and behaviours:** Perceptions of the extent to which Defence colleagues behave with integrity are increasing.
- **Right from the start:** There is an increased perception of command chain intolerance of unacceptable behaviour in training establishments and most trainees and cadets believe that their supervisor leads by example.
- **Practical Measures:** The proportion of women attending courses which facilitate promotion is increasing.
- **Corrective Processes:** A key problem that Defence is addressing is reducing the time it takes to resolve unacceptable behaviour cases. There does appear to be

some positive results in the percentage of unacceptable behaviour cases which have been finalised in under six months. Progress in this area will continue to improve now that better complaint reporting processes and infrastructure arrangements are in place.

- ***Structure and Support***: Perceptions of workplace flexibility requests being accommodated by supervisors are increasing.

Defence has entered into a four-year collaboration with the Australian Human Rights Commission to support the achievement of cultural reform and the intent of *Pathway to Change* in Defence. To achieve this, the Commission will conduct a number of site visits to ADF establishments, where it will conduct interviews, focus groups, discussions with command teams and observe training. These visits will be developed and conducted in collaboration with the Services.

A private briefing on *Pathway to Change* has been offered to Senator Reynolds. The Department will contact Senator Reynolds to ascertain if she wishes to proceed with a briefing.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 15 - Remediation costs

Senator Fawcett asked on 22 October 2014, Hansard page 53:

Senator FAWCETT: That is what concerns me, Mr Richardson. That is a significant amount of money, and yet, at this point in time, despite nearly 12 months of asking, I am still unable to get the size of that backlog onto the public record. As you say, there have been some significant hits to the budget over the last six years. Yes, there has been more funding provided in the last budget, and I certainly welcome that. But the reality is, as you have indicated in your answers to questions on notice, that has not been enough to remediate the existing backlog of work, and I would like to try and get onto the record how many billions the value of that backlog of work is so that we in the parliament—and the public—have an understanding, as we shape future budgets, not just what we need to buy new equipment but how much we actually need to put into this budget just to maintain all the enablers that we currently have.

Mr Richardson: That is part of the exercise that is being done in respect of the Force Structure review and, in particular, the white paper. The government has previously stated publicly that the principal challenge in the white paper is to match capability and money, and when we talk about capability we also mean the enablers—the facilities and ICT. They are some of the very issues that we are looking at within the context of the white paper.

Senator FAWCETT: Can you give me an undertaking then that, as part of the white paper, we will actually see, in a table or whatever format you want to present it, an indication of what that backlog of work is, because what we see, budget after budget, is that, when measures are absorbed by Defence or when projects are slid and there is, all of a sudden, a legacy capability that we have to extend contracts for, those costs are never highlighted, but they have an impact on Defence's ability to remediate outstanding work. There is a growing cumulative debt that the taxpayer has for that work in the Defence department, and we need to understand how big that is so that we can argue the case more strongly for a budget that not only meets future aspirations but also looks after what we already control and take care of on behalf of the taxpayer.

Mr Richardson: No, Senator, I cannot give you a guarantee of what will or will not be in the white paper. Self-evidently, it is still being developed, but certainly facilities are in remediation and enablers including ICT are a big part of the white paper's considerations.

Senator FAWCETT: I accept that you cannot guarantee it will be in the white paper, but if you are going to do the work anyway, could I ask you to take on notice and bring back to this committee the answer as to what that dollar value is for the outstanding remediation work in the areas that you have highlighted.

Mr Richardson: We will certainly take it on notice and see what we can provide.

Response

The Defence Estate Maintenance backlog comprises unprogrammed estate remediation requirements. The total of this backlog is estimated at around \$1,000 million. Future investment, including ICT, will be addressed in the White Paper process.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 16 - Rizzo Review update

Senator Fawcett asked on 22 October 2014, Hansard page 54:

Senator FAWCETT: In one of the previous estimates I asked about the Rizzo reforms and Navy's progress. The answer on notice that came back said that 'Navy and DMO have been developing an innovative and comprehensive through life career plan for recruitment, retention, development of their engineering talent. Work to develop this plan is underway and is scheduled to commence implementation in July of 2014.' I am wondering if you can give us an update as to whether that has been implemented.

Vice Adm. Barrett: I cannot say that I have read the answer to that specific question on notice, but I will tell you what I have seen in this role as Chief of Navy in the last 10 weeks. There are a number of activities within the Rizzo program that looked at rejuvenation of engineering practice within Navy. One of those was to establish from a workforce perspective a range of changes on how we do engineering practice within Navy. I will take you through a number of those. The first one in terms of rebuilding our workforce concentrates particularly on those engineers within service and there are a number of measures that were taken across within Navy workforce to look at what was engineering and mechanical engineering. We now have established a workforce which is a more robust than it was when Rizzo first started the program—that is, the numbers we have sustained are higher than they were at the time. That has been done through both through retention and a level of recruiting initiatives. There are some innovations. For instance, we conducted a number of engineering challenges to try to encourage people to be part of the technical services within Navy from both a recruiting perspective and a retention perspective to keep the interest of those who were already in service. We have looked at the professional development of existing engineers within the service and we have offered ways in which they can develop their technical and professional skills, again as a retention effort. That is from workforce perspective. Our numbers are better than they were, though we are not fully sustaining the numbers that we need but the trend is upwards. The issue for me around that is that we still have to consider the experience and appropriate use of those engineers in this particular areas. We have looked at structure as well, and we have restructured how engineering services are provided particularly to the fleet. In that regard, we have made some substantive changes by placing senior experienced engineers throughout each of the groups to manage engineering practice in a seaworthiness sense across each of those groups. We have established class engineering officers. Their role is to ensure that engineering practice is being conducted by other engineers within each of those groups. So it is a governance issue as much as anything else. The two main streams that Rizzo was asking us to do, was to establish the workforce and also to use the workforce appropriately. I have seen evidence—in terms of looking at workforce numbers and also structural changes—changes—that those things have been put in place.

Senator FAWCETT: Could you perhaps take on notice whether the actual plan that was scheduled to commence in July this year has been implemented.

Vice Adm. Barrett: I think I have just described it but I will confirm for you that what I have just described is indeed the plan that you referred to.

Senator FAWCETT: Again, in one of the questions on notice from the June estimates there was some detail about the whole concept you have talked about with naval engineering practice. I was glad to see that in phase 2 there were sea postings and experience elements, but in terms of the more advanced areas there is no indication as to how Navy is going to get experience. There is a lot of talk about qualifications but not a lot of talk about how they will give experience to those engineering officers. I am happy for you to take it on notice but I would like you to detail that for me. Lastly, I will go to the establishment of special technical bureaus. That was a key element of the Rizzo plan. The response on notice has come back. It says: The ability to establish all of these in the near future depends upon the availability of competent uniformed and APS personnel ... There is essentially a question mark as to whether that is going to be achieved. Then it says: While the initial intent was to locate the bureaus within the Navy program, there are already established bureau-like organisations in parts of DMO ... There is an inference there that perhaps there will be a dispersion of that technical expertise, as opposed to having it within the naval program. I was wondering whether you could comment on that now or, again, I am happy for you to take on notice the question of how that aligns with the outcomes that Rizzo has sought and, specifically, whether Rizzo and his working group are comfortable with the delay in the introduction of technical panels and the dispersion across other groups.

Vice Adm. Barrett: I think I have described a very general view. I apologise for not having the full detail of that question on notice. I will make the statement that we have recently been through the program board with Mr Rizzo and we have considered each of the recommendations. I recall his satisfaction against the work that has been done. That, in and of itself, does not give you the evidence you need but what I am trying to provide is a sense of assurance that the progress has been made to his satisfaction. I will answer the question on notice and provide you with that evidence.

Senator FAWCETT: In one of the answers to a question on notice it talks about increased outplacement opportunities with industry. I would be interested to know how many, what level of engineer, and what parts of industry that is occurring in.

Response:

The engineering talent development plan is scheduled to be tabled at the final Rizzo Recommendation Implementation Committee this month (November 2014), with full implementation scheduled to commence after acceptance.

Dispersion of Technical Expertise: There is every intention to minimise the dispersion of naval technology expertise beyond the Naval Technical Bureau. Some personnel have already been transferred from the Defence Materiel Organisation (DMO) to the Naval Technical Bureau during the establishment of the Armaments Technology sub-bureau. However, where general technology expertise already exists within the DMO it is intended that that be utilised to supplement the maritime-specific expertise in the Naval Technical Bureau (e.g. the Electronic Systems Division has expertise in communications, electronic warfare and radar technologies that are not specific to the maritime domain). The Naval Technical Bureau will be required to draw on this expertise to support the delivery of its maritime-specific products and services.

The following industry outplacement programs are in place:

- 1 x Marine and 1 x Weapons Electrical Engineer Officers (Lieutenants) with ThyssenKrupp Marine Systems Australia (a specialist naval designer).
- 5 x Marine Technicians (Leading Seaman) with MTU Detroit Diesel Australia in Sydney, Perth, Darwin and Cairns (diesel engine service and overhaul).
- 2 x Marine Technicians (Petty Officer, Leading Seaman) and 1 x Aviation Technician (Leading Seaman) with the Ford Performance Racing Team (mechanical and advanced materials fabrication and maintenance).
- 1 x Electronics Technician (Leading Seaman) with CEA Technologies (phased array radar design, development, manufacturing, and installation).
- 2 x Aviation Technicians (Leading Seaman, Able Seaman) with BAE Systems (aviation system fault diagnosis, test and repair).
- A number of Marine and Electronics Technicians (Leading Seaman, Able Seaman) seconded to industry entities for up to three months (Thales Underwater Systems, Defence Maritime Systems).
- Additional opportunities with General Electric (gas turbine) and other allied industries are being pursued insofar as workforce demographics allow.

The following non-industry outplacement programs are in place:

- 1 x Marine Engineer Officer with the US Navy, South West Regional Maintenance Centre, San Diego, California (Continuous Maintenance Manager)
- 1 x Weapons Electrical Engineer Officer with the US Navy, Naval Surface Warfare Centre Dam Neck, Virginia (Network Centric Warfare, Tactical Data Links, Force Integration)
- 1 x Weapons Electrical Engineer Officer with the US Navy, Naval Surface Warfare Centre Dahlgren, Virginia (AEGIS Combat System)
- 1 x Marine Engineer Officer with the Royal Navy, Plymouth (Global Combat Ship Project)
- 1 x Marine Technician (Chief Petty Officer) with the US Navy, Mayport Florida (Marine Gas Turbine Inspector)
- 1 x Electronics Technician (Chief Petty Officer) with the US Navy, South West Regional Maintenance Centre, San Diego, California (Mk92 Fire Control System, Mk15 Close In Weapon System maintenance)

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 17 - Guidelines for political events on ADF bases

Senator Conroy asked on 22 October 2014, Hansard page 55:

Senator CONROY: Are you able to provide me with a copy of the guidelines for political events on the ADF bases as they exist at the moment?

Senator Johnston: I am sure we can find you a pair of the guidelines. In fact, they are probably on the internet somewhere. But I am happy to download them, print them off and deliver them to you, Senator.

Response:

A copy of the relevant section of the guidelines is attached.

Extract from Guidelines for Parliamentarians visiting Defence bases and establishments

Conduct of Visits

Visits should be seen as an opportunity to promote Defence. They should be as informative as possible and should promote the flow of factual and background material consistent with the nature of the visit having regard to:

- a. maintaining the traditional political impartiality of service and civilian personnel
- b. ensuring access to security material and secure areas is not permitted except with the Minister's approval.
- c. The Minister has advised that he is prepared to authorise access by the shadow ministers for Defence, on a case-by-case basis, to information up to Secret level and to secure areas.
- d. The Minister's agreement recognises that there are circumstances in the course of a particular visit in which the shadow ministers should be in a special category of trust for access to some classified factual information about a unit, weapon, project or system.

Access does not extend to those accompanying the shadow ministers, such as their advisers.

- e. Noting that visits are to occur only at times that are operationally convenient, and respecting 'need-to-know' principles, parliamentarians should be escorted at all times during their visit and local members are not to be issued with base access passes.

Personnel are not to express opinions on Government policies, policy options or matters of a party-political nature. Their role in discussion is to provide factual and background information relating to roles, functions and capabilities. Should matters be raised which, in their judgement, seek expressions of opinion on Government policies or on alternative policies, personnel should suggest that the matter be raised with the appropriate minister or parliamentary secretary. If an opinion is required, for example on the operational role of a unit or the usefulness of items of equipment, it should be made clear in the reply that the view expressed is a personal one and that there may be other factors that have a bearing on the matter.

Personnel should remember that the objective of the visit is to better inform visitors about Defence matters. Unnecessary secrecy should be avoided, however, appropriate judgment should be used regarding sensitive or politically controversial issues.

The Minister has also requested that as a general rule, **media are not to accompany visitors to Defence establishments** and visits are not to interfere with the usual operations of the base/establishment. Any deviations from these protocols should only be made with the Minister's approval.

Department of Defence

Supplementary Budget Estimates - 22 October 2014

Question on Notice No. 18 - Use of the Australian Defence Image Library

Senator Conroy asked on 22 October 2014, Hansard page 56:

Senator CONROY: I want to ask you about the use of the Australian Defence Image Library. Under the terms of the copyright of these images, is it permitted to use images from the library for party political purposes? This is probably a question for Mr Richardson.

Senator Johnston: I think we might have someone who is skilled in that, but, if we do not, we can take the question on notice.

Mr Richardson: Could you repeat the question.

Senator CONROY: The question is: under the terms of the copyright of these images, is it permitted to use images from the library for party political purposes?

Mr Richardson: I would need to take that on notice.

Senator Johnston: Which library?

Senator CONROY: The Australian Defence Image Library. Is there no-one here with responsibility for that?

Mr Richardson: I think it would be best if I took it on notice.

Senator CONROY: No, I asked if there was anybody here who had responsibility for it.

Mr Richardson: I do not know.

Senator CONROY: It must be under somebody's section.

Mr Richardson: No, no-one is.

Senator Johnston: It does not look like it.

Mr Richardson: It is not something that immediately comes to mind.

Senator CONROY: I refer you to item 3 of the Defence copyright statement, which covers the library, to assist in your deliberations. It reads, and I am quoting directly: Material from this web site must not be used in advertising, displays, other web sites, or in any public or mass media context other than reporting news, without specific written authorisation from the Department of Defence ... If you want to quickly google it while we are talking, or someone behind you, it is www.defence.gov.au/copyright.asp, to assist anyone who has a device handy. Does this copyright statement allow the use of Defence library images on party political social media accounts without written Department of Defence approval?

Mr Richardson: On the basis of what you read out previously, I would assume the answer is no, but I would again take that on notice.

Response:

It is legitimate and normal practice for images on the Australian Defence Image Gallery to be reproduced under the copyright conditions stated on Defence's website. It is accepted that these images might appear on sites that contain or have URL links to party political content. However, it is inappropriate for the images themselves to be appropriated purely for party political purposes.

On occasion, Defence photographers take images of politicians who undertake official engagements held at Defence facilities or which involve Defence personnel and equipment. Recent examples include the Minister for Defence meeting ADF members on operations, the Leader of the Opposition addressing Royal Australian Air Force personnel – as the Prime Minister looked on – before their departure to the Middle East, and parliamentarians participating in the ADF Parliamentary Program. Many politicians include such images on their social media sites. Defence does not have an issue with this practice.

In line with the copyright notice, the office of the Minister for Defence sought and obtained written approval to use photographs from the Australian Defence Image Gallery on the Minister's social media sites.

To clarify Senator Conroy's direct quote from the copyright statement, item 3 relates only to compliance requirements for "bona fide news organisations" as clearly stated on the copyright web page.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 19 - Authorisation of use of images from Australian Defence Image Library

Senator Conroy asked on 22 October 2014, Hansard page 57:

Senator CONROY: Minister, this is probably more for you, then, but Mr Richardson might want to join in: has any authorisation being sought from these ADF personnel for their images to be used on party political websites which solicit donations to the Liberal Party?

Senator Johnston: We will take that on notice.

Senator CONROY: Have the personnel find any image release forms or waivers?

Senator Johnston: We will take that on notice. I would presume so, but we will follow up.

Senator CONROY: I also draw your attention to item 1 of the Defence copyright statement, which states: Commonwealth copyright and Department of Defence origin must be appropriately acknowledged with status at least equal to other credits ...

Could you review those images that you have there and report back to the committee how many of the Defence Force library images used were appropriately acknowledged?

Mr Richardson: Yes, we can do that.

Response:

Defence photographers routinely advise photographic subjects that the images are for the public record. Defence members who do not want their photographs taken or published have the option to withdraw from the photographs. They may also request for images of them to be removed from the Australian Defence Image Gallery.

All public affairs-related images are registered with a central agency within Defence and are subject to a clearance process.

As the photographs in question had passed through that approvals process and were publicly available on the Australian Defence Image Gallery, permission was granted for their publication on the official Facebook page of the Minister for Defence.

There was no need for the source of the images to be acknowledged. To clarify Senator Conroy's quote from the copyright statement, item 1 relates only to compliance requirements for "bona fide news organisations" as clearly stated on the copyright web page.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 20 - MH370 - imagery analysis

Senator Milne asked on 22 October 2014, Hansard page 58:

Senator MILNE: I have some questions in relation to the search for MH370. On 20 March, the Prime Minister went into the House of Representatives and said: ... I ... inform the House that new and credible information has come to light in relation to the search for Malaysia Airlines flight MH370 in the southern Indian Ocean. The Australian Maritime Safety Authority has received information based on satellite imagery ... Following specialist analysis of this satellite imagery, two possible objects related to the search have been identified. Was it the geospatial intelligence organisation within the Defence Force that conducted that specialist analysis; and, if so, what was the analysis? Exactly what did they tell AMSA, on the basis of which the Prime Minister then made this statement?

Mr Richardson: We would need to take that on notice.

Senator MILNE: I would like the specific information in relation to that.

Mr Richardson: Yes.

Response:

Yes, the specialist analysis of satellite imagery was conducted by the Australian Geospatial-Intelligence Organisation. The analysis indicated the possible presence of man-made objects. The Australian Geospatial-Intelligence Organisation subsequently provided two imagery products to the Australian Maritime Safety Authority indicating the location of the possible objects in the Southern Indian Ocean, to inform MH370 search planning. The Australian Maritime Safety Authority was the lead search agency at that time.

Other than the provision of imagery products, Defence has no knowledge of what information was used to brief the Prime Minister, or who provided it.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 21 - Acoustic Centre analysis related to MH370

Senator Milne asked on 22 October 2014, Hansard page 60:

Senator MILNE: Perhaps I can ask in specific terms. I accept what you are saying, and we will have to pursue it with the joint agency, because, as I said, the retired Air Vice Marshal, within a very short time of the Prime Minister's speech, came out and said that there was no information. So, somebody had provided the Prime Minister with that information, even though they knew the day before, according to the Subsea World News, that the Joint Acoustic Analysis Centre had said that it was unlikely to be related to the aircraft black boxes. HMAS Albatross was the first ship, I understand, to detect—

Air Chief Marshal Binskin: No. HMAS Albatross is a couple of runways at Nowra. It is the Fleet Air Arm base at Nowra. So, if it detected them, we are very good!

Senator CONROY: That could explain the problem!

Senator MILNE: Would they have done the analysis?

Air Chief Marshal Binskin: That is where the analysis was done. Sorry, I was being flippant, but the Australian Joint Acoustic Analysis Centre is at HMAS Albatross at Nowra.

Senator MILNE: Okay. That is what I was trying to establish—that the acoustic centre is the same as HMAS Albatross. And do you know whether they did the acoustic analysis of all five pings that were recorded or whether they did it only from the Orion?

Air Chief Marshal Binskin: No, they would have subsequently done the analysis of all the Australian detected signals, as well as, in a longer-term sense, working in parallel with them—actually working in close concert with them; I think DSTO were working with them as well, because they have some experts in this field. I think what you are seeing here is that this was all agencies being brought together, because each agency had expertise in certain area, and brought together under the Joint Agency Task Force. It actually worked very, very well. But no single agency is responsible for what was coming out of the JATF itself, sitting at the top. That was collated together as information.

Senator MILNE: On 10 April, which was the day before the Prime Minister's speech, early in the morning, experts were quoted as saying: ... the process of teasing out the signals from the cacophony of background noise in the sea is a slow and exhausting process. Operators must separate a ping lasting just 9.3 milliseconds - a tenth of the blink of a human eye - and repeated every 1.08 seconds from natural ocean sounds, as well as disturbances from search vessels. That is making it fairly clear that an analysis would be quite a complicated thing to do in a short time.

Air Chief Marshal Binskin: It is complicated. They are experts in doing it, though.

Senator MILNE: Would there have been a formal report from the acoustic centre back to you? Or would the report from the centre have gone back to the Joint Task Force?

Air Chief Marshal Binskin: I do remember seeing a report that came back to us. It was a bit later than that. It did not come straightaway out of them. Who the report was addressed to in Defence I cannot exactly remember, but there was an analysis that was there. Whether or not it came out to us exactly on that date I cannot confirm. I will have to take that on notice.

Senator MILNE: Okay, perhaps you could take that on notice, to get us a copy of the report on those—

Air Chief Marshal Binskin: I might not be able to give you the copy, because it will be classified. But I can give you the dates of the reports.

Senator MILNE: Okay, perhaps you could give me the dates and the times of all the reports of the analysis of those five sets of pings, which were basically the basis and supposedly the black box.

Mr Richardson: I do not know whether we can provide that, because there will be different analysis by different areas, and we—

Senator MILNE: Well, I am specifically asking for this one—of the acoustic centre analysis reports, days and times.

Mr Richardson: In terms of what we are responsible for, we can provide you with details. But that for which we are not responsible we will not be able to provide you.

Response:

The reports provided by Defence were:

- *DSTO Analysis of Towed Pinger Locator Recordings From ADV Ocean Shield*, dated 12 April 2014.
- *Australian Joint Acoustic Analysis Centre, Op SOUTHERN INDIAN OCEAN, Acoustic Analysis Report, ADV OCEAN SHIELD Acoustic Data*, dated 14 April 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

**Question on Notice No. 22 - DEFGRAM announcing appointment of
MAJGEN Jim Molan (Retd)**

Senator Conroy asked on 22 October 2014, Hansard page 22:

Senator CONROY: Could we get a copy of that DEFGRAM?

Mr Richardson: Yes, I believe you can because—

Senator CONROY: It is not classified, is it?

Mr Richardson: I will check, but I do not believe it was. Certainly if it was asked for under FOI I believe it would be provided.

Response:

DEFGRAM 482/2014, White Paper—Appointment of Major General Molan AO, DSC, (Retired), issued on 28 August 2014, is attached.

Department of Defence

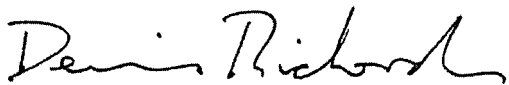
DEFGRAM 482/2014

Issue Date: 28 August 2014
Expiry Date: 05 December 2014


**WHITE PAPER—APPOINTMENT OF MAJOR GENERAL MOLAN AO,
DSC, (RETIRED)**

1. The Minister for Defence has appointed Major General Andrew James (Jim) Molan AO, DSC, (Retd) to work as an adviser on some matters relating to the White Paper.
2. Major General Molan is to provide advice to the Minister on the alignment of policy, strategic and tactical issues.
3. Major General Molan is to consider the effectiveness of fielded military equipment and various capabilities in operations, and what lessons are to be learned for application in development of ADF force structure and the execution of future operations.
4. Major General Molan will need to consult with a variety of people across the Defence organisation, including those with recent operational experience and those involved in the development, procurement and sustainment of the ADF Force Structure. We would ask that you cooperate fully with Major General Molan in this context.
5. Major General Molan's contact details are as follows:

Andrew James (Jim) Molan AO, DSC
Major General (Retd)
R1-6-A019
Telephone: 02 6265 1976



Dennis Richardson
Secretary



MD Binskin
Air Chief Marshal
Chief of the Defence Force

Distribution: Defence Restricted Network, overseas

Contact Officer: **Mr Marc Ablong**
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Telephone: 02 6266 7565
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Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 23 - Meetings held with MAJGEN Jim Molan (Retd)

Senator Conroy asked on 22 October 2014, Hansard page 65:

Senator CONROY: Did a meeting take place?

Senator Johnston: What sort of meeting?

Senator CONROY: Between Mr Richardson and Mr Molan or you and Mr Molan or all of you or none of you? How was an informal arrangement reached? Usually people have conversation and shake hands.

Senator Johnston: That is a very good question. I would have to take that on notice, because I am just not sure what precisely happened there. (...)

Senator CONROY: That was the July-ish meeting?

Mr Richardson: Around then, yes. There was a subsequent meeting at which there were one or two people from the minister's office. I think there might have been one other person from the department.

Senator CONROY: Do you remember who that was?

Mr Richardson: I am not sure. I just need to check before I give you a name, to make sure that my memory of someone else being there from the department is indeed accurate, because if it is not the person I am thinking of then I do not think there was anyone there from the department.

Senator CONROY: So, in July you had an informal discussion within work. Was the informal agreement reached at that meeting or at this subsequent meeting?

Mr Richardson: No, it was at the subsequent meeting.

Senator CONROY: In that case it is important to know who was there. Minister, were you present at the meeting?

Senator Johnston: I may have been. I am not sure. I would like to take that on notice to discuss it with my staff, because I would need to check my diary in detail to see if there was a meeting. I remember a meeting at some point but I could not tell you when it was.

Senator CONROY: Fair enough. So you think that you were possibly at this meeting where the informal agreement was made. That is subject to confirmation. (...)

Senator CONROY: But he must have expressed the reason to you when he said, 'I do not intend to take up your offer.' You are saying it is the backdrop, which is a word that is hard to get your head around unless you have a better understanding of the discussion, which you do. So what reporting arrangements were not as agreed?

Mr Richardson: What he said to me was in confidence, and I will respect that confidence.

Senator CONROY: Minister, you think you may have attended? You think one of your staff may have attended—probably your chief of staff, if he was there?

Senator Johnston: I will take that on notice and give you the actual meeting as best we can recall.

Senator CONROY: No, sorry—separate to that meeting. Did he visit your office on other occasions?

Senator Johnston: No. Other than the meeting that I have talked about, I do not believe he did. He may have, but I was not aware of it.

Senator CONROY: Could you take that on notice?

Senator Johnston: I will take that on notice.

Response:

Major General Jim Molan (Rtd) met with the Secretary of Defence on three occasions from 8 August to 15 September 2014:

- On 8 August 2014 at Russell Offices.
- On 20 August 2014 at Parliament House, and included the Minister for Defence and the Minister's Chief of Staff.
- On 15 September 2014 at Russell Offices.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 24 - Parliamentary pass - MAJGEN Jim Molan (Retd)

Senator Conroy asked on 22 October 2014, Hansard page 68:

Senator CONROY: Did General Molan have a pass to Parliament House?

Senator Johnston: I believe that he did.

Senator CONROY: Does he still have it?

Senator Johnston: I am unaware.

Senator CONROY: Mr Richardson, is he still entitled to access the building?

Mr Richardson: I do not know, because I have never had a discussion with him about parliamentary passes.

Senator FAULKNER: But anyway, Defence would not be the issuing authority, would it?

Senator Johnston: No.

Senator CONROY: My question is: does he still have a pass? Has it been cancelled?

Senator Johnston: I do not know.

Mr Richardson: The arrangements for his pass in respect of the department are all finished off properly, and he no longer has the pass that he had—

Senator CONROY: To access the department?

Mr Richardson: in that couple of weeks period.

Senator CONROY: Given he was not taking up employment, did your office have his pass cancelled?

Senator Johnston: I do not know. I do not think so.

Senator CONROY: Could you take that on notice?

Senator Johnston: I will take that on notice.

Senator CONROY: If I were to ask the Department of Parliamentary Services—whoever handle passes—would they have a record if your office had cancelled General Molan's pass?

Senator Johnston: I would not know.

Senator CONROY: Take it on notice. I am happy with that.

Senator Johnston: I will take it on notice.

Response:

This question should be referred to the Department of Parliamentary Services.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 25 - Acquisition of capabilities - securing maritime borders

Senator McGrath asked on 22 October 2014, Hansard page 69:

Senator McGRATH: What capabilities is Defence acquiring to secure Australia's maritime borders?

Air Chief Marshal Binskin: Most of them, I would say.

Senator CONROY: If someone gave you that, you would want to speak to them!

Air Chief Marshal Binskin: You look at the surveillance initially, and then potential response options. From a surveillance point of view, you are looking at the surface ships that we purchase, submarines and capabilities. Then you start to build on the air side of that: P8A Poseidon patrol aircraft and Triton uninhabited aerial vehicles. You build more on that with the surveillance of the JORN over-the-horizon radar system.

Senator McGRATH: What sort of investment are we talking about here?

Air Chief Marshal Binskin: Sort of investment?

Senator McGRATH: What dollar figure can you give?

Air Chief Marshal Binskin: The head of Capability Development can give you the dollar figure against all those. We can go down into the lower level detail, or would you prefer the higher level?

Senator McGRATH: I am happy with the lower level detail.

Lt Gen. Caligari: We are acquiring a number of capabilities all of which would support that mission. In order to come to a figure for what they are and where they sit in the decade, we would need to take that on notice.

Response:

The White Paper and Force Structure Review will provide a plan for a costed and affordable Defence Force.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 26 - Submarine APB program contract costs

Senator Fawcett asked on 22 October 2014, Hansard page 71:

Senator FAWCETT: The other question was about the opportunities for Australian industry to become involved. We have heard for a number of estimates periods now that Defence is looking at a project to provide opportunities. At estimates in June you took a question on notice on that and the answer came back saying that there is a program and that they put out requests for tenders in April 2014, that tenders were currently being evaluated and that contracts were expected to be in place by the end of July this year. I was just wondering if you could give us an update. Are there any contracts in place? Who are they with? What is the scope of work that has been awarded to Australian industry?

Mr Gould: Two companies are on contract following those two particular tenders. As regards the value, I will have to come back to you notice. They are quite small value contracts; I will say that. They are under contract now.

Response:

Two contracts were entered into in July 2014 for the development of upgrades to the AN/BYG-1 tactical display. The contracts are with Cirrus Real Time Processing Systems Pty Ltd and Thales Australia Limited Underwater Systems.

The total funding allocation for the work is in the order of \$1 million. Each contract is slightly different and includes a core element valued at around \$230,000, plus an allowance of just over \$155,000 for optional work that will be undertaken if the core element is successful, plus an additional allowance for travel and GST.

The scope of work focuses on developing computer software to improve the way tactical information is displayed to AN/BYG-1 operators aboard the submarine. The tasks are in direct response to system improvement opportunities identified by Australian submariners during workshops held in 2013-14.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 27 - Plan Suakin implementation costs

Senator Reynolds asked on 22 October 2014, Hansard page 74:

Senator REYNOLDS: What are the costs associated with implementing Plan Suakin?

Ms Skinner: We might take that on notice.

Response:

The resource implications associated with flexible workforce arrangements, and supporting ICT requirements, are currently being determined by Defence in preparation for necessary legislative amendments.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 28 - Soldier Recovery Centres - personnel numbers

Senator McGrath asked on 22 October 2014, Hansard page 77:

Senator McGRATH: What is the progress of the soldier recovery centres? How many are operating and in what locations?

Lt Gen. Morrison: We have soldier recovery centres in all of our main Army locations—Darwin, Townsville and Brisbane. We also have a recovery centre in Holsworthy Barracks or in the Liverpool area, where our special forces are.

Senator McGRATH: What type of activities do they utilise to aid the recovery and rehabilitation of Defence Force personnel?

Lt Gen. Morrison: There are a variety of activities. We have, over the course of the last four years, developed a range of expertise. We have done that within the Defence network—Defence personnel or those people who work in the medical area of the Defence department—but we have also been able to access, in all locations, help from outside Defence, including clinical advice. We have also approached sporting sides. They have very good rehabilitation, obviously, for some of the professional sides. In Brisbane, for example, work has been done with the Brisbane Lions. We have been open to a range of areas to find the best way to improve the rehabilitation of our soldiers or our Defence personnel.

Senator McGRATH: Does this include mental health issues?

Lt Gen. Morrison: Yes—both mental health and physical health.

Senator McGRATH: Can you tell me how many personnel have been assisted to date? **Lt Gen. Morrison:** I would have to take that on notice. I will take that on notice and get you an answer.

Response:

A total of 820 personnel have been assisted by Solider Recovery Centres:

- The Townsville centre, established in July 2010, has assisted 380 personnel.
- The Darwin centre, established in March 2012, has assisted 224 personnel.
- The Brisbane centre, established in August 2012, has assisted 216 personnel.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 29 - Legal action/liquidated damages instituted by DMO

Senator Xenophon asked on 22 October 2014, Hansard page 87:

Senator XENOPHON: Is it not the role of the DMO to ensure that, if a contract is entered into, there are undertakings given, reduced in writing to the form of a legally enforceable contract, with, presumably, penalty clauses if the contract is not adhered to? If the terms of that contract are not complied with, it is not as though the DMO is powerless. You are in a position to legally enforce your rights, presuming the contracts—

Mr King: But do you know what happens, Senator?

Senator XENOPHON: Please tell me.

Mr King: You cannot make happen what cannot happen. You have a contract in place that the contractor has freely committed to—

Senator XENOPHON: But there are these things called penalty clauses.

Mr King: Yes, and we exercise those. But it does not get the capability into the hands of the military.

Air Chief Marshal Binskin: That is right. You can enforce all the legal liquidated damages that you want on the contractor, but, from a capability point of view, as CDF I do not have the capability in service to be able to then do the task.

Senator XENOPHON: I know there is an issue of capability, but won't that—

Air Chief Marshal Binskin: But that is what it is all about.

Senator XENOPHON: How often are liquidated damages or is legal action taken against contractors who fail to comply with their contracts?

Mr King: During my tenure, quite regularly, Senator—and that does not necessarily solve the problem. And we do do it. For example, I remember a case in the UK. A small yard goes broke and you are left with an asset sitting in a yard that is worthless that has to be finished.

Senator XENOPHON: Presumably, you would contract with an entity that either has assets or insurance.

Mr King: We have some insurances. But, if a project comes out 50 per cent late, I cannot do anything to make it come out.

Senator XENOPHON: Could you take on notice: in the last three years, how many legal actions have been instituted? I do not need to know which parties—

Mr King: It does not have to be a legal action. We can exercise liquidated damages that are pre-agreed. I can name the big ones straight off—

Senator XENOPHON: No, no. I really want to ask you some other questions. But, on notice, if I could get an idea of the quantum of liquidated damages involved.

Response:

In the last three years there has been one legal action instituted by the DMO against a Defence contractor, and the settlement of 8 claims involving liquidated damages on a commercial basis without resort to litigation.

The value of liquidated damages (including the value of alternative compensation received in lieu of liquidated damages) recovered by DMO under Defence contracts over the last 3 years is \$344 million.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 30 - Details on RFT0315/2012

Senator Xenophon asked on 22 October 2014, Hansard page 88:

Senator XENOPHON: A tender that the former government was involved in related to the effect on the economy of building submarines in Australia. I think it was tender RFT0315/2012 won by macroeconomics.com.au and they were paid a bit over \$459,000 to deliver a report by 30 June 2014. Are you familiar with that at all?

Mr King: No, I am not.

Senator XENOPHON: I am drawing blanks so you might want to take that on notice. I am looking at a statement of work and an attachment from AusTender.

Mr King: I am not aware of that. I would have to take that on notice.

Senator Johnston: Was it a Defence tender or was it an industry tender?

Senator XENOPHON: It starts off by referring to the Australian government spending in the order of \$5 billion each year on military equipment including advanced weapons systems. It made specific reference in paragraph 1.7 of the future submarine project. It referred to four stages including a report on the economic impact of the SEA1000.

Senator Johnston: Let us take that on notice. If you could give us a detailed description of what that tender nomenclature was, we will come back to you as to the fate of that tender.

Senator XENOPHON: I will forward that to your office.

Response:

Macroeconomics.com.au Pty Ltd was contracted by the Defence Materiel Organisation (DMO) under DMOCIP/RFT0315/2012 for the provision of economic modelling services.

The contract was to provide expert assistance in data gathering, collation and processing for the development of a Computable General Equilibrium economic model in cooperation with Victoria University. The modelling work was completed in August 2014. Informed by the modelling, a report is being compiled by the DMO. The report is well advanced but not yet complete.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 31 - Comment on evidence given by Dr John White at Senate Economics References Committee - Naval Shipbuilding inquiry

Senator Xenophon asked on 22 October 2014, Hansard page 91:

Senator XENOPHON: Can we go back to the evidence given by Dr John White, who has an outstanding reputation in this country in respect of naval shipbuilding. He broke his silence in a sense. He was one of the co-authors of the Winter-White report, which we still have not seen despite a couple of Senate orders. Dr White gave evidence about having a competitive design source selection process. He said that, if we get on with it, we can do so. I think that he gave a time line of about 12 months. Is the time line that Dr White suggested a reasonable one and one that fits in with your concerns about getting on with having a future submarine project up and running and that capability in time for the retirement of the Collins?

Mr King: I did not look in detail at his evidence or the time line, so I cannot comment. I accept that—

Senator XENOPHON: Can you take that on notice after you look at that?

Mr King: Yes, I could do that.

Response:

In his submission to the Senate Economics References Committee Inquiry into the Future of Australia Naval Shipbuilding, Dr John White proposed that the Future Submarine could be ready to enter operational service in a timeframe of 12 years.

Twelve years is not a realistic timeframe for a domestic build of a new design.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 32 - Information on Defence investigation processes

Senator Ludlam asked on 22 October 2014, Hansard page 94:

Senator LUDLAM: No, I will not waste your time, but it is remarkable that the parliament is not even allowed to know whether it exists or not. That is really extraordinary. I want to come to something that occurred only a matter of a couple of weeks ago, and you may not be able to tell me whether or not these two things are related. Earlier this month, a number of peace activists trespassed on Commonwealth land at Swan Island in Victoria. You will not be able to confirm or deny, I guess, whether it was 4 Squadron that they trespassed on, but just tell us what the protocol is for people who have admitted in advance that they were planning on doing that. I understand that this same group has done so a couple of years running. What is the protocol for apprehending them when they are found to be trespassing?

Lt Gen. Morrison: Swan Island is a Defence facility which is used for Army training, including counter-terrorism training. Under section 72 of the Defence Act, ADF personnel are given the power to detain persons they suspect of trespassing on Defence land until they can be transferred to civilian authorities. It is my understanding that, on 2 October of this year, eight protesters from that group that you mention entered and illegally breached the perimeter of Swan Island's training area and they were apprehended by both Defence personnel and Victoria Police.

Senator LUDLAM: Yes—I gather in that order. The Victoria Police were a little bit late on the scene, so it was actually the Defence personnel, whoever they were, who interdicted them, as it were, initially.

Lt Gen. Morrison: There were four protesters who were apprehended by Defence personnel, and subsequently another four protesters were apprehended by Victoria Police.

Senator LUDLAM: Okay. Reports on the day and reports provided directly to me indicate that they were black-bagged, stripped naked, dragged along the ground and threatened with anal rape and with drowning. I am presuming that is not in operational procedures for apprehending demonstrators.

Lt Gen. Morrison: Those allegations were made at the time.

Senator LUDLAM: Yes.

Lt Gen. Morrison: They are taken seriously by Defence and they are the subject of a Defence investigation.

Senator LUDLAM: Okay. Lt Gen. Morrison: I would note, however, that, as I understand it, Victoria Police have charged those who entered the Swan Island training facility, under Commonwealth laws.

Senator LUDLAM: That does not surprise me, I guess. I understand that these people expected to be apprehended and arrested. I guess that is what will happen if you sneak onto a Defence base. Describe to me, if you would, the nature of this investigation or review that is underway.

Lt Gen. Morrison: Allegations were made. There are allegations made from time to time against Defence personnel, and Defence takes those matters seriously. We have systems in place to investigate allegations.

Senator LUDLAM: Can you talk us through the systems? What is actually happening?

Lt Gen. Morrison: Here? I have asked for Defence to conduct an investigation to make sure that the actions undertaken by Defence personnel were appropriate.

Senator LUDLAM: Who is undertaking that investigation?

Lt Gen. Morrison: It is being done within the Defence department. I do not have the name of the specific person or persons who are conducting the investigation.

Senator LUDLAM: I do not know that it would be appropriate to ask for the specific persons. Can you point out what kind of designation it is within the department and what process will be followed. Where can I look, in your act or your regulations to find out what processes are to be followed and who is conducting it?

Lt Gen. Morrison: I cannot speak specifically about this investigation. If you are asking more broadly about how the investigation procedures run within the Department of Defence that can be answered, but not by me.

Senator LUDLAM: I guess I want to know under what protocols or processes this particular incident will be investigated.

Lt Gen. Morrison: They will be investigated under the processes that we have within the Department of Defence.

Senator LUDLAM: Just talk me through what those are.

Lt Gen. Morrison: I just said, those processes are not subject matters that I am an expert in.

Senator LUDLAM: Okay. Should I ask the secretary? Who is the expert in the room? We have a room full of experts.

Lt Gen. Morrison: How about I take the question on notice and the department will provide you with an answer.

Senator LUDLAM: Okay.

Lt Gen. Morrison: It will not be specific to this investigation, because I am not making a comment about that. I am not going to give you the facts of this investigation. I will tell you how investigations are conducted within the department.

Response:

Defence policy provides that certain incidents involving Defence and its resources, including personnel, property and premises must be notified to commanders and managers and the relevant Defence Investigative Authority, so that appropriate action can be taken. Incidents are managed through administrative reporting processes and investigated through legislative provisions either under the *Defence Force Discipline Act 1982*, relevant Commonwealth Crimes Act / Criminal Code Act or through administrative inquiry vide the Defence Inquiry Regulations 1985 / *Defence Act 1903* provisions.

Investigations (Discipline / Criminal) - all Defence Investigative Authorities, civilian and military, conduct investigations in accordance with the Australian Government Investigations Standards. The Australian Defence Force (ADF) Defence Investigative Authorities (ADF Investigative Service and the Service Police) conduct discipline and criminal investigations pursuant to the *Defence Force Discipline Act 1982 (s101)*, *Evidence Act 1995*, and related Commonwealth Crimes Act / Criminal Code Act. Civilian Defence Investigative Authorities conduct criminal investigations into fraud and corruption-related matters, other serious misconduct under the applicable Commonwealth legalisation and Evidence Act provisions, and security investigations pursuant to the Protective Security Manual and Defence Security Manual.

Administrative Inquiries - Administrative inquiries are conducted under the authority of the *Defence Act 1903* (s.9 and s.9A) or the *Defence Act 1903* (s.124) and the Defence (Inquiry) Regulations. The purpose of administrative inquiries is to determine the facts and circumstances surrounding an incident or situation. Inquiries are undertaken so that an informed decision may be taken about the action required including, where appropriate, action to avoid a recurrence. This may lead to a referral of the matter to a Defence Investigative Authority for discipline or criminal investigation.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice – No. 33 - Costs of additional C-17's and potential additional jobs

Senator McGrath asked on 22 October 2014, Hansard page 96:

Senator McGRATH: What is the cost of the two additional C17A Globemaster aircraft the government has recently decided to purchase?

Mr Richardson: We have asked for the formal documentation from the US. We will not know the precise cost I think until we get that.

Unidentified speaker: It is a letter request.

Mr Richardson: Yes.

Senator McGRATH: They are going to go into the RAAF base at Amberley, are they not?

Air Chief Marshal Binskin: They will go into part of the 6 Squadron at Amberley.

Senator McGRATH: Will any additional jobs be put into Amberley through support crews and things like that for the C17?

Air Chief Marshal Binskin: As in extra crews?

Senator McGRATH: Yes, and support crews.

Air Chief Marshal Binskin: Unfortunately we are talking submarines. Chief of Air Force is not here. As I understand it, as part of the project there will be extra crews, extra personnel, to go with those aircraft, but I do not have those details. Can we take that on notice and give you the exact details?

Response:

The Government is yet to consider the proposal pending receipt of a Letter of Offer and Acceptance from the United States Government.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 34 - Lessons learnt from ANAO report - Caribou replacement

Senator Xenophon asked on 22 October 2014, Hansard page 99:

Senator XENOPHON: Perhaps I could just go to the issue of limited tender, and this refers to some very forensic work that the Defence minister did in opposition. Again, I am complimenting the minister. I don't think he wants me to compliment him! The last time Defence went to a limited tender was for AIR 8000 Phase 2—the C-27J Spartan battlefield airlifters, the Caribou replacement. The minister in opposition asked the Auditor-General to look into it, as he should have. The Auditor-General made a specific recommendation in relation to industry. Can you remember what that recommendation and finding was?

Mr King: I remember that they found that I had applied all the appropriate rules. I do not remember what the finding was.

Senator XENOPHON: Perhaps I could just read this to you: Defence's approach to industry did not transparently communicate the status of the procurement process, and resulted in a misunderstanding by the commercial suppliers that Defence had initiated an open procurement process, rather than collecting additional information for government decision making in the pursuit of a direct source procurement. In that respect, Defence's approach did not have sufficient regard to the expectation in government procurement that suppliers will be treated in a fair and transparent manner. Defence has acknowledged the lack of clarity attending its approach to industry and has amended its processes so as to improve communication with industry in the future. So, is that happening here now—as in the improved processes for the submarines?

Mr King: I am quite certain that—

Senator XENOPHON: Sorry: tell me what the processes are, that the Auditor-General was critical after questioning by the then shadow minister—

Mr King: No, I think the response was—what I felt was being said there, and you might remember that I did have quite protracted discussions with the senator, who is now the minister—

Senator XENOPHON: I have taken inspiration from the shadow minister in my approach to these issues. The minister can take it as a compliment.

Mr King: The point I made then, which I still hold true to, is that if there is no reasonable prospect of a company making an offer that will be satisfactory to Defence, you are genuinely wasting their time. What I think the ANAO report was getting to was that when we solicited the additional information, which was an update, we had had a number of approaches to market by different elements of Defence to get pricing and availability on the alternatives. We had a direction from government about the preferred approach and about the level of data that they wanted on the potential other offers.

Senator XENOPHON: I do not want to go back to that. I am worried about time constraints. The chair has been very patient with me, but he is going to wind me up

quickly, and I really want to get to the nub of this. The Auditor-General was quite critical of the process, effectively saying that a number of Defence contractors were being led on, in a sense. I think that is a base summary of it. You say that you have dealt with that. Can you describe those processes to me? Do you need to take it on notice to describe the precise processes to deal with the significant criticisms of the Auditor-General of the Caribou replacement?

Mr King: Yes, we can take it on notice, but the criticism was—

Senator XENOPHON: I only have time for a short answer, I am really sorry.

Response:

Defence has introduced revised processes for future approaches to industry. Defence has amended the Defence Capability Development Handbook to ensure that all future solicitation with industry, throughout the requirements phase of the capability life cycle, follows a more formal procedure to ensure the status of procurements are transparently communicated to industry.

The Handbook is publicly available at:

[http://www.defence.gov.au/Publications/Docs/Defence%20Capability%20Development%20Handbook%20\(DCDH\)%202014%20-%20internet%20copy.pdf](http://www.defence.gov.au/Publications/Docs/Defence%20Capability%20Development%20Handbook%20(DCDH)%202014%20-%20internet%20copy.pdf)

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 35 - Information on economic assertions by CEO DMO in relation to SEA 1000

Senator Xenophon asked on 22 October 2014, Hansard page 101:

Mr King: Can I just give you a sense of scale, too, because all these things are important. Looking at military demand as a way of keeping industries alive is a very false guide—and I will give you an example because I started the AWD project. It was less than one day's production of steel and we bought that once in a 10-year construction program. So you cannot keep the steel industry alive on building a warship. You just cannot. The other aspect—and I am not an economist—is that the economic modelling says that, while you can get a point response for some of our big projects in a particular state or a particular environment, that money can in fact create a negative outcome in adjoining states. One model I have seen, for example—and as I said, I am not an economist—says that, if you do this sort of work in say, Adelaide, you get a point positive in Adelaide, which is not all that large, surprisingly, but you get a negative in the other states because of the crowding effect. For example, if you spend a billion dollars more on this to get this capability than you need to then that billion dollars comes out of stuff that might have been a road or a railway line or a port. And a defence asset is not productive—it is critical for defence, but it is not a productive asset.

Senator LAMBIE: Do we not 'downstream'—where one state is doing part of the fitting out, one state is doing another, so it is all being shared around?

Mr King: You get a little bit, but the total crowding out modelling shows that—

Senator CONROY: If you are at full capacity. Crowding out works if you are at full capacity. If you are under-utilising assets around the country—

Mr King: Indeed.

Senator CONROY: But if your economic analysis—

Senator LAMBIE: As a matter of fact, if you were doing the job and you were doing it well, and you were doing it better than everybody else, they would be ordering them from us instead of us doing it the other way. This is where we have lost our way. Why aren't we leading? Why aren't we out there as the country that is leading with this stuff? That is what we need to be asking ourselves.

Mr King: I went to quite some length while you were not here about, for example, why I believe concentrating on building surface ships at this time would be the greatest way forward. I explained how we could be a world benchmark.

Senator CONROY: Wave goodbye to the subs.

Senator XENOPHON: Chair, Mr King has made some quite bold economic assertions. Could he please provide us with the basis for that.

CHAIR: I think perhaps the fairest thing to do would be to take it all on notice if we can.

Senator XENOPHON: On notice.

Response:

Please see response to Question on Notice No. 30 from Supplementary Budget Estimates of 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 36 - ADF in Bougainville PNG

Senator Rhiannon provided in writing:

- (1) Are ADF troops or any ADF personnel stationed in Bougainville PNG?
 - (a) If yes:
 - (i) Where are they stationed?
 - (ii) How many troops?
 - (iii) How long are they planned to be in Bougainville?
 - (iv) Why are they there?

Response:

- (1) Yes.
 - (a) (i) The majority of members were on HMAS CHOULES, which was stationed in the Bougainville area off Torokina. The medical facility was in Buka and the operation was centred on Torokina.

(ii)-(iv) These questions have been answered in Question on Notice No. 12 of Supplementary Budget Estimates of 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 37 - First Principles Review

Senator Conroy provided in writing:

- (1) Has the Department provided directions, formally or informally, to the First Principles Review panel?
- (2) What staffing resources are being provided to the panel for the purpose of conducting the review?
 - (a) What is the cost of these resources, including staffing costs
- (3) Which external consultancy has been engaged to support the panel?
 - (a) what is the cost?
 - (b) what is their role?
 - (c) will they be embedded in the department?
 - (d) what will the relationship be between the panel and the consultancy?
 - (e) is it expected that the external consultancy will be doing the bulk of the drafting of the report
- (4) Will the report be made public?
 - (a) If so, when?
- (5) The terms of reference ask that consideration be given to “what can be done about rising personnel costs, particularly for the ADF, that are putting the investment budget under significant pressure.” Is this an expansion of the expected terms of reference to directly address issues within the ADF, rather than the Department’s role in supporting the ADF.
- (6) In the Issues for Consideration number 3 (e), we see “Further options for the enhanced commercialisation of Defence functions, including DSTO but excluding DHA” Why has DHA been excluded?
- (7) The final Issue for Consideration asks the panel to review “Recommendations from the Commission of Audit not covered above.” Why has the panel been asked to investigate the recommendation that “staffing in Defence Headquarters, including the numbers of star-ranked and Senior Executive Service officers, should return to the 1998 level”?
- (8) If accepted, would this recommendation from the Commission of Audit result in reducing the number of civilian staff in the ACT to 4,999 ongoing staff and 2,200 non-ongoing staff?
- (9) This would be a cut of nearly 22 per cent in staffing levels, which functions currently undertaken by the Department would have to cease under a cut of this magnitude?

Response:

- (1) No.
- (2) and (a) A departmental secretariat consisting of six staff. Costing cannot be determined as the review is not yet complete.
- (3) Boston Consulting Group (BCG).
 - (a) Costing cannot be determined as the review is not yet complete.

- (b) The role of BCG will be guided by the Review Team.
- (c) No.
- (d) The relationship between BCG and the Review Team will be as directed by the Review Team.
- (e) The Review Team will determine this.

(4) and (a) This is a matter for the Minister for Defence to consider.

(5), (6) and (7) The Minister for Defence has set the Terms of Reference.

(8) and (9) These are matters for the Review Team to consider and the review is not yet complete.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 38 - Plan Suakin

Senator Conroy provided in writing:

- (1) How has the ADF organised itself to progress the aims of Suakin?
- (2) What progress has there been on developing a range of full-time, part-time and casual employment categories?
- (3) What progress has there been on implementing a transfer process to allow ADF members to move across the various service categories?
- (4) Please outline the areas that will need to change, and whether there are particular difficulties that have been identified in the planning phase?
 - (a) In particular, is there any need to change legislation, personnel policies, regulations, and payments of benefits and allowances to reflect new employment categories?
- (5) What problems, if any, have emerged so far?
- (6) Could each of the services please update the committee on the unique difficulties that they face?
- (7) What are the arrangements for ongoing consultation with ADF members?
 - (a) Have there been any further consultations since the November announcement?

Response:

- (1) Project Suakin was established in May 2012 and resides in the Defence People Group. It is overseen by a 1-Star Internal Reference Group comprising the Services' Directors General (Personnel) and a 2-Star Steering Committee, the principals of which are the Deputy Chiefs of Service. Suakin progress reports are provided to the Chiefs of Service Committee.
- (2) The design phase of Project Suakin was completed in June 2014. During this phase, the framework and structures to support an ADF total workforce model was established. The core of the framework is a Service Spectrum comprising of a number of Service Categories and Service Options which are currently under testing and once finalised endorsement will be sought from Chiefs of Service Committee.
- (3) The implementation phase of Project Suakin commenced in July 2014. The project is working closely with the Services to develop the processes and procedures required to implement the Service Spectrum including efficient transfer processes.

(4) and (4a) To facilitate permanent part-time work (Service Category 6), amendments will be required to the *Defence Act (1903)*, *Naval Defence Act (1910)*, *Air Force Act (1923)* and subordinate regulations. The review of relevant personnel policy and working instructions is underway.

(5) No significant issues have emerged that would adversely affect the project outputs. Project Suakin is working closely with the Services and supporting Groups to ensure minor challenges are dealt with quickly.

(6) The Services are seeking to contemporise their employment offer to reflect the nature of the Australian labour market. A flexible approach to recruiting, employing and retaining members, now and in the future, will enable the Services to realise the potential offered by Defence's investment in platforms and technology systems. The outputs of Project Suakin will empower the Services to realise greater organisational flexibility as well as offer more flexible work arrangements for permanent members of the ADF and Reservists alike; contributing to an improvement of the Defence employment offer. Project Suakin has worked closely with the Services to ensure the design and current implementation of its total workforce model addresses the unique structural and personnel needs of each Service.

