

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q1 - LAND 112 ASLAV Contract

Senator Fawcett asked on Wednesday, 19 October 2011, Hansard page 24.

- (a) What was the total cost of the contract with Armatec for the ASLAV enhancement?
- (b) WRT the blast testing – did the alternative solution when blast tested have fatal outcomes for the crew?

Response:

- (a) The total cost of the contract with Armatec Survivability Corporation for design and development work to prepare vehicles for the ASLAV enhancement is CN\$9.4 million (approximately AUD\$9 million).
- (b) Blast tests were undertaken on the Armatec ESKi and the Armatec Basic Survivability System (which included an Armatec Belly Plate, blast resistant seating and sponson strengthening). Armatec concluded that the blasts on their Armatec Basic Survivability System, the alternate solution, would have resulted in fatalities.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q2 - Security Clearances

Senator Johnston asked on Wednesday, 19 October 2011, Hansard page 26.

(a) Can a copy, redacted or otherwise of the Trent report to the DSA that referred to concerns about security practices at the centre be provided? (b) How much did we spend of the Trent Brennan report of 2010?

Response:

(a) The two reports completed by Robert Brennan and Associates contain numerous references to individuals by name. Staff provided information to the investigators in the expectation that their confidences would be protected. Relevant excerpts from the reports were read onto the record by Mr Merchant (Hansard 19 October 2011, page 57-58).

(b) The cost of the work completed by Robert Brennan and Associates was \$35,888.24 (Hansard 19 October 2011, page 57).

Q3 - RAAF Scherger

Senator Macdonald asked on Wednesday, 19 October 2011, Hansard page 36.

For the last three years, what is the cost of running the caretakers services at RAAF Base Scherger?

Response:

The below table details the costs of running the caretakers services at RAAF Scherger for the last three years. These costs are routine in nature and maintain the base to the required operational standard.

Scherger Expense Types	Financial Years			Total
	2008-09	2009-10	2010-11	
Military Employees	\$336,636.00	\$394,207.00	\$370,777.00	\$1,101,620.00
Suppliers	\$55,300.00	\$55,300.00	\$55,300.00	\$165,900.00
Fuel	\$728,000.00	\$728,000.00	\$728,000.00	\$2,184,000.00
Vehicles	\$81,333.33	\$81,333.33	\$81,333.33	\$244,000.00
Base Support and Infrastructure	\$17,360.00	\$17,360.00	\$17,360.00	\$52,080.00
Total	\$1,218,629.33	\$1,276,200.33	\$1,252,770.33	\$3,747,600.00

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE - COMMITTEES

Senate Supplementary Estimates

Q4 - HMAS Success COI - Gyles Inquiry

Senator Johnston asked on Wednesday, 19 October 2011, Hansard page 37:

I am told that we have a panel of 12 presidents who are senior jurists across various jurisdictions. They charge \$2,000 to \$2,500 per day. Mr Gyles is charging in excess of \$7,700 per day. (a) Who chose Mr Gyles and why we are paying more than double the normal panel president fee? Who set the daily rate? (b) Counsel assisting are both members of the Reserve. Why were they chosen as counsel assisting? (c) Counsel Assisting – Who chose them at \$3,600 and \$2,400 per day? Confirm rates. (d) Why are we paying these rates in this matter to these people in deference to the panel members?

Response: The response to these questions has been addressed in the responses provided to Question on Notice number 82 and Question on Notice Number 83.

Q5 - Cluster Munitions

Senator Ludlam asked on Wednesday, 19 October 2011, Hansard pages 44-45.

(a) How many people are trained within our various services for dealing with these weapons? (b) Do they know how to recognise, disarm and avoid these things if they come across them? (c) Clarify, has Defence been approached by the US on stockpiling cluster munitions in Australia?

Response:

(a-b) All deployed ADF personnel are provided with Explosive Hazard Awareness training which assists ADF members in identifying and avoiding explosive remnants of war. When Defence personnel are deployed to areas with a known risk of exposure to cluster munitions, the Explosive Hazard Awareness training covers recognition and avoidance of this munition.

For skills beyond the Awareness training, Explosive Ordnance Disposal (EOD) training is received as a specialist trade in the ADF. The level of training will determine whether personnel can undertake EO Reconnaissance (identifying and blowing the munition up in place) and EOD (full rendersafe and disposal of the munition). Annually, there are approximately 96 ADF personnel who receive EO Reconnaissance training and approximately 45 ADF personnel who receive EOD training.

(c) No, Defence has not been approached by the US to stockpile cluster munitions on Australian territory.

Q6 - Exercise Talisman Sabre Costs

Senator Ludlam asked on Wednesday, 19 October 2011, Hansard page 46.

Final costs for exercise: I will put in a question on notice to you on a bit of a long fuse that is not a time limit apart from when you get those final acquittals from all the Services. Could you provide that for us?

Response:

As advised during the 19 October 2011 Estimates hearings, final costs for the conduct of Exercise Talisman Sabre will not be known until the cost acquittals are received later this year. Once these acquittals are received and reconciled Defence will provide the Exercise costs to the Committee. We anticipate providing these costs prior to the next Estimates hearing in February 2012.

Q7 - Talisman Sabre - Water Quality Data

Senator Ludlam asked on Wednesday, 19 October 2011, Hansard page 46.

“Defence also indicated that water quality is routinely monitored in Shoalwater Bay in the training area and in the Great Barrier Reef Marine Park during exercises. Could Defence table data on water monitoring for the bay and for the parts of the marine park that are impacted by these exercises?”

Please provide water quality data for Shoalwater Bay.

Response:

Annual water monitoring is conducted at Shoalwater Bay by the Queensland Department of Environment and Resource Management (DERM) during the period April/May of each year.

The 2011 report from DERM does not indicate any major impacts on water quality from exercises conducted at Shoalwater Bay. Testing by DERM assesses the following aspects of water quality:

- Conductivity;
- Dissolved Oxygen;
- pH;
- Turbidity;
- Nutrients and Chlorophyll;
- Metals;
- Herbicides in sediments;
- Faecal coliforms;
- Explosive residues; and
- Hydrocarbons.

Attached are tables indicating data quality levels at SWBTA in relation to these aspects.

DERM is programmed to conduct water quality monitoring in Shoalwater Bay during the April/May 2012 period.

Indicator	Guideline value	Source	Comment	SWBTA Max/Min value for major parameters 2011
Conductivity Dissolved oxygen	375 μ S/cm 85 – 110% saturation	QWQG QWQG	Measure of salinity Biological indicator. Fluctuates with conditions. Nil concerns.	257. Nil concerns. 60, 62, 70 & 78 (4 low values of 26 sites). Nil concerns.
pH	4.0 – 8.0	Modified QWQG	7 = neutral.	All sites in range. Nil concerns.
Turbidity	10 NTU	Modified QWQG	Measure of sediment load in solution	Range 2 to 78, mean of 29. Mean value and most values exceeding measure reflects flood conditions of early 2011. Nil major concerns, noting that soil erosion control is an ongoing management issue – particularly in respect to larger exercises.
Oxidised N (NO ₂ +NO ₃)	0.06 mg/L	QWQG		1 site exceeds at 0.13. Nil concerns.
Ammonia N	0.02 mg/L	QWQG		2 sites exceed at 0.023 and 0.027. Nil concerns.
Total N	0.5 mg/L	QWQG	Measure of total nitrogen (organic pollutant)	8 of 26 sites exceed. 0.96, 0.59, 0.64, 0.50, 0.59, 0.62, 0.75, 0.61 Mean of 0.439. Nil concerns.
Filterable P Total P	0.02 mg/L 0.05 mg/L	QWQG QWQG	Measure of total phosphorous (organic pollutant)	<0.01 Nil concerns. 1 site exceeds at 0.051 Nil concerns.
Chlorophyll a	5 μ g/L	QWQG		1 site exceeds at 7.8. Nil concerns.
Aluminium	0.055 mg/L	ANZECC 2000		17 sites exceed. Mean of 0.134 showing source is surrounding geology. Nil concerns.
Arsenic	0.024 mg/L	ANZECC		<0.0019. Source is

		2000		surrounding geology. Nil concerns.
Cadmium	0.0002 mg/L	ANZECC 2000		<0.00014. Source is surrounding geology. Nil concerns.
Chromium	0.001 mg/L	ANZECC 2000		1 site exceeds at 0.002. Nil concerns.
Copper	0.0014 mg/L	ANZECC 2000		2 of 26 sites exceed, both at 0.002. Nil concerns.
Lead	0.0034 mg/L	ANZECC 2000		<0.0017. Nil concerns.
Mercury	0.0006 mg/L	ANZECC 2000		<0.002. Nil concerns.
Nickel	0.011 mg/l	ANZECC 2000		<0.002. Nil concerns.
Zinc	0.008 mg/L	ANZECC 2000		14 sites exceed. Mean of 0.0356. Nil concerns.

Faecal coliforms	150 cfu/100mLs	ANZECC 2000	Measure of organic pollutant	3 sites exceed with values of 230, 240 & 260. Nil concerns.
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Explosive residues	No guideline			All less than detection limit. Nil concerns.
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Hydrocarbons	No guideline		Measure of hydrocarbon pollution (e.g., oils, fuel)	Levels at sites tested show no evidence of any anthropogenic impact. Nil concerns.
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QWQG: Queensland Water Quality Guidelines 2009
ANZECC 2000: Australian and New Zealand Guidelines for Fresh and Marine Waters (2000)

Q8 - Duty Free Tobacco

Senator Di Natale asked on Wednesday, 19 October 2011, Hansard page 47.

(a) When duty-free tobacco is sold to deployed personnel on board ships, for example, is the ADF acting as the tobacco retailer and do they collect any revenue for the retailer from the sale? (b) If not, is the retailer's normal percentage of tobacco sale revenue passed on as a discount to the personnel member?

Response:

(a) and (b): Canteens on Navy ships sell duty free tobacco products to members of the ship's company. The stock in canteens, which includes tobacco products, is purchased from non-public money generated from canteen trading profits. Any revenue collected by each canteen is either retained to fund further canteen operations, or transferred to the ship's welfare fund which provides non-public money to support sailor welfare and recreation activities. A small percentage of the revenue is also transferred to the RAN Central Canteens Fund to provide welfare support and recreation benefits to the broader naval community.

Naval Shore Establishments do not sell duty or excise free tobacco products.

Q9 - RAAF Base Edinburgh Guard House

Senator Bernardi asked on Wednesday, 19 October 2011, Hansard page 50.

- (a) What was the time to build this guard house?
- (b) Have there been any delays? If so, why?
- (c) Was the access control point deemed faulty and had to be replaced? If so, what was the replacement cost?

Response:

(a) The RAAF Base Edinburgh main entrance was redesigned and rebuilt to address a number of factors, including the increased vehicle traffic resulting from the Hardened and Networked Army units occupying the base, and to ensure compliance with the Building Code of Australia, Workplace Health and Safety standards and updated Defence Security Authority requirements. A new main gate guardhouse has been built (the old guardhouse has been removed) as well as a secondary guard house for peak traffic events.

Passive defence measures were included such as boom gates, road blockers, Closed Circuit Television (CCTV) and increased fencing. The new design includes a Security Police inspection bay to allow inspection of heavy vehicles without interrupting the traffic flow entering the base.

Works to refurbish and enhance the RAAF Base Edinburgh main entrance commenced on 3 November 2010. Completion date is the end of November 2011. The project remains within budget.

(b) There has been some delay to delivery of the main gate works resulting from the need to address revised Defence standards in relation to security and Information and Communications Technology (ICT) arising from the Defence Base Security Improvement Program. This required substantial redesign to incorporate new ICT switching equipment and additional security measures. Areas of redesign included the gate control centre (which controls the passive defence measures such as boom gate and CCTV) and the adjoining perimeter fencing. The new main gate facilities will meet all Building Code of Australia, Defence Security Authority and Workplace Health and Safety standards.

(c) There have been no faulty works associated with the RAAF Base Edinburgh main entrance works. However, in development of the design and in delivery of the built solution substantial redesign was necessary to meet emerging Defence standards in relation to security and ICT requirements.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q10 – Cluster Munitions

Senator Singh asked on Wednesday, 19 October 2011, Hansard page 51:

(a) In the last five years how many joint operations directly or indirectly involving cluster munitions has the ADF participated? (b) Over the last five years how many instances and relating to how many munitions has the Minister authorised the transit of cluster munitions in Australian territory by foreign governments? (c) Are you able to give a guarantee that no cluster munitions will ever be stockpiled in Australia, including on present or future US bases? (d) Can you guarantee that Australian troops will not directly assist US troops or those of any other ally in the use of cluster munitions under any circumstance?

Response:

(a) Cluster munitions have not, to our knowledge, been used by other countries in areas of operations in which the ADF has deployed over the last five years, including Afghanistan. Accordingly, ADF personnel have not been involved in the use of cluster munitions in joint operations in the last five years.

(b) The *Explosives Act 1961 (Cth)*, in conjunction with the underlying *Explosives Transport Regulations 2002* and *Explosives Areas Regulations 2003*, provides the legal framework for the transport and handling of explosives including cluster munitions on Australian territory. The Minister for Defence has not provided an authorisation, pursuant to the *Explosives Act 1961*, for any foreign Government to transport or store any cluster munitions on Australian territory over the past five years.

(c) There are currently no foreign stockpiles of cluster munitions in Australia. As a matter of policy, the Government has not and will not authorise such stockpiling. The Government will confirm this commitment in a public statement at the time of Australia's ratification of the Convention on Cluster Munitions (CMC) and in Australia's Annual Transparency Report under the Convention. There are no US bases in Australia and it is not proposed that there will be US bases in Australia. There are Joint Facilities that Australia has with the US in Australia. All Joint Facility activities are conducted with the full knowledge and concurrence of the Australian Government. As a State Party to the CMC, Australia will be prohibited from stockpiling cluster munitions. Section 72.42 of the *Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010* provides that certain acts by foreign military personnel of countries that are not party to the Convention are not offences against section 72.38 of the Bill when the act is done in connection with the use of a base, foreign aircraft or foreign ship in Australian territory. These acts include stockpiling or retaining a cluster munition, or transferring a cluster munition. Notwithstanding section 72.42, visiting forces would not be excused from prosecution if they use, develop, produce or acquire cluster munitions in Australia. Section 72.42 is consistent with the provisions of the Convention and does not amount to the Government's authorisation to engage in the specified conduct. The Bill does not require Australia to accept stockpiles of cluster munitions on its territory from countries that are not party to the Convention.

(d) Australian Defence Force (ADF) members will not be directly involved in the use of prohibited cluster munitions in any circumstances. Section 72.41 of the Bill provides that certain acts by Australian citizens, Australian Defence Force members or Commonwealth contractors are not offences against section 72.38 of the Bill, if the act is done in the course of military cooperation or operations with a country that is not a party to the Convention. ADF personnel will not be permitted to use, develop, produce or otherwise acquire cluster munitions or make the decision to use, develop, produce or otherwise acquire cluster munitions, including while serving on combined operations with Defence forces of other countries, in combined headquarters, or on exchange with a foreign force. ADF personnel serving alongside Defence forces of other countries remain subject to Australian domestic and international legal obligations and national policy requirements, which are applied through ADF doctrine, procedures, rules and directives. It is important to retain sections 72.41 and 72.42 to ensure the continuation of Australia's military cooperation and engagement with countries that are not party to the Convention, as permitted by Article 21 of the Convention. The ability to maintain interoperability is central to the protection of Australia's national security.

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE - COMMITTEES

Senate Supplementary Estimates

Q11 - Military Court of Australia

Senator Brandis asked on Wednesday, 19 October 2011, Hansard page 52.

- (a) Provide a summary of the issues which remain outstanding in relation to the establishment of the Military Court.
- (b) Are you able to give us any indication of when the Bill might be re-introduced or the matter might be further progressed?

Response:

(a) In developing the Military Court of Australia legislation, the Attorney-General's Department and Defence have been very mindful of the need to strike the right balance between the right of an individual to a fair trial, while allowing for the unique requirements of the military discipline jurisdiction. Careful consideration of issues such as the criteria for judicial appointment, trials being other than on indictment and ensuring a mechanism by which the proposed Military Court of Australia can sit overseas to try a charge of a service offence, have been central to formulating an effective 'military' court.

Additionally, the charges arising from an incident that resulted in civilian casualties in Afghanistan on 12 February 2009, and the disposition of those charges by the current interim court martial system, has warranted careful consideration. This is because the Military Court of Australia must be capable of trying charges of all service offences, including those arising from operational incidents and involving highly classified information.

(b) Timing for the re-introduction of the Military Court of Australia Bill is a matter for the Attorney-General and the Minister for Defence.

Q12 - MEAO Air Sustainment Contract

Senator Johnston asked on Wednesday, 19 October 2011, Hansard page 60:

Provide the full details of the survey and all of the answers and a proper analysis of the extent of the survey and what issues were raised?

Response:

These details have been addressed in the response to Senate Question on Notice 104.

Q13 - Collins Submarines

Senator Johnston asked on Wednesday, 19 October 2011, Hansard page 62.

- (a) What is the depreciation figure?
- (b) What is the cost to maintain and operate the Collins?

Response:

(a) Each submarine has a distinct value. Depreciation is calculated based upon the remaining useful life of the asset. That is, $\text{Depreciation} = \text{Net Book Value} \div \text{Remaining Useful Life}$. Individual submarine values are below as at 30 June 2011.

Asset	Value (\$m)	Net Book Value (\$m)	Depreciation FY10/11 (\$m)
SM COLLINS (SSG73)	761.27	243.56	25.20
SM FARNCOMB (SSG74)	826.66	356.53	37.14
SM WALLER (SSG75)	699.43	307.30	35.33
SM DECHANEUX (SSG76)	785.27	387.21	26.61
SM SHEEAN (SSG77)	720.20	333.87	23.45
SM RANKIN (SSG78)	725.06	382.12	24.37
Total	4,517.90	2,010.58	172.10

(b) As answered in Budget Estimates written Question on Notice (asked by Senator Johnston in June 2011) Question 63 (a) (i-v), total cost of the Royal Australian Navy's submarine capability for FY10/11 was \$629.3 million. Costs provided for FY 2010-11 are actual expenditure to June 2011 accurate as of October 2011. The \$629.3 million does not include the \$172 million depreciation expense.

This total cost includes sustainment activities for Collins Class Submarines. It also includes operating costs, which encompass the cost of suppliers, facilities and personnel in Defence deemed to directly contribute to the submarine capability along with rations, fuel, and explosive ordnance (firings and sustainment costs). Additionally, the costs of capability upgrades are included in the total cost.

Q14 - Collins Submarines

Senator **Johnston** asked on **Wednesday, 19 October 2011, Hansard page 66 .**

How much is being spent on:

- (a) updating the Integrated Master Schedule; and
- (b) rewriting the in-service support contract.

Response:

- (a) Updating the Integrated Master Schedule (IMS) is a fundamental element of Collins sustainment management and is not separately costed.
- (b) Rewriting the In Service Support Contract with ASC has cost \$2.7million, over two years. This comprises:
 - legal fees - \$0.1 million
 - commercial and technical consultant fees - \$1.79 million
 - APS salaries - \$0.19 million
 - administration on-costs and travel - \$0.65 million

Q15 - Collins Submarines

Senator Johnston asked on Wednesday, 19 October 2011, Hansard page 67 .

Review of extension of service life from 2015 to 2033.

- (a) What is the cost of the Review?
- (b) Who is doing the Review?
- (c) How long is it going to take?

Response:

The Collins Class life of type is currently planned to extend to around 2031, with the fleet being progressively withdrawn from service around 2025.

- (a) A plan for the detailed evaluation of the Collins Class service life is currently being developed. This plan is yet to be finalised and fully costed. Early stakeholder engagement is being undertaken to determine the evaluation framework and scale of key stakeholder engagement.
- (b) The service life evaluation will be led by DMO and will engage key Defence stakeholders including Navy and DSTO, and key industry partners, notably ASC. An Integrated Project team framework will be employed to manage this effort. Other specialist advice will be sought from industry on an as required basis. USN NAVSEA will also provide independent review of key issues.
- (c) The service life evaluation is expected to take approximately 12-18 months. It is intended that the framework developed under this detailed evaluation will be regularly updated throughout the remaining life of the Collins Class as an ongoing sustainment activity.

Q16 - Responses to QoNs - Future Submarines

Senator Johnston asked on Wednesday, 19 October 2011, hansard page 71.

QoNs asked on 22 March (QoN 504) and 5 July (QoN 780), similar questions on SEA 1000 acquisitions. Where was the hold up on the responses to these QoNs and why?

Response:

Over the period between 1 March and 1 August 2011, my Department was tasked to prepare responses to over 200 Parliamentary Questions on Notice. This was in addition to the 101 questions taken on notice following the Senate Standing Committee on Foreign Affairs, Defence and Trade budget estimates hearings on 30-31 May 2011.

Many of these questions had multiple parts, and took significant effort to address due to the complex nature of the questions and the level of detail that was required in coordinating input from throughout the department. While this resulted in a delayed response in some cases, it is important to ensure that answers to these questions are complete, accurate and deal with the complexity of the questions asked.

Q17 - Projects of Concern

Senator Humphries asked on Wednesday, 19 October 2011, Hansard page 79.

Meetings and management of process: Provide a description of the process including where the meetings were held; who were the participants, i.e. organisations and companies represented; and which Ministers were involved.

Response:

The Projects of Concern summits are biannual face-to-face meetings between industry and Defence. The purpose of these meetings is to ensure the people accountable are doing everything necessary to remediate the project. Each meeting is chaired by the Minister for Defence Materiel and involve senior representatives from Defence and the company or companies involved.

The inaugural Projects of Concern summit was held in February–March 2011. The second summit was held 27–28 September 2011. The meetings are held in Parliament House. Details are attached.

Inaugural Projects of Concern summit

Date / Time	15 February 2011
Company	BAE Systems Australia
Projects	AIR 5276 Ph 8B – AP-3C Electronic Support Measures Upgrade LAND 106 - M113 Upgrade
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none">• The Hon Jason Clare MP – Minister for Defence Materiel (MINDM)• MINDM Chief of Staff• Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none">• DCEO DMO• General Manager Systems• Head Aerospace Systems Division• Director Projects of Concern <p>BAE Systems Australia:</p> <ul style="list-style-type: none">• CEO• Director Land & Integrated Systems• Director Aerospace

Date / Time	15 February 2011
Company	ASC Pty Ltd
Project	CN 10 – Collins Submarine Sustainment & Projects
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • CEO DMO • DCEO DMO • Program Manager Collins & Wedgetail • Director General Submarines • Director Projects of Concern <p>ASC Pty Ltd:</p> <ul style="list-style-type: none"> • Managing Director and CEO • General Manager Business Transformation

Date / Time	15 February 2011
Company	CEA Technologies Pty Ltd
Project	SEA 1448 Ph 2B – ANZAC Frigate Anti-Ship Missile Defence
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • CEO DMO • DCEO DMO • Head Maritime Systems Division • Anti-Ship Missile Defence Project Director • Director Projects of Concern <p>CEA Technologies Pty Ltd:</p> <ul style="list-style-type: none"> • CEO • Technical Director

Date / Time	16 February 2011
Companies	Djimindi Alliance, EuroTorp and Thales Underwater Systems
Project	JP 2070 Ph 2 & 3 – Lightweight Torpedo
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • DCEO DMO • General Manager Systems • Head Explosive Ordnance Division • Project Director JP 2070 • Director Projects of Concern <p>Djimindi Alliance:</p> <ul style="list-style-type: none"> • Director <p>EuroTorp:</p> <ul style="list-style-type: none"> • General Manager Government Business <p>Thales:</p> <ul style="list-style-type: none"> • Vice President, Naval

Date / Time	16 February 2011
Company	Boeing Defence Australia
Project	AIR 5077 Ph 3 – AEW&C “Wedgetail”
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • DCEO DMO • General Manager Systems • Program Manager Collins & Wedgetail • Assistant Project Manager Airborne Early Warning & Control • Director Projects of Concern <p>Boeing:</p> <ul style="list-style-type: none"> • VP of International Operations and Compliance for Boeing Defense, Space and Security • VP and Managing Director of Boeing Defence Australia • Chief Operating Officer, Boeing Defence Australia • VP Business Development Australia/New Zealand Defence, Space and Security

Date / Time	16 February 2011
Company	Boeing Defence Australia
Project	JP 2043 Ph 3A – High Frequency Communications System Modernisation
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • DCEO DMO • General Manager Systems • Head Electronics System Division • Director High Frequency Modernisation Project • Director Projects of Concern <p>Boeing:</p> <ul style="list-style-type: none"> • VP of International Operations and Compliance for Boeing Defense, Space and Security • VP and Managing Director of Boeing Defence Australia • Chief Operating Officer, Boeing Defence Australia • VP Business Development Australia/New Zealand Defence, Space and Security

Date / Time	16 February 2011
Company	Boeing Defence Australia
Project	AIR 5333 – Air Defence Command and Control System “Vigilaire”
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • DCEO DMO • General Manager Systems • Head Electronic Systems Division • Project Director AIR 5333 • Director Projects of Concern <p>Boeing:</p> <ul style="list-style-type: none"> • VP of International Operations and Compliance for Boeing Defense, Space and Security • VP and Managing Director of Boeing Defence Australia • Chief Operating Officer, Boeing Defence Australia • VP Business Development Australia/New Zealand Defence, Space and Security

Date / Time	2 March 2011
Company	Airbus Military
Project	AIR 5402 – Air to Air Refuelling Capability
Location	Minister Clare’s Office, Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • MINDM Chief of Staff • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • DCEO DMO • Head Aerospace Systems Division • Project Director AIR 5402 • Director Projects of Concern <p>Airbus Military:</p> <ul style="list-style-type: none"> • Head of Airbus Military • Senior VP Head of Programs <p>EADS Australia Pacific Pty Ltd:</p> <ul style="list-style-type: none"> • CEO

Date / Time	3 March 2011
Company	EuroTorp
Project	JP 2070 Ph 2 & 3 – Lightweight Torpedo
Location	Minister Clare’s Office, Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none">• The Hon Jason Clare MP - Minister for Defence Materiel (MINDM) <p>DMO:</p> <ul style="list-style-type: none">• DCEO DMO <p>EuroTorp:</p> <ul style="list-style-type: none">• CEO• GM Government Business

September 2011 Projects of Concern summit

Date / Time	27 September 2011
Company	CEA Technologies Pty Ltd
Project	SEA 1448 Ph 2B – ANZAC Frigate Anti-Ship Missile Defence
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none">• The Hon Jason Clare MP – Minister for Defence Materiel (MINDM)• Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none">• Acting CEO DMO• Acting General Manager Programs• General Manager Systems• Director General Major Surface Ships• Acting Director General Independent Project Performance Office• Anti-Ship Missile Defence Project Director• Director Projects of Concern <p>RAN:</p> <ul style="list-style-type: none">• Deputy Chief of Navy <p>CEA Technologies Pty Ltd:</p> <ul style="list-style-type: none">• CEO• Technical Director

Date / Time	27 September 2011
Company	ASC Pty Ltd
Project	CN 10 – Collins Class Submarine Sustainment and Projects
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • Acting CEO DMO • Acting General Manager Programs • General Manager Systems • Program Manager Collins & Wedgetail • Director General Submarines • Director General Future Submarines • Director General Collins Acquisition Program • Acting Director General Independent Project Performance Office • Director Projects of Concern <p>RAN:</p> <ul style="list-style-type: none"> • Deputy Chief of Navy <p>ASC Pty Ltd:</p> <ul style="list-style-type: none"> • CEO • Through Life Support Manager • General Manager Business Improvement and Transformation

Date / Time	27 September 2011
Company	BAE Systems
Projects	AIR 5276 Ph 8B – AP-3C Electronic Support Measures Upgrade AIR 5077 Ph 3 – AEW&C “Wedgetail” LAND 106 – M113 Upgrade
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • Acting CEO DMO • Acting General Manager Programs • General Manager Systems • Head Aerospace Systems Division • Program Manager Collins & Wedgetail • Director General Land Manoeuvre Systems • Acting Director General Independent Project Performance Office • Deputy Program Manager Airborne Early Warning & Control • Director Projects of Concern <p>Army:</p> <ul style="list-style-type: none"> • Head of Modernisation and Strategic Planning <p>RAAF:</p> <ul style="list-style-type: none"> • Deputy Chief of Air Force Representative <p>BAE Systems:</p> <ul style="list-style-type: none"> • CEO • Director Land & Integrated Systems • Engineering Director

Date / Time	28 September 2011
Company	Boeing
Project	AIR 5077 Ph 3 – AEW&C “Wedgetail”
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • Acting CEO DMO • Acting General Manager Programs • General Manager Systems • Program Manager Collins & Wedgetail • Acting Director General Independent Project Performance Office • Deputy Program Manager Airborne Early Warning & Control • Director Projects of Concern <p>RAAF:</p> <ul style="list-style-type: none"> • Chief of Air Force <p>Boeing:</p> <ul style="list-style-type: none"> • President • VP International Operations • VP Surveillance & Engagement • VP AEW&C Programs • VP Business Development, Australia

Date / Time	28 September 2011
Companies	Djimindi Alliance, Thales, EuroTorp
Project	JP 2070 Ph 2 & 3 – Lightweight Torpedo
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP – Minister for Defence Materiel (MINDM) • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • Acting General Manager Programs • General Manager Systems • Head Explosive Ordnance Division • Acting Director General Independent Project Performance Office • Project Director JP 2070 • Director Projects of Concern <p>RAN:</p> <ul style="list-style-type: none"> • Deputy Chief of Navy <p>Djimindi Alliance:</p> <ul style="list-style-type: none"> • Director <p>Thales:</p> <ul style="list-style-type: none"> • CEO • VP Naval Simulation & Aerospace <p>EuroTorp:</p> <ul style="list-style-type: none"> • GM Government Business

Date / Time	28 September 2011
Companies	Airbus Military
Project	AIR 5402 – Air to Air Refuelling Capability
Location	Parliament House, Canberra
Attendees	<p>Government:</p> <ul style="list-style-type: none"> • The Hon Jason Clare MP - Minister for Defence Materiel (MINDM) • Senior Adviser to MINDM <p>DMO:</p> <ul style="list-style-type: none"> • Acting General Manager Programs • General Manager Systems • Head Aerospace Systems Division • Acting Director General Independent Project Performance Office • AIR 5402 Project Director • Director Projects of Concern <p>RAAF:</p> <ul style="list-style-type: none"> • Deputy Chief of Air Force Representative <p>Airbus Military:</p> <ul style="list-style-type: none"> • Managing Director and CEO • Senior VP Head of Programmes • Head of RAAF Programme <p>EADS:</p> <ul style="list-style-type: none"> • Senior VP Strategy Asia-Pacific • CEO EADS Australia

Q18 - Projects of Concern - Tactical UAV Systems

Senator Humphries asked on Wednesday, 19 October 2011, Hansard page 82 .

In buying two Shadow 200 Tactical UAV systems:

- (a) How many UAVs do we get in each system?
- (b) How much we were going to pay for this system in 2005?

Response:

- (a) Defence is purchasing two Australian-configured Shadow 200 Tactical UAV systems. Each system comprises five unmanned aerial vehicles (UAVs) plus ground support equipment.

Defence has acquired an additional eight UAVs to account for fleet attrition throughout the ten year life of type.

On this basis, Defence will acquire a total of 18 UAVs.

- (b) In 2005, the Government provided project funding of \$145 million for the UAV project to provide the Army with a high precision day and night surveillance and targeting capability with accompanying ground systems.

The current cost for delivering the Shadow 200 system under a United States Foreign Military Sales agreement is approximately \$73 m. The system being delivered to the ADF is not only at a lower cost, but includes additional and higher technology equipment and simulators over the system offered in 2005.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q19 - First and Second Pass Approvals

Senator Humphries asked on Wednesday, 19 October 2011, Hansard page 84:

How many first and second pass approvals are planned for the rest of the financial year?

Response:

As advised at the recent Senate Inquiry into Procurement Procedures for Defence Capital Projects, the average annual rate of approvals has been 28 over the last five years. Approvals include first, second and other* passes.

*(Other includes intermediate passes, studies, project re-scoping, real cost increases, Capability Technology Demonstrator and Project Development Funding).

As at 31 December 2011, 29 projects have been approved this financial year. This includes 21 first and second passes. A number of projects are well developed for progressing to government and, with six months remaining this financial year, Defence has already achieved over the average 28 approvals for financial year 2011-12. Calendar year 2011 saw a record number of project approvals – 48.

Q20 - HMAS Choules

Senator Abetz asked on Wednesday, 19 October 2011, Hansard page 85.

With the Choules coming back, has the project provided Navy with funding to conduct a first-class flight trial or is that something that Navy is going to have to take out of hide?

Response:

An agreement between the DMO Project Office and Navy was settled on 18 August 2011, under which the Project would provide up to \$69,979.85 to Navy to support Bay Class aircraft on deck modeling and ship's helicopter operating limits validation trials.

Q21 - Investigations against APS Members

Senator Xenophon provided in writing:

- (a) How many investigations under provisions of the Crimes Act has the Department of Defence initiated against members of the Australian Public Service? (b) How many progressed to litigation? (c) How many were dealt with under the provisions of the Public Service Act?

Response:

- (a) In the 2010-11 financial year Defence finalised 41 investigations involving fraud (or fraud-like conduct) committed by Australian Public Service employees in Defence.
- (b) Of the 41 investigations identified in (a) above, two resulted in prosecution in the criminal courts. Having regard to the Prosecution Policy of the Commonwealth, the remaining cases were judged to be inappropriate for referral to the Commonwealth Director of Public Prosecutions.
- (c) All of the 41 investigations identified in (a) above resulted in the commencement of disciplinary action under the provisions of the Public Service Act but such action could not be completed in 11 cases where the employee resigned.

Q22 - HMAS Choules - Helipad

Senator Macdonald provided in writing.

What are the funding arrangements for first-class flight trials for the helipad on HMAS Choules?

Response:

The response to Question on Notice 20 provides the required information in response to Question on Notice 22.

Q23 - Victorian Australian Army Cadets Allowances

Senator Macdonald provided in writing.

- (a) Is it the case that there is a proposal to decrease the Cadet Forces Allowance (CFA) liability for the Victoria Australian Army Cadets Brigade by \$500,000?
(b) I have received advice that there is a plan of Officers of Cadets to be demoted and made instructors of cadets – is this true? (c) My advice is that it would decrease the number of officers of cadets from 233 to 130, a loss of 103 so as to increase the Instructors of Cadets number from 58 to 192, an increase of 134. Can you please confirm whether or not this is accurate?

Response:

(a) Cadet Forces Allowance is not allocated to individual AAC Regional Brigades, but is managed centrally by the National Headquarters as a single funding source. There is, therefore, no plan to reduce Cadet Forces Allowance allocation to any individual AAC regional Brigade.

(b) This is not correct. The Australian Army Cadets (AAC) policy detailing the Authorised Establishment specifically states in paragraph 5.15 b:

*Adult Cadet Staff (ACS) appointed as Officers of Cadets (OOC) as at 11 September 2011 will not be required to become an Instructor of Cadets (IOC) even if no establishment position for an OOC exists, **provided there is no break between appointments**. In these cases, the OOC may be appointed to a vacant IOC position as a 2LT/LT (depending on qualifications).*

In addition, the Commander AAC included in his email to all Regional Commanders dated 4 October 2011:

To be clear there is no intention to move those holding LT/CAPT rank to the IOC stream to meet the new establishment...

(c) The clearly stated intent of the Commander AAC is to gradually change the adult Army Cadet Staff (ACS) rank structure of the AAC organisation from the inverted pyramid that exists at the moment (that is, mostly Officers and some Instructors (NCO)) to the traditional pyramid structure that exists in almost every organisation (that is, mostly Instructors and a much smaller number of Officers).

The vast majority of new ACS are now appointed to the organisation as Instructors of Cadets (NCO ranks) and a very small number are now appointed directly as Officers of Cadets. Over time (possibly a decade or more), the effect of these changes will be that the number of Officers of Cadets is significantly reduced and the number of Instructors of Cadets is significantly increased, hence transitioning to a more normal organisational structure.

The actual quantum of these changes will be entirely dependent on the strength of all cadet units in the VIC Brigade. It is not possible to confirm or deny the figures provided in the question. However, it is important to note that no person who was

appointed as an Officer of Cadets as at 11 September 2011 will be required to revert to be an Instructor of Cadets.

Q24 - Army Cadet Uniforms

Senator Macdonald provided in writing.

(a) Is it true that the Army Cadets are the only one of the three cadet organisations to lose their ceremonial and polyester uniforms? (b) Is it true that units that have access to ceremonial uniforms and have offered to self-fund these have been told that they are not able to? (c) Is it true that the full-time staff of the Army Cadets still wear these uniforms, including polyester general duties dress, service dress and mess dress, and that they are indeed provided to those staff at public expense?

Response:

(a) Each cadet organisation is subject to the uniform and equipment approved and provided by their respective Service Chief.

Australian Army Cadets (AAC)

The AAC has removed the entitlement for most cadets and adult Army Cadet Staff (ACS) to wear polyester items of dress.

The AAC has retained the same ceremonial uniform that it has had for over 20 years. This ceremonial uniform is based on the DPCU (Disruptive Pattern Combat Uniform - Camouflage), rather than the polyester uniform. The DPCU-based ceremonial uniform was the only type of ceremonial uniform in widespread use in the AAC until approximately 2005-06, when AAC access to the polyester uniforms was increased to a larger number of units and personnel.

Australian Navy Cadets (ANC)

The ANC have been issued with the Disrupted Pattern Navy Uniform (DPNU) as an addition to their ANC uniform. A review of all ANC uniforms will be undertaken in 2012 to reflect RAN uniforms and seek savings where possible. It is not intended to replace or withdraw summer/winter ceremonial uniforms with DPNU for ceremonial events/activities.

Australian Air Force Cadets (AAFC)

Air Force has not changed the uniform for the Australian Air Force Cadets and continues in general to provide cadets with the ceremonial dress as follows:

- blue trousers and long sleeve shirt and tie known as Dress 1B; and
- a short sleeve shirt for use with the blue trousers known as Dress 1C.

A tunic is only issued to the AAFC Commander, the AAFC Deputy Commander and the Officer Commanding of an AAFC Wing and this is known as Dress 1A.

(b) All AAC units have access to the DPCU ceremonial uniform, provided at Commonwealth expense and supplied through Army and DMO.

All AAC units have been advised that polyester uniforms are not to be worn for ceremonial occasions except in a limited range of circumstances and by a small number of personnel. While the AAC has issued no specific exclusion to units preventing them from purchasing uniform items, it would be pointless for units to do so given that the uniform type has been discontinued as an authorised form of dress for most AAC members.

Regardless of a unit's ability to self-fund polyester uniforms and accoutrements, not all of the necessary uniform items can be readily obtained from civilian suppliers. Units will find it more and more difficult to self-source the items required to enable the polyester uniform to be worn correctly. Therefore, rather than allowing the cadet unit personnel to wear sub-standard and incomplete uniforms, Army directed that this uniform type would be drawn down across the whole Army (and is no longer the dress of the day) and will no longer be worn by the majority of AAC members.

(c) Commander AAC has allowed a limited number of full-time and part-time personnel, including all Army Cadet Unit Officers Commanding, to continue wearing polyester uniforms in a limited range of circumstances, as clearly defined in the AAC Dress Policy.

Some, but not all, full-time staff of the AAC are eligible to wear polyester uniforms, Service Dress and/or Mess Dress. The uniforms of these types that full-time staff are eligible to wear are clearly defined in the AAC Dress Policy.

Some full-time and part-time staff of the AAC are provided polyester orders of dress, Summer Mess Dress and/or Service Dress at public expense. These entitlements are clearly defined in the AAC Dress Policy.

Q25 - Australian Army Cadets Staff Numbers

Senator Macdonald provided in writing.

For the financial years 2007/08; 2008/09; 2009/10; 2010/11, could you please advise: (a) Excluding Army and Army Reserve personnel, how many full-time staff and part-time staff were employed in the AAC HQ and Regional AAC HQs? (b) What was the salary spend of AAC HQ and each of the Regional AAC HQs? (c) How much Cadet Forces Allowance was allocated to each State? (d) How many Formation Safety Advisers were employed in each State?

Response:

(a) If Regular Army, Army Reserve and part-time Army Cadet Staff are excluded, the remaining number of full-time and part-time staff of AAC National and Regional Headquarters are all Australian Public Service (APS) positions.

The specific number of APS staff employed on a full-time and part-time basis in the AAC in years 2007/08 to 2009/10 is not available. However, in each of those years, the AAC had an allocation of 31 APS positions. Recruitment of people to 27 of these positions occurred in 2007/08. By 2008/09 and 2009/10, all 31 positions were filled. In some cases, one or two additional Non-Ongoing APS positions were filled for limited periods of time (usually of up to six months each). In 2010/11, Army converted seven Australian Regular Army positions to APS positions. People were recruited to these positions in early-mid 2011.

As at 30 June 2011, the number of APS employees in the AAC National and Regional headquarters was:

- National Headquarters – 11 Ongoing and 1 Non-Ongoing
- Regional Headquarters – 21 Ongoing

(b) Total expenditure on APS salaries for the AAC organisation was:

Year	Expenditure
2007/2008	\$640,000
2008/2009	\$2,325,000
2009/2010	\$2,603,000
2010/2011	\$2,803,000

The significant increase in 2008/09 was due to the allocation to AAC of an additional 27 full-time APS positions in late 2007 and early 2008.

(c) A Cadet Forces Allowance (CFA) budget (that is, expenditure limit) is not allocated to individual AAC regions.

The following figures show the approximate CFA expenditure by AAC regions and National Headquarters during the listed years. The capturing of CFA against individual AAC regions was problematic in 2008/09 and 2009/10 due to the need for part-time volunteer cadet staff to use correct Cost Centre Codes on their claim forms

and often failing to do so, resulting in the misallocation of CFA expenditure to individual AAC regions.

	2007/2008	2008/2009	2009/2010	2010/2011
SQLD	\$682,000	\$459,000	\$564,000	\$746,000
NQLD	\$249,000	\$224,000	\$174,000	\$326,000
NT	\$77,000	\$62,000	\$62,000	\$64,000
NSW	\$1,386,000	\$897,000	\$866,000	\$1,627,000
VIC	\$813,000	\$563,000	\$495,000	\$929,000
SA	\$287,000	\$248,000	\$217,000	\$289,000
WA	\$515,000	\$340,000	\$376,000	\$648,000
TAS	\$194,000	\$118,000	\$79,000	\$202,000
Regional expenditure not accounted for against specific regions	\$0	\$1,283,000	\$1,624,000	\$0
National HQ (estimate)	Not Recorded	\$40,000	\$44,000	\$48,000
TOTAL	\$4,203,000	\$4,234,000	\$4,501,000	\$4,879,000

(d) Since mid-2008, there have been Formation Safety Advisers in each of the six largest AAC regional Brigades (essentially based on State / Territory boundaries), being North QLD, South QLD, NSW, VIC, SA and WA. In addition, the Executive Officers of TAS and NT are required to perform the role of Formation Safety Adviser as part of their duties.

Q26 - Australian Army Cadets Chief of Staff

Senator Macdonald provided in writing:

(a) When was the Chief of Staff AAC position created and by whom? (b) Could you confirm if the level of the Chief of Staff AAC position was initially envisaged as being one that would be allocated to the Commander of the NSW Brigade? (c) If this was the case, why was that changed? (d) What was the selection process used for the Chief of Staff AAC? (e) Who determined that the Chief of Staff AAC position should be at Colonel (AAC) level? (f) Is it true that the most senior Officer of Cadets in Australia, the Deputy Commander AAC was the only Colonel (AAC) prior to the Chief of Staff AAC being appointed at that rank? (g) What is the term of appointment for the Chief of Staff AAC, the Regional Commanders and the other Officers of Cadets full-time staff in the ACC?

Response:

(a) The Chief of Staff AAC position was created in 2000 by the Chief of Army as part of the unit establishment for 'Headquarters Australian Army Cadets'. At this time, the position was for an Army Reserve Lieutenant Colonel.

In 2005 the position was changed to an Australian Regular Army Lieutenant Colonel.

In 2007 the Chief of Army approved the conversion of the position to an Australian Public Service Executive Level 2, Full-Time Officer of Cadets.

(b) No. The Commander of the NSW Brigade was enacted as a Lieutenant Colonel (AAC) Full-Time Officer of Cadets in 2008 after being converted from an Army Reserve Lieutenant Colonel position that existed since the mid-1990s.

(c) Not applicable.

(d) The selection process used to fill the Full-Time Officer of Cadets Chief of Staff position in 2007 was the standard process applicable to all Australian Public Service positions.

(e) This was determined by Commander AAC (by written delegation from Chief of Army), with endorsement from Chief of Army's Senior Advisory Committee (CASAC) in 2007.

(f) Yes. The Deputy Commander AAC, as the senior part-time member of the AAC, remains the senior Officer of Cadets in the AAC.

(g) There are currently (as at 1 November 2011) 19 Full-Time Officers of Cadets and 7 Full-Time Instructors of Cadets. All of the positions except one are employed as Ongoing Australian Public Service (APS) employees with no fixed tenure. One Full-Time Officer of Cadets position (of the 19 in total) is employed as a Non-Ongoing APS employee until 11 March 2013.

Q27 - Australian Army Cadet Funding

Senator Macdonald provided in writing.

Further to the advice given during Estimates regarding the impact of the Strategic Reform Program on the funding to the AAC (advice by Brig Sowry, Hansard pg 19, 19 October 2011), what specific savings have been made to achieve the \$1.918 million in savings?

Response:

Further to the advice given during Senate Estimates regarding the impact of the Strategic Reform Program on the funding to the AAC (advice by BRIG Sowry, Hansard pg 19, 19 October 2011), what specific savings have been made to achieve the \$1.918 million in savings?

The figures quoted include an amount of additional one-off funding provided to the Australian Army Cadets (AAC) in 2008/09 and 2009/10 of \$1.5 million and \$1 million respectively. This was extra funding beyond normal levels and was to assist in the implementation of the Hickling Review. Therefore, the majority of the perceived reduction in the 2010/11 allocation was simply a return to normal allocation levels.

The small reduction in the Army allocation of Suppliers Expenses to AAC from 2008/09 to 2010/11 has been as a result of a general reduction across most elements of Army and Defence as a result of the Defence Strategic Reform Program.

These reductions were absorbed by the AAC without significant detriment to any specific component of the program. All main activities of the AAC program that have been conducted for the past 25 or more years continued to be conducted during the period 2008/09 to 2010/11 (that is, annual camps, promotion courses, specialist courses camps). In addition, AAC has been able to conduct activities such as the international Army Cadet Exchange program, a centralised Adventure Training Award assessment, the Chief of Army Cadet Team Challenge, national and regional conferences, functional working groups and equipment procurements. Any reductions have been absorbed through increased efficiencies, other components of Defence accepting some costs of cadet activities and procurement and decreased non-essential equipment procurement by AAC.

It should be noted that the allocation of Suppliers Expenses for the 2011/12 financial year has been increased in the order of \$0.600 million.

Despite the savings measures, AAC has increased the number of cadets from 13,143 in 2007 to 14,696 in 2011 and adult Cadet Staff numbers from 1032 in 2007 to 1124 in 2011.

Q28 - Talisman Sabre - Local Expenditure

Senator Macdonald provided in writing .

Further to advice received on notice from last Estimates (Q95), how much was spent by the ADF on local goods and services in Rockhampton, Townsville and Darwin?

Response:

As advised during the 19 October 2011 Estimates hearings and noted in the response to Question on Notice 6, final costs for the conduct of Exercise Talisman Sabre will not be known until the cost acquittals are received later this year. Once these acquittals are received and reconciled Defence will provide the Exercise costs to the Committee. We anticipate providing these costs prior to the next Estimates hearing in February 2012.

Q29 - Cultana Training Area - Procurement Procedures

Senator Macdonald provided in writing .

(a) I have been advised that the existing procurement process for dairy products required when exercises are conducted at Cultana are being altered to exclude local distributors. Is this the case? (b) Please advise of any recent or planned changes to procurement procedures, for goods and services required during exercises at Cultana?

Response:

(a) No. Local providers continue to be used.

(b) There have been no recent changes and there are no planned changes to procurement procedures, for goods and services during exercises at Cultana.

Q30 - Use of RAAF Base Scherger to House Immigration Detainees

Senator Macdonald provided in writing.

Agreement between the Dept of Defence and Dept of Immigration and Citizenship for use of RAAF Scherger to house immigration detainees:

(a) On what date was an agreement reached between the Dept of Defence and Dept of Immigration regarding the decision, announced on 17 September 2010, to use RAAF Scherger as a temporary facility to house immigration detainees?

(b) Was there any option within this original agreement to extend the length of time the Dept of Immigration would use the facility or how many detainees would be housed there?

(c) If such an option was in the original agreement, please provide the particulars of the option?

(d) Currently, how long has the Dept of Defence agreed to allow the Dept of Immigration use of the facility and what is the agreed maximum number of detainees that will be housed there?

(e) Are there any options within the current agreement to extend the time the facility will be used by the Dept of Immigration or increase the number of detainees housed there? If so, what are the particulars of these options?

Response:

(a) The Government decided on 16 September 2010 that RAAF Scherger would be used as a short term option for the accommodation of Irregular Maritime Arrivals.

(b) The original decision was to use RAAF Scherger for an unspecified term. The Department of Immigration and Citizenship proposed to accommodate 300 irregular maritime arrivals as a surge option.

(c) Not applicable.

(d) The Government has agreed to the Department of Immigration and Citizenship's occupancy at RAAF Scherger until 30 June 2012. The facility has a contingency capacity of up to 600 people.

(e) The Memorandum of Understanding between Defence and the Department of Immigration and Citizenship for RAAF Scherger includes provision for the Department of Immigration and Citizenship to request extension beyond the 30 June 2012 date; however, Defence is not aware of any intention to do so. The number of detainees to be accommodated at Scherger is set by Government and there is no intention to expand beyond the current contingency capacity of 600.

Q31 – Submarines – Collins Sustainment/Operating Costs

Senator Johnston provided in writing.

What is the total estimated cost of sustainment/operating and upgrading the Collins Class fleet from 2011/12 out to 2025, including asset depreciation costs which need to be included?

Response:

The total estimated sustainment and direct operating costs for the Collins Class Submarines for the next ten years (2011-12 to 2020-21) is outlined in the table below:

2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m	2017-18 \$m	2018-19 \$m	2019-20 \$m	2020-21 \$m	Total \$m
490.8	463.9	418.8	410.0	406.8	452.4	467.2	483.4	498.2	510.2	4601.8

Navy and DMO continue to refine sustainment and direct operating cost estimates beyond the 2020-21 period.

The total estimated approved upgrade costs over the forward estimates period is \$136.2m, as detailed in the table below.

2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	Total \$m
27.3	32.9	29.9	25.1	21.0	136.2

The depreciation costs for the Collins Class Submarine fleet is in the order of \$160m per year. The Collins Class submarines will be fully depreciated over the period 2026-2030, with the exception of any major upgrade projects that may extend the submarine's useful life beyond the current life of type of the fleet.

Q32 – Submarines – Collins Depreciation

Senator Johnston provided in writing.

