

The Senate

Foreign Affairs, Defence and Trade
Legislation Committee

Budget estimates 2012–13

June 2012

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Membership of the Committee

Members

Senator the Hon. Ursula Stephens, ALP, NSW (Chair)

Senator Alan Eggleston, LP, WA (Deputy Chair)

Senator Mark Bishop, ALP, WA

Senator David Fawcett, LP, SA

Senator Scott Ludlam, GRN, WA

Senator Anne McEwen, ALP, SA

Committee Chair

Senator Anne McEwen was Chair of the committee for the committee's consideration of the 2012-13 Budget estimates, 28 May to 31 May 2012.

Substitute members

Senator Doug Cameron replaced Senator the Hon Ursula Stephens for the consideration of the 2012-13 Budget estimates from 28 May to 31 May 2012.

Senator Lisa Singh replaced Senator Mark Bishop for the consideration of the 2012-13 Budget estimates from 28 May to 31 May 2012.

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Senate Foreign Affairs, Defence and Trade Legislation Committee

Report to the Senate

Introduction

1.1 On 9 May 2012, the Senate referred to the committee for examination and report the following documents:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2013;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2013; and
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2013.¹

1.2 The committee conducted public hearings with the Defence portfolio on 28 and 29 May 2012 and the Foreign Affairs and Trade portfolio on 30 and 31 May 2012. The committee received evidence from the Parliamentary Secretary for Defence, Senator the Hon David Feeney, representing the Minister for Defence and the Minister for Veterans' Affairs, and from officers from the relevant departments and agencies. It also received evidence from Senator the Hon Bob Carr, the Minister for Foreign Affairs, also representing the Minister for Trade, and from officers from the portfolio departments and agencies.

1.3 Links to the transcripts of these public hearings and to answers and additional information are available on the committee's internet site at:

http://aph.gov.au/Parliamentary_Business/Committees/Senate_Committees?url=fadtccte/estimates/bud_1213/index.htm

Questions on notice

1.4 In accordance with Standing Order 26(9) (a), the committee agreed that the date for the return of written answers and additional information in response to questions placed on notice would be Friday 27 July 2012.

1 *Journals of the Senate*, No. 89, 9 May 2012, p. 2396.

Defence portfolio

Department of Defence

1.5 The committee acknowledged the attendance of General David Hurley, AC, DSC, Chief of the Defence Force, and Mr Duncan Lewis, AO, DSC, CSC, Secretary of the Department of Defence, and officers of the Defence organisation.²

Chief of the Defence Force's initial statement to the committee

1.6 The Chief of the Defence Force (CDF) made two opening statements. His first statement dealt with serious allegations appearing that morning in the newspapers about the repatriation of remains of Australian soldiers killed in Afghanistan. He said:

The articles this morning did not prompt the serious investigations, as the articles suggest. The issue of the orientation of caskets was raised in mid-2011 and is the subject of an Inspector-General of the Australian Defence Force [ADF] inquiry initiated in January 2012. However, I felt so strongly about the allegations being made and the potential to cause undue distress to the soldiers' families and members of the ADF that I ensured that the department's responses to the journalist's questions last week were drawn from the inquiry outcomes to date, and they were quite detailed. I spoke to the journalist at length on two occasions and I also spoke to the paper's editor yesterday in an effort to ensure that the facts were accurately reflected in the story.³

1.7 In his first statement, the CDF also dealt with other allegations raised in media reports relating to the death of a local Afghan insurgent who was wounded in action, treated, transported to a health facility but subsequently died. His body was then transported to his home—via taxi. In response to this allegation the CDF stated that:

The vehicle used to transport the man's body may have also been used as a taxi, and, while the practicalities of handling local national human remains in Afghanistan may not accord with Australian norms, the handling of the remains in this instance was in accordance with the ISAF Role 2 practice at the time.⁴

1.8 The CDF then referred to a third allegation involving the son of the dead Afghan insurgent who was detained as a suspected insurgent. He was 16 years old and was not mistreated.