(7) Project Suakin team has implemented a communication strategy which identifies a number of mechanisms for engaging ADF members. Among these are face-to-face presentations, briefs for ADF commanders and informal discussions with ADF personnel.

(a) Yes.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 39 – Operation Slipper

Senator Conroy provided in writing:

- (1) Can you also please update the committee on Operation Slipper and our personnel in Afghanistan?
- (2) Is there a clearer picture of what our role in Afghanistan will look like in 2015? What is it?
- (3) Will much need to change over the next 12-24 months in relation to our mission?
- (4) How is the training of Afghan National Security Forces going? Are you confident that the Afghan National Security Forces would be able to resist attacks from an ISIL-type force?

Response:

- (1) Australia remains committed to the International Security Assistance Force (ISAF) mission until its conclusion at the end of 2014.
 - Australia's military commitment within Afghanistan continues to be conducted under Operation Slipper until 1 January 2015.
 - In 2014, around 400 ADF personnel, deployed under Operation Slipper, continue to be engaged in Afghanistan through the training and advising of the Afghan National Security Forces (ANSF) in Kabul and Kandahar.
 - In 2014, the ADF commitment to Afghanistan includes:
 - ADF personnel located in staff positions within ISAF headquarters throughout Afghanistan;
 - personnel located at the Afghan National Army Officer Academy in Kabul, including trainers, advisers and a force protection element;
 - personnel embedded with the 205th Corps Advisory Team in Kandahar, including advisers and a force protection platoon;
 - advisers within the Ministerial Advisory Group to assist institutional capacity building within the Afghan Ministry of Defense;
 - the Heron Remotely Piloted Aircraft deployment to provide high-resolution Intelligence, Surveillance and Reconnaissance support, with an end of mission due on 30 November 2014, and return to Australia by 31 December 2014; and
 - a small Special Forces training contribution under the ISAF Special Operations Advisory Group to train, advise and assist the ANSF personnel in the Headquarters General Command of Police Special Units in Kabul.
- (2) Australia is postured to commit to supporting the post-2014 NATO-led 'train, advise, assist' *Resolute Support* mission contingent on ratification of the NATO Status of Forces Agreement through the Afghan Parliament. While still pending ratification, the agreement signifies Afghanistan's desire to continue its

relationship with NATO and partners such as Australia through the ‘train, advise, assist’ mission.

- (3) The post-2014 NATO-led mission will focus on training, advising and assisting Afghan security institutions such as the Ministry of Defense and the ANSF. Transition from the ISAF mission will be addressed by focusing on four critical capability gaps (aviation, special operations, intelligence and institutional development). In addition, the mission will provide functionally based security force assistance at the corps and ministerial levels focused on eight essential functions: budgeting, strategic and policy planning, resourcing and execution, intelligence, and strategic communications. Our strategic objectives remain the same: to ensure Afghanistan does not again become a terrorist safe haven, and to stand firmly by our Alliance partner, the United States and other key partners.
- (4) The ANSF now leads almost all operations across Afghanistan and has proven to be resilient and capable in defending against direct insurgent attacks. It continues to demonstrate the ability to hold key population centres and lines of communication, despite localised increases in violence and persistent insurgent influence in the rural areas of southern and eastern Afghanistan. The success of this was demonstrated by the excellent security provided by the ANSF during the two Afghan national elections, where the ANSF led all aspects of security, securing approximately 6,200 polling centres across the country. The ANSF is on track to effect full security transition by the end of 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 40 - Ukraine

Senator Conroy provided in writing:

- (1) How many ADF personnel were deployed to assist, or in preparation to assist, the AFP mission in Ukraine?
 - a. On what date were these personnel first deployed?
 - b. On what date were they recalled?
 - c. For what reason were they deployed?
 - d. What did they do while they were deployed?
 - e. Were they called on to assist the AFP at any time during their deployment?
- (2) Were other options prepared for deployment of ADF personnel to Ukraine?

Response:

(1) (a) to (e) Defence assets were deployed to support Operation *Bring Them Home*, as a part of the whole-of-government response to the loss of Malaysia Airlines flight MH17 over Ukraine. 349 Australian Defence Force (ADF) personnel deployed to support the AFP-led mission in the Ukraine. These personnel were based in the Netherlands and Ukraine. ADF advance party elements, part of the Australian Joint Planning Team of 35 personnel, arrived in the Netherlands on 23 July 2014.

The initial draw-down of Australian personnel and equipment from Ukraine to the Netherlands commenced on 8 August and was completed on 19 August. On 13 September, an ADF planning team deployed back into The Hague to support the Netherlands Ministry of Defence in consideration of a potential return to the crash site to complete the search if conditions were assessed as safe enough to do so. On **26** September, ADF assets started draw-down from the Netherlands and Ukraine aligning with AFP support requirements. The final ADF member is expected to return on 8 December 2014.

As the operation was AFP-led, Defence provided support to the AFP on a daily basis. This consisted of planning support, strategic airlift support, coordination with Dutch military staff and assistance with security operations at the crash site.

- (2) Defence prepared a range of contingency plans for additional support.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 41 - AUSMIN

Senator Conroy provided in writing:

- (1) I note the AUSMIN communique refers to the interoperability between the US and Australian Special Forces and commits to fostering these links and enhancing capacity within the region. Can you describe the cooperation that currently takes place between US and Australian Special Forces?
 - (a) Are there any plans to increase our engagement with US Special Forces in the years ahead?
 - (b) Has our engagement with US Special Forces been of assistance when operating in coalition with them in Iraq, Afghanistan and other areas of operation?
 - (c) Are Special Forces currently part of the USMC rotation to Darwin? Are they likely to be in future years?
- (2) The statement also refers to enhancing capability within the region, what is currently being done to achieve that goal?
- (3) Do we have the same, or similar, relationships with the Special Forces of other nations (E.g. New Zealand, the UK or Indonesia)?
- (4) I understand that our tactics, techniques and procedures, as well as potentially the equipment that we use, is highly classified. What approach do we take on these sensitive matters when we're working closely with the US Special Forces?

Response:

(1) Cooperation between US and Australian Special Forces comprises individual training (courses), combined collective training (military exercises), senior leadership engagement and embedded staff within tactical units. Engagement is facilitated through Liaison Officers within US and Australian Special Operations Headquarters. This year, an Australian Special Forces Liaison Officer position was established in US Headquarters Special Operations Command Pacific.

- (a) No
- (b) Yes. Special Forces integration during operations, including in Iraq and Afghanistan, has been aided significantly by a strong and enduring peacetime engagement program with the United States.
- (c) No

(2) The Australian Defence Force's Special Operations Command conducts a comprehensive program of international engagement activities. This program includes over 25 combined training activities with more than 10 regional Special Forces organisations. Many of these activities are reciprocal with exercises being conducted both in Australia and in the region. The focus of these activities is on maintaining positive relationships and enhancing capability in the region. Defence is also engaged in regional multilateral forums such as the ASEAN Defence Ministers' Meeting-Plus Experts' Working Group on Counter-Terrorism with the aim of enhancing counter-terrorism capabilities and cooperation in the region.

(3) Australia has similar relationships with Special Forces from the United Kingdom, New Zealand and Canada. Australia's Special Forces relationship with Indonesia is mature and comprises a range of individual and combined training activities and key leadership engagement.

(4) Tactics, techniques and procedures, like a range of sensitive matters including intelligence and information on capabilities, are managed within relevant security classification arrangements.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 42 - Parade boots

Senator Conroy provided in writing:

- (1) Regarding faulty parade boots – It was established at Senate Estimates back in 2012 that the faulty parade boots entered service in 1999. We also established at those estimates that the first issue of the soles falling off was reported in March 2000. Would you please provide an update of the rollout for the RM Williams boots?
 - (a) Have there been any delays to the roll out or is it on target to be completed within the original timeframe of three years?
- (2) Are you aware of a report in the Brisbane Courier Mail from the 2 September this year that reports QUOTE: “soldiers from the Army’s Townsville-based 3rd Brigade paraded through the city, with some leaving behind the soles of their Chinese made parade boots”? When is this brigade scheduled to receive the new boots?
- (3) Do you have a forward schedule of units planning to parade over the life of this roll out?
 - (a) If yes – Are you prioritising those units so that they can have the confidence that their boots won’t fall apart during the parade?

Response:

- (1) Army and DMO are planning to achieve over 95% of members in the new boot prior to ANZAC Day 2015. The speed of roll-out is based on R.M. Williams boot production rates, currently contracted at 15,000 pairs per annum, which is being met. A summary of new Parade Boot issue is as follows:
 - (a) The roll out of the Army Parade boot is currently ahead of schedule, and will be completed within the original timeframe of three years.
- (2) Yes. 2,500 members of 3 Brigade were issued new boots in March-April 2014. The remaining members of 3 Brigade, who were not available during March-April 2014, will be issued with the new boot this month (November 2014).
- (3) Yes. A roll out schedule has been agreed between Army Headquarters, Forces Command Headquarters, DMO and R.M. Williams to ensure locations are visited in priority order and to mitigate against units being unavailable (e.g. on exercise) during the planned activity.
 - (a) New ADF Parade Boots have been issued ahead of schedule in order to enable high profile parade activities to take place. This has occurred in Tasmania for a Freedom of Entry Parade on 18 October 2014, and most recently, the centenary commemoration of the first Australian troops departing for World War I in Western Australia on 31 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 43 - Contract with RAND Corporation

Senator Conroy provided in writing:

- (1) I would like to ask some questions about a contract signed by the Department on 15 September with RAND Corporation, the CN ID is CN2593291. What is being delivered by RAND Corporation under this contract?
- (2) I note that the contract is for a little more than 2.5m and runs for 7 months – that's over \$350,000 every month. Are you satisfied that this is value for money?
- (3) How many staff at RAND are working on this contract?
- (4) Where is the work being undertaken by RAND Corporation?
 - (a) Is any or all of it being done by staff in Australia?
 - (i) If yes: Is any of the work being conducted on Defence premises?
- (5) I note the reporting date for the report is 18 April 2015, are you expecting to receive a report or a body of work on that date, or will there be a more consistent flow of information and advice from RAND during the period of the contract?
 - (a) Are you concerned that this report from RAND may result in further delays to decision-making about the future of the ship building industry?

Response:

- (1) The RAND Corporation will provide Defence with a series of reports and briefing material that will provide a comprehensive analysis of the Australian naval shipbuilding, sustainment, modernisation and repair industry. The advice will also include a detailed analysis of various acquisition strategies.
- (2) Yes.
- (3) 18.
- (4) The work is being undertaken in Australia, the UK and the US.
 - (a) Yes, some of the work is being done by Australian staff.
 - (i) Some limited stakeholder engagement and presentation activities have occurred on Defence premises.
- (5) The RAND Corporation will provide a consistent flow of information, including formal reports and briefing material, as well as regular informal updates on research activities. The culmination of its work will be the presentation of a final report.
 - (a) No.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 44 - Winter-White Report

Senator Conroy provided in writing:

- (1) Could you please provide the committee with an update on progress that is being made to implementation of the Winter-White report's recommendations?
 - (a) Who is responsible within government for the implementation of the report?
 - (i) Who is the lead Department within government that is dealing with this report?
 - (ii) Does the lead Department possess the relevant military and logistical knowledge and experience, given the impact of this report on Australia's strategically-vital shipbuilding industry?
 - (b) How is the work to review and implement the report's recommendations being managed? Is it being done by the Departments together, separately, or has an external consultant been engaged?
 - (c) How advanced are the government's efforts to implement the recommendations?
 - (i) Specifically on any recommendations that refer to the government's involvement – have those recommendations been accepted and how close are they to being completed?
 - (ii) Specifically on any recommendations that refer to changes that need to take place within industry – has consultation with industry begun and how close are you to completing those recommendations?
 - (d) Are you satisfied that you are moving quick enough to ensure that critical issues in the AWD Project are being managed appropriately in line with the report's recommendations?
 - (e) Do you think that the recommendations from the report would improve the AWD Program and the shipbuilding industry in Australia more broadly?
- (2) What impact will the recommended restructuring of the industry have on its ability to be part of the SEA1000 project?
- (3) The future submarine industry skills plan noted that "The expert industry panel involved in this study was unanimous in its view that Australia had a good range of skills that could contribute to the design of a complex warship like a destroyer or submarine, with such a project requiring the partnership of an established, overseas designer" (page 57)
 - (a) What progress is being made towards achieving the outcomes of the Future Submarine Industry Skills Plan?
 - (b) Are you confident that Australia remains on track to develop and maintain the skills that it needs to competitively bid to be part of SEA1000?
- (4) Given the impact that the Winter-White report will have on the future of the industry, can you please provide the committee with a copy of the report?

Response:

(1) and (c)(i) The Government agreed to the recommendations from the Winter report in principle, and the Air Warfare Destroyer (AWD) Reform Strategy is currently being implemented.

(a), (i), and (ii) Because the reforms centre on the shipbuilding aspects of the program within ASC, the Department of Finance is the lead agency for the implementation of the AWD Reform Strategy and is working in collaboration with the Defence Materiel Organisation and other key stakeholders.

(b) The recommendations are being implemented through a Reform Strategy implementation team comprising of personnel from the Department of Finance and the Defence Materiel Organisation. Additionally, the implementation team is supported by advisers engaged by the Department of Finance, namely Greenhill & Co Australia Pty Ltd as the Commercial Advisers and Ashurst Australia are the Legal Advisers.

(c) The Reform Strategy is being implemented as per the schedule agreed by Government.

(ii) Discussions with industry regarding the implementation of the recommendations have begun and are expected to be completed shortly.

(d) Yes.

(e) Yes.

(2) The AWD Reform Strategy will improve the productivity and effectiveness of the Australian naval shipbuilding industry.

(3) and (a) Government and DMO have already implemented many of the Future Submarine Industry Skills Plan recommendations, the remaining recommendations are based around a future shipbuilding approach which is currently being assessed as part of the Enterprise Naval Shipbuilding plan being developed by the Defence White Paper team, which will focus on delivering the best capability for the Royal Australian Navy in an efficient and effective way.

(b) No decisions have yet been made on the design and build of the next generation of Australian submarines.

(4) This question has been answered by Question on Notice No. 70 part 2 from Supplementary Budget Estimates on 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 45 - Interaction between RAND and Winter-White Report

Senator Conroy provided in writing:

- (1) How does the RAND report complement the Winter/White report?
 - (a) What does the RAND report do that the Winter/White report did not do?
- (2) Is the work being undertaken by RAND set out in the recommendations of the Winter-White report?
- (3) Is the RAND work an implementation study for the recommendations made by the Winter-White report?

Response:

- (1) and (a) The two activities are separate pieces of work with distinct purposes.

The RAND Corporation will provide Defence with a series of reports and briefing material that will provide a comprehensive analysis of the Australian naval shipbuilding, sustainment, modernisation and repair industry. The advice will also include a detailed analysis of various acquisition strategies.

The Winter/White report contained the findings of the independent review into the Air Warfare Destroyer (AWD) program. The report provided the Government with recommendations as to how to address AWD shipbuilding productivity issues that are driving significant program costs and schedule overruns. Winter/White found that some productivity issues of the AWD program had their origins in the loss of the shipbuilding expertise caused by the stop-start nature of Australian naval shipbuilding.

- (2) No.
- (3) No.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 46 - Australian involvement in the US ballistic missile defence

Senator Conroy provided in writing:

- (1) Could you inform the committee about what is being planned regarding ballistic missile defence cooperation with the United States as described in the AUSMIN Communique?
 - (a) Has a working group been established?
 - (i) How are talks progressing?
 - (ii) Who represents Australia in the working group?
- (2) At this early stage, are you able to describe what Australian involvement in this ballistic missile defence system might look like?
 - (a) It was suggested in an article by Greg Sheridan on 14 August that QUOTE: "This could even involve US commanders being able to fire, remotely, missiles from Australian ships." Is this a possibility?
- (3) The same article from Greg Sheridan suggests that the AWDs would be the ships most likely to be fitted-out to join this program – is that correct?
 - (a) If yes, how much work would be involved in refitting the AWDs with the equipment required to become part of an integrated ballistic missile defence system?
 - (i) What would be the opportunity cost involved in such a refit – not just the dollar value, but what sorts of capabilities would we need to forego in order to fit-out the AWDs to be part of this system?
- (4) Is the ballistic missile defence system potentially something that could be designed into the Future Frigates?

Response:

- (1) As agreed by Australia and the US at the 2014 AUSMIN consultations, Australia is working with the US to counter the growing threat of ballistic missiles in the Asia Pacific region, including by establishing a bilateral working group to examine options for potential Australian contributions to ballistic missile defence in the region.
 - (a) Yes
 - (i) The initial meeting of the working group will be held in Canberra in early December 2014.
 - (ii) There will be representatives from the Department of Defence and the Department of Foreign Affairs and Trade.
- (2) A decision on whether to participate in ballistic missile defence and, if so, in what form is for the Government to consider as part of the Defence White Paper and Force Structure Review processes.

- (a) The Government has made no decision on any ballistic missile defence capability.
- (3) The Government has made no decision on any ballistic missile defence capability.
- (4) The Government has made no decision on any ballistic missile defence capability.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 47 - HMAS Bundaberg fire

Senator Conroy provided in writing:

- (1) Regarding the fire on HMAS Bundaberg in August this year, what is the nature of damage that the vessel sustained?
 - (a) Is the vessel a write-off as reported in the media?
- (2) I understand that two civilian contractors were treated for smoke inhalation from the fire. Is Defence tracking their recovery? How are they going?
- (3) Did anyone else receive injuries from this fire?
- (4) Has the cause of the fire been established yet?
- (5) Do we know who or what was at fault?
- (6) Is there any recourse for the government if an individual or third party was at fault?
- (7) Is the Department looking at what went wrong and how it can be avoided in the future?
- (8) Has this incident stopped other vessels from being serviced at this ship yard?
- (9) What has happened to other vessels that were scheduled to be serviced at this facility?
 - (a) Have they been rescheduled or moved?

Response:

- (1) The vessel has suffered extensive internal and external damage from fire, heat and smoke.
 - (a) A decision to write the vessel off is yet to be made, and will be subject to Defence asset impairment assessment.
- (2) At the time of the fire, two employees of Aluminum Boats Australia were treated for smoke inhalation at the scene, and one was subsequently taken to hospital but released later that day. Defence is not tracking their recovery and there has been no advice provided of any ongoing effects on the individuals.
- (3) No other injuries were reported.
- (4) and (5) No, the incident remains under investigation.
- (6) Potential options for recourse are subject to the completion of the formal investigation. The In-Service Support Contract has a requirement for the Prime Contractor to hold Ship Repairers' Liability Insurance.
- (7) Yes.
- (8) Yes. The Prime Contractor has advised the Commonwealth that without the investigative findings being available it would be an unacceptable risk to place further work at this ship yard.

(9) and (a) HMAS *Wollongong* was scheduled to conduct an Extended Maintenance Period from 20 October 2014 to 18 January 2015 at the ABA facility. This maintenance activity has been moved to another ship yard and was commenced on 27 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 48 - Plan BEERSHEBA

Senator Conroy provided in writing:

- (1) Can you please advise the committee on progress regarding Army Reserve component of Plan BEERSHEBA?
 - (a) What is the timetable for delivering the Battle Group Plus in its final form? What are the milestones?
 - (b) What are the plans for ensuring the Army Reserve and Army are interoperable in their communications? How is the roll-out of the Battle Management System to Army Reserve progressing?
 - (c) How has the training continuum of Army Reserve been changed so that it is aligned with the 'Raise, Train, Sustain' 3-year-cycle of the 3 Multi-Role Combat Brigades?
 - (d) Has there been any change to the budget of Army Reserve to support changed training requirements?
 - (e) How does the Employer Support Payment Scheme (ESPS) support the standing up of a Battle Group Plus?
 - (f) Where is Army thinking regarding evolving the existing High Readiness Reserve (HRR) scheme so that it better delivers readiness amongst Army Reservists that are preparing for a 'Ready-year' as part of the Battle Group Plus.
- (2) Does Beersheba hinge on major acquisition projects – For instance Land 400 or the LHD acquisition (JP 2048)?
- (3) How would Beersheba be affected if the LHDs were significantly overhauled and its capacity reduced, for example, to accommodate STOVL aircraft?

Response:

- (1)
 - (a) It is expected that the 2nd Division will be able to fully achieve base capabilities in the 2015/16 financial year (dependant on the introduction into service of equipment).
 - (b) Reserve units are already in the process of being issued digital radios while those units which support the Ready Combat Brigade will be issued Battle Management Systems (BMS) by the supported Combat Brigade, as occurred on Exercise Hamel this year.
 - (c) In accordance with direction under Plan BEERSHEBA, 2nd Division's Brigades are paired (4 with 9, 5 with 8 and 11 with 13) and then partnered with Australian Regular Army Combat Brigades. In support of this, the partnered Brigades have adopted the same force generation cycle.
 - (d) No

(e) The Employer Support Payment Scheme will support the standing up of a Battle Group Plus through the payment of financial incentives to assist employers and self-employed Reservists to defray the costs of supporting and releasing employees for service with the Battle Group.

(f) This a matter for Government and will be considered as part of the White Paper.

(2) Plan BEERSHEBA is changing the force structure (organisation) of Army to better enable the generation of sustainable capability. This organisational change is well underway, being delivered within Army resources and is not dependent on delivery of Defence Capability Plan projects.

(3) Plan BEERSHEBA is not dependent on the particular specifications and capacity of the Landing Helicopter Dock.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 49 - Purchase of two new C-17A Globemaster strategic airlift aircraft

Senator Conroy provided in writing:

- (1) What were the reasons behind the decision to purchase two new C-17A Globemasters?
- (2) Will the new aircraft be providing the same capability as the existing six, or will they offer a new capability?
- (3) Where will they be based?
- (4) Were these new aircraft in the DCP?
- (5) Where did the money come from to buy these new aircraft? Do offsetting savings need to be made elsewhere?
- (6) Have any other acquisitions been affected to accommodate this purchase?
- (7) Does this impact the ADFs ability to deliver a balanced force?

Response:

- (1) Continuing high demand for airlift has consistently outpaced the current C-17A fleet's capacity and other military or commercial options are not sufficiently effective or efficient at meeting the needs.
- (2) Same capability.
- (3) RAAF Base Amberley.
- (4) No.
- (5) The DCP (post Force Structure Review and White Paper) will fund the acquisition. The Government will deliver a fully funded and fully costed DCP in 2015.
- (6) No.
- (7) No.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

**Question on Notice No. 50 - Loss of separation incidents at shared
civil military airports**

Senator Conroy provided in writing:

I would like to get some reassurance for the Committee on concerns that have been expressed about loss of separation incidents in military controlled airspace. Specifically, in relation to the ATSB report of 18 October 2013 which stated: “The investigation found that military controlled terminal area airspace in general, and all airspace around Darwin and Williamtown in particular, had a disproportionate rate of LOS (for civilian aircraft).”

Could you inform the committee how the RAAF sees what it sees as the challenges and problems these LOS events and what is being done to address the concerns raised in the report?

Response:

More than 97 percent of Loss of Separation (LOS) incidents in military airspace involved ‘Nil’ or ‘Minimal’ collision risk or were attributable to pilot error (typically non-compliance with air traffic control instructions). Three of the 531 LOS incidents were attributable to military air traffic control and had an ‘Elevated’ collision risk. Forty LOS incidents with ‘Some’ or ‘Elevated’ collision risk occurred in civil tower/terminal area airspace.

Defence continues to work closely with the ATSB, CASA and Airservices Australia on all manner of aviation safety and Air Traffic Management initiatives.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 51 - F-35A Lightning II EIS Project

Senator Conroy provided in writing:

- (1) I would like to have an update on progress with the EIS for the F-35A project. Could you summarise for us the reactions and feedbacks you have had at your public information and consultation sessions at Williamstown, Tindal, Darwin and Townsville?
- (2) How confident are you about the modelling and assessment in gauging likely levels of noise and disruption?
- (3) Once the F-35As are operating, is there a plan for ongoing monitoring?

Response:

- (1) Defence is currently preparing a supplementary report to the draft EIS (www.f35evolution.com.au).
- (2) Defence is confident that the noise modeling is accurate and comprehensive.
- (3) Yes.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 52 - National Family Health Program

Senator Conroy provided in writing:

- (1) I understand that as at 30 June, 13,896 ADF families were registered for the National ADF Family Health Program with a total of 32,714 individual ADF dependants registered. As it stands the take-up rate looks to be under 50 per cent. Do you have current updates of these figures?
- (2) What is the actual take up rate to date in percentage terms?
- (3) How does this take up rate match your expectations?
 - (a) What are you doing to increase it?
- (4) What is the Department doing to ensure defence families are well informed on the Program?

Response:

- (1) As at 27 November 2014, there were 15,029 ADF families registered for the National ADF Family Health Program, with a total of 35,281 individual ADF dependants registered.
- (2) This represents 50 per cent of the estimated ADF dependant population.
- (3) Based on the participation numbers from the ADF Family Health Trial conducted from 2009 to 2013, Defence expected participation would be at approximately 50 per cent within six months. Feedback to date from ADF families has been positive and there continues to be a monthly increase in dependant participation of between 1 and 2 per cent.
 - (a) Communications have been tailored to optimise opportunities to provide information to ADF families. Activities have included, but not limited to, attendance at Defence family days and base events, articles in Defence newspapers and magazines, electronic mailouts, and information packs sent to Defence members. Joint Health Command continues to work collaboratively with other Defence groups such as Defence Community Organisation, Defence Families Australia and Defence Force Recruiting to increase Program awareness and inform ADF families of the Program benefits.
- (4) See response to part 3 (a) above.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 53 - Civilian staff morale

Senator Conroy provided in writing:

- (1) Could you update to question on notice no. 80 from the Budget Estimates hearing in June by:
 - (a) Giving the most recent figures from your regular surveys to which you refer in the answer to the question on notice
 - (b) Providing us with the full results of the YourSay survey, including a breakdown of morale assessments into civilian staff and ADF.
- (2) What is your assessment of the impact that uncertainty about how far job cuts will extend is having on staff morale?
- (3) What is your assessment of the impact that uncertainty about possible major structural changes emerging from the First Principles Review is having on staff morale?
- (4) In your answer to the question on notice you also gave a general description of how you keep staff informed of developments. Could you elaborate on what you have been doing to keep staff abreast of what is happening with the First Principles review?

Response:

(1) (a) and (b) The following tables from the YourSay Survey conducted in August 2014 indicate the levels of workplace and individual morale within Defence. The YourSay Survey asks ADF and Defence APS questions specifically addressing morale: “What is the current level of morale within your workplace?” and “What is your current individual level of morale?”

Workplace morale - APS	APS					
	Very Low	Low	Moderate	High	Very High	<i>Moderate or higher</i>
2013	11%	23%	44%	20%	2%	66%
2014	13%	26%	42%	17%	2%	61%

Workplace morale - ADF	ADF					
	Very Low	Low	Moderate	High	Very High	<i>Moderate or higher</i>
2013	7%	17%	43%	29%	4%	76%
2014	6%	15%	41%	33%	5%	79%

Individual morale - APS	APS					
	Very Low	Low	Moderate	High	Very High	<i>Moderate or higher</i>
2013	10%	19%	39%	27%	5%	71%
2014	11%	20%	39%	25%	5%	69%

Individual morale - ADF	ADF					
	Very Low	Low	Moderate	High	Very High	<i>Moderate or higher</i>
2013	8%	17%	35%	32%	8%	75%
2014	8%	16%	35%	33%	8%	76%

(2) There are many interrelated factors that directly, and indirectly, affect employee morale. It is not possible to isolate the effect of staff retention on employee's perceptions of morale.

(3) The First Principles Review is still in progress.

(4) The Secretary emailed all Defence staff on 8 August 2014, alerting them to the Minister's announcement of the Review. The Secretary's message included a link to the First Principles Review intranet and internet sites, which set out the Terms of Reference and invited public submissions. The Secretary also provides regular updates at the weekly Secretary and Chief of the Defence Force's Advisory Committee, the monthly Defence Committee, and at the Secretary's monthly meetings with Canberra-based Senior Executive Service staff. Senior officers are then required to brief their staff.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 54 - Understaffing of ADF Investigative Service

Senator Conroy provided in writing:

- (1) I would like to use this opportunity to get some clarity on claims of serious understaffing in the ADF Investigative Service (The Australian, 1 October) “The ADF Investigative Service had only 75 investigators in place at the end of last year, far short of its authorised strength of 140, according to an internal military report obtained by The Australian.” Are these claims of severe understaffing correct?
 - (a) If so what are some of the consequences you would attribute to the understaffing?
 - (b) Is it affecting the investigation of allegations of sexual assault?
- (2) Have you any measures of morale in ADFIS?
 - (a) What do those measures show?
- (3) What are the reasons for understaffing?
- (4) What steps are you taking to ensure that the staffing profile moves to its desired levels?

Response:

- (1) No.
 - (a) N/A.
 - (b) No.
- (2) Yes. They indicate that morale across the ADF Investigative Service is generally satisfactory.
- (3) Understaffing may occur as a result of unexpected and short-notice separations from the Service. Medium- to longer-term vacancies may arise as a result of temporary absences for long-service, maternity or parental leave.
- (4) The ADFIS works closely with the single-Service Career Management Agencies to clearly articulate its succession requirements, and priorities, for future posting cycles.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 55 - Graduate intake

Senator Conroy provided in writing:

- (1) How many offers were made for the graduate intake program at Defence?
 - (a) How many of these were accepted?
- (2) What was the shortfall between the offers made and the offers accepted for each category:
 - (a) Generalists
 - (b) Intelligence and security
 - (c) DMO
 - (d) Navy Engineering Development
- (3) What was the reason for this shortfall, generally and in particular for each category?
- (4) Will the First Principles Review look at graduate recruitment?
- (5) Will graduate recruitment remain at roughly current levels over the forward estimates?

Response:

- (1) As at 5 November 2014, Defence has made 244 offers to fill its target of 198 graduate positions.
 - (a) 198 offers have been accepted.
- (2) The shortfall between offers made and accepted by program is as follows:

Defence Graduate Development Programs	Offers	Accept	Decline
Defence Pathways – Development Program (includes Generalists, Finance, People, ICT and Infrastructure)	70	53	17
Intelligence and Security Development Program	77	70	7
DMO Materiel Graduate Scheme	94	73	21
Navy Civilian Engineering Development Program	3	2	1
Total	244	198	46

- (3) In all but two instances, shortfalls were due to candidates having accepted employment elsewhere. In two cases, family reasons and relocation were cited as reasons for declining offers.
- (4) This is a matter for the review to determine.
- (5) It is anticipated that graduate recruitment will remain at roughly current levels over the forward estimates.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 56 - Defence Enterprise Collective Agreement

Senator Conroy provided in writing:

- (1) Has the Department put forward to unions and staff a proposal for a new Defence Enterprise Collective Agreement to replace the Agreement that expired on 30 June 2014?
 - (a) Has the Department put its position to the Minister for the Public Service?
 - (b) How close is the Department to putting forward a position for negotiation?
- (2) Has the government's position, leaked to the media and reported on 25 July, changed?

Response:

(1) (a) and (b) Defence commenced bargaining on 25 September 2014. During the four rounds of negotiations held to date, Defence has tabled the majority of its bargaining position, but has not yet tabled its remuneration offer. Bargaining is expected to continue into 2015.

The role of the Minister for the Public Service in agency bargaining is to approve exemptions to the Government's Bargaining Policy, and to approve a draft enterprise agreement at the conclusion of bargaining before it is put to a vote of employees. At this stage Defence has not concluded bargaining or sought any exemptions to the Government's Bargaining Policy, and therefore has not lodged a proposed Agreement for Ministerial consideration.

(2) The media reports do not represent Defence's final bargaining position.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 57 - ADF Pay

Senator Conroy provided in writing:

- (1) What are the benefits of applying commercial and APS productivity measures to the Defence Force when determining appropriate pay rates?
 - (a) Can you please describe how productivity in the ADF is measured and how that measurement has changed over the past three years?
 - (b) Are other ADF conditions, such as deployment allowances, subject to DFRT determinations?
- (2) Could they be determined by the DFRT in future?

Response:

- (1) and (1) (a) Commercial and APS productivity measures are not used in determining the ADF pay rates due to the unique nature of military service.
- (b) ADF conditions of service such as deployment allowance are determined under section 58B of the Defence Act. These allowances are not in the remit of the Defence Force Remuneration Tribunal.
- (2) Conditions of service such as deployment allowance, location allowances and housing benefits are not subject to Defence Force Remuneration Tribunal determinations.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 58 - Management of redundancies - CIOG

Senator Conroy provided in writing:

- (1) Please update the committee on date of planned redundancies among IT staff following the contract with Lockheed Martin Australia for the provision of centralised processing services?
- (2) How many officers will be affected by the outsourcing?
- (3) Have staff been given detailed and clear timelines for possible redundancies or redeployment?
- (4) How many staff within the Chief Officer Information Officer group have already been redeployed?
- (5) How many staff have accepted voluntary redundancies?

Response

- (1) and (5) Redundancies are expected to occur in February and March 2015.
- (2) 125 APS employees.
- (3) Yes.
- (4) As of 20 November 2014, none.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 59 - DSTO to be outsourced

Senator Conroy provided in writing:

The Government's Commission of Audit recommended that the DSTO be outsourced. Has the Department of Defence undertaken any work, at the direction of Government, to assess the feasibility of this recommendation?

- (a) The First Principles Review has as a Term of Reference, 'Issues for Consideration, 3f. Recommend further options for the enhanced commercialization of Defence functions, including DSTO but excluding DHA'. Is the first principles review of Defence contemplating the outsourcing of DSTO?
- (b) Has the Department provided to the review team with information to consider DSTO privatisation or commercialisation? If so, what is the nature of this information?

Response:

(a) and (b) These are matters for the First Principles Review team to consider and the review is not yet complete.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 60 - SEA 1000 – Air-Independent Propulsion

Senator Conroy provided in writing:

- (1) What are the benefits of Air-Independent Propulsion (AIP) for Australia's future submarines?
 - (a) Are there trade-offs involved in operating such a system on Australia's Future Submarines? What are these trades-offs?
 - (b) Is AIP suitable for submarines that have a long transit time to reach their patrol area?
- (2) Has any work been done at DSTO on the use of Lithium Ion batteries in the Future Submarine?
 - (a) Can you run us through the strengths and weaknesses of using these batteries on a submarine?
 - (b) What are the safety concerns of using with Lithium Ion batteries in submarines?

Response:

- (1) Air-Independent Propulsion (AIP) is primarily used to extend the time a submarine can remain submerged at low speed without having to operate its diesel engines to recharge batteries. Subject to other trade-offs, technologies that reduce the use of diesel engines enable the submarine to maintain higher levels of stealth.
 - (a) There are trade-offs that need to be considered as follows:
 - (i) For a given size of submarine, the weight and space allowance allocated to AIP could instead be used for more batteries and fuel that may be of greater benefit depending on the operating profile of the submarine.
 - (ii) AIP has specialised fueling requirements, and replenishment can be problematic outside of the submarine's home port, where appropriate fueling arrangements would be required.
 - (b) AIP can be fitted to submarines with long transit requirements, but it may detract from performance on transit due to its weight and volume, which might be better utilised to improve overall mission effectiveness.
- (2) As part of the Future Submarine Science and Technology Program, DSTO continues to investigate Lithium-based battery technology for submarine use. This work includes safety, performance, life, and system integration matters.

- (a) Lithium-based batteries may confer the following potential advantages over commonly employed lead-acid batteries:
- (i) Longer endurance, increasing time the submarine can remain submerged before recharging is required.
 - (ii) Longer life before batteries need to be replaced.
 - (iii) Improved submarine performance through the more efficient use of energy during the battery charge and discharge cycles.

The main weakness relates to currently low levels of experience surrounding the application of Lithium-based battery technology in the submarine environment.

- (b) Lithium-based batteries can remove some hazards with lead-acid batteries; however, introduce others that would need to be managed. These principally relate to the high energy density of Lithium-based batteries and the need to manage this energy under fault conditions.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

**Question on Notice No. 61 - SEA 1000 - Analysis of *Soryu*
and other MOTS options**

Senator Conroy provided in writing:

- (1) I understand that, prior to Mr King's first visit in February this year, the *Soryu* had been assessed as part of the SEA 1000 project. Rear Admiral Moffitt, then head of the Future Submarine Program, told this committee in 2011 that
QUOTE: "To meet the high end of all of the capabilities of the submarine as outlined in the Defence white paper—which is not the only way of meeting those requirements—is to describe a design of submarine that does not exist. There are submarines that can come close; they may or may not be available to us. For example, in terms of size overall—but not capabilities overall—the Japanese *Soryu* class could come close. But to execute a high end of capability of all of the things described in the white paper is to undertake a new design." Has the *Soryu* submarine has previously been assessed under SEA 1000 for its potential to meet Australia's future submarine needs?
 - (a) Has anything changed in relation to the failure of the *Soryu* submarine to provide the capabilities that Australia requires from our future submarines?
 - (b) What sort of assessment had been done on the *Soryu* back in 2011 to allow Admiral Moffitt to provide that evidence to the committee?
- (2) What sort of evaluation was done on other MOTS and evolved-MOTS options for the SEA 1000 Project?
 - (a) Were the following options considered?
 - (i) Germany
 - (ii) Sweden
 - (iii) France
 - (iv) Spain.
 - (b) What conclusions were made about these options?
 - (c) Did this research form the basis of the decision to limit the focus of the SEA 1000 project to evolved-Collins and a new design?

Response:

- (1) No.

- (a) Rear Admiral Moffitt's evidence referred to the 'high end of capability of all of the things' described in the 2009 Defence White Paper. This level of capability was subsequently moderated in the 2013 Defence White Paper, specifically in regard to strategic strike capabilities. Since commencing our engagement with Japan (among other countries), we have access to more information concerning the performance of the *Soryu* class.
 - (b) No in-depth assessment was necessary to determine that the *Soryu* class did not meet "the high end of capability of all of the things described in the 2009 Defence White Paper, which Rear Admiral Moffitt referred to in his evidence to the committee in 2011.
- (2) Defence has completed detailed operational analysis of European Military-off-the-Shelf (MOTS) options and a design study of the evolved-Collins option.
- (a) The following European MOTS options were considered:
 - (i) Germany - TKMS GmbH Type 214
 - (ii) Sweden – no existing MOTS option available for consideration
 - (iii) France – DCNS Scorpene
 - (iv) Spain – Navantia S-80
 - (b) On the basis of this analysis, the MOTS designs from Sweden and Spain were assessed as failing to meet the key requirements for Australia's Future Submarine.
 - (c) Yes.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 62 - Future Submarine project - Tender Process

Senator Conroy provided in writing:

- (1) What are your current acquisition plans for the Future Submarine project?
 - (a) Will a competitive tendering process be undertaken in the procurement of Australia's Future Submarines to secure best value for the taxpayer?
 - (b) How will you be able to ensure Australia gets a world class submarine at a competitive price, if a competitive tender does not take place.
- (2) Dr White, Rear Admiral Briggs and Commodore Greenfield all gave evidence to the Senate Committee on the Future of Australia's naval shipbuilding industry saying that there is sufficient time to hold a funded Project Definition Study within the SEA1000 timeline and avoid a capability gap. Given this evidence, will the government hold a funded PDS to provide competition between bidders and get the best outcome?
 - (a) Given that this process was followed for the ANZAC Frigates and Mine-hunters, which both proved to be very successful, why wouldn't the Government commit to going down the same path now?
 - (b) Without a competitive tender process, how can the Australian people ensure that we're able to get the best capability for the best price?
 - (c) In his submission to the shipbuilding inquiry, Dr White expressed concerns that it would create an "unacceptable commercial, operating, political and national security risk exposure, should a unilateral, sole-source approach with only one submarine designer be pursued at this relatively early phase in the evaluation and purchasing process." Do you agree with Dr White's assessment?
- (3) In the same document, Dr White goes to great lengths to set out a detailed, step-by-step acquisition strategy for the future submarines. His proposal includes a timeline that would see the future submarine introduced as the Collins Class reach the end of their service life. Do you see any reason why the program that Dr White sets out could not be followed?
 - (a) Dr White concludes with the statement that following the competitive tendering arrangements that he sets out could result in significant cost reductions for the initial future submarines (up to \$5bn) and reduced through-life sustainment costs by more than \$10bn all while ensuring a sovereign submarine capability. Is this an outcome that you would be seeking for the future submarine project? Are you confident that it could be achieved through a sole-source tendering approach?
- (4) The committee also received evidence that there is no current submarine that meets Australia's needs. Do you agree with this analysis?

Response:

(1), (a) and (2) SEA 1000 is currently considering a range of options for Australia's Future Submarine. The suitability of these options will inform ongoing development of the acquisition strategy.

(1) (b) and 2 (b) The acquisition strategy will balance capability, cost, and schedule to ensure that Australia acquires a superior regional submarine capability that is affordable and avoids a capability gap.

(2) (a) The Anzac frigate program and mine-hunter program were based largely on the Military Off The Shelf offerings of successful tenderers. The Future Submarine Program will be much more complex. The timeframe proposed by witnesses at the Senate Economics References Committee Inquiry into the Future of Australia Naval Shipbuilding is short and would likely involve an overlap of submarine design and build activities. The ability to build to a firm schedule is highly dependent on the maturity of the design before construction commences. Achievement of design maturity is also affected by volume of new design work that would be required to meet Australia's submarine requirements, noting very few nations have actually produced an operational conventional submarine of the size needed.

(c) The Government has not made such a decision.

(3) (a) Sovereignty over Australia's submarine capability is an established requirement for the Future Submarine Program. Regardless of the option, Australia will be dependent to some extent on international supply chains. The cost of acquisition, and through-life sustainment costs, are principal considerations as options are assessed.

(4) Design changes to any existing submarine would be necessary to meet Australia's requirements.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 63 - Confidentiality arrangements for Defence tendering

Senator Conroy provided in writing:

What are the confidentiality arrangements that surround defence tendering?

- (a) Would it be common for information about Australia's capabilities to be revealed when we go to tender for defence acquisitions?
- (b) How are the risks of disclosing information to our adversaries when we tender for defence acquisitions managed?
- (c) Are you confident that DMO can run tender processes that protect national security information?

Response:

In accordance with Commonwealth Procurement Rule 7.20, Defence takes all necessary and appropriate steps to protect the Commonwealth's confidential information when conducting Defence tendering. Defence conditions of tender require tenderers to treat the Request for Tender (RFT), and any information provided to tenderers by the Commonwealth in connection with the RFT, as confidential and to not disclose or use that information other than for the purpose of developing a tender in accordance with the RFT. In addition, Defence conditions of tender may require tenderers to execute a Non-Disclosure Agreement before being provided with certain Commonwealth information in connection with the RFT.

- (a) No.
- (b) Defence minimises the release of classified information to the greatest extent possible. Where classified information must be released as part of a RFT, this information is provided only to tenderers who have the necessary security clearances, and using security cleared transmission processes in accordance with relevant Defence security policy.
- (c) Yes.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 64 - Future submarine project -Selection of AN/BYG-1 combat system

Senator Conroy provided in writing:

- (1) In 2013, the Minister announced that the AN/BYG-1 combat system would be the reference system for the future submarine project. How was this decision reached?
 - (a) What are the benefits of this combat system over the others that may be available to Australia?
 - (b) What benefits will we gain from using this particular combat system?
 - (c) How many countries does the US export that combat system to?
 - (d) Is the decision to focus on a particular combat system a significant milestone in the development of a submarine project?
- (2) Former Chief of the Defence Force Peter Cosgrove, before he became the Governor-General wrote a paper on why Australia's submarines need to be built in Australia, in it he says: "The Government's recent announcement that it will use the United States AN/BYG-1 combat system for future submarine design work is extremely illuminating. The fleet will be fitted with sensitive US systems, which will need to be installed and integrated in Australia for security reasons. It cannot be done in the US, as it doesn't build conventional submarines. And it makes no sense, even if it was possible, to retrofit the systems in a hull built overseas. It would be high-risk, costly and time-consuming." Do you agree with his assessment of the complexity of inserting Australia's preferred combat system into an overseas built submarine?

Response:

- (1) The decision was not reached through an open tender, but through a series of studies and assessments within Defence on what would represent best value for money.

It should be noted that this decision did not contractually commit Defence to acquire AN/BYG-1 for the Future Submarine.

- (a) and (b) The benefits of remaining with the AN/BYG-1 and related systems through the Australia and United States joint development program can be summarised as:
 - (i) Significant interoperability at all levels of submarine activities.
 - (ii) Interoperability and strategic alignment with the Heavyweight Torpedo capability and other potential strategic capabilities we may require for the Future Submarine.
 - (iii) Ongoing leverage of the investment already made through the Collins program and the comprehensive United States submarine capability and technology upgrade program. For Australia to achieve these same outcomes using any other combat system option would require investment in an entirely separate program.
 - (iv) Significant risk mitigation to the Future Submarine program through a seamless transition from Collins to the Future Submarine for the

combat system. The same fundamental combat system would exist on both classes of submarines during the transition period.

- (v) Ongoing joint development to ensure the combat system remains contemporary with respect to the technology employed, satisfaction of the operational requirement and the ability to address any emergent threats or requirements. This would enable the Future Submarine to field an up to date baseline combat system on each new platform as it is brought into service without the need for stand alone planned technical refreshes for each new boat.
 - (vi) The structured and enduring continuous improvement model employed by the United States and Australia in support of the AN/BYG-1, and the Heavyweight Torpedo, ensure that over time these systems remain at the forefront of technology and capability.
- (c) None, other than Australia.
- (d) Reference information is relevant, but not executable in design until a decision is taken.
- (2) Whatever decision is taken, the Government will ensure cost, capability and schedule risks are appropriately reduced and managed.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 65 - SEA 1000 - Technology sharing with Japan

Senator Conroy provided in writing:

- (1) I note the technology sharing agreement with Japan only provided for the sharing is the establishment of the Marine Hydrodynamic Project. Has this been established yet?
- (2) Does this project involve sharing existing knowledge on hydrodynamics, or the joint development of new knowledge on hydrodynamic information?
- (3) Are there any other arrangements between Australia and Japan that would enable the sharing of classified military information for defence acquisitions?
- (4) Admiral Sammut, mentioned in his recent evidence to the Senate Committee on the Future of Naval Shipbuilding in Australia stated that he had access classified information about the performance of Japanese submarines. On what date did the government request that the Japanese provide classified information about the Soryu submarines for consideration as part of SEA1000?
 - (a) Can you provide a copy of the formal request sent to the Japanese and a copy of the unclassified sections of the response that they provided?
 - (b) When did the government first receive classified information about the performance of the Soryu submarines?
 - (c) What type of information has the government been provided with? (e.g. capabilities, blue prints, materials used, etc.)
 - (d) Does the government have access to data about the actual performance of these submarines, or is it just technical information?
 - (e) Does the government have information that would allow you to manage the risk of retrofitting the US combat system, including all US highly classified information?
 - (f) Does the government have detailed information about the missions for which the Japanese submarines are designed to undertake?
- (5) Does the government have access to all the classified information that it needs in order make a decision about the suitability of the Japanese submarines to meet Australia's needs?
 - (a) Have you identified and requested the information that you would need to make that decision?
 - (b) What information would you require? (e.g. capabilities, blue prints, materials used, etc.)
 - (c) Will you require access to data about the actual performance of Japanese submarines?
- (6) Would it be possible to decide to purchase Japanese submarines without access to a wide array of highly classified information about these submarines?
- (7) How much experience do the Japanese have with exporting military materiel? Have they ever exported a submarine before?

- (a) Would the export of a submarine – given the highly classified nature – be more complex or difficult than the export of a less sensitive piece of military hardware?
- (b) Are you concerned about the potential risks that would be involved working with a partner that doesn't have a broad experience in exporting complex military hardware?

Response:

(1) The technology sharing agreement has been negotiated and is expected to be signed shortly with an anticipated project commencement in April 2015.

(2) Both.

(3) There is an Agreement between the Government of Australia and the Government of Japan on the Security of Information which sets out the terms under which classified information transmitted between Australia and Japan shall be protected. The Agreement was signed by Australia and Japan on 17 May 2012 and entered into force on 22 March 2013.

(4) and (b) Defence has been progressively engaging with Japan to explore submarine cooperation since mid-2014. In the course of this engagement, information on Japanese submarine technology has been made available.

(a) No.

(c)-(f) A range of information has been provided but no detail can be released due to security and commercial reasons.

(5) A range of information has been provided, but no detail can be released due to security and commercial reasons.

(6) No decision has been taken to purchase a Japanese submarine.

(7) Japan has not exported a submarine in recent history.

(a) Naturally, the export of any classified material must be conducted under appropriate arrangements; however, this can be managed through processes with which Australia is familiar.

(b) There are varying risks with any option for the Future Submarine. These differ in nature from country to country, and will need to be managed through appropriate controls implemented at the outset.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 66 - SEA 1000 - Involvement from Japan

Senator Conroy provided in writing:

- (1) A story in the Australian on 16 October (Formal approach to Japan on subs) indicated that the government had formally asked Japan if it was willing to build Australia's future submarines. Can you provide the committee with a copy of the correspondence?
- (2) Has the government asked if the Japanese government are willing to sell the Soryu submarine to Australia?
- (3) The article also states that Australia is looking into the purchase of a new class of submarine that is currently being planned by the Japanese, is this correct?
 - (a) Given the possibility that the Japanese may offer Australia access to this new submarine, what can you tell the committee about the planning and progress towards these new submarines?
 - (i) Will it be designed with the US combat system, which has been selected for the SEA1000 project?
 - (ii) Will it have the required improvements to range which Australia requires?
 - (iii) Do you know if the Japanese Future Submarine Project will require the same range, endurance and capability requirements as the Australian Future Submarine Project?
 - (iv) Has the government offered to build Japan's submarines in Adelaide?
- (4) The figure of \$20-\$25bn for the construction of 8 submarines in Japan, according to the Australian Financial Review, has the Japanese Government made an official offer on these terms?
 - (a) If yes,
 - (i) What is included in the \$20-25bn figure?
 - (ii) How much of this figure is fixed cost?
 - (iii) What are the risk sharing arrangements?
 - (iv) Who will be responsible for cost over runs?
 - (v) Does the proposal involve any work in Australia?
 - (vi) Does it include costs for maintenance and replacement parts and expert services through the life of the submarines?
 - (b) If no,
 - (i) Have there been any discussions with Japanese officials in relation to putting in a competitive bid, including options for build in Australia and for through-life sustainment in Australia?
 - (ii) Have we received an informal offer from Japanese officials?
 - (iii) Is any discussion of a certain price for a certain number of Japanese submarines is mere speculation at the moment?
 - (iv) Given your engagement with Japanese officials, when do you expect that we would receive a detailed, fully costed, whole-of-life management and sustainment plan for any purchase of Japanese submarines?

Response:

(1) No request has been made to Japan to build Australia's Future Submarine. The former Minister for Defence met with his Japanese counterpart on 16 October 2014 to discuss, among other things, potential areas of cooperation between Australia and Japan in the area of submarines. This built on previous discussions between the two countries as announced by Prime Ministers Abbott and Abe in April of 2014.

(2) No specific request has been made to Japan to acquire the *Soryu* class submarine for Australia.

(3) (a) (i)-(iii) No specific request has been made to Japan to acquire any successor to the *Soryu* class submarine for Australia and there has been no offer of access.

(iv) Japan is not seeking to have its submarines built in Australia.

(4) No.

(a) N/A.

(b) (i)-(ii) No.

(iii) The cost of any option for the Future Submarine would need to be refined through further engagement.

(iv) A detailed and fully costed whole-of-life capability management and sustainment plan would follow design work on the submarine option selected for Australia.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 67 - SEA 1000 - Other participants

Senator Conroy provided in writing:

- (1) Are you aware of any other informal proposals that have been made by industry for the construction for 10 or 12 submarines as part of SEA1000?
 - (a) Given the statement from Thyssen Krupp Marine Systems (TKMS) on 11 September that they could build 12 submarines designed for Australia's unique needs for \$20bn, do you think this is an achievable price-point for an Australian-built submarine?
 - (b) Is there a plan to investigate the German offer?
 - (c) I note that the German offer also includes work being undertaken in Adelaide, does the importance of developing and maintaining a skilled workforce form part of your consideration of the various options for SEA1000?
 - (d) SAAB Kockums have also stated that they can provide an affordable option for SEA1000. The CEO of Saab told the Australian Financial Review that QUOTE: "if there is an open competition, Saab Kockums will be in it. We can compete in the battle for affordability." Have you investigated this option?
 - (e) Have you received a formal or an informal expression of interest from French naval shipbuilder DCNS?
 - (f) Are you aware of any other offers, formally or informally?
 - (g) Are you planning to investigate those offers?
 - (h) What resources have been allocated to investigating these alternative offers?
 - (i) Have you received any information or estimates from ASC about what they think it will cost to build 12 submarines in Australia?
- (2) Have you seen the economic impact study done by Professor Goran Roos that shows that the Australian economy would be better off by around \$20bn if these submarines are built in Australia?
 - (a) When you're comparing the cost of various options, do you consider the wider economic impacts of purchasing decisions?
 - (b) Will the Australian Government provide a proper economic impact comparison of the different alternatives regarding building a Future Submarine?
 - (c) Has the Government made any assessment of job losses regarding lost taxation, the payment of unemployment benefits, retraining and other costs to the economy?
 - (d) Has the Government made any assessment on the revenue to the economy in terms of taxes, superannuation and other benefits that these jobs bring?
 - (e) When the government comparing the various options, does the government consider the wider impact on the strategically-important submarine and ship building and maintaining industry, including maintaining and improving skills in this vital industry?

