

Defence

Office of the Secretary and Chief of the Defence Force

Question 6

Cost of overseas ADF personnel

Senator Bishop, Hansard, 30 May 2007, p90

(PBS 2007-08, p62) How many Defence personnel are overseas and what is the total expenditure?

RESPONSE

The total number of Defence personnel overseas on postings longer than six months' duration (as at 21 June 2007), excluding those deployed on operations, was 843. The total estimated expenditure for these personnel incurred in 2006-07 is \$106m.

W1

Defence Management Review

Senator Evans

- a) (DMR references: 4.26, 4.28, 4.39, 8.4, 8.14, 8.22, 8.28, 8.39, Rec 36, Rec 46) In light of the report's recommendations suggesting that Defence should cease outsourcing until it fully understands its own requirements, and has the ability to properly cost its own operations, what is likely to happen to the numerous major outsourcing restructures currently underway or slated for commencement, such as the RICTMT project?
- b) (DMR references: 4.28, 4.31, 4.39, Rec 12, Rec 13) In light of the criticisms of Defence's management of contracts and capacity to cost its own processes, what plans does Defence have to properly cost and review the widespread usage of agency-supplied contract staff to perform core business functions?
- c) (DMR references: 6.15, 6.17, 6.24, 6.55, 6.56, Rec 29) How does Defence plan to redress the imbalances in training, professional development and career management identified between the APS and ADF workforces?
- d) (DMR, p207) How much has been allocated to the comprehensive implementation plan for the Proust review recommendations?

RESPONSE

- a) Defence is examining each extant project case-by-case to determine how it should proceed in light of the work being undertaken on reviewing business processes and establishing service benchmarks.
- b) Defence continues to make costing its activities a priority task. Product-level costing has been introduced for the DMO and Defence is actively working to develop product-level budgets for all service delivery Groups. A staged-review of Defence processes and systems has also been initiated which will assist in achieving process efficiencies and cost visibility.
- c) Defence is committed to ensuring that all elements of its workforce force are highly skilled and responsive to the challenges inherent in delivering Defence capability into the future. To achieve this, Defence is in the process of recruiting a people strategist at the SES Band 3 level. The primary role of this person will be the development of a coherent and dynamic long-term strategy to strengthen our ability to attract, develop and retain our ADF and APS workforces. Specific initiatives, such as professional standards and structured development programs in critical skills areas such as financial management, governance and ministerial support, will be developed and programmed as part of the Defence reform implementation plan.

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- d) Most of the activities in implementing Defence reform relate to improving and streamlining internal business processes and these will be managed within existing resources.

There may be some costs associated with some of the reforms, such as the single enterprise resource planning system. They will be considered in the context of the budget process once specific proposals have been developed.

W2

New Deputy Secretary positions

Senator Evans

(PBS 2007-08, p10-11) Reference is made to the creation of three new deputy Secretary positions, following from the Proust review.

- a) What is the estimated cost of this per year including all on-costs? When will the positions be filled?
- b) Please outline the substantial informational technology reform.
- c) Will this IT reform reduce costs, what is the cost reduction estimate, and is this in the forward estimates?

RESPONSE

- a) As a result of the DMR, Defence established two new SES Band 3 positions. We have engaged executive search firms to select the best candidates for both positions. The salary and on-costs for both positions will be determined with the successful candidates following completion of the selection processes.
- b) The Secretary of Defence and the CDF announced on 26 October 2007 that Mr Gregg Farr had been appointed as Defence's new Chief Information Officer (CIO). Mr Farr is expected to take up this appointment in late November 2007.

Defence's forward program of Information and Communication Technology (ICT) reform will centre around the development of a comprehensive ICT Strategy, which will align technology investment and business planning with Defence customers' business planning and expectations. The development of this strategy will be a key task of the new CIO.

- c) The key thrust of the reforms is to better link ICT to business requirements, rather than to drive for cost reductions at this stage.

W3

Captain Lawton Board of Inquiry

Senator Evans

In response to a question on notice from the last hearings, Defence advised, in relation to the first Board of Inquiry (BOI) into the death of Captain Lawton, that an incident occurred after the conclusion of the hearings, which resulted in legal proceedings being brought before the Federal Court and the eventual disbanding of the inquiry.

- a) What were the details of this incident?
- b) When did the Department become aware of this incident?
- c) What actions did the Department take upon hearing about this incident?
- d) Who made the decision to disband the inquiry, and on whose advice?
- e) When was the Captain Lawton's family advised that the BOI was to be disbanded? What reasons were given to the family for the disbandment of the inquiry? What support services have been offered to the family throughout this ordeal?
- f) In a response to a question on notice at the last hearings Defence advised that the cost to date for the first BOI was \$401,614. Is this the final cost that the Department attributes to that inquiry?
- g) It was announced on 8 May 2007 that a second BOI will now be convened. Why did it take so long to announce a second BOI? Why was this inquiry announced by Defence and not the Minister? Was there any reason why the inquiry was announced on Budget day? What safeguards have been put in place to ensure that another incident does not occur?
- h) What is the estimated cost of the second BOI?
- i) When does Defence estimate that the second BOI will conclude?

RESPONSE

- a) An incident reportedly occurred on 20 December 2006 after the BOI had completed its hearings. A number of Board participants (including the President, member and some of the lawyers at the inquiry) met briefly after these hearings. During this gathering, one of those present allegedly read out a list of mock 'awards' to the others. These 'awards' purportedly referred to the conduct of several people involved in the inquiry, including some lawyers and some witnesses, but it is understood did not mention Captain Paul Lawton or

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any members of his family. On 22 December 2006, an email version of the 'awards' was reportedly sent to various participants involved with the Board.

- b) The CDF was verbally advised of this incident on 3 January 2007 and was provided with a written brief on 4 January 07.
- c) The CDF referred this alleged incident to the Inspector General of the Australian Defence Force (IGADF) on 7 January 2007 and directed that an investigation be conducted. The IGADF provided his report to the CDF on 27 June 2007. The CDF is currently considering the report.
- d) The CDF, after considering legal advice.
- e)
 - (i) Mrs Dennys Lawton (Captain Lawton's mother) was formally notified of the CDF's decision to dissolve the BOI by letter on 16 February 2007. Ms Catriona Campbell (Captain Lawton's defacto spouse), being the representative of Captain Lawton's interests at the initial BOI, was advised through her legal adviser of this decision on 13 February 2007.
 - (ii) They were advised of the following:
 - That a witness appearing before the Board commenced proceedings in the Federal Court of Australia in respect of a mock award which involved him.
 - The Court subsequently made interim orders which prevented the Board from submitting its report to the CDF as had been originally planned.
 - Given the commencement of the Federal Court proceedings, the CDF was faced with a dilemma - should the BOI proceed any further in its current form, there was a real risk that the inquiry would become stalled in protracted litigation.
 - (iii) With the prospect of ongoing delays, the CDF decided that the best course of action was to dissolve the initial BOI. In making this decision, the CDF was extremely conscious of the need for the inquiry into Captain Lawton's death to proceed to an expeditious and reliable conclusion. Staff from the Defence Community Organisation (DCO) and Army Headquarters have provided support and assistance to the family of Captain Lawton since his death. Such support has included access to Defence social workers, military support officers within DCO and an Army Headquarters case officer as well as legal support and representation at the BOI, accommodation and other personal support.
- f) The cumulative total for expenditure for both BOI into the death of Captain Lawton currently stands at approximately \$485,380.00.
- g)
 - (i) The formation of a new BOI is an intensive process, including selection of judicially experienced civilian Board members and other legal personnel who are available at the required time, consulting with the families, finding an appropriate venue available for the hearings, and preparing the appropriate legal documentation. Defence conducts

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this process as quickly as possible, and does so in addition to all other competing priorities.

- (ii) Because the CDF appointed the BOI.
- (iii) The announcement was made on that date so the public (including media) could be provided with appropriate notice of the commencement of BOI hearings on 10-11 May 2007. This announcement was unrelated to the Budget.
- (iv) Counsels Assisting other CDF BOIs have been briefed concerning the capacity for particular events to compromise perceptions of an inquiry's impartiality. Further action may become necessary following consideration of the IGADF report.
- h) A breakdown of the cost for each BOI is not available. The cumulative total for both BOIs stands at approximately \$485,380.00.
- i) The BOI is expected to provide CDF with a report by 28 September 2007.

W4

ADF Investigative Capacity

Senator Evans

- a) Over the last three financial years, by year, how many investigations have been conducted without the assistance of the AFP? For these investigations, why was the AFP not involved and what was the outcome of the investigation?
- b) Over the last three financial years, by year, how many investigations have been conducted with the assistance of the AFP? For these investigations why was the AFP involved and what was the outcome of the investigation?

RESPONSE

a and b) Service Police conducted the following number of investigations over the past three financial years:

2006-2007 (to date):	1520
2005-2006:	1841
2004-2005:	1546

The vast majority of investigations undertaken by Service Police are service matters that are completed without the assistance of AFP or other external policing agencies. Service Police complete investigations in accordance with their jurisdiction under the Defence Force Discipline Act (DFDA).

In accordance with Defence policy, a number of matters must be referred to the AFP, State or Territory police for investigation. Within Australia, the exercise of jurisdiction under the DFDA is expressly limited by section 63 of the Act. This section has the result that, in respect of some offences, including those involving treason, murder, manslaughter and certain sexual offences and offences ancillary to these offences, the consent of the Commonwealth Director of Public Prosecutions is required before jurisdiction under the DFDA can be exercised. Allegations of such offences are referred to the appropriate civil police authority for investigation, and prosecution where necessary. Full responsibility for the carriage of the matter is passed to the appropriate civil police authority.

In cases where Service Police have jurisdiction over a matter, there may be circumstances where AFP, State or Territory police assistance is requested. Examples of such assistance include the provision of higher level investigative capabilities that the ADF does not possess, such as some forensic investigation capabilities, civil criminal history checks and information on persons who may be involved in matters also involving ADF members or property.

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Alternatively, the AFP, State or Territory police may request Service Police assistance in one of their own investigations. Examples of this include cases where civil police request details about an ADF member allegedly involved in a criminal or civil matter or request for advice on ADF equipment. The recent Service Police cooperation with the Australian Crime Commission (ACC), AFP and the NSW and Victoria Police investigations into the loss of weapons, ammunition and explosives from the ADF are examples of the support provided in these circumstances.