1.9 The CDF spoke of the complex circumstances in war and expressed deep disappointment with the articles. The CDF stated:

2 *Proof Committee Hansard*, 28 May 2012, p. 3.

3 *Proof Committee Hansard*, 28 May 2012, p. 4.

4 *Proof Committee Hansard*, 28 May 2012, p. 5.

The Australian Defence Force is fighting a war in a complex operating environment. Australian forces are highly trained and very professional. However, in the complexity of these operations, there may be instances where some conduct may be alleged to be unlawful or inappropriate. Any attempts to compare these claims to events at Abu Ghraib in 2006 in my view are vexatious and a gross misrepresentation of the facts.⁵

1.10 In his second statement, the CDF reported on Defence's contribution to the government's overall budget savings and the consequent effects on current capability. The CDF also reported on Australia's operations in Afghanistan, including the transition to Afghan led security responsibility in mid-2013, and the Prime Minister's statement regarding the role of Australian Special Forces in Afghanistan after 2014. The CDF also reported on Defence activities in East Timor, the Solomon Islands and Papua New Guinea.⁶

Secretary's opening statement

1.11 Mr Duncan Lewis made a statement to the committee, which focused on the effects of the 2012-13 Defence budget, including Defence's contributions across the forward estimates to support the government's fiscal policy. Mr Lewis explained that this would result in:

...a defence contribution of \$5.454 billion back to government across the forward estimates, starting with \$971 million in 2012-13. In addition, the committee would be aware that we have had to reprioritise and reallocate approximately \$2.9 billion across the portfolio to offset internal cost pressures in areas of concern, including the Collins class sustainment activity, information technology remediation activity and improved housing for ADF personnel. These savings have been found from the Defence Capability Plan, from the approved major capital investment program, the Major Capital Facilities program and from our operating budget.⁷

1.12 In his statement, Mr Lewis emphasised that:

These savings will not impact on current operations in Afghanistan, East Timor or the Solomon Islands. They will not impact upon the equipment that our men and women need to do their jobs on these operations. It has been a challenging exercise to find these savings. We are still working through the detail, particularly when it comes to deferred, altered or cancelled projects. We will answer all of your questions to the extent that we can today and tomorrow, but there may be some aspects that we will have to take on notice. We are, as you can imagine, still undertaking discussions with the affected contractors and companies involved and there are obviously some sensitivities that we have to consider in protecting the Commonwealth's position.

5 *Proof Committee Hansard*, 28 May 2012, p. 5.

6 *Proof Committee Hansard*, 28 May 2012, pp. 8–9.

7 *Proof Committee Hansard*, 28 May 2012, p. 6.

Another area where we have undertaken to make further savings is in our civilian workforce. We will be reducing the number of Australian Public Servants in Defence by another 1,000 over the forward estimates, beginning with a target of 666 in the new financial year and 334 in the financial year 2013-14. This comes in addition to the reductions we have made to the civilian workforce through shared services reform under the Strategic Reform Program in the current financial year. We aim to achieve these reductions largely through natural attrition, recruiting adjustments and the cessation of non-ongoing employee arrangements.⁸

1.13 Mr Lewis reported on the new Defence White paper to be delivered in the first half of 2013:

The new white paper will allow us to factor in a number of significant developments domestically and internationally that affect our defence posture, our force structure and our budget. Within the department, the development of the white paper is being led by Mr Brendan Sargent, the Deputy Secretary Strategy. The Minister for Defence has appointed a ministerial advisory group, consisting of Allan Hawke, Paul Rizzo and Ric Smith, and he may add others. This group will provide advice both during the white paper drafting process and independently to the minister.