Response:

- (1) and (e) Unsolicited proposals have been received from ThyssenKrupp Marine Systems of Germany and Saab of Sweden. DCNS of France has suggested a possible acquisition strategy.
- (a) The basis of any price offered to develop and construct submarines for Australia would need to be fully explored to determine the actual capability to be delivered, and what, if any, broader program costs are covered under the proposed price.
 - (b) and (d) Australia continues to discuss submarine cooperation with a number of countries.
 - (c) A workforce of suitably qualified and experienced personnel in both Government and industry will be essential to a viable submarine capability and forms an integral part of planning for SEA 1000.
 - (f) No.
 - (g) SEA 1000 will be considering all serious offers.
 - (h) The resources of the Future Submarine Program office are being employed to explore options, as directed by Government.
 - (i) No.
- (2) Yes.
- (a) No.
 - (b) to (e) This is a question for the Government.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 68 - SEA 1000 - Supply Chains

Senator Conroy provided in writing:

- (1) At a recent visit to ASC, I was informed that 92% of the parts that go into a Collins-class submarine are locally manufactured by small and medium enterprises around the country. They informed me that, given the long life of capabilities like submarines, this local manufacturing support has been vital to the recent improvements in submarine availability. Are you concerned that an overseas built submarine will not have a local supply chain?
 - (a) Can you please table a list of Australian companies that supply parts or services to the Collins-class submarine?
- (2) How do you plan to compare the various maintenance and support arrangements that form part of the various offers before making a decision?
 - (a) Are you confident that overseas supplies of parts will be assured for the full life of the future submarines, especially in times of tension or conflict?
- (3) Will the total through-life support costs be considered as part of a decision to select a successful bidder for SEA1000?
 - (a) What is your expectation about the amount of the through-life cost that will be at a fixed-price – including expert advice, spare parts, mid-life updates and repairs?
 - (b) How much of the total cost of ownership for a submarine is made up by the maintenance costs, replacement parts and through-life refitting?
 - (c) Are you concerned by reports that exclusive reliance on overseas supply chains for parts may add to cost and risk of purchasing submarines built overseas?
- (4) Will it be a requirement that Australia be the owner of the Intellectual Property of the Future Submarines?
 - (a) Without owning the IP, what role will Australian scientists and engineers in upgrading and evolving the design of the future submarines?
- (5) Will a requirement for the submarines to be built in Australia be part of any contract to build the future submarines?
 - (a) Will the impact of government investment in fostering skills and experience in Australia's strategically-vital ship building industry be considered as part of any tender process?
 - (b) Will the whole of economy impacts of defence spending be considered when looking at value-for-money considerations?

Response:

(1) Parts for the Collins submarine have been long manufactured in country. The principal improvements in submarine availability have arisen from transformational changes to the manner in which Defence and ASC work together, and a substantial transition in the conduct of maintenance. An efficient supply chain is one component of an effective sustainment program, and is being considered in planning for the Future Submarine.

(a) The Defence Materiel Organisation (DMO) maintains direct ongoing commercial arrangements with the following Australian companies for parts or services for the Collins class submarines:

- ASC Pty Ltd
- Raytheon Australia Pty Ltd
- Thales Underwater Systems
- Pacific Marine Batteries
- BAE Systems.

Each of these companies may enter into arrangements with sub-contractors for the supply of the required parts and services noting the Australian industry content policy outlined in their agreements with the DMO.

In addition to the ongoing arrangements outlined above, DMO has engaged other companies for Collins-related services or parts (including services and parts associated with the related submarine escape and rescue systems) including the following Australian-based companies and involving payments made into Australian-based bank accounts within the past five financial years:

- Veolia Water Solution
- Australian Safety Group Unit
- Allied Data Systems
- Aims Pty Ltd
- TNT Australia
- Kaz Group Pty Ltd
- Acacia Research Pty Ltd
- Argent Techno Racking Pty Ltd
- Aviaquip Pty Ltd
- BOC Limited
- Officemax Australia Ltd
- J Blackwood & Son Pty Ltd
- Ashurst Australia
- Donaldson Australasia Pty Ltd
- Consolidated Alloys
- Caps Australia Pty Ltd

- Cirrus Real Time Processing Systems
- Professional Cabling Services
- Coffey Environments Pty Ltd
- Saab Australia Pty Ltd
- Clayton Utz
- Hewlett Packard Australia Pty Ltd
- KPMG Australia
- Mainpac Pty Ltd
- Das Fleet
- DMS Maritime Pty Ltd
- Dell Australia Pty Ltd
- Det Norske Veritas
- Deloitte Touche Tohmatsu
- Dataflex Pty Ltd
- Elec Power Technologies
- Electroboard Pty Ltd
- Electrical Distributors
- Australian Office Furniture
- Fujitsu Australia Ltd
- Drivetrain Power And Propulsion
- H I Fraser Pty Ltd
- Norgren Pty Ltd
- John Mitchell Computing Pty Ltd
- Les Cooke Instrument Co Pty Ltd
- Lexmark International (Australia)
- Macdonald Family Trading Trust
- Ventyx Pty Ltd
- Minter Ellison
- Nepean Engineering Pty Ltd
- L-3 Oceania
- Optical Data Services Pty Ltd
- CDM Optel
- Pacific Marine Batteries Pty Ltd
- Pall Australia Pty Ltd
- Mechanical Project Services Pty Ltd
- PriceWaterhouseCoopers Legal
- SAI Global

- Reads Electrical Co Pty Ltd
- Rojone Pty Ltd
- S.A. Marine Pty Ltd
- Sydney Water
- Engineering & Scientific Systems Pty Ltd
- Snap-on Tools (Australia) Pty Ltd
- Schindler Lifts Pty Ltd
- Schneider Electric (Australia) Pty Ltd
- Sparke Helmore
- Stace Pty Ltd
- Jacobs Australia Pty Ltd
- T.A.F and Associates Pty Ltd
- Thales Australia Limited
- Taycor International Pty Ltd
- Unitronix Pty Ltd
- Veem Engineering Group Pty Ltd
- Toll Priority
- PM Control Systems (Aust)
- Wiltrading Pty Ltd
- Frontline Systems Australia
- Qinetiq Technical Consulting
- Bullant Security Pty Ltd
- Raytheon Australia Ltd
- BAE Systems Australia Datagate
- Australian Government Solicitor
- Cockburn Electrical Company
- Barco Systems Pty Ltd
- Ross Human Directions Limited
- Acer Computer Australia Pty Ltd
- NAVCOM Piping
- IMAG Australia Pty Ltd
- Freebody Cogent Pty Ltd
- Simon National Carriers
- Bae Systems Astralia
- Dexion Canningvale
- AMPCONTROL CSM Pty Ltd
- Daronmont Technologies Pty Ltd

- Telstra corporation ltd
- PWC Strategy& (Australia) Pty Ltd
- Original Equipment Maintenance Pty
- LeasePlan Australia Ltd
- Raytheon Australia Pty Ltd
- Forward Horizons Capital Pty Ltd
- Hartec Engineering Services
- Relegen Pty Ltd
- Allens Arthur Robinson
- IPC Industrial Maintenance
- Willis Australia Ltd
- Thycon Services Pty Ltd
- Ethan Group Pty Ltd
- Hewlett-Packard Australia Pty Ltd
- Australian National Technology
- Schneider Electric It Australia Pty
- Pump Technology Pty Ltd
- Divex Asia Pacific Pty Ltd
- Britton Maritime Systems Pty Ltd
- Concise Engineering Pty Ltd
- Markerry Industries Pty Ltd
- RFD (Australia) Pty Ltd
- Hill Equipment & Refrigeration
- TNT Express
- Wormald Technology
- Alfa Laval Australia Pty Ltd
- Veem Engineering Group
- ABJ Cleaning Services
- Kerrick Industrial Equipment
- Cavotec Australia Pty Ltd
- Digicor Pty Ltd
- The Underwater Centre Fremantle
- Convergent Technology Services
- LKR Electrical & Communications
- Ocean Technix
- CDM Optel Audio Visual
- BMT Design & Technology Pty Ltd

- Defence - 'inter-agency transfers'
- Babcock Integrated Technology
- CDR Systems Pty Ltd
- Jenkins Engineering Defence Systems
- Digicor (WA) Pty Ltd
- Analytical Reference Laboratory
- ANL Container Hire & Sales Pty Ltd
- C S Access Systems
- SME Gateway Pty Ltd
- The Mathworks Australia Pty Ltd
- Staples Australia Pty Limited
- Flooring Xtra
- Plantscape Interiors Pty Ltd
- Beak Engineering Pty Ltd
- Coffey Corporate
- Ronley Holdings Pty Ltd
- Oceanworks International Pty Ltd
- Toyota Material Handling Australia
- Allens
- Find It Here Pty Ltd
- Australian Aerospace Ltd
- Jumbo Vision International Pty Ltd
- Drivetrain Power & Propulsion
- Altitude Aviation Pty Ltd
- ALLTEQ Pty Ltd
- Dunbar Services (WA) Pty Ltd
- Enviro Air
- Emerald First Unit Trust
- W.A. Boiler Spares And Service
- Auto Instrument & Control
- Walter Turnbull
- Datacom Systems (ACT) Pty Ltd
- Precision Art
- MPL Laboratories
- Backsafe Australia
- Babcock Integrated Technology Aust
- Rosenberg Australia Pty Ltd

- Fremantle Pilots
- Piller (Australia) Pty Ltd
- Industrial Hygiene Management Pty
- Hofmann Engineering Pty Ltd
- Ralph Neumann Consulting Pty Ltd
- Unicorn Office Equipment
- In-Spek Calibrations
- Concrete Waterproofing (WA)
- CNF & Associates
- Rubikon Group
- Poolwerx Spearwood
- Snapp Engineering Pty Limited
- Aqua Fortis Fremantle
- Rampassist
- Red11
- Fortior Global Pty Ltd
- Medical Technologies Pty Ltd
- Total Control Integration
- James Fisher Australia
- NTT COM ICT Solutions (Australia)
- Riedel Communications Australia
- Pipeline Actuation & Control
- Raytech Services Pty Ltd
- BME NQ Pty Ltd
- Cloud Design Research Systems
- Aims Instrumentation Services
- AHI-Carrier (Australia) Pty Ltd
- Prestige Sandblasting
- Port Container Services Pty Ltd
- James Fisher Marine - Aust
- Warren S Jolly
- Cameron P G Shaw

(2) Maintenance and support arrangements will be assessed against a range of factors including the ability to transfer sufficient knowledge during design to ensure Australia can sustain the Future Submarine. Other factors include the ratio of maintenance to operations, projected through-life costs, and the appropriateness of supply chain arrangements.

(a) Regardless of the option for the Future Submarine, parts of the supply chain will reside overseas. The security of supplies would need to be established through an appropriate Government-to-Government agreement.

(3) Yes.

(a) The nature of contracts connected with through-life support is yet to be determined; however, they will need to incentivise improvements in the conduct of sustainment activities over the life of the Future Submarine, reflecting the need for ongoing maintenance refinement during operation of the submarine in line with asset management principles.

(b) The international benchmark of acquisition costs to maintenance and sustainment costs is around 1:2.

(c) Costs and risks will be considered as the supply chain arrangements are developed regardless of the option selected for Australia's Future Submarine.

(4) and (a) It will be a requirement for Australia to have appropriate access and rights to Intellectual Property for the Future Submarine. Such access and rights will be necessary to ensure Australia can sustain the Future Submarine, which includes upkeep, update and upgrade activities.

(5) Decisions surrounding the build location will be made on the basis of acquiring the best submarine capability for Defence at an affordable cost while avoiding a capability gap.

(a) and (b) This question has been answered under Question on Notice No. 67 from Supplementary Budget Estimates of 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 69 - Land 125 Phase 3B – Uniforms, equipment and ADA

Senator Conroy provided in writing:

- (1) On what basis was the decision made to choose the 100% manufactured overseas supplier?
- (2) How many pricing options was ADA asked to submit in their tender and what was the price differential between, 100% produced onshore, 100% manufactured offshore and a mixture of both on and offshore?
- (3) Was it a purely price driven decision?
- (4) Was any consideration given to the impact to the local economy of the work / jobs going overseas?
- (5) The pouches / utility belts prototypes have been produced and manufactured at the ADA site Bendigo – Why can't the finished products be produced in Bendigo too?
- (6) There is very strict security at the Bendigo factory. What measures have been taken to address the security of the factories in Vietnam?
- (7) There has been a long standing position that all combat uniforms are to be manufactured in Australia – Can you explain why this doesn't extend to the utility belts, back-packs and pouches that will be manufactured through this contract?
- (8) What consideration has been given regarding the working conditions in the Vietnam factories?
- (9) What consideration has been given regarding ethical clothing?
- (10) What assurances have been given about the quality of these products? How will that quality be tested?

Response:

- (1), (3) and (4) The tender process complied with Commonwealth Procurement Rules that consider the principles of Value for Money including tenderers' commercial, legal, technical and financial abilities.
- (2) Tenderers were not asked to submit separate pricing options.
- (5) Production decisions are a matter for ADA management.
- (6) The physical security at the Vietnamese factory is stricter than at ADA's Bendigo facility as it includes the presence of armed security guards 24 hours a day, seven days a week. ADA is responsible and accountable for security at their sub-contractor facilities. In the agreement between ADA and the Vietnamese factory, an audit of security is performed every two months.
- (7) The Commonwealth Procurement Rules specifically prevent discrimination on the basis of "...degree of foreign affiliation, or ownership, or the origin of goods or services". There are two authorised exemptions to this rule;

- (a) Government policy since 2011 mandates Australian weaving and dying of fabric due to the signature management requirements and assembly of combat shirts and pants for Standard Combat Uniforms (not all combat clothing). Two Australian suppliers provide Standard Combat Uniforms; ADA (Bendigo, VIC) and Pacific Brands Workwear Group (Footscray, VIC).
- (b) Slouch Hats were deemed “iconically Australian” by government in 2011 and must be “as much as is possible” made in Australia. Akubra (Kempsey, NSW) supplies Slouch Hats to Defence. Mountcastle (Yeronga, QLD) ceased supplying slouch hats to Defence when it closed its Yeronga factory in February 2014.

(8) and (9) Compliance with relevant legislation was considered during evaluation.

(10) ADA has committed to meeting the product specifications under a range of warranty and performance provisions and must demonstrate compliance prior to the Commonwealth accepting delivery. Quality requirements detailed in the contract include an assessment of pre-production samples against the contract specification and an ongoing Quality Assurance sampling and reporting requirement prior to each delivery.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 70 - Future of Australian Shipbuilding

Senator Conroy provided in writing:

- (1) The ANAO Report into the Air Warfare Destroyer Program identified steadily improving performance in terms of quality and productivity at the BAE and Forgacs shipyards. Can you please give the committee an update on the continuing productivity improvements being experienced in the AWD program?
- (2) Can you please advise the committee what the expected productivity differential is between Ship 1, Ship 2 and Ship 3?
 - (a) I note the submission by BAE to the shipbuilding inquiry states that they are achieving 76 compensated gross man hours per tonne, lower than the target of 80 hours. Can you confirm that this is correct?
 - (b) The figure of 76 is drastically different to the 150 compensated gross man hours per tonne which has been used in relation to the AWD project to date, do you know how this incorrect figure has been used?
 - (c) I was also told recently on a visit to ASC that their productivity had improved by between 25%-30% between ship 1 and ship 2. Can you confirm that this is correct?
 - (d) Is this the level of improvement that you would typically expect?
 - (e) Do the improvements at BAE and ASC reflect what you would typically expect from the beginning of a production line for complex projects like the AWD?
 - (f) What reason do you have to expect that this improvement won't continue?
- (3) Is the difference in productivity between Ship 1 and Ship 3 across the AWD project typical in the construction of warships?
- (4) Would you agree that we've learned a number of valuable lessons about building ships through the experience of building the AWDs?
 - (a) Given what we've learnt, what is the government doing to ensure that future shipbuilding in Australia is able to build on the experience and success of the AWD program and realise the investment that successive government have put into the Australian shipbuilding industry for future work?
- (5) The AWD Reform Program is underway, as a result of the Government's independent review of the AWD program, which was led by Professor Don Winter, and Dr John White. When does Government plan to release the Winter Review?
 - (a) How can this committee assess the progress of that reform program, in the absence of the report that gave rise to it?
- (6) The Department of Finance are understood to be the lead agency for the AWD Reform Program, is that correct?
 - (a) How is Finance able to provide leadership on a project with unique defence requirements? Wouldn't DMO be more appropriate?
- (7) Can you please advise the committee on the role, purpose and expectations of the Navantia team that were recently inserted into the AWD project?

Response:

(1) BAE and Forgacs' productivity, quality and schedule adherence is showing improvement. ASC's focus is on improving performance on Ships 02 and 03. ASC's current production performance on Ship 02 compared to Ship 01 at the same stage indicates an approximate 30 per cent improvement; Ship 03 is at the block construction stage, and not yet measurable.

(2) The 2013 First Marine International (FMI) report on the assessment of AWD shipbuilding productivity indicates that, based on the Estimate at Completion (EAC), the productivity for Ship 01 will be 150 man hours per compensated gross ton (CGT), Ship 02 will be 130 hours per CGT and Ship 03 will be 120 hours per CGT.

(a) & (b) This question has been answered under Question on Notice No. 173 from Supplementary Budget Estimates of 22 October 2014.

(c) Yes.

(d) Yes, at this stage of the build.

(e) Yes.

(f) We expect improvement to continue as productivity improvements are implemented.

(3) The application of lessons learnt from Ship 01 to Ship 02, and then Ship 02 to Ship 03 would typically result in increased productivity, however the application to Ship 03 is not yet measurable as it is at the early block construction phase.

(4) Yes.

(a) The AWD Program and the implementation of the AWD Reform Strategy are providing DMO and the shipbuilding industry with lessons learnt for application to future shipbuilding in Australia.

(5) The review is currently the subject of a Public Interest Immunity claim in the Senate by the Ministers for Defence and Finance.

(a) The key findings and recommendations of the Winter Report were published in a media release and one page summary in June 2014, available on the Minister for Finance's website. The implementation of the AWD Reform Strategy will be announced in due course.

(6) Yes.

(a) The Department of Finance is the lead agency for the AWD Reform Strategy, however as stated in a joint press conference the former Minister for Defence held with the Minister for Finance in June 2014, we are working closely with all key parties on its implementation.

(7) As part of the AWD Reform, it is intended to inject shipbuilding expertise from a number of companies into the programme. The decision on this insertion of expertise is yet to be made.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 71 - SEA 5000 - Future Frigate Program

Senator Conroy provided in writing:

- (1) With regard to SEA 5000; Future Frigate Program, there has been speculation that a F-100 hull (that used for the AWD) is an appropriate hull for the Future Frigate, and that the so called 'valley of death' can be avoided by allocating blocks for the Future Frigate program. Has DMO provided advice to Government on this matter?
 - (a) What is the current timeline for the selection of a design for Future Frigate?
 - (b) Is that timeline likely to be reviewed by Government so as to avoid the valley of death?
 - (c) What does this mean for the proposal to join with the United Kingdom and perhaps other partners such as Canada and New Zealand to build a common Frigate design (Type 26)?
- (2) Part 1 of the report into the Future of Australia's naval shipbuilding made recommendations to Government that the tender for the replacement logistics/supply ships be re-opened to include Australian industries, with a high value placed on Australian Content and that future naval acquisitions should have an open tender process. Does Government intend to adopt these recommendations?
 - (a) When does Government intend to respond to the report?

Response:

- (1) In June 2014 the Government, based on advice from Defence, agreed to bring forward preliminary design work to ensure Australia maintains the capabilities to retain the option of building the future frigate in Australia.
 - (a) In June 2014, the Government advised that further decisions on the future frigate would be taken in the context of the 2015 Defence White Paper.
 - (b) In July 2014, at the Defence & Industry Conference the Minister for Defence stated that 'Part of the work on the future frigate program is to examine whether we could commit to the construction of some early blocks to ensure that there is no break in production overall.'
 - (c) At this stage Government has directed Defence to investigate the continued build of the AWD hull, with the Australian CEA Radar and the Adelaide based SAAB 9 LV combat management system. Defence is assessing what other alternative options may be available for the future frigate and advice on this will be provided to Government in early 2015.
- (2) The Government is currently finalising input for the response to the Senate Economics References Committee report Part 1, Inquiry into the Future of Australia's Naval Shipbuilding Industry Tender Process for the Navy's New Supply Ships
 - (a) The Government will respond to the report once all relevant input has been considered.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 72 - Projects of Concern

Senator Conroy provided in writing:

- (1) Is the availability of the Collins submarines still trending in the right direction?
- (2) One of the measures taken was the execution of the Collins Transformation Implementation Plan. Is that plan still on track to meet its objectives?
- (3) What are the criteria for projects to come off the projects of concern list?
- (4) Are any of the projects close to coming off the list OR have any of the projects slipped further, in terms of schedule, cost or quality from their baseline since June?

Response:

- (1) Yes.
- (2) The Transformation plan is now largely complete, with key elements of this plan now incorporated as business as usual across the Submarine Enterprise.
- (3) This question has been previously answered under part (2) of Question on Notice No. 101 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (4) Projects are subject to routine reviews and dependent on performance may be removed.

No projects on the list have slipped significantly further in terms of schedule, cost or quality from their baseline since June 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 73 - Land 121 Phase 4

Senator Conroy provided in writing:

- (1) Could you please give an update on Land 121, Phase 4 – the Hawkei?
- (2) There have been recent reports that a decision to proceed with the Hawkei is imminent. Are those reports correct?
- (3) How has the testing of the Hawkei progressing?
- (4) When is a decision on the Hawkei expected?

Response:

(1) and (3) In 2013, six Thales Hawkei prototypes and one trailer prototype were subjected to testing and evaluation under Stage 2 of the Manufactured and Supported in Australia (MSA) option of Project LAND 121 Phase 4. Testing focused on the key requirements for this capability including survivability, mobility, communications, useability and sustainability. This testing was completed in September 2013.

Defence extended the MSA Development Contract with Thales in December 2013 to continue development of the Hawkei. This risk reduction activity involved further development and testing of the prototypes against Defence user requirements to further reduce risk prior to second-pass Government consideration. Blast testing was also conducted as part of the overall risk reduction program.

On 30 September 2014, Thales Australia provided its response to a Defence Request for Tender for the provision of a Protected Mobility Vehicle – Light (PMV-L) capability based on the Hawkei. Defence is evaluating this tender response and the results of this evaluation will assist in informing Defence's advice to Government.

(2) and (4) Second Pass consideration by the Government is expected in mid-2015.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice N. 74 - Land 400 Phase 2

Senator Conroy provided in writing:

- (1) I refer to the LAND 400 Phase 2 Key Requirements Matrix published on 4 July 2014, can you please identify whether there are any armoured vehicles currently in production anywhere in the world that are able to meet the listed requirements?
- (2) Given that LAND 400 Phase 2 is seeking to identify a MOTS or A-MOTS solution, how is the Government able to proceed on the basis of this key requirements matrix in the absence of a suitable MOTS solution in manufacture and operation?
- (3) In the event that only a proportion of the key requirements can be met, can you please identify which requirements are deemed mandatory, and what proportion of the total requirements you are expecting to achieve?
- (4) I refer to the LAND 400 Phase 2 Solicitation Key Discriminators published on 11 June 14, can you please outline to the Committee how it is anticipated that those wishing to submit a tender have sufficient time to conclude the task of identifying possible participants/subcontractors in Australian industry, ascertain their capabilities, and conclude contracts or deeds?
- (5) In terms of the overall structure of LAND 400 Phase 2, there is a requirement to supply between two and three demonstrator vehicles for testing and evaluation. This is obviously an expensive requirement for industry to meet. How is this burden on industry justified?
 - (a) How can this requirement be met in the absence of there being any suitable MOTS solutions available or in production?
- (6) How does LAND 400 Phase 2 relate to the next phases of LAND 400?
 - (a) Is it not the case that the successful bidder for Phase 2 is likely to then be better placed to compete in future phases?
- (7) Can you advise the committee whether there is a preference for tracked or wheeled vehicles in Phase 2 and subsequent phases?
- (8) How is this limitation on the number of potential bidders for LAND 400? How many manufacturers of armoured vehicles are able to offer both wheeled and tracked options?
- (9) How many Combat Reconnaissance Vehicles (CRV's) is Army aiming to acquire through Phase 2? How many Infantry Fighting Vehicles (IFV's) is Army aiming to acquire in subsequent phases?

Response:

(1), (2) and (5)(a) The draft LAND 400 Phase 2 Key Requirements Matrix was released to industry for advice only. The Key Requirements Matrix will serve as a basis for the comparative evaluation of tendered offers with no requirements currently identified as essential. Defence assesses that there are MOTS solutions available for each of the individual requirements.

- (3) Prioritisation of requirements will be identified within the Request for Tender documentation.
- (4) The draft LAND 400 Phase 2 Solicitation Key Discriminators were released to industry early to allow Industry the option of commencing teaming arrangements with possible subcontractors prior to the release of an official RFT. A number of international companies have already announced teaming arrangements this year.
- (5) The requirement to supply three demonstrator vehicles for risk mitigation activities is to ensure validation of tenderers' claims against identified areas of risk. Tenderers will be informed quickly at any stage in the process if their offer becomes uncompetitive, to ensure timely cessation of vehicle production activities. Defence will partially fund the risk mitigation activities for down-selected tenderers.
- (6) The scope of future phases of LAND 400 will be considered by Government in the context of the 2015 Defence White Paper.
 - (a) LAND 400 Phase 2 is a discrete project with no specified linkages to future phases.
- (7) The Key Requirements Matrix (a draft of which has been released to industry) forms the basis of the LAND 400 Phase 2 capability requirement in conjunction with other Request for Tender documentation to be released. Industry will tender a vehicle that best meets these requirements. Requirements for future Phases of LAND 400 will be determined by Government at each subsequent First Pass consideration.
- (8) There is no limitation on the number of bidders for LAND 400 Phase 2. There is no requirement for tenderers to offer both wheeled and tracked vehicles.
- (9) This question has been previously answered under Question on Notice No. 21 on 24 April 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 75 - Self Initiated Work

Senator Ludwig provided in writing:

- (1) Does the department have a program for staff to engage in self-initiated work (projects, plans etc that are devised by staff without being directed by the minister's office or department management)?
- (2) Please list all ongoing projects. For each, please detail:
- (3) When did the project commence?
- (4) When is it expected to conclude?
- (5) What will the total cost of the project be?
- (6) Where did the money for the project come from?
- (7) Where is the project based?

Response:

- (1) No.
- (2) to (7) N/A.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 76 - Conditions of Government Contracts and Agreements

Senator Ludwig provided in writing:

- (1) Do any contracts managed by the Department/Agency contain any limitations or restrictions on advocacy or criticising Government policy? If so, please name each contact. When was it formed or created?
- (2) What are the specific clauses and/or sections which state this, or in effect, create a limitation or restriction?
- (3) Do any agreements managed by the Department/Agency contain any limitations on restrictions on advocacy or criticisms of Government policy? If so, please name each agreement. When was it formed or created?
- (4) What are the specific clauses and/or sections which state this, or in effect, create a limitation or restriction?
- (5) For each of the contracts and agreements, are there any particular reason, such as genuine commercial in confidence information, for this restriction?
- (6) Have any changes to financial or resource support to services which advocate on behalf of groups or individuals in Australian society been made? If so, which groups? What was the change?
- (7) Has any consultation occurred between the Department/Agency and any individuals and/or community groups about these changes? If so, what consultation process was used? Was it public? If not, why not? Are public submissions available on a website?
- (8) If no consultation has occurred, why not?
- (9) Did the Minister/Parliamentary Secretary meet with any stakeholders about changes to advocacy in their contracts and/or agreements? If so, when? Who did he/she meet with?

Response:

(1) to (9) These questions have been previously answered under Question on Notice No. 109 from Budget Estimates on 2 and 3 June 2014 . This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 77 - Non-Conventional Therapies

Senator Ludwig provided in writing:

Since 7 September 2013:

- (1) Are non-conventional therapies, for staff or ministerial use, able to be provided by the department/agency? (Including, but not limited to: Music Therapy, Hypnosis, Acupuncture, Chiropractic, Homeopathy, Naturopathy, etc)? If yes:
 - a. What is the process by which these therapies can be approved?
 - b. Who are they available to?
 - c. Please detail the reasons the therapies able to be provided (e.g. Work Place Agreement, recommended by a report to the department, etc)?

- (2) Has the department/agency paid for any non-conventional therapy for any Minister or staff? If yes:
 - a. What therapies have been provided?
 - b. What were they used to treat?
 - c. What was the cost of the therapy?

Response:

- (1) The Department of Defence does not provide non-conventional therapies for APS staff. Non-conventional (alternative) therapies are not normally provided to ADF personnel. Referral to an alternative health practitioner for an ADF member may be considered and approved case by case.

- (2) No.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 78 - Statutory Review Provisions

Senator Ludwig provided in writing:

Please list all current legislation, covered by the department's portfolio, which contain a statutory review provision/s. For each, please provide:

- (1) What work has been done towards preparing for the review? If none, why not?
- (2) Please provide a schedule or a workplan for the review.
- (3) When did/will this work begin?
- (4) When is/was the review due to commence.
- (5) What is the expected report date.
- (6) Who is the minister responsible for the review
- (7) What department is responsible for the review
- (8) List the specific clauses or legislation under review caused by the statutory provision.
- (9) List the terms of reference.
- (10) What is the scope of the review.
- (11) Who is conducting the review. How were they selected? What are the legislated obligation for the selection of the person to conduct the review?
- (12) What is the budgeted, projected or expected costs of the review?
- (13) When was the Minister briefed on this matter?
- (14) What decision points are upcoming for the minister on this matter?
- (15) List the number of officers, and their classification level, involved in conducting the review.
- (16) Will the report will be tabled in parliament or made public. If so, when?

Response:

There is no current legislation covered by Defence that contains statutory review provisions.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 79 - Sunset Provisions

Senator Ludwig provided in writing:

Please list all current legislation, covered by the department's portfolio, which contain a sunset provision/s. For each, please provide:

- (1) What work has been done towards preparing for the activation of sunset provisions? If no work has commenced, why not?
- (2) Has any consideration been given to delaying or alerting the sunset provisions?
- (3) Please provide a schedule or a workplan for the sunset provisions becoming active.
- (4) When did/will this work begin?
- (5) When is/was the review due to commence.
- (6) What is the expected report date.
- (7) Who is the minister responsible for the review
- (8) What department is responsible for the review
- (9) List the specific clauses or legislation under review caused by the statutory provision.
- (10) List the terms of reference
- (11) What is the scope of the review.
- (12) Who is conducting the review. How were they selected? What are the legislated obligation for the selection of the person to conduct the review?
- (13) What is the budgeted, projected or expected costs of the review?
- (14) When was the Minister briefed on this matter?
- (15) What decision points are upcoming for the minister on this matter?
- (16) List the number of officers, and their classification level, involved in conducting the review
- (17) Will the the report will be tabled in parliament or made public. If so, when?

Response:

None.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 80 - Domain Usage

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Please provide a breakdown of the domain usage for the 50 most utilised (by data sent and received), unique (internet) domains accessed by the minister's office. Please provide:

- (1) Domain name of the website being accessed (or IP address if the Domain is unavailable in the tracking system).
- (2) Amount of data downloaded and uploaded to the site.
- (3) Number of times the site was accessed.

Response:

(1) to (3) Due to the breadth and complexity of the question, an unreasonable diversion of departmental resources from higher priority tasks would be required to develop a response.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 81 - Procedure Manuals (Departmental)

Senator Ludwig provided in writing:

- (1) Does the department have a procedure manual for communication between the department and the minister? If yes, please provide a copy and:
- (2) When was the manual last updated?
- (3) Who is responsible for updating the manual?
- (4) Has the minister's office had any input into the content of the manual? If so, please detail.
- (5) Who is the manual distributed to?
- (6) Is anyone responsible for clearing communications before they are sent to the minister or the minister's office?

Response:

- (1) No.
- (2) to (5) N/A.

Department of Defence

Senate Supplementary Estimates Hearing – 22 October 2014

Question on Notice No. 82 - Procedure Manuals (Ministerial)

Senator Ludwig provided in writing:

- (1) Does the minister's office have a procedure manual for communication between the minister's office and the department? If yes, please provide a copy and:
- (2) When was the manual last updated?
- (3) Who is responsible for updating the manual?
- (4) Who is the manual distributed to?
- (5) Is anyone responsible for clearing communications before they are sent to the department?

Response:

(1) No.

(2) to (5) N/A.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 83 - G20 - Brisbane

Senator Ludwig provided in writing:

- (1) Which ministers from the portfolio attended the G20 conference in Brisbane?
For each attending minister, please answer the following:
- (2) How long will the minister be in Brisbane for?
- (3) Please provide a copy of the minister's program and a list of any meetings that are scheduled.
- (4) Did the minister requested any briefing material from the department in relation to the G20? Please provide a list of the briefing titles.
- (5) How many ministerial staff will attended with the minister?
- (6) How many departmental staff attended the G20?
- (7) For each minister and staff member attending, how much was spent on airfares to and from Brisbane?
- (8) For each minister and staff member attending, how much was spent on accommodation in Brisbane?
- (9) For each minister and staff member attending, how much was spent on other associated expenses? Please detail.
- (10) Has the department purchased any merchandise or promotional material for the G20? Please detail.
- (11) Will the department be preparing a report following the G20? If yes:
 - (a) What will be the scope of the report?
 - (b) When will it be complete?
 - (c) Will it be available to the public?

Response:

(1) to (3) No Defence ministers attended the G20 conference in Brisbane.

(4) Yes. A query in relation to possible MINDEF participation at G20 Leader's Summit in Brisbane (15-16 November 2014), and G20 - Unclassified flowchart showing call-out procedures for ADF.

(5), (7), (8) and (9) These questions should be directed to the Department of Finance.

(6) Nil.

(10) and (11) No.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 84 - Report Printing

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Have any reports, budget papers, statements, white papers or report-like documents printed for or by the department been pulped, put in storage, shredded or disposed of?
- (2) If so please give details; name of report, number of copies, cost of printing, who order the disposal, reason for disposal.

Response:

(1) and (2) These questions have been previously answered under Question on Notice No. 122 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 85 - Graduate intake

Senator Ludwig provided in writing:

- (1) What was the graduate intake for 2012-2013?
- (2) What was the graduate intake for 2013-2014?
- (3) What is the graduate intake for 2014-2015?
- (4) What will be the graduate intake for 2015-2016?

Response:

- (1) 191.
- (2) 173.
- (3) Please see response to part 1 (a) of Question on Notice No. 55 from Supplementary Budget Estimates of 22 October 2014.
- (4) Please see response to part 5 of Question on Notice No. 55 from Supplementary Budget Estimates of 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 86 - Enterprise Bargaining Agreements (EBAs)

Senator Ludwig provided in writing:

- (1) Please list all related EBAs with coverage of the department.
- (2) Please list their starting and expiration dates.
- (3) What is the current status of negotiations for the next agreement/s? Please detail.

Response:

(1) and (2) See Question on Notice No. 104 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(3) Defence commenced bargaining on 25 September 2014. Four bargaining meetings have been held so far with another scheduled for December 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 87 - Commissioned reports

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many reports (including paid external advice) have been commissioned by the Minister, department or agency? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.
- (2) How much did each report cost/or is estimated to cost? How many departmental or external staff were involved in each report and at what level?
- (3) What is the current status of each report? When is the Government intending to respond to these reports?

Response:

(1) to (3) Two. See below.

2015 Defence White Paper – Analysis of Australian Shipbuilding Industry and Capabilities (the RAND Corporation)	
Date commissioned	8 September 2014
Date report handed to Government	Not yet complete.
Date of public release	Not yet complete.
Terms of Reference	The RAND Corporation will provide Defence with a series of reports and briefing material that will provide a comprehensive analysis of the Australian naval shipbuilding, sustainment, modernisation and repair industry. The advice will also include a detailed analysis of various acquisition strategies.
Committee Members	n/a
Cost of Report	\$2,177,454.40 (inclusive of GST).
Current Status of Report	Not yet complete.
Date of Intended Government Response	The 2015 Defence White Paper will take into account any recommendations.

2015 Defence White Paper – Analysis of Australian Defence Industry Policy Issues (Deloitte Access Economics)	
Date commissioned	16 September 2014
Date report handed to Government	Not yet complete.
Date of public release	Not yet complete.
Terms of Reference	Deloitte Access Economics will assist Defence with developing a new Defence Industry Policy Statement by providing specialist economic and industry expertise through the development of strategic analysis and advice on a number of specific aspects of industry policy. Deloitte Access Economics will also prepare case study analysis based on selected significant acquisition and sustainment projects.
Committee Members	n/a
Cost of Report	\$601,165.00 (inclusive of GST).
Current Status of Report	Not yet complete.
Date of Intended Government Response	The 2015 Defence White Paper will take into account any recommendations.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 88 - Reviews

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many new reviews (defined as review, inter-departmental group, inquiry, internal review or similar activity) have been commenced? Please list them including:
 - (a) the date they were ordered
 - (b) the date they commenced
 - (c) the minister responsible
 - (d) the department responsible
 - (e) the nature of the review
 - (f) their terms of reference
 - (g) the scope of the review
 - (h) Who is conducting the review
 - (i) the number of officers, and their classification level, involved in conducting the review
 - (j) the expected report date
 - (k) the budgeted, projected or expected costs
 - (l) If the report will be tabled in parliament or made public

- (2) For any review commenced or ordered since Budget Estimates in June, 2014, have any external people, companies or contractors being engaged to assist or conduct the review?
 - (a) If so, please list them, including their name and/or trading name/s and any known alias or other trading names
 - (b) If so, please list their managing director and the board of directors or equivalent
 - (c) If yes, for each is the cost associated with their involvement, including a break down for each cost item
 - (d) If yes, for each, what is the nature of their involvement
 - (e) If yes, for each, are they on the lobbyist register, provide details.
 - (f) If yes, for each, what contact has the Minister or their office had with them
 - (g) If yes, for each, who selected them
 - (h) If yes, for each, did the minister or their office have any involvement in selecting them
 - (i) If yes, please detail what involvement it was
 - (ii) If yes, did they see or provided input to a short list
 - (iii) If yes, on what dates did this involvement occur
 - (iv) If yes, did this involve any verbal discussions with the department
 - (v) If yes, on what dates did this involvement occur

- (3) Which reviews are on-going?
 - (a) Please list them.
 - (b) What is the current cost to date expended on the reviews?

- (4) Have any reviews been stopped, paused or ceased? Please list them.
- (5) Which reviews have concluded? Please list them.
- (6) How many reviews have been provided to Government? Please list them and the date they were provided.
- (7) When will the Government be responding to the respective reviews that have been completed?
- (8) What reviews are planned?
 - (a) When will each planned review be commenced?
 - (b) When will each of these reviews be concluded?
 - (c) When will government respond to each review?
 - (d) Will the government release each review?
 - (i) If so, when? If not, why not?

Response:

- (1) and (2) Table A provides details of two reviews that have commenced since Budget Estimates on 2 June 2014.
- (3) (a) and (b)
- The Defence Childcare Review, cost to date \$128,413;
 - Review of the Delivery of Legal Services by Australian Defence Force Reserve Legal Officers to the Australian Defence Force and Defence, cost to date \$29,662.06.
 - Independent Review of the Priority Industry Capabilities, cost to date \$66,000.
- (4) No.
- (5) One. The Defence Aviation Safety Program Agencies Functional Analysis concluded on 29 August 2014.
- (6) None.
- (7) Not applicable.
- (8) None.

Table A – Reviews commenced since Budget Estimates, 2-3 June 2014

(1) and (2)

REVIEW – FIRST PRINCIPLES REVIEW DEFENCE	
(1)	
(a) the date ordered	5 August 2014.
(b) the date commenced	25 August 2014.
(c) the minister responsible	Minister for Defence.
(d) the department responsible	Department of Defence.
(e) the nature of the review	Information about the nature of the review is available on the website http://www.defence.gov.au/publications/reviews/firstprinciples/Default.asp
(f) their terms of reference	The terms of reference are available on the website http://www.defence.gov.au/publications/reviews/firstprinciples/Default.asp
(g) the scope of the review	Information about the scope is available on the website http://www.defence.gov.au/publications/reviews/firstprinciples/Default.asp
(h) whom is conducting the review	Mr David Peever (Chairman), Mr Lindsay Tanner, Professor Robert Hill, Mr Jim McDowell and Professor Peter Leahy.
(i) the number of officers, and their classification level, involved in conducting the review	See (h) above.
(j) the expected report delivery date	First half of 2015.
(k) the budgeted, projected or expected costs	Costing cannot be determined as the review is not yet complete.
(l) If the report will be tabled in parliament or made public	To be confirmed by the Minister for Defence once the review is complete.
(2)	
(a) If so, please list them, including their name and/or trading name/s and any known alias or other trading names	<ol style="list-style-type: none"> 1. Boston Consulting Group (consulting firm) 2. David Peever (external panel member) 3. Robert Hill (external panel member) 4. Lindsay Tanner (external panel member) 5. Jim McDowell (external panel member) 6. Peter Leahy (external panel member)

(b) If so, please list their managing director and the board of directors or equivalent	Information on Boston Consulting Group's Executive Committee is available on the website http://www.bcg.com/about_bcg/leadership/executive_committee.aspx
(c) If yes, for each is the cost associated with their involvement, including a break down for each cost item	Costing cannot be determined as the review is not yet complete.
(d) If yes, for each, what is the nature of their involvement	As announced by the Minister for Defence on 5 August 2014 - to ensure Defence is fit for purpose and able to promptly respond to future challenges.
(e) If yes, for each, are they on the lobbyist register, provide details	None of the members listed in 2(a) are listed on the lobbyist register.
(f) If yes, for each, what contact has the Minister or their office had with them	Mr David Peever as chairman has regular contact with the Minister for Defence. The Assistant Minister met with the First Principles Review team on one occasion. The Parliamentary Secretary held a teleconference with members of the First Principles Review Team on 12 September 2014 at their request.
(g) If yes, for each, who selected them	The Minister for Defence appointed the expert panel. The Department of Defence awarded the contract to Boston Consulting Group in accordance with the Commonwealth Procurement Rules.
(h) If yes, for each, did the minister or their office have any involvement in selecting them?	The Minister appointed the five expert panel members.

REVIEW – INDIGENOUS PRE-RECRUITMENT COURSE REVIEW; CONDUCTED BY UNIVERSITY OF NEW SOUTH WALES	
(1)	
(a) the date ordered	May 2014
(b) the date commenced	June 2014
(c) the minister responsible	Minister for Defence
(d) the department responsible	Department of Defence, in conjunction with the University of New South Wales (UNSW).
(e) the nature of the review	The broad aim of the evaluation is to provide evidence and analysis that will assist Defence in improving the Defence Indigenous ADF Entry Programs. It will provide evidence of the effectiveness and benefits of the current programs, and consider which aspects can be addressed and how.
(f) their terms of reference	Nil. This is a contractual arrangement for an External Service Provider to conduct the review and the scope of work is captured in a Commonwealth contract, details of which are at point (g and h) below.
(g) the scope of the review	<p>UNSW has been contracted to conduct an evaluation appropriately and rigorously through a team of qualified staff. The evaluation will use a mixed methods approach, collecting data using a combination of qualitative and quantitative methods to meet the following objectives:</p> <ul style="list-style-type: none"> • Assessing the alignment of course content with recruitment challenges for ADF members (qualitative); • Examination of program quality – identification of the ways in which the IPRC provides critical ingredients of effective youth programs and identification of any gaps (qualitative); • Identification of barriers and opportunities associated with participation in IPRC through interview and focus groups (qualitative); • Development of a follow up strategy to seek permission and ensure maximum chance of contact with participants for follow up interviews (qualitative); • The extent to which the course prepares participants for a career in Defence, comparing the retention rates for participants compared to Indigenous direct entry ADF members (quantitative); • The immediate course outcomes of participants in relation to empowerment, social and emotional wellbeing, education, literacy and numeracy, fitness and recruitment scores; including those who go on to join Defence and those who do not (quantitative);

	<ul style="list-style-type: none"> • To examine the duration of the impact of IPRC and explore its potential contribution to subsequent life trajectories, participants will be contacted one year after completing the program and invited to participate in a one year follow up interview (quantitative); and • Utilising all data previously collected, analyse the economic benefits of changes observed in literacy and numeracy, recruitment scores and subsequent employment, social and wellbeing (quantitative). <p>The review project will be split into two phases. Phase 1 will be conducted from May 2014 to July 2015 examining the current course content, measuring immediate program outcomes and setting up the framework for ongoing contact with participants of the 2014 courses. Phase 2 will be conducted from August 2015 to December 2016 examining the duration of the impact of the IPRC with a 12 month follow up post-IPRC program.</p> <p>The UNSW evaluation team will provide three reports to Defence:</p> <ul style="list-style-type: none"> • One six month progress report (8 months post commencement); • One full 12 month report (14 months post commencement); and • One 24 month report providing a description of the annual findings and final economic benefit analysis (26 months post commencement).
(h) Whom is conducting the review	The Muru Marri School of Public Health and Community Medicine, University of New South Wales, Australia
(i) the number of officers, and their classification level, involved in conducting the review	<p>EL2 in Defence overseeing review as Contract Manager</p> <p>There are five members of the Evaluation Team conducting the evaluation including:</p> <ul style="list-style-type: none"> • Associate Professor Melissa Haswell from Muru Marri (epidemiology, psychometrics, research design and translation); • Associate Professor Andrew Searles from Hunter Medical Research Institute (health economics and cost benefit analysis); • A Doctor (PhD) from James Cook University (health promotion, qualitative research and intervention research); • A Research Officer from Muru Marri (quantitative analysis and empowerment measurement); and • A Research Officer from Muru Marri (creative design, communication and report preparation).
(j) the expected report delivery date	31 December 2016
(k) the budgeted, projected or expected costs	\$120,000 (\$80,000 for Phase 1 of the Review and \$40,000 for Phase 2 of the Review)

(1) If the report will be tabled in parliament or made public	Not expected to be tabled in Parliament.
(2)	
(a) If so, please list them, including their name and/or trading name/s and any known alias or other trading names	Muru Marri, School of Public Health and Community Medicine, University of New South Wales Australia.
(b) If so, please list their managing director and the board of directors or equivalent	President and Vice Chancellor of the University of New South Wales, Professor Frederick G Hilmer AO. Director of Muru Marri is Professor Lisa Jackson-Pulver.
(c) If yes, for each is the cost associated with their involvement, including a break down for each cost item	Total \$120,000 to be paid to Muru Marri, School of Public Health and Community Medicine, University of New South Wales Australia. Phase 1 \$80,000 and Phase 2 \$40,000.
(d) If yes, for each, what is the nature of their involvement	See (1) above.
(e) If yes, for each, are they on the lobbyist register, provide details	Muru Marri, School of Public Health and Community Medicine, University of New South Wales is not listed on the lobbyist register.
(f) If yes, for each, what contact has the Minister or their office had with them	None.
(g) If yes, for each, who selected them	Not applicable.
(h) If yes, for each, did the minister or their office have any involvement in selecting them?	Not applicable.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 89 - Appointments

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Please detail any board appointments made from to date.
- (2) What is the gender ratio on each board and across the portfolio?
- (3) Has the department instigated or changed its gender ratio target and/or any other policy intended to increase the participation rate of women on boards? If yes, please specify what the target and policy is for each board.
- (4) Please specify when these gender ratio or participation policies were changed.

Response:

- (1) Appointments to Defence boards for the period 5 May to 28 September 2014 were tabled in the Senate on 27 October 2014.
- (2) Gender ratios for Defence's boards as at 13 November 2014 are in the table below.

GENDER BALANCE ON DEFENCE BOARDS - AS LISTED ON AUSGOVBOARDS AT 13 Nov 2014						
BOARD NAME	BOARD POSITIONS #	VACANCIES	MALE #	FEMALE #	MALE %	FEMALE %
AAF Company	7	0	4	3	57	43
Army & Air Force Canteens Service	6	0	5	1	83	17
Australian Military Forces Relief Trust Fund	6	0	3	3	50	50
Australian Strategic Policy Institute	9	5	2	2	50	50
Defence Families Australia	11	1	1	9	10	90
Defence Honours and Awards Tribunal	11	1	7	3	70	30
Defence Housing Australia	9	2	3	4	43	57
Defence Industry Innovation Board	11	0	11	0	100	0
Defence Reserves Support Council	28	1	20	7	74	26
DSTO Advisory Board	10	1	7	2	78	22
RAAF Welfare Recreational Company	7	0	5	2	71	29
RAAF Veterans Residences Trust	4	0	3	1	75	25
RAN Relief Trust Fund	6	0	3	3	50	50
RAAF Welfare Trust Fund	7	0	5	2	71	29
RAN Cantral Canteens Fund	7	0	4	3	57	43
White Paper Expert Panel	6	0	6	0	100	0
Woomera Prohibited Area Advisory Board	8	0	7	1	87	13
TOTALS	153	11	96	46	112668	32

(3) No.

(4) N/A.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 90 - Stationery Requirements

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How much has been spent by each department and agency on the government (Ministers / Parliamentary Secretaries) stationery requirements in your portfolio to date?
 - (a) Detail the items provided to the minister's office.
 - (b) Please specify how many reams of paper have been supplied to the Minister's office.
- (2) How much has been spent on departmental stationery requirements to date.
- (3) Has any customised stationery been requested or provided to the Minister or Ministerial Staff? If yes, please include a photo/scan, detail the type of stationery, date it was requested, date it was provided and the cost.

Response:

- (1) The Stationery cost borne by the Department of Defence on behalf of Ministers and Parliamentary Secretary for the period 2 June to 22 October 2014 was \$6,256.64 (GST exclusive).

A breakdown of these costs is below.

Office of the	Personalised Departmental Stationery	Sundry Stationery	Cost
Minister for Defence	\$1,469.43	\$756.90	\$2,226.33
Assistant Minister for Defence	\$749.43	\$2,240.37	\$2,989.80
Parliamentary Secretary to the Minister for Defence	\$870.00	\$170.51	\$1,040.51
TOTAL (GST exclusive)	\$3,088.86	\$3,167.78	\$6,256.64

- (a) This question has been previously been answered as part of Question on Notice No. 114 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (b) A breakdown of the reams of paper supplied to the Ministers and Parliamentary Secretary for the period 2 June to 22 October 2014 is below.

Office	Reams
Minister for Defence	150
Assistant Minister for Defence	70
Parliamentary Secretary to the Minister for Defence	55

(2) The total departmental cost for stationery for the period 1 June to 31 October 2014 was \$4,865,453.88 (GST exclusive).

A breakdown of these costs is below.

Department of Defence	\$4,539,674.87
Defence Materiel Organisation	\$325,779.01
Total (GST exclusive)	\$4,865,453.88

(3) No customised stationery has been supplied to the Ministers and Parliamentary Secretary for the period 2 June to 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 91 - Electronic equipment – Minister's office

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014: Other than phones, ipads or computers – please list the electronic equipment provided to the Minister's office.

- (1) List the items
- (2) List the items location or normal location
- (3) List if the item is in the possession of the office or an individual staff member of minister, if with an individual list their employment classification level
- (4) List the total cost of the items
- (5) List an itemised cost breakdown of these items
- (6) List the date they were provided to the office
- (7) Note if the items were requested by the office or proactively provided by the department

Response:

(1) to (7) This question has been answered under parts 6 and 7 of Question on Notice No. 151 of Supplementary Budget Estimates of 22 October 2014.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 92 - Media subscriptions

Senator Ludwig provided in writing:

- (1) What pay TV subscriptions does your department/agency have?
 - (a) Please provide a list of channels and the reason for each channel.
 - (b) What has been the cost of this package/s during the specified period?
 - (c) What is provided to the Minister or their office?
 - (d) What has been the cost of this package/s during the specified period?
- (2) What newspaper subscriptions does your department/agency have?
 - (a) Please provide a list of newspaper subscriptions and the reason for each.
 - (b) What has been the cost of this package/s during the specified period?
 - (c) What is provided to the Minister or their office?
 - (d) What has been the cost of this package/s during the specified period?
- (3) What magazine subscriptions does your department/agency have?
 - (a) Please provide a list of magazine subscriptions and the reason for each.
 - (b) What has been the cost of this package/s during the specified period?
 - (c) What is provided to the Minister or their office?
 - (d) What has been the cost of this package/s during the specified period?
- (4) What publications does your department/agency purchase?
 - (a) Please provide a list of publications purchased by the department and the reason for each.
 - (b) What has been the cost of this package/s during the specified period?
 - (c) What is provided to the Minister or their office?
 - (d) What has been the cost of this package/s during the specified period?

Response:

- (1)
 - (a) This question has been previously answered under part 1 (a) of Question on Notice No. 116 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
 - (b) The total Departmental cost (excluding Ministers offices) for Pay TV for the period 4 June 2014 to 31 October 2014 was \$201,009.
 - (c) This question has been previously answered under part 1 (c) of Question on Notice No. 116 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
 - (d) Pay TV subscription for the Minister's office for the period 4 June 2014 to 31 October 2014 was \$409 (GST exclusive). There was no expenditure on Pay TV subscriptions for the offices of the Assistant Minister for Defence or the Parliamentary Secretary for Defence.

(2)

- (a) This question has been answered previously under part 2 (a) of Question on Notice No.116 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (b) The total Departmental cost (excluding Minister's offices) for newspapers for the period 4 June 2014 to 31 October 2014 was \$101,037 (GST exclusive).
- (c) The table below provides details of the newspaper subscription provided to each Minister and their office for the period 4 June 2013 to 31 October 2014.

Office	Hard copies	Digital subscriptions
Minister for Defence (Senator the Hon David Johnson)	The Adelaide Advertiser The Age The Australian The Courier Mail Financial Review The West Australian The Canberra Times The Sydney Morning Herald	The Australian Financial Review The Daily Telegraph
Assistant Minister for Defence (the Hon Stuart Robert MP)	The Financial Review The Courier Mail The Canberra Times The Sydney Morning Herald The West Australian	Financial Review The Australian The Sydney Morning Herald
Parliamentary Secretary (the Hon Darren Chester MP)	The Australian The Melbourne Herald Sun Digital subscriptions- The Financial Review	The Financial Review The Age The Australian The Herald Sun

- (d) The newspaper subscription costs for each office for the period 4 June 2014 to 31 October 2014 are as follows:
- Minister for Defence \$4,713
 - Assistant Minister for Defence \$2,153
 - Parliamentary Secretary \$988

(3)

- (a) This question has been previously answered under part 3 (a) of Question on Notice No.116 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (b) The total Departmental cost for magazine subscription for the period 4 June 2014 to 31 October 2014 was \$93,687 (GST exclusive).

(c) and (d) These questions have been previously answered under part 3 (c and d) of Question on Notice No. 116 from Budget Estimates. The response remains extant.

(4)

- (a) This question has been previously answered under part 4 (a) of Question on Notice No.116 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (b) The total Departmental cost for publications for the period 4 June 2014 to 31 October 2014 was \$259,401 (GST exclusive).
- (c) and (d) The publications provided for Ministers and their offices for the period 4 June 2014 to 31 October 2014 was Who's Who purchased for the Assistant Minister for Defence, and no other publications were purchased in the period. The cost for this was \$223.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 93 - Media monitoring

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office during the specified period?
 - (a) Which agency or agencies provided these services?
 - (b) What has been spent providing these services during the specified period?
 - (c) Itemise these expenses.

- (2) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the department/agency during the specified period?
 - (a) Which agency or agencies provided these services?
 - (b) What has been spent providing these services during the specified period?
 - (c) Itemise these expenses

Response:

- (1) Nil.