Over how many years is the total cost of the Collins Class submarine depreciated?

Response:

The asset useful life of the Collins Class submarine fleet ranges between 27 to 30 years.

Q 33 – Submarines – Collins Depreciation

Senator Johnston provided in writing.

Can you provide the annual depreciation costs from 2003 to 2025?

Response:

The average annual depreciation costs from 2003 to 2025 for the Collins Class Submarine fleet is in the order of \$160m.

Q34 - Submarines - Unit Ready Days

Senator Johnston provided in writing.

What is the definition of task ready days and unit ready days?

Response:

Defence has not and does not use the term task ready days. From financial year 2003-04, Defence reported the achievement of mission capability and unit ready days in the Defence Annual Report.

Mission capability measures whether force elements achieved their assigned tasking.

Unit ready days is a broader measure of the number of days that force elements were not undertaking major maintenance and could be assigned to tasks within their readiness notice.

As explained in Defence's response to Senate Question on Notice No. 759, Navy intends to apply the definition of 'operating cycle' in future unclassified reports of the operational status of naval vessels.

Q35 - Submarines - Operational Status

Senator Johnston provided in writing.

What is the current operational status of each of our Collins Class submarines?

Response:

In accordance with the definitions explained in Defence's response to Senate Question on Notice No. 759, all submarines are currently in their operating cycles. The detailed operational capability of the submarine fleet is not publicly disclosed for reasons of operational security; however, can be provided in a private briefing.

Accumulated over time, the information formerly contained in the Defence Annual Report portrayed a clear picture of Navy's submarine capability, which could significantly undermine operational security. Accordingly, Defence has reported mission capability in qualitative terms since financial year 2008-09 and aggregated unit ready days for groups of force elements since financial year 2009-10. Defence will continue to offer to provide the Senate Committee with more detailed information through private briefings.

Q36 - Submarines - Maintenance Schedules

Senator Johnston provided in writing .

What is the maintenance schedule for each of our submarines from 2011 to 2016?

Response:

The Collins Class Submarine Usage Upkeep Cycle is eleven years, which includes a Full Cycle Docking of three years. Between Full Cycle Dockings, additional maintenance is carried out during a mid cycle docking, intermediate docking and other planned maintenance activities.

Individual submarine maintenance schedules which are developed around the Collins Class Submarine Usage Upkeep Cycle and captured within the Integrated Master Schedule are classified. However, a classified brief can be provided if required.

Q37 - Submarines - Operability Levels/Availability

Senator Johnston provided in writing.

What will be the level of operability for each of our submarines from 2011 to 2016? Noting data was available in the past, what is the rationale behind the Departments decision to no longer provide “availability” data on submarines?

Response:

In accordance with the definitions explained in Defence’s response to Senate Question on Notice No. 759, all submarines are currently in their operating cycles. The detailed operational capability of the submarine fleet is not publicly disclosed for reasons of operational security; however, can be provided in a private briefing.

Accumulated over time, the information formerly contained in the Defence Annual Report portrayed a clear picture of Navy’s submarine capability, which could significantly undermine operational security. Accordingly, Defence has reported mission capability in qualitative terms since financial year 2008-09 and aggregated unit ready days for groups of force elements since financial year 2009-10. Defence will continue to offer to provide the Senate Committee with more detailed information through private briefings.

Q38 - Submarines - Availability Data

Senator Johnston provided in writing.

Has there been any ministerial (verbal/email or minuted) direction in relation to no longer providing “availability” data on submarines?

Response:

No. Defence changed the public reporting of submarine availability data because, accumulated over time, the information formerly contained in the Defence Annual Report portrayed a clear picture of Navy’s submarine capability, which could significantly undermine operational security. Accordingly, Defence has reported mission capability in qualitative terms since financial year 2008-09 and aggregated unit ready days for groups of force elements since financial year 2009-10.

As explained in Defence’s response to Senate Question on Notice No. 759, Navy intends to apply the definition of ‘operating cycle’ in future unclassified reports of the operational status of naval vessels.

Defence continues to offer to provide the Senate Committee with more detailed information in private briefings.

Q39 - Submarines - Sustainment Costs

Senator Johnston provided in writing.

Please specify the Department's aspirational figure for annual submarine force sustainment cost.

Response:

The aspirational submarine force sustainment cost will need to cover the true cost of maintaining a strategic asset to the required standards of safety, availability and reliability.

This cost will be informed by outcomes of the performance-based In-Service Support Contract with ASC, which aims to drive better value for money for Defence and improve submarine availability. The true cost of ownership will emerge as contract incentives deliver efficiencies, Defence further optimises the submarine maintenance schedule, inventory and obsolescence management improves, and other performance-based contracts with all industry partners are implemented.

Defence will be able to assess annual submarine force sustainment costs against the realistic benchmarks that will be established by the Coles Review.

Q40 - Submarines - Availability

Senator Johnston provided in writing.

Please specify the Department's aspirational figure for annual submarine force availability (as might appear in a Navy/DMO Materiel Sustainment Agreement).

Response:

Navy's submarine capability target is four submarines crewed and based in Fleet Base West with the other two submarines in unmanned maintenance during Full Cycle Dockings in Adelaide.

Submarines at Fleet Base West cycle through in-service maintenance periods and shorter dockings in Western Australia. Three are expected to be available for sea within relatively short notice at any one time so that Navy can meet its training requirements and its operational preparedness obligation.

Q41 - Submarines - Planned Sustainment Costs/Availability Ratio

Senator Johnston provided in writing.

Please nominate a single position (or committee of personnel) within the Department that is responsible for achieving planned sustainment cost/availability ratio (e.g. DGSM).

Response:

Program Manager Collins & Wedgetail (PMC&W) has responsibility for the delivery of Collins sustainment and acquisition projects within the Defence Materiel Organisation (DMO). PMC&W reports on the achievement of these outcomes to the Australian Submarine Program Office Board, which comprises Chief of Navy, DMO General Manager Programs and the CEO ASC.

Q42 - Submarines - Sustainment/Operating Costs

Senator Johnston provided in writing.

Can you express in percentage terms the operational availability of our submarine fleet for each quarter from 2011 to 2016? ie. how many submarines were available for operational service as a percentage of the fleet.

Response:

In accordance with the definitions explained in Defence's response to Senate Question on Notice No. 759, all submarines are currently in their operating cycles. The detailed operational capability of the submarine fleet is not publicly disclosed for reasons of operational security; however, can be provided in a private briefing.

Accumulated over time, the information formerly contained in the Defence Annual Report portrayed a clear picture of Navy's submarine capability, which could significantly undermine operational security. Accordingly, Defence has reported mission capability in qualitative terms since financial year 2008-09 and aggregated unit ready days for groups of force elements since financial year 2009-10. Defence will continue to offer to provide the Senate Committee with more detailed information through private briefings.

Q43 - Submarines Crewing

Senator Johnston provided in writing.

What is the planned crewing roster, expressed as Crew 1 etc, for the period 2011 to 2016?

Response:

The current crewing plan is as follows:

Crew 1 – HMAS *Dechaineux* through to August 2013 and then HMAS *Rankin* through to 2016.

Crew 2 – HMAS *Farncomb* through to June 2014 and then HMAS *Dechaineux* through to 2016.

Crew 3 – HMAS *Collins* through to August 2012 and then HMAS *Sheean* through to 2016.

Crew 4 – Commence standing up in HMAS *Waller* from April 2012 and remaining through to 2016. (The exact date for Crew 4 to be fully manned is yet to be determined, consistent with the Chief of Navy's evidence during the Supplementary Budget Estimates hearing on 19 October 2011.)

Q44 - Submarines - Collins Value for Money

Senator Johnston provided in writing.

At what point will the Chief of Navy indicate that the cost of sustaining/operating/upgrading the Collin's fleet no longer represents good value for money for the Australian taxpayer?

Response:

A key objective of the new In-Service Contract is to understand the future cost of ownership of the Collins class to its life of type. The performance-based contract with ASC will drive value for money and aim to optimise submarine availability. Defence will also be addressing the management of obsolescence and inventory, supported by the introduction of performance-based contracts with all industry partners.

The resulting cost of ownership of the Collins class will need to be assessed against availability, and the ongoing strategic value derived from Navy's submarine capability. Outcomes will also be compared with the performance benchmarks established by the Coles Review.

Q45 - Submarines - Opportunity Cost

Senator Johnston provided in writing.

Has the Chief of Navy considered the opportunity cost to the rest of the Navy? If so, what conclusion was reached?

Response:

Rather than opportunity costs, the funding allocated to each of Navy's capabilities, which are approved by Government, is considered against the broader obligations of Navy to meet Government's operational requirements. Funding continues to be allocated across all capabilities so as to meet operational priorities.

Q46 - Submarines Collins Sustainment Costs

Senator Johnston provided in writing.

What percentage of the Navy's sustainment spend is spent on the Collins fleet?

Response:

Over financial year 2010-11, thirty one percent of Navy sustainment funding was allocated to sustainment of the Collins capability. In financial year 2011-12, thirty percent has been allocated to sustainment. These allocations include the provision of submarine escape and rescue services, maintenance of the Submarine Escape Training Facility, and upkeep of combat systems support facilities and platform training facilities at the Submarine Training Systems Centre.

Q 47 – Submarines – Collins Operating Costs

Senator Johnston provided in writing.

What percentage of the Navy's operational spend is spent of the Collins fleet?

Response:

Navy' operating costs comprise of employee and supplier expenses. They do not include fuel, explosive ordinance, sustainment and inventory costs, as these costs are reported separately as sustainment costs in the financial statements.

The operating costs for the Collins Class submarine fleet as a percentage of Navy's fleet operating costs was 9 per cent in 2010-11.

Q48 - Submarines Collins Upgrade Spend

Senator Johnston provided in writing.

What percentage of the Navy's upgrade spend is spent on the Collins fleet?

Response:

The information requested is not readily available. To provide a percentage figure account of upgrade costs for the Collins capability against all Navy capabilities would require an unreasonable diversion of departmental resources. As outlined in response to Question on Notice 75 from the 19 October Senate Estimates hearing, capability upgrade are carried out using Major and Minor capital projects. Since inception until end October 2011, upgrade costs related to the Collins capability totalled \$1440.7 million. Additionally, response to Question on Notice 46 indicated that 31 per cent of Navy sustainment funding for financial year 2010-11 was allocated to sustainment of the Collins capability.

Q49 - Submarines – Approval For Scope of Work – High Data Rate Communication Mast

Senator Johnston provided in writing.

In response to your answer to QON 67 you advised that it cost Defence \$20M to install a High Data Rate communication mast on one of our submarines. The cost was broken up as follows:

Mast raising equipment - \$2.93M

FMS purchase of the mast - \$7.57M

ASC Direct installation cost - \$4.04M

ASC Engineering Change Proposal work and Design Cost - \$7.13M.

- (a) How was it possible for \$7M to be approved to conduct such a design activity and is this mast in active service today. If it is not in service today when is it expected to be in service?
- (b) If it is not appropriate to provide to provide this answer in writing can you please arrange for a private briefing to provide this answer?

Response:

- (a) The response to this question is also addressed in the responses provided Q66 and Q159.

The design activity for the mast was conducted as a task under the Through Life Support Agreement with ASC.

The mast has been in operational service since 30 June 2009.

- (b) Answer provided in writing at (a) above, with no need for a private briefing.

Q50 - Submarines ASC Contract

Senator Johnston provided in writing.

There is little visibility to the cost of doing business with ASC. All we know is that they have a sole source \$3.5B contract over 15 years.

- (a) When does this contract expire and what confidence can be given that future contract arrangements will provide value for money?
- (b) When and if, is the new contract expected to be in place?

Response:

- (a) The Through Life Support Arrangement (TLSA) was established in December 2003 for 25 years (an initial 15 year agreement and further two 5-year option). The TLSA will end when the performance based In Service Support Contract (ISSC) is established.

The objective of the ISSC is to improve submarine availability and optimise costs by making ASC Pty Ltd accountable under a contracted performance management framework. The commercial model uses a variety of mechanisms, including:

- (i) new process to improve transparency and accountability for expenditure against each specified outputs;
 - (ii) a direct link between ASC's fee and the achievement of specific capability-related results; and
 - (iii) a target cost incentive model to drive efficiency gains.
- (b) The contract is in the final stages of negotiations, which need to be resolved before an operative date will be set for the contract.

Q51 - Submarines ASC Costs

Senator Johnston provided in writing.

Please provide a list of all jobs carried out by ASC in the period 2007 to 2011 that exceeded a cost of \$5million and a short description on the scope of work carried out for that price.

Response:

ASC are contracted to provide generation and sustainment activities for the Collins class Submarines. Activities which exceed the nominated amount are as follows:

- a. **Full Cycle Dockings (FCD):** full recertification of the platform, including conduct of all 96 and 48 monthly mandatory maintenance routines. ASC has two submarines in FCD in accordance with the Usage Upkeep Cycle schedule.
- b. **Certification Extension Dockings (CED):** to extend the certification life of the vessel prior to entering FCD, and specific for the platform dependant on the age and condition of the vessel;
- c. **Intermediate Maintenance Availability (IMAV):** non docking availability for conduct of 12 and 4 month maintenance routines, and rectification of Urgent Defect and emergent work from surveys, to enable further 12 months operation,
- d. **Mid Cycle Dockings (MCD):** conduct of 48 monthly maintenance, and rectification of Urgent Defect and emergent work from surveys, to enable further 48 months operation.
- e. **Intermediate Dockings (ID):** conduct of 12 and 24 month maintenance routines, and rectification of Urdef and emergent work from surveys, to enable further 24 months operation,
- f. **Urgent Defects (URDEFs)** involve rectification of in-service operational defects requiring rectification. The individual URDEFs may be relatively moderate in value, but cumulatively total over \$5m/year.
- g. The support facilities, infrastructure and skilled labour is required as an organic capability, and includes Maintenance Engineering, Electric Boat (as Capability Partner), and SubSafe & Trials Certification personnel.
- h. Support for Generation projects- SEA 1439 Ph3, SEA 1439 Ph4A, SEA 1439Ph4B and SEA 1439 PhRCE3.

Jobs carried out by ASC from 2007-2011 greater than \$5m	Cost
Full Cycle Dockings	\$508,689,989
Certification Extension Dockings	\$23,125,780
Intermediate Maintenance Availability Dockings	\$22,962,522
Mid-Cycle Dockings	\$61,961,685
Intermediate Dockings	\$29,951,959
Urgent Defects	\$69,001,813
Auxiliary Maintenance Periods	\$19,197,225
Sustainment Management Issues	\$17,845,830
Work Package Designs	\$11,723,140
Maintenance Engineering	\$13,677,307
Electric Boat Permanent Support	\$5,049,337
Farncomb Generator Repairs	\$5,535,131
Sustainment Activity Incentive	\$6,024,151
Sub Safe & Trials Certification	\$6,123,192

COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$120,138,524
REPLACEMENT COMBAT SYSTEM (SEA1439PH4A)	\$23,023,590
WEAPON AND SENSOR ENHANCEMENTS (SEA1439PH4B)	\$5,089,832
EHF Communications Capability (SEA1439PHRCE3)	\$5,614,528
Total	\$954,735,535

Year	Jobs carried out by ASC from 2007-2011 greater than \$5m by Year	Amount	Sust/Proj
2006/07	0607-706 Collins AMP4/ID01	\$6,791,730	Sust
	Sheean pre FCD Preparation	\$7,124,563	Sust
	0506-713 Sheean CED 16	\$9,432,256	Sust
	0607-10000 URDEFS adhoc	\$12,346,003	Sust
	0607-805 Rankin AMP 12/ID3	\$12,405,495	Sust
	0607-709 Waller FCD	\$47,886,892	Sust
	0607-711 Dechaineux FCD	\$49,170,281	Sust
	COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$23,316,762	Proj
	REPLACEMENT COMBAT SYSTEM (SEA1439PH4A)	\$8,667,041	Proj
2007/08	Collins CEM 208 (IMAV)	\$5,010,789	Sust
	Waller IMAV 203	\$5,789,532	Sust
	Sustainment Mgt Issues CR 07/08 LOE	\$7,156,306	Sust
	Maintenance Engineering	\$7,879,194	Sust
	Rectify URDEFS and SMP Spt	\$12,620,416	Sust
	Sheean FCD 020	\$12,981,704	Sust
	Farncomb MCD 208	\$32,595,137	Sust
	Dechaineux FCD 020	\$69,255,929	Sust
	COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$32,191,358	Proj
	REPLACEMENT COMBAT SYSTEM (SEA1439PH4A)	\$8,922,821	Proj
	WEAPON AND SENSOR ENHANCEMENTS (SEA1439PH4B)	\$5,089,832	Proj
EHF Communications Capability (SEA1439PHRCE3)	\$5,614,528	Proj	
2008/09	EB Permanent Support	\$5,049,337	Sust
	Sustainment Mgt Issues	\$5,298,140	Sust
	Rankin FCD 019	\$7,918,312	Sust
	Farncomb MCD 208	\$10,258,075	Sust
	Rectify URDEFs & SMP Support	\$10,862,363	Sust
	Waller ID 205	\$16,441,713	Sust
	Collins MCD	\$19,108,473	Sust
	Sheean FCD 020	\$29,342,887	Sust
	Dechaineux FCD 020	\$56,244,837	Sust
	COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$29,304,285	Proj
REPLACEMENT COMBAT SYSTEM (SEA1439PH4A)	\$5,433,729	Proj	
2009/10	Sustainment Management Issues	\$5,391,384	Sust
	Farncomb Generator Repairs	\$5,535,131	Sust
	Collins IMAV 212	\$5,766,362	Sust
	Farncomb IMAV 211	\$6,395,839	Sust
	Rankin FCD 019	\$9,505,775	Sust
	Rectify URDEFS& SMP support	\$15,867,859	Sust
	Dechaineux FCD 020	\$31,714,665	Sust
	Sheean FCD 020	\$57,556,028	Sust
	COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$22,107,283	Proj
2010/11	WP Minor Design ILS & Estimation Tasks	\$5,149,987	Sust

Maintenance Engineering	\$5,798,113	Sust
Sustainment Activity Incentive	\$6,024,151	Sust
SubSafe & Trials Certification	\$6,123,192	Sust
WP LDN1 Sustainment	\$6,573,153	Sust
Farncomb ID 214.	\$13,510,246	Sust
Collins CED 214.	\$13,693,524	Sust
Rectify URDEFS& provide Adhoc Support	\$17,305,172	Sust
Rankin FCD 019	\$40,736,353	Sust
Sheean FCD 020	\$89,251,763	Sust
COLLINS SUB RELIAB & SUSTAIN ENHANCEMENT (SEA1439PH3)	\$13,218,836	Proj
TOTAL	\$954,735,535	

Total Sustainment	800,869,061
Total Project	153,866,474

Q52 - Submarines - Warranty Issues HMAS Collins and HMAS Farncomb

Senator Johnston provided in writing.

Have the warranty issues associated with the diesel issue on HMAS Collins and the EPU issue on HMAS Farncomb been finalised? If so, what was the resolution that was agreed upon?

Response:

The ASC insurer has paid to the Commonwealth the total cost of the claim for the 2009 diesel issue in HMAS *Collins*.

Defence was not charged by ASC for the remediation of the Emergency Propulsion Unit (EPU) in HMAS *Farncomb*. The cost issue associated with the EPU remains an action between ASC and their insurer.

Defence considers that both these issues are now finalised.

Q53 - Submarine Reviews

Senator Johnston provided in writing.

There are a number of submarine sustainment reviews/planning and renegotiation taking place at the moment: Updating of the Integrated Master Schedule; Re-writing of the In Service Support Contract Renegotiations; Re-writing of Navy to DMO material sustainment agreements; Conduct of a PWC led Submarine Capability Improvement Program; Conduct of the Coles Review; and Conduct of a Submarine Life Extension Program Study.

- (a) What is being achieved in having so many reviews about a common problem?
- (b) What has actually been achieved in the conducting of these reviews to get our very troubled Collins fleet operational?
- (c) What has been the total/expected cost of each of these reviews?
- (d) When will these reviews be concluded?
- (e) Are the review costs included in the figures you have provided regarding the sustainment/upgrading of the Collins fleet?

Response:

- (a) The activities listed are not all reviews; several are routine activities conducted as part of the normal sustainment and acquisition work program. The routine activities are: updating of the Integrated Master Schedule; and updating the Navy to DMO material sustainment agreements. The one off activities are: In Service Support Contract negotiations; conduct of a Navy led Submarine Capability Improvement Program; Coles Review; and Submarine Life Evaluation Program.

Each of the activities relates to a different aspect of Collins sustainment or capability upgrade. In combination, all the activities occurring are essential elements of work associated with the Collins Reform Program which aims to produce safe, capable and reliable submarines to meet Navy's availability target for the remaining life of the class at an optimal cost.

- (b) As a result of the combination of these activities Defence has developed the plans and is undertaking a program of work to deliver:
 - an agreed integrated master schedule based upon optimised maintenance requirements, agreed capability insertion strategies and aligned to industry capacity and performance benchmarks;
 - a more robust understanding of the logistic cost of ownership with an underpinning resource planning baseline;
 - a supply support system aligned to the optimised maintenance requirements, defect rectification demands and industry capacity and some immediate investment in critical inventory;
 - a set of aligned performance benchmarks and the related submarine availability requirements agreed between DMO, Navy and ASC;
 - an outcome-focussed performance-based In Service Support Contract with ASC; and
 - a preliminary plan for the future of Collins Class capability and linkage to Future Submarine Program.

All these activities are in progress with tangible hard results to be reflected over the next two to three years with increasing submarine availability, more predictable schedule outcomes for maintenance activities, more efficient and cost effective delivery by industry of in service support and supply support with measured performance against international benchmarks and a stabilisation of the cost of sustainment of the submarines.

(c) The expected cost for the activities is as follows:

- Updating of the Integrated Master Schedule;
 - i. See answer to QON 14 from the Supplementary Budget Estimates Hearing held on 19 October 2011.
- In Service Support Contract Renegotiations;
 - ii. See answer to QON 14 from the Supplementary Budget Estimates Hearing held on 19 October 2011.
- Re-writing of Navy to DMO material sustainment agreements;
 - iii. This is part of normal, ongoing business and is not separately costed.
- Conduct of a Navy-led Submarine Capability Improvement Program;
 - iv. See answer to QON 56 from the Supplementary Budget Estimates Hearing held on 19 October 2011.
- Conduct of the Coles Review;
 - v. The current financial commitment to the Coles Review is \$722,000 GST inclusive, however the whole scope of Phases 2-4 has not been contracted.
- Conduct of a Submarine Life Evaluation Program Study.
 - vi. See answer to QON 70 from the Supplementary Budget Estimates Hearing held on 19 October 2011.

(d) The expected conclusion dates for each activity is listed below:

- Updating of the Integrated Master Schedule;
 - i. Updating the Integrated Master Schedule is normal, ongoing business, there is no completion date.
- In Service Support Contract Renegotiations;
 - ii. ISSC negotiations will conclude when agreement is reached.
- Re-writing of Navy to DMO material sustainment agreements;
 - iii. Updating the Material Sustainment Agreement (MSA) is an ongoing, annual activity between DMO and Navy.
- Conduct of a Navy-led Submarine Capability Improvement Program;
 - iv. The Phase 2 report and associated deliverables are due November 2011
- Conduct of the Coles Review;
 - v. mid-2012.
- Conduct of a Submarine Life Evaluation Program Study.
 - vi. The evaluation is expected to be concluded by November 2012.

- (e) Are the review costs included in the figures you have provided regarding the sustainment/upgrading of the Collins fleet?
- Updating of the Integrated Master Schedule;
 - i. Yes.
 - In Service Support Contract Renegotiations;
 - ii. Yes.
 - Re-writing of Navy to DMO material sustainment agreements;
 - iii. Yes.
 - Conduct of a integrated Navy, DMO, ASC Pty Ltd IPT supported by PWC Submarine Capability Improvement Program;
 - iv. No.
 - Conduct of the Coles Review;
 - v. Yes
 - Conduct of a Submarine Life Evaluation Program Study.
 - vi. No.

Q54 - Submarines Timelines for Reviews

Senator Johnston provided in writing .

(a) Can you please provide a diagram that shows an up to date timeline for interim and final outcomes of the following:

- (i) Coles Review
- (ii) Price WaterhouseCoopers SCIP
- (iii) Submarine Material Sustainment Agreement
- (iv) Submarine Life Extension Program
- (v) Integrated Maintenance Schedule (any intended updates)
- (vi) Approved Major Capital Improvement Programs (First Pass, Second Pass and initial operational capability date).

(b) Please detail how all of these reviews and re-writes “fit” together.

Response:

(a) The diagram is provided below. The data support the diagram are:

- (i) Coles Review: Start Aug 11; Interim Report Dec 11; Final Report Mid 12
- (ii) Submarine Capability Improvement Project (SCIP): Phase 1 April - May 2011; Phase 2 – Aug-Nov 11;
Consideration and decision regarding Phase 2 by Navy Reform Board - Dec 11 to Jan 12
- (iii) Materiel Sustainment Agreement (MSA): Reviewed Yearly.
- (iv) Service Life Evaluation Program: the evaluation is expected to be completed in the latter half of 2012.
- (v) Integrated Master Schedule (IMS) v3.0 Approved April 10;
Interim v3.3 approved Nov 11 for ISSC contract purposes. (Ongoing review is part of normal business activity and another update is anticipated in the next 6 months)
- (vi) Approved Major Capital Investment Program (AMCIP)
 - o SEA1114Ph3 Approved May 1987; IOC Mar 04
 - o SEA1429Ph2 Approved Jul 01; IOC May 08
 - o SEA1439Ph3 Approved Sep 00; IMR Jan 11.
 - o SEA1439Ph4A Approved Sep 02; IOC Dec 09
 - o SEA1439Ph4B Approved Jul 99; IOC Feb 05
 - o SEA1446Ph1 Approved Dec 99; IOC Jul 04
 - o SEA1439PhRCE3 Approved Apr 06; IOC Jun 09

Note:

Initial Materiel Release (IMR): A milestone that marks the completion and release of DMO acquisition project supplies required to support the achievement of initial operational release (IOR). It is defined in the Materiel Acquisition Agreement.

(b) In combination, all the activities are essential elements of the Collins Reform Program that aims to produce safe, capable and reliable submarines to meet Navy’s submarine availability targets.

The Coles Review will provide independent recommendations as a basis for ensuring Defence has in place the most appropriate combination of activities with supporting performance and efficiency benchmarks to deliver on the Reform Program objectives. The Capability

Improvement Program is being coordinated by Navy and is assisting in aligning reform activity with other Navy initiatives. Other reviews and baseline updates are conducted as part of the normal sustainment and acquisition work program.

Q55 - Submarines Coles Review

Senator Johnston provided in writing.

In relation to the Coles review: Mr King advised that Mr Cole is calling in specialist companies from around the world to assist in the review.

- (a) What companies does Mr Cole intend to invite and how will these companies be engaged?
- (b) What is the total budget allocation for the review team and specialist companies?
- (c) Please provide the methodology that will be used to establish “reasonable cost and availability”. Please provide an example.

Response:

(a) One company has been engaged to provide work for Phase 2, namely First Marine International (FMI), via a DMO standing offer.

Any additional companies to be engaged will not be identified until the scope of work for phase 2 of the study is refined.

(b) The cost for phase 1 of the study was \$479,992.50 (GST inclusive). The budget for the subsequent phase will be determined once the scope of the work is refined and will be reported via Austender when contracts are signed.

(c) Phase 2 of the Coles Review of Collins Submarine Sustainment will examine:

- The appropriate performance goals for sustainment activity, based on world best practice efficiency and effectiveness benchmarks, and
- Options for demonstrating value for money in sustainment activity and the supply chain arrangements.

Q56 - Submarine - Price Waterhouse Coopers

Senator Johnston provided in writing.

- (a) How much will the Price Waterhouse Coopers SCIP cost?
- (b) What are the expected outputs from this review?

Response:

(a) Navy and the Defence Materiel Organisation (DMO) have formed an integrated project team, working with Price Waterhouse Coopers and interacting with ASC, to deliver submarine-specific continuous improvement, aligned to the broader Navy Continuous Improvement Program. The Submarine Continuous Improvement Program is proceeding in phases. Phase 1 is complete and Phase 2 is nearing completion. Phase 3 will commence once the recommendations arising from Phase 2 have been considered by the Navy Reform Board.

The total Phase 1 costs were \$492 675 (inc. GST) with Phase 2 costing \$978 528 (inc. GST). Both Phase 1 and 2 costs include travel. The cost of Phase 3 will depend on scope, which will be determined by the Navy Reform Board after considering the Phase 2 report.

(b) The Submarine Continuous Improvement Program will deliver enhanced logistical support arrangements and maintenance procedures for the Collins class. The tasks being undertaken are designed to complement the work being conducted in both DMO and ASC reform programs and will be guided by Coles Review findings as they are received. Navy and DMO are seeking to improve effectiveness and efficiency in the Collins program rather than seeking defined financial savings. Therefore, the expected outcomes are measurable improvements in effectiveness and efficiency and greater value for money for submarine capability sustainment.

Q57 - Submarines – MSA Rewrite iaw Rizzo Review

Senator Johnston provided in writing:

- (a) When will the Submarine Materiel Sustainment Agreement re-write iaw the Rizzo Review occur?
- (b) Please provide an example of a set of ‘consequences defined for non-delivery against measurable performance indicators’ (a concept outlined in the Rizzo Review) from a Materiel Sustainment agreement (not necessarily submarine) that has been re-written in accordance with the Rizzo Review.

Response:

(a) Navy has commenced action to re-write the product schedules for Navy capabilities, including the Collins Class Submarines, to meet the intent of the Rizzo Review. Cumulatively the product schedules form the Navy Materiel Sustainment Agreement with the Defence Materiel Organisation. This work is scheduled to be completed during the first quarter of 2012 to meet the timeline for development of the 2012-22 Materiel Sustainment Agreement.

(b) A number of performance indicators are being developed for incorporation in the re-written Navy product schedules. These indicators aim to meet the Rizzo Review intent of placing more focus on the cost drivers and technical integrity of each capability. Examples of these indicators include measurement of configuration record accuracy, the number of open urgent defects, growth in extended maintenance availabilities in terms of price and schedule, and a measure of operations conducted outside agreed usage parameters. The consequences for each capability of not meeting the tolerances set for these performance indicators will be articulated as part of the re-write of the product schedules in the 2012-22 Materiel Sustainment Agreement.

Q58 – Submarines SEA 1439 Phase 6

Senator Johnston provided in writing.

You have previously advised (QON 68) that there is insufficient inventory to support all of our systems concurrently. You're getting by at the moment because you don't need all of the systems, but make the point that the situation will become much worse by 2016.

At the same time we have had a submarine sonar replacement program running inside CDG since 2004: SEA 1439 Phase 6. This project seems to have gone nowhere. From information you have provided at previous Estimate hearings, and as described in the DCP, you have indicated that one of the options being put to government will be the US Navy ARCI system, but that this will not be a sole source contract.

- (a) Why has this project, after 7 years, not yet made it to first pass?
- (b) When is it likely that this first pass decision will be made?
- (c) What will be the expected cost of this system when it is fully operational in 2017-18?

Response:

- (a) The Defence Capability Plan 2009 listed SEA 1439 Phase 6 with a First Pass band of FY 2009-10 to FY 2010-11.
- (b) The way ahead for SEA 1439 (all current and future phases) will be informed by the Coles Review.
- (c) The DCP provision for Phase 6 of SEA 1439 is towards the upper end of the band \$500m to \$1500m.

Q59 - Submarines SEA 1439 Phase 6

Senator Johnston provided in writing.

Naval Sea Systems Command was contracted to provide a Retrospective Submission Brief - SEA 1439 PH6 Collins Sonar Replacement on 21/06/2010 at a cost of \$118,779.

- (a) What was the scope of this brief?
- (b) Did CDG/DMO purchase the data from other potential suppliers of the same fidelity?
- (c) Were there any other Project SEA 1439 PH6 related contracts awarded to Naval Sea Systems Command. Please provide details and costs?

Response:

- (a) To determine the feasibility of integrating the US Navy AN/BQQ-10 submarine sonar system, known as Acoustic Rapid COTS Insertion (ARCI), into the Collins class submarine.
- (b) No. However, the project strategy includes options to conduct similar studies for other project options after First Pass Approval.
- (c) No.

Q60 - Submarines SEA 1439 Phase 6

Senator Johnston provided in writing.

You indicated at Estimates that the SEA 1439 Phase 6 is being held in abeyance until the submarine platform issues are resolved.

- (a) What impact will a delay have on resolution to the 2016 SCYLLA supportability time frame deadline mentioned in QON 68?
- (b) Noting that no final decision on the sonar upgrade takes place until second pass, what is the rationale for delaying first pass for this project?

Response:

- (a) A delay to SEA1439 Phase 6, will increase the length of time that the SCYLLA sonar must be supported. The actions necessary to mitigate the impact are being considered in the sonar sustainment planning and obsolescence remediation.
- (b) See response to Q58 – Submarines SEA 1439 Phase 6, by the Capability Development Group.

Q61 - Submarines Dolphin and Perisher Qualified Personnel

Senator Johnston provided in writing:

(a) What is the current crewing status for submarines with fully *Dolphin* and *Perisher* qualified personnel? (b) How many of these personnel are currently serving on submarines?

Response:

(a) The current *Dolphin*-qualified submarine workforce comprises 560 members, of which 23 are *Perisher* qualified. Fifteen *Perisher*-qualified officers are at the rank of Commander and Lieutenant Commander, and are able to serve as members of submarine crews. The remaining eight *Perisher*-qualified officers are at the rank of Commodore and Captain, and are too senior to serve as crew members.

It should be noted that a number of *Dolphin*-qualified personnel will be needed to staff critical shore support functions that require the expertise of experienced submariners. These shore functions support the crewed submarines and wider submarine capability. In general terms, two thirds of the qualified workforce is required ashore to sustainably support the continuous crewing of submarines.

(b) Three submarines are currently crewed with a total of 168 qualified submariners, including three *Perisher* qualified Commanding Officers.

Q62 - Submarines Dolphin and Perisher Qualified Personnel

Senator Johnston provided in writing:

What is the expected number of Dolphin and Perisher qualified personnel, who are prepared to be assigned to submarines, and able to be deployed for the period 2011 to 2016?

Response:

On current projections of workforce growth, over the period 2011 to 2016, the expected number of personnel who will have proficiencies required to be immediately assigned to submarine for deployment are as follows:

2011 – about 430 (including 15 Perisher qualified personnel) – Since 30 June 2011, this figure has dropped from 16, as reported in response to Question on Notice 757, to 15 as one Perisher qualified Commander retired from the Navy.

2012 – about 470 (including 16 Perisher qualified personnel)

2013 – about 520 (including 17 Perisher qualified personnel)

2014 – about 540 (including 18 Perisher qualified personnel)

2015 – about 540 (including 18 Perisher qualified personnel)

2016 – about 540 (including 18 Perisher qualified personnel)

These current projections and workforce growth for Perisher qualified personnel are only for Commander and Lieutenant Commander. Senior officers (Commodores and Captains) who are Perisher qualified are not included as they no longer serve onboard submarines.

It should be noted that a number of these personnel will be needed to staff critical shore support functions that require the expertise of experienced submariners. These shore functions support the crewed submarines and wider submarine capability. In general terms, two thirds of the qualified workforce is required ashore to sustainably support the continuous crewing of submarines.

Q63 - Submarines - Perisher qualified officers rank

Senator Johnston provided in writing:

How many Perisher qualified officers have achieved the rank of Rear Admiral in the period 2007 to 2011?

Response:

No Perisher qualified officers have achieved the rank of Rear Admiral in the period 2007 to 2011; three Perisher qualified officers have achieved the rank of Commodore.

Q64 - Submarines - Maintenance Schedule

Senator Johnston provided in writing.

How can the Integrated Maintenance Schedule be finalised and agreed when there are plans for modifications and upgrades (e.g. SEA 1439 Phases 5 and 6, Coles recommendations, etc.) to the submarines that would need to be considered?

Response:

The Integrated Master Schedule (IMS) captures and schedules all sustainment and capability activities known at the time the schedule is approved.

Where there is reasonable confidence in a future, but yet undefined, scope of work and the associated timeframe, the work would be included in the IMS.

Where the definition of either the work scope, or the time that the work package will be ready is unknown, that specific work scope will not be included in the IMS. As the work scope and associated timing become more refined the work package may be included in a subsequent revision to the IMS.

The impact of new projects on the IMS will be considered throughout the capability development cycle and any required changes to the IMS will be formally agreed at the time of project approval.

Changes may be made to the IMS to cater for modifications and unplanned contingencies, but are enacted through a formal change control process.

Q65 - Submarines - ASC related sustainment costs

Senator Johnston provided in writing.

What is the 2010/11 ASC related sustainment costs for submarines?

Response:

ASC related sustainment costs for 2010/11 was \$253,217,688.

Q66 - Submarines – Scope and Cost of Work - Mast

Senator Johnston provided in writing.

Please provide a detailed description of the scope of work involved in the Engineering Change Proposal work and Design Cost associated with the Mast discussed in QON 67 of the June Estimates session.

Response:

The response to this question is also addressed in the response provided in QN11-000387 (Q159) and Q49.

The ASC scope of work for the mast required an initial design, including concept design and development of system design specifications. This scope required ASC to deliver a system design report; a detailed design summary report; implementation and trials work package; and, an integrated logistics support update package.

Associated mast installation work involved removing the previous radar mast and radar; designing-in new mast raising equipment with a new OE-562 high data rate antenna; and, relocating the navigation light.

Q67 - Defence Contracts

Senator Johnston provided in writing:

Defence has advised at Estimates that it pays ASC for quotes within its sole source contract. Does this occur within in other Defence contracts, and if so, which contracts?

Response:

Based on the discussion at Estimates (Hansard 19 October 2011, page 65), this question is understood to be seeking further details on Defence practice regarding the payment of contractor costs for the preparation of contract change proposals (CCPs) which are amendments to an existing contract, including for additional goods or services.

Standard Defence practice, as reflected in the Australian Defence Contracting (ASDEFCON) suite of tendering and contracting template, is that Defence will generally pay for the costs of preparing CCPs which are requested by Defence, except where the change is required to address non-performance of the contract by the contractor.

In practice, the circumstances in which Defence generally pays the contractor for preparing CCPs are where the change requires significant specialist input, such as on complex engineering or other technical matters.

Whenever Defence requests a CCP it will generally seek a 'not to exceed' price (or quote) for the cost of preparing the proposal, which the contractor will determine applying pre-agreed labour rates. Where a quote is provided, Defence's obligation to pay the contractor is limited to the amount of the quote. Importantly, under the ASDEFCON templates Defence also has the right to cost investigate the reasonableness of a contractor quote (or contract change proposal) before acceptance / approval and the contractor proceeding with the work.

Q68 - Criteria for approving payment for quotes by DMO suppliers

Senator Johnston provided in writing.

What are the criteria for approving payment for quotes by DMO suppliers?

Response:

Current DMO practice is that we would not pay for quotes. However, the question appears to be referring to payment for preparation of contract change proposals which are amendments to an existing contract, including for additional goods or services.

The current Australian Defence Contracting template approach to preparing contracting change proposals is that the contract allocates responsibility for the preparation of particular agreed proposals. Where DMO proposes a contract change, it would be responsible for reasonable preparation costs; and where the contractor proposes a contract change, it would be responsible for preparation costs.

On receipt of a change proposal, DMO conducts a technical and financial evaluation to ensure the proposal meets Defence's requirements and provides value for money for the Commonwealth. Standard practice requires that the financial evaluation is undertaken against pre-agreed labour rates and within the limits of a not-to-exceed price. For complex / high value proposals, DMO's financial investigation services are available to assist with the conduct of the financial evaluation. If satisfied with the proposal, Defence approves payment (where applicable) and determines whether to proceed with the change.

Q69 - Submarines - "Quotes" Cost, ASC

Senator Johnston provided in writing.

What is the 2010/11 total “quoting” cost for ASC for submarines?

Response:

Defence contracts ASC through two different mechanisms; Through Life Support Agreement (TLSA) and Purchase Orders. Under both arrangements, ASC does not expressly charge for the preparation of quotes.

Costs associated with white collar labour linked to the preparation of quotes are included within Program Management and Administration costs under TLSA and General Administrative Costs under the Purchase Order arrangement.

Q70 - Submarines - Life Extension Program

Senator Johnston provided in writing .

WRT the Submarine Life Extension Program:

- (a) What are the expected outputs from this program?
- (b) Will this program consider capability enhancement (e.g. AIP section)?
- (c) Air Vice Marshall Deeble indicated at Estimates that Electric Boat, Naval Sea Systems Command and other industry partners (including European experts) will be engaged this program in an IPT framework. What contractual vehicles will be used (including for Naval Sea Systems Command) and will involvement be competed?
- (d) What is the likely cost of this program and from which budget will it come?

Response:

- a. The Service Life Evaluation Program of the Collins Class submarine will evaluate the actual service life of the submarine and its systems, which is distinct from the projected design service life. The outcomes will assist in the management of equipment obsolescence in the Collins Class as well as provide data to support future decision about overall submarine capability.
- b. No, the evaluation will focus on reliability and sustainability of the existing platform.
- c. The service life evaluation will be led by the Defence Materiel Organisation and will engage Defence stakeholders, including Navy and the Defence Science and Technology Organisation, and key industry partners, notably ASC. An Integrated Project Team framework will be employed to manage this effort. Existing contracting mechanisms will be utilised to source support for this activity. The United States Navy Naval Sea Systems Command will also provide independent review of key issues and be contracted utilising the Foreign Military Sales arrangements.
- d. A plan for the detailed evaluation of the Collins Class service life is currently being developed. This plan is yet to be finalised and fully costed. The activity is expected to be funded from within existing budgets arrangements.

Q71 - Submarines - Capability gap - options

Senator Johnston provided in writing.

It is clear that there is the potential for a submarine capability gap associated with some of the options presented to Estimates by RADM Moffitt. SLEP is clearly a fall back option. What other fall back options are being canvassed by Defence?

Response:

The Collins Class submarines Service Life Evaluation Program (SLEP) is necessary to determine the exact service life we can expect from each Collins Class submarine, so that planning for transition to the future submarines can be done to avoid a capability gap.

Q72 – Submarines – Collins Total Costs (Navy/DMO)

Senator Johnston provided in writing.

Since inception what is the total cost of ownership for the Collins Class submarines?

Response:

Due to the significant resource and cost of research this is unable to be provided in the timeframe.

Q73 – Submarines – Collins total cost of sustainment

Senator Johnston provided in writing.

Since inception what is the total cost of sustainment for the Collins Class submarines?

Response:

Sustainment funds expended for the Collins Class submarines since 2006-07 are outlined in the table below:

2006-07 \$m	2007-08 \$m	2008-09 \$m	2009-10 \$m	2010-11 \$m	Total \$m
316.9	330.0	324.3	324.8	415.8	1,711.9

To provide data prior to 2006-07 would require significant resources and time to access previous financial management systems.

Q74 – Submarines – Collins total cost of operating

Senator Johnston provided in writing.

Since inception what is the total cost of operating the Collins Class submarines?

Response:

The direct operating costs for the Collins Class submarines since 2002-03 are outlined in the table below:

Table – Direct Operating Costs for Collins Class Submarines Since 2002-03

2002-03	2003-04	2004-05	2002-06	2006-07	2007-08	2008-09	2009-10	2010-11	Total
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
31.8	33.1	37.3	37.0	37.4	32.2	41.2	43.7	47.4	341.1

(Note – operating costs include personnel costs associated with the submarine force and supplier costs, including rations).

To provide data prior to 2002-03 would require significant resources and time to access previous financial management systems.

Q75 - Submarines – Collins total cost of upgrades

Senator Johnston provided in writing

Since inception, what is the total cost of upgrades for the Collins Class submarines?

Response:

Capability upgrades are carried out using Major and Minor Capital Projects, listed in the following table.

Project Number	Project Name	Expenditure to date (\$m)
SEA01420PH1	UHF MILSATCOM	15.4
SEA01429PH1	Replacement Heavyweight Torpedo System	5.5
SEA01429PH2	Replacement Heavyweight Torpedo System	287.0
SEA01439PH1A	Collins Class Capability Improvement Studies	0.4
SEA01439PH2A	Collins Class Capability Improvement Studies	9.7
SEA01439PH3	Collins Reliability and Sustainment	319.3
SEA01439PH4A	Collins Replacement Combat System	426.0
SEA01439PH4B	Collins Submarine Platform Improvements	45.1
SEA01439PH5B.1	Communications Mast and Antenna Replacement Class Fit	35.9
SEA01439PH5B2	Collins Class Communications and Electronic Warfare Improvement Program	4.2
SEA01439PH5B2A	Collins Continuous Improvement	0.0
SEA01439PH5B2B	Collins Continuous Improvement	2.5
SEA01439PH6	Collins Sonar Replacement	0.2
SEA01439PHRCE3	EHF Communications Capability	22.6
SEA01446PH1	Collins Class Interim Minimum Operational Capability	211.6
NMP1880	Submarine Internet Protocol	0.5
NMP1880PH2	Interim Submarine Internet Protocol Capability	0.1
NMP1887	HIDRA IV System	1.3
DEF00224PH2B	DEF224	14.0
DEF00224PH3	DEF224	30.0
SEA01430PH2A	Navigation Display System	7.3
Project Definition Funds	Project Definition Funds	2.3
Total		1440.7

- Figures reflect the expenditure as at 31 Oct 2011.
- Collins is one of many platforms to which SEA1420, SEA1430 and DEF224 contribute. Figures represent the relevant allocation to Collins.

Q76 - Submarines - Capability

Senator Johnston provided in writing.

If a major incident affecting Australia's sovereign interests occurred tomorrow, or in the immediate future, what submarine full capability would be available to defend Australia?

Response:

In accordance with the definitions explained in Defence's response to Senate Question on Notice No. 759, all submarines are currently in their operating cycles. The detailed operational capability of the submarine fleet is not publicly disclosed for reasons of operational security; however, can be provided in a private briefing.

Accumulated over time, the information formerly contained in the Defence Annual Report portrayed a clear picture of Navy's submarine capability, which could significantly undermine operational security. Accordingly, Defence has reported mission capability in qualitative terms since financial year 2008-09 and aggregated unit ready days for groups of force elements since financial year 2009-10. Defence will continue to offer to provide the Senate Committee with more detailed information through private briefings.

Q77 - Submarines - Future Submarines

Senator Johnston provided in writing.

There has been no new money assigned to the SEA 1000 project in the last two Budgets.

(a) How has this office been funded over the past two years?

(b) How will it be funded over the period from 2011 to 2016?

Response:

(a) Total funding of \$19.306m (Dec 11 price basis) has been approved by the Minister for Defence to sustain all necessary program office activities to date.

(b) Initial Government consideration of SEA1000 is expected over the coming months, at which time further funding for future activity, will be sought. A series of Government considerations are planned before 2nd Pass and additional funding will be sought from these considerations as required.

Q78 - Submarines - Future Submarines

Senator Johnston provided in writing.

In initiating the Coles review Minister Smith tied the Future Submarine Program to the Collins fix-it program.

- (a) How has this impacted your schedule and will a First Pass approval of sorts, as described in a previous answer, occur this year or is it as so described in the DCP - TBD?
- (b) If a definite First Pass decision can't be reached in the very near future how will it be possible to secure a Second Pass Approval so that the first of our future submarines can be fully operational by 2025?
- (c) When is the very latest time that Second Pass Approval can occur to have the first of our future submarines fully operational by 2025?

Response:

The early stages of the Future Submarines Project (FSP) will be considered in the period ahead. Early consideration of the FSP will be consistent with the principle that it is necessary to work hard in the early days to set projects right to thereby avoid, reduce and minimize project difficulties down the track.

- (a) Exploratory work relating to the future submarine capability has continued in parallel with, and suffered no schedule impact from work on Collins remediation. Initial Government consideration of the SEA1000 program will take place in the next 6 to 12 months. This will not be First Pass consideration.
- (b) SEA1000 will be considered many times by Government prior to Second Pass. The SEA 1000 schedule and the withdrawal of the Collins Class will be managed to avoid a capability gap.
- (c) The actual SEA 1000 schedule will depend on the actual withdrawal dates for the Collins Class and the replacement submarine option acquired.

Q79 - Submarines - Future Submarines

Senator Johnston provided in writing.

- (a) Is the Navy considering the newly announced Type 216 in the SEA 1000 option sets?
- (b) What would be the estimate cost of purchasing 12 of this class of submarine?
- (c) What are the advantages and disadvantages of purchasing this class of submarine?

Response:

- (a) The Type 216 is a conceptual, new design that has never been built. It is therefore being considered under the 'new design' option 'set'.
- (b) Indicative cost information for the Type 216 provided to the SEA1000 program office by ThyssenKrupp Marine Systems (TKMS) is commercial-in-confidence.
- (c) An analysis of the Type 216 is being undertaken as part of SEA1000 and will inform Defence's advice to Government when completed.

Q80 - Submarines - Future Submarines options

Senator Johnston provided in writing.

(a) Does DCNS, Kockums and Navantia have large submarine design options available for inclusion in the SEA 1000 option set?

(b) If so, what progress has been made in fully evaluating each of these MOTS options?

Response:

(a) DCNS, KOCKUMS and NAVANTIA all responded to Defence's 2009 Request for Information with design concepts for submarines larger than the Collins Class.

(b) None of the large submarine concepts offered by these companies has ever been built so they are not MOTS options. They are 'new designs' and are being evaluated accordingly.

Q81 - Submarines - Future Submarines

Senator Johnston provided in writing.

Noting that RADM Moffitt indicated that a visit to the Minister on SEA 1000 is imminent, and the next Estimates are in February, please provide details of the broad options sets being presented to the Minister and a detailed risk profile of each solution.

Response:

The details to be in the submission are currently under discussion with the Minister.

Q82 - HMAS Success COI - Gyles appointment

Senator Johnston provided in writing.

- (a) Is there a panel of Presidents, available for use in Inquiries, such as a Commission's of Inquiry?
- (b) If so, how many and was the Hon Roger Gyles a member of that panel?
- (c) If he was not a member of that panel, please provide detailed reasons of why was he chosen and who made that decision?
- (d) Which Minister signed off on the extra-ordinary appointment of Hon.Roger Gyles as the Commissioner for this Inquiry?
- (e) Why were the Presidents that are available as part of the panel not used in the Success COI?
- (f) Were there approaches to other members of the panel, before choosing the Hon Roger Gyles? If so, who and why were they not chosen?
- (g) What is the daily rate for the use of those Presidents?
- (h) Why was the Hon Roger Gyles paid more than \$7700 per day, according to response to question on notice Budget Estimates 31May - 1 June 2010?
- (i) Was the Attorney General consulted on this appointment where a fee of more than \$5,000 a day was involved?
- (j) How much has Hon Roger Gyles been paid since this Inquiry began?
- (k) What is his expected total payment going to be in the conduct of this Inquiry?

