

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No.1 – Charter Letters**

**Senator Faulkner** asked on 20 November 2013, Hansard page 10:

Will the Charter Letters (to Ministers) be made public?

**Response:**

There is no intent to make Charter Letters public at this time.

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### **Question On Notice No. 2 – Charter Letter Dates**

**Senator Farrell** asked on 20 November 2013, Hansard page 12:

Carrying on from that point that Senator Faulkner made, is there a difference between those dates? In other words, was a letter sent prior to that date?

#### **Response:**

The Prime Minister's Charter Letter to Senator the Hon David Johnston was dated 18 September 2013. The Department of Defence published the allocation of portfolio responsibilities for staff information on 18 November 2013. Defence officials were aware of the broad responsibilities in the intervening period.

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### Question on Notice No. 3 – Ministerial Offices Funding

Senator Farrell asked on 20 November 2013, Hansard pages 12-13:

- (1) Has there been any specific Defence funding set aside for operating costs of ministerial offices?
- (2) Can you advise on the administrative arrangements and budgets for hospitality for the ministerial offices?
- (3) Have Ministers or their offices used departmental funds for hospitality purposes?

#### Response:

(1) In this financial year (FY 2013-14), \$0.715m has been budgeted for ministerial office expenditure to cover the normal operating costs for the Ministers and Parliamentary Secretary. This budget allocation is in line with previous years and is intended to cover such items and expenditure for general office costs, official hospitality and gifts, information and communications technology (ICT) services, transport, stationery and other office equipment, printing, publications and other miscellaneous goods and services.

As an indication of expenditure against budget for the previous three years, the table below shows total office expenditure for that period (GST exclusive) against budget funding of \$0.715m:

| Financial Year | Total Expenditure Costs (GST excl) – all offices |
|----------------|--|
| 2010-11        | \$611,526.47                                     |
| 2011-12        | \$755,680.94                                     |
| 2012-13        | \$578,121.16                                     |

In addition to the amount allocated for normal operating costs, an additional \$0.400m has been budgeted to cover such costs associated with office fit-outs at Parliament House and interstate ministerial offices required as a result of the recent Federal election. Office fit-out costs include costs for removalists, ICT cabling services for the installation of Defence ICT networks (Protected and Secret), physical security upgrade costs (new locks, new alarms etc), the purchase of any new additional or alternative office furniture and fittings that are beyond the standard fit-out provided by the Department of Finance and the Department of Parliamentary Services. This is a home department responsibility

as outlined in the *Ministers of State Entitlements* handbook issued by the Department of Finance.

(2) All expenditure for official hospitality and gifts for the ministerial offices is undertaken in accordance with the Financial Management Accountability (FMA) Act Regulation 9, chapter 6 from Defence's Financial Management Manual number 5 (FINMAN 5) and in accordance with procedures set out in Defence Instructions (General) Personnel (DI(G) PERS) 25-7 *Gifts, Hospitality and Sponsorship*.

All hospitality expenditure for the Ministers and Parliamentary Secretary is recorded in Defence's Financial Management Information System (ROMAN). Expenditure is reported within the department each month via the Chief Financial Officer's Certificate of Compliance requirements. Hospitality expenditure is reported to each ministerial office, via the Office Manager and Departmental Liaison Officers, on a monthly basis and reported to the Ministers and Parliamentary Secretary on a quarterly basis.

The funding for official hospitality is drawn down from the budget that has been allocated to the offices to cover their normal operating costs. Defence has reported on ministerial hospitality costs to the Senate in response to questions on notice over a number of years.

(3) For the period 7 September 2013 to 30 November 2013, Defence has provided details in response to Senate Question on Notice No. 105. No hospitality expenditure has been incurred by the Assistant Minister for Defence or the Parliamentary Secretary.

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**Question on Notice No. 4 – Departmental Liaison Officers**

**Senator Ludwig** asked on 20 November 2013, Hansard page 13:

Has there been any turnover to date of Departmental Liaison Officers (DLOs) within the ministerial offices – in other words, those who have come on? I am interested to know whether there has been any turnover and how many in each office.

**Response:**

Yes. One DLO in the office of the Minister for Defence and two in the office of the Assistant Minister for Defence.