There is no search function on the current Service Police database to identify those occasions where assistance is requested from or by the AFP, State or Territory police. To provide this specific data would require the manual checking of each of the investigation records for the financial years requested, and this would be too resource intensive to collect.

In relation to outcomes of investigations, completed Service Police reports are forwarded to Defence's Director of Military Prosecutions or the relevant unit commander for action. The only outcomes Service Police are able to comment on are what is concluded and recommended in the report. Similar to the data on external police assistance, while the data are held within individual investigation case records, it is not readily available from the current Service Police database and would be too resource intensive to collect.

W10

Suicides

Senator Evans

- a) At the June Budget Estimates last year – the Chief of Army confirmed the existence of a review into suicides within the army, what is the current progress of this review?
- (i) Will this review examine if there were any systemic causes that contributed to the deaths of the persons involved?
 - (ii) Is it expected that this review will make recommendations and will the findings of the review be made public?
 - (iii) Will this review recommend any disciplinary action if it finds anyone to have contributed to suicides?
 - (iv) What has been the duration and cost of this review to date?
 - (v) If the review has been finalised can we please be given a copy of any reports, a summary of the outcomes and the final cost?
- b) For each Service what processes are undertaken when a suicide takes place?
- c) When a suicide does occur what support services are provided to the families of the victim, including legal advice?

RESPONSE

- a) It is expected that the review will be completed in the second half of 2007.
- i-iii) The inquiry officer has provided a progress report advising that it was his preliminary opinion that a review of cases to date had not revealed anything extraordinary, criminal, suspicious or otherwise about the deaths themselves or about circumstances surrounding the deaths.
 - iv) The review of the seven cases identified in the desk top audit commenced on 5 October 2005. The review has been undertaken by Army Reserve personnel. On 24 April 2006 an assistant inquiry officer was appointed to complete the task. Cost of the review to date is estimated at \$6,000.
 - v) The review has not yet been finalised. There is no plan to publish the findings.
- b) Initial Service responses on the discovery of the death (including suspected suicide) of an ADF member involves notification and support to Service and Civilian Police (as appropriate) and providing or arranging preliminary support and assistance to those affected by the death. All deaths (including suspected suicides) of ADF members must be reported through the chain of command to the CDF. The CDF determines whether a Commission of Inquiry must be appointed under the *Defence (Inquiry) Regulations 1985*. These procedures are common to all Services.

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Aside from the above, each Service provides and arranges ongoing support and assistance through the chain of command (including the Divisional system in the case of the Navy) to those who had been serving with the deceased member or who were otherwise affected by the death or suicide. The nature and type of single-Service support is determined on case-by-case basis and may include access to chaplaincy and pastoral care, counselling and medical assistance. The Services also assist the Defence Community Organisation in the provision of support services to the families of the deceased and others affected by the death.

- c) In the event of the death of a serving ADF member, Defence provides a comprehensive program of support for the family. This support covers the family's emotional and practical needs and is available 24 hours a day, seven days a week. There is no time limit on this support, and it is provided regardless of the cause of the member's death.

The suicide of an ADF member may be the subject of an inquiry by a Defence Force Board of Inquiry (BOI) or Chief of the Defence Force Commission of Inquiry (CDF COI). The President of a BOI or CDF COI may permit a deceased member to be represented before the inquiry by a lawyer, or permit family members be separately represented if their own interests are affected by the inquiry. Families have the option of engaging their own civilian lawyer or accepting the services (free of charge) of a Defence Force Legal Officer, provided through the Director of Defence Counsel Services.

Defence Social Worker support is also provided to families leading up to, throughout and following a BOI or CDF COI.

W51

Baileys Diesel Service and Federal Agent Smythe

Senator Evans

- a) Has any member of Defence or the Inspector General's had any meetings together or individually where Mr Smythe's current employment was discussed? If so why?
- b) Has any member of Defence or the Inspector General's approached, formally or informally, Mr Smythe's employer since the Senate has raised questions about the HMAS *Westralia* accident? If so, why?
- c) Has any member of Defence or the Inspector General's made formal or informal complaints about Mr Smythe to his current employer? If so, Why?
- d) Is Mr Smythe currently the subject of an investigation by either Defence or the Inspector General's? If so, why?
- e) Has Defence or the Inspector General's had, in any way, anything to do with the subsequent review of Mr Smythe's employment status?
- f) During a previous Senate questioning time regarding the HMAS *Westralia* matter, Mr Williams of the Inspector General's, advised that they had transcribed a tape of a conversation allegedly between Mr Smythe and the owner of Baileys Diesel. Is that taped conversation the same taped conversation recorded on 6 February 1998?

RESPONSE

- a) No.
- b) Investigators sought to obtain a phone contact number for Mr Smythe following the Senate Committee Hearing on 14 February 2007.
- c) No.
- d) No.
- e) No.
- f) Yes.

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W52

M72 rocket launchers

Senator Evans

When will Defence be releasing the audit report?

RESPONSE

It is unlikely that the complete audit report will be released publicly as it is expected that it may contain detailed information regarding Defence security practices and procedures. Nonetheless, as with the first phase of the audit, the Minister may choose to release a report summary. The audit is scheduled for completion in the third quarter of this year.

W74

Media release on Military Superannuation

Senator Evans

On 27 March 2007, a press release was issued by Parliamentary Secretary to the Minister on the Defence Media Mail List. The release was entitled PARLSEC 021/2007 but has now been taken down from the website. The release claimed that Labor's broadband plan threatens military superannuation. This is a claim that Labor has publicly rejected.

- a) Is this release a politically motivated document?
- b) If so why was this released on the Defence Media Mailing list?
- c) Is it normal for politically motivated material to be circulated on these lists.
- d) How does Defence respond to comments in the Townville Bulletin on March 30 that these releases of "propaganda" using taxpayers money has "embarrassed the government"?
- e) What explanation does Defence offer why such material was disseminated on the Defence Media mail list?
- f) Will Defence make appropriate assurances that instances of this nature will not be repeated?

RESPONSE

- a) The release was in accordance with protocols from the Australian Government Information Management Office (AGIMO).
- b) It is standard operating procedure for Defence to distribute media releases using the distribution lists of AAP and the subscription-based Ministerial Release email list service.
- c) Media releases and other information relating to the portfolio responsibilities of the Minister for Defence, Minister Assisting the Minister for Defence and Parliamentary Secretary are routinely released by the Department of Defence.
- d) See response to part a) above.
- e) It is standard procedure and in accordance with AGIMO guidelines to distribute such material using Departmental resources.
- f) Defence will continue to follow the guidelines set by the AGIMO.

Defence

Vice Chief of the Defence Force

Question 1

Number of Iraqis trained since the commencement of Operation Catalyst

Senator MacDonald, Hansard, 30 May 2007, p17

Please provide the number of Iraqis trained by the ADF since Operation Catalyst commenced.

RESPONSE

Some 114,000 Iraqi troops are estimated to have passed through the training establishments where ADF trainers are hosted as part of the Military transition plan which is coordinated by the Multi-National Security Transition Command – Iraq.

Through the Australian Army Training Team – Iraq, the ADF has trained around 15,300 Iraqi Army personnel. The Royal Australian Navy has also played an important role in training elements of the Iraqi Navy and Marines.

For further information, see www.defence.gov.au/opcatalyst/training.htm.

Question 10

Discharges from the ADF following Active Duty

Sen Evans, Hansard, 31 May 2007, p15

With reference to the data provided on the number of personnel discharged following Active Duty, are the percentage figures provided based on total deployments or total persons?

RESPONSE

The percentage figures provided were intended to be based on total persons deployed to the Middle East Area of Operations from 1 July 2001 to 28 February 2007, but further research into this matter now indicates that the figure provided for total persons deployed (18,740) was incorrect.

At this stage Defence is unable to provide accurate data on the number of personnel who have deployed on operation from 2001. Defence has not historically captured this data in one location. The development of more accurate data is being extensively addressed and this project may be completed in 2008. See also response to W32 from the February 2007 Additional Estimates for a further explanation.

W15

Classification of Service

Senator Evans

- a) In determining whether service is warlike or non-warlike what criteria are used by the Minister for Defence? Can Defence provide a copy of these criteria?
- b) Over the last ten years what service has been classified warlike?
- c) Over the last ten years what service has been classified as non-warlike?

For both of these lists please include the date and rationale of classification.

RESPONSE

- a) Warlike operations are those military activities where the application of force is authorised to pursue specific military objectives and there is an expectation of casualties.

Non-warlike operations are defined as those military activities short of warlike operations where there is risk associated with the assigned task(s) and where application of force is limited to self-defence. Casualties could occur but are not expected.

When determining whether an operation is warlike or non-warlike, detailed consideration is given to the mission and tasks, the rules of engagement and the overall military threat assessment (MTA). These factors directly influence the determination on the use of force being authorised to achieve the mission. They also form the basis of the determination of the extent to which casualties are expected. The MTA is based on two types of threats: operational threats (including conventional and non-conventional military operations) and environmental threats or hazards. This information is detailed and covers over 20 individual factors to be considered, and may be applied on a regional basis within the area of operations. Given the detailed and sensitive nature of these assessments it is not appropriate that they are publicly released.

The Minister makes a decision based on military advice.

- b and c) Warlike service has applied to the following operations over the last 10 years:

Operation SLIPPER - 11 October 2001 ongoing;

Operation BASTILLE - 11 October 2001- 19 March 2003;

Operation FALCONER - 19 March 2003 – 22 July 2003;

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Operation PALATE - 17 April 2003 ongoing;

Operation CATALYST - 16 July 2003 ongoing;

Operation WARDEN - 16 September 1999 – 10 April 2000;

Operation STABILISE - 16 September – 23 February 2000;

Operation TANAGER - 20 February 2000 - 19 May 2002; and

Operation CITADEL - 20 May 02 – 17 August 2003.

Non-warlike service has applied to the following operations over the last 10 years:

Operation CITADEL - 18 August 03 – 19 May 2004;

Operation PALADIN - 21 April 2003 ongoing;

Operation ANODE - 24 July 2003 ongoing;

Operation MAZURKA - 28 January 2003 ongoing;

Operation OSIER - 24 January 1997 - 21 June 2005;

Operation POMELO - 15 January 2001 – 21 February 2005; and

Operation ASTUTE - 25 May 2006 ongoing.

