

Portfolio Overview and Major Corporate Issues

Question W5

Reduced additional expenditure

Senator Evans

- a) Appropriation Bill No 3, Schedule 1 Outcome 4 indicates a reduction of \$285m for Outcome 4. Please explain this reduction.
- b) Page 98 of the Supporting Additional Estimates indicates a difference between the revised and budget estimates of -\$233m for total expenses.
- c) Depreciation has fallen by \$254m and suppliers' expenses by \$63m. Please explain this change in depreciation expense and the reduction in expenditure on suppliers.
- d) List the total recurrent cost of planned Defence expenditure for each financial year from 2006-07 to 2017-18 inclusive.
- e) List the total capital cost of planned Defence expenditure under the Defence Capability Plan in for each financial year from 2006-07 to 2017-18 inclusive.
- f) List the total capital cost of planned Defence expenditure not included in the Defence Capability Plan for each financial year from 2006-07 to 2017-18 inclusive.
- g) List estimates for the nominal and real Defence price index from 2006-07-2016-017 annually.
- h) List the total recurrent cost of planned Defence expenditure for each financial year from 2006-07 to 2017-18 inclusive, including expected recurrent expenses resulting from capital outlays on C17, F18F, JSF and Air Warfare Destroyers.
- i) Has the Defence commissioned any analysis of intergenerational economic factors for the Defence budget? Is Defence liaising with Treasury in this exercise?

RESPONSE

a) to c)

An explanation of these revisions to Outcome 4 can be found in Table 5f at pp105-108 of the Defence *Portfolio Additional Estimates Statements 2006-07*.

- d) While Defence maintains a ten-year budget for planning purposes, only the current budget and three-year forward estimates are made publicly available, as is standard Commonwealth budgetary practice. As detailed in Table 7.3 at p141 of the Defence *Portfolio Additional Estimates Statements 2006-07*, the total recurrent cost of planned

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Defence expenditure for each financial year from 2006-07 to 2009-10, is outlined in the table below:

EXPENSES	2006-07	2007-08	2008-09	2009-10
	\$m	\$m	\$m	\$m
Employees	6,677	6,857	7,165	7,561
Suppliers	7,178	7,409	7,282	7,265
Grants	3	4	1	1
Finance Cost	20	21	21	22
Other	4	2	2	2
Reimbursement of Operation Astute expenditure from 2005-06	19	-	-	-
Total Expenses	13,901	14,292	14,471	14,850

e) The Defence Capability Plan comprises two elements:

- (i) the unapproved major capital investment program; and
- (ii) the approved major capital investment program.

The capital investment program includes both expenditure that is classified as capital (it involves asset purchases that are brought onto the balance sheet) and operating costs which are incurred in developing and managing projects (these costs are expensed in the income statement as they are incurred). As a consequence, and to make all investment expenditure transparent, both the capital and operating elements of the investment program are presented here for completeness, as detailed in the table below.

	2006-07	2007-08	2008-09	2009-10
	\$m	\$m	\$m	\$m
Capital Component	52.5	521.5	1,380.0	2,468.3
Operating Component	25.6	126.8	155.0	342.5
1. Sub-Total Unapproved Major Capital Investment Program	78.1	648.3	1,535.0	2,810.8
Capital Component Managed by DMO	3,899.9	3,963.4	3,332.4	2,560.4
Operating Component Managed by DMO	429.6	436.8	408.6	228.6
Other Investment Costs Managed by Defence Groups	81.2	38.4	10.1	3.2
2. Sub-Total Approved Major Capital Investment Program	4,410.7	4,438.6	3,751.1	2,792.2
Total Capital Investment Program (1+2)	4,488.8	5,086.9	5,286.1	5,603.0

f) The total planned capital expenditure not included in the Defence Capability Plan over the period 2006-07 to 2009-10 is outlined in the table below.

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	2006-07	2007-08	2008-09	2009-10
	\$m	\$m	\$m	\$m
Capital Component	546.9	466.6	413.0	382.6
Operating Component	78.0	50.1	41.9	40.4
1. Sub-Total Capital Facilities	624.9	516.7	454.9	423.0
Other Capital				
Other Capital Component ⁽¹⁾	813.3	508.5	512.7	679.9
2. Sub-Total Other Capital	813.3	508.5	512.7	679.9
Total Other Capital (1+2)	1,438.2	1,025.1	967.6	1,103.0

Note:

(1) Includes minor capital equipment projects valued under \$20m, purchase of repairable items and other property, plant and equipment purchases.

- g) Defence's budget is price updated based on movements in the non-farm gross domestic product (GDP) deflator. Estimates are updated at each budget milestone based on advice provided by the Treasury. It is Government policy only to publish movements in the index in the current budget year, with this information published in the Budget Papers and Mid-Year Economic and Fiscal Outlook (MYEFO) statement. The rate published for MYEFO in December 2006 was 3.25 per cent.
- h) As detailed in (d) above, the total recurrent budget for operating costs for Defence over the period 2006-07 to 2009-10 is outlined in Table 7.3 at p141 of the *Defence Portfolio Additional Estimates Statements 2006-07*, noting that further decisions in respect of the planned recurrent expenditure will be made in the context of the 2007-08 and 2008-09 Budgets.
- (i) In respect of C-17s, the Government agreed, as part of the 2006-07 Budget, that Defence will be fully supplemented for the recurrent expenditure, and once the cost estimates have been agreed they will be included in Defence's budget allocations;
- (ii) In respect of Super Hornets, announcements can be expected in the context of the 2007-08 Budget, but actual costs will not be incurred until beyond the forward estimates period; and
- (iii) In respect of Joint Strike Fighter and Air Warfare Destroyer capabilities, recurrent expenditure will be determined as part of the second-pass approval process for these projects, but actual costs will fall beyond the forward estimates period.
- i)
- (i) No
- (ii) Treasury consulted with Defence during the preparation of the latest Intergenerational Report.

Question W13

Update on Defence inquiries, reviews and investigations

Senator Evans

Please update the summary of Defence's list of inquiries, reviews and investigations.

RESPONSE

The following is an updated summary of the significant inquiries, reviews and investigations within the Department of Defence, both completed and continuing, between 2003 and 2006. A more comprehensive listing of Boards of Inquiry is provided in response to Question W52.

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Table 1: Department of Defence – significant inquiries, reviews and investigations

Year Commenced	Title	Review Type	Outcomes
2003	Defence Procurement Review (Kinnaird Review)	Government-initiated	Eight of the ten major recommendations and eight of the 12 minor recommendations have been completed. Implementation of the remaining recommendations continues.
2003	Veterans' Entitlements (Clarke Review)	Government-initiated	This review made 109 recommendations across broad areas including eligibility of veterans for various services and benefits. The Government agreed to many of the recommendations, and as a result, an amendment was made to the <i>Veterans' Entitlement Act 1986</i> in 2004.
2003	Boston Consulting Group Report	Secretary/Chief of the Defence Force initiated	Review of the Chief Information Officer Group. The Chief Information Officer Group has been reorganised in line with the recommendations.
2003	Review of Defence Science and Technology Organisation's External Engagement and Contributions to Australia's Wealth	Government-initiated	Resulting from the Trenberth Review, DSTO has developed a plan to improve technology access for industry, especially small to medium enterprises, and to enhance existing commercialisation mechanisms for technology transfers.
2003	Statutory Review of Part IIIAAA of the <i>Defence Act 1903</i> (Blunn/Baker Review)	Government-initiated	This review was completed in 2004 and a report provided to the Government. Recommendations from the report resulted in changes to the <i>Defence Act 1903</i> through the <i>Defence Legislation Amendment (Aid to Civilian Authorities) Act 2006</i> .

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2003	Evaluation of ADF Logistics Support to Operations in the Middle East with a View to Informing Future Logistic Capability Development	Other ⁽¹⁾	Implementation of the review is being executed through the Logistics Lessons Learned Implementation Working Group. Steady progress continues to be made in implementing logistic lessons learned with 75 of the 148 items closed. Many of the remaining items will take considerable time to implement as they are linked to logistic information systems projects and other reviews.
2003	The Effectiveness of Australia's Military Justice System	Government-initiated	The Senate Foreign Affairs, Defence and Trade References Committee tabled its report in June 2005. The Government response to the report, tabled on 5 October 2005, agreed in whole, in part, or in principle to 30 of the 40 recommendations and advised alternative solutions to meet the other outcomes. 19 full recommendations have been completed to date. Implementation of all other recommendations are on track for completion by end 2007.
2004	Review of the ADF's Joint Redress of Grievance process	Government-initiated	The recommendations have been implemented.
2004	Inquiry into Australian Intelligence Agencies (Flood Report)	Government-initiated	Of the 23 recommendations, three were the responsibility of Defence, and have been implemented.
2004	Special Air Service Health Review	Government-initiated	The Government has agreed to adopt all recommendations.
2004	Review of the effectiveness of interoperability between the armed forces of Australia and the United States	Secretary/Chief of the Defence Force-initiated	The Office of Interoperability was formed to see oversee the implementation of the recommendations.

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2004	Review of Military Health Services (Consultancy Contract)	Secretary/ Chief of the Defence Force- initiated	As a result of this review, Defence has established a Defence Health Services Division, as well as a Health Services Review Committee to consider strategic health service issues.
2004	Intelligence and Security Administrative Process Review (Consultancy)	Other	The contract has been completed and recommendations have been implemented.
2004	Evaluation of ADF Logistics Support to Operation <i>Anode</i>	Other	Implementation of the review is being executed through the Logistics Lessons Learned Implementation Working Group. Steady progress continues to be made in implementing logistic lessons learned with 75 of the 148 items closed. Many of the remaining items will take considerable time to implement as they are linked to logistic information systems projects and other reviews.
2004	Joint Agency Records Review	Government initiated	The recommendations are being implemented, and make up part of the Records Improvement Project.
2005	Board of Inquiry into the Sea King Incident – HMAS <i>Kanimbla</i>	Government-initiated	The Board of Inquiry is currently finalising its report.
2005	Review into Recruiting and Retention (Henry Review)	Government-initiated	This review, completed in May 2006, informed the ADF Retention and Recruitment strategy announced by the Government in December 2006.
2005	Review of culture in the ADF training (Podger Review)	Government-initiated	The review report and the Defence response were publicly released on 6 December 2006. Defence agreed to 46 of the report's 47 recommendations, some with modifications. A detailed implementation plan is currently being finalised.

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2005	Australian Defence Force Command and Control Structure	Government-initiated	The recommendations are currently being implemented.
2005	Health Services Review	Secretary/ Chief of the Defence Force- initiated	Defence has considered the report on the development of a costing model for Defence Health Services. Further information is currently being sought for non-operational Defence Health.
2005	Reserve Remuneration Review	Government initiated	Government agreed to the recommendations of the review in March 2006 and the measures were announced in the 2006-07 budget. All elements of the review have been approved and are being implemented.
2006	Inquiry into the death and repatriation of Private Jake Kovco	Board of Inquiry	The Board of Inquiry report was released on 1 December 2006. All the recommendations were either accepted or accepted with minor modifications. Implementation of the recommendations is ongoing.
2006	Review of ADF repatriation processes and procedures	Chief of Defence Force-initiated	The review resulted in a new Defence Instruction (General), issued on 18 September 2006, detailing the policy for the repatriation of deceased ADF members.
2006	Investigation into the loss of the draft report into the repatriation of Private Kovco's body.	Chief of Defence Force-initiated	The assessment/investigation into this incident has been finalised.

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2006	Defence Management Review	Government-initiated	In August 2006, the Minister for Defence announced the creation of the Defence Management Review (DMR) Team. The DMR examined Defence decision making, business processes and information management processes and systems. The Minister released the DMR report on 5 April 2007. Defence agreed in whole to 50 recommendations, agreed two in part and did not agree to one. A dedicated implementation team has been established to implement the recommendations.
2006	Evaluation of Defence Force Recruiting	Government-initiated	All recommendations have been agreed to by Defence, and will be used to develop a new model for ADF recruiting.
2006	Audit of ADF Investigative Capability (Adams Review)	Secretary/Chief of the Defence Force-initiated	The review report was publicly released on 4 December 2006. Defence agreed or agreed-in-principle to all of the report's 99 recommendations. A detailed implementation plan is currently being developed.
2006	Defence Materiel Organisation Procurement Practices for Clothing and Personal Equipment for members of the ADF	Government initiated	Twenty-nine recommendations have been made, which are being implemented.
2006	Navy's SeaSprite Helicopter Program – Super SeaSprite	Government initiated	The review was completed on 31 October 2006.

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2006	Defence Industry Policy Review	Government initiated	The Government released its Defence and Industry Policy Statement on 1 March 2007. This was the culmination of a review into the Government's defence industry policy announced by the Minister for Defence on 17 May 2006. The review included an extensive consultation process with relevant stakeholders from industry, academia and state, territory and federal government. Implementation will be robustly managed with key performance benchmarks and actions linked to accountable officers.
2006	Joint Investigation into the Acquisition of M72 Rocket Launchers	Government initiated	<p>In December 2006, following reports of alleged loss or theft of weapons, the Defence Minister announced a comprehensive audit of the security policies and practices applying to Defence weapons, munitions and explosives.</p> <p>The first phase of the audit focused on the M72 munition, a single-use, expendable rocket launcher and reported to the Defence Minister on 31 January 2007. Police investigations continue. The second phase of the audit is now examining all security aspects of the policies and practices for the management of weapons, munitions and explosives across Defence and is due to report by mid 2007.</p>
2006	Black Hawk 221 Board of Inquiry	Chief of the Defence Force - Initiated	An investigation into the Black Hawk 221 was announced in November 2006. A Board of Inquiry has been established with preparatory work being undertaken.
2007	Review of Military Superannuation	Government initiated	An independent team has been established to review Military Superannuation arrangements to establish their suitability in light of changes in the broader superannuation environment and in recognition of the unique and special nature of military service. The Review Team will provide their recommendations and report to Government in mid-2007.

Note:

1. 'Other' refers to reviews or inquiries that were not initiated by Government, or the Secretary and Chief of the Defence Force, and were not Portfolio Evaluations.
2. In November 2006, Defence reported that it was conducting a review into Foreign Fisheries. This is an internal ongoing activity rather than a review or inquiry, it has not been included in this revised table.

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Question W24

Westralia

Senator Evans

- a) Has the Department of Defence discovered any further documents related to HMAS *Westralia* or any interviews or investigations related to the supply or alleged supply of faulty, substandard or non genuine fuel system components to the Navy or any of the other services or supporting organisations since Senate Estimates on 14/2/2007?
- b) When will these documents be made available?
- c) How many sound recordings of interviews conducted by former Federal Agent P. R. Smythe (No 5353) are on file with Defence, and how many of them contain any reference to the supply or alleged supply of faulty, substandard or non genuine fuel system components to the Navy or any of the other services or supporting organisations?
- d) When are these recordings going to be made available?

RESPONSE

- a) The Minister directed Defence to conduct an urgent examination into the issues raised at Senate Estimates concerning allegations that Defence was warned in February 1998 that HMAS *Westralia* was in danger from faulty fuel lines, three months before the May 1998 fire. The examination included searches of over 18,000 files and interviews with key individuals. It concluded that the allegations by Bailey's Diesel Services were unfounded and were the result of misunderstanding or unsubstantiated hearsay. The matter has been brought to the attention of the Ombudsman to consider conducting an independent investigation.
- b) Any request to make available any of the documents reviewed by the examination will be considered by the Department in consultation with the Minister for Defence.
- c) There is a single audio tape from the meeting on 6 February 1998. This accords with the entry dated 10 February 1998 in the investigation team's exhibit register.
- d) Any request to make this available will be considered by the Department in consultation with the Minister for Defence.

Question W52

Boards of Inquiries into deaths of ADF personnel

Senator Evans

- a) What current Boards of Inquiries relate to the death or injury of ADF personnel? For each of these can we please be provided with a description of the BOI, its current status, the expected date of completion and current cost to date?
- b) What Boards of Inquiries relating to the death or injury of ADF personnel were finalised within the last three years? For each of these can we please be provided with a description of the BOI, the outcomes and findings of the BOI, subsequent action taken by the Department and the cost of the BOI?

RESPONSE

- a) There are currently two Boards of Inquiry (BOI) that relate to the injury or death of ADF personnel. Details are provided at Table A.
- b) There have been seven BOIs relating to the death or injury of ADF personnel that have been finalised within the past 3 years. Details of each are provided at Table B.