We have been asked to deliver this new white paper in the first half of 2013. We will not be setting up a separate white paper team. This white paper is going to be prepared in a way that is a core daily business for Defence. We will also be seeking direct involvement from other agencies, such as the Department of Foreign Affairs and Trade, the Department of Finance and Deregulation and the Department of the Prime Minister and Cabinet. While the white paper is a Defence product, prepared by the department for the Ministry of Defence, it will very much be a whole-of-government product. We will also be drawing on the recently completed force posture review report, overseen by Dr Hawke and Ric Smith, the defence capability plan review, which was completed as part of the budget process, and the force structure review that is currently underway. The white paper will be built from all of this work.⁹

1.14 With respect to the review of Defence culture, Mr Lewis reported:

The Minister for Defence took possession on 17 April of the final report of phase 1 of the review of allegations of sexual and other abuse in Defence which was conducted by the law firm DLA Piper. Phase 1 consisted of two volumes—volume 1, which contained general findings and recommendations, and volume 2, which contained individual allegations. The phase 1 report has provided an initial assessment of 1,095 allegations from 775 people, as the minister, the CDF and I announced on 7 March. I wish to emphasise to the committee that volume 2 has not been provided to Defence and so we have an incomplete understanding of the allegations at

8 *Proof Committee Hansard*, 28 May 2012, p. 6.

9 *Proof Committee Hansard*, 28 May 2012, pp. 6–7.

this stage. Much of the information in volume 2 contains highly sensitive personal information which was provided to the review on the strict condition of confidentiality.

All of the allegations made will need to be tested and examined. Phase 2 of this review will consider how to deal with the allegations, including appropriate mechanisms for further assessment. This will not be quick and it will require a further investigative and legal process to address each of the allegations. The bulk of this work will need to be carried out through arrangements outside and beyond the Defence department. On 7 March the Chief of the Defence Force and I jointly announced the release of Pathway to change: evolving defence culture. This document is Defence's response to the recent cultural reviews and it outlines the actions that we must take to ensure that our working environment is safe, equitable and inclusive for all. It marks the start of a five-year program of integrated and far-reaching effort to tackle our cultural challenges at their source. We have had identified six areas which will serve as our reform streams and we have assigned senior officers who will lead the implementation of each of these streams. The streams are leadership and accountability; values and behaviours; right from the start, which means starting at the point of induction; corrective processes; practical measures; and structural and support.¹⁰

In his opening statement, Mr Lewis also advised the committee of new appointments in the Defence senior leadership group since additional estimates in February 2012, including Dr Alex Zelinsky as Chief Defence Scientist, Ms Carmel McGregor as Deputy Secretary People Strategies and Policy, Mr Steve Meekin as Deputy Secretary Intelligence and Security and Mr David Gould as the General Manager of Submarines. Mr Lewis noted that the new Defence Collective agreement became operational on 19 April 2012. He also advised the committee that for the first time in 13 years, there were no Category A findings for its financial statements from the Australian National Audit Office.¹¹

1.15 Other topics examined during the hearing on 28 May 2012 included:

Questions arising from opening statements, Portfolio overview and budget summary

- The size and dimension of Budget cuts. The ground rules for making savings, including that they not impact on current operations or support to operations (pp. 9–10).
- 2009 Defence White Paper and comments from Dr Mark Thomson of the Australian Strategic Policy Institute (ASPI) (pp. 10–12).
- The allocation of \$550 million to Information and Communication Technology remediation (pp. 12–14).

10 *Proof Committee Hansard*, 28 May 2012, p. 7.

11 *Proof Committee Hansard*, 28 May 2012, p. 7.

- Budget measures and the planned reduction in staff numbers—1,000 APS Defence personnel (366 positions this year and 634 positions the following year) (pp. 14–16, 18–19).
- The media reports which the CDF addressed in his initial opening statement (pp. 16–18, 29–30, 41).
- Deferral of lower priority elements of the Major Capital Facilities Program (pp. 19–20).
- Defence Force culture and Pathway to Change report and initiatives (pp. 21–22).
- Gender breakdown in the Defence workforce and the implementation plan for women in combat positions (p. 23).
- The Australian Defence Force Investigative Service (ADFIS) disciplinary investigation of Sapper Louis (pp. 24, 29).
- 2013 Defence White Paper and community engagement—in contrast to the 2009 White Paper process, consultation will be more focused on involving think tanks, peak bodies and discussions within government (pp. 25–27).
- 2013 Defence White Paper process and the consideration of Defence policy on nuclear weapons (pp. 27–28).
- The process for the Australian Defence Force's withdrawal from Afghanistan (pp. 28–29).
- Total value of absorbed measures or 'reinvestment' in this year's budget (pp. 30–32).
- The creation of the Associate Secretary Capability position (pp. 32–33).
- DLA Piper Review into complaints about unacceptable behaviour in Defence (pp. 33–38).
- Changes to remote locality leave travel entitlements for ADF personnel who are single, over 21 years of age and not undergoing training (pp. 38–40).

