



**Stephen Smith MP
Minister for Defence**



Senator Alan Eggleston
Deputy Chair
Senate Standing Committee on Foreign Affairs,
Defence and Trade's Legislation Committee
Parliament House
CANBERRA ACT 2600

- 6 JUN 2013

Alan
Dear Senator Eggleston

I write to correct the response to written Question on Notice Number 71 concerning travel costs, taken following the Senate Standing Committee on Foreign Affairs Defence and Trade's Legislation Committee Supplementary Budget Estimates hearing of 17 October 2012.

In answer to your Question to detail all travel for Departmental officers that accompanied the Ministers and/or Parliamentary Secretary on their travel, the travel costs for Senator Feeney's trip from 12 to 24 July 2012 to the United States and France included costs incurred by Assistant Secretary Pacific and East Timor, Mr Tyson Sara.

The answer was based on incorrect advice provided by the Department of Defence.

The correct answer should not have included Mr Sara's costs for the above trip, as he did not accompany Senator Feeney. Any similarities in their visit programs were coincidental. The figures in Annex 1 of the attached response now reflect this change and are as follows:

- (i) Travel - \$15,932.57
- (ii) Accommodation - \$3,108.94
- (iii) Other - \$2,286.90

I take very seriously the provision of incorrect information to Parliament. I have again asked the Secretary of the Department of Defence to reinforce with all concerned the need to be accurate with the provision of information to Parliament.

Yours sincerely

Best Wishes

Stephen Smith
Encl

Senate Standing Committee on Foreign Affairs, Defence and Trade

QUESTIONS ON NOTICE – COMMITTEES

Senate Supplementary Budget Estimates Hearing - 17 October 2012

Q71: Travel Costs

Senator Eggleston provided in writing.

(a) For the financial year to date, please detail all travel for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).

(b) For the financial year to date, please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).

(c) Are the Government's Lowest Practical Fare travel policy for Domestic Air Travel (Finance Circular No. 2009/10) and Best Fare of the Day for International Air Travel (Finance Circular No. 2009/11) guidelines being followed? How is the department/agency following the advice? How is this monitored? If the guidelines are not being followed, please explain why.

(d) Are lounge memberships provided to any employees? If yes, what lounge memberships, to how many employees and their classification, the reason for the provision of lounge membership and the total costs of the lounge memberships.

(e) When SES employees travel, do any support or administrative staff (such as an Executive Assistant) travel with them? If yes, provide details of why such a staff member is needed and the costs of the support staff travel.

(f) For 2011-12, please detail all travel for Departmental officers that accompanied the Minister and/or Parliamentary Secretary on their travel. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).

(g) For 2011-12, please detail all travel for Departmental officers. Please include a total cost plus a breakdown that include airfares (and type of airfare), accommodation, meals and other travel expenses (such as incidentals).

Response:

- (a) **Annex 1** provides details of costs (GST exclusive) that have been expensed for the period 1 June to 30 September 2012 by the Department for official overseas travel undertaken in support of the Ministers and Parliamentary Secretaries. This information is correct as at 30 September 2012.

Annex 2 provides details of costs (GST exclusive) that have been expensed for the period 1 June to 30 September 2012 for domestic travel undertaken by the Aides-de-Camp and Departmental Liaison Officers in support of the Ministers and Parliamentary Secretaries. This information is correct as 30 September 2012.

The cost of all other travel undertaken by Ministers and Parliamentary Secretaries are paid for by the Department of Finance and Deregulation. 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.

- (b) and (g)

For financial year to date, as at 31 October 2012, Defence, including the Defence Materiel Organisation (DMO), has spent approximately \$117 million (exclusive of GST) on travel related expenses. For financial year 2011-2012, Defence, including DMO, spent approximately \$459 million (exclusive of GST) on travel related expenses. These figures represent the entire Department of Defence workforce; APS employees, full time Australian Defence Force (ADF) members and ADF Reservists and encompasses business, training, operational, removal and condition of service leave associated travel. The figure does not represent charter aircraft used for deployments and exercises.

The Defence 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 undertakes 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 does not have a single data source that identifies each trip undertaken for central reporting.