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### Question on Notice No. 5 – Deferred Measures

**Senator Fawcett** asked on 20 November 2013, Hansard page 18:

(1) **Senator FAWCETT:** Do you have a record of the bow wave for those deferrals of maintenance, future programs or things like base security? That creates a bow wave of investment that is still required, and an incoming government clearly needs to be aware not only of our plans for future capability but of maintaining what we have and understanding what the backlog of payment is. Have you made any attempt to quantify the flow-on effects of either those budget cuts or the \$4.1 billion of absorbed measures in terms of the additional costs that this government will now have to cover in order to fix the backlog of things that have been deferred from the last five years?

**Mr Prior:** If we take as our reference point the 2009 white paper—because you mentioned 2009—we do have an accumulated calculation of the impact of moving projects and activities to later years across a 10-year period or as required.

**Senator FAWCETT:** Are you able to provide those to the committee?

**Mr Prior:** I can provide whatever the committee requests. I would not like to give you a number off the top of my head; I would like to give you a precise answer in accordance with what you have asked. We do maintain a budget profile that goes out, as you can imagine, across the future years, and we can provide the committee with information about how the budget has moved since that original 2009 reference point, if that is what you are after, out across the forward 10 years.

(2) **Senator FAWCETT:** That would be very useful. Would you also be able to say either now or as part of your answer on notice whether those figures take into account the cost growth pressures that were identified by Mr Pappas in his audit of the Defence budget such that we can understand whether or not those figures represent what is actually required in today's dollars to address the requirements Defence has?

**Mr Prior:** Yes. Since the Pappas audit we have maintained growth indexes for all our various categories. They are built into this calculation, so they will be part and parcel of the answer. We will make clear what those rates are so you can see those transparently.

**Senator FAWCETT:** Thank you.

### Response:

(1) Since the 2009 White Paper, Defence has been required to reduce its call on the Government Budget by a net \$9.7 billion over the eight year period 2009-10 to 2016-17 (the end of the current Forward Estimates). In addition to this, Defence was required to cancel or reprogram about \$6.0 billion in planned activities to beyond the Forward Estimates period to rebalance the Defence Budget.

Thus, in total, Defence has, at the request of the Government, reprogrammed or cancelled \$15.7 billion of activity that was planned over the period 2009-2010 to 2016-17 in the 2009 White Paper. The spreadsheet at [Attachment A](#) provides a category breakdown of these adjustments. Additionally Defence has offset around

\$8 billion of budget pressures that have arisen since the 2009 White Paper (not shown in spreadsheet).

(2) The 2008 Defence Budget Audit undertaken by Mr George Pappas recommended growth indices for Defence's main budget categories as follows:

- **Military equipment, acquisition and sustainment** - 3.5% growth in real terms to maintain and replace Defence's existing military equipment as at 2008, and 4.2% growth in real terms per annum to deliver the capabilities proposed in the recommended Force Structure Option within the 2008 Force Structure Review (that fed into the 2009 White Paper);
- **Personnel costs** - 0.4% growth in real terms per annum to sustain Defence's workforce numbers as at 2008. Any further growth in personnel numbers beyond this would require additional growth in real funding; and
- **Facilities and other operating costs** - 0.7% growth in real terms per annum.

Taking this into account, the previous Government, as part of the 2009 White Paper, agreed to a Defence funding model which included:

- 3 per cent real growth in the Defence budget to 2017-18;
- 2.2 per cent real growth in the Defence budget from 2018-19 to 2030; and
- 2.5 per cent fixed indexation to the Defence budget from 2009-10 to 2030.

However, the agreed funding model was overtaken by subsequent budgets.

## Attachment A

## APPROPRIATION HANDBACKS PAES 2009-10 TO PRESENT

|                          | 2009/10  | 2010/11      | 2011/12    | 2012/13      | 2013/14      | 2014/15    | 2015/16      | 2016/17      | Total<br>09-10 to<br>16-17 |
|--------------------------|----------|--------------|------------|--------------|--------------|------------|--------------|--------------|----------------------------|
|                          | \$m      | \$m          | \$m        | \$m          | \$m          | \$m        | \$m          | \$m          | \$m                        |
| Handback to Government   |          |              |            |              |              |            |              |              |                            |
| - PBS 10-11              | 0        | -4           | -52        | -80          | 657          | 0          | 0            | -521         | 0                          |
| - PBS 11-12              | 0        | 1596         | 175        | 516          | 700          | 1325       | -368         | -537         | 3,407                      |
| - PAES 11-12             | 0        | 0            | 0          | 60           | 64           | 66         | 72           | 74           | 336                        |
| - PBS 12-13              | 0        | 0            | 0          | 971          | 1631         | 1143       | 1709         | 0            | 5,454                      |
| - PBS 13-14              | 0        | 0            | 0          | 0            | -400         | -1600      | -400         | 2200         | -200                       |
| - Economic Update 13-14  | 0        | 0            | 0          | 0            | -359         | -304       | 89           | 1000         | 426                        |
| - MYEFO 13-14            | 0        | 0            | 0          | 0            | 11.946       | 43.673     | 88.154       | 119.899      | 264                        |
|                          | <b>0</b> | <b>1,592</b> | <b>123</b> | <b>1,467</b> | <b>2,305</b> | <b>674</b> | <b>1,190</b> | <b>2,336</b> | <b>9,687</b>               |
| Reduced Budget Spend     | -99      | 158          | 194        | -460         | 242          | 3,213      | 1,801        | 928          | 5,979                      |
| <b>Total Application</b> |          |              |            |              |              |            |              |              | <b>15,666</b>              |