1.16 Other topics examined during the hearing on 28 May 2012 included:

Program 1.1 Office of the Secretary and the Chief of the Defence Force

- Defence speaking as one voice and process for achieving consensus (pp. 42–43).
- The efficiency dividend, staff reductions and redundancies (p. 43).
- General Defence of the north-west coast of Australia and the presence of naval patrol boats off the north-west coast (pp. 44–47).
- Joint force posture initiative and the US Marine Corps deployment in Darwin (pp. 47–49).
- Simpson Assistance Program and the ADF Paralympics Sports Program (pp. 50–51, 52).

- Costs of relocation of Moorebank facility to Holsworthy site (pp. 52–59).
- Fraud detection and control in Defence (pp. 59–60).

Program 1.2 Navy capabilities

- Future Submarine Program (pp. 60–61).
- Maintenance of surface vessels; HMAS *Manoora*, HMAS *Kanimbla*, HMAS *Tobruk*, HMAS *Sirius*, HMAS *Success* (pp. 61–64).
- Future submarines and Collins class sustainment (pp. 66–76).
- Coles review (pp. 76–77).
- Future submarine capability (pp. 78–80).
- The National Broadband Network (NBN) and the Navy (pp. 80–81).
- Australian industry involvement in the Acquisition Program Baseline (pp. 82–83).
- SEA1000 (pp. 83–91).
- Future unmanned underwater vehicles (pp. 91–92).
- Patrol boats (pp. 93–96).
- Intellectual property (IP) issues (pp. 96–97).
- Issues with rigid-hulled inflatable boats (RHIBs) rolling over (pp. 99–100).
- Mine warfare (p. 100).

Program 1.3 Army capabilities

- Soles separating from dress boots during public ADF parades (pp. 101–107).
- M113 upgrade program (pp. 107–111).
- NORFORCE (pp. 111–112).

1.17 The committee continued hearings on areas under outcome 1 on 29 May 2012. Topics examined included:

Program 1.2 Navy capabilities

- Follow up on questions asked on 28 May 2012 relating to RHIBs capsizing (pp. 5–7, 19).

Program 1.3 Army capabilities

- Self-propelled howitzer (pp. 3–5).
- Indigenous soldiers and NORFORCE (pp. 7–10).
- Rising sun badge no longer to be worn on slouch hats (pp. 11–12, 33).

Program 1.3 Air Force capabilities

- Super Hornets—electronic warfare system (pp. 12–13, 19).

- Caribou replacement aircraft contract (pp. 13–14).
- AIR 8000 Phase 2 project, C-27J Foreign Military Sales acquisition (pp. 14–24, 26–28).
- C-27J and reports of counterfeit chips (pp. 25–26).
- Pilot numbers (p. 29).
- Hard landing of an aircraft in Darwin in February 2012 (p. 30).
- Joint Strike Fighter program (pp. 31–32).
- Pilot training (p. 32).

Program 1.6 Defence Support

- Relocation of Moorebank facility to Holsworthy site (pp. 34, 38, 39–40, 49–51, 55–56).
- Afghan training facility at Cultana (pp. 35–38).
- Defence Science and Technology site at Scottsdale, Tasmania (pp. 46–47).
- Proposed wave energy facility at Garden Island, Western Australia (pp. 51–52).

Program 1.7 Defence Science and Technology

- Budget pressures (pp. 56–57).

Program 1.8 Chief Information Officer

- Defence's contribution to the Cyber White Paper process (pp. 57–59).

Program 1.9 Vice-Chief of the Defence Force

- Media report titled 'ADF jobs requiring sex tests' (pp. 44–46).
- Risk management and the 2008 Test and Evaluation roadmap (pp. 60–62).
- Cadet policy (pp. 62–64).