Response:

- (a) A panel of persons considered suitable to be appointed as President of a CDF Commission of Inquiry was first established in 2006.
- (b) The panel presently contains the names of 14 persons. Mr Gyles is not a member of that panel.
- (c) In early 2010, when the then CDF, Air Chief Marshal A.G. Houston AC, AFC, determined that a fresh, independent inquiry encompassing all HMAS *Success* issues was necessary, he also stipulated that the fresh inquiry was to be led by a highly credible, experienced individual, with significant legal standing.

Given the very serious issues of significant concern raised by the HMAS *Success* matter, including the complaints of three senior sailors concerning their temporary landing, their alleged inappropriate behaviour and the subsequent setting aside of the principal administrative inquiry into these matters due to bias, the then CDF was seeking an appointee with high level forensic skills and no previous military links to ensure the most objective and rigorous examination of the facts.

With the assistance of the Defence private sector panel firm acting for Defence in relation to claims against the Commonwealth by three senior sailors concerning their landing from HMAS *Success*, Defence identified a number of retired senior judges who were potential candidates to be appointed to lead the fresh inquiry. An initial approach was made to a former recently retired Chief Justice, who indicated he was unavailable. Mr Gyles was also approached following a strong recommendation from the Defence panel firm, based on Mr Gyles' work in the resolution of the Storm

Financial claims. Mr Gyles indicated he was available, and the former Chief Justice also provided positive feedback on the suitability of Mr Gyles. Consequently, the then Chief of the Defence Force asked Mr Gyles to lead the inquiry.

Mr Gyles is a former Judge of the Federal Court of Australia (1999-2008) who has also served as an acting Judge of the Supreme Court of New South Wales, Court of Appeal (2008). He is well qualified, respected and independent and one of Australia's most experienced judicial officers.

The appointment of Mr Gyles was briefed to and discussed with the Senate References Committee on Foreign Affairs, Defence and Trade by the then CDF in a private briefing on 23 February 2010. The Committee expressed no difficulty with the approach being taken by Defence and was appreciative of being updated on matters relating to the Commission of Inquiry.

(d) The Minister for Defence does not exercise a role in the appointment of Presidents to lead the conduct of CDF Force Commission of Inquiry pursuant to regulation 109 of the *Defence (Inquiry) Regulations 1985* (the Regulations).

Under regulation 108 of the Regulations, the appointing authority for a CDF Commission of Inquiry is defined as meaning the Chief of the Defence Force.

The then CDF, Air Chief Marshal A.G. Houston AC, AFC, advised the then Minister for Defence of his decision to appoint Mr Gyles as President of the HMAS *Success* Commission of Inquiry on 19 February 2010.

Given that CDF Commissions of Inquiry were only created in 2007, all Presidents of CDF Commissions of Inquiry at that date had been appointed by Air Chief Marshal Houston.

(e) Individuals on the panel were not considered.

The HMAS *Success* Commission of Inquiry was the first Commission of Inquiry appointed pursuant to regulation 109(1)(b)(ii) of the *Defence (Inquiry) Regulations 1985* (the Regulations) to examine matters other than the death of a member of the Defence Force (see regulation 109(1)(a)).

The HMAS *Success* Commission of Inquiry was considered to be a complex undertaking due to the nature and number of issues requiring investigation. The Commission's Terms of Reference required it to consider all incidents of unacceptable behaviour brought to the attention of command between March and May 2009 and issues associated with their subsequent management. The Terms of Reference also sought to ensure Defence would be in a position to respond to the terms of reference for the inquiry being undertaken by the Senate References Committee on Foreign Affairs, Defence and Trade into HMAS *Success* matters.

As indicated in the response to (c), given the very serious issues of significant concern raised by the HMAS *Success* matter including the complaints of three senior sailors concerning their temporary landing, their alleged inappropriate behaviour and the subsequent setting aside of the principal administrative inquiry into these matters

due to bias, and the close parliamentary and media attention being given to these matters, the then CDF was seeking an appointee with high level forensic skills and no previous military links to ensure the most objective and rigorous examination of the facts.

(f) Individuals on the panel were not approached.

As indicated in response to (c), in early 2010, when the then CDF, Air Chief Marshal A.G. Houston AC, AFC, determined that a fresh, independent inquiry encompassing all HMAS *Success* issues was necessary, he also stipulated that the fresh inquiry was to be led by a highly credible, experienced individual, with significant legal standing.

Given the very serious issues of significant concern raised by the HMAS *Success* matter including the complaints of three senior sailors concerning their temporary landing, their alleged inappropriate behaviour and the subsequent setting aside of the principal administrative inquiry into these matters due to bias, the then CDF was seeking an appointee with high level forensic skills and no previous military links to ensure the most objective and rigorous examination of the facts.

Consideration was limited to a small number of very senior retired judges. In particular, the possibility of a retired Chief Justice undertaking the role was explored. This individual was not available but endorsed Mr Gyles.

(g) There is no set daily rate for individuals identified on the panel. Daily rates are negotiated with individuals on a case by case basis having regard to the nature and expected length of a matter, and the seniority, skill and experience of the appointee.

(h) The daily rate for Mr Gyles for the HMAS *Success* Commission of Inquiry is \$7,700 (GST inclusive).

In response to the Question of Notice from Budget Estimates 31 May – 1 June 2010 asking ‘*What is the Commissioner’s daily fee?*’ Defence provided the following response:

In accordance with the Legal Services Directions 2005 (Cth), a Commonwealth agency that proposes to brief counsel who does not have an approved rate for performing Commonwealth legal work is required to ask the Office of Legal Services Coordination (OLSC) in the Attorney-General’s Department to approve an initial rate.

Earlier this year, Defence Legal approached the OLSC to determine whether the President required an approved rate given that his role would be that of President of a Commission of Inquiry. The OLSC advised that it did not consider such a role to constitute working as counsel and therefore there was no need to obtain an approved rate from the OLSC.

The parties subsequently agreed to a daily rate of \$7,700 (GST inclusive) after giving consideration to current commercial rates and approved rates for similar positions.

(i) The Attorney General was not consulted by Defence on this appointment. However, the Office of Legal Services Coordination in the Attorney-General's Department was consulted. See response to (h) above.

(j) Mr Gyles has been paid \$966,000 since the commencement of the HMAS *Success* Commission of Inquiry, encompassing his work for the Part One (The Asian Deployment and Immediate Aftermath) and Part Two (The Management of the Allegations and Personnel Involved) Reports.

(k) The extent of Mr Gyles's work in relation to the Part Three Report is not yet known.

Q83 - HMAS Success COI - Counsel

Senator Johnston provided in writing.

(a) Counsel Assisting are both members of the Army Reserve. Was that the reason they were chosen as Counsel Assisting? (b) Considering Counsel Assisting were members of the Reserve why were they not appearing in uniform? (c) If in uniform, what daily rate would have Counsel Assisting received? (d) Why then were they paid \$3,600 per day (lead Counsel) and \$2,400 per day (Counsel Assisting) and presented to the public as 'civilians' and not uniformed members, as you indicated to response to question on notice Budget Estimates 31 May - 1 June 2010? (e) The total amount expended, as at 1 June 2010, in relation to services provided by the Lead Counsel and Counsel Assisting was \$280,727.36. What has been the total cost of Counsel/s Assisting?

Response:

(a) For complex inquiries appointed under the *Defence (Inquiry) Regulations 1985*, Defence will usually appoint a Queens Counsel or Senior Counsel in the role of Counsel Assisting. The HMAS *Success* Commission of Inquiry was particularly complex due to the breadth of issues it was required to consider. The Commission's Terms of Reference required it to consider all incidents of unacceptable behaviour brought to the attention of command between March and May 2009 and issues associated with their subsequent management. The Terms of Reference also sought to ensure Defence would be in a position to respond to the terms of reference for the inquiry being undertaken by the Senate References Committee on Foreign Affairs, Defence and Trade into HMAS *Success* matters.

After Mr Gyles was identified to lead the inquiry, he was asked to identify counsel he would wish to select for the roles of Counsel Assisting and Assistant Counsel Assisting, but he indicated that he wished to have Defence suggest possibilities for his approval.

Defence would normally draw on its complement of permanent and reserve ADF legal officers to fulfil these roles, and remuneration would be paid at the applicable rates for ADF legal officers.

In this case, however, the then CDF, Air Chief Marshal A.G. Houston AC, AFC, specifically directed that there was not to be any involvement by Navy legal officers as Counsel Assisting or Assistant Counsel Assisting in order to enhance the independence and impartiality of the Commission of Inquiry. The then CDF also required that Counsel Assisting and Assistant Counsel Assisting be civilian appointees in order to further reinforce the independence of the inquiry legal team from the military chain of command.

Additionally, the short notice between the decision to commence the Commission of Inquiry (23 February 2010) and the commencement of hearings on 12 March 2010, and the extensive preparation required during that timeframe, further limited the range of suitably qualified and experienced persons who might otherwise have been available.

From those persons identified as suitable for possible appointment, Mr Gyles selected Mr Douglas Campbell SC for the role of Counsel Assisting, and Mr Mark Johnston for the role of Assistant Counsel Assisting.

Both Mr Campbell and Mr Johnston are members of the Army Reserve, but both were and continue to be inactive. As indicated above, both were appointed in their civilian capacities.

(b) Counsel Assisting and Assistant Counsel Assisting were engaged as civilian appointees and therefore did not wear uniform.

The then CDF, Air Chief Marshal A.G. Houston, AC, AFC, indicated that in view of the matters under inquiry and the range of likely witnesses, many of whom were very junior sailors, he did not want counsel to appear in uniform to avoid any potential impact of rank.

(c) Counsel Assisting and Assistant Counsel Assisting were engaged as civilian appointees, and in such circumstances remuneration rates for ADF legal officers were not applicable to their appointments.

Daily rates for remuneration of ADF reserve legal officers pursuant to the ADF legal officer sessional arrangements when performing duty as a legal officer assisting an inquiry depend on the nature and duration of the matter, and the seniority, skill and expertise of the individual.

(d) As indicated in response to (b), Counsel Assisting and Assistant Counsel Assisting were engaged as civilian appointees.

In response to the Question on Notice from Budget Estimates 31 May – 1 June 2010 asking ‘Please detail daily rates for the Counsel, including the Counsel Assisting, and Junior Counsel Assisting’ Defence provided the following response:

In accordance with the Legal Services Directions 2005 (Cth), a Commonwealth agency that proposes to brief counsel who does not have an approved rate for performing Commonwealth legal work is required to ask the OLSC to approve an initial rate.

In February this year, Defence Legal approached the OLSC and queried whether Lead Counsel Assisting and one of the non-ADF Counsel Assisting had approved rates. The OLSC provided the then current rates to Defence Legal. However, as the rates had been set by the OLSC in 2007, Defence Legal requested, on behalf of Lead Counsel Assisting and the non-ADF Counsel Assisting, that the OLSC give consideration to (a) revising their ongoing rates, and (b) setting a ‘one-off’ rate for both for the purposes of the Commission of Inquiry.

The OLSC subsequently approved the following ‘one-off’ rates:

- *Lead Counsel Assisting*
Daily: \$3,600 (GST inclusive)

Hourly: \$600 (GST inclusive)

It is anticipated that the Lead Counsel Assisting's services will be required for a period of 179 days. It is therefore estimated that the total expenditure, comprising professional legal services and some agreed incidental costs, will amount to approximately \$647,700 (GST inclusive).

- *Counsel Assisting*

Daily: \$2,400 (GST inclusive)

Hourly: \$400 (GST inclusive)

It is anticipated that the Counsel Assisting's services will be required for a period of 179 days. It is therefore estimated that the total expenditure, comprising professional legal services and some agreed incidental costs, will amount to approximately \$432,738 (GST inclusive).

(e) The cost of Counsel Assisting and Assistant Counsel Assisting to 4 November 2011 is \$1,681,275.51.

An additional \$58,146.05 is also identified for the cost of the junior ADF permanent legal officer from Air Force who assisted during Part One of the Commission of Inquiry.

Q84 - HMAS Success COI - Scope/Plan

Senator Johnston provided in writing.

(a) In the normal course of events, time is allowed for appropriate 'scoping' and 'planning' as an essential part of preparation. It appears that this did not occur in the Success COI. Why not? (b) Did the failure to appropriately scope and plan in preparation contribute to the excessive length of the HMAS Success COI? (c) Did anyone raise the need to properly scope and plan for the HMAS Success COI?

Response:

(a) Mr Gyles, with the support of the inquiry legal team, undertook scoping and planning for the Commission of Inquiry.

With respect to the calling of witnesses, Defence is advised that for every witness called (save for two), Counsel Assisting adopted the practice of making available prior to evidence being given, either a statement or signed affidavit of the proposed witness. The purpose of doing this was to shorten the process, to narrow the issues for cross-examination and reduce the need for the witness to be recalled. Using this procedure enabled the Commission of Inquiry to hear evidence from 114 witnesses over 48 sitting days.

Defence does not have visibility of the full extent of preparation and scoping undertaken by Mr Gyles as these matters are the responsibility of the President.

(b) Mr Gyles, with the support of the inquiry legal team, undertook scoping and planning for the Commission of Inquiry.

On 24 February 2010, the then CDF, Air Chief Marshal A.G. Houston, AC, AFC, announced the appointment of the HMAS Success Commission of Inquiry. Terms of Reference were issued on 9 March 2010.

In September 2010, the then CDF wrote to Mr Gyles asking him to include consideration of the Working Group Report into administrative inquiries within his broader consideration of the systems and procedures that Defence has in place to conduct inquiries and investigations. Mr Gyles accepted that opportunity and proposed that his final Report would be provided in several parts: Part One dealing with the core issues that occurred onboard HMAS *Success* reported to command to be completed by the end of 2010; Part Two addressing the balance of the terms of reference to be completed by the end of May 2011; and Part Three to examine the broader inquiry processes across Defence to be completed towards the end of 2011.

The timeframes indicated by Mr Gyles took into account the availability of all personnel involved in the Commission of Inquiry including witnesses, Counsel Assisting, Counsel Representing, and Mr Gyles' own commitments of a private and professional nature.

(c) Mr Gyles, with the support of the inquiry legal team, undertook scoping and planning for the Commission of Inquiry. See the response provided to (a) above.

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE - COMMITTEES

Senate Supplementary Estimates

Q85 - HMAS Success Commission of Inquiry (COI) - Sailors

Senator Johnston provided in writing.

- (a) Why has it taken more than two and half years for the Navy to inform the three sailors who were landed in Singapore that they are being terminated?
- (b) The three sailors who have been given a show cause notice of termination yet received an apology from the Chief of Navy for their mistreatment and a recommendation that they be paid an ex-gratia payment by the RAN? When is the ex-gratia payment to be made?
- (c) Who made the decision/s within the chain of command to recommend that these three sailors be terminated?
- (d) What are the detailed reasons for these three decisions to be made in regards to these three sailors being terminated?
- (e) Why has this process taken two and a half years to effect?
- (f) Is the Minister for Defence required to sign off on these notices of termination?
- (g) The three sailors who face termination from the RAN are very much low in the chain of command on board a RAN ship, why have they been singled out for adverse administrative action yet those officers in command of the ship have not faced the same action?
- (h) Prior to the COI the three sailors who were landed in Singapore were at the very worst facing either a censure or a possible reduction in rank, however, since then all three are facing termination. Why is this case?
- (i) Why did the three sailors receive their termination notices the day after the Senate Inquiry handed down its report, Part Two?

Responses:

- (a) “Why has it taken more than two and half years for the Navy to inform the three sailors who were landed in Singapore that they are being terminated?”

Nobody has been informed that they are being terminated. Individuals facing adverse administrative consequences have been asked to show cause as to why those consequences should not be imposed. This gives them an opportunity to put their case.

Individual accountability action flowed from the report of the Commission of Inquiry. The time taken is thus substantially due to the timeframe for the Commission of Inquiry and the following sequence of actions.

Immediately following the receipt of each of the two parts of the Commission of Inquiry report, a detailed independent legal assessment was conducted to identify all matters for possible disciplinary or adverse administrative action, including options such as termination of service, reduction in rank, censure, formal warning or formal counselling. For part one, this assessment was undertaken by Mr Andrew Kirkham QC, a former Deputy Judge Advocate General of the ADF and part two was assessed by Professor John Devereux.

The two assessments considered the actions of more than fifty individuals, across senior and junior rank levels, including the three landed sailors, and a number of others who had been serving in higher Navy headquarters as well as in HMAS *Success*. The result was recommendations to consider a range of potential administrative or disciplinary consequences and, for some, that no further action be taken.

Each of the two assessments were considered by a team in CDF's staff, following which CDF referred their recommendations on appropriate next steps to Navy, and to other relevant areas of Defence for those individuals who were not Navy personnel.

There were a number of matters identified from Part One of the Report for which it was necessary to await the outcomes of Part Two, released in July, and its subsequent assessment for potential individual accountability actions.

The requirements of procedural fairness apply to adverse administrative consequences, particularly the requirement for the notice to show cause to disclose any adverse information which is 'credible, relevant and significant' to the affected member, regardless of whether it is relied on in the final decision-making process. For matters identified by the Commission of Inquiry this includes providing the original exhibits and the relevant extracts from transcripts of the hearings.

Each individual's notice to show cause is unique to that individual and is the product of assessing in detail a very substantial volume of documentary and transcript material from the Commission of Inquiry. Thus, production with all necessary supporting material is a very substantial task. Moreover, this work could not commence before completion of the independent legal assessments of each part of the report and, in the case of all three landed Senior Sailors, the outcomes of part two and its assessment.

The administrative action required to be taken by Navy to hold individuals to account in respect of the shortcomings identified by Mr Gyles in Part One and Two is nearing completion.

Adverse administrative action, including termination of service, formal censure, reduction in rank, formal warnings and formal counselling, was considered against 55 individuals, and initiated against 18 individuals who ranged in rank from Able Seaman through to Star Ranked officers.

Decisions relating to nine of these individuals have been made. Some of these decisions are subject to the redress of grievance process but the outcomes have included formal censure, reduction in rank and formal counseling. In two instances no further action was considered warranted. I am advised decisions relating to another four individuals will be made in the coming weeks.

Noting the timeframes in which the two parts of the Commission of Inquiry report have been delivered, and the exhaustive and necessary processes which have followed, individual accountability action for all those involved has been progressed as quickly as possible.

(b) “The three sailors who have been given a show cause notice of termination yet received an apology from the Chief of Navy for their mistreatment and a recommendation that they be paid an ex-gratia payment by the RAN? When is the ex-gratia payment to be made?”

On 7 July 2011, the Chief of Navy provided apologies to each of the three Senior Sailors, both verbally and in writing. He also referred the sailors to the recommendation in Part 2 of the CDF COI report to pay compensation to the three sailors, indicating that both he and CDF supported the recommendation.

In July 2011, discussions with the sailors’ legal representatives commenced in relation to compensation payments. On 30 August 2011, the sailors’ legal representatives provided details of the basis for their clients’ compensation claims.

A ‘without prejudice’ meeting with the landed sailors and their legal representatives with Departmental officers and legal advisers was held in December 2011.

In late December 2011 having considered the submissions from the landed sailors and consulted with other Government Departments (PM&C, Finance and AGD) the Department’s legal advisers were instructed to offer an amount to each of the three landed sailors in full and final satisfaction of the recommendation for monetary compensation made by Mr Gyles in Part Two of his Commission of Inquiry report. A deed of release was also provided to the solicitors acting on behalf of the sailors.

Exchanges between Defence and the three landed sailors are ongoing and it would not be appropriate to comment further other than to say Defence intends to deal with these claims as efficiently as possible. The provision of further detail would involve the unreasonable disclosure of personal information..

(c) “Who made the decision/s within the chain of command to recommend that these three sailors be terminated?”

The independent legal assessments and subsequent processes referred to in (a) above informed the development of individual notices to show cause. Notices were considered by an appropriately senior and independent initiating officer in accordance with the processes detailed in Defence Instructions and Defence (Personnel) Regulations, depending on the nature of the Notice. The initiating officer considered the evidence to determine the most appropriate level of sanction that might be considered by the decision-maker. To ensure procedural fairness and to avoid any potential actual or perceived conflict of interest, the person who initiates and issues a notice to show cause is a separate individual from the eventual decision maker. The notices to show cause are also crafted to allow the decision-maker the option of choosing a lesser sanction, or no sanction at all.

It is relevant that initial identification of possible individual accountability action was undertaken independently of the chain of command by appropriately expert legal counsel.

“(d) What are the detailed reasons for these three decisions to be made in regards to these three sailors being terminated?”

Detailed reasons have been provided to each individual concerned for all individual accountability actions proposed in relation to them. Disclosing those reasons more widely has potential to prejudice consideration of their responses and the eventual decisions to be made in respect of any adverse administrative sanction, and also has potential to prejudice any subsequent redress of grievance processes the individuals concerned may initiate. Moreover, such disclosure would be a breach of the privacy of the individuals concerned.

“(e) Why has this process taken two and a half years to effect?”

See the response to (a) above.

“(f) Is the Minister for Defence required to sign off on these notices of termination?”

No

“(g) The three sailors who face termination from the RAN are very much low in the chain of command on board a RAN ship, why have they been singled out for adverse administrative action yet those officers in command of the ship have not faced the same action?”

The three senior sailors have not been singled out. Around twenty individuals at all rank levels including senior ranks, and including the three landed Senior Sailors, have been issued with notices to show cause as to why adverse administrative sanction should not be applied to them. The specific sanction that is being considered for each individual is considered appropriate to the circumstances of each case.

“(h) Prior to the COI the three sailors who were landed in Singapore were at the very worst facing either a censure or a possible reduction in rank, however, since then all three are facing termination. Why is this case?”

Possible individual accountability action was not determined until the processes detailed at (a) above were undertaken.

“(i) Why did the three sailors receive their termination notices the day after the Senate Inquiry handed down its report, Part Two?”

Notices for proposed administrative consequences were provided to all individuals as early as possible. The timing for delivery of the notices to the three senior sailors concerned bore no relationship to the timing of the Senate Inquiry Report which was not known to Navy until the week in which notices for the three landed senior sailors were to be delivered to them.

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE - COMMITTEES

Senate Supplementary Estimates

Q86 - HMAS Success COI - Fleet Legal

Senator Johnston provided in writing:

The HMAS Success COI was very critical of Fleet Legal in their dealing with the matters pertaining to these three sailors. (a) What assurances can be given that these scathing criticisms were not instrumental in the actions that resulted in terminating these three sailors? (b) Clearly Fleet Legal is seriously conflicted in this action as they mis-handled the issues surrounding the three landed sailors from May 2009, as revealed by the findings in the COI Report. Please provide documented assurance that the adverse administrative action against the three landed sailors was performed independently of Fleet Legal. (c) The Senate Inquiry found (para 9.26): 'Clearly the senior sailors and their families have undergone a truly unwarranted and dreadful ordeal...the damage caused to their reputation, personal relationships and career prospects, far outweighs any likely adverse action that could be taken against them. In this regard, the committee believes that the time for healing and making amends is well overdue. and at para 9.27: The committee believes that it is particularly important for Navy to put every effort into helping the sailors to resume their careers and to rise above the experiences of the last two years.' If this is the finding of the Senate why is the seriously conflicted Fleet legal proceeding with their cause of action, in direct opposition to the findings of the Australian Senate? Who, at every level in the RAN chain of command, approved this course of action? (d) What specific actions have been undertaken to reform Fleet Legal in line of the COI findings that it needed 'a jolt'?

Responses:

(a) Immediately following the receipt of each of the two parts of the Commission of Inquiry report, a detailed independent legal assessment was conducted to identify all matters for possible disciplinary or adverse administrative action, including options such as termination of service, reduction in rank, censure, formal warning or formal counselling. For part one, this assessment was undertaken by Mr Andrew Kirkham QC, a former Deputy Judge Advocate General of the ADF and for part two, by Professor John Devereux.

The two assessments considered the actions of more than fifty individuals, across senior and junior rank levels, including the three landed sailors, and a number of others who had been serving in higher Navy headquarters as well as in HMAS *Success*. The result was recommendations to consider a range of potential administrative or disciplinary consequences and, for some, that no further action be taken.

Each of the two assessments were considered by a team in CDF's staff, following which CDF referred their recommendations on appropriate next steps on to Navy, and to other relevant areas of Defence for those individuals who were not Navy personnel.

There were a number of matters identified from Part One of the Report for which it was necessary to await the outcomes of Part Two, released in July, and its subsequent assessment for potential individual accountability actions.

The administrative action required to be taken by Navy to hold individuals to account in respect of the shortcomings identified by Mr Gyles in Part One and Two is now nearing completion.

Adverse administrative action, including termination of service, formal censure, reduction in rank, formal warnings and formal counselling, was considered against 55 individuals, and initiated against 18 individuals who ranged in rank from Able Seaman through to Star Ranked officers.

Decisions relating to nine of these individuals have been made. Some of these decisions are subject to the redress of grievance process but the outcomes have included formal censure, reduction in rank and formal counseling. In two instances no further action was considered warranted. I am advised decisions relating to another four individuals will be made in the coming weeks.

The requirements of procedural fairness apply to adverse administrative consequences, particularly the requirement for the notice to show cause to disclose any adverse information which is 'credible, relevant and significant' to the affected member, regardless of whether it is relied on in the final decision-making process. For matters identified by the Commission of Inquiry this includes providing the original exhibits and the relevant extracts from transcripts of the hearings.

Each individual's notice to show cause is unique to that individual and is the product of assessing in detail a very substantial volume of documentary and transcript material from the Commission of Inquiry. Thus production with all necessary supporting material is a very substantial task. Moreover, this work could not commence before completion of the independent legal assessments of each part of the report and, in the case of all three landed Senior Sailors, the outcomes of part two and its assessment.

Once compiled, individual notices to show cause are considered by an appropriately senior and independent initiating officer in accordance with the processes detailed in Defence Instructions. These instructions include a specific requirement for procedural fairness, and include a requirement for the person who initiates and issues a notice to show cause to be a separate individual from the eventual decision maker.

In all cases, it is essential that neither the initiating officer nor the decision maker are subject to any actual or perceived conflict of interest. For each person facing individual accountability action, an appropriately senior initiating officer and decision maker were identified within Navy.

At every stage from the initial independent legal assessments by Mr Kirkham and Professor Devereux through to compilation of the notices to show cause, development of options and decisions on options for individual accountability has been attended by legal advice independently of the chain of command.

(b) The current Fleet Legal Staff is comprised of different personnel from those who were in place in 2009. The Fleet Legal Officer joined the staff in 2010. Although there is no conflict of interest for the current staff, the independent legal assessments by Mr Kirkham and Professor Devereux have been relied upon in the compilation of the notices to show cause. A Reserve Legal Officer independent of Fleet Legal staff and the chain of command, reviewed and developed the notices to show cause based on the evidence available. These notices were presented to the initiating officer for consideration as to the appropriate level of individual accountability. Fleet Legal was guided by the Reserve Legal Officer's advice in finalising the notices and obtaining the relevant evidence to be enclosed.

(c) Action, including individual accountability action, flows from the conclusions and recommendations, publicly accepted by Defence, of parts one and two of the report of the HMAS *Success* Commission of Inquiry, both of which were received some time prior to the release in September 2011 of the part two report of the Senate Inquiry. In particular, Mr Gyles, in his part two report recommended, at page xvii:

“In those unusual circumstances I recommend that the Chief of Navy offer a properly framed apology to the landed senior sailors and that payment of ex gratia monetary compensation be made to each of them. Nonetheless, the senior sailors should be called to account for their wrongdoing. Two wrongs do not make a right.”

The sequence of actions outlined in response to (a) above has been particularly aimed at ensuring due process at all stages without improper command or external influence. These processes were well advanced before release of the Senate Inquiry report. Noting that, to date, Government is not yet due to have responded to the Senate Committee report, it would not be appropriate to interfere in the consideration of individual accountability action. Nor are there grounds to set aside Defence's acceptance and implementation of the Commission of Inquiry's specific recommendation in this regard.

Decisions in relation to individual accountability action were made as outlined in response to (a) and (b) above.

(d) Mr Gyles' findings and recommendations regarding Fleet Legal have the potential to apply more widely across the ADF Legal Service. Accordingly, there is merit in examining the command and control arrangements for all ADF legal officers.

On 7 July 2011, the Chief of the Defence Force announced that a review would be undertaken into the command and control arrangements for all ADF legal officers which will examine their structural and organisational independence from command. Detailed terms of reference for the review have been finalised and the review is in progress. It is currently expected that the review will be completed by 31 March 2012.

The review team has been asked to have regard to the outcomes of other recent activities focused on improving organisational arrangements for ADF legal officers within Defence.

The review will also address Mr Gyles' observation that **he had no reason to disagree with the suggestion that** the Navy personnel legal officer at HMAS *Kuttabul*, and those other Navy legal officers whose primary role is to provide legal assistance to Navy personnel, would be better placed reporting to the Director of Defence Counsel Services rather than Fleet Legal.

The review findings will enable informed decisions to be made about what can be done to strengthen structures and processes to ensure delivery of independent legal advice, free of perceptions of inappropriate command influence.

Q87—Maritime Mine Warfare

Senator Johnston provided in writing.

The following expenditure spread for the MCDGRP was provided by the department in response to a QON in May this year. The averaged expenditure for the 3 FYs 2006–09 shows a cost of approximately \$177m. The average cost has reduced to approximately \$160m for the last two years. Is approximately \$17m the savings result of laying up 2 MHCs?

Response:

The savings are not solely the result of laying up the two MHCs into Extended Readiness (ER), but rather the result of the Strategic Reform Program (SRP), a portfolio level initiative, and the Navy Continuous Improvement Program (CIP) which have identified efficiencies across the whole MCD Group capability to assist in meeting designated SRP targets. These initiatives will ensure the capability remains relevant to meet current and future requirements.

A significant portion of the \$17m savings can be attributed to a combination of initiatives including the placement of the two MHC's into ER, rationalisation of the supply chain, sustainment of the Mine Sweeping Auxiliaries *Wallaroo* and *Bandicoot* for Nuclear Powered Warship tasking only, and the more efficient and effective management of specific MHC and Diving systems. These initiatives have reduced the operating costs associated with training, fuel, maintenance, personnel and improved delivery across the entire MCD capability.

Q88—Maritime Mine Warfare—MHCs

Senator Johnston provided in writing.

What is the ongoing cost of maintaining the 2 MHCs in Lay Up?

Response:

The ongoing cost of maintaining the two extended readiness Mine Hunter Coastal (MHC) is a combined total of approximately \$35,000 per year. This financial year (FY2011-12) however; both platforms require a level of mandatory preservation maintenance to maintain MHC Class specifications (for laid up vessels), with an additional estimated cost of \$70,000. There is also a requirement to undertake periodic hull cleaning based on levels of marine growth; however, this activity is not expected to be scheduled before late 2012.

Q89—Maritime Mine Warfare—MHCs

Senator Johnston provided in writing.

The Department has indicated that the MHCs will undergo an obsolescence upgrade. Will the two ships in Lay Up be also upgraded to maintain currency with the other four?

Response:

It is not intended for the two Extended Readiness (ER) Mine Hunter Coastal (MHC) to undergo any upgrade scheduled for the four operational MHCs. The two ER MHCs will be maintained only as required to meet MHC Class Classification Society (Det Norske Veritas—DNV) specifications as recognised laid up vessels, in accordance with their extended notice for sea requirement of five years.

Q90—Maritime Mine Warfare—MHCs

Senator Johnston provided in writing.

What is the estimated cost of returning these two MHCs to full operational capability?

Response:

The rough order of magnitude cost to return the two extended readiness Mine Hunter Coastals to the current baseline of operational capability within their designated Extended Readiness Notice for Sea (5 years) is \$6.8M per vessel. A significant portion of this estimated cost includes the need to dock and refit the vessels to assume baseline configuration and set to work major systems that have been in lay up.

Q91—Maritime Mine Warfare—Minesweeping

Senator Johnston provided in writing:

In May Admiral Crane answered the following in response to a question concerning the standard of practise of minesweeping in the RAN: Vice Adm. Crane: Yes, we have. I happen to be mine warfare and clearance diving officer myself and one of the areas that I have taken a great interest in has been the reinvigoration of our minesweeping capability. We have done a lot of work recently in making sure that our influence minesweeping capability—that is, against magnetic mines, against acoustic mines—is well-practised, both in smaller minesweeping capability and in larger minesweeping capability. And we have had appreciations done over the last two years to ensure that we are maintaining that capability. In answers to Budget Estimates Q 73 the department has summarised the total minesweeping practice over a four year period as follows:

- MHCs have conducted a total of 6 wire sweeping operations
- MHCs have conducted a total of 4 Influence minesweeping operations
- No remote control minesweeping has been conducted
- The Maxi Dyad sweep system has been deployed on one occasion
- The Mini Dyad system has been trained twice per year
- No Practical minesweeping training is incorporated as part of MW sailors training with the exception of a single activity on the officers' course.

The department further states in its answers to QON that the amount of minesweeping training is 'adequate but not optimum'

a) What are the RAN Fleet (AFTP 4F) minimum requirements for minesweeping training in terms of frequency for MHCs and/or the MCDGRP as a whole? Does the department still maintain that minesweeping training is 'adequate'?

b) What is the status of the rectification work on redressing the defects and capability shortfalls in the following MCDGRP Equipment (please indicate when the system will be back in service at full level of capability):

- MCM Diving Equipment (A5800 replacement)
- Shallow Water Diving Equipment (LAR VII replacement)
- Underwater Navigation System and sonar
- Surface Supply Breathing Apparatus
- Drone Boats

Response:

(a) In accordance with Chief of Navy direction to re-invigorate minesweeping, Navy continues to work towards meeting all sweeping targets contained in AFTP 4 (H) which remains a classified document. Minesweeping training has been 'adequate but not optimum', however rolling tactical development and collective training periods have been scheduled to build upon and consolidate the minesweeping capability which meets readiness requirements.

(b) In April 2011 Deputy Chief of Navy approved funding to address clearance diving systems block obsolescence equipment issues in accordance with the Mine Clearance Diving Continuous Improvement Program Dive Set Rationalisation initiative. The timeline for acquisition is listed in the clearance diving systems procurement strategy with considerable progress made in the procurement phase.

Mine Counter Measures (MCM) Dive System. An open tender for this A5800 replacement equipment closed on 3 November 2011 in accordance with the clearance diving systems procurement strategy, with the Defence Materiel Organisation (DMO) now evaluating responses against the functional performance specification and statement of work with the intent to achieve contract signature with the supplier prior to the end of 2011. The new equipment will be progressively delivered throughout 2012, as this is specialised military equipment that will need to be manufactured to an existing design. Delivery of 10 sets will enable training on the equipment to commence and 20 sets will provide an initial operational capability; once acceptance into service by the Navy has been achieved. Further details of delivery dates are not available at present due to the probity aspects of the open tender evaluation. Once all sets have been delivered, final operational capability will then be achieved.

In the interim, 20 A5800 remain available for operational use pending a decision to commence disposal action of the entire A5800 system. The Shadow Excursion dive set is being used for individual and collective training and exercises, including MCM tactics, techniques and procedures, having achieved initial operational release (IOR) for Army. Navy is scheduling IOR for use in an MCM environment.

Shallow Water Diving Equipment. The "Shadow Excursion" dive set is the Navy's preferred equipment for this capability with 20 sets currently in inventory for the conduct of individual and collective training and exercises. The remaining number of sets required to support the final operational capability are due to be supplied to Navy by February 2012. Navy intends obtaining initial operational release of the Shadow Excursion (IOR for Army already achieved) in the first half of 2012. Following a period of operational testing, this capability is expected to achieve final operational capability in Quarter 4 2012 / Quarter 1 2013, depending on the amount of operational testing considered necessary.

Underwater Navigation and Integrated Sonar System (UNIS). Navy released an open tender for this capability on 11 November 2011, in accordance with the clearance diving system procurement strategy, and it is anticipated that an approved supplier will be selected in January 2012. A limited number of off-the-shelf products are available (globally) and it is therefore anticipated that systems can be delivered to Navy from mid-2012. On completion of operational testing, this system will achieve final operational capability in 2013 noting that an initial operational capability will be available in the second half of 2012.

Surface Supply Breathing Apparatus (SSBA). This equipment is nearing its end of useful life due to obsolescence, however, remains safe and supportable. An open tender for the replacement dive equipment will be released in November 2011 in accordance with the clearance diving system procurement strategy, with an approved supplier expected to be selected in February 2012. Delivery of the SSBA replacement will occur throughout 2012 and early 2013; depending on the lead times for delivery of the new system. DMO will continue to support this existing capability throughout the transition to the new capability.

Drones. DMO is preparing for an open tender to be released in November 2011 for a replacement capability with an expectation to select a preferred supplier and place an

order for new drone boats early in 2012. Indications that lead times of up to 10 months for delivery may arise and therefore, depending on the preferred solution, delivery may occur in late 2012. Final operational capability is anticipated to be achieved in 2013 following operational testing.

Q92—Maritime Mine Warfare—CDs

Senator Johnston provided in writing.

(a) In answers to a QON you indicated that CDs don't require dedicated Insertion Craft to conduct operations as they have access to task group organic support craft. I presume that you are referring to 7.6 metre RHIBs used for boarding operations by MFUs and ACPBs. Noting that CDs conducting Clandestine Search Operations will have to insert up to 8 Divers with Diving Equipment, Search Equipment, and ancillary equipment including towing a second craft for final insertion at over the Horizon distances, how is the present 7.6 metre craft deemed suitable in terms of size and carrying capacity and speed to support this type of operation? (b) As MFU type RHIBs have no self protection (signature management—acoustic or magnetic) against mines, does Navy still consider that CDs do not need specialised insertion craft?

Response:

Response:

a) The 7.2 metre J3 Rigid Hull Inflatable Boats (RHIB) organic to Task Groups are employed as the Over the Horizon (OTH) insertion craft to support the stated CD mission for beach reconnaissance, surveys and clearances until Project SEA 1778 (Deployable Mine Counter Measures) delivers the Full Operational Capability (currently scheduled for November 2016 following IOC in December 2015). The current in-service J3 RHIB organic within task group operations is assessed as a suitable, interim OTH insertion and extraction platform with respect to size, carrying capacity and speed, including towing of Clearance Diving Team organic Zodiac Inflatable Boats.

Prior to SEA 1778 FOC, Navy is considering the acquisition of four additional J3 Jet RHIBs to provide dedicated platforms for Clearance Diving Teams to conduct OTH insertion continuation training independent of Task Group activities. Any additional RHIBs would be compatible with the wider inventory under the Fleet Maritime Services Contract.

Two options are being considered for OTH insertion method within Project SEA 1778: the first being RHIBs and the second being Swimmer Delivery Vehicle (surface vehicle capable of sub-surface operations).

b) The threat to individual insertion craft types, such as the J3 RHIB, is assessed based on consideration of the anticipated mine type that may be encountered and the known characteristics of the craft in use. Organic Task Group RHIBs offer limited protection from moored mines, other than the vessels' shallow draft permitting them to pass sufficiently clear over most moored mines. Influence mines in deeper water can be expected to target mainly larger shipping and not the smaller signature of a RHIB. RHIBs become more vulnerable in shallower water however, where mines may be targeted against smaller landing craft. Clearance Diving Team organic Zodiac Inflatable Boats offer a lower signature and may be used where a RHIB becomes vulnerable to influence mines in shallow water.

Any future in-service J3 RHIBs organic to Clearance Diving Teams will be magnetically and acoustically ranged to accurately determine individual magnetic and acoustic signature in accordance with Navy's Signature Management Standing Operating Procedures. Project SEA 1778 will deliver Navy's Clearance Divers future OTH vessel and this Project is scheduled to deliver the FOC in November 2016.

Q93 - 34 Squadron - Special Purpose Flights

Senator Johnston provided in writing.

Why does the most recent Schedule of Special Purpose Flights show that on at least four separate occasions there was only one person on board as a traveller and who approved their travel: a) Minister Falconer - 1 July – Canberra – Sydney – Canberra – 737; (\$3,900) b) Minister Snowden – 15 October - Canberra – Alice Springs – Canberra – Challenger; (\$17,300) c) Parl. Sec Feeney – 13 November - Melbourne – Amberley(approximate to Brisbane) – Melbourne – Challenger; (\$14,400), and d) Parl. Sec Feeney – 17 November - Canberra –Brisbane – Canberra – Challenger (\$9,184)

Response:

Senator Faulkner flew on a Boeing Business Jet on 1 July 2010. As the then Minister for Defence, he approved his own travel.

Minister Snowdon flew on a Challenger on 15 October 2010. Approval was granted by Air Force by the VIP Operations Cell.

Minister for Defence, the Hon Stephen Smith MP approved the travel by the Parliamentary Secretary Feeney who flew on a Challenger on 13 and 17 November 2010.

These flights are included in the July-December 2010 publication of the Schedule of Special Purpose Flights. All flights were approved following the Guidelines for the Use of Special Purpose Aircraft re-issued by the Minister for Defence in January 2010.

The use of the Special Purpose Aircraft, within Air Force contractual limits, is approved by three tasking authorities – the Governor-General, the Prime Minister and the Minister for Defence. Through a delegation instrument by the Minister for Defence, certain tasks are approved by Air Force. Broadly, this delegation covers domestic travel by entitled persons other than the Prime Minister or Governor-General.

Q94 - 34 Squadron - SPA Policy

Senator Johnston provided in writing.

Is there a specific policy reason why the Prime Minister and the Treasurer use the 737 rather than the Challenger when they travel with small travelling parties?

Response:

The Prime Minister and the Treasurer are not specifically allocated a Boeing Business Jet rather than a Challenger when they travel in small parties.

Following the Guidelines for the Use of Special Purpose Aircraft re-issued by the Minister for Defence in January 2010, Number 34 Squadron allocate the aircraft type in accordance with operational requirements such as crew and aircraft availability, destination runway requirements, leg timings, concurrent tasking and passenger manifest composition.

Q95 - 34 Squadron - SPA Approvals

Senator Johnston provided in writing.

Who provides the approval for them to travel on the 737 when their travelling party is nine or less?

Response:

Following the Guidelines for the Use of Special Purpose Aircraft re-issued by the Minister for Defence in January 2010, Number 34 Squadron allocate the aircraft type to a task in accordance with operational requirements such as crew and aircraft availability, destination runway requirements, leg timings, concurrent tasking and passenger manifest composition.

Q96 - 34 Squadron - SPA Fleet

Senator Johnston provided in writing.

When are the aircraft, currently forming the VIP fleet, due for replacement?

Response:

The Special Purpose Aircraft are leased until 2014. Each aircraft is leased under a separate contract. The Boeing Business Jet leases expire on 12 June 2014 and 31 August 2014. The Challenger aircraft leases expire on 20 June 2014, 23 September 2014 and 29 September 2014. The Special Purpose Aircraft support contract expires on 29 September 2014. All aircraft leases and the support contract have a two year extension option.

Q97 - 34 Squadron - SPA Replacement Aircraft

Senator Johnston provided in writing.

What consideration has been given to replacement aircraft, and what are these options?

Response:

Ahead of the lease expiry for the current Special Purpose Aircraft fleet, Defence will seek Government's requirements for a replacement capability. This will entail determining seating capacity, number of aircraft, configuration, performance (speed, range, runway requirements etc) and onboard facilities and services.

Q98 - 34 Squadron - SPA Schedule

Senator Johnston provided in writing.

When is the next Schedule of Special Purpose Flights document going to be tabled?

Response:

The Schedule of Special Purpose Flights for the period January to June 2011 is scheduled to be tabled in November 2011.

Q99 - 34 Squadron - SPA - A330 Option

Senator Johnston provided in writing.

Has consideration been given for one of the newly commissioned A330 refuelling aircraft to be a dual purpose aircraft and fitted out for VIP travel? What were these considerations?

Response:

The KC-30A has been purchased and heavily modified primarily for use as an air refuelling tanker, however it retains an ability to be used in the air logistics support role if not conducting refuelling. Defence currently has no requirement for this aircraft to be utilised in the special purpose aircraft role, which is fulfilled by the special purpose fleet operated by Number 34 Squadron.

Q100 - 34 Squadron - SPA Maintenance Schedule

Senator Johnston provided in writing.

What is the maintenance schedule for the 34 Squadron fleet for 2011/12?

Response:

The Special Purpose Aircraft fleet operated by 34 Squadron is subject to two levels of planned maintenance (light and heavy maintenance) in accordance with manufacturer approved calendar based schedules.

The light maintenance requires monthly servicing of two days for each Boeing Business Jet (BBJ) and one day for each CL 604 Challenger aircraft. Where possible these services are conducted around aircraft tasking.

The fleet heavy maintenance schedule for 2011/12 is provided in the table below. This schedule is advised to Air Force well in advance and is subject to regular review. There is some limited flexibility to modify the schedule to accommodate aircraft tasking.

Aircraft	Scheduled Major Maintenance 2011/12
BBJ A36-001	23 May 11 to 22 Jul 11 14 Nov to 18 Nov 11
BBJ A36-002	23 Jul 11 to 2 Sep 11
Challenger A37-001	7 Dec 11 to 13 Dec 11 3 Jun 12 to 16 Jun 12
Challenger A37-002	26 Sep 11 to 9 Oct 11 18 Mar 12 to 24 Mar 12
Challenger A37-003	24 Oct 11 to 6 Nov 11 1 Apr 12 to 7 Apr 12

Q101 - MEAO Air Sustainment Contract - Adagold Costs

Senator Johnston provided in writing.

What has been the total cost of operating the Adagold contracted aircraft, per flight, since the inception of this contract in November 2010?

Response:

A total of 65 MEAO routine weekly flights have been undertaken at an approximate cost of AUD \$47.7 million.

The average cost of the MEAO air sustainment charter aircraft per mission over the eleven month operating period is AUD \$734,378. Table 1 provides a further breakdown of the average mission cost and total costs as follows:

MEAO Weekly Routine Flights

The payments by the Commonwealth for each routine weekly flight mission are as follows:

- (i) to ADAGOLD for provision of the air service: AUD \$391,000 (Table 1, Serial 1); and
- (ii) to suppliers for the provision of fuel: AUD \$285,626 (Table 1, Serial 2).

Air Navigation En Route Charges

The air navigation en route charges paid per over-flight of sovereign countries is AUD \$1,647 (Table 1, Serial 3).

Transition Payments

The payment made for the establishment of an engineering store, communications centre, recruitment and initial employment of cabin crew and managerial staff is AUD \$0.5 million (Table 1, Serial 4). This is a one off payment that is amortised over the two or four year life of the contract.

Performance Security

In accordance with the MEAO Air Sustainment Charter contract, the contractor is required to provide a performance security bond payable to the Commonwealth in the event of a default. The initial set up cost and the annual interest costs of this arrangement are met by the Commonwealth. For the first 12 months of the contract these costs totalled AUD \$162,000 (Table 1, Serial 5), with costs amortised across each flight undertaken.

Additional Charges

The payments for passenger taxes and charges, catering, customs and quarantine charges are directly related to the number of passengers on the aircraft. Over the contract period to date these total AUD \$45,874 and are based on an average of 100

passengers per flight (Table 1, Serials 6 to 9). Table 2 shows the per capita charge for each of these additional charge items.

Table 1: MEAO Air Sustainment Flight Cost for the period 24 November 2010 to 27 October 2011

Serial	Cost Basis	Item	Flight Cost (1)(2)	Sub-Total Cost (1)(2)
	(a)	(b)	(c)	(d)
1	Fixed	MEAO Routine Weekly Flight Mission Cost (3)	391,000	25,415,000
2		MEAO Routine Weekly Flight Mission Fuel Cost (4)	285,626	18,565,690
3		Air Navigation En-route Charges (5)	1,647	107,055
4		Transition Payments	7,739	503,054
5		Performance Security Payments	2,492	162,000
6	Variable (6)	Passenger Airport Arrival and Departure Taxes	5,102	331,630
7		Catering Service and Drinks	25,022	1,626,430
8		Customs Import Clearance and Quarantine Fees	6,350	412,750
9		Passenger Movement Charges	9,400	611,000
10		Average Cost per Flight	734,378	47,734,609

Notes:

1. All values are expressed in Australian Dollars, Serials 1, 2 and 9 include US currency where AS\$1 = US\$1
2. Exclusive of Goods and Services Taxes
3. Base contract costs which have yet to be adjusted upwards for changes in the Consumer Price Index
4. 1 Litre = AS\$1
5. Attributed to overflight of the Flight Information Regions of India, Oman, Sri Lanka and United Arab Emirates
6. These per capita figures are further represented within Table 2 below

Table 2: MEAO Air Sustainment Contract Additional Charges for the period 24 November 2010 to 27 October 2011

Serial	Description	Cost per passenger (AUD)	Total Cost per Mission (AUD)
(a)	(b)	(c)	(d)
1	Airport Passenger Arrival or Departure Taxes (1)	25.51	5,102
2	Catering Service and Drinks (1)	125.11	25,022
3	Customs Import Clearance Charges and Quarantine Fees (2)	63.50	6,350
4	Passenger Movement Charges (1)	47.00	9,400

Notes:

1. Cost estimate based on an average of 100 passengers travelling Sydney to Al Minhad and 100 passengers returning from Al Minhad to Sydney.
2. Cost attributed to an estimate based on an average of 100 passengers returning from Al Minhad to Sydney.

Q102 - MEAO Air Sustainment Contract - ADF Personnel and Freight Capacity

Senator Johnston provided in writing.

Detail the numbers of ADF personnel and freight carried on each flight and specify the freight capacity available for each flight?

Response:

The MEAO Air Sustainment Charter Aircraft service has undertaken a total of 65 flights for the eleven month period from November 2010 to 27 October 2011. It has carried approximately 13,700 passengers between the MEAO and Australia.

Details of passengers and cargo carried on the key outward-bound service from Australia to the MEAO are detailed at Enclosure 1 and summarised as follows:

- (a) carriage of 7,496 personnel;
- (b) movement of 1,490,000 kg of cargo;
- (c) an average of 115 passengers per flight;
- (d) carriage of an average of 22,900 kg of cargo per flight or 92% of the specified minimum 25,000 kg carrying capacity; and
- (e) volumetric cargo capacity of the aircraft is a minimum of 150 cubic metres comprising ten available aircraft pallet spaces. On average, utilisation of these pallet spaces is 95%.