- (2) (a) and (c) These questions have been previously answered under Question on Notice No. 117 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
 - (b) \$338,172.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 94 - Media training

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) In relation to media training services purchased by each department/agency, please provide the following information:
 - a. Total spending on these services
 - b. An itemised cost breakdown of these services
 - c. The number of employees offered these services and their employment classification
 - d. The number of employees who have utilised these services and their employment classification
 - e. The names of all service providers engaged
 - f. The location that this training was provided

- (2) For each service purchased from a provider listed under (1), please provide:
 - a. The name and nature of the service purchased
 - b. Whether the service is one-on-one or group based
 - c. The number of employees who received the service and their employment classification (provide a breakdown for each employment classification)
 - d. The total number of hours involved for all employees (provide a breakdown for each employment classification)
 - e. The total amount spent on the service
 - f. A description of the fees charged (i.e. per hour, complete package)

- (3) Where a service was provided at any location other than the department or agency's own premises please provide:
 - a. The location used
 - b. The number of employees who took part on each occasion
 - c. The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
 - d. Any costs the department or agency's incurred to use the location

Response:

- (1) (a) and (b) The total cost for media training services purchased by Defence for the period 2 June 2014 to 22 October 2014 was \$137, 468.14. This included payment of outstanding invoices for April and May 2014 totalling \$23,322.72 GST exclusive

(c) and (d)

Classification Level/Rank	No. of people who completed the training	Number of hours
SES3 / 3 Star	2	15
SES2 / 2 Star	12	90
SES1 / 1 Star	42	315
EL2 / COL	6	45
EL1 / LTCOL	2	15
APS6 / MAJ	1	7.5
APS5 / CAPT	0	0
APS 4-5 (PA1) / LT	5	37.5
Total	70	525

(e) Media Manoeuvres.

(f) All training was provided at Defence premises.

(2) (a) and (b) These questions have been previously answered under Question on Notice No. 118 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(c) and (d) Refer to the response to parts (1) (c) and (d) above.

(e) Refer to the response to parts (1) (a) and (b) above.

(f) This question has been previously answered under Question on Notice No. 118 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(3) Not applicable.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 95 - G20 - expenses

Senator Ludwig provided in writing:

Please provide an itemised table of all expenses incurred by the department since September 7, 2013 associated with official G20 and related working group, taskforce, roundtable, Sherpa meetings, workshop and study groups) events, including but not limited to hospitality, accommodation, transport, recreation, merchandise, meals/drinks, catering, security. For each item, please provide:

- (1) The name of the event/meeting that the expense related to.
- (2) The location of the event.
- (3) The date of the event.
- (4) The name and ABN of the service provider.
- (5) Advise whether the contract was awarded through an open tender process.
- (6) The total value of the contract/invoice.
- (7) The date the contract was executed by the Department.
- (8) The number of attendees at the event, if applicable.
- (9) Advise whether an Australian Government Minister was in attendance. Please detail.
- (10) Advise whether foreign delegates were in attendance. Please detail.
- (11) Advise whether the contract/expenditure was approved by the Prime Minister's Office, and if so the date that approval was sought and granted.

Response:

(1) to (4) Defence has spent a total of \$3.473m in net additional costs from 7 September 2013 to 31 October 2014 on G20 related activities. To provide the level of detail requested would be an unreasonable diversion of resources.

(5) to (7) and (11) Defence has not let any contracts specifically for G20 purposes.

(8) to (10) These questions should be directed to the Department of the Prime Minister and Cabinet.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 96 - Market Research

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

List any market research conducted by the department/agency:

- (1) List the total cost of this research
- (2) List each item of expenditure and cost, broken down by division and program
- (3) Who conducted the research?
- (4) How were they identified?
- (5) Where was the research conducted?
- (6) In what way was the research conducted?
- (7) Were focus groups, round tables or other forms of research tools used?
- (8) How were participants for these focus groups et al selected?
- (9) How was the firm or individual that conducted the review selected?
- (10) What input did the Minister have?
- (11) How was it approved?
- (12) Were other firms or individuals considered? If yes, please detail.

Response:

(1) to (12) Information on Defence's market research expenditure is included in the *Defence Annual Report 2013-14* (at Appendix B).

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 97 - FOI Requests

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many requests for documents under the FOI Act have been received?
- (2) Of these, how many documents have been determined to be deliberative documents?
- (3) Of those assessed as deliberative documents:
 - (a) For how many has access to the document been refused on the basis that it would be contrary to the public interest?
 - (b) For how many has a redacted document been provided?

Response:

- (1) 156
- (2) 11
- (3) (a) Five
(b) Six

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 98 - Ministerial Motor Vehicle

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the minister been provided with or had access to a motor vehicle? If so:

- (1) What is the make and model?
- (2) How much did it cost?
- (3) When was it provided?
- (4) Was the entire cost met by the department? If not, how was the cost met?
- (5) What, if any, have been the ongoing costs associated with this motor vehicle? Please include costs such as maintenance and fuel.
- (6) Are these costs met by the department? If not, how are these costs met?
- (7) Please provide a copy of the guidelines that determine if a minister is entitled to a motor vehicle.
- (8) Have these guidelines changed since Additional Estimates in February, 2014? If so, please detail.
- (9) Please provide a copy of the guidelines that determine how a minister is to use a motor vehicle they have been provided with. Please include details such as whether the motor vehicle can be used for personal uses.
- (10) Have these guidelines changed since Additional Estimates in February, 2014? If so, please detail.

Response:

(1), (3), (7), (8), (9) and (10) These questions have been previously answered under Question on Notice No. 124 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(2), (4) and (5) and (6) For the period 2 June 2014 to 22 October 2014, the cost of these vehicles, including maintenance and fuel, has been met fully by the department and is detailed below:

Minister	Motor Vehicle Costs (GST exclusive) 2 June – 22 October 2014
Minister for Defence	\$4,948.59
Assistant Minister for Defence	\$5,242.85

Department of Defence

Supplementary Budget Estimates - 22 October 2014

Question on Notice No. 99 - Ministerial Staff vehicles (non-MoPS)

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Outside of MoPS Act entitlements, have any of the Minister's staff been provided with a motor vehicle? If so:

- (1) What is the make and model?
- (2) How much did it cost?
- (3) When was it provided?
- (4) Was the entire cost met by the department? If not, how was the cost met?
- (5) What, if any, have been the ongoing costs associated with this motor vehicle? Please include costs such as maintenance and fuel.
- (6) Are these costs met by the department? If not, how are these costs met?
- (7) Please provide a copy of the guidelines that determine this entitlement to a motor vehicle.
- (8) Have these guidelines changed during the specified period? If so, please detail.
- (9) Please provide a copy of the guidelines that determine how a motor vehicle is to be used that they have been provided with. Please include details such as whether the motor vehicle can be used for personal uses.
- (10) Have these guidelines changed during the specified period? If so, please detail.

Response:

(1) to (10) These questions have been previously answered under Question on Notice No. 125 from Budget Estimates of 2 and 3 June 2014. This response remains extant

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 100 - Ministerial Staff vehicles

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Have any of the Minister's staff been provided with a motor vehicle under the MoPS Act entitlements? If so:

- (1) What is the make and model?
- (2) How much did it cost?
- (3) When was it provided?
- (4) Was the entire cost met by the department? If not, how was the cost met?
- (5) What, if any, have been the ongoing costs associated with this motor vehicle? Please include costs such as maintenance and fuel.
- (6) Are these costs met by the department? If not, how are these costs met?
- (7) Please provide a copy of the guidelines that determine this entitlement to a motor vehicle.
- (8) Have these guidelines changed during the specified period? If so, please detail.
- (9) Please provide a copy of the guidelines that determine how a motor vehicle is to be used that they have been provided with. Please include details such as whether the motor vehicle can be used for personal uses.
- (10) Have these guidelines changed during the specified period? If so, please detail.

Response:

(1) to (10) The Department of Finance will provide a response to this question on behalf of all portfolios.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 101 - Building Lease Costs

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) What has been the total cost of building leases for the agency / department?
- (2) Please provide a detailed list of each building that is currently leased. Please detail by:
 - (a) Date the lease agreement is active from.
 - (b) Date the lease agreement ends.
 - (c) Is the lease expected to be renewed? If not, why not?
 - (d) Location of the building (city and state).
 - (e) Cost of the lease.
 - (f) Why the building is necessary for the operations of the agency / department.
- (3) Please provide a detailed list of each building that had a lease that was not renewed during the specified period. Please detail by:
 - (a) Date from which the lease agreement was active.
 - (b) Date the lease agreement ended.
 - (c) Why was the lease not renewed?
 - (d) Location of the building (city and state).
 - (e) Cost of the lease.
 - (f) Why the building was necessary for the operations of the agency / department.
- (4) Please provide a detailed list of each building that is expected to be leased in the next 12 months. Please detail by:
 - (a) Date the lease agreement is expected to become active.
 - (b) Date the lease agreement is expected to end.
 - (c) Expected location of the building (city and state).
 - (d) Expected cost of the lease.
 - (e) Has this cost been allocated into the budget?
 - (f) Why the building is necessary for the operations of the agency / department.
- (5) For each building owned or leased by the department:
 - (a) What is the current occupancy rate for the building?
 - (b) If the rate is less than 100%, detail what the remaining being used for.

Response:

- (1) The total cost of building leases for Defence from 2 June 2014 to 22 October 2014 was \$64.54 million (GST inclusive). This figure reflects the actual payments made on the first day of each month for the four months from July to October 2014.

(2) (a) to (f) Defence has 58 leases on 57 office accommodation sites (one leased building has two leases for different parts of the building), four residential leases and 34 leases for other purposes including warehouse, training, and equipment, some of which include multiple buildings. The requested lease details are at Attachment A.

(3) (a) to (f) Two office accommodation leases were not renewed during the specified period, as follows:

- Brisbane, QLD lease was terminated on 30 June 2014 due to refurbishment by lessor. The lease commenced on 1 July 2011. The annual cost of the lease was approximately \$0.22 million (GST inclusive).
- Turner, ACT lease was terminated on 30 June 2014 as the building is being decommissioned. The lease commenced on 1 July 2009. The annual cost of the lease was approximately \$2.78 million (GST inclusive).

(4) (a) to (f) None.

(5) This question has been answered under part (6) of Question on Notice No. 122 from Supplementary Budget Estimates Hearing of 22 October 2014.

Region	No.	(i) Date the lease agreement is active from.	(ii) Date the lease agreement ends.	(iii) Is the lease expected to be renewed? If not, why not?	(iv) Location of the building (city, state).	(v) Cost of the lease		(vi) Why the building is necessary for the operations of the agency / department?
						(a) Lease payment (rent and outgoings) annual (inc GST).	(b) Lease payments (rent and outgoings) from 1 Jul 14 to 31 Oct 14 (Inc GST).	
<i>Commercial Office Buildings</i>								
ACT	1	01-Jul-2012	31-Mar-2015	Yes	Barton, ACT	\$187,626.12	\$113,142.04	Identified Business Requirement
ACT	2	15-Jun-2002	14-Jun-2022	Yes	Campbell, ACT	\$12,417,290.82	\$4,338,542.65	Identified Business Requirement
ACT	3	01-Dec-2011	30-Nov-2016	Yes	Canberra, ACT	\$314,602.46	\$109,061.79	Identified Business Requirement
ACT	4	01-Feb-2010	31-Jan-2022	Yes	Canberra Airport, ACT	\$5,963,048.52	\$2,362,504.23	Identified Business Requirement
ACT	5	19-Dec-2011	18-Dec-2016	Yes	Canberra Airport, ACT	\$368,015.21	\$140,024.43	Identified Business Requirement
ACT	6	01-Nov-2011	31-Oct-2017	Yes	Canberra Airport, ACT	\$833,925.71	\$323,880.19	Identified Business Requirement
ACT	7	01-May-2010	30-Apr-2015	Yes	Canberra Airport, ACT	\$472,186.57	\$186,515.91	Identified Business Requirement
ACT	8	01-Mar-2007	28-Feb-2017	Yes	Canberra Airport, ACT	\$4,073,962.60	\$1,445,225.42	Identified Business Requirement
ACT	9	01-Feb-2010	31-Jan-2022	Yes	Canberra Airport, ACT	\$3,604,642.01	\$1,421,717.06	Identified Business Requirement
ACT	10	01-Jul-2013	30-Jun-2023	Yes	Canberra Airport, ACT	\$3,901,392.13	\$1,561,972.10	Identified Business Requirement
ACT	11	22-Jun-2012	21-Jun-2017	Yes	Canberra Airport, ACT	\$2,155,298.77	\$807,504.07	Identified Business Requirement
ACT	12	21-Dec-2006	20-Dec-2016	Yes	Canberra Airport, ACT	\$3,804,981.05	\$1,373,347.05	Identified Business Requirement
ACT	13	22-Jun-2012	21-Jun-2017	Yes	Canberra Airport, ACT	\$2,009,573.41	\$757,247.48	Identified Business Requirement
ACT	14	14-Jun-2012	13-Jun-2022	Yes	Canberra Airport, ACT	\$3,242,366.16	\$1,394,181.28	Identified Business Requirement
ACT	15	14-Jun-2012	13-Jun-2022	Yes	Canberra Airport, ACT	\$2,218,997.22	\$801,455.86	Identified Business Requirement
ACT	16	04-Jun-2007	03-Jun-2017	Yes	Canberra Airport, ACT	\$3,981,830.42	\$1,511,511.11	Identified Business Requirement
ACT	17	04-Jun-2007	03-Jun-2017	Yes	Canberra Airport, ACT	\$4,016,606.48	\$1,524,224.81	Identified Business Requirement
ACT	18	01-Jul-2013	30-Jun-2023	Yes	Canberra Airport, ACT	\$676,639.39	\$273,073.53	Identified Business Requirement
ACT	19	01-Mar-2014	29-Feb-2016	Yes	Deakin, ACT	\$3,286,389.48	\$1,199,389.05	Identified Business Requirement
ACT	20	15-May-2012	14-May-2022	Yes	Deakin, ACT	\$697,913.17	\$243,891.69	Identified Business Requirement
ACT	21	01-Aug-2013	31-Jul-2020	Yes	Fyshwick, ACT	\$378,907.19	\$136,553.65	Identified Business Requirement
ACT	22	18-Dec-2012	17-Dec-2014	Yes	Fyshwick, ACT	\$607,579.24	\$225,933.18	Identified Business Requirement
ACT	23	01-Oct-2011	30-Sep-2016	Yes	Fyshwick, ACT	\$928,627.26	\$304,447.35	Identified Business Requirement
ACT	24	01-Apr-2013	31-Mar-2020	Yes	Fyshwick, ACT	\$351,026.81	\$117,008.94	Identified Business Requirement
ACT	25	01-Apr-2013	31-May-2020	Yes	Fyshwick, ACT	\$161,862.36	\$53,954.12	Identified Business Requirement
ACT	26	01-Oct-2007	30-Sep-2015	Yes	Fyshwick, ACT	\$441,817.20	\$143,577.82	Identified Business Requirement
ACT	27	01-Jun-2013	31-May-2020	Yes	Fyshwick, ACT	\$532,185.19	\$177,395.06	Identified Business Requirement
ACT	28	08-May-2010	07-May-2017	Yes	Mitchell, ACT	\$1,488,279.41	\$496,093.14	Identified Business Requirement
ACT	29	01-Dec-2005	30-Nov-2015	Yes	Mitchell, ACT	\$275,937.42	\$91,979.14	Identified Business Requirement
ACT	30	12-Oct-2010	11-Oct-2025	Yes	Reid, ACT	\$6,609,728.27	\$2,162,939.53	Identified Business Requirement
ACT	31	13-Feb-2012	12-Feb-2015	Yes	Russell, ACT	\$1,118,176.18	\$413,572.04	Identified Business Requirement
ACT	32	01-Mar-2013	29-Feb-2016	Yes	Turner, ACT	\$401,026.03	\$135,340.74	Identified Business Requirement
ACT	33	13-Jun-2003	12-Jun-2023	Yes	Weston, ACT	\$3,878,000.28	\$1,360,380.45	Identified Business Requirement
ACT	34	01-Sep-2010	31-Aug-2015	Yes	Cooma, NSW	\$206,192.58	\$67,568.77	Identified Business Requirement
ACT	35	01-Nov-2012	31-Dec-2014	Yes	Queanbeyan, NSW	\$242,685.04	\$80,895.01	Identified Business Requirement
ACT	36	01-Sep-2014	31-Aug-2019	Yes	Symonston, ACT	\$421,300.00	\$0.00	Identified Business Requirement
ACT	37	07-Aug-2014	06-Aug-2024	Yes	Parkes, ACT	\$2,093,598.91	\$0.00	Identified Business Requirement
CW	38	01-Sep-2014	31-Aug-2016	Yes	Darwin, NT	\$23,952.46	\$7,984.15	Identified Business Requirement
CW	39	10-Apr-2012	09-Apr-2015	Yes	Darwin, NT	\$279,865.74	\$99,230.62	Identified Business Requirement
CW	40	01-Dec-2012	30-Nov-2014	Yes	Winnellie, NT	\$237,864.00	\$79,288.00	Identified Business Requirement
CW	41	01-Jul-2013	30-Jun-2018	Yes	Dudley Park, SA	\$1,254,000.00	\$418,000.00	Identified Business Requirement
CW	42	01-Nov-2013	31-Oct-2015	Yes	Cannington, WA	\$56,015.52	\$18,671.84	Identified Business Requirement
CW	43	01-Jan-2014	31-Dec-2018	Yes	Joondalup, WA	\$152,509.76	\$48,285.16	Identified Business Requirement

Region	No.	(i) Date the lease agreement is active from.	(ii) Date the lease agreement ends.	(iii) Is the lease expected to be renewed? If not, why not?	(iv) Location of the building (city, state).	(v) Cost of the lease		(vi) Why the building is necessary for the operations of the agency / department?
						(a) Lease payment (rent and outgoings) annual (inc GST).	(b) Lease payments (rent and outgoings) from 1 Jul 14 to 31 Oct 14 (Inc GST).	
CW	44	01-Jan-2012	31-Dec-2016	Yes	Rockingham, WA	\$1,402,487.46	\$467,495.83	Identified Business Requirement
CW	45	01-Jan-2011	31-Dec-2015	Yes	Rockingham, WA	\$186,245.14	\$60,916.81	Identified Business Requirement
NNSW	46	02-May-2008	01-May-2023	No. It is anticipated that personnel can be relocated back into owned Defence facilities at expiration of the lease.	Raymond Terrace, NSW	\$1,462,112.65	\$566,009.32	Identified Business Requirement
NNSW	47	20-Jul-2010	19-Jul-2015	Yes	Raymond Terrace, NSW	\$133,008.22	\$566,009.32	
NNSW	48	17-May-2011	16-May-2021	Yes	Sydney, NSW	\$16,004,443.22	\$5,462,269.16	Identified Business Requirement
NNSW	49	01-Apr-2010	31-Mar-2020	No. It is anticipated that personnel can be relocated back into owned Defence facilities at expiration of the lease.	Penrith, NSW	\$1,501,868.81	\$510,934.03	Identified Business Requirement
QLD	50	01-Sep-2010	31-Aug-2015	Yes	Cairns, QLD	\$109,768.69	\$36,018.93	Identified Business Requirement
QLD	51	01-May-2013	30-Apr-2018	Yes	Townsville, QLD	\$151,116.64	\$50,372.21	Identified Business Requirement
QLD	52	01-Jul-2011	30-Jun-2016	Yes	Brisbane, QLD	\$900,441.17	\$337,084.67	Identified Business Requirement
QLD	53	01-Apr-2010	30-Nov-2014	Yes	Mitchelton, QLD	\$184,139.74	\$61,379.91	Identified Business Requirement
SNSW	54	28-Oct-2011	27-Oct-2016	Yes	Nowra, NSW	\$218,236.79	\$79,283.84	Identified Business Requirement
SNSW	55	01-Aug-2013	31-Jul-2018	Yes	Wagga Wagga, NSW	\$78,744.86	\$27,183.79	Identified Business Requirement
SNSW	56	22-Jun-2011	21-Jun-2016	Yes	Wollongong, NSW	\$1,787,223.37	\$597,739.24	Identified Business Requirement
VIC / TAS	57	01-Mar-2006	31-May-2015	Yes	Bundoora, VIC	\$7,939.98	\$1,984.99	Identified Business Requirement
VIC / TAS	58	16-Jun-2011	15-Jun-2021	Yes	Melbourne, VIC	\$11,026,738.67	\$3,835,479.96	Identified Business Requirement
ACT	59	01-Jul-2009	30-Jun-2014	No - Lease terminated	Turner, ACT	\$0.00	\$4,215.07	Identified Business Requirement
QLD	60	01-Jul-2011	30-Jun-2014	No - Lease terminated	Brisbane, QLD	\$0.00	\$4,826.22	Identified Business Requirement
						\$115,522,939.95	\$41,196,713.78	

Residential

NNSW	1	15-Nov-2013	14-May-2015		Homebush, NSW	\$5,374,864.84	\$2,341,671.86	Identified Business Requirement
NNSW	2	15-Nov-2013	14-May-2015		Homebush, NSW	\$1,650,150.74	\$2,341,671.86	Identified Business Requirement
NNSW	3	15-Nov-2013	14-May-2015		North Strathfield, NSW	\$4,165,540.50	\$1,393,454.06	Identified Business Requirement
CW	4	16-Dec-2013	14-Dec-2014		Christmas Island, WA	\$70,070.00	\$0.00	Identified Business Requirement
						\$11,260,626.08	\$6,076,797.78	

Buildings (Non Commercial Office)

ACT	1	01-Jul-2010	31-Jan-2015		Fyshwick, ACT	\$145,913.86	\$0.00	Identified Business Requirement
ACT	2	01-May-2004	30-Apr-2019		Canberra Airport, ACT	\$11,153,538.66	\$3,816,127.96	Identified Business Requirement
ACT	3	01-Jun-2013	31-May-2016		Hume, ACT	\$224,400.00	\$74,800.00	Identified Business Requirement
ACT	4	19-Dec-2013	18-Dec-2018		Majura, ACT	\$0.00	\$0.00	Identified Business Requirement
ACT	5	01-Oct-2012	31-Dec-2014		Mitchell, ACT	\$128,056.90	\$42,685.63	Identified Business Requirement
ACT	6	15-May-2012	00-Jan-1900		Queanbeyan, NSW	\$0.00	\$0.00	Identified Business Requirement
ACT	7	05-Apr-2012	04-Apr-2017		Queanbeyan, NSW	\$836,626.69	\$280,922.17	Identified Business Requirement
ACT	8	19-Nov-2012	00-Jan-1900		Queanbeyan, NSW	\$0.00	\$0.00	Identified Business Requirement
ACT	9	01-Oct-2010	30-Sep-2015		Ultimo, NSW	\$7,833,908.28	\$2,945,376.04	Identified Business Requirement
NNSW	10	01-Jul-2014	30-Jun-2017		Alexandria, NSW	\$367,045.93	\$124,658.64	Identified Business Requirement
NNSW	11	15-Jun-2006	14-Jun-2014		Brighton Le Sands, NSW	\$0.00	\$0.00	Identified Business Requirement
NNSW	12	01-Jul-1962	30-Jun-2014		Darlington, NSW	\$0.00	\$0.00	Identified Business Requirement

Region	No.	(i) Date the lease agreement is active from.	(ii) Date the lease agreement ends.	(iii) Is the lease expected to be renewed? If not, why not?	(iv) Location of the building (city, state).	(v) Cost of the lease		(vi) Why the building is necessary for the operations of the agency / department?
						(a) Lease payment (rent and outgoings) annual (inc GST).	(b) Lease payments (rent and outgoings) from 1 Jul 14 to 31 Oct 14 (Inc GST).	
NNSW	13	01-Apr-2008	31-Mar-2018		Eveleigh, NSW	\$3,262,486.52	\$1,088,155.51	Identified Business Requirement
NNSW	14	01-Jan-1956	31-Dec-2055		Kensington, NSW	\$0.00	\$0.00	Identified Business Requirement
NNSW	15	01-Apr-2013	31-Mar-2018		Waterfall, NSW	\$0.00	\$0.00	Identified Business Requirement
NNSW	16	26-Mar-2013	25-Mar-2018		Moorebank, NSW	\$21,980,200.04	\$7,904,037.91	Identified Business Requirement
NNSW	17	01-Oct-2010	30-Jun-2016		Waterfall, NSW	\$0.00	\$0.00	Identified Business Requirement
NNSW	18	01-Oct-2010	30-Sep-2015		Kaputar, NSW	\$0.00	\$0.00	Identified Business Requirement
NNSW	19	01-Apr-2010	31-Mar-2015		Port Macquarie, NSW	\$69,579.05	\$30,866.40	Identified Business Requirement
NNSW	20	01-Jul-2010	30-Jun-2015		Port Macquarie, NSW	\$23,020.14	\$30,866.40	Identified Business Requirement
CW	21	31-Jul-2014	30-Jul-2015		Winnellie, NT	\$849,200.09	\$285,395.03	Identified Business Requirement
CW	22	13-Dec-2011	12-Dec-2014		Winnellie, NT	\$440,000.09	\$146,666.70	Identified Business Requirement
CW	23	01-Jul-2012	30-Jun-2015		Cocos Island, WA	\$0.00	\$0.00	Identified Business Requirement
CW	24	12-Nov-2013	11-Nov-2018		Kalamunda, WA	\$0.00	\$0.00	Identified Business Requirement
CW	25	01-Dec-2012	30-Nov-2017		Rockingham, WA	\$104,130.97	\$41,305.66	Identified Business Requirement
CW	26	01-Jul-2013	30-Jun-2018		Rockingham, WA	\$145,992.00	\$49,222.46	Identified Business Requirement
QLD	27	01-Oct-2010	30-Sep-2015		Anduramba, QLD	\$0.00	\$0.00	Identified Business Requirement
QLD	28	01-Apr-1999	31-Mar-2019		Cloncurry, QLD	\$0.00	\$0.00	Identified Business Requirement
QLD	29	01-Jun-2012	30-Apr-2031		Port of Townsville, QLD	\$0.00	\$0.00	Identified Business Requirement
QLD	30	01-Feb-2012	31-Jan-2017		Pullenvale, QLD	\$301,154.44	\$108,150.99	Identified Business Requirement
QLD	31	01-Jan-2013	31-Jan-2017		Pullenvale, QLD	\$23,298.53	\$0.00	Identified Business Requirement
VIC/TAS	32	10-Feb-2013	09-Feb-2018		Dandenong, VIC	\$286,148.81	\$124,940.84	Identified Business Requirement
VIC/TAS	33	01-Jul-2013	30-Jun-2016		Laverton North, VIC	\$516,104.16	\$172,034.72	Identified Business Requirement
VIC/TAS	34	01-Oct-2014	30-Sep-2034		Nagambie, VIC	\$165,000.00	\$0.00	Identified Business Requirement
						\$48,855,805.15	\$17,266,213.05	
						\$175,639,371.18	\$64,539,724.61	

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 102 - Government advertising

Senator Ludwig provided in writing:

- (1) How much has been spent on government advertising (including job ads)?
 - (a) List each item of expenditure and cost
 - (b) List the approving officer for each item
 - (c) Detail the outlets that were paid for the advertising
- (2) What government advertising is planned for the rest of the financial year?
 - (a) List the total expected cost
 - (b) List each item of expenditure and cost
 - (c) List the approving officer for each item
 - (d) Detail the outlets that have been or will be paid for the advertising

Response:

- (1) For the period 4 June to 31 October 2014, the Department of Defence (including the Defence Materiel Organisation) has spent \$18,228,000 in total advertising expenditure.
- (a) to (c) and (2) Details of advertising expenditure are published in the Defence Annual Report. To provide more specific details would be an unreasonable diversion of resources.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 103 - Workplace assessments

Senator Ludwig provided in writing:

- (1) How much has been spent on workplace ergonomic assessments?
 - (a) List each item of expenditure and cost
- (2) Have any assessments, not related to an existing disability, resulted in changes to workplace equipment or set up?
- (3) If so, list each item of expenditure and cost related to those changes

Response:

(1) The total cost for APS workplace ergonomic assessments for the period 4 June to 31 October 2014 was \$30,077 (GST exclusive). With respect to the ADF, this has previously been answered in Question on Notice No. 129 for Budget Estimates of 2 and 3 June 2014.

(a) To provide more specific details would be an unreasonable diversion of departmental resources.

(2) and (3) This has previously been answered in Question on Notice No. 129 for Budget Estimates of 2 and 3 June 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 104 - Ministerial website

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How much has been spent on the Minister's website?
 - (a) List each item of expenditure and cost
- (2) Who is responsible for uploading information to the Minister's website?
- (3) Have any departmental staff been required to work outside regular hours to maintain the Minister's website? Please detail.

Response:

(1) to (3) These questions have been previously answered under Question on Notice No.121 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice – No. 105 - Existing Resources Program

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many projects, work, programs or other tasks has the department started as a consequence of government policies or priorities that are required to be funded 'within existing resources'?
- (2) List each.
- (3) List the staffing assigned to each task.
- (4) What is the nominal total salary cost of the officers assigned to the project?
- (5) What resources or equipment has been assigned to the project?

Response:

(1), (2) and (5) This information is reported at Table 3 'Budget Measures and Other Budget Adjustments' and Table 4 'Net Additional Cost of Operations from 1999-00 to 2017-18' of the *Defence Portfolio Budget Statements 2014-15*.

In addition to this, the Government has agreed to Operation Okra, which is Australia's contribution to a US-led multi-national force to disrupt and degrade the ISIL capacity in Iraq and enhance the Iraq Security Forces military capabilities. The estimated net additional costs for 2014-15 will be outlined in the Mid Year Economic and Fiscal Outlook.

(3) and (4) These questions have been previously answered under Question on Notice No. 108 from Budget Estimates of 2 and 3 June 2014. These responses remain extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 106 - Multiple tenders

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

List any tenders that were re-issued or issued multiple times:

- (1) Why were they re-issued or issued multiple times?
- (2) Were any applicants received for the tenders before they were re-issued or repeatedly issued?
- (3) Were those applicants asked to resubmit their tender proposal?

Response:

(1) to (3) There has been one request for tender re-issued by DMO since Budget Estimates in June 2014, and also one re-issued by Defence that was not reported in the previous period due to an administrative oversight. Details of both tenders are in the table below:

DMO / Defence	List any tenders that were re-issued or issued multiple times Since Budget Estimates in June, 2014:	1. Why were they re-issued or issued multiple times?	2. Were any applicants received for the tenders before they were re-issued or repeatedly issued?	3. Were those applicants asked to resubmit their tender proposal?
DMO	Request for Tender for a large multi-phase project (JP2008). This project seeks to deploy an integrated Wideband Satellite Communications System to the Australian Defence Force. AusTender Reference - DMOESD/RFT0228/2013.	Tender documentation published on AusTender initially contained manuals that should have not been included in the RFT. As a result the tender was withdrawn on 15 August 2014. It was re-issued on 18 August 2014. AusTender Reference - DMOESD/RFT0228/2013A.	No	Not applicable
Defence	RFT JMP 12002 - Provision of Codification Software as a Service for the Australian National Codification Bureau (replacing CENCAT)	The tender was originally released on AusTender on 25 February 14, and the tender release was cancelled on 17 March 14. The tender was subsequently re-released and tenders closed on 30 June 14.	No	Not Applicable

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 107 - Staffing transfers

Senator Ludwig provided in writing:

- (1) How many people does your department employ?
- (2) What is the number of staff employed in each state and Territory as at 30 June 2013, and what is their age, gender and classification level?
- (3) What is the number of staff currently employed in each state and territory, and what is their age, gender and classification level?
- (4) What functions have been transferred between transferred from one state or territory to another since the federal election in 2013?
- (5) Can you please provide details by function of the, number of staff employed, the age, gender and classification of staff employed in the function that was transferred, where it was based prior to the transfer and where it was transferred to?
- (6) How many of these people are employed in Canberra?
- (7) How many people did your department employ in Canberra immediately prior to the 2013 federal election?
- (8) How many employees have been transferred out of Canberra since the 2013 federal election?
- (9) How many of your employees have been transferred to Canberra since the 2013 federal election?
- (10) For all employees transferred to or from Canberra since the 2013 federal election, please provide their age.
- (11) For all employees transferred to or from Canberra since the 2013 federal election, please provide their wage. Please provide the figure for before their transfer and after their transfer.
- (12) For all employees transferred to or from Canberra since the 2013 federal election, please provide their gender.
- (13) For all employees transferred to or from Canberra since the 2013 federal election, please provide the area of the department they worked in. Please provide this detail for before their transfer and after their transfer.
- (14) For all employees transferred to or from Canberra since the 2013 federal election, please provide a description of their position. Please provide this detail for before their transfer and after their transfer.
- (15) For every transferred employee please provide an explanation for their transfer?
- (16) For every transferred employee please provide any other cost incurred by the department because of that transfer?
- (17) Please provide all relevant dates.

Response:

(1) to (3) Please refer to the Defence Annual Report 2012-13 and 2013-14.

(4) Nil.

(5) and (6) Not applicable.

(7) to (17) Due to the breadth and complexity of these questions, an unreasonable diversion of departmental resources would be required to develop a response.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 108 - Staffing Redundancies

Senator Ludwig provided in writing:

- (1) How many positions have been made redundant in your department since the 2013 federal election?
 - (a) How many of these positions were ongoing?
 - (b) How many of these positions were non-ongoing?
 - (c) How many of these positions were situated in the Australian Capital Territory?
- (2) How many of the employees filling these redundant positions were redeployed since the 2013 federal election?
 - (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (3) How many of these employees were offered voluntary redundancies since the 2013 federal election?
 - (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (4) How many accepted voluntary redundancies since the 2013 federal election?
 - (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (5) How many employees were offered the choice between a voluntary redundancy and redeployment since the 2013 federal election?
 - (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (6) For all employees who accepted voluntary redundancies since the 2013 federal election please:
 - (a) Provide a dollar figure of their pay out, their age, gender and a description of their position including APS level, contract type (non-ongoing versus ongoing), responsibilities and where they were located.
 - (b) Please specify what component of that figure was paid out entitlements (annual leave etc).
 - (c) Please specify any other costs incurred by the department because of this redundancy.
 - (d) Please provide the reason a voluntary redundancy was offered for their position.
 - (e) Please provide all relevant dates.
- (7) For all employees who were redeployed please provide:
 - (a) Their age, gender and a description of their position prior to and after redeployment, including the wages of these positions, the APS level of

- these positions, the contract type (non-ongoing versus ongoing) and where they were located.
- (b) Please specify any other costs incurred by the department because of this redeployment.
 - (c) Please provide the reason for that redeployment.
 - (d) Please provide all relevant dates.
- (8) Since the 2013 federal election, how many employees in your department have been made forcibly redundant?
- (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (9) How many of these employees were offered voluntary redundancies or redeployments prior to being made forcibly redundant?
- (a) How many of these employees were ongoing?
 - (b) How many of these employees were non-ongoing?
 - (c) How many of these employees were situated in the Australian Capital Territory?
- (10) For employees who were made forcibly redundant since the 2013 federal election please provide:
- (a) Their age, gender, the dollar figure of their pay out and a description of their position including APS level, contract type (non-ongoing versus ongoing) responsibilities and where they were located.
 - (b) Please specify what component of that figure was paid out entitlements (annual leave etc).
 - (c) Please specify any other costs incurred by the department because of this redundancy.
 - (d) Please provide the reason for that redundancy.
 - (e) Please provide all relevant dates.

Response:

(1) and (8) From 7 September 2013 to 30 September 2014, 183 voluntary retrenchments and one involuntary retrenchment were finalised. All were ongoing, and they included 73 voluntary retrenchments in the ACT. There were no involuntary retrenchments in the ACT.

(2) to (5) and (7) Due to the breadth and complexity of these questions, an unreasonable diversion of departmental resources would be required to develop a response.

(6) The table below provides detail of the age, level and gender of the staff who accepted voluntary retrenchments. Due to the breadth and complexity of the remaining details requested, an unreasonable diversion of departmental resources would be required to develop a response.

Age	Level	Female	Male	Total
20 to 29	APS 2	1		1
	APS 6	2		2
30 to 39	APS 1	1		1
	APS 2	1		1
	APS 4	1	2	3
	APS 5		1	1
	APS 6	3		3
	EL 1	3	1	4
	EL 2		2	2
40 to 49	APS 1	3		3
	APS 2	4		4
	APS 3	4		4
	APS 4		1	1
	APS 5	1		1
	APS 6	4		4
	EL 1	3	6	9
	EL 2	3	4	7
50 to 59	APS 1	2		2
	APS 2	8	6	14
	APS 3	3	3	6
	APS 4	3	2	5
	APS 5	2	8	10
	APS 6	5	7	12
	EL 1	6	8	14
	EL 2	5	13	18
	SES 2		1	1
60 to 69	APS 1		1	1
	APS 2	3		3
	APS 3	2	1	3
	APS 4		4	4
	APS 5	2	2	4
	APS 6	1	6	7
	EL 1	4	3	7
	EL 2		13	13
	SES 2		1	1
70 and above	APS 1	1		1
	APS 2	2		2
	APS 4		2	2
	EL 1		2	2
Total		83	100	183

(9) to (10) As only one employee was affected by involuntary retrenchment, and in order to protect the privacy of the employee, no further detail will be provided.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 109 - Staffing Hiring

Senator Ludwig provided in writing:

- (1) How many people are employed in your department on non-ongoing contracts?
- (2) How many people are employed in your department on ongoing contracts?
- (3) How many non-ongoing contracts has your department extended since the 2013 federal election?
- (4) How many non-ongoing contract extensions did your department submit the Public Service Commission for approval?
- (5) How many of these extensions were approved by the Public Service Commission?
 - (a) For every approved extension please provide the following details: the employee's age, gender, wage, APS level, a description of their job, their length of continuous employment by the APS, the length of approved extension, the reasons why the extensions was submitted and the reasons why the extension was approved by the Public Service Commission, as well as all relevant dates.
- (6) How many of these extensions were rejected by the Public Service Commission?
 - (a) For every rejected extension please provide the following details: the employee's age, gender, wage, APS level, a description of their job, their length of continuous employment by the APS, the length of extension sought by the department, the reasons why the extensions was submitted and the reasons why the extension was rejected by the Public Service Commission, as well as all relevant dates.
- (7) How many non-ongoing contracts have been extended by your department without the Public Service Commission's approval?
 - (a) For every unapproved extension please provide the following details: the employee's age, gender, wage, APS level, a description of their job, their length of continuous employment by the APS, the length of the unapproved extension, the reasons why the extension was granted, whether the extension was submitted to the Public Service Commission for approval, and the reasons why the extension was granted without the approval of the Public Service Commission, as well as all relevant dates.
- (8) How many non-ongoing contracts have expired without extension since the 2013 federal election?
 - (a) For every expired non-ongoing contract please provide the following details: the employee's age, gender, wage, APS level, a description of their job, their length of continuous employment by the APS, the reason why an extension was not sought, as well as all relevant dates.
- (9) How many new employees have been engaged by your department on non-ongoing contracts since the 2013 federal election?
- (10) How many new non-ongoing engagements were submitted to the Public Service Commission for approval since the 2014 federal election?
- (11) How many of these new non-ongoing engagements were approved by the Public Service Commission?

- (a) For every approved new engagement of a non-ongoing employee please provide the following details: the employee's age, gender, wage, APS level, a description of their job, the length of their non-ongoing contract, whether this position was advertised externally, the reason for engaging this new employee and the reason given by the Public Service Commission for approving this engagement, as well as all relevant dates relating to this application.
- (12) How many of these new non-ongoing employee applications were rejected by the Public Service Commission?
 - (a) For every new non-ongoing engagement rejected by the Public Service Commission please provide the following details: APS level, a description of their job, the length of their non-ongoing contract, the reason for engaging the new employee and the reason given by the Public Service Commission for rejecting this engagement, as well as all relevant dates relating to this application.
- (13) How many new employees have been engaged on non-ongoing contracts without the approval of the Public Service Commission?
 - (a) For every non-ongoing employee engaged without the Public Service Commission's approval please provide the following details: the employee's age, gender, wage, APS level, a description of their job, the length of their non-ongoing contract, whether this position was advertised externally, the reason for engaging this new employee and the reason for engaging this employee without the Public Service Commission's approval, as well as all relevant dates.
- (14) How many new employees have been engaged by your department on ongoing contracts since the 2013 federal election?
- (15) How many new ongoing engagements were submitted to the Public Service Commission for approval since the 2013 federal election?
- (16) How many of these new ongoing engagements were approved by the Public Service Commission?
 - (a) For every approved new engagement of a ongoing employee please provide the following details: the employee's age, gender, wage, APS level, a description of their job, the length of their ongoing contract, whether this position was advertised externally, the reason for engaging this new employee and the reason given by the Public Service Commission for approving this engagement, as well as all relevant dates relating to this application.
- (17) How many of these new ongoing employee applications were rejected by the Public Service Commission?
 - (a) For every new ongoing engagement rejected by the Public Service Commission please provide the following details: APS level, a description of their job, the length of their ongoing contract, the reason for engaging the new employee and the reason given by the Public Service Commission for rejecting this engagement, as well as all relevant dates relating to this application.
- (18) How many new employees have been engaged on ongoing contracts without the approval of the Public Service Commission?
 - (a) For every ongoing employee engaged without the Public Service Commission's approval please provide the following details: the employee's age, gender, wage, APS level, a description of their job, the length of their ongoing contract, whether this position was advertised externally, the reason for engaging this new employee and the reason for engaging this employee without the Public Service Commission's approval, as well as all relevant dates.

Response:

(1) and (2) As at 30 September 2014, Defence had 20,802 APS employees, comprising 89 non-ongoing and 20,713 ongoing employees. Note that these are headcount figures, and count all personnel equally regardless of the number of hours worked.

(3) and (7) From 7 September 2013 to 30 September 2014, 38 non-ongoing contracts were extended. All were extended without Australian Public Service Commission approval as they were either for contracts of less than 12 months or had been gazetted prior to the introduction of the requirement for Commissioner approval. Due to the breadth of the remaining details requested, an unreasonable diversion of departmental resources would be required to develop a response.

(4), (5) and (6) None.

(8) From 7 September 2013 to 30 September 2014, 130 non-ongoing employees finished working with Defence. To determine how many of these 130 contracts had previously had an extension would require manual checking of records, which would be an unreasonable diversion of Departmental resources.

(9) From 7 September 2013 to 30 September 2014, 76 non-ongoing employees commenced work with Defence.

(10), (11) and (12) From 7 September 2013 to 30 September 2014, 35 non-ongoing positions were submitted to the Australian Public Service Commission. Of these, 23 were withdrawn prior to receiving a decision from the Commissioner, and the remaining 12 were approved (one of which was not filled due to a lack of suitable candidates). Due to the breadth of the remaining details requested, an unreasonable diversion of departmental resources would be required to develop a response.

(13) From 7 September 2013 to 30 September 2014, 38 non-ongoing employees commenced work with Defence without Australian Public Service Commission approval as they were either for contracts of less than 12 months or had been gazetted prior to the introduction of the requirement for Commissioner approval.

(14) From 7 September 2013 to 30 September 2014, 340 ongoing employees have commenced work in Defence.

(15), (16) and (17) From 7 September 2013 to 30 September 2014, 472 ongoing engagements were submitted to the Australian Public Service Commission. Of these, 471 were approved and one rejected. Due to the breadth of the remaining details requested, an unreasonable diversion of departmental resources would be required to develop a response.

In the response to Question on Notice No. 77 from Budget Estimates of 2 and 3 June 2014, it was inadvertently reported that 23 ongoing positions had been rejected, when the answer should have been that none had been rejected. The 23 positions are in fact the ones referred to in the response to parts 10, 11 and 12 above, which were withdrawn (rather than rejected) prior to receiving a decision from the Commissioner.

(18) This question was answered in Question on Notice No. 107 from Budget Estimates of 2-3 June 2014. The answer remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 110 - Departmental Upgrades

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency engaged in any new refurbishments, upgrades or changes to their building or facilities?

- (1) If so, list these
- (2) If so, list the total cost for these changes
- (3) If so, list the itemised cost for each item of expenditure
- (4) If so, who conducted the works?
- (5) If so, list the process for identifying who would conduct these works
- (6) If so, when are the works expected to be completed?

Response:

(1), (2), (3), and (5) The attached table outlines the projects being undertaken. Works are undertaken as a part of the Estate Maintenance Program. This three-year program delivers through-life maintenance of capability, condition, compliance and safety of the Defence Estate.

(4) This question has been previously answered under Question on Notice No. 135 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(6) This question has been previously answered under Question on Notice No. 135 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Table 1

Project Name	Estimated Total Project cost (m)	Project Status	Anticipated Delivery Timeframe
AIR5438 Ph1A Lead-In Fighter Capability Assurance Program	\$11.2	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 16 June 2014 ▪ Tender process is underway 	Commence April 2015 Complete March 2016
JP 154 Australian Protected Route Clearance Capability (project Ningai)	\$3.3	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 16 June 2014 ▪ Currently under construction ▪ Sitzler is conducting the works in Darwin ▪ Badge is conducting the works in Brisbane ▪ Lend Lease is conducting the works in Townsville 	Commence August 2014 Complete December 2014
A8983 Samuel Hill & Camp Growl Water Treatment Plants	\$2.5	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 18 June 2014 ▪ Hunter Water Australia will be conducting the works 	Commence August 2014 Complete mid 2015
R8049 RAAF Base Darwin Flood Mitigation Project	\$9.9	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 18 June 2014 ▪ Not yet at tender 	Commence September 2014 Complete October 2015
Landing Craft Support Facilities at Garden Island (NSW)	\$6.0	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 17 December 2013 ▪ Pacific Services Group Holdings is conducting the works 	Commence June 2014 Complete mid 2015
Fleet Base West Low Level Bridge Repair (WA)	\$13.3	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 7 February 2014 ▪ Project Manager/Contract Administrator and Design Services Consultant are engaged ▪ Head Contractor tenders have closed. HC contract award expected to occur in late November 2014 	Commence late 2014 Complete mid 2017
Defence Airfield Works at Woomera Aerodrome (SA)	\$4.8	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC 13th February 2014 ▪ Contract award expected on 3 July 2014 	Commence August 2014 Complete early 2015

Battlefield Airlifter Interim facilities project, RAAF Richmond (NSW)	\$6.1	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 26 February 2014 ▪ Medium Works Design and Construct Contract awarded to CC Pines on 20 June 2014 ▪ Construction commenced in October 2014 	Commenced Oct 2014 Complete late 2015
Defence Terrestrial Communications Network Facilities and Infrastructure Project – Preliminary Works (various states)	\$2.2	<ul style="list-style-type: none"> ▪ Medium level project notified to the PWC on 27 February 2014 ▪ Works completed. ▪ Work performed by Telstra Corporation 	Commence May 2014 Completed October 2014
RAAF Base Williamstown – Connection to the Williamstown Waste Water Transfer Scheme (NSW)	\$10.7	<ul style="list-style-type: none"> ▪ Medium level project notified to PWC on 16 April 2013 ▪ Bolte Civil is conducting the works 	Commence July 2014 Complete late 2014
DSTO Human Protection and Performance Division Security and Facilities Upgrade (VIC)	\$41.1	<ul style="list-style-type: none"> ▪ Project approved by the PWC on 15 May 2013 ▪ Cockram is conducting the works 	Commenced June 2014 Complete early 2016
DSTO New Test Facilities at Fishermans Bend (VIC)	\$9.2	<ul style="list-style-type: none"> ▪ Medium level project budget increase notified to PWC on 9 May 14. ▪ Currently out to tender 	Commence late 2014 Complete mid 2016
Graytown Proof and Experimental Establishment Road Upgrade	\$1.89	<ul style="list-style-type: none"> ▪ Minor level project below the PWC threshold, hence not notified to PWC ▪ Hansen Yuncken is conducting the works 	Commence mid 2014 Complete late 2014
DSTO Fishermans Bend, Defence Fuel Installation	\$3.92	<ul style="list-style-type: none"> ▪ Compliance Works NAT0466 ▪ OPEC have been engaged 	Commenced 2013-14 Complete Early 2015
RAAF Amberley & Gallipoli Barracks , Defence Fuel Installation	\$10.47	<ul style="list-style-type: none"> ▪ Compliance Works NAT0518 ▪ F.K Gardener have been engaged 	Commenced 2013-14 Complete Mid 2015
RAAF Townsville, Lavarack Barracks and HMAS Cairns, Defence Fuel Installation, Defence Fuel Installation	\$5.04	<ul style="list-style-type: none"> ▪ Compliance Works NAT 0519 ▪ F.K Gardener have been engaged 	Commenced 2013-14 Complete Early 2015
HMAS Stirling , Defence Fuel Installation	\$5.20	<ul style="list-style-type: none"> ▪ Compliance Works, Bunding NAT0529 ▪ At Tender 	Commence Dec 2014 Complete Mid 2015

HMAS Stirling , Defence Fuel Installation	\$10.56	<ul style="list-style-type: none"> ▪ Compliance Works, Electrical NAT0529 ▪ Yet to be Tendered 	Commence late 2014 Complete Mid 2015
Harold E Holt, Defence Fuel Installation	\$3.63	<ul style="list-style-type: none"> ▪ Compliance Works NAT0536 ▪ Being directly managed through DMO 	Commence 2013-13 Complete End 2014
RAAF Tindal , Defence Fuel Installation	\$3.60	<ul style="list-style-type: none"> ▪ Compliance Works NAT0538 ▪ F.K Gardener have been engaged 	Commence 2013-14 Complete End 2014
HMAS Coonawarra, Robertson Barracks , & Stokes Hill , Defence Fuel Installation	\$5.57	<ul style="list-style-type: none"> ▪ Compliance Works NAT0539 ▪ Yet to go to tender 	Commence Late 14 Complete Mid 2015
HMAS Coonawarra, RAAF Darwin, Defence Fuel Installation	\$3.80	<ul style="list-style-type: none"> ▪ Compliance Works NAT0544 ▪ Yet to tender 	Commence Late 14 Complete Mid 2015
Northern NSW General Building Defence Fuel Installation	\$4.18	<ul style="list-style-type: none"> ▪ Compliance Works NAT0545 ▪ Three packages OPEC have been engaged for package 1 and the remaining two packages are at Tender 	Commence Jul 14 Complete Mid 2015
Northern NSW Wharfs Sydney Harbour Defence Fuel Installation Fuel farm Works	\$10.77	<ul style="list-style-type: none"> ▪ Compliance Works NAT0545 ▪ At Tender 	Commence Late 2014 Complete Mid 2015
Northern NSW Defence Fuel Installation	\$6.82	<ul style="list-style-type: none"> ▪ Compliance Works NAT0545 ▪ At Tender 	Commence Late 2014 Complete Mid 2015
SA Defence Fuel Installation	\$2.49	<ul style="list-style-type: none"> ▪ Compliance Works NAT0520 ▪ Three packages all tenderers have been engaged. Synertec and McMahons 	Commence May 2014 Complete End 2014
RAAF Learmonth Defence Fuel Installation	\$11.25	<ul style="list-style-type: none"> ▪ Compliance Works NAT0602 ▪ Tender being prepared 	Commence Early 2015 Complete End 2015
Hydrant Line Remediation National	\$6.16	<ul style="list-style-type: none"> ▪ Compliance Works NAT0520 ▪ Tender being prepared 	Commence Early 2015 Complete End 2015
Abandoned Tanks Remediation	\$6.76	<ul style="list-style-type: none"> ▪ Compliance Works NAT0619 ▪ Tender being prepared 	Commence Early 2015 Complete End 2015
Preston Point Wharf Upgrade	\$8.75	<ul style="list-style-type: none"> ▪ Upgrade for Special Forces NAT0384 ▪ At Tender 	Commence Early 2013 Complete Mid 2015

ESD National Program	\$11.0	<ul style="list-style-type: none"> ▪ Sustainable Development NAT0413 ▪ (No individual sub project over \$2.0m) 	Commence Early 2013 Complete Mid 2015
RCD National Program	\$17.16	<ul style="list-style-type: none"> ▪ Compliance Electrical Works NAT0422 ▪ (No individual sub project over \$2.0m) 	Commence Mid 2012 Complete Mid 2015
RAAF Pearce Paint Shop	\$3.20	<ul style="list-style-type: none"> ▪ Upgrade/Remediation to existing paint shop NAT0426 ▪ Tender being prepared 	Commence Early 2013 Complete Mid 2015
The Springs' SWBTA Acquisition Works	\$3.72	<ul style="list-style-type: none"> ▪ Upgrade of Civil Works NAT0491 ▪ CC Pines have been engaged 	Commence Mid 2013 Complete End 2014
Cultana and Murray Bridge Infrastructure Repairs	\$3.14	<ul style="list-style-type: none"> ▪ Upgrade of Training Ranges NAT0558 ▪ St Hilliers have been engaged 	Commence Mid 2014 Complete Mid 2015
Hazardous Areas Identification Survey	\$8.73	<ul style="list-style-type: none"> ▪ Compliance Works NAT0501 ▪ (No individual sub project over \$2.0m) 	Commence Mid 2013 Complete Mid 2015
Building 550 Upgrade RAAF EDN	\$3.16	<ul style="list-style-type: none"> ▪ Upgrade of SCIF at RAAF Edinburgh NAT0542 ▪ Currently at Tender 	Commence End 2013 Complete Mid 2015
Angalarri Crossing	\$4.35	<ul style="list-style-type: none"> ▪ Remediation of Civil Works ▪ Sitzler have been engaged 	Commence End 2013 Complete Mid 2015
National Cadets Modular Upgrade Program	\$3.63	<ul style="list-style-type: none"> ▪ Upgrade of Cadets Infrastructure NAT0548 ▪ (No individual sub project over \$2.0m) 	Commence Mid 2014 Complete Mid 2015
NNSW Wharf Remediation Works	\$11.60	<ul style="list-style-type: none"> ▪ Upgrade & Compliance for Navy NAT0551 ▪ Tender being Prepared 	Commence Mid 2014 Complete End 2015
Puckapunyal/Graytown Civil Remediation Project	\$9.87	<ul style="list-style-type: none"> ▪ Upgrade for Army NAT0552 ▪ 1 Package to St Hilliers (\$5.36), Tender being prepared for difference 	Commence Mid 2014 Complete 2015
Shoal Bay Receiving Station	\$4.62	<ul style="list-style-type: none"> ▪ Upgrade for ASD NAT0553 ▪ Currently at Tender 	Commence Late 2013 Complete Mid 2015
Building 66 and Ration Store HVAC Replacement RAAF Base Darwin	\$3.08	<ul style="list-style-type: none"> ▪ Upgrade for Air Force NAT0554 ▪ Currently at Tender 	Commence Late 2013 Complete Mid 2015
RAAF Wagga & Kapooka HV Replacement	\$9.69	<ul style="list-style-type: none"> ▪ Upgrade for Air Force NAT0561 ▪ Currently at Tender 	Commence Mid 2014 Complete Mid 2015

Orchard Hills Electrical Mains, Switchboard, HV Cabling, UPS & AHU's	\$4.60	<ul style="list-style-type: none"> ▪ Upgrade for JLC NAT0577 ▪ Tender imminent 	Commence Mid 2014 Complete Mid 2015
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*Inclusive of GST

Note for projects Identified under Project Status with a Project Number (NAT ****) the process to identify who would conduct these works is through open tender using the AusTender process.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 111 - Wine Coolers / Fridges

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency purchased or leased any new wine coolers, or wine fridges or other devices for the purpose of housing alcohol beverages, including Eskies?