Note: + equates to reduction in Defence budget; - equates to increase in Defence budget



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**Question on Notice No.6 - SOP's for Towback at sea**

**Senator Furner** asked on 20 November 2013, Hansard page 22:

1. Can you provide procedures to the committee that the Defence Department provides to commanders in performing a tow-back?
2. What sort of training have personnel, whether it be on Operation RESOLUTE or Operation SOVEREIGN BORDERS, received in performing this function?

**Response:**

(1 and 2) All naval units assigned to operations undertake a period of mission-specific training. This period trains and evaluates the unit's ability to execute conceivable tasks and scenarios they will confront when undertaking the mission. Defence advises that the Committee's specific question regarding the provision of standard operating procedures for performing towback operations at sea and the training commanders have had in performing towback operations should be put to the Operation Sovereign Borders Joint Agency Task Force.

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**Question On Notice No. 7 – Resettlement Applications**

**Senator McEwen** asked on 20 November, Hansard page 24:

Do we know how many applications Defence has received for resettlement under the policy?

**Response:**

Defence has received significant interest from Afghan nationals on Australia's visa policy for at-risk locally engaged Afghan employees. It is likely that the total number of locally engaged Afghan employees resettled to Australia under this visa policy will be in the hundreds.

In order to protect the security of our locally engaged Afghan employees, we will not release details on the number of applications received to date by Defence under this policy. Disclosure of these numbers, combined with other information, has the potential to reveal the size and character of the locally engaged Afghan employees workforce in Afghanistan and therefore provide a level of information to those who would seek to harm locally engaged Afghan employees.

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### Question On Notice No. 8 – Cost of Afghanistan War

**Senator Ludlam** asked on 20 November 2013, Hansard page 27:

Do you have an estimate at the table of the total cost of the Afghanistan War to the Australian taxpayer since we first deployed and if you could break out for us the components of the cost?

**Response:**

(1) Over the period 2001-02 to 2012-13, including Enhanced Force Protection measures, Defence's Net Additional Cost of Operations in Afghanistan was \$6,719.5 million. Defence plans to spend a further \$1,365.9 million Net Additional Cost in the 2013-14 Budget and Forward Estimates. A breakdown by component is shown in the table below.

#### Cost of Operations in Afghanistan 2001-02 to 2016-17

| <b>Component</b>  | <b>2001-02<br/>to<br/>2012-13<br/>Actual<br/>Net<br/>Additional<br/>Cost<br/>\$m</b> | <b>2013-14<br/>to<br/>2016-17<br/>Estimate<br/>Net<br/>Additional<br/>Cost<br/>\$m</b> | <b>TOTAL<br/>Net<br/>Additional<br/>Cost<br/>\$m</b> |
|---|--|--|--|
| <b>Operation Slipper</b>  |  |  |  |
| Personnel Costs   | 1,265.1  | 132.0  | <b>1,397.1</b>                                       |
| Logistic Support  | 1,641.2  | 326.4  | <b>1,967.6</b>                                       |
| Strategic Lift  | 391.3  | 93.4   | <b>484.7</b>   |
| Communications  | 157.8  | 23.1   | <b>180.8</b>   |
| Sustainment & Remediation   | 2,156.6  | 497.7  | <b>2,654.3</b>                                       |
| Grants (Afghan National Army Trust Fund /<br>Afghan National Army Sustainment Fund) | 161.7  | 277.8  | <b>439.5</b>   |
| Revenue   | -75.1  | -10.7  | <b>-85.8</b>   |
| Not Categorised   | 491.0  | 0.0  | <b>491.0</b>   |
| <b>Sub-Total Operation Slipper</b>  | <b>6,189.5</b>   | <b>1,339.6</b>   | <b>7,529.2</b>                                       |
| Force Protection in Afghanistan   | 530.0  | 26.2   | <b>556.2</b>   |
| <b>TOTAL*</b>   | <b>6,719.5</b>   | <b>1,365.9</b>   | <b>8,085.4</b>                                       |