Table 1: MEAO Air Sustainment movement of passengers and cargo

Serial	Date	Flight	Passengers Outbound	Cargo Outbound	Pallet Space Available	Pallet Space Utilisation
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	23-25 Nov 10	ASY 854	148	36,557	10	10
2	27-29 Nov 10	ASY 855	99	18,838	10	10
3	30 Nov-02 Dec 10	ASY 856	205	33,514	10	10
4	03-05 Dec 10	ASY 857	103	10,662	10	10
5	07-09 Dec 10	ASY 858	150	30,694	10	10
6	10-12 Dec 10	ASY 859	3	14,721	10	10
7	14-16 Dec 10	ASY860	70	19,456	10	10
8	17-19 Dec 10	ASY 861	103	10,662	10	10
9	21-23 Dec 10	ASY 862	17	7,748	10	10
10	28-29 Dec10	ASY 872	87	18,801	10	10
11	04-06 Jan 11	ASY 001	152	10,830	10	10
12	11-13 Jan 11	ASY 002	119	23,347	10	10
13	18-20 Jan 11	ASY 003	65	21,904	10	10
14	25-27 Jan 11	ASY 004	116	22,685	10	10
15	01-03 Feb 11	ASY 005	77	17,648	10	10
16	08-10 Feb 11	ASY 006	133	24,426	10	10
17	15-19 Feb 11	ASY 007	100	27,115	10	10
18	22-24 Feb 11	ASY 008	60	20,641	10	10
19	01-03 Mar 11	ASY 009	116	31,056	10	10
20	04-06 Mar 11	ASY 010	72	34,752	10	9
21	08-10 Mar 11	ASY 011	153	29,054	10	8
22	11-13 Mar 11	ASY 012	41	18,548	10	10
23	15-17 Mar 11	ASY 013	102	26,633	10	10
24	18-20 Mar 11	ASY 014	175	18,170	10	8
25	22-24 Mar 11	ASY 015	179	36,077	10	10
26	23-25 Mar 11	ASY 016	63	17,457	10	9
27	05-07 Apr 11	ASY 017	55	22980	10	10
28	12-14 Apr 11	ASY 018	85	25,338	10	10
29	19-21 Apr 11	ASY 019	76	24,287	10	9
30	26-28 Apr 11	ASY 020	135	36,964	10	9
31	03-05 May 11	ASY 021	135	33,187	10	9
32	10-12 May 11	ASY023	207	31,651	10	10
33	13-15 May 11	ASY024	62	23,831	10	10
34	17-19 May 11	ASY025	96	28,093	10	10
35	25-27 May 11	ASY027/030	167	34,316	10	10
36	31 May-01Jun 11	ASY029	224	31,375	10	10
37	04-05 Jun 11	ASY031	159	18,194	10	10
38	07-08 Jun 11	ASY032	221	32,440	10	10
39	10 - 11 Jun 11	ASY033	231	32,269	10	10
40	14 - 15 Jun 11	ASY034	244	38,353	10	10

41	17-18 Jun 11	ASY035	223	41,049	10	10
42	21-22 Jun 11	ASY036	167	28,708	10	10
43	24-25 Jun 11	ASY038	14	15,828	10	10
44	27-29 Jun 11	ASY037	111	22,156	10	10
45	01-03 Jul 11	ASY039	2	11,761	10	7
46	05-07 Jul 11	ASY040	122	27,401	10	10
47	08-10 Jul 11	ASY041	3	17,979	10	8
48	12-14 Jul 11	ASY042	95	31,252	10	10
49	19-21 Jul 11	ASY043	91	25,108	10	10
50	26-28 Jul 11	ASY044	159	35,176	10	10
51	29-31 Jul 11	ASY045	117	31,329	10	10
52	02-03 Aug 11	ASY046	99	5,360	10	9
53	09-10 Aug 11	ASY047	81	19,742	10	9
54	12-13 Aug 11	ASY048	1	2,725	10	1
55	16-17 Aug 11	ASY049	74	8,566	10	8
56	23-24 Aug 11	ASY050	62	13,218	10	10
57	30-31 Aug 11	ASY051	142	22,443	10	8
58	06-07 Sep 11	ASY052	146	16,353	10	10
59	15-16 Sep 11	ASY053	203	15,792	10	9
60	20-21 Sep 11	ASY054	187	16,415	10	10
61	27-28 Sep 11	ASY055	68	16,116	10	10
62	04-06 Oct 11	ASY056	210	13,733	10	9
63	11-13 Oct 11	ASY057	96	13,372	10	10
64	18-20 Oct 11	ASY058	115	27,857	10	10
65	25-27 Oct 11	ASY059	103	15,299	10	10
66	Total	65	7496	1,490,012	650	619
67	Average		115	22,923		95%

Q103 - MEAO Air Sustainment Contract - Additional Costs

Senator Johnston provided in writing:

It was revealed in Estimates that Adagold were paid a contracted amount per flight plus fuel and government charges. What was the cost of these additional charges per flight and who met these additional costs?

Response:

- As specified in the MEAO Air Sustainment contract the Contractor (ADAGOLD) is entitled to reimbursement of specified charges and costs as incurred in respect to provided services. Reimbursable costs do not include Contractor mark up and are subject to Commonwealth verification and approval. Fuel is paid by Defence direct to the fuel suppliers (not to ADAGOLD).
- Costs reimbursed to the Contractor by Defence in connection with the operation of the MEAO Air Sustainment contract since November 2010 total AUD \$2,370,810. This equates to \$36,474 per mission; based on 65 missions as at 27 October 2011, an average of 100 passengers per flight, and charged at a per capita rate (see Table 1).

Table 1: MEAO Air Sustainment Contract - Additional Costs Reimbursed to ADAGOLD. Breakdown by Item and Amount Reimbursed by Defence for the period 24 November 2010 to 27 October 2011

Serial	Description	Cost per passenger (AUD)	Total Cost per Mission (AUD)	Total Cost (AUD)
	(a)	(b)	(c)	(d)
1	Airport Passenger Arrival or Departure Taxes (1)	25.51	5,102	331,630
2	Catering Service and Drinks (1)	125.11	25,022	1,626,430
3	Customs Import Clearance Charges and Quarantine Fees (2)	63.50	6,350	412,750
Total			36,474	2,370,810

Notes:

1. Cost based on Sydney to Al Minhad and return flight.
2. Cost based on Al Minhad to Sydney flight.

Q104 - MEAO Air Sustainment Contract - Surveys

Senator Johnston provided in writing:

Could you please provide copies of the surveys that passengers have completed in regards to this service and the summation/analysis in respect of each survey set?

Response:

Standard MEAO Air Sustainment Charter Customer Survey Form

A copy of the standard A340 Passenger Customer Survey form indicating the assessment criteria and response categories is at Enclosure 1.

Compilation of Customer Survey Responses

The survey commenced in mid-June 2011 and covered 12 flights carrying 1,397 passengers. A total of 476 survey responses were received and the results are tabulated in Enclosure 2.

Satisfaction/Dissatisfaction Index Analysis

The satisfaction/dissatisfaction index analysis at Enclosure 3 is used to identify key areas for remediation action and to gauge the relative depth of concerns. Over the survey period covering 12 flights, satisfied responses exceeded those that were dissatisfied against four of the five assessment criteria. Specifically:

- **Cleanliness.** Survey responses were significantly positive, (97% satisfied) with regard to the cleanliness of the A340 aircraft.
- **Entertainment.** Response to the in-flight entertainment question is the only one where dissatisfied responses (70%) exceeded satisfied responses. The entertainment system is based on analogue technology and is unable to deliver digital picture and sound that passengers expect. An analysis of reported issues also indicates a degree of operator error and individual instruction cards for each station are being introduced to assist passengers. Nevertheless, faults and quality issues remain under review and a remediation program within the limits of the available technology is underway.
- **Airline Staff.** Responses to the standard of airline staff were overwhelmingly positive (99% satisfied).
- **Food.** The A340 meals menu is categorised as International Premium Economy in accordance with international airline standards. Notwithstanding anecdotal reporting on the quality of meals provided, 93% of respondents reported favourably on the standard of food.
- **Serviceability.** Responses to the serviceability criteria continue to cause some concern with only 67% of respondents reporting favourably. It is difficult to identify the exact cause because reporting is against a diverse set of parameters, and consideration is being given to narrowing the focus and to place seat serviceability in its own category. However, the general issue of serviceability of in-cabin facilities has been raised with the contractor and a rolling programme of assessment and repair is underway.

ENCLOSURE 1 – CUSTOMER SURVEY FORM

A340 FEEDBACK FORM

Name: _____ (optional)

Point of Embarkation: **Sydney** **Brisbane** **Townsville** **Darwin** **Perth**

Date of Departure: _____ Callsign: **ASY** _____

Seat Number: _____

1. **Cleanliness** 1 – Poor 2 - Satisfactory 3 - Good 4 – Very good

Comments: _____

2. **Entertainment** 1 – Poor 2 - Satisfactory 3 - Good 4 – Very good

Comments: _____

3. **Airline Staff** 1 – Poor 2 - Satisfactory 3 - Good 4 – Very good

Comments: _____

4. **Food** 1 – Poor 2 - Satisfactory 3 - Good 4 – Very good

Comments: _____

5. **Serviceability**
(Not In-flight Entertainment) 1 – Poor 2 - Satisfactory 3 – Good 4 – Very good

Comments: _____

General Comments:

ENCLOSURE 2 – COMPILATION OF CUSTOMER SURVEY RESPONSES

Flight Number Date Qty of Feedback	ASY034 14-Jun-11 31		Pax Origin						
			BNE	SYD	TSV	DWN	NHD	N/S	
			9	13	7	2	0	0	
			Pax on leg		Sample %				
		17	23	82	3				
		53%	57%	9%	67%				
		Poor		Satisfactory		Good		Very Good	
Cleanliness	2	6%	15	48%	11	35%	3	10%	
Serviceability	19	61%	8	26%	2	6%	2	6%	
Airline Staff	1	3%	1	3%	15	48%	14	45%	
Food	1	3%	6	19%	16	52%	8	26%	
Entertainment	25	81%	5	16%	1	3%	0	0%	
Flight Number Date Qty of Feedback	ASY036 21-Jun-11 30		Pax Origin						
			BNE	SYD	TSV	DWN	NHD	N/S	
			9	11	7	1	1	1	
			Pax on leg		Sample %				
		22	40	91	14				
		41%	28%	8%	7%				
		Poor		Satisfactory		Good		Very Good	
Cleanliness	1	3%	12	40%	12	40%	5	17%	
Serviceability	16	53%	7	23%	5	17%	2	7%	
Airline Staff	3	10%	5	17%	9	30%	13	43%	
Food	3	10%	8	27%	14	47%	5	17%	
Entertainment	30	100%	0	0%	0	0%	0	0%	
Flight Number Date Qty of Feedback	ASY040 5-Jul-11 33		Pax Origin						
			BNE	SYD	TSV	PTH	NHD	N/S	
			4	18	0	4	0	7	
			Pax on leg		Sample %				
		19	58	0	45				
		21%	31%	0%	9%				
		Poor		Satisfactory		Good		Very Good	
Cleanliness	0	0%	11	33%	20	61%	2	6%	
Serviceability	8	24%	14	42%	9	27%	2	6%	
Airline Staff	0	0%	10	30%	15	45%	8	24%	
Food	3	9%	11	33%	16	48%	3	9%	
Entertainment	17	52%	11	33%	5	15%	0	0%	

Flight Number **ASY042**
 Date 12-Jul-11
 Qty of Feedback 36

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	10	16	0	0	0	10
Pax on leg	33	58	0	3		
Sample %	30%	28%	0%	0%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	2	6%	16	44%	15	42%	3	8%
Entertainment	30	83%	5	14%	1	3%	0	0%
Airline Staff		0%	3	8%	21	58%	12	33%
Food	2	6%	14	39%	13	36%	7	19%
Serviceability	11	31%	11	31%	13	36%	1	3%

Flight Number **ASY043**
 Date 19-Jul-11
 Qty of Feedback 22

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	2	19	0	0	0	1
Pax on leg	11	80	0	0		
Sample %	18%	24%	0%	0%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	0	0%	4	18%	17	77%	1	5%
Entertainment	12	55%	4	18%	6	27%	0	0%
Airline Staff	0	0%	0	0%	14	64%	8	36%
Food	2	9%	8	36%	10	45%	2	9%
Serviceability	17	77%	3	14%	2	9%	0	0%

Flight Number **ASY045**
 Date 29-Jul-11
 Qty of Feedback 56

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	8	14	22	2	0	10
Pax on leg	9	55	48	4		
Sample %	89%	25%	46%	50%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	2	4%	14	25%	35	63%	5	9%
Entertainment	42	75%	13	23%	1	2%	0	0%
Airline Staff	0	0%	11	20%	34	61%	11	20%
Food	9	16%	25	45%	19	34%	3	5%
Serviceability	18	32%	17	30%	19	34%	2	4%

Flight Number **ASY047**
 Date 9-Aug-11
 Qty of Feedback 26

		Pax Origin					
		BNE	SYD	TSV	DWN	NHD	N/S
		20	5	0	0	0	1
Pax on leg		33	34	0	0		
Sample %		61%	15%	0%	0%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness		0%	13	50%	12	46%	1	4%
Entertainment	18	69%	6	23%	1	4%	1	4%
Airline Staff		0%	8	31%	10	38%	8	31%
Food	1	4%	11	42%	13	50%	1	4%
Serviceability	6	23%	11	42%	8	31%	1	4%

Flight Number **ASY050**
 Date 22-Aug-11
 Qty of Feedback 22

		Pax Origin					
		BNE	SYD	TSV	DWN	NHD	N/S
		5	13	0	1	0	3
Pax on leg		30	27	0	6		
Sample %		17%	48%	0%	17%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	1	5%	3	14%	12	55%	6	27%
Entertainment	9	41%	6	27%	6	27%	1	5%
Airline Staff	0	0%	3	14%	10	45%	9	41%
Food	0	0%	6	27%	13	59%	3	14%
Serviceability	4	18%	5	23%	10	45%	3	14%

Flight Number **ASY053**
 Date 15-Sep-11
 Qty of Feedback 85

		Pax Origin					
		BNE	SYD	TSV	DWN	NHD	N/S
		10	50	12	7	0	6
Pax on leg		28	112	50	13		
Sample %		36%	45%	24%	54%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	3	4%	29	34%	45	53%	8	9%
Entertainment	71	84%	12	14%	2	2%	0	0%
Airline Staff	1	1%	7	8%	45	53%	32	38%
Food	5	6%	31	36%	40	47%	9	11%
Serviceability	36	42%	32	38%	17	20%	0	0%

Flight Number **ASY054**
 Date 20-Sep-11
 Qty of Feedback 87

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	20	47	9	11		
Pax on leg	29	95	38	25		
Sample %	69%	49%	24%	44%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	2	2%	12	14%	58	67%	15	17%
Entertainment	47	54%	30	34%	9	10%	1	1%
Airline Staff	1	1%	13	15%	48	55%	25	29%
Food	3	3%	18	21%	49	56%	17	20%
Serviceability	16	18%	12	14%	51	59%	8	9%

Flight Number **ASY055**
 Date 27-Sep-11
 Qty of Feedback 20

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	12	8	0	0		
Pax on leg	30	36	0	1		
Sample %	40%	22%	0%	0%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	1	5%	5	25%	12	60%	2	10%
Entertainment	12	60%	8	40%	0	0%	0	0%
Airline Staff	0	0%	1	5%	12	60%	7	35%
Food	1	5%	7	35%	11	55%	1	5%
Serviceability	4	20%	6	30%	9	45%	1	5%

Flight Number **ASY057**
 Date 11-Oct-11
 Qty of Feedback 28

Pax Origin

	BNE	SYD	TSV	DWN	NHD	N/S
	8	19	0	1	0	0
Pax on leg	25	57	0	13		
Sample %	32%	33%	0%	8%		

	Poor		Satisfactory		Good		Very Good	
Cleanliness	0	0%	6	21%	17	61%	5	18%
Entertainment	14	50%	10	36%	4	14%	0	0%
Airline Staff	0	0%	2	7%	14	50%	12	43%
Food	1	4%	10	36%	11	39%	6	21%
Serviceability	3	11%	4	14%	15	54%	6	21%

ENCLOSURE 3 – SATISFACTION/DISSATISFACTION INDEX ANALYSIS

Graph 1: MEAO Air Sustainment Satisfaction/Dissatisfaction Index Analysis

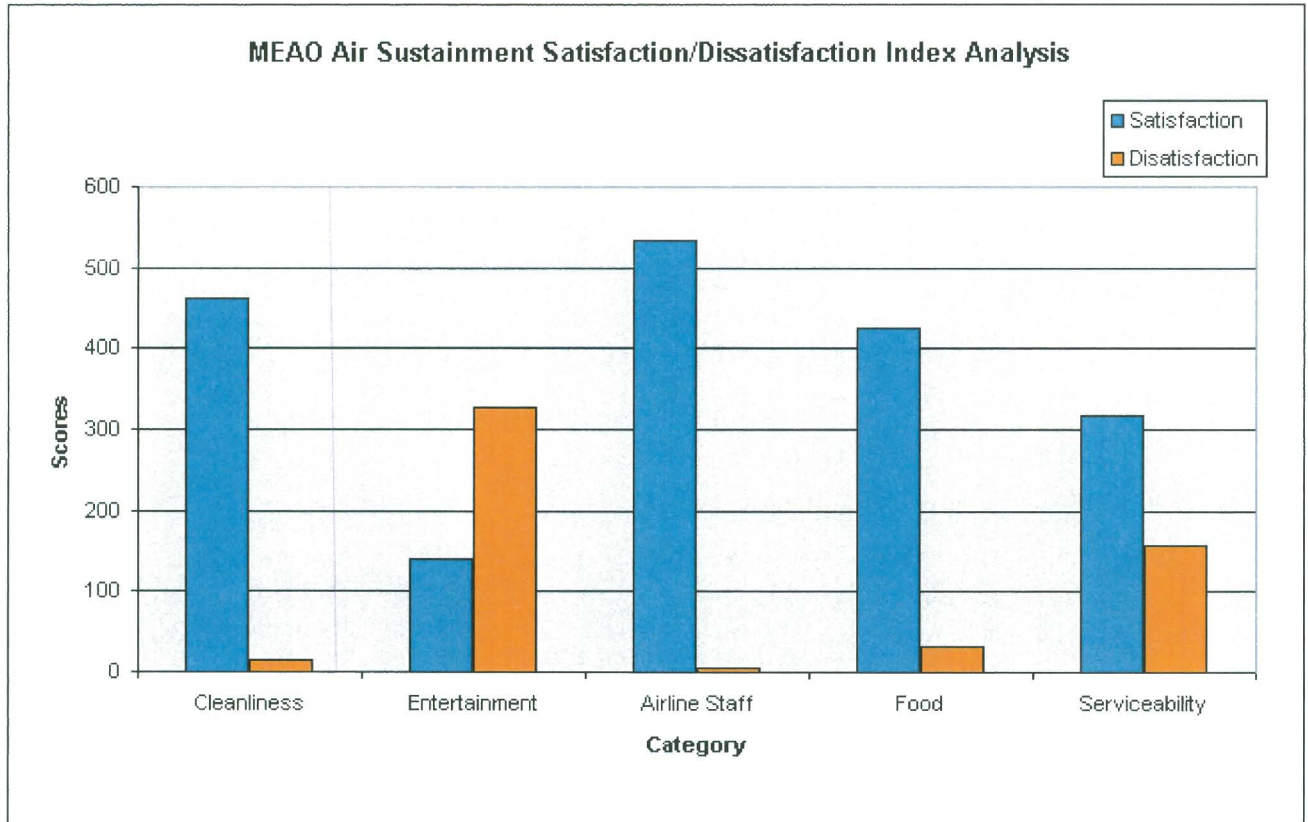


Table 1: MEAO Air Sustainment Satisfaction/Dissatisfaction Index Analysis(*)

Category	Cleanliness	Entertainment	Airline Staff	Food	Serviceability
(a)	(b)	(c)	(d)	(e)	(f)
Disatisfaction	14	327	6	31	158
Satisfaction	462	141	534	426	318
% Satisfied	97%	30%	99%	93%	67%

Notes:

(1) Flights Surveyed 12

(2) Total Pax on Flights 1397

(3) Total Pax Surveyed 476

(4) Serviceability refers to cabin equipment (not entertainment) i.e. seats, lights, toilets, tables etc.

Q105 - MEAO Air Sustainment Contract - Replacement Aircraft

Senator Johnston provided in writing .

How many times, in the period from November 2010 to October 2011, has the contractor, Adagold, had to have a replacement aircraft assigned to this service in place of the A340 Hi Fly aircraft that was contracted to perform this service?

Response:

- As specified in the MEAO Air Sustainment contract, the aircraft operator for all MEAO Air Sustainment Charter Aircraft is Hifly Transportes Aereos SA. Aircraft used to service this contract are listed below in Table 1.

Table 1: MEAO Air Sustainment Charter Aircraft

Serial	Aircraft	Purpose	Period
	(a)	(b)	(c)
1	Airbus A340-313 'CS-TQM' Serial number 117	Primary Aircraft	From November 2010 onwards
2	Airbus A340-313 'OY-KBM' Serial number 450	Secondary Aircraft	November 2010 – November 2011
3	Airbus A340-312 'CS-TQL' Serial number 133	Replacement Secondary Aircraft	From November 2011 onwards

- The secondary aircraft replaces the primary aircraft during periods of maintenance or unserviceability.
- The primary aircraft commenced operations on execution of the MEAO Air Sustainment contract in November 2010.
- With the exception of a five month period of scheduled maintenance between January and May 2011, the primary aircraft has operated on all MEAO Air Sustainment charter flights. Throughout this maintenance period, the secondary aircraft (Table 1 Serial 2) was utilised and met all the tasks normally performed by the primary aircraft.
- The aircraft specified at Table 1 Serial 3 is being prepared to replace the aircraft specified at Serial 2, subject to agreement by the Commonwealth.

Q106 - MEAO Air Sustainment Contract - Al Minhad Airport Procedures

Senator Johnston provided in writing.

What procedures/protocols are in place to screen passengers and crew members out of Al Minhad airport? Include the percentage of both passengers and crew members who were screened for each flight since the awarding of the contract.

Response:

Defence policy on ground security procedures against the hijacking of air transport aircraft stipulates the security measures applied to eliminate or greatly minimise risk to security threats. Defence policy on the transport of dangerous goods by service and chartered aircraft stipulates the regulations regarding the carriage of dangerous goods. In line with these policies, procedures applied at Al Minhad Air Base include:

- (a) Movements staff check each passenger's name against the prepared manifest, utilising the passenger's photo identification to verify details and confirm accuracy.
- (b) All passengers are briefed on customs and quarantine requirements for entry into Australia, and bins are provided at Al Minhad for disposal of prohibited items prior to departure.
- (c) All passengers are issued with a boarding pass as prepared by the contractor for the flight:
 - (i) prior to departure all passengers are assembled in a controlled area in the air terminal in Al Minhad Air Base and receive a dangerous goods brief from movements staff;
 - (ii) prior to handover, 25 per cent of passengers have their checked baggage randomly searched for dangerous goods; and
 - (iii) prior to boarding, 25 per cent of passengers are randomly selected to have their cabin 'hand' baggage searched for dangerous goods.

If dangerous goods are discovered on inspection of checked luggage or cabin baggage a 100% search is then performed.

In Defence's response to a question at the Supplementary Estimates hearing on 19 October 2011, Defence advised that aircraft crew were not screened and remediation was being implemented at Al Minhad Air Base. Defence has since determined that that all contractor personnel and aircraft crew are subject to UAE host nation security and screening requirements, undertaken prior to entry to Al Minhad Air Base. Requirements include verification against photo identification, searches and x-ray screening of crew and baggage.

Q107 - MEAO Air Sustainment Contract - Adagold Aircraft

Senator Johnston provided in writing.

Please provide the details of the two aircraft used by Adagold to service the MEAO contract –the primary and substitute aircraft?

Response:

As specified in the MEAO Air Sustainment contract, the aircraft operator is Hifly Transportes Aereos SA. Aircraft used to service this contract are listed below in Table 1.

Table 1: MEAO Air Sustainment Charter Aircraft

Serial	Aircraft	Purpose	Period
	(a)	(b)	(c)
1	Airbus A340-313 'CS-TQM' Serial number 117	Primary Aircraft	From November 2010 onwards
2	Airbus A340-313 'OY-KBM' Serial number 450	Secondary Aircraft	November 2010 – November 2011
3	Airbus A340-312 'CS-TQL' Serial number 133	Replacement Secondary Aircraft	From November 2011 onwards

Notes:

- The secondary aircraft replaces the primary aircraft during periods of maintenance or unserviceability.
- The primary aircraft commenced operations on execution of the MEAO Air Sustainment contract in November 2010. With the exception of a five month period of scheduled maintenance between January and May 2011, the primary aircraft has operated on all MEAO Air Sustainment charter flights.
- The aircraft specified at Table 1 Serial 3 is being prepared to replace the aircraft specified at Serial 2, subject to agreement by the Commonwealth.

Q108 - MEAO Air Sustainment Contract - Documentation

Senator Johnston provided in writing .

Please provide copies of the documentation relating to these aircraft meeting Australian standards of operation, including relevant CASA documents verifying the suitability of these aircraft.

Response:

The operation of the MEAO Air Sustainment Charter Aircraft is undertaken in partnership with an experienced Defence contractor in conjunction with a reputable European-based aircraft operator. The aircraft operations conform to European safety regulations recognised by the Australian Civil Air Safety Authority and aircraft maintenance is carried out in Germany in strict accordance with manufacturer's specifications.

The aircraft operator Hifly Transportes Aereos SA holds the following documented approvals necessary to operate at worldwide and Australian domestic ports as required by Defence:

- (a) Portuguese Air Operators Certificate - issued by Instituto Nacional de Aviacao Civil (INAC) and dated 19 April 2011.
- (b) Australian Air Operators Certificate - issued by the Civil Aviation Safety Authority (CASA) and dated 28 October 2011.

P O R T U G A L



CERTIFICADO DE OPERADOR AÉREO
AIR OPERATOR CERTIFICATE

COA N.º: PT-01/06/29

AOC No.

Data de emissão: 19 Abril 2011

Date of issue 19th April 2011

Data de validade: **26 Abril 2012**

Expiry date: 26th April 2012

(Nome do Operador) **HI FLY – Transportes Aéreos, S.A.**

(Operator name)

Morada: Rua do Borja, n.º 6 - 1350-047 Lisboa - PORTUGAL

Address

Telefone: 210046742 Fax: 210040401 *E-mail:*

Telephone

Contactos Operacionais:

Operational Points of Contact

Accountable Manager: Paulo Mirpuri (pmirpuri@hifly.aero)

Operations Director: Peter Holemans (pholemans@hifly.aero)

Training Director: Ricardo Bahia (rbahia@hifly.aero)

Maintenance Director: Luis Ferreira (Fax: + 351 21 00 40 401)

Ground Operations Director: Manuel Lopes Ranito (Fax: + 351 21 00 40 401)

Quality Manager: José Neto (jneto@hifly.aero)

AP/FSP or SMS Manager: Manuel Ferraz de Freitas (mfreitas@hifly.aero)

Control Center (H24): Phone: + 351 91 378 027 Fax: + 351 210 045 741

Certifica-se que a **HI FLY – Transportes Aéreos, S.A.**, está apta para o exercício da actividade de Transporte Aéreo Comercial, de acordo com as disposições, especificações técnicas, condições e limitações constantes do presente Certificado, do Manual de Operações, do Regulamento (CE) n.º 859/2008 da Comissão, de 20 de Agosto de 2008 e/ou do Decreto-Lei n.º 289/2003, de 14 de Novembro, do JAR-OPS 3 e do anexo 6 da OACI.

This certificate certifies that HI FLY – Transportes Aéreos, S.A., is authorized to perform commercial air operations, as defined in the attached operations specifications, in accordance with the Operations Manual, Commission Regulation (EC) No. 859/2008, of 20 August 2008, the Operator certification requirements prescribed in the Decree Law 289/2003, of 14 November, JAR-OPS 3 and ICAO Annex 6.

Este certificado é intransmissível e, a não ser que seja suspenso ou revogado, está em vigor até **26 de Abril de 2012**, e é revalidado nos termos do OPS 1.180, constante da Subparte C do Anexo ao Regulamento (CE) n.º 859/2008 da Comissão, de 20 de Agosto de 2008, do artigo 7.º do Decreto-Lei n.º 289/2003, de 14 de Novembro e do anexo 6 da OACI.

This certificate is not transferable and unless sooner suspended or revoked, shall continue in effect until 26th April 2012, subject to renewal according to OPS 1.180, referred in Subpart C of the Annex to Commission Regulation (EC) No 859/2008, of 20 August 2008, article 7 of the Decree Law 289/2003, of 14 November and ICAO Annex 6.

Nome e assinatura: **Maria do Rosário Lourinho**

Name and Signature

Cargo: **Vogal do Conselho Directivo**

Title: Member of the Board




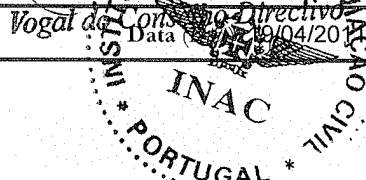
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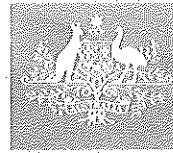
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Página 1 de 3 (Page 1 of 3)

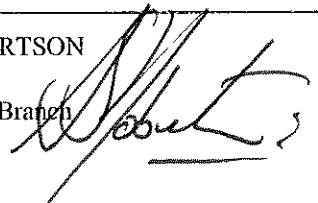
PORTUGAL



05. AUTORIZAÇÕES ESPECIAIS <i>SPECIAL AUTHORIZATIONS</i>	SIM <i>Yes</i>	NÃO <i>No</i>	APROVAÇÕES ESPECÍFICAS <i>SPECIFIC APPROVALS</i>	OBSERVAÇÕES <i>REMARKS</i>
Mercadorias Perigosas <i>Dangerous Goods</i>	✓	<input type="checkbox"/>		(E11)
Operações com baixa visibilidade <i>Low visibility operations</i> Aproximação e aterragem <i>Approach and landing</i> Descolagem <i>Take-off</i>	✓	<input type="checkbox"/>	CAT I RVR: 550 m / MDA: 200 ft CAT II (E1) RVR: 300m /DH: 100 ft CAT III A RVR: 200m /DH: 50 ft CAT III B RVR: 75m / DH: No DH (E5) RVR: 125 m 150 m	(E1) (E2) (E3) (E5) 150 m applicable to CS-TFW and CS-TFX only
RVSM <input type="checkbox"/> N/A	✓	<input type="checkbox"/>		(E9)
ETOPS <input type="checkbox"/> N/A	✓	<input type="checkbox"/>	Tempo Máximo de Diversão: <i>Maximum diversion time</i> 180 MIN/ 1265 NM (GE) 180 MIN / 1277 NM (PW 4168) 180 MIN / 1285 NM (RR772B)	(E7) A310-304 A330-322 A330-243
Especificações de navegação para operações PBN <i>Navigation specifications for PBN operations</i>	✓	<input type="checkbox"/>	RNAV (B-RNAV) (P-RNAV) RNP-5; RNP-10	(E8) P-RNAV applicable to all aircraft, except CS-TEX and CS-TEI (E10)
06. Outras <i>Other</i>	✓	<input type="checkbox"/>	MNPS	(E6)
	✓	<input type="checkbox"/>	Autorização para Formação Inicial de Tripulantes de Cabine em Matérias de Segurança / <i>Authorisation to provide Cabin Crew Initial Safety Training</i>	(E14)
07. Continuidade da Aeronavegabilidade <i>Continuing Airworthiness</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	PT.MG.023	
Assinatura (<i>Signature</i>):  Cargo (<i>Title</i>): Vogal do Conselho Directivo Member of the Board				
COA N.º (AOC No.): PT -01/06/29  Data (Date): 19/04/2015 Página 3 de 3 (Page 3 of 3)				



AIR OPERATOR'S CERTIFICATE

	<p style="text-align: center;">Australia</p>	<p>Phone: + (61) 131 757 Fax: + (61) 2 6217 1899 Internet: www.casa.gov.au Address: GPO Box 2005, Canberra ACT, Australia 2601</p>
<p>AOC #: 1-BOV6-10</p>	<p>This Air Operator's Certificate (AOC) is issued to:</p> <p style="text-align: center;">HIFLY TRANSPORTES AEREOS SA of LISBON, PORTUGAL (ARN: 578205)</p>	
<p>This AOC is effective from 01 November 2011 and stops having effect:</p> <p>(a) if the holder ceases to be authorised to conduct international air transport operations by the INSTITUTO NACIONAL DE AVIACAO CIVIL; or</p> <p>(b) at the end of 31 October 2012;</p> <p>whichever happens first.</p>		
<p>This certificate is issued pursuant to section 27 of the Civil Aviation Act 1988 and authorises its holder to operate the aircraft in the type of operation(s) described in the attached operations specifications, in accordance with its operations manual.</p>		
<p>Date of issue: 28 October 2011</p>	<p>Name and Signature: DEAN STUART ROBERTSON Title: Team Leader International Operations CASA Operations Division, Safety Oversight Branch</p>  <p>Delegate, Civil Aviation Safety Authority</p>	

AIR OPERATOR'S CERTIFICATE OPERATIONS SPECIFICATIONS

Civil Aviation Safety Authority - International Operations
GPO Box 2005, Canberra, ACT 2601, Australia

Telephone: + (61) 7 3144 7400 Fax: + (61) 7 3144 7599 Email: international_ops@casa.gov.au

**HIFLY TRANSPORTES AEREOS SA of LISBON,
PORTUGAL
ARN: 578205**

Schedule 1

Part 1.1 Aircraft Type: Airbus A310, Airbus A330, Airbus A340

Area(s) of Operation:

Location	Aerodrome
Australian Territory	ADELAIDE/Adelaide INTL (YPAD), BRISBANE/Brisbane INTL (YBBN), BROOME INTL (YBRM), CAIRNS/Cairns INTL (YBCS), DARWIN/Darwin INTL (YPDN), GOLD COAST (YBCG), HOBART (YMHB), MELBOURNE/Melbourne INTL (YMML), PERTH/Perth INTL (YPPH), ROCKHAMPTON (YBRK), SYDNEY/Sydney (Kingsford Smith) INTL (YSSY), TOWNSVILLE/Townsville INTL (YBTL), WILLIAMTOWN (YWLM)

The certificate holder is authorised to operate the following aircraft in International Air Transport Operations between the aerodromes listed above and any point outside of Australian territory.

Manufacturer	Type	Model	Reg Mark
Airbus	A310	A310-304	CS-TEI
Airbus	A310	A310-304	CS-TEX
Airbus	A330	A330-200	CS-IFZ
Airbus	A330	A330-300	CS-TMT
Airbus	A340	A340-312	CS-TQL
Airbus	A340	A340-313	CS-TQM
Airbus	A340	A340-313	OY-KBM

Authorised By: Dean Robertson
Team Leader International Operations
CASA Operations Division, Safety Oversight Branch
Delegate, Civil Aviation Safety Authority

Operations Specifications No. OS1511337-4
Effective Date: 01/11/2011
AOC No. 1-BOV6-10
AOC Expiry Date: 31/10/2012
Page 1 of 3

AIR OPERATOR'S CERTIFICATE OPERATIONS SPECIFICATIONS

**HIFLY TRANSPORTES AEREOS SA of LISBON,
PORTUGAL
ARN: 578205**

Schedule 2: Conditions

The following conditions are issued in accordance with section 28BB(1)(a) of the *Civil Aviation Act 1988*.

1. The pilot in command and each other person who makes a radio transmission from an aircraft during the course of an operation authorised by this AOC must:
 - a) be able to read, speak and understand English; and
 - b) make the transmission in English.
2. The operator shall comply with the provisions of the Civil Aviation Act 1988, and any written directions issued by CASA applicable to operations conducted under this certificate.
3. All flights shall be operated under the Instrument Flight Rules and conducted via designated airways, air routes or other tracking arrangements approved by Air Traffic Services and shall comply with the applicable procedures and requirements of the Australian Aeronautical Information Publications (AIPs).
4. The aircraft shall be operated in accordance with the operator's Route and Operations manuals approved by the operator's own State of Registry for the aircraft.
5. The aircraft shall be fitted with communication and navigation equipment suitable for use in conjunction with ground facilities applicable to the portion of the route in Australian Flight Information Regions.
6. The operator shall make no change in the operation, type or series of aircraft or terminal ports without first obtaining a further permission from CASA.
7. To the extent that they do not conflict with the requirements contained in (2) above, the aircraft used in those operations shall be operated in accordance with those rules and procedures specified by the aircraft's State of Registry which give effect to the requirements of Annex 6, Part 1 to the Convention on International Civil Aviation – International Commercial Air Transport and which apply to operations conducted under this certificate.
8. If the operator intends to enter into a wet or damp-lease arrangement with an International Airline Licence holder (the lease arrangement), the operator must contact CASA at least 72 hours prior to the operation of any service which is to be operated by an aircraft which is the subject of the lease arrangement.
9. The operator must allow a CASA person/s to have access to the aircraft for the purposes of inspecting both the aircraft and its operation, to ensure compliance with the provisions of the Civil Aviation Act 1988, in accordance with the standards and recommended practices of Annex 6 Part 1 to the Convention on International Civil Aviation – International Commercial Air Transport, and which apply to operations conducted under this certificate.

Authorised By: Deán Robertson
Team Leader International Operations
CASA Operations Division, Safety Oversight Branch
Delegate, Civil Aviation Safety Authority

Operations Specifications No. OS1511337-4
Effective Date: 01/11/2011
AOC No. 1-BOV6-10
AOC Expiry Date: 31/10/2012
Page 2 of 3

AIR OPERATOR'S CERTIFICATE OPERATIONS SPECIFICATIONS

HIFLY TRANSPORTES AEREOS SA of LISBON,
PORTUGAL
ARN: 578205

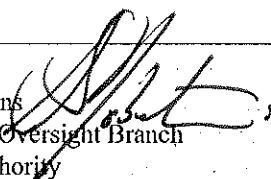
Schedule 2: Conditions (Continued)

The following conditions are issued in accordance with section 28BB(1)(a) of the *Civil Aviation Act 1988*.

10. This certificate shall be valid only while the operator is in possession of a valid permit, certificate, licence or other satisfactory document from the aircraft's own State of Registry authorising the operations for which this certificate is issued.

.....End of this Section.....

Authorised By: Dean Robertson
Team Leader International Operations
CASA Operations Division, Safety Oversight Branch
Delegate, Civil Aviation Safety Authority



Operations Specifications No. OS1511337-4
Effective Date: 01/11/2011
AOC No. 1-BOV6-10
AOC Expiry Date: 31/10/2012
Page 3 of 3

Q109 - MEAO Air Contract - Usage

Senator Johnston provided in writing.

(a) Why have no senior ADF personnel not flown on the regular weekly service when visiting and/or inspecting the MEAO deployments?

(b) How has each party of visiting VIP ADF parties/delegations flown to the MEAO since November 2007?

(c) If not, why not?

Response:

(a-c) Visiting VIP ADF parties/delegations will normally travel into and out of the MEAO using routine scheduled airline services. Travel within the MEAO is normally undertaken using ADF aircraft.

Q110 - MEAO Air Contract - MINDEF Usage

Senator Johnston provided in writing.

How many times has the MINDEF or the Minister for Defence Materiel flown on the scheduled MEAO contracted service since November 2007? If not why not?

Response:

There are no records of either the Minister for Defence or the Minister for Defence Materiel having travelled on the MEAO Air Sustainment charter aircraft since 2007.

The carriage of Government Ministers on the MEAO air sustainment charter aircraft is a matter that is determined by their individual offices in providing the most expedient means of travel. The MEAO air sustainment flights operate on a fixed cycle that may not accord with the travel times available to Ministers. This is particularly the case when travel to the MEAO is part of a broader visit itinerary.

Travel on the MEAO charter aircraft for the purposes of official travel is not restricted in any manner and if a need arises that can be met through utilisation of the aircraft for the carriage of Government Ministers, arrangements can be made accordingly.

Q111 - MEAO Air Contract - Standards

Senator Johnston provided in writing .

What are the standards that the ADF has agreed with the contractor, Adagold, to employ crew, pilots and engineers on board the contracted aircraft, and do these standards meet Australian workplace standards?

Response

- As specified in the Air Transport Deed of Standing Offer between the Commonwealth and Adagold Aviation Pty Ltd, the Contractor must comply with a variety of Commonwealth policies of general application relevant or applicable to the Deed. Such policies applicable to employees include:
 - Defence Equity and Diversity policy,
 - Environment policy, Conflict of Interest policy,
 - Equal Opportunity for Women in the Workplace policy,
 - Hazardous Substance policy,
 - Fraud Control policy,
 - Information Privacy Principles of the Privacy Act;
 - Maximising Employment Opportunities for Aboriginal and Torres Strait Islanders policy, and
 - Occupational Health and Safety statutory requirements.
- The Deed of Standing Offer imposes a contractual liability on the contractor and any sub-contractors, to conform to a range employment related responsibilities and standards covering a wide array of issues from Occupational Health and Safety, Equity and Diversity, and the Privacy Act to Personal injury claims, Workers Compensation and Public and General Liability Insurance.
- All cabin crew are employed by Adagold Aviation Pty Ltd in accordance with the provisions of the Aircraft Cabin Crew Award 2010 and the Fair Work Act, and are paid above the minimum rates specified in the Award.
- All pilots and engineers are employed by the operator of the MEAO Air Sustainment Charter Aircraft, Hifly Transportes Aereos SA. Advice from the Hifly Transportes Aereos SA Australian-based Project Manager is that the employment provisions agreed for pilots and engineers are comparable with Australian workplace standards.

Q112 - MEAO Air Contract - Harassment Incidents

Senator **Johnston** provided in writing .

Please document the number of harassment incidents, per flight, reported by the aircraft crew? What action was taken?

Response:

- Since commencement of the current contract on 23 November 2010 up to 9 November 2011, no formal or informal claims of harassment have been submitted by the crews of the MEAO Air Sustainment Charter Aircraft to the Contractor.
- An incident was reported within Defence on 15 March 2011 regarding alleged poor behaviour by an ADF passenger.
- The matter was taken up with the Contractor but confirmation has been received that no formal statement or claim of harassment was ever submitted by the cabin crew involved.
- Defence took internal steps to investigate the incident but in the absence of a formal complaint the outcome remains inconclusive and the alleged offence unproven.
- All military personnel travelling on the MEAO Air Sustainment Charter Aircraft are required to conform to standards of conduct and behaviour as directed by their respective Service Chiefs. Civilian personnel are required to observe codes of conduct as directed their parent organisations.
- For each flight a military officer not below the rank of Major is appointed as the Flight Officer-in-Charge (OIC) responsible for ensuring that discipline and standards of behaviour are maintained. Passengers are briefed on the Flight OIC's role and responsibilities and that any breaches are to be reported to him for subsequent investigation and action by the receiving 1st Joint Movements Group staff.
- The identity of the designated OIC is also notified to the Contractor's Flight Managers. The Contractor's Flight Managers are made aware of the requirement to report any breaches of discipline and behaviour to the military Flight OIC, in the first instance, and then to 1st Joint Movements Group through the Contractor's Operations Manager. Commander 1st Joint Movements Group is then responsible for follow up investigations and ensuring that closure action occurs.

Q113 - FEG Sustainment, Operating and Upgrading Costs

Senator Johnston provided in writing:

Please provide tables for each FEG that show:

- (a) The total of operating costs for the period 2007/08 to 2010/11;
- (b) The total of sustainment costs for the period 2007/08 to 2010/11;
- (c) The total of upgrading costs for the period 2007/08 to 2010/11;
- (d) The total of all costs for the period 2007/08 to 2010/11;
- (e) The availability at full operational capability of the FEG for each quarter, expressed numerically and as a percentage of the total number of assets. eg. Abraham tanks – 41 out of 59 tanks fully operational for the Jan – March period 2008 – 69.5%
- (f) The estimated operating costs for the period 2011/12 to 2015/16;
- (g) The estimated sustainment costs for the period 2011/12 to 2015/16;
- (h) The estimated upgrading costs for the period 2011/12 to 2015/16;
- (i) The estimated total of all costs for the period 2011/12 to 2015/16.

FOR EACH OF THE FOLLOWING:

0. ANZAC Class Frigates (FFH)
1. Adelaide Class Frigates. (FFG)
2. Patrol Boat (PB)
3. Landing Craft Heavy (LCH)
4. Surveying Ship, Coastal (AGSC)
5. Collins Class Submarine (SSG)
6. Mine-hunter Coastal (MHC)
7. Landing Platform, Amphibious(LPA)
8. Surveying Ship (AGS)
9. Replenishment Oiler (AOR)
10. Landing Ship, Heavy (LSH)
11. AS350 Squirrel Helicopters
12. S-70B Sea Hawk Helicopters
13. SK-50 Sea King Helicopters
14. MRH – 90 Helicopters
15. M1A1 Abram Tanks
16. ASLAV
17. M113 AS3/4
18. Bushmaster IMV
19. G-Wagon
20. Land Rover FFR
21. Land Rover GS
22. Unimog 1700L
23. L118/L119 105 mm Hamel Guns
24. 105mm Howitzer
25. M198 155 mm Howitzer
26. M777A2 Howitzer
27. RBS -70 Ground to Air Missile launchers
28. AN/TPQ-36 Firefinder Radar
29. AMSTAR Ground Surveillance RADAR
30. Insitu Aersonde, Elbit Systems Skylark
31. Sikorsky S-70 A-9 Helicopters
32. MRH – 90 Helicopter

33. OH-58 Kiowa Helicopter
34. Boeing CH-47 Chinook Helicopter
35. Tiger ARH
36. F/A-18F Super Hornet: upgraded multi-role jet fighter.
37. F/A-18 Hornet: multi-role fighter for air-to-air and air-to-ground missions.
38. AP-3C Orion: maritime patrol aircraft.
39. C-17A Globemaster: heavy transport aircraft.
40. B737-AEW&C Wedgetail: our first airborne early warning and control aircraft.
41. C-130 Hercules: medium transport aircraft.
42. CL-604 Challenger: VIP transport for the Australian Government.
43. B737 BBJ Boeing Business Jet: VIP transport for the Australian Government.
44. PC-9/A: basic training aircraft of the Australian Defence Force.
45. Hawk 127: lead-in fighter trainer.
46. K350 King Air.
47. KC-30A MRTT: the new KC-30A Multi-Role Tanker Transports.
48. JSF (## Estimated costs from date of delivery).

Response:

- (a), (d), (f), (i) Due to the breadth and complexity of the question, an unreasonable amount of departmental resources would be required to develop a response.
- (b), (c), (g), (h) Where readily available, the requested information has been provided in Table 1 below. For some Land capabilities data against (c) and (h) is not readily available due to the way in which costs are aggregated. Where relevant, figures have been derived from the Defence Capability Plan.
- (e) The information requested is classified and consequently can not be provided.

PROJECT COSTS

Table 1

Figures are provided in (\$) millions.

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
0. ANZAC Class Frigates (FFH)	881.543	561.540	1114.422	652
1. Adelaide Class Frigates (FFG)	445.618	692.839	714.834	179.668
2. Patrol Boat (PB)	113.035	0.000	168.137	0.000
3. Landing Craft Heavy (LCH)	53.745	0.000	49.597	0.000
4. Surveying Ship, Coastal (AGSC)	32.788	61.806 ¹	42.690	0.000
5. Collins Class Submarine (SSG)	1394.953	290.643 ²	1881.493	136.178 ³

¹ SEA1401 Ph3 - The costs for the Hydrographic System Upgrade have been split over 2 years when the installs were undertaken on the respective vessels

² SEA1429Ph2 Replacement Heavyweight Torpedo System, SEA1439ph3 Collins Submarine Platform Systems Improvements, SEA1439Ph4A Replacement Combat Systems, Sea1439Ph4b weapon and Sensor Enhancements

³ SEA1429Ph2 Replacement Heavyweight Torpedo System, SEA1439ph3 Collins Submarine Platform Systems Improvements, SEA1439Ph4A Replacement Combat Systems, Sea1439Ph4b weapon and Sensor Enhancements

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
6. Minehunter Coastal (MHC)	210.074	0.000	238.014	0.000
7. Landing Platform, Amphibious (LPA)	154.553	20.531 ⁴	152.430	0.000
8. Surveying Ship (AGS)	80.561	0.000	118.140	0.000
9. Replenishment Oiler (AOR)	126.939	0.000	129.315	0.000
10. Landing Ship, Heavy (LSH)	60.299	12.945 ⁵	46.508	0.000
11. AS350 Squirrel Helicopters	45.961	0.000	57.283	0.000
12. S-70B Sea Hawk Helicopters	287.103	20.575	322.137	2.032
13. SK-50 Sea King Helicopters	49.927	4.211	14.403	0.000

⁴ SEA01779Ph1 - Ship Self Defence Capability - Installation of typhoon/toplite systems

⁵ SEA01779Ph1 - Ship Self Defence Capability - Installation of typhoon/toplite systems

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
14. MRH – 90 Helicopter is a duplicate and is covered under item 32.				

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
15. M1A1 Abram Tanks	39.612		85.830	
16. ASLAV	114.615		198.472	
17. M113 AS3/4	120.553		126.442	
18. Bushmaster IMV	185.248		229.736	
19. G-Wagon	0.000		91.624	
20. Land Rover FFR	Grouped with Landrover GS		Grouped with Landrover GS	
21. Land Rover GS	82.147m		86.125	
22. Unimog 1700L	90.197		84.391	
23. & 24. L118/L119 105 mm Hamel Guns	5.504		1.491	

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
25. 105 mm Howitzer	Grouped with L118		Grouped with L118	
26. M777A2 Howitzer	0.000		21.491	
27. RBS-70 Ground to Air Missile Launchers	6.171		2.473	
28. AN/TPQ-36 Firefinder Radar	11.031		1.493	
29. AMSTAR Ground Surveillance RADAR	4.876		6.013	
30. Insitu Aersonde, Elbit Systems Skylark	10.366		1.500	
31. Sikorsky S-70 A-9 Helicopters	360.618		352.908	
32. MRH-90 Helicopters	225.374		652.001	
33. OH-58 Kiowa Helicopter	87.841		127.500	

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
34. Boeing CH-47 Chinook Helicopter	50.274		68.128	
35. Tiger ARH	257.879		517.790	

Notes:

1. Operations costs are embedded in some of the totals to reflect the requirement for full sustainment cost.
2. The Landrover and 105mm gun fleets have been grouped into single fleets. That is because the variants of each are managed in single fleets.
3. The MRH-90 fleet was listed under both Navy and Army. The total cost of the MRH-90 fleet is reflected in this table. It is not possible to split this fleet between Navy and Army.

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
36. F/A-18F Super Hornet: upgraded multi-role jet fighter	109.504	103.361	779.710	131.074
37. F/A-18 Hornet: multi-role fighter for air-to-air and air-to-ground missions	765.941	977.869	1181.758	189.729
38. AP-3C Orion: Maritime Patrol aircraft	563.713	147.957	665.448	87.781
39. C-17A Globemaster: heavy transport aircraft	294.679	0.000	557.038	0.000
40. B737-AEW&C Wedgetail: our first airborne early warning and control aircraft	141.092	0.000	931.161	0.000
41. C-130 Hercules: medium transport aircraft	792.999	17.090	669.001	43.351
42. & 43. CL-604 Challenger and BBJ Boeing Business Jet - VIP transport for Australian Government	205.904	0.000	243.955	0.000
44. PC-9/A: basic training aircraft of the Australian Defence Force	233.060	0.000	229.879	0.000

FEG	Total sustainment cost for 07/08-10/11 (b)	Total upgrading cost for 07/08-10/11 (c)	Estimated sustainment cost for 11/12-15/16 (g)	Estimated upgrading cost for 11/12-15/16 (h)
45. Hawk 127: lead in fighter trainer	394.222	15.712	447.070	0.000
46. K350 King Air	129.982	0.000	0.000	239.962
47. KC-30A MRTT: the new KC-30A Multi-Role Tanker Transports	1.943	0.000	285.690	0.000
48. JSF (## Estimated costs from date of delivery)	0.000	0.000	225.000	0.000

Q114 - Multi Role Tanker Transport (MRTT)

Senator Johnston provided in writing.