Defence

Chief Finance Officer

Question 5

Fuel to foreign governments

Senator Bishop, Hansard, 30 May 2007, p86

(PBS 2007-08, p21) Is excise and GST included in the sale price of fuel to foreign governments?

RESPONSE

The excise on fuel is excluded from the cost prior to the sale price being calculated and therefore will not form part of the sale price of the fuel.

Goods and Services Tax (GST) on sales of fuel to foreign governments will be dependent on the conditions under which the fuel is sold and certain international agreements.

W5

PBS explanation

Senator Evans

- a) (PBS 2007-08, p21, "Section 31 receipts") With respect to the sale of fuel to foreign governments, already paid for by the taxpayer, is retention of the sale money not effectively a double payment?
- b) (PBS 2007-08, p95) The sale of assets is recorded as yielding \$189m net of costs to Defence for making the sales (\$34.8m). Is the net capital receipt shown in table 3.14 (\$189m) the same as the Section 31 receipt item on page 21; if not why not?
- c) (PBS 2007-08, Table 2.20) Why do the savings not add up to \$1 billion? Is there something missing?

RESPONSE

- a) No, it is a budget neutral transaction that is offsetting in nature.
- b) No. The net capital receipt shown in Table 3.14 (\$189m) reflects the net receipts from the sale of Defence assets, which is only one component of Defence's Section 31 receipts. Other components are reflected as 'own source revenue' in Table 2.1 on page 20, and total \$2.9 billion over the forward estimates.
- c) There is no missing data from Table 2.20 of the *Portfolio Budget Statements 2007-08*.

W6

Financial Reform

Senator Evans

(PBS, 2007-08, p204) What is meant by the analytical/modelling mentioned, what is the cost of this unit, and how many people are expected to be allocated to it?

RESPONSE

Defence is currently examining requirements in this area as part of implementing the DMR recommendation to maintain a focus on the real long-term cost of Defence (Recommendation 32, page 86). The staffing requirement and operating cost of this function will be examined as part of this implementation.

W7

Budget Measure – New Transition Service

Senator Evans

- a) In the recent budget, one of the recruitment and retention announcements was the introduction of a new transition service. Can we please have an outline of this new measure?
- b) What areas of advice will be given to those considering leaving the forces under this new measure?
- c) Will any of these new services provide increased information concerning possible benefits that personnel leaving may be eligible for from the Department of Veterans Affairs? If yes, what is that information? If no, why not?
- d) How will this measure relate to the transition management service currently provided by Defence?
- e) How many people does Defence estimate will make use of this new service?
- f) What is the breakdown over the forward estimates for the funding allocated to this measure?
- g) How much of this money has been committed already? When does Defence expect to commit the money?

RESPONSE

- a) The new Transition Service will provide a suite of services to personnel considering leaving the ADF in a more personalised and case managed manner. It will ensure that personnel are aware of the benefits that are available to them while in the ADF, flow-on benefits following separation and will also facilitate re-enlistment for later careers. The Transition Service will provide support to members who are separating from the ADF to help them secure suitable civilian employment. The procurement of a service provider for the next Recruiting Services Contract which is expected to commence in July 2008 will include provision of this Transition Service within the Statement of Work.
- b) The service will provide access to independent remuneration and career advice about realistic opportunities for employment in the ADF and expectations for transitioning to the civilian world. While the full range of the advice given will be determined through the procurement process, the advice will relate to the information required to support members who are separating from the ADF to secure suitable civilian employment following their service in the ADF.

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- c) Defence is currently implementing a range of improvements to support services for ADF members in addition to this new Transition Service announced in the recent budget. These broader improvements will increase ADF member's awareness of their entitlements and possible benefits from a number of other Government agencies, including the Department of Veterans' Affairs (DVA). Defence is working closely with DVA to ensure information regarding all benefits and entitlements that they provide to ADF members is widely disseminated and accessible through as many information pathways as possible.
- d) The new Transition Service will provide additional services to the transition management service currently provided by Defence. This will include access to case managed career services for the transition into civilian employment.
- e) It is estimated that 5,700 personnel will make use of this service every year.
- f) \$4.4m will be allocated for 2007-08, with \$5.7m allocated for the remaining out years.
- g) No funding has been committed so far. It is expected that Defence will commence expenditure on this service after 1 July 2007.

Defence

People Strategies and Policy

Question 12

Number of former cadets in the ADF

Senator MacDonald, Hansard, 31 May 2007, p28

Please provide the number of ex-cadets who are:

- (i) serving in general entry positions
- (ii) enrolled at ADFA

RESPONSE

- (i) Defence does not have data readily available to identify ex-cadets who are serving in general entry positions. The information provided is based on total ADF enlistments, inclusive of those who have joined the Australian Defence Force Academy (ADFA).

In the period 2001-02 to 2004-05 ex-cadets represented an average of 11 per cent of enlistments into the ADF.

In the period 2004-05 to 2005-06 ex-cadets represented an average of 17.6 per cent of enlistments into the ADF.

- (ii) **Recruitment to ADFA - Specific**
Recruitment of ex-cadets to the ADFA has been in the range of 35 – 40 per cent since 2001. The latest data for calendar year 2006 illustrates that this trend is continuing with 36 per cent or 119 ex-cadets from an intake total of 330. This compares favourably with 110 ex-cadets from an intake total of 286 for calendar year 2005.

Question 13

Separation from ADF

Senator Trood, Hansard, 31 May 2007, p28

Please provide disaggregated data by service and rank on the numbers of personnel separating from the ADF.

RESPONSE

This information is available in Table 4.12, *Chapter Four – People, of the Defence Annual Report 2005-06*, which lists the personnel separating from the ADF by Service, and by Officers and Other Ranks for the period 2004–05 and 2005–06. Updated information will be provided in the *2006-07 Annual Report* which will be tabled in October 2007.

Question 16

Special Forces Direct Recruiting Scheme

Senator Adams, Hansard, 31 May 2007, pp55-56

- a) Please provide the total number of applicants for the Special Forces Direct Recruiting Scheme and the number that have been successful.
- b) Please provide a definition of the term 'trainability'.

RESPONSE

- a) The statistics for the Special Forces Direct Recruiting Scheme are as follows:
 - Total recruited - 313
 - Passed Army Recruit Course - 259
 - Passed Infantry Initial Employment Training - 175
 - Passed Special Forces Entry Test - 114
 - Passed Commando Selection and Training Course and posted to the 4th Battalion, the Royal Australian Regiment (Commando) - 82
 - Currently undergoing training – 23
 - Current success rate - 26.19 per cent.*

* This includes Platoons 8 and 9 of the Special Forces Direct Recruiting Scheme. Platoon 8 is currently undertaking Advanced Infantry Training at the Special Forces Training Centre in preparation for the Commando Selection and Training Course commencing on 1 July 2007. Platoon 9 commenced Infantry Initial Employment Training on 15 June 2007.

- b) The term 'trainability' pertains to a soldier's ability to undertake required tasks and to adapt and assimilate during designated training and selection events on the Commando Selection and Training Course (formerly known as the Commando Training Course). This includes the degree and speed at which information and skills are learned and applied in an appropriate Special Forces environment, the speed of comprehension, retention and understanding, the scope of learning and technical aptitude. These skills have been cross referenced against Army psychological standards and are nationally endorsed units of competence.

W8

Current Transition Services

Senator Evans

- a) What transition services are provided to members who are discharged because of a medical condition, either physical or mental? Are these services voluntary or compulsory?
- b) What liaison occurs between Defence and the Department of Veterans' Affairs (DVA) for these members?
- c) Is there any current obligation on Defence to only finalise discharge once relevant benefits from DVA are in place? If yes, what are the conditions of this obligation? If no, why not?
- d) Is there any analysis of members who are leaving the Services as to potential future physical or mental conditions they may suffer? If yes, what does this entail and who conducts this analysis? If no, why not?

RESPONSE

- a) All members who separate must attend a Defence transition centre. Those who are medically discharged, or who are proposed to be medically discharged, have access to the Transition Management Service (TMS), which is provided under an arrangement with DVA. It is the member's responsibility to access the TMS and members are not compelled to do so. However, they are formally notified in the documentation that is sent to them following a Medical Employment Classification Review Board (MECRB) determination. In addition, the TMS advertises in the Service newspapers. The ADF Rehabilitation Program is also involved in the provision of some generic transition services, especially in the case of members who are medically unfit.
- b) The Defence Transition Centres notify the TMS that a member is being discharged medically unfit. The ADF Rehabilitation Program also interacts heavily with DVA and further improvements are being developed in order to facilitate seamless transition of members from Defence to DVA. In some cases, a member's rehabilitation case manager will be the same person under both the Defence and DVA systems.
- c) No. However, when a member has been determined by the MECRB and a decision has been made to discharge them medically unfit under either Defence (Personnel) Regulation 87 (1) (c) (enlisted personnel) or 85 (1) (b) (officers), they are advised to inform DVA, who in turn then prioritises their case. The MECRB, under the requirements of Defence Instruction (General) Personnel 16-15, is able to extend the discharge date in circumstances where the member's claims have not yet been determined. The MECRB includes a

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representative from the Directorate of Entitlements, who advises the Board on the impact of their decisions on the member's access to ADF entitlements relating to compensation and superannuation.

- d) No. Insofar as it is prospective, this is a speculative question. There are too many factors involved in trying to predict someone's future health, and Defence has no control over those factors once someone has separated from the ADF, as responsibility for their health care passes to other agencies. It is worth noting that the longitudinal health studies currently being undertaken by the Centre for Military and Veterans' Health may provide some indications of any long-term health trends among ex-members with operational experience. These studies are necessarily focused on members who have deployed on operations. Finally, the 'Staying in Touch' program will continue to gather information about ex-serving members and provide a conduit for the provision of relevant information, such as material about post traumatic stress. Any ex-serving member who develops a medical condition that they believe has arisen, or been exacerbated, as a consequence of ADF service can lodge a claim with DVA at any time. DVA and Defence, through the Health Consultative Forum under the Defence/DVA Links Program, continue to seek ways in which this information can be shared.