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TABLE A – CURRENT BOARDS OF INQUIRY (as at 16 March 2007)

Name	Description & Current status	Expected Date of Completion	Cost Estimate to Date
Sea King Board of Inquiry	On 28 April 2005, the Navy Fleet Commander (then Maritime Commander) appointed a BOI into the deaths of ADF personnel from a Sea King (Shark 2) crash at Nias in Indonesia on 2 April 2005. The Board commenced sitting on 05 Sep 05 and is currently finalising its report.	March 2007	\$7.63 million
Black Hawk 221 Board of Inquiry	On 7 December 2006, the Chief of the Defence Force appointed a BOI into the circumstances surrounding the crash of an Army Black Hawk helicopter (Number 221) off Fiji on 29 November 2006. A former judge has been appointed to preside over this BOI. The BOI is currently conducting pre-hearing scoping and planning activities.	January 2008	\$125,578.30

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TABLE B – COMPLETED BOARDS OF INQUIRY FOR PAST 3 YEARS ⁽¹⁾

Name	Description, Outcome, Findings & Departmental Action	Cost Estimate
Board of Inquiry - Petty Officer Fisher	PO Fisher died at Bindoon Range on 25 August 2004. The Navy Fleet Commander (then Maritime Commander) appointed a Board of Inquiry, which sat at Leeuwin Barracks 25 Oct-12 Nov 2004. The BOI submitted a report on 13 December 2005 in which it made 66 findings and 10 recommendations. The Maritime Commander accepted all 10 recommendations. Implementation of these recommendations is complete.	\$298,634.74
Board of Inquiry - Able Seaman Hall	AB Hall died at his residence in Sydney on 31 January 2006. The Chief of the Defence Force appointed a BOI into his death on 1 March 2006. The BOI submitted its report on 26 May 2006. The Board made 16 findings, 17 conclusions and 9 recommendations. The Chief of the Defence Force substantially accepted eight of those recommendations and Defence is currently implementing them.	\$123,365.01
Board of Inquiry - Leading Seaman Kim	LS Kim died at his residence in Western Australia on 19 October 2005. The Chief of the Defence Force appointed a BOI into his death on 17 Nov 05. The BOI completed its report in January 2006. The Board made findings in respect of each of the 12 terms of reference. The BOI also made 22 recommendations, all of which were substantially accepted by the Chief of the Defence Force. Defence is currently implementing these recommendations.	\$89,782.51
Board of Inquiry - Warrant Officer Class 2 Nary	WO2 Nary died at a practice range in the Middle East Area of Operations 6 November 2005. The Chief of the Defence Force appointed a BOI into his death on 15 February 2005. The BOI completed its report on 3 May 2006. The Board made findings and conclusions in accordance with its terms of reference. The BOI also made 14 recommendations, all of which were substantially accepted by the Chief of the Defence Force. Defence is currently implementing these recommendations.	\$712,238.21

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Board of Inquiry - Private Kovco	PTE Kovco died in Baghdad on 21 April 2006. The Chief of the Defence Force appointed a BOI into his death on 1 May 2006. The BOI submitted its report on 30 October 2006. The Board made 36 findings and 28 recommendations. The Chief of the Defence Force substantially accepted all of the recommendations and they are currently being implemented.	\$1,829,135.54
Board of Inquiry - Captain Lawton	CAPT Lawton died on 31 August 2006 while aboard the M/S TALISMAN in the Pacific Ocean. The Chief of the Defence Force appointed a BOI into his death on 18 September 2006, presided over by a civilian with judicial experience. An incident occurred following the conclusion of the Board's hearings on 20 December 2006 which resulted in legal proceedings being commenced in the Federal Court of Australia. Faced with the prospect of ongoing delays associated with this court action, the Chief of the Defence Force dissolved this Board of Inquiry on 13 February 2007. Work is currently underway to appoint a new BOI.	\$401,614.83
Board of Inquiry - Captain Rhind	CAPT Rhind died on or about 12/13 April 2006 at his residence in Sydney. The Chief of the Defence Force appointed a BOI into his death on 30 August 2006, presided over by a civilian with judicial experience. The Board submitted its report to the Chief of the Defence Force on 22 November 2006. The report contained findings in accordance with its terms of reference and 7 specific recommendations. The recommendations are being analysed by Defence.	\$87,781.74

Note:

1. 14 February 2004 to 14 February 2007

Defence Materiel Organisation

Outcome 1: Defence capabilities are supported through efficient and effective acquisition and through-life support of materiel

Question 6

Liquidated damages for Wedgetail

Senators Bishop and Evans

Hansard, p. 83-84

- a) What were the liquidated damages claimed in relation to the Wedgetail flight simulator?
- b) When will liquidated damages be triggered for the late delivery of the aircraft and what is the amount?

RESPONSE

- a) The Government has formally advised the Boeing Company that it is liable to a claim by the Government for liquidated damages in respect of the late delivery of the Wedgetail Flight Simulator. However, the Government has reserved its right under the contract to make an election on the recovery of those damages until a later date.
- b) The table below lists the eleven deliverables against which liquidated damages may be claimed and the dates upon which the entitlement to make each claim arises. The amount of damages that may be claimed in each case is Commercial-in-Confidence.

Deliverable	Date Entitlement Arises
Operational Flight Trainer	1 September 2006
Mission Support System #1	1 March 2007
Aircraft #1	1 May 2007
Aircraft #2	1 May 2007
Mission Support System #2	1 May 2007
Aircraft #3	1 August 2007
Operational Mission Simulator	1 August 2007
AEW&C Support Facility	1 September 2007
Aircraft #4	1 December 2007
Aircraft #5	1 April 2008
Aircraft #6	1 July 2008

Question W6

Staff numbers - DMO

Senator Evans

- a) What is the current staff ceiling level for the DMO?
- b) How many people are permanently employed by the DMO in each classification?

RESPONSE

a) and b) The DMO's staff levels are determined by budget affordability, including additional net funding provided for new acquisition projects and sustainment activities. Details on the DMO's staffing levels are contained in the Defence *Portfolio Additional Estimates Statements 2006-07*.

Question W7

Expenditure on external contractors - DMO

Senator Evans

How much did DMO spend on external contractors in 2005-06? List all consultants contracts for past two years.

RESPONSE

The Defence Materiel Organisation is required to report in AusTender the details of all procurement contracts (other than those that cannot be reported for national security reasons) valued at \$10,000 or above (GST inclusive) within six weeks of entering into the contract. This information can be obtained from the AusTender website at <http://www.contracts.gov.au>.

In addition, the DMO complies with the extant Senate Order on Department and Agency Contracts (last amended January 2004) that requires all Financial Management and Accountability Act 1997 agencies to publish, twice a year, a list of contracts valued at \$100,000 or above. This information is available at http://www.defence.gov.au/dmo/id/cic_contracts/cic_contracts.cfm#list.

Consultancy contracts

The list of consultant contracts for the past two years is as follows.

2004-2005

Aerospace Training Services
Aerostructures Australia
Albany Interactive Pty Ltd
Aon Risk Services Australia Ltd
AOS Airport Consulting Pty Ltd
Aramway Pty Ltd
Australian Aerospace Limited
Australian Government Solicitor
BAE Systems Australia Ltd
Ball Services Solutions
Ball Solutions Group
Bevington Consulting Pty Ltd
Blake Dawson Waldron
Broadleaf Capital International
Centrix PM Pty Ltd
Clanmor Holdings Pty Ltd
Clayton Utz
Cogent Business Solutions Pty Ltd
Coolemon Holdings Pty Ltd
CW Consulting
Dale Boucher

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Deloitte Touche Consulting Group
Deloitte Touche Tohmatsu
EC & S Systems Pty Ltd
Eden Technology Pty Ltd
EFS Insurance Agencies Pty Ltd
EMC Technologies
Enicash Pty Ltd
Ernst & Young
Everett & Associates
Gibson Crest Pty Ltd
Graeme L Lawless
Grimes Consulting
Grosvenor Management Consulting Pty Ltd - ACT
Grosvenor Management Consulting Pty Ltd - Vic
HBA Consulting
Henry Walker Eltin Contracting Pty Ltd
IBM Australia Ltd - ACT
IMAG Australia Pty Ltd
Inquirion Pty Ltd
Jacobs Sverdrup Australia Pty Ltd
JJIS Pty Ltd
John Kentish Consulting - ACT
KAZ Technology Services Pty Ltd
Kellogg Brown & Root Pty Ltd
Kellogg Brown & Root Pty Ltd - ACT
Kickstart Australia
Kobold Systems Pty Ltd
KPMG Australia - ACT
KPMG Australia - NSW
KPMG Australia - VIC
Logistic Engineering Services Pty Ltd
Logistics Bureau
M A Sargents & Associates Pty Ltd
Marc Consulting
Marsh Commercial Insurance Agencies Pty Ltd
Mechtest - School Of Mechanical Engineering
Mr David Lawler
Mr David Mortimer
Mr Des Nicholls
Mr Gary R Potts
Mr Jim M Noble
Mr Kevin McCann
Mr Neville Stevens
Mr Peter T Purcell
Mr Richard Lamacraft
Mr Williams M Collins
Ms Jennifer Robyn Clark

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Ms Robyn Lynette Beeth
MTC Australasia Pty Ltd
Nortel Networks - ACT
Novare Professional Services
P - CON Pty Ltd
Parsons Brinckerhoff
Petaros Pty Ltd
PFE International
Phillips KPA Pty Ltd
Proteus Consulting
Puntimai Associates
Purcell Consultants Pty Ltd
R M Harding
Raytheon Australia Pty Ltd - Naval Systems
Risk Decisions Ltd
ROEX Management Pty Ltd
SAI Global Ltd - NSW
Schneider Australia Consulting
Sir Laurence Street - NSW
SMEC Australia - NSW
Strategia Advising Pty Ltd
Tarbh Pty Ltd - SA
Taskey Pty Ltd
Taycor International Pty Ltd
Telelogic Australia Pty Ltd
Terra Firma Pty Ltd
Tresscox - NSW
VIPAC Engineers & Scientists
Workskills Professionals
WST Pacific Pty Ltd

2005-06

The Boeing Company
Achieve Training Employment & Business Solutions Pty Ltd
Acumen
Acumen Alliance
Albany Interactive Pty Ltd
APA Management Services
APIS Consulting Group
APS Commission
Australian Government Solicitors
Ball Services Solutions
Ball Solutions Group
BearingPoint Australia Pty Ltd
BEC Engineering
Bisitecniks P/L

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Booz Allen & Hamilton Australia Ltd – ACT
Booz Allen & Hamlton Australia Pty
Capgemini Pty Ltd
Carrard Solutions
CDM Technologies Inc
Centrix PM PTY Ltd
Centrix PM Pty Ltd
Christopher A Ritchie
Clanmor Holdings Pty Ltd
Clayton Utz
Codarra Advanced Systems
Commercial Project Solutions
Coolemon Holdings Pty Ltd
Corporate Scorecard Group
CRA International
CTI Consultants
David Miers and Associates
Delta Management Consulting
Department of Defence
Des Nichols
DH4 Pty Ltd
Digano
Dotsec Pty Ltd
Earth Tech Engineering Pty Ltd
EBOR Computing SA
EFS Insurance Agencies Pty Ltd
Electronic Warfare Associates Australia Pty Ltd
Enicash Pty Ltd
ENS International
EPOA Pty Ltd
ESRI Australia
Everette & Associates Pty Ltd
Fleet Software & Services Pty Ltd
Fujitsu Australia Limited
Gains Resources Asia-Pacific Pty Ltd
GHD Pty Ltd
Gold Creek Country Club Pty Ltd
Graeme L Lawless
Grosvenor Management Consulting Pty Ltd
G-TEK Australia
Hay Group Pty Ltd
HBA Consulting
HLA Envirosiences Pty Ltd
IBM Australia Ltd
Integrated Training solutions
Jacobs Sverdrup Australia Pty Ltd
Jacobs Sverdrup Australia Pty Ltd - ACT

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Jennifer Robyn Clark
Jim M Noble
JJIS Pty Ltd
JMW Consultants inc
John Richard Dixon Hughes
Kaz Technology Services Pty Ltd
Kellogg Brown & Root Pty Ltd - ACT
Kellogg Brown & Root Pty Ltd - VIC
Kinetic Defence Services Pty Ltd
KoBold Group
KPMG
KPMG Australia
KPMG Corporate Finance (Aust)
Leander P Hansar
Logistic Engineering Services
Logistic Engineering Services Pty Ltd
Logistic Solutions Australasia - NSW
Logistic Solutions Australasia
Logistic Solutions Australasia
Logistics Solutions Australasia Pty Ltd
Logistics Bureau
M A Sargents & Associates Pty Ltd
Marc Consulting
Marine Survey Company of Australia Pty Ltd
Mel Kovacs
Morison Consulting Pty Ltd
Mr Dale Boucher
Mr David Lawler
Mr Gary R Potts
Mr Kevin McCann
Mr Peter T Purcell
MSC Software Australia
MTC AustraliAsia Pty Limited
Multimedia Concepts
Neville Stevens
Novare Professional Services
People Oriented Systems (Australia) Pty Ltd
Petaros Pty Ltd
PFE International Pty Ltd
Proteus Consulting
Puntimai Associates
Purcell Consultants Pty Ltd
QANTAS Airways
Quantum Edge Pty Ltd
R M Harding
Review Consulting
Richard Lamacraft

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RLM Sytems P/L
Rob Dobson & Associates Pty Ltd
Robyn Lynette Beeth
Roex Management Pty Ltd
Rolesecure Australia Pty Ltd
Sacher Associates
Sacher Associates (Australia) Pty Ltd
SDH Human Resources & Management Consulting
Seal Solutions Pty Ltd
Sinclair Knight Merz Pty Ltd
Sir Laurence Street
SMS Consulting Group Limited
Spherion/Ross Logic
Tarbh Pty Ltd
Technical services
Tendwine Pty Ltd (David Mortimer)
Tenix Projects Pty Ltd
Tresscox
Tucker Consulting Pty Ltd
Virgin Blue Airlines Pty Ltd
Walter Turnbull

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Question W8

Projects - DMO

Senator Evans

Project name	Project No.	Approved Project Expenditure (\$m)	Cumulative Expenditure to 30 Jun 2005 (\$m)	2005-06 Budget Estimate (2005-06 Revised Estimate) (\$m)	2005-06 Actual Expenditure (\$m)	2006-07 Budget Estimate (\$m)
Armed Reconnaissance Helicopter (Tiger)	AIR 87 Ph2	1,962	806	440 (373)	262	312
Anzac Ship Helicopters (Seasprites)	SEA 1411 Ph3	1,006	918	47 (48)	23	64
F/A-18 Hornet Upgrade – Structural Refurbishment	AIR 5376 Ph3.2	177				53
F/A-18 Hornet Upgrade – Target Designation System	AIR 5376 Ph2.4	147				50
Airborne Early Warning and Control (Wedgetail)	AIR 5077 Ph3	3,530 (06/07 PBS) 3,531 (05/06 DMO AR)	2071	296 (373)	339	439
SM-1 Missile Replacement	SEA 1390 Ph4B	599		80 (52)	38	96
New Heavyweight Torpedo	SEA 1429 Ph2	430	131	54 (48)	33	51
Collins Replacement Combat System	SEA 1439 Ph4A	448	208	95 (113)	90	47
Collins-class Reliability and Sustainability Improvements	SEA 1439 Ph3	375	146	39 (33)	32	35
Lightweight Torpedo Replacement (Djimindi)	JP 2070 Ph2	321	113	37 (32)	29	45

- a) Indicate for all of the above projects the difference between the actual spending in 2005-06 and the revised budget expenditure for the project.
- b) Indicate the reasons for the underspend in each instance.
- c) List the total DMO projects current funded, and indicate for each project whether the milestones have been met, in cases when they have not been met the delay and reasons for the delay, and the budgetary implications for the delay in each year of the forward estimates.
- d) Which DMO projects currently face delays?
- e) What proportion of the DMO project budget relates to projects experience any delay for 12 months or more?
- f) What proportion of the DMO project budget relates to projects experience any delay for 18 months or more?

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RESPONSE

a) and b)

Project name	Project No.	
Armed Reconnaissance Helicopter (Tiger)	AIR 87 Ph2	<p>a. An underspend of \$111m.</p> <p>b. AIR 87 – The majority of financial underperformance is due to late achievement of milestones by the contractor, specifically:</p> <ul style="list-style-type: none"> • delayed acceptance of ARH 7, 8 and 9 (\$12m); • withheld payment for ARH 6 (\$2m); • withheld Earned Value payments (\$17m); • delayed acceptance of Ground Crew Training Devices (\$11m); • delayed delivery of Repairable Items (\$21m); • delayed delivery of Explosive Ordnance (\$2m); • delayed arrival of ARH 21 fuselage (\$3m); • delayed acceptance of Hellfire Acceptance Test Reports (\$10m); • delayed qualification of Ground Mission Equipment and Maintenance Management System (\$6m); • delayed Instrumented ARH Critical Design Review (\$7m); • delayed Virtual Training System Critical Design Review (\$1m); • delayed acceptance of Logistic Support Analysis Record for Ground Mission Equipment and Training Devices (\$1m); • delayed Acceptance and Test Evaluation of Data Link (\$3m); and • reduced Through-Life Support payments (\$15m).
Anzac Ship Helicopters (Seasprites)	SEA 1411 Ph3	<p>a. An underspend of \$25m.</p> <p>b. Financial underperformance is due to a range of technical issues with software integration and the aircraft's Automatic Flight Control System, resulting in the suspension of flying operations. This has delayed acceptance. The specific milestones involved are:</p> <ul style="list-style-type: none"> • Milestone 265 – Acceptance of aircraft one (\$20m); and • Milestone 266 – Acceptance of follow on aircraft (\$5m).
F/A-18 Hornet Upgrade – Structural Refurbishment	AIR 5376 Ph3.2	<p>a. An overspend \$8m.</p> <p>b. Overspend due to increase in initial setup and installation costs for HUG Phase 3.2.</p>
F/A-18 Hornet Upgrade – Target Designation System	AIR 5376 Ph2.4	<p>a. An underspend of \$4m.</p> <p>b. Underspend due to late delivery of Milestone 9 (Nutplate Kits), and the re-phasing of Milestone 11 (into contract change proposal, to be delivered at a later date) to better reflect the projects requirements.</p>
Airborne Early Warning and Control (Wedgetail)	AIR 5077 Ph3	<p>a. An underspend of \$34m.</p> <p>b. The actual underspend against the revised estimate was due primarily to the non-achievement of contract signature for the AEWC In-Service Support Contract due to protracted contract negotiations. This underachievement was partially offset by indexation losses incurred against the AEWC System Acquisition Contract milestone and progress payments.</p>
SM-1 Missile Replacement	SEA 1390 Ph4B	<p>a. An underspend of \$14m.</p> <p>b. Variance is due to alignment with US Foreign Military Sales (FMS) case payment, schedule (+\$19.9m), delays in establishing a separate FMS Case for Standard Missile (SM-2) software and services (-\$9.5m) and contracts with US Government and commercial suppliers for SM-2 ship integration work (-\$22.8m), and lesser than expected pre-contract expenses (-\$1.5m).</p>
New Heavyweight Torpedo	SEA 1429 Ph2	<p>a. An underspend of \$15m.</p> <p>b. Project SEA 1429 Phase 2 Replacement Heavyweight Torpedo did not achieve its 2005-06 expenditure as payment delays occurred under the Armaments Cooperative Project and cost savings were made on the ASC Pty Ltd work package. These delays did not affect the overall project delivery schedule.</p>
Collins Replacement Combat System	SEA 1439 Ph4A	<p>a. An underspend of \$23m.</p> <p>b. Project SEA 1439 Phase 4A did not achieve the full 2005-06 estimate due to payment delays under the Armaments Cooperative Project with the United States and delays in establishing some minor contracts or contract changes. The delays will not affect the overall project delivery schedule.</p>

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Collins-class Reliability and Sustainability Improvements	SEA 1439 Ph3	a. An underspend of \$1m. b. SEA 1439 Phase 3 is made up of many sub projects. The number progressed each year depends on the resources (contractor) that can be assigned. Some parts of the project exceeded the budget figure, while others underachieved.
Lightweight Torpedo Replacement (Djimindi)	JP 2070 Ph2	a. An underspend of \$3m. JP2070 Phase 2 did not achieve the revised FY 2005-06 estimate due to: <ul style="list-style-type: none"> • delay in the delivery of torpedoes and associated items with a consequent non payment of contract milestone payments valued at \$2.7m; • delay in the conduct of FFG System Requirements Review by two months resulting in payment of \$0.9m slipping into FY 2006-07; and • increased expenditure of approximately \$0.5m on AP-3 Maritime Patrol aircraft integration activities.

c) and d)

- i. There are currently 230 funded Major Capital Equipment projects.
 - ii. There are 57 projects in contract reporting a delay affecting project delivery. See Attachment A ‘Project schedule performance status Mar 07 All projects with delays’.
 - iii. The delays vary from a minimum of two weeks out to a number of years (AEW&C). The milestone delays will not necessarily delay the initial delivery into service of the project or the final delivery into service. The reasons for the delays are many with the majority being contractor delay. Other causes include DMO and other Government agency delays or delays with contract formation or variation.
 - iv. The *Portfolio Additional Estimates Statements 2006-07* (p 45) describes changes in the approved Major Capital investment program. Table 3.1 (p 165) outlines the revised estimates for 2006-07 for the top 30 projects and an explanation of the variations.
- e) 18.5 per cent.
- f) 17.3 per cent. This is a subset of the proportion provided at part e), not an additional proportion.