- (1) If so, list these
- (2) If so, list the total cost for these items
- (3) If so, list the itemised cost for each item of expenditure
- (4) If so, where were these purchased
- (5) If so, list the process for identifying how they would be purchased
- (6) If so, what is the current location for these items?
- (7) If so, what is the current stocking level for each of these items?

Response:

(1) to (7) These questions have been previously answered under Question on Notice No. 136 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 112 - Office Plants

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency purchased or leased any office plants?

- (1) If so, list these
- (2) If so, list the total cost for these items
- (3) If so, list the itemised cost for each item of expenditure
- (4) If so, where were these purchased
- (5) If so, list the process for identifying how they would be purchased
- (6) If so, what is the current location for these items?

Response:

(1) to (6) These questions have been previously answered under Question on Notice No. 137 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 113 - Office recreation facilities

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency purchased or leased or constructed any office recreation facilities, activities or games (including but not limited to pool tables, table tennis tables or others)?

- (1) If so, list these
- (2) If so, list the total cost for these items
- (3) If so, list the itemised cost for each item of expenditure
- (4) If so, where were these purchased
- (5) If so, list the process for identifying how they would be purchased
- (6) If so, what is the current location for these items?
- (7) If so, what is the current usage for each of these items?

Response:

(1) to (7) These questions have been previously answered under Question on Notice No. 113 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 114 - Vending Machines

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency purchased or leased or taken under contract any vending machine facilities?

- (1) If so, list these
- (2) If so, list the total cost for these items
- (3) If so, list the itemised cost for each item of expenditure
- (4) If so, where were these purchased
- (5) If so, list the process for identifying how they would be purchased
- (6) If so, what is the current location for these items?
- (7) If so, what is the current usage for each of these items?

Response:

This question has been previously answered under Question on Notice No. 130 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 115 - Legal Costs

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) List all legal costs incurred by the department or agency
- (2) List the total cost for these items, broken down by source of legal advice, hours retained or taken to prepare the advice and the level of counsel used in preparing the advice, whether the advice was internal or external
- (3) List cost spend briefing Counsel, broken down by hours spent briefing, whether it was direct or indirect briefing, the gender ratio of Counsel, how each Counsel was engaged (departmental, ministerial)
- (4) How was each piece of advice procured? Detail the method of identifying legal advice.

Response:

(1) and (2) The Department of Defence's legal expenditure (GST Exclusive) for the period 3 June 2014 to 22 October 2014 was \$26,071,791.27, broken down as follows:

- Internal Expenditure \$18,019,169.95
- External Expenditure \$8,052,621.32

The Defence Materiel Organisation's legal expenditure (rounded to the nearest \$'000) for the same period was \$6,749,000, broken down as follows:

- Internal Expenditure \$1,531,000
- External Expenditure \$5,218,000

Internal legal expenditure cannot be broken down into the categories requested due to the configuration of Defence systems. Likewise, to break down external expenditure to the degree requested would require an excessive diversion of resources. Therefore the response has been provided in the format approved for the Office of Legal Services Coordination annual Certificate of Compliance under the Legal Services Direction, which Defence's systems have been configured to support.

External expenditure by the Department of Defence, broken down by service provider, was as follows:

Attorney General's Department	\$700.00
Ashurst	\$651,779.83
Australian Government Solicitor	\$1,649,413.94
Clayton Utz	\$2,197,184.92

Coors Chambers Westgarth	\$16,209.50
Cridlands MB	\$709.84
DLA Piper	\$587,759.16
DFAT	\$948.27
Henry Davis York	\$180,593.04
HWL Ebsworth	\$68,015.46
K and L Gates	\$29,602.80
Kelly Hazell Quill Lawyers	\$11,657.00
King Wood Mallesons	\$7,033.60
Lander and Rogers	\$11,650.50
Maddocks	\$50,655.91
McInnes Wilson Lawyers	\$5,454.51
Meyer Vandenberg Lawyers	\$28,030.46
Minter Ellison	\$560,525.46
Moray and Agnew	\$61,805.00
Norton Rose Fullbright	\$175,476.22
Proximity Legal	\$120,312.00
R Kenzie QC	\$88,345.00
Roberts Nehmer McKee Lawyers	\$3,150.00
Sparke Helmore	\$405,732.74
TressCox Lawyers	\$6,360.00
Disbursements – total value excluding counsel	\$513,886.84

External expenditure (rounded to the nearest \$'000) by the Defence Materiel Organisation, broken down by service provider, was as follows:

Ashurst	\$1,316,000
Australian Government Solicitor	\$340,000
Clayton Utz	\$1,329,000
DLA Piper	\$871,000
Minter Ellison	\$325,000
Proximity Legal	\$206,000
Sparke Helmore	\$831,000

(3) The Department of Defence's expenditure on Counsel (GST Exclusive) for the period 3 June 2014 to 22 October 2014 was \$619,629.32. This figure is included in the total external legal expenditure reported in part (1). There was no Defence Materiel Organisation expenditure on Counsel for the same period.

To break this figure down by hours spent briefing would require an unreasonable diversion of resources. For Counsel paid in this period, none were briefed directly and five were briefed indirectly. Payments totalling \$9,786.75 were made to two female counsel and payments totalling \$609,842.57 were made to 12 male counsel. All

counsel were engaged through the process detailed under Question on Notice No. 128 from Budget Estimates of 2 and 3 June 2014.

(4) This question has been previously answered under Question on Notice No. 128 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 116 - Lobbyist Register Meetings

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) List all interactions between the department/agency with any representative listed on the lobbyist register
- (2) List the participants in the meeting, the topic of the discussion, who arranged or requested the meeting, the location of the meeting
- (3) List all interactions between the Minister/parliamentary Secretary and/or their offices with any representative listed on the lobbyist register during the specified period. List the participants in the meeting, the topic of the discussion, who arranged or requested the meeting, the location of the meeting.

Response:

(1) to (3) These questions have been previously answered under Question on Notice No.103 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 117 - Provision of equipment - departmental

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Has electronic equipment (such as ipad, laptop, wireless card, vasco token, blackberry, mobile phone (list type if relevant), thumb drive, video cameras) been provided by the department/agency to departmental staff? If yes provide a list of:
- (2) What has been provided?
- (3) The purchase cost.
- (4) The ongoing cost.
- (5) A list of any accessories provided for the equipment and the cost of those accessories. (e.g. iPad keyboards, laptop carry bags, additional chargers etc).
- (6) A breakdown of what staff and staff classification receives each item.

Response:

(1) to (6) These questions have been previously answered under Question on Notice No. 138 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 118 - Ministerial staff turnover

Senator Ludwig provided in writing:

- (1) List the current staffing allocation for each Minister and Parliamentary Secretary
- (2) For each Minister or Parliamentary Secretary list the number of staff recruited, broken down by their staffing classification
- (3) For each Minister or Parliamentary Secretary list the number of staff that have resigned, broken down by their staffing classification
- (4) For each Minister or Parliamentary Secretary list the number of staff that have been terminated, broken down by their staffing classification
- (5) For each Ministerial staff position, please provide a table of how many individual people have been engaged against each position since the swearing in of the Abbott Government, broken down by employing member and the dates of their employment

Response:

(1) to (5) The Department of Finance will provide a response to this question on behalf of all portfolios.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 119 - Unallocated Equipment

Senator Ludwig provided in writing:

- (1) Please detail how much electrical equipment, phones and computers the department/agency has in storage or unallocated to staff
- (2) Please detail the purchase, storage and ongoing costs associated with equipment, phones and computers in storage or unallocated.

Response:

- (1) Chief Information Officer Group (CIOG) within Defence is responsible for approximately 60,000 Defence ICT assets currently held in storage. It includes equipment bought for major projects yet to be fully rolled out, and equipment purchased as part of a replacement pool to be used when network equipment fails or needs to be replaced. The number includes major equipment such as desktop computers, monitors, office machines, servers and routers, but also small peripherals such as keyboards, mice, USBs and data cards. Defence purchases equipment in bulk through Whole of Government panels, and subsequently the amount of equipment in store across Australia awaiting installation can vary significantly depending on the timing of the reporting.
- (2) This question has been previously answered under Question on Notice No. 155 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 120 - Communications staff

Senator Ludwig provided in writing:

For all departments and agencies, please provide – in relation to all public relations, communications and media staff – the following:

- (1) How many ongoing staff, the classification, the type of work they undertake and their location.
- (2) How many non-ongoing staff, their classification, type of work they undertake and their location
- (3) How many contractors, their classification, type of work they undertake and their location
- (4) How many are graphic designers?
- (5) How many are media managers?
- (6) How many organise events?

Response:

(1) to (6) These questions have been previously answered under Question on Notice No. 142 from Budget Estimates of 2 and 3 June 2014. There has been no substantial change to that response.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 121 - Red tape reduction

Senator Ludwig provided in writing:

- (1) Please detail what structures, officials, offices, units, taskforce or other processes has the department dedicated to meeting the government's red tape reduction targets?
- (2) What is the progress of that red tape reduction target?
- (3) How many officers have been placed in those units and at what level?
- (4) How have they been recruited?
- (5) What process was used for their appointment?
- (6) What is the total cost of this unit?
- (7) What is the estimated total salary cost of the officers assigned to the unit?
- (8) Do members of the unit have access to cabinet documents?
- (9) Please list the security classification and date the classification was issued for each officer, broken down by APS or SES level, in the red tape reduction unit or similar body.
- (10) What is the formal name given to this unit/taskforce/team/workgroup or agency within the department?

Response:

(1) and (3) Defence has established a Deregulation unit which consists of three team members (1 x Senior Executive Service Band 1, 1 x Executive Level 2 and 1 x Executive Level 1 – part time). This team is supported by a Defence Deregulation Action Network (DAN), which consists of one representative from each of the Groups and Services within Defence. The DAN coordinates input to the Deregulation unit and meets on an as required basis.

(2) The Department of Defence has reported to the Department of Prime Minister and Cabinet savings totalling \$3.8 million up to 30 September 2014.

(4) to (7), (8) and (10) These questions have been previously answered under Question on Notice No. 145 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

- (9) SES Band 1 – Negative Vetting Level 1 (2009)
EL2 – Negative Vetting Level 1 (2012)
EL1 – Negative Vetting Level 1 (2006)

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 122 - Land costs

Senator Ludwig provided in writing:

- (1) How much land (if any) does the Department or agencies or authorities or Government corporation within each portfolio own or lease?
- (2) Please list by each individual land holding, the size of the piece of land, the location of that piece of land and the latest valuation of that piece of land, where that land is owned or leased by the Department, or agency or authority or Government Corporation within that portfolio? (In regards to this question please ignore land upon which Australian Defence force bases are located. Non Defence Force base land is to be included).
- (3) List the current assets, items or purse (buildings, facilities or other) on the land identified above.
 - (a) What is the current occupancy level and occupant of the items identified in (3)?
 - (b) What is the value of the items identified in (3)?
 - (c) What contractual or other arrangements are in place for the items identified in (3)?
- (4) How many buildings (if any) does the Department or agencies or authorities or Government Corporation within each portfolio own or lease?
- (5) Please list by each building owned, its name, the size of the building in terms of square metres, the location of that of that building and the latest valuation of that building, where that building is owned by the Department, or agency or authority or Government corporation within that portfolio? (In regards to this question please ignore buildings that are situated on Australian Defence force bases. Non Defence Force base buildings are to be included).
- (6) In regards to any building identified in Q4, please also detail, the occupancy rate as expressed as a percentage of the building size. If occupancy is identified as less than 100%, for what is the remaining space used?

Response:

- (1) and (5) These questions have been previously answered under Question on Notice No. 157 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (2) Please see Attachment A. The valuation of leased land is not known.
- (3) This question has been previously answered under Question on Notice No. 157 from Budget Estimates of 2 and 3 June 2014. This response remains extant, except that Attachment B has been updated.
- (4) This question has been answered under part (2) of Question on Notice No. 101 from Supplementary Budget Estimates of 22 October 2014.

(6) Please see Attachment C. Defence has based its office accommodation occupancy data on the September 2014 Australian Government Property Data Collection. The data is collected for building office accommodation which is greater than 500m². Occupancy data is not provided for building office accommodation that is less than 500m², or otherwise exempt from reporting. An occupancy rate is not applicable to leases other than office accommodation and residential purposes.

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
1	24 - 28 Fairbairn Avenue	Canberra Airport	ACT	-	Leased	-
2	Canberra Airport Airport Cabling Licence	Canberra Airport	ACT	-	Leased	-
3	Naval Wharf Facilities, Bindijine Beach Beecroft Pen.	Jervis Bay	ACT	72	Leased	-
4	HMAS Creswell Seabed Land Below Mhwm	Jervis Bay	ACT	2,570	Leased	-
5	141 Flemington Road	Mitchell	ACT	-	Leased	-
6	Brindabella Range	Mt Ginini	ACT	2,323	Leased	-
7	Air Force Cadet (412 Sqn) Cnr Dalton Place & Avalon Street	Albury Airport	NSW	2,391	Leased	-
8	Off Sport UNE Drive University of New England	Armidale	NSW	8,620	Leased	-
9	HMAS Penguin, Middle Head Road	Balmoral	NSW	4,490	Leased	-
10	Bathurst Regional Airport Melrose Drive	Bathurst	NSW	1,115	Leased	-
11	1-3 Windsock Way Bathurst Airport	Bathurst	NSW	3,221	Leased	-
12	Botany Road & Hill Street	Botany	NSW	1,840	Leased	-
13	Site 754, Camden Airport	Camden	NSW	-	Leased	-
14	Site 754, Camden Airport	Camden	NSW	2,991	Leased	-
15	Part Coffs Jetty, Foreshore Reserve	Coffs Harbour	NSW	2,480	Leased	-
16	119 Fitzroy Street	Cowra	NSW	1,214	Leased	-
17	Rifle Range, Orara West State Forest No 535	Dairyville	NSW	56,000	Leased	-
18	Spectacle Island	Drummoyne	NSW	-	Leased	-
19	Spectacle Island	Drummoyne	NSW	1,313	Leased	-
20	Off St George's Crecent	Drummoyne	NSW	-	Leased	-
21	Spectacle Island	Drummoyne	NSW	-	Leased	-
22	Part of the Seabed Twofold Bay	Eden	NSW	-	Leased	-
23	Bombing & Gunnery Range	Evans Head	NSW	5,010,000	Leased	-
24	Rifle & Bombing Ranges	Evans Head	NSW	-	Leased	-
25	Port Jackson Sydney (HMAS Kattabul)	Garden Island	NSW	43,434	Leased	-
26	Chowder Bay Road	Georges Heights	NSW	690	Leased	-
27	Ts Hawkesbury, Point Clare	Gosford	NSW	715	Leased	-
28	Theodolite Site	Hyams Beach	NSW	222	Leased	-
29	Repeater Station Site	Kings Tableland	NSW	-	Leased	-
30	Northcliff Drive	Lake Illawarra	NSW	656	Leased	-
31	Northcliff Drive	Lake Illawarra	NSW	-	Leased	-
32	Parachute Dropping Zone	Londonderry	NSW	2,510,000	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
33	Newnes State Forest No748	Marrangaroo	NSW	1,260,000	Leased	-
34	Buckingbong State Forest No156	Morundah	NSW	-	Leased	-
35	Mount Heaton Repeater Stationsite, Freemans Hole Road	Mount Heaton	NSW	1	Leased	-
36	Brunkerville Freeman's Road	Mount Heaton	NSW	35	Leased	-
37	Obstruction Lights - Mt Jerrabomberra	Mount Jerrabomberra	NSW	1,212	Leased	-
38	Licence over Roadway	Mulwala	NSW	117,374	Leased	-
39	Yarrowonga to Oaklands Rail Line	Mulwala	NSW	-	Leased	-
40	Army Base	Myambat	NSW	210	Leased	-
41	HMAS Platypus Adderson Ave	Neutral Bay	NSW	-	Leased	-
42	HMAS Platypus Adderson Ave	Neutral Bay	NSW	3,385	Leased	-
43	180 Hanckel Rd	Oakville	NSW	15	Leased	-
44	Repeater Station Site	Point Lookout	NSW	-	Leased	-
45	Raymond Terrace Instrument Landing Site	Raymond Terrace	NSW	100	Leased	-
46	TS Culgoa	South West Rocks	NSW	-	Leased	-
47	Building Lot 23, Tamworth Airport	Tamworth	NSW	664	Leased	-
48	Parade Ground, Tamworth Airport	Tamworth	NSW	641	Leased	-
49	ILS Site, Comerong Island Road	Terara	NSW	100	Leased	-
50	Naval Reserve T S Vampire Dry Rock Road TS Vampire Dry	Terranora	NSW	2,800	Leased	-
51	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	-	Leased	-
52	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	-	Leased	-
53	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	-	Leased	-
54	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	-	Leased	-
55	Kapooka Enclosure Permit 56136	Wagga Wagga	NSW	-	Leased	-
56	Kapooka Enclosure Permit 56690	Wagga Wagga	NSW	-	Leased	-
57	Cliff Street	Watsons Bay	NSW	-	Leased	-
58	Shark Island Shark Point	Watsons Bay	NSW	-	Leased	-
59	HMAS Waterhen-Naval Base Land, Balls Head	Waverton	NSW	9,913	Leased	-
60	HMAS Waterhen-Naval Base Land, Balls Head	Waverton	NSW	31,700	Leased	-
61	Parachute Dropping Zone	Williamstown	NSW	172,400	Leased	-
62	Parachute Dropping Zone	Williamstown	NSW	2,674,000	Leased	-
63	Franki Ave & Margaret Street	Woolwich	NSW	8	Leased	-
64	Pt. Lot 3939, Airport	Alice Springs	NT	11,500	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
65	Lot 2423 Butler Road	Alice Springs	NT	7,423,000	Leased	-
66	Norforce Depot, Town Gymnasium	Bathurst Island	NT	150	Leased	-
67	Point Fawcett Bathurst Island	Bathurst Island	NT	179,300	Leased	-
68	Lot 820 (A), Norforce Depot Garawa Street	Borroloola	NT	13,000	Leased	-
69	Air Traffic Control Building, Darwin Airport	Darwin	NT	6,307	Leased	-
70	Lot 7248 Waterfront Precinct	Darwin	NT	-	Leased	-
71	Delamere Range Facility Buntine Highway	Delamere	NT	-	Leased	-
72	Part Lot 141, Kooringa Street	Elliott	NT	9,000	Leased	-
73	Lot 16, Road Two Alyangula	Groote Eylandt	NT	1,000	Leased	-
74	Jorn Site	Groote Eylandt	NT	898,700	Leased	-
75	Ntp 4409 (A) Pt Ntp 4391	Katherine	NT	100	Leased	-
76	NT Portion 1637, Port Keats Radar Site	Mount Goodwin	NT	56,000	Leased	-
77	Lot 1450 Arnhem Road	Nhulunbuy	NT	19,700	Leased	-
78	Jorn Site	Nhulunbuy	NT	28,655	Leased	-
79	10 Tilston Avenue	Palmerston	NT	732	Leased	-
80	Close Training Area, Thorngate Road	Palmerston	NT	9,738,232	Leased	-
81	Close Training Area, Thorngate Road	Palmerston	NT	1,942,500	Leased	-
82	Lot 495	Port Keats	NT	2,500	Leased	-
83	Lease 2078, Bradshaw Station	Timber Creek	NT	8,710,000	Leased	-
84	Mayat Aboriginal Land Trust, Victoria Highway	Timber Creek	NT	8,142	Leased	-
85	Air Training Corps Depot, Archerfield Airport	Archerfield	QLD	2,137	Leased	-
86	Rifle Range	Atherton	QLD	2,476,764	Leased	-
87	Lot 7 On 5053	Bamaga	QLD	43,290	Leased	-
88	Off Hervey Road	Ben Lomond	QLD	2,500	Leased	-
89	Army Reserve Depot, Aradurad Rd & Turpentine St	Blackwater	QLD	7,190	Leased	-
90	Lot 4 on Training Ship 159	Boigu Island	QLD	792	Leased	-
91	Army Wharf Land Apollo Road	Bulimba	QLD	2,600	Leased	-
92	Wills Development Road 51 FNQR Depot	Burketown	QLD	1,012	Leased	-
93	Building 15 General Aviation Bush Pilot Drive	Cairns	QLD	924	Leased	-
94	HMAS Cairns Naval Base Harbour Maintenance Agrmnt (1)	Cairns	QLD	35,749	Leased	-
95	'Swallows Landing' Boat Ramp Smiths Creek	Cairns	QLD	672	Leased	-
96	Access Jetty Trinity Inlet	Cairns	QLD	4,063	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
97	Wharf No. 12 Trinity Inlet	Cairns	QLD	3,780	Leased	-
98	Caloundra Aerodrome 21 Pathfinder Drive Lease K on SP253854	Caloundra West	QLD	4,000	Leased	-
99	Land Warfare Centre	Ganungra	QLD	-	Leased	-
100	Charters Towers Airport 1-13 Macpherson Street	Charters Towers	QLD	5,980	Leased	-
101	Air Training Corps, Browne & Clewley Streets	Corinda	QLD	700	Leased	-
102	Nw Side Of Garbutt RAAF Base, Ingham Road	Garbutt	QLD	1,565,000	Leased	-
103	Ils Site, Huth Road	Glamorganvale	QLD	101	Leased	-
104	Bombing Range	Halifax Bay	QLD	2,678,700	Leased	-
105	Field Training Area, Sharpes Road	Hervey Range	QLD	127,480	Leased	-
106	Part of State Forest, Townsville Field Training Area 4	Hervey Range	QLD	273,000,000	Leased	-
107	Jorn Site	Horn Island	QLD	14,691	Leased	-
108	Army Reserve Depot Park And Ernest Streets	Innisfail	QLD	3,035	Leased	-
109	Lot 19, Chapman Road	Kowanyama	QLD	5,880	Leased	-
110	Gatton Agricultural College	Lawes	QLD	7,655	Leased	-
111	Jetty	Lucinda	QLD	16	Leased	-
112	Lot 456	Magnetic Island	QLD	25	Leased	-
113	Radar Site, Many Peaks	Many Peaks	QLD	642,000	Leased	-
114	Site 5022 Mount Isa Airport Barkley Highway	Mount Isa	QLD	1,315	Leased	-
115	Repeater Station	Mt Glorious	QLD	-	Leased	-
116	14-18 Ryan Road	Mt Isa	QLD	2,302	Leased	-
117	Barkly Highway	Mt Isa	QLD	3,415,668	Leased	-
118	Repeater Station Site	Mt Mowbullan	QLD	-	Leased	-
119	Wyangapinni Road	Mt Parker	QLD	10	Leased	-
120	Mt Stuart Rd, Mt Stuart	Mt Stuart	QLD	100,000	Leased	-
121	Radar Station Site	Mt Tabletop	QLD	1,506	Leased	-
122	Tarrakan House Ogg Road	Murrumba Downs	QLD	50	Leased	-
123	Jorn Site	Normanton	QLD	14,691	Leased	-
124	Lot 5, Kirranth Street	Pormpuraaw	QLD	819	Leased	-
125	2 Cook Sreet - Lot 485	Portsmith	QLD	61,510	Leased	-
126	Explosives Depot Lot 146 Munitions Storage	Queerah	QLD	10,000	Leased	-
127	Explosives Depot Lot 140	Queerah	QLD	-	Leased	-
128	Explosives Depot Lot 151 Swallows Landing	Queerah	QLD	-	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
129	Explosives Depot Lot 146 Access Route	Queerah	QLD	-	Leased	-
130	Air Reserve Training Depot, Nathan Road	Rothwell	QLD	8,802	Leased	-
131	Airport	Rockhampton	QLD	9,000	Leased	-
132	Archer & Huberts Streets	South Townsville	QLD	1,848	Leased	-
133	Naval Berthing Facility	Thursday Island	QLD	749	Leased	-
134	Greenvale Railway Line, Townsville Field Training Area	Townsville	QLD	1,133,510	Leased	-
135	Lot 2 SP105871 & Lot 603 SP251244	Townsville	QLD	7,060	Leased	-
136	Berth 10	Townsville Port	QLD	-	Leased	-
137	Tropical Trials Area Mcnamee & Liverpool Creeks	Tully	QLD	25,900,000	Leased	-
138	Army Tropical Trials Area, Downey Creek	Tully	QLD	33,994,800	Leased	-
139	Army Tropical Trials Area, Jarra Creek	Tully	QLD	5,870,000	Leased	-
140	Rifle Range	Wangetti	QLD	-	Leased	-
141	Lot 1000 Mp37180, Kerr Point Drive	Weipa	QLD	29,230	Leased	-
142	RAAF Base, Scherger	Weipa	QLD	-	Leased	-
143	RAAF Base, Scherger	Weipa	QLD	38,500,000	Leased	-
144	RAAF Base, Scherger	Weipa	QLD	46,040,000	Leased	-
145	2-34 Badgen Road	Wellington Point	QLD	144	Leased	-
146	Gawler Reach	Birkenhead	SA	-	Leased	-
147	Lot 12 Summit Road	Crafers	SA	-	Leased	-
148	Portion Of Sect 123 & 124, Hundred Of Jenkins-Cultana Army	Cultana	SA	-	Leased	-
149	RAAF Base Edinburgh West Avenue	Edinburgh	SA	-	Leased	-
150	South East Gate 9 Purling Ave	Edinburgh	SA	312	Leased	-
151	86-120 Purling Ave	Edinburgh Parks	SA	159,260	Leased	-
152	Pt Sec 86 Boundary Road	Gawler River	SA	100	Leased	-
153	Anzac Highway	Keswick	SA	2,180	Leased	-
154	Lot 201, Dyson Road	Lonsdale	SA	1,072	Leased	-
155	Mount Gambier Airport	Mount Gambier	SA	-	Leased	-
156	O'Halloran Terrace	Mount Gambier	SA	-	Leased	-
157	Section 241 355 Hundred, Woolundunga	Mt Brown	SA	-	Leased	-
158	Sec 323 Hundred Woolundunga	Mt Brown	SA	-	Leased	-
159	Corner Bowhill & Karoonada Road	Murray Bridge	SA	700	Leased	-
160	Murray Bridge Training Area Karoonda Road	Murray Bridge	SA	-	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
161	Pt Lot 305 Heaslip Road	Penfield	SA	100	Leased	-
162	Burgoyne Street	Port Augusta	SA	3,250	Leased	-
163	Hannagan Street	Port Augusta	SA	250	Leased	-
164	Thistle Island	Port Lincoln	SA	-	Leased	-
165	Brougham Place	Port Lincoln	SA	-	Leased	-
166	Fowler Terrace Salt Works	Price	SA	2,105	Leased	-
167	6-12 School Lynton Terrace	Seaford	SA	-	Leased	-
168	Ridge Rd	Summertown	SA	-	Leased	-
169	Lot 8 Commerce Crescent	Victor Harbor	SA	1,100	Leased	-
170	Yaringa MUD Carpark	Whyalla	SA	-	Leased	-
171	Yaringa MUD	Whyalla	SA	-	Leased	-
172	93 Mile Tank Arcoona Station	Woomera	SA	200	Leased	-
173	Kootaberra Station (off Stuart Highway)	Woomera	SA	200	Leased	-
174	Foreshore, Stony Head Military Area	Beechford	TAS	150,000	Leased	-
175	Beechford	Beechford	TAS	1,500	Leased	-
176	82 Cove Hill Rd	Bridgewater	TAS	714	Leased	-
177	Training Area	Buckland	TAS	205,720,000	Leased	-
178	'A' Road	Buckland	TAS	-	Leased	-
179	'A' Road	Buckland	TAS	-	Leased	-
180	Sand River Road	Buckland	TAS	37,600	Leased	-
181	Training Area	Buckland	TAS	1,300	Leased	-
182	Ambleside, River Road	Devonport	TAS	-	Leased	-
183	HMAS Huon, Queens Domain	Hobart	TAS	404	Leased	-
184	HMAS Huon, Queens Domain	Hobart	TAS	6	Leased	-
185	Boat Ramp HMAS Huon	Hobart	TAS	41	Leased	-
186	Lots 1 & 2 Buffer Zone off Shene Road	Pontville	TAS	-	Leased	-
187	Lot 3 Buffer Zone off Merriworth Road	Pontville	TAS	15,128	Leased	-
188	117 Tully Street	St Helens	TAS	538	Leased	-
189	Ulverstone Community Precinct Building Ulverstone Show Ground	West Ulverstone	TAS	-	Leased	-
190	Off Bass Highway	Wivenhoe	TAS	4,450	Leased	-
191	Murray Valley Hwy	Bandiana	VIC	-	Leased	-
192	Rail Line, Murray Valley Highway	Bandiana	VIC	839	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
193	Murray Valley Hwy	Bandiana	VIC	-	Leased	-
194	Murray Valley Hwy	Bandiana	VIC	-	Leased	-
195	Murray Valley Hwy	Bandiana	VIC	-	Leased	-
196	Cnr Arundel & Bridge Streets	Benalla	VIC	389	Leased	-
197	180 McIntosh Road	Bonegilla	VIC	362	Leased	-
198	Cooper Street	Epping	VIC	20,000	Leased	-
199	Cadet Training Facility Robinsons Rd Robinsons Road	Frankston	VIC	1,846	Leased	-
200	54-70 Western Beach Foreshore	Geelong	VIC	682	Leased	-
201	RS 5124 Sturt Highway	Lake Cullulleraine	VIC	798	Leased	-
202	Railway Reserve off Kidbrooke Road	Laverton	VIC	-	Leased	-
203	Railway Reserve off Kidbrooke Road	Laverton	VIC	434	Leased	-
204	Air Force Cadets, Cnr Twelfth St & San Mateo Ave	Mildura	VIC	-	Leased	-
205	Off Airfield Road	Morwell	VIC	1,870	Leased	-
206	Off Northwood Road	Northwood	VIC	105,000	Leased	-
207	East of Milgate Street	Oakleigh	VIC	-	Leased	-
208	Access Road To PWEA, 29 Mile Rd	Point Wilson	VIC	2,085	Leased	-
209	Seabed next to Point Wilson Wharf	Point Wilson	VIC	1,861,556	Leased	-
210	506 Lorimer Street	Port Melbourne	VIC	19	Leased	-
211	Navy Cadets Training Depot Lee Breakwater Road	Portland	VIC	940	Leased	-
212	Reserved Forest off Heathcote-Nagambie	Puckapunyal	VIC	545,910	Leased	-
213	124-126 Cunninghame Street	Sale	VIC	-	Leased	-
214	SES Site, Sloane Street	Stawell	VIC	-	Leased	-
215	Murray Valley Hwy	Tallangatta Rail	VIC	-	Leased	-
216	146 Nelson Place (Boatshed, Slipway & Jetty)	Williamstown	VIC	2,037	Leased	-
217	60 Nelson Place	Williamstown	VIC	3,735	Leased	-
218	Reserve 46106 Jorn Site	Broome	WA	-	Leased	-
219	Lot 501 Clementson St	Broome	WA	2,709	Leased	-
220	Obstruction Light 3 & Access, Part Lot 8	Bullsbrook	WA	37	Leased	-
221	Cnr Hutton & Coolilup Roads	Capel	WA	1,480,000	Leased	-
222	Ntl Aust Broadcasting Site, Brown Range N-W Coastal Hwy	Carnarvon	WA	14,198	Leased	-
223	Christmas Island Airport	Christmas Island	WA	-	Leased	-
224	Lot 33, West Island	Cocos (Keeling)	WA	185,000	Leased	-

No.	Land Holding	City	State	Size (m2)	Leased / Owned	Latest Valuation of Land
225	Part Loc 345, West Island	Cocos Island	WA	600	Leased	-
226	Dampier Port	Dampier	WA	-	Leased	-
227	Riverside & Wauhop Roads	East Fremantle	WA	14,255	Leased	-
228	Training Ship 'Perth', Riverside Road	East Fremantle	WA	1,707	Leased	-
229	Lot 5, Bandy Creek Boat Harbour	Esperance	WA	2,000	Leased	-
230	Swan Location 12778 & 12779, Eclipse Hill	Gingin	WA	625	Leased	-
231	Wannamal Road	Gingin	WA	100	Leased	-
232	Brand Highway	Gingin	WA	100	Leased	-
233	124 Quill Way	Henderson	WA	-	Leased	-
234	Cinders Road	Karratha	WA	-	Leased	-
235	Victoria Highway	Kununurra	WA	16,000	Leased	-
236	Air Safety Marker (South), Pt Melbourne Location 3914	Lancelin	WA	-	Leased	-
237	Naval/Army Gunnery Range, Melbourne Location 4229	Lancelin	WA	11,834	Leased	-
238	Reserve No 28058, Kingsway Sporting Complex	Madeley	WA	6,586	Leased	-
239	Bombing Range, Reserve C 425	Muchea	WA	10,090	Leased	-
240	Swan Location 1352, Muchea East Road	Muchea	WA	300	Leased	-
241	Shota Road	Port Hedland	WA	30,000	Leased	-
242	Servetus Street	Swanbourne	WA	18	Leased	-
243	Swan Location 1 Lot 63 Copley Road (Near GNH)	Upper Swan	WA	-	Leased	-
244	Albion Park Rail	Albion Park	NSW	250	Leased	-
245	BA Tower	Mt Dowe	NSW	-	Leased	-
246	Shoalwater Bay Training Area	Rockhampton	QLD	-	Leased	-
247	Cultana - Pastoral Land	Cultana	SA	-	Leased	-
248	Katunga Pastoral Land PE2283	Cultana	SA	122	Leased	-
249	Lincoln Park Pastoral Land PE2366	Cultana	SA	-	Leased	-
250	71-73 Bamford Lane	Townsville	QLD	3,654	Leased	-

No.	Land Holding	Suburb	State	(3) Assets (Buildings, facilities or other)	(3a) Occupancy Level (%)	(3a) Occupant
1	24 - 28 Fairbairn Avenue	Canberra Airport	ACT	Communications duct.	100	DSRG
2	Canberra Airport Cabling Licence	Canberra Airport	ACT	Airside Cable license.	100	DSRG
3	Naval Wharf Facilities, Bindijine Beach Beecroft Pen.	Jervis Bay	ACT	Wharf.	100	Navy
4	HMAS Creswell Seabed Land Below Mhwm	Jervis Bay	ACT	Seabed license.	100	Navy
5	141 Flemington Road	Mitchell	ACT	Carpark.	100	CIOG
6	Brindabella Range	Mt Ginini	ACT	Repeater station.	100	RAAF
7	Air Force Cadet (412 Sqn) Cnr Dalton Place & Avalon Street	Albury Airport	NSW	Training facility.	100	RAAF
8	Off Sport UNE Drive University of New England	Armidale	NSW	Training facility.	100	Army
9	HMAS Penguin, Middle Head Road	Balmoral	NSW	Jetty, berths, slipway.	100	Navy
10	Bathurst Regional Airport Melrose Drive	Bathurst	NSW	Airport facilities.	100	RAAF
11	1-3 Windsock Way Bathurst Airport	Bathurst	NSW	Training facility.	100	RAAF
12	Botany Road & Hill Street	Botany	NSW	Storm water drain.	100	Army
13	Site 754, Camden Airport	Camden	NSW	Airport facilities.	100	RAAF
14	Site 754, Camden Airport	Camden	NSW	Marching license.	100	RAAF
15	Part Coffs Jetty, Foreshore Reserve	Coffs Harbour	NSW	Training facility.	100	Navy
16	119 Fitzroy Street	Cowra	NSW	Training facility.	100	Army
17	Rifle Range, Orara West State Forest No 535	Dairyville	NSW	Rifle range.	100	Army
18	Spectacle Island	Drummoyne	NSW	Wharf.	100	Navy
19	Spectacle Island	Drummoyne	NSW	Submarine pipeline.	100	Navy
20	Off St George's Crescent	Drummoyne	NSW	Jetty.	100	Navy
21	Spectacle Island	Drummoyne	NSW	Watermain.	100	Navy
22	Part of the Seabed Twofold Bay	Eden	NSW	Wharf.	100	Navy
23	Bombing & Gunnery Range	Evans Head	NSW	Bombing range.	100	RAAF
24	Rifle & Bombing Ranges	Evans Head	NSW	Bombing range.	100	RAAF
25	Port Jackson Sydney	Garden Island	NSW	Wharf.	100	Navy
26	Chowder Bay Road	Georges Heights	NSW	Wharf.	100	Navy
27	Ts Hawkesbury, Point Clare	Gosford	NSW	Training facility.	100	Navy
28	Theodolite Site	Hyams Beach	NSW	Theodolite site.	100	Navy
29	Repeater Station Site	Kings Tableland	NSW	Repeater station.	100	RAAF
30	Northcliff Drive	Lake Illawarra	NSW	Training facility.	100	Navy and RAAF
31	Northcliff Drive	Lake Illawarra	NSW	Access road.	100	Navy
32	Parachute Dropping Zone	Londonderry	NSW	Parachute zone.	100	RAAF
33	Newnes State Forest No748	Marrangaroo	NSW	Explosive safety zone.	100	Army
34	Buckingbong State Forest No156	Morundah	NSW	Buffer zone.	100	DMO
35	Mount Heaton Repeater Station site, Freemans Hole Road	Mount Heaton	NSW	Repeater station.	100	RAAF
36	Brunkerville Freeman's Road	Mount Heaton	NSW	Communication facilities.	100	RAAF
37	Obstruction Lights - Mt Jerrabomberra	Mount Jerrabomberra	NSW	Obstruction lights.	100	RAAF
38	Licence over Roadway	Mulwala	NSW	Roadway Access.	100	DMO
39	Yarrowonga to Oaklands Rail Line	Mulwala	NSW	Water pipe.	100	DMO
40	Army Base	Myambat	NSW	Water pipe.	100	Army
41	HMAS Platypus Adderson Ave	Neutral Bay	NSW	Wharf.	100	Navy
42	HMAS Platypus Adderson Ave	Neutral Bay	NSW	Crossing cables.	100	Navy
43	180 Hanckel Rd	Oakville	NSW	Instrument Landing System.	100	RAAF
44	Repeater Station Site	Point Lookout	NSW	Repeater station.	100	RAAF
45	Raymond Terrace Instrument Landing Site	Raymond Terrace	NSW	Instrument Landing System.	100	RAAF
46	TS Culgoa	South West Rocks	NSW	Training facility.	100	Navy
47	Building Lot 23, Tamworth Airport	Tamworth	NSW	Training facility.	100	RAAF
48	Parade Ground, Tamworth Airport	Tamworth	NSW	Parade ground.	100	RAAF
49	ILS Site, Comerong Island Road	Terara	NSW	Instrument Landing System.	100	Navy
50	Naval Reserve T S Vampire Dry Rock Road TS Vampire Dry Rock Road	Terranora	NSW	Parade ground.	100	Navy

No.	Land Holding	Suburb	State	(3) Assets (Buildings, facilities or other)	(3a) Occupancy Level (%)	(3a) Occupant
51	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	Pipeline.	100	RAAF
52	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	Pipeline.	100	RAAF
53	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	Pipeline.	100	RAAF
54	RAAF Aerodrome, Forest Hill	Wagga Wagga	NSW	Pipeline.	100	RAAF
55	Kapooka Enclosure Permit 56136	Wagga Wagga	NSW	Access road.	100	Army
56	Kapooka Enclosure Permit 56690	Wagga Wagga	NSW	Access road.	100	Army
57	Cliff Street	Watsons Bay	NSW	Sub cables.	100	Navy
58	Shark Island Shark Point	Watsons Bay	NSW	Degaussing range.	100	Navy
59	HMAS Waterhen-Naval Base Land, Balls Head	Waverton	NSW	Seabed license.	100	Navy
60	HMAS Waterhen-Naval Base Land, Balls Head	Waverton	NSW	Land.	100	Navy
61	Parachute Dropping Zone	Williamstown	NSW	Parachute drop zone.	100	Army
62	Parachute Dropping Zone	Williamstown	NSW	Parachute drop zone.	100	Army
63	Franki Ave & Margaret Street	Woolwich	NSW	Seabed license.	100	Navy
64	Pt. Lot 3939, Airport	Alice Springs	NT	Airport facilities.	100	JORN
65	Lot 2423 Butler Road	Alice Springs	NT	Shooting complex.	100	Army
66	Norforce Depot, Town Gymnasium	Bathurst Island	NT	Depot site.	100	Army
67	Point Fawcett Bathurst Island	Bathurst Island	NT	Radar facility.	100	RAAF
68	Lot 820 (A), Norforce Depot Garawa Street	Borroloola	NT	Depot site.	100	Army
69	Air Traffic Control Building, Darwin Airport	Darwin	NT	Airport facilities.	100	RAAF
70	Lot 7248 Waterfront Precinct	Darwin	NT	Berthing facility.	100	Navy
71	Delamere Range Facility Buntine Highway	Delamere	NT	Range facility.	100	RAAF
72	Part Lot 141, Kooringa Street	Elliott	NT	ionospheric site.	100	DSTO
73	Lot 16, Road Two Alyangula	Groote Eylandt	NT	Depot site.	100	Army
74	Jorn Site	Groote Eylandt	NT	Radar facility.	100	RAAF
75	Ntp 4409 (A) Pt Ntp 4391	Katherine	NT	Instrument Landing System.	100	RAAF
76	NT Portion 1637, Port Keats Radar Site	Mount Goodwin	NT	Radar facility.	100	RAAF
77	Lot 1450 Arnhem Road	Nhulunbuy	NT	Depot site.	100	Army
78	Jorn Site	Nhulunbuy	NT	Radar facility.	100	RAAF
79	10 Tilston Avenue	Palmerston	NT	Training facility.	100	RAAF
80	Close Training Area, Thorngate Road	Palmerston	NT	Training area.	100	Army
81	Close Training Area, Thorngate Road	Palmerston	NT	Training area.	100	Army
82	Lot 495	Port Keats	NT	Depot site.	100	Army
83	Lease 2078, Bradshaw Station	Timber Creek	NT	Training area.	100	Army
84	Mayat Aboriginal Land Trust, Victoria Highway	Timber Creek	NT	Radar facility.	100	RAAF
85	Air Training Corps Depot, Archerfield Airport	Archerfield	QLD	Training facility.	100	RAAF
86	Rifle Range	Atherton	QLD	Rifle range.	100	Army
87	Lot 7 On 5053	Bamaga	QLD	Training depot.	100	Army
88	Off Hervey Road	Ben Lomond	QLD	Radio tower.	100	Army
89	Army Reserve Depot, Aradurad Rd & Turpentine St	Blackwater	QLD	Depot site.	100	Army
90	Lot 4 on Training Ship 159	Boigu Island	QLD	Training facility.	100	Army
91	Army Wharf Land Apollo Road	Bulimba	QLD	Wharf facilities.	100	Army
92	Wills Development Road 51 FNQR Depot	Burketown	QLD	Storage facilities.	100	Army
93	Building 15 General Aviation Bush Pilot Drive	Cairns	QLD	Airport facilities.	100	RAAF
94	HMAS Cairns Naval Base Harbour Maintenance Agrmnt (1)	Cairns	QLD	Maintenance repair.	100	Navy
95	'Swallows Landing' Boat Ramp Smiths Creek	Cairns	QLD	Boat ramp.	100	Navy
96	Access Jetty Trinity Inlet	Cairns	QLD	Jetty access.	100	Navy
97	Wharf No. 12 Trinity Inlet	Cairns	QLD	Wharf access.	100	Navy
98	Caloundra Aerodrome 21 Pathfinder Drive Lease K on SP253854	Caloundra West	QLD	Training facility.	100	RAAF
99	Land Warfare Centre	Canungra	QLD	Water tower permit.	100	DSRG
100	Charters Towers Airport 1-13 Macpherson Street	Charters Towers	QLD	Training facility.	100	RAAF

No.	Land Holding	Suburb	State	(3) Assets (Buildings, facilities or other)	(3a) Occupancy Level (%)	(3a) Occupant
101	Air Training Corps, Browne & Clewley Streets	Corinda	QLD	Training facility.	100	RAAF
102	Nw Side Of Garbutt RAAF Base, Ingham Road	Garbutt	QLD	Land.	100	RAAF
103	Il's Site, Huth Road	Glamorganvale	QLD	Instrument Landing System.	100	RAAF
104	Bombing Range	Halifax Bay	QLD	Bombing range.	100	RAAF
105	Field Training Area, Sharpes Road	Hervey Range	QLD	Access road.	100	Army
106	Part of State Forest, Townsville Field Training Area 4	Hervey Range	QLD	Training area.	100	Army
107	Jorn Site	Horn Island	QLD	Radar facility.	100	DMO
108	Army Reserve Depot Park And Ernest Streets	Innisfail	QLD	Army reserve depot.	100	Army
109	Lot 19, Chapman Road	Kowanyama	QLD	Depot site.	100	Army
110	Gatton Agricultural College	Lawes	QLD	Training facility.	100	Army
111	Jetty	Lucinda	QLD	Weather station.	100	DSTO
112	Lot 456	Magnetic Island	QLD	Obstruction beacon.	100	RAAF
113	Radar Site, Many Peaks	Many Peaks	QLD	Radar facility.	100	RAAF
114	Site 5022 Mount Isa Airport Barkley Highway	Mount Isa	QLD	Training facility.	100	RAAF
115	Repeater Station	Mt Glorious	QLD	Repeater station.	100	RAAF
116	14-18 Ryan Road	Mt Isa	QLD	Army reserve depot.	100	Army
117	Barkly Highway	Mt Isa	QLD	Rifle range.	100	Army
118	Repeater Station Site	Mt Mowbullian	QLD	Repeater station.	100	RAAF
119	Wyangapinni Road	Mt Parker	QLD	Navigation facilities.	100	Army
120	Mt Stuart Rd, Mt Stuart	Mt Stuart	QLD	Training area.	100	Army
121	Radar Station Site	Mt Tabletop	QLD	Radar facility.	100	RAAF
122	Tarrakan House Ogg Road	Murrumba Downs	QLD	Training facility.	100	Army
123	Jorn Site	Normanton	QLD	Radar facility.	100	DMO
124	Lot 5, Kirranth Street	Pormpuraaw	QLD	Depot site.	100	Army
125	2 Cook Street	Portsmith	QLD	Training facility.	100	Navy
126	Explosives Depot Lot 146 Munitions Storage	Queerah	QLD	Explosives depot.	100	Navy
127	Explosives Depot Lot 140	Queerah	QLD	Road access.	100	Navy
128	Explosives Depot Lot 151 Swallows Landing	Queerah	QLD	Road access.	100	Navy
129	Explosives Depot Lot 146 Access Route	Queerah	QLD	Road access.	100	Navy
130	Air Reserve Training Depot, Nathan Road	Redcliffe	QLD	Training depot.	100	RAAF
131	Airport	Rockhampton	QLD	Airport facilities.	100	RAAF
132	Archer & Huberts Streets	South Townsville	QLD	Training facility.	100	Navy
133	Naval Berthing Facility	Thursday Island	QLD	Berthing facility.	100	Navy
134	Greenvale Railway Line, Townsville Field Training Area	Townsville	QLD	Rail transfer corridor.	100	Army
135	Lot 2 on SP105871 Ross River	Townsville	QLD	Seabed license.	100	Army
136	Berth 10	Townsville Port	QLD	Berthing facility.	100	Army
137	Tropical Trials Area Mcnamee & Liverpool Creeks	Tully	QLD	Training facility.	100	Army
138	Army Tropical Trials Area, Downey Creek	Tully	QLD	Training facility.	100	Army
139	Army Tropical Trials Area, Jarra Creek	Tully	QLD	Training facility.	100	Army
140	Rifle Range	Wangetti	QLD	Rifle range.	100	Army
141	Lot 1000 Mp37180, Kerr Point Drive	Weipa	QLD	Storage depot.	100	Army
142	RAAF Base, Scherger	Weipa	QLD	Land.	100	RAAF
143	RAAF Base, Scherger	Weipa	QLD	Road access.	100	RAAF
144	RAAF Base, Scherger	Weipa	QLD	Buffer zone.	100	RAAF
145	2-34 Badgen Road	Wellington Point	QLD	Training facility.	100	Navy
146	Gawler Reach	Birkenhead	SA	Training facility.	100	Navy
147	Lot 12 Summit Road	Crafers	SA	Antenna site.	100	RAAF
148	Portion Of Sect 123 & 124, Hundred Of Jenkins-Cultana Army	Cultana	SA	Training area.	100	Army
149	RAAF Base Edinburgh West Avenue	Edinburgh	SA	Modular accommodation.	100	RAAF
150	South East Gate 9 Purling Ave	Edinburgh	SA	Emergency exit route.	100	DSTO

No.	Land Holding	Suburb	State	(3) Assets (Buildings, facilities or other)	(3a) Occupancy Level (%)	(3a) Occupant
151	86-120 Purling Ave	Edinburgh Parks	SA	Land access.	100	DSRG
152	Pt Sec 86 Boundary Road	Gawler River	SA	Outer beacon site.	100	RAAF
153	Anzac Highway	Keswick	SA	Service road.	100	DSRG
154	Lot 201, Dyson Road	Lonsdale	SA	Depot site.	100	Army
155	Mount Gambier Airport	Mount Gambier	SA	Training facility.	100	RAAF
156	O'Halloran Terrace	Mount Gambier	SA	Training facility.	100	Navy
157	Section 241 355 Hundred, Woolundunga	Mt Brown	SA	Repeater station.	100	Army
158	Sec 323 Hundred Woolundunga	Mt Brown	SA	Repeater access road.	100	Army
159	Corner Bowhill & Karoonada Road	Murray Bridge	SA	Water pipe.	100	Army
160	Murray Bridge Training Area Karoonda Road	Murray Bridge	SA	Water pipe.	100	DSRG
161	Pt Lot 305 Heaslip Road	Penfield	SA	Middle beacon site.	100	RAAF
162	Burgoyne Street	Port Augusta	SA	Training facility.	100	Navy
163	Hannagan Street	Port Augusta	SA	Training facility.	100	Army
164	Thistle Island	Port Lincoln	SA	Range.	100	Navy
165	Brougham Place	Port Lincoln	SA	Training facility.	100	Navy
166	Fowler Terrace Salt Works	Price	SA	Ratio trail site.	100	DSTO
167	6-12 School Lynton Terrace	Seaford	SA	Training facility.	100	RAAF
168	Ridge Rd	Summertown	SA	Repeater station.	100	RAAF
169	Lot 8 Commerce Crescent	Victor Harbor	SA	Training facility.	100	Army
170	Yaringa MUD Carpark	Whyalla	SA	Carpark.	100	Army
171	Yaringa MUD	Whyalla	SA	Depot site.	100	Army
172	93 Mile Tank Arcoona Station	Woomera	SA	Land.	100	DSRG
173	Kootaberra Station (off Stuart Highway)	Woomera	SA	Land.	100	DSRG
174	Foreshore, Stoney Head Military Area	Beechford	TAS	Training facility.	100	Army
175	Beechford	Beechford	TAS	Roadway Access.	100	Army
176	82 Cove Hill Rd	Bridgewater	TAS	Training facility.	100	Army
177	Training Area	Buckland	TAS	Training area.	100	Army
178	'A' Road	Buckland	TAS	Access road.	100	Army
179	'A' Road	Buckland	TAS	Access road.	100	Army
180	Training Area	Buckland	TAS	Access road.	100	Army
181	Training Area	Buckland	TAS	Training area.	100	Army
182	Ambleside, River Road	Devonport	TAS	Training facility.	100	Navy
183	HMAS Huon, Queens Domain	Hobart	TAS	Boatshed, boat ramp.	100	Navy
184	HMAS Huon, Queens Domain	Hobart	TAS	Storage facilities.	100	Navy
185	Boat Ramp HMAS Huon	Hobart	TAS	Boat ramp.	100	Navy
186	Lots 1 & 2 Buffer Zone	Pontville	TAS	Buffer zone.	100	Army
187	Lot 3 Buffer Zone	Pontville	TAS	Buffer zone.	100	Army
188	117 Tully Street	St Helens	TAS	Training facility.	100	Navy
189	Ulverstone Community Precinct Building Ulverstone Show Ground For a Street	West Ulverstone	TAS	Training facility.	100	Navy
190	Off Bass Highway	Wivenhoe	TAS	Training facility.	100	Navy
191	Murray Valley Hwy	Bandiana	VIC	Sewer pipe.	100	Army
192	Rail Line, Murray Valley Highway	Bandiana	VIC	Water pipe.	100	Army
193	Murray Valley Hwy	Bandiana	VIC	Water pipe.	100	Army
194	Murray Valley Hwy	Bandiana	VIC	Sewer pipe.	100	Army
195	Murray Valley Hwy	Bandiana	VIC	Watermain.	100	Army
196	Cnr Arundel & Bridge Streets	Benalla	VIC	Training facility.	100	RAAF
197	180 McIntosh Road	Bonegilla	VIC	Sewage Pipe.	100	Army
198	Cooper Street	Epping	VIC	Underwater explosives test facility.	100	DSTO
199	Army Cadets Training Depot, Robinsons Rd	Frankston	VIC	Training facility.	100	Army
200	54-70 Western Beach Foreshore	Geelong	VIC	Training facility.	100	Navy