\* These columns do not add exactly due to rounding errors – this is consistent with data published in the Portfolio Budget Estimates and Defence Annual Report.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No.9 – ADF Injuries Sustained in Afghanistan

**Senator Ludlam** asked on 20 November 2013, Hansard p. 27:

**Senator LUDLAM:** Are you able to categorise injuries suffered by ADF members as partially or fully incapacitating? Or do I need to talk to Veterans' to get that information?

**Air Marshal Binskin:** Are you looking at numbers there?

**Senator LUDLAM:** Yes.

**Air Marshal Binskin:** If it happened in-service, we could probably draw that data. If it happened after their service then that would be DVA.

**Senator LUDLAM:** Okay. I know you do not have this with you at the table, but could you provide us with those in-service numbers on notice.

**Air Marshal Binskin:** Yes.

#### **Response:**

- (1) Defence is unable to categorise injuries suffered by ADF members as partially or fully incapacitating, as this is determined by Department of Veterans' Affairs.
- (2) The following provides a breakdown of the 301 battle casualties and wounded for ADF personnel during the Afghanistan conflict since Operation SLIPPER commenced:
  - (a) Deaths – 40
  - (b) Amputations – 4
  - (c) Fractures – 56
  - (d) Gun shot wounds – 56
  - (e) Hearing loss – 12
  - (f) Lacerations/contusions – 22
  - (g) Concussion/traumatic brain injury – 33
  - (h) Multiple severe injuries – 10
  - (i) Penetrating fragments – 25
  - (j) Other – 43
- (3) Note that this does not include injuries sustained that were not a direct result of enemy action. Definition of battle casualty, wounded and injury are consistent with ADF definitions listed on the Department of Defence webpage for Afghanistan (<http://www.defence.gov.au/operations/afghanistan/personnel.asp>).

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### Question on Notice No. 10 – Schools Built in Afghanistan

**Senator Ludlam** asked on 20 November, Hansard page 27:

There is open-source reporting that a reasonable number of the schools that were built by the ADF are dismantled by the Taliban as rapidly as you can construct them. So I am interested in how many we built and how many, to your knowledge, are still in use?

#### **Response:**

- (1) Defence undertook construction projects in Uruzgan to support national capacity building and campaign objectives. ODA Eligible Individual Projects undertaken by Defence in support of Australia's Whole of Government efforts in Uruzgan in the period 2006 - 2013 includes 7 schools:
  - (a) Malalai Girls School;
  - (b) Naway Waleh School;
  - (c) Talani School;
  - (d) Tarin Kot Boys High School;
  - (e) Tarin Kot Boys Primary School;
  - (f) Tarin Kot Boys School; and
  - (g) Tarin Kot Girls School Expansion.
  
- (2) ADF projects are assessed to ensure that they are suitable for their intended purpose and meet the required construction standards and projects are monitored by Defence during the construction period. Defence worked with the former AusAID, and Afghan community leaders to ensure that projects undertaken in Uruzgan met local needs. Once the contracted requirements are completed, responsibilities for the projects are handed over to the relevant authorities in Afghanistan. Afghan authorities then have ownership of the resources, and responsibility for their ongoing use. Defence does not monitor this use and Australian personnel have withdrawn from Uruzgan.

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### Question on Notice No. 11 – Defence Graduate Intakes

**Senator Farrell** asked on 20 November 2013 (Hansard, p.42):

Please provide facts and figures for intakes over the past three or four years.