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Attachment A ‘Project schedule performance status Mar 07 All projects with delays’

Project Number	Project Name
AIR00087PH2	Rotary Wing Capability for Land Forces
AIR05077PH3	AEW&C Phase 3
AIR05276PH3	AP-3C Advanced Flight Simulator
AIR05333	PROJECT AIR5333 - VIGILARE MRS
AIR05376PH2	HORNET UPGRADE PROJECT AIR 5376 PHASE 2
AIR05416PH1	Echidna
AIR05416PH2	Echidna
AIR05418PH1	Follow-On Stand Off Weapon
AIR05425PH1	CTD-JDAM Extended Range Demonstrator
DEF00222CTD	CTD for Airborne Active Radar Testbed
DEF00224PH2A	Bunyip Enhanced EW Force Protection
JNT00065PH4	Parakeet PH4 (RPT)
JNT00129PH1	Airborne Surveillance for Land Operations-Risk Mitigation
JNT00129PH2	TUAV Schedule
JNT00199PH1	Establishment of Special Operations Command (RPT)
JNT02025PH5	Over The Horizon Radar Enhancement Program
JNT02030PH3	JCSS Ph3 Master & External Subs
JNT02036PH1	Narrowband Secure Voice Equipment Phase 1
JNT02059PH2	Bulk Liquid Distribution (BLD) Phase 2A (RPT)
JNT02059PH3	Water Purification and Desalination (BLD) Phase 3 (RPT)
JNT02065PH1	JNT 02065PH1 Integrated Broadcast Service
JNT02070PH2	Lightweight Torpedo Replacement Phase 2
JNT02070PH3	Lightweight Torpedo Replacement - Phase 3
JNT02072PH1	JP 2072 Battlespace Communications Systems (Land)
JNT02082PH1	Broad-Band Solid State High Power Amp for TWT Replacement
JNT02101PH1	Decentralised Data Fusion - CTD
JNT08001PH3A	Deployable Joint Task Force Headquarters
JNT08001PH3B	Second Deployable Joint Task Force Headquarters
JNT08001PH3C2	Deployable Accredited Secure Intelligence Facilities (Ph3C2)
LND00053PH1B	Ninox Night Fighting Equipment (NFE) SNS (RPT)
LND00053PH1F	Ninox - Thermal Surveillance System (TSS) (RPT)
LND00053PH2B	Ninox - Unattended Ground Sensors (UGS) (RPT)
LND00075PH3.2	Battlefield Command Support System Phase 3.2
LND00075PH3.3B	Battlefield Command Support System Phase 3.3B
LND00106	M113 Upgrade (RPT)
LND00112PH3	ASLAV Phase 3 (Aust Light Army Vehicles) (RPT)
LND00116PH3	116 Ph 3 Bushranger - Procurement Of IMV (RPT)
LND00121PH2	Overlander Phase 2 (RPT)
LND00125PH2B	Soldier Enhancement V1.0 (RPT)
LND00147PH1	Personal Power Generation & Supply System (RPT)
SEA01229PH4	Active Missile Decoy PH4
SEA01297PH3	Mine Warfare Command Support System (MWCSS)
SEA01348PH3C	Mine & Obstacle Avoidance Software (MOAS)
SEA01390PH2.1	FFG Upgrade Project PH2 Implementation
SEA01390PH4A	FFG SM1 Missile Replacement Test Station
SEA01390PH4B	FFG SM1 Missile Replacement
SEA01397PH3	Nulka PH3
SEA01405PH1/2	Seahawk ESM/FLIR
SEA01411PH1	ANZAC Ship Helicopter
SEA01429PH2	Replacement Heavyweight Torpedo System
SEA01430PH2A	Navigation Display Systems
SEA01439PH4A	Replacement Combat System
SEA01442PH3	Maritime Communications & IM Architecture Modernisation PH3
SEA01448PH1D	CEA-MOUNT Development Program
SEA01448PH2A	ASMD Phase 2A
SEA01448PH2B	ASMD Phase 2B (CEA)
SEA01448PH3	AUSPAR Stage 2
57 total	

Question W11

Liquidated damages

Senator Evans

- a) Section 47 of the *Financial Management and Accountability Act 1997* requires that a CEO must pursue recovery of each debt for which the CEO is responsible. Now that DMO is a prescribed agency, who is the CEO for the purposes of pursuing recovery for defence projects? Is it CEO DMO or Secretary Department of Defence?
- b) Are liquidated damages going to be pursued in the case of the Wedgetail project?
- c) Are liquidated damages going to be pursued in the case of other projects? If so, what are they?

RESPONSE

- a) The CEO DMO.
- b) The Wedgetail acquisition contract provides the Government with the right of election to recover liquidated damages as either a debt due, compensation or a combination of payment and compensation. The Government has reserved this right, and informed Boeing that it considers the company to be liable to a claim for liquidated damages and that the Government intends to recover all costs incurred as a result of the delay.
- c) Not all contracts provide for the payment of liquidated damages. Whether liquidated damages are to be pursued, and the timing of such action, is influenced by the terms of the contracts and the particular circumstances which give rise to possible claims. Liquidated damages may be sought in a number of other projects but their disclosure at this stage might have an adverse impact on the management of those contracts.

Question W15

DMO civilian staffing

Senator Evans

- a) What are the current civilian staffing targets for the DMO? When are they to be achieved?
- b) What has happened with the cut of 638 civilian positions that were supposed to occur through the DIDS outsourcing program? Were these cuts ever achieved?

RESPONSE

- a) The DMO's civilian staffing level for 2006-07 is 5,006. Further details are provided in the *Portfolio Additional Estimates Statements 2006-07*.
- b) Details on the civilian reduction program in Defence, including realisation of savings from the DIDS outsourcing program, are contained in the *Portfolio Budget Statements 2005-06*. Defence fully achieved the proposed savings program in 2005-06.

Question W16

Airpower

Senator Evans

List all FMS cases lodged with the United States in the past five years?

RESPONSE

The following list captures the 323 FMS cases accepted by Australia between March 2002 and March 2007.

Case ID	TITLE
BBGS	PROJECT LAND 146 - COMBAT IDENTIFICATION
BBZC	M1A1 ABRAMS TANK - DIRECT EXCHANGE
BBZD	ARMY PUBLICATIONS
BBZE	SUPPORT EQUIPMENT SPARE PARTS
BGYB	RETURN & REPAIR OF COMMUNICATION SECURE (COMSEC) EQUIPMENT
BKTT	KIOWA SPARES
BKTU	IROQUOIS SPARES
BKTV	BLACKHAWK SPARES
BKTW	CHINOOK SPARES
BKTY	MACHINE GUNS/DIRECT FIRE SUPPORT SPARE PARTS
BKWA	CHINOOK SPARES
BKWB	BLACKHAWK SUPPORT
BKWC	ARTILLERY/ARMOUR SPARE PARTS FOR INDIRECT FIRE WEAPONS
BKWD	COMMUNICATION EQUIPMENT
BKWE	M113 TRACKED VEHICLES
BKWF	BLACKHAWK SPARES
BKWG	CHINOOK SPARES
BKWH	ARTILLERY & ARMAMENT SPARE PARTS
BKWM	M1A1 ABRAMS TANK SPARE PARTS
BKWN	ARTILLERY AND ARMAMENTS SPARES
BKZQ	M1A1 ABRAMS TANK SPARES
BMXL	OPERATION ENDURING FREEDON (OEF) SUPPORT - GLOBULIN, ANTHRAX AND SMALLPOX VACCINES
BMXM	DNA SAMPLES AND ANTIBODIES
BODV	BLANKET ORDER TRAINING FOR ARMY
BODW	BLANKET ORDER TRAINING FOR ARMY
BODX	DISTANCE LEARNING – DEFENSE ACQUISITION UNIVERSITY (DAU)
BODY	BLANKET ORDER TRAINING FOR RAAF
BODZ	BLANKET ORDER TRAINING FOR ARMY
BOEB	DEFENSE ACQUISITION UNIVERSITY (DAU) MOBILE EDUCATION TEAM (MET)
BTGC	M1A1 ABRAMS TANK TECHNICAL PUBLICATIONS
BTGD	PROCUREMENT OF US ARMY TECHNICAL AND NON-TECHNICAL PUBLICATIONS
BUAA	PRC-117F GROUND TO AIR RADIOS
BUAC	TECHNICAL ASSISTANCE FOR KIOWA AND CHINOOK
BUAD	BIOLOGICAL SAMPLING KITS

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BUAE	M1A1 ABRAMS TANK TRAINING
BUAG	CH-47 CHINOOK ENGINES
BUAI	MK19 GRENADE LAUNCHER
BUAK	ADMINISTRATION SUPPORT FOR TECHNICAL LIAISON OFFICE (TLO) AT US ARMY AVIATION AND MISSILE COMMAND (AMCOM)
BUAM	AAR-47 MISSILE APPROACH WARNING SYSTEM (MAWS) AND ALE-47 COUNTERMEASURES DISPENSER SYSTEM (CMDS) FOR CHINOOK HELICOPTER
BUAN	5.56MM CARTRIDGE SPECIAL BALL
BUAO	MK VII LASER DESIGNATORS
BUAP	T700 ENGINE COMPONENT IMPROVEMENT PROGRAM - 2006
BUAQ	JOINT COMBINED TRAINING CENTRE SIMULATION SOFTWARE
BUAT	SIGNAL, ILLUMINATION, GROUND CLUSTER
UAU	OPERATION ACOLYTE - BIOLOGICAL SAMPLING KITS
BUAV	OEF SUPPORT - BINOCULAR NIGHT VISION GOGGLE (AN/PVS 23)
BUAY	M1A1 ABRAMS TANK - REPAIR AND RETURN OF PARTS
BUAZ	LIGHTWEIGHT SHOTGUN SYSTEM (LSS) AND SPARES
BUBA	AN/PRC-119 SINGLE-CHANNEL GROUND-AIR RADIO SYSTEM (SINGARS)
BUBC	FORCE XXI BATTLE COMMAND, BRIGADE-AND-BELOW (FBCB2) SYSTEM
BUBE	AIR WARRIOR ENSEMBLE
BUBF	7.62MM TRACER AMMUNITION
BUBG	JAVELIN MISSILE – IN-SERVICE SUPPORT
BUBH	RF-5800 TACTICAL COMMUNICATIONS RADIO UPGRADE
BUBI	ALE-47 COUNTERMEASURE FLARES - CHINOOK
BUBJ	FBCB2 EQUIPMENT AND SUPPORT - RAPID ACQUISITION
BUBN	40MM HIGH-EXPLOSIVE DUAL-PURPOSE (HEDP) CARTRIDGE
BUBO	SPIRIT SUPPORT
BUZZ	AN/PRC-150 RADIOS
BZYC	40MM M433 HIGH-EXPLOSIVE DUAL-PURPOSE (HEDP) CARTRIDGES
BZYD	BLACKHAWK TECHNICAL ASSISTANCE
BZYF	ROUGH TERRAIN CONTAINER HANDLER (RTCH) RT 240
BZYG	TECHNICAL SUPPORT FOR HELICOPTERS
BZYH	JAVELIN MISSILE WEAPON SYSTEM
BZYI	OEF SUPPORT - 40MM LINKED AMMUNITION
BZYJ	AIRCRAFT SURVIVABILITY EQUIPMENT (ELECTRONIC WARFARE SELF PROTECTION (EWSP)) FOR CHINOOK HELICOPTERS
BZYK	OEF SUPPORT - 40MM MK19 MOD3 GRENADE LAUNCHER
BZYM	EXTERNAL STORES SUPPORT SYSTEM (ESSS) MAINTENANCE WORKSTAND
BZYO	PROJECT AIR 87 - HELLFIRE II MISSILE
BZYP	UH-1H IROQUOIS FAIR SHARE SUSTAINMENT PROGRAM
BZYQ	CONTINGENCY MUNITIONS – JAVELIN MISSILES
BZYS	JAVELIN MISSILE LAUNCHERS - SUPPORT EQUIPMENT AND SERVICES
BZYT	M118 AMMUNITION
BZYM	M18 SMOKE HAND GRENADE
BZYW	NIGHT VISION GOGGLES (NVG) AND HEAD-UP DISPLAY (HUD) EQUIPMENT SUPPORT
BZYY	ADMINISTRATION SUPPORT FOR AUSTRALIAN SUPPLY LIAISON

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	OFFICER WITH US ARMY
BZYY	GAUGES AND COPPER SPHERES
BZYZ	SIGNAL KIT, PERSONNEL DISTRESS S/P25S-5A RED
BZZB	155MM PROJECTILES
BZZC	JAVELIN MISSILES – IN-SERVICE SUPPORT
BZZD	JAVELIN MISSILE OUTDOOR TRAINER
BZZE	M1A1 ABRAMS TANK PROJECT - SITE SURVEY
BZZG	FLIGHT PATH THREAT ANALYSIS SOFTWARE (FPTAS)
BZZH	M1A1 ABRAMS TANK ACQUISITION - PRIME CASE
BZZK	PULSE INTERVAL MODULATION (PIM) CODE FEASIBILITY STUDY
BZZL	T700 ENGINE COMPONENT IMPROVEMENT PROGRAM - 2004
BZZO	M1A1 ABRAMS TANK - OFFICE SUPPORT
BZZP	V3 HANDHELD TERMINAL UNITS AND ADAPTERS
BZZQ	INTERNATIONAL LOGISTICS COMMUNICATIONS SYSTEM (ILCS) ANNUAL SUBSCRIPTION
BZZR	T700 COMPONENT IMPROVEMENT PROGRAM - 2005
BZZV	INTEGRATION AND DEVELOPMENT ENVIRONMENT SOFTWARE/HARDWARE
BZZW	BLACKHAWK TECHNICAL ASSISTANCE
BZZX	PROTOCOL TEST TOOLS
BZZY	FBCB2 SYSTEM – BLUE FORCE TRACKER (BFT)
BZZZ	40MM CARTRIDGES M1029 & M1006
CGBM	PROJECT GRIFFIN – PROVISION OF COMBINED WIDE AREA NETWORK (CWAN)
CGCO	PROCUREMENT OF NETWARS SIMULATION SOFTWARE
DAMW	GRENADE, HAND, INCENDIARY AN M14
DAMX	20MM CARTRIDGES
DAMY	GUIDED WEAPONS AND EXPLOSIVES IN SUPPORT OF F-111 AIRCRAFT (LUG SUSPENSION MAU-129/A)
DDMW	GLOBAL POSITIONING SYSTEM (GPS) MICROCIRCUITS - BLANKET ORDER SUPPLY CASE
DDMX	TIME SPACE POSITION INFORMATION (TSPI)
DDMY	SELECTIVE AVAILABILITY ANTI-SPOOFING MODULE (SAASM) MICROCIRCUITS
DDMZ	APX-119/KIV-119 MODE 4 IDENTIFICATION FRIEND OR FOE (IFF) DIGITAL TRANSPONDER SYSTEM
DDNA	SELECTIVE AVAILABILITY ANTI-SPOOFING MODULE (SAASM) MICROCIRCUITS
DDNB	DEFENSE ADVANCED GPS RECEIVER (DAGR) SELECTIVE AVAILABILITY ANTI-SPOOFING MODULE (SAASM) MICROCIRCUITS
DDNC	ROVER III INTELLIGENCE, SURVEILLANCE AND RECONNAISSANCE (ISR) SYSTEMS DATA LINK
DEAN	COMMON SUPPORT EQUIPMENT - BLANKET ORDER SUPPLY CASE - RAAF
DGAA	TECHNICAL ASSISTANCE FOR INSTALLATION OF EXPLOSION SUPPRESSANT FOAM ON C-130 AIRCRAFT
DGAB	MANPOWER SERVICES HILL AIR FORCE BASE (AFB) – UNITED STATES AIR FORCE (USAF)
DGAC	TEST EVALUATION AT WRIGHT PATERSON AIR FORCE BASE (WPAFB)

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FLIGHT TEST CENTER

DGAD JOINT DIRECT ATTACK MUNITION (JDAM) TAIL KIT

DGAE PROJECT STONE GHOST – CENTRAL MANAGEMENT OFFICE SUPPORT

DGAI ADMINISTRATIVE SUPPORT FOR FOREIGN LIAISON OFFICE (FLO) AT
WRIGHT PATERSON AIR FORCE BASE, DAYTON USA

DGHA T-56 INTERNATIONAL ENGINE MANAGEMENT PROGRAM (IEMP)

DGHC AAR-47 MISSILE APPROACH WARNING SYSTEM (MAWS) AND ALE-47
COUNTERMEASURES DISPENSER SYSTEM (CMDS) TECHNICAL
ASSISTANCE FROM USAF

