

Portfolio Overview and Major Corporate Issues

Portfolio Overview

QUESTION 1

Ministerial Staff

Senator Ludwig

- a) How many Ministerial staff does the department provide?
- b) To what Minister or Parliamentary Secretary are they assigned?
- c) What is the total cost of these staff?
- d) Can the Department provide data on how many staff are in each salary band?

RESPONSE

- a) Defence does not provide Ministerial staff to the Minister for Defence, Minister Assisting the Minister for Defence or the Parliamentary Secretary to the Minister for Defence. Ministerial staff are employed directly by the Ministers and Parliamentary Secretary under the *Members of Parliament (Staff) Act 1984*.
Defence does, however, provide departmental liaison officers to assist the Ministers and the Parliamentary Secretary. The role of the departmental liaison officers is to facilitate liaison on administrative and policy matters between Ministers (and their offices) and departments.
- b) Two departmental liaison officers are assigned to the Minister for Defence, and one each to the Minister Assisting the Minister for Defence and the Parliamentary Secretary to the Minister for Defence.
- c) The total estimated cost of departmental liaison officers for 2004-05 is around \$367,000.
- d) One of the departmental liaison officers is in the \$82,092 – \$97,173 salary band, and the other three are in the \$70,308 – \$76,467 salary band. In addition to their salary, they receive a parliamentary allowance of \$15,608.

QUESTION 2

Dual Use Technology

Senator Bishop

- a) Does the DOD have in place any policy regulating the use of dual-use technologies by Australian companies within Australia; If so, (i) has there been any review of any such policy, and if so, (ii) what was the result of any such review?
- b) If there was any such review, have any such results been implemented or lead to any amendment to such a policy?
- c) Is there in place any regulation specifying what constitutes a ‘dual-use’ technology; if so, how often is any such regulation subject to review?
- d) When was any such regulation introduced?
- e) With reference to comments made by the Minister for Defence that “I don’t know the number of applications that are made for approval” in a doorstep interview on 30/11/2004, is any department, organisation or other governmental body aware of the number of applications that are made for approval by Australian companies for authority to export dual-use technologies; if so, how many such applications were made in 2004?

RESPONSE

- a) No.
- b) Not applicable.
- c) Yes. Under the Customs (Prohibited Exports) Regulations 1958, the Defence and Strategic Goods List details military and dual-use goods and technologies subject to export control. Specifically, Part 2 (Dual-use List) of the Defence and Strategic Goods List defines dual-use goods and technologies, and identifies those that may not be exported without prior authorisation. The Defence and Strategic Goods List is reviewed annually to reflect changes in the technology, non-proliferation and export control areas. The most recent edition is the Defence and Strategic Goods List Amendment 2004, which was gazetted on 6 December 2004.
- d) 1986.
- e) According to Defence records, 482 applications to export dual-use goods were received by the Department between 30 November 2003 and 30 November 2004.

Budget Summary

QUESTION 3

Financial management

Senator Bishop

- a) Were the DOD's financial statements for the financial year 2002-03 accepted without qualification by the Auditor-General; if not, (i) did the DOD implement any measures to address any concerns regarding internal financial records, and (ii) what were these measures?
- b) Are there any procedures to evaluate the implementation of such policies; if so, what was the outcome of any such procedure?
- c) Have the DOD's financial statements for the financial year 2003-04 been accepted without qualification by the Auditor-General?
- d) Has the magnitude of the value of DOD assets and liabilities queried by the Auditor-General increased between the 2002-03 and 2003-04 financial years; if so, what is dollar-value difference of this increase?
- e) Why have any relevant measures to address any concerns regarding internal financial records failed to prevent any such increase?
- f) Does the DOD intend to implement any additional measures to address any concerns regarding internal financial records; if so, what are these measures?
- g) Was the Department of Defence's CFO able to certify that the financial statements for the DOD for 2003-04 presented a true and fair view of Defence's financial position?
- h) Has the DOD in place any policy to 'come to grips with the full management implications of the move to 100 per cent accrual accounting'?
- i) Was any such policy in place during the 2003-04 financial year; if so, why did such a policy fail?

RESPONSE

- a) The Auditor-General concluded that Defence's 2002-03 financial statements gave a true and fair view of Defence's financial position and performance except for the effects of

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

any adjustments that might be required because of certain limitations of scope which he identified.

- (i) Yes.
 - (ii) Defence increased significantly the resources committed to trying to achieve compliance with accrual accounting standards and the introduction of other new accounting standards. These efforts were driven by a Financial Statements Project Board, chaired by the Secretary, and guided by the independently-chaired Defence Audit Committee. More than 600 staff across the organisation were involved, on a full or part-time basis, and several major accounting companies were contracted in. Specific measures included evaluating possible suitable indicators to determine the value of inventory which had been acquired prior to 1996 and items acquired as part of assets under construction. Defence also began work on a data quality review of leave processes and balances. As was indicated at the time, the issues were not expected to be resolved prior to 30 June 2004.
- b) Yes. As stated in a) ii) above, the Financial Statements Project Board and the Defence Audit Committee evaluated implementation of the remediation measures put in place. While some progress was made, the intensive work by both Defence and the Australian National Audit Office revealed the depth and scope of problems that were not fully exposed at the time of the 2002-03 financial statements. The deficiencies relate mainly to stock recording processes, which compounded problems evident in previous years that were driven by pricing issues. As a result, the qualifications identified in previous years remained on the statements for 2003-04, and the scope of some of them increased.
 - c) The Auditor-General reported that, because of the existence and pervasiveness of the limitations of scope he identified, he could not express an opinion as to whether Defence's 2003-04 financial statements gave a true and fair view of Defence's financial position and performance. This was consistent with the Secretary of Defence's advice to the Auditor-General.
 - d) The magnitude of uncertainty in relation to the recording of Defence's assets and liabilities determined by the Auditor General increased by \$5.258 billion between 2002-03 and 2003-04.
 - e) The increased scale of uncertainty is a reflection of discrepancies between what is recorded on Defence's financial system and what is recorded on paper files. The problem is one of record keeping, the remediation of which involves a considerable amount of time and resources checking paper records against data recorded on the financial system. Both Defence and the Australian National Audit Office recognised that it would take some time to resolve the issues.
 - f) Yes. Currently 14 remediation strategies are being implemented. Three strategies address structural issues common across Defence and the remaining ten address specific audit findings. The remediation strategies are being rigorously monitored by a reconstituted Financial Statements Project Board, augmented by a representative from the Department of Finance and Administration and an external accounting specialist, which meets monthly and reports quarterly to the Ministers for Defence and Finance and Administration.
 - g) No.
 - h) Defence is making fundamental changes to the way it manages its finances. The changes include:

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- the introduction of a new stringent financial controls framework which will require, among other things, detailed monthly reporting by each Service and Group on all balance sheet items;
 - the establishment of clearer lines of financial accountability in Defence's organisational structure;
 - pre-emptive cross checks and reconciliations of all balance sheet items;
 - management scrutiny through performance reporting to 'get it right' at source; and
 - the introduction of 'self certification' including at the most senior levels.
- i) There was no policy failure. The major underlying problem is one of record keeping, a long-existing challenge that Defence is working very hard to overcome. It should be noted that other major western defence organisations, including those from the United Kingdom, Canada and the United States, are experiencing very similar difficulties operating within an accruals accounting framework.

QUESTION 4

Defence weaponry and other assets

Senator Harradine

- a) Has the Department yet accounted for the \$8 billion-worth of weaponry and other assets as revealed by Defence Secretary, Ric Smith, after tabling the Annual Report on 23 November 2004?
- b) What are the reasons for the missing equipment? What steps is the Department taking to locate the unaccounted for equipment? Please provide details.
- c) Does the Department have any concerns that the missing weaponry, if it continues to be unaccounted for, could end up in the wrong hands?
- d) What steps are being taken to ensure this does not happen again?

RESPONSE

- a) It is not correct that "weaponry and other assets" cannot be accounted for. In reporting on Defence's financial statements for 2003-04, the Auditor-General advised that, in relation to Specialist Military Equipment and Explosive Ordnance, nothing had come to his attention that was not materially correct. The \$8 billion figure reported in the media appears to have been arrived at by simply adding up the book value of five areas of assets and liabilities in Defence's annual financial statements about which both Defence and the Auditor-General had expressed uncertainty. The uncertainty arose because sampling carried out as part of the audit process showed an error rate that, by audit standards, was unacceptable. Any corrective action would be by means of a journal entry and does not involve cash.
- b) – d) The inventory issues relate to the accurate recording of the physical inventory quantities, and a lack of evidentiary documentation and systems controls to confirm and safeguard the accuracy of pricing data. Remediation programs are in place to address these issues. The Auditor-General has acknowledged that Defence knows how much explosive ordnance it has and where it is held. Defence has rigorous systems in place to ensure that the control of weaponry is effective.

QUESTION 5

Funding of Iraq operations

Senator Bartlett

What additional expenditures, over and above normal base funding, will be made to cover the cost of keeping Australian troops in Iraq after 1 January 2005?

RESPONSE

See Defence's *Portfolio Budget Statements 2004-05*, pp 35-36 for details.

QUESTION 6

Financial accountability of civilian SES staff

Senator Bishop

The 2003-03 Defence Annual Report stated at page 12 that "as part of the \$200 million per annum program of administrative savings announced in the 2003-04 budget, savings targets have been set for civilian personnel numbers, travel, use of professional service providers and the level of overseas representation". These savings targets were to be achieved by introducing in 2003-04 a set of programming principles and business rules designed to strengthen the accountability of senior leaders in managing their budget allocations, and rigorous performance agreements for civilian SES staff in 2003-04. Were any such measures implemented in 2003-04; if so, a) what were they, b) has there been a subsequent review of any such measures, and c) what were the outcomes of any such review?

RESPONSE

Yes.

- a) Defence implemented a set of business rules for the 2003-04 budget in order to strengthen accountability for the management of budget allocations and to ensure that savings targets were met. The accountability of senior leaders for budget management has been reinforced as part of the performance arrangements that have been put in place to support the 'culture of economy' that the Secretary of Defence has made a priority. The performance arrangements include charters that set out each Group Head's responsibilities, Organisational Performance Agreements between each Group Head and the Secretary and the Chief of the Defence Force, and strengthened performance measures in Senior Executive Service workplace agreements and each individual employee's performance agreement.

A program of administrative savings has been implemented, which includes reductions in the civilian workforce, overseas and domestic travel, the number of professional service providers engaged and the level of Defence overseas representation. Details are shown on page 57 in Table 1.14 of the *Defence Annual Report 2003-04*.

- b) and c) The Defence Committee reviews the program of administrative savings on a quarterly basis. As well as ensuring that savings are being met in the areas intended, new savings measures are considered and agreed for implementation. The Organisational Performance Agreements are reviewed and updated each year as part of the annual budget process. The performance of each SES officer is reviewed by their supervisor twice a year as part of the performance management regime process. In turn, the performance of each SES officer is reviewed by their Group Head and the Secretary on an annual basis, and an assessment is made in relation to salary progression.

QUESTION 7

Outcomes/output structure

Senator Bishop

The 2002-03 Defence Annual Report stated at page 12 that a new outcomes/output structure would be developed for implementation in the 2003-04 Budget, in order to improve the overall quality and accuracy of the Defence Budget. Was any such structure implemented in 2003-04; if so, a) what is that structure, b) has there been a subsequent review of any such structure, and c) what were the outcomes of any such review?

RESPONSE

Yes.

- a) Details of the new structure are outlined on pp 3-4 and Chapter 2 of the *Portfolio Budget Statements 2003-04*.
- b) The outcome/output structure is reviewed each year as part of the annual budget process to ensure that it continues to best meet the Government's priorities for Defence and agreed reporting requirements.
- c) The review process has resulted in minor changes to the outcome/output structure, which can be found on p v of the *Portfolio Budget Statements 2004-05*.

QUESTION 8

Costing of Force Element Groups

Senator Bishop

The 2002-03 Defence Annual Report stated at page 12 that "our work on the decision-support project will, by 2003-04, enable us to accurately cost Force Element Groups." Has this measure been obtained; if not, i) has there been a subsequent review of any such measures, or if so, ii) what were the outcomes of any such review?

RESPONSE

Not completely. Phase 2 of the project was successfully completed during 2004 and provides a capability to attribute Defence's 2002-03 budget outcome (the operating statement) against force elements and a range of agreed products and services. The information from Phase 2 of the project is being utilised by a number of Defence Groups to support their costing requirements and to develop their budgets. Phase 3 of the project is well advanced and once completed, currently planned for mid-2005, will provide the capability to attribute Defence's forward budgets (ten-year view) into the cost of Defence's various products and services. It will also enable Defence to display the operating and capital costs of each Force Element Group. In parallel, the output cost attribution process which is maintained in Defence's Portfolio Budgeting system (BORIS) was enhanced to improve the costing information presented to Parliament in respect of Defence's outcomes and outputs. The synergies between the two projects offer scope to integrate Defence's budgeting and costing systems, the prospects for which will be assessed in 2005.

- i) The project is regularly reviewed by the Chief Finance Officer Group Executive and periodically by the Management Processes Improvement Committee.
- ii) Reviews indicate that the project is meeting expectations.

QUESTION 9

Best practice budgeting system

Senator Bishop

The 2002-03 Defence Annual Report stated at page 12 that the benefits of improvements to the DOD budgetary process implemented throughout 2002-03 would be apparent in 2003-04 and beyond. In particular, the Report aimed at achieving “a best practice budgeting system in line with the Australian National Audit Office’s (ANAO) *Better Practice Guide for Internal Budgeting*”. Has this measure been obtained; if not, has there been any subsequent review of why the DOD budgetary process is not such a “best practice budgeting system”?

RESPONSE

Most of the key elements of the ANAO’s checklist of better practices in the internal budget process now exist in Defence, and to a relatively high level of maturity.