No.	Land Holding	Suburb	State	(3) Assets (Buildings, facilities or other)	(3a) Occupancy Level (%)	(3a) Occupant
201	RS 5124 Sturt Highway	Lake Cullulleraine	VIC	Training facility.	100	Navy
202	Railway Reserve off Kidbrooke Road	Laverton	VIC	Underline drain	100	RAAF
203	Railway Reserve off Kidbrooke Road	Laverton	VIC	Groundwater bores.	100	RAAF
204	Air Force Cadets, Cnr Twelfth St & San Mateo Ave	Mildura	VIC	Training facility.	100	RAAF
205	Off Airfield Road	Morwell	VIC	Training facility.	100	RAAF
206	Off Northwood Road	Northwood	VIC	Road access.	100	Army
207	East of Milgate Street	Oakleigh	VIC	Drain.	100	DSRG
208	Access Road To PWEA, 29 Mile Rd	Point Wilson	VIC	Explosive area.	100	DMO
209	Seabed next to Point Wilson Wharf	Point Wilson	VIC	Explosive area.	100	DMO
210	506 Lorimer Street	Port Melbourne	VIC	Water drain.	100	DSTO
211	Navy Cadets Training Depot Lee Breakwater Road	Portland	VIC	Training Facility.	100	Navy
212	Reserved Forest off Heathcote-Nagambie	Puckapunyal	VIC	Buffer zone.	100	Army
213	124-126 Cunninghame Street	Sale	VIC	Radio mast / equipment.	100	RAAF
214	SES Site, Sloane Street	Stawell	VIC	Training facility.	100	Army
215	Murray Valley Hwy	Tallangatta Rail	VIC	Land.	100	Army
216	146 Nelson Place (Boatshed, Slipway & Jetty)	Williamstown	VIC	Boatshed, slipway, jetty.	100	Navy
217	60 Nelson Place	Williamstown	VIC	Project office.	100	DMO
218	Reserve 46106 Jorn Site	Broome	WA	Radar facility.	100	RAAF
219	Lot 501 Clementson St	Broome	WA	Training facility.	100	Navy
220	Obstruction Light 3 & Access, Part Lot 8	Bullsbrook	WA	Obstruction lights.	100	RAAF
221	Cnr Hutton & Coolilup Roads	Capel	WA	Rifle range.	100	Army
222	Ntl Aust Broadcasting Site, Brown Range N-W Coastal Hwy	Carnarvon	WA	Communications facility.	100	RAAF
223	Christmas Island Airport	Christmas Island	WA	Hangar.	100	Navy
224	Lot 33, West Island	Cocos (Keeling) Island	WA	Communication facilities.	100	RAAF
225	Part Loc 345, West Island	Cocos Island	WA	Demountable building.	100	RAAF
226	Dampier Port	Dampier	WA	Berthing facility.	100	Navy
227	Riverside & Wauhop Roads	East Fremantle	WA	Riverbed, jetty license.	100	Navy
228	Training Ship 'Perth', Riverside Road	East Fremantle	WA	Training facility.	100	Navy
229	Lot 5, Bandy Creek Boat Harbour	Esperance	WA	Training facility.	100	Navy
230	Swan Location 12778 & 12779, Eclipse Hill	Gingin	WA	Radar facility.	100	RAAF
231	Wannamal Road	Gingin	WA	Instrument Landing System.	100	RAAF
232	Brand Highway	Gingin	WA	Instrument Landing System.	100	RAAF
233	124 Quill Way	Henderson	WA	Wharf.	100	Navy
234	Cinders Road	Karratha	WA	Rifle range.	100	Army
235	Victoria Highway	Kununurra	WA	Radar beacon.	100	RAAF
236	Air Safety Marker (South), Pt Melbourne Location 3914	Lancelin	WA	Air safety marker.	100	Navy
237	Naval/Army Gunnery Range, Melbourne Location 4229	Lancelin	WA	Gunnery range.	100	Navy
238	Reserve No 28058, Kingsway Sporting Complex	Madeley	WA	Training facility.	100	RAAF
239	Bombing Range, Reserve C 425	Muchea	WA	Weapons range.	100	RAAF
240	Swan Location 1352, Muchea East Road	Muchea	WA	Antenna site.	100	RAAF
241	Shota Road	Port Hedland	WA	Radar facility.	100	RAAF
242	Servetus Street	Swanbourne	WA	Training depot.	100	Army
243	Swan Location 1 Lot 63 Copley Road (Near GNH)	Upper Swan	WA	Instrument Landing System.	100	RAAF
244	Albion Park Rail	Albion Park	NSW	Training facility.	100	RAAF
245	BA Tower	Mt Dowe	NSW	Radiocommunication & telecommunication	100	RAAF
246	Shoalwater Bay Training Area	Rockhampton	QLD	Training facility	100	Army
247	Cultana - Pastoral Land	Cultana	SA	Land.	100	DMO
248	Katunga Pastoral Land PE2283	Cultana	SA	Land.	100	Army
249	Lincoln Park Pastoral Land PE2366	Cultana	SA	Land.	100	Army
250	71-73 Bamford Lane	Townsville	QLD	Land to construct Child Care Centre	100	Strategies & Policy Grp

No.	Name of Property	Location of the building (city, state).	Leased / Owned	Occupancy Rate (%)	If occupancy is identified as less than 100%, for what is the remaining used
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Commercial Office Buildings

1	15 National Circuit	Barton, ACT	Leased		Exempt from the Australian Government property data collection.
2	Campbell Park	Campbell, ACT	Leased	79.1	Vacant, allowance for churn.
3	13 London Circuit	Canberra, ACT	Leased	87.5	Vacant, allowance for churn.
4	1 Molonglo Drive	Canberra Airport, ACT	Leased	75.5	Vacant, allowance for churn.
5	10 Richmond Avenue	Canberra Airport, ACT	Leased		Exempt from the Australian Government property data collection.
6	18 Brindabella Circuit	Canberra Airport, ACT	Leased	60.7	Vacant, allowance for churn.
7	20 Brindabella Circuit	Canberra Airport, ACT	Leased	100	
8	24 Fairbairn Avenue F2	Canberra Airport, ACT	Leased	76.2	Vacant, allowance for churn.
9	25 Brindabella Circuit	Canberra Airport, ACT	Leased	71.4	Vacant, allowance for churn.
10	26 Brindabella Circuit BP3	Canberra Airport, ACT	Leased	70.2	Vacant, allowance for churn.
11	26 Fairbairn Avenue F3	Canberra Airport, ACT	Leased	75	Vacant, allowance for churn.
12	26 Richmond Avenue F1	Canberra Airport, ACT	Leased		Exempt from the Australian Government property data collection.
13	28 Fairbairn Avenue F4	Canberra Airport, ACT	Leased	67	Vacant, allowance for churn.
14	29 Brindabella Circuit BP29	Canberra Airport, ACT	Leased	85	Vacant, allowance for churn.
15	31 Brindabella Circuit BP31	Canberra Airport, ACT	Leased	83.2	Vacant, allowance for churn.
16	33 Brindabella Circuit BP33	Canberra Airport, ACT	Leased	80.8	Vacant, allowance for churn.
17	35 Brindabella Circuit BP35	Canberra Airport, ACT	Leased	84.7	Vacant, allowance for churn.
18	39 Brindabella Circuit BP9	Canberra Airport, ACT	Leased	71.2	Vacant, allowance for churn.
19	109 Kent Street	Deakin, ACT	Leased	80.1	Vacant, allowance for churn.
20	8 Thesiger Court	Deakin, ACT	Leased	75.5	Vacant, allowance for churn.
21	1.2 Dairy Road	Fyshwick, ACT	Leased	44.6	Vacant, allowance for churn.
22	10 Wyalla Street	Fyshwick, ACT	Leased		Exempt from the Australian Government property data collection.
23	104 Gladstone street	Fyshwick, ACT	Leased		Exempt from the Australian Government property data collection.
24	105 Tennant Street	Fyshwick, ACT	Leased	100	
25	107 Tennant Street	Fyshwick, ACT	Leased		Exempt from the Australian Government property data collection.
26	5 Tennant Street	Fyshwick, ACT	Leased		Exempt from the Australian Government property data collection.
27	Building 5 101 Tennant Street	Fyshwick, ACT	Leased	53.8	Training centre/ min permanent workstations
28	101 Flemington Road	Mitchell, ACT	Leased	90	Vacant, allowance for churn
29	2-6 Felton Street	Mitchell, ACT	Leased		Exempt from the Australian Government property data collection.
30	Anzac Park West	Reid, ACT	Leased	83.4	Vacant, allowance for churn.
31	Level 4 Building R9 Russell Offices Drive	Russell, ACT	Leased		Exempt from the Australian Government property data collection.
32	91 Northbourne Ave	Turner, ACT	Leased	94.2	Vacant, allowance for churn.
33	Kirkpatrick Street	Weston, ACT	Leased		Exempt from the Australian Government property data collection.
34	Hains Building, Princess Ave & Sharp Street	Cooma, NSW	Leased	68.6	Vacant, allowance for churn.
35	34 Lowe Street	Queanbeyan, NSW	Leased	42.2	Vacant, allowance for churn.
36	12 Wormald St	Symonston, ACT	Leased		Vacant, awaiting fitout works
37	Ben Chifley Building, 70 Constitution Ave	Parkes, ACT	Leased		Exempt from the Australian Government property data collection.
38	36 Mitchell Street	Darwin, NT	Leased		Exempt from the Australian Government property data collection.
39	8 McMinn Street	Darwin, NT	Leased	78.1	Vacant, allowance for churn.
40	Lot 6633, 3 Tybell Street	Winnellie, NT	Leased	78.26	Vacant, allowance for churn.
41	6-14 Oxenham Street	Dudley Park, SA	Leased	75.35	Vacant, allowance for churn.

No.	Name of Property	Location of the building (city, state).	Leased / Owned	Occupancy Rate (%)	If occupancy is identified as less than 100%, for what is the remaining used
42	'Cyril Vickery Pavilion', Cnr Station St & Albany Hwy	Cannington, WA	Leased		Exempt from the Australian Government property data collection.
43	Units 1-5, 105 Winton Road	Joondalup, WA	Leased		Exempt from the Australian Government property data collection.
44	85 Chalgrove Avenue	Rockingham, WA	Leased	93.83	Vacant, allowance for churn.
45	Unit 3, 23-25 Chalgrove Avenue	Rockingham, WA	Leased		Exempt from the Australian Government property data collection.
46	28-32 King Street	Raymond Terrace, NSW	Leased		Exempt from the Australian Government property data collection.
47	28-32 King Street	Raymond Terrace, NSW	Leased	75.15	Vacant, allowance for churn.
48	Defence Plaza, 270 Pitt Street	Sydney, NSW	Leased	78.87	Vacant, allowance for churn.
49	Level 1, 2 & 3, 311 High St	Penrith, NSW	Leased	69.33	Vacant, allowance for churn.
50	3 Jensen Street, Manoora	Cairns, QLD	Leased		Exempt from the Australian Government property data collection.
51	Nathan Business Centre, 340 Ross River Road Aitkenvale	Townsville, QLD	Leased		Exempt from the Australian Government property data collection.
52	151-171 Roma Street	Brisbane, QLD	Leased	91.8	Vacant, allowance for churn.
53	71 Osborne Road	Mitchelton, QLD	Leased		Exempt from the Australian Government property data collection.
54	Part Level 2, 55-57 Berry Street	Nowra, NSW	Leased		Exempt from the Australian Government property data collection.
55	Suite 104 76 Morgan St	Wagga Wagga, NSW	Leased		Exempt from the Australian Government property data collection.
56	Hydrographic Office, 8 Station St	Wollongong, NSW	Leased	87.1	Vacant, allowance for churn.
57	Room In Bldg 253,Rmit Uni, Dept Mech.& Manuf.Engineering	Bundoora, VIC	Leased		Exempt from the Australian Government property data collection.
58	Defence Plaza, 661 Bourke St	Melbourne, VIC	Leased	89.4	Vacant, allowance for churn.

Residential

1	Homebush Pmatta Rd & Powell St	Homebush, NSW	Leased	100	
2	Homebush Pmatta Rd & Powell St	Homebush, NSW	Leased	100	
3	North Strathfield 27-29 George St	North Strathfield, NSW	Leased	100	
4	Christmas Island 6 Abbots Nest	Christmas Island, WA	Leased	100	

Buildings (Non Commercial Office)

1	Fyshwick 38 Townsville Street	Fyshwick, ACT	Leased		Not Applicable
2	Canberra Airport SPA Facilities	Canberra Airport, ACT	Leased		Not Applicable
3	Hume 50 Sheppard Street	Hume, ACT	Leased		Not Applicable
4	Majura Mount Majura Rd Radar Station	Majura, ACT	Leased		Not Applicable
5	Mitchell 44-46 Dacre Street	Mitchell, ACT	Leased		Not Applicable
6	Queanbeyan 172/5 Bass Street	Queanbeyan, NSW	Leased		Not Applicable
7	Queanbeyan 2 Barrow Place	Queanbeyan, NSW	Leased		Not Applicable
8	Queanbeyan 171/5 Bass Street	Queanbeyan, NSW	Leased		Not Applicable
9	Ultimo 400 Harris St	Ultimo, NSW	Leased		Not Applicable
10	Alexandria 923-935 Bourke St	Alexandria, NSW	Leased		Not Applicable
11	Brighton Le Sands TS Sirius	Brighton Le Sands, NSW	Leased		Not Applicable
12	Darlington - Syd Uni Reg	Darlington, NSW	Leased		Not Applicable
13	Eveleigh Aust Technology Park	Eveleigh, NSW	Leased		Not Applicable
14	Kensington 677 Day Avenue	Kensington, NSW	Leased		Not Applicable
15	Waterfall Woronora Dam Road	Waterfall, NSW	Leased		Not Applicable
16	Moorebank DNSDC Moorbank Ave	Moorebank, NSW	Leased		Not Applicable
17	Woronora Repeater Station	Waterfall, NSW	Leased		Not Applicable
18	Mt Dowe Repeater Station	Kaputar, NSW	Leased		Not Applicable
19	Port Macquarie Munster Street	Port Macquarie, NSW	Leased		Not Applicable
20	Port Macquarie Munster Street	Port Macquarie, NSW	Leased		Not Applicable

No.	Name of Property	Location of the building (city, state).	Leased / Owned	Occupancy Rate (%)	If occupancy is identified as less than 100%, for what is the remaining used
21	Winnellie 84 Coonawarra Road	Winnellie, NT	Leased		Not Applicable
22	Winnellie 170 Coonawarra Rd	Winnellie, NT	Leased		Not Applicable
23	Cocos Island Unit 4 Lot 184	Cocos Island, WA	Leased		Not Applicable
24	Kalamunda Radar Station	Kalamunda, WA	Leased		Not Applicable
25	Rockingham 10 Savery Way	Rockingham, WA	Leased		Not Applicable
26	Rockingham Dixon Road MUD	Rockingham, WA	Leased		Not Applicable
27	Anduramba Repeater Station	Anduramba, QLD	Leased		Not Applicable
28	Cloncurry Aerodrome	Cloncurry, QLD	Leased		Not Applicable
29	Townsville Port Hubie Taylor	Port of Townsville, QLD	Leased		Not Applicable
30	DSTO Facility Moggil Road CSIRO	Pullenvale, QLD	Leased		Not Applicable
31	DSTO Facility Moggil Road CSIRO	Pullenvale, QLD	Leased		Not Applicable
32	Dandenong 15 Fowler Road	Dandenong, VIC	Leased		Not Applicable
33	Laverton 26 William Angliss Dve	Laverton North, VIC	Leased		Not Applicable
34	Nagambie Part 533 Zanelli Rd	Nagambie, VIC	Leased		Not Applicable

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 123 - Ministerial staff code

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Have there been any identified breaches of the Ministerial Staff Code of Conduct by the Minister, their office or the department?
 - a. If so, list the breaches identified, broken by staffing classification level
 - b. If so, what remedy was put in place to manage the breach? If no remedy has been put in place, why not?
 - c. If so, when was the breach identified? By whom? When was the Minister made aware?
- (2) Can the Minister confirm that all ministerial and electorate officers in their office comply fully with the ministerial staff code of conduct?
 - a. If not, how many staff don't comply, broken down by classification level?
 - b. How long have they worked for the Minister?
- (3) Can you confirm they all complied with the code on the date of their employment?
 - a. If not, on what date did they comply?
- (4) Can you confirm that all disclosures as required by the code were made to the government staffing committee?
 - a. If so, on what date were those disclosure made?
- (5) By position title list the date each staff member was approved by government staff committee
- (6) Can you confirm all staff have divested themselves of any and all relevant shares as of the date of their appointment
- (7) Can you list by number if any staff have been granted exception by the SMOS to remain a director of a company as allowed by the Ministerial Staff Code of Conduct, break down by position level

Response:

- (1) to (7) This question should be directed to the Department of Finance.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 124 - Boards (for Departments or agencies with boards)

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014 for each board in the portfolio or agencies:

- (1) How often has each board met, break down by board name;
- (2) What travel expenses have been incurred;
- (3) What has been the average attendance at board meetings;
- (4) List each member's attendance at meetings;
- (5) How does the board deal with conflict of interest;
- (6) What conflicts of interest have been registered;
- (7) What remuneration has been provided to board members;
- (8) How does the board dismiss board members who do not meet attendance standards?
- (9) Have any requests been made to ministers to dismiss board members?
- (10) Please list board members who have attended less than 51% of meetings
- (11) What have been the catering costs for the board meetings held during this period? Please break down the cost list.

Response:

- (1) – (11) Please see Attachment A.

Attachment A

Since 2 June 2014 Budget Estimates to 22 October 2014 Supplementary Budget Estimates:

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
AAF Company	1	Nil	86%	BRIG Daniel - 1/1 BRIG Nothard - 1/1 Ms Radcliffe - 1/1 WO Ashley - 1/1 WO Wyatt - 1/1 WO Bullman - 1/1 BRIG Pearce - 0/1	Declarations at the beginning of each meeting.	Nil	Nil	Para 24(2)(b) of the AAF Constitution provides the Chief of Army with the authority to remove a director before the end of the director's period of office.	No	BRIG Pearce	Nil catering costs
Air Force Board	1	\$769.05.	100%	AIRMSHL Brown - 1/1 AVM Davies - 1/1 AVM Hupfeld - 1/1 AVM Gordon - 1/1 Ms Skinner - 1/1 Mr Johnson - 1/1	Given the nature of the Board a conflict of interest has not been an issue. Should a conflict of interest arise, it will be managed in accordance with Defence Instruction (General) 25-6 <i>Conflicts of interest and declarations of interests</i> (para 36); where any actual or perceived conflicts of interest are declared, the board member/s would abstain from the item being considered. In the unlikely event that the conflict/s of interest became a recurring issue, CAF could decide to replace the Board member/s. The external Board member's contract includes clauses on disclosing and dealing with any actual or perceived conflicts of interest; these provide for exclusion or removal from matters where a conflict of interest arises.	Nil	\$283.04 per hour for the external Board member, for preparation, meeting attendance and follow-up work.	Not applicable. Low attendance by Board members has not been an issue for the Air Force Board. CAF has the option to replace Board members who do not meet the required standards. The external Board member is on a 12 month contract, under which non-attendance results in non payment and may provide grounds for non-renewal or termination of the contract.	No	N/A	Nil catering costs

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Australian Military Forces Relief Trust Fund	1	Nil	83%	BRIG Daniel - 1/1 LTCOL Santa - 1/1 MAJ Denton - 1/1 WO2 Docherty - 1/1 Mr Tye - 1/1 Mr Heenan - 0/1	Declarations at the beginning of each meeting.	Nil	Nil	The Minister may under section 5(2) of the <i>Services Trust Fund Act 1947</i> may terminate the appointment of any trustee. Accordingly the Board would need to seek Ministerial support to dismiss a board member.	No	Mr Heenan	Nil catering costs
Army & Air Force Canteen Service	3	\$2,078.83	100%	Mr Tregaskis – 3/3 Ms Sinclair - 3/3 Mr Moore - 2/2 Mr McGrow - 3/3 BRIG Finney - 3/3 AIRCDRE Pearson - 3/3	Agenda item at the beginning of the meeting. Each member declares their interest or directorship in other organisations and updates this at the beginning of each meeting	Nil	Paid in accordance with Remuneration Tribunal Determination 2014/03 – Part Time Offices; and Remuneration Tribunal Determination 2013/09 - Principal Executive Office: Band B.	Dismissal of directors is governed by AAFCONS Regulations s10(5)-(7).	No	N/A	Catering costs total: \$513.24 Morning tea including coffee and bottled water \$116.14 Lunchtime sandwiches and cold drinks \$397.10

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Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Australian Strategic Policy Institute	1	\$987	80%	Mr Loosley – 1/1 Prof Yasmeen – 1/1 Prof Jones – 1/1 Mr Jennings – 1/1 Mr Stokes - 0/1	All Council members complete an annual Conflict of Interest (CoI) Declaration. Where a CoI is declared the following will occur: The Council Member will identify and discuss that conflict of interest with the Chair of the ASPI Council; and The Council Member is asked to assist ASPI in the proper management of that conflict of interest as required, including absents themselves during any deliberation by the ASPI Council on the relevant matter, and not taking part in any decision by the ASPI Council on the matter.	Nil	22 August 2014 Meeting (following remuneration determination 2014/03): \$656 for regular Board members and \$820 for Council Chair. Interstate Council Members receive \$25 towards incidentals. All remuneration received by the ASPI Council is set at rates determined by the Remuneration Tribunal.	N/A. There is nothing in ASPI's Council Constitution regarding the process for dismissing Board members who do not meet attendance standards. However, a member may be dismissed at any time following receipt of a written notice from the Chairman or Secretary that the Members have passed a resolution to cancel that Member's membership in the Company. Further, the Minister may at any time by written notice to the Company remove a Director from his or her office.	No	Mr Stokes	Working lunch \$187.50
Defence Housing Australia	2	\$23,157.89	100%	The Hon J Macdonald - 2/2 Ms Holley - 2/2 Mr Howman - 2/2 Ms Walker – 2/2 Ms Williams – 2/2 CDRE McConachie RANR – 2/2 Mr Brady – 2/2 Mr Volker – 1/1 The Hon Arch Bevis -1/1	For the purpose of section 29 of the <i>Public Governance, Performance and Accountability Act 2013</i> and the <i>Public Governance, Performance and Accountability Rule 2014</i> , the DHA Board disclose the nature and extent of material personal interests and how the interest relates to the affairs of DHA.	Nil	Members are remunerated in accordance with the Remuneration Tribunal's Determination 2014/08: <i>Remuneration and Allowances for Holders of Part-Time Public Office</i> .	As the Board does not have the legislative authority to dismiss members, it would need to request the Minister terminate the appointment under s21 of the <i>Defence Housing Australia Act 1987</i> .	No	N/A	\$430 has been spent on catering. Each Board meeting is followed by lunch which is held in the Boardroom and is attended by Directors and senior executives.
RAAF Veterans' Residences Trust	1	Nil	100%	AIRC DRE Tindal (Ret'd) – 1/1 Mr Finkelstein – 1/1 SQNLDR Michelle Oakden – 1/1	Guidance through the <i>Public Governance, Performance and Accountability Act 2013</i> . Trustees role at arm's length from management. Separation of duties.	Nil	Nil	Under s5(6) of the <i>Veterans' Residences Trust Act 1953</i> the Minister may terminate the appointment of a member at any time.	No	N/A	Nil catering costs

UNCLASSIFIED

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
RAAF Welfare Trust Fund	1	Nil	71%	AIRCDRE Russell – 1/1 AIRCDRE Birrer – 1/1 AIRCDRE Thompson – 1/1 WGCDR Wallis – 1/1 FLTLT Frank – 1/1 AIRCDRE Rodgers – 0/1 WOFF-AF Pentreath – 0/1	Board members are not entitled to receive any benefits from the Fund. RWTF Code of Conduct requires Board members to properly manage any conflict of interest and disclose material personal interest and abstain from voting on any issue where a conflict of interest arises.	Nil	Nil	The Minister may under section 5(2) of the <i>Services Trust Fund Act 1947</i> may terminate the appointment of any trustee. Accordingly the Board would need to seek Ministerial support to dismiss a board member.	No	AIRCDRE Rodgers WOFF-AF Pentreath	Nil catering costs
RAAF Welfare Recreational Company	1	Nil	86%	AIRCDRE Elfverson – 1/1 GPCAPT Green – 1/1 WGCDR Gilbert - 1/1 SQNLDR Samin – 1/1 FLTLT Higgs – 1/1 Mr Bruce – 1/1 AIRCDRE Rodgers– 0/1	Declarations at the beginning of each meeting.	Nil	Nil	Para 4.3 of the Constitution of the RAAFWRC states that the Chief of Air Force may remove any director.	No	AIRCDRE Rogers	Nil catering costs
Royal Australian Navy Central Canteens Board	3	Nil	81%	CDRE Murray – 3/3 CAPT Clarke – 3/3 CMDR Blackburn – 3/3 LCDR Rossendell - 3/3 LCDR Hill - 3/3 CAPT Teague – 1/3 WO-N Holzberger – 1/3	Conflict of Interest is a standing agenda item. Directors with a conflict of interest do not take part in the discussion and are required to abstain from voting.	Nil	Nil	The Chief of Navy is requested to dismiss the board member.	No	CAPT Teague WO-N Holzberger	Lunch Approximately \$543.00
Royal Australian Navy Relief Trust Fund	2	Nil	75%	CDRE Wolski – 2/2 CMDR Batchler - 2/2 WO Devlin – 2/2 CMDR Craig – 1/2 CAPT Wittwer -1/2 LCDR Skousgaard – 1/2	Conflict of Interest Declaration is signed by each member. No trustee is able to use the RANRTF products.	Nil	Nil	There has not been an occasion requiring a trustee to be dismissed. The Board will on occasion conduct performance reviews. If this or any other activity were to highlight an issue then the Chair would write to the Minister for Defence via Chief of Navy seeking termination.	No	CAPT Wittwer, CMDR Craig LCDR Skousgaard	Nil catering costs

UNCLASSIFIED

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Rapid, Prototyping, Development and Evaluation (RPDE)	1	\$7,005.45	100%	Dr Stevenson – 1/1 Mr McGuire - 1/1 Mr Breen - 1/1 Ms Lunney - 1/1 Mr Nichols - 1/1 Mr Taylor - 1/1 Mr Freed - 1/1 Mr Medlow - 1/1 Mr Cooper - 1/1 Mr Wainwright - 1/1 Mr Childs - 1/1 Mr Novak - 1/1 Mr Aplin - 1/1 Mr Bewick - 1/1 Mr Nicholson - 1/1 MAJGEN Caligari - 1/1 Mr Shalders - 1/1	In accordance with RPDE Relationship Agreement and the RPDE Standard Operating Procedures December 2013. All Board Members declare any conflict of interest to the Board Chair. Guidelines on Board Meetings are contained in Schedule 3 of the RPDE Relationship Agreement	Nil	Each member of the Board is to claim an amount equal to \$2,185 per day (inc GST). The figure is a labour charge which accords with the RPDE Standing Offer. The rate is only allowed to be claimed when the member attends. The Board is programmed to meet four times a year	The office of a board member immediately becomes vacant if the Board Member (or alternative) fails to attend two consecutive board meetings.	No	N/A	Working lunch \$312.27
Defence Honours and Awards Appeals Tribunal	2	\$14,029.69	94%	Mr Rose - 1/1 Mr Bodzioch - 1/1 Brig Retd Bornholt - 1/1 VADM Retd Chalmers - 1/1 Mr Jones - 1/1 Dr Harte - 2/2 Ms Heazlewood – 2/2 Prof Horner - 2/2 AIRCDRE Retd Lax – 2/2 Mr Woods – 2/2 Ms Higgins - 0/1	Individual Tribunal Members are asked to voluntarily declare potential conflicts of interest to the Chair of the Tribunal. On nominating Tribunal Members for various panels (inquires and reviews), the Chair of the Tribunal is made aware of any potential conflicts of interest. This will influence final decisions on the make up of panels. If a conflict of interest or potential conflict is brought to light during the course of an Inquiry or review the conflicted Tribunal Member is asked to excuse him or herself from the matter at hand.	Nil	Remuneration for Tribunal Members is in accordance with Remuneration Tribunal Determination 2014/08.	The Board does not have the power to dismiss its members. However, the Minister may terminate the appointment of a member in certain circumstances.	No	Ms Higgins	Working lunch \$185.90.

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
DSTO Advisory Board	1	\$928.54	60%	Mr Sargeant – 1/1 Dr Zelinsky - 1/1 Dr Binks - 1/1 Prof Cornish - 1/1 Prof L'Estrange - 1/1 Mr Jenkins – 1/1 Prof Chubb - 0/1 Prof O'Kane -0/1 Prof Harding - 0/1 VADM Griggs - 0/1	Declarations of conflict of interest are raised as a standing item on the agenda.	Nil.	Remuneration is in accordance with Remuneration and Allowances for Holder of Part-Time Public Office.	N/A	No	Prof Chubb Prof O'Kane Prof Harding VADM Griggs	Working lunch \$240
Rizzo Reform Implementation Committee	1	\$1485.70	100%	Mr Rizzo - 1/1 VADM Barrett - 1/1 Mr King - 1/1 Mr Sargeant - 1/1	As per the contract the Chair must disclose immediately to the Commonwealth any activity which constitutes or may constitute a conflict of interest and subsequent exclusion from any activity or event that the Commonwealth determines. (Note: there is nothing in the Terms of Reference or Business Rules for the ex-officio positions - Chief of Navy, CEO DMO and ASCOO). However, any conflicts of interest would be declared in accordance with Defence Policy Defence Instruction (General) PERS 25-6).	Nil	The Chair is on a contract and paid \$20,000 per quarter.	As per the terms of reference, Committee members are expected to arrange their activities in order to be available for scheduled meetings. The Committee would consider individual circumstances case by case.	No	N/A	Nil catering costs

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
The Young Endeavour Advisory Board	4	\$324.72	69%	Mr Baillieu – 4/4 VADM Barrett – 1/1 RADM Mayer – 3/3 (ex-officio representative change) Mr Dixon – 3/4 Ms Daniel – 3/4 Mr Gillis – 3/4 CDRE Geraghty – 3/3 (appointment ended August 2014) Ms Traill – 1/4 Mr Blackmore – 0/4 Mr Moss – 3/4 (and was represented at 1/4) Ms Kuehn – 2/4	Requirement to declare conflicts of interest to the Minister prior to appointment. Subsequently, disclosure and exclusion from discussions if required.	The ex-officio members have declared interests associated with their Defence appointments.	Members are remunerated annually. Remuneration Tribunal Determination 2014/03 Remuneration and Allowances for Holders of Part-time Public Office—Offices Not Specified, Category 1 applies. APS/ADF members are not eligible. Gross fees earned (not yet paid) during the reporting period: Mr Baillieu - \$1,536 Mr Dixon - \$768 Ms Daniel - \$768 Mr Gillis - \$768 Ms Kuehn - \$768 Ms Traill - \$0 Mr Blackmore - \$0 Total - \$4,608	Attendance standards are not specified in the Young Endeavour Advisory Board's Terms of Reference. The Advisory Board considers individual circumstances case by case.	No	Ms Traill Mr Blackmore Ms Kuehn	Nil catering costs
Defence Audit and Risk Committee	3	\$7,892.23	93%	Mr Rizzo– 3/3 Mr Beckett– 2/3 Ms Clark– 3/3 VADM Griggs - 3/3 Mr Sargeant – 3/3	Members provide annual written conflict of interest declarations to the Secretary of Defence. Members must also declare actual or perceived conflicts of interest before each meeting. Details are minuted. Members with a conflict of interest may be excused from relevant deliberations.	A declaration was made of a family member being employed by KPMG.	Chair – \$23,628.90 (ex GST) per quarter Deputy Chair – \$13,132 (ex GST) per quarter Member (External) – \$12,047.50 (ex GST) + 9% superannuation per quarter Internal Defence members attend as part of their official duties.	No board member has been dismissed due to non-attendance. The Committee would consider individual circumstances case by case.	No	N/A	Catering costs total: \$370.70 Meeting 1: Working lunch, \$100.10 (inc GST) Meeting 2: Working lunch, \$135.30 (inc GST) Meeting 3: Working lunch, \$135.30 (inc GST)

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Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Secretary and Chief of the Defence Force Gender Equality Advisory Board	2	Costs did not exceed \$3,000	88%	<p><u>External members:</u> Ms Broderick – 2/2 Mr Stevens – 2/2 Mr Peever – 2/2 Mr Hockridge – 1/2 Ms Fox – 1/2</p> <p><u>Internal members:</u> Chief of the Defence Force – 2/2 Secretary of Defence – 1/2 Deputy Secretary Defence People – 2/2 Gender Adviser to CDF – 2/2 Navy Adviser – 2/2 Army Adviser – 2/2 Air Force Adviser – 2/2</p>	Members provide written declarations of all relevant conflicts of interest to the Secretary and Chief of the Defence Force, including changes to member's employment that could represent a conflict of interest.	Nil	For those private sector members who choose to claim remuneration, they are paid approximately \$5,000 (GST inclusive) per meeting including payment for one preparation day. This is set by Remuneration Tribunal Determinations – Remuneration and Allowances for Holder of Part Time Public Office. Other members do not receive additional remuneration for participation in GEAB meetings.	The Secretary and Chief of the Defence Force may terminate the appointment of a member or the Special Adviser at their discretion.	No	Secretary of Defence Mr Hockridge Ms Fox	Nil catering costs
Woomera Prohibited Area Advisory Board	1	\$6127.75	75%	Mr Loosley - 1/1 Hon Holloway - 1/1 Mr Baxter - 0/1 AIRMSHL Brown - 1/1 Mr Hoffman - 1/1 Ms Mason - 1/1 Dr Heithersay - 0/1 Mr Fletcher -1/1	Members are required to complete Private Interest Declarations.	Ms Mason declared her role in the Department of Finance as having oversight of the Government Business Enterprise, Australian Rail Track Corporation.	The Chair is remunerated using the rates determined by the Remuneration Tribunal. The Deputy Chair's remuneration is 80% of the Chairs Base Fee. The remaining Board members are Ex-Officio members and do not receive separate remuneration.	No board member has been dismissed due to non-attendance. Non-attendance is not referenced in Terms of Reference, however the Business Rules require that a quorum is present. The Board would consider individual circumstances case by case.	No	Mr Baxter Dr Heithersay	Catering costs total: Morning tea and working lunch \$406.80
ACMC Strategic Advisory Panel	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Defence Reserves Support Council	4	CRESO provides travel and accommodation for DRSC meetings - for the two DRSC Executive meetings, the State and Territory meetings and the DRSC National Council meeting - CRESO paid \$28,364.73 in flights, \$5,375.00 in accommodation, \$1,949.94 in taxi fares and \$300.00 in other travel allowances.	2 x DRSC Executive meetings 100% 1 x DRSC State and Territory Chairs Meeting 82% 1 x DRSC National Council 87.5%	Mr Smorgan - 4/4 Mr Blackmore - 4/4 Mr Behm - 4/4 CDRE Morrison - 1/1 MAJGEN Spence - 3/3 Ms Goody - 2/2 Mr Todd - 2/2 Mr Moss - 1/2 Mr Carey - 1/2 Dr Schulz - 1/2 Prof. Lampard - 2/2 Mr Young - 2/2 Mr Borowick - 1/1 Dr Calma - 1/1 Mr Caputo - 1/1 Ms Christopherson - 1/1 Ms Crouch - 1/1 RADM Doolan (ret'd) - 1/1 Mr Fadelli - 1/1 MAJGEN Irving (ret'd) - 1/1 Mr James - 1/1 Mr Nielsen - 1/1 Mr O'Callaghan - 1/1 Mr Overton - 1/1 Ms Sirois - 1/1 LEUT Watkin - 1/1 Mr Beresford-Wylie - 0/1 Ms Bull - 0/1	DRSC Business Rule 12.4. states – 'avoid, and where unavoidable disclose, conflicts of interest.'	Nil	DRSC members when conducting DRSC business are remunerated in accordance with Remuneration Tribunal Determination 2014/08: Remuneration and Allowances for Holders of Part-Time Public Office: DRSC National Chair - \$33,280 pa DRSC Executive Member - \$28,290 pa DRSC State and Territory Chairs - \$512 per day when conducting business of the DRSC DRSC National Council Members - \$385 per day when conducting business of the DRSC	DRSC Executive Members – DRSC Business Rules 6.3. state – 'shall cease to hold office: 6.3.2. if the Minister terminates the appointment, upon being satisfied that the member has failed to discharge his or her duties, or is incapacitated from doing so, or has engaged in conduct unbecoming of a member of the DRSC.' DRSC Senior Member, State and Territory Chairs and DRSC National Council Members – DRSC Business Rules 7.3., 8.3., 9.4. state – 7.3.2., 8.3.2., 9.3.4. – 'if the National Executive terminates the appointment, upon being satisfied that the member has failed to discharge his or her duties, or is incapacitated from doing so, or has engaged in conduct unbecoming of a member of the DRSC.'	No	Mr Beresford Wylie - 0/1 Ms Bull - 0/1 Mr Carey - 1/2 Dr Schulz - 1/2	DRSC Executive Meeting, State and Territory Chairs Meeting, National Council Meeting and formal dinner. Catering costs total: \$10,700 Food and other beverages: \$9,200 Alcohol package: \$1,500

Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Australian Maritime Defence Council	1	\$1487.14	55%	RADM van Balen – 1/1 RADM Noonan - 1/1 Mr Mackinnon - 1/1 CAPT Beard - 1/1 LCDR McMaster - 1/1 Mr Anderson - 1/1 Mr Grebenshikoff - 1/1 Ms Lloyd - 1/1 Mr Manning - 1/1 Mr Crumlin - 1/1 Mr Nairn - 1/1 Ms Kennedy – 1/1 BRIG Ashleigh - 0/1 CAPT Earley - 0/1 CMDR McIntosh - 0/1 Mr Sturgess - 0/1 Mr Parmeter - 0/1 Mr Farmer - 0/1 Mr Marris - 0/1 Ms Taylor - 0/1 Mr Perry - 0/1 Mr Malone - 0/1	The terms of reference do not specify how it deals with conflict of interest. However, noting that the Council is an information exchange forum and not a decision making body, if there were any potential conflicts of interest, they would be dealt with on a case by case basis.	Nil	Nil	The Council does not dismiss members for a lack of attendance. The Chairman would consider writing to members who are continually absent, seeking their wishes with regard to continued membership. This has not occurred to date.	No	BRIG Ashleigh CAPT Earley CMDR McIntosh Mr Sturgess Mr Parmeter Mr Farmer Mr Marris Ms Taylor Mr Perry Mr Malone	Nil catering costs
Defence Families of Australia	1	Approx \$2,500	100%	Mrs Ritchie - 1/1 Ms Morris – 1/1 Ms Sirois – 1/1 Ms Cook – 1/1 Ms Grogan - 1/1 Mr White - 1/1 Ms Penny – 1/1 Ms Bradfield – 1/1 Ms Purton – 1/1 Ms Watch – 1/1 Ms Bennett – 1/1	A National Delegate must not be an employee of Defence, DHA or Toll Transitions or a Defence School Transition Aide or mentor unless the DFA Executive Committee agrees that their nomination will be in the best interests and suitable to the aims of DFA.	Nil	For the period, the Convenor and Delegates were remunerated at a daily rate of \$512 and \$384 respectively. The Convenor has an allocation of 150 days per year. The Delegates are paid for up to one sitting day per month, plus two instances of five days, one for a training week and one for a National Conference, paid at daily rates. The Policy & Communications Officers are paid for 45 days per year and for the period the daily rate was \$384.	The National Convenor manages performance and dismissal under the DFA Operating Guidelines.	No	N/A	Catering costs \$1,900 for 5 days: 5 x working lunches; 5 x morning teas; 4 x afternoon teas

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Board	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11
Defence Industry Innovation Board	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Australian Defence Human Research Ethics Committee	4	\$1497.03 This includes flights, airport transfers, and hire car services for MAJGEN Rosenfeld (Chair)	77.5%	MAJGEN Rosenfeld – 3/4 Dr Ross – 4/4 Mr Roe 2/2 Mr Baker – 2/2 Ms Gagliardi – 2/3 Ms Thorp – 1/2 Dr Bailey – 3/4 Mr Hutchinson – 4/4 Ms Bonython - 4/4 Dr Horsley – 2/2 Mr Cotton – 2/3 Dr Hawes – 0/2 Dr Jaffrey – 2/4 Ms Hogan – 0/2	Members are required to sign a COI declaration upon appointment and then annually. Members are required to declare COIs at the beginning of each meeting at which point the Chair/committee determines whether they should remove themselves from the meeting for the relevant discussion.	Nil conflicts of interest have been registered – please be advised there is no register for this activity.	Not all members are remunerated. Members external to Defence are paid a sitting fee of \$800 for each meeting they attend. They are not eligible for payment for non-attendance.	Appointments are reviewed annually and any concerns regarding non-attendance at meeting are escalated to Commander Joint Health as the sponsor.	Nil	Ms Hogan Ms Thorp Dr Hawes Dr Jaffrey	Catering costs total: \$238.55 Meeting 1: \$81.82 Meeting 2: \$54.54 Meeting 3: \$62.82 Meeting 4: \$39.37

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 125 - Shared resources following MOG changes

Senator Ludwig provided in writing:

- (1) Following the Machinery of Government changes does the department share any goods/services/accommodation with other departments?
- (2) What resources/services does the department share with other departments; are there plans to cease sharing the sharing of these resources/services?
- (3) What were the costs to the department prior to the Machinery of Government changes for these shared resources? What are the estimated costs after the ceasing of shared resource arrangements?

Response:

(1) to (3) These questions have been answered previously under Question on Notice No. 150 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 126 - Departmental Rebranding

Senator Ludwig provided in writing:

Has the department/Agency undergone a name change or any other form of rebranding since Additional Estimates in February, 2014? If so:

- (1) Please detail why this name change / rebrand were considered necessary and a justified use of departmental funds?
- (2) Please provide a copy of any reports that were commissioned to study the benefits and costs associated with the rebranding.
- (3) Please provide the total cost associated with this rebrand and then break down by amount spent replacing:
 - a. Signage.
 - b. Stationery (please include details of existing stationery and how it was disposed of).
 - c. Logos
 - d. Consultancy
 - e. Any relevant IT changes.
 - f. Office reconfiguration.
- (4) How was the decision reached to rename and/or rebrand the department?
- (5) Who was involved in reaching this decision?
- (6) Please provide a copy of any communication (including but not limited to emails, letters, memos, notes etc) from within the department, or between the department and the government regarding the rename/rebranding.

Response:

(1) to (6) These questions have been previously answered under Question on Notice No. 151 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 127 - Contracts under \$10,000

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Please provide a detailed list of all contracts entered into that are worth between \$4,000 and \$10,000.

Response:

This question has been previously answered under Question on Notice No.152 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 128 - Freedom of Information

Senator Ludwig provided in writing:

The following questions relate to requests made pursuant to the Freedom of Information Act (the Act):

Consultations with other Departments, Agencies and the Minister

- (1) Other than for the purpose of discussing a transfer under section 16 of the Act, does the Department consult or inform other Departments or Agencies when it receives Freedom of Information requests?
- (2) If so, for each instance provide a table setting out the following information:
 - a. The Department or Agency which was consulted;
 - b. The document;
 - c. The purpose of the consultation;
 - d. Whether an extension of time was sought from the applicant to allow time for the consultation, including whether it was granted and the length of the extension;
 - e. Whether an extension of time was sought from the Information Commissioner to allow time for the consultation, including whether it was granted and the length of the extension
- (3) Other than for the purposes of discussing a transfer under section 16 of the Act, has the Department consulted or informed the Minister's office about Freedom of Information requests it has received?
- (4) If yes, provide a table setting out the following information:
 - a. The requests with respect to which the Minister or Ministerial office was consulted;
 - b. The Minister or Ministerial office which was consulted;
 - c. The purpose of the consultation;
 - d. Whether an extension of time was sought from the applicant to allow time for the consultation, including whether it was granted and the length of the extension;
 - e. Whether an extension of time was sought from the Information Commissioner to allow time for the consultation, including whether it was granted and the length of the extension
 - f. Whether any briefings (including formal briefs, email briefings and verbal briefings) were provided to the Minister's office

Staffing resources

The following questions relate to the period from 18 September 2013:

- (5) For the period of time from 18 September 2013, what was the average FTE is allocated to processing FOI requests?

FOI Disclosure Log

- (6) For the purposes of meeting its obligations under 11C of the Act, does the Department or Agency:

- a. Maintain a webpage allowing download of documents released under section 11A (direct download)?
 - b. Require individuals to contact the Department or Agency to ask for the provision of those documents (request for provision)?
 - c. Facilitate to those documents in a different manner (if so, specify).
- (7) If the Department or Agency has moved from a system of meetings its 11C obligations by direct download, to a system of meeting those obligations by request for provision, provide the following information:
- a. The dates for which documents were made available for direct download, and the dates for which documents were made available through request for provision
 - b. The total number of direct downloads of documents released under 11A the Departmental or Agency website
 - c. The total number of requests for provision to documents that had been directly received, and how many had been processed by [date]?
 - d. What was the average FTE allocated to monitoring incoming email, collating and forwarding documents providing under a request for provision?
 - i. What was the approximate cost for salaries for the FTE staff allocated to this task?
- (8) Has the Department or Agency charged any for access to a document under section 11C(4)?
- (9) If so, please provide the following information in a table:
- a. On how many occasions charges have been imposed;
 - b. The amount charged for each document
 - c. The total amount charged;
 - d. What is the highest charge that has been imposed.

With respect to FOI requests:

- (10) How many documents were assessed (at internal review or - if internal review was not requested - by the original decision maker) as conditionally exempt?
- (11) Of those, how many were:
- a. Released in full
 - b. Released in part
 - c. Refused access on the grounds that release of the document would be contrary to the public interest
 - d. Other (please specify)

Response:

(1) to (11) These questions have previously been answered under Question on Notice No. 143 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 129 - Prequalified, Multi-use list tenders

Senator Ludwig provided in writing:

- (1) Does the Department/Agency have existing prequalified or multi-use list panels for tenders?
- (2) Please list all Prequalified or Multi-use list panels, and the firms on them, compiled or used by the department/agency?
- (3) Do any of your EL or higher staff have interest- financial or otherwise - in any of the firms on your panels?
- (4) Do any Ministerial staff have directorships in any of the firms on your panels?
- (5) Do any Ministerial staff have interest- financial or otherwise in any of the firms on your panel?
- (6) Have the minister or ministerial staff made representations concerning the panels?
- (7) Is Australian Public Affairs on any of your panels?

Response:

- (1) Yes.

(2) to (7) These questions have previously been answered under Question on Notice No. 154 from Budget Estimates of 2 and 3 June 2014. The responses remain extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice. 130 - Senate Estimates briefing

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many officers have been responsible for preparing the department, agency, Minister or representing Minister's briefing pack for the purposes of senate estimates?
- (2) How many officer hours were spent on preparing that information?
 - (a) Please break down the hours by officer APS classification
- (3) Were drafts shown to the Minister or their office before senate estimates?
 - (a) If so, when did this occur?
 - (b) How many versions of this information were shown to the minister or their office?
- (4) Did the minister or their office make any contributions, edits or suggestions for departmental changes to this information?
 - (a) If so, when did this occur?
 - (b) What officer hours were spent on making these edits? Please break down the hours by officer APS classification.
 - (c) When were the changes made?
- (5) Provide each of the contents page of the Department/Minister/representing Minister's Senate Estimates folder prepared by the department for the Additional Estimates hearings in February 2014.

Response:

(1) to (5) These questions have been previously answered under Question on Notice No.141 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 131 - Advertising

Senator Ludwig provided in writing:

- (1) How much has the Department/Agency spent on Advertising? Including through the use of agencies.
- (2) Please detail each advertising campaign including its cost, where the advertising appeared, production costs, who approved, ministerial or ministerial staff involvement in commissioning.
- (3) Provide copies of approvals, including but not limited to, approvals made by the Prime Minister or his delegate, the Minister of their delegate or the department or their delegate.

Response:

(1) This question is answered under Question on Notice No.102 from Supplementary Budget Estimates – 22 October 2014.

(2) and (3) To provide more specific details would be an unreasonable diversion of resources.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 132 - Departmental Staff Misconduct

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Please provide a copy of the departmental staff code of conduct.
- (2) Have there been any identified breaches of this code of conduct by departmental staff?
 - (a) If yes, list the breaches identified, broken by staffing classification level.
 - (b) If yes, what remedy was put in place to manage the breach? If no remedy has been put in place, why not?
 - (c) If yes, when was the breach identified? By whom? When was the Minister made aware?
 - (d) If yes, were there any legal ramifications for the department or staff member? Please detail.

Response:

- (1) Defence uses the APS Code of Conduct under the *Public Service Act 1999* Section 13 (see Attachment A).
- (2) (a) to (c) Details on the breaches of the Code of Conduct for the period 2 June to 22 October 2014 are provided at Attachment B. A breach of the Code of Conduct may be identified by the Code Delegate following a referral of suspected misconduct by an employee's line manager. A range of sanctions may be applied to remedy breaches of the APS Code of Conduct. While Defence can find an ex-APS employee to have breached the Code of Conduct, sanctions cannot be applied after employees have left the APS. One employee exited the APS prior to the imposition of a sanction in the period 2 June - 22 October 2014. The Minister was not advised of APS Code of Conduct breaches as there is no requirement to do so.
- 2 (d) There were no legal ramifications for the department or its staff.

PUBLIC SERVICE ACT 1999 - SECT 13 – APS CODE OF CONDUCT

Elements of the APS Code of Conduct

S13 (1) An APS employee must behave honestly and with integrity in connection with APS employment.

S13 (2) An APS employee must act with care and diligence in connection with APS employment.

S13 (3) An APS employee, when acting in connection with APS employment, must treat everyone with respect and courtesy, and without harassment.

S13 (4) An APS employee, when acting in connection with APS employment, must comply with all applicable Australian laws. For this purpose, Australian law means:

- a) any Act (including this Act), or any instrument made under an Act, or
- b) any law of a State or Territory, including any instrument made under such a law.

S13 (5) An APS employee must comply with any lawful and reasonable direction given by someone in the employee's Agency who has authority to give the direction.

S13 (6) An APS employee must maintain appropriate confidentiality about dealings that the employee has with any Minister or Minister's member of staff.

S13 (7) An APS employee must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with APS employment.

S13 (8) An APS employee must use Commonwealth resources in a proper manner.

S13 (9) An APS employee must not provide false or misleading information in response to a request for information that is made for official purposes in connection with the employee's APS employment.

S13 (10) An APS employee must not make improper use of:

- a) inside information. Or
- b) the employee's duties, status, power or authority; in order to gain, or seek to gain, a benefit or advantage for the employee or for any other person.

S13 (11) An APS employee must at all times behave in a way that upholds:

- a) the APS Values and APS Employment Principles; and
- b) the integrity and good reputation of the employee's Agency and the APS.

S13 (12) An APS employee on duty overseas must at all times behave in a way that upholds the good reputation of Australia.

S13 (13) An APS employee must comply with any other conduct requirement that is prescribed by the regulations.

Attachment B

Classification	Total Employees	Elements of the APS Code of Conduct Breached*	Outcome/Sanctions(s) Applied		Breach identified (by Code Delegate)	Found by Whom (referred to Code Delegate)
			If Yes	If No		
SES	0	N/A	N/A	N/A	N/A	N/A
EL2	0	N/A	N/A	N/A	N/A	N/A
EL1	0	N/A	N/A	N/A	N/A	N/A
APS6	2	S13(1), S13(5), S13(9), S13(11)	Reprimand and a reduction in Classification	N/A	23 July 2014	Line Manager
		S13(1), S13(2), S13(3), S13(11)	Retired before imposition of sanction(s)	N/A	10 September 2014	Line Manager
APS5	4	S13(2), S13(8), S13(11)	Reduction in Classification	N/A	2 June 2014	Identified during another case investigation
		S13(1), S13(2), S13(5), S13(11)	Reprimand and a reduction in salary	N/A	8 September 2014	Line Manager
		S13(2), S13(3), S13(4)	Reprimand and a fine	N/A	17 September 2014	Line Manager
		S13(5), S13(8), S13(11)	Reprimand	N/A	25 September 2014	Identified during another case investigation
APS4	0	N/A	N/A	N/A	N/A	N/A
APS3	0	N/A	N/A	N/A	N/A	N/A
APS2	1	S13(1), S13(2), S13(5), S13(11)	Reprimand and a fine	N/A	15 July 2014	Line Manager
APS1	0	N/A	N/A	N/A	N/A	N/A

* Please refer to Attachment A for descriptors of the Elements of the APS Code of Conduct.

Department of Defence

Supplementary Budget Estimates Hearings - 22 October 2014

Question on Notice No. 133 - Cloud Services and Storage

Senator Ludwig provided in writing:

Is the department using or planning to use cloud digital services (e.g. storage, computer software access etc)? If yes:

- (a) What date did/will cloud services be deployed in the department?
- (b) Please provide a list of all cloud services in use or being considered for use.
- (c) How much do these services cost? Please break down by service.
- (d) How much cloud storage (in gigabytes) is available for departmental use? What percentage of the available total is in use?
- (e) How much does this cloud storage cost per month?
- (f) What security arrangements are in place to protect cloud based services and storage?
- (g) Have any security analysts been employed / contracted to advise on the implementation and upkeep of these security arrangements?
- (h) What has been the cost of security for the cloud? Please provide a breakdown.

Response:

(a) and (b) Defence has deployed the use of Google Apps offshore 'public cloud' to host the UNCLASSIFIED academic learning environment for the Australian Defence College. The pilot is a limited 24 month trial to assess the merit of extending the broader use of cloud within the Defence.

(f) Defence undertook a risk assessment regarding the use of Google Apps. Google Apps provides a controlled private enterprise environment, and information pertaining to Defence personnel is managed in accordance with Australian Privacy Principles.

(c) to (e) and (g) and (h) Due to the breadth and complexity of these questions, an unreasonable amount of departmental resources would be required to develop a response.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 134 - Disability Access

Senator Ludwig provided in writing:

- (1) Please provide a list of all premises owned, leased or otherwise operated by the department / agency which do not yet comply with the Disability Discrimination Act (through The Disability (Access to Premises - Buildings) Standards 2010). For each, please provide:
 - (2) The year in which it was purchased / leased / rented (and if lease / rental agreement, when it expires).
 - (3) What plans are in place to make the premises compliant with the act.
 - (4) When these plans will commence and when they are expected to be complete.
 - (5) Has the minister or the minister's office been informed of these plans? Please provide a copy of any communication (including but not limited to emails, letters, memos, notes etc) between the minister's office and the department regarding this issue.
 - (6) What is the expected cost of making the premises compliant? Please break down the costs.
 - (7) Have any plans to make any premises compliant been cancelled, put on hold or delayed since September 7, 2013? If yes, please detail, including the reasons for which they were cancelled, put on hold or delayed and how the decision was reached.
 - (8) Have any complaints been lodged with regard to the premises not being compliant? If yes, please detail.

Response:

(1) to (7) Defence does not maintain a register of premises that do not comply with *The Disability Discrimination Act (through the Disability Access to Premises – Buildings) Standards 2010*.

Prior to the Disability (Access to Premises – Buildings) Standards 2010, Defence leased sites nationally would have been compliant. Post this time, fit-outs or upgrades conducted at sites would have been in accordance with the Building Code of Australia.

Any new leases acquired by Defence are required to comply with the Disability (Access to Premises – Buildings) Standards 2010.