Program 1.11 Capability development

- The Rapid Prototyping Development and Evaluation (RPD&E) program (pp. 65–67).

Program 1.13 People Strategies and Policy

- Strategies for retention of Defence personnel (pp. 67–69).
- ADF health services (pp. 68–69).

Outcome 2

- Detainee management protocols in Afghanistan (pp. 70–72).
- Provincial reconstruction team projects and Overseas Development assistance (pp. 73–76).

Defence Materiel Organisation

1.18 Topics examined on 29 May 2012 included:

- Outlook for the Australian defence industry (pp. 76–78).
- Staff reductions in DMO (pp. 79–81).
- Projects of concern (pp. 81–85).

Defence Housing Australia

1.19 The committee acknowledged the attendance of Mr Peter Howman, Chief Operating Officer, Mr Jon Brocklehurst, Chief Financial Officer, and Mr Brett Jorgensen, General Manager from Defence Housing Australia (DHA).¹²

1.20 Matters raised by the committee on 29 May 2012 included:

- Defence owned townhouses in Fremantle, Western Australia (pp. 85–87).

Department of Veterans' Affairs

1.21 The committee acknowledged the attendance of Mr Ian Campbell PSM, Secretary, and officers of the Department of Veterans' Affairs (DVA).¹³

1.22 Matters raised by the committee during the hearing on 29 May 2012 included:

- The selection process for members of the Prime Ministerial Advisory Council on Ex-Service Matters and the appointment of the Chair of the Australian War Memorial (pp. 91–99).
- The appointment of the new director of the Australian War Memorial and the Faulkner protocols (pp. 99–102).
- Mental health programs for veterans (pp. 102–106).
- Veterans' Children Education Scheme (VCES) (pp. 106–108).
- Military Rehabilitation and Compensation Act 2004 (MRCA) review (pp. 108–115, 117–120).
- Assistance for careers of veterans with physical or mental problems (pp. 115–116).
- Proposed Anzac centre for the study of peace, conflict and war (pp. 116–117).
- Albany Interpretive Centre (pp. 121–122).
- Anzac Centenary (pp. 122–123).
- Efficiency dividend and its effect on the department, including staff reductions (pp. 123–124)

12 *Proof Committee Hansard*, 29 May 2012, p. 85.

13 *Proof Committee Hansard*, 29 May 2012, p. 90.

Australian War Memorial

1.23 The committee acknowledged the officers of the Australian War Memorial (AWM).¹⁴ On behalf of the committee, Senator Ronaldson, noted that this would have been Major General Steve Gower's last Senate estimates prior to retirement and acknowledged his '16 years of very significant service to the War Memorial'.¹⁵ The committee thanked the representatives of the Australian War Memorial for their time, but as there were no questions they were excused.¹⁶

Foreign Affairs and Trade portfolio

Department of Foreign Affairs and Trade

1.24 On 30 May 2012 the committee took evidence from the Department of Foreign Affairs and Trade (DFAT). The committee acknowledged the attendance at the hearings of Mr Dennis Richardson, Secretary, and officers of the DFAT and welcomed the Hon Bob Carr to his 'very first estimates in the Senate, as Minister for Foreign Affairs'.¹⁷

1.25 Matters raised by the committee during the day's hearings included:

Portfolio overview

- The resignation of the previous Minister for Foreign Affairs—Mr Rudd's announcement in Washington in February, the reasons for his trip and schedule, accommodation arrangements, the late night/early morning press conference—costs, resources and arrangements for the press conference (pp. 5–8).
- Minister Carr's activities following his appointment as Foreign Minister (pp. 9–10).
- The department's role in the Budget process (pp. 10–11).
- Budget—Red book (following 2010 election), which noted shortfalls in the department's capabilities—in consular work; adequacy of global representation including the degree or absence of representation overseas (pp. 11–12).
- Areas affected by the current budget, the efficiency dividend and requirement to find savings of between \$25 and \$30 million (pp. 12–13).