- (a) What is the delivery schedule for the fleet of MRTT into full operational capacity?
- (b) Is it planned to use any of the KC-30A Multi Role Tanker Transport fleet in transporting personnel, equipment and goods to the MEAO? If not, why not?
- (c) What is the total yearly cost of purchasing/leasing of this fleet of aircraft from 2010-11 to 2020-21?
- (d) What is the total yearly cost of operating, maintaining and sustaining this fleet of aircraft from 2010-11 to 2020-21?

Response:

- (a) The schedule for delivery and acceptance of all aircraft is:

Milestone	Contract Milestone	Tail Number	Achieved / Planned
18	Acceptance of 1 st Aircraft	A39-003	01 June 2011
20	Acceptance of 2 nd Aircraft	A39-002	24 June 2011
23	Acceptance of 3 rd Aircraft	A39-004	07 November 2011
25	Acceptance of 4 th Aircraft	A39-001	December 2011
26	Acceptance of 5 th Aircraft	A39-005	September 2012

An initial operational capability for Air Logistics Services (passengers and cargo) and pods (hose and drogue) air to air refuelling capability is planned by end-2012. A full operational capability, for Air Logistic Services and pods and boom air to air refuelling, is planned by end-2013.

- (b) Yes, once the KC-30A has completed the operational test and evaluation program and achieves an initial operational capability the KC-30A will be able to support limited strategic airlift tasks for the ADF on a task priority basis. This could include the air transport of personnel and cargo from Australia to the Middle East Area of Operations on a task priority basis. Currently, there is no intention to replace current strategic airlift contracts through the use of the KC-30A.
- (c) The planned expenditure for acquisition of the air to air refuelling capability (as at February 2011 out-turned prices) is:

FY10/11	FY11/12	FY12/13
\$326.001m	\$235.374m	\$137.335m

The acquisition phase of this project terminates in FY2012-13 and as such, there are no further acquisition costs to be reported past this date.

- (d) The DMO mature cost for sustainment of the air to air refuelling capability is \$78m per annum (2011 price basis); noting that annual costs will vary according to the cycle of scheduled aircraft and engine major overhauls and any significant unscheduled maintenance. The mature fuel and personnel operating cost for the air to air refuelling capability is \$38m per annum (2011 price basis) based on an annual fleet flying rate of 3100 hours per year with 56% air logistics support, 44% air to air refuelling mission utilisation.

Q115 – AIR 7000 Phase 1B - Unmanned Long Endurance Aircraft

Senator Johnston provided in writing.

- (a) What is the current plan of introducing the AIR 7000 unmanned long endurance aircraft into operation?
- (b) What is the current number of AIR 7000 unmanned long endurance aircraft that will be purchased?
- (c) What is the anticipated total cost of purchasing the above number AIR 7000 unmanned long endurance aircraft, including ground station and support services?
- (d) What is the anticipated total cost of purchasing each AIR 7000 un-manned long endurance aircraft, including ground station and support services?
- (e) What is the anticipated delivery schedule for the AIR 7000 un-manned long endurance aircraft?
- (f) Where is it planned that this fleet of aircraft will be based and head-quartered?
- (g) What plans are there for AIR 7000 to be forward based when they become operational?

Responses:

- (a) In accordance with the Public Defence Capability Plan 2011 (DCP 2011) the AIR 7000 Phase 1B planned schedule is:
 - First Pass approval will be sought between FY 2016-17 and FY 2018-19;
 - the Year of Decision is between FY 2019-20 and FY 2021-22; and
 - Initial Operational Capability (IOC) will be achieved between FY 2022-23 and FY 2024-25.
- (b) AIR 7000 Phase 1B is scoped to acquire up to seven large Multi-Mission Unmanned Aircraft Systems (MUAS) which will supplement the manned AP-3C replacement capability.
- (c) As stated in the DCP 2011, AIR 7000 Phase 1B acquisition cost is estimated to be \$1 billion – \$2 billion (high end of the band).
- (d) A rough order of magnitude cost for an individual air vehicle and sensor is \$120 million – \$130 million, including ground stations and associated support.
- (e) The delivery schedule is yet to be determined. However, it will be refined and negotiated through the normal project development process to achieve an IOC between FY 2022-23 and FY 2024-25.
- (f) Defence planning assumes the MUAS will be based and headquartered at RAAF Edinburgh, the same Main Operating Base as the capability it is replacing. However, the Australian Defence Force Posture Review will consider the basing options for the MUAS.
- (g) The MUAS will be a deployable Defence capability that could be operated from other suitable locations. Regular deployments to RAAF Tindal are expected as part of the ADF operational and training regime

Q116 - Joint Strike Fighter/Hornets

Senator Johnston provided in writing:

- (a) How much was spent, or is expected to be spent on the acquisition of the JSF – F-35 (JSF) in each of the years 2011/12 to 2023/24?
- (b) How many JSF are planned to be purchased, and paid for, in each of the years 2011/12 to 2023/24?
- (c) What is the schedule to introduce the JSF into full operational status for each year 2013/14 to 2023/24?
- (d) What is the expected total cost of maintaining, sustaining and operating the JSF's for each year 2013/14 to 2023/24?
- (e) What is the expected total cost of maintaining, sustaining and operating the current Super Hornets for each year 2010/11 to 2023/24?
- (f) What is the expected total cost of maintaining, sustaining and operating the Classic Hornets for each year 2010/11 to 2023/24?
- (g) What is the anticipated Fly Away and Unit Cost for the JSF in each of the years 2011/12 to 2023/24?
- (h) What is the anticipated total cost in purchasing 72 JSF?
- (i) What is the anticipated total cost in purchasing 100 JSF?
- (j) What would be the anticipated Fly Away and Unit Cost for 24 additional Super Hornets in each of the years 2011/12 to 2023/24?
- (k) What savings would be made in purchasing 24 Super Hornets (12 fitted with Growler suites) instead of 24 JSF in the period 2012/13 to 2023/24?
- (l) What would be the expected savings in delaying the planned JSF project by 2 years; 3 years; 4 years and 5 years?
- (m) What will be the average unit cost of the JSF per plane over the full purchase period?
- (n) What would be the average unit cost of 12 additional Super Hornets – standard version - over a purchase period from 2013/14?
- (o) What would be the average unit cost of 12 additional Super Hornets – Growler fitted version - over a full purchase period from 2013/14?
- (p) What is the current schedule in training fighter pilots capable of operating both JSF and Super Hornets for the period 2011/12 to 2023/24?
- (q) What is the current schedule in training support staff capable of servicing and maintaining both JSF and Super Hornets for the period 2011/12 to 2023/24?

Response:

- (a) In 2010/11 approximately A\$72 million was spent by the New Air Combat Capability (NACC) project.
Approximately A\$2.6 - A\$2.9 billion (then year prices at exchange rate of 0.83 when approved by Government) of approved Stage 1 funds is expected to be spent from 2011/12 to 2017/18. The remainder of the NACC project is unapproved but constitutes approximately a further A\$10-12 billion to be spent between 2014/15 and 2021/22.

(b) and (c) Australia’s first two aircraft are expected to be delivered in the US in 2014. The first 10 aircraft will remain in the US to support testing and pilot training for a number of years. Subsequent aircraft are expected to be delivered to Australia commencing with four aircraft in 2017. These aircraft will support the commencement of specific Australian operational test.

Approval of further aircraft and supporting systems and facilities will be required to achieve Initial Operational Capability (IOC). IOC is therefore subject to further Government approval. Subject to approval from Government it is planned to stand up one squadron per year after IOC. Australia is expected to receive delivery of about 15 aircraft per year in this period.

The payment for each aircraft is spread over four years from long lead payment (one year before final contract) to delivery two years after contract.

(d) The total mature cost of operating a fleet of 72 JSF aircraft will be about A\$500 million per year. Of this, about one third or A\$180 million is associated with the contracted maintenance support from industry. The remainder relates to RAAF and civilian (Australian Public Service) workforce, fuel and weapons, facilities expenses, etc.

(e) The expected cost of maintaining, sustaining and operating the current Super Hornets for each year 2010/11 to 2023/24, as per the recent 2012-2022 Defence Management Financial Plan (DMFP) submission and noting that the Super Hornet current approved plan is to withdraw in 2020, as per Table 1 below:

Table1: Super Hornet Sustainment Requirement (CONSTANT \$)											
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Total Requirement	70.7	108.5	140.3	141.7	144.6	142.0	143.3	155.1	136.9	140.0	83.0

The requirement in Table 1 above does not address many Super Hornet cost elements, for example:

- operational level maintenance support,
- 82WG/Air Force workshops,
- deployment and exercise support,
- fuel and weapons,
- SPO military and APS workforce, SPO travel budget,
- DSG related expenses (eg facilities), and
- operational unit costs.

(f) The expected cost of maintaining, sustaining and operating the current Classic Hornets for each year 2013/14 to 2023/24, as per the recent 2012-2022 Defence Management Financial Plan submission is as per Table 2 below. However, the Classic Hornet is planned to withdraw in 2020 and due to the age and condition of the Classic Hornets, it is not possible to extrapolate beyond the current withdrawal date of 2020 except to say that a number of systems on the Classic Hornet will become defunct and further upgrades will be required with spares becoming unattainable.

Table 2: Classic Hornet Sustainment Requirement (CONSTANT \$)											
	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Total Requirement	130.8	174.9	177.7	169.2	163.5	170.6	162.6	191.1	213.8	212.3	115.2

The requirement in Table 2 above does not address many Classic Hornet cost elements as follows:

- operational level maintenance support,
- 81WG/Air Force workshops,
- deployment and exercise support,
- fuel and weapons,
- previous software loads,
- SPO military and APS workforce, SPO travel budget,
- DSG related expenses (eg facilities),
- outcomes of the Ageing Aircraft System Audit, and
- operational unit costs.

The current endorsed Planned Withdrawal Date is Dec 2020. No draw down of aircraft numbers has been factored into the Table 2 figures as a formal draw down plan is yet to be developed and agreed.

- (g) The US does not publicly release details for the annual estimated cost of aircraft as these are under constant review and are subject to negotiation before being finalised. This information could be provided in a classified briefing.
- (h) In current 2011 prices and at an exchange rate of 1.05 (the rate as at 20 June 2011), 72 JSF (aircraft only) will cost an average of A\$73 million each. This equates to about A\$5.25 billion for 72 aircraft.
- (i) In current 2011 prices and at an exchange rate of 1.05, 100 JSF (aircraft only) will cost an average of A\$71 million each. This equates to about A\$7.1 billion for 100 aircraft.
- (j) The recent purchase of 24 Super Hornets under AIR 5349 Phase 1 cost approximately \$2.2 billion. To provide a 'per unit' cost for a potential future buy would be predicated upon many factors and to determine 'Unit' costs, 'Price and Availability' data would have to be sought from the US Government as the US prices have increased significantly since procuring our current fleet in 2007.
- (k) This is a hypothetical question and could not be calculated as there is no Government decision to acquire 24 additional Super Hornets.
- (l) This is a hypothetical question and has not been calculated as the Government has not indicated any such intention.
- (m) See response at (l).

- (n) See response to (j).
- (o) See response to (j).
- (p) Air Force pilots are qualified to operationally fly only one aircraft at a time, (unless exceptional circumstances dictate otherwise).
- (q) Super Hornet pilot training currently occurs at both Number 6 Squadron, RAAF Base Amberley and at Lemoore, California in the US. The last crew to be trained in the US will return to Australia in June 2012. After this time, all training will occur in Australia. This will continue until the withdrawal from service of the F/A-18F, planned for 2020.

Q117 - DMO Projects

Senator Johnston provided in writing.

- (a) How many projects is the DMO currently managing? What is the total value of these projects?
- (b) What percentage of projects was delivered on time and on budget, by year, in the period 2007/08 to 2010/11?
- (c) Please provide a table that shows from 2004/05 to 2010/11 the amount spent by DMO on:
 - (i) Sustainment;
 - (ii) Procurement;
 - (iii) Operating Costs;
 - (iv) the number of First Pass Approvals; and
 - (v) Second Pass Approvals.

Response:

- (a) At 1 November 2011, the Defence Materiel Organisation (DMO) is managing 181 Major Capital Acquisition Projects with a total approved budget of \$77,833.231m.
- (b) The data table developed by the Chief Finance Officer DMO in response to Mr Oakeshott (in response to QoN 1064 (Hansard, 3 February 2010, page 135), as clarified in the response to Question 1225 of 12 May 2010 (Hansard, 12 May 2010, page 3450-3464)), remains current.
Of the 17 projects that were delivered between 2007-08 and 2010-11, 7 (41%) were delivered on time or early, as per the table below. No projects closed over budget as this is against the *Financial Management and Accountability Act 1997*.

Project Number	Project Name	FOC Baseline	FOC Actual Finish
LND00040PH1	Direct Fire Guided Weapon (Javelin)	30/06/2007	12/11/2007
SEA01444PH1	Armidale Class Patrol Boat	30/11/2007 *	27/11/2007 *
LND00134PH1	Combat Training Centre (CTC-LIS)	29/02/2008	29/11/2007
LND00019PH6	SHORAD (Short Range Air Defence Capability Enhancement)	31/12/2006	3/03/2008
SEA01401PH2	Hydrographic Ship Acquisition	31/12/2006	30/06/2008
AIR05276PH8A	AP-3C ESM ATE Upgrade Project	31/07/2008	4/07/2008
DEF00333PH2B	Optic	30/09/2008	4/08/2008
JNT02095PH1	Aviation Fire Trucks	31/07/2009	20/05/2009
SEA01439PHRCE3	EHF Covert Communications Capability	30/04/2008	30/06/2009
AIR05276PH4	AP-3C EWSP Project (Rapid Acquisition)	31/05/2008	1/12/2009
SEA01779PH1	Ship Self Defence Capability	30/12/2009	18/03/2010
JNT02042PH4	Enhancement To Special Operations Capability	30/06/2010	30/06/2010
AIR05276PH3	AP-3C Advanced Flight Simulator	31/08/2006	1/12/2010
JNT00065PH4	Parakeet PH4	31/12/2008	15/01/2011
JNT00065PH6	Parakeet PH6	31/12/2008	15/01/2011
AIR05416PH1	Echidna	28/02/2007	30/05/2011
DEF00021PH2	ORCA	30/09/2011	17/06/2011

* Indicates Final Materiel Release

(c) The following table presents program level data since the establishment of DMO as a prescribed agency on 1 July 2005. Prior to 2005-06, Defence reported on an outcome basis as required by government. Information relating to the capital investment program for 2004-05 may be found on page 69 of the Annual Report and the cost of Defence outcomes and outputs on page 143.

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	\$m	\$m	\$m	\$m	\$m	\$m
(i) Sustainment	3,088	3,586	4,001	4,189	4,063	4,213
(ii) Procurement	3,757	3,693	3,571	4,575	5,720	5,590
(iii) Operating Costs	628	682	751	773	761	759
Total DMO	7,473	7,961	8,323	9,537	10,544	10,562

The amounts disclosed in Part C (ii) above, represent those procurement costs incurred by the DMO in each of the financial years for those projects under the management of the DMO at that time. The total number of projects that achieved 1st and 2nd pass approvals are detailed in the below table.

	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	No.	No.	No.	No.	No.	No.	No.
(iv) 1 st Pass Approval	6	8	14	3	4	6	8
(v) 2nd Pass Approvals	8	14	16	6	11	13	13
other approvals	13	6	10	8	8	9	7
Total Approvals	27	28	40	17	23	28	28

The summary includes 'other' project approvals such as studies, project re-scoping, real cost increases, Capability Technology Demonstrator and Project Development Funding.

Q118 - DMO Projects

Senator Johnston provided in writing

Taking the 2006 DCP as a baseline, please produce a list of every project from the 2006 DCP and subsequent DCP's and against each project list the budget overrun, or savings, and the schedule delays or early delivery. Specifically:

- (a) Can the DMO/Defence provide a list of all projects that have suffered schedule delays, in terms of decision dates (first pass etc), and provide details as to the reasons for each delay and the length of each delay?
- (b) Can the DMO/Defence provide a list of all projects that have suffered schedule delays in terms of initial operation dates and provide details as to the reasons for each delay and the length of each delay?
- (c) Can the DMO/Defence provide a list of all projects that have suffered cost over runs and provide details as to the reasons for each cost overrun and the amount of each cost overrun?
- (d) How many projects in the updated Dec 2010 DCP have been delayed as compared to the dates originally set out in the 2006 DCP? What are these projects?
- (e) How many projects in the updated Dec 2010 DCP have had their project costs increased as compared to the dates originally set out in the 2006 DCP? What are these projects?

Response:

The Senator should note that these questions were addressed in a previous response to Q80 from the May 2011 Budget Estimates hearing. Accordingly, to avoid duplication, the previously provided information will only be referenced in this response unless there has since been a change.

- (a) Refer to the information provided at (c)(i) in the previous response.
- (b) The attached list (Attachment A) includes the 38 projects listed in the 2006 DCP and subsequent DCP's that have achieved second pass approval. Of the 38 projects, 17 have suffered schedule slippage. The project schedule slippage was calculated by comparing the Initial Operating Capability (IOC) baseline finish with IOC forecast or IOC actual finish dates.

Note: The total of 38 projects differs from the figure provided in the previous response as for this response the master list of projects were drawn from the 2006 and subsequent DCP updates, whereas for the previous response the master list of projects were all projects that reached second pass approval on or after 1 January 2006. This meant the previous list included a number of pre-2006 DCP projects that were subsequently excluded from the new list.

- (c) Refer to the information provided at (c)(iii) in the previous response.
- (d) Further to the information provided at (c)(iv) in the previous response, the 2011 Update to the Public DCP includes 9 Projects with a later YOD than that recorded in the December 2010 Update. These projects include:

- AIR 5431 Phase 2/3 - Fixed Base Defence Air Traffic Management and Control System.
- JP 2008 Phase 3H - Military Satellite Capability – Wideband Terrestrial Terminals.
- JP 2030 Phase 8 - ADF Joint Command Support Environment YOD details for multiple second passes are now listed as multiple rather than the former description of three separate second pass bands.
- JP 2044 Phase 4B - Digital Topographical Systems (DTS) Upgrade.
- LAND 17 Phase 1B - Digital Terminal Control Systems.
- LAND 125 Phase 4 - Integrated Soldier System Version 3.
- LAND 136 Phase 1 - Land Force Mortar Replacement.
- LAND 155 Phase 1 - Enhanced Gap Crossing Capability.
- LAND 907 Phase 2 - Main Battle Tank Upgrade.

Additionally, YOD clarification changes not specifically related to a delay were made to three projects during the 2011 Update to the Public DCP. These three projects include:

- AIR 6000 2A/2B New Air Combat Capability – 3 squadrons The YOD dates do not address Stage 1 (first 14 aircraft), now only referring to the YOD associated with the Stage 2 residual requirement. Stage 1 is addressed in the background.
- JP 2030 Phase 8 - ADF Joint Command Support Environment YOD details for multiple second passes are now listed as multiple rather than the former description of three separate second pass bands.
- JP 5408 Phase 3 - ADF Navigation Warfare (NAVWAR) Capability - YOD changed from two explicit schedule bands (presuming two second passes) to a single schedule band covering the same dates.

Note. Various schedule bands were consistently changed to narrow and update bands where approvals had not yet been achieved, such that bands no longer cover previous years. For example YOD bands of FY 2010–11 to FY 2012–13 for proposals that did not achieve second pass in FY 2010–11 were narrowed to FY 2011–12 to FY 2012–13 to contemporise the document. Such adjustments were not highlighted in the supplement unless the original band was shifted to the right.

(e) Further to the information provided at (c)(v) in the previous response:

The 2011 Update to the Public DCP includes 11 Projects that had their cost bands moved to a higher cost band than that which appeared in the December 2010 Update to the Public DCP. These 11 projects include:

- AIR 87 Phase 3 - Armed Reconnaissance Helicopter Capability Assurance Program (ARH CAP) -from \$500m-\$1b to \$1b-\$2b.
- AIR 5077 Phase 5B - AEW&C Mid-Life Upgrade - from \$2b-\$3b to \$3b-\$5b.
- AIR 6000 Phase 3 - Weapons for New Air Combat Capability Indicative - from \$300m-\$500m to \$500m-\$1b.

- JP 154 Phase 3 - Joint Counter Improvised Explosive Device Capability - from \$100m-\$300m to \$300m-\$500m.
- JP 2048 Phase 4C - Strategic Sea Lift Capability - from \$300m-\$500m to \$1b-\$2b.
- JP 2048 Phase 5 - Landing Craft Heavy Replacement - from \$100m-\$300m to \$300m-\$500m.
- JP 2060 Phase 3 - ADF Deployable Health Capability - from \$100m-\$300m to \$300m-\$500m.
- JP 2072 Phase 2B - Battlespace Communications System (Land) - from \$300m-\$500m to \$500m-\$1b.
- JP 2097 Phase 1B REDFIN – Enhancements to Special Operations – from \$100m-\$300m to \$300m-\$500m.
- LAND 75 Phase 5 - Battlefield Command System - from \$500m-\$1b to \$1b-\$2b.
- SEA 1448 Phase 4B - ANZAC Air Search Radar Replacement - from \$100m-\$300m to \$300m-\$500m.

The 2011 Update to the Public DCP includes 10 Projects that have had their cost bands moved to a lower cost band than that which appeared in the December 2010 Update to the Public DCP These 10 projects include:

- JP 2030 Phase 8 ADF Joint Command Support Environment - from \$300m-\$500m to \$100m-\$300m.
- JP 2072 Phase 3 Battlespace Communications System (Land) - from \$500m-\$1b to \$100m-\$300m.
- JP 2085 Phase 2/3 Explosive Ordnance Warstock Indicative- from \$1b-\$2b to \$500m-\$1b.
- LAND 17 Phase 1B - Digital Terminal Control Systems – from \$100m-\$300m to < \$100m.
- LAND 53 Phase 1BR - NINOX - Night Fighting Equipment Replacement - from \$300m-\$500m to \$100m-\$300m.
- LAND 125 Phase 3C - Soldier Enhancement Version 2 - Lethality from \$500m-\$1b to \$300m-\$500m.
- LAND 146 Phase 2 - Combat Identification for Land Forces - from \$100m-\$300m to <\$100m.
- LAND 998 Phase 1 - Replacement Aviation Fire Trucks - from \$100m-\$300m to <\$100m.
- SEA 1354 Phase 1 - Submarines Escape Rescue and Abandonment Systems (SERAS) – from \$300m-\$500m to \$100m-\$300m.
- SEA 1360 Phase 1 Maritime Extended Range Air Defence - from \$1b-\$2b to \$500m-\$1b.

Q119 - LAND 112 Phase 3 and 4

Senator Johnston provided in writing.

Please provide an update on Project LAND 112 Phase 3 and Phase 4.

Response:

Project LAND 112 Phase 3

Under Project LAND 112 Phase 3, the project has delivered 144 new vehicles, 59 remote weapon stations, 9 crew procedural trainers and has standardised 113 Phase 2 vehicles to an approximate Phase 3 standard. Accordingly, LAND 112 Phase 3 has essentially been delivered with the exception of the acquisition of 18 Multi-Spectral Surveillance Suites (MSSS).

The MSSS is a developmental enhancement to the surveillance and reconnaissance capability, delivered through the ASLAV Surveillance variant. MSSS comprises an extendable telescopic mast - mounting the surveillance suite that includes a ground surveillance radar, a daylight camera and a thermal imager, with all feeds integrated to a work-station inside the vehicle. The production stage of the surveillance contract was signed on 12 November 2010, with delivery of the MSSS units to the Defence Materiel Organisation (DMO) scheduled to commence in mid 2012.

Project LAND 112 Phase 4

Under Project LAND 112 Phase 4, Second Pass Approval was provided on 26 May 2010 to upgrade up to 113 vehicles with the Enhanced Survivability Kit (ESKi). The project negotiated the major elements of a draft contract with Armatec Survivability Corporation (Armatec) for the upgrade of 113 Phase 2 ASLAVs.

The information provided in this draft contract has been reviewed by a DMO Gate Review and the Defence Capability and Investment Committee. This process has identified an accumulation of risk in the procurement which has driven a reconsideration of the project's viability. Advice to government is being prepared for consideration. In the interim, current project activities with Armatec have been suspended.

Under this project, 30 mine blast belly plates have been fitted to operational vehicles in the MEAO. Under a separate initiative, ballistic protected drivers' seats were installed in September 2011 on the Type 1 - 25 vehicles on operations. The DMO has also established the ASLAV Integrated Project Team, which brings together Defence and Industry stakeholders, to investigate and implement other options to improve survivability and operational viability over the life of the ASLAV fleet.

Q120 - LAND 106

Senator Johnston provided in writing.

Please provide an update on Project LAND 106.

Response:

Project Land 106 aims to upgrade 431 M113A1 vehicles to the stretched M113AS4 standard, providing improved Firepower, Protection, Mobility and Supportability for Army's mechanised forces.

All seven variant designs are now cleared for production. The final variant, the Armoured Mortar vehicle, was cleared at the Production Readiness Review held on 23 September 2011. All 431 vehicles are contracted for delivery by December 2012. As at 28 October 2011, 313 of the 431 vehicles to be upgraded have been accepted. Currently, BAE Systems Australia is 25 vehicles ahead of the contracted schedule.

Q121 - LAND 17 Phase 1C

Senator Johnston provided in writing.

Please provide an update on Project LAND 17 Phase 1C.

Response:

Under Project LAND 17 Phase 1C, Defence is in the process of finalising advice for Government consideration for the acquisition of 18 self propelled howitzers for the Australian Defence Force.

Defence has completed the tender evaluation process for the project, which included the conduct of an offer definition and refinement process to reduce project risk. It is expected that Defence will bring the project to Government for consideration in early 2012.

Q122 - DMO Staffing

Senator Johnston provided in writing:

As at 1 October 2011, how many APS staff were employed at the DMO, with their salary and classification level?

Response:

The number of Australian Public Service personnel employed in the Defence Materiel Organisation with their salary and classification levels as at 01 October 2011 was 6,134.

A detailed breakdown is as follows:

Classification	Headcount	\$ Salary Spread	
	<u>Actual</u>	Base	Top
SES Band 3	4	202,356	336,204
SES Band 2	8	164,584	195,512
SES Band 1	23	136,142	159,119
EL2.2	1	145,981	164,228
EL2.1	3	121,651	145,980
EL2	469	101,519	122,666
EL1	1,481	88,019	99,285
APS 6	1,836	69,642	79,555
APS 5	1,139	63,570	68,092
APS 4-5 (Professional)	31	57,929	68,092
APS 4	467	57,929	63,243
APS 3-4 (Technical)	77	51,139	63,243
APS 3	370	51,139	55,880
APS 2-3 (Technical)	8	49,796	50,991
ATS			
APS 2	80	44,896	50,471
APS 1	13	39,671	44,532
Graduate APS	102	44,896	
Cadet APS	7	28,563	48,166
Trainee APS (Technical)	15	42,835	48,166
Total	6,134		

These figures show the actual headcount as at 1 October 2011 and include part time and temporary employees. Accordingly, the total is greater than the Portfolio Budget Statement which shows Full Time Equivalent (FTE) staffing averaged over the whole Financial Year.

Q123 - DMO Staffing

Senator Johnston provided in writing:

As at 1 October 2011, how many uniformed staff were employed at the DMO, with their salary and classification levels.

Response:

The number of Australian Defence Force personnel employed in the Defence Materiel Organisation with their salary and classification levels as at 01 October 2011 was 1,396. By Service, these are:

(a) Navy 302

NAVY	<u>Headcount</u>	\$ Salary Spread	
	<u>Actual</u>	Base	Top
Rear Admiral	3	195,001	214,502
Commodore	6	158,281	189,937
Captain	12	124,766	166,508
Commander	39	106,088	147,761
Lieutenant Commander	58	74,433	117,551
Lieutenant	62	58,297	108,336
Warrant Officer	8	66,015	101,604
Chief Petty Officer	45	60,803	94,145
Petty Officer	33	52,541	86,859
Leading Seaman	16	45,403	79,425
Able Seaman	20	40,901	72,961
Navy Total	302		

(b) Army 386

ARMY	<u>Headcount</u>	\$ Salary Spread	
	<u>Actual</u>	Base	Top
Major General	1	195,001	214,502
Brigadier	6	158,281	189,937
Colonel	15	124,766	166,508
Lieutenant Colonel	43	106,088	147,761
Major	106	74,433	117,551
Captain	71	58,297	108,336
Lieutenant	1	48,462	92,304
Warrant Officer Class 1	50	66,015	101,604
Warrant Officer Class 2	74	60,803	94,145
Sergeant	17	52,541	86,859
Corporal	2	45,403	79,425
Army Total	386		

(c) Air Force 708

Air Force	<u>Headcount</u>	\$ Salary Spread	
	<u>Actual</u>	Base	Top
Air Vice-Marshal	3	195,001	214,502
Air Commodore	6	158,281	189,937
Group Captain	17	124,766	166,508
Wing Commander	64	106,088	147,761
Squadron Leader	150	74,433	117,551

Flight Lieutenant	133	58,297	108,336
Flying Officer	42	48,462	92,304
Pilot Officer	1	45,278	84,953
Warrant Officer	54	66,015	101,604
Flight Sergeant	85	60,803	94,145
Sergeant	133	52,541	86,859
Corporal	20	45,403	79,425
Air Force Total	708		

Q124 - DMO Staffing

Senator Johnston provided in writing:

As at 1 October 2011, how many contracted staff were employed at DMO, with their salary and classification levels?

Response:

The number of Contractor's employed in the DMO as at 1 October 2011 was 17.

It is not possible to determine the salaries the companies employing the contractors pay those contractors because payment is to the contracting firm for services.

Defence is unable to provide contractor classification levels as contractors are not employed / engaged under the APS Act 1999, and are not subject to the Public Service Classification Rules of 2000.

Q125 - Staffing

Senator Eggleston provided in writing:

(a) How many permanent staff recruited this FYTD? (b) What classification are these staff? (c) How many temporary positions exist or have been created this FYTD? (d) This FYTD, how many employees have been employed on contract and what is the average length of their employment period?

Response:

(a) For the period 1 July 2011 to 30 September 2011, the number of personnel recruited into the ADF Regular forces was 875. This figure includes 161 members with prior service in the military.

The number of permanent APS personnel recruited into Defence was 667.

(b) For the period 1 July 2011 to 30 September 2011, the ADF Regular forces recruitment breakdown is 169 Officers and 706 Other Ranks.

The permanent Defence APS recruitment breakdown is 1 SES, 95 Executive Level and 571 APS classifications.

(c) For the period 1 July 2011 to 30 September 2011 the average number of temporary APS positions was 330. Over this period 31 new positions were created.

(d) For the period 1 July 2011 to 30 September 2011 the number of APS employees' working on contract was 711 for an average period of 2.5 months.

Q126 - Staffing

Senator Eggleston provided in writing:

- (a) How many permanent staff recruited for the year 2010-11?
- (b) What classification are these staff?
- (c) How many temporary positions exist or have been created for the year 2010-11?
- (d) For the year 2010-11, how many employees have been employed on contract and what is the average length of their employment period?

Response:

(a) For the period 1 July 2010 to 30 June 2011, the ADF enlisted 4,919 permanent members, and 406 people were enlisted in the ADF Gap Year, giving a total number of personnel recruited of 5325. This figure includes 636 members with prior military service. (Refer to pg 279 & Table A5.15 Pg 280, 2010-11 Defence Annual Report).

The number of permanent personnel recruited into Defence APS was 2343.

(b) For the period 1 July 2010 to 30 June 2011, the ADF Regular forces recruitment breakdown is 907 Officers and 4418 Other Ranks. (Refer to Table A5.15 Pg 280, 2010-11 Defence Annual Report).

The permanent Defence APS recruitment breakdown is 2 SES, 328 Executive Level and 2013 APS classifications.

(c) For the period 1 July 2010 to 30 June 2011 the average number of temporary APS positions was 271. Over this period 192 positions were created.

(d) For the period 1 July 2010 to 30 June 2011 the number of APS employees' working on contract was 1058 for an average period of 5.9 months.

Q127 - Staffing

Senator Eggleston provided in writing:

(a) Are there any plans for staff reduction? (b) If so, please advise details ie. reduction targets, how this will be achieved, services/programs to be cut etc. (c) If there are plans for staff reductions, please give the reason why these are happening.

Response:

(a-c) As announced by the Minister on 6 May 2011, Defence will undertake further externally-led reform and rationalisation of shared services. This means Defence will forgo planned growth to its workforce of -631 in 2011-12, -832 in 2012-13 and -1000 from 2013-14 onwards.

The intent is to realise workforce reductions in corporate overhead functions in a way that does not reduce standards of service in support of operations or capability development. The detailed analysis work on how the reform will be made is currently underway.

At this stage it is not possible to provide details of classifications or locations that may be impacted by the reform.

Over the same period, there will still be growth in Defence of +976 Australian Public Servants. Key reasons for this are:

- under the Strategic Reform Program, the conversion of more expensive contractors (+158) and the civilianisation of more expensive military positions (+519) to Australian Public Servants;
- implementation of Force 2030 capability initiatives (+732);
- Hardened and Networked Army (rising by +30); and
- election commitments (rising by +21).

In parallel, there will be reductions of -534 from measures such as the introduction of a first phase of a Shared Services reform in Defence, and improvements in sustainment and logistics.

Q128 - Efficiency Dividend

Senator Eggleston provided in writing .

(a) How has the efficiency dividend been implemented? (b) Please list where and what spending has been reduced to meet the efficiency dividend.

Response:

The efficiency dividend is applied to the non combat related operating elements of the Defence budget. To ensure that military capability is not impacted, certain areas of the Defence budget are exempt from the application of the efficiency dividend. These include:

- Military Employees Expense
- Major Capital Facilities (includes facilities NPOC)
- Capability Sustainment (Material Sustainment Budget)
- Program 1.5: Intelligence Capabilities
- Program 1.10: Joint Operations Command
- ADFA
- DMO Workforce relating to DMO outputs 1 & 2
- Major Capital Equipment Program (Approved and Unapproved)
 - DCP NPOC
 - Net Additional Cost of Current Operations
 - Program 1.7: DSTO (70% Exempt)
 - Special Purpose Aircraft
 - Service Training Commands for Navy, Army and Air Force.

The remaining operating budget of Groups and Services budgets have been reduced by the efficiency dividend and it is not applied to any one specific activity.

Q129 - Government Advertising

Senator Eggleston provided in writing:

(a) What advertising – Campaign and Non-Campaign – is the Department undertaking in 2011-12? Provide details of each advertising, including the program the advertising was for, the total spend and the business that provided the advertising services. (b) Did the Department of Finance and Deregulation provide any advice about the advertising? Provide details of each advertising item. (c) Did the Advertising comply with the Guidelines on Information and Advertising Campaigns by Australian Government Departments and Agencies (March 2010)? Provide the details for each advertising item. (d) Provide details for any other communications program, including details of the program, the total spend and the business that provided the communication services. (e) What advertising – Campaign and Non-Campaign –and other communications programs is the Department/Agency undertaking, or are planning to undertake?

Response:

Defence is undertaking a number of advertising campaigns in 2011-12 (see list of campaigns in Table 1). Defence has defined advertising campaigns in accordance with the Guidelines on Information and Advertising Campaigns referred to in part (b) of the question: an advertising campaign involves paid media placement and is designed to inform, educate, motivate or change behaviour. Large-scale recruitment advertising not related to specific job vacancies and with a degree of creative content may be considered an advertising campaign.

Defence also undertakes non-campaign advertising in support of Australian Public Service recruitment activities on an annual basis, including for graduate entry programs. Additionally, Defence conducts request for tender advertising, standing offer advertising, and some corporate talent pool advertising. The total spend for financial year 2011-12 will not be known until the end of this financial period.

The Non-Campaign recruitment advertising costs for financial year 2010-11 totalled \$4.2 million. This represented a decrease in costs over the last three to four years due to internal reforms and whole-of-government changes to advertising.

Defence advertises in a variety of mediums including APS jobs (administered by the Australian Public Service Commission), various newspapers and print media, and via the Internet. Defence also uses the whole-of-government provider for advertising services.

Defence undertakes other communications program activities on an annual basis, including participation in career fairs and promotional advertising. A range of internally-focused communications programs are also conducted, such as promotion of the Army Women's Networking Forum.

Due to the large amount of non-campaign advertising and communications programs undertaken by Defence across all areas of the Organisation, a complete list of details for these, and for advertising campaigns Defence is planning to undertake, is not readily available. The considerable research and analysis that would be required to produce this information would be an unreasonable diversion of resources.

Table 1.

Advertising Campaigns in 2011-12

1	Benefits Of Reserve Service To Employers
a	Cadet, Reserve and Employer Support Division (CRESD) plans to go before the Independent

	Communications Committee on 28 November 2011 to seek endorsement of a digital advertising campaign to promote the benefits of Reserve service to employers, potential employers and the community. Expected cost is \$165,000.00
b	CRESA is in regular contact with the Department of Finance and Deregulation's Communication Advice Branch. The Branch is currently guiding CRESA on necessary paperwork and procedures for the upcoming proposed Reserve and Employer Support advertising campaign.
c	Yes – CRESA fully complied with the Guidelines for the proposed Reserve and Employer Support advertising campaign.
2	Tribunal Inquiry – Recognition of service with Operation Gateway
a	The Defence Honours and Awards Appeals Tribunal placed advertisements in a range of print media to advise the general public of Tribunal hearings. The advertisements ran in August 2011 and were associated with a Tribunal Inquiry – <i>Recognition of service with Operation Gateway</i> . Cost \$2,492.11. Vendor - Adcorp
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes.
3	Quail Island
a	Public Notification of Upcoming Works. Cost \$1,588.00. Vendor - Adcorp
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes.
4	Advertising to inform the public of live, blank, pyrotechnics firing activities in support of Defence Training.
a	This is in accordance with the Defence Act 1903. Cost \$919.00. The Boarder Mail.
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes.
5	Advertising to provide community awareness on training area and range usage.
a	Cost \$17,121.39. Vendor – Adcorp.
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes.
6	Public awareness campaign for Unexploded Ordinance booklets published.
a	Cost \$57,582.00. Country Wide Media & Walsh Media.
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes
7	Defence Export Control Office (DECO)
a	One full page magazine advertisement to <i>inform industry, government agencies and the public of their obligation to comply with export control laws</i> . The Australian Defence Magazine, June 2011 Edition. (Invoiced in 2011-2012 FY). Cost \$3,082.25
b	Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.
c	Yes.
8	Campaign Advertising for Defence + Industry Conference & Trade Exhibition 2011

a	<p>Paid to Ventura Media Asia Pacific.</p> <p>The subject matter of the campaign was directly related to the Government's policies to engage with industry on creating greater business opportunities and investment in skills development. The campaign material (maximize advertisements) provided the recipients of the information with factual information not comment or opinion.</p> <p>2011/2012 - \$12, 291.94 GST Inclusive.</p>
b	<p>Defence adheres to the guidelines for Non Campaign Recruitment Advertising as determined and provided by the Department of Finance and Deregulation.</p>
c	<p>Yes.</p>
9	<p>Defence Force Recruiting (DFR)</p>
a	<p>Undertaking a recruitment advertising campaign throughout 2011-12 for the ADF. It is a continuous campaign at the national level focusing on jobs in the Navy, Army and Air Force. Expenditure to the end October 2011 is as follows:</p> <ul style="list-style-type: none"> • Advertising creative development and production – George Patterson Y&R - \$1,362,567.81 • Campaign media placement – Universal McCann - \$4,730,234.33
b	<p>Most of the material appearing in DFR's current recruitment advertising campaign was created in previous financial years and has undergone review, certification and clearance as per the required processes.</p> <p>DFR occasionally refers material to the Communications Advice Branch within the Department of Finance and Deregulation for advice in relation to the review processes in place for campaign advertising.</p>
c	<p>Yes.</p>

Q130 - Hospitality and Entertainment - Department

Senator Eggleston provided in writing .

(a) What is the Department/Agency's hospitality spend for the year 2010-11? Detail date, location, purpose and cost of all events. (b) What is the Department's entertainment spend for the year 2010-11? Detail date, location, purpose and cost of all events. (c) What hospitality spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events. (d) What entertainment spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events.

Response:

(a) The total cost of hospitality including representational allowances incurred by the portfolio on 2010-11 was \$1,191,308. Details of date, location, purpose and cost of all events were reported in Hansard on 24th August 2011 and 20th September 2011 through responses to Senator Johnston's Question on Notice No, 491,492 and 493 which included event level details for the period 1 July 2010 to 31 Dec 2010 and the response Question on Notice No, 767, 768 and 769 which included event level for the period 1 January to 30 June 2011.

(b) Defence does not maintain a separate account for entertaining, however in financial year 2010-11, Defence expended \$758,748 on official hospitality (this amount excludes representational allowances). Defence provides hospitality to persons who are able to assist Defence achieve business outcomes and military personnel associated with international engagement activities from countries such as Malaysia, Pakistan, East Timor, Philippines, USA, UK, Indonesia and others.

(c) Defence is planning similar activity levels in 2011-12 as occurred in 2010-11. Furthermore, Defence has strengthened the processes used to approve hospitality events which are agreed to on a case by case basis. Details of events are held in registers that are consolidated at the centre and regularly published on Hansard in response to Questions on Notice.

(d) Defence records the cost of hospitality. There is not a separate expense category for entertaining. In financial year 2010-11, event level details of hospitality and representational allowances has been reported in responses to Questions on Notice 491,492, 493, 767, 768 and 769.

Q131 - Hospitality and Entertainment - Ministers

Senator Eggleston provided the following questions in writing.

(a) For each Minister and Parliamentary Secretary office, please detail total hospitality spend for the year 2010-11. Detail date, location, purpose and cost of each event. (b) For each Minister and Parliamentary Secretary office, please detail total entertainment spend for the year 2010-11. Detail date, location, purpose and cost of each event. (c) For each Minister and Parliamentary Secretary office, what hospitality spend is currently being planned for? Detail date, location, purpose and cost of each event. (d) For each Minister and Parliamentary Secretary office, what entertainment spend is currently being planned for? Detail date, location, purpose and cost of each event.

Response:

(a) and (c) **Attachment A** provides details of hospitality expenditure for financial year 2010-11 and year-to-date, detailing the date of the function, the purpose of the function and the total cost (GST exclusive) for the Ministers' and Parliamentary Secretary.

The Department has not been advised of any anticipated hospitality expenditure to be borne by the Department on behalf of the Ministers' and Parliamentary Secretary. However the Department anticipates that hospitality expenditure for the remainder of financial year 2011-12 by the Ministers' and Parliamentary Secretary will be similar to expenditure in financial year 2010-11.

(b) and (d) No entertainment expenditure was borne by the Department for financial year 2010-11 and year-to-date for the Ministers' and Parliamentary Secretary.

The Department has not been advised of any anticipated entertainment expenditure to be borne by the Department on behalf of the Ministers' and Parliamentary Secretary.

Minister for Defence

- 24 November 2010
Parliament House, Canberra
34 Squadron Function
\$3,217.53*

**Cost reported includes \$580.75 for alcohol and \$422.25 for additional function security.*

- 10 March 2011
NATO Head Quarters, Brussels, Belgium
NATO Lunch
\$45.78*

**Cost calculated on EUR/AUD exchange rate of 0.7165.*

- 10 March 2011
Sofitel Hotel, Brussels, Belgium
Working Lunch Late Cancellation Fee
\$412.65*

**Cancellation fees are due to insufficient notice of cancellation of working lunch and afternoon tea for planned meeting at the Sofitel Hotel meeting room on 10 March 2011.*

- 10 March 2011
Sofitel Hotel, Brussels, Belgium
Working Afternoon Tea Late Cancellation Fee
\$137.56*

**Cancellation fees are due to insufficient notice of cancellation of working lunch and afternoon tea for planned meeting at the Sofitel Hotel meeting room on 10 March 2011.*

- 12 May 2011
Parliament House, Canberra
CFO Group Function
\$376.23*

**Cost reported includes \$249.82 for alcohol and \$126.41 for food.*

- 25 August 2011
Parliament House, Canberra
Farewell function for Secretary of Department of Defence, Dr Ian Watt
\$211.32

**Cost reported includes \$102.62 for alcohol and \$89.49 for food.*

Minister for Defence, Science and Personnel

- 24 February 2011
Parliament House, Canberra
Defence Families Australia Meet & Greet
\$81.82

- 10 March 2011
The Irish Punt Bar & Restaurant, New York, USA
Working Lunch with ADF members posted to New York
\$72.64*

**Cost calculated on USD/AUD exchange rate of 0.9216.*

Minister for Defence Materiel

- 15 – 16 February 2011
Parliament House, Canberra
DMO Projects of Concern
\$149.08

Q132 - Board Appointments

Senator Eggleston provided in writing:

(a) What is the gender ratio on each board and across the portfolio? (b) Detail any board appointments for the year 2010-11. (c) Please detail any board appointments for the FYTD.

Response:

(a) Within Defence, as at 1 October 2011 the ADF workforce consisted of 13.9% women compared to the APS at 40.5%. In financial year 2009-2010 the percentage of women on Australian Government boards and bodies of the Defence portfolio was 23.8% as reported in the *Women on Australian Government Boards Report 2009-2010*. The 2010-11 report is yet to be drafted and published.

It is important to note that historically the ADF has been a male dominated workplace and that some board appointments are position based, regardless of gender. It will take time for a more balanced gender distribution to be achieved in the ADF and this may impact on Defence's ability to achieve the Government's 40% target by 2015.

The following table shows a list of Government boards for the Defence portfolio reported as at 3 November 2011 showing the ratio of female to male participation in each Board and for the Portfolio:

Government Boards RATIOS FEMALE TO MALE AS AT 3 NOVEMBER 2011			
Board	Ratio Female to Male		
	Female	:	Male
Army Frontline Advisory Committee	1	:	4
Rapid Prototyping, Development and Evaluation Program Board	0	:	12
Defence Housing Authority	2	:	7
AAF Company	1	:	5
Australian Military Forces Relief Trust Fund	2	:	4
Australian Strategic Policy Institute	2	:	6
Army and Air Force Canteen Service Board of Management	1	:	5
RAN Central Canteens Board	2	:	5
RAN Relief Trust Fund	2	:	4
Royal Australian Air Force Veterans' Residences Trust	1	:	2
Royal Australian Air Force Welfare Recreational Company	2	:	5
Trustees of Royal Australian AF Welfare Trust Fund	1	:	6
Gate Reviews and Assurance Boards ACAT 1 & 2 Projects	See below	:	
Gate Reviews and Assurance Boards ACAT 3 & 4 Projects	See below	:	
Materiel Audit and Risk Committee	1	:	3
Defence Science and Technology Organisation Advisory Board	1	:	7
Defence Strategic Reform Advisory Board	2	:	10
Defence Audit and Risk Committee	0	:	5
Defence Families of Australia	11	:	0
Australian Defence College Advisory Board	1	:	13
Australian Defence Human Research Ethics Committee	3	:	9
National Executive of the Defence Reserve Support Council	0	:	4
State Committees of the Defence Support Council	54	:	208
National Council of the Defence Reserves Support Council	3	:	14

The Woomera Board	2	:	6
Defence Honours and Awards Appeals Tribunal	3	:	8
TOTAL	98		352

In relation to the two Gate Reviews and Assurance Boards, Gate Review Board membership is structured to match the project issues and decision point and changes for each board. Ideally, the number of Board members should be between five and nine to ensure that the membership provides the right blend of authority, expertise and independence.

The Chair is chosen so as to have sufficient independence from the project to allow objective assessment of the project status and the issues it faces. Each Gate Review Board should normally include senior line management with accountability for the project under review. Each Board includes at least two External Board Members who have extensive Defence or commercial experience. The remaining members of the Board are selected based on the decision point, the issues under consideration and the expertise required. Internal members may be DMO functional managers, who control relevant resources, or may be independent members from other areas within the DMO. This facilitates a two way transfer of knowledge, capture of best practice and capture of lessons learned across the DMO by bringing expertise from other technology domains or Divisions. Of the last 10 board meetings 13% of the members have been women.

(b) and (c) The Department does not collect information on new Government board appointments in a manner to enable the exact question to be responded to. Details of board appointments between 4 May 2010 to 26 September 2011 are set out in the following table.

GOVERNMENT BOARDS – NEW APPOINTMENTS 4 MAY 2010 TO 26 SEPTEMBER 2011		
Board	New appointments	
	Female	Male
Australian Defence College Advisory Board	0	1
Army Amenities Fund Company	1	6
Army and Air Force Canteen Service Board of Management	0	1
Australian Military Forces Relief Trust Fund	2	3
Australian Strategic Policy Institute	0	1
Defence Honours and Awards Appeals Tribunal	3	8
Defence Force Retirement and Death Benefits Authority	0	1
Defence Reserves Support Council (all states)	0	2
Defence Science and Technology Organisation Advisory Board	1	7
Material Audit and Risk Committee	1	2
Military Superannuation and Benefits Board of Trustees No. 1	0	1
Royal Australian Air Force Veterans' Residence Trust	1	3
Royal Australian Air Force Welfare Recreational Company	2	4
Royal Australian Air Force Trust Fund	1	3
Royal Australian Navy Central Canteens Board	0	1
Royal Australian Navy Trust Fund	1	1
TOTAL	13	45

Q133 - Grants

Senator Eggleston provided in writing.

Has the Department complied with interim requirements relating to the publication of discretionary grants?

Response:

A response to this question has been provided under part (c) of Question on Notice 142.

Q134 - Freedom of Information

Senator Eggleston provided in writing:

- (a) Has the Department/agency received any advice on how to respond to FOI requests?
- (b) How many FOI requests has the Department received for the year 2010-11?
- (c) How many have been granted or denied?
- (d) How many conclusive certificates have been issued in relation to FOI requests for the year 2010-11?
- (e) How many FOI requests has the Department received for this FYTD?
- (f) How many have been granted or denied?

Response:

- (a) Defence and Defence Housing Authority (DHA) comply with the legislative requirements of the *Freedom of Information Act* 1982 and refer to the Guidelines issued by the Australian Information Commissioner under s93A of the FOI Act.
- (b) During 2010-11 Defence received 362 requests and DHA received five.
- (c) 325 FOI requests under section 15 and five under section 48 were finalised by Defence in 2010-11. The following table provides a breakdown of these requests:

Section 15 requests Completed

Granted in full	Partial disclosure	Denied ¹	Refused ²	Withdrawn	Transferred	Total
85	140	9	23	67	1	325

Section 48 requests Completed

Granted in full – alter record	Granted in part – alter record	Granted – annotate record	Refused	Total
0	0	1	4	5

Notes

1. Where a document is identified and exempted in full, access to the document can be **denied**, with reference to the relevant exemption provisions of the FOI Act. During the period in question, two denials related to documents to which section 47F personal privacy provisions applied, one denial related to documents to which section 47G business affairs provisions applied, one denial related to documents to which section 42 legal privilege provisions applied, one denial related to documents to which section 33 national security provisions applied., two denials related to documents to which section 38 secrecy provisions applied and two denials to which 41 personal privacy (pre 1 Nov 10) applied.
2. Section 24A of the FOI Act provides for requests for access to documents to be **refused** if the documents cannot be found or do not exist. Access may also be **refused** if the work involved in processing the request would substantially and unreasonably divert resources of an agency. For the period in question, all 23 refusals related to documents that did not exist or could not be found.