New Defence buildings are designed and constructed in accordance with the Building Code of Australia which contains the Disability (Access to Premises – Buildings) Standards 2010. Both Design Services Consultants and Construction Contractors must provide written certification that a building has been constructed to comply with these standards and must warrant that the building is fit for its intended purpose as a condition precedent on achieving final completion.

- (8) Defence has no record of any complaints being received.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 135 - Fee for services

Senator Ludwig provided in writing:

Since September 7, 2013:

Have any existing services provided by the department / agency moved from being free to a user-pay service? Have any additional fees been placed on existing services?

If yes please provide a list and include:

- (a) Name of the fee and a short description of what it covers.
- (b) How much is the fee (and is it a flat fee or a percentage of the service).
- (c) The date the fee came into place.
- (d) Were any reviews requested, commenced or complemented into the benefits and drawbacks of attaching the fee to the service? If yes, please detail and provide a copy of the review.
- (e) What consultation was carried out before the fee was put into place?
- (f) How was the fee put into place (e.g. through legislation, regulation changes etc)?
- (g) What justification is there for the fee?

Response:

No.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 136 - Documents provided to Minister

Senator Ludwig provided in writing:

- (1) Excluding policy or correspondence briefs, how many documents are provided to the Minister's office on a regular and scheduled basis? Including documents that are not briefs to the minister and do not require ministerial signature.
- (2) List those documents, their schedule and their purpose (broken down by ministerial signature and office for noting documents)
- (3) How are they transmitted to the office?
- (4) What mode of delivery is used (hardcopy, email) for those documents?
- (5) What level officer are they provided to in the minister's office?

Response:

(1) to (5) Documents are provided to the Minister's office via the Defence Parliamentary Workflow System. Due to the breadth and complexity of the question, an unreasonable diversion of departmental resources would be required to develop a response.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 137 - Merchandise or promotional material

Senator Ludwig provided in writing:

Since 7 September 2013:

- (1) Has the department purchased any merchandise or promotional material?
- (2) List by item, and purpose for each item, including if the material is for a specific policy or program or for a generic purpose (note that purpose)
- (3) List the cost for each item
- (4) List the quantity of each item
- (5) Who suggested these material be created?
- (6) Who approved its creation?
- (7) Provide copies of authorisation
- (8) When was the Minister informed of the material being created?
- (9) Who created the material?
- (10) How was that person selected?
- (11) How many individuals or groups were considered in selecting who to create the material?

Response:

(1) Yes, the total departmental spend on merchandise or promotional material for the period 7 September 2013 to 31 October 2014 is \$2,934 (GST exclusive).

(2) to (11) The material purchased is generic ADF promotional material which includes but is not limited to pins, booklets, brochures, water bottles, medallions, pens, lanyards, promotional banners, magnets, umbrellas, flags, polo shirts, jumpers, promotional coins, and cuff links. Given the breadth of the question it is not possible to provide a more specific response without an unreasonable diversion of resources.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 138 - Freedom of Information - Stats

Senator Ludwig provided in writing:

- (1) How many FOI requests were received between 7 September 2013 to date.
- (2) How many of those requests were finalised within the regular timeframes provided under the FOI Act?
- (3) How many of those requests were granted an extension of time under s 15AA of the FOI Act?
- (4) How many of those requests were granted an extension of time under s 15AB of the FOI Act?
- (5) How many of those requests were finalised out of time?

Response:

- (1) 456.
- (2) All.
- (3) 37.
- (4) Seven.
- (5) None.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 139 - Contracts for Temporary Staff

Senator Ludwig provided in writing:

Since Budget Estimates in June 2014:

- (1) How much did the department/agency spend on temporary or contract staff?
- (2) How many temporary or contract staff have been employed?
- (3) What is the total number of temporary or contract staff currently employed?
- (4) How much was paid for agencies/companies to find temporary/contract staff?
- (5) Have there been any changes to the policies/criteria that govern the appointment of contract staff?

Response:

(1) and (4) These questions have been previously answered under Question on Notice No. 153 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(2) Over the period 1 June 2014 to 30 September 2014, 49 non-ongoing employees commenced work with Defence.

(3) As at 30 September 2014, Defence employed 89 non-ongoing employees. Note that this is a headcount figure, and counts all personnel equally regardless of the number of hours worked.

(5) No.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 140—Staffing profile

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Has there been any change to the staffing profile of the department/agency?
- (2) Provide a list of changes to staffing numbers, broken down by classification level, division, home base location (including town/city and state).

Response:

(1) and (2)

A table is attached that provides a breakdown of Defence's Australian Public Service (APS) workforce as at 1 October 2014 by Group, APS classification and location by state and territory. The change in Defence's staffing profile can be ascertained by comparing these figures with the information in the response to Question on Notice number 166 from the 2014 Budget Estimates.

Note that these figures are based on headcount data, rather than full time equivalents (FTE). Defence budgets for its APS workforce on a FTE (i.e. paid) basis. Headcount data counts all personnel equally regardless of the number of hours worked, and includes all personnel recorded as on duty, or on leave with or without pay.

State/Territory by Groups/Services		APS1-6	Senior Officers	Senior Executives	Total
ACT	Air Force	63	25		88
	Army	170	34		204
	Capability Development Group	71	84	4	159
	Chief Finance Group	239	163	13	415
	Chief Information Officer Group	400	390	11	801
	Defence Materiel Organisation	878	789	27	1694
	Defence People Group	580	243	11	834
	Defence Support & Reform Group	569	327	13	909
	Defence Science & Technology Organisation	35	119	5	159
	Intelligence & Security Group	1458	697	24	2179
	Joint Operations Command	7	6		13
	Navy	146	76		222
	Chief Operating Officer	35	52	4	91
	Secretary/CDF Group	160	169	19	348
	VCDF Group	313	217	2	532
ACT Total		5124	3391	133	8648
NSW	Air Force	162	35		197
	Army	213	7		220
	Chief Finance Group	157	24		181
	Chief Information Officer Group	30	5		35
	Defence Materiel Organisation	956	229		1185
	Defence People Group	200	12		212
	Defence Support & Reform Group	422	42		464
	Defence Science & Technology Organisation	31	54		85
	Intelligence & Security Group	21	2		23
	Joint Operations Command	25	14		39
	Navy	290	48		338
	Chief Operating Officer	16	1		17
	VCDF Group	318	42	1	361
	NSW Total		2841	515	1
NT	Air Force	21	1		22
	Army	18	1		19
	Chief Finance Group	17			17
	Chief Information Officer Group	8	1		9
	Defence Materiel Organisation	20	5		25
	Defence People Group	16	1		17
	Defence Support & Reform Group	73	7		80
	Defence Science & Technology Organisation		2		2
	Intelligence & Security Group	35	15	1	51
	Joint Operations Command	6			6
	Navy	17			17
	Chief Operating Officer	2			2
	VCDF Group	51			51
NT Total		284	33	1	318

QLD	Air Force	76	8		84
	Army	191	9		200
	Chief Finance Group	53	4		57
	Chief Information Officer Group	26	3		29
	Defence Materiel Organisation	251	78		329
	Defence People Group	69	5		74
	Defence Support & Reform Group	249	27		276
	Defence Science & Technology Organisation	7	14		21
	Intelligence & Security Group	58	2		60
	Joint Operations Command	2			2
	Navy	23	1		24
	Chief Operating Officer	8			8
	Secretary/CDF	1	1		2
VCDF Group	247	17	1	265	
QLD Total		1261	169	1	1431
SA	Air Force	139	25		164
	Army	34			34
	Chief Finance Group	89	5		94
	Chief Information Officer Group	10	1		11
	Defence Materiel Organisation	192	95		287
	Defence People Group	24	3		27
	Defence Support & Reform Group	85	13		98
	Defence Science & Technology Organisation	640	701	4	1345
	Intelligence & Security Group	66	2		68
	Joint Operations Command	1			1
	Navy	1	2		3
	Chief Operating Officer	1			1
	Secretary/CDF	1			1
VCDF Group	108	8		116	
SA Total		1391	855	4	2250
TAS	Air Force	1			1
	Army	10			10
	Chief Finance Group	15			15
	Chief Information Officer Group	2			2
	Defence People Group	2			2
	Defence Support & Reform Group	28	2		30
	Defence Science & Technology Organisation	10	6		16
	VCDF Group	10			10
TAS Total		78	8		86
VIC	Air Force	155	33		188
	Army	193	12		205
	Chief Finance Group	89	15		104
	Chief Information Officer Group	159	36		195
	Defence Materiel Organisation	1134	332	1	1467
	Defence People Group	286	6		292
	Defence Support & Reform Group	323	42		365
	Defence Science & Technology Organisation	302	383	4	689
	Intelligence & Security Group	115	10		125
	Navy	24			24
	Chief Operating Officer	3			3
VCDF Group	359	45	1	405	

VIC Total		3142	914	6	4062
WA	Air Force	16	2		18
	Army	51	2		53
	Chief Finance Group	13	2		15
	Chief Information Officer Group	11	2		13
	Defence Materiel Organisation	157	45		202
	Defence People Group	13	1		14
	Defence Support & Reform Group	68	9		77
	Defence Science & Technology Organisation	17	29		46
	Intelligence & Security Group	18	3		21
	Joint Operations Command	2			2
	Navy	25	3		28
	Chief Operating Officer	2			2
	VCDF Group	64	10		74
WA Total		457	108		565
Overseas Total		13	68	4	85
Total		14591	6061	150	20802

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 141 - Savings and Efficiency Measures

Senator Ludwig provided in writing:

Since the Appropriations Bills 2014 were passed by the parliament:

- (1) How many measures, savings tasks or efficiency measures contained in the Appropriations bills have not been actioned or have had no guidance instructions issued?
- (2) For each measure or task identified in question 1:
 - (a) What is the timeframe for implementation?
 - (b) Who is the responsible agency for actioning these measures, guidelines or tasks?
 - (c) When was the Minister last briefed on this item? Was this briefing requested by the minister or initiated by the department?
 - (d) What action has the minister asked be done on this policy?

Response:

(1) The only measure that has not been actioned since the Appropriation Bills 2014 is 'Military Superannuation - establish new accumulation arrangements'. This measure does not take effect until 2016-17.

- (2)
- (a) The time frame for implementation is 1 July 2016.
 - (b) The Department of Defence.
 - (c) The Assistant Minister for Defence was last briefed on this item on 2 October 2014 at his request.
 - (d) The Assistant Minister requested that new fully-funded arrangements be established.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 142 - Computers

Senator Ludwig provided in writing:

- (1) List the current inventory of computers owned, leased, stored, or able to be accessed by the Ministers office as provided by the department, listing the equipment cost and location and employment classification of the staff member that is allocated the equipment, or if the equipment is currently not being used
- (2) List the current inventory of computers owned, leased, stored, or able to be accessed by the department, listing the equipment cost and location
- (3) Please detail the operating systems used by the departments computers, the contractual arrangements for operating software and the on-going costs

Response:

(1) to (3) These questions have been previously answered under Question on Notice No.111 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 143 - Travel costs - department

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Is the minister or their office or their delegate required to approve all departmental and agency international travel?
- (2) If so, under what policy?
- (3) Provide a copy of that policy.
- (4) When was this policy implemented?
- (5) List all occurrences of travel that this has occurred under.
- (6) Detail the process.
- (7) When is the minister notified, when is approved provided?
- (8) Detail all travel (domestic and international) for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).
- (9) Detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals). Also provide a reason and brief explanation for the travel.
- (10) What date was the minister or their office was notified of the travel?
- (11) What date did the minister or their office approve the travel?
- (12) What travel is planned for the rest of this calendar year? Also provide a reason and brief explanation for the travel.

Response:

(1) to (7) No.

(8) Refer to Table A and B.

(9) and (12) Travel expenditure for Departmental officers for the period 1 June 2014 to 31 October 2014 (including the Defence Materiel Organisation) was approximately \$157 million (exclusive of GST). These figures represent the entire Defence workforce: APS employees, full-time ADF members, and ADF Reservists and encompasses operational, business, training, removal and condition of service leave associated travel. The figure does not represent charter aircraft used for deployments and exercises. To provide the travel details requested, including the travel that is planned for the rest of this calendar year, would be an unreasonable diversion of departmental resources.

Table A

Minister / Parliamentary Secretary	Travel undertaken Destination, duration and purpose	Departmental ministerial costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence delegation	Defence personnel costs (i) Travel (ii) Accomm. (iii) Other ¹
<i>Minister for Defence, Senator Johnston</i>	<p>Japan 10 to 13 June 2014.</p> <p>Senator Johnston visited Japan to conduct the Australia-Japan 2+2 Ministerial Meeting with the Minister for Foreign Affairs.</p> <p>Senator Johnston conducted a separate meeting with the Japanese Minister for Defense and called on key Japanese politicians and academics. The Senator also visited Japanese defence establishments and capabilities.</p>	<p>(i) \$276.84 (ii) Nil (iii) \$9,692.55 (iv) Nil</p>	<p>1. Chief of the Defence Force (business class) 2. Secretary of Defence (business class) 3. Aide-de-Camp to the Minister for Defence (business class) 4. Aide-de-Camp to the Chief of the Defence Force (business class) ²</p>	<p>(i) \$39,981.15 (ii) \$4,288.92 (iii) \$1,691.38</p>
<i>Minister for Defence, Senator Johnston</i>	<p>United States from 23 to 27 July 2014.</p> <p>Senator Johnston was to visit the United States for the First Australian Joint Strike Fighter Roll-Out Event.</p> <p>Once the party arrived in Sydney, the trip was cancelled at the request of the Prime Minister of Australia and the travel party returned to Canberra on 23 July 2014.</p>	<p>(i) \$396.30 (ii) Nil (iii) \$15.00 (iv) Nil</p>	<p>1. Aide-de-Camp to the Minister for Defence (business class).</p>	<p>(i) \$867.86 (ii) Nil (iii) Nil</p>
<i>Minister for Defence, Senator Johnston</i>	<p>Afghanistan and Wales from 1 to 5 September 2014.</p> <p>Senator Johnston travelled to Afghanistan to meet with Senior Government officials and representatives, as well as senior Australian embeds and deployed Australian Defence Force personnel.</p> <p>The Senator then travelled to Wales to attend the NATO Leaders Summit.</p>	<p>(i) Nil (ii) Nil (iii) Nil (iv) Nil</p>	<p>1. Vice Chief of the Defence Force (business class) 2. Aide-de-Camp to the Minister for Defence (business class) 3. Aide-de-Camp to the Vice Chief of the Defence Force (business class) 4. Communications Assistant (business class)</p>	<p>(i) \$62,817.85 (ii) \$2,913.10 (iii) \$2,876.57</p>
<i>Minister for Defence, Senator Johnston</i>	<p>Iraq and the United Arab Emirates 21 to 26 September 2014.</p> <p>Senator Johnston travelled to Iraq and the United Arab Emirates to meet with Senior Iraqi and UAE Government Members, United Nations and United States representatives and Defence officials.</p> <p>The Senator also visited Australian Defence Force Personnel deployed in the Middle East.</p> <p>The Senator was accompanied by one adviser and two defence personnel.</p>	<p>(i) \$1,363.64 (ii) Nil (iii) Nil (iv) Nil</p>	<p>1. Assistant Secretary Global Interests (business class) 2. Aide-de-Camp to the Minister for Defence (business class)</p>	<p>(i) \$19,467.00 (ii) \$983.79 (iii) \$3,165.91</p>

¹ 'Other' includes meals and incidentals.

² The trip to Japan was originally reported as incomplete in the Question on Notice No. 147 from Budget Estimates Hearing – 2 & 3 June 2014. The additional travel costs have since been finalised.

<i>Minister for Defence, Senator Johnston</i>	<p>China, the Republic of Korea and Japan from 12 to 18 October 2014.</p> <p>Senator Johnston travelled to China to conduct a counterpart meeting with the Chinese Minister for National Defence and call on Vice Chairman of the Central Military Commission. He also visited military units including a Peoples' Liberation Army- Navy ship in Qingdao.</p> <p>The Senator travelled to the Republic of Korea (ROK) to conduct the Australia-ROK Defence Ministers' Dialogue, as well as calls on senior ROK officials and United States Forces Korea leadership and visits to key military and industry sites.</p> <p>The Senator travelled to Japan to conduct calls on his new Ministerial counterpart, Mr Akinori Eto, as well as the Prime Minister; Minister of Foreign Affairs; and Minister of Economy, Trade and Industry.</p>	<p>(i) \$322.50</p> <p>(ii) Nil</p> <p>(iii) \$3,012.55</p> <p>(iv) Nil</p>	<p>1. Deputy Secretary Strategy (business class)</p> <p>2. Aide-de-Camp to the Minister for Defence (business class)</p>	<p>(i) \$27,466.45</p> <p>(ii) \$3,443.62</p> <p>(iii) \$1,758.61</p>
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Minister / Parliamentary Secretary	Travel undertaken Destination, duration and purpose	Departmental ministerial costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence delegation	Defence personnel costs (i) Travel (ii) Accommod. (iii) Other
<i>Assistant Minister for Defence, Mr Robert</i>	<p>Singapore from 21 to 23 August 2014.</p> <p>Mr Robert attended the biennial Singapore-Australia Joint Ministerial Committee (SAJMC) meeting. The SAJMC was attended by Defence, Foreign Affairs and Trade Ministers from each country.</p>	<p>(i) Nil</p> <p>(ii) Nil</p> <p>(iii) Nil</p>	<p>1. Secretary of Defence (business class)</p> <p>2. Aide-de-Camp (business class)</p>	<p>(i) \$10,056.27</p> <p>(ii) Nil</p> <p>(iii) \$519.95</p>
<i>Assistant Minister for Defence, Mr Robert</i>	<p>Afghanistan 28 to 30 September 2014.</p> <p>Mr Robert travelled to Afghanistan to attend the presidential inauguration on behalf of the Australian Government.</p>	<p>(i) Nil</p> <p>(ii) Nil</p> <p>(iii) \$25.00</p> <p>(iv) Nil</p>	<p>1. Aide-de-Camp (business class)</p>	<p>(i) \$9,22.66</p> <p>(ii) \$3,199.09</p> <p>(iii) \$337.25</p>
<i>Assistant Minister for Defence, Mr Robert</i>	<p>United States and New Zealand from 3 to 11 October.</p> <p>Mr Robert attended the Australia-American Leadership Dialogue and conducted bilateral calls on Pacific Command in Hawaii. The Minister then travelled to New Zealand to conduct bilateral calls.</p>	<p>(i) \$157.00</p> <p>(ii) Nil</p> <p>(iii) Nil</p> <p>(iv) \$632.93</p>	<p>1. Aide-de-Camp (business class)</p>	<p>(i) \$9,875.49</p> <p>(ii) \$219.08</p> <p>(iii) \$856.95</p>

Table B

Office of the	Position	Start	Finish	City/Town	Accommodation	Airfares including taxes	Ground Transportation	Meals & Incidentals	Miscellaneous travel costs	Official Hospitality	Total
<i>Minister for Defence, Senator Johnston</i>	Aide-de-Camp ³	29/07/2014	29/07/2014	Adelaide		\$56.36	\$23.21		\$55.28		\$134.85
		6/08/2014	8/08/2014	Brisbane-Perth	\$463.68	\$2,205.24	\$28.65	\$300.00	\$54.65	\$107.95	\$3,160.17
		10/08/2014	12/08/2014	Sydney	\$498.27	\$331.79	\$84.35	\$300.00	\$29.95		\$1,244.36
		13/08/2014	15/08/2014	Darwin	\$289.70	\$853.67	\$28.05	\$220.00	\$3.85	\$707.73	\$2,103.00
		10/09/2014	10/09/2014	Melbourne					\$21.10		\$21.10
Total					\$1,251.65	\$3,447.06	\$164.26	\$820.00	\$164.83	\$815.68	\$6,663.48
<i>Assistant Minister for Defence, Mr Robert</i>	Aide-de-Camp	23/07/2014	24/07/2014	Sydney (for USA) ⁴	\$221.62	\$397.90	\$86.28	\$90.85	\$131.35		\$928.00
		24/07/2014	26/07/2014	Gold Coast	\$507.50	\$790.79	\$135.02	\$283.90	\$29.52		\$1,746.73
		4/08/2014	6/08/2014	Gold Coast/Tasmania	\$319.44	\$1,124.29	\$148.55	\$303.65	\$26.26		\$1,922.19
		10/09/2014	11/09/2014	Sydney-Melbourne	\$240.00	\$798.74	\$50.00	\$156.80	\$27.36		\$1,272.90
		14/09/2014	15/09/2014	Melbourne	\$150.00	\$291.66	\$72.82	\$184.80	\$27.84		\$727.12
		21/09/2014	22/09/2014	Brisbane	\$161.48	\$187.49	\$121.47	\$140.15	\$27.08		\$637.67
		16/10/2014	16/10/2014	Melbourne		\$395.38	\$25.00		\$21.10		\$441.48
Total				\$1,600.04	\$3,986.25	\$639.14	\$1,160.15	\$290.51		\$7,676.09	
<i>Parliamentary Secretary to the Minister for Defence, Mr Chester</i>	Aide-de-Camp	30/07/2014	31/07/2014	Whyalla	\$166.09	\$659.10	\$89.26	\$150.00	\$16.78		\$1,081.23
		26/08/2014	26/08/2014	Sydney		\$339.90	\$25.00		\$24.70		\$389.60
Total				\$166.09	\$999.00	\$114.26	\$150.00	\$41.48			\$1,470.83

³ Travel costs are yet to be finalised.

⁴ The Aide-de-Camp to the Assistant Defence Minister's trip to the United States on 23 July 2014 was cancelled on arrival at Sydney due to US visa s not being issued.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 144 - Travel costs - ministerial

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Please detail all travel conducted by the Minister/parliamentary secretary
- (2) List each location, method of travel, itinerary and purpose of trip;
- (3) List the total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals), and;
- (4) List the number of staff that accompanied the Minister/parliamentary secretary, listing the total costs per staff member, the class of airplane travelled, the classification of staff accompanying the Minister/parliamentary secretary.
- (5) What travel is planned for the rest of this calendar year? Also provide a reason and brief explanation for the travel.

Response:

(1) to (5) The Department of Finance will provide a response to this question on behalf of all portfolios.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 145 - Grants

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) What guidelines are in place to administer grants?
- (2) How are grants applied for?
- (3) Are there any restrictions on who can apply for a grant? If yes, please detail.
 - (a) Can these restrictions be waved? If yes, please detail the process for waving them and list any grants where the restrictions were waved.
- (4) What is the procedure for selecting who will be awarded a grant?
- (5) Who is involved in this selection process?
- (6) Does the minister or the minister's office play any role in awarding grants? If yes, please detail.
 - (a) Has the minister or the minister's office exercised or attempted to exercise any influence over the awarding of any grants? If yes, please detail.
- (7) Provide a list of all grants, including ad hoc, one-off discretionary grants awarded to date. Provide the recipients, amount, intended use of the grants, what locations have benefited from the grants and the electorate and state of those locations.
- (8) Update the status of each grant that was approved prior to the specified period, but did not have financial contracts in place at that time. Provide details of the recipients, the amount, the intended use of the grants, what locations have benefited from the grants and the electorate and state of those grants.

Response:

- (1) Defence complies with the Commonwealth Grants Rules and Guidelines and the Resource Management Guide No 411 *Grants, Procurements and Other Financial Arrangements* from the Department of Finance in dealing with grants. Individual grants programs and ad hoc grants may have additional administrative guidance in place to complement these guidelines and rules.
- (2) Defence conducts a general grants application round each year for inclusion in the departmental budget submissions. Defence also conducts ad hoc grant application processes during the year.
- (3) and (a) See response to question (1) above.
- (4) Each grant application is reviewed by the relevant program area and a recommendation, through the Chief Finance Officer Group, is made to the Minister of Defence as the decision making authority for grants made by Defence.

(5) In general departmental staff, both Australian Public Service and Australian Defence Force Personnel, can be involved in the review process. In some cases external personnel are involved in the assessment and recommendation processes. Applications will be processed through relevant Service Chiefs or Group Heads, the Chief Finance Officer Group, the Chief of Defence Force and the Secretary of Defence prior to being approved by the Minister of Defence.

(6) and (a) The Minister is the approving authority for grants made in Defence.

(7) The table below contains a list of all discretionary grants awarded.

Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State
Mr Elliot Bannan	\$1,410	Research Expenses.	The research is beneficial Australia-wide	N/A	
Mr David Bell	\$7,000	Research Expenses.	The research is beneficial Australia-wide	North Sydney	NSW
Dr David Coombes	\$7,250	Research Expenses.	The research is beneficial Australia-wide	Franklin	TAS
Ms Miesje de Vogel	\$7,835	Research Expenses.	The research is beneficial Australia-wide	Fraser	ACT
Dr Darryl Dymock	\$3,500	Research Expenses.	The research is beneficial Australia-wide	Moreton	QLD
Dr Carolyn Johnstone Col Debra Bradford Col William Monfries (Retd)	\$5,600	Research Expenses.	The research is beneficial Australia-wide	Ballarat	VIC
Dr Robert Likeman	\$2,250	Research Expenses.	The research is beneficial Australia-wide	Fadden	QLD
Dr Dayton McCarthy	\$3,930	Research Expenses.	The research is beneficial Australia-wide	Ryan	QLD
Dr Stefan Petrow	\$4,620	Research Expenses.	The research is beneficial Australia-wide	Denison	TAS
Dr Garth Pratten	\$5,330	Research Expenses.	The research is beneficial Australia-wide	Canberra	ACT
Prof Keir Reeves	\$8,293	Research Expenses.	The research is beneficial Australia-wide	Ballarat	VIC
Prof Michael Sturma	\$7,700	Research Expenses.	The research is beneficial Australia-wide	Tangney	WA
Mr Anthony Wege	\$1,000	Research Expenses.	The research is beneficial Australia-wide	Barker	SA
Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State

Australian Ultimate Suspension Pty Ltd	\$13,200	Preparation for ISO9001.	Ingleburn	Werriwa	NSW
Australian Ultimate Suspension Pty Ltd	\$5,500	Upgrade from ISO9001 to AS9100C.	Ingleburn	Werriwa	NSW
Noventus Pty Ltd	\$7,299	Website Development.	Melbourne	Melbourne	VIC
Steyr Motors Australia Pty Ltd	\$10,720	Development of Strategic business plans and preparation for ISO9001 Certification.	Stafford	Brisbane	QLD
Geoplex Pty Ltd	\$11,963	Development and Implementation of Strategic Plan.	Melbourne	Melbourne	VIC
Geoplex Pty Ltd	\$10,038	Communications Plan & Branding Activities.	Melbourne	Melbourne	VIC
Reiter Precision Tooling Pty Ltd	\$22,000	Strategic Direction and Succession Planning.	Wetherill Park	McMahon	NSW
Albins Off Road Gear Pty Ltd	\$22,000	Development and Implementation of Strategic Plan.	Delacombe	Ballarat	VIC
Noventus Pty Ltd	\$2,750	Development and Implementation of Strategic Plan.	Melbourne	Melbourne	VIC
Liquip International Pty Ltd	\$14,850	Application of Lean into non-manufacturing areas.	Smithfield	McMahon	NSW
Cablex Pty Ltd	\$3,845	Governance and Accountability Training.	East Bentleigh	Hotham	VIC
Quickstep Technologies Pty Ltd	\$14,025	Deployment of ENOVIA V6.	Bankstown Airport	Blaxland	NSW
Quickstep Technologies Pty Ltd	\$6,765	Implementation of Management Service Agreement and Internal Communications.	Bankstown Airport	Blaxland	NSW
Hybrid Electronics Australia Pty Ltd	\$20,900	Strategic Business Activities.	Bayswater	Aston	VIC
Liquip International Pty Ltd	\$7,150	Common Performance Dashboards.	Smithfield	McMahon	NSW
Fineweld Stainless Steel Pty Ltd	\$10,164	Implementation of ERP System and improved Financial Systems.	Carrum Downs	Isaacs	VIC
Phoenix Australasia Pty Ltd	\$9,900	ISO14001 EMS Certification.	Unanderra	Throsby	NSW

Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State
G.H.Varley Pty Ltd	\$17,859	Workforce Development Plan.	Tomago	Newcastle	NSW
Unitronix Pty Ltd	\$16,500	Expansion and Upgrade of QMS.	Cooranbong	Charlton	NSW
Quickstep Technologies Pty Ltd	\$275,000	Process Qualification of Curing of Fracture Critical F-35 Carbon Fibre Composite Structure.	Bankstown	Blaxland	NSW
Micreo Ltd	\$10,364	L-Band Switched Filter design for Manufacture – Variation.	Eight Mile Plains	Moreton	QLD
BAE Systems Australia Ltd	\$263,611	JSF F-35 EW Mechanical Assembly Opportunity Maximisation for Australian Industry.	Salisbury	Wakefield	SA
TAE Gas Turbines Pty Ltd	\$54,250	Production Qualification for BAES Nashua F-35 JSF Controller Chassis.	Amberley	Blair	QLD
Cablex Pty Ltd	\$275,000	Specialised Aerospace Cable Assemblies and Harnesses.	East Bentleigh	Hotham	VIC
ANU - Australian Chapter of the Council for Security Cooperation in the Asis Pacific (Aus-CSCAP)	\$65,000	Support Aus-CSCAP to provide a forum for problem solving and consensus-building on issues that may be too sensitive for official dialogue.	Canberra ACT	Fraser	ACT
Kokoda Foundation - Future Strategic Leaders Congresses	\$33,000	Support two iterations of Kokoda's Future Strategic Leaders Conference, which aims to develop the next generation of Australia's national security leaders.	Canberra ACT	Fraser	ACT
			Kioloa NSW	Gilmore	NSW
Kokoda Foundation-Trilogy Dialogue	\$143,000	Support the Trilogy Dialogue as an opportunity for discussion between senior Australian, US and third country national security policy makers and commentators.	Canberra ACT	Fraser	ACT
			Bowral NSW	Gilmore	NSW

Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State
Army and Air Force Canteen Service	\$440,000	Facilities redevelopment.	Gallipoli Barracks, Enoggera, Qld	Ryan	QLD
			Oakey Army Base, Oakey, Qld	Groom	QLD
			RAAF Amberley, Amberley, Qld	Blair	QLD
			Lavarack Barracks, Townsville, Qld	Herbert	QLD
			RAAF Townsville, Garbutt, Qld	Herbert	QLD
			Robertson Barracks, Darwin, NT	Solomon	NT
			RAAF Darwin, Darwin, NT	Solomon	NT
			RAAF Tindal, Katherine, NT	Lingiara	NT
			Victoria Barracks, Melbourne, Vic	Melbourne	VIC
			RAAF Williams, Laverton, Vic	Lalor	VIC
			Simpson Barracks, Macleod, Vic	Jagajaga	VIC
			SOI Singleton, Singleton, NSW	Hunter	NSW
			RAAF Williamtown, Williamtown, NSW	Paterson	NSW
			Holsworthy Barracks, Holsworthy, NSW	Hughes	NSW
			Steele Barracks, Holsworthy, NSW	Hughes	NSW
			ARTC Kapooka, Kapooka, NSW	Riverina	NSW
			Latchford Barracks, Bonegilla, Vic	Indi	VIC
			RAAF Wagga, Wagga Wagga, NSW	Riverina	NSW
			Gaza Ridge Barracks, Bandiana, Vic	Indi	VIC
			Puckapunyal, Vic	McEwan	VIC
			RAAF Richmond, Richmond, NSW	Macquarie	NSW
RAAF Edinburgh, Edinburgh, SA	Bonython	SA			

(8) The table below contains details of grants previously approved.

Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State
University of Melbourne	\$61,735	Support the PhD studies of DSTO staff member Peter Devlin.	Parkville, VIC	Melbourne	VIC
RMIT	\$130,657	Support the PhD studies of DSTO staff member Peter Ross.	Melbourne, VIC	Melbourne	VIC
The Australian Sailor Pty Ltd	\$400,000	Contribution to the construction of the Australian Sailor Monument.	Rous Head, Fremantle	Fremantle	WA
Australian Strategic policy institute	\$3,276,000	Support ASPI to encourage and inform public debate and understanding of Australia's strategic and defence policy choices, provide an alternative source of policy ideas to government, nurture expertise in defence and strategic policy and promote international understanding of Australia's strategic and defence perspectives.	Barton ACT 2600	Canberra	ACT
United Nations - Peace Operations Training Institute e-Learning for African Peace Keepers	\$45,000	United Nation - Funding Grant for Peace Operations Training Institute e-Learning for African Peace Keepers.	Overseas - Africa	Overseas	
ANU - Academic Level E	\$270,000	Provision of funding to ANU for the Professorship of Strategic Studies, a 3 year tenured position.	Canberra ACT	Fraser	ACT
Strategic Defence Studies Centre - Post Doctoral Fellow	\$143,000	Provision of funding to the Strategic Defence Studies Centre of ANU for a Post Doctoral Fellowship.	Canberra ACT	Fraser	ACT

Name of Grant Recipient	Amount of Grant	Intended use of the grant	What locations have benefited from the grants	The electorate	State
Royal United Services Institute	\$99,000	Funding supports RUSI's public lecture series, supporting debate and discussion of national security and defence issues.	Canberra ACT,	Fraser	ACT
			Sydney NSW,	Sydney	NSW
			Melbourne VIC,	Melbourne Ports	VIC
			Brisbane QLD,	Brisbane	QLD
			Adelaide SA,	Adelaide	SA
			Perth WA,	Calare	WA
			Hobart and	Denison	TAS
			Launceston TAS	Bass	TAS

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 146 - Government payments of accounts

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) What has been the average time period for the department/agency paid its accounts to contractors, consultants or others?
- (2) How many payments owed (as a number and as a percentage of the total) have been paid in under 30 days?
- (3) How many payments owed (as a number and as a percentage of the total) have been paid in between 30 and 60 days?
- (4) How many payments owed (as a number and as a percentage of the total) have been paid in between 60 and 90 days?
- (5) How many payments owed (as a number and as a percentage of the total) have been paid in between 90 and 120 days?
- (6) How many payments owed (as a number and as a percentage of the total) have been paid in over 120 days?
- (7) For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency since Estimates, 2014?
- (8) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Response:

- (1) The average time for the Department of Defence to pay accounts (including credit card payments) from 1 June 2014 to 31 October 2014 was 3.48 days.
- (2) 898,731 payments were made in 30 days or less which represents 99.29% of all payments for the period.
- (3) 4,579 payments were made between 30 and 60 days which represents 0.51% of all payments for the period.
- (4) 992 payments were made between 60 and 90 days which represents 0.11% of all payments for the period.
- (5) 342 payments were made between 90 and 120 days which represents 0.04% of all payments for the period.
- (6) 540 payments were made in over 120 days which represents 0.06% of all payments for the period.
- (7) For accounts not paid within 30 days, a total of 21 interest payments have been made since Budget Estimates 2014. A total of \$1,983.23 has been paid.
- (8) Interest is paid in accordance with the rate and methodology detailed in the Procurement On-Time Payment Policy for Small Business (Finance Circular No. 2012/02), or Supplier Pay On-Time or Pay Interest Policy (Resource Management Guide No. 417) for payments made after 1 July 2014.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 147 - Consultancies

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many consultancies have been undertaken? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source, etc). Also include total value for all consultancies.
- (2) How many consultancies are planned for this calendar year? Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.
- (3) Have any consultancies not gone out for tender?
 - (a) List each, including name, cost and purpose
 - (b) If so, why?

Response:

(1) to (3) These questions have been previously answered under Question on Notice No. 173 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 148 - Meeting costs

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How much has the Department/Agency spent on meeting costs? Detail date, location, purpose and cost of all events, including any catering and drinks costs.
- (2) For each Minister and Parliamentary Secretary office, please detail total meeting spend from Estimates, 2014 to date. Detail date, location, purpose and cost of each event including any catering and drinks costs.
- (3) What meeting spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (4) For each Minister and Parliamentary Secretary office, what meeting spend is currently being planned for? Detail date, location, purpose and cost of each event including any catering and drinks costs.

Response:

(1) to (4) These questions have been previously answered under Question on Notice No. 163 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 149 - Functions

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Provide a list of all formal functions or forms of hospitality conducted for the Minister. Include:
 - (a) The guest list of each function
 - (b) The party or individual who initiated the request for the function
 - (c) The menu, program or list of proceedings of the function
 - (d) A list of drinks consumed at the function
- (2) Provide a list of the current wine, beer or other alcoholic beverages in stock or on order in the Minister's office. Breakdown by item, quantity and cost

Response:

(1) (a), (b) and (d) Table A and B provide details of the formal functions and forms of hospitality for the Minister for Defence and the Assistant Minister for Defence for the period 2 June 2014 to 22 October 2014. Information relating to (c) is not available. No hospitality expenditure has been incurred by the Parliamentary Secretary to the Minister for Defence.

(2) This question has been previously answered under Question on Notice No. 144 from Budget Estimates Hearing of 2 and 3 June 2014. The response remains extant.

Table A - Minister for Defence, Senator the Hon David Johnston

Function/Hospitality	Guest List	Requested by	Alcohol	Cost (GST incl.)
Breakfast Working Breakfast First Principles Meeting, Sofitel Hotel, Brisbane 7 August 2014	Minister for Defence Chief of Staff- Minister for Defence Head of the First Principles Review	Senator Johnston	Nil	\$118.75
Dinner Working Dinner Pee Wee's on the Point, Darwin 13 August 2014	Minister for Defence Chief of Air Force Commander Northern Command Commander 1 Brigade Commander Air Mobility Group Chief of Staff – Minister for Defence SADFO RAAF Darwin	Senator Johnston	Beer and wine	\$778.50

Table B - Assistant Minister for Defence, the Hon Stuart Robert MP

Function/Hospitality	Guest List	Requested by	Alcohol	Cost (GST incl.)
<p>Morning Tea Official launch of the JeHDI System Parliament House, Canberra ACT 19 September 2014</p>	<p>Assistant Minister for Defence First Assistant Secretary, eHealth, Department of Health Vice President, General Manager and Managing Director, CSC Australia Industry Director, Australian Public Sector, CSC Australia Account General Manager, Defence Health, CSC Australia Commander Joint Health Acting Executive Director of HR Project Delivery Branch Director General Strategic Health Coordination Program Director Defence eHealth System Director Health Information Systems Chief of Staff to the Assistant Minister for Defence</p>	<p>The Hon Stuart Robert MP</p>	<p>Nil</p>	<p>Cost yet to be finalised. Anticipated cost \$172.00</p>
<p>Dinner Bi-lateral/Bi-partisan AALD Conclusion Taormina Sicilian Cuisine, Hawaii 8 October 2014</p>	<p>Assistant Minister for Defence Shadow Minister for Defence US Congressman Australian Consul Liaison Officer Chief of Staff to the Assistant Minister for Defence Aide-de-Camp to the Assistant Minister for Defence Personal Staff of Congressman</p>	<p>The Hon Stuart Robert MP</p>	<p>Beer and wine</p>	<p>\$428.30</p>
<p>Lunch Welcome lunch for Assistant Minister for Defence Waikiki Yacht Club, Honolulu, Hawaii 5 October 2014</p>	<p>Assistant Minister for Defence Chief of Staff to the Assistant Minister for Defence Aide-de-Camp to the Assistant Minister for Defence Deputy Commander General, US Army Pacific Spouse of Deputy Commander General, US Army Pacific Regional and Multinational Engagement Advisor for</p>	<p>The Hon Stuart Robert MP</p>	<p>Nil</p>	<p>\$204.63</p>

	<p>Strategic Planning and Policy, US PACOM Spouse of Regional and Multinational Engagement Advisor for Strategic Planning and Policy, US PACOM Political Adviser, Australian Consul General, Hawaii PACOM Special Operations Command – 2 officers Australian Consul Liaison Officer</p>			
<p>Lunch Bi-Lateral meeting The Club, Canberra Airport, Canberra ACT 24 July 2014</p>	<p>Assistant Minister for Defence New Zealand Chief of the Defence Force Military Advisor to NZCDF Assistant Director of Strategic Engagement Director of International Branch (NZ MOD) Secretary for the New Zealand Ministry for Defence Australian Defence Attaché to New Zealand New Zealand Defence Attaché to Australia Director, New Zealand and the Pacific, IP Division Chief of Staff to the Assistant Minister for Defence Aide-de-Camp to the Assistant Minister for Defence</p>	The Hon Stuart Robert MP	Wine	\$451.00

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 150 - Executive coaching and leadership training

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014: Please provide the following information in relation to executive coaching and/or other leadership training services purchased by each department/agency:

- (1) Total spending on these services
- (2) The number of employees offered these services and their employment classification.
- (3) The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification).
- (4) The names of all service providers engaged. For each service purchased from a provider listed under (4), please provide:
 - (a) The name and nature of the service purchased
 - (b) Whether the service is one-on-one or group based
 - (c) The number of employees who received the service and their employment classification
 - (d) The total number of hours involved for all employees (provide a breakdown for each employment classification)
 - (e) The total amount spent on the service
 - (f) A description of the fees charged (i.e. per hour, complete package).
- (5) Where a service was provided at any location other than the department or agency's own premises, please provide:
 - (a) The location used
 - (b) The number of employees who took part on each occasion (provide a breakdown for each employment classification)
 - (c) The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
 - (d) Any costs the department or agency's incurred to use the location.
- (6) In relation to education/executive coaching and/or other leadership training services paid for by the department what agreements are made with employees in regards to continuing employment after training has been completed?
- (7) For graduate or post graduate study, please breakdown each approved study leave by staffing allocation and degree or program title.

Response:

(1) to (7) These questions have been previously answered under Question on Notice No. 165 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 151 - Provision of equipment - ministerial

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) For departments/agencies that provide mobile phones to Ministers and/or Parliamentary Secretaries and/or their offices, what type of mobile phone has been provided and the costs?
 - (a) Itemise equipment and cost broken down by staff or minister classification
- (2) Has electronic equipment (such as ipad, laptop, wireless card, vasco token, blackberry, mobile phone (list type if relevant), thumb drive, video cameras) been provided by the department/agency? If yes provide a list of:
- (3) What is provided?
- (4) The purchase cost.
- (5) The ongoing cost.
- (6) A list of any accessories provided for the equipment and the cost of those accessories. (e.g. iPad keyboards, laptop carry bags, additional chargers etc).
- (7) A breakdown of what staff and staff classification receives each item.

Response:

(1) to (5) These questions have been previously answered under Question on Notice No. 119 from Budget Estimates of 2 and 3 June 2014, these answers remain extant except there are two more Blackberries held by the Minister for Defence's office.

(6) and (7) One iPad keyboard has been issued to the Chief of Staff to the Minister for Defence during the period 2 June to 22 October 2014 at a cost of \$81.81 excluding GST.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 152 - Staffing reductions

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many staff reductions/voluntary redundancies have occurred?
 - (a) What was the reason for these reductions?
- (2) Were any of these reductions involuntary redundancies? If yes, provide details.
- (3) Are there any plans for further staff reductions/voluntary redundancies? If so, please advise details including if there is a reduction target, how this will be achieved, and if any services/programs will be cut.
- (4) If there are plans for staff reductions, please give the reason why these are happening.
- (5) Are there any plans for involuntary redundancies? If yes, provide details.
- (6) How many ongoing staff left the department/agency? What classification were these staff?
- (7) How many non-ongoing staff left department/agency from? What classification were these staff?
- (8) What are the voluntary redundancy packages offered? Please detail for each staff level and position
- (9) How do the packages differ from the default public service package?
- (10) How is the department/agency funding the packages?

Response:

(1) and (2) Over the period 1 June 2014 to 30 September 2014, 578 Australian Public Service employees (ongoing and non-ongoing) separated from the Department of Defence. Of these, 91 were voluntary retrenchments due to internal organisational change processes. There were no involuntary retrenchments.

(3) and (4) Reductions in Defence's Australian Public Service workforce have been planned for several years. The *Portfolio Budget Statements 2014-15* detail planned reductions in Defence's Australian Public Service workforce.

(5) No.

(6) and (7) See table below.

Substantive Classification	Non-ongoing	Ongoing	Total
APS 1	37	3	40
APS 2	3	36	39
APS 3	2	47	49
APS 4		59	59
APS 5	4	102	106
APS 6	4	114	118
EL 1	2	101	103
EL 2	1	58	59
SES 1		1	1
SES 2		2	2
SES 3		2	2
Total	53	525	578

(8), (9) and (10) These questions have been previously answered under Question on Notice No. 167 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 153 - Staffing recruitment

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many ongoing staff have been recruited? What classification are these staff?
- (2) How many non-ongoing positions exist or have been created? What classification are these staff?
- (3) How many staff have been employed on contract and what is the average length of their employment period?

Response:

- (1) Defence has recruited 37 ongoing APS employees over the period 1 June 2014 to 30 September 2014. The breakdown of APS Classification is as follows:

APS Trainee	1
APS Level 2	1
APS Level 3	7
APS Level 4	9
APS Level 5	5
APS Level 6	5
Executive Level 1	4
SES Level 1	2
SES Level 2	3

- (2) The number of non-ongoing positions that existed, or were created, over the period 1 June 2014 to 30 September 2014 was 217. It should be noted that not all positions were filled. The breakdown of APS classification was:

	Existed	Created
APS Level 2	4	
APS Level 3	8	4
APS Level 4	4	3
APS Level 5	13	
APS Level 6	41	5
Executive Level 1	56	11
Executive Level 2	56	7
SES Level 1	4	
SES Level 2	1	

It should be noted that Defence reviews and abolishes positions that have been vacant for prolonged periods. While positions have also been created, the net result is that the overall number of positions (both ongoing and non-ongoing) will continue to change. This process will continue into the future.

- (3) Over the period 1 June 2014 to 30 September 2014, 49 non-ongoing employees commenced work with Defence. This includes employees engaged on specified term contracts, those engaged for specified tasks, and those engaged for irregular or intermittent work. Of these, 14 were employed on specified term contracts, with an average initial contract length of 535 days.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 154 - Coffee machines

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

Has the department/agency purchased, leased or rented any coffee machines for staff usage?

- (1) If yes, provide a list that includes the type of coffee machine, the cost, the amount, and any ongoing costs such as purchase of coffee or coffee pods and when the machine was purchased?
- (2) Why were coffee machines purchased?
- (3) Has there been a noticeable difference in staff productivity since coffee machines were purchased? Are staff leaving the office premises less during business hours as a result?
- (4) Where did the funding for the coffee machines come from?
- (5) Who has access?
- (6) Who is responsible for the maintenance of the coffee machines? How much was spent on maintenance, include a list of what maintenance has been undertaken. Where does the funding for maintenance come from?
- (7) What are the ongoing costs of the coffee machine, such as the cost of coffee?

Response:

(1) to (7) These questions have been previously answered under Question on Notice No.169 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 155 - Corporate cars

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How many cars are owned by each department/agency?
 - (a) Where are the cars located?
 - (b) What are the cars used for?
 - (c) What is the cost of each car during the specified period?
 - (d) How far did each car travel during the specified period?
- (2) How many cars are leased by each department/agency?
 - (a) Where are the cars located?
 - (b) What are the cars used for?
 - (c) What is the cost of each car during the specified period?
 - (d) How far did each car travel during the specified period?

Response:

- (1) As at 14 October 2014, Defence owned 2,159 passenger vehicles, or cars including sedans, station wagons, and multi-purpose vehicles (excluding four wheel drives, buses and trucks).
 - (a) These vehicles are located throughout Australia and overseas as follows:
 - Australian Capital Territory – 230
 - New South Wales – 668
 - Northern Territory – 144
 - Queensland – 457
 - South Australia – 124
 - Tasmania – 26
 - Victoria – 368
 - Western Australia – 137
 - Singapore – 3
 - Malaysia – 2
 - (b) These vehicles are used to meet Departmental administrative requirements, support training activities and base operations.
 - (c) As at 14 October 2014, the cost of owning these passenger vehicles during the previous period was estimated at \$6.200m or \$2,872 per vehicle, comprising estimated capital cost (average capital cost less revenue expected), operating, maintenance and domestic fuel costs.

(d) This question has been previously answered under Question on Notice No. 171 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(2) 53

(a) These Defence-leased passenger vehicles are located throughout Australia as follows:

- Australian Capital Territory – 17
- New South Wales – 7
- Northern Territory – 1
- Queensland – 3
- South Australia – 15
- Tasmania – 1
- Victoria – 3
- Western Australia – 6

(b) See 1 (b) above.

(c) As at 14 October 2014, the cost of leasing these passenger vehicles during the period 2 June 2014 to 22 October 2014 was approximately \$0.156m or \$2,940 per vehicle.

(d) The distance travelled for individual Defence-leased vehicles during the period 2 June 2014 to 22 October 2014 was estimated at 253,000km or an average of 4,773km per vehicle.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 156 - Taxi costs

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How much did each department/agency spend on taxis during the specified period? Provide a breakdown for each business group in each department/agency.
- (2) What are the reasons for taxi costs?
- (3) How much did the department spend on taxis during the specified period for their minister or minister's office?

Response:

- (1) Expenditure on taxis domestically and overseas for the period from 1 June 2014 to 31 October 2014 inclusive was \$6.188 million. Providing the level of detail as requested would represent an unreasonable diversion of resources as taxi travel data is not captured or maintained at such a level in Defence's financial system.
- (2) This question has been previously answered under Question on Notice No. 172 from Budget Estimates of 2 and 3 June 2014. This response remains extant.
- (3) For the period from 1 June 2014 to 31 October 2014, Department of Defence financial records show taxi expenditure of \$307.64 for the Minister or Minister's office.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 157 - Hire cars

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) How much did each department/agency spend on hire cars during the specified period? Provide a breakdown of each business group in each department/agency.
- (2) What are the reasons for hire car costs?
- (3) How much did the department spend on hire cars during the specified period for their minister or minister's office?

Response:

(1) and (2) Approximate expenditure on hire cars domestically and overseas for the period from 1 June 2014 to 31 October 2014 inclusive was \$9.923 million. Other parts of this question have been previously answered under Question on Notice No. 164 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

- (3) Nil.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 158 - Credit cards

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) Provide a breakdown of any changes to employment classifications that have access to a corporate credit card.
- (2) Have there been any changes to action taken in the event that the corporate credit card is misused?
- (3) Have there been any changes to how corporate credit card use is monitored?
- (4) Have any instances of corporate credit card misuse have been discovered during the specified period? If so:
- (5) Please list staff classification and what the misuse was, and the action taken.
- (6) Have there been any changes to what action is taken to prevent corporate credit card misuse?
- (7) How many credit cards available to the Minister or their office? If so, please list by classification. Have there been any misuse of credit cards by the Minister or their office? Has any action been taken against the Minister or their office for credit card misuse? If so, list each occurrence, including the cost of the misuse.

Response:

- (1) This question has previously been answered under Question on Notice No. 149 from Budget Estimates of 2 and 3 June 2014. The response remains extant.
- (2) and (3) No.
- (4) Yes.

- (5) Instances of corporate credit card misuse cases closed since 3 June 2014 are listed below (DFDA refers to the *Defence Force Discipline Act 1982*):

Allegation	Rank/Level	Outcome	Value
Misuse Defence Travel Card	Army Corporal	Investigation Ceased - Insufficient Evidence \$3,390 recovered.	\$3,390
Misuse Defence Travel Card	Navy Leading Seaman	Investigation Ceased - Insufficient Evidence Referred for recovery.	\$9,800
Misuse Defence Travel Card	Army Private Proficient	Charges Preferred - DFDA. Detention. \$5,020 recovered to date.	\$5,103
Misuse Defence Travel Card	Navy Commander	Investigation Ceased - Insufficient Evidence \$336.92 recovered.	\$336.92
Misuse Defence Travel Card	Air Force Leading Aircraftman/Woman	Investigation Ceased - Insufficient Evidence Referred for recovery.	\$5,175
Misuse Defence Travel Card	Navy Able Seaman	Investigation Ceased - Insufficient Evidence. \$2,406.28 recovered.	\$2,406.28
Misuse Defence Travel Card	Air Force Corporal	Administrative Action - Formal Counseling. Referred for recovery.	\$60
Misuse Defence Travel Card	Navy Leading Seaman	Investigation Ceased - Insufficient Evidence. \$2,300 recovered.	\$2,300
Misuse of Defence Purchasing Card	Navy Lieutenant Commander	Charges Preferred - DFDA. Case dismissed - unfounded	\$38.40
Misuse Defence Travel Card	Army Corporal	Charges Preferred - Criminal Code. Found guilty. 12 months good behaviour bond after having already served 20 days in custody. Member had discharged from service before the offence was committed. Referred for recovery.	\$12,054.61
Misuse Defence Travel Card	Air Force Leading Aircraftman/Woman	Charges Preferred - DFDA. Severe Reprimand and fine. Referred for recovery.	\$400

- (6) No.

- (7) Defence does not issue corporate credit cards to the Minister or ministerial office staff.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 159 - Hospitality and entertainment

Senator Ludwig provided in writing:

Since Budget Estimates in June, 2014:

- (1) What has been the Department/Agency's hospitality spend including any catering and drinks costs.
- (2) For each Minister and Parliamentary Secretary office, please detail total hospitality spend. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (3) What has been the Department/Agency's entertainment spend? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (4) For each Minister and Parliamentary Secretary office, please detail total entertainment spend. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (5) What hospitality spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (6) For each Minister and Parliamentary Secretary office, what hospitality spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (7) What entertainment spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (8) For each Minister and Parliamentary Secretary office, what entertainment spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- (9) Is the Department/Agency planning on reducing any of its spending on these items? If so, how will reductions be achieved?

Response:

(1) and (3) For the period 14 June 2014 to 22 October 2014 Defence Agency (including Defence Materiel Organisation) total expenditure on hospitality was \$446,893 (GST exclusive).

(2) and (4) Defence has provided hospitality and entertainment expenditure details for the period 2 June to 22 October 2014 under Question on Notice No. 149 from Supplementary Budget Estimates Hearing of 22 October 2014.

(5), (7) and (9) These questions have been previously answered under Question on Notice No. 158 from Budget Estimates of 2 and 3 June 2014. This response remains extant.

(6) 34SQN 'Thank You' function will be held at Parliament House on 26 November 2014. The total planned spend for catering and drink costs is \$8,090.

(8) The department has not been advised of any anticipated hospitality or entertainment expenditure for the Ministers' and Parliamentary Secretary's offices.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 160 - Printing

Senator Ludwig provided in writing:

Since Budget Estimates in June 2014:

- (1) How many documents (include the amount of copies) have been printed?
 - a. How many of these printed documents were also published online?
- (2) Has the Department/Agency used external printing services for any print jobs?
 - a. If so, what companies were used?
 - b. How were they selected?
 - c. What was the total cost of this printing by item?