QUESTION 10

Data quality ‘tiger teams’

Senator Bishop

The 2002-03 Defence Annual Report stated at page 13 that a number of data quality ‘tiger teams’ were established to achieve permanent changes to business practices and to make the review and improvement of data a continuing process in key priority areas. Has there been any review of the performance of these ‘tiger teams’; if so, what was the outcome of any such review?

RESPONSE

The work of the ‘tiger teams’ was found not to be sufficient in itself to address the issues relating to the accurate recording of Defence’s assets and liabilities. Their work has therefore been absorbed into the remediation strategies that have been developed to address the more recent audit findings of the Australian National Audit Office. While the teams made a contribution to improved data processing, Defence was of the view that it was more effective to address the specific audit issues raised by the Australian National Audit Office through remediation strategies.

Capital Budget

Major Capital Equipment

QUESTION 11

Equipment Evaluation

Senator Bishop

- a) Does the DOD have in place any policy to involve ADF troops in product evaluation; if so, (i) has there been any review of any such policy, and (ii) what was the result of any such review?
- b) Is there any procedure in place regarding the review of complaints made by ADF troops about equipment, whether when such equipment is being tested or otherwise; if so, (i) how many such complaints were made according to this procedure in 2003, and (ii) how many such complaints were made according to this procedure in 2004?

RESPONSE

- a) Yes.
- i) Yes.
- ii) A new instruction on Defence's test and evaluation policy was released in May 2004, replacing the previous instruction which was released in 1996.
- b) The primary mechanism for reviewing complaints and concerns that ADF personnel have with equipment are the Reports On Defective or Unsatisfactory Materiel (RODUM).
A unit in the Defence Materiel Organisation provides a centralised service responsible for the registration and processing of all reports submitted on in-service Defence land materiel. Faults, whether resulting from technical or design or production defects, can be reported via RODUM by all ADF personnel, regardless of rank, so that remedial action can be taken to repair, modify or replace defective or unsatisfactory materiel.
The RODUM system is also used by Air Force and Navy personnel to raise complaints primarily on ADF ground support equipment and personal equipment.
- i) 2,363 reports were received in 2003.
- ii) 2,500 reports were received in 2004 (as at 16 December 2004).
For air and maritime platforms, different project areas within the Defence Materiel Organisation maintain specific defect reporting systems. As the data are not centrally located, Defence is not prepared to devote the considerable time and resources required to provide this information.

QUESTION 12

ASLAV

Senator Bishop

- a) Are the head and upper torso of a commander of an ASLAV protected by the ASLAV whilst the ASLAV is being driven; if so, what protection is offered?
- b) With reference to the recent car-bombing of an Australian military convey in Baghdad, has the DOD subsequently investigated the protection presently afforded to the head and upper torso of a commander of an ASLAV by the ASLAV whilst the ASLAV is being driven; if so, what were the outcomes of any such investigation?
- c) Have any such outcomes been subsequently implemented by the DOD?
- d) Is the DOD aware of any other design ideas presently utilised or considered by foreign militaries or other organisations that afford protection to the head and upper torso of a commander of an ASLAV or other similar vehicle whilst it is being driven; if so, (i) has the DOD considered implementing any such designs or hardware into ASLAVs currently stationed in Iraq, (ii) when shall such changes take effect, and (iii) if not, why?

RESPONSE

- a) The Australian Light Armoured Vehicle (ASLAV) commander's head and a part of the torso are normally exposed above the armour of the vehicle. The extent of the exposure is set by the adjustable seat height. The standard operating procedures for the ASLAV dictate that the vehicle commander adjust the seat height to minimise the exposure, consistent with safe driving. In traffic, the typical seat height exposes the head and part of the chest. On current operations in Iraq, the exposed parts of the ASLAV commander are

covered by personal protection equipment, which includes ballistic helmet, ballistic goggles and ballistic vest.

- b) The protection afforded to ASLAV crews and vehicle commanders is the subject of constant review and an investigation into the recent attack in Baghdad was conducted by the Australian Defence Headquarters element in Iraq. The Government has continued to progressively upgrade the ASLAVs with a range of protective enhancements, particularly the integration of the Remote Weapons Station.
- c) See the answer to b).
- d) Yes. For example, Defence is aware that the United States and Israeli armies have ballistic screens for armoured vehicles.
 - i) Yes.
 - ii) and iii) See the answers to b) and c).

Defence Outputs

Outcome 1: Command of operations in defence of Australia

QUESTION 13

Third country deployments

Senator Nettle

- a) How many ADF personnel are currently on third country deployments and with which countries' forces?
- b) How many ADF personnel are currently on third country deployments in Iraq?
- c) What countries are [ADF personnel] deployed with?
- d) What are their ranks and tasks, including which are involved in direct combat operations and/or planning and/or support of combat operations?
- e) Would ADF personnel involved in the execution or planning of combat operations in Iraq be subject to the jurisdiction of the International Criminal Court if proceedings were commencing in the ICC with respect to other such combat operations?
- f) Has Captain Scott Watkins, reported to be on secondment with the British Army's Black Watch force, been involved in combat operations anywhere in Iraq?
- g) What were those operations?
- h) Have Royal Australian Air Force air traffic controllers, currently integrated into Coalition forces at Balad Air Base near Baghdad, been involved in directing or guiding combat missions by coalition aircraft in Iraq, including the recent assault on Fallujah?
- i) Please provide details regarding the roles of the ADF's contribution to multinational force headquarters and units, and combined logistics and communications elements, said to comprise about 90 personnel.
- j) Please outline the role of the ADF representatives within the Multinational Force headquarters, including that of Major-General Molan.
- k) Does the RAAF C-130 Hercules detachment transport coalition forces other than ADF personnel?
- l) Can you provide information on those forces including if they are engaged in combat operations?

RESPONSE

- a) As at 12 January 2005, 10 ADF personnel were on third country deployments with the armed forces of the United States, United Kingdom and Canada.
- b) As at 12 January 2005, 5 ADF personnel were on third country deployments in Iraq.
- c) Two ADF personnel are deployed to Iraq with elements of the United States armed forces and three are deployed with elements of the United Kingdom armed forces.
- d) Captain (Army) Staff officer duties Direct combat / Planning / Support
Captain (Army) Company Second in Command Direct combat / Planning / Support
Captain (Army) Helicopter Pilot Direct combat / Planning / Support
Flight Lieutenant C-130 Hercules Pilot Support
Flight Lieutenant Air-to-Air Refuelling Pilot Support
- e) The *International Criminal Court (ICC) Act 2002* establishes procedures to enable compliance by Australia with requests for assistance from the ICC and for the enforcement of sentences. By virtue of the Act, other associated legislation and the ICC Statute, Australia retains the right and power to investigate and prosecute persons rather than surrender them to the ICC. The genuine exercise of such powers by Australia operates to make a case inadmissible before the ICC. By qualification at the time of ratification and/or by its implementing legislation, Australia has affirmed the primacy of its jurisdiction and stipulated that decisions to allow prosecution by the ICC, or the arrest or surrender of a person to the ICC, rests with the Australian Attorney-General.
- f) Yes.
- g) Captain Scott Watkins has been involved with operations in the United Kingdom sector and in support of the United Kingdom Blackwatch battlegroup when it deployed to the area south of Baghdad.
- h) No.
- i) The ADF currently contributes approximately 120 personnel to the multinational headquarters, units and elements, who are distributed as follows:
- Approximately 40 personnel are embedded in the Iraq headquarters of the Multi-National Force and MultiNational Corps, providing expertise in areas such as engineering, intelligence, legal, public affairs and operations planning and monitoring.
 - A small number of personnel are working in the Combined Intelligence Operations Centre, providing intelligence support for the Iraq headquarters of the Multi-National Force.
 - One ADF officer is working as the military adviser to the United Nations Special Representative to the Secretary General.
 - 20 ADF medical personnel are working in a Coalition health facility. The medical personnel, from permanent and reserve forces, consist of doctors, nurses and medical assistants for an intensive care unit, as well as some specialists.
 - A small number of ADF personnel are embedded with the United Kingdom-led Multi-National Division South-East Headquarters.
 - Approximately 30 ADF personnel are working in the force-level logistics asset element. These personnel provide logistics and administrative support to ADF force elements in the Middle East area of operations and conduct in-theatre reception, staging, on-forwarding and integration for Defence personnel and authorised visitors

entering Iraq. The element includes, but is not limited to, command staff, vehicle maintainers, inventory control, warehouse staff, administration, transport, health and facilities maintenance staff.

- Approximately 15 ADF personnel in the communications element, providing support to the headquarters and logistics elements and maintaining critical command and control links.
- j) The ADF personnel working in the Iraq headquarters of the Multi-National Force and Multi-National Corps provide ongoing support to the Iraqis for the transition and rehabilitation efforts in Iraq.

Major General Molan is the deputy Chief of Staff for Strategic Operations and is responsible for advising the Multi-National Force Commanding General on all aspects pertaining to the planning and conduct of operations which can range from civil assistance to conventional war-fighting. Major General Molan oversees the development and execution of operations from a strategic level. General Molan's previous role in Iraq had been as Deputy for Operations. During this time, he was responsible for overseeing civil and military programs which involved military contributions to the reconstruction of essential services such as water and electricity supplies.

k) Yes.

l) Defence does not comment on the disposition or employment of other Coalition forces.

QUESTION 14

Maritime surveillance

Senator Ludwig

Can you advise the reasons for why the Navy contracted to do maritime surveillance by the RAN Fremantle-class patrol boat similarly dropped from 781 to 580 sea days. Was that as a consequence of customs or coast watch requesting less hours or the RAN Fremantle-class patrol boats being offered by the Navy reducing their number of sea days on offer to customs?

RESPONSE

Routinely, Defence aims to provide 1,800 days of Royal Australian Navy surface patrol and response each financial year to the Coastwatch-coordinated national civil maritime surveillance program .

The ADF's commitment to the program has been delivered through its response to Customs- and Coastwatch-specific taskings, and multi-task activities associated with Operation Relex II, the Defence-led activity to deter unauthorised boat arrivals from entering Australian waters in the north and north-west of Australia.

Defence's priority contribution to the Coastwatch surveillance program is through Operation Relex II. Most patrols in support of the operation are conducted in the surveillance program's area of operations and meet the requirements of both the operation and the program.

During 2003-04, in response to specific requests from Customs, Defence provided 549 patrol boat sea days to the surveillance program under Operation Cranberry, in addition to the 1,265 days that were provided in support of Operation Relex II. This equates to a total of 1,814 patrol boat days, in accordance with Defence's stated goal.

QUESTION 15

Op Relex II

Senator Ludwig

In respect to operation Relex II is it possible to determine the number of square nautical miles patrolled which was made available to customs?

RESPONSE

AP-3C Orion maritime patrol aircraft assigned to Operation Relex II routinely patrol an area of 48,000 square nautical miles every second day. This totals in excess of 8.7 million square nautical miles per year.

RAN ships assigned to Operation Relex II generally operate in specific geographical locations. It is not possible to determine the area patrolled by each unit. No specific patrol area is allocated as these units are generally tasked to respond to and investigate aerial sightings.

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

QUESTION 16

Occupational health and safety in the Navy

Senator Bishop

- a) Has the Royal Australian Navy conducted any internal review, or otherwise commissioned any form of report, on safety and other OH&S issues within the RAN since January 1st 2001; if so, i) when was any such review or commission conducted or requested, and ii) what were the findings of any such review or commission?
- b) What measures has RAN taken to adopt any such findings?
- c) Does RAN have in place any policy to assess the effectiveness of any such measures; if so, what is the result of any such assessment?
- d) Has RAN sought or obtained any legal advice since January 1st 2003 concerning its liability for injuries sustained by RAN personnel during their employment; if so, what is the nature of any such advice?
- e) Has RAN recorded any decline in recruitment levels since January 1st 2001; if so, what is the magnitude of any such decline?
- f) How many RAN personnel have been discharged or otherwise terminated their employment with RAN since January 1st 2001?
- g) Of these, how many had suffered any form of injury during their employment that had lead to a physical or mental incapacity to continue in their employment?
- h) Of these, how many such injuries arose in circumstances where there was a breach of any OH&S or other safety policy?

RESPONSE

- a) Yes.
 - i) A review was conducted in mid-2003.
 - ii) The findings of the review were that the Navy's safety culture could be improved in the following areas:

- leadership commitment to safety;
 - communication in safety;
 - priority of safety;
 - safety governance, reporting and resourcing;
 - safety accountability and responsibility; and
 - incident reporting, managing hazards and measuring capability risks.
- b) In September 2004, the Navy introduced its safety management system as a reinvigoration and improvement of existing safety systems. Much of the founding work for the system was based on the review undertaken in mid-2003. To support the introduction of the system, a series of safety roadshows around Australia commenced in October 2004 involving 2,900 personnel over 39 presentations. To date, all but two major Navy establishments have been visited.
- c) Yes. The safety management system supports continuous improvement although the system has not been running for long enough to measure this. Notwithstanding, the Navy has been tracking occupational health and safety incident reports for the last six years to aid the recognition of safety trends.
- d) Issues of liability for injury sustained by Navy personnel during service are determined case by case. Such advice is subject to the Commonwealth's right to legal professional privilege and considerations of personal privacy of the members concerned. It would be inappropriate to provide the details requested.
- e) No. Navy recruiting achievement over the past three years has improved markedly and is now healthy in most areas.
- f) and g) The following table provides the details requested for the Permanent Naval Force:

	Calendar Year			
	2001	2002	2003	2004
Total discharged or otherwise terminated	1011	1537	1246	1503
Medically unfit	101	127	90	157

- h) Historically, the Navy has not correlated medical discharge records with Occupational Health and Safety incident records and is unable to provide the requested information. However, future improvements in the safety management system will facilitate this.