W11

APS Staff

Senator Evans

- a) By financial year, over the past seven years, how many APS staff have been served with alleged breaches of the APS code of conduct?
- b) How many of these allegations been proven via internal review processes?
- c) How many of the breaches have been taken to the Australian Industrial Relations Commission?
- d) How many of those cases contested in Australian Industrial Relations Commission have Defence won/lost?
- e) Of those cases contested and lost by Defence, how much is the total figure for compensatory payments?
- f) How many of these breaches have resulted in out of court settlements?
- g) How much is the total figure of settlements?

RESPONSE

- a) In 2004-05, 117 APS staff were served with alleged breaches of the APS code of conduct. In 2005-06, 101 APS staff were served and to date, in 2006-07, 90 APS staff were served with alleged breaches of the APS code of conduct.

Code of conduct and performance management was centralised in October 2004. Records for all Defence APS prior to October 2004 are not available.

- b) In 2004-05, 78 allegations were proven via internal review processes. In 2005-06, 64 allegations were proven via internal review processes and in 2006-07, 53 allegations were proven via internal review processes.
- c) A total of 36 claims were lodged in the Australian Industrial Relations Commission following a breach of the APS code of conduct that resulted in dismissal:

2000-01:	3
2001-02:	2
2002-03:	6
2003-04:	6
2004-05:	12
2005-06:	3
2006-07:	4 to date

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- d) 2000-01: 1 won
 2001-02: 1 won
 2002-03; 1 lost; 2 withdrew
 2003-04: 1 lost
 2004-05 3 withdrew
 2005-06 nil
 2006-07 nil to date
- e) \$3,647.93
- f) A total of 24 claims resulting from code of conduct breaches have resulted in settlements in the Australian Industrial Relations Commission as follows:
 2000-01:2
 2001-02:1
 2002-03:3
 2003-04:5
 2004-05:9
 2005-06:3
 2006-07:1 to date; 3 in progress
- g) \$247,770.61

W17

Recruitment Advertising Campaigns

Senators Evans and Faulkner

- a) For each department and agency in the Minister's portfolio area, what sum, as a total figure, was spent, or will be spent, on advertising campaigns in:
 - (i) 2006-07; and
 - (ii) 2007-08?

- b) Identifying each campaign by name, for each department and agency in the Minister's portfolio area, what sum was spent on each advertising campaign that forms the basis of the total figure given to the above question in:
 - (i) 2006-2007; and
 - (ii) 2007-2008?

- c) What was the purpose of the advertising campaigns?

- d) What was the total estimated budget and breakdown of campaign costs, including market and other research, creative, pre-production, production and media purchasing for:
 - (i) Television (TV) placements;
 - (ii) Radio placements;
 - (iii) Newspaper placements;
 - (iv) Mailouts;
 - (v) Internet;
 - (vi) Websites; and
 - (vii) Any other placements?

- e) On what dates were the individual campaigns referred to the Ministerial Committee on Government Communication (MCGC) for approval and on what dates were the necessary approvals granted?

- f) For campaigns that have already been completed, on what date did the campaigns start and on what date did they finish?

- g) For campaigns that are currently in progress, on what date did the campaigns start and on what date did they finish?

- h) For campaigns that are yet to commence, what is the projected date of commencement and anticipated duration of the campaigns?

- i) For each campaign identified in the answers to questions above:
 - (i) What market research, including opinion polling and evaluation following the conclusion of the campaign (if applicable) was undertaken?
 - (ii) Have any cost-benefit assessments been done to assess the returns from opinion polls, focus groups or other market research?

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- j) For each campaign identified in the answers to the questions above, who was the successful tenderer for:
- (i) The advertising; and
 - (ii) The market research?
- k) Please outline the tender process including:
- (i) The number of tenders received;
 - (ii) The timeline from when invitations to tender were issued through to the issue of the tender, including the date on which submissions closed and the date on which the decision on the successful tenderer was made; and on what basis was the tender given

RESPONSE

Information in this response relates specifically to advertising campaigns conducted by Defence Force Recruiting (DFR) and Reserve Policy Division, which represents the majority of campaign advertising in Defence.

a)

DFR and Reserve Policy

2006-07	\$18,865,606.33
2007-08	\$42,714,544.22

b)

DFR

2006-07	
Officer Entry	\$7,740,389.30
Army Reserve	\$2,734,117.95
Technical Trades	\$2,092,780.39
National Awareness	\$1,173,206.68
Service Brand	\$4,231,880.01
Sporting Alliance	\$893,232.00
Total	\$18,865,606.33
2007-08	
Single Service Brand	\$24,000,000
Education	\$200,000
Officer Entry Interim Media	\$1,800,000
Sporting Alliance and Media	\$5,875,000
National Awareness	\$200,000
Critical Jobs	\$1,600,000
Local Area Marketing, priority jobs	\$1,200,000
Event programs and Expos	\$1,100,000
Merchandising	\$800,000
On-Line	\$2,500,000

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Women in ADF	\$400,000
Reserve Careers Days	\$500,000
DFRC Media	\$1,000,000
ARES Brigades Regional Media	\$500,000
Total	\$41,675,000

Reserve Policy

Reservist Employer Initiatives Campaign for 2007-08, with a planned expenditure of \$1,039, 544.22

c)

DFR

The aim of DFR advertising campaign is to attract high quality candidates to a career in the three Services; to position the three Services as preferred employers of choice and to outline specific methods of entry into the ADF.

Reserve Policy

The broad aim of the campaign is to promote the Reserves and the value of Reserves significant contribution to Australia's defence capability. The main purpose of this initial campaign, in line with the communications strategy, is to create the number of employers predisposed to employing Reservists and to increase the number of employers accessing various support programs available to them through Reserve Policy Division.

This specific campaign is designed to convince employers that employing Reservists is valuable to their business/organisation; reservists can have an immediate and positive impact on business – be it private or public sector; and that there are long term benefits in employing people who have excellent leadership, management and personal skills.

d)

DFR

Market Research	\$1,021,164
Creative/ Pre-Production/Production	\$3,877,585
Media–	
Television	\$7,316,152
Radio	\$2,434,407
Newspapers	\$1,661,836
Mail outs	\$0
Magazines	\$2,417,660
Internet (digital)	\$1,920,835
Websites	\$2,235,465
Any other placements–	
Cinema	\$705,420
Outdoor	\$1,349,033

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Reserve Policy

Placement is in specialist/trade publications.

Research includes developmental, benchmarking, concept testing tracking and evaluation.	\$22,000	First report – March 2007 Second report (market test of rights/obligations) – September 2007 Third report – (evaluation of initial campaign) – December 2007
Public relations - in house	NIL	
Public Relations consultant	NIL	
NESB consultant	NIL	
Indigenous consultant	NIL	
Other specialist consultant/s (eg marketing, youth)	NIL	
Advertising agency – agency fees	\$106,935	
Creative production costs	\$84,580	
Media (Gross) Television	1,039,544.22	June – December 2007
Print	1,039,544.22	May – December 2007

e) Campaigns are considered before they commence.

f)

DFR

Television	
ADFA	22 April – June 24 2007
ARES	On going throughout
ARMY TVC Launch	6 April – 26 April 2007
Direct Entry Officer	22 January – 27 February 2007
Newspapers	
ADFA	April 2007 campaign
Army Award	Ongoing for 2007 AFL Football Season
ARES	March – April 2007
ARMY DEO	July 2006 and February 2007

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Navy DEO	July 2006 and January 2007
Air Force DEO	August and November 2006
Graduate	Ongoing
Radio	
ADFA	April, May, June 2007
Alliances – AFL	Ongoing from 15 April 2007
ARES	September & October 2006, March & April 2007
DEO	November & December 2006 February & March 2007
Tech Trades	October & November 2006 March 2007
Magazines	
ADFA	Ongoing
Aircrew	Ongoing
Alliances to support Army	
Award	April 2007 ongoing
ARES	Ongoing
DEO	Ongoing
Technical Trades	Ongoing
Graduate	Ongoing
Internet	
ADFA	Ongoing
Aircrew	Ongoing
Air Force	Ongoing
ARES	Ongoing
DEO	Ongoing
Navy Brand	Ongoing
Army Brand	Ongoing
Technical Trades	Ongoing
Graduate	Ongoing
Cinema	
Aircrew	September, October, December 2006 January, April 2007
Outdoor	
Aircrew	September, October, December 2006 January, March, April 2007
ARES	Oct 2006, April, May 2007
Technical Trades	October/November 2006
Graduate	February March, April, May 2007

Reserve Policy

Not applicable.

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g)

DFR

Army Campaign	8 April 2007 ongoing
Officer Entry	1 July 2006 ongoing
Army Reserve	1 July 2006 ongoing
Technical Trades	1 July 2006 ongoing
National Awareness	1 July 2006 ongoing
Sporting Alliance	1 July 2006 ongoing

Reserve Policy

Not applicable.

h)

Gap Year, Reserves, Navy and Air Force campaign in second half of 2007

i)

DFR

- i) Brand Health Benchmark Study, Woolcott Research, January 2007 – ongoing.
- ii) Continuous Tracking Research, Woolcott Research, quarterly tracking reports.

Reserve Policy

- i) Research was undertaken by Horizon Research, as directed by the MCGC. The ads were market tested and deemed very appropriate for the target audience
- ii) Nil.

j)

DFR

- i) DFR uses the Government's Master Media Agency, Universal McCann, for all Campaign advertising and the Government's Master Media Agency and HMA Blaze for all Non-Campaign advertising. All creative work is produced by George Patterson Young and Rubicam as approved by the Government Communication Unit (GCU), PM&C.
- ii) DFR uses the G-CU approved research companies as follows:
 - (a) Qualitative – Horizon, Open Mind, Blue Moon (from 30 March 2007).
 - (b) Quantitative – Woolcott – Continuous Tracking.

Reserve Policy

- i) George Patterson, Young and Rubicon.
- ii) Horizon Research.

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- k) Tender process for Research companies is directed by the GCU.

W18

Civilian Personnel Centres

Senator Evans

- a) (PBS 2007-08, p55-56) Why is the listing of savings for civilian personnel centres listed twice?
- b) (PBS 2007-08, p105) Reference is made to a new civilian/military personnel administration centre at Raymond Terrace NSW (electorate of Patterson). Why was Raymond Terrace chosen, apart from the fact that it is in a Government electorate?
- c) Could we have a list of relocations in the whole Defence establishment by electorate over the last three years, including these centres, but also the Holsworthy/SA move and any others?