Five FOI requests under section 15 were finalised by DHA in 2010 -11. The following table provides a breakdown of these requests:

Section 15 requests Completed

Granted in full	Partial disclosure	Denied	Refused	Withdrawn	Transferred	Total
0	3	0	1	1	0	5

- (d) The power to issue conclusive certificates was repealed when the *Freedom of Information (Removal of Conclusive Certificates and Other Measures) Act 2009* came into effect on 7 October 2009.
- (e) As at 1 November 2011, Defence had received 106 FOI requests and DHA have received five.
- (f) 119 FOI requests under section 15 and two under section 48 have been finalised by Defence in 2011-12 to date (1 Nov 11). The following table provides a breakdown of these requests:

Section 15 requests Completed

Granted in full	Partial disclosure	Denied ¹	Refused ²	Withdrawn	Transferred	Total
31	43	1	8	35	1	119

Section 48 requests Completed

Granted in full – alter record	Granted in part – alter record	Granted – annotate record	Refused	Total
0	0	0	2	2

Notes

- Where a document is identified and exempted in full, access to the document can be **denied**, with reference to the relevant exemption provisions of the FOI Act. During the period in question, one denial related to documents which section 47E certain operations of agencies applied.
- Section 24A of the FOI Act provides for requests for access to documents to be **refused** if the documents cannot be found or do not exist. Access may also be **refused** if the work involved in processing the request would substantially and unreasonably divert resources of an agency. For the period in question, all 23 refusals related to documents that did not exist or could not be found.

Five requests under section 15 have been finalised by DHA in 2011-12 to date (1 Nov 11). The following table provides a breakdown of these requests:

Section 15 requests Completed

Granted in full	Partial disclosure	Denied ¹	Refused ²	Withdrawn	Transferred	Total
1	3	0	0	0	1	5

Q135 - Community Cabinets

Senator Eggleston provided in writing.

(a) What was the cost of Ministers travel and expenses for the Community Cabinet meetings held for the year 2010-11? (b) How many Ministerial Staff travelled with the Minister for the Community Cabinet meetings for the year 2010-11? What was the total cost of this travel? (c) How many Departmental officers travelled with the Minister for the Community Cabinet meetings for the year 2010-11? What was the total cost of this travel? (d) What was the total cost to the Department and the Ministers office for the Community Cabinet meetings for the year 2010-11? (e) What was the cost of Ministers travel and expenses for the Community Cabinet meetings held this FYTD? (f) How many Ministerial Staff travelled with the Minister for the Community Cabinet meetings held this FYTD? What was the total cost of this travel? (g) How many Departmental officers travelled with the Minister for the Community Cabinet meetings held this FYTD? What was the total cost of this travel? (h) What was the total cost to the Department and the Ministers office for the Community Cabinet meetings held this FYTD?

Response:

(a) Departments do not have information about travel costs by ministers, parliamentary secretaries and MOP(S) Act staffs as these arrangements are administered by the Department of Finance and Deregulation.

(b) See response to part (a).

(c) One Department officer travelled to each of the Community Cabinet meetings. The total cost of the travel was \$8297.29.

(d) Total cost to Department was \$8297.29 see response to part (a) regarding total cost to Ministers office.

(e) See response to part (a).

(f) See response to part (a).

(g) One Department officer travelled to each of the Community Cabinet meetings. The total cost of the travel was \$3114.93 up to 30 September 2011.

(h) Total cost to Department was \$3114.93. See response to part (a) regarding total cost to Ministers office.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q136 - Reviews

Senator Eggleston provided in writing:

- (a) For 2010-11, how many Reviews were being undertaken by all departments and agencies in each portfolio?
- (b) For 2010-11, when will each of these reviews be concluded?
- (c) For 2010-11, what reviews have been concluded?
- (d) For 2010-11, which of these reviews has been provided to Government?
- (e) For 2010-11, when will the Government be responding to the respective reviews that have been completed?
- (f) For 2010-11, what is the estimated cost of each of these Reviews? What reviews are planned?
- (g) For this financial year, when will each of these reviews be concluded?
- (h) For this financial year, what reviews have been concluded this FYTD?
- (i) For this financial year, which of these reviews has been provided to Government? (j) For this financial year, when will the Government be responding to the respective reviews that have been completed?
- (k) For this financial year, what is the estimated cost of each of these Reviews?

Response:

Parts (a)-(f)

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
Air Force Review into Civil Aviation Access to Air Force Airfields	Mid 2012			Part of normal business
DLA Piper Review of Allegations of Sexual and Other Abuse in Defence	End November 2011	11 October 2011 Volume one with first tranche of Volume two. Remainder of Volume two is yet to be provided.	Unknown	Over \$6 million
Defence Community Organisation (DCO) Workforce Review	Late 2011	N/A	N/A	\$416,450.00
Workforce Health Check for the Defence Service Centre	June 2011	N/A	N/A	\$4,600.00
Brabin Smith Review	December 2010	March 2011	Seen by the Minister of Defence	\$228,000.00
DIO Internal Review	February 2011	N/A	N/A	\$11,495.00
(AGSVA) BECA: Phase 1 – Organisational Structure	29 August 2011	29 August 2011	N/A	\$114,961.00
(AGSVA) BECA: Phase 2 – Risk Management	18 November 2011	N/A	N/A	\$75,000.00
(AGSVA) Colley Review	Unknown	N/A	N/A	No cost
(AGSVA) IGIS Review (\$40 000 was paid by BM-I). <i>Note –This review was requested by the Prime Minister and IGIS is responsible for this activity. However, Defence is expected to provide funds to meet the cost of conducting the review.</i>	November 2011	N/A	N/A	\$40,000.00
(DSII) DSII – Counterintelligence Review	26 September 2011	N/A	N/A	No Cost

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
(DDISS) Defence ICT Security Governance Review	Ongoing	N/A	N/A	No Cost
(DDISS) Assessment of Cyber Threat Risks to Internet Facing Applications and Networks	3 November 2011	N/A	N/A	\$206,722.25
(DDISS) Risk of the Unauthorised Release of Bulk Classified Information by a Trusted Insider	November 2011	N/A	N/A	No Cost
Review into the Security and Economic Interest in the Woomera Prohibited Area - <i>Whole of Government review led by Defence.</i>	February 2011	February 2011	3 May 2011	\$94,660
Review of Weapons of Mass Destruction Act and Decision Making Processes	August 2010	Not Applicable	Internal Review	\$63,000
Review of the Reporting of Defects with ADF Personal Equipment and Combat Clothing (Whalan Review)	September 2010	October 2010	Government responded in November 2011	\$74,800
Review of the Woomera Prohibited Area <i>Whole of Government Review led by Defence</i>	February 2011	February 2011	Final report publicly released 3 May 2011	\$94,660
Collins Class Submarine Sustainment Business- Benchmarking Study (Coles Review)	Phase 1 of the review has concluded. Phase 2-4 of the review has not yet commenced The Final Report is due Mid 2012.	The Phase 1 Report has been provided to MINDEF and MINDM. The Final Report is not due until Mid 2012.	No Governmental response is required for the Phase 1 Report. The Department will respond to the Phase 2 Report after delivery and upon review of findings.	Cost to date current as at 2 Nov- Approx \$722,000
Review into the Treatment of Women at the Australian Defence Force Academy (ADFA) and the Australian Defence Force (ADF): <ul style="list-style-type: none"> Phase 1 – review into the treatment of women at ADFA 	Phase 1 - Completed 21 October 2011 Phase 2 – To be	Phase 1 Report tabled in Parliament on 3 November 2011	The Minister for Defence issued a Media statement and Defence is considering how best to implement the recommendations of	Phase 1 and 2 - 4.700 and 2.000 for a follow-up implementation audit, 12 months

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
<ul style="list-style-type: none"> Phase 2 – review into the treatment of women in the ADF 	completed in 2012		the report.	after the submission of review reports
Review of the Use of Alcohol in the ADF	Completed 24 August 2011	Submitted to the Minister for Defence on 2 November 2011	The Government has not yet responded. Defence is developing a response to all the culture reviews which will be harmonised with the wider Defence reform agenda.	0.180
Review of Social Media and Defence	Completed 9 September 2011	Submitted to the Minister for Defence on 2 November 2011	The Government has not yet responded. Defence is developing a response to all the culture reviews which will be harmonised with the wider Defence reform agenda.	0.300
Review of Personal Conduct of ADF Personnel	Completed 3 August 2011	Submitted to the Minister for Defence on 2 November 2011	The Government has not yet responded. Defence is developing a response to all the culture reviews which will be harmonised with the wider Defence reform agenda.	Nil
Review of Employment Pathways for APS Women in the Department of Defence	Completed 3 August 2011	Submitted to the Minister for Defence on 25 August 2011	The Government has not yet responded. Defence is developing a response to all the culture reviews which	0.171

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
			will be harmonised with the wider Defence reform agenda.	
Review of the Management of Incidents and Complaints, including Civil and Military Jurisdiction	Completed 6 September 2011	Submitted to the Minister for Defence on 2 November 2011	The Government has not yet responded. Defence is developing a response to all the culture reviews which will be harmonised with the wider Defence reform agenda.	0.019
Review of Allegations of Sexual and Other Forms of Abuse in Defence	a. 11 October 2011 - Volume 1 – recommendations and general findings and the first tranche of Volume 2 - completed. b. Second tranche of Volume 2 is due to be completed in November 2011	a. Submitted to the Minister for Defence by DLA Piper Australia on 11 October 2011 b. Not completed	The Government has not yet responded. Defence is developing a response to all the culture reviews which will be harmonised with the wider Defence reform agenda.	Approx \$6.000
Inquiry into the Management of the ADFA Skype Incident (Mr Andrew Kirkham QC)	Not completed	Not completed	N/A	0.825
Independent Review of Enhanced Cruise Ship Access to Garden Island, Sydney	16 June 2011 (announced by MINDEF)	Conclude by end of 2011	N/A.	\$194,000 approx

Parts (g)-(k)

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
Air Force Review into Civil Aviation Access to Air Force Airfields	Mid 2012			Part of normal business
Defence Budget Review	In time for FY 12/13 Budget Process			\$259,840
(DDISS) Review into the Effectiveness of ICT Security Certification and Accreditation Processes	December 2012	N/A	N/A	Unknown
Brady Review into the Disposition of Defence's Non-Operational Overseas Personnel and positions.	December 2010	8 March 2011	Review has been noted by the Minister for Defence	\$114,000 (GST inclusive)
Review of Defence Accountability Framework (Rufus Black Review)	January 2011	January 2011	Government responded in August 2011	\$103,000
Review of the Use of Social Media in Defence	30 July 2011	Unknown This review will be submitted to Government as part of the overall review of Australian Defence Force (ADF) and Defence Culture Reviews.	Government will respond once the reviews into aspects of Australian Defence Force (ADF) and Defence cultures have been received and considered	\$0.300m
Shared Services Review	End of July 2011	Not Applicable	Internal Review - McKinsey provided this report to the Department on 5 August 2011	\$2.442m
Reform of Amphibious and Afloat Support Ship Repair and Management Practices (Rizzo Review)	July 2011	July 2011	The Report was released on 18 July 2011.	\$230,543.72

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
			Government has accepted all of the recommendations.	
Review of the Management of Incidents and Complaints	6 September 2011	Unknown This review will be submitted to Government as part of the overall review of Australian Defence Force (ADF) and Defence Culture Reviews.	Government will respond once the reviews into aspects of Australian Defence Force (ADF) and Defence culture have been received and considered.	\$0.019m
Review into the Weapons of Mass Destruction (Prevention of Proliferation) Act 1995	Expected completion date is mid 2012	Not Applicable	This is an internal review and a copy will be provided to the Minister on completion	\$65,000
Australian Defence Force Posture Review	March 2012	March 2012	Government will respond once it has been received and considered	The full cost will be known after it completes its final report to the Government. The costs of the review will be met within Defence's overall operating Budget.
Force Structure Review	2013	2013	Government will respond once it has been received and	\$3.6m budgeted for review. The costs of the

Review	Date concluded/ to be concluded	Date provided to Government	Government response date	Estimated Total Cost (\$)
			considered	review will be met within Defence's overall operating Budget.
Business Process Review (Solicitation has not yet commenced on this process).	-	-	-	-

Q137 - Consultancies

Senator Eggleston provided in writing.

- (a) How many consultancies were undertaken in 2010-11? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source, etc). Also include total value for all consultancies.
- (b) Were there any changes to any of the portfolio's tenders in 2010-11? Detail any changes.
- (c) How many consultancies have been undertaken or are underway this FYTD? Identify the name of the consultant, the subject matter of the consultancy, the duration and cost of the arrangement, and the method of procurement (ie. open tender, direct source, etc). Also include total value for all consultancies.
- (d) Does each department and agency stand by its current tenders on the Austenders website?
- (e) Have any changes or corrections been made for any tenders advertised on to Government Tenders website (www.tenders.gov.au) for tenders advertised this financial year? Explain.
- (f) Are you up to date with reporting requirements?
- (g) How many consultancies are planned for this calendar year?
- (h) Have these been published in your Annual Procurement Plan (APP) on the AusTender website and if not why not? In each case please identify the subject matter, duration, cost and method of procurement as above, and the name of the consultant if known.

Response:

(a) Details of consultancy expenses for 2010-11 were reported on page 341 of the 2010-11 Defence Annual Report (DAR). Contract details can be found at the following reference http://www.defence.gov.au/Budget/10-11/dar/dar_1011_supp_v1.pdf which provides supplementary contract details to the summarised information published in the hard copy DAR.

(b) No, there have been no changes to tenders.

(c) For the financial year to date ending 31 October 2011, Defence has incurred \$20,500,866 of consultancy expenses. Expenses of \$4,546,600 have been incurred on 161 consultancies commenced in financial year 2011-12 and \$15,954,266 of expenditure has been incurred on 262 consultancies that were let before 30 June 2011. Details of new consultancies awarded since 1 July 2011 with a value greater than \$10,000 has been provided at Attachment A.

(d) Yes. Defence undertakes ongoing quality assurance over data reported in AusTender.

(e) No. There have been no changes to tenders in the current year.

(f) Yes. Consulting contracts let in 2011-12 financial year have been correctly reported on AusTender to 31st October 2011.

(g) As consulting contracts are let to meet emerging issues there is no specific annual plan.

(h) No, as consultancies are let to meet emerging issues, they are not available to be included in the annual procurement plan.

No.	Agency Reference ID	Supplier Name	Description	Start Date	Finish Date	Procurement Method	Consultancy Reason(s)	AusTender Value
1 -	1907609850	STUNT QUEST	Legal Consultant	15/06/2011	29/06/2011	Open	Need for specialised or professional skills	13,065.50
2 -	4500611130	DLA PIPER AUSTRALIA	DL0251/2007- LEGAL SERVICES	26/08/2009	30/09/2011	Open	Need for specialised or professional skills	17,596.35
3 -	4500628093	MR FRANK CULLEN	CHIEF OF DEFENCE FORCE COMMISSION OF ENQUIRY PRESIDENT SERVICES	15/06/2011	30/06/2011	Direct	Need for specialised or professional skills	16,500.00
4 -	4500650196	CLAYTON UTZ	ID1054/2008 - LEGAL SERVICES	24/03/2011	30/06/2012	Open	Need for specialised or professional skills	95,150.00
5 -	4500744392	SPARKE HELMORE	WIDE BAY - Training Area - ELF Stage 2 - Construct Probity Services - Sparke Helmore Lawyers	14/06/2011	30/06/2011	Direct	Need for specialised or professional skills	11,000.00
6 -	4500750383	SINCLAIR KNIGHT MERZ PTY LTD	Acquisition of Services Facilities Analyst	29/06/2011	31/12/2011	Open	Need for specialised or professional skills	110,000.00
7 -	4500752014	ARCHAEO CULTURAL HERITAGE SERVICES	Triangular Island Maritime Warfare Facility Archaeological Survey & Indigenous Engagement Serv	30/06/2010	29/07/2011	Direct	Need for specialised or professional skills	19,206.55
8 -	4500754060	GHD PTY LTD	Policy advice	16/07/2010	30/06/2011	Open	Need for specialised or professional skills	15,400.00
9 -	4500760597	THE NOUS GROUP	CONTRACTOR SERVICES	4/10/2011	1/12/2011	Direct	Need for specialised or professional skills	118,316.00
10 -	4500767282	MALLESONS STEPHEN JAQUES	DL0087/2010 - LEGAL SERVICES	8/09/2011	31/10/2011	Direct	Need for specialised or professional skills	142,000.00
11 -	4500769253	SPARKE HELMORE	PROBITY SERVICES	11/11/2010	30/06/2012	Open	Need for specialised or professional skills	25,300.00
12 -	4500773775	SME GATEWAY LIMITED	Support Garrison Reform Project (GSRP) team	23/02/2011	20/09/2012	Open	Need for specialised or professional skills	370,000.01
13 -	4500777788	CLAYTON UTZ	ID1091/2010 - LEGAL SERVICES	28/09/2011	30/06/2012	Open	Need for specialised or professional skills	55,330.00
14 -	4500795181	BLAKE DAWSON WALDRON	DPE2002/2011 - LEGAL SERVICES	14/09/2011	30/06/2012	Open	Need for specialised or professional skills	23,047.20
15 -	4500800366	LOCKHEED MARTIN AUSTRALIA PTY LTD	Engagement of Business Analyst Assist with objective 7 functionality	14/09/2011	31/01/2012	Open	Need for specialised or professional skills	95,602.68
16 -	4500803221	DAY & HODGE ASSOCIATES	Security Awards Project Plan and Communications Material	1/08/2011	16/12/2011	Direct	Need for specialised or professional skills	27,126.00
17 -	4500806588	BLAKE DAWSON WALDRON	DL0078/2011-LEGAL SERVICES	31/05/2011	31/07/2011	Open	Need for specialised or professional skills	11,757.90
18 -	4500807994	ERM AUSTRALIA - VICTORIA	Environmental and Heritage Services	3/08/2011	31/12/2011	Select	Need for specialised or professional skills	21,589.22
19 -	4500809293	CLAYTON UTZ	ID1052/2011 - DEFENCE SERVICES	21/06/2011	31/12/2011	Open	Need for specialised or professional skills	192,895.00
20 -	4500809307	AUSTRALIAN GOVERNMENT SOLICITOR	DL0256E01/2006 - LEGAL SERVICES	21/06/2011	30/06/2012	Open	Need for specialised or professional skills	34,727.00
21 -	4500809316	SPARKE HELMORE	DL0088/2011 - LEGAL SERVICES	21/06/2011	31/08/2011	Open	Need for specialised or professional skills	18,750.00
22 -	4500809852	BLAKE DAWSON WALDRON	ID1041/2011 - LEGAL SERVICES	23/06/2011	30/06/2013	Open	Need for specialised or professional skills	76,154.08
23 -	4500809948	BECA CONSULTANTS PTY LTD	Organisational Structure & Business Process Review for the Australian Security Vetting Agency	1/08/2011	31/08/2011	Open	Need for specialised or professional skills	189,961.20
24 -	4500810058	PHILLIPS FOX SYDNEY	DL0082/2011 - LEGAL SERVICES	24/06/2011	31/08/2011	Open	Need for specialised or professional skills	16,208.50
25 -	4500810061	AUSTRALIAN GOVERNMENT SOLICITOR	DL0081/2011 - LEGAL SERVICES	24/06/2011	30/09/2011	Open	Need for specialised or professional skills	16,786.00
26 -	4500810072	AUSTRALIAN GOVERNMENT SOLICITOR	ID1060/2011 - LEGAL SERVICES	24/06/2011	30/06/2013	Open	Need for specialised or professional skills	26,867.50
27 -	4500810122	BLAKE DAWSON WALDRON	DL0094/2011 - LEGAL SERVICES	24/06/2011	31/08/2011	Open	Need for specialised or professional skills	53,182.73
28 -	4500810130	BLAKE DAWSON WALDRON	ID1061/2011 - LEGAL SERVICES	24/06/2011	30/06/2013	Open	Need for specialised or professional skills	98,434.93
29 -	4500810173	SPARKE HELMORE	ID1058/2011 - LEGAL SERVICES	24/06/2011	30/06/2013	Open	Need for specialised or professional skills	50,571.00
30 -	4500810668	AUSTRALIAN GOVERNMENT SOLICITOR	DL0090/2011 - LEGAL SERVICES	28/06/2011	31/08/2011	Open	Need for specialised or professional skills	14,091.00
31 -	4500811242	COLLIERS INTERNATIONAL	MARKETING AGENT SERVICES	30/06/2011	10/07/2011	Select	Need for specialised or professional skills	55,000.00
32 -	4500811705	CLAYTON UTZ	DL0099/2011-LEGAL SERVICES	26/08/2011	30/09/2011	Open	Need for specialised or professional skills	76,536.00
33 -	4500811726	CLAYTON UTZ	ID1047/2011-LEGAL SERVICES	4/07/2011	30/06/2012	Open	Need for specialised or professional skills	19,206.00
34 -	4500811863	ROSS J MONAGHAN	Research into Social Media Trends	5/07/2011	30/06/2013	Direct	Need for independent research or assessment	60,500.00
35 -	4500811866	NOETIC SOLUTIONS PTY LTD	Provision of professional enterprise risk management services	5/07/2011	31/08/2011	Open	Need for specialised or professional skills	177,479.82
36 -	4500812177	MR ANDREW JOHN KIRKHAM	Inquiry fees for services	6/07/2011	27/07/2011	Direct	Need for specialised or professional skills	495,000.00
37 -	4500812179	MR N. CLELLAND	Inquiry fees for services	6/07/2011	27/07/2011	Direct	Need for specialised or professional skills	119,988.00
38 -	4500812463	PS MANAGEMENT CONSULTANTS	Consultancy - Simulation Procurement	7/07/2011	28/10/2011	Select	Skills currently unavailable within agency	66,000.00
39 -	4500812487	YOUNG & RUBICAM BRANDS	Review of Social Media & Defence	7/07/2011	30/09/2012	Open	Need for independent research or assessment	233,988.70
40 -	4500812565	AUSTRALIAN GOVERNMENT SOLICITOR	DL0104/2011-LEGAL SERVICES	8/07/2011	31/08/2011	Open	Need for specialised or professional skills	14,510.50
41 -	4500812817	PROVIDENCE CONSULTING GROUP PL	Base Plans and Procedures - Sec Specialists 11/12	11/07/2011	23/12/2011	Open	Need for specialised or professional skills	842,891.98
42 -	4500812824	SME GATEWAY LIMITED	Base Plans and Procedures - Sec Specialists 11/12	11/07/2011	23/12/2011	Open	Need for specialised or professional skills	438,424.53
43 -	4500812990	SINCLAIR KNIGHT MERZ PTY LTD	MUNITIONS DESTRUCTION PROJECT QUEENSLAND	12/07/2011	30/06/2013	Open	Need for specialised or professional skills	74,415.00
44 -	4500813109	QINETIQ CONSULTING PTY LTD	Base Plans and Procedures - Sec Specialists 11/12	12/07/2011	23/12/2011	Open	Need for specialised or professional skills	163,505.63
45 -	4500813119	AUSTHINK CONSULTING PTY LTD	Administration Services including Workshop Participation, Preparation and Production	12/07/2011	30/06/2012	Direct	Need for specialised or professional skills	29,768.88
46 -	4500813211	DAVID LEVINE	President for CDF Commission of Inquiries	13/07/2011	30/12/2011	Direct	Need for specialised or professional skills	109,900.00
47 -	4500813503	CLAYTON UTZ	ID1068/2011 - LEGAL SERVICES	14/07/2011	30/06/2013	Open	Need for specialised or professional skills	21,130.00
48 -	4500813524	CLAYTON UTZ	DL0107/2011-LEGAL SERVICES	14/07/2011	14/10/2011	Open	Need for specialised or professional skills	10,560.00
49 -	4500813785	AUSTRALIAN GOVERNMENT SOLICITOR	DL0102011- LEGAL SERVICES	15/07/2011	31/12/2011	Open	Need for specialised or professional skills	23,919.50
50 -	4500813945	DELOITTE TOUCHE TOHMATSU	TASK 2.4 FOREIGN EXCHANGE	18/07/2011	31/07/2011	Open	Need for specialised or professional skills	129,888.00
51 -	4500813974	AUSTRALIAN GOVERNMENT SOLICITOR	DL0113/2011-LEGAL SERVICES	18/07/2011	31/08/2011	Open	Need for specialised or professional skills	10,819.50
52 -	4500814086	BLAKE DAWSON WALDRON	DL0119E02/2008 - LEGAL SERVICES	18/07/2011	31/10/2011	Open	Need for specialised or professional skills	13,849.70
53 -	4500814260	DELOITTE TOUCHE TOHMATSU	Review and analysis of budget management processes within Defence	19/07/2011	30/09/2011	Open	Need for specialised or professional skills	61,860.00
54 -	4500814277	BLAKE DAWSON WALDRON	DL0100/2011- LEGAL SERVICES	19/07/2011	31/12/2011	Open	Need for specialised or professional skills	16,063.55
55 -	4500814442	DELOITTE TOUCHE TOHMATSU	Development of operating model to conduct business process and workforce analysis	20/07/2011	14/10/2011	Open	Need for specialised or professional skills	303,050.00
56 -	4500814764	ICON RECRUITMENT	Independent advise to Capability Assurance on IT infrastructure library framework	22/07/2011	30/06/2012	Direct	Need for independent research or assessment	305,652.60

No.	Agency Reference ID	Supplier Name	Description	Start Date	Finish Date	Procurement Method	Consultancy Reason(s)	AusTender Value
57 -	4500814941	PROVIDENCE CONSULTING GROUP PL	Security specialist	25/07/2011	23/12/2011	Open	Need for specialised or professional skills	159,434.00
58 -	4500815215	PS MANAGEMENT CONSULTANTS	Project Management Support for Training Area	26/07/2011	31/01/2012	Open	Need for specialised or professional skills	114,692.00
59 -	4500815436	BLAKE DAWSON WALDRON	DPE2011/2011 - LEGAL SERVICES	27/07/2011	31/10/2011	Open	Need for specialised or professional skills	12,784.67
60 -	4500815546	CLAYTON UTZ	ID1072/2011 - LEGAL SERVICES	28/07/2011	31/12/2011	Open	Need for specialised or professional skills	69,025.00
61 -	4500815589	BLAKE DAWSON WALDRON	ID1071/2011 - LEGAL SERVICES	28/07/2011	30/06/2016	Open	Need for specialised or professional skills	117,814.57
62 -	4500815945	JBTGLOBAL CORPORATE ADVISORY	Training - Non-Military	29/07/2011	30/06/2012	Direct	Need for specialised or professional skills	17,632.70
63 -	4500816197	MINTER ELLISON	DL0118/2011- LEGAL SERVICES	2/08/2011	30/11/2011	Open	Need for specialised or professional skills	14,739.40
64 -	4500816224	PRICEWATERHOUSECOOPERS LEGAL	CONTAMINATION FINANCIAL SUPPORT	2/08/2011	30/06/2012	Open	Need for specialised or professional skills	330,000.00
65 -	4500816253	DLA PIPER AUSTRALIA	DL01162011- LEGAL SERVICES	16/09/2011	31/10/2011	Open	Need for specialised or professional skills	30,877.00
66 -	4500816259	BLAKE DAWSON WALDRON	DL0100E01/2009 - Legal Services	2/08/2011	30/06/2012	Open	Need for specialised or professional skills	41,580.00
67 -	4500816384	PROFESSOR MICHAEL R MOORE	Scientific Advisory Committee.	3/08/2011	30/06/2012	Direct	Need for independent research or assessment	18,768.00
68 -	4500816651	KPMG AUSTRALIA	Support to Pay and Entitlement Calculators, Data Analysis Activities and Maintenance of Excel Tools	4/08/2011	30/11/2011	Direct	Need for specialised or professional skills	329,760.00
69 -	4500816768	CSG DEMINING CONSULTANTS PTY LTD	Ordnance advice	5/08/2011	12/06/2012	Select	Need for independent research or assessment	142,204.87
70 -	4500816874	DLA PIPER AUSTRALIA	DL0123/2011- LEGAL SERVICES	5/08/2011	30/09/2011	Open	Need for specialised or professional skills	11,330.00
71 -	4500816882	AUSTRALIAN GOVERNMENT SOLICITOR	DL0122/2011- LEGAL SERVICES	5/08/2011	31/10/2011	Open	Need for specialised or professional skills	11,184.00
72 -	4500816940	AUSTRALIAN GOVERNMENT SOLICITOR	DL0103/2011- LEGAL SERVICES	5/08/2011	31/12/2011	Open	Need for specialised or professional skills	27,720.00
73 -	4500816946	BLAKE DAWSON WALDRON	ID1076/2011- LEGAL SERVICES	5/08/2011	30/11/2011	Open	Need for specialised or professional skills	379,810.00
74 -	4500817144	GRIFFITH UNIVERSITY	Evaluation of Suicide Prevention Program in the Australian Defence Force	8/08/2011	24/11/2011	Select	Need for independent research or assessment	126,325.00
75 -	4500817178	COFFEY ENVIROMENTS AUSTRALIA	NELSON BAY ROAD ENVIRONMENTAL ASSESSMENT	9/08/2011	30/06/2012	Direct	Need for specialised or professional skills	18,640.53
76 -	4500817834	COFFEY ENVIROMENTS AUSTRALIA	Fire Safety Surveys	12/08/2011	30/06/2012	Open	Need for specialised or professional skills	377,217.12
77 -	4500817880	AECOM	Analysis, contract, report & presentation services	25/08/2011	29/02/2012	Open	Need for specialised or professional skills	28,600.00
78 -	4500817934	CLAYTON UTZ	ID1077/2011- LEGAL SERVICES	6/10/2011	31/12/2011	Open	Need for specialised or professional skills	70,840.00
79 -	4500817939	SPARKE HELMORE	ID1079/2011- LEGAL SERVICES	12/08/2011	31/12/2011	Open	Need for specialised or professional skills	17,905.00
80 -	4500817961	DLA PIPER AUSTRALIA	ID1078/2011 - LEGAL SERVICES	8/09/2011	30/12/2011	Open	Need for specialised or professional skills	14,410.00
81 -			ID1078/2011- LEGAL SERVICES	15-Aug-11	31-Dec-11	Open	Need for specialised or professional skills	55,315.00
82 -	4500818233	PROVIDENCE CONSULTING GROUP PL	Environmental business management processes	16/08/2011	30/06/2013	Direct	Skills currently unavailable within agency	462,000.00
83 -	4500818328	DR ALLAN HAWKE	Australian Defence Force Posture Review	16/08/2011	30/03/2012	Direct	Need for specialised or professional skills	99,000.00
84 -	4500818332	KPMG AUSTRALIA	Inventory Accounting Support	16/08/2011	30/09/2011	Direct	Need for specialised or professional skills	75,419.99
85 -	4500818385	AUSTRALIAN GOVERNMENT SOLICITOR	DL0128/2011- LEGAL SERVICES	17/08/2011	30/11/2011	Open	Need for specialised or professional skills	25,674.00
86 -	4500818390	MINTER ELLISON	ID1074/11- LEGAL SERVICES	17/08/2011	31/12/2014	Open	Need for specialised or professional skills	77,483.70
87 -	4500818468	LOCHARD (AUSTRALIA) PTY LTD	Noise and Flight path monitoring system services	17/08/2011	31/12/2011	Select	Need for specialised or professional skills	709,506.60
88 -	4500818931	SME GATEWAY LIMITED	Professional Risk Services 2011/12	19/08/2011	30/12/2011	Open	Need for specialised or professional skills	253,050.00
89 -	4500819293	ENVIRONMENTAL RESOURCES MANAGEMENT	CONTAMINATION TECHNICAL SUPPORT	23/08/2011	31/08/2012	Open	Need for specialised or professional skills	275,000.00
90 -	4500819294	AURECON AUSTRALIA PTY LTD	ENVIRONMENTAL ASSESSMENT	23/08/2011	30/06/2012	Direct	Need for specialised or professional skills	18,355.70
91 -	4500819299	OTEK AUSTRALIA PTY LTD	PROVISION OF ENVIRONMENT SERVICES	23/08/2011	31/08/2011	Direct	Need for specialised or professional skills	22,583.00
92 -	4500819507	MINTER ELLISON	DL0120/2001 -LEGAL SERVICES	24/08/2011	30/06/2012	Open	Need for specialised or professional skills	78,512.50
93 -	4500819867	AUSTRALIAN GOVERNMENT ACTUARY	Actuarial Services	26/08/2011	30/06/2012	Direct	Need for specialised or professional skills	91,000.00
94 -	4500820011	MINTER ELLISON	ID1086/20011- -LEGAL SERVICES	26/08/2011	21/10/2011	Open	Need for specialised or professional skills	12,738.00
95 -	4500821256	PROVIDENCE CONSULTING GROUP PL	Security Specialist 11/12	5/09/2011	23/12/2011	Open	Need for specialised or professional skills	238,480.00
96 -	4500821259	SPOTLESS P & F PTY LTD	Construct compliant washpoint for use by range staff and visiting units to wash down vehicles	5/09/2011	30/12/2011	Select	Need for specialised or professional skills	16,940.00
97 -	4500821441	CODARRA ADVANCED SYSTEMS	Provision of Project Management and Support Services	6/09/2011	31/12/2013	Select	Need for specialised or professional skills	700,700.00
98 -	4500821659	PROVIDENCE CONSULTING GROUP PL	GEMS Lead BA- MS Ann Phillis	7/09/2011	30/06/2012	Open	Need for specialised or professional skills	291,500.00
99 -	4500821668	MINTER ELLISON	DPE2022/2011 - LEGAL SERVICES	7/09/2011	30/06/2012	Open	Need for specialised or professional skills	15,928.00
100 -	4500821669	AUSTRALIAN GOVERNMENT SOLICITOR	DL0137/2011 - LEGAL SERVICES	7/09/2011	30/11/2011	Open	Need for specialised or professional skills	20,087.00
101 -	4500821671	AUSTRALIAN GOVERNMENT SOLICITOR	DL0125/2011 - TIED LEGAL SERVICES	7/09/2011	30/11/2011	Direct	Need for specialised or professional skills	12,606.00
102 -	4500821679	AUSTRALIAN GOVERNMENT SOLICITOR	DL0132/2011 - LEGAL SERVICES	8/09/2011	31/03/2012	Open	Need for specialised or professional skills	11,637.00
103 -	4500821681	AUSTRALIAN GOVERNMENT SOLICITOR	ID1091/2011 - LEGAL SERVICES	8/09/2011	31/12/2011	Open	Need for specialised or professional skills	17,820.00
104 -	4500821682	DLA PIPER AUSTRALIA	DL0134/2011 - LEGAL SERVICES	8/09/2011	31/12/2011	Open	Need for specialised or professional skills	75,999.00
105 -	4500821685	SPARKE HELMORE	ID1090/2011 - LEGAL SERVICES	8/09/2011	30/11/2011	Open	Need for specialised or professional skills	79,745.00
106 -	4500821721	CLAYTON UTZ	ID1080/2011 - LEGAL SERVICES	8/09/2011	30/12/2011	Open	Need for specialised or professional skills	57,380.00
107 -	4500821726	CLAYTON UTZ	ID1082/2011 - LEGAL SERVICES	8/09/2011	30/12/2011	Open	Need for specialised or professional skills	59,550.00
108 -	4500821728	MINTER ELLISON	ID1092/2011 - LEGAL SERVICES	8/09/2011	30/03/2012	Open	Need for specialised or professional skills	18,301.80
109 -	4500821733	AUSTRALIAN GOVERNMENT SOLICITOR	DL0133/2011 - LEGAL SERVICES	8/09/2011	31/12/2011	Open	Need for specialised or professional skills	11,637.00
110 -	4500821736	MINTER ELLISON	ID1089/2011 - LEGAL SERVICES	8/09/2011	30/12/2011	Open	Need for specialised or professional skills	30,083.60
111 -	4500821748	SPARKE HELMORE	DL0131/2011 - LEGAL SERVICES	8/09/2011	31/12/2011	Open	Need for specialised or professional skills	41,000.00
112 -	4500821759	CLAYTON UTZ	DL0126/2011 - LEGAL SERVICES	8/09/2011	30/09/2011	Open	Need for specialised or professional skills	19,547.00
113 -	4500822057	KPMG	CONDUCT DESKTOP FORENSIC AUDITS	12/09/2011	26/09/2011	Open	Need for specialised or professional skills	43,000.10
114 -	4500822063	KPMG	CONDUCT SPEND ANALYSIS & CATEGORISATION FOR NON EQUIPMENT PROCUREMENT PROFESSIONAL SERVICES	12/09/2011	12/09/2011	Open	Need for specialised or professional skills	90,909.50

No.	Agency Reference ID	Supplier Name	Description	Start Date	Finish Date	Procurement Method	Consultancy Reason(s)	AusTender Value
115 -	4500822280	SPARKE HELMORE	DL0115/2011 - LEGAL SERVICES	13/09/2011	28/02/2013	Open	Need for specialised or professional skills	181,275.00
116 -	4500822476	CLAYTON UTZ	DL0089/2011 - LEGAL SERVICES	14/09/2011	31/10/2011	Open	Need for specialised or professional skills	41,338.00
117 -	4500822518	BLAKE DAWSON WALDRON	ID1076E01/2011 - LEGAL SERVICES	14/09/2011	15/12/2011	Open	Need for specialised or professional skills	12,440.25
118 -	4500822615	T T BUILDING CONSULTANTS PTY LTD	Fire Safety Surveys	14/09/2011	31/12/2011	Select	Need for specialised or professional skills	144,999.11
119 -	4500822777	SPOTLESS P & F PTY LTD	Range Roads Maintenance Design.	15/09/2011	31/12/2011	Select	Need for specialised or professional skills	27,485.59
120 -	4500823073	DLA PIPER AUSTRALIA	DPE2020/2011 - LEGAL SERVICES	16/09/2011	30/06/2012	Open	Need for specialised or professional skills	15,004.50
121 -	4500823141	POINT PROJECT MANAGEMENT PTY LTD	property data collection	19/09/2011	30/06/2012	Open	Need for specialised or professional skills	35,178.00
122 -	4500823423	CHG	INJURY MANAGEMENT SERVICES	20/09/2011	30/06/2012	Open	Need for independent research or assessment	110,001.10
123 -	4500823448	MLCOA	INJURY MANAGEMENT SERVICES	20/09/2011	30/06/2012	Open	Need for specialised or professional skills	110,000.00
124 -	4500823575	RECOVRE	INJURY MANAGEMENT SERVICES	21/09/2011	30/06/2012	Open	Need for independent research or assessment	110,001.10
125 -	4500823680	ESRI-AUSTRALIA PTY LTD	Specialist ICT Practitioner	21/09/2011	28/02/2012	Direct	Need for specialised or professional skills	22,000.00
126 -	4500823690	I & S K PAUZA	Competency profile workshop and report	21/09/2011	31/01/2012	Direct	Need for specialised or professional skills	21,120.00
127 -	4500823896	UNMANNED SYSTEMS AUSTRALIA PTY LTD	ADF Joint Combined Training Study	22/09/2011	31/10/2011	Direct	Skills currently unavailable within agency	33,000.00
128 -	4500824090	RICHARD C. SMITH	Australian Defence Force Posture Review.	23/09/2011	30/03/2012	Direct	Need for specialised or professional skills	99,000.00
129 -	4500824431	AUSTRALIAN GOVERNMENT SOLICITOR	DL0139/2010 - LEGAL SERVICES	27/09/2011	31/10/2011	Open	Need for specialised or professional skills	22,100.00
130 -	4500824435	CLAYTON UTZ	DL0015E02/2010 - LEGAL SERVICES	27/09/2011	30/06/2012	Open	Need for specialised or professional skills	34,804.00
131 -	4500824529	KPMG AUSTRALIA	Support to Reform Project.	28/09/2011	30/06/2012	Open	Skills currently unavailable within agency	220,000.00
132 -	4500824693	BLAKE DAWSON WALDRON	DL0111/2011 - LEGAL SERVICES	28/09/2011	31/10/2011	Open	Need for specialised or professional skills	19,034.68
133 -	4500824722	AUSTRALIAN GOVERNMENT SOLICITOR	DL0145/2011 - LEGAL SERVICES	28/09/2011	31/12/2011	Open	Need for specialised or professional skills	12,760.00
134 -	4500824816	MINTER ELLISON	ID1094/2008 - LEGAL SERVICES	29/09/2011	31/12/2011	Open	Need for specialised or professional skills	25,849.90
135 -	4500824819	AUSTRALIAN GOVERNMENT SOLICITOR	ID1095/2011 - LEGAL SERVICES	29/09/2011	31/12/2011	Open	Need for specialised or professional skills	10,428.00
136 -	4500824832	CLAYTON UTZ	ID11114E01/2011 - LEGAL SERVICES	29/09/2011	31/12/2011	Open	Need for specialised or professional skills	20,040.00
137 -	4500824899	SPOTLESS P & F PTY LTD	EARTHING RECTIFICATION WORKS TO HARTS RANGE, NORTHERN TERRITORY	29/09/2011	30/06/2012	Select	Need for specialised or professional skills	21,582.00
138 -	4500825115	CONSULTING SAFETY INTERNATIONAL	Professional Service Provider to review Defence Occupational Health Safety eLearning program	30/09/2011	31/10/2011	Open	Need for specialised or professional skills	46,382.60
139 -	4500825270	DELOITTE TOUCHE TOHMATSU	Budget Analysis Services	4/10/2011	20/10/2011	Open	Need for specialised or professional skills	132,696.00
140 -	4500825403	LOCKHEED MARTIN AUSTRALIA PTY LTD	Review of Corporate Governance Processes	5/10/2011	14/12/2011	Open	Need for specialised or professional skills	109,553.60
141 -	4500825440	UGL SERVICES PTY LTD	Acquisition	5/10/2011	30/06/2012	Open	Need for specialised or professional skills	13,200.00
142 -	4500825631	GHD PTY LTD	Defence infrastructure appraisal	6/10/2011	30/06/2013	Select	Need for specialised or professional skills	220,000.00
143 -	4500825638	CHEMSKILL	OHS PROFESSIONALS TO DEVELOP SYSTEM FOR MANAGEMENT OF HAZARDOUS CHEMICALS	6/10/2011	16/12/2011	Open	Need for specialised or professional skills	47,431.35
144 -	4500825661	AECOM AUSTRALIA PTY LTD	AZ4877 - A8989 - Environmental Consultant for 17 SQN relocation and Water & Sewerage treatment p	24/10/2011	15/11/2011	Direct	Need for specialised or professional skills	63,138.90
145 -	4500825663	ENVIRONMENTAL RESOURCE MANAGEMENT	Heritage advice	6/10/2011	30/06/2012	Open	Need for specialised or professional skills	20,130.00
146 -	4500825668	ENVIRONMENTAL RESOURCE MANAGEMENT	Heritage advice	6/10/2011	30/06/2012	Open	Need for specialised or professional skills	20,130.00
147 -	4500825671	POINT PROJECT MANAGEMENT PTY LTD	Accommodation project advice	6/10/2011	30/06/2012	Open	Need for specialised or professional skills	464,686.88
148 -	4500825813	DLA PHILLIPS FOX	Probity advice	7/10/2011	30/06/2012	Select	Need for specialised or professional skills	66,110.00
149 -	4500825894	SPOTLESS P&F PTY LTD	Traffic Report	7/10/2011	30/06/2012	Open	Need for specialised or professional skills	32,450.00
150 -	4500825938	AUSTRALIAN GOVERNMENT SOLICITOR	DL0148/2011 - LEGAL SERVICES	7/10/2011	31/03/2012	Open	Need for specialised or professional skills	29,568.00
151 -	4500825958	AUSTRALIAN GOVERNMENT SOLICITOR	DL0140/2011 - TIED LEGAL SERVICES	7/10/2011	31/12/2011	Direct	Need for specialised or professional skills	37,317.50
152 -	4500826121	SPOTLESS P&F PTY LTD	Advice - Control Monitoring & Clearance Inspection	10/10/2011	30/06/2012	Open	Need for independent research or assessment	77,819.50
153 -	4500826166	POWER INITIATIVES	SBC/DBC Writer Services for N2232 HMAS Watson Redevelopment	11/10/2011	30/06/2013	Select	Need for specialised or professional skills	402,160.00
154 -	4500826171	URS AUSTRALIA PTY LTD	Environmental Consultancy Services for N2232 HMAS Watson Redevelopment	11/10/2011	30/06/2012	Select	Need for specialised or professional skills	63,382.00
155 -	4500826429	KPMG AUSTRALIA	Reform Project Support	12/10/2011	30/06/2012	Open	Need for specialised or professional skills	370,000.00
156 -	4500826465	NORTON ROSE	ID1096/2011 - LEGAL SERVICES	12/10/2011	31/12/2011	Open	Need for specialised or professional skills	12,370.00
157 -	4500826475	BRUEL & KJAER EMS (AUSTRALIA) PTY	Noise and Flight path monitoring system services	12/10/2011	31/12/2011	Open	Need for specialised or professional skills	417,206.04
158 -	4500826507	ENVIRONMENTAL RESOURCES	Heritage Assessment	12/10/2011	30/06/2012	Open	Need for specialised or professional skills	13,229.70
159 -	4500826682	SPARKE HELMORE	DL0157/2011 - LEGAL SERVICES	13/10/2011	31/12/2011	Open	Need for specialised or professional skills	18,209.99
160 -	4500826751	VICTORIA UNIVERSITY	PhD Student Research Agreement.	13/10/2011	31/10/2011	Direct	Skills currently unavailable within agency	33,000.00
161 -	4500827048	AQUITAINE CONSULTING PTY LTD	CIOG 412/11 REVIEW OF DEFENCE DISASTER RECOVERY READINESS	14/10/2011	31/10/2011	Direct	Need for independent research or assessment	99,442.50
		Grand Total						16,601,363.38

Q138 - Media Monitoring - Ministers Offices

Senator Eggleston provided in writing:

(a) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office for the year 2010-11? (b) Which agency or agencies provided these services? (c) What is the estimated budget to provide this same service for the year 2011-12? (d) What has been spent providing these services FYTD?

Response:

a) The table below provides details against each office for expenditure on media monitoring, exclusive of GST. This covers all amounts paid during FY 2010/11.

Office	Expenditure FY 10/11
Office of the Minister for Defence	\$38,242.30
Office of the Minister for Defence Science and Personnel	nil
Office of the Minister for Defence Materiel	\$4,035.59
Office of the Parliamentary Secretary for Defence	nil
Total	\$42,277.89

b) These services are provided by Media Monitors Pty Ltd.

c) Each office tracks its Media Monitors expenditure against their overall annual budget.

d) The table below provides details against each office for expenditure on media monitoring, exclusive of GST. This covers all amounts paid from 1 July 2011 – 1 November 2011

Office	Expenditure from 1 Jul 11 - 01 Nov 11
Office of the Minister for Defence	\$13,916.37
Office of the Minister for Defence Science and Personnel	\$167.33
Office of the Minister for Defence Materiel	\$4,260.20
Office of the Parliamentary Secretary for Defence	nil
Total	\$18,343.90

Q139 - Media Monitoring - Department

Senator Eggleston provided in writing:

(a) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Department and its agencies for the year 2010-11? (b) Which agency or agencies provided these services? (c) What is the estimated budget to provide this same service for the year 2011-12? (d) What has been spent providing these services FYTD?

Response:

(a) \$707,199.70

(b) Media Monitors (Defence) and Australian Associated Press (DHA)

(c) The current budget allocation is \$541,500

(d) \$208,737.04

Q140 - Social Media

Senator Eggleston provided in writing:

Has there been any changes to Department and Agency social media or protocols about staff access and usage of Youtube; online social media such as Facebook, MySpace and Twitter; and access to online discussion forums and blogs since May 2011? Please explain.

Response:

There have been no changes to the Department of Defence's policy on access to or the use of social media by staff since May 2011.

Defence has recently undergone a "Review of Social Media in Defence", part of a suite of reviews announced by Minister for Defence Stephen Smith on 11 April 2011.

This review looked at Defence's obligations in using social media in such activities as recruitment and retention of staff to identify possible risks of using social media within this context and to recommend ways to mitigate these risks; and also to identify ways social media might be used as part of Defence's communication strategies. The full terms of reference for this review are available from <http://www.defence.gov.au/culturereviews/index.htm>.

The Minister has received and is considering the final report on this review.

Current Defence policy on social media is encompassed within the same instructions that govern public comment and the dissemination of official information by Defence personnel.

The Navy, Army and Air Force provide further guidance to their members, and ADF members who deploy on operations are provided guidance on the responsible use of social media.

Q141 - Contractors

Senator Eggleston provided in writing:

Since May 2011:

- (a) Has the department/agency ever employed Hawker Britton in any capacity or is it considering employing Hawker Britton? If yes, provide details.
- (b) Has the department/agency ever employed Shannon's Way in any capacity or is it considering employing Shannon's Way? If yes, provide details.
- (c) Has the department/agency ever employed John Utting & UMR Research Group in any capacity or is it considering employing John Utting & UMR Research Group? If yes, provide details.
- (d) Has the department/agency ever employed McCann-Erickson in any capacity or is it considering employing McCann-Erickson? If yes, provide details.
- (e) Has the department/agency ever employed Cutting Edge in any capacity or is it considering employing Cutting Edge? If yes, provide details.
- (f) Has the department/agency ever employed Ikon Communications in any capacity or is it considering employing Ikon Communications? If yes, provide details.
- (g) Has the department/agency ever employed CMAX Communications in any capacity or is it considering employing CMAX Communications? If yes, provide details.
- (h) Has the department/agency ever employed Boston Consulting Group in any capacity or is it considering employing Boston Consulting Group? If yes, provide details.
- (i) Has the department/agency ever employed McKinsey & Company in any capacity or is it considering employing McKinsey & Company? If yes, provide details.

Response:

Since May 2011, Defence has not undertaken commercial activity with organizations listed (a-g) below:

- (a) Hawker Britton
- (b) Shannon's Way
- (c) John Utting & UMR Research Group
- (d) McCann-Erickson
- (e) Cutting Edge
- (f) IKON Communications
- (g) CMAX Communications

- (h) Boston Consulting Group has been engaged by Defence to provide advice and deliver services in support of the Chief Information Officer Groups Strategic Reform Program. Since May 2011, Defence has made payments of \$3,834,076.80 inclusive of GST. On 30 September 2011, a purchase order with a value of \$2,196,150 inclusive of GST was raised to enable Boston Consulting to provide contract services in support of a review of the Defence Capability Plan.
- (i) McKinsey and Company have been engaged by Defence to undertake an organisational wide review of shared services. Since May 2011 Defence has made payments of \$2,442,000.

Q142 - Discretionary Grants

Senator Eggleston provided in writing.

- (a) Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants for the year 2010-11? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.
- (b) Could the Department provide a list of all discretionary grants, including ad hoc and one-off grants FYTD? Please provide details of the recipients, the intended use of the grants and what locations have benefited from the grants.
- (c) Has the Department complied with interim requirements relating to the publication of discretionary grants?

Response

- (a) The term discretionary grant no longer applies following the introduction of the Commonwealth Grants Guidelines of July 2009.