- (c) Defence complies with Government's use of lowest practical fare for official domestic air travel policy and use of the best fare of the day for official International air travel policy. To assist agencies monitor compliance to these government policies, the Department of Finance and Deregulation (Finance) established Whole-of- Government reason codes that each traveller must select when making a domestic and international airline booking with their travel management company. The reason codes were updated by the Department of Finance and Deregulation for domestic air travel with effect 1 July 2012 and for international travel, with effect 1 October 2012. The revised reason codes are:

- Lowest fare taken
- Unsuitable due to time routing, connection or baggage charges

- Approval / Entitlement to travel at higher fare class (e.g. business class or premium economy)
- Health issues
- Personal responsibilities
- Require flexibility to change booking
- Outside Lowest Practical Fare/International Best Fare of the Day Policy

Defence's travel management company, QBT, provides Defence with a consolidated reason code report as part of its quarterly suite of reports.

- (d) Some Defence employees have airline lounge membership funded by Defence where it provides value for money outcomes to Defence. Approval must be given by an authorised financial delegate who considers a number of factors including: the business benefits of having access to lounges (e.g. ability to work whilst travelling), frequency of travel by the individual, free availability of some lounges, travel destinations and the traveller's personal circumstances. Members of the Senior Executive Service (SES) and Star ranked officers retain an entitlement to lounge membership through their workplace agreement.

It is not possible to provide accurate data on the number of Defence employees who have lounge membership funded by Defence. Payment is by various means (Defence Travel Card, Defence Purchasing Card or on a reimbursement basis) to one or more airlines and these transactions are not itemised separately in Defence's financial management system or enterprise management system. Under the Whole-of-Australian Government travel arrangements, some airlines do offer discounted rates to government employees.

- (e) There may be instances where support staff will travel with SES employees when there is a demonstrated business need and it represents efficient, effective, economical and ethical use of Commonwealth resources.

As Defence does not have a single data source that identifies each trip undertaken and an associated relationship with a SES or Star Ranked Officer, it is not possible to identify and breakdown travel by support staff to SES employees.

- (f) Travel details for Departmental officers that accompanied Minister's and/or Parliamentary Secretaries on their overseas and domestic travel for period 1 July 2011 to 30 May 2012 were provided earlier this year in the response to Question on Notice 79 taken from Senate Budget Estimates hearing on 28/29 May 2012, **Attachment B**. Details of travel undertaken for the period 1-30 June 2012 was provided in response to Parliamentary Senate Question on Notice Nos. 2072, 2073 and 2074, **Attachment C**.

ANNEX 1

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> Minister for Defence, Mr Smith 	<ul style="list-style-type: none"> Hawaii, USA from 23 to 25 July 2012 The Minister travelled to Honolulu to meet with Admiral Samuel J. Locklear, Commander, United States Pacific Command and the component commanders of the US Navy, Army, Air Force and Marine Corps in the Pacific. The Minister also met with academics from the East-West Center, the Asia-Pacific Centre for Security Studies and the Pacific Forum Center for International and Strategic Studies to discuss regional security trends, and bilateral Australia-United States relations. 	<ul style="list-style-type: none"> (i) Nil (ii) Nil (iii) \$1,625.24¹ (iv) Nil 	<ol style="list-style-type: none"> Aide de Camp to Minister (business class) Assistant Director Americas, International Policy Division (business class) 	<ul style="list-style-type: none"> (i) \$19,906.29 (ii) \$2,895.77 (iii) \$1,926.22

¹ This cost relates to the rental of IT equipment.

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> Minister for Defence, Mr Smith 	<ul style="list-style-type: none"> Vietnam from 29 to 30 August 2012 The Minister travelled to Vietnam to meet with his counterpart, the Defence Minister General Phung Quang Thanh to discuss Australia's growing Defence relationship with Vietnam. The Minister visited the National Defense College, the Special Forces Officers School and the Vietnam People's Army commissioning. 	<ul style="list-style-type: none"> (i) \$1,128.05 (ii) Nil (iii) Nil (iv) Nil 	<ol style="list-style-type: none"> Secretary (first and business class) Aide de Camp to Minister (business class) 	<ul style="list-style-type: none"> (i) \$14,667.79 (ii) \$772.59 (iii) \$347.00

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> Minister for Defence, Mr Smith and Minister for Defence Materiel, Mr Clare² 	<ul style="list-style-type: none"> Indonesia from 3 to 5 September 2012 The Minister for Defence, along with the Minister for Defence Materiel travelled to Jakarta for bilateral talks with their counterpart Indonesian Ministers. The Minister for Defence conducted the inaugural Indonesia-Australia Defence Ministers' Meeting with the Indonesian Defence Minister Dr Yusgiantoro. The Minister for Defence and the Minister for Defence Materiel attended the defence industry symposium to discuss opportunities for greater cooperation between Australian and Indonesian defence industries. 	<ul style="list-style-type: none"> (i) Nil (ii) Nil (iii) \$2,436.37 (iv) \$755.16 	<ol style="list-style-type: none"> Secretary (first and business class) Vice Chief of Defence Force (first class) Chief Executive Officer, Defence Materiel Organisation (business class) Aide de Camp to Minister (business class) Aide de Camp to VCDF (business class) 	<ul style="list-style-type: none"> (i) \$11,299.62 (ii) \$3,586.09 (iii) \$633.39