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

QUESTION 17

Additional Special Forces battalion

Senator Bartlett

In relation to the ADF program to build its Special Forces (SF) capability by creating an additional battalion of 300 trained serving personnel:

- a) How many of the first intake of 48 are still on the program for SF training?
- b) What are the reasons for the drop in numbers i.e. what are the causes?
- c) Was this the expected rate of attrition given the stringent selection process?
- d) What has happened to those who have dropped out of the program?
- e) Has training differed for the second intake?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- f) What are the latest attrition rates and reasons?
- g) Was the duty of due care applied to recruits?
- h) Was the training provided to the first SF recruitment platoon any different from the other infantry platoons?
- i) Is the training until qualification as infantryman any different for SF recruits?
- j) Are the SF recruit platoons commanded and led by a commissioned officer during all phases of their training?
- k) What are the statistics for compensation payments?
- l) What are the rehabilitation statistics?

RESPONSE

- a) 27 members of the first intake remain in the Special Forces Direct Recruitment Scheme(SFDRS). Of those 27 personnel, 17 have completed the entire scheme and 10 still remain at various stages of training within the scheme.
- b) The drop in numbers is due to soldiers electing to take discharge at their own request, requesting and successfully securing corps transfer, medical discharges, temporary medical withdrawals and re-training requirements.
- c) SFDRS rates of attrition were expected to be marginally lower than general enlistees given that the SFDRS trainees are, in the main, more physically developed. This is the case when comparing medical injury rates between SFDRS soldiers (9%) and general enlistees (18%). However, for the first three intakes, SFDRS soldiers had a 'Discharge at Own Request' clause in their contracts, which allowed them to separate from the Army relatively easily in comparison to general enlistees, if they wished to exercise this option. This clause has been removed for the fourth intake.
- d) Of the 21 personnel that have left the scheme from the first intake, 15 soldiers elected to take discharge at their own request and have returned to civilian life. One soldier was deemed not suitable to be a soldier. Two have elected to transfer to other corps within the Army and two have transferred to other infantry battalions not in the Special Forces.. One soldier has been medically discharged.
- e) Training has not differed for the second intake, as all training is conducted in accordance with an officially endorsed training management package, which was developed through an extensive training needs analysis and evaluation.
- f) The following summarises the attrition rates for each of the Special Forces Direct Recruitment Scheme intakes as at January 2005:

	Commenced scheme	Completed or continuing in scheme¹	Attrition rate	Reasons for not completing or continuing
Intake 1	48	27	44%	<ul style="list-style-type: none"> • Discharge own request • Corps Transfer • Medically Discharged • Re-training Requirements • Temporary Medical Withdrawals • Deemed unsuitable to be a soldier
Intake 2	48	29	40%	<ul style="list-style-type: none"> • Temporary Medical Withdrawals • Retraining Requirements

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Intake 3	45	24	53%	<ul style="list-style-type: none"> • Discharge own request • Corps Transfer • Medically discharged • Retraining Requirements • Withdrawn at own request • Disciplinary Reasons • Transfer to General Reserve
Intake 4	46	34	26% ²	<ul style="list-style-type: none"> • Below medical standard • Application to resign • Deemed unsuitable to be a soldier • Retraining requirements • Temporary Medical Withdrawals

Notes

1. A number of soldiers, unable to complete the specified training in accordance with the programmed training schedule due to medical or training reasons, will continue in the scheme and will complete their training with later intakes. This figure includes those individuals.
 2. As at 21 January 2005. Intake 4 is not scheduled to complete training until April 2005.
- g) The Army takes very seriously its responsibilities for the safety and welfare of trainees. Risk analysis is formally conducted for each key training activity. Soldiers are directly supervised on all training activities and undergo formal weekly counselling on performance, or any other issue trainees wish to raise. Trainees have ready access to comprehensive medical and rehabilitation programs. Injured soldiers may have their training suspended for a time if their injury is likely to prevent them from undertaking further training without exacerbating the injury. Rehabilitation is designed to ensure that injured soldiers have an opportunity to recover from injury before returning to training. Additionally, the 12-week Rifleman course has two 'rest and refit' weeks embedded in the program, which affords time for physical and mental recuperation.
- h) No, the recruit training phase at Kapooka is exactly the same.
- i) No.
- j) During training at Kapooka, all SFDRS platoons were, and are, commanded by a commissioned officer. At Singleton, the first SFDRS platoon to undertake infantry training was commanded by a senior non-commissioned officer. For the second and third SFDRS platoons, a commissioned officer has been in command at all times. Additionally, a Company Commander (Major) supervises each Platoon Commander (Lieutenant).
- k) Defence is not able to devote the considerable time and resources required to provide a response. I am not prepared to authorise the expenditure of resources and effort to provide the information requested.
- l) There has been only one medical discharge from the first SFDRS platoon. Three soldiers have undergone rehabilitation and remain in the scheme. From the second SFDRS platoon, there have been ten injuries with no medical discharges. All of the soldiers from the second platoon are undergoing or have undergone rehabilitation and remain in the scheme. The third SFDRS platoon has sustained six temporary medical withdrawals resulting in only one medical discharge. The other soldiers in the third platoon are in, or have conducted, rehabilitation and remain in the scheme.

QUESTION 18

Abrams Tank

Senator Bishop

- a) What is the largest cargo aircraft currently possessed by the ADF?
- b) Is this particular aircraft capable of loading Abrams tanks into its cargo hold; if so, how many such Abrams tanks can it so carry?
- c) Is the aircraft able to takeoff, land and otherwise operate normally with this number of Abrams tanks; if not, what is the maximum number of Abrams tanks that can so be carried?
- d) What is the maximum range of an aircraft so loaded from takeoff, with no amendment for wind or other weather interference?
- e) Are any other aircraft currently possessed by the ADF similarly capable of transporting one or more Abrams tanks; if so, which aircraft?
- f) What is the maximum range of any such aircraft loaded to their capacity with Abrams tanks?

RESPONSE

- a) C-130J Hercules aircraft.
- b) No.
- c) Not applicable.
- d) Not applicable
- e) No.
- f) Not applicable.

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

QUESTION 19

F-111 aircraft

Senator Bishop

- a) How many F-111 strike aircraft did the DOD possess on 1 July 1998?
- b) How much did the DOD spend on maintenance of the F-111 in the financial year ending 1 July 1998?
- c) How many F-111 strike aircraft did the DOD possess on 1 July 2004?
- d) How much did the DOD spend on maintenance of the F-111 in the financial year ending 1 July 2004?
- e) Has the DOD reduced expenditure on maintenance of the F-111 in accordance with any policy; if so, what are the details of any such policy?
- f) Does the DOD have in place any policy to monitor the long-term planned maintenance of its F-111 fleet; if so, how far into the future does any such policy apply?
- g) How often are the results or outcomes of any such policy reviewed?
- h) How many accidents involving RAAF F-111 strike aircraft arising from mechanical failure of that F-111 have occurred in total?
- i) Of these, how many occurred prior to the year 2000?

- j) Has the DOD ever commissioned a report, or otherwise investigated the reliability of the F-111; if so, what was the outcome of any such report or investigation?

RESPONSE

- a) Defence possessed 17 F-111C and four RF-111C strike aircraft on 1 July 1998. Defence also possessed eight F-111G aircraft for use primarily in the training role and a further seven F-111Gs in storage as attrition spares.
- b) Logistic support expenses in 1997-98 were \$48m. However, this does not include the costs of approximately 700 Defence staff who performed aircraft deeper maintenance and logistics and engineering support before the work was outsourced. This personnel cost was around \$61m.
- c) This information is reported under Output 4.1 'Capability for Air Combat Operations' (pp. 147-48) of the *Defence Annual Report 2003-04*.
- d) Defence Materiel Organisation logistic support expenses in 2003-04 were \$108m.
- e) There is no policy that mandates arbitrary reductions in F-111 maintenance expenditure.
- f) F-111 fleet maintenance is performed in accordance with the ADF Aviation Maintenance Manual and the F-111 Technical Maintenance Plan. Planning for these processes is based on the 10-year period of the current Defence Management and Finance Plan.
- g) Maintenance requirements are continually reviewed and amended as required to ensure the aircraft continue to operate safely.
- h) The F-111 fleet has experienced six accidents, defined as extensive aircraft damage requiring long-term repair or the aircraft to be 'written-off', resulting from aircraft mechanical failure.
- i) Five of the six F-111 accidents occurred prior to the year 2000.
- j) Defence has commissioned a number of reports and investigations to review the reliability of the F-111. Generally, the outcomes of these reports provide information for improving F-111 operating and maintenance processes and procedures.

QUESTION 20

Deseal/Reseal F-111 fuel tanks

Senator Bishop

- a) Is the DOD aware of any proposed cabinet submissions regarding a compensation scheme for workers employed by the ADF to deseal and reseal fuel tanks of F-111 aircraft; if so, when is it expected that any such submission shall be submitted?
- b) Has the DOD investigated the magnitude of its liability regarding any such compensation scheme; if so, what were the results of any such investigation?
- c) Has the DOD investigated why any relevant OH&S policy failed to prevent these incidents; if so, what were the results of any such investigation?

RESPONSE

- a) On 20 December 2004, the Government announced an offer of a lump sum benefit to those who have suffered exposure. It is proposed that the benefit does not distinguish between military, public servants or civilians. The lump sum benefit will be in addition to the rights of individuals under the various State and Commonwealth compensation schemes. The Government will also make funds available to the Department of Veterans' Affairs to provide a cancer, health screening and disease prevention program.

- b) This question is subject to Cabinet confidentiality.
- c) The Chief of Air Force convened a Board of Inquiry in July 2000 to consider the chemical exposure of Air Force maintenance staff. The Board reported in July 2001 and made 52 recommendations, which were accepted and have been acted upon.

QUESTION 21

Joint Strike Fighter aircraft

Senator Bartlett

In relation to the Government plan to buy Joint Strike Fighter jets from the United States:

- a) what is the current total expenditure on the project?
- b) what is the expenditure on the design phase of the project?
- c) how many aircraft will be purchased by the Australian Government?
- d) what is the due date for delivery?

RESPONSE

- a) The total expenditure incurred by the project to date is approximately A\$105m (December 2004 prices).
- b) The current United States Government estimate for the entire system development and demonstration phase of this program is US\$40.5billion, of which the Australian Government contribution is US\$150m. To date, payments totaling A\$91.9m (December 2004 prices) have been made. The definition, analysis and risk mitigation phase of the New Air Combat Capability project, which supports Australian project office activities, accounts for a further A\$13.2m (December 2004 prices) of expenditure to date.
- c) Baseline planning is for the purchase of up to 100 aircraft. Exact numbers will not be determined until after final analysis of more mature cost and capability data, which may not take place until around 2006.
- d) The planned delivery date for the first aircraft is 2012. Depending on the progression of the program and Government approvals, it is envisaged that the total delivery will span approximately seven years.

QUESTION 22

DOD support of the F-35

Senator Bishop

- a) Has the DOD ever commissioned or otherwise requested any report into the suitability of the F-35 as a part of the RAAF; if so, when was any such request or report made?
- b) Was any such report ever requested from or made by the Australian Strategic Policy Institute; if so, when was any such report made?
- c) Has the DOD ever reimbursed or otherwise paid for any such report; if so, i) has the DOD at any time ever reimbursed or otherwise paid the Australian Strategic Policy Institute or any of its subsidiaries for any such report, and (ii) what was the magnitude of any such reimbursement?
- d) Was any such reimbursement reported in the 2003-04 Annual Report?

RESPONSE

- a) Defence has not commissioned any external organisation to develop a report into the suitability of the F-35 as part of the RAAF.
- b) to d) Defence has not requested the Australian Strategic Policy Institute (ASPI) to generate a report into the suitability of the F-35 as part of the RAAF. ASPI independently released a publication called '*A Big Deal: Australia's Future Air Combat Capability*' on 24 February 2004. Separately, the Air Force prepared a report '*Is the JSF Good Enough? Can Australia's air combat requirements be met by the JSF or do we need the F/A-22?*' which was published by ASPI in August 2004. ASPI was not commissioned to prepare the report and was not paid to publish it.

QUESTION 23

Incurred and anticipated problems with the F-35

Senator Bishop

- a) Has the DOD discussed with Lockheed-Martin, the American Defence Force or any other body at any time the problems that have been incurred by the F-35 project to date; if so, with which bodies did any such discussion occur?
- b) What were the details of any problems with the F-35 project that were so discussed?
- c) Has the DOD discussed with Lockheed-Martin, the American Defence Force or any other body at any time the problems that may be incurred by the F-35 project before its anticipated completion; if so, with which bodies did any such discussion occur?
- d) What were the details of any problems with the F-35 project that were so discussed?
- e) Has the DOD commissioned or otherwise requested any investigation into anticipated problems that may be incurred with the F-35; if so, (i) when was any such request or investigation made, and (ii) what were the outcomes of any such investigation or request?
- f) I refer you to estimations by Lockheed-Martin that the F-35 project will be completed 18 months late, as reported in the Sydney Morning Herald on 17/11/2004 in an article entitled "Defence hole appears as new fighter lags behind". What is the estimated completion date for the F-35 project?
- g) If that date differs from the estimated completion date given by Lockheed-Martin, are there any reasons for any such discrepancy?

RESPONSE

- a) As a partner in the System Development and Demonstration phase of the Joint Strike Fighter (JSF) project, Australia has been fully informed of project developments through its representation in the JSF Project Office in the United States and its attendance at a range of design review meetings.
- b) To date, much of the JSF project is progressing very well, including the propulsion system, the vehicle systems and the mission systems. The major problem to date has been associated with excessive weight of the short take-off and vertical landing variant. At the 14 October 2004 United States Defense Acquisition Board review of the project, however, board members agreed that the Short Take-Off and Vertical Landing weight issues had been effectively resolved and they had high confidence in the viability of all JSF aircraft.