**Response:**

The response to the Senator's question is provided in the table below.

| <b>Graduate Training Programs</b>   | <b>FY 10/11 Intake</b> | <b>FY 11/12 Intake</b> | <b>FY 12/13 Intake</b> | <b>FY 13/14 Intake</b>    |
|---|------------------------|------------------------|------------------------|---------------------------|
| Defence Pathways – Graduate Development Program – one intake (February)                         | 66                     | 69                     | 53                     | 60                        |
| Intelligence and Security Development Program – two intakes (February and August)               | 101                    | 117                    | 72                     | 68                        |
| Defence Materiel Organisation – Materiel Graduate Scheme – two intakes (September and February) | 66                     | 64                     | 60                     | 45                        |
| Navy Civilian Engineer Development Program – one intake (February)                              | 5                      | 12                     | 6                      | 3 (offers yet to be made) |
| <b>Total Defence</b>  | <b>238</b>             | <b>262</b>             | <b>191</b>             | <b>176</b>                |

**Notes:**

- Recruitment for each intake is undertaken in the previous year. For example, recruitment for the 2010/11 intake(s) occurred in June / July 2010.
- The Materiel Graduate Scheme and Intelligence and Security Development Program recruit for two intakes from a single recruitment activity, eg recruitment in June 2013 for the Intelligence and Security Development Program supplied graduates for commencements in February and July of the following year; recruitment in June 2013 for DMO will supply graduates for September 2013 and February 2014.

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### Question On Notice No. 12 – Defence Export Controls

**Senator Farrell** asked on 20 November 2013, Hansard page 44:

**Senator FARRELL:** So you did not see him suggesting that perhaps we should be allowing exports to countries that we do not currently export to?

**Mr Shoebridge:** I cannot read the minister's mind, so it might be best to ask the minister.

**Senator FARRELL:** Unfortunately, he is not here today. I am not sure if Senator Brandis can read the minister's mind as to what he was thinking of when he made these comments.

**Senator Brandis:** I cannot read the minister's mind at all, and I am not acquainted with what were the considerations that weighed on the minister's mind at the time. I think the best thing to do is to take the question on notice.

#### **Response:**

The Government's commitment to reducing regulatory burden on industry applies to all regulators, including the Defence Export Control Office (DECO). Exporters rely on timely export licences to remain competitive in a global market.

The Government recognises the need to ensure that Australia's export control system delivers on both national security and economic imperatives.

With a growing export caseload, Australia cannot afford to continue its current case-by-case assessment of each individual export application, and must adopt the kinds of risk-based approaches that are practiced by other larger economies.

Defence is working with a Strengthened Export Controls Steering Group to find ways to reduce regulatory burden associated with export controls across all sectors, by developing and testing a number of risk-based approaches.

These include:

- (a) expedited licences for lower-risk items that are destined for lower-risk destinations;
- (b) extending maximum licence duration from two years to five years or the life of a project;
- (c) exempting contractors who are supporting Australian Government business (eg Defence contractors supporting ADF operations) from needing to obtain export licences; and
- (d) greater self-assessment by exporters as to the control-status of their items, through creation of an online tool.

These approaches are detailed in the Steering Group's 25 September meeting summary, available at [exportcontrols.govspace.gov.au](http://exportcontrols.govspace.gov.au)

The Strengthened Export Controls Steering Group is chaired by Australia's Chief Scientist and includes senior representatives from the industry, research and government sectors. More information about the Steering Group and its work is available at [exportcontrols.govspace.gov.au](http://exportcontrols.govspace.gov.au).



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### **Question on Notice No. 13 – Declining Exports**

**Senator Farrell** asked on 20 November 2013, Hansard page 44:

Have you seen any examples in the export area where export has been denied for a company in Australia, but one of our neighbours has then gone on to provide the service?

#### **Response:**

Defence exports are sovereign decisions subject to the policies and laws of the exporting country. Defence does not maintain a record of the export history of other nations.

Defence would rely on the advice of Australian exporters to determine if any of Australia's neighbours have authorised the export of goods or technology to a destination that were the subject of an Australian denial. As outlined by Mr Shoebridge during the Supplementary Budget Estimates hearing on 20 November 2013, Defence is aware of an instance where military technology was denied for export from Australia and similar technology was subsequently approved for export to the same end-user by a Wassenaar Arrangement partner. As with any denial, the Australian decision to deny the export was made by the then Minister for Defence. It was based on a whole-of-Government assessment that the proposed export was inconsistent with Australia's export control policy. Other than this case Defence is unaware of any examples in the past two years where one of Australia's neighbours permitted an export of goods or technologies to a specific end-user that had been the subject of an Australian denial.

Defence cannot discount the possibility that international competitors to Australian defence industry have supplied similar or related goods or technology to end-users that were the subject of an Australian denial. The operation of international arms and export control arrangements like the Wassenaar Arrangement includes publication of participating nations' denials of export permission. Nations who are State Parties to the Wassenaar Arrangement consult the denials advice as part of making their sovereign decisions. This reduces but does not eliminate the risk of exports being denied by Australia but permitted by other Wassenaar Arrangement state parties.