For the period 1 July 2010 to 30 June 2011, Defence (excluding DMO) approved a total of 82 grants to various groups and individuals. Total funds approved in this period were \$57.152 million (GST inclusive) which includes multi-year grants.

During the period 1 July 2010 to 30 June 2011, Defence (excluding DMO) reported in the 2010-2011 Annual Report grants totalling \$45.181 million (GST exclusive). The variance is due to the following:

- The \$57.152 million is GST inclusive while the Defence 2010-2011 Annual Report figure of \$45.181 million is GST exclusive; and
- The \$57.152 million includes the full amount approved for each grant including those amounts to be paid in future years. The Defence 2010-2011 Annual Report lists the grant amounts paid for that year only.

A table of all grants provided by the Department (excluding DMO) from 1 July 2010 to 30 June 2011 is at [Attachment A](#).

The Defence Materiel Organisation (DMO) conducted two major programs in financial year 2010-11. These include the SADI Program and ISPE package.

In relation to SADI, submissions were received from 74 companies who sought funding for 472 training activities. Of these activities, 328 were considered eligible under the program's funding guidelines and funding agreements to the value of \$7.8 million were delivered to those 68 companies deemed successful. As a result of the full commitment of SADI funds for FY 2010-11 in round one, no further rounds were held. At the end of the financial year 2010-11 a total of \$6.95 million was paid to SADI recipients following the completion of training activities.

A comprehensive list containing the recipients, locations and training activities for SADI grants can be accessed through the following link:

<http://www.defence.gov.au/dmo/id/sadi/index.cfm>

The ISPE package was established to increase the skills base of defence industry, create pathways into the defence industry sector and address industry capability skills gaps.

A comprehensive list containing the recipients, locations, purpose and initiatives for ISPE grants can be accessed through the following link:

http://www.defence.gov.au/dmo/id/industry_skilling/

(b) For the period 1 July 2011 to 10 November 2011, Defence (excluding DMO) approved a total of 68 grants to various groups and individuals. Total funds approved in this period amounted to \$41.051 million. (GST inclusive)

A table of all grants provided by the Department (excluding DMO) from 1 July 2011 to 10 June 2011 is at Attachment B.

The DMO is conducting four major discretionary grant programs in financial year 2011-12; SADI program, ISPE package, Priority Industry Capability Innovation Program (PICIP) and the New Air Combat Capability Industry Support Package (NACC-ISP).

The SADI round received 115 applications for funding from defence companies in the 2011-12 application round. Of these applications 109 were considered eligible under SADI funding guidelines, with a total of 4177 training positions funded within the defence industry. Funding agreements have been issued to successful companies to the value of \$13.45 million. These activities are required to be undertaken by the end of financial year 2011-12.

To date in FY 2011-12, three Tailored Advisory Service grants to the total value of \$44,330 have been approved in conjunction with the DIIC.

Additionally, further grant funding to the total value of \$2,168,583.00 was approved to an existing grant recipient, Regional Development Australia, Hunter, to deliver the full implementation phase of the Advanced Manufacturing (ME) School Pathways Program in the Hunter Region, New South Wales, following the delivery of a successful pilot program.

A comprehensive list of all ISPE grant recipients for the current and two past financial years is available on the ISPE website listed above.

Grants have not as yet been awarded through NACC-ISP or PICIP. Both programs currently have funding rounds open, with funding announcements likely to be made later in the financial year.

(c) For the Financial Year to date, Defence (excluding DMO) has complied with these requirements with the exception of:

- *Research and Lessons Learned Program*
2 grants that had a date of effect of 26 August 2011 and 14 September 2011 respectively were listed on 1 November 2011.

DMO has complied with the interim requirements for the publication of discretionary grants in 2011-12. In 2010-11 DMO was late in the initial publication of first round SADI grants, and has rectified this reporting.

Attachment A

Grants approved for the period 1 July 2010 to 30 June 2011

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Australian Strategic Policy Institute (ASPI)	Australian Strategic Policy Institute (ASPI)	Funding of the Australian Strategic Policy Institute (ASPI). ASPI's purpose is to provide fresh, independent and non-partisan ideas, and to promote discussion within government, academia and the wider public on Australia's defence and strategic policy issues. (Multi-year Grant).	\$13,601,717	1-Jul-10	Barton ACT 2600	Canberra
Anglesea Barracks Bicentenary Book	John Wadsley Planning and Heritage Consultancy	Funding for the production of a book about the 200 year history of Anglesea Barracks in Hobart, Tasmania.	\$64,350	7-Jul-10	Hobart TAS 7000	Denison, Bass, Braddon, Lyons and Franklin
Sir Arthur Tange Defence PhD Scholarships	Strategic and Defence Studies Centre, The Australian National University, Canberra	The Sir Arthur Tange Defence PhD Scholarships encourage research into defence and security issues of particular relevance to Australia, and support the next generation of strategic thinkers. (Multi-year grant)	\$191,400	13-Jul-10	ANU Canberra ACT 0200	Fraser

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Duntroon Community Centre Inc.	The Centre provides a range of activities to support Defence families in the Canberra area. Funding is for ongoing administrative costs, routine training and funding to retain the Coordinator position, craft and playschool and for an air screen to host outdoor cinemas for teenagers.	\$42,216	16-Jul-10	Campbell ACT 2612	Fraser
Family Support Funding Program	Parentline ACT	The project offers the opportunity for ADF parents to attend privately run Parent Effectiveness Training Courses run in the general community on a partially funded basis.	\$4,730	16-Jul-10	Canberra ACT 2600	Canberra
Family Support Funding Program	Gungahlin Defence Families Playgroup	Funding is to expand playgroup sessions to two per week.	\$4,997	16-Jul-10	Gungahlin ACT 2912	Fraser
Family Support Funding Program	Kissingpoint Cottage	The Cottage provides a venue for ADF families to interact on a regular basis. The group runs adult educational programs/courses, operates children's services, disseminates and distributes relevant information and provides internet/email/computer access where needed.	\$33,467	16-Jul-10	Dundas NSW 2117	Benninglong

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Shoalhaven Defence Families Association Inc. Nowra	Funding is to support the Association with administration and project costs to enable them to continue running activities such as craft, sewing group, playgroup, committee meetings and community education courses.	\$34,520	16-Jul-10	Nowra NSW 2540	Gilmore
Family Support Funding Program	Waratah Interest Group Inc. Liverpool	Funding is for services such as Coffee Craft and Chat, Kidzplay Playgroup and Little Learners Toy Library.	\$6,820	16-Jul-10	Hammondville NSW 2170	Hughes
Family Support Funding Program	Sisters of Charity Outreach	Provides a safe haven for families affected by domestic violence, early intervention and parenting programs.	\$3,366	16-Jul-10	Miller NSW 2168	Hughes
Family Support Funding Program	Anklebiters Playgroup Randwick	A Non-profit organisation which exists for the benefit of Defence families who are posted into the Eastern Suburbs of Sydney. Providing an ongoing support network for carers and their children.	\$2,516	16-Jul-10	Randwick NSW 2000	Kingsford-Smith
Family Support Funding Program	Defence Special Needs Support Group (Williamtown)	To provide support, advice, information and friendship to Defence families who have a family member with special needs. The group is run by a volunteer committee and offers regular contact with members through newsletters, phone calls, social outing and meetings.	\$1,030	16-Jul-10	Raymond Terrace NSW 2324	Paterson

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	RAAF Bases Williamtown Umbrella Support Group Inc. - Administration	The Umbrella Support Group is the parent body for the BUZZ newsletter and welcome baskets.	\$9,215	16-Jul-10	RAAF Base Williamtown NSW 2314	Paterson
Family Support Funding Program	Williamtown Playgroup	Socialisation for Defence kids. Routine costs for craft and toys.	\$973	16-Jul-10	Williamtown NSW 2314	Paterson
Family Support Funding Program	Williamtown Craft Group	Routine costs for craft and administration.	\$3,395	16-Jul-10	Williamtown NSW 2314	Paterson
Family Support Funding Program	Blamey Community Group	Provides support for Defence families in the Wagga district by hosting community events to encourage the formation of social support networks.	\$34,036	16-Jul-10	Kapooka NSW 2661	Riverina
Family Support Funding Program	RAAF Wagga Playgroup	Supports a large number of parents and young children (0-6) in the Wagga area.	\$4,072	16-Jul-10	Forest Hill NSW 2651	Riverina
Family Support Funding Program	Tindal Community Times	The Tindal Community Times is a newsletter that is distributed to all members and their families at RAAF Tindal. Funding is for a new photocopier.	\$27,751	16-Jul-10	RAAF Base Tindal NT 0853	Lingiari
Family Support Funding Program	Tindal Preschool Parent Group	Funding is for the purchase of a new playground structure to replace the existing structure at Tindal Preschool.	\$7,907	16-Jul-10	Tindal NT 0853	Lingiari

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Katherine Public Library	Funding is for costs associated with the library holding an additional story time each week to enable Defence families an opportunity to become an active member of the community.	\$12,133	16-Jul-10	Katherine NT 0851	Lingiari
Family Support Funding Program	YMCA of Katherine	The YMCA of Katherine is aiming to provide the youth of Tindal RAAF Base with a transport link to the local community as there is no local transport.	\$24,504	16-Jul-10	Katherine NT 0851	Lingiari
Family Support Funding Program	Billeroy Road Community Centre RAAF Base Darwin	The Billeroy Road Community Centre is located within the married quarters on RAAF Base Darwin. The Centre operates a number of successful programs seven days a week and is bidding to continue and expand these programs and club activities to meet the needs of increasing memberships.	\$30,130	16-Jul-10	RAAF Base Darwin NT 0820	Solomon
Family Support Funding Program	Larrakeyah Neighbourhood House	Funding is for catering costs for spouse morning teas, welcome BBQ's, kid's rights and replacement gates for the play area.	\$33,705	16-Jul-10	Larrakeyah NT 0820	Solomon
Family Support Funding Program	North Australia Area Family Support Committee Inc.	NAAFSC is the largest community group in Darwin spanning Coonawarra and Kids Force Early Learning Centre.	\$48,974	16-Jul-10	Winnellie Coonawarra NT 0820	Solomon

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Robertson Barracks Family Group Inc.	The family group enables new and existing members with similar interests to meet. Activities include a playgroup for 0-5 years, craft sessions for adults and new mothers and babies groups. This bid is for the administration of the community group.	\$37,686	16-Jul-10	Palmerston NT 0830	Solomon
Family Support Funding Program	The Top Ender Tri-Services Newsletter Inc.	Funding is for the continued publication of a bi-monthly Tri-Service newsletter which provides a valuable source of information on community, welfare, health, sporting and entertainment as well as covering a wide variety of topics relevant to both new arrivals and defence families living in Darwin.	\$66,352	16-Jul-10	Winnellie NT 0821	Solomon
Family Support Funding Program	Butterworth Support Group Malaysia	Funding is for administration costs in running the Butterworth Support Group. The group provides valuable resources, social networks, essential needs and support for members' families.	\$6,610	16-Jul-10	Australian Defence Forces O/S 2890	Overseas ACT
Family Support Funding Program	Port Moresby Australian Defence Families Club	Funding is for ADF families to undertake family support projects at the local level in order to assist in reducing the effects of mobility.	\$4,050	16-Jul-10	Australian Defence Forces O/S 2890	Overseas ACT

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Defence Groups in Gallipoli - Brisbane	All Defence groups and families in the Brisbane area use this central community centre. The community centre recognises that families need a supportive environment that they can relax in and be able to speak to other families in similar situations.	\$29,139	16-Jul-10	Enoggera QLD 4051	Brisbane
Family Support Funding Program	Pine Rivers Family Association Inc.	Funding is for costs associated with running the Association.	\$706	16-Jul-10	Strathpine QLD 4500	Dickson
Family Support Funding Program	Pine Rivers Neighbourhood Centre	This project is for a youth mentoring program developed in partnership with Barnados Australia offered through Pine Rivers Neighbourhood Centre.	\$3,933	16-Jul-10	Lawnton QLD 4501	Dickson
Family Support Funding Program	Kokoda Barracks Families Association - Canungra	The association provides an opportunity for Defence families to get together and participate in activities subsidised by the association.	\$3,550	16-Jul-10	Canungra QLD 4275	Forde
Family Support Funding Program	Toowoomba Defence Families Support Association Inc.	The project will benefit ADF families in the Toowoomba area directly by providing organised and affordable activities.	\$27,830	16-Jul-10	Toowoomba QLD 4350	Groom

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Tri-Service Defence Families Support Association Inc.	Tri-Service oversees the running of the community houses at Oakey and Cabarlah and employs a coordinator to administer and run the centre. Activities include playgroup, gross motor skills for toddlers, craft sessions and a Parent Access Visit program. The Association also produces the Bush Telegraph newsletter.	\$34,905	16-Jul-10	Oakey QLD 4401	Groom
Family Support Funding Program	Tropical North Family Centre Inc.	TNFC provides Defence families with facilities and a venue to carry out activities that the centre provides along with facilities that can be hired for a fee. Activities include playgroup, craft classes, meet and greets, morning teas, social activities and pilates. The centre is also used to host a number of seminars and meetings particularly aiding families who have members on deployment.	\$32,508	16-Jul-10	Garbutt QLD 4814	Herbert
Family Support Funding Program	Defence Community and Recreation Centre	The Centre coordinates special interest groups, recreational, educational and support groups for spouses and children. The group helps foster friendships and community spirit by providing new families with a venue to meet other Defence families for mutual support. They also produce/distribute the local Tropic Topics newsletter.	\$35,007	16-Jul-10	Manoora QLD 4870	Leichhardt

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Woodside Defence Families Association - Administration	Provide administrative support to the sub-groups and assisting with playgroup, craft and equipment for the community hall.	\$25,320	16-Jul-10	Inverbrackie SA 5244	Mayo
Family Support Funding Program	North East Defence Community	The NEDC provides spouses and families of Defence members with a meeting point for social events and a wide range of playgroup experiences in the north-eastern suburbs of Adelaide.	\$24,197	16-Jul-10	Mawson Lakes SA 5095	Adelaide
Family Support Funding Program	Dowsing Point Community Centre Inc.	The DPCC is the only ADF Community Centre in Tasmania serving 130 ADF families across the state. Activities and services offered are designed to respond to ADF Member identified needs, issues and interests including isolation, spouse employment, DHA housing policy, parenting support, social interaction for ADF children etc.	\$18,600	16-Jul-10	Dowsing Point TAS 7010	Denison
Family Support Funding Program	Cerberus Cottage Family and Friends Inc.	The association provides supports to Defence families on the Mornington Peninsula through a range of activities and support encompassing ADF members, their partners and children.	\$38,715	16-Jul-10	HMAS Cerberus VIC 3920	Flinders
Family Support Funding Program	East Sale Family Group	Provides various social and support groups for the Defence community at RAAF East Sale. The current program of activities include the production of the Base family newsletter "The Umbrella bi-monthly."	\$30,971	16-Jul-10	RAAF East Sale VIC 3850	Gippsland

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Sale Neighbourhood House	Provides parenting and self-development classes for Defence families.	\$5,500	16-Jul-10	RAAF East Sale VIC 3850	Gippsland
Family Support Funding Program	Bandiana Neighbourhood House Inc.	Provides quality childcare and craft activities for ADF spouses in the Albury Wodonga area.	\$32,498	16-Jul-10	Bandiana VIC 3694	Indi
Family Support Funding Program	NECANA Association Inc.	NECANA Association Inc. encourages an integrated approach to family support and provides the framework to facilitate the delivery of practical support. This support enables groups to work together in providing specialised services to meet the needs of Defence families.	\$35,985	16-Jul-10	Bandiana VIC 3694	Indi
Family Support Funding Program	Mactier Community Centre	The community centre provides a venue for groups to meet together to share knowledge, skills and information. The centre provides the Simpson's Voice newsletter for Defence families in the area.	\$42,330	16-Jul-10	Lower Plenty VIC 3093	Jaga Jaga
Family Support Funding Program	Defence Special Needs Support Group (National) Coordinators Conference	To support the National Coordinators Conference and administration of the Special Needs Group.	\$42,251	16-Jul-10	Point Cook VIC 3030	Lalor
Family Support Funding Program	Williams Defence Community House	To provide assistance with administration costs of the House, playgroup, craft group and production of the Defence newsletter.	\$56,902	16-Jul-10	Laverton VIC 3027	Lalor

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Puckapunyal & District Neighbourhood Centre Inc.	The centre provides a range of activities and programs that help to provide health and well being for the whole family. These include information technology, crafts, welcomes, trips, support referral, training and professional development.	\$39,283	16-Jul-10	Puckapunyal VIC 3662	McEwen
Family Support Funding Program	Puckapunyal Kindergarten Association Inc.	Licensed kindergarten program for children aged 3 and 4 years providing early childhood education for all local children.	\$34,826	16-Jul-10	Puckapunyal VIC 3662	McEwen
Family Support Funding Program	Marilla House Community Centre Inc.	The Community Centre provides a meeting place and a large range of activities for naval families in the Rockingham area.	\$34,005	16-Jul-10	Rockingham WA 6168	Brand
Family Support Funding Program	Karrakata Community House Inc.	The Community House provides short courses, workshops, crèche play group and Time Out Thursday for Defence families and their children in the Perth area.	\$28,913	16-Jul-10	Karrakatta WA 6010	Curtin
Family Support Funding Program	Special Air Service Regiment Auxiliary	The Auxiliary House provides a meeting place, playgroup, and social function venue for members. The project aims to provide a support network for existing and new partners and families of the SAS regiment.	\$11,015	16-Jul-10	Swanbourne WA 6010	Curtin
Family Support Funding Program	Pilbara Regiment Family Group	The Pilbara Regiment family group provides a point of contact, support and activities for all families living in this remote locality.	\$5,000	16-Jul-10	Karratha WA 6714	Kalgoorlie

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Pearce Community Toy Library and Social Group Inc.	Funding is for the purchase of new toys and other equipment.	\$6,308	16-Jul-10	Bullsbrook WA 6084	Pearce
SDSC Post Doctoral Fellowship	Strategic and Defence Studies Centre, The Australian National University, Canberra	To enable the development of future academics in the field of Australia's long-term strategic and defence challenges. (Multi-year grant)	\$555,970	11-Aug-10	ANU Canberra ACT 0200	Fraser
Army History Research Grants Scheme	Mr Phil Bradley	To undertake research to publish a book entitled: The Capture of Lae: September 1943.	\$7,000	10-Oct-10	Lennox Head NSW 2478	Richmond
Army History Research Grants Scheme	Dr Fred Cahir	To undertake research to publish a book and a scholarly article entitled: Devoted labour for the lost, the unknown but not forgotten dead - The Australian War Graves Workers.	\$3,800	10-Oct-10	Ballarat VIC 3353	Richmond
Army History Research Grants Scheme	Mr Lachlan Coleman	To undertake research to publish a book entitled: Champions of the Battlefield? The Australian Corps on the Western Front, 1918.	\$4,300	10-Oct-10	Prospect SA 5082	Adelaide
Army History Research Grants Scheme	Mr Craig Deayton	To undertake research to publish a book entitled: Magnum Opus: The Australian Experience in the Battle of Messines.	\$8,750	10-Oct-10	Geilston Bay TAS 7015	Franklin

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Army History Research Grants Scheme	Mr Andrew Kilsby	To undertake research to publish a book entitled: The Rifle Club Movement and Australian Defence 1860-1920.	\$4,400	10-Oct-10	Malvern East VIC 3145	Higgins
Army History Research Grants Scheme	LTCOL Sven Kuusk	To undertake research to publish a book entitled: Fang Fighters - Australian Army Dental Corps.	\$4,000	10-Oct-10	Linden Park SA 5065	Sturt
Army History Research Grants Scheme	Mr Graham McKenzie-Smith	To undertake research to publish a book entitled: The Unit Guide, the Australian Army 1939-1945. Part Four.	\$6,000	10-Oct-10	Mount Pleasant WA 6153	Tangney
Army History Research Grants Scheme	Mr Steven Paget	To undertake research to publish a book entitled: "Trustworthy Mateship and Reliable Partnership"? American, Australian and British Interoperability Since the Malayan Emergency.	\$7,500	10-Oct-10	ANU ACT 0200	Fraser
Army History Research Grants Scheme	Mr Aaron Pegram	To undertake research to publish a book entitled: Giving the game away: Australian prisoners, German Intelligence, and the war on the Western Front, 1916-1918.	\$4,000	10-Oct-10	Page ACT 2614	Fraser
Army History Research Grants Scheme	Dr Craig Stockings & Dr Eleanor Hancock	To undertake research to publish a book and a journal article entitled: A Promise Kept and a Country Lost: A critical and multi-national investigation of the Greek Campaign, 1941.	\$12,000	10-Oct-10	ADFA ACT 2600	Fraser
Army History Research Grants Scheme	Miss Meleah Ward	To undertake research to publish a book entitled: The Battles for Mouquet Farm, August - September 1916.	\$7,500	10-Oct-10	Rundle Mall SA 5000	Adelaide

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Army History Research Grants Scheme	Dr Graham Willett & Mr Yorrick Smaal	To undertake research to publish a scholarly journal article entitled: The Australians, the Americans and the 'homosexual problem' in New Guinea, 1943-1944.	\$5,750	10-Oct-10	Melbourne VIC 3010	Melbourne
Army History Research Grants Scheme	Dr Linda Young	To undertake research to publish a scholarly journal article entitled: Memory, Heritage and Collections: the significance of Australian Army museums.	\$4,000	10-Oct-10	Burwood VIC 3125	Chisholm
Family Support Funding Program	RAAF Wagga Community House	To provide activities that encourage socialisation and community integration for members of the tri-services posted to this region.	\$7,080	21-Mar-11	Forest Hill NSW 2651	Riverina
Family Support Funding Program	East Sale Family Group	The Group provides various social and support groups for the Defence community at RAAF East Sale. The current program of activities include the production of the Base family newsletter "The Umbrella" bi-monthly. (Seeding Grant)	\$7,094	21-Mar-11	RAAF East Sale 3852	Gippsland
Family Support Funding Program	Shoalhaven Defence Families Association Inc. Nowra	Funding is to support the Association with administration and project costs to enable them to continue running activities such as craft, sewing group, playgroup, committee meetings and community education courses. (Seeding Grant)	\$1,900	21-Mar-11	Nowra NSW 2540	Gilmore
Family Support Funding Program	Blamey Community Group	Provides support for Defence families in the Wagga district by hosting community events to encourage the formation of social support networks. (Seeding Grant)	\$10,785	21-Mar-11	Kapooka NSW 2661	Riverina

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Billeroy Road Community Centre RAAF Base Darwin	The Billeroy Road Community Centre is located within the married quarters on RAAF Base Darwin. The Centre operates a number of successful programs seven days a week and is bidding to continue and expand these programs and club activities to meet the needs. (Seeding Grant)	\$1,716	21-Mar-11	RAAF Base Darwin NT 0820	Solomon
Family Support Funding Program	Mactier Community Centre	The community centre provides a venue for groups to meet together to share knowledge, skills and information. The centre provides the Simpson's Voice newsletter for Defence families in the area. (Seeding Grant)	\$4,408	21-Mar-11	Lower Plenty VIC 3093	Jaga Jaga
Family Support Funding Program	Williams Defence Community House	To provide assistance with administration costs of the House, playgroup, craft group and production of the Defence newsletter. (Seeding Grant)	\$6,570	21-Mar-11	Laverton VIC 3027	Lalor
Family Support Funding Program	Marilla House Community Centre Inc.	The Community Centre provides a meeting place and a large range of activities for naval families in the Rockingham area. (Seeding Grant)	\$5,000	21-Mar-11	Rockingham WA 6168	Brand
Chartis Australia Insurance Limited	Chartis Australia Insurance Limited	Death and invalidity insurance coverage provided to ADF members for 12 months to ensure that currently deployed members and those with notice to deploy are covered for the duration of their deployment.	\$2,128,500	21-Mar-11	Docklands VIC 3008	Melbourne

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Research and Lessons Learned Program	Oxfam Australia	Grant for project: Better understanding of PoC language and Practice for Civil-Military Practitioners.	\$200,000	16-Jun-11	Carlton VIC 3053	Melbourne
Research and Lessons Learned Program	Lowy Institute	Grant for project: Privateers in Australia's Conflict and Disaster Zones	\$225,000	16-Jun-11	Sydney NSW 2000	Sydney
Research and Lessons Learned Program	The Royal Melbourne Institute of Technology (RMIT University)	Grant for project: The NGO-military interface in post-conflict and post-disaster contexts.	\$101,000	16-Jun-11	Melbourne VIC 3000	Melbourne
Research and Lessons Learned Program	Centre for Research and Security Studies, Islamabad (Pakistan)	Grant for project: Counterinsurgency Under Customary Law.	\$191,000	16-Jun-11	Islamabad, Pakistan	Overseas, ACT
Research and Lessons Learned Program	ANU Centre for International Governance and Justice	ANU ARC Linkage Research Project: Strengthening the Rule of Law through the United Nations Security Council (UNSC)	\$235,000	16-Jun-11	ANU Canberra ACT 0200	Fraser
Afghan National Army Trust Fund Contribution	Afghan National Army Trust Fund Contribution	Afghan National Army Trust Fund Contribution.	\$38,369,000.000	23-Jun-11	Afghanistan	Overseas ACT

Attachment B

Grants approved for the period 1 July 2011 to 10 November June 2011

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Kokoda Foundation Young leaders Strategic Program	Kokoda Foundation	For two weekend congresses of the Kokoda Foundation Young Strategic Leaders program.	\$30,000	1-Aug-11	Giralang ACT 2617	Fraser
IISS-Asia for holding the 2012 Shangri-La Dialogue	International Institute for Strategic Studies	The IISS 2012 Shangri-La Dialogue provides an opportunity for government members and the officials of regional states' defence establishments to exchange views on security in the region.	\$82,119	1-Aug-11	Overseas ACT 048619	Overseas ACT
Australian Member Committee of the Council for Security Cooperation in the Asia-Pacific (AUS-CSCAP)	Australian Member Committee of the Council for Security Cooperation in the Asia-Pacific (AUS-CSCAP)	To facilitate and promote dialogue on security issues in the Asia-Pacific. This grant is for administration and publication costs. (Multi-year Grant).	\$172,500	1-Aug-11	ANU Canberra ACT 0200	Fraser
Research and Lessons Learned Program	ANU School of Regulation Justice and Diplomacy	Grant for project: 'Effective rule of law promotion in civil-military interventions'.	\$292,000	26-Aug-11	ANU Canberra ACT 0200	Fraser

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Research and Lessons Learned Program	Australian Defence Force Academy/University of NSW	Grant for project: Anthropology, Counterinsurgency and Civil-Military Relations for Stabilisation, Peace-building and Conflict Prevention.	\$225,000	14-Sep-11	Campbell ACT 2600	Fraser
Indigenous Australians and Torres Strait Islanders Defence Service History Project	The ANU National Centre for Indigenous Studies	A grant to Professor Dodson, Chair of the ANU - National Centre for Indigenous Studies, is for research into the contribution made by Indigenous Australians in the Australian Defence Force.	\$300,000	23-Sep-11	ANU Canberra ACT 0200	Fraser
Army History Research Grants Scheme	Michael Brennan	To undertake research to publish a book entitled: Royal Australian Signals in East Timor 1999-2008.	\$7,500	29-Sep-11	Stirling WA 6021	Stirling
Army History Research Grants Scheme	Neville Browning	To undertake research to publish a book entitled: Fromelles to Peronne - History of the 31st Battalion AIF.	\$3,000	29-Sep-11	Huntingdale WA 6100	Hasluck

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Army History Research Grants Scheme	Margaret Clark	To undertake research to publish a book entitled: Their Triumphs and Their Trials - Carmichael's 1,000. A History of the 36th Battalion AIF.	\$2,000	29-Sep-11	Wingham NSW 2429	Lyne
Army History Research Grants Scheme	Peter Dean	To undertake research to publish a book entitled: US and Australian Militant Operations in New Guinea 1942-44.	\$13,000	29-Sep-11	Cremorne Point NSW 2090	Warringah
Army History Research Grants Scheme	Lachlan Grant	To undertake research to publish a book entitled: Pacific War Encounters - Rethinking Australian Soldiers Attitudes Towards Asia, Empire and Nation.	\$4,000	29-Sep-11	Melbourne VIC 3800	Melbourne
Army History Research Grants Scheme	Fiona Gill	To undertake research to publish a book entitled: Nashos: Memories of National Service 1951-1959.	\$5,000	29-Sep-11	Sydney NSW 2006	Sydney
Army History Research Grants Scheme	Kerry Highley	To undertake research to publish a book entitled: Arthur Graham Butler: the Forgotten Historian.	\$2,910	29-Sep-11	Kambah ACT 2902	Canberra

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Army History Research Grants Scheme	Ian Howie-Willis	To undertake research to publish a book entitled: An Unending War: The Australian Army's Continuing Campaign Against Malaria - from the Sudan to Afghanistan via Palestine, New Guinea and Vietnam.	\$5,000	29-Sep-11	Wanniassa ACT 2903	Canberra
Army History Research Grants Scheme	Mat McLachlan	To undertake research to publish a book entitled: 1918: The AIF's Decisive Year.	\$5,800	29-Sep-11	Manly NSW 2095	Warringah
Army History Research Grants Scheme	Tristan Moss	To undertake research to publish a book entitled: Australian Military Assistance to Papua New Guinea 1965-1990.	\$6,100	29-Sep-11	Lyneham ACT 2602	Fraser
Army History Research Grants Scheme	Gary Sheffield	To undertake research to publish a book entitled: Citizens Armies.	\$7,500	29-Sep-11	Wantage Oxon, UK	Overseas, ACT
Army History Research Grants Scheme	Matthew Smith	A Labour of Respect for our War Dead: Australian Grave Workers 1919-1921.	\$5,300	29-Sep-11	Sheldon QLD 4157	Bowman

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Army History Research Grants Scheme	Peter Stanley	Lost Boys of Anzac' - The Fate of the Advance Party at Gallipoli.	\$4,400	29-Sep-11	Dickson ACT 2602	Fraser
Family Support Funding Program	Duntroon Community Centre Inc.	The Centre provides a range of activities to support Defence families in the Canberra area. Funding is for salary for the coordinator, administrative costs for the effective running of the centre, book cleaning products, craft items, an intercom system, sporting equipment, training for the committee and a new shade structure.	\$40,483	12-Oct-11	Campbell ACT 2612	Canberra
Family Support Funding Program	Gungahlin Defence Families Playgroup	The GDFP provides a playgroup service specifically for defence families in the north and north west regions of Canberra, funding is for venue hire for the playgroup and postal costs.	\$2,190	12-Oct-11	Gungahlin ACT 2912	Fraser
Family Support Funding Program	Kissingpoint Cottage	Funding is for coordinator salaries, administrative costs for the effective running of the cottage, craft items and committee training.	\$35,018	12-Oct-11	Dundas NSW 2117	Bennelong

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Shoalhaven Defence Families Association Inc. Nowra	Funding is for coordinator salaries, advertising costs, administrative costs, audio visual equipment, books, craft items, bus trip to Canberra, toys, sporting equipment and first aid training.	\$32,420	12-Oct-11	Dundas NSW 2117	Gilmore
Family Support Funding Program	Waratah Interest Group Inc. - Liverpool	Funding is for child care costs, audit costs, administrative costs, audio visual equipment, computing equipment, craft, toys and first aid training.	\$8,081	12-Oct-11	Hammondville NSW 2170	Hughes
Family Support Funding Program	Anklebiters Playgroup - Randwick	Funding is for routine administrative costs, craft, books, toys, storage equipment and cleaning supplies.	\$3,123	12-Oct-11	Randwick NSW 2000	Kingsford-Smith

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	YMCA of Sydney Inc.	YMCA Raymond Terrace is a provider of community based services within the Williamtown district. This initiative will meet the needs of new and existing defence families providing connection and through fitness and healthy lifestyle programs facilitated through a Defence Support Liaison Officer.	\$31,460	12-Oct-11	Raymond Terrace NSW 2324	Hunter
Family Support Funding Program	RAAF Base Williamtown Umbrella Support Group Inc.	The Umbrella Support Group is the parent body for the BUZZ newsletter and the welcome baskets.	\$7,010	12-Oct-11	RAAF Base Williamtown NSW 2314	Paterson
Family Support Funding Program	The Family Action Centre - University of Newcastle	Funding is for coordinator salaries, advertising costs, audit costs and routine administration.	\$21,512	12-Oct-11	Newcastle NSW 2300	Paterson

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Williamtown Playgroup	The Playgroup runs a playgroup session twice a week for Defence families and around the RAAF Williamtown Base. Funding is for routine administrative costs, books, craft, nursery equipment and toys.	\$1,464	12-Oct-11	Williamtown NSW 2314	Paterson
Family Support Funding Program	Williamtown Craft Group	Provides a support group for spouses who have partners' way on courses, deployment or on exercises. Funding is for childcare, routine administrative costs, craft items, first aid training and toys.	\$3,250	12-Oct-11	Williamtown NSW 2314	Paterson
Family Support Funding Program	Blamey Community Group	Funding is for coordinator salaries, childcare, routine administrative costs and audio visual equipment.	\$43,425	12-Oct-11	Kapooka NSW 2661	Riverina

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Forest Hill Defence Community Group	Funding is for coordinator salaries, administration, audio visual equipment, computer equipment and first aid training.	\$34,940	12-Oct-11	Forest Hill NSW 2651	Riverina
Family Support Funding Program	Billeroy Road Community Centre RAAF Base Darwin	Funding is for coordinator salaries, routine administration costs, books, craft and first aid training.	\$27,010	12-Oct-11	RAAF Base Darwin NT 0820	Solomon
Family Support Funding Program	Larrakeyah Neighbourhood House	Funding is for coordinator salaries, administration costs, office equipment, furniture and training.	\$38,050	12-Oct-11	Larrakeyah NT 0820	Solomon
Family Support Funding Program	North Australia Area Family Support Committee Inc.	Funding is for coordinator salaries, routine administration costs, books, craft, first aid training, educational supplies and furniture.	\$45,085	12-Oct-11	Winnellie Coonawarra NT 0820	Solomon
Family Support Funding Program	Robertson Barracks	Funding is for coordinator salaries, administration costs, advertising, rent/venue hire, toys, furniture and craft supplies.	\$36,500	12-Oct-11	Palmerston NT 0830	Solomon

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	The Top Ender Tri Services Newsletter Inc.	Funding is for coordinator salaries, printing costs, computing equipment and stationary.	\$70,312	12-Oct-11	Winnellie NT 0821	Solomon
Family Support Funding Program	Butterworth Support Group Malaysia	Funding is for minor administration costs, craft items, sporting equipment and toys.	\$1,340	12-Oct-11	Australian Defence Forces O/S 2890	Overseas ACT
Family Support Funding Program	Pine Rivers Family Association Inc.	Funding is for minor administration costs for the running of the group.	\$512	12-Oct-11	Strathpine QLD 4500	Dickson
Family Support Funding Program	Pine Rivers Neighbourhood Centre	Funding is for coordinator salaries, minor administration costs, craft supplies and children amusements.	\$31,983	12-Oct-11	Lawnton QLD 4501	Dickson
Family Support Funding Program	Kokoda Barracks Families Association - Canungra	Funding is for minor administration costs, top up of craft, books, nursery equipment and toys.	\$3,400	12-Oct-11	Canungra QLD 4275	Forde
Family Support Funding Program	Toowoomba Defence Families Support Association Inc.	Funding is for coordinator salaries, routine administration costs, top up of toys, craft, first aid equipment and cleaning products.	\$27,750	12-Oct-11	Toowoomba QLD 4350	Groom

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Tri-Service Defence Families Support Association Inc.	Funding is for coordinator salaries, routine administration costs, top up of toys, craft, first aid equipment and cleaning products.	\$31,660	12-Oct-11	Toowoomba QLD 4350	Groom
Family Support Funding Program	Rangeville Scout Group - Toowoomba	Funding is for a canoe.	\$2,200	12-Oct-11	Toowoomba QLD 4350	Groom
Family Support Funding Program	Rangeville Scout Group - Toowoomba	Funding is for a canoe.	\$2,200	12-Oct-11	Toowoomba QLD 4350	Groom
Family Support Funding Program	Volunteering North Queensland Inc.	VNQ is a volunteer referral centre based in Townsville. It's core business is a referral service matching volunteers to volunteer positions with not for profit community organisations. Funding is for salaries, administration, computing equipment and educational supplies.	\$23,143	12-Oct-11	Townsville QLD 4814	Herbert

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Defence Community and Recreation Centre	Funding is for coordinator salaries, routine administration costs, educational supplies, first aid training, craft equipment and computer software.	\$34,326	12-Oct-11	Cairns QLD 4870	Leichhardt
Family Support Funding Program	Woodside Defence Families Association - Administration	Funding is for coordinator salaries, welcome baskets administration costs, furniture, toys and craft supplies.	\$25,170	12-Oct-11	Inverbrackie SA 5244	Mayo
Family Support Funding Program	North East Defence Community	Funding is for coordinator salaries, welcome baskets administration costs, furniture, toys and craft supplies.	\$33,336	12-Oct-11	Mawson Lakes SA 5095	Adelaide

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Good Beginnings Australia	GBA is a national charity that targets children, families and parents using early intervention strategies and practical parenting programs and support. The program will provide support and advice to parents and offer playgroups to Defence families. Funding is for salaries, administration and resource materials.	\$13,926	12-Oct-11	Adelaide SA 5112	Adelaide
Family Support Funding Program	Dowsing Point Community Centre Inc.	Funding is for coordinator salaries, routine administration costs, cleaning products and computer software.	\$20,080	12-Oct-11	Dowsing Point TAS 7010	Denison

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Cerberus Cottage Family and Friends Inc.	Funding is for coordinator salaries, administration, computing equipment, craft items, first aid training, toys and bus trip to Lake Mountain.	\$30,985	12-Oct-11	HMAS Cerberus VIC 3920	Flinders
Family Support Funding Program	East Sale Family Group	Funding is for coordinator salaries, administration costs, office equipment, first aid training, furniture and educational supplies.	\$30,311	12-Oct-11	HMAS Cerberus VIC 3920	Flinders
Family Support Funding Program	East Sale Kindergarten	Located inside the security gates of East Sale RAAF Base. It provides educational care for three and four year old children from Defence and civilian families. Funding is for toys and furniture.	\$2,118	12-Oct-11	RAAF East Sale VIC 3850	Gippsland
Family Support Funding Program	Bandiana Neighbourhood House Inc.	Funding is for coordinator salaries, administration costs, computer upgrade, training, educational supplies and craft.	\$47,619	12-Oct-11	Bandiana VIC 3694	Indi

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	NECANA Association Inc.	Funding is for coordinator salaries, administration, educational supplies and catering for pac-a-picnic.	\$36,277	12-Oct-11	Bandiana VIC 3694	Indi
Family Support Funding Program	Baranduda Community Centre	Funding is for educational supplies, books, advertising and stationery.	\$4,686	12-Oct-11	Baranduda VIC 3691	Indi
Family Support Funding Program	MacTier Community Centre	Funding is for coordinator salaries, administration, rent and venue hire, educational supplies, computing equipment and craft items.	\$51,965	12-Oct-11	Lower Plenty VIC 3093	Jaga Jaga
Family Support Funding Program	Defence Special Needs Support Group (DSNSG)	Funding is for coordinator salaries, administration, rent and venue hire, educational supplies, computing equipment and craft items.	\$42,790	12-Oct-11	Werribee VIC 3030	Lalor
Family Support Funding Program	Williams Defence Community House	Funding is for coordinator salaries, administration costs, shade structure, training and tuition of a range of activities conducted at the house.	\$49,472	12-Oct-11	Laverton VIC 3027	Lalor
Family Support Funding Program	Puckapunyal & District Neighbourhood Centre Inc.	Funding is for coordinator salaries, administration costs, kitchen upgrade, toys and craft.	\$39,102	12-Oct-11	Puckapunyal VIC 3662	McEwen

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Funding Location	Electorate
Family Support Funding Program	Puckapunyal Kindergarten Association Inc.	Funding is for coordinator salaries, administration, books, toys, craft and computing equipment.	\$38,445	12-Oct-11	Puckapunyal VIC 3662	McEwen
Family Support Funding Program	Marilla House Community Centre Inc.	Funding is for coordinator salaries, administration, shade structure, toys, sporting equipment and craft items.	\$33,085	12-Oct-11	Rockingham WA 6168	Brand
Family Support Funding Program	Karrakata Community House Inc.	Funding is for coordinator salaries, administration, craft, toys and educational supplies.	\$32,948	12-Oct-11	Mt Claremont WA 6010	Curtin
Family Support Funding Program	Special Air Service Regiment Auxiliary	Funding is for administration, educational supplies, craft items, nursery equipment and toys.	\$7,530	12-Oct-11	Swanbourne WA 6010	Curtin
Family Support Funding Program	Pilbara Regimental Family Group	Funding is for administration, furniture upgrade and educational supplies.	\$4,250	12-Oct-11	Karratha WA 6714	Kalgoorlie
Family Support Funding Program	Pearce Community Toy Library and Social Group Inc.	Funding is for toys, educational supplies and administration.	\$2,178	12-Oct-11	Bullsbrook WA 6084	Pearce

Attachment B

Grants approved for the period 1 July 2010 to 30 June 2011

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Afghan National Army Trust Fund Contribution	Afghan National Army Trust Fund Contribution	Afghan National Army Trust Fund Contribution.	\$38,692,000.000	1-Aug-11	Afghanistan	Overseas ACT	
Kokoda Foundation Young leaders Strategic Program	Kokoda Foundation	For two weekend congresses of the Kokoda Foundation Young Strategic Leaders program.	\$30,000	1-Aug-11	12 Months	Giralang ACT 2617	Fraser
IISS-Asia for holding the 2012 Shangri-La Dialogue	International Institute for Strategic Studies	The IISS 2012 Shangri-La Dialogue provides an opportunity for government members and the officials of regional states' defence establishments to exchange views on security in the region.	\$82,119	1-Aug-11	12 Months	Overseas ACT 048619	Overseas ACT

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Indigenous Australians and Torres Strait Islanders Defence Service History Project	The ANU National Centre for Indigenous Studies	A grant to Professor Dodson, Chair of the ANU - National Centre for Indigenous Studies, is for research into the contribution made by Indigenous Australians in the Australian Defence Force.	\$300,000	23-Sep-11	12 Months	ANU Canberra ACT 0200	Fraser
Army History Research Grants Scheme	Michael Brennan	To undertake research to publish a book entitled: Royal Australian Signals in East Timor 1999-2008.	\$7,500	29-Sep-11	12 Months	Stirling WA 6021	Stirling
Army History Research Grants Scheme	Neville Browning	To undertake research to publish a book entitled: Fromelles to Peronne - History of the 31st Battalion AIF.	\$3,000	29-Sep-11	12 Months	Huntingdale WA 6100	Hasluck

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Army History Research Grants Scheme	Margaret Clark	To undertake research to publish a book entitled: Their Triumphs and Their Trials - Carmichael's 1,000. A History of the 36th Battalion AIF.	\$2,000	29-Sep-11	12 Months	Wingham NSW 2429	Lyne
Army History Research Grants Scheme	Peter Dean	To undertake research to publish a book entitled: US and Australian Militant Operations in New Guinea 1942-44.	\$13,000	29-Sep-11	12 Months	Cremorne Point NSW 2090	Warringah
Army History Research Grants Scheme	Lachlan Grant	To undertake research to publish a book entitled: Pacific War Encounters - Rethinking Australian Soldiers Attitudes Towards Asia, Empire and Nation.	\$4,000	29-Sep-11	12 Months	Melbourne VIC 3800	Melbourne
Army History Research Grants Scheme	Fiona Gill	To undertake research to publish a book entitled: Nashos: Memories of National Service 1951-1959.	\$5,000	29-Sep-11	12 Months	Sydney NSW 2006	Sydney

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Army History Research Grants Scheme	Gary Sheffield	To undertake research to publish a book entitled: Citizens Armies.	\$7,500	29-Sep-11	12 Months	Wantage Oxon, UK	Overseas, ACT
Army History Research Grants Scheme	Matthew Smith	A Labour of Respect for our War Dead': Australian Grave Workers 1919-1921.	\$5,300	29-Sep-11	12 Months	Sheldon QLD 4157	Bowman
Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Army History Research Grants Scheme	Peter Stanley	Lost Boys of Anzac' - The Fate of the Advance Party at Gallipoli.	\$4,400	29-Sep-11	12 Months	Dickson ACT 2602	Fraser
Family Support Funding Program	Duntroon Community Centre Inc.	The Centre provides a range of activities to support Defence families in the Canberra area. Funding is for salary for the coordinator, administrative costs for the effective running of the centre, book cleaning products, craft items, an intercom system, sporting equipment, training for the committee and a new shade structure.	\$40,483	12-Oct-11	12 Months	Campbell ACT 2612	Canberra

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Gungahlin Defence Families Playgroup	The GDFFP provides a playgroup service specifically for defence families in the north and north west regions of Canberra, funding is for venue hire for the playgroup and postal costs.	\$2,190	12-Oct-11	12 Months	Gungahlin ACT 2912	Fraser
Family Support Funding Program	Kissingpoint Cottage	Funding is for coordinator salaries, administrative costs for the effective running of the cottage, craft items and committee training.	\$35,018	12-Oct-11	12 Months	Dundas NSW 2117	Benelong
Family Support Funding Program	Shoalhaven Defence Families Association Inc. Nowra	Funding is for coordinator salaries, advertising costs, administrative costs, audio visual equipment, books, craft items, bus trip to Canberra, toys, sporting equipment and first aid training.	\$32,420	12-Oct-11	12 Months	Dundas NSW 2117	Gilmore

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	YMCA of Sydney Inc.	<p>YMCA Raymond Terrace is a provider of community based services within the Williamtown district. This initiative will meet the needs of new and existing defence families providing connection and through fitness and healthy lifestyle programs facilitated through a Defence Support Liaison Officer.</p>	\$31,460	12-Oct-11	12 Months	Raymond Terrace NSW 2324	Hunter
Family Support Funding Program	RAAF Base Williamtown Umbrella Support Group Inc.	<p>The Umbrella Support Group is the parent body for the BUZZ newsletter and the welcome baskets.</p>	\$7,010	12-Oct-11	12 Months	RAAF Base Williamtown NSW 2314	Paterson

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Blamey Community Group	Funding is for coordinator salaries, childcare, routine administrative costs and audio visual equipment.	\$43,425	12-Oct-11	12 Months	Kapooka NSW 2661	Riverina
Family Support Funding Program	Forest Hill Defence Community Group	Funding is for coordinator salaries, administration, audio visual equipment, computer equipment and first aid training.	\$34,940	12-Oct-11	12 Months	Forest Hill NSW 2651	Riverina
Family Support Funding Program	Billeroy Road Community Centre RAAF Base Darwin	Funding is for coordinator salaries, routine administration costs, books, craft and first aid training.	\$27,010	12-Oct-11	12 Months	RAAF Base Darwin NT 0820	Solomon
Family Support Funding Program	Larrakeyah Neighbourhood House	Funding is for coordinator salaries, administration costs, office equipment, furniture and training.	\$38,050	12-Oct-11	12 Months	Larrakeyah NT 0820	Solomon
Family Support Funding Program	North Australia Area Family Support Committee Inc.	Funding is for coordinator salaries, routine administration costs, books, craft, first aid training, educational supplies and furniture.	\$45,085	12-Oct-11	12 Months	Winnellie Coonawarra NT 0820	Solomon

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Robertson Barracks	Funding is for coordinator salaries, administration costs, advertising, rent/venue hire, toys, furniture and craft supplies.	\$36,500	12-Oct-11	12 Months	Palmerston NT 0830	Solomon
Family Support Funding Program	The Top Ender Tri Services Newsletter Inc.	Funding is for coordinator salaries, printing costs, computing equipment and stationary.	\$70,312	12-Oct-11	12 Months	Winnellie NT 0821	Solomon
Family Support Funding Program	Butterworth Support Group Malaysia	Funding is for minor administration costs, craft items, sporting equipment and toys.	\$1,340	12-Oct-11	12 Months	Australian Defence Forces O/S 2890	Overseas ACT
Family Support Funding Program	Pine Rivers Family Association Inc.	Funding is for minor administration costs for the running of the group.	\$512	12-Oct-11	12 Months	Strathpine QLD 4500	Dickson
Family Support Funding Program	Pine Rivers Neighbourhood Centre	Funding is for coordinator salaries, minor administration costs, craft supplies and children amusements.	\$31,983	12-Oct-11	12 Months	Lawnton QLD 4501	Dickson

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Kokoda Barracks Families Association - Canungra	Funding is for minor administration costs, top up of craft, books, nursery equipment and toys.	\$3,400	12-Oct-11	12 Months	Canungra QLD 4275	Forde
Family Support Funding Program	Toowoomba Defence Families Support Association Inc.	Funding is for coordinator salaries, routine administration costs, top up of toys, craft, first aid equipment and cleaning products.	\$27,750	12-Oct-11	12 Months	Toowoomba QLD 4350	Groom
Family Support Funding Program	Tri-Service Defence Families Support Association Inc.	Funding is for coordinator salaries, routine administration costs, top up of toys, craft, first aid equipment and cleaning products.	\$31,660	12-Oct-11	12 Months	Toowoomba QLD 4350	Groom
Family Support Funding Program	Rangeville Scout Group - Toowoomba	Funding is for a canoe.	\$2,200	12-Oct-11	12 Months	Toowoomba QLD 4350	Groom
Family Support Funding Program	Rangeville Scout Group - Toowoomba	Funding is for a canoe.	\$2,200	12-Oct-11	12 Months	Toowoomba QLD 4350	Groom

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Volunteering North Queensland Inc.	VNQ is a volunteer referral centre based in Townsville. Its core business is a referral service matching volunteers to volunteer positions with not for profit community organisations. Funding is for salaries, administration, computing equipment and educational supplies.	\$23,143	12-Oct-11	12 Months	Townsville QLD 4814	Herbert

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Defence Community and Recreation Centre	Funding is for coordinator salaries, routine administrative costs, educational supplies, first aid training, craft equipment and computer software.	\$34,326	12-Oct-11	12 Months	Cairns QLD 4870	Leichhardt
Family Support Funding Program	Woodside Defence Families Association - Administration	Funding is for coordinator salaries, welcome baskets administration costs, furniture, toys and craft supplies.	\$25,170	12-Oct-11	12 Months	Inverbrackie SA 5244	Mayo

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	North East Defence Community	Funding is for coordinator salaries, welcome baskets administration costs, furniture, toys and craft supplies.	\$33,336	12-Oct-11	12 Months	Mawson Lakes SA 5095	Adelaide
Family Support Funding Program	Good Beginnings Australia	GBA is a national charity that targets children, families and parents using early intervention strategies and practical parenting programs and support. The program will provide support and advice to parents and offer playgroups to Defence families. Funding is for salaries, administration and resource materials.	\$13,926	12-Oct-11	12 Months	Adelaide SA 5112	Adelaide
Family Support Funding Program	Dowsing Point Community Centre Inc.	Funding is for coordinator salaries, routine administration costs, cleaning products and computer software.	\$20,080	12-Oct-11	12 Months	Dowsing Point TAS 7010	Denison

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Cerberus Cottage Family and Friends Inc.	Funding is for coordinator salaries, administration, computing equipment, craft items, first aid training, toys and bus trip to Lake Mountain.	\$30,985	12-Oct-11	12 Months	HMAS Cerberus VIC 3920	Flinders
Family Support Funding Program	East Sale Family Group	Funding is for coordinator salaries, administration costs, office equipment, first aid training, furniture and educational supplies.	\$30,311	12-Oct-11	12 Months	HMAS Cerberus VIC 3920	Flinders
Family Support Funding Program	East Sale Kindergarten	Located inside the security gates of East Sale RAAF Base. It provides educational care for three and four year old children from Defence and civilian families. Funding is for toys and furniture.	\$2,118	12-Oct-11	12 Months	RAAF East Sale VIC 3850	Gippsland

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Bandiana Neighbourhood House Inc.	Funding is for coordinator salaries, administration costs, computer upgrade, training, educational supplies and craft.	\$47,619	12-Oct-11	12 Months	Bandiana VIC 3694	Indi
Family Support Funding Program	NECANA Association Inc.	Funding is for coordinator salaries, administration, educational supplies and catering for picnic.	\$36,277	12-Oct-11	12 Months	Bandiana VIC 3694	Indi
Family Support Funding Program	Baranduda Community Centre	Funding is for educational supplies, books, advertising and stationery.	\$4,686	12-Oct-11	12 Months	Baranduda VIC 3691	Indi
Family Support Funding Program	Mactier Community Centre	Funding is for coordinator salaries, administration, rent and venue hire, educational supplies, computing equipment and craft items.	\$51,965	12-Oct-11	12 Months	Lower Plenty VIC 3093	Jaga Jaga
Family Support Funding Program	Defence Special Needs Support Group (DSNSG)	Funding is for coordinator salaries, administration, rent and venue hire, educational supplies, computing equipment and craft items.	\$42,790	12-Oct-11	12 Months	Werribee VIC 3030	Lalor

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Williams Defence Community House	Funding is for coordinator salaries, administration costs, shade structure, training and tuition of a range of activities conducted at the house.	\$49,472	12-Oct-11	12 Months	Laverton VIC 3027	Lalor
Family Support Funding Program	Puckapunyal & District Neighbourhood Centre Inc.	Funding is for coordinator salaries, administration costs, kitchen upgrade, toys and craft.	\$39,102	12-Oct-11	12 Months	Puckapunyal VIC 3662	McEwen
Family Support Funding Program	Puckapunyal Kindergarten Association Inc.	Funding is for coordinator salaries, administration, books, toys, craft and computing equipment.	\$38,445	12-Oct-11	12 Months	Puckapunyal VIC 3662	McEwen
Family Support Funding Program	Marilla House Community Centre Inc.	Funding is for coordinator salaries, administration, shade structure, toys, sporting equipment and craft items.	\$33,085	12-Oct-11	12 Months	Rockingham WA 6168	Brand

Program Title	Recipient	Purpose	Total Grant Value (GST Inc.)	Approval date	Grant Term	Grant Funding Location	Electorate
Family Support Funding Program	Karrakata Community House Inc.	Funding is for coordinator salaries, administration, craft, toys and educational supplies.	\$32,948	12-Oct-11	12 Months	Mt Claremont WA 6010	Curtin
Family Support Funding Program	Special Air Service Regiment Auxiliary	Funding is for administration, educational supplies, craft items, nursery equipment and toys.	\$7,530	12-Oct-11	12 Months	Swanbourne WA 6010	Curtin
Family Support Funding Program	Pilbara Regimental Family Group	Funding is for administration, furniture upgrade and educational supplies.	\$4,250	12-Oct-11	12 Months	Karratha WA 6714	Kalgoorlie
Family Support Funding Program	Pearce Community Toy Library and Social Group Inc.	Funding is for toys, educational supplies and administration.	\$2,178	12-Oct-11	12 Months	Bullsbrook WA 6084	Pearce

Q143 - Commissioned Reports

Senator Eggleston provided in writing.