14 *Proof Committee Hansard*, 29 May 2012, p. 90.

15 *Proof Committee Hansard*, 29 May 2012, p. 91.

16 *Proof Committee Hansard*, 29 May 2012, p. 102.

17 *Proof Committee Hansard*, 30 May 2012, p. 4.

- Professional development in the department including courses for senior executive service (SES) at Harvard University and professional development courses in Australia on leadership (pp. 14–16).
- Language training and cultural diversity in the department (pp. 16–19).
- Consular assistance to Julian Assange (pp. 19–22).
- Potential conflict of interest—Secretary’s membership of the Secretaries Committee on National Security, his position on the Canberra Raiders Board and its decision to accept Huawei’s sponsorship of the club (pp. 23–28).
- Adherence to the Ministerial Code of Conduct, which requires ministers to divest themselves of interest, including shareholdings, in private companies (pp. 28–31).
- The Foreign Minister’s travel arrangements and schedule (pp. 31–34).
- *Australia in the Asian Century* White Paper process (p. 34).
- United Nations Framework Convention on Climate Change and the outcomes of the Durban conference (pp. 34–35).

1.26 The committee then moved on to the geographical areas under outcome 1.

Outcome 1

North Asia

- China-Australia strategic and economic dialogue (pp. 35–37).
- Tibet (pp. 37–40).
- China—emissions trading scheme, free trade agreements, change in leadership, and the Boao Forum (pp. 40–42).
- Long-range missile launched by North Korea (p. 43).
- Indonesian minors in detention in Australia and Schapelle Corby’s reduction in sentence (pp. 44–46).
- 10th anniversary of the Bali bombing (pp. 46–47).
- Australia’s political relationship with Indonesia (pp. 47–48).
- Lifting of Australian trade sanctions on Burma (pp. 48–52).
- Freedom of Information request for the release of cables written by Australian diplomats in Indonesia possibly relating to the Balibo Five murders in East Timor (pp. 52–54).
- Human rights concerns in West Papua (pp. 54–55).
- Karen refugees on the Thai-Burma border (pp. 55–56).

Americas

- The Brazilian student, Roberto Laudisio Curti, who died after being tasered by New South Wales police (pp. 56–57).

Africa

- Morocco's announcement that it will no longer cooperate with the UN Secretary-General's Special Envoy for Western Sahara (pp. 57–59).

Europe

- The appointment of the Australian Ambassador to the Vatican (p. 59).
- The European economy, the eurozone and the Greek elections (pp. 59–61).

South and West Asia and the Middle East

- The detainment by Sri Lankan authorities of Tamil asylum seekers seeking refuge in Australia (pp. 61–62).
- Sri Lanka's Lessons Learnt and Reconciliation Commission report (pp. 63–64).
- Possible military intervention in Syria (p. 64).
- United Nations sanctions on Iran (pp. 64–65).
- Human rights in Egypt and the safety of the Coptic population (pp. 65–66).
- Australia's current engagement with Pakistan with regards to Australian operations in Afghanistan (pp. 67–67).
- Negotiations with India regarding the sale of Australian uranium (pp. 67–68).
- Consular assistance to two Victorians being detained in Dubai (pp. 73–74).

Pacific

- Fiji's invitation to the Pacific Alliance Leaders Meeting (PALM) Forum of Pacific leaders (pp. 68–69).
- Australia's role in the upcoming elections in Papua New Guinea (pp. 69–73).
- Presence of East European countries in the Pacific and the attempt to buy recognition stemming from competition and disputation between Georgia and Russia (p. 79).

1.27 The committee then examined International organisations and legal issues.

International organisation and legal issues

- The International Court of Justice's jurisdiction in maritime disputes (p. 75).
- Antarctic Treaty consultative meeting (pp. 75–76).

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- The UN Commission on the Status of Women and Australia's Global Ambassador for Women and Girls (pp. 76–77).
 - UN Conference on Sustainable Development Rio +20 (pp. 77–78).
 - UN Commission on Population and Development (pp. 78–79).
 - Recent appointment of a new Ambassador for Climate Change (p. 80).