RESPONSE

- a) Savings resulting from the rationalisation of civilian personnel centres are correctly listed twice in Table 2.20 Administration Savings Achieved/Planned to Date.
- b) The Defence Business Centre Raymond Terrace is the last of four business centres developed as an initiative to centralise civilian personnel management, accounts processing and travel. The centres are to provide opportunities for ADF spouse employment, and support regional and rural Australia by creating employment in those locations.

An assessment of options in 2004 found there were no on base facilities available at RAAF Williamtown and no readily available options in the commercial market in the vicinity of RAAF Williamtown. The end of 2008 delivery date for the preferred on-base solution was considered unacceptable and Defence proceeded via a Request for Tender and pre-commitment lease to deliver an off-base solution.

Tenders were invited from four companies selected from the expression of interest process with tenders closing in September 2006. Following evaluation, Buildev Properties Pty Ltd, a local builder, was selected as preferred tenderer in November 2006 for a building in King Street, Raymond Terrace.

- c) The information requested is not readily available and Defence is not prepared to commit the time and resources required in answering this question.

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W19

Indigenous Programs

Senator Evans

(PBS 2007-08, p53-54) What measurable performance indicators have been assigned to these programs?

RESPONSE

- (i) Aboriginal and Torres Strait Islander Program. Objective is to raise awareness of Indigenous issues to enable Defence to respond to current and emerging capability requirements.

Action	Timeline	Performance Indicator
Provide funding for Indigenous cross-cultural awareness programs and training for Defence personnel and their families.	Annual Review	Numbers undertaking training is reported in the Defence Workplace Equity and Diversity Annual Report.
Establish an Aboriginal and Torres Strait Islander network to gather information and ensure that Indigenous voices are heard on policy and program issues affecting them.	May 2007	Network established and decisions affecting it are reported in the Defence Workplace Equity and Diversity Annual Report.
Conduct an annual memorial service to honour Aboriginal and Torres Strait Islander servicemen and women during NAIDOC week.	Annually in July	A service is conducted at the Aboriginal and Torres Strait Islander war memorial on Mt Ainslie in NAIDOC week.

- (ii) Recruitment and retention. Objective is to increase opportunities for Aboriginal and Torres Strait Islander people to participate more fully in the Defence workforce.

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Action	Timeline	Performance Indicator
Develop an Indigenous Recruitment and Retention Strategy for both the Australian Defence Force and Defence Australian Public Service employees.	December 2007	Strategy is developed in consultation with internal and external Indigenous stakeholders.
Enhance the Defence Aboriginal and Torres Strait Islander Program by increasing the number of cadetships offered and implementing traineeships and apprenticeships in critical skills categories.	June 2008	Numbers of Aboriginal and Torres Strait Islander people increases incrementally on an annual basis.
Develop a scholarship scheme for post-secondary study designed to increase recruitment and retention.	December 2007	A proposal is developed, approved and funded for one internal and up to five external scholarships per year.
Encourage Defence Aboriginal and Torres Strait Islanders in Defence to identify on PMKeyS to inform policy development and implementation.	Ongoing with annual reporting.	The percentage of Aboriginal and Torres Strait Islanders as reported in the Defence Workplace Equity and Diversity Annual Report increases.
Regional Force Surveillance Units focus on engaging Indigenous communities and providing opportunities for Aboriginal and Torres Strait Islanders to contribute to the work of the ADF.	Ongoing with annual reporting	Numbers of RFSU Indigenous are at least maintained or increase.
Continued participation in APS-wide career development and recruitment initiatives.	Ongoing	Number of Indigenous employees participating in APS-wide career development activities. – Number of Indigenous employees recruited from APS-wide initiatives.
Investigate the feasibility of developing a work ready program to enable Aboriginal and Torres Strait Islanders to be competitive for Defence employment.	June 2008	Report considered by the Reconciliation Reference Group.

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(iii) Australian Defence Force Cadets – Indigenous Participation Program.

Action	Timeline	Performance Indicator
Opportunities for Aboriginal and Torres Strait Islander youth aged 12 1/2 – 19 to participate in Navy, Army and Air Force Cadets are provided nationally.	Ongoing from May 2007	Engagement of a dedicated Indigenous cadet training officer for Northern Territory/Kimberly region. Cadet numbers are maintained or increased.
New cadet units are established in remote northern communities.	January 2009	Two new units are commissioned with an expected 20-25 cadets per unit.

(iv) Development, including performance indicators, of the ADF Indigenous Recruitment Strategy will be completed by the end of 2007.

W20

Defence force recruiting capability

Senator Evans

- a) (PBS 2007-08, p99) Please outline the costs of this project, details of how the funds will be spent, and how any programs will be put to tender.
- b) (PBS 2007-08, p101) Please outline how the \$125m is expected to be spent. How much of this funding is expected to be put to private tender?
- c) Please outline how the more aggressive marketing campaign is to be met. What is the expected cost of this campaign per additional recruit expected to be obtained by virtue of the campaign?
- d) How many new cadets are expected to participate in the new Cadet scheme?
- e) (PBS 2007-08, p102) What are the goals of the indigenous research program and the costs?

RESPONSE

- a) The reform of Defence Force Recruiting entails the implementation of a new service delivery model in 2007-08 and the procurement of a service provider for the next Recruiting Services Contract which will commence in July 2008. The new recruiting capability aims to better achieve against ADF recruitment targets in the order of 3,000 additional recruits each year by delivering a more streamlined process incorporating individual case management of candidates and performance of enhanced careers promotion activities. The cost for recruiting each new ADF member is approximately \$12,500, and the additional funding will go to meeting these recruitment targets each year for the next 10 years.

A phased open tender process will be initiated early in 2007-08 to procure a service provider for the next Recruiting Services Contract which will commence after the completion of the current Contract with Manpower (Australia) Pty Ltd. Final selection of a service provider will be subject to procurement guidelines, including value for money considerations, which will affect the exact amount of the next Recruiting Services Contract.

- b) The \$125m funding for further reforms to the Defence Force Recruiting function is over a period of 10 years. Provision of access to independent advice to enable members to make considered financial decisions was allocated \$61.6m over 10 years. Members will be able to seek independent advice and information with specific provisions for those receiving bonus payments or large allowances from a provider of their choice. While the service will ultimately be provided externally to Defence, the member will be responsible

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for determining a suitable provider that will best meet their needs.

The new Transition Service, with funding of \$62.9m over 10 years, will provide a suite of services to personnel considering leaving the ADF, in a more personalised and case managed manner. It will ensure that personnel are aware of the benefits that are available to them while in the ADF, flow-on benefits following separation and will also facilitate re-enlistment for later careers. The procurement of a service provider for the next Recruiting Services Contract will include provision of this Transition Service within the Statement of Work. Whether this component of funding is put to private tender or used for implementation within Defence will be determined during the procurement process.

- c) The funding approved for this project (\$228m) will be combined with extant Defence-allocated marketing resources to provide \$49m per annum over the next 10 years to increase community awareness of the ADF and improve the number of inquiries for an ADF job. Branding for the three single Services will focus on “traditional values” to encourage an emotional response from the target market to consider a career in the ADF. This will be complemented by specific marketing activities to generate inquiries for critical employment categories and single Service recruiting priorities. The cost of these campaigns is expected to be \$275 per additional inquiry. Expenditure on marketing activity during FY2007/08 is planned as follows:

\$4.4m	Media Production
\$30.5m	Media purchase (includes TV, radio, print locally, regionally and nationally)
\$2.3m	Online
\$5.8m	Strategic Alliances
\$3.9m	Marketing research and support
\$1.9m	Lead generation and awareness

- d) As part of the additional \$100m in funding allocated to ADF Cadets over the 10-year period 2007-08 to 2016-17, the number of Cadets will increase by 1,000 to 23,050 by 2011. This will be achieved by a combination of the creation of seven new units by 2011-12 and by expanding Cadet numbers in existing units.
- e) The goal of the indigenous research program is to examine recruiting practices with a view to improving indigenous participation rates in the ADF. The research is being conducted in-house and in turn the costs are being born under the current salary cap.

W21

Relocation of staff for retention initiatives

Senator Evans

(PBS 2007-08, p107) Please elaborate how and when these relocations will occur.

RESPONSE

The initiative does not refer to relocation of staff, but does make reference to reallocation of personnel. Clarification was sought from Senator Evans, via the Senate Standing Committee on Foreign Affairs, Defence and Trade Committee Secretariat, but no response was received in time for Defence appropriately answer the question.

W22

Personnel Numbers

Senator Evans

(PBS 2007-08, p113) Please outline the expected rank and service personnel numbers that will apply over the forward estimates if current targets are met.

RESPONSE

This information is available at Table 4.5 in the *Portfolio Budget Statements 2007-08*. This table provides a breakdown of personnel numbers by Service and Officers and Other Ranks over the forward estimates. These figures represent the planned strength of the total workforce for the forward estimates.

W24

Strategic HR policy centre

Senator Evans

- a) (PBS 2007-08, p203) What is the cost of the strategic HR policy centre, where will it be located and what staffing level is anticipated?
- b) (PBS 2007-08, p203) What are the expected duties of the HR expert noted in p203 and what is the cost of this appointment?

RESPONSE

- a) The strategic HR policy will be formed through the reorganisation of the existing Personnel Executive and would be expected to remain in Canberra. The structure and size will be informed by the new HR expert appointed to lead the new organisation, and the views of key stakeholders.
- b) The new HR expert will be expected to lead the new HR policy centre focused on policy, planning and evaluation in relation to the essential drivers of Defence HR: recruiting, retention, remuneration and reward, people development, leadership, and working environment. The cost of this appointment will be determined at the conclusion of the recruitment process.

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W44

Navy Recruitment

Senator Evans

(PBS 2007-08, p146) If Navy is currently 1000 trained personnel below target strength, how is that shortfall distributed – ie which ships are currently crewed below their optimum level, and below their optimum level of fully certificated crew?