Australian government decisions to deny export applications are rare and can only be made by the Minister for Defence based on compelling evidence that the proposed export would be inconsistent with Australia's export control policy criteria.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No.14 – Budget Cuts

**Senator Eggleston** asked on 20 November 2013, Hansard page 47:

Could you take on notice the question of whether travel budgets for liaison officers in Asia have been cut; whether Defence libraries and education scholarships for military personnel have been cut; and allocations for overseas travel?

#### **Response:**

For the areas identified in the question, the following budget cuts were implemented in the 2012-13 Budget:

|  | 12/13                | 13/14        | 14/15        | 15/16        |
|--|----------------------|--------------|--------------|--------------|
|  | \$m                  | \$m          | \$m          | \$m          |
| Travel budget for liaison officers in Asia | No budget reductions |              |              |              |
| Defence Libraries                          | 0.42                 | 0.49         | 0.40         | 0.41         |
| Educational Scholarships                   | No budget reductions |              |              |              |
| Allocations for overseas travel            | 14.44                | 16.96        | 17.05        | 17.34        |
| <b>Total</b>                               | <b>14.86</b>         | <b>17.45</b> | <b>17.45</b> | <b>17.75</b> |

No further cuts were made in the 2013-14 budget.

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**Question on Notice No. 15 – Marrangaroo fire Commission of Inquiry**

**Senator Faulkner** asked on 20 November 2013, Hansard page 48

Can I ask, given that it is a public commission of inquiry, is it the intention of Defence to make public any report, findings or outcome of the inquiry?

**Response:**

On completion of the Commission of Inquiry a report will be produced and will be submitted to the Chief of the Defence Force. The Commission of Inquiry report will be used to inform internal decision making and will also be forwarded to the Minister for Defence. A decision to authorise disclosure of part or all of the report or make it available to the public generally will be made in accordance with the requirements of the Defence (Inquiry) Regulations 1985.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 16 – Policy advice regarding turn backs**

**Senator Ludwig** asked on 20 November 2013, Hansard page 63:

**Senator LUDWIG:** But I want to focus you down to towback. Did you or did you not provide specific policy advice, cabinet level briefings to government about that? I am not asking about the content; I am just asking you whether you did or did not?

**Air Marshal Binskin:** I would have to take on notice whether it was specifically defence or whether it was rolled into Operation Sovereign Borders. I believe it was rolled into Operation Sovereign Borders.

**Senator LUDWIG:** I just wanted to understand, because these are your assets that you are then handing to Operation Sovereign Borders. So it is not about Operation Sovereign Borders; it is about what Defence did in respect of that specific policy—whether you provided a briefing to government about it, whether it was a cabinet-level briefing and, if so, what date and to which agency and to which minister.

**Air Marshal Binskin:** I will have to take that on notice for you.

#### **Response:**

Defence has not provided any specific policy advice or Cabinet level briefings to the Government on turn back operations or Operation Sovereign Borders.

Defence has provided oral updates on Operation Sovereign Borders to the National Security Committee (NSC) of Cabinet meetings held on 15 October and 25 October 2013.

Defence has contributed to and commented on advice provided to the Government by other agencies and has provided advice on ancillary matters related to turn back operations and Operation Sovereign Borders, but not specifically on the conduct of turn backs.

**Supplementary Budget Estimates Hearing – 20 November 2013**

**Question On Notice No. 17 – Personnel numbers for the AP-3C Orion**

**Senator Furner** asked on 20 November 2013, Hansard page 61, a question relating to the three AP-3C Orions force assigned to Operation RESOLUTE:

What is the crew on those three Orions?

**Response:**

Personnel directly supporting AP-3C Orion operations in support of Operation RESOLUTE are as shown below.

| <b>Operation RESOLUTE</b>    |               |                      |              |
|------------------------------|---------------|----------------------|--------------|
|                              | <b>Darwin</b> | <b>Cocos Islands</b> | <b>Total</b> |
| <b>Aircrew</b>               | 15            | 13                   | 28           |
| <b>Maintenance Personnel</b> | 53            | 5                    | 58           |
| <b>Admin Staff</b>           | 6             | 0                    | 6            |
| <b>Total</b>                 | <b>74</b>     | <b>18</b>            | <b>92</b>    |

Note: There are an additional 17 personnel in Darwin as part of Number 92 Wing Detachment who provide the permanent force to manage and support Operation RESOLUTE rotations

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### **Question on Notice No. 18 - Rizzo Reform Program – Staff Engagement and Retention**

**Senator Fawcett** asked on 20 November 2013, Hansard page 64:

Could you give us a breakdown as to where that funding is being spent? I am particularly interested to see how much is being spent on process type activities versus how much is being spent on actually attracting, training and retaining people with the appropriate skills, including the provision of opportunities to grow them to the appropriate level of skilling.