DGZA FLO ADMINISTRATIVE SUPPORT AT WPAFB/OOALC UT/WR-AL

DGZQ MANPOWER SERVICES - HILL AFB

DGZV AIR FORCE SECURITY ASSISTANCE COMMAND (AFSAC) OFFICE
SUPPORT FOR SLO AND TLO

DGZW RADAR AND JAMMING TESTING AT WPAFB

DGZX SAFE RANGE AIR WEAPONS RANGE MANAGEMENT SYSTEM

DGZY PEGASUS EXERCISE SUPPORT

DKEO C7 CARIBOU SPARES

DKEP SPARE PARTS FOR B-707 AIRCRAFT

DKEQ C-130 HERCULES SPARES

DKER B-707 AIRCRAFT SPARE PARTS

DKES SPARE PARTS IN SUPPORT OF B-707 AIRCRAFT

DNYP SUPPORT FOR SPACE AWARENESS SEMINARS

DOCB KOK-22/22A REPAIR AND RETURN

DOCD KIV-119 MODE 4 INTERROGATOR FRIEND OR FOE (IFF) SYSTEM

DPTX DRAWINGS OF STRUCTURAL MODIFICATIONS FOR S-70A-9
BLACKHAWK AIRCRAFT

DPTY TECHNICAL DATA CASE FOR US SOURCED MUNITION

DQBR EXERCISE RED FLAG SUPPORT - 2002-4

DQBS INFORMATION OPERATING NAVIGATOR PLANNING TOOL

DQBT AUTOMATED MISSION PLANNING

DQBU LINKLESS AMMUNITION LOADING SYSTEM (LALS)

DQBW ISSE GUARD SECURE INFORMATION AND DATA EXCHANGE SYSTEM

DQBX EXERCISE RED FLAG

DQCA PROJECT AIR 5384

DQCB ISSE GUARD SECURE INFORMATION AND DATA EXCHANGE SYSTEM

DQCC ISSE GUARD SECURE INFORMATION AND DATA EXCHANGE SYSTEM

DQCD THREAT MATRIX GENERATOR

DQCE DEF 224 PROJECT

DQCF AN/MPS-36 RADAR SYSTEM

DSEN C-17 GLOBEMASTER III

DTQO BLANKET ORDER SUPPLY CASE FOR TRAINING - RAAF

DTQP COUNSELLOR DEFENCE MATERIEL WASHINGTON (CONDMAT (W))
DEFENSE INSTITUTE OF SECURITY ASSISTANCE MANAGEMENT (DISAM)
TRAINING

DTQQ MOBILE EDUCATION TEAM (MET) VISIT - DISAM TRAINING 2005

DTQR C-17 AIRCREW CONVERSION TRAINING

DYKZ USAF CONTINGENCY MUNITIONS CASE

DYLA AIR 5418 – FOLLOW-ON STANDOFF WEAPON (FOSOW) - JOINT AIR
SURFACE STANDOFF MISSILE (JASSM)

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FAAR	AUDIT FOR PROJECT LAND 53 - NINOX
FABM	CONTRACT ADMINISTRATION SERVICES
FABS	CONTRACT AUDIT SERVICES - HORNET UPGRADE
FABY	WEDGETAIL FINANCIAL AUDIT
MEML	CYZ-10 DATA TRANSFER DEVICE
MEMM	ELECTRONIC KEY MANAGEMENT
MEMN	DTD 2000 DATA TRANSFER DEVICES AND KOV-21 CARD CONTROLLED CRYPTOGRAPHIC ITEM
MEMO	SECURE TELEPHONE EQUIPMENT (STE)
MEMP	KIV-7 COMSEC MODULES
MEMR	KOV-18 SECURE TELEPHONE EQUIPMENT
MEMT	KG-189 TRUNK ENCRYPTION DEVICES
MEMU	IRIDIUM SECURITY PORTABLE TELEPHONE
MEMV	KY100 SECURE VOICE AND DATA COMMUNICATIONS SYSTEM
MEMX	SECURE TELEPHONE EQUIPMENT
MEMZ	CYZ-10 DATA TRANSFER DEVICE
MENA	CYZ-10 DATA TRANSFER DEVICE
MENB	CYZ-10 DATA TRANSFER DEVICE
MENC	CYZ-10 DATA TRANSFER DEVICE
MEND	KIV-19A TRUNK ENCRYPTION DEVICES
MENE	KY100 SECURE VOICE AND DATA COMMUNICATIONS SYSTEM
MENF	IRIDIUM PHONES
MENG	ULTRA HIGH FREQUENCY (UHF) SLICE MODULE
MENH	LONG RANGE RADIO SUPPORT
MENI	REMOTE CONTROLLED SECURE TELEPHONE EQUIPMENT
PAAB	76MM CARTRIDGE - FFG UPGRADE
PAAM	20MM LINKS - MK7 MOD 1
PAAS	BOL SYSTEM TRIAL SUPPORT AND CHAFF FLARES TECHNICAL ASSISTANCE
PABO	20MM PGU 27A/B LOW DRAG AMMUNITION
PADK	20MM CARTRIDGE DUMMY
PADL	P3 COUNTERMEASURE FLARES
PAWH	PROXIMITY FUZE MK 404
PAWJ	LINK 20MM CARTRIDGE MARK 7 MOD 1
PAWL	USN CONTINGENCY MUNITIONS CASE
PAWO	HARPOON BLOCK II TACTICAL MISSILE BODY
PAWR	CHARGE PROPELLING CLEARING 5-INCH MK65 MOD1
PAWT	MK83 / BLU-110 BOMBS
PAWX	EX-98 IGNITER MATERIAL
PAWZ	GUN MOUNT AND ADAPTER
PBAT	SONAR RHO-COR DOMES
PBBO	RAAF JOINT MISSION PLANNING SYSTEM (JMPS) SOFTWARE
PBBT	AN/USM-449 UPGRADE KIT AND TECHNICAL SERVICES
PBCC	HARPOON MISSILE TELEMETRY SECTIONS
PBCU	KG-40AR PARALLEL CRYPTOGRAPHIC EQUIPMENT
PBDI	MINIATURIZED DEMAND ASSIGNED MULTIPLE ACCESS (MINI DAMA) COMMUNICATIONS SET
PBDQ	AN/AAR-47 V2 PLUS MISSILE WARNING SYSTEM
PBDX	FAST ROPING INSERTION/EXTRACTION SYSTEM (FRIES) FOR SEAHAWK

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PBEC	COMSEC ITEMS
PBEH	RT-1851A VERY HIGH FREQUENCY (VHF) / UHF RADIOS FOR CHINOOK
PBES	PROCUREMENT OF JOINT MISSION PLANNING SYSTEM
PBEW	RT-1851A (VHF) / UHF RADIOS FOR ANZAC
PBFF	BUTYL NENA PROPELLANT
PBFH	KG40A PARALLEL CRYPTOGRAPHIC EQUIPMENT
PBFJ	INFORMATION SCREENING AND DELIVERY SYSTEM (ISDS)
PBFT	TACTICAL COMMON DATA LINK
PCBP	UPGRADE OF MK440 TEST SETS
PCNS	RT-1830 UHF SATELLITE COMMUNICATIONS (SATCOM) NETWORK TERMINALS
PGBD	SUBMARINE SATELLITE INFORMATION EXCHANGE SYSTEM (SSIXS)
PGCP	TECHNICAL ASSISTANCE FOR NAVAL COMMUNICATIONS
PGCY	F/A-18 AIRCRAFT SUPPORT EQUIPMENT AND AUTOMATIC TEST EQUIPMENT
PGHX	INTERNATIONAL LOGISTICS COMMUNICATIONS SYSTEM (ILCS)
PGIB	20 MM AMMUNITION MANUFACTURING RIGHTS/TECHNICAL ASSISTANCE
PGIY	HORNET UPGRADE (HUG) PHASE 2.3 ALR-67V(3) RADAR WARNING SYSTEM (RWR) EVALUATION
PGJN	CARTRIDGE ACTUATED DEVICES (CAD) AND PROPELLANT ACTUATED DEVICES (PAD) TECHNICAL DATA
PGJO	F/A-18 AIRCRAFT 21C SOFTWARE CONFIGURATION SET (SCS)
PGJP	F/A-18 PUBLICATIONS
PGKI	JOINT CROSS DOMAIN EXCHANGE (JCDEX) SUPPORT
PGKJ	ENCAPSULATED HARPOON CERTIFICATION AND TRAINING VEHICLE (EHCTV) – REPAIR, TECHNICAL ASSISTANCE AND SPARES
PGLA	MK41 MOD5 VERTICAL LAUNCH SYSTEM (VLS) ENGINEERING DRAWINGS
PGLB	ADMINISTRATION SERVICES FOR ROYAL AUSTRALIAN NAVY (RAN) LIAISON OFFICER AT NAVICP
PGLK	3RD GENERATION PROPELLOR FOR COLLINS SUBMARINE
PGLO	SEARCH AND RESCUE HELICOPTER SOFTWARE FROM UNITED STATES COAST GUARD (USCG)
PGLQ	AN/AAR-47 MAWS AND ALE-47 CMDS TECHNICAL ASSISTANCE
PGLR	PHALANX CLOSE-IN WEAPON SYSTEM (CIWS) OVERHAUL
PGLV	COLLINS SUBMARINE COMBAT SYSTEM AUGMENTATION (CSA) FOLLOW-ON SUPPORT
PGMA	PROPELLER COMPONENT IMPROVEMENT PROGRAM (CIP)
PGMC	TRIAL BLACKWOOD F-111 OPERATIONAL TEST AND EVALUATION (OT&E)
PGMD	FRIGATE SUPPORT
PGMG	FFG SHIP UPGRADE SPARES AND TECHNICAL ASSISTANCE
PGMI	P3 ORION TECHNICAL ASSISTANCE AND DATA SUPPORT
PGMO	LANDING PLATFORM AMPHIBIOUS (LPA) CLAS SHIP FOLLOW ON SUPPORT
PGMQ	MK19 MOD1 AIR TURBINE PUMP TECHNICAL ASSISTANCE
PGMW	F/A-18 AIRCRAFT IN SERVICE SUPPORT (ISS)
PGMZ	TECHNICAL ASSISTANCE - MK46 AND MK48 TORPEDOES

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PGNQ	REPLACEMENT F/A-18 MANAGEMENT CASE
PGNX	TF-30 ENGINE CIP USN
PGNY	INTERNATIONAL LOGISTICS COMMUNICATIONS SYSTEM (ILCS)
PGOD	HUG 2.3 RISK REDUCTION AND TEST AND EVALUATION
PGPJ	MK48 TORPEDO FOLLOW-ON TECHNICAL SUPPORT, PUBLICATIONS AND SERVICES
PGPK	MK46 TORPEDO MOD 1/2/5A WEAPON SYSTEM SOFTWARE
PGPL	LOADING SERVICES FOR HAZARDOUS CARGO AND AMMUNITION AT US DEPARTMENT OF DEFENSE CONTROLLED PORTS
PGPM	TIE 10 - OPERATIONAL AND TECHNICAL ASSISTANCE AND SOFTWARE FOR TACTICAL INFORMATION EXCHANGE OFFICE
PGPN	JOINT DIRECT ATTACK MUNITIONS (JDAM) SUPPORT
PGPV	NAVAL TRACKING STATION TECHNICAL INVESTIGATION
PGPW	ANZAC SHIP TECHNICAL SUPPORT
PGPY	TECHNICAL LIAISON OFFICE SUPPORT NORTH ISLAND, USA
PGPZ	PROJECT AIR 7000 - PARTICIPATION IN USN PROJECT
PGQA	ADMINISTRATIVE SUPPORT SERVICES FOR RAAF SUPPLY LIAISON OFFICE (SLO) PHILADELPHIA, USA
PGQB	H3 & H2 HELICOPTER TECHNICAL ASSISTANCE
PGQC	H60 HELICOPTER TECHNICAL ASSISTANCE
PGQD	F/A-18 MANAGEMENT CASE
PGQE	PROJECT 5418 - F/A-18 ENGINEERING AND TECHNICAL SUPPORT SERVICES
PGQH	TECHNICAL DATA CASE FOR US SOURCED MUNITIONS
PGQI	TECHNICAL LIAISON OFFICE SUPPORT NORTH ISLAND, USA
PGQJ	F/A-18 AIRCRAFT SUPPORT EQUIPMENT AND SERVICES
PGQK	AN/AAQ-28 LITENING POD SUPPORT
PGZP	HARPOON FOLLOW ON SUPPORT CASE
PGZR	HUG - TECHNICAL ASSISTANCE
PGZT	AIR WARFARE DESTROYER PROJECT
PGZU	HEAVYWEIGHT TORPEDO ACTIVITY (COLLINS)
PGZV	CLOSE-IN WEAPON SYSTEM (CIWS) OVERHAUL
PJAY	USN PUBLICATIONS FOR RAAF
PJBJ	RAAF PUBLICATIONS FROM USN
PJCG	SIDEWINDER MISSILE SPARES AND SUPPORT
PJCP	ELECTRONIC SPARES AND REPAIR PARTS
PJCQ	ELECTRONIC SPARES AND REPAIR PARTS
PJCR	H3 & S-70B AIRCRAFT SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING
PJDB	T-56 / C-130 ENGINE SPARES – DIRECT REQUISITIONING PROCEDURES (DRP) CASE
PKDH	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR P-3C AIRCRAFT
PKDI	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR MK48 3/4 TORPEDO
PKDN	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR P-3C AIRCRAFT
PKDO	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR F/A-18 AIRCRAFT

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PKMD	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR DDG/FFG SHIPS
PKME	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR P-3C AIRCRAFT
PKMG	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR F/A-18 AIRCRAFT
PKMH	SPARE AND REPAIR PARTS WITH NON-MISSION CRITICAL SYSTEMS PROCESSING FOR FFG UPGRADE PROGRAM - MK92
PKMI	NAVY SPARES AND REPAIRS
PLBJ	PROJECT AIR 87 – PROCUREMENT OF ARC-210 RADIOS
PLBR	REPLACEMENT COMBAT SYSTEM FOR COLLINS SUBMARINE
PLBZ	F/A-18 AIRCRAFT CENTRE BARREL REPLACEMENT KITS
PLCD	DEF 224 PROJECT
PLCE	MULTIFUNCTION INFORMATION DISTRIBUTION SYSTEM (MIDS)
PLCG	COLLINS SUBMARINES - TOWED ARRAY PROCESSOR
PLCH	AN/ARC-210 RT-1851 RADIOS
PLCK	PROJECT AIR 5402 - MIDS
PLCN	AN/ARC -210 RADIOS
PLCO	PROJECT AIR 9000 - RT-1794C RADIO
PLCQ	AEGIS COMBAT SYSTEM FOR AIR WARFARE DESTROYER
PLCR	P-3 ORION ELECTRONIC WARFARE SELF PROTECTION
PLCW	AUTOMATED DIGITAL NETWORK SYSTEM
PLCX	JOINT WORLDWIDE INTELLIGENCE COMMUNICATIONS SYSTEM
PLCY	SM2 MISSILES
PLDA	MK 698 GUIDED MISSILE TEST SET
PLDD	MK7 MOD2 ANTI PERSONNEL OBSTACLE BREACHING SYSTEM
PLDF	HIGH DATA RATE (HDR) ANTENNA – COLLINS SUMARINE
PLDG	AN/ALR-67 V3 RADAR WARNING RECEIVER SYSTEM
PLDL	OEF SUPPORT – IMPROVISED EXPLOSIVE DEVICE (IED) COUNTER MEASURE
PMAE	F/A-18 AIRCRAFT RELATED PARTS - REPAIR RETURN AND RESHIPMENT
PMBW	P-3 ORION REPAIR AND RETURN - NAVICP
PMDN	SIDEWINDER MISSILE PARTS - REPAIR AND RETURN
PMGR	RETURN, REPAIR AND RESHIPMENT OF VARIOUS WEAPON SYSTEMS
PMGS	SATCOM RADIO REPAIR
PMGT	MINI DMA REPAIR
PPAN	INITIATOR CARTRIDGE ACTUATED JAU22/B MF64
PPAO	CARTRIDGE IMPULSE MK 19 MOD 0
PRBM	F/A18 AUTOMATIC TEST EQUIPMENT (ATE) HARDWARE
PREW	MK48 TORPEDO SPARE AND REPAIR PARTS (DRP)
PREX	MK46 TORPEDO SPARES
PSAI	NAVAL SPECIAL WARFARE 11M RIGID HULL INFLATABLE BOAT (RHIB)
PTKY	TEST PILOT TRAINING WITH USN
PTKZ	RAN TRAINING FOR 2004/05 - 2005/06
PTQB	US NAVY TEST PILOT NAVIGATION TRAINING
PTQC	BLANKET ORDER TRAINING
PTQD	NAVY TEST PILOT TRAINING
PTQE	JOINT SERVICES BLANKET TRAINING
PTQF	RAN TRAINING - BLANKET ORDER

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PZAA	RWR SYSTEMS - LEASE
RMAM	F-111 EXCESS DEFENSE ARTICLES AIRCRAFT SPARES
RYAC	CATALOGING SERVICES AND LOGISTICAL DATA
RYAD	CATALOGING SERVICES AND LOGISTICAL DATA
RYAE	CATALOGING SERVICES AND LOGISTICAL DATA
UJBD	MAPS AND CHARTS
UJCE	FLIGHT INFORMATION PUBLICATIONS (FLIPS)

Defence

Outcome 1: Command of operations in defence of Australia and its interests

Question W2

Air support in Iraq

Senator Evans

What contingency plans have been developed to support Australian troops in the event that UK air support for Australian troops was removed?

RESPONSE

ADF forces in Iraq are not fundamentally reliant on UK air support. Air support is provided by a variety of means throughout the Coalition.

Question W3

Alleged non-issue of body armour to ADF personnel seconded to a British unit that was deployed to Iraq

Senator Evans

- a) Are the allegations in the Sydney Morning Herald's article of 20 May 2006 correct that ADF personnel on exchange with a British unit which was subsequently deployed to Iraq were not issued Australian helmets and body armour because the Australian soldiers were regarded to be on 'exercise' and not on 'operations'?
- b) If the allegations are correct, what are the reasons for not issuing Australian equipment to ADF personnel deployed to operational areas?
- c) Is there a shortage of body armour in the ADF? If so, what is the shortfall?
- d) Is it correct that Defence was unable to provide body armour to AFP personnel deployed overseas?

RESPONSE

a and b)

This allegation is incorrect. The ADF personnel deployed to the United Kingdom on Exercise Longlook. They were subsequently approved to deploy on operations with their sponsoring unit. As the personnel deployed from Australia on exercise, they were not issued protective equipment for an operational deployment. They deployed to their operational area using United Kingdom Forces protective equipment until such time as they could be issued with Australian equipment.

c) No.

d) No.