RESPONSE

Royal Australian Navy ships which were below their scheme of complement on 21 June 2007, noting that crew strengths fluctuate as crews embark or disembark for training and leave, were:

SHIP NAME	CLASS	SCHEME OF COMPLEMENT	CURRENT NUMBERS	DIFFERENCE
ADELAIDE	FFG	210	177	-33
ARUNTA	FFH	164	152	-12
DARWIN	FFG	221	163	-58
DECHAINED	SSG	45	Nil - FCD	-45
HAWKESBURY (Crew-Hunter 2)	MHC	39	36	-3
HUON (Crew-Hunter 1)	MHC	39	38	-1
MELBOURNE	FFG	221	172	-49
NEWCASTLE	FFG	221	198	-23
PERTH	FFH	164	146	-18
SHEEAN	SSG	45	Nil - FCD	-45
SIRIUS	AO	84	68	-16
SUCCESS	AOR	220	154	-66
SYDNEY	FFG	210	196	-14
TOOWOOMBA	FFH	164	163	-1
WALLAROO	MSA	12	11	-1
WARRAMUNGA	FFH	164	150	-14
TOTAL				-399

Acronym	Meaning
AO	Auxiliary Oiler
AOR	Durance Class Underway Replenishment Ship
FCD	Full cycle docking
FFG	Adelaide Class Guided Missile Frigate
FFH	Anzac Class Frigate
MHC	Huon Class Coastal Minehunters
MSA	Minesweeper Auxiliary

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SSG	Collins Class Submarine
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W53

Defence HomeOwner Scheme

Senator Evans

In his speech to Parliament, Minister Billson stated that the new arrangements would increase entitlements as members reach key exit points, saying it would be “based on a 37.5 percent interest subsidy of a three-tiered loan subsidy limit: four years, up to \$160,000 – which translates to about \$241 a month – eight years, up to \$234,000 – which is about \$353 per month – and 12 years, up to \$312,000, which is currently about \$470 per month”. There has been some conflicting advice about what these limits in fact represent and the Parliamentary Library has been unable to clarify this matter with the Defence.

- a) Can you clarify whether these limits - \$160,000, \$234,000 and \$312,000 – refer to the maximum loan amount subject to the subsidy or the maximum amount of financial subsidy over the life of the loan?
- b) Can you confirm that the interest rate subsidy is being marginally reduced to 37.5 per cent from 40 per cent? If so, why?
- c) Are these time brackets, four/eight/twelve years, the accepted main attrition points for ADF personnel?
- d) Can you confirm that loans subsidy assistance would not be provided to ADF personnel before four years? Why is that so? How much would this cost?
- e) Under the new scheme, can a couple who are both eligible ADF members combine their entitlements to increase the maximum loan amount subject to the subsidy?
- f) Approximately how much will be required to administer this scheme? Is this amount part of the \$863.8m in the 2007-08 Budget?
- g) Could you please outline in more detail the planned eligibility requirements for the new scheme?
- h) Will members with operational or warlike service continue to have the qualifying period waived?
- i) The Defence HomeOwner Scheme used to provide a subsidy of 40 per cent whereas the new arrangements would provide a subsidy of 37.5 per cent. Why has there been a decrease in the rate of subsidy?
- j) Under the new scheme, will ADF personnel who wish to apply for Defence Home Loan assistance for an existing home loan be able to access the scheme? (ie re-financing provisions)

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- k) Will ADF personnel on the current scheme automatically be transferred to the new one?
- l) When will detailed information on the new scheme be made publicly available? How much has been communicated to ADF personnel?
- m) The Defence Home Loans Assistance Bill sought to extend the operation of the program for six months (until 30 June 2008) until the new scheme is introduced. Why does the new scheme require so long to prepare? When is the new scheme expected to be established?
- n) What were the findings of the review of the Defence HomeOwner Scheme?
- o) Was it on the basis of the review's findings that the new scheme was developed?
- p) It was reported that Defence was considering four options to replace the Defence HomeOwner Scheme: an open market subsidy; tied home loan subsidy; graduated deposit scheme; and an owner occupied allowance.
 - (i) Can you confirm if the review or Defence considered these four models?
 - (ii) If so, what were the positives and negatives considered for each?
 - (iii) What would be the costs of each of the four models?
- q) Why have the review findings not been publicly released?
- r) What is the average amount of rent assistance provided to singles per week or per month for Defence personnel? How many personnel qualify for this assistance?
- s) What is the average cost per week or month of providing serviced housing to Defence personnel? How many personnel qualify for this assistance?
- t) Under the new scheme, there will be three tiers of interest rate subsidy. How many Defence personnel are forecasted to fall within each tier in the following years:
 - (i) 2008
 - (ii) 2009
 - (iii) 2010

RESPONSE

- a) The maximum loan amount subject to the subsidy.
- b) The interest rate subsidy is 37.5 per cent. The amount of the loan that is eligible for a subsidy has significantly increased.
- c) In the development of the Defence Home Ownership Scheme, the designated points of four, eight and 12 years were considered as appropriate to provide a 'lead' condition of service to aid ADF retention.
- d) Yes. Four years was identified as an appropriate period of qualifying service as the number of separations occurring at the end of four years of service is

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significant. At the four year point, the majority of ADF members have completed their basic and category training. The loss of personnel at the four year point has a detrimental effect on ADF capability. Offering home ownership assistance from this point will contribute positively to ADF member retention and capability. The provision of home ownership assistance prior to the completion of four years' service has not been costed.

- e) Yes.
- f) Scheme administration costs are included in the 2007-08 Budget amount of \$863.8m. Defence will be conducting a competitive tender process to select a scheme administrator and it would not be appropriate to disclose the estimated costs at this time.
- g) Permanent ADF members will become eligible for the subsidy assistance available under the new scheme on completion of four years of continuous service. Members of the Reserve Forces will become eligible on completion of eight consecutive years of efficient service.
- h) No.
- i) See response for b) above.
- j) Yes. ADF members will be responsible for any costs associated with transfer of their mortgage to a home loan provider on the DHOAS provider panel.
- k) No.
- l) Detailed information on the new scheme is available through the Defence Intranet and Internet sites (www.defence.gov.au/dpe/pac). The initial release of information on 23 May 2007 provided detail on the intent of the scheme with regard to permanent ADF members. Future updates will add detail with regard to Reserve Force members and report on progress in implementing the scheme. The Service newspapers contained an article on the new scheme in their 14 June 2007 editions. ADF members were advised via a signal on 14 June 2007.
- m) To support the operation of the new scheme, Defence will be required to engage a scheme administrator and establish a panel of home loan providers through a competitive tender procurement process. This requirement is likely to generate significant interest in the market. The implementation lead time is necessary to ensure that the complex procurement will result in Defence obtaining value for money in terms of support of the new scheme's operation. The new scheme will be operational from 1 July 2008.
- n) The review of the Defence HomeOwner Scheme found that the scheme was no longer meeting its primary objectives of supporting recruitment, retention and resettlement. The scheme was found not to be financially effective for ADF

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members as they may be able to negotiate a cheaper home loan product through the broader home finance market. The two factors contributing to this outcome are:

- (i) The interest rate structure defined by the scheme tended to be at the higher end of the scale of interest rates generally available in the market given the low interest rates of the past decade.
- (ii) The size of the subsidised loan was proportionally small in relation to the total borrowing requirements of ADF members.

o and p) The new scheme was based on policy advice from the Department.

- q) The review findings have not been released as they contain commercially sensitive information and their release could prejudice the procurement process to select a scheme administrator and establish a panel of home loan providers.
- r) The average amount of rent assistance paid to single ADF personnel is \$7.383m per month. This is based on a three month average for the months of March, April and May 2007. There was an average of 9,430 personnel who qualified for the assistance over the same period. The average monthly amount of rent assistance paid per capita is \$783.
- s) The average cost of providing housing for Members with Dependants is \$15.768m per month. This is based on a three month average for the months of March, April and May 2007. There was an average of 14,580 personnel who have qualified for the assistance over the same period. The average monthly cost per capita is \$1,082.
- t) The forecast number of personnel expected to access the scheme (both current and former ADF members), within their respective tier of subsidy assistance, is as follows:

Year	\$160,000	\$234,000	\$312,000
2007-8	2,341	379	640
2008-9	4,435	731	1,213
2009-10	6,395	1,057	1,725

W54

Indexation

Senator Sherry

- a) Have any costings been undertaken to identify the expected cost of providing Male Total Average Weekly Earnings (MTAWE) indexation versus CPI indexation to military superannuants or Commonwealth superannuants more broadly? If so, what were these cost estimates? If this information is available, can Defence please provide a copy?
- b) Has a study or report into costings for indexation alternatives or changes been instigated?
- c) Has the Government ever considered or committed to changing the indexation method for the portion of pension below \$28,000? If so, why has not the Government done so? What was this expected to cost?
- d) Has Defence any statistical data that breaks down the number of pension payments made to superannuants under both military super schemes? What are the numbers of recipients for each?

RESPONSE

- a) Yes. In the Government's response to the recommendations of the Senate Select Committee on Superannuation Report '*Superannuation and Standards of Living in Retirement*', it was reported that 'the notional average employer contribution rates for the Defence Force Retirement and Death Benefits Scheme and the Military Superannuation and Benefits Scheme would increase to 42.4 per cent and 28 per cent of superannuation salaries respectively. The increase in unfunded liability would be around \$6 billion and worsen the fiscal balance by around \$500m per annum'.

Defence does not hold a copy of the papers used to produce these costs.

- b) Yes. The Australian Government Actuary provided advice to the Department of Defence in 2004 on the cost impact of indexing military superannuation pensions in line with movements in Average Weekly Ordinary Times Earnings rather than the Consumer Price Index.

The method of indexing pensions is part of the terms of the Review of Military Superannuation Arrangements. As part of the review, the Actuary has been asked to provide advice on the cost impact of alternative methods of indexing military pensions.

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- c) The examination of records from 1997 shows that Defence has not put any formal proposal to the Government in the last ten years to change the method of indexation of military pensions. A detailed search of Defence records prior to 1997 would need to be conducted to determine if a formal proposal to change the method of indexation was ever considered by the Government of the day prior to this date. Defence is not prepared to authorise the time or resources required to complete this task.

- d) Yes. As at 30 June 2006, there were 4,801 Defence Forces Retirement Benefits superannuants, 52,133 Defence Force Retirement and Death Benefits superannuants and 6,002 Military Superannuation and Benefits Scheme superannuants.