#### **Response:**

Of the \$33.4m spent on implementation to date, \$2.8m has been expended on Rizzo Program Management; that is, the process of managing the program.

The remaining money has been expended on designing, developing, generating, and rolling out remedial action products. All of these products establish enduring people attraction, development and retention regimes or seek to create the challenging roles and types of working environments to which new-entrants are attracted, in which they can be developed, and within which they seek long term tenure.

Other action within the means and remit of the Chief of Navy addresses the short-term attraction and retention of Navy and APS engineering personnel. These measures include revised recruitment regimes, retention payments, and personnel capability payments. These short-term mechanisms are intended to improve and hold the personnel position until the enduring arrangements can be fully implemented and have the desired effect.

Mr Rizzo suggested an additional personnel target of around 400 in his report but also recommended (Recommendation 23) that it should be confirmed to Government "that Defence will have sufficient resources and skills to operate and maintain materiel that is committed for naval service over the next 10 years". Work continues to refine estimates to satisfy this recommendation.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 19 - Rizzo Program Funding**

**Senator Fawcett** asked on 20 November 2013, Hansard page 65:

Has Mr Rizzo or any of his board, for want of a better word, or the Navy staff working within the process expressed concern about the funding available or the rate of progress against the objectives that were set for them?

**Response:**

#### **Funding**

Concern was expressed by Mr Rizzo, the chair of the Implementation Committee, of which Chief of Navy and the CEO of the Defence Material Organisation are members, regarding the security of funding for the implementation of the remedial actions that have a prolonged execution schedule. That concern was allayed during the course of Implementation Committee meetings by the Chief Of Navy explaining the Department's commitment to continuance of the funding allocated to Rizzo remediation activity. This funding has been used to design, develop, and roll out the implementation products.

The funding required for the maintenance of ships and submarines under the Rizzo Program asset management system has been provided from within the Defence portfolio. This totals an additional \$1.75B over the ten year development plan.

The key concern of the Implementation Committee relating to funding is related to the personnel that are required to plan, execute, and certify the delivery of seaworthy units. Mr Rizzo identified in his report that in the order of 400 additional personnel were required. He also recommended Defence confirm to government that it will have sufficient resources and skills to operate and maintain materiel that is committed for naval service over the next 10 years. Defence is examining the requirement for these additional personnel. The results of this examination will be considered within Defence in the near future.

#### **Progress**

As a consequence of the last Implementation Committee meeting at which the status of the implementation of the recommendations was considered, Mr Rizzo has written to the Secretary of the Department of Defence and the Chief of the Defence Force and stated (inter alia):

"Overall, the program is on track to close the remaining 14 recommendations before the scheduled end of the program in December 2014. However, at the moment the program remains very fluid, and there is still a lot of work to be done."

**Supplementary Budget Estimates Hearing – 20 November 2013**

**Question on Notice No. 20 – Army Personnel on LHDs in Townsville**

**Senator Macdonald** asked on 20 November 2013, Hansard Page 58

My recollection—it could be wrong—is that when the LHDs were first ordered by the Howard government the intention was to have the amphibious force permanently based in Townsville. Perhaps I will have to go back and do some research, but it seems to me that that initial thought on the use of the amphibious force and the LHDs has changed since the time of the Howard government. You may have easier access to records that I have that might confirm or otherwise the statement I have just made.

**Response:**

When the Howard Government announced, in 2007, Second Pass approval of Joint Project 2048, it was not specific in identifying the composition of the landing force, or from where they would embark. Joint Project 2048 is the project under which the LHDs are being acquired.



**Supplementary Budget Estimates Hearing – 20 November 2013**

**Question on Notice No. 21 – 3 RAR**

**Senator Macdonald** asked on 20 November 2013, Hansard page 71

The 3rd Battalion—it was the airborne battalion—was transferred to Townsville I thought to become the amphibious battalion. Is that not correct?