Question W4

Risk assessments

Senator Evans

- a) What risk assessments have been made on the safety of Australian troops in Iraq?
- b) When were those assessments made?
- c) Does the mooted surge of US troops in Baghdad have security implications for Australian troops serving in the south of the country? (ie, if insurgents are driven south will they attack our soldiers?)

RESPONSE

- a) Risk assessments form an integral part of all ADF planning.
- b) These assessments form the basis for all planning. Reviews of ADF operations are conducted regularly and in response to changing conditions within areas of operations.
- c) Any risk that may arise due to Coalition security operations in Baghdad is being closely monitored. Australian troops in Southern Iraq are properly equipped, prepared and ready to respond to any threat in that region.

Question W21

Phone access for troops in Timor Leste operations

Senator Evans

- a) What are the standard procedures for allowing communication between family members for serving infantry personnel in Timor Leste?
- b) Are these procedures working as planned?
- c) In the event that such access is abused by certain ADF personnel what would be the appropriate response from the relevant supervising officer?
- d) Is it reasonable to issue an order to terminate access of all serving personnel in a unit to family phone calls because other members of the unit are abusing the privilege?
- e) Would it concern you to discover that this may in fact be happening at present?
- f) Why should Australian Servicemen and woman engaged in such deployment be denied appropriate access to communication with the family? What are the implications for troop morale?

RESPONSE

- a) Personnel are provided with approximately three welfare phones at each major troop location. The welfare phones are available 24 hours per day. All welfare phones have a nominal 10-minute limit applied to them but this is not strictly enforced. Members also have access to the welfare internet to send/receive emails and access the internet. Members may connect to the welfare internet 24 hours per day using a personal laptop, or use the internet terminals provided by Defence between 6am and 9pm.
- b) Yes. However, due to the local telecommunications provider's cable being damaged, the welfare telephone system at Chauvel Barracks has been unusable since 16 March 2007. To manage during this outage, mobile and military satellite communication phones are being used.
- c) Access to phones is controlled under local command arrangements. Any abuse would be handled by a general reminder of the policy on access, or by discussion with the individual involved.
- d) No.
- e) Yes.
- f) Access is only denied in the event of a critical incident shutdown for operational security reasons or due to technical problems with the network. The ability to communicate with family is an important morale issue.

Question W23

Media outlets' access to Iraq

Senator Evans

- a) Have media outlets (or publications) recently been offered access, courtesy of the Department of Defence, to Australian units deployed in Iraq.
- b) Which media outlets were offered and accepted access?
- c) Were some outlets who were willing to go to Iraq not able to be accommodated? If so which ones?

RESPONSE

- a) Yes. The Australian Defence Force plans to conduct fully escorted media tours to the Middle East Area of Operations throughout 2007, as part of a policy to increase media access to our deployed personnel. Each of these tours will provide access for up to six media representatives.
Numbers are limited to six because of the difficult security situations in Iraq and Afghanistan. Tours conducted this year to date include visits to Iraq, Afghanistan and our ships deployed in the Persian Gulf. The ADF regularly receives requests from media agencies to visit operations and also canvasses media agencies routinely to seek expressions of interest in participating in media tours. Where possible, representatives from electronic and print media are included on each tour with major agencies offered positions on a rotational basis.
- b) The following media outlets were offered and accepted access to Iraq on 20 February 2007:
Nine Network Television News,
Radio 2GB,
News Limited - *The Daily Telegraph*, and
a journalist representing both *Ralph* magazine and the *Bulletin*.

The following outlets were offered and accepted access on a subsequent Middle East Area of Operations visit on 5 March 2007:
 - i) *Northern Territory News*;
 - ii) Channel Eight (9), Darwin;
 - iii) SBS-TV; and
 - iv) a journalist from the *Australian and New Zealand Defender Magazine*.
- c) The following media outlets expressed interest in going to Iraq in February but were not able to be accommodated in that particular visit:
 - i) ABC Radio International;
 - ii) *Asia Pacific Defence Reporter*;
 - iii) Australian Associated Press;

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- iv) Baird Publications – *Australian Marine Magazine, Ships and Shipping*;
- v) Fairfax -*The Sun Herald*;
- vi) Fairfax - *The Sydney Morning Herald*;
- vii) Network 10;
- viii) News Limited – *The Courier Mail*;
- ix) News Limited – *The Gold Coast Bulletin*;
- x) Nine Network – 60 Minutes;
- xi) *The Bendigo Advertiser*;
- xii) *Time Magazine*;
- xiii) SBS News;
- xiv) Seven Network.
- xv) Sky News; and
- xvi) Someone on the Ground. SomeoneontheGround.com.

SBS TV, News Limited - the *Northern Territory News* were subsequently accommodated on the March tour into Afghanistan and a team from the Nine Network - 60 Minutes were granted facilitated access to our troops in Iraq in late March-early April 2007.

Further tours are planned on a monthly basis.

Question W33

Third Country Deployments

Senator Evans

- a) Over the last ten years for each year how many Defence personnel have been deployed, or on secondment to, third countries? What was the purpose of each of these deployments or secondments?
- b) How many casualties have occurred during third country deployments over the last ten years?
- c) What current third country deployments does Defence have in place? For each deployment please list the number of personnel deployed, the cost of the deployment and the purpose of the deployment.

RESPONSE

- a) In the past ten years, there have been approximately 3,490 Defence personnel recorded as deployed, or on secondment, to third countries. The purpose of each of these deployments or secondments has been at the request of the host nation and has included:
 - exercise and training activities,
 - conference and seminar attendance,
 - reconnaissance and 'lessons learnt' activities,
 - visits, and
 - combat or combat support activities.
- b) None.
- c) As at 6 March 2007, there were nine personnel deployed, or on secondment, to third countries. They are currently located in Iraq, Afghanistan, Kyrgyzstan, the Republic of Korea and Israel.

The cost of each deployment is borne by the host nation. Additional personnel allowances are paid by Defence retrospectively and therefore are calculated after the deployment is complete.

Further details of current deployments will not be disclosed for operational security reasons.

Question W34

ADF Deployments to Iraq - Costs

Senator Evans

What is the cost so far of the ADF deployments in support of Iraq since the end of operations in 2003 for:

- a) Australian Joint Task Force Headquarters;
- b) OBJ—West;
- c) Australian Army Training Team;
- d) SecDet (Baghdad);
- e) C-130 detachment;
- f) AP-3C detachment;
- g) Naval contingent in the Arabian Sea; and
- h) The Tri-Service Force Level Logistics and Communications Group?

RESPONSE

Financial information is not maintained on the net additional cost of operations at formation or detachment level. The net additional cost incurred for each financial year since 2003-04 by Defence is available in Table 1.11 on page 55 of the *Defence Annual Report 2005-06*.

Question W35

Deployments to Iraq

Senator Evans

- a) How many ADF personnel have been posted to Iraq:
 - i. Twice;
 - ii. Three times; and
 - iii. Four times.

- b) Please indicate their job speciality.

RESPONSE

The information sought is not readily available. To collect and assemble such information would be a major task and Defence is not prepared to devote the resources that would be required.

Question W36

Deployments to Timor Leste

Senator Evans

- a) How many ADF personnel have been posted to Timor Leste:
- i. Twice;
 - ii. Three times; and
 - iii. Four times.
- b) Please indicate their job speciality.

RESPONSE

The information sought is not readily available. To collect and assemble such information would be a major task and Defence is not prepared to devote the resources that would be required.

Question W37

Deployments to Afghanistan

Senator Evans

- a) How many ADF personnel have been posted to Afghanistan:
 - i. Twice;
 - ii. Three times; and
 - iii. Four times.

- b) Please indicate their job speciality.

RESPONSE

The information sought is not readily available. To collect and assemble such information would be a major task and Defence is not prepared to devote the resources that would be required.

Question W38

Multiple Deployments

Senator Evans

- a) Of all Service personnel currently deployed how many are on at least their second deployment and what percentage is this of current deployed personnel?
- b) Has the Department conducted any analysis into the effects of multiple deployments on service person's health, physical or mental? If yes what were the results and can we have a copy? If no research has been done, why not?
- c) How many current service personnel have completed three or more overseas deployments?
- d) How many current service personnel have completed four or more overseas deployments?
- e) Is there a minimum time that a Service person is required to stay in Australia between deployments? If yes, what is that time and how often is this breached?

RESPONSE

- a), c) and d) The information sought is not readily available. To collect and assemble such information would be a major task and Defence is not prepared to devote the resources that would be required.
- b) No, but Defence is undertaking a number of deployment health studies relating to specific operations. We would expect that the issue of multiple deployments will arise through this research. These are comprehensive long-term studies, some of which will not be completed until 2009.
- e) There is no mandated ADF-wide policy regarding this matter. Individual Services provide guidance in setting a minimum 12-month period between operational deployments. This may be shortened to meet Service requirements. There is no data readily available on how often this guidance has not been met.

Question W56

Operation Relex

Senator Milne

- a) How many border protection surveillance flights per day were conducted in Search Area Charlie under Operation Relex between 3 September 2001 and 31 October 2001? Please give actual numbers for each day between these dates for both helicopter and P3 Orions.
- b) Was helicopter surveillance of the southern half of Search Area Charlie under Operation Relex a daily event or was it initiated only when intelligence suggested that a SIEV departure was imminent or had already taken place?
- c) Prior to the creation of Search Area Charlie on 12 October 2001, was aerial surveillance of that area of ocean undertaken by P3 Orions on a daily basis between the creation of Operation Relex on 3 September 2001 and 11 October 2001. If not, how often were Orion surveillance flights undertaken in that area under Operation Relex during that time? How many Orion surveillance flights were undertaken by Operation Relex in that area during that time?
- d) Between 1 January 1999 and 25 August 2001 - that is prior to the rescue of KM Palapa 1 by the MV Tampa in August 2001 - to your knowledge how many suspected illegal entry vessels had required rescue by Australian agencies?
 - i. How many had been the subject of a broadcast to shipping? Please give details.
- e) To your knowledge how many suspected illegal entry vessels have sunk en route to Australia? Please give details of dates, vessels and passenger numbers if known.
- f) Was your Department or any of its agencies informed that the location of the rescue of SIEV X survivors was reported to be 07 40 00S / 105 09 00E? If so by whom was this information provided? On what date? Please provide copies of any file notes and other documents related to this information being provided to your Department.
- g) Was your Department or any of its agencies informed of an Indonesian Police Report dated 24 October 2001 which included the location of the rescue of SIEV X survivors - ie: 07 40 00S / 105 09 00E? If so by whom was this information provided? On what date? Please provide copies of any file notes and other documents related to this information being provided to your Department or agency.

RESPONSE

- a) to g) Much of the information requested has been made publicly available through the Senate Select Committee's inquiry and report into a Certain Maritime Incident and Senate Estimates Committee hearings. Defence is not prepared to devote the considerable time and effort required to further research the matters.

Question W65

Iraq—Al-Muthanna

Senator Evans

Are there any regions of Al Muthanna Province that are off-limits to Australian troops – due to safety concerns?

RESPONSE

There are no specific regions of Al-Muthanna that are off limits to Australian troops. All movement of troops is closely coordinated with appropriate Iraqi and Coalition authorities and is conducted with due regard to operational needs and local population sensitivities.

Question W66

Iraq—British withdrawal

Senator Evans

DFAT to answer [for information]

- (a) *Has the government received any communication from the UK Government confirming the report of 11 January (Blair Set to Announce Troop Pullout, Financial Times) that an announcement on the reduction of British soldiers in Basra Province from 7,100 to 4,500 will be made public by the end of February?*
- (b) *Can the Government confirm the disagreement between the US and UK over this pullout plan (Britain at odds with US over Iraq Troop Pullout, Guardian 25/01/07)?*
- (c) *Does this disagreement still exist?*
- (d) *If so, what is the substance of it and how is it being resolved?*
- (e) *What is the Australian Government's position on the British troop withdrawal?*

[DEFENCE TO ANSWER]

- (f) Has the Government received any information on how the British will go about this withdrawal, and what elements of their force will be withdrawn?
- (g) Does the Australian contingent in Dhi Qar Province currently rely on any elements of the British force in Basra Province, or is it supplemented by any elements of that force?
- (h) If so, does the Government have any information on whether any of these elements is likely to be withdrawn as part of the new British plan?
- (i) Has Defence expressed any concerns to DFAT about these capabilities being withdrawn?

RESPONSE

- f) Defence has been provided with regular updates on the UK drawdown in Iraq through its Liaison Officers positioned within various UK and Coalition Headquarters. UK Prime Minister Blair's speech outlined the major elements of the UK force rebalance, which mainly involves a repositioning of most forces out of Basra City and a consequent reduction in numbers to 5,500, in preparation for transferring security control to the Iraqi authorities.
- g) Yes. While US forces provide most of the ADF's enabling support, some enabling capabilities are provided by, and will continue to be provided by, the British.
- h) The drawdown of British forces will not affect ADF operations. The requirement to maintain operational security prevents more detailed comment.
- i) No.

Outcome 2: Navy capability for the defence of Australia and its interests

Question 3

Seasprites: Minister's discussions with Kaman

Senator Bishop

Hansard, p. 45-46

When did the Minister meet with Kaman Aerospace Corporation representatives, with whom did he meet and what was the nature of these discussions?

RESPONSE

The Minister met with representatives of the Kaman Aerospace Corporation during his visit to the United States in December 2006. The meeting was private and details of discussions will not be released.

Question 4

Fitting Seahawks with Penguin missile

Senator Bishop

Hansard, p. 50

Please provide an indicative figure of the likely cost of upgrading and reconfiguring the Seahawks with the Penguin missile?

RESPONSE

Capability Development Group and the Defence Materiel Organisation are investigating fitting of the Penguin missile to the Seahawks. The acquisition costs will include engineering studies, prototyping, trials and certification prior to an aircraft modification program, as well as spare parts and training.

Costs for integration into RAN Seahawks will be refined through detailed consultation with industry. Preliminary inquiries suggest a level of integration can be achieved from \$25m.

Question 5

Bailey's Diesel Services and Westralia

Senators Evans and Faulkner

Hansard, p. 56 and 58

- a) Was there any additional material faxed on 29 April 2005 with the unsigned note?
- b) How many ministerial briefs were prepared dealing with Defence's receipt in 2005 of the document dated 6 February 1998?

RESPONSE

- a) Yes. Additionally, there was a covering note from Comcare, and one page apparently forming part of a report on an interview held with staff from Bailey's Diesel Service on 6 February 1998.
- b) In 2005, one ministerial brief was prepared following Defence's receipt of the unsigned document in April 2005.

Question W59

Armidale Class – fuel problem

Senator Ludwig

With regard to the recurring fuel problem that has been experience by the Navy’s Armidale Class ships:

- a) For each vessel could the department detail the periods that the vessels have been withdrawn from service, including:
 - i. The name of the vessel;
 - ii. The date the vessel was withdrawn from service;
 - iii. The date the vessel was put back into service (or is expected to be put back into service if still out of service);
 - iv. The number of days of active patrolling that would have occurred in this period;
 - v. The areas or territories that the vessel was to have been patrolling during this period – Include an estimate of the total patrol area and distance that would have been covered
 - vi. The average cruising speed that the vessels would have been expected to patrol at over the period; and
 - vii. Details of the radar that vessel had or will have in operation for that period – Include details of the range of the radar as well as an estimated area that the radars covered or should cover.

- b) For each period that a replacement ship has been put in place under contingency arrangements could the department detail:
 - i. The name of the vessel;
 - ii. The date the vessel was put into service under the contingency arrangement;
 - iii. The date the vessel was withdrawn from service under the contingency arrangements (or is expected to be withdrawn from service if still in service);
 - iv. The number of days of active patrolling that would have occurred in this period;
 - v. The areas or territories that the vessel is expected to patrol during this period - include an estimate of the total patrol area and distance that was or is expected to be covered;
 - vi. The average cruising speed that the vessels would have patrolled at or are expected to patrol over the period; and
 - vii. Details of the radar that vessel would have had in operation for that period - include details of the range of the radar as well as an estimated area that the radars would have covered.

RESPONSE

a) i, ii and iii

NAME OF VESSEL	DATE WITHDRAWN	RETURNED/ EST. DATE OF RETURN
<i>Armidale</i>	23-Jan-07	9-Apr-07
<i>Larrakia</i>	31-Jan-07	10-Mar-07
<i>Bathurst</i>	31-Jan-07	6-Mar-07
<i>Albany</i>	05-Feb-07	26-Mar-07
<i>Pirie</i>	31-Jan-07	7-Mar-07

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<i>Maitland</i>	31-Jan-07	11-Mar-07
<i>Ararat</i>	31-Jan-07	19-Mar-07
<i>Broome</i>	31-Jan-07	20-Feb-07
<i>Bundaberg</i>	31-Jan-07	26-Feb-07

- iv. A total of 61 days active patrolling was lost by the withdrawal of the Armidale Class Patrol Boats (ACPBs) from response operations. These figures acknowledge that there were Fremantle Class Patrol Boats and an additional Huon Class Coastal Minehunter assigned and the days that the ACPBs would have spent alongside for patrol respite.
- v. Vessels assigned to the operation can be expected to patrol northern Australian waters between Broome and the Eastern Torres Strait. The specific areas that a vessel will patrol is based on a very dynamic threat analysis and are subject to change. The vessels' movements and distance covered are also based upon threat analysis. Once the ACPBs were withdrawn, Defence and Border Protection Command assigned remaining ADF assets and Australian Customs Vessels to appropriate areas based on the threat.
- vi. The patrol vessels are utilised to provide a response capability vice a surveillance asset. A vessel's movement while on patrol is based upon sightings in that area. A vessel with no sightings in its area will either be directed to relocate or conserve fuel. The speed at which a vessel will proceed to intercept a target will be based on a number of factors including range to target, targets movement and current fuel state.
- vii. The radars fitted to the respective vessels are basic navigational radars that operate on standard frequencies that provide a typical detection range of twelve nautical miles (20km) in good weather. The detection range is a function of the size of the target and height of the radar.

There are no significant differences in the ranges of the radars used by the respective vessels. The differences lie more in the ability of modern radar technology to process information and so discriminate a target from surrounding environmental clutter.

b) i, ii and iii.