W56

Income Stacking

Senator Sherry

- a) Are you aware of the issue regarding the tax treatment of non-super additional income for those in untaxed schemes?
- b) Are you aware of the Senate Economics Committee's recommendation in response to the inquiry into the *Tax Laws Amendment (Simplified Super) Bill 2006* that recommends non-super income be treated separately for tax purposes? If so, is the Government considering adopting this recommendation?
- c) Many retired ADF personnel undertake further employment at the end of their military service, including some ex-military personnel who work in the Department of Defence and receive both their retirement pay and income from employment. How many retired personnel under both the DFRDB and MSBS schemes undertake employment in addition to their super income?
- d) Does Defence agree that the different tax treatment of military superannuation pensions compared with superannuation pensions from a 'taxed' source remove incentives for such personnel to remain in the work force? If not, why not?
- e) Is there any data on the total or average amount of non-super income earned by DFRDB or MSBS superannuants? If so, can Defence please provide this information?
- f) Has this issue been discussed with the Australian Tax Office or Treasury?
- g) Have any proposals in relation to this issue been costed or developed?

RESPONSE

- a) Yes. Defence understands that this relates to the potentially higher marginal rate of tax that a person pays on the non-super additional income if their pension is derived from an 'untaxed' source. A pension from an 'untaxed' source must be included on an individual's tax return whereas a pension from a 'taxed' source does not.
- b) Yes. This is a taxation issue and does not fall within the portfolio responsibilities of the Minister for Defence.
- c) Defence does not routinely collect post ADF employment data on all its retired military personnel. As a result, Defence does not have sufficient information in its personnel systems to answer this question.

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- d) A range of factors - for example health, age and life style aspirations - can influence a person's decision to remain in the work force. The effective marginal rate of taxation is also a factor. To the extent that military superannuation pensions are taxed differently when compared to the taxation treatment of pensions from a 'taxed' source, then this may, along with other factors, influence a person's decision to remain in the work force.
- e) Defence does not have this data. The ATO may have this information by virtue of the fact that income tax returns are designed to collect data about income from various sources.
- f) No.
- g) Not by Defence.

W58

Defence Invalidation Pensioners

Senator Sherry

I understand that an invalidity pension paid to a former military serviceman is fully taxed, and this tax status does not change when a person receiving a military invalidity pension reaches a notional retirement age, say Age Pension age for example. Why are military invalidity pensions still subject to income tax?

RESPONSE

The employer component for military invalidity pensions is taxed after retirement rather than before retirement as is the case with many other Australian superannuants. No tax has been paid on the employer component of the pension until it is received by the beneficiary.

Defence

Navy Capabilities

Question 2

Baileys Diesel Services and repair contracts

Senator Faulkner, Hansard, 30 May 2007, p30, p35, p37, p39

- a) Please provide a copy of the transcript from the 6 February 1998 interview between representatives of Defence and Baileys Diesel Services.
- b) Did the Support Command Australian Navy Ordering Authority Eastern Australia admit in writing, in February 1999, that it did not then and had never had any list of relevant original equipment manufacturers or their authorised agents? If so, how could Defence policy in relation to repairs only being carried out by such manufacturers be properly enforced?
- c) How many contracts had been awarded to Baileys Diesel Services by either Defence or Navy prior to February 1998, on what dates were those contracts awarded, and what was their value?
- d) Did Navy move away from dealing with the original equipment manufacturers or their authorised agents because it was seeking to save \$80,000 for a solution to persistent fuel leaks as quoted by engine manufacturer Pielstick?
- e) Please provide a copy of the inspection report from Baileys Diesel Services to Ches dated 22 August 1997.

RESPONSE

- a) In accordance with Section 35(a) of the Ombudsman Act, it would be inappropriate at this time to disclose a copy of the transcript from the 6 February 1998 interview between representatives of Defence and Baileys Diesel Services, as to do so might hinder the effectiveness of the Ombudsman's investigation.
- b) The correspondence from the Ordering Authority Eastern Australia (OAEA) office dated 26 February 1999 does indicate that it did not have, nor has ever had a list of the Australian agents for Lucas Bryce fuel injection equipment. In the next sentence in the letter it was identified that "Under present OAEA procedures it is the prime contractor's responsibility to determine the most appropriate means to gain an OEM Conformance certificate." It is through this latter process that the policy is enforced. Further, the Logistic Support Agency - Navy, and its predecessor organisations, does hold lists of original equipment manufacturers (OEMs), and their authorised Australian agents, of

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all major equipment items and components that they routinely tender directly to industry for repair. Hence, if in doubt about a prime contractor's conformance arrangements, the Ordering Authority could easily refer to its sister Logistic Support Agency for information on OEMs.

- c) Details of procurement records for Navy ships on the Standard Defence Supply System follow:
- Tobruk Fuel Pump Assembly: Raised 11 Mar 96 due 1 Apr 96 Order cancelled Nil cost.
 - FCPB Pump Assembly: Raised 11 Apr 95 due 30 May 95 Order cancelled/unable to repair Nil cost.
 - HMAS Moresby Bearing Raised 12 Jan 95 due 11 Feb 95 Order cancelled Nil cost.
 - HMAS Moresby Bearing Assembly Raised 12 Jan 95 due 10 Feb 95 Order cancelled Nil cost.

These orders were raised within Naval Support Command. Procurement files for the above orders were archived and destroyed in accordance with the Act.

Notwithstanding the above information, the possibility exists whereby Navy orders may have been raised by ship class managers directly with Baileys and for which there are no records held.

- d) No.
- e) In accordance with Section 35(a) of the Ombudsman Act, it would be inappropriate at this time to disclose a copy of the inspection report from Baileys Diesel Services to Ches dated 22 August 1997, as to do so might hinder the effectiveness of the Ombudsman's investigation.

W13

Operation Sea Spirit

Senator Evans

- a) What was the purpose and rationale of Operation Sea Spirit in 1969?
- b) What Australian elements were committed to this Operation?
- c) How many Australian personnel were injured as a result of the collision between HMAS *Melbourne* and USS *Frank. E. Evans*?
- d) Were there any inquiries into this incident? If yes, what were the findings?
- e) Has Defence been subject to any litigation arising from this collision? If so, please outline the details, including the date, reasons for litigation and outcome?

RESPONSE

- a) Exercise Sea Spirit was a multi-national maritime exercise conducted under the auspices of the South East Asia Treaty Organisation. Its purpose was to exercise participating forces in the escort of a convoy transiting from Manila in the Philippines to Sattahip in Thailand.
- b) HMA Ships *Curlew*, *Gull*, *Hawk*, *Melbourne*, *Parramatta*, *Stuart*, *Supply* and *Vampire*; 805, 816 and 817 Squadrons embarked in HMAS *Melbourne*; and four P-3B Orion aircraft from No.11 Squadron RAAF.
- c) Nil.
- d) Yes. There was a combined USN/ RAN Board of Investigation into the collision between HMAS *Melbourne* and USS *Frank E. Evans* in June 1969. An Australian Court Martial was convened on 20 August 1969.

Inquiry and Courts Martial

- On 9 June 1969, a Combined USN/ RAN Board of Investigation was convened to inquire into the circumstances surrounding the 1969 collision.
- The Combined Boards' Inquiry Report held that primary responsibility for the collision rested upon USS *Frank E. Evans*.
- The Combined Boards' Inquiry Report made adverse findings against a number of the USN destroyer's officers as well as Captain J.P. Stevenson, the Commanding Officer of the RAN aircraft carrier.
- Those findings against Captain Stevenson were that he:

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- (i) Failed to exercise due care in that he did not positively direct the movements of the USN destroyer after he determined the USN destroyer to be on a collision course with the RAN aircraft carrier; and
 - (ii) Failed to put the engines of the RAN aircraft carrier astern at the time he determined that a collision with the USN destroyer could not be avoided.
- An Australian Court Martial was convened on 20 August 1969, at which Captain Stevenson was charged in relation to these findings.
 - On 25 August 1969, Captain Stevenson was honourably acquitted following a recommendation of 'no case to answer'.
 - In August 1969, the US Navy commenced a preliminary hearing into the collision. Two officers - Commodore McLemore (the Captain and Commanding Officer of the USN destroyer) and Lieutenant Ramsey subsequently were court martialled.
 - Lieutenant Ramsey pleaded guilty to three charges. He received a "Reprimand".
 - Commodore A.S. McLemore pleaded not guilty to charges laid against him. These were:
 - (i) Failing to give proper night orders to awaken him; and
 - (ii) Failing to be on the bridge when high speed, close quarters manoeuvres were expected. He was found "Guilty" and received a "Reprimand".
- e) Yes. Two claims for common law damages in the NSW Supreme Court.

Claim 1

On 29 January 1997 a former HMAS *Melbourne* crewmember commenced legal proceedings against the Commonwealth in the NSW Supreme Court. The claim is for common law damages for injuries and disabilities (including post traumatic stress disorder) and economic loss allegedly suffered as a result of the collision. It is alleged that the Commonwealth was negligent.

The claim is being defended. The Commonwealth has denied liability for the claim and has pleaded the *Limitation Act 1969* (NSW). Defence's conduct in the litigation accords with the Legal Services Directions issued by the Attorney General under section 55ZF of the Judiciary Act 1903.

The case is case managed under current NSW Supreme Court practice. The plaintiff's Motion to Extend time in which to commence proceedings has not been heard.

Claim 2

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On 20 January 2006 a second former HMAS *Melbourne* crew member commenced proceedings in the NSW Supreme Court. The claim was for common law damages for injuries and economic loss arising from the collision.

The case was discontinued in 2006.

W45

Navy capability

Senators Evans and Bishop

- a) What is the optimum time for Collins class boats to be in maintenance?
- b) Has there been an extension in this [average] time in the past year?
- c) Specifically, can you confirm the submarine fleet readiness target has been cut by 35 per cent?
- d) What is the optimum target for crew for this fleet and what is the current crewing level?
- e) How many Collins class submarines are currently in service?
- f) When is HMAS *Waller* expected to be taken out of dry-dock?
- g) Of the 3 vessels currently undergoing maintenance, what duties have been carried out by the crew?
- h) What are some of the technical and specialist trades needed for Navy submarine crew?
- i) How much has the recruitment campaign, Sea Change, cost in total since it was launched in 2004?
- j) How many extra crew has it attracted to the Navy?
- k) Where does Navy anticipate finding the crew for the AWDs (1000 men for an extra three ships?)
- l) How many ships will have to be mothballed? Has that planning been done? If not, why not?
- m) What is the current turnover of submariners, including for each vessel, and how many crew are not properly certified?