Response:

(1) and (2) These questions have been previously answered under Question on Notice No. 170 from Budget Estimates on 2 and 3 June 2014. This response remains extant.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 161 - Asbestos

Senator Xenophon provided in writing:

In 2001, the use and importation of asbestos-containing materials were made illegal in Australia, with the prohibition coming into force on January 1, 2004. The Defence Force won an exemption to continue using chrysotile asbestos parts until 2007, on two strict provisos: that the parts were "mission-critical" and no non-asbestos replacements could be found. In December that exemption was extended again until 2010 by the Government's safety and compensation council.

- (1) What are Defence's current policies for the use and removal of asbestos? Has there been a complete phase-out of asbestos? If not, why not?
- (2) Can you advise if any current exemptions exist for the use of asbestos in the Defence Force? Are there exemptions for "mission-critical" parts?
- (3) How many asbestos items have been approved for defence use in the years since 2007? Are any of these items still in use?
- (4) What procedures does Defence have in place for current and former personnel to report possible exposure to asbestos?
- (5) Does Defence have policies around the use of asbestos and removal of asbestos when on deployment overseas? What are these policies?
- (6) Does Defence have details on the number of current and former ADF employees that may have been exposed to asbestos?

Response:

(1) and (5) Defence manages asbestos, including for overseas deployments, in accordance with the *Work Health and Safety (WHS) Act 2011*, the WHS Regulations 2011 and the Defence WHS Manual, Volume 2, Part 3A, Chapter 5 – Asbestos Management.

The number of Asbestos Containing Material (ACM) items held by Defence has reduced from 10,705 in April 2011 to 73 in October 2014. Defence is now managing a small catalogue of items that contain asbestos. Some of these items are classed as 'in situ' meaning that they were in use at the commencement of the ban in 2003 and can be used until end of useful life; some are registered for disposal. All items are managed using a safe system of work for asbestos.

(2) Defence has no current exemptions for the use of asbestos. However, Defence currently has two *exceptions* granted under WHS 2011 Regulation 419 for mission-critical materiel. These *exceptions* have been approved by the CEO of Comcare and included the development of individual Asbestos Management Plans that detail the safe management of the asbestos-containing material.

- (3) Defence has had three approved exemptions since 2007:
 - (a) Exemption - Caribou Aircraft (withdrawn from service in 2009);
 - (b) Exemption - F-111 Aircraft (withdrawn from service in 2010); and
 - (c) Exemption - BAE Hawk Lead in Fighter (remediated – non-ACM alternatives for 11 items were identified and replaced).

(4) and (6) Defence established the Defence Asbestos Exposure Evaluation Scheme in 1991 to register and assist current and former Defence APS employees and ADF members, ADF Cadets and contractors that may have been exposed to asbestos during their time of service or employment. Further information on the Scheme is available on the following website:

<http://www.defence.gov.au/dpe/ohsc/Programs/Asbestos/default.htm>

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 162 - LAND 400

Senator Xenophon provided in writing:

- (1) Regarding the Land 400 project, can you please explain what separate stages it has been broken into and what sort of equipment is to be acquired for each stage?
- (2) When is First Pass approval likely to occur?
- (3) What is the Minister's expectation in terms of Australian content in Land 400?
- (4) Is there a minimum Australian content requirement from Government?

Response:

- (1) At First Pass, Government will consider the proposed phasing of LAND 400. The LAND 400 Land Combat Vehicle System will deliver:
 - (a) Combat Reconnaissance Vehicles (CRV) to enable the retirement of the Australian Light Armoured Vehicle fleet,
 - (b) Infantry Fighting Vehicles (IFV) and Manoeuvre Support Vehicles (MSV) to enable the retirement of the M113 Armoured Personnel Carrier fleet; and
 - (c) an Integrated Training System which will provide the training systems necessary to enable collective training in support of the CRV, IFV and MSV.
- (2) This financial year.
- (3) The Minister's expectations in terms of Australian content for LAND 400 will be made clear at First Pass consideration.
- (4) This will be advised at First Pass.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

**Question on Notice No. 163 - Fumes entering cockpit of
Armed Reconnaissance Helicopter**

Senator Xenophon provided in writing:

I understand in 2012, there were three separate incidents of fumes entering the cockpit of the Australian Army's Armed Reconnaissance Helicopter (ARH) - the 'Tiger'.

- (1) Have fumes in the cabin of the Aussie Tiger caused any reported incidents, cancellation of sorties or missions, health and safety problems for crews in 2013 or to-date in 2014?
- (2) Has the ADF developed a solution to the fumes problem for the Aussie Tiger?
- (3) Does the fumes issue require specific procedures to be followed or limitations on duration of flights, overall time spent flying for crews, or any other limitations in the operations of the helicopters?

Response:

- (1) No.
- (2) Yes.
- (3) No. There have been changes to some maintenance inspections and practices.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 164 - Joint Strike Fighters

Senator Xenophon provided in writing:

- (1) What positions and teams have Australian personnel occupied in the JSF Program Office (JPO)?
- (2) What issues has Australia raised with the JSF Executive Steering Board (JESB)?
- (3) How many issues raised by Australia in the JSF Executive Steering Board have been overruled?
- (4) What contributions has Australia made to the JESB?
- (5) What contributions has Australia made to the design of the F-35?
- (6) With respect to the F-35, to what extent does Australia engage with areas of the US Department of Defense other than the JPO and JESB, such as the Office of Test and Evaluation or acquisition/costing organisations?
- (7) To what extent did the Australian civilian and military bodies engage with the US Congressional Budget Office (CBO) or Government Accountability Office (GAO) in assessing costs for the F-35?
- (8) To what extent has Australian civilian and military bodies considered the estimates of the GAO and CBO, which considered the US Department of Defense's cost estimates to be unrealistic and optimistic, in determining the likely costs and delivery schedule for Australia's F-35s?
- (9) What was the value of the industrial work share for the F-35 offered by Lockheed Martin in early 2002, and what parts or systems of the aircraft did this include?
- (10) Why did Australia explore the option of an additional removable fuel tank for the F-35 in September 2002?
- (11) Did the RAAF consider the range of the JSF with standard internal fuel tanks sufficient for Australia's needs?
- (12) Why was Australia looking for addition Intelligence, Surveillance, and Reconnaissance (ISR) capabilities for the F-35 in September 2002?
- (13) Did Australia consider the standard ISR capabilities of the JSF adequate for Australia's needs?
- (14) What other additions or modifications for the F-35 did Australia explore in 2002?
- (15) Why were the additions/modifications not adopted?
- (16) What other additions or modifications for the F-35 did Australia explore, or request to the JSF programme office since 2002?
- (17) When did Australia first begin looking at the F-35 as a possible acquisition option for Australia?
- (18) When did the RAAF first decide the F-35 was the right aircraft for Australia?
- (19) What was discussed between Prime Minister John Howard and Lockheed Martin in Washington in 2002?

- (20) Why did Australia cancel the competition for a new strike fighter in June 2002 despite advice from within the Department that the program was risky and there was insufficient information available to make a prudent decision?
- (21) What has been Australia's involvement in Norway's development of the Joint Strike Missile, and why was Australia involved?
- (22) How does Australia define a fifth generation aircraft, and what characteristics or capabilities does Australia consider to be fifth-generation?
- (23) Does the Department or the RAAF consider the F-35 to be capable of supercruise?

Response:

- (1) Australia has 14 representatives in the F-35 Joint Program Office (JPO). The positions cover a range of disciplines including project, engineering, logistics and commercial management.
- (2), (4) and (5) As a member of the JSF Executive Steering Board (JESB), Australia has raised and contributed a broad range of matters, including but are not limited to, JSF capability, aircraft design, affordability, schedule, industrial participation and design of the global logistic support solution.
- (3) Zero.
- (6), (7) and (8) To the extent necessary.
- (9) By joining the SDD Phase of the F-35 Program in 2002, Australian Industry was afforded the opportunity to compete for contracts in support of the SDD program. At the time a US\$150 million outcome from SDD contracts was considered feasible, however, participation was still undertaken on a competitive basis and specific work share was not guaranteed. As at July 2014, Australian industry had won contracts valued at US\$416 million.
- (10) In 2002, Australia reviewed a number of capability and development options for the F-35 but additional external fuel tanks are not required for the F-35 to meet the AIR6000 operational requirements.
- (11) Yes.
- (12) In 2002, a broad range of capability and development options were reviewed for the F-35.
- (13) Yes.
- (14) In 2002, Defence sought a wide range of data on planned JSF capability and development options to understand the operational requirements that could be met by the F-35.
- (15) Defence was satisfied that the F-35 design met the AIR6000 operational requirements.

- (16) The JSF Project has been managed in accordance with the AIR6000 operational requirements.
- (17) Defence has been considering options to address the aging fighter and strike force issues, notably the F/RF-111 and F/A-18 A/B, since 1999.
- (18) In 2009 the Government approved the purchase of 14 aircraft.
- (19) This is a matter for the Department of the Prime Minister and Cabinet.
- (20) In the lead up to 2002 Defence was exploring a range of options to meet the AIR6000 requirement, including industry solicitation in the form a Request for Information. In 2002 Government agreed to enter into the F-35 System Design and Development MOU.
- (21) Australia and Norway are both partners in the F-35 program and share a strategic imperative for an advanced maritime strike capability.
- (22) This question has been previously answered under Question on Notice No. 25 from Budget Estimates on 2 and 3 June 2014. This response remains extant.
- (23) The F-35 is not capable of super cruise and this capability is not required to meet the AIR6000 operational requirements.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 165 - Joint Strike Fighters - Price

Senator Xenophon provided in writing:

- (1) In Australia's acquisition of the JSF, who is the seller?
- (2) What is the ADF's estimate of the Unit Recurring Fly-away cost (URFC) that Australia will be charged (by the seller)?
- (3) Once you include all the things that need to be paid for to make it operational, what is the ADF's estimate of the "Program Price" of the JSF for Australia? Please specify what you are including in this price.
- (4) In Estimates in November 2006 the Government said that the price for the JSF was approximately US\$55 million. Why has the URFC gone up so much?
- (5) Does the Government/ADF have a guaranteed ceiling on the JSF's URF cost above which we will not have to pay? If so, what is it?
- (6) Does the URF cost quoted to the Government now include the aircraft engine required to fly it?
- (7) According to Australian Consumer Law (ACL), using a subordinate cost to represent the price of a product or service is called "Component Pricing" or, moreover, "Deceptive Component Pricing" which is misleading and likely deceptive without also stating the full price of the product or service. Why, for the past dozen years or so, have Lockheed Martin been using and been allowed to use a pricing strategy that is clearly in breach of Australian law?
- (8) Why has such behaviour been condoned as well as adopted by Defence?

Response:

- (1) The Australian Government procures the F-35 system via the US Government, who contracts on behalf of all international buyers.
- (2) The Unit Recurring Fly-away (URF) price is expected to decrease over time as production efficiencies improve and volumes increase. The current estimate for the average price of Australia's 72 F-35A aircraft is US\$90 million (then year cost) or AUS\$102 million (then year cost using the 2014-15 Portfolio Budget Estimates (PBS) foreign exchange rates).
- (3) The project budget for AIR6000Ph 2A/B including contingency is about AUS\$15.5 billion (then year costs using 2014-15 PBS foreign exchange rate). This funding is for 72 F-35A Conventional Take Off and Landing aircraft, associated auxiliary mission equipment, spares, training and support equipment, pilot flight equipment, operational testing, weapons for initial testing and training, initial training in the USA, logistics IT systems and associated integration activities, mission systems reprogramming capability, construction and fit-out of Australian facilities, Australian project administration costs and contributions to common US program costs.

(4) The 2006 estimate of US\$55 million URF was based on the purchase of 100 aircraft. Since that time inflationary effects would account for an approximate increase of around 20 per cent. In 2010 the JSF program triggered a Nunn-McCurdy breach due to a number of program risks being realised and was subsequently rebaselined. The Director Cost Analysis and Program Evaluation (CAPE), an independent cost authority within the Office Secretary of Defence (OSD), played a significant role in establishing the revised financial baseline of the F-35 program at that time, including the future estimation of URF. Since the rebaseline in 2010, the contracted prices have continued to track below the CAPE Selected Acquisition Report estimates. This remains the basis for Defence's current estimate of the average price of Australia's 72 F-35A aircraft of US\$90 million (then year cost) or AUS\$102 million (then year cost using the 2014-15 PBS foreign exchange rates)

(5) No.

(6) Yes.

(7) and (8) Defence does not agree with this assessment.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 166 - Joint Strike Fighters - Noise

Senator Xenophon provided in writing:

- (1) The ADF has conducted Environmental Impact studies of the bases at which the JSF is expected to be operated from. What has the ADF found in relation to RAAF Williamtown, near Newcastle, and whether noise will increase or decrease in the surrounding area, and please specify whether you are talking about average noise, peak noise levels or number of noise incidents or some other measure of noise level?
- (2) Is it correct that the F135 engines which the JSFs are equipped are among the loudest engines ever built?
- (3) Will they be the loudest jet engines ever operated by the RAAF?
- (4) Are they louder (at after-burner thrust levels; namely ETR =150%) than the engines currently operated by the F/A18 Classic Hornets?
- (5) In the US there are rising concerns, reported in the media, that noise levels experienced in residential areas will increase with the introduction of the JSF. Why are bases in the US preparing for increased noise while the Government here in Australia has concluded that noise will remain about on a par with the current FA18 Classic Hornet operations?
- (6) Was the RAAF's flight test centre, Aircraft Research and Development Unit, involved in:
 - (a) The Noise Studies?
 - (b) Independent Verification and Validation of the F-35A JSF take off performance and its ability to do most if not all take-offs at RAAF Base Williamtown in Military Power (ETR = 100%)?
- (7) Can you provide the Committee with the reports on the Noise Studies, including the Conditions of Test, Methods of Test and the Results as well as the Discussions, Conclusions and Recommendations?
- (8) Can you provide the Committee with the reports on the F-35A JSF take off performance, including the Conditions of Test, Methods of Test and the Results as well as the Discussions, Conclusions and Recommendations?

Response:

- (1) (2) and (5) Defence is currently preparing a supplementary report to the draft EIS available at www.f35evolution.com.au.

- (3) A comparison across all of the RAAF fleet has not been conducted.
- (4) Yes.
- (6) (a) and (b) No.
- (7) All data related to the EIS is available publically. The draft EIS and all the technical reports including noise data is available at www.f35evolution.com.au
- (8) Detailed engine power setting information associated with F-35 take off performance is classified and cannot be released. All reference data used for the modeling is listed within the EIS, appendix F.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 167 - Retirement of FA 18 Classic Hornet and JSF schedule

Senator Xenophon provided in writing:

- (1) What is the current retirement date for the FA18 Classic Hornet fleet?
- (2) Will flying hours of these aircraft need to be reduced in that period in order to reach that time frame?
- (3) What restrictions/limitations apply to the operations of the F/A-18 Hornets at the present?
- (4) Will further restrictions/limitations need to be applied in order for the Hornets to reach the planned retirement date? If so, what are these restrictions/limitations?
- (5) Are there any further upgrades, such as replacement centre barrels, re-wiring, other structural modifications, etc. that need to be completed in order to achieve that time frame?
- (6) How many centre barrel upgrades have so-far been completed?
- (7) When does the RAAF now expect the JSF to enter operational service in the RAAF? If 2020, what month in 2020?
- (8) Given the well-known slide in the schedule of delivery of the JSF and the significant increase in the cost of the project, arguably worse than any other Defence acquisition in recent memory, why isn't the JSF project – the NACC/AIR6000 Project - on the top of the DMO Projects of Concern List?

Response:

- (1) December 2021, with contingency to December 2022.
- (2) Yes.
- (3) None.
- (4) None planned.
- (5) No.
- (6) Ten.
- (7) F-35A Initial Operating Capability is planned for December 2020. Full Operating Capability is planned for December 2023.
- (8) For a project to become a DMO project of concern, it must trigger a variation threshold on its Government-approved baseline capability, cost and schedule parameters. AIR6000 has not breached any of its thresholds.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 168 - Joint Strike Fighters – Engine incident

Senator Xenophon provided in writing:

This year a JSF taxiing on a runway had its engine explode and a fire break out as a consequence. The JSF fleet was grounded for several months and the appearance of the aircraft at airshows in the UK was cancelled. Determining the “root cause” of the incident appears to have taken some months and recent reports suggest this has been found, but little detail has emerged. So called “bad rubbing” of turbine blades was identified early on as part of the chain of events that led to the engine explosion, but it’s not clear that that was the root cause.

- (1) Does RAAF know what the root cause of the incident was? If so, what was it?
- (2) Has the RAAF satisfied itself that the incident has been adequately explained and a remedy has been properly developed and applied?
- (3) Has RAAF taken steps to determine if its aircraft, either the two so far delivered or any future aircraft, will contain any of the parts identified as problematic following the incident?

Response:

- (1) Yes. The US F-35 Joint Program Office (JPO) has formally advised that the root cause is understood to be a hard rub between the rotating fan and a stationary polyimide seal, which occurred during a hard manoeuvre and resulted in thermal heating, fatigue cracking and subsequent failure of the fan.
- (2) Yes.
- (3) Yes.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 169 - Contestability of ideas

Senator Xenophon provided in writing:

- (1) In relation to the discussion between Senator Xenophon and Vice Admiral Griggs about “Contestability of Ideas”:
 - (a) Can you please confirm that the minute (COMTRAIN/OUT/2012/S5723813...believed sent sometime after 21 January 2013) was sent out under the authority of COMTRAIN to the addressees on the minute?
 - (b) Can you provide details, including correspondence, of what occurred subsequent to the minute (COMTRAIN/OUT/2012/S5723813) being sent with strict reference to generic policy recommendations, not the specific matter which gave cause to the minute being written?
- (2) In a 20 January email from CDRE Michael Noonan to RADM Timothy Barrett sent on Saturday 19 January 2013 at 01:09 AM, the writer states in a list under Recommended COA at e: “It has been determined that action will be initiated wrt all future Defence contracts, and current contracts where possible, to formally preclude contractors from engaging in public comment about Defence issues”. Please provide details as to whom within Defence had done the “determining” or the circumstances that led the writer to believe that “It has been determined”.
- (3) What processes and procedures are in place to ensure that those who speak out on defence issues (that may be critical of defence policies) are not in any way either targeted or prejudiced in their dealings with Defence as a result of their views?
- (4) The DMO website: (<http://www.defence.gov.au/dmo/DoingBusiness/ProcurementDefence/ContractinginDMO/ASDEFCON/ASDEFCON-Services.aspx#sthash.wFLdfCvI.dpuf>) states that “The most recent version of ASDEFCON (Services) is Version 2.2 (October 2010)”. Can Defence confirm that Defence Contracts do not, as a result of the specific matter which gave cause to the minute (COMTRAIN/OUT/2012/S5723813) being written, have standardised words in them referencing public commentary policy words found in Defence Instruction (General) (DI(G)) ADMIN 08-01 Public comment and dissemination of official information by Defence personnel.

Response:

- (1)
 - (a) Yes.
 - (b) This question has been answered under Question on Notice No. 15 from the JSCFADT Review of the Defence Annual Report 2012-13 of 6 June 2014

(2) Then Commodore Noonan formed his opinion on the basis of a broad range of views across many Defence personnel that it was standard practice for Defence contract to include 'non-disclosure clauses'. Subsequently, it was determined that this was not the case. No changes have been made to Defence Policy to preclude contractors from engaging in public commentary.

(3) This question has been answered under Question on Notice No. 6 from Supplementary Budget Estimates of 22 October 2014.

(4) Yes

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 170 - Collins Class submarines

Senator Xenophon provided in writing:

In relation to Collins Class submarines:

- (1) Please provide 2013/14 and forward estimates for the following:
 - (a) Collins Sustainment Costs
 - (b) Collins Operating Costs
 - (c) Collins Major Capital Investment program and minor projects
- (2) What percentage of the Navy's sustainment spend is spent on the Collins fleet?
- (3) How much money has been spent on submarine sustainment from the commencement of the previous term of government to the commencement of the current term of government?
- (4) How much money has been spent on submarine sustainment from the commencement of the current term of government to date?
- (5) What is the current planned handover date of HMAS Collins from ASC to the RAN?
- (6) How long will HMAS Collins have spent at ASC?
- (7) In relation to extending the life of the Collins class submarines an extra full docking cycle (i.e. what has previously been referred to as SLEP):
 - (a) Is a life extension still being considered by government?
 - (b) If so, what work would need to be carried out above and beyond normal sustainment work to effect a life extension?
 - (c) If so, what would the cost of this additional work be?
 - (d) If not, why has this strategy been abandoned?
- (8) Defence advised at Estimates that it is spending \$1M for Australian companies to participate in the US Combat System AN/BYG-1 program. How much, as a percentage, is this in relation to the total amount of money paid to the US Government for the AN/BYG-1 since 2001?
- (9) How many real emergency events (e.g. fire, flood, hydraulic burst etc) occurred on Collins Class submarines over the past 12 months and please provide details (nature/circumstance/cause) of each event.
- (10) With respect to recent (last 12 months) international naval exercises that the RAN has participated in?
 - (a) How many were there?
 - (b) How many of these were RAN submarines supposed to participate in?
 - (c) How many did RAN submarines participate in, fully without a defect which brought the boat alongside?

Response:

(1) With reference to the below tables, the figures used for FY 13-14 reflect actual end of financial year financial achievement; Future sustainment and workforce operating expense estimates are provided for the period spanning the forward estimates as per the current guidance for 14-15/Defence Material Financial Plan (DMFP) (20150180).

(a)

	2013-14 Actual Expenditure (\$m)	2014-15 Budget (\$m)	2015-16 Budget (\$m)	2016-17 Budget (\$m)	2017-18 Budget (\$m)	Total (\$m)
Collins Sustainment	590.2	559.8	517.5	598.0	581.8	2,847.2

(b)

	2013-14 Actual Expenditure (\$m)	2014-15 Budget (\$m)	2015-16 Budget (\$m)	2016-17 Budget (\$m)	2017-18 Budget (\$m)	Total (\$m)
DMO Collins Operating Costs	21.7	21.3	24.1	24.9	25.4	117.5
Navy Collins Operating Costs	183.4	188.5	202.7	213.1	224.5	1,012.2
TOTAL Collins Operating Costs	205.1	209.8	226.8	238.00	249.9	1,129.7

(c)

	2013-14 Actual Expenditure (\$m)	2014-15 Budget (\$m)	2015-16 Budget (\$m)	2016-17 Budget (\$m)	2017-18 Budget (\$m)	Total (\$m)
AMCIP Collins Projects	36.9	43.2	33.2	25.7	14.6	153.9

(2) The percentage of Navy sustainment funding expended on Collins class sustainment as per the following table:

	2013-14 Actual Expenditure	2014-15 Budget	2015-16 Budget	2016-17 Budget	2017-18 Budget
Percentage	33%	29%	26%	30%	29%

(3) Collins expenditure for the period 3 December 2007 to 18 September 2013 totalled \$2,313.4 million.

(4) Collins expenditure for the period 19 September 2013 until 30 October 2014 totals \$691.0 million.

(5) and (6) There is no current planned specific handover date of HMAS *Collins* from ASC back to the Royal Australian Navy (RAN). HMAS *Collins* should spend approximately six years at ASC-North before handover back to the RAN.

(7) (a) Government continues to assess options relating to the Collins class submarines and the Future Submarine Program to ensure that there is no capability gap at the withdrawal of Collins.

(b) Normal sustainment work moderated to allow for ageing effects would be an essential foundational element of a Collins life extension should one be required. It would further be expected that the existing Collins-related major capital projects will also be approved and delivered. Beyond that, any additional work would be contingent upon the submarine capability options required by Government.

(c) No estimate has been developed beyond normal sustainment and existing DCP projects.

(d) No decision has yet been made on a life extension for the Collins class submarine.

(8) The \$1 million being spent with Australian companies during this financial year is substantially less than one per cent of the total amount paid to the US Government since 2001 for the joint development, production and support of the AN/BYG-1.

(9) In terms of “real emergency events”, that is, an event that has had a significant impact, HMAS *Waller* suffered a fire on the propulsion system while operating on the surface in Cockburn Sound on 27 February 2014.

(10) (a) Twenty-six.

(b) and (c) For security reasons, Navy does not discuss the details of submarine deployments.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 171 - Future Submarine Program

Senator Xenophon provided in writing:

In relation to the future submarine program:

- (1) How much money has been spent on the future submarine program since it was first mentioned at National Security Committee in 2008?
- (2) How much of this future submarine program money has been spent from the commencement of the current term of government to date?
- (3) With respect to the Submarine Propulsion Energy Support and Integration Facility (SPESIFy) project?
 - (a) Noting the Minister's statement re: Option three and four being "fantasy", what is the status of this program?
 - (b) How much money has been spent on this program to date?
- (4) Please provide the forward estimates for the future submarine program.
- (5) How much (internal to Defence and external to Defence) was spent on the development of that "Future submarine industry skills plan"?
- (6) Why has it taken 6 years for Defence to articulate its future submarine requirements (noting requirements are solution neutral)?
- (7) Noting the Minister's statement to the Senate on 27th August 2014 suggesting the most obvious contenders for supplying our future submarines (and a further explanation provided at Estimates).
 - (a) With respect to interoperability:
 - (i) Do French Navy submarines exercise with US submarines?
 - (ii) Do French Navy submarines exercise with the US Navy Surface Fleet and/or US Air Force?
 - (iii) Do German Navy submarines exercise with US submarines?
 - (iv) Do German Navy submarines exercise with the US Navy Surface Fleet and/or US Air Force?
 - (v) Do Japanese Navy submarines exercise with US submarines?
 - (vi) Do Japanese Navy submarines exercise with the US Navy Surface Fleet and/or US Air Force?
 - (vii) Do the users of French designed submarines exercise with US submarines? viii. Do the users of French designed submarines exercise with the US Navy Surface Fleet and/or US Air Force?
 - (ix) Do the users of German designed submarines exercise with US submarines?
 - (x) Do the users of German designed submarines exercise with the US Navy Surface Fleet and/or US Air Force?
 - (b) What, if anything, is likely to restrict the installation of a US combat system on:
 - (i) A French design of submarine
 - (ii) A German design of submarine?
 - (iii) A Japanese design of submarine?

- (c) Noting Defence's experience with the Collins Replacement Combat System program, what cost, schedule and performance risk does it see in putting a US Combat System on a French, German or Japanese submarine?
- (d) With respect to weapon fits:
 - (i) Do Japanese Navy submarines carry US weapons (e.g. Mk 48s torpedoes [any variant] or Harpoon missiles)?
 - (ii) Do any French designed submarines carry US weapons (e.g. Mk 48s torpedoes [any variant] or Harpoon missiles)?
 - (iii) Do any German designed submarines carry US weapons (e.g. Mk 48s torpedoes [any variant] or Harpoon missiles)?
- (e) With respect to export experience:
 - (i) How many submarines has France exported since the end of World War II?
 - (ii) How many submarines has Germany exported since the end of World War II?
 - (iii) How many submarines has Japan exported since the end of World War II?
- (f) Please provide details of when Australian submariners have sea ridden on:
 - (i) A French design of submarine?
 - (ii) A German design of submarine?
 - (iii) A Japanese design of submarine?
- (8) Would the RAN seek to have a common hardware baseline with the USN for a US Combat System installation on our future submarine?
- (9) The Defence Minister implied at Estimates that Option three and four are a fantasy "Senator, you and I both know that those two options are fantasy". Mr King advised the Senate on 30 September that Defence was still working on Options three and four. Why is Defence working on options that are "fantasy"?
- (10) How much money has been paid to the Swedish Government/TKMS for Collins Intellectual Property needed to progress Option 3? If money has been paid, who authorised the public expenditure?
- (11) Noting submarine capability gap concerns that have been raised by the Minister, has the Department given consideration to an interim solution on the way to a final solution? For example:
 - (a) Scorpene to Conventional Barracuda
 - (b) Type 214/218SG/Dolphin II to Type 216
 - (c) Soryu to next iteration Japanese submarine design
- (12) In relation to Mr King's September 2014 trip to Japan
 - (a) What was the position/role of the staffer from the Department of Prime Minister and Cabinet that travelled with Mr King?
 - (b) Was the Prime Minister and Cabinet staffer invited by Defence, and if so, for what purpose? If not, why did he/she travel with Mr King?
- (13) What agreements have been entered into between Australia and Japan in relation to future submarines, and what are the details of these agreements?
- (14) What formal agreements are in place in relation to the exchange of classified information between Australia and Japan?
- (15) With respect to Air Independent Propulsion submarine solutions and a solely lithium ion battery submarine solution (and assuming a comparison has been

made under option three and four funding), in broad terms, how do these approaches compare with respect to:

- (a) Indiscretion ratio during high speed transit (e.g. 8 to 12 knots)
 - (b) Indiscretion ratio during an opposed transit (e.g. nominally 4 knots)
 - (c) Indiscretion ratio at nominal surveillance speed (e.g. nominally 4 knots)
 - (d) Total submerged time in area (e.g. nominally 4 knots)
- (16) How many people were employed by ASC on submarine construction during the height of the Collins build?
- (17) What is Defence's estimate of the number of Australian's employed on submarine construction during the height of the Collins build?
- (18) Of the total Collins procurement budget, what percentage of the total price was spent in Australia?
- (19) Noting Mr King stated of the future submarine program (in answers to question from Senator Fawcett), "The economic benefit does not normally form part of my area—that is a Treasury function":
- (a) On what basis did DMO fund Macroeconomic to fund a study (DMOCIP RFT 0315/2012) into the economic benefit of the SEA 1000 project?
 - (b) What weighting does DMO place on Australian Industry Involvement in its procurements?
 - (c) What weighting does DMO place on Australian suppliers getting traction in a submarine designer's global supply chain (say, compared to the F-35)?

Response:

- (1) \$90.520 million has been expended as of 31 October 2014.
- (2) Since 12 November 2013, \$51.730 million has been spent.
- (3) (a) The SPESIFy program is being refined in line with the Future Submarine capability options currently under consideration.
- (b) \$4.833 million has been spent on SPESIFy as of 31 October 2014.
- (4) The Program Forward Estimates are as follows and will continue to be refined subject to decisions made by Government (Price Basis FY 14/15):

14/15	15/16	16/17	17/18	Contingency
\$97.383m	\$41.039m	\$7.121m	\$6.577m	\$41.478m

- (5) The budget for the development of the Future Submarine Industry Skills Plan was \$800,000. The total spend was below that figure.
- (6) Requirements for the Future Submarine are drawn from the Strategic Guidance which is guided by the policy in Defence White Papers. Capability goals for the Future Submarine in the 2009 Defence White Paper were moderated in the 2013 Defence White Paper, which necessitated changes to some requirements for the Future Submarine. The detailed requirements for all Defence capabilities are also

continually refined throughout the capability development process, informed by studies and analysis.

(7) Interoperability is a broad term that refers to ‘the ability of systems, units or forces to provide services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together’. In a naval context, use of the term interoperability can cover a range of abilities from being able to berth at another country’s ports to an ability to seamlessly exchange secure data and operate in complete harmony with another nation’s forces.

- (a) (i-x) Defence cannot comment authoritatively on the extent of exercises with US forces involving French, German, and Japanese submarines, including those operated by other nations. The nature of any such exercises would be the subject of bilateral arrangements between those countries and the US, and dependent on the actual level of interoperability permitted by equipment fits.
- (b) (i-iii) Installation of the US combat system on submarine designs from any nation would be dependant on weight, space, power, and cooling allowances to accommodate the system; arrangements to protect classified US technology; and export control considerations.
- (c) Cost, schedule, and performance risks would depend on weight, space, power, and cooling allowances in the submarine design; the thoroughness of integration activities conducted in shore-based facilities; and arrangements for sharing interface data with the designer.
- (d) To the extent that such information can be shared publicly:
 - (i) Japanese submarines carry Japanese torpedoes and the Harpoon missile.
 - (ii) Defence is not aware of any French designed submarines that carry US weapons.
 - (iii) Defence understands that there are a number of German designed submarines that carry variants of the Harpoon missile (Block 1C, 1G, and 2), the Mk 48 Mod 6 AT torpedo (an earlier variant of the Mk 48 Mod 7 torpedo operated by the US and Australia). Mk 14/Mk 23, Mk 37 Mod 2/Mod 3, and NT37 torpedoes, which all pre-date the Mk 48, have also been incorporated into German designed submarines.
- (e) (i) Defence understands that France has exported approximately 20 submarines either as whole boats or designs since the end of WW II.
 - (ii) Defence understands that Germany has exported in the order of 150 submarines as whole boats, kits for assembly overseas, or as designs since the end of WW II.
 - (iii) Japan has not exported any submarines since the end of WW II.
- (f) (i) Australian submariners have not sea ridden French designed submarines since 2001 during *FNS Perle*’s visit to Australia.

- (ii) Australian submariners have sea ridden German designed submarines on a number of occasions, most recently in a Type 212 in August/September of 2014.
- (iii) Australian submariners have conducted a number of visits to Japanese submarines but have not conducted any sea rides.

(8) As is currently the case in the Collins class, as much as possible, Australia would seek to maintain a common baseline in the tactical and weapon control system (known as AN/BYG-1). The torpedo baseline (Mk 48 Mod 7) would be the same.

(9) Since 30 September, Defence has concluded its work on Option 3 – Evolved Collins. Option 4 was originally conceived as a new design conducted in Australia, which has been assessed as not feasible. The option of pursuing a new design from overseas is still being investigated.

(10) \$5 million dollars has been paid to the Kingdom of Sweden for improved access and rights to Collins class submarine intellectual property. This expenditure was authorised under the Implementing Arrangement to the Memorandum of Understanding between the Kingdom of Sweden and the Commonwealth of Australia on capability development and defence materiel cooperation, as signed by CEO DMO in June 2013 along with Director General of the Swedish Defence Materiel Administration.

(11) (a to c) The capabilities of the suggested interim submarines would be less than those of Collins in key areas. As such, their acquisition as an interim solution would not avoid a capability gap and is also likely to increase program costs and complexity given the need to manage several classes of submarine concurrently.

(12) (a) A Senior Advisor (Executive Level 2) from the Department of Prime Minister and Cabinet participated in the most recent visit to Japan over the period 24-25 September 2014. No representatives from the offices of the Prime Minister or Minister for Defence attended.

(b) Representation of the Department of the Prime Minister and Cabinet at submarine discussions with Japan is at the mutual agreement of Defence and the Department of the Prime Minister and Cabinet, and reflects the nature of the engagement.

(13) In relation to submarine cooperation between Australia and Japan, no formal agreements have been entered into.

(14) The Governments of Australia and Japan signed an updated agreement on the security of information on 17 May 2012 that entered into force on 22 March 2013

(Australian Treaty Series [2013] ATS15). This agreement provides for reciprocal protection of classified material exchanged between Australia and Japan.

(15) (a-d) A range of analyses have been conducted; however, results are classified given their specificity in relation to the operating profile of Australian submarines.

(16) Questions relating to ASC employment data (past and present) should be directed to the Department of Finance.

(17) Defence is not aware what percentage of the declared ASC construction workforce were Australian citizens.

(18) Of the Collins procurement budget, including the prime build contract, infrastructure and facilities, and rectification projects, 68 percent was spent on Australian Industry content.

(19) (a) Macroeconomics was contracted to provide expert assistance in data gathering, collation and processing for the development of a Computable General Equilibrium (CGE) economic model.

(b - c) Involvement of Australian industry in DMO procurements is supported through the Australian Industry Capability Program, which aims to:

- provide opportunities for Australian companies to compete on their merits for Defence work within Australia and overseas;
- influence foreign Prime Contractors and Original Equipment Manufacturers (OEM), including Australian subsidiaries, to deliver cost-effective support;
- facilitate transfer of technology and access to appropriate Intellectual Property (IP) rights; and
- encourage investment in Australian industry.

The AIC program is not percentage-based but rather aims to create opportunities for Australian companies to compete on their merits for Defence work on a value-for-money basis.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 172 - DMO employees

Senator Xenophon provided in writing:

- (1) What is the total number of DMO employees at present?
- (2) What was the total number of DMO employees at the commencement of the current term of Government?

Response:

Defence budgets for its Australian Public Service (APS) workforce on an annual average Full-Time Equivalent (FTE) basis and, its Australian Defence Force (ADF) workforce on an annual Average Funded Strength (AFS) basis. At any given point in time, actual staffing figures based on FTE and AFS are the most reliable indicator of staffing levels.

- (1) As at 6 November 2014, of the 6,319 total DMO workforce there were 4,948 FTE APS employees and an AFS of 1,371 ADF.
- (2) As at 26 September 2013 (the end of the closest pay period after last year's federal election), the DMO workforce totaled 6,568 and comprised of 5,241 FTE APS employees and an AFS of 1,327 ADF.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 173 - AWD program - discrepancy

Senator Xenophon provided in writing:

- (1) Noting ASC is a customer to Defence and the Minister has stated that the AWD program is running at 150 man hours per tonne:
 - (a) At what stage did the DMO, who manage the AWD contract, detect this problem?
 - (b) What action has Defence taken to ensure this number is reduced?
- (2) What explanation does Defence have for the discrepancy between the Ministers claimed (to Estimates) 150 hours per tonne number and ASC's claimed (to the Senate) 76 hours per tonne number for AWD construction?

Response:

- (1) (a) and (b) An international benchmarking company, First Marine International (FMI), has been making yearly assessments of the AWD Program for the DMO since construction started in 2010. Its 2011 report clearly indicated that ASC's productivity needed to improve if schedule and cost risks were to be controlled effectively. ASC and the block subcontractors were provided with company-specific performance details and realistic targets from the report in order to identify shipbuilding issues and improve performance. The 2012 and 2013 FMI reports gave similar assessments, pointing to an overall lack of progress against many of the improvement targets.
- (2) The most recent FMI assessment of the AWD Alliance Program, undertaken in late 2013, reported shipbuilding productivity, based on Estimate at Completion, as 149 man hours per compensated gross ton. This is based on data supplied by the Australian AWD block subcontractors.

Department of Defence

Supplementary Budget Estimates Hearing – 22 October 2014

Question on Notice No. 174 - Fraud

Senator Xenophon provided in writing:

(1) I refer to Q66 from Budget Estimates, 02 June 2014. It was understood by the individual referred to in this question, that Defence ceased any investigative capability in this matter when the then Minister in person, advised the individual in 2010 that his file had been read, he had been to everyone (in Defence) and that there was nothing that the Minister could do. The then Secretary was with him at the time.

- (a) Defence have previously given explanation to the term 'suspend' and 'terminate' with regard to Australian Defence Force discipline. Could Defence now advise an explanation on the sub-paragraph of the definition of defence member relating to the service and ethics requirements of Reserve Defence members: '4(b) a member of the Reserves is taken to be on duty while acting, or purporting to act, in his or her capacity as a member of the Reserves.'
- (b) Given Defence has examined the reasons, can Defence:
 - (i) Release the audit attached to letter 'LD 90 24935 / JMOV 278/95' 'The detail you provided on Sergeant Farrington travel has permitted me to conduct an audit of that particular booking. After reviewing the booking details and the actual airline invoice, I am able to advise that the airline provided the ticket in accordance with the contract and at a very favourable rate in comparison with the prices you advised were available to you...As a managing director of a travel agency you would doubtlessly be aware that the price on the ticket is not necessarily the price that is invoiced by the airline and paid by the customer. Such is the situation in this case.'
 - (ii) Can Defence advise the legislative and/or regulatory basis used to support their position that there was insufficient evidence to support the allegations?
 - (iii) Can Defence explain the then requirements to be followed by Certifying Officers prior to certification of a claim on DEFMIS?
 - (iv) Has Subdivision C- Fraudulent conduct Section 47 contained within the Defence Force Discipline Act 1982 been significantly changed or altered since 1995?
 - (v) Prior to its repeal in 2001 and replacement by the Criminal Code Amendment (theft, fraud, bribery and related offences) Act 2000, was the Secret Commissions Act 1905, referred to in any investigation of false account reported within the Department of Defence?
 - (vi) Is it still the case today as it was in 1992 that 'It is Government policy that Commonwealth departments and agencies must carry out their own investigations of fraud in the first instance, so the

Australian Federal Police or State Police should not be approached unless you have been advised to do so by Defence Investigators.’?

- (vii) Can Defence advise how many instances of fraud were referred to the Australian Federal Police in the period 1995-2010 with key words “procure”, ”contract”, “corruption” and “fraud” were used to report relevant cases?

(2) I refer to Q06 from Budget Estimates, 02 June 2014. I was advised that “as well as Inspector General Division staff, the plan is supported by a network of 16 fraud control coordinators appointed within the Groups and Services.”

- (a) Can you identify the categories of detected fraud for the years 2010-2011, 2011-2012, 2012-2013 and 2013-2014?
- (b) Can you identify to which cost centres the 16 fraud control coordinators were allocated?
- (c) Can you identify the value of the detected fraud emanating from each of the individual Groups and Services that have been allocated fraud control coordinators for the last four annual reports?
- (d) Can you update the \$1,412,571 supplied for the recovered Commonwealth funds for the full four year period and then provide a breakdown per financial year.

Response:

(1) (a) The definition of a ‘defence member’ is contained in sub-sections 3(1) and 3(4) of the *Defence Force Discipline Act 1982* (Cth).

The definition of when a person is a ‘defence member’ represents the outer limit of when that person is subject to military discipline jurisdiction. The definition is especially important for a person who is a defence member in the reserve forces (a reserve member) given the part-time nature of their military service.

According to paragraph 157 of the Explanatory Memorandum to the Defence Force Discipline Bill 1982, the reasons for the extended definition of ‘on duty’ in sub-section 3(4) are to potentially bring reserve members within the jurisdiction of the *Defence Force Discipline Act 1982* in two types of situations. The first is where a reserve member is required to attend for duty to perform service but fails to do so.

The second is where a reserve member is acting, or purporting to act, in their capacity as a reserve member. In either situation, the person could not be charged under the *Defence Force Discipline Act 1982* without the extended definition of ‘on duty’ for the purposes of being a ‘defence member’.

Whether a person is acting or purporting to act in their capacity as a reserve member, such that the person is subject to military discipline jurisdiction, will depend upon the factual situation in each case. The Explanatory Memorandum provided the example of where a person who is a reserve member is making out a report at home.

(1) (b) (i) No.

(1) (b) (ii) The assessment of fraud allegations in Defence is conducted by qualified and experienced fraud investigators. These assessments are conducted in accordance with the *Australian Government Investigations Standards* (AGIS), guidance contained within the *Commonwealth Fraud Control Guidelines* (CFCGs) and informed by the prescribed elements of any relevant offence/s.

(1) (b) (iii) A Certifying Officer (*Audit Act 1901*) would certify that goods and/or services had been supplied at the contracted price.

(1) (b) (iv) Yes.

(1) (b)(v) Yes.

(1) (b) (vi) No.

(1) (b) (vii) The Defence Policing and Security Management System (DPSMS) shows that between the years 1995 – 2010, there were 228 instances of ‘fraud’ referred to the AFP.

Although a small number of these fraud cases include the additional keywords ‘contract’, ‘corruption’ or ‘procure’ in the electronic case record, it is likely that the specific key words are included in more of these referred cases where additional documents and records are attached to the case record. To provide further detail would be an unreasonable diversion of resources.

(2) (a)

The following categories were used for detected fraud during the periods 2010 – 2014:

Defence Travel Card (DTC)
Defence Purchasing Card (DPC)
Defence Fuel Card
Defence Cabcharge
Abuse of Position
Accommodation Entitlement
Travel Allowance - Non DTC
Attendance or Leave Fraud Incl. Overtime
Employer Support Payment
Rental Allowance
Misuse of Commonwealth Property
Loss or Theft - Computers or IT Hardware
Conflict of Interest / Collusion
Failure to Perform Duty

False Information
Loss or Theft - General Property - Includes Cash
Loss, Theft or Misuse - Military Equipment or Kit
Misuse of Delegations
IT System Fraud – PMKeyS
Probity Issue
Other Allowances

(2) (b) Personnel, in addition to their normal specific duties, are appointed as Group Fraud Control Coordinators (GFCC). Some Groups have more than one. Consequently, the GFCC personnel are not allocated to a specific GFCC cost centre.

(2) (c)

Group	2010/2011	2011/2012	2012/2013	2013/2014
Army	\$320,506	\$458,351	\$470,580	\$304,374
Navy	\$279,996	\$227,785	\$225,130	\$155,793
Air Force	\$198,489	\$187,275	\$91,581	\$125,789
Defence Support and Reform Group	\$17,696	\$31,989	\$21,391	\$88,870
Vice Chief of the ADF	\$14,866	\$92,404	\$21,667	\$449,290
Joint Operations Command	\$16,097	\$50,468	\$1,523	\$12,379
Chief Information Officer Group	\$2,234	\$1,105	\$985	\$0
Defence Science and Technology Organisation	\$0	\$0	\$0	\$0
Office of the Secretary/CDF	\$0	\$779	\$0	\$0
Capability Development Group	\$4,154	\$0	\$0	\$25,497
Chief Finance Officer Group	\$0	\$0	\$0	\$0
Intelligence and Security	\$2,429	\$14,743	\$0	\$0
Defence Personnel Group	\$3,399	\$3,345	\$0	\$0
Defence Materiel Organisation	\$56,553	\$27,209	\$2,828	\$608,429
Total	\$916,419	\$1, 095,453	\$835,685	\$1,770,422

(2) (d)

Closed Investigations - Recoveries financial year comparison					
	2010/2011	2011/2012	2012/2013	2013/2014	Total
Recovered as at 30 September 2014	\$441,236	\$662,329	\$508,245	\$164,555	\$1,776,365

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 175 - Priorities of Inspector General

Senator Xenophon provided in writing:

- (1) Can the Inspector General Defence give an indication of what his top investigative priorities are for the financial year 2014-15? If not, why not?
- (2) What were the completed investigative priorities in 2011-12, 2012-13 and 2013-14?
- (3) Have any of the results for completed years been published by way of either Defence or AFP media releases? If not, why not?
- (4) Can Defence identify when the Directorate of Fraud Investigation Systems was first established?
- (5) You have advised that the current version of the Australian Defence Force Investigator's Course was endorsed in February 2010. Can Defence provide an opinion piece/assessment on the improvement to the Investigator's Course for the period 1995-2010 to support the undertakings of the ADF's 2011 Pathways to Change?

Response:

- (1) Fraud and corruption.
- (2) Completed investigations by category are shown below:

CATEGORY OF FRAUD	2011-12	2012-13	2013-14
Defence Travel Card (DTC)	39	17	23
Defence Purchasing Card	4	3	0
Defence Fuel Card	4	2	4
Defence Cabcharge	23	23	13
Abuse of Position	1	1	0
Accommodation Entitlement	8	21	6
Other Allowances	26	16	17
Travel Allowance - Non DTC	11	13	13
Attendance or Leave Fraud (inc overtime)	23	11	10
Commonwealth Property (Misuse)	8	12	7
Loss or Theft - Computers or IT Hardware	6	14	4
Conflict of Interest / Collusion	4	2	1
Employer Support Payment	6	3	0
Failure to Perform Duty	3	0	1
False Information	40	27	41
Loss or Theft - General Property (inc cash)	48	46	57
Loss, Theft or Misuse - Military Equipment or Kit	85	65	76
Misuse of Delegations	1	1	2
IT System Fraud - PMKeyS	3	11	7

Probity Issue	6	7	1
Rental Allowance	55	46	38

(3) No. Defence does not publish the names of personnel under investigation for privacy reasons.

(4) 11 March 2008.

(5) Prior to 2009, the single Services conducted discrete investigator training. The Australian Defence Force Investigator Course was established in 2009 to provide a tri-Service approach to investigator training based on civilian policing best practices. Included as fundamental to the course were attitudes that are consistent with the objectives of the Defence's 2011 Pathway to Change program.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 176 - Dispute between Serco Sedexo and Townsville Demolitions

Senator Macdonald provided in writing:

- (1) What was Serco Sodexo Defence Services' (SSDS) contract with Defence in relation to the Macrossan site (the site where Townsville Demolitions commenced work on removal of a building)?
- (2) Did the original contract between Defence and SSDS call for demolition of a building?
- (3) Have those buildings been demolished and/or removed? If so by whom and when and at what cost to Defence?
- (4) What money was paid to SSDS for the contract which involved the work at the Macrossan site?
- (5) What role did Defence actually play in the demolition or otherwise of buildings at the Macrossan site?
- (6) Did any part of the contract between Defence and SSDS specifically relate to demolition of the building?
- (7) What action or discussions took place between Defence and SSDS and any of its subcontractors in relation to those buildings and their demolition or removal?

Response:

- (1) There is no specific contract between Defence and Serco Sodexo Defence Services (SSDS) in relation to the Macrossan site. Defence has contracted SSDS to deliver a broad range of products and services at Defence bases and sites in north Queensland, including at Macrossan, through the North Queensland (NQ) Base Services Contract.
- (2) No. Specific buildings are not identified in the NQ Base Services Contract. During the term of the contract, several buildings on the Defence estate in north Queensland (including at the Macrossan site) were identified by Defence as no longer required and were subsequently demolished or removed by SSDS (or SSDS subcontractors).
- (3) The buildings at Macrossan were demolished during February 2012 (including asbestos remediation) by an SSDS-employed subcontractor, Townsville Asbestos.
- (4) Defence paid SSDS \$211,000 for the demolition of the buildings at Macrossan.
- (5) Under the terms of the NQ Base Services Contract, Defence identified to SSDS the buildings at Macrossan to be removed or demolished as part of the annual NQ Regional Estate Works Program. Defence played no further role in the demolitions

apart from receiving progress reports and verifying that the work had been completed to a satisfactory standard.

(6) No

(7) Under the terms of the NQ Base Services Contract, Defence identified to SSDS the buildings at Macrossan to be removed or demolished as part of the annual NQ Regional Estate Works Program. Throughout the project, Defence received progress reports from SSDS.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 177 - Defence and SDSS

Senator Macdonald provided in writing:

- (1) On a broader scale please identify all contracts between Defence and SSDS or any associated or subsidiary group or company in the north Queensland region indicating the dollar value of the contracts, the date of commencement and completion of these contracts, and whether such contracts were awarded following an open tender process?
- (2) Is Defence aware of the “standing offer panel” named by SSDS?
- (3) Is the existence of such a panel part of any contract or dealing between Defence and SSDS?
- (4) Is it lawful for SSDS to maintain such a panel that effectively involves a breach of the consumer competition laws in Australia?

Response:

- (1) There is a single Base Services Contract between Defence and Serco Sodexo Defence Services in the north Queensland region, excluding the National Clothing Stores contract.
 - The contract was tendered on Austender on 30 January 2008 in accordance with *Financial Management Accountability Act 1997*.
 - Serco Sodexo Defence Services was the successful tenderer and the Base Services Contract commenced on 19 January 2009 and will expire on 30 November 2014.
 - The Base Services Contract was last gazetted on Austender on 10 December 2013 with a value of \$560.569 million.
- (2) Yes, Defence is aware that Serco Sodexo Defence Services has a list of subcontractors.
- (3) The Base Services Contract has provision for Serco Sodexo Defence Services to enter into subcontract arrangements with other contractors. The contract clauses specify that Serco Sodexo Defence Services:
 - is fully responsible for the sub contract activities under the terms of the contract;
 - is vicariously liable to the Commonwealth for all acts, omissions and defaults of its subcontractors in relation to activities performed under the Base Service Contract; and
 - is to administer subcontracts which:
 - maximise competition and value for money for the Commonwealth;
 - are in writing and duly signed;
 - are not in respect of a related body corporate;
 - are in accordance with the terms of the tender process (if applicable) and the subcontract which it lets (as the case may be); and

- ensure all tender processes and all dealings with subcontractors are conducted with the highest standards of probity, equal opportunity, fair dealing and ethics.
- (4) The Base Services Contract requires Serco Sodexo Defence Services to deliver the Base Services Contract deliverables in accordance with Commonwealth, State and Territory legislation.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 178 - Future Submarine Project

Senator Carr provided in writing:

In relation to the Future Submarine Project:

- (1) Has DMO budgeted for a contested project definition study involving the contestants for the future submarine project?
- (2) What measures will the Department put in place to ensure that an overseas builder won't favour their own supply chain?
- (3) What measures will the Department put in place to ensure the overseas designer will involve Australian industry and supply chains?

Response:

(1) SEA 1000 is currently funded to analyse potential options for Australia's Future Submarine. Subject to the decisions of Government on the acquisition strategy, additional funding will be sought if required.

(2) and (3) Any proposal from a potential submarine designer or builder will be analysed for its overall value for money to the Commonwealth, including with regard to supply chains and the need to maintain a sovereign submarine capability.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 179 - Defence Force Boots Tender

Senator Carr provided in writing:

- (1) In relation to the Defence Force Boots Tender and the Department's response to Question on Notice no. 854:
 - (a) What scheme exists in Indonesia that is similar to the Homeworkers' Code of Practice? What evidence does the Department have to demonstrate the efficacy of this scheme?
- (2) In relation to the Defence Force Boots Tender, have any new processes been put in place to ensure greater Ministerial oversight over the awarding of such contracts in future? If so, please provide a detailed summary of what new measures have been or will be put in place.

Response:

- (1) (a) Amare Safety Pty Ltd, the Australian supplier of the Protective Footwear, has contracted the Australian company Steel Blue to supply the Protective Footwear. Steel Blue manufactures the protective footwear in its Indonesian factory, and has a strict code of conduct consistent with standards detailed in the Homeworke^r's Code of Practice. This code is contractually binding and requires the Indonesian manufacturing partner to operate workplaces in a transparent, ethical and sustainable way. In addition, Steel Blue conducts quarterly audits of the manufacturing facility to ensure compliance with its code of conduct.
- (2) The Government is reviewing its industry policy for Defence as part of the White Paper process.

Department of Defence

Supplementary Budget Estimates Hearing - 22 October 2014

Question on Notice No. 180 - APB Program

Senator Fawcett asked on 5 November 2014, Hansard page 71:

Mr Gould: This is slightly unusual in the APB program because it is, as you will probably recall, a two-year cycle. This is happening in mid-cycle. So the intent would be to bring it into the next two-year cycle as a formal program.

Senator FAWCETT: The answer on notice last time said that \$1 million had been made available to support the process. You have said that these two contracts are very low dollar value. Do they absorb only a part of or the bulk of that \$1 million?

Mr Gould: I will come back to you on that on notice, if I may. I think they will be within that \$1 million.

Senator FAWCETT: I would be interested to know if it is only a small part of that or whether there are plans to have a third or fourth contract within this time frame.

Response:

The bulk, as the response to Question on Notice No. 26 from Supplementary Budget Estimates of 22 October 2014 states. There are no plans to include any more contracts during this round. The number of contracts offered in future years will depend on the outcome of the 2014-15 round.