NAME OF VESSEL	DATE PUT INTO SERVICE	WITHDRAWN/ EST. DATE WITHDRAWAL
<i>Gascoyne</i>	19 Feb-07	30-Mar-07
<i>Betano</i>	7-Feb-07	5-Mar-07
<i>Gladstone</i>	16-Feb-07	9-Mar-07

iv. HMAS *Betano* carried out 14 Patrol Days and HMAS *Gascoyne* 9 Patrol Days.

v and vi. See response to part a) v. and vi.

vii. As per answer a) vii. the radars of the respective vessels have similar ranges. The significant difference between them lies in the ability of the more modern radars to better discriminate actual targets from background clutter.

Outcome 3: Army capability for the defence of Australia and its interests

Question W40

SAS Training

Senator Evans

- a) Over the last five years for each year how many injuries or deaths have occurred during SAS training?
- b) What was the nature of the injuries?
- c) What percentages of these injuries can be classified as permanent?

RESPONSE

- a) and b) The number and nature of serious injuries and deaths occurring during SAS training for the past five years are as follows:

Year	Serious Personal Injury ⁽¹⁾	Incapacity ⁽²⁾	Deaths
2002	4	7	0
2003	6	2	0
2004	1	2	0
2005	1	2	1
2006	3	1	0
Total	15	14	1

Notes:

1. Emergency treatment provided by a medical practitioner; or treated at a hospital; or admitted to hospital.
 2. Employee unable to perform work for 30 or more consecutive days or shifts.
- c) This information is not held in a database. Defence is unable to devote the time and resources to manually research and collate the data requested

Outcome 4: Air Force capability for the defence of Australia and its interests

Question 1

Procurement of radar warning receiver

Senator Evans

Hansard, p. 42

Did Defence originally recommend that the Raytheon product be procured over the BAE product?

RESPONSE

Defence did not originally recommend to the Government that Raytheon's ALR-67V3 radar warning receiver be selected for the F/A-18 Hornet Upgrade Phase 2.3 project over the BAE Systems' ALR-2002 radar warning receiver. The history of the selection of the updated radar warning receiver for the F/A-18 unfolded over three distinct periods.

No recommendation for selection had been made to the Government prior to 2000, when the Hornet Upgrade Phase 2.3 project was set aside during the process of the 2000 Defence White Paper. During 2002, and based on progress with the ALR-2002 and demonstrated flight test performance, Government was advised that the ALR-2002 was preferred, subject to it meeting the operational requirement of the F/A-18 and negotiations with BAE Systems on price provided a favourable outcome for the Government. This preference was confirmed to the Government in February 2005, following more progress being shown during additional flight tests and acceptable pricing being achieved for the product.

However, more rigorous flight testing throughout 2005 and 2006 uncovered schedule risks that were unacceptable to Defence. Consequently, in late 2006, Defence advised the Government that, due to the high schedule risk of continuing with the ALR-2002, the Raytheon ALR-67V3 should be chosen for the F/A-18.

Confirmation of the selection of the ALR-67V3 is subject to Cabinet approval.

Question 2

Contract with BAE for radar warning receiver

Senator Evans

Hansard, p. 43

Please provide details of the contract for work by BAE on aircraft other than the F/A-18?

RESPONSE

Under Project Air 5416 Phase 2A, BAE Systems is to develop and install into an initial batch of Black Hawk and Chinook aircraft an electronic warfare self-protection system that includes the ALR-2002 radar warning receiver. This contract also includes all of the necessary hardware required to compile the modification kits for fitting to the remaining aircraft. The contract to BAE Systems for \$124m was signed in February 2005 and will see the first Black Hawk delivered with the ALR-2002 radar warning receiver in late 2009 and the first Chinook delivered in early 2010.

The contract for installation of the electronic warfare self-protection systems in the remaining fleet of Chinook and Black Hawk aircraft will be arranged through the existing depot-level maintenance contract for these aircraft. Planning for the fleet-wide installation program shows modification of all Black Hawk and Chinook aircraft occurring over a two-year period following acceptance of the first aircraft.

Question W12

Calculation of the reimbursement of the Prime Minister's airfares

Senator Evans

Please provide a copy of the relevant Regulations that are used to calculate reimbursement of VIP aircraft travel.

RESPONSE

The reimbursement of the Prime Minister's airfare was based on the *Revised Principles for the use of Special Purpose Aircraft*. This document was issued by the Special Minister of State to all Members and Senators on 23 September 2002 under cover of Circular No: 2002/MIN15. A copy of the *Revised Principles* is included with this response.



SENATOR THE HON ERIC ABETZ

Special Minister of State
Liberal Senator for Tasmania

23 SEP 2002

Circular No: 2002/MIN15

To all Senators and Members

Revised administrative arrangements for the use of Special Purpose Aircraft

I write to you to inform you of the introduction of the new Special Purpose Aircraft fleet into service, including Boeing 737BBJ and Challenger 604 from 1 July 2002.

The administration of Special Purpose Aircraft usage has been simplified by ending the practise of 'charging' for flights, with users of the Special Purpose Aircraft fleet being allocated a proportion of the contracted hours for the new aircraft. The revised administrative arrangements will have no impact on Senators and Members.

Defence will be responsible for cost recovery for individuals who have been approved to travel by the Minister for Defence and travel as part of the entitled persons party.

The *Parliamentarians' Travel paid by the Department of Finance and Administration* report that is tabled every six months will continue to publish the costs associated with Special Purpose Aircraft travel undertaken by Senators and Members up to 30 June 2002.

Costs associated with Special Purpose Aircraft travel undertaken by Senators and Members from 1 July 2002 will be published in the Department of Defence's *Schedule of Special Purpose Flights*. This will show for whom each flight was authorised, the legs flown and the passengers carried, and will be expanded to include the hours flown and additional cost of each flight. This report will continue to be tabled six monthly.

Senators and Members are reminded that requests for Special Purpose Aircraft should be made with the Minister for Defence.

The Minister for Defence has also taken the opportunity to modernise the *Principles Governing the use of Special Purpose Aircraft* and has requested that I circulate a copy of the revised document to Senators and Members. A copy of the revised document is attached for your information.



ERIC ABETZ

REVISED PRINCIPLES FOR THE USE OF SPECIAL PURPOSE AIRCRAFT

INTRODUCTION

1. The purpose of this document is to state the guidelines for the use of special purpose aircraft and provide the definitions and responsibilities of approving authorities, entitled persons and their parties as they apply to travel on special purpose aircraft (SPA).

DEFINITIONS

2. For the purpose of this document the following definitions apply:

a. Approving Authorities

(1) For their own flights and for persons travelling as their representative(s) or as members of their party:

- (a) the Governor General;
- (b) the Prime Minister (including for guests of Government); and
- (c) the Minister for Defence.

(2) For entitled persons and for persons travelling as their representative(s) or as members of their party:

- (a) the Minister for Defence; and
- (b) in certain circumstances, the Prime Minister.

(3) For overseas flights by special purpose aircraft:

- (a) Trips to Australian Territories are not classified as overseas trips and may therefore be approved by the Minister for Defence;
- (b) The Minister for Defence is the approving authority for overseas flights by the CDF and Service Chiefs in accordance with the Prime Minister's approval of 29 June 1998; and
- (c) the Prime Minister is in all other cases the approving authority and considers the individual circumstances of each request.

b. Entitled Persons

(1) Parliamentary Office Holders in accordance with the *Parliamentary Entitlements Act 1990*. In practice, this includes the following members of the Commonwealth Parliament:

- (a) Ministers of State
- (b) Government Parliamentary Secretaries when travelling at the direction of the senior Portfolio Minister
- (c) The Leader of the Opposition
- (d) The Deputy Leader of the Opposition
- (e) The Leader of the Opposition in the Senate

- (f) The Leaders of other parties represented in Parliament as determined from time to time by the Prime Minister or the Minister for Defence
 - (g) The President of the Senate
 - (h) The Speaker of the House of Representatives
 - (i) Some Parliamentary Committees and Delegations
 - (j) Other Members of the Commonwealth Parliament, when the approving authority is satisfied that travel by Special Purpose Aircraft is warranted by special circumstances such as there is a need for the member to travel and no suitable alternative means of transport is available.
- (2) The Chief of the Defence Force and Service Chiefs;
 - (3) Persons visiting Australia, representing their nations, of comparable status to other entitled persons;
 - (4) State Governors and the Administrator of the Northern Territory on the occasion of their taking up appointment and final departure; and
 - (5) In addition to the above entitled persons, special purpose aircraft may be provided for other persons in particular circumstances or emergencies where the Minister for Defence or the Prime Minister considers it justified.

ROLE

3. The role of special purpose aircraft is to enable approving authorities and entitled persons to meet commitments associated with their official, parliamentary or political responsibilities including electorate business.

TASKING

4. When considering tasks for special purpose aircraft, the approving authorities will take into account:
- a. the availability of flights on major domestic airlines;
 - b. the availability of special purpose aircraft; and
 - c. the priority of the entitled person making the request and the importance of the occasion (guests of Government would normally take precedence in the allocation of aircraft subject to availability and Prime Ministerial approval).

REQUESTING PROCEDURES FOR ENTITLED PERSONS

5. Requests for special purpose aircraft shall be made to the Minister for Defence on the specified form. The request shall indicate:
- a. the reasons commercial flights are unsuitable;
 - b. the importance of the commitment which is being met; and
 - c. the names and occupations of all passengers requesting travel.

6. The request should not include the aircraft type, which is allocated by 34SQN in accordance with operational requirements.

7. Commitments should not be entered into on any assumption that special purpose aircraft will be available.

ENTITLED PERSON'S PARTY

8. Entitled persons may include the following in their party, subject to the agreement of an approving authority, providing their inclusion in the party does not result in a need to upgrade the aircraft:

- a. Their spouse or nominee, or designated person.
- b. Members of their personal, departmental or diplomatic staff or Australian escort.
- c. Members of non-government organisations or individuals may, under particular circumstances, travel in the entitled persons party with the approval of the Minister for Defence. Costs will be recovered for such travel and may be waived only in exceptional circumstances.
- d. State Ministers and their essential personal and departmental staff when the entitled person is visiting an area in relation to a matter of Commonwealth and State interest.
- e. Members of the Federal Parliament.
- f. Dependent children when, in the judgement of the approving authority, travel is necessary to fulfil requirements of parental care.

9. If the entitled person is a foreign visitor (2b(3)) all persons in his or her party must be approved by an approving authority prior to travel.

10. On special occasions or on visits to remote areas, approval may be given for an entitled person to be accompanied in the aircraft by representatives of news media. Costs will be recovered for such travel and may be waived only in exceptional circumstances.

11. Travel as a member of the entitled person's party is restricted to travel undertaken while the entitled person is on board, or while the aircraft is positioning to carry the entitled person or returning after carriage of the entitled person.

USE IN FEDERAL ELECTION CAMPAIGNS

12. The arrangements for use of special purpose aircraft during Federal election campaigns shall operate from the day before the Government's policy speech in accordance with the provisions of the *Parliamentary Entitlements Act 1990*. In practice, and subject to availability, one aircraft shall be reserved for the use of:

- a. The Prime Minister;
- b. The Leader of the Opposition;
- c. Government Ministers; and

- d. other Opposition Leaders or Shadow Ministers.
- 13. The Minister for Defence shall allocate the use of aircraft for Government Ministers.
- 14. The Leader of the Opposition shall allocate the use of the Opposition Leader's or Shadow Minister's aircraft.
- 15. Lists of flight times and passengers are to be provided to the Office of the Minister for Defence.

DEVIATIONS FROM PROVISIONS OF THIS DOCUMENT

- 16. In all cases deviation from the provisions in this document will require specific approval by an approving authority prior to travel.
- 17. Notwithstanding all of the above, the Prime Minister and the Minister for Defence may authorise the use of special purpose aircraft on other tasks eg, for national security purposes.
- 18. In the case of competing calls upon special purpose aircraft final approval rests with the Prime Minister.

BUDGETING / COST RECOVERY

- 19. Defence will fund all costs associated with the provision of special purpose aircraft.
- 20. Defence will assume from the Department of Finance and Administration responsibility for cost recovery from those passengers whose travel is approved on a cost recovery basis. The cost recovery arrangements for passengers other than entitled persons are as follows:
 - a. Cost recovery shall be sought from all representatives of the news media, members of non-government organisations or other individuals approved to travel with an entitled person, except in exceptional circumstances.
 - b. Costs recovered will be on the basis of the economy fare equivalent, (paragraph 8 of these Principles is also relevant).
 - c. The entitled person requesting approval for travel by people without entitlement shall provide the Office of the Minister for Defence a passenger list which includes:
 - (1) the name of the individual;
 - (2) the representative organisation; and
 - (3) the address of the organisation.
- 21. Defence will continue to invoice the Department of Finance and Administration for the cost of travel by spouses or nominees, designated persons, dependent children and electorate office staff, on a monthly basis.

ALLOCATION AND MANAGEMENT OF FLYING HOURS

22. Flying hours will be managed by Defence in consultation with the Office of the Minister for Defence within the overall annual contracted limit of 1,214 Boeing 737BBJ and 2,400 Challenger 604 hours.
23. The allocation of hours to approving authorities takes account of Defence needs for aircrew training, test flights and Defence tasks. A small allocation of contingency hours will be used to manage marginal variations by users within the overall contract limits.
24. Defence will provide approving authorities with information on hours usage on a monthly basis. This will show details for each flight leg, the entitled person and the hours flown. Cumulative year-to-date totals will also be provided to help approving authorities manage within their allocated flying hour limit.
25. The service levels provided by the replacement SPA fleet will be reviewed eighteen months after the entry into service of the second Boeing 737BBJ to ensure the requirements of the users are being met. At this time, the allocation of hours will also be reviewed having regard for usage patterns in the SPA role and Defence needs including Air Force training requirements.

MANIFESTS, TABLING AND REPORTING REQUIREMENTS

26. 34 SQN will continue to provide approving authorities, and the Department of Finance and Administration with daily manifests.
27. Defence will continue to table the *Schedule of Special Purpose Flights* in Parliament in June (for the six months ending the previous 31 December) and December (for the six months ending the previous 30 June) each year.
28. In keeping with the Prime Minister's direction, Defence will expand the information in the Schedule to include the hours flown and the additional cost of each flight.
29. Approving authorities will remain responsible for verifying, with the entitled persons, information in the monthly summaries and for promptly advising Defence where discrepancies are identified.
30. In keeping with current practice, Defence will circulate a draft of the *Schedule of Special Purpose Flights* to the approving authorities who remain responsible for examination and verification and for bringing discrepancies to the attention of Defence prior to final printing.

Question W17

F-111 phase out

Senator Evans

- a) What has been the major lessons learnt by the RAAF in regards to Network Centric operations and support to ground troops from the Iraqi conflict? [The RAAF have realised they concentrated on Network Centric which was not used heavily at the expense of systems that allowed tight operations with deployed troops. They are now looking at such systems as Rover III. Initial investigations show that this could be installed on the F-111.]
- b) Under the 2010 Planned Withdrawal fleet planning, when does the first F-111 "retire"? When exactly does the F-111 "retire" entirely under the current 2010 withdrawal plan?
- c) If you cannot conduct air-to-air refuelling in hostile airspace, please explain how combat range is improved beyond the limitations of the basic airframe. Surely the penetration range into hostile airspace is not improved beyond the basic airframe range.
- d) Given that Australia will not have access to design data and computer source code, thus locking Australia into having to engage the US original equipment manufacturers (OEMs) for upgrades, modifications and weapons integration. What budget estimates have been factored in for upgrades, software updates and weapons integration across the life of both Super Hornet and JSF?
What response time to Australian requirements have been requested?
- e) How many air combat aircraft are required to protect assets such as Tanker and AEW&C, which are an additional effort from our current requirements?
- f) What level of risk is associated with operating our existing Hornets compared to the F-111, given we hold the F-111 accountable for events that we do not know about?
- g) How does the Super Hornet compare to the F-111 on the basis of the F-111's strategic strike role, as opposed to a fighter role which the F-111 does not perform?
- h) Would you like to respond to Denis Hughes' (from the office of Minister for Defence and a transcript of his interview with Mr Peake in September 2006) comment that the "big fear in Defence is for who signs off that the aircraft is not airworthy"?
- i) Is there currently any scaling back of the F-111 support operations at Amberley? Is there any preliminary decision to immediately de-fund any current F-111 support operations at Amberley? (Inside sources suggest that they have already "started to stop the money flowing")
- j) Is it the case that currently the F-111 project employs over 1000 people and small businesses, more than 500 are technical with about 150 from engineering, most of this money is recouped through tax and none goes offshore?
- k) How many jobs will be lost as result of the F-111 phase out?

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- l) Will this lead to a brain drain, with some of the key engineering personnel moving offshore?
- m) Isn't an indigenous engineering capacity a crucial part of Defence industry? Australia, like the UK, has maintained an indigenous capability in order to exercise their sovereign right to act as the Government of the day decides.
- n) How many people are likely to be employed (including engineers) in Australia as part of the F18F purchase?
- o) What contingencies does the RAAF have in place to support the Interim Fighter and/or JSF in the long term when Original Equipment Manufacturers (OEM) no longer supports the aircraft, or that particular model? Historically the RAAF flies an aircraft beyond the time the OEM usually supports it.
- p) What contingencies does the RAAF have in place to support the Interim Fighter and/or JSF if the OEM of the aircraft, system or sub-systems or their governments do not support the conflict that Australia is engaged in?
- q) What contingencies does the RAAF have in place to support the Interim Fighter and/or JSF if the OEM of the aircraft, system or sub-systems or their governments do not support RAAF requests and implement RAAF requirements in a timely manner?
- r) How will the RAAF support aerial reconnaissance requirements?
- s) Given that Government policy has transitioned skills from within the RAAF to Australian industry, what mechanism is in place to protect that skill base?
- t) What data has the RAAF secured to ensure that the certified fatigue life of the Interim Fighter and/or JSF is suitable for RAAF operations, or will a full fatigue test be required to ensure a suitable certification baseline is established?
- u) What data has the RAAF secured to ensure that the certified environment of the Interim Fighter and/or JSF is suitable for RAAF operations?
- v) Has the RAAF costed the impact on Australian industry into the Interim Fighter costings?
- w) Has the RAAF costed Life Cycle Support (i.e. Operational Flight Program (OFP) upgrades, modifications, new weapons and systems integrations, etc) into the Interim Fighter costings?
After the original F/A-18 Hornet purchase the RAAF was required to keep their hardware configuration the same as the US Navy (USN) in order to get the OFP updates. This proved to be very costly and was dropped.
- x) What contingencies does the RAAF have in place to support the Interim Fighter and/or JSF if the OEM of the aircraft, system or sub-systems or their governments do not make critical technology or data available to Australia?
- y) How will Australian industry assist in this eventuality?