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- c) As a partner in the System Development and Demonstration phase of the JSF project, Australian representatives take part in a wide range of project meetings and reviews, including the:
- Operational Advisory Group;
 - Senior Warfighters Group;
 - Autonomic Logistics Advisory Council;
 - Configuration Steering Board;
 - Service Acquisition Executive;
 - Chief Executive Officer Conference; and
 - JSF Executive Committee.
- d) To date, the major technical issues associated with the JSF project have been excessive weight, primarily associated with the Short Take-Off and Vertical Landing variant.
- e) Ongoing technical risk assessment is an inherent part of JSF project management, both within the prime contractor, Lockheed Martin, and the JSF Project Office. The Defence Science and Technology Organisation is also conducting an independent technical risk assessment to inform Defence's acquisition decision.
- i) Due to particular concerns identified with JSF weight, an independent review team was called in by the JSF Program Office in April 2004 to examine project technical issues. The results of the review were delivered to the Defense Acquisition Board on 17 June and 14 October 2004.
- ii) The results of the independent design review confirmed the issues associated with excessive weight of the Short Take-Off and Vertical Landing variant and the recommendations were taken into account when resolving the weight issue. The 14 October 2004 Defense Acquisition Board review compared the results of the Independent Design Review report with progress on resolving the weight issues and, as identified in (b) above, concluded that weight issues had been addressed effectively.
- f) The overall JSF project will continue for 40 years or more beyond the completion of the System Development and Demonstration phase, noting that the United States Air Force plans to continue acquiring aircraft as late as 2029.
- g) The completion date for the JSF project will depend on a range of factors, including the number of aircraft purchased worldwide. There is therefore no formal completion date for the project.

QUESTION 24

Cost of the F-35

Senator Bishop

- a) What is the total projected cost of the F-35 per aircraft?
- b) Does this total include training or other user-orientated services; if not, what is the total projected cost of the F-35 per aircraft including these additional costs?
- c) Is this costing-model premised upon any assumption as to the time of purchase, whether the DOD is a tier-two or tier-three investor, or any other similar matters; if so, what are those assumptions?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- d) What is the total projected cost of the F-35 per aircraft if any such assumptions are not made?

RESPONSE

- a) The average Unit Recurring Flyaway cost per aircraft, quoted by the United States for procurement of the conventional take-off and landing variant of the Joint Strike Fighter (JSF), is approximately US\$45m (2002 prices).
- b) The unit cost per aircraft does not take into account the costs for training or other user-oriented services. The total project cost for Australia's New Air Combat Capability project will include elements such as the cost of training, facilities, spares, integration and support systems. The total project cost will be determined during the current phase of project analysis and the results will be presented to Government as part of the approval process.
- c) The two underlying modelling assumptions that materially affect the average cost of the aircraft for Australia are the date of delivery and any payment to the United States for recoupment of development costs. Australia is a Level 3 partner in the System Development and Demonstration phase of the JSF project. During negotiations associated with the Production, Sustainment and Follow-on Development Memorandum of Understanding that will cover acquisition, support and future development of the aircraft, Defence will be negotiating to waive all development costs.
- d) It is not possible to determine the cost of the aircraft without taking these factors into account. As identified in the response to Question 23, detailed costs will be determined prior to any Government decision to acquire the JSF aircraft.

QUESTION 25

Alternatives to the F-35

Senator Bishop

- a) With reference to a comment made by Air Marshal Houston that "the F/A-22 might do important parts of the job better" than the F-35, as reported in the Canberra Times on 19/8/2004 in an article entitled "Air force looks to replace old fleet", what strategic and military advantages does the F/A-22 possess over the F-35?
- b) What is the estimate total cost of the F/A-22 per fighter?
- c) Does this cost include training or other user-orientated services; if not, what is the total projected cost of the F/A-22 per aircraft including these additional costs?
- d) If so, what is the total projected cost of the F/A-22 per aircraft excluding these additional costs?
- e) Has the DOD commissioned, requested or undertaken any investigation into the superiority of the F/A-22 over the F-35 in aerial dogfights or other within-sight combat; if so, what was the result of any such investigation?
- f) Has the DOD commissioned, requested or undertaken any investigation into the style of air-combat that will most likely be incurred within Australia's region – that is to say, whether such encounters are more likely to be long-ranged or close-ranged; if so, what was the result of any such investigation?
- g) Has the DOD commissioned, requested or undertaken any investigation into the comparative abilities of the F/A-18 and the Sukhoi; if so, what was the result of any such investigation?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- h) Does the DOD intend to upgrade the capabilities or services supporting the F/A-18 within the next decade; if so, what is the projected cost of any such projects?
- i) With reference to the recent decision of the DOD to purchase \$450 million of missiles for the F-111, is it true that only one of the three missile-types being purchased has actually been successfully tested on an F-111; if so, what are the capabilities of that missile?
- j) When shall the DOD be in a position to know whether the other two missile types are compatible with the F-111?
- k) Has the DOD commissioned, requested or undertaken any investigation into the possibility of the DOD leasing fighter jets for use within the RAAF within the next decade; if so,
 - i) has any such investigation been made in relation to such leased fighter jets assuming any roles previously filled by F-111 strike aircraft,
 - ii) what aircraft had the DOD considered leasing, and
 - iii) what is the estimated cost of such a lease?
- l) Are there any circumstances in which the RAAF could not deploy any such aircraft; if so, what are those circumstances?

RESPONSE

- a) Refer to the publication '*Is the JSF Good Enough?*' by Air Marshal Angus Houston, published by the Australian Strategic Policy Institute in August 2004 for a discussion of these issues.
- b) The current average Unit Recurring Flyaway (URF) cost of an F/A-22 aircraft is reported to be approximately US\$145m per aircraft.
- c) The cost in b) above does not include additional costs for procuring the F/A-22 aircraft, such as training, facilities, spares and support.
- d) The current estimated average URF cost for the Conventional Take-Off and Landing (CTOL) F-35 is approximately US\$45m per aircraft.
- e) See answer to question a).
- f) These matters are the subject of constant assessment by the Air Force. The outcome of specific capability comparisons are classified, however various studies have indicated that within visual range encounters are likely to result in mutual destruction of both combatants.
- g) Defence has commissioned a number of studies concerning the capability of the F/A-18 compared to Sukhoi variants and Defence remains satisfied that, once the F/A-18 upgrades are complete, the ADF will retain a highly credible air combat system that will maintain a qualitative edge within our region.
- h) See Senate Question on Notice No 1665.
- i) and j) Defence is not purchasing additional weapons for the F-111. The recent Project AIR 5418 Follow-On Stand-Off weapons announcement was for purchase of weapons for AP-3C and F/A-18 aircraft.
- k) and l) There are no credible lease options available for the acquisition of suitable fighter aircraft to meet Australian requirements.

QUESTION 26

Jobs generated by participation in the F-35 program

Senator Bishop

- a) How many contracts arising under the F-35 program have been awarded to Australian companies?
- b) What percentage of the total number of contracts does this form?
- c) These contracts are responsible for what percentage of the total project cost?

RESPONSE

- a) Seventeen Australian companies have so far won work from Lockheed Martin, its Joint Strike Fighter partners and their suppliers. This covers work awarded through 24 contracts or purchase orders during the present System Development and Demonstration Phase. A further two promises of work in the form of memoranda of agreement/understanding have been signed to cover work in the future Low Rate Initial Production Phase of the F-35.
- b) The total number of contracts or purchase orders awarded under the United States Joint Strike Fighter Program by Lockheed Martin, its Joint Strike Fighter partners and their suppliers is unknown.
- c) A United States General Accounting Office report in May 2004 found that, up until the end of 2003, 73.9 per cent of System Development and Demonstration contracts had been awarded to United States companies, 25.8 per cent to the eight partner countries (including Australia), and 0.3 per cent to non-partner countries.

Business processes

QUESTION 27

Procurement guidelines and training

Senator Murray

- a) When did the Department last update its procurement policy documentation?
- b) What mechanisms does the Department have in place to ensure its procurement guidelines reflect current policy in relation to government contracting?
- c) Do the Department's current procurement guidelines refer to all of the following accountability mechanisms: i) the Senate Order for Departmental and Agency Contracts; ii) the Department of Finance and Administration's (DoFA) February 2003 *Guidance on Confidentiality of Contractors' Commercial Information*; and iii) the Commonwealth Procurement Guidelines (CPGs)?
- d) Do the Department's tender documentation and contract templates include the following elements:
 - i) a statement outlining the various Commonwealth accountability requirements;
 - ii) a consistent definition of confidential information across all templates;
 - iii) a provision for the inclusion of specific reasons justifying why a tenderer may wish to protect certain information in the contract if it is awarded;

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from Department of Defence

- iv) a section that outlines the obligations of confidentiality after the contract has been awarded;
 - v) a more detailed outline, with the general non-disclosure clauses, of the exceptions to confidentiality obligations for Commonwealth contracts; and
 - vi) the model contract clauses, given in DoFA's February 2003 Guidance on Confidentiality of Contractor's Commercial Information?
- e) At page 51 of ANAO Audit Report No.10 2004–2005, *The Senate Order for Departmental and Agency Contracts (Calendar Year 2003 Compliance)*, the ANAO has concluded that all FMA agencies would benefit from implementation of contract training courses, or a review of current courses, to ensure that the Senate Order requirements are adequately covered and that procurement staff receive relevant DoFA guidance. What training does the Department currently have in place for procurement staff?
- f) Does this training cover the requirements of the Senate Order for Departmental and Agency Contracts and refer to DoFA's February 2003 *Guidance on Confidentiality of Contractor's Commercial Information*?

RESPONSE

- a) Defence procurement policy is documented in the *Defence Procurement Policy Manual*, which is updated as required – usually every two months. The last published update of the *Defence Procurement Policy Manual, Version 5 Update 5.5*, occurred in December 2004.
- b) The *Defence Procurement Policy Manual* unit maintains a list of subject matter experts who are regularly contacted to update the manual's contents to ensure that policy is kept current. In addition, Contracting Policy staff actively participate in various inter-departmental, departmental and industry fora, including the Commonwealth Procurement Discussion Forum (chaired by the Department of Finance and Administration), the Contracting Consultative Forum, which includes representatives from Defence and industry, and the Defence Contracting Network.
- c) Yes.
- i) The Senate Order for Departmental and Agency Contracts is addressed in Chapter 3.11 of Version 5 of the *Defence Procurement Policy Manual*.
 - ii) The Department of Finance and Administration's February 2003 Guidance on Confidentiality of Contractors' Commercial Information is addressed in Chapter 3.11 of Version 5 of the *Defence Procurement Policy Manual*.
 - iii) The Commonwealth Procurement Guidelines are referenced throughout the *Defence Procurement Policy Manual*. Chapter 1.2 of the Manual provides specific information on the Commonwealth Procurement Guidelines. The guidelines are also referenced in Defence's *Chief Executive's Instructions*.
- d) The Department's tender documentation and contract templates include the following elements:
- i) Yes, Defence's Australian Defence Contracting (ASDEFCON) series of contracting templates include a statement that refers to the Commonwealth's legislative and administrative accountability and transparency requirements, such as disclosures to the Parliament and its committees, and make acknowledgment of such requirements a condition of tender. The templates also allow disclosure of commercial-in-confidence information by the Commonwealth during contract where this is required by law or statutory or portfolio duties.

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- ii) Yes, the Department uses the term 'Commercial-in-Confidence Information' in all ASDEFCON templates to refer to confidential information. The ASDEFCON templates all contain a consistent definition of 'Commercial-in-Confidence Information'.
- iii) Yes, ASDEFCON templates require tenderers to provide specific reasons why a tenderer may wish to protect certain information in a resultant contract. Tenderers are required to use one of the six specified reasons for confidentiality recognised by Defence.
- iv) Yes, the ASDEFCON templates contain a contractual provision that outlines the obligations of confidentiality after the contract has been awarded.
- v) The ASDEFCON templates contain two specific exceptions to the general confidentiality obligations. Information may be released:
 - (a) where disclosure of the information is required by law or statutory or portfolio duties; or
 - (b) to the extent that the Commonwealth would be prevented from exercising its intellectual property rights under the contract.
- vi) The ASDEFCON templates contain clauses that satisfy the intent of the model clauses. The conditions of tender in the ASDEFCON templates contain provisions that:
 - require the Commonwealth to protect the confidentiality of the tender documentation;
 - highlight the Commonwealth's legislative and administrative accountability and transparency requirements, such as disclosures to the Parliament and its committees;
 - refer tenderers to a clear definition of what will be considered as Commercial-in-Confidence Information under any resultant contract;
 - refer tenderers to contract gazettal policy;
 - require tenderers to provide a list of all contract provisions under a resultant contract considered to be Commercial-in-Confidence Information, and the reason the provision is considered to be Commercial-in-Confidence Information, and provide additional justification as to why the reason applies. It should be noted that whether the provisions proposed by the tenderers will indeed be categorised as Commercial-in-Confidence Information is a matter for Commonwealth agreement; and
 - include draft contract provisions that will govern how Commercial-in-Confidence Information will be treated under any resultant contract.
- e) The Department currently provides face-to-face training for procurement staff in simple procurement and complex procurement competencies. In November 2004, the courses were revised to accord with the new Public Sector Training Package PSP04. The new courses are expected to commence in mid-2005. Additionally, e-learning courses in simple procurement and in the use of the Defence Purchasing Card commenced in late 2004. Simple and complex procurement training is also available by distance learning to personnel in regional areas who do not have the ability to attend face to face courses.
- f) The Senate Order for Departmental and Agency Contracts and the Department of Finance and Administration's *Guidance on Confidentiality of Contractors' Commercial Information* are explicitly addressed in the training material for the complex procurement

competency. This guidance is not discussed in simple procurement and Defence Purchasing Card training that relates to the purchase of standard services or 'commercial-off-the-shelf' items that do not require procurement development. In February and March 2003, Defence Materiel Organisation staff conducted a series of presentations to Defence staff on the Senate Order. In July and August 2003, the Defence Materiel Organisation conducted a Defence-wide series of training sessions for procurement staff that specifically addressed the Department of Finance and Administration's guidance on confidentiality of contractors' commercial information.

QUESTION 28

Break-ins on Defence property

Senator Ludwig

How many break-ins were there on Departmental property in 2000-01, 2001-02, 2002-03, 2003-04? For each incident:

- a) What was the location and the cost of damage associated with each break in?
- b) What was the cost of damage conducted during each break in?
- c) What was the subject of theft in each break in?
- d) What was the cost of any theft associated with each break in?
- e) Was anyone charged with the break in (specify if they were employed by the Department)?
- f) Was anyone convicted of the break in (specify if they were employed by the Department)?