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> <i>Minister for Defence, Mr Smith</i> 	<ul style="list-style-type: none"> Japan from 24 to 26 September 2012 The Minister travelled to Japan to meet with his counterpart, the Defence Minister Satoshi Morimoto and other senior Ministers and Parliamentarians. 	<ul style="list-style-type: none"> (i) \$138.16 (ii) Nil (iii) \$15,095.00³ (iv) \$1,297.00 	<ol style="list-style-type: none"> Aide de Camp to the Minister (business class) Director North South Asia, International Policy Division (business class) 	<ul style="list-style-type: none"> (i) \$17,974.83 (ii) \$4,994.24 (iii) \$2,696.16

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> Minister for Defence Science and Personnel, Mr Snowdon 	<ul style="list-style-type: none"> East Timor from 24 to 27 August 2012 The Minister visited East Timor in his capacity as the Minister for Veterans' Affairs and the Minister for Defence Science and Personnel to participate in the Anniversary of the Bird Force Campaign. The Minister conducted several defence related meetings as part of this visit, including talks with the President, Prime Minister and Secretary of State for Defence. 	<ul style="list-style-type: none"> (i) \$175.43 (ii) Nil (iii) Nil (iv) \$279.24 	<ol style="list-style-type: none"> Aide de Camp to Minister 	<ul style="list-style-type: none"> (i) \$1,073.99 (ii) \$323.03 (iii) \$612.50 Travel includes pre-positioning prior to departing for East Timor with the Minister

Minister / Parliamentary Secretary	Travel undertaken Destination, Duration and Purpose	Departmental Ministerial Costs (i) Gifts (ii) Security (iii) Portfolio costs to Defence (iv) Entertainment	Defence Delegation	Defence Personnel Costs (i) Travel (ii) Accomm (iii) Other
<ul style="list-style-type: none"> Parliamentary Secretary for Defence, Senator Feeney 	<ul style="list-style-type: none"> United States and France from 12 to 24 July 2012 The Senator travelled to the US to attend the Australian American Leadership Dialogue (AALD). The Senator met with several government representatives in Washington DC and visited the Iron Works Shipyard in Maine. The Senator travelled to Paris and met with Government representatives to discuss the Pacific region. He met with Ms Sonia Legarde, the New Caledonia Representative. The Senator travelled to Fromelles to attend a Headstone Ceremony on behalf of the Minister for Defence Science and Personnel. 	<ul style="list-style-type: none"> (i) Nil (ii) Nil (iii) Nil (iv) Nil 	<ul style="list-style-type: none"> 1. Aide de Camp to Minister for Defence Materiel (business class) 	<ul style="list-style-type: none"> (i) \$15,932.57 (ii) \$3,108.94 (iii) \$2,286.90

ANNEX 2

Minister for Defence

Position	Start	Finish	City	Accommodation	Airfares including taxes	Ground Transportation	Meals & Incidentals	Miscellaneous travel costs	Grand Total
Aide-de-Camp	22/06/2012	22/06/2012	Perth		\$ 1,725.13			\$ 40.87	\$ 1,766.00
	8/07/2012	12/07/2012	Brisbane/Adelaide	\$ 249.14	\$ 641.71	\$ 74.17		\$ 31.85	\$ 996.87
	15/07/2012	16/07/2012	Perth	\$ 141.82	\$ 885.95			\$ 23.60	\$ 1,051.37
	9/08/2012	11/08/2012	Perth	\$ 208.18	\$ 619.43	\$ 58.43	\$ 130.00	\$ 60.75	\$ 1,076.79
	13/09/2012	14/09/2012	Sydney	\$ 213.64	\$ 113.12	\$ 25.09	\$ 100.00	\$ 25.60	\$ 477.45
	16/09/2012	18/09/2012	Perth	\$ 396.77	\$ 483.45	\$ 71.77	\$ 220.00	\$ 28.00	\$ 1,199.99
	4/10/2012	5/10/2012	Amberley	\$ 249.14	\$ 46.85		\$ 130.00	\$ 2.60	\$ 428.59
Aide-de-Camp Total				\$ 1,458.69	\$ 4,515.64	\$ 229.46	\$ 580.00	\$ 213.27	\$ 6,997.06
Departmental Liaison Officer	20/07/2012	20/07/2012	Adelaide		\$ 669.30	\$ 75.81		\$ 27.20	\$ 772.31
	16/08/2012	17/08/2012	Perth	\$ 189.41	\$ 870.52	\$ 93.37		\$ 13.60	\$ 1,166.90
Departmental Liaison Officer Total				\$ 189.41	\$ 1,539.82	\$ 169.18		\$ 40.80	\$ 1,939.21
Grand Total				\$ 1,648.10	\$ 6,055.46	\$ 398.64	\$ 580.00	\$ 254.07	\$ 8,936.27