RESPONSE

- a) The Collins Class maintenance requirements are scheduled within the Class generic Usage Upkeep Cycle which operates on a 387-week cycle between major docking activities. There are also a number of more minor, periodic, maintenance activities scheduled between major docking periods, designed to maintain the material certification of the Class. The cycle already represents the optimum balance between certification maintenance and platform

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operational availability; currently this requires 159 weeks of maintenance within the 387-week cycle.

- b) No. The fundamental maintenance requirements have not changed in the past year.
- c) The targets for submarine readiness days were reduced in October 2006 from 1,265 to 817 (35 per cent reduction). This was required partly due to manpower shortages in the submarine service and partly due to maintenance over-runs for submarines in long-term maintenance. During 2006-07 802 Unit Ready days were achieved (98 per cent of the total), reflecting that the new operational program was a more accurate reflection of submarine readiness. The reduction was achieved by utilising HMAS *Collins* as an alongside training vessel in Fleet Base West, reducing the core crew requirement while achieving important training tasks. *Collins* is due to sail in early September 2007. Other reductions were achieved by changing the extent of submarine participation in exercises.
- d) The manning level for a fully supported Submarine Fleet of six Collins Class submarines is 667 Officers and Sailors. The total workforce at the end of May 2007 was 414 Officers and Sailors. An interim target 'core' workforce level, sufficient to permit the sustainable manning of five submarines (one submarine in Full Cycle Docking) has been established at 517, with some loss of shore billets, based on a 1:1.2 sea-shore ratio. This ratio permits the steady state operation of the submarines, along with rotation of crews for respite, leave and career progression. It should be noted that, while the total workforce available figure is a general indicator of strength, there are further requirements for specialised ranks and categories.
- e) All six Collins Class submarines are 'in service' in differing levels of readiness and maintenance. As of 1 July 2007:
- HMAS *Collins* was conducting alongside training completing maintenance at Fleet Base West and due to sail in early September.
 - HMAS *Farncomb* has just completed an at sea period and is alongside ASC in Adelaide for a 12 month mid-cycle docking, due back to sea in July 2008.
 - HMAS *Waller* was at sea completing a trials and licensing period having completed a Full Cycle Docking and extensive Combat System upgrade.
 - HMAS *Dechaineux* was completing a Full Cycle Docking at ASC in Adelaide and is due back to sea in January 2009.
 - HMAS *Sheean* was at ASC in Adelaide commencing Full Cycle Docking preparations and is due back to sea in early 2010.
 - HMAS *Rankin* was at sea and conducting a major exercise off the Queensland coast.
- f) HMAS *Waller* has already sailed.

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- g) When alongside in a period of maintenance, the ship's company will participate in activities such as:
- Respite through leave as well as sport when appropriate;
 - Training courses to maintain appropriate qualifications for position;
 - Promotion pre-requisite courses; and
 - Conduct routine maintenance.
- h) Within a complement of 45 persons, the Collins Class submarine employs a range of technical and specialist trades that include:
- Marine Engineering/Marine Technicians
 - Weapons Electrical Engineering/Electronic Technicians
 - Electronic Warfare Analysis
 - Communications Information Systems
 - Acoustic Warfare Analysts
 - Cryptologic Systems Analysts
 - Seamen (Bosun's Mates)
 - Combat Systems Operator (CSO)
 - Cook
 - Steward
 - Medic
 - Naval Police Coxswain
 - Mine Warfare (Submarines).
- i and j) Sea Change is an internal management tool which focuses on the long term retention of Navy personnel, not their recruitment. The total expenditure on Sea Change by the Navy since it was launched in 2004 is \$4.4m.
- k) The indicative Scheme of Complement for the prospective AWD class of ships is 186. The Navy anticipates that the required ships' companies will be found through offsets made available from the current FFG class of ships as they are decommissioned, and in which the Scheme of Complement is currently between 185 and 194 persons (according to the nature and upgrade status of specific systems within a particular ship).
- j) There is no requirement or plan to mothball ships.
- k) The 12-month separation rolling rate for submariners is as follows:
- | | |
|-------------------------------|---------------|
| - Mechanical Technicians | 33.3 per cent |
| - Electrical Technicians | 14.8 per cent |
| - Acoustic Warfare Analysts | 17.2 per cent |
| - Electronic Warfare Analysts | 20.0 per cent |
| - Submariner Officers | 5.8 per cent |

New entrants to the Submariner Force are being attracted at a recruitment rate of about 85 per annum. Sea service onboard submarines is for periods ranging between 18 months and two years before rotation ashore. This rotation is healthy and necessary for respite, leave and career progression. All persons posted to submarines must be qualified submariners. Additionally, these

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submariners must be in date for Submarine Safety Assessment Task Book and Escape training.

W46

Sea King helicopters

Senators Evans, Bishop and Faulkner

- a) What changes have been made to maintenance of the Sea King helicopters at Nowra in NSW following the 2005 crash and BoI?
- b) Specifically, have there been any changes to sign-off approvals following successful inspection of each helicopter?
- c) Are there still skill shortages being experienced at Nowra?
- d) How long has it been since each aircraft has had a complete and thorough audit? Or, how were the missing split pins detected?
- e) Does Navy have different maintenance procedures and records to RAAF and its maintenance of F/A-18s at Williamtown and F-111s at Amberley?
- f) Are any maintenance procedures to the Sea King helicopters out-sourced, or are they conducted in-house?
- g) When can we expect full findings from the BoI into the 2005 Sea King crash to be delivered?
- h) The MRH-90 helicopter is the platform which will eventually replace the Sea Kings. At last Estimates, you mentioned a flight for the Australian MRH-90 would be this March. Did that happen? If not, why not?
- i) How close are we to a delivery date for the rest of the MRH-90 fleet?
- j) What measures are in place (if any) to "plug" any gap between the phasing out of the Sea King and the introduction of the MRH-90?
- k) When can we expect the grounded Sea Kings to be airborne again?

RESPONSE

- a) Maintenance is conducted in accordance with the Sea King Original Equipment Manufacturer maintenance publications. Apart from changes arising from the normal review and amendment process, there have been no changes to these publications since the accident. However, two associated documentation elements, the Maintenance Management Cards and Planned Servicing Schedules have been significantly reviewed and amended. These documents detail quality inspection and scheduled maintenance requirements and have been improved in both clarity and content.

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There have been broad changes applied across all of Naval Aviation as part of the Maintenance Reinvigoration Plan (MRP) that was introduced by the Maritime Commander in August 2005, following the Shark 02 crash and emerging issues at the BOI. Direct MRP activity has included education programs on maintenance error management and human factors in maintenance; the redistribution of responsibilities across ranks; extra supervision and the supplementation of workforce with civilian personal in the quality and training areas at Squadrons. Overlaid upon these measures has been increased oversight by external agencies including the introduction of random health checks as well as deep level documentation checks to assure airworthiness and to trend compliance. The MRP is seeking cultural change in the workforce. While 68 of the 72 specific actions are complete, the Naval Aviation Headquarters has a three-year plan to monitor the effects of the MRP.

- b) An extra level of checking, post maintenance, has been introduced. This includes a final documentation check by a Senior Maintenance Coordinator that all post-maintenance quality inspections have been identified and correctly certified. This extra level of checking has been applied across all aircraft types operating in Naval Aviation.
- c) There are aviation technician shortages at Nowra and there will continue to be for some time. However, to ensure airworthiness is not compromised, Command has directed that output is matched to the capacity of the workforce to undertake the work.
- d) Each aircraft is inspected at six-month intervals to validate its material state. This inspection is conducted alternately by the 817 Squadron's internal Quality Organisation and, externally, by the Fleet Aviation Engineering Unit during each 12-month inspection cycle. This is a physical inspection of the aircraft hardware, and a review of aircraft documentation. It does not inspect every nut, bolt, split pin or lock wire, as this would take several months per aircraft, but it does focus on elements of those flight critical systems that are readily accessible. Prior to embarking an aircraft at sea, a further set of inspections is carried out. The missing split pins were found by a vigilant sailor during a routine before-flight inspection.
- e) Naval Aviation operates under an ADF Tri-Service technical airworthiness framework. Each Service manages technical airworthiness using slightly different procedures and records, which usually reflect the environment in which the Service operates. For example, aircraft maintenance teams at sea are constrained by physical numbers of personnel and the level of equipment and stores that can be carried. However, all comply with regulatory technical airworthiness requirements. This compliance is assessed on a scheduled basis by the Technical Airworthiness Regulator, Director General Technical Airworthiness. Compliance is further monitored at the Service level.
- f) All Sea King operational level and airframe-related deep level maintenance is conducted by uniformed personnel at 817 Squadron and on Sea King

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detachments, both ashore and embarked. On occasion, complex airframe repairs or major modifications will be carried out by contracted personnel only when uniformed personnel skill levels and/or capacity to conduct the repair is insufficient. For items removed from the aircraft for servicing and/or repair, the majority of these are sent to authorised contractor repair facilities.

- g) The Board of Inquiry report into the 2005 Sea King crash was released on 21 June 2007 at Fleet Headquarters.
- h) The first flight occurred on 28 March 2007.
- i) Delivery is currently on schedule. MRH 002 flew on 8 June 2007. The MRH fleet will be delivered as a priority to the Navy with initial operating capability in mid-2010.
- j) A transition plan has been developed by the Navy which maintains a Maritime Support Helicopter capability during the transition from Sea King to MRH-90. It considers the cessation of Sea King training at the end of 2008 while continuing operations, allowing for the transfer of positions to the initial MRH-90 training cadre. In addition, the current training rate for Sea King aircrew has been increased prior to the end of 2008 in order to ensure that sufficient aircrew are available until the life of type is reached.
- k) Sea King flying operations resumed on 24 May 2007 following endorsement from the Technical Airworthiness Authority and approval from the Commander Australian Fleet and the Operational Airworthiness Authority for naval aircraft.