RESPONSE

The Defence Security Authority and the Services' security and policing areas currently record all investigation reports relating to incidents referred to them in the Defence Policing and Security Management System (DPSMS). Defence is planning to expand the functionality of the system to record all security incidents (rather than only those referred to investigation authorities) and those changes should be implemented in 2005. This should provide a more comprehensive record of break-ins and thefts than the current processes allow. The number of break-ins captured by the system in each of the following years includes:

- | | |
|------------|----|
| a) 2000-01 | 48 |
| b) 2001-02 | 51 |
| c) 2002-03 | 47 |
| d) 2003-04 | 59 |

Details of the break-ins, as sought by parts (a) to (f) of this question, are provided in the tables at Attachment A, noting that personal property was also the subject of a number of these thefts.

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

2000-2001

a. Location	b. Cost of damage associated with break-in	c. Subject of each break-in (ie. items stolen)	d. Cost of the theft (ie. items stolen)	e. Was any person charged? If so, employed by Defence?	f. Was any person convicted? If so, employed by Defence?
Kingston, ACT	Nil	Laptop computer	Unknown	No	No
Duntroon, ACT	\$250	CDs and tapes, Sunglasses	\$300	No	No
Moorebank, NSW	Unknown	Belt sander, cleaner, battery charger, wheelbarrow	\$1,189	No	No
Moorebank, NSW	\$570	Cash and tin	Unknown	No	No
Moorebank, NSW	Unknown	Vehicle	\$71,720	No	No
Holsworthy Barracks, NSW	Unknown	No items stolen	Nil	No	No
Penrith Training Depot, NSW	\$100	No items stolen	Nil	No	No
Penrith Training Depot, NSW	\$10	No items stolen	Nil	No	No
Moorebank, NSW	Unknown	No items stolen	Nil	No	No
Liverpool, NSW	\$271	Laptop computer	\$3,210	No	No
Bandiana, VIC	Unknown	Fire Extinguisher, 2 x 12V Batteries	Unknown	No	No
Defence Plaza Melbourne, VIC	Nil	Laptop computer	Unknown	No	No
RAAF Point Cook, VIC	Nil	No items stolen	Nil	No	No
Bandiana, VIC	\$1,892	No items stolen	Nil	No	No
Geelong, VIC	\$10	Royal Artillery sword, ornamental brass cannon	\$1,575	No	No
Defence Plaza, VIC	\$200	Printer, fax machine, vacuum cleaner	\$1,700	No	No
Defence Plaza, VIC	\$50	2 VCRs	\$250	No	No
Hobart, TAS	Nil	No items stolen	Nil	No	No
Scottsdale, TAS	Nil	No items stolen	Nil	No	No
Derwent Barracks, TAS	Nil	No items stolen	Nil	No	No
Hobart, TAS	Nil	No items stolen	Nil	No	No
Hobart, TAS	\$159	No items stolen	Nil	No	No
Simpson Barracks, VIC	\$202	Jap Nambu machine gun and tripod	\$1,000	No	No
RAAF Pearce, WA	\$2,000	No items stolen	Nil	No	No
RAAF Pearce, WA	Nil	No items stolen	Nil	No	No
Kangaroo Flats, NT	\$10	Kitchen items	\$234	No	No
Robertson Barracks, NT	Unknown	1 CD	Unknown	Yes. No	No
Robertson Barracks, NT	\$287	No items stolen	Nil	No	No
Robertson Barracks, NT	Unknown	Tools	\$2,873	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Defence Establishment Berrimah, NT	\$146	Alcohol and cash	\$42	No	No
RAAF Darwin, NT	\$100	Tools, CD stereo, 5 CDs, \$10 cash	\$600	No	No
Jezzine Barracks, QLD	\$300	Motorbike	\$5,100	No	No
Lavarack Barracks, QLD	\$400	13 DVDs	\$455	No	No
Porton Barracks, QLD	Unknown	\$726 cash	\$726	No	No
Ross Island, Townsville, QLD	Unknown	Boat	\$350	No	No
Ross Island, Townsville, QLD	\$210	5 caps, \$12.50 cash	\$90	No	No
Oakey, QLD	\$88	No items stolen	Nil	No	No
Defence Corporate Support Centre, Brisbane, QLD	\$116	7 telephones, computer, printer, binoculars, fire extinguisher, electronic stapler, answering machine, other miscellaneous items	\$1,514	No	No
Defence Science and Technology Organisation, Brisbane, QLD	Unknown	Laptop computer, floppy disks, security ID pass	\$4,050	No	No
Brisbane, QLD	Unknown	Laptop computer, printer	\$6,175	No	No
Gallipoli Barracks, Enoggera, QLD	\$2,167	No items stolen	Nil	No	No
Gallipoli Barracks, Enoggera, QLD	\$24	Defence Landcruiser, DPCU shirt, DPCU trousers	\$10,090	No	No
Brisbane, QLD	\$50	11 fire extinguishers, water pump	\$1,911	No	No
Gallipoli Barracks, Enoggera, QLD	Unknown	23 DVDs, Handicam	\$1,960	No	No
Gallipoli Barracks, Enoggera, QLD	Unknown	Laptop computer	\$4,500	No	No
Gallipoli Barracks, Enoggera, QLD	\$780	Leatherman tool	\$110	No	No
Brisbane, QLD	\$340	2 water pumps	\$929	No	No
Gallipoli Barracks, Enoggera, QLD	Unknown	Television, VCR	\$1,800	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

2001-2002

a. Location	b. Cost of damage associated with break-in	c. Subject of each break-in (items stolen)	d. Cost of the theft (ie. items stolen)	e. Was any person charged? If so, employed by Defence?	f. Was any person convicted? If so, employed by Defence?
Canberra, ACT	Nil	Privately-owned 1997 Hyundai Excel Sprint	\$15,000	No	No
Liverpool, NSW	Nil	Coin tray containing money, pool balls	\$230	No	No
RAAF Base Richmond, NSW	Unknown	Social club money	Unknown	No	No
RAAF Base Williamstown, NSW	\$1,000	No items stolen	Nil	No	No
RAAF Base Williamstown, NSW	Unknown	No items stolen	Nil	No	No
RAAF Base, Wagga, NSW	\$300	Stock belonging to Frontline	Unknown	No	No
HMAS Waterhen, NSW	Unknown	Privately-owned motor vehicle	Unknown	No	No
HMAS Waterhen, NSW	Unknown	No items stolen	Nil	No	No
HMAS Kuttabul, NSW	Nil	Personal sports bag containing clothes and personal effects	\$374	No	No
Singleton, NSW	\$1,735	B-class safe, television, stereo and accessories	\$1,558	No	No
Singleton, NSW	\$269	Commander-model telephone	\$30	No	No
Singleton, NSW	\$561	Quantity of food supplies	\$344	No	No
Fishermans Bend (DSTO), VIC	Nil	No items stolen	Nil	No	No
Bandiana, VIC	Nil	Electrical equipment	\$2,400	No	No
Bandiana, VIC	Nil	Sony CD player, 6 CDs	\$480	No	No
Bandiana, VIC	Nil	2 car stereos	\$999	No	No
Bandiana, VIC	Nil	Quantity of car stereos	\$4,100	No	No
Victoria Barracks, Melbourne, VIC	\$110	Laptop computer, carry bag, PS2 mouse, charger, Bubble Jet printer, carry bag, cable and adapter	\$5,000	No	No
Puckapunyal, VIC	\$130	5 Army blankets	\$25	No	No
Keswick Barracks, Adelaide, SA	\$273	2 bum packs, medical supplies, mobile phone	\$108	No	No
Elizabeth Training Depot, SA	\$240	Fire extinguisher, tools, key	\$75	No	No
Warradale Barracks, SA	\$300	No items stolen	Nil	No	No
Adelaide, SA	Nil	No items stolen	Nil	Yes. No.	The matter has yet to be heard.
Elizabeth Training Depot, SA	\$300	No items stolen	Nil	No	No
RAAF Base Pearce, WA	Unknown	\$5 cash	\$5	No	No
RAAF Base Peace, WA	\$4,000	3 Ness B&W internal security video cameras, 1 philips-head screwdriver, 1 spanner, 1 hammer	\$827	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Irwin Barracks, WA	\$250	Set of master keys	\$324	Yes. No.	Yes. No.
Defence Community Organisation Perth, WA	\$700	Scanner	\$100	No	No
RAAF Base Darwin, NT	Unknown	Small toolbox containing crimpers	Unknown	No	No
Robertson Barracks, NT	\$200	\$600 cash	\$600	No	No
Robertson Barracks, NT	\$691	Quantity of military and personal equipment	\$44,788	Yes. No.	Yes. No.
Frontline, Darwin, NT	Nil	3 packets of chips	\$4.20	No	No
Joint Logistics Facility – Banyo, QLD	\$250	No items stolen	Nil	No	No
Joint Logistics Facility – Banyo, QLD	Unknown	Hot water system	\$1,000	No	No
RAAF Base Amberley, QLD	Nil	No items stolen	Nil	No	No
Townsville, QLD	\$15,678	Workshop items including soldering equipment, spanners, screwdrivers, pliers and first-aid equipment	\$2,080	No	No
Victoria Barracks, Brisbane, QLD	\$31	No items stolen	Nil	No	No
Victoria Barracks, Brisbane, QLD	Nil	Video parlour games	\$10	No	No
Gallipoli Barracks, Enoggera, QLD	Nil	Car stereo components, quantity of CDs	\$1,300	No	No
Victoria Barracks, Brisbane, QLD	Nil	2 Steyr pouches, patrol pack, 2 water bottles and covers, 2 canteen cups, web and pad belt, webbing suspender, fishing gear, shoes, 3 Hug banners, camming devices	\$896	No	No
Gallipoli Barracks, Enoggera, QLD	\$16	No items stolen	Nil	No	No
Gallipoli Barracks, Enoggera, QLD	\$686	Laptop computer	\$4,000	No	No
Victoria Barracks, Brisbane, QLD	\$390	Plumbing materials	\$6,018	No	No
Gallipoli Barracks, Enoggera, QLD	\$5,864	Over-the-counter medication, mountain bike	\$2,065	No	No
Oakey, QLD	\$826	Drawer and basket set	\$332	No	No
Townsville, QLD	\$160	25 red fluro lights, 150 soft drinks	\$125	No	No
Lavarack Barracks, Townsville, QLD	\$3	DP-1 equipment	\$1,034	No	No
Lavarack Barracks, Townsville, QLD	Nil	Video cassette, coffee plunger, sunglasses	\$15	No	No
Townsville, QLD	\$10	9 bottles Gatorade	\$24	No	No
Townsville, QLD	\$340	2 solar panels	\$2,660	No	No
Gallipoli Barracks, Enoggera, QLD	\$30	Laptop computer	\$3,913	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

2002-2003

a. Location	b. Cost of damage associated with break-in	c. Subject of each break-in (ie. Items stolen)	d. Cost of the theft (ie. Items stolen)	e. Was any person charged? If so, employed by Defence?	f. Was any person convicted? If so, employed by Defence?
Tuggeranong Churches Centre, ACT	Nil	Telephone	\$149	No	No
RAAF Fairbairn, ACT	\$250	Briefcase, telephone	\$254	No	No
HMAS Creswell, ACT	Unknown	No items stolen	Nil	No	No
ADFA, Campbell, ACT	\$694	No items stolen	Nil	No	No
Duntroon, ACT	Unknown	Bunker rake, blower, chainsaw, brushcutter, mig welder, angle grinder, pressure cleaner, air gun, hammer drill, drill set	\$22,862	No	No
Duntroon, ACT	\$500	Privately-owned VL Holden Commodore	\$3,000	No	No
Duntroon, ACT	\$170	\$200 cash	\$200	No	No
Goulburn Reserve Depot, NSW	\$275	No items stolen	Nil	No	No
Adamstown, NSW	Unknown	Chainsaw, power tools, power lifting jack	\$3,856	No	No
HMAS Kuttabul, NSW	\$315	Security bar	Nil	No	No
Holsworthy, NSW	Unknown	Laptop computer and case	\$3,800	No	No
Wollongong, NSW	Unknown	Quantity of food and alcohol, DVD player, CD stereo system	\$975	No	No
Manly, NSW	Unknown	2 laptop computers, digital camera	\$8,000	No	No
Wollongong, NSW	\$8,200	6 torches, quantity of batteries, trailer wheel, set of thermal underwear, 5.56 blank ammunition	Unknown	No	No
Bandiana, VIC	\$600	No items stolen	Nil	No	No
RAAF Williams, VIC	Nil	Personal effects	Unknown	No	No
Joint Logistics Facility, Wadsworth Barracks, Bandiana, VIC	Nil	No items stolen	Nil	No	No
Joint Logistics Facility, Fort Direction, TAS	Nil	Quantity of tools	Unknown	No	No
Joint Logistics Facility, Hobart, TAS	Nil	No items stolen	Nil	No	No
Smithfield, SA	Unknown	\$200 cash	\$200	No	No
Hampstead Barracks, SA	\$850	Chocolate bars, PA system	\$555	No	No
Karratha, WA	\$1,497	Landrover motor vehicle	\$50,128	No	No
Irwin Barracks, WA	\$500	4 computer monitors, 2 printers, cordless phone, microwave oven	\$816	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