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- z) What is the future role of Defence Science and Technology Organisation (DSTO) in supporting the Interim Fighter and/or JSF, particular if the Original Equipment Manufacturers (OEM) of the aircraft, system or sub-systems or their governments do not wish for them to be involved or provide necessary data?

RESPONSE

- a) Operations in Iraq and Afghanistan have reinforced the ADF's assessment of the potential for Network Centric Warfare as a means of organising our forces by using information technology to link sensors, decision makers and weapon systems to help people work more effectively together to achieve the commander's intent. Our forces in the Middle East, although geographically dispersed, have successfully planned and conducted air defence, strike and offensive air support, airlift and Intelligence Surveillance and Reconnaissance missions with the benefit of a common operating picture which has enabled close cooperation between Coalition commanders, and Coalition air and ground forces. Operations in Afghanistan and Iraq have been marked by the unprecedented cooperation between air and ground forces which now includes feeding aircraft sensor data, such as imagery, direct to Coalition soldiers allowing air and ground forces to achieve a common tactical appreciation—such as the identification of targets—more rapidly, effectively and safely than in the past.

Tactical Common Data Link (TCDL) is used extensively by the Coalition as a standard communication protocol for passing imagery to ground forces which receive the information on a ground terminal known as Rover II or III. Data links, such as TC DL, will be fundamental to the way Air Force supports ground forces and steps are being taken to incorporate this capability on our F/A-18 and AP-3C aircraft, and is being investigated for the Super Hornet. This capability has not been considered for the F-111 but factors such as return on the investment to upgrade the F-111 sensors and incorporate TC DL—given the aircraft's withdrawal in 2010—and the lack of TC DL for the aircraft's primary strike role guide our prioritisation of investment in the F-111 fleet.

- b) The F-111 withdrawal plan will see the F-111G training aircraft retired by July 2007 and the first F-111C aircraft withdrawn in the first half of 2009 (the exact date depends on hours flown and will therefore vary) as they become due for major servicing. Fleet planning to date has ensured that an adequate F-111 operational capability remains until the planned withdrawal date of late 2010.
- c) In most cases, air-to-air refuelling (AAR) will not be conducted in hostile airspace. Clearly there are important advantages for the planning of operations if combat aircraft can be refuelled prior to entering hostile airspace. A full fuel load offers the maximum flexibility with respect to speed, payload, size of patrol areas, endurance, ingress and egress flight paths, and provides greater fuel reserves to respond to contingencies including the need to engage in offensive or defensive manoeuvring. In combat operations, once a hostile air defence system is sufficiently degraded, such as was the case in Iraq and Afghanistan, the effectiveness of offensive air support (air support to ground forces) is greatly improved by AAR over the battlefield.

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- d) The acquisition of the F/A-18F Super Hornet is planned for USN common Block 32 aircraft with Australia planning to integrate into current USN systems for ongoing support. Cost estimates for platform specific activities have been budgeted over the life of the aircraft but remain commercial-in-confidence at this time. As the intent is to remain USN common, it is expected that response times would be similar to those experienced by the USN.

Potential system or weapons upgrades through the service life of the aircraft would be subject to separate consideration in the DCP and subject to the scrutiny of the Kinnaird process.

As part of negotiations for the JSF Production, Sustainment and Follow-on Development (PSFD) MoU, Australia obtained guaranteed access to the data and technology it needs to operate and support the JSF to meet its sovereign defence needs. The PSFD MoU also includes agreed budgets for participants for the life of the JSF program covering development of future software upgrades and development of modifications: Australia's estimated contribution over the 40 plus year life of the JSF Program is A(06)\$385m in 2006 dollars.

- e) There is no standard solution for force protection of AEW&C and AAR aircraft. Many factors will influence mission planning of fighter escort for AEW&C or AAR aircraft including the threat (performance, weapons, numbers, location), available ADF assets (such as the Air Warfare Destroyer), and the nature of the mission(s) being supported (defensive counter air, offensive counter air, strike, offensive air support). The situational awareness provided by the AEW&C, Joint Over the horizon Radar Network and other sensors, and their networking with the fighter force and AAR aircraft means that there is considerable flexibility in planning of force protection measures. The ADF's mature force protection doctrine is likely to be based on a mutual support model which uses unattached escort for AEW&C and AAR because the situational awareness 'bubble' of the network provides the fighters greater freedom of action and better utilises the stealth and multi-role performance of the JSF. Ultimately, the AEW&C radar ranges, and the B737's performance, are more than adequate to allow these aircraft to fly away from the threat if threatened.

Nevertheless, concurrent tasks do place demands on the fighter force which highlight the importance of capacity (fleet size) when considering future fighter acquisitions and the management of our current air combat force. The fleet size analysis conducted for the New Air Combat Capability indicates that a force of around 100 aircraft is needed to support realistic operational scenarios.

- f) DSTO aims to provide advice to the ADF to ensure that its aircraft are economically operated at normally acceptable levels of risk of structural failure. This advice is supported by an extensive program of structural tests for the major ADF aircraft.

Due to an unforeseen failure of a wing test article in the F-111 Wing Damage Enhancement Test, operations of the F-111 were conducted for a short period at higher levels of risk than would normally be accepted. This situation has now been remedied in a subsequent wing structural test (called the F-111 Wing Economic Life

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Determination) which has accumulated enough test hours to confidently assess that the risk of structural failure lies within acceptable limits.

With regard to the F/A-18, a large number of full-scale structural tests on the airframe have been successfully completed. These mitigate the risk of unforeseen structural failures. Consequently, DSTO is confident that the risk of structural failure lies within acceptable limits if the aircraft continues to be operated as it is today. However, changes in operational tempo or operating environment may require this assessment to be revised.

The F/A-18 also presents lower risk than the F-111 from a fleet ownership perspective because there is a large global F/A-18 fleet and the F/A-18 represents a later generation of structural design. The F/A-18 aircraft is still in operational service with the United States Navy and Marines and we have good access to their engineering data and experience which helps our management of the platform.

Defence maintains a very good relationship with the manufacturer, which continues to provide excellent support for the aircraft, and we work closely with other users of the F/A-18 (eight countries) through the annual Hornet International Conference. Defence has a particularly strong bilateral relationship with Canada, which has seen the development of a world class F/A-18 fatigue testing program. Defence is therefore confident there is a low risk of an unforeseen major technical issue arising with the F/A-18 fleet. In contrast, the F-111 fleet is small and the RAAF is the only operator.

- g) The Air Force's assessment of likely air combat scenarios indicate that, within the future combat environment, the multi-role Super Hornet offers far greater combat effectiveness than the F-111 or any other potential bridging options.
- h) Defence is unable to comment on a private meeting with the Minister's staff.
- i) No. F-111 support and funding has been based on 2010-12 withdrawal since 2004. Some new major maintenance programs on particular systems have commenced during 2006. Examples are refurbishment of avionics and hydraulics support and test equipment, replacement and refurbishment of the F-111 simulator, additional effort in fuel tank repair and refurbishment, and continued induction of ex-USAF wings into maintenance. Recent capability improvements include the AGM-142 standoff missile and incorporation of Night Vision Goggle capability.
- j) Approximately 880 industry and 670 Defence people are employed on supporting F-111, although the size of the workforce is dependent on specific activities which vary over time. The majority of these personnel are engaged in technical and logistics tasks.
- k) The Super Hornet does not require the same degree of industry support as the F-111, as it is a vastly more modern aircraft. However, Defence and Australian industry are conducting planning to transition the current F-111 workforce to support a wider range of aircraft platforms.

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With the C-17 and KC-30B tanker refuelling aircraft also being based out of Amberley, the region will be well placed to capitalise on the aerospace industry potential being offered.

Further, the aerospace labour market in south east Queensland is very tight and has capacity to take up surplus experienced workforce.

- l) Over the next decade, there will be a steady increase in expenditure within the defence aerospace sector. Much of this activity will focus on south east Queensland including C-17, AEW&C, Armed Reconnaissance Helicopters, NH-90 troop lift helicopters and the Super Hornet. Even taking into account the F-111 withdrawal, both Defence and industry expect workforce numbers to increase over the coming decade, including continued strong demand for aerospace engineers. Defence industry continues to be extremely positive about the defence aerospace sector opportunities within south east Queensland. Industry confidence is supported by action such as Raytheon Australia's recent opening of an Aerospace Centre of Excellence in Brisbane.
- m) An indigenous engineering capability is a priority area for Australian industry, deemed critical in support of ADF operational capability and military self-reliance. Defence is confident that its continuing requirements will be more than sufficient to generate and sustain the required level of critical capability within Australia's defence aerospace sector.
- n) Defence is engaged with the USN to ensure that the maximum potential of Australian Industry Involvement is achieved. Local industry will be a key factor in developing the through-life support concepts for the Super Hornets. However, the relatively small number of Super Hornets will preclude the establishment of a similar Australian support infrastructure to that established in the 1980s for the Air Force's existing Hornets. Notwithstanding this, industry will undertake a more extensive role in supporting the new Hornets, in that maintenance by Air Force personnel will be basically limited to flight line maintenance and 'back shop' support will now be conducted by industry.

The Australian Super Hornet program plans to contain local contractor-owned and operated intermediate maintenance and training for aircrew and support personnel. Additionally, the supply chain infrastructure, warehousing and operation will be staffed locally in support of both Australian and US Navy Super Hornets in the region.

The selection of the F/A-18F allows for an up-skilling of the workforce and brings growth of capability within the support and supply chain for low observable materials, advanced sensors and information technology. Local industry participation will be a key factor in the through-life support concept for the Super Hornet and other platforms to be based at Amberley.

- o) Government direction is that the F/A-18F Super Hornet is a bridging air combat capability until the JSF is introduced. The Super Hornet is planned to be supported and operated by the USN and Boeing until 2030.

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The JSF PSFD MoU provides assured access to data to support and upgrade the aircraft throughout its life regardless of the ongoing availability of support from Original Equipment Manufacturers.

- p) As the Super Hornet is not in contract at present, there are no support systems in place. Appropriate support systems will be negotiated as part of the commercial arrangements.

In relation to the JSF, as part of negotiations for the PSFD MoU, Australia received guarantees from the US that it will have access to the technology and data it needs to operate and support the JSF to meet sovereign defence requirements.

- q) As the Super Hornet is not in contract at present, there are no support systems in place. Appropriate support systems will be negotiated as part of the commercial arrangements.

The JSF will be supported by a global logistics system that will operate on a performance-based approach. Contractor returns will be based on meeting specified performance requirements. The details of the support arrangements are yet to be negotiated. Beyond contractor support, there will be essential operational-level support provided by the Government of each Partner country.

- r) Tactical reconnaissance remains a vital part of Air Force capability. The ADF's airborne reconnaissance capability is provided by a multi-layer system ranging from small UAVs through to the F-111 and AP-3C, and support of Coalition partners and Allies. On withdrawal of the F-111, the ADF reconnaissance capability will include the F/A-18, which will soon be equipped with a new electro-optics system, the Super Hornet and in the longer term by unmanned systems and the JSF.

- s) See response to parts l) and m).

- t) Negotiations are underway between the USN and RAAF for the F/A-18F which will ensure that Defence has access to all technical data to certify the aircraft. Initial assessments from Defence have indicated that certification issues of the F/A-18F for the 10-year operational life is rated as minor and it is unlikely that a full fatigue test would be required for this period of operation. Defence is continuing to undertake structural assessments as part of the certification process.

In relation to the JSF, a full-scale fatigue test will be conducted as part of the System Development and Demonstration (SDD) phase of the JSF Program. A comparison of US and Australian Statement of Operating Intent (SOI) data is being conducted and the results of this analysis will validate the design life for RAAF use. DSTO scientists have already been involved in fatigue analysis work and will continue to do so.

- u) Negotiations are underway between the USN and RAAF for the F/A-18F which will ensure that Defence has access to all technical data to certify the aircraft. The operational environment will be formally assessed during Australian Military Type Certification (AMTC) process but the risks have been initially assessed by Defence as minor for certification of the F/A-18F.

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In relation to the JSF, data obtained to inform the planned (AMTC) decision in 2013 includes the US SOI, interoperability data from Australian Defence and the JSF Program Office, the JSF contract specification and the JSF Operational Requirements Document. The Australian New Air Combat Capability Functional Performance Specification is being developed based on the US/UK JSF Operational Concept Document and will be reviewed as part of the Kinnaird second pass decision.

- v) No.
- w) Yes.
- x) The potential F/A-18F Super Hornet acquisition would see USN common Block 32 aircraft be supplied to the ADF. The support systems and discussions to date have ensured adequate data and access to critical technology.

In relation to the JSF, Australia has received guaranteed access to technology and data it needs to operate and support the JSF to meet sovereign defence needs.

- y) See response to part n).
- z) DSTO provides specialist science and technology advice and support to major projects such as those for the New Air Combat Capability Project and the Bridging Air Combat Capability. Such advice informs Defence and Government in the areas of technical risk assessments, capability analyses, and supports developing national technologies and industry bases. DSTO has already achieved very significant capabilities in support of the New Air Combat Capability Project, including winning 70 percent of funded, globally-competitive, science and technology Government-Government initiatives in competition with other JSF SDD partner nations, particularly in the areas of composite repair, corrosion protection, health monitoring systems and niche electronic warfare technologies.

In the event that OEMs and/or their governments no longer seek DSTO involvement in supporting the Super Hornet and/or JSF, DSTO's comprehensive science and technology expertise will continue to support the Government's capability analysis and technology requirements for acquisition, sustainment and through-life support. DSTO plans to maintain science and technology capabilities that are critical to providing advice on major defence projects and is currently planning to support future aircraft acquisitions.

Question W18

JSF

Senator Evans

- a) What is the risk associated with operating a single engine aircraft, particularly given that the RAAF specified a strong preference for twin engine aircraft after the Mirage experience?
- b) Comments by Denis Hughes in the interview mentioned above [refer to Question W17] have indicated that the first JSF will not be operational until 2018. Can you confirm this?
- c) The interview also indicates that the Australian Government did not seek any indication of the cost per unit of purchasing an F22 Raptor. Why is this? Should not all unit costs be considered?
Why were no price comparisons made or information sought to assist those comparisons?
- d) Given the recent decision of US Defense Department to scale back purchases of the F18F, what is the currently estimated unit cost of each JSF estimated a projected purchase of 100 planes?

RESPONSE

- a) The risks associated with operating single engine military fast jet aircraft have dramatically reduced since the time of the Mirage. Engine design and technology has developed over time such that the risk of engine failure has become very small. In addition, engines for single engine aircraft are designed with greater redundancy in key fuel and electrical systems compared to engines in multi-engine aircraft. For example, the Air Force operates the single engine Hawk in the Lead-in-Fighter role and, in nearly six years of operation (33, 650 hours across fleet), no critical failures of the Hawk engine have occurred. Additionally, the JSF engine is being designed to recover from ingesting foreign objects, including birds, to ensure that it will continue to run under these circumstances. Both the P&W and GE/RR JSF engines are being designed with multiple redundancy and for high reliability and are being extensively tested throughout the System Development & Demonstration (SDD) phase to ensure minimal risk of failure. It is important to note that the US Navy will be operating hundreds of single-engine JSF aircraft off its aircraft carriers, a particularly demanding environment in terms of safety.
- b) The first JSF is expected to be delivered to Australia in the 2012/2013 timeframe with Initial Operational Capability (IOC) – defined as the first squadron ready for deployed operations - achieved in 2014/2015. Full Operational Capability (FOC) – defined as when the full compliment of JSF squadrons is operational - is expected to be achieved in around 2018.
- c) Defence has never made a formal request to acquire the F-22 as Defence analysis shows that the F-22 is not the preferred air combat solution for Australia. The F-22 is undoubtedly a highly capable fighter aircraft, but Australia needs a true multi-role aircraft able to meet our full range of air-to-air and air-to-ground roles. Discussions with the US in the 1999-2002 time frame regarding AIR 6000 fighter replacement did not include an option for F-22 as they were – and still are - banned from export. US Air Force fighter export options presented were for variants of JSF, F-15E, and F-16. The Navy presented

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an option for F/A-18E/F. Notwithstanding this, Defence was able to obtain sufficient costing data on the F-22 which showed that it is at least twice as expensive as the JSF. This is supported by independent analysis by the Australian Strategic Policy Institute.

- d) This question is presumed to relate to the 'JSF' and not 'F18F'. In relation to JSF, the 'significant reduction in annual production quantity' reported in the press was an error based on misinterpretation of US budget papers. The USAF is currently planning a slower ramp-up rate in production, but is still planning on procuring its full compliment of JSF CTOL aircraft. There will be a cost impact of this reduced ramp-up rate, but it was already factored into consideration of the New Air Combat Capability project at First Pass in November 2006.

Question W19

F18F Super Hornet

Senator Evans

- a) Is it the case that Australia has signed a letter of offer and acceptance with Boeing? What was the date of the acceptance?
- b) Did CAF recently brief the USAF on the plan to purchase F18F aircraft?
- c) Is the case that this was not entirely well received by the USAF? (we were told that he did not like the idea and told CAF in no uncertain terms more than once)
- d) What measures are you pursuing to gain greater efficiency from Defence and thus ensure genuine value for the ongoing 3 per cent annual increases in Defence funding?
- e) What is the status of potential F/A-18F Super Hornet purchase?
- f) How have we ended up in a position where these new Hornets may be required?
- g) Has there been a rigorous examination of options other than the Super Hornets? (Singapore, Israel and South Korea bought F-15s instead)
- h) If the \$4 billion acquisition of the Hornets goes ahead, what other programs listed in the Defence Capability Plan will be cut?
- i) What implications does the reduction in USAF orders for the JSF have for that aircraft's affordability and availability to Australia?
- j) AIR 6000 was setup to find the correct jet/jets. Was this process followed for the F18F purchase, if not why not?
- k) Does this purchase of the F18F potentially have implications for the JSF project?
- l) Is there potentially some scaling back of the project caused by the \$4bn spend?
- m) What are the hidden costs associated with the F18F project (ie. International follow on structural test program, weapon clearances, limitations, supply guarantee)?
- n) Australia will not have access to design data and computer source code thus locking Australia into having to engage the US Original Equipment Manufacturers for upgrades, modifications and weapons integration. What budget estimates have been factored in for upgrades, software updates and weapons integration across the life of both Super Hornet and JSF? What response time to Australian requirements have been requested?