National security, nuclear disarmament and non-proliferation

- The department's contribution to the Defence White Paper process (pp. 80–81).
- Australian Safeguards and Non-Proliferation Office (pp. 97–100).

Services to diplomatic /consular representatives

- Cooks and chefs in Australian embassies (pp. 81–83).
- Cars and drivers at overseas posts (pp. 83–84).
- Refurbishment of the Paris embassy residence (p. 84).

Program 1.2 Payments to international organisations

- Intergovernmental Panel on Climate Change (IPCC) Trust Fund (p. 85).

Program 1.3 Public information services and public diplomacy

- Australian network contract (pp. 86–92.).
- The Australia International Cultural Council's focus on India in 2012 (pp. 92–93).

Program 2.1 Consular services

- Australia's consular representations overseas, including two new diplomatic posts in China and Senegal (pp. 93–95).
- Consular services in China (pp. 95–96).
- Consular services in Iran and Syria (p. 96).
- Smartraveller website (pp. 101–102).

Program 2.2 Passport services

- Emergency passports for children travelling overseas (pp. 102–103).
- Update on the design of the P series of ePassport (pp. 103–104).

Outcome 3 Foreign Affairs and Trade operates and properties

- Schedule for works and refurbishments (p. 104).

Australian Agency for International Development

1.28 The committee acknowledged the attendance of Mr Peter Baxter, Director General, and officials representing Australian Agency for International Development (AusAID).¹⁸

1.29 Matters raised by the committee at the hearing on 31 May 2012 included:

Outcome 1 Overview

- The importance of relationships that are built through foreign aid and other countries (p. 5).
- Contracts awarded to foreign firms for provision of aid programs and research (p. 6).
- The effects of the freeze in budget increases (pp. 7–10).
- Response to food crisis in the Horn of Africa (pp. 10–12).
- Transparency and anti-corruption measures (p. 12).
- Scholarship programs for East Timorese and eastern Indonesian students (pp. 12–14).
- The establishment of the Independent Evaluation Committee, its role and the appointment of the chair and committee members (pp. 16–19).
- Funding for sexual and reproductive health (pp. 20–22).
- Review of the Indonesia-Australia Forest Carbon Partnership (p. 23).
- Scoreboard system for evaluation (pp. 23–24).
- Funding allocations for protracted crises such as in Sudan and Somalia (p. 24).
- The non-government organisation (NGO) Cooperation Program (pp. 24–25, 28–29).
- Pacific Climate Change Science and Adaptation Planning Program (pp. 26–28).

Program 1.1 Official development assistance—PNG and Pacific

- Access to safe water and basic sanitation combined with good hygiene behaviours (WASH) programs (pp. 29–30).
- Extension of the Pacific seasonal worker pilot scheme (pp. 30–31).
- Tuberculosis (TB) clinic in Daru (pp. 31–36).

18 *Proof Committee Hansard*, 31 May 2012, p. 5.

Program 1.2 Official development assistance—East Asia

- Assistance to refugees residing in camps on the Thai-Burma border (pp. 36–37).
- Development of democratic institutions in Burma (p. 37).
- Australia's aid relationship with Burma (pp. 38–39).
- Asian Development Bank and the Cambodian railways project (pp. 40–41).
- Developments in the Mekong (pp. 41–42).

Program 1.3 Official development assistance—Africa, South and Central Asia, Middle East and other

- The relationship between Union of Agricultural Works Committees and Popular Front for the Liberation of Palestine, allegations made by Shurat HaDin and the investigations by AusAID and World Vision (pp. 42–51).
- Agreement to terminate AusAID's contract with international consultant The Liaison Office and its report on Uruzgan province (pp. 51–54).
- Projects in Afghanistan funded through the Defence Cooperation Program and the impact of the planned withdrawal of the ADF from Afghanistan on these programs (pp. 54–56).
- Funding for United Nations Relief and Works Agency for Palestine Refugees in the Near East (pp. 56–57).
- AusAID and the Africa-Australia Partnership Facility's joint support for the Africa Mining Vision (pp. 58–59).