RAAF Base Pearce, WA	Unknown	Fridge	Unknown	No	No
Darwin, NT	Unknown	No items stolen	Nil	No	No
Joint Logistics Facility, Meeandah, QLD	Nil	Removal of cassette/radio from Defence Landcruiser	\$340	No	No
Joint Logistics Facility, Bulimba, QLD	\$300	No items stolen	Nil	No	No
Joint Logistics Facility, Bulimba, QLD	\$300	No items stolen	Nil	No	No
Joint Logistics Facility, Bulimba, QLD	\$300	No items stolen	Nil	No	No
Victoria Barracks, Brisbane, QLD	Unknown	2 laptop computers	Unknown	No	No
Defence Community Organisation Facility, Cairns, QLD	Unknown; broken window	No items stolen	Nil	No	No
Defence Community Organisation Facility, Cairns, QLD	\$20	No items stolen	Nil	No	No
Porton Barracks, QLD	\$300	44-gallon drum of unleaded petrol	\$250	No	No
Thursday Island, QLD	\$310	44-gallon Drum - POL	\$30	No	No
Toowoomba, QLD	Unknown	\$135 cash	\$135	No	No
Cabarlah, QLD	Unknown	\$8,181 cash	\$8,181	No	No
Cabarlah, QLD	Unknown	Food and alcohol	\$324	No	No
Gallipoli Barracks, Enoggera, QLD	Unknown	No items stolen	Nil	No	No
Bundaberg, QLD	\$182	Cash	Unknown	Yes	Yes
Gallipoli Barracks, Enoggera, QLD	\$578	Service property	\$3,480	No	No
Gallipoli Barracks, Enoggera, QLD	\$262	3 desk telephones	\$154	No	No
Lavarack Barracks, Townsville, QLD	\$264	2 amplifiers, 3 sub-woofers, tachometer	\$2,591	No	No
Townsville, QLD	\$589	Mobile phone, digital camera, radio, tool bag	\$2,988	No	No
Jezzine Barracks, Townsville, QLD	Unknown	No items stolen	Nil	No	No
Lavarack Barracks, Townsville, QLD	Unknown	Car stereo, 50 CDs	\$2,200	No	No
Lavarack Barracks, Townsville, QLD	\$165	No items stolen	Nil	No	No
Lavarack Barracks, Townsville, QLD	\$100	No items stolen	Nil	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

2003-2004

a. Location	b. Cost of damage associated with break-in	c. Subject of each break-in (ie. Items stolen)	d. Cost of the theft (ie. Items stolen)	e. Was any person charged? If so, employed by Defence?	f. Was any person convicted? If so, employed by Defence?
Northbourne House, ACT	Nil	10 laptop computers	\$23,808	No	No
Napier Close Deakin, ACT	Nil	Laptop computer	\$2,600	No	No
Canberra, ACT	\$400	No items stolen	Nil	No	No
Duntroon, ACT	\$50	Car CD player, 50 CDs	\$1,900	No	No
Duntroon, ACT	\$143	CD player, 39 CDs	\$2,270	No	No
Duntroon, ACT	\$240	Stereo	\$600	No	No
Duntroon, ACT	Unknown	\$66 cash	\$66	No	No
Duntroon, ACT	\$180	Light projector	\$13,755	No	No
Duntroon, ACT	Unknown	\$2,165 cash	\$2,165	No	No
Holsworthy Barracks, NSW	Unknown	3 fans, computer	Unknown	No	No
Wollongong, NSW	Unknown	Sports bag containing personal property	\$2,085	No	No
Holsworthy Barracks, NSW	Unknown	XBOX console, controls and games	\$630	No	No
Liverpool, NSW	Unknown	Golf clubs, cash register, \$362	\$6,264	No	No
Puckapunyal, VIC	Unknown	Flat screen TV	\$2,200	No	No
Puckapunyal, VIC	Unknown	Television, VCR, DVD player, electrical leads	\$670	Yes. Yes.	No
Puckapunyal, VIC	Unknown	Television	\$400	Yes. Yes	No
Ringwood East Depot, VIC	Unknown	Fire extinguisher	\$119	No	No
Victoria Barracks, Melbourne, VIC	Unknown	Computer equipment	\$22,761	No	No
Watsonia, VIC	Nil	No items stolen	Nil	No	No
Army Base, Puckapunyal, VIC	Unknown	Chainsaw	Unknown	No	No
Joint Logistics Facility, Hobart, TAS	\$9,265	No items stolen	Nil	No	No
Joint Logistics Facility, Melbourne, VIC	Nil	No items stolen	Nil	No	No
Joint Logistics Facility, Hobart, TAS	Nil	Laptop computer	\$7,000	No	No
Army Base, Puckapunyal, VIC	Nil	Empty shipping container	Unknown	No	No
Simpson Barracks, VIC	Nil	No items stolen	Nil	No	No
Defence Plaza Melbourne, VIC	Nil	Cash	Unknown	No	No
Graytown, VIC	Nil	Clothing belonging to Defence member	Unknown	No	No
Joint Logistics Facility, Bandiana VIC	Nil	Compressed air pneumatic drill	Unknown	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Army Base Puckapunyal, VIC	Nil	Laptop computer	Unknown	No	No
Victoria Barracks, Melbourne, VIC	Nil	Laptop computer, printer	\$600	No	No
DSTO-FB	Nil	Microwave	Unknown	No	No
Maribyrnong, VIC	Nil	Vehicle and money	Unknown	No	No
Victoria Barracks Child Care Centre, Melbourne, VIC	Nil	No items stolen	Nil	No	No
Victoria Barracks – Wells Street Secondary Gate, Melbourne, VIC	Nil	Motorbike	Unknown	No	No
Army Base Bandiana, VIC	Nil	Vehicle	\$45,000	No	No
Defence Plaza Melbourne, VIC	Nil	Socket/screwdriver set	\$100	No	No
Joint Logistics Facility, Hobart, TAS	\$9,608	Defence Landrover motor vehicle	\$37,800	No	No
Hobart, TAS	\$2,153	No items stolen	Nil	No	No
Derwent Barracks, TAS	\$1,969	No items stolen	Nil	No	No
Edinburgh Parks, SA	\$500	Various items	\$500	Yes. No	The matter has yet to heard.
Edinburgh Parks, SA	\$36	No items stolen	Nil	No	No
Edinburgh Parks, SA	\$100	Various items	Unknown	No	No
Keswick Barracks, SA	\$148	Cash	\$3,500	No	No
Perth, WA	\$1,271	No items stolen	Nil	No	No
Perth, WA	\$484	No items stolen	Nil	No	No
Leeuwin Barracks, WA	Unknown	2 radio sets, bag, lightweight antenna bag, batteries, first-aid kit, 4 trousers, Cadet boots, torch	\$4,798	No	No
Robertson Barracks, Palmerston, NT	\$50	Bottle of alcohol, packet of chips	Unknown	No	No
Robertson Barracks, Palmerston, NT	Unknown	\$150 cash, spare car key	\$150	No	No
Defence Community Organisation Facility, Cairns, QLD	Nil	No items stolen	Nil	No	No
Lavarack Barracks, Townsville, QLD	Unknown	Bottle of alcohol	\$65	Yes. Yes	This matter has yet to be heard
Lavarack Barracks, Townsville, QLD	Nil	2 laptop computers	\$3,290	No	No
Gallipoli Barracks, Enoggera, QLD	\$6,885	Laptop computer, printer, Pelican briefcase, over-the-counter medication	\$6,810	No	No
Gallipoli Barracks, Enoggera, QLD	\$1,980	No items stolen	Nil	No	No
Lavarack Barracks, Townsville, QLD	Unknown	Flat screen TV, Playstation console, 7 Playstation games, 2 stereos, 6 DVDs, 40 CDs	\$4,000	No	No
Lavarack Barracks, Townsville, QLD	Unknown	Television, VCR, XBOX console	\$1,000	No	No
Townsville, QLD	Unknown	TV/Video	\$469	No	No
Victoria Barracks, Brisbane, QLD	Nil	2 laptop computers	\$4,000	No	No

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

Joint Logistics Facility, Wallangara, QLD	Nil	Chainsaw and tools	\$1,000	No	No
Joint Logistics Facility, Meeandah, QLD.	Nil	Toolbox	\$700	No	No

QUESTION 29

Incidents of theft

Senator Ludwig

How many thefts of departmental property occurred in 2000-01, 2001-02, 2002-03, 2003-04?
For each incident:

- a) what was stolen in each instance?
- b) what was the value of the stolen item/s?
- c) where was it stolen from?
- d) was anyone charged with the theft (specify if they were employed by the Department)?
- e) was anyone convicted of the theft (specify if they were employed by the Department)?
- f) were any of the items recovered?

RESPONSE

a) – f) The current *Commonwealth Fraud Control Guidelines* define fraud as ‘dishonestly obtaining a benefit by deception or other means’ and specifically include theft as a sub-set of fraud.

Therefore, for details, see the response to question 33.

QUESTION 30

Loss of Departmental property

Senator Ludwig

How many incidents of loss (excluding theft, accident, breakage and vandalism) of departmental property were reported to the department in 2000-01, 2001-02, 2002-03, 2003-04? For each incident:

- a) what was the loss in each instance
- b) what was the value of the loss?
- c) which administrative unit lost the property?
- d) were any of the lost item/s recovered?
- e) was anyone disciplined over the loss.

RESPONSE

a) –e) No statistics are readily available and Defence is not prepared to devote the considerable time and resources required to provide the details requested.

QUESTION 31

Environmental damage in the Torres Strait

Senator Bartlett

In relation to reported Department of Defence environmental damage in the Torres Strait in June 2004.

- a) What damage was reported to the Department as occurring in the Torres Strait in June 2004 while equipment was being unloaded from a barge for the construction of radar facilities?
- b) Did the Government repair that damage?
- c) What was the cost of that repair?
- d) What reparation was made to the Queensland Government for rework carried out?

RESPONSE

- a) On 19 June 2004, Defence contractors working on the construction of the High Frequency Surface Wave Radar facility at Dauan Island in the Torres Strait were engaged in an initial visit to the island to unload stores and equipment from a barge at low tide. This was in accordance with local advice and because large boulders on the shoreline blocked any prospect of a landing at high tide. Part of the construction equipment was a 30-tonne tracked excavator, which, after departing the barge, drove across the reef flat from the barge landing point and sank into an undetected soft part of the reef flat. It was eventually retrieved and driven to a position above the high water mark but not before damage was done to the surrounding seagrass beds.

The Queensland Department of Primary Industries and Fisheries requested that an investigation be carried out by the Commonwealth into the extent of the seagrass damage. The project's environmental consultant subsequently reported that 0.34 hectares of seagrass had been damaged, but that the seagrass in these areas was already recovering. It was also reported that, given the evidence of recovery to date, it was expected that pre-disturbance bio-mass would be returned within 12 months.

- b) No. The seagrass damage report concluded that the damage was temporary, that natural recovery was well advanced and that no secondary impacts were occurring. Defence has put in place plans to monitor the areas to verify that recovery continues to occur and to detect any possible secondary impacts.
- c) Nil. The six-monthly environmental monitoring of the damaged seagrass beds will be conducted in conjunction with the broader environmental monitoring requirements outlined in the project's Environmental Management Plan.
- d) As a result of the seagrass damage investigation, the Commonwealth and the Queensland Department of Primary Industries and Fisheries agreed that a total of \$10,540 would be provided by the Commonwealth and directed towards further research of the fisheries resources and fish habitats in the Torres Strait region. This amount is equal to the amount that would have been paid by the Commonwealth to the Queensland Department of Primary Industries and Fisheries for a permit to damage 0.34 hectares of seagrass, had it been sought and issued by the Queensland Department of Primary Industries in advance of the incident (it is normal practice to apply in advance to the Department for a permit, if damage to seagrass is expected).

Inspector General

QUESTION 32

Enterprise risk management framework

Senator Bishop

Has the DOD's enterprise risk management framework been reviewed in 2003-04; if so, what was the result of any such review?

RESPONSE

Yes, as outlined on p. 405 of the *Defence Annual Report 2003-04*.

QUESTION 33

Incidents of fraud

Senator Ludwig

How many incidents of fraud were detected against the department in 2000-01, 2001-02, 2002-03, 2003-04? For each incident:

- a) what was the subject of the fraud in each instance?
- b) what was the value of the fraud?
- c) which administrative unit was the subject of the fraud?
- d) was anyone charged with the fraud (specify if they were employed by the Department)?
- e) was anyone convicted of the fraud (specify if they were employed by the Department)?
- f) were any of the defrauded items or was any of the defrauded money recovered?

RESPONSE

The number of incidents of fraud⁽¹⁾⁽²⁾ detected against the department were:

2000-01	2001-02	2002-03	2003-04
393	494	399	475

1. The current *Commonwealth Fraud Control Guidelines* define fraud as 'dishonestly obtaining a benefit by deception or by other means' and specifically includes theft as a sub-set of fraud.
2. Based on the number of closed fraud investigations.

a)

Property Involved ⁽¹⁾	2000-01	2001-02	2002-03	2003-04
Computer Hardware	104	160	96	66
Vehicles	37	116	14	8
Tooling	43	64	29	11
Facilities	15	58	3	13
Allowances	27	55	20	40
Accommodation	21	49	14	22
Food/Beverages	8	45	15	15
White Goods	17	41	5	1
Military Kit	19	35	26	33
Telecommunications Equipment	27	33	22	14

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Fittings	23	28	46	13
Computer Peripherals	23	27	1	2
Cash	21	26	18	16
Furniture	9	26	9	2
Vehicle Parts	18	25	7	3
Electrical Equipment	12	22	17	18
Clothing	9	21	12	18
Cabcharge	8	16	10	6
Electronic Equipment	5	7	8	4
Military Equipment	0	0	17	43
Medical Equipment	2	1	2	17
Photographic Equipment	9	10	3	10
Total	457	865	394	375

Note

1. 1. Each incident may have multiple items of property involved and with some incidents the nature of the property involved is not specified.