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RESPONSE

- a) A Letter of Request for the acquisition of the F/A-18F along with associated training, logistics and support systems has been exchanged as well as a Letter of Offer being received by the Australian Defence Force. The response from the USN to the Letter of Request was received on 30 January 2007 and the Letter of Acceptance was received on 2 March 07.
- b) Yes.
- c) Open discussions have been held between members of the ADF and the USAF and USN.
 The ADF's position has been explained by CAF and accepted by his American counterparts.
- d) Since the White Paper was announced in 2000, Defence has returned \$2.2 billion to the Budget over the period 2003-04 to 2009-10 by way of savings and efficiency measures. In addition, Defence was required to find further savings of \$200 million per annum by 2007-08 as part of its Program of Administrative Savings, in order to fund a number of cost pressures that the Government required it to absorb in 2003-04 and beyond. In total, Defence has found \$3.4 billion in savings and efficiencies over the seven-year period (2003-04 to 2009-10) as set out in the table below.

Savings Returned to the Budget

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
White Paper Program	200.0	200.0	200.0	200.0	200.0	200.0	200.0	1,400.0
Savings in Administrative Overheads	-	-	-	70.0	60.0	12.0	-	142.0
Efficiency Dividend (initial tranche)	-	-	3.4	11.9	25.0	39.0	55.5	134.8
Rationalisation of ADF Command and Control Structure	-	-	-	5.9	12.7	20.5	31.0	70.1
Broadening of the Efficiency Dividend	-	-	-	4.5	11.2	20.1	29.0	64.8
Sub-Total Savings Returned to the Budget	200.0	200.0	283.4	366.2	394.2	368.0	414.7	2,226.5
Savings Retained by Defence to Fund Cost Pressures ⁽¹⁾	60.6	130.0	162.4	175.4	200.0	200.0	200.0	1,128.4
Total Savings and Efficiencies	260.6	330.0	445.8	541.6	594.2	568.0	614.7	3,354.9

Note:

(1) Details are shown at p. 47 of the Defence *Portfolio Budget Statements 2006-07*.

In addition to the savings and efficiencies outlined above, Defence was required to absorb a number of Budget measures in 2004-05 and 2005-06 which total \$705m over five years, as set out in the table below.

Savings and Efficiencies Returned to the Budget (Historical prices)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2004-05 Budget	-	-	65.3	77.9	46.2	28.4	32.0	249.8
2005-06 Budget	-	-	93.0	64.0	109.0	93.0	96.0	455.0
Total Returned to the Budget	-	-	158.3	141.9	155.2	121.4	128.0	704.8

Defence has also absorbed the cost of significant fuel price increases in recent years and the considerable effort devoted to financial remediation work.

- e) The Government has decided to acquire 24 F/A-18F Super Hornets along with associated weapons, training, logistics and engineering support.

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- f) The Government and the ADF have consistently maintained that there will be no air combat capability shortfall. With the current planning for a withdrawal of the F-111 at the end of 2010 and the introduction of the JSF in the 2012-13 time frame, the acquisition of the F/A-18F Super Hornet provides the required level of risk mitigation to ensure Australia's air combat capability edge is maintained throughout the air combat aircraft transition.
- g) Yes.
- h) The F/A-18F Super Hornet will be fully supplemented as part of the 2007-08 Budget process. There is no impact on the current level of funding for the JSF project, nor deferrals/deletions from the Defence Capability Plan (DCP).
- i) The 'significant reduction in annual production quantity' reported in the press was an error based on misinterpretation of US budget papers. The USAF is currently planning a slower ramp-up rate in production, but is still planning on procuring its full complement of JSF Conventional Take Off and Landing aircraft. The cost impact of this reduced ramp-up rate was already factored into consideration of the New Air Combat Capability project at first pass approval in November 2006.
- j) Project AIR 6000 resulted in a Government decision in 2002 to enter into the System Development and Demonstration phase of the Joint Strike Fighter program. This commitment was made well before the introduction of the Kinnaird capability development process in 2004. However, as with many other pre-Kinnaird projects, AIR 6000 was transitioned into the Kinnaird framework, with its key decision points aligned to the process. The Kinnaird process does not preclude the addition or removal of options under consideration during analyses taken up until second pass approval. In the case of the Super Hornet, Defence was well practised in the development of business cases when it was instructed to further develop this option for Government consideration. All of the contacts were already in place to act on this direction, through a long association with Boeing and the United States Navy in support of the current F/A-18A/B fleet. This allowed Defence staff to rapidly and rigorously assess the Super Hornet against requirements.
- k) Government's intent remains for the JSF to form the core of the mature future air combat capability for the ADF. An acquisition of F/A-18Fs is a risk mitigation strategy to ensure retention of the air combat capability edge during the transition to the JSF.
- l) See response to part h).
- m) There are no hidden costs associated with the proposal, which includes both acquisition and ongoing net personnel and operating costs. The intent would be for the aircraft to be initially operated with existing weapons and clearances. Any consideration of potential future enhancements would be addressed through the DCP process.
- n) See response to W17 part d).

Question W58

Special purpose VIP fleet of Boeing Business Jets

Senator Ludwig

With regard to the special purpose VIP fleet of BBJs, could the department:

- a) Indicate the dates that each aircraft was first delivered.

- b) Provide details of all subsequent work (excluding routine maintenance checks but including additional work done at the same time as routine maintenance) performed or requests for work to be performed, in particular:
 - i. Which aircraft the work was performed on
 - ii. When the work took place.
 - iii. Where the work took place.
 - iv. Who performed the work (e.g. name of contractor)
 - v. What date the work was requested.
 - vi. Who it was requested by.
 - vii. A detailed description of the work requested (covering engine maintenance and/or replacement; changes to seating configuration; internal fit-out and finish e.g. reupholstering)
 - viii. A detailed description of the work done where differing from work requested and as described in part (vii)
 - ix. Whether any of the work was covered by warranty. If so detail which work was done under warranty and detail any other work done at the same time including the value of any additional payments.
 - x. The cost of each contract.
 - xi. Whether the work performed satisfied the original request.

RESPONSE

- a) Two Boeing Business Jets (BBJ) form part of the Special Purpose VIP fleet and the Government took formal delivery of these aircraft on the following dates:
 - A36-001 (BBJ) - 12 June 2002.
 - A36-002 (BBJ) - 28 August 2002.

- b)
 - i. The special purpose VIP fleet is subject to total contractor support. The Maintenance and Supply Agreement provides Commonwealth pre-approval for aircraft maintenance and repair in order to maintain airworthiness. Pre-approval includes all airworthiness directives, certain service bulletins and rectification work on defects. A similar arrangement of pre-approval exists for rectification of interior defects to make the aircraft mission capable. Work in addition to that undertaken via the pre-approval process is initiated by the Air Force as the capability manager. In these cases, the Government (DMO as the Product Manager) provides approval before work commences.

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The requested information is available, but would be subject to a work order on the contractor which would incur additional expense to the Government.

- ii. The requirement for unscheduled maintenance and repair or other work as requested has occurred on numerous occasions since June 2002 when the Government took delivery of the first aircraft. The requested information is available, but would be subject to a work order on the contractor which would incur additional expense to the Government.
- iii. With the exception of the warranty visit by BBJ A36-001 to the United States (Arkansas) during the December 2002 – January 2003 period, the majority of work takes place on-site at Canberra International Airport or at the contractor's heavy maintenance facility in Melbourne. Rectification work is accomplished as it arises in many airports around the world.
- iv. Since delivery (including the warranty visit to Arkansas in December 2002), all work is accomplished under the Maintenance and Supply Agreement with Qantas. Maintenance and rectification work is carried out by Qantas and/or subcontractors to Qantas.
- v. The requirement for unscheduled maintenance and repair has arisen on numerous occasions since June 2002 when the Government took delivery of the first aircraft. The individual maintenance records for the aircraft are maintained by the contractor. These records include information such as the source of the arising, and date of the incident or request that led to any subsequent maintenance and rectification activity. The requested information is available, but would be subject to a work order on the contractor which would incur additional expense to the Government.
- vi. See response to part b) i above.
- vii. See response to part b) v above.
- viii. The Government is not aware of any variations to work requested to that delivered. Work requested by the Government is subject to rigorous review for conformance to the requirement prior to acceptance and payment.
- ix. The contractor has been appointed agent of the Government for claiming the owner's (the lessor) warranty entitlements. The requested information is available, but would be subject to a work order on the contractor which would incur additional expense to the Government. Requests of this nature will require negotiation of a specific work package to allow the contractor to adequately resource and plan a task of this scale in competition with other work already approved and in progress.
- x. The requested information is available, but would be subject to a work order on the contractor which would incur additional expense to the Government.
- xi. The Government is confident that all work performed to date has satisfied the work requested, which is subject to rigorous review for conformance to the requirement prior to acceptance and payment.

Outcome 5: Strategic policy for the defence of Australia and its interests

Question W1

Official Development Assistance

Senator Evans

Please provide full details of Official Development Assistance (ODA) eligible expenditure and activities undertaken by the Department since 2000-2001 to date.

RESPONSE

AusAID defines Official Development Assistance as aid provided by governments through their individual countries' international aid agencies, and includes international development assistance, international aid, and foreign aid. It also includes the efforts of developed countries to reduce poverty in developing countries that have low average incomes compared to the world average.

In respect of Defence, this includes elements of the Defence Cooperation Program and Defence operations, and Civil-Military Cooperation Activities but not these programs in their entirety.

Based on information agreed by AusAID in relation to these definitions, Defence has spent \$246.496m on Official Development Assistance between 2000-01 and 2005-06, noting that the 2005-06 data is still subject to ongoing validation between AusAID and Defence. Details are shown in the attached table.

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Table W1: Defence Expenditure on Official Development Assistance between 2000-01 and 2005-06

Country	Activity Name	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m	Total \$m
Defence Operations Expenditure								
Afghanistan	Operation Palate (ADF support to UN mission in Afghanistan)				0.023			0.023
Afghanistan	Operation Slipper (ADF contribution to international coalition against terrorism)					0.110		0.110
Cambodia	Cambodian Mine Action Centre							0.000
Croatia	Operation Osier (ADF contribution to the UN monitoring and observation in Bosnia-Herzegovina/Kosovo)		0.049	0.337		0.008		0.394
Timor Leste	Operation Citadel (ADF support to the United Nations effort in Timor Leste)				1.400			1.400
Timor Leste	Operation Spire (ADF contribution to the United Nations successor mission in Timor Leste following Operation Citadel)					25.259		25.259
Timor Leste	Defence Expenditure on Timor Leste	23.516	1.375					24.891
Eritrea	Operation Pomelo (ADF contribution to the UN mission in Ethiopia/Eritrea)		0.173	0.100	0.073	0.073		0.419
Indonesia	Operation Sumatra Assist (ADF contribution to people affected by the tsunami disaster)					37.000	3.750	40.750
Iran	Operation Iran Assist (ADF contribution to the evacuation of Australian nationals)				0.019			0.019
Mozambique	Contribution to UNOMOZ	0.258	0.100					0.358
Niue	Operation Niue Assist (ADF support to disaster relief in Niue)				0.263			0.263
North Africa /								
Middle East Unallocated	Operation Paladin (ADF contribution to UN truce supervisory organisation in Middle East)			0.373	0.009	0.367	0.900	1.649
Pakistan	Operation Pakistan Assist (ADF contribution to people affected by the Pakistan earthquake)						0.338	0.338
Papua New Guinea	Deployments to Bougainville Peace Monitoring	20.730						20.730
Papua New Guinea	Operation Belisi (ADF contribution to the Peace Monitoring Group on Bougainville)		11.189	13.275	3.028			27.492
Papua New Guinea	Refurbishment of Goldie River Training Depot Mess and Murray Barracks Mess	0.035						0.035
Sierra Leone	Operation Husky (ADF contribution to the International Military Advisory and Training Team in Sierra Leone)		0.283	0.180				0.464
Solomon Islands	ADF Support to Solomon Islands	2.783						2.783
Solomon Islands	Operation Trek (ADF contribution to the Solomon Islands Peace Monitoring Council)		0.314	0.000				0.315
World Unallocated	Operation Gaberdine (ADF assistance to the Department of Immigration and Multicultural Affairs for the likely excess of unauthorised boat arrivals)		2.083					2.083
Defence Operations Expenditure Sub-total		47.322	15.567	14.266	4.815	62.817	4.988	149.775
Defence Cooperation Activities								
Cook Islands	Defence Cooperation Activities		0.258	0.243	0.216	0.196	0.211	1.124
Kiribati	Defence Cooperation Activities		0.446	0.533	0.588	0.312	0.407	2.286
Marshall Islands	Defence Cooperation Activities		0.351	0.536	0.657	0.418	0.525	2.487
Micronesia, Fed. States of	Defence Cooperation Activities		0.534	0.544	0.682	0.447	0.612	2.819
Palau	Defence Cooperation Activities		0.240	0.415	0.483	0.481	0.479	2.098
Samoa	Defence Cooperation Activities		0.337	0.345	0.417	0.413	1.614	3.126
Solomon Islands	Defence Cooperation Activities		0.551	0.398	0.246	0.984	1.785	3.964
Tuvalu	Defence Cooperation Activities		0.290	0.282	0.389	0.433	0.396	1.789
Vanuatu	Police Force headquarters construction	0.513	0.150					0.663
Vanuatu	Defence Cooperation Activities		1.294	1.288	1.045	0.876	1.301	5.804
World Unallocated	Defence Cooperation Activities		9.796	11.736	13.393	16.181	17.206	68.312
Defence Cooperation Activities Sub-total		0.513	14.246	16.320	18.116	20.741	24.535	94.472
Civil-Military Cooperation Activities								
Iraq	Civil-Military Cooperation (CIMIC) activities						2.250	2.250
Civil-Military Cooperation Activities Sub-total							2.250	2.250
Defence Total		47.835	29.813	30.586	22.931	83.559	31.774	246.496

Outcome 6: Intelligence capability for the defence of Australia and its interests

Question W9

DIO reporting on AWB

Senator Evans

- a) In the period 2000 to 2003, did DIO report on the activities, or alleged activities, of AWB in Iraq? If so, when and to whom was it reported?
- b) Did DIO receive information during the same period on AWB activities, or alleged activities, from Australian officials, or other officials, serving with the Australian Representative Office, the Coalition Provisional Authority (CPA), the CJTF7 and the Australian Joint HQ? If so, when and how?
- c) If this was the case, did Defence provide this information to the Cole Commission? If so, when?
- d) Did DIO during the same period receive information on AWB activities, or alleged activities, from foreign intelligence sources? If so, when?
- e) If this was the case, did Defence report this information to the Cole Commission?

RESPONSE

- a) No.
- b) The only information DIO received were some general references to AWB over the period 2000 – 2003 which were received electronically.
- c) As the documents were not Defence originated, they were flagged to the originating authority for a decision on whether they met the Cole Inquiry Terms of Reference and, therefore, should be included in the originating authority's submission.
- d) DIO received an intelligence report in November 2003 that was of potential interest to the Cole Inquiry, but it did not mention any Australian company by name.
- e) The document was flagged to the originating authority and was provided to the Cole Inquiry by the relevant agency.

Question W20

Missing weapons

Senator Evans

- a) Has it yet been established when the M72 rocket launcher recently found by police in the hands of Mr Taha Abdul Rahman was stolen from Defence, or which facility is disappeared from?
- b) Has there been any progress in recovering the six M72s that are still missing?
- c) Has it been established whether Mr Taha Abdul Rahman stole the M72s or bought them later.
- d) If Mr Taha Abdul Rahman stole the launchers, has it been established who he sold the rest of them to?
- e) How lethal is an M72 rocket launcher?
- f) What would be the effect if it were fired at and hit a car?
- g) What if one hit a helicopter or a building?
- h) Is it true that Mr Taha Abdul Rahman supplied M72 rocket launchers to one of the men arrested in anti terrorism raids in Sydney last November, a member of a group who were planning to attack the Sydney Harbour Bridge and the Lucas Heights nuclear reactor?
- i) What other weapons have gone missing from Defence in recent years, I mean, is it feasible one of Mr Rahman's colleagues is in possession of another taxpayer funded arsenal?

RESPONSE

- a), b), c), d), h) and i)

This is the subject of a police investigation and it is inappropriate to comment further.

- e) The lethality of the M72 is dependant upon the object or target at which it is fired and the circumstances in which the weapon is used. As an 'anti-armour' weapon the M72 was designed to defeat armour, however the thickness of the armour plate and its composition (rolled armour, spaced, etc) will dictate the depth of penetration and effects generated. As a 'shaped charge' weapon (the warhead is a 66mm shaped charge) its effect against hard targets is generally the production of blast, penetration of the target by the 'slug of copper' (formed on impact and functioning of the warhead) and secondary fragmentation. The launcher itself generates a 'back blast' hazard to the rear of the launcher when fired, caused by the escaping gasses from the propellant charge.
- f) The effect is dependant upon distance, angle of impact, and type of car (normal, armoured vehicle, etc). It is plausible that the warhead could:
 - detonate on the skin of the vehicle, resulting in full or partially penetration of the vehicle, and the generation of substantial internal and external damage; or

- not detonate (i.e. the warhead fails to function as designed) and penetrate into the vehicle, causing secondary damage and resulting in an unexploded ordnance hazard.
- g) The effect again is dependant upon distance, angle of impact, and composition of the target.
- It is plausible that if the warhead hit a helicopter, it could:
 - detonate on the skin of the aircraft, resulting in full or partial penetration of the aircraft and generation of substantial internal and external blast damage; or
 - not detonate (i.e. the warhead fuse fails to function as designed) and penetrate into the aircraft, causing secondary damage and resulting in an unexploded ordnance hazard.

 - It is plausible that if the warhead hit a building, it could:
 - detonate on the outside of the building, resulting in full or partially penetration of the building (i.e. a small hole ~ up to 5cm diameter in a building made of brick or concrete that is not reinforced and up to 200mm thick or made of mild steel plate that is up to 150mm thick) and generation of substantial internal and external blast damage; or
 - not detonate (i.e. the warhead fuse fails to function as designed) and penetrate into the building (or lodge in the wall), causing secondary damage and resulting in an unexploded ordnance hazard.