**Response:**

This is not correct. The decision to move 3 RAR was made and announced by the Government of the day as part of the Enhanced Land Force in 2007 and did not relate to either the amphibious capability, or the rebalancing of forces under Plan BEERSHEBA.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question on Notice No.22 - Ocean Shield

**Senator Macdonald** asked on 20 November 2013, Hansard pages 73-74.

- (1) Are the people operating the ship Australian citizens?
- (2) Are they checked for security reasons, it being a Navy vessel?
- (3) And one is a Reserve officer, who would be fine. The other one is probably a Customs officer, is he?

#### **Response:**

- (1) The contractual requirement regarding crew nationalities is that the contractor is required to ensure that the crew:
  - (a) on Interim Maritime Humanitarian Assistance and Disaster Relief (IMHADR) missions are Australian citizens, and
  - (b) on Customs and Border Protection missions are Australian citizens or Australian residents.
- (2) Security checks: Yes, appropriate security checks have been conducted for all crew of Ocean Shield for IMHADR missions/operations.
- (3) Captains (Masters): Both designated Masters of Ocean Shield are Australian citizens and permanent full-time employees of Teekay Marine Pty Ltd. The Masters rotate on and off Ocean Shield at six week intervals and are on recreation leave during their off-watch periods. One Master is a Royal Australian Navy Reserve (RANR) officer. The other Master is a Australian citizen civilian employee of Tee Kay Pty Ltd.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No.23 - Land 121: Project Overlander

Senator Macdonald asked on 20 November, Hansard page 71.

You answered some of my questions relating to what Senator Gallacher was talking about, the Mercedes Benz G-Wagon fleet, and you indicated that some of the RAEME facilities would be upgraded. You said the upgrades would take place however the details remain commercial-in-confidence. This is question No. Q33, Land-121, Project Overlander, from the estimates of 3 and 4 June. Your first response is that upgrades and enhancements will be required by some Royal Australian Electrical and Mechanical Engineers facilities, and requirements were still being developed and were commercial in confidence. You told me that a couple of months ago.

These are written answers to questions on notice. My question is why were the requirements commercial in confidence?

#### Response:

The information requested under points (1) and (2)(a) of Question on Notice no. 63 from Senate Budget Estimates 3-4 June 2013 (LAND 121 – Project Overlander) was deemed commercial-in-confidence in our response because at that time the applicable information related to solicitation documentation that was still under preparation. However, the tender process has now progressed to a point such that Defence has determined that the following responses to points (1) and (2)(a) of Question on Notice no. 63 can be provided:

*(1) Will RAEME facilities at bases across Australia require equipment upgrades in order to deliver the Land Systems maintenance work for which personnel are currently being trained at Gaza Ridge?*

(1) LAND 121 will provide additional hand tools (such as a vehicle diagnostic tool, fan-hub removal tool, oil filter socket and hubcap slide hammer) to Army and Air Force maintenance workshops – the ‘RAEME facilities’. These tools are provided to units on an ongoing basis under LAND 121 Phase 3A, as they receive their vehicle entitlement, at a cost of approximately \$12,500 per kit.

Additionally, upgrades and enhancements will be required to some RAEME facilities themselves. These facilities requirements are still being developed. It should be noted that the facility requirements encompass the ability to conduct maintenance work not only on the G-Wagon fleet under LAND 121 Phase 3A, but also the much larger medium and heavy vehicle fleets that will be acquired under LAND 121 Phase 3B. These fleets, collectively, are expected to be in service with the ADF, at a minimum, for the next 20 years.

*(2) (a) What is the proposed/estimated cost of these upgrades?*

(a) As the facilities requirement for LAND 121 is still being finalised, an accurate cost estimate of each RAEME facility is not available. The facilities requirement work has indicated that three workshop facilities will need to be rebuilt at an indicative cost of \$12m each and 13 workshop facilities will require enhancements with an indicative cost of \$3m each. The indicative total cost of these facilities requirements is \$75m. These costs currently have an accuracy of +/- 50%.

**Supplementary Budget Estimates – 20 November 2013**

**Question on Notice No. 24 – Engineering Capability of C-17**

**Senator Fawcett** asked on 20 November 2013, Hansard page 90:

With regard to the C-17 incident, was there an occurrence where they had to fly in a team to do structural checks or anything like that?

**Response:**

There has not been an occurrence when a US team was needed to be flown in to conduct structural checks or similar activities.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question On Notice No. 25 – DLA Piper Vol. 2**

**Senator Fawcett** asked on 20 November 2013, Hansard page 78

Going back to the Senate inquiry