2.

b)

2000-01	2001-02	2002-03	2003-04
\$1m	\$1.5m	\$1.1m	\$1.2m

c)

Group Involved	2000-01	2001-02	2002-03	2003-04
Navy	103	68	82	104
Army	136	220	172	245
Air Force	112	106	97	92
VCDF	1	0	0	0
HQ Joint Operations Command (previously HQ Australia Theatre)	0	0	0	0
Strategy	0	0	0	0
Intelligence	1	0	0	2
Inspector General	0	0	0	0
Defence Personnel Executive	2	2	1	2
Corporate Support Infrastructure	33	81	41	14
Chief Finance Officer	0	0	0	0
Public Affairs Corporate Communications	0	0	0	1
Defence Material Organisation	4	3	4	8
Defence Science and Technology Organisation	1	1	2	0
More than one group affected	0	13	0	7
Total	393	494	399	475

d)

Type ⁽¹⁾	2000-01	2001-02	2002-03	2003-04
Civil Criminal Court	21	24	21	16
Civil Recovery Court	3	4	1	3
Defence Force Discipline Act	113	52	63	60
Public Service Act	26	36	33	42

Senate Foreign Affairs, Defence and Trade Legislation Committee
 Budget supplementary questions 2004-05, December 2004
 Answers to questions on notice from **Department of Defence**

Total	163	116	118	121
Number of Non-Defence Employees	0	0	2	2

Note

1. Each incident may result in multiple charges.

e)

Type	2000-01	2001-02	2002-03	2003-04
Civil Criminal Court	16	13	11	9
Civil Recovery Court	3	4	0	3
Defence Force Discipline Act	90	39	42	47
Total	109	56	53	59
Number of Non-Defence Employees	0	0	2	2

f)

2000-01	2001-02	2002-03	2003-04⁽¹⁾
\$340,000	\$380,000	\$790,000	\$125,000

Note

1. Moneys are often not awarded and/or recovered in the same financial year the loss occurred. This may be due to the time lag in reparation orders from successful prosecution and civil actions.
- 3.

Corporate services

QUESTION 34

Outsourcing

Senator Bishop

- a) Was there a reduction in the number of employees working with the Corporate Services and Infrastructure group between the 2002-03 and 2003-04 financial years? Is so, what was the magnitude of this reduction?
- b) Were any specialised skills or services outsourced by the Corporate Services and Infrastructure Group possessed by persons employed within that group, whose employment was terminated or otherwise ceased in 2003-04 financial year?

RESPONSE

- a) The average number of full-time equivalent employees in Corporate Services and Infrastructure Group declined by 14 from 4402 in 2002-03 to 4388 in 2003-04.
- b) During 2003-04, the Group had three voluntary redundancies related to outsourcing. It is not known whether these personnel had specialised skills pertaining to the outsourced activity.

QUESTION 35

Vehicular accidents

Senator Ludwig

How many vehicular accidents in which departmental vehicles (including vehicles leased by the department) were involved were reported to the department in 2000-01, 2001-02, 2002-03, and 2003-04? For each incident:

- a) what was the value of the damage?
- b) which administrative unit was the vehicle attached to?
- c) was anyone charged over the accident (specify charges)?

RESPONSE

- a) and b) Due to the large volume of vehicle accidents over the period requested, information for each incident has not been provided. Instead, a financial year summary is provided in the table below. The figures comprise accidents involving both Defence owned and leased motor vehicles:

Year	Number of accidents	Cost of damage
2000-01	325	\$709,788
2001-02	1,154	\$2,646,854
2002-03	1,368	\$3,357,590
2003-04	1,318	\$2,942,076

The following points should be taken into account when reviewing the data in the table:

- i) data is sourced from vehicle accidents that resulted in an insurance claim and include costs associated with third party damage;
 - ii) minor repairs/damages not usually associated with a collision (less than \$550) are excluded; and
 - iii) changes to Defence's insurance arrangements occurred in 2000-01 and therefore information available for this period may not be complete.
- c) Defence does not maintain information on civilians charged over accidents. Records relating to charges of military employees are held at unit level. Defence is not able to devote the considerable time and resources that would be required to answer this question.

People

QUESTION 36

Cost of medical testing

Senator Bartlett

What expenditure will be directed to conduct medical testing on serving personnel returning from Iraq for the 2004/05 financial year?

RESPONSE

Defence estimates that it will cost approximately \$235,000 to conduct mandatory post-deployment medical and psychological checks and tests for ADF personnel returning from Iraq during 2004-05. This does not include the cost of ongoing treatment, or additional checks or tests that may be clinically indicated during the mandatory post-deployment medical and psychological checks and tests.

QUESTION 37

Assistance to personnel reporting racial and sexual harassment

Senator Bartlett

What is the cost for the financial year 2003/04 of providing psychological and medical assistance to serving personnel who report racial and sexual harassment?

RESPONSE

Defence does not record information on the provision of medical and psychological services to the level of detail and sensitivity needed to answer this question.

QUESTION 38

Culturally responsive services

Senator Ludwig

- a) For the each of the i) 1999-00, ii) 2000-01, iii) 2001-02, iv) 2002-03, v) 2003-04 financial years, did the Department include in its annual report a report on outcomes achieved for clients from diverse linguistic and cultural backgrounds?
- b) If not, for the each of the i) 1999-00, ii) 2000-01, iii) 2001-02, iv) 2002-03, v) 2003-04 financial years, did the Department otherwise publish a report on outcomes achieved for clients from diverse linguistic and cultural backgrounds? (If yes, please supply report)
- c) For the each of the i) 1999-00, ii) 2000-01, iii) 2001-02, iv) 2002-03, v) 2003-04 financial years, did the department budget for costs associated with developing culturally responsive and accessible services?
- d) For the 2003-2004 financial year, how much did the department budget for this purpose?
- e) For the each of the i) 1999-00, ii) 2000-01, iii) 2001-02, iv) 2002-03, v) 2003-04 financial years, how many Departmental programs or services were delivered via an intermediary service provider, such as another level of government or a non-government organisation?
- f) Of these, in each financial year how many did the funding conditions in contracts specify relevant access and equity accountabilities (for example, collection and reporting of information on client characteristics)?
- g) For each of these, is the provision a standard clause? If so, can the Department please supply the clause?
- h) If there is no standard provision, is a copy of the provision available for each of these? Are the provisions subsequently audited? If yes, what were the results? (Please supply).

RESPONSE

- a) – h) Defence does not provide such client services. However, Defence does value the principles of inclusiveness and cultural diversity.
Defence has provided some information about cultural diversity (including indigenous issues) in Defence Annual Reports as indicated below:
- a) 1999-2000 - p 83
 - b) 2000-01 - pp 323-324
 - c) 2001-02 - pp 308-309
 - d) 2002-03 - pp 431-432
 - e) 2003-04 - pp 287-288.

QUESTION 39

Community information publications

Senator Ludwig

- a) Can the Department provide a current list of each community information publication it publishes in English as at i) the current date (2, December 2004) or if this is unavailable, ii) 30 June, 2004 (and take from then to 2 December 2004 On Notice) or if this is unavailable, iii) 1 January 2004 (and take from then to 2 December 2004 On Notice) or if this is unavailable, and iv) the last date for which they were available (specify date and take from then to 2 December 2004 On Notice)?
- b) For the above list, what publications are translated into languages other than English and for each, what languages are they translated into?
- c) For the above list, how many copies were printed?
- d) For the above list, what was the total cost of each document in translation, publication, printing and distribution?

RESPONSE

- a)– d) Defence does not generate community information publications for the general public. It does, however, have documents available (both free of charge and for purchase) upon request to the public. Details of these can be found in the *Defence Annual Report 2003-04* pp 486-488.

QUESTION 40

Non-English speaking employees

Senator Ludwig

- a) What efforts has the Department made to identify employees from a non-English Speaking background and what languages they are fluent in?
- b) What proportion of the Department's personnel have a non-English speaking background?
- c) For each language other than English that the Department has identified employees with fluency, can the Department provide how employees were fluent? For each language other than English, how many were identified as being fluent?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- d) Of these employees, what efforts has the department made to identify the language proficiency of these employees? For each language other than English, how many were identified as having proficiency?
- e) Of these employees, how many has the Department identified as possessing accredited language skills to either translator or interpreter standard? For each language other than English, how many were identified as having accreditation at the a) translator and b) interpreter level?
- f) Of these employees, how many has the Department funded in whole or in part accreditation of language skills to either a) translator and b) interpreter level?
- g) How much did the department spend engaging language a) translator and b) interpreter level in each of the financial years i) 2001-02, ii) 2002-03, iii) 2003-04?
- h) How many times did the department engage an a) translator and b) interpreter in each of the following years i) 2001-02, ii) 2002-03, iii) 2003-04?
- i) For each language in which a) a translator and b) an interpreter was engaged, how many engagements occurred in each of the following years i) 2001-02, ii) 2002-03, iii) 2003-04?
- j) What was the total cost of those engagements by language for a) translators and b) interpreters in each of the following years i) 2001-02, ii) 2002-03, iii) 2003-04?

RESPONSE

- a) Defence collects information about the diversity of its personnel, including whether an individual has a non-English speaking background, during recruitment but any disclosure is voluntary. Since November 2004, individuals have been able to update their own diversity details through an internal Defence website.
- b) As at 30 June 2004, seven per cent of Defence personnel (Australian Public Service personnel, full-time members of the Navy, Army and Air Force and Reservists on continuous full-time service) identified themselves as having a non-English speaking background.
- c) – j) Defence does not centrally report and record this information and is not able to devote the considerable time and resources that would be required to provide answers to these questions.

QUESTION 41

Ethnic press

Senator Ludwig

- a) For each of the financial years i) 1995-96, ii) 1996-97, iii) 1997-98, iv) 1998-99, v) 1999-00, vi) 2000-01, vii) 2001-02, viii) 2002-03, ix) 2003-04 how much was spent in advertising or advertorial in the ethnic press?
- b) For each of the above years, could the Department please specify each title, in which advertising was bought, the language of that title and the total annual spend on advertising and advertorial in each title.
- c) For each of the financial years i) 1995-96, ii) 1996-97, iii) 1997-98, iv) 1998-99, v) 1999-00, vi) 2000-01, vii) 2001-02, viii) 2002-03, ix) 2003-04 how much was spent in advertising and or advertorials on ethnic radio? For each financial year, could the Department please specify which station, broadcast language and how much was spent on each language at each station?

RESPONSE

- a) – c) To Defence's knowledge, no funding has been expended on advertising or advertorials in the ethnic press.

QUESTION 42

Reported complaints of unacceptable behaviour

Senator Bishop

- a) Does the Department of Defence have in place a procedure for the evaluation of reported complaints of unacceptable behaviour? If so, how many such complaints were dismissed or otherwise not further investigated in accordance with that procedure?
- b) How many such complaints lead to disciplinary or other such action being taken against the alleged perpetrator of the complaint?
- c) In any instances, was the taking of such disciplinary or other action appealed? If so, how many such appeals were successful?

RESPONSE

- a) Yes. In accordance with Defence policy on the management and reporting of unacceptable behaviour, all complaints are reported to the Defence Equity Organisation for analysis and inclusion on a restricted-access database. 586 complaints were reported for 2003-04. 401 of these complaints were finalised during the reporting period. Of these, 37 were withdrawn by the complainants and 47 were found to be unsubstantiated. 185 complaints were pending resolution at 30 June 2004.
- b) Of the 317 complaints that were substantiated, 94 resulted in formal action being taken against respondents. Formal action reported included fines, formal warnings, administrative censures, disciplinary counselling for Australian Public Service (APS) employees, various penalties under the *Defence Force Discipline Act 1982*, one reduction in rank, one discharge, and two cases where APS employment was terminated. The remaining 223 substantiated complaints reported for the period were resolved by informal means.
- c) Defence does not centrally report and record this information and is not able to devote the considerable time and resources that would be required to answer this question.

QUESTION 43

Reported complaints of racism

Senator Bishop

- a) Does the Department of Defence have in place a procedure for the evaluation and investigation of reported complaints of racist or otherwise unacceptable behaviour? If so, how many such complaints were dismissed or otherwise not further investigated in accordance with that procedure?
- b) How many such complaints led to disciplinary or other such action being taken against the alleged perpetrator of the complaint?
- c) In any instances, was the taking of such disciplinary or other action appealed? If so, how many such appeals were successful?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from Department of Defence

- d) How many such complaints lead to the perpetrator of the complaint being lowered in rank or discharged from the ADF?
- e) In any instances, was the taking of such disciplinary or other action appealed? If so, how many such appeals were successful?
- f) Does the DOD have in place any policy to review the adequacy of any measures adopted to prevent racism and other unacceptable behaviour? If so, does the DOD have in place any procedure to review the operation and adequacy of any such policy?
- g) Does this review procedure take into account the number and nature of any reported complaints of racist or otherwise unacceptable behaviour?
- h) With reference to recent allegations of racist or otherwise unacceptable behaviour at Lavarack Barracks, Townsville, was any disciplinary or other such action taken against the complainant in this instance? If so, i) what was the nature of any such disciplinary or other such action, ii) was any relevant policy to review the adequacy of such action applied, and iii) what was the outcome of this review?

RESPONSE

- a) Yes. In accordance with Defence policy on the management and reporting of unacceptable behaviour, all complaints are reported to the Defence Equity Organisation for analysis and inclusion on a restricted-access database. Of the 586 complaints received during 2003-04, only 12 indicated any racially-motivated behaviour. Of these 12 complaints, one was found to be unsubstantiated, one was withdrawn, in another the respondent was discharged before resolution, in one the complainant did not wish to take further action, one was resolved informally, and two complaints are still under investigation.
- b) Of the five complaints that were substantiated, none of them led to disciplinary or other such action being taken. However, the respondents all apologised to the complainants, and received counselling and individual equity and diversity training.
- c) Not applicable.
- d) None.
- e) Not applicable.
- f) Yes. The Defence Equity Organisation regularly reviews the adequacy of all its policies relating to equity and diversity, including Defence policy on the management of unacceptable behaviour. All policy reviews are undertaken in consultation with Defence Legal and the Navy, Army and Air Force. After lengthy consultation and review, the Defence unacceptable behaviour policy was updated, incorporating changes and revisions in Defence's practices and policies for managing unacceptable behaviour including discrimination and harassment. As a result of this review, management of sexual offences was separated from the general unacceptable behaviour policy. The two new policies, Defence Instruction (General) Personnel 35-3 *Management and Reporting of Unacceptable Behaviour* and Defence Instruction (General) Personnel 35-4 *Management and Reporting of Sexual Offences*, were released in February 2004.
- g) Yes. Any complaints of racial discrimination or other unacceptable behaviour must be reported to the Defence Equity Organisation, which maintains a restricted-access database of these statistics, and analyses them to determine any patterns in the number and nature of complaints.