Outcome 2

- Australian Civilian Corps (pp. 59–61).
- G8 L'Aquila pledge on food security (p. 61).

Australian Centre for International Agricultural Research

1.30 The committee welcomed Dr Nick Austin and Mr Dave Shearer from the Australian Centre for International Agricultural Research (ACIAR).¹⁹ The matters raised by the committee at the hearing on 31 May 2012 included:

- Grant for supporting beef cattle in Indonesia (pp. 62–63).
- Agribusiness program (pp. 63–64).
- Work with women in agriculture (pp. 64–665).
- The Australian International Food Security Centre (pp. 65–66).

¹⁹ *Proof Committee Hansard*, 31 May 2012, p. 62.

Trade portfolio

DFAT trade programs and Australian Trade Commission

1.31 The committee welcomed officers of the Australian Trade Commission (Austrade), Export Finance and Insurance Corporation (EFIC) and the DFAT and welcomed back Mr Richardson.²⁰

1.32 Matters raised by the committee at the hearing on 31 May 2012 included:

- The Export Supply Chain Assurance Scheme (pp. 68–69).
- Live cattle trade to Indonesia (pp. 69–71).
- Australia-Korea free trade agreement (pp. 71–72).
- Opportunities for Australia in Latin America (p. 72).
- Trans-Pacific Partnership Agreement (pp. 72–73, 80–82).
- Embedding staff from state government trade offices in Austrade offices overseas (pp. 73–74).
- PACER Plus agreement (p. 75).
- Links between a fatal mudslide in the Papua New Guinea highlands and the Australian backed Papua New Guinea liquefied natural gas project Esso Highlands (pp. 75–77).
- Tenix vessels in the Philippines and allegations of bribery (pp. 77–79).

Acknowledgements

1.33 For their assistance during its hearings, the committee thanks Senator the Hon David Feeney, and Senator the Hon Bob Carr. The committee also acknowledges the attendance and cooperation of the many departmental and agency officers and the services of various parliamentary staff involved in the estimates process.

Senator the Hon Ursula Stephens

Chair

20 *Proof Committee Hansard*, 31 May 2012, p. 62.

Appendix 1

Tabled documents

Budget estimates 2012–2013

Defence portfolio

Monday, 28 May 2012

Received from General David Hurley, AC, DSC, Chief of the Defence Force, 'Statement to the 2012-13 Budget estimates Hearing'.

Received from Mr Duncan Lewis, AO, DSC, CSC, Secretary of Defence, 'Opening statement to Senate estimates'.

Received from General David Hurley, AC, DSC, Chief of the Defence Force, 'Opening Statement'.

Received from General David Hurley, AC, DSC, Chief of the Defence Force, 'Response of 25 May 2012 provided to Ian McPhedran, News Ltd, to questions asked about the Australian Defence Force Investigative Service (ADFIS)', Department of Defence on the record, 28 May 2012.

Received from Senator Eggleston, Information on Major Resource Projects in Northern Australia from the Kimberley Economic Forum.

Tuesday, 29 May 2012

Received from Senator Ronaldson, *Canberra Times* articles relating to the appointment of the Chair of the Australian War Memorial Council, press clippings dated 19 and 20 April 2012.

Received from Senator the Hon Feeney, Letter from Minister for Veterans' Affairs, the Hon Warren Snowdon to General Peter Cosgrove AC MC, dated 6 March 2012.

Foreign Affairs and Trade portfolio**Thursday, 31 May 2012**

Received from Senator Kroger, photographs of hospital in Daru.

Received from Mr Peter Baxter, Director General AusAID, photographs of Daru X-ray unit launch and an interim isolation ward.

Received from Senator Ronaldson, correspondence from Shurat HaDin Israel Law Centre to World Vision Australia, dated 15 February 2012.

Received from Senator Ronaldson, 'Palestinian Institutional Configurations in the West Bank and Gaza under four autonomy scenarios', Democratic Institutions Support Projects, May 1993.

Received from Senator Kroger, 'Uruzgan: 18 months after the Dutch/Australian Leadership Handover', The Liaison Office, April 2012.