Minister for Defence Science and Personnel

Position	Start	Finish	City	Accommodation	Airfares including taxes	Ground Transportation	Meals & Incidentals	Miscellaneous travel costs	Grand Total
Aide-de-Camp	6/06/2012	9/06/2012	Perth	\$ 309.09	\$ 1,772.58	\$ 106.62	\$ 300.00	\$ 18.85	\$ 2,507.14
	22/06/2012	24/06/2012	Cairns	\$ 159.49	\$ 1,587.26	Nil	Nil	\$ 13.60	\$ 1,760.35
	23/06/2012	24/06/2012	Sydney	\$ 244.53	Nil	\$ 78.77	\$ 150.00	\$ 18.10	\$ 491.40
	4/09/2012	6/09/2012	Perth	\$ 652.73	\$ 816.96	\$ 53.85	\$ 290.00	\$ 18.68	\$ 1,832.22
	21/09/2012	21/09/2012	Holsworthy	Nil	\$ 264.69	\$ 59.59	Nil	\$ 27.20	\$ 351.48
	24/09/2012	27/09/2012	Sydney and Armidale	\$ 443.10	\$ 679.05	\$ 217.69	\$ 320.00	\$ 21.20	\$ 1,681.04
Aide-de-Camp Total				\$ 1,808.94	\$ 5,120.54	\$ 516.52	\$ 1,060.00	\$ 117.63	\$ 8,623.63
Departmental Liaison Officer	11/07/2012	12/07/2012	Alice Springs	\$ 113.81	\$ 1,190.49	\$ 41.82	\$ 150.00	\$ 28.73	\$ 1,524.85
	4/09/2012	6/09/2012	Perth	\$ 470.91	\$ 828.33	\$ 41.82	\$ 200.00	\$ 29.60	\$ 1,570.66
	20/09/2012	21/09/2012	Sydney	Nil	\$ 359.80	\$ 20.91	Nil	\$ 23.60	\$ 404.31
	12/10/2012	13/10/2012	Brisbane	Nil	\$ 423.99	Nil	Nil	\$ 23.60	\$ 447.59
Departmental Liaison Officer Total				\$ 584.72	\$ 2,802.61	\$ 104.55	\$ 350.00	\$ 105.53	\$ 3,947.41
Grand Total				\$ 2,393.66	\$ 7,923.15	\$ 621.07	\$ 1,410.00	\$ 223.16	\$12,571.04

Minister for Defence Materiel

Position	Start	Finish	City	Airfares including taxes	Ground Transportation	Meals & Incidentals	Miscellaneous travel costs	Grand Total
Departmental Liaison Officer	10/08/2012	12/08/2012	Sydney	Nil	\$ 42.68	Nil	Nil	\$ 42.68
Grand Total				Nil	\$ 42.68	Nil	Nil	\$ 42.68

Parliamentary Secretary for Defence – Senator Feeney

Position	Start	Finish	City	Airfares including taxes	Ground Transportation	Meals & Incidentals	Miscellaneous travel costs	Grand Total
Aide-de-Camp	29/09/2012	29/09/2012	Holsworthy	\$ 713.03	\$ 141.70	Nil	Nil	\$ 854.73
Aide-de-Camp		Total		\$ 713.03	\$ 141.70	Nil	Nil	\$ 854.73
Departmental Liaison Officer	28/09/2012	28/09/2012	Melbourne	\$ 291.00	\$ 117.72	Nil	\$13.60	\$ 422.32
Departmental Liaison Officer		Total		\$ 291.00	\$ 117.72	Nil	\$13.60	\$ 422.32
Grand Total				\$ 1,004.03	\$ 259.42	Nil	\$13.60	\$ 1,277.05