- h) No, there has been no disciplinary action taken against the complainant in relation to the complaints or submission. The complainant has been, and continues to be, provided with support and advice on the progress of the matter, which is still under investigation.

QUESTION 44

Inappropriate behaviour and sexual misconduct

Senator Bishop

- a) Has the DOD in place any procedure for evaluating the effect of any policies regulating unacceptable behaviour within the ADF; if so, i) has any such evaluation been conducted since March 2004, and ii) what was the outcomes of any such evaluation?
- b) If not, why has no such evaluation been conducted?
- c) With reference to the recent issue of 'show cause' notices to 6 ADF personnel did the relevant personnel abide by any relevant ADF policy regulating unacceptable behaviour within the ADF; if not, what measures were in place to ensure that those personnel abided by any such policy?
- d) Why did any such measures fail to prevent any such breach?
- e) Has the DOD subsequently reviewed these measures; if so, what was the outcome of that review?
- f) Does the DOD have in place any policy regulating the abuse of the chain of command within the ADF; if so, was that policy abided by in these circumstances?
- g) Should the 6 ADF personnel in question be unable to show cause, will their discharge adversely affect the defence capabilities of the ADF?; if so, to what extent shall their discharge adversely affect the defence capabilities of the ADF?

RESPONSE

- a) Yes. Since 2000, Defence has conducted the biennial Australian Defence Force (ADF) Unacceptable Behaviour Survey to evaluate, among other things, the effect of the unacceptable behaviour policies on regulating that behaviour within the ADF. An Unacceptable Behaviour Survey has been administered biennially to Defence Australian Public Service (APS) personnel since 2002. In addition, the Defence Attitude Survey is administered to a significant sample of Defence personnel annually. The results of these surveys reveal any concerns that Defence people may have with the policy on unacceptable behaviour.
 - i) Yes. The ADF Unacceptable Behaviour Survey and the Defence APS Unacceptable Behaviour Survey were administered in July 2004.
 - ii) Defence is awaiting the final report analysing the results of the surveys.
- b) Not applicable.
- c) An inquiry found that four soldiers and two officers had, to varying degrees, not adhered to extant Defence policy in relation to unacceptable behaviour. All members of the ADF are subject to at least annual reinforcement training regarding Defence's policies on unacceptable behaviour.
- d) Defence is unable to explain the behaviour of individuals, or speculate as to why published policies and guidelines were not followed.

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from Department of Defence

- e) No. While Defence acknowledges that the members involved contravened some aspects of the policies, there has been no evidence to suggest any of the policies should be reviewed or amended. Where policies have been contravened, other relevant policies and the *Defence Force Discipline Act 1982* provide avenues for either administrative or disciplinary action. The Army is satisfied that the extant policies and procedures provide commanders and soldiers with appropriate guidance and direction.
- f) Yes, Defence Instruction (General) PERS 35-3, *Management and Reporting of Unacceptable Behaviour*, provides policy on, among other areas, the abuse of power and authority attributed to rank or position. Further advice is also provided in *A Guide to Fair Leadership and Discipline in the Australian Defence Force*. Parts of the policy that relate to the abuse of the chain of command were followed in this circumstance.
- g) The six personnel involved were not issued with Notices to Show Cause why their services should be terminated. As at 17 December 2004, three Notices to Show Cause for Formal Warnings had been issued. Another two were under consideration. None of the members involved have been administratively discharged. One member has taken voluntary discharge, which has not affected Defence capabilities.

QUESTION 45

Occupational health and safety training

Senator Bishop

- a) The behavioural baseline research project informing the design of the Defence occupational health and safety management system has allegedly interviewed 12000 Defence personnel. How many such persons interviewed were trainees at the time of being interviewed?
- b) Does DOD have in operation an OH&S or other similar policy specifically regulating the training of persons; if so, is such a policy sensitive to climatic changes and conditions arising from the geographical location of such training?
- c) Is there in place any procedure regulating complaints made by persons undergoing training by the ADF in regards to OH&S or other similar policies; if so, how many complaints have been made pursuant to this procedure to date?
- d) How many such complaints have been dismissed or otherwise not acted upon?
- e) With reference to the recent death of Trooper T Lawrence during his participation in a promotional training course run by the ADF, was any OH&S or other similar policy specifically regulating the training of persons applied in this instance; if not, has the DOD implemented any policies to ensure that such policy is subsequently applied?
- f) Did Trooper T Lawrence or any other person participating in that promotional training course make a complaint in regards to OH&S or other similar policies; if so, i) was this complaint made pursuant to the relevant procedure, and ii) did any such complaint lead to an alteration in the nature, location or timing of any such training?
- g) Is there in operation any policy to ensure the sufficiency of any such alteration; if so, was that policy abided by in this instance?

RESPONSE

- a) The responses to the behavioural baseline survey were anonymous. It is not possible to identify how many respondents were trainees.

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- b) Defence's policy for training and working in different climatic and geographic locations is contained in the Defence Safety Manual. The policy is sensitive to climatic changes and conditions arising from the geographical location of training.
- c) –d) Persons undergoing training who wish to make a formal complaint in regard to occupational health and safety or other similar policies may do so through the Complaints Resolution Agency. To date, no complaints have been made pursuant to this procedure.
- e) During the course attended by Trooper Lawrence, occupational health and safety policy was applied.
- f) –g) No. Neither Trooper Lawrence nor other members of the course made a complaint in regard to occupational health and safety or similar policy.

QUESTION 46

Drug experiments and testing

Senator Bishop

- a) Has the DOD ever been requested by a foreign government or military to conduct tests upon Australian troops relating to any drugs or other medical supplements; if so, i) has any such request related to any anti-malarial drug or supplement, ii) when and by whom was such a request made, iii) were any such requests accepted, and iv) which requests were accepted?
- b) When, upon which personnel or groups of personnel within the ADF, and for how long were such tests operated?
- c) At any time prior to the cessation of testing, was the DOD aware of any possible side-effects that may be induced by that test; if so, i) did the DOD review the continuation of any such test in light of such knowledge, and ii) what was the outcome of any such review?
- d) If the DOD was not aware at any time prior to the cessation of testing of any possible side-effects that may be induced by that test, had the DOD made any inquiries into possible side-effects that may be induced by that test; If not, what were the findings of any such inquiry?
- e) With reference to the recent allegations that 1351 soldiers who served between 1999 and 2003 in East Timor were asked to take either of the drug Larium or the drug Tafenoquine, as stated in the *Sunday Tasmanian* on 31/10/04 in an article entitled "Diggers used as drug guinea-pigs", is this story correct; if not, in what respect(s) was it incorrect?
- f) Has the DOD requested or received any legal advice on this matter; if so, what was the nature of that request or advice?
- g) When, upon which personnel or groups of personnel within the ADF, and for how long were such tests operated?
- h) At any time *prior* to the cessation of testing, was the DOD aware of any possible side-effects that may be induced by that test; if so, i) did the DOD review the continuation of any such test in light of such knowledge, and ii) what was the outcome of any such review?
- i) If the DOD was not aware at any time prior to the cessation of testing of any possible side-effects that may be induced by that test, had the DOD made any inquiries into possible side-effects that may be induced by that test; if so, what were the findings of any such inquiry?

Senate Foreign Affairs, Defence and Trade Legislation Committee

Budget supplementary questions 2004-05, December 2004

Answers to questions on notice from **Department of Defence**

- j) If the DOD has become aware of any possible side-effects that may be induced by that test after the cessation of that test, what measures has it taken to ascertain the magnitude and extent of any such side-effects?
- k) Has the DOD undertaken any measures to mitigate the magnitude and extent of any such side-effects; if so, what action has been taken?
- l) Were the relevant soldiers given a choice as to whether they would participate in that test; if so, what was the nature and circumstances of that choice?
- m) Were soldiers required to either participate in the relevant test, or risk not being sent to East Timor?

RESPONSE

- a) –d) No.
- e) No. All participants in studies of anti-malarial medications are volunteers. Participants are briefed collectively as to the reason and rationale for conducting the study, their role in the study and any possible risks or discomforts likely to be experienced. They may withdraw at any time with no detriment to their ongoing health care or military career.
- f) No.
- g) The list below provides details of enhanced surveillance and trials involving mefloquine (MQ) and tafenoquine (TQ), including respective protocol numbers granting ethics clearance from the Australian Defence Human Research Ethics Committee (ADHREC).
 - Bougainville (ADHREC No.: 165/98) with TQ conducted November 1998 - September 1999;
 - 3 RAR study (ADHREC No.: 165/98) with TQ conducted February 2000 - May 2000;
 - 5/7 RAR study (ADHREC No.: 165/98) with TQ conducted September 2000 - October 2000;
 - 1 RAR study (ADHREC No.: 216/00) with TQ and MQ conducted October 2000 - May 2001;
 - 4 RAR study (ADHREC No.: 249/01) with MQ conducted May 2001 - October 2001; and
 - 2 RAR study (ADHREC No.: 249/01) with MQ conducted October 2001 - May 2002.
- h) Yes. The purpose of the trials was to assess and closely monitor any side-effects.
 - i) Yes.
 - ii) As no new information on the side-effect profile of mefloquine emerged during the enhanced surveillance, the surveillance continued as per the approved protocol.
- i) – j) See (h) above.
- k) Yes. The approved protocol for the trials allowed for a loading dose of mefloquine prior to deployment, to assess initial tolerability. It also involved close monitoring to assess side-effects.
- l) Yes. Participants were briefed collectively as to the reason and rationale for conducting the study, their role in the study and any possible risks or discomforts likely to be experienced. They could withdraw at any time with no detriment to their ongoing health care or military career. Volunteers interested in joining studies are provided with a consent form/ information sheet that outlines in detail the purpose of the study, information on the drug, information on the study, possible risks/discomfort, benefits, precautions, confidentiality, compensation, the subject's rights, responsibilities of the investigators/volunteers and voluntary participation.
- m) No.

QUESTION 47

International travel during leave or after employment

Senator Bishop

- a) How many persons have left employment by the ADF, whether by reason of discharge or otherwise, this year?
- b) Of such persons, how many belonged to the SASR or any other special forces group, division or unit?
- c) Does the Department of Defence presently maintain a record of the number of Australian citizens located within Iraq; if so, how many of such persons were formerly employed by the Australian Defence Force?
- d) If the DOD is not aware of the number of such persons, what steps has it taken to ascertain this information?
- e) Does the DOD maintain records of whether persons either presently or formerly employed by the ADF travel overseas during a period of leave; if so, i) do such records indicate where such persons have travelled, and ii) how many such persons travelled to Iraq during a period of leave this year?

RESPONSE

- a) During the period 1 January 2004 to 30 November 2004, 5,130 personnel separated from the permanent forces of the ADF (Navy 1,431, Army 2,735 and Air Force 964).
- b) Of these, the following persons belonged to the Special Air Services Regiment or other special forces:
 - one clearance diver who separated from the permanent Navy and;
 - 41 special forces personnel who separated from the permanent Army.
- c) No. The responsibility for maintaining a record of Australian personnel within Iraq rests with Department of Foreign Affairs and Trade (DFAT) through the Australian Embassy in Baghdad. This is a voluntary process whereby the registration information provided assists DFAT to contact Australian citizens in an emergency, such as a natural disaster, civil disturbance or a family emergency. Previous employment is not requested in this registration process.
- d) None. Refer to answer c).
- e) Defence does not track the overseas travel of former ADF members.

For all serving ADF personnel, including Reserves on full-time service, Defence instructions require approval to be sought for travel overseas during a leave period. Details of the proposed itinerary are required, including the countries to be visited. At present, the Chief of the Defence Force has restricted leave travel to countries where the ADF may be involved in war-like operations and in those countries where DFAT has issued advisories against all travel or non-essential travel. No ADF personnel have received approval to travel to Iraq on leave during 2004.

QUESTION 48

Individual accountabilities

Senator Bishop

The *2002-03 Defence Annual Report* stated at page 14 that “individual accountabilities at lower levels across Defence will become more rigorous and performance will be measured against specific targets”. Has this measure been obtained; if not, has there been any review of the failure of the DOD to implement this measure?

RESPONSE

Yes. The *Defence Employees Certified Agreement 2004-2006*, which came into effect on 1 January 2004, introduced the requirement for supervisors to ensure that performance agreements with lower level staff included specific and measurable targets. Defence also strengthened the link between performance and pay outcomes by tightening access to pay increases and annual salary advancement. All pay increases negotiated as part of the Agreement continue to be contingent upon participation in the relevant performance management scheme. Annual salary advancement for individual employees is also contingent upon meeting most, if not all, targets set out in their performance agreements over an observable period, usually in excess of six months.

The demonstrated achievement of clearly defined and measurable outcomes remains the primary objective of Defence's performance management framework. The Department continues to reinforce the attainment of this objective through internal audits of the linkage of the performance management schemes to business planning and of individual performance agreements. Defence is also developing training courses targeting the performance management responsibilities of leaders and the quality of individual performance agreements.

QUESTION 49

Remuneration Reform Program

Senator Bishop

Has the DOD developed a new pay structure for the ADF; if not, has there been any review of the failure of the DOD to implement this measure?

RESPONSE

No. However, Defence is developing a contemporary pay structure for Australian Defence Force (ADF) officers following a fundamental review of the Other Ranks structure in 1995. The officer pay structure is being developed in consultation with the Department of Employment and Workplace Relations. The matter has been progressively presented to the Defence Force Remuneration Tribunal who has responded favourably to the manner in which the matter is being progressed. As the nature of work conducted by the ADF is complex, developing a contemporary structure that can accommodate all ADF members is, by nature, an involved and lengthy process. To ensure the new structure is appropriate for the ADF, an incremental development approach is being used in an attempt to achieve a successful outcome.