- (a) How many Reports have been commissioned by the Government in your portfolio for the year 2010-11? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.
- (b) How much did each report cost?
- (c) How many departmental staff were involved in each report and at what level?
- (d) What is the current status of each report?
- (e) When is the Government intending to respond to these reports?
- (f) How many Reports have been commissioned by the Government in your portfolio FYTD? Please provide details of each report including date commissioned, date report handed to Government, date of public release, Terms of Reference and Committee members.
- (g) How much did each report cost/or is estimated to cost?
- (h) How many departmental staff were involved in each report and at what level?
- (i) What is the current status of each report?
- (j) When is the Government intending to respond to these reports?

Response:

(a) The Government has commissioned a number of reviews in the 2010-11 financial year. Those reviews will deliver reports on their outcomes on completion and are addressed in the October 2011 Supplementary Budget Estimates question on notice regarding 'Reviews' in Defence. In addition to those there has been one report commissioned by the Government in the Defence portfolio in the 2010-11 financial year. The details are as follows:

In March 2003 the Foreign Affairs, Defence and Trade References Committee recommended that the Senate request the Auditor-General to produce an annual report on the progress of major Defence projects detailing cost, time and technical performance data for each project. The Foreign Affairs, Defence and Trade References Committee recommended that the report be modelled on the United Kingdom National Audit Office annual Major Projects Report ordered by the British House of Commons and produced by the United Kingdom Comptroller and Auditor-General. The Senate supported these recommendations.

In August 2006, the Joint Committee Public Accounts and Audit (JCPAA) supported the development and submission of an annual Major Capital Equipment Projects Report to Parliament. The content of this report was jointly proposed by the Defence Materiel Organisation (DMO) and Australian National Audit Office (ANAO) and accepted by the JCPAA. The endorsement and implementation of the DMO Major Projects Report (MPR) fulfils the Government's commitment to 'task and resource the ANAO to undertake independent evaluations of DMO's Top 30 Major Capital Equipment projects on an annual basis'.

The resultant DMO MPR provides an enhanced level of transparency on the status of its largest acquisition projects (by total budget) in terms of cost, schedule, capability

and emerging trends. The increased detail and data trend analysis in the report provides a significant information resource and reaffirms a Government commitment to make itself and the DMO openly transparent and accountable to the Australian public.

- The DMO 2010-11 MPR reported on 28 projects (including the previous 22) – and is expected to be Tabled in Parliament late November 2011.

(b) The 2010-11 MPR cost approximately \$3.4m.

(c) A core team of five DMO staff are involved in managing the annual MPR Program. Notwithstanding, numerous staff from various DMO corporate and executive areas, and project line management are involved at various stages throughout each year's MPR Program:

- The 2010-11 MPR had up to 100 staff involved.

(d) The DMO 2010-11 MPR expected to be Tabled in Parliament late November 2011.

(e) Following its Tabling in Parliament, the JCPAA reviews each DMO MPR. Recommendations made by the JCPAA are considered by the DMO, with a response developed in consultation with the ANAO, and appropriately cleared through the Minister.

(f) None. The DMO 2011-12 MPR is not commissioned until a formal Section 20 agreement is signed between the Auditor-General and Chief Executive Officer Defence Materiel Organisation.

(g), (h), (i), (j) N/A

Q144 - Government Payment of Accounts

Senator Eggleston provided in writing.

(a) For the year 2010-11, did the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached).

(b) For accounts not paid within 30 days, was interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?

(c) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

(d) For the FYTD, has the department/agency paid its accounts to contractors/consultants etc in accordance with Government policy in terms of time for payment (i.e. within 30 days)? If not, why not, and what has been the timeframe for payment of accounts? Please provide a breakdown, average statistics etc as appropriate to give insight into how this issue is being approached.)

(e) For accounts not paid within 30 days, is interest being paid on overdue amounts and if so how much has been paid by the portfolio/department agency for the current financial year and the previous financial year?

(f) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

Response:

(a) Defence (excluding DMO) monitors on time payments to suppliers at an aggregate level. This will include payments made to consultants and contractors. In financial year 2010 -11, Defence made 1,910,906 payments to suppliers and 95% of these payments were made on time. This exceeds the 90% on time payment performance expectation contained in the Department of Innovation, Industry, Science and Research (DIISR) Survey of Australian Government Payments to Small Business.

The Defence Materiel Organisation (DMO) monitors on time payments to suppliers at an aggregate level. This will include payments made to consultants and contractors. In financial year 2010 -11, the DMO made 402,710 payments to suppliers and 96% of these payments were made on time. This exceeds the 90% on time payment performance expectation contained in the DIISR Survey of Australian Government Payments to Small Business.

(b) Defence (excluding DMO) was not requested to pay interest on overdue payments and paid no interest for the 2010/11 Financial Year.

The DMO paid \$2,955.96 interest on late payments for the period 1 July 2011 to 16 November 2011 and in financial year 2010 -11 paid \$20,869.88.

(c) Interest is paid in accordance with the rate and methodology advised in the Department of Finance and Deregulation Finance Circular No 2008/10.

For the DMO the interest rate was determined in one instance in accordance with the contract which specified the Australian Taxation Office general interest rate charge and in the other instance in accordance with the rate and methodology advised in the Department of Finance and Deregulation Finance Circular No 2008/10.

(d) Defence (excluding DMO) monitors on time payments to suppliers at an aggregate level. This will include payments made to consultants and contractors. From 1 July 2011 to 31 October 2011, Defence has made 692,036 payments to suppliers. 94% of these payments were made on time.

The DMO monitors on time payments to suppliers at an aggregate level. This will include payments made to consultants and contractors. From 1 July 2011 to 31 October 2011, DMO made 144,951 payments to suppliers. 97% of these payments were made on time.

(e) Defence (excluding DMO) has not been requested to pay interest on overdue payments and has paid no interest for the 2011/12 Financial Year to date.

For the DMO please see the response to (b) above.

(f) For both Defence and the DMO, please see the response to (c) above.

Q145 - Government Stationery Requirements

Senator Eggleston provided in writing:

(a) How much was spent by each department and agency on the government (Ministers/Parliamentary Secretaries) stationery requirements in your portfolio (i.e. paper, envelopes, with compliments slips) in 2010-11? (b) What is the estimated cost for 2011-12?

Response:

(a) For the financial year 2010-11, the total stationery cost borne by the Department on behalf of the Ministers and Parliamentary Secretary was \$11,310.90 GST inclusive.

(b) The Department anticipates that stationery expenditure for financial year 2011-12 by the Ministers' and Parliamentary Secretary is expected to be similar to expenditure in financial year 2010-11.

Q146 - Media Subscriptions

Senator Eggleston provided in writing:

- (a) Does your department or agencies within your portfolio subscribe to pay TV (for example Foxtel)?
- (b) If yes, please provide the reason why, the cost and what channels.
- (c) What was the cost for 2010-11?
- (d) What is the estimated cost for 2011-12?
- (e) Does your department or agencies within your portfolio subscribe to newspapers?
- (f) If yes, please provide the reason why, the cost and what newspapers.
- (g) What was the cost for 2010-11?
- (h) What is the estimated cost for 2011-12?
- (i) Does your department or agencies within your portfolio subscribe to magazines?
- (j) If yes, please provide the reason why, the cost and what magazines.
- (k) What was the cost for 2010-11?
- (l) What is the estimated cost for 2011-12?

Response:

(a) through (c); (e) through (g); and (i) through (k). Responses to these questions are contained in the response to Question on Notice 55 from the 30-31 May Estimates hearings.

(d) The total estimated cost of pay TV subscriptions is in the order of \$429,601 for the 2011-12 financial year.

(h) The total estimated cost of newspaper subscriptions is in the order \$365,427 for the 2011-12 financial year.

(l) The estimated total costs of magazine subscriptions is in the order of \$524,774 in the financial year 2011-12.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Senate Supplementary Estimates, 19 October 2011

Questions Taken on Notice

Q147 - Travel Costs - Ministers

Senator Eggleston provided in writing the following question:

(a) For the year 2010-11, please detail all travel (itemised separately,) undertaken by your portfolio Minister and Parliamentary Secretaries. Include details of what the travel was for, what cost was spent on travel (including travel type – i.e. business airfare), accommodation, security, food, beverages (alcohol listed separately), gifts, entertainment, and all other expenses. (b) For the year 2010-11, please provide the same information (itemised separately) for any Minister and Parliamentary staff that accompanied the Minister and Parliamentary Secretary on their travel and include a similar breakdown of the costs incurred by or on behalf of those staff. (c) For the year 2010-11, please provide the same information (itemised separately) for Departmental officers that accompanied the Minister and Parliamentary Secretary on their travel and include a similar breakdown of the costs incurred by or on behalf of those staff. (d) For the FYTD, please detail all travel (itemised separately) undertaken by your portfolio Minister and Parliamentary Secretaries. Include details of what the travel was for, what cost was spent on travel (including travel type – i.e. business airfare), accommodation, security, food, beverages (alcohol listed separately), gifts, entertainment, and all other expenses. (e) For the FYTD, please provide the same information (itemised separately) for any Minister and Parliamentary staff that accompanied the Minister and Parliamentary Secretary on their travel and include a similar breakdown of the costs incurred by or on behalf of those staff. (f) For the FYTD, please provide the same information (itemised separately) for Departmental officers that accompanied the Minister and Parliamentary Secretary on their travel and include a similar breakdown of the costs incurred by or on behalf of those staff.

Response:

(a), (b), and (c) Details of travel costs expensed by the Department for all official travel undertaken by the Ministers, the Parliamentary Secretary, and accompanying departmental officers for the year 2010-11, have been provided in responses to Questions on Notice 494-496 (Senate Hansard, 15 June 2011, p.139) and 770-772 (Senate Hansard, 20 September 2011, p.84), and Budget Estimates hearings of 30-31 May 2011, Questions on Notice Q56 and Q94.

The costs of all other travel undertaken by the Ministers and Parliamentary Secretary are paid for by the Department of Finance and Deregulation (DoFD). These costs are tabled in the Parliament every six months in a report titled 'Parliamentarians' Travel'. These reports also include dates, destination and purpose for the travel and are published to the DoFD website.

The costs of all official travel by accompanying *Members of Parliament Act (Staff) 1984* employees to the Ministers and Parliamentary Secretary are paid for by the Department of Finance and Deregulation (DoFD). These costs are tabled in the Parliament every six months in a report titled 'Parliamentarians' Travel'. These reports also include dates, destination and purpose for the travel and are published to the DoFD website.

(d), (e) and (f) **Annex 1** provides details of costs (GST exclusive) that have been expensed by the Department for official overseas travel undertaken by the Ministers, Parliamentary Secretary and accompanying departmental staff for financial year-to-date. It also includes ministerial expenses that are directly related to the Defence portfolio, such as, official gifts and hospitality provided by the Ministers and Parliamentary Secretary. There are no security costs included as either the host government or the Australian Defence Force provided security and separate costings are not available. **Annex 2** provides details of total costs (GST exclusive) of travel undertaken by departmental staff employed in each Ministerial office for financial year-to-date. Departmental staff includes departmental liaison officers and Aides-de-Camps. The travel costs detailed cover the period 1 July 2011 to 30 September 2011.

The costs of all official travel by accompanying *Members of Parliament Act (Staff) 1984* employees to the Ministers and Parliamentary Secretary are paid for by the Department of Finance and Deregulation (DoFD). These costs are tabled in the Parliament every six months in a report titled 'Parliamentarians' Travel'. These reports also include dates, destination and purpose for the travel and are published to the DoFD website.

Q148 - Travel Costs - Department

Senator Eggleston provided in writing:

(a) For the year 2010-11, please detail all travel (itemised separately) undertaken by employees of each department and agency within each portfolio. Include details of what the travel was for, what cost was spent on travel (including travel type – i.e. business airfare), accommodation, security, food, beverages (alcohol listed separately), gifts, entertainment, and all other expenses. (b) For the year FYTD, please detail all travel (itemised separately) undertaken by employees of each department and agency within each portfolio. Include details of what the travel was for, what cost was spent on travel (including travel type – i.e. business airfare), accommodation, security, food, beverages (alcohol listed separately), gifts, entertainment, and all other expenses.

Response:

(a) For financial year 2010-11, the Department of Defence (Defence), including the Defence Materiel Organisation (DMO) spent approximately \$428 million (exclusive of GST) on travel related expenses. This figure covers the entire Department of Defence workforce; APS employees, full time ADF members and ADF Reservists. The figure does not include charter aircraft used for deployments and exercises.

The Defence/DMO travel program is very large and complex and it is not possible to provide data broken down at the level requested as it is not captured or maintained at this level. Defence/DMO undertake in excess of 200,000 domestic trips each year and has over 1.5 million individual transactions made through our travel card program. Trips may be made using commercial means (air, car hire, rail etc), service vehicles or in some cases private vehicles and Defence/DMO do not have a single data source that identifies each trip undertaken for central reporting.

(b) For financial year 2011-12, as at end of October 2011, Defence, including DMO, has spent approximately \$140 million (exclusive of GST) on travel related expenses. This figure does not include charter aircraft used for deployments and exercises.

Q149 - Legal Costs

Senator Eggleston provided in writing.

- (a) What sum did each portfolio department and agency spend on legal services for the year 2010-11 within the department and agency? Please provide a list of each service and costs.
- (b) What sum did each portfolio department and agency spend on legal services for the year 2010-11 from the Australian Government Solicitor? Please provide a list of each service and costs.
- (c) What sum did each portfolio department and agency spend on legal services for the year 2010-11 from private firms? Please provide a list of each service and costs.
- (d) What sum did each portfolio department and agency spend on legal services for the year 2010-11 from other sources? Please provide a list of each service and costs.
- (e) What sum did each portfolio department and agency spend on legal services FYTD within the department and agency? Please provide a list of each service and costs.
- (f) What sum did each portfolio department and agency spend on legal services FYTD from the Australian Government Solicitor? Please provide a list of each service and costs.
- (g) What sum did each portfolio department and agency spend on legal services FYTD from private firms? Please provide a list of each service and costs.
- (h) What sum did each portfolio department and agency spend on legal services FYTD from other sources? Please provide a list of each service and costs.

Response:

(a) The Department (excluding DMO) spent \$61,792,686.93 (GST inclusive) in FY 2010-11 as at 30 June 2011. This figure is broken down as follows:

- | | |
|------------------------|-----------------|
| • Internal Expenditure | \$37,911,944.35 |
| • External Expenditure | \$23,880,752.58 |

The Defence Materiel Organisation's legal expenditure (GST exclusive) for the FY 2010-2011 was \$15,079,407.99. This figure is broken down as follows:

- | | |
|------------------------|------------------|
| • Internal Expenditure | \$2,410,225.46 |
| • External Expenditure | \$12,669,181.26, |

consisting of:

- Professional Fees - \$11,960,217.00
- Disbursements - \$569,405.35

▪ Briefs to Counsel - \$139,558.91

(b) The Department (excluding DMO) spent \$5,539,640.65 on legal services from the Australian Government Solicitor in FY 2010-11 as at 30 June 2011. These services were:

Advice in relation to litigation	\$2,334,599.81
Advice on other legal matters	\$3,205,040.84

Tied legal work accounted for 48% of this expenditure.

In the FY 2010-2011, the Defence Materiel Organisation purchased \$1,652,696.09 in legal services from the Australian Government Solicitor.

(c) The Department (excluding DMO) spent \$18,341,101.93 on legal services from private firms in the FY 2010-11, as at 30 June 2011. Listing every matter that this expenditure relates to is not practical due to the large volume of individual transactions. AusTender provides details of all new matters raised during the year and the value of the commitment, but it does not list the value of the expenditure. In the tables below, the expenditure has been broken down into litigation services and other legal matters and then further refined by the panel the work was assigned to.

Advice in relation to litigation \$3,516,427.98

Commercial, including contract, acquisitions and PPP	Blake Dawson	\$ 18,074.14
	Clayton Utz	\$1,547,791.72
	DLA Piper	\$ 2,822.20
	Norton Rose	\$ 34,409.76
Dispute Resolution	DLA Piper	\$ 163,381.46
	Minter Ellison	\$ 39,473.00
Employment and Industrial Relations	Blake Dawson	\$ 47,782.00
	Clayton Utz	\$ 836.00
	DLA Piper	\$ 18,012.50
	Maddocks	\$ 63,929.38
	Minter Ellison	\$ 6,405.08
	Sparke Helmore	\$ 874.73
Environment, Heritage and Indigenous	Clayton Utz	\$ 6,248.00
Finance including Private Finance	DLA Piper	\$ 45,331.10
	Minter Ellison	\$ 1,620.74
Government and Administrative, including Privacy and		

FOI	Blake Dawson	\$ 177,542.20
	Clayton Utz	\$ 123,959.85
	DLA Piper	\$ 154,586.50
	Minter Ellison	\$ 29,259.65
Negligence and other common law claims	Blake Dawson	\$ 32,595.15
	Clayton Utz	\$ 57,836.20
	DLA Piper	\$ 143,600.02
	Minter Ellison	\$ 20,597.50
	HWL Ebsworth	\$ 2,494.47
Non-Panel	Attorney General's	\$ 35,359.69
	Mallesons Stephen Jaques	\$ 299,535.82
LACE	DLA Piper	\$ 2,945.80
	Minter Ellison	\$ 35,604.72
	Australian Government Solicitor	\$ 256,508.71
	De Silva Hebron	\$ 27,850.00
	HWL Ebsworth	\$ 5,000.00
	Fisher Dore Lawyers	\$ 8,930.00
	Anderson Telford Lawyers	\$ 6,600.00
	Kamy Saeedi Lawyers	\$ 47,487.00
	Ken Cush & Associates	\$ 7,040.00
	Pappas, J. – Attorney	\$ 4,367.00
	Stephen G Sewell	\$ 3,905.20
Strategic Commercial	Clayton Utz	\$ 15,989.60
	Blake Dawson	\$ 19,841.09

Advice on other legal matters

\$14,824,673.95

Commercial, including contract, acquisitions and PPP	Blake Dawson	\$2,104,960.95
	Clayton Utz	\$4,939,937.04
	DLA Piper	\$ 427,477.29
	Minter Ellison	\$1,221,827.25
	Norton Rose	\$ 422,981.94
	Sparke Helmore	\$ 491,497.52
Construction Engineering and Infrastructure	Allens Arthur Robinson	\$ 48,951.98
	Blake Dawson	\$ 109,229.74
	Clayton Utz	\$ 34,419.00
	Minter Ellison	\$ 5,841.00
Dispute Resolution	Clayton Utz	\$ 26,542.96
	DLA Piper	\$ 124,400.02
Employment and Industrial Relations	Blake Dawson	\$ 186,230.11
	Clayton Utz	\$ 181,535.62

	DLA Piper	\$ 52,046.40
	Maddocks	\$ 13,052.66
	Minter Ellison	\$ 172,750.66
	Sparke Helmore	\$ 53,821.38
Environment, Heritage and Indigenous	Clayton Utz	\$ 251,971.24
	Allens Arthur Robinson	\$ 25,957.50
	Blake Dawson	\$ 23,952.78
	DLA Piper	\$ 108,311.02
	Minter Ellison	\$ 132,873.75
	Norton Rose	\$ 7,233.64
Finance, including Private Finance	DLA Piper	\$ 4,544.10
	Minter Ellison	\$ 8,605.74
	Blake Dawson	\$ 5,387.80
Government and Administrative, including Privacy and FOI	Blake Dawson	\$ 145,445.97
	Clayton Utz	\$ 278,925.35
	Dibbs Barker	\$ 14,033.21
	DLA Piper	\$ 551,193.21
	Minter Ellison	\$ 7,697.67
	Sparke Helmore	\$ 4,373.54
Intellectual Property	DLA Piper	\$ 15,254.80
	Clayton Utz	\$ 22,390.95
	Minter Ellison	\$ 53,758.03
Negligence and other common law claims	Blake Dawson	\$ 21,221.28
	Clayton Utz	\$ 5,544.33
	DLA Piper	\$ 73,507.87
	Minter Ellison	\$ 60,920.75
	HWL Ebsworth	\$ 2,536.93
Defence Force Advocate	R Kenzie QC	\$ 173,421.00
Non- Panel	Mallesons Stephen Jaques	\$ 7,821.66
	DLA Piper	\$ 40,124.45
	Robert Cornall	\$ 12,807.70
	Attorney Generals department	\$ 2,872.06
Property, Leasing, Land Planning and Disposals	Clayton Utz	\$ 322,923.07
	Minter Ellison	\$ 210,831.10
	Blake Dawson	\$ 431,629.35
	DLA Piper	\$ 307,330.36
	Norton Rose	\$ 131,748.49
	Sparke Helmore	\$ 36,231.93
Technology and Communications	Blake Dawson	\$ 5,198.60

	Clayton Utz	\$ 309,736.90
	Sparke Helmore	\$ 143,969.43
	Allens Arthur Robinson	\$ 5,572.34
	DLA Piper	\$ 249,520.13
	Minter Ellison	\$ 11,011.68

In the FY 2010-2011, the Defence Materiel Organisation purchased legal services from the following firms:

- Allens Arthur Robinson - \$762,634.47
- Australian Government Solicitor - \$1,652,696.09
- Blake Dawson - \$2,953,060.77
- Clayton Utz - \$1,041,449.10
- DLA Piper (previously DLA Phillips Fox) - \$1,801,419.22
- Minter Ellison - \$1,761,097.79
- Norton Rose - \$523,839.88
- Sparke Helmore - \$1,436,024.85

(d) In the FY 2010-2011, the Defence Materiel Organisation purchased the following legal services from other sources:

- Multimedia – Online Intellectual Property Training Course - \$19,195.00
- Mallesons Stephens Jaques – Independent RFT Review - \$8,800

(e) The Department of Defence's (excluding DMO) legal expenditure (GST inclusive) for the FY 2011-12 as at 31 October 2011 is \$23,204,887.01. This figure is broken down as follows:

- Internal Expenditure \$13,060,687.04
- External Expenditure \$10,144,199.97

The Defence Materiel Organisation's legal expenditure (GST exclusive) for the FY 2011-2012 as at 31 October 2011 is \$3,974,738.90. This figure is broken down as follows:

- Internal Expenditure \$763,984.00
- External Expenditure \$3,210,754.90

consisting of:

- Professional Fees - \$3,168,543.11
- Disbursements - \$42,211.79
- Briefs to Counsel - \$0.00

(f) The Department (excluding DMO) has spent approximately \$1,907,980.97 on legal services from the Australian Government Solicitor in FY 2011-12 as at 31 October 2011. These services were:

Advice in relation to litigation	\$ 565,182.34
Advice on other legal matters	\$1,342,798.63

Tied legal work accounted for 47% of this expenditure.

In the FY 2011-2012, as at 31 October 2011, the Defence Materiel Organisation purchased \$383,987.60 in legal services from the Australian Government Solicitor.

(g) The Department (excluding DMO) has spent approximately \$8,236,219.00 on legal services from private firms in FY 2011-12 as at 31 October 2011. Listing every matter that this expenditure relates to is not practical due to the large volume of individual transactions. AusTender provides details of all new matters raised during the year and the value of the commitment, but it does not list the value of the expenditure. In the tables below, the expenditure has been broken down into litigation services and other legal matters and then further refined by the panel the work was assigned to.

Advice in relation to litigation \$1,267,565.97

Commercial, including contract, acquisitions and PPP	Clayton Utz	\$ 568,259.27
	Norton Rose	\$ 57,368.74
Dispute Resolution	DLA Piper	\$ 18,279.55
	Minter Ellison	\$ 24,028.84
Employment and Industrial Relations	Blake Dawson	\$ 55,233.77
	DLA Piper	\$ 10,131.78
	Maddocks	\$ 41,873.97
	Minter Ellison	\$ 9,407.88
	Sparke Helmore	\$ 164,422.21
Finance including Private Finance	Minter Ellison	\$ 398.09
Government and Administrative, including Privacy and FOI	Clayton Utz	\$ 38,059.82
	DLA Piper	\$ 1,041.15
	Minter Ellison	\$ 13,198.13
Negligence and other common law claims	Clayton Utz	\$ 10,475.76
	DLA Piper	\$ 50,802.57
	Minter Ellison	\$ 16,042.20
	HWL Ebsworth	\$ 186.12

Non-Panel	Mallesons Stephen Jaques	\$ 77,200.00
Property, Leasing, Land Planning and Disposals	Blake Dawson	\$ 10,476.40
LACE	Kamy Saeedi Lawyers	\$ 2,756.60
Non Panel – DFDAT	John Harris SC	\$ 12,353.21
Non Panel – CIVCAS	Kennedys	\$ 11,583.39
	Middletons Lawyers	\$ 59,986.52
	David Mclure	\$ 11,550.00
	K Wolahan	\$ 14,000.00

Advice on other legal matters

\$6,968,853.03

Commercial, including contract, acquisitions and PPP	Blake Dawson	\$ 836,647.26
	Clayton Utz	\$1,430,111.88
	DLA Piper	\$ 105,977.50
	Minter Ellison	\$ 387,413.03
	Norton Rose	\$ 30,271.46
	Sparke Helmore	\$ 274,597.79
Construction Engineering and Infrastructure	Allens Arthur Robinson	\$ 12,695.64
	Clayton Utz	\$ 38,627.60
	Minter Ellison	\$ 22,133.32
Corporate Law and Governance	DLA Piper	\$ 19,027.80
Employment and Industrial Relations	Blake Dawson	\$ 74,799.19
	Clayton Utz	\$ 9,815.30
	DLA Piper	\$ 34,090.76
	Maddocks	\$ 3,916.44
	Minter Ellison	\$ 36,793.74
	Sparke Helmore	\$ 14,808.50
Environment, Heritage and Indigenous	Clayton Utz	\$ 23,582.46
	Allens Arthur Robinson	\$ -1,368.00
	DLA Piper	\$ 10,316.10
	Minter Ellison	\$ 16,905.53
	Norton Rose	\$ 3,220.11
Finance, including Private Finance	Minter Ellison	\$ 504.46
Government and Administrative, including Privacy and FOI	Blake Dawson	\$ 18,506.90
	Clayton Utz	\$ 6,733.10
	DLA Piper	\$2,213,906.28

	Sparke Helmore	\$ 175,476.35
Intellectual Property	Allens Arthur Robinson	\$ 4,021.57
	Clayton Utz	\$ 37.40
Negligence and other common law claims	Clayton Utz	\$ 16,176.60
	DLA Piper	\$ 11,930.70
Defence Force Advocate	R Kenzie QC	\$ 62,823.25
Non- Panel	Mallesons Stephen Jaques	\$ 34,883.08
	Attorney Generals Department	\$ 22,337.22
	Kamy Saeedi Lawyers	\$ 25,523.20
	Paul Smith	\$ 3,500.00
	Tony Hargreaves Lawyers	\$ 11,585.04
Property, Leasing, Land Planning and Disposals	Clayton Utz	\$ 166,450.02
	Minter Ellison	\$ 22,689.58
	Blake Dawson	\$ 171,189.75
	DLA Piper	\$ 27,630.63
	Norton Rose	\$ 24,737.81
	Sparke Helmore	\$ 8,639.84
Technology and Communications	Blake Dawson	\$ 8,530.12
	Clayton Utz	\$ 282,547.29
	Sparke Helmore	\$ 72,566.52
	DLA Piper	\$ 181,059.74

In the FY 2011-2012, the Defence Materiel Organisation purchased legal services from the following firms:

- Allens Arthur Robinson - \$138,100.39
- Australian Government Solicitor - \$383,987.60
- Blake Dawson - \$872,029.14
- Clayton Utz - \$353,025.00
- DLA Piper (previously DLA Phillips Fox) - \$561,242.34
- Minter Ellison - \$394,861.91
- Norton Rose - \$72,823.42
- Sparke Helmore - \$428,810.15

(h) In the FY 2011-2012, as at 31 October 2011, the Defence Materiel Organisation purchased the following legal services from other sources:

- Thomas Cooper Law (UK) – In-Country Assistance with ‘Largs Bay’ Procurement - \$5,874.95

Q150 - Education Expenses

Senator Eggleston provided in writing:

(a) For the year 2010-11, detail all education expenses (i.e. in house courses and tertiary studies) for each portfolio department and agency. Include what type of course, the total cost, cost per participant, how many participants and the amount of study leave granted to each participant. (b) For the FYTD, detail all education expenses (i.e. in house courses and tertiary studies) for each portfolio department and agency. Include what type of course, the total cost, cost per participant, how many participants and the amount of study leave granted to each participant.

Response:

Within a reasonable application of resources, Defence is unable to detail all education expenses, including the type of course, cost and number of participants for workforce development achieved through experiential learning and formal education and training.

Defence's financial management system does not support true cost attribution that would be necessary to provide this information, nor do enterprise management systems record every separate course attended by a Defence member and the number of participants.

While the vast majority of education and training provided to Defence members is designed and delivered in-house, most of the fixed and variable costs of doing so are not uniquely captured and are generally reflected in the operating budget of the Defence element responsible for the delivery of the education and training.

However, Defence does capture the cost of education and training activities appropriated as Supplier Expenses (e.g. training and development that is procured). In FY 2010-11 this amounted to \$319.6m of procured education and training services. This figure included \$105m in related travel. Expenditure on the Australian Defence Force Academy contract with the University of New South Wales amounted to over \$50m.

Procured military related training, which includes flight and submarine training, amounted to \$93m of expenditure. Spend on non-military training came to \$43m, which includes that expended at Universities and Technical and Further Education institutions. This last figure also includes funds managed by the Groups and Services to provide education and training to meet their specific needs and that expended by authorities responsible for the deployment of Defence-wide business policies and processes.

Attendance by Defence personnel at conferences and seminars accounted for \$8m in expenditure; information and technology training and development \$2m.

Defence spent \$64m to 31 October 2011 on procured education and training services.

Q151 - Executive Coaching and Leadership Training

Senator Eggleston provided in writing .

- (a) In relation to the purchase of executive coaching and/or other leadership training services purchased by each portfolio department and agency, please provide the following information for the year 2010-11:
 - (i) Total spending on these services;
 - (ii) The number of employees offered these services and their employment classification;
 - (iii) The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted; and
 - (iv) The names of all service providers engaged.
- (b) For each service purchased from a provider listed under (iv), please provide:
 - (i) The name and nature of the service purchased;
 - (ii) Whether the service is one-on-one or group based;
 - (iii) The number of employees who received the service and their employment classification;
 - (iv) The total number of hours involved for all employees; and
 - (v) The total amount spent on the service.
 - (vi) A description of the fees charged (i.e. per hour, complete package).
- (c) Where a service was provided at any location other than the department or agency's own premises, please provide:
 - (i) The location used;
 - (ii) The number of employees who took part on each occasion;
 - (iii) The total number of hours involved for all employees who took part; and
 - (iv) Any costs the department or agency's incurred to use the location.
- (d) In relation to the purchase of executive coaching and/or other leadership training services purchased by each portfolio department and agency, please provide the following information FYTD:
 - (i) Total spending on these services;
 - (ii) The number of employees offered these services and their employment classification;
 - (iii) The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted; and
 - (iv) The names of all service providers engaged.
- (e) For each service purchased from a provider listed under (iv), please provide:
 - (i) The name and nature of the service purchased;
 - (ii) Whether the service is one-on-one or group based;
 - (iii) The number of employees who received the service and their employment classification;
 - (iv) The total number of hours involved for all employees;
 - (v) The total amount spent on the service; and
 - (vi) A description of the fees charged (i.e. per hour, complete package).
- (f) Where a service was provided at any location other than the department or agency's own premises, please provide:
 - (i) The location used;
 - (ii) The number of employees who took part on each occasion;

- (iii) The total number of hours involved for all employees who took part; and
- (iv) Any costs the department or agency's incurred to use the location.

Response:

(a) to (f). Given the time available to respond to this question, and within a reasonable application of resources, Defence is unable to detail all executive coaching and leadership training expenses.

Defence's information management systems do not permit the cost attribution that would be required to provide this information. These systems do not record each separate coaching session or leadership course attended by a Defence member or employee and the number of participants.

Some senior executive level coaching is provided at a corporate level, however, the majority of executive level development, including coaching, is managed at Group, Division and Branch level. Defence is unable to capture the number of employees who were offered this type of development as it is often offered to employees as part of the applicable performance assessment discussion process with their supervisors/managers or as circumstances reveal a need.

Within the time given, Defence can provide a limited amount of information in response to the questions. For example, in FY 10/11 Defence has spent approximately \$1.2m on procured coaching and leadership training, with 381 employees from EL1 to SES 2 utilising these programs. The number of hours for each employee varies according to need and program requirements and can range from one hour for Group based to 7 hours for one-on-one coaching.

The Australian Public Service Commission, Centre for Public Management, the Australian Institute of Company Directors and Yellow Edge are some of the providers used across the Department to provide coaching and leadership training. This list is not comprehensive.

Q152 - Paid Parental leave

Senator Eggleston provided in writing:

- (a) Please list how many staff in each portfolio department and agency are eligible to receive payments under the Government's Paid Parental Leave scheme?
- (b) For the year 2010-11 list which portfolio department and agencies are providing its employees with payments under the Government's Paid Parental Leave scheme? (c) Please list how many staff are in receipt of these payments.
- (d) For the FYTD list which portfolio department and agencies are providing its employees with payments under the Government's Paid Parental Leave scheme? (e) Please list how many staff are in receipt of these payments.

Response:

- (a) All military and civilian Defence personnel are able to apply for assistance under the Government's Paid Parental Leave scheme if they meet the eligibility criteria set out in the *Paid Parental Leave Act 2010*.
- (b) In FY2010-11 the provision of such payments to Defence personnel was administered by The Family Assistance Office. Accordingly, Defence does not have the necessary information to respond to this question.
- (c) See answer to (b).
- (d) The Department of Defence provides these payments to Defence APS employees and ADF members who are new claimants where the Family Assistance Office has requested the Department of Defence take on the paymaster role for the claimant.
- (e) There are 17 civilian employees and 2 military members receiving payments from Defence through Defence's payroll system. More Defence personnel may be in receipt of payments directly from the Family Assistance Office.

Q153 - Training for Portfolio Minister and Parliamentary Secretaries

Senator Eggleston provided the following question in writing:

- (a) How much is spent on training for Ministers and Parliamentary Secretaries in your portfolio?
- (b) Itemise each training, cost and for which Minister and/or Parliamentary Secretary the training was for.

Response:

(a-b) The Department of Defence has not funded or paid for any training to be undertaken by the Defence portfolio Ministers and Parliamentary Secretary for the period 1 July 2010 to 31 October 2011 inclusive.

Q154 - Corporate Cars

Senator Eggleston provided in writing

- (a) How many cars are owned by each department and agency in your portfolio?
- (b) Where is the car/s located?
- (c) What is the car/s used for?
- (d) What is the cost of each car for 2010-11?
- (e) How far did each car travel in 2010-11?

Response:

(a) Defence has an owned fleet of approximately 6,200 commercial vehicles and trailers, including approximately 2,459 cars [sedans, station wagons and buses (people movers to 14 seats)].

Within Defence, the Executive Vehicle Scheme (EVS) provides eligible employees (Senior Executive Service / Military Star ranked) as part of their remuneration package an Executive Vehicle Allowance (EVA) or access to a private plated Commonwealth vehicle fitted with State/Territory registration plates. This is consistent policy across all Commonwealth Government agencies.

(b) The vehicles are located throughout Australia and overseas (Singapore and Malaysia) as follows:

- Australian Capital Territory: 214;
- New South Wales: 794;
- Northern Territory: 168;
- Queensland: 505;
- South Australia: 140;
- Tasmania: 36;
- Victoria: 420;
- Western Australia: 157;
- Singapore: 7; and
- Malaysia 18.

(c) These cars are used to meet departmental administrative requirements.

(d) The net cost of owning the approximately 2,459 cars during FY10/11 (excluding fuel) was \$11.94m (when averaged across all vehicles, this is \$4,856 per vehicle).

673 cars were acquired during FY10/11 at a cost of \$20.659m, whilst 715 cars were disposed of, generating revenue of \$12.281m. Operating costs for the Defence Commercial Vehicle Fleet (excluding fuel) in FY10/11 were \$8.980m with \$3.562m being attributed against the car fleet.

The 2,459 cars identified all use Unleaded Petrol (ULP). In FY10/11, the Joint Fuels and Lubricants Agency purchased \$4.577m of ULP, equating to approximately 3.813 million litres. This is approximately \$1861.00 on fuel per vehicle:

(e) A complete data set the distance travelled for 2010-11 is not available and would be unable to be confirmed within the time available to respond to this Question on Notice. Average utilisation across a sample of 1,945 cars over the entire vehicle life was 15,102hm per annum per vehicle.

See revised answer

Q155 - Taxi Costs

Senator Eggleston provided in writing:

(a) How much did each department/agency spend on taxis in 2010-11? (b) Provide a breakdown of each business group in each department/agency

Response:

- (a) For financial year 2010-11, the Department of Defence spend Australia wide for taxi use was approximately \$15 million including approximately \$2 million for Defence Materiel Organisation.
- (b) The Defence travel program is very large and complex. To provide the level of detail as requested would represent an unreasonable diversion of resources as taxi travel data is not captured or maintained at such a level in Defence's financial system.

Q156 - Credit Cards

Senator Eggleston provided in writing:

(a) How many staff in each department and agency have a corporate credit card? (b) What is their classification? (c) What action is taken if the corporate credit card is misused? (d) How is corporate credit card use monitored? (e) What happens if misuse of a corporate credit card is discovered? (f) Have any instances of corporate credit card misuse have been discovered? List staff classification and what the misuse was, and the action taken. (g) What action is taken to prevent corporate credit card misuse?

Response:

(a)

Department of Defence

56,136 Defence Travel Card (DTC)

6,150 Defence Purchasing Card (DPC)

62,286 Total

Defence Materiel Organisation

7,283 Defence Travel Card (DTC)

541 Defence Purchasing Card (DPC)

7,824 Total

(b)

There is a broad range of classifications. The DTC and DPC are issued to Australian Public Servants and Military personnel who are required to either undertake travel or procure items on behalf of the Commonwealth.

(c)

It is mandatory in Defence for suspected misuse of a corporate credit card to be reported to a Defence Investigative Authority (DIA) for investigation.

For Australian Defence Force (ADF) personnel, there are three options available for dealing with misuse of corporate credit cards, depending on the circumstances such as, the seriousness and criminality involved in the matter. The three options are: administrative action for low level matters by the chain of command; investigation by the Service Police under the Defence Force Discipline Act 1982; or, for more serious cases, referral for prosecution under the civilian criminal law.

Misuse of a corporate credit card involving Australian Public Service (APS) employees are dealt with under code of conduct provisions within the Public Service Act 1999. Serious matters that warrant criminal prosecution are dealt with under criminal law as well as the PS Act 1999.

For ADF personnel, administrative or disciplinary action may include counselling, reprimands, loss of pay, rank, privileges or seniority, a term of Military imprisonment and administrative discharge from the Service. For APS personnel, misconduct administrative action may include counselling, reprimands, fines, reduction in salary or classification or termination of employment.

In all cases, if a debt to the Commonwealth is identified, Defence makes every effort to recover the debt in full.

(d)

Corporate credit card transactions are monitored by card providers, account holders, supervisors, resource and governance areas, cost centre managers, Corporate Card Support Centre staff and the Inspector General of Defence.

Each day's transactional information is available to be viewed by all stakeholders via the card management system the next business day. The Corporate Card Support Centre also reviews a percentage of daily transactions to identify any unusual trends.

The Inspector General of Defence regularly monitors all corporate credit card activity to identify potentially suspicious transactions. If suspicious transactions are found, an explanation is sought from the relevant manager.

Additionally, the DTC and DPC corporate card providers notify Defence of any unusual spending or merchant activity that they detect.

(e)

Refer to the answer for question (c) above.

(f)

In Financial Year 2010-11, there were 57 Defence Travel Card (DTC) and 4 Defence Purchasing Card (DTC) investigations finalised with an assessed loss of just over \$90,000. This equates to less than 0.015% of fraud on a total spend of \$597 million comprising 1.8 million individual transactions.

Refer to table noting that the assessed loss differs from the value of the outcomes in the table because, in certain circumstances, Defence has been unable to identify the person/s responsible for the alleged misuse.

(g)

In addition to the monitoring mechanisms described in (d) above, Defence has a number of other mechanisms in place to guard against credit card misuse. These include: delegate approval and funds availability sign off prior to the commitment of Commonwealth monies; set credit card limits; a two step process (involving both the card-holder and supervisor) for acquittal of expenditure that includes the provision of expenditure documentation to the supervisor; and monthly monitoring and reporting by Group Finance Officers.

LIST OF ACTIONS TAKEN BY RANK/LEVEL AGAINST DEFENCE PERSONNEL FOR CORPORATE CREDIT CARD MISUSE

Rank/Level	Value	Jurisdiction	Outcome
Ex - Sub-lieutenant	\$810	Criminal	Misuse discovered after discharge – criminal prosecution not warranted.
Leading Seaman	\$2,306	Administrative action	Member's card stolen and misused by persons unknown. No charges preferred.
Leading Seaman	\$10,555	DFDA	Loss of seniority of 12 months, dismissal from the ADF and imprisonment for 3 months with 1 month to serve and a \$2000 recognisance order.
Leading Seaman	\$169	Administrative action	Member counselled.
Able Seaman	\$1,828	DFDA	35 days detention and forfeiture of one year seniority.
Able Seaman	\$1705	Administrative action	Member's card lost and fraudulently used by other persons. No charges preferred.
Able Seaman	\$303	Administrative action	Member's card stolen and misused by persons unknown. No charges preferred.
Submariner	\$7,140	DFDA	Dismissed from the ADF.
Petty Officer	\$1,000	Administrative action	Member counselled.
Chief Petty Officer	\$20	Administrative action	Member counselled.
Sergeant (Army)	\$2,671	DFDA	Fine of \$1,267 and loss of seniority.
Major	\$3,060	Administrative Action	Use deemed improper but not for personal gain. No further action taken.

Rank/Level	Value	Jurisdiction	Outcome
Major	\$1,942	Administrative action	Member's card stolen during break in and misused by persons unknown. No charges preferred.
Corporal (Army)	\$1,183	DFDA	28 days detention.
Corporal (Army)	\$2,500	DFDA	Fined 13 days pay and loss of seniority.
Colonel	\$1,653	Administrative action	Member counselled.
Private	\$750	DFDA	5 days restriction of privileges.
Captain (Army)	\$1,500	Administrative action	Deemed accidental – No further action
Captain (Army)	\$275	Administrative action	Member counselled.
Private	\$4,383	DFDA	Severe reprimand and fine of \$1300.
Lance Corporal	\$205	Administrative action	Member counselled.
Lieutenant (Army)	\$382	Administrative action	Member counselled.
Leading Aircraftsman	\$2,800	DFDA	8 days detention (suspended) and forfeiture of seniority in the rank.
Flight Lieutenant	\$310	Administrative action	Member counselled.
Corporal (Air Force)	\$240	DFDA	Reprimand.
Corporal (Air Force)	\$3,700	Administrative action	Member's card stolen during break in and misused by persons unknown. No charges preferred.
Wing Commander	\$1,000	Administrative action	Member's card stolen and misused by persons unknown. No charges preferred.
Executive Level 2	\$1,000	Code of Conduct	Formal warning.

Rank/Level	Value	Jurisdiction	Outcome
Executive Level 1	\$567	Code of Conduct	Resigned prior to completion of Code of Conduct.
Executive Level 1	\$429	Code of Conduct	Reprimand and salary reduction.
APS 6	\$2,081	Code of Conduct	Severe reprimand.
APS 6	\$1,457	Code of Conduct	Formal warning.
APS 4	\$775	Code of Conduct	Fine of \$250 and a reprimand.
APS 2	\$614	Code of Conduct	Employee resigned.
APS 2	\$1,834	Criminal	Convicted in the criminal courts; given a good behaviour bond for a period of 18 months.
External Civilian	\$3,236	Criminal	Stolen DTC – Reparation Orders issued pursuant to Crimes Act 1914 - of \$2186.36, plus a fine of \$2500.

Q157 - Carbon Tax Legislation

Senator Eggleston provided in writing:

- (a) How was your department/agency consulted in the development of the carbon price package?
- (b) Is the carbon price package consistent with all of the policies in your department/agency?

Response:

(a) The Department of Climate Change and Energy Efficiency (DCCEE) has advised that the Department of Defence was not consulted on the development of the carbon price package because Defence was not considered to have policy responsibility for matters which are affected by the carbon price package, nor for implementing measures under the Clean Energy Future Plan. The DCCEE has also advised that it will consult with Defence if issues emerge which the DCCEE consider to be an area of responsibility for Defence which require consultation between the two agencies.

(b) Defence has in place robust environmental management strategies, with every effort made to reduce Defence's carbon footprint through waste avoidance and efficiency measures. All Groups and Services have responsibility for managing energy and climate matters as they relate to their functional responsibilities. This is demonstrated through the development of the Defence Environmental Strategic Plan 2010-2014, which all Groups and Services participated in and endorsed. The Plan reinforces existing doctrine that resource efficiency is a priority for all ADF activities. The Plan also highlights that Defence needs to account for climate change in the management and operation of the Estate.

Defence will ensure all policies and strategies are consistent with the new legislation.

Q158 - Communications

Senator Eggleston provided in writing:

How many communications people are there in each of your departments and agencies. List their classification, position description, services they provide to Ministers and/or Parliamentary Secretaries and any guidelines they must adhere to.

Response:

The number of Defence military and public service staff, by classification level and position, who deliver communication support provided in Senate Question on Notice 761-763 (published on 22 August 2011) remains extant. Their duties include media engagement, advertising and marketing, training, event management, production of Service newspapers and the collection, preparation and distribution of publicly releasable imagery and information.

The staff provide the same service and adhere to the same guidelines expected of all Commonwealth employees including the Public Service Act 1999; and for military members, the Defence Force Discipline Act 1982.

Q159 - Submarines – Scope and Cost of Work - Mast

Senator Johnston provided in writing.

The Department of Defence was charged \$7.14M for Engineering Change Proposal work and Design Cost associated with the change out of a High Data Rate Mast. Please provide a detailed description of the scope of work involved in this activity.

Response:

The response to this question is also addressed in the response provided in QN11-000260 (Q66) and Q49.

The ASC scope of work for the mast required an initial design, including concept design and development of system design specifications. This scope required ASC to deliver a system design report; a detailed design summary report; implementation and trials work package; and, an integrated logistics support update package.

Associated mast installation work involved removing the previous radar mast and radar; designing-in new mast raising equipment with a new OE-562 high data rate antenna; and, relocating the navigation light.

Q160 - Private Aid Companies in Afghanistan

Senator Rhiannon asked on Wednesday, 19 October 2011, Hansard pages 49-50:

(a) What is the Australian Government's attitude to private Australian companies administering aid in countries where the Defence Force is operating? (b) Provide a list of the companies, countries they operate in and the relationship.

Response:

(a) The Australian Defence Force does not have portfolio responsibility for administering contracts with private Australian companies delivering aid in foreign countries. These companies can and do operate independently of an Australian Defence Force presence overseas. Defence is unable to provide a response, but understands that the question has also been directed to AusAID.

(b) The Australian Defence Force does not hold a record of this information, which falls outside of Defence's portfolio responsibilities. Defence is unable to provide a response, but understands that the question has also been directed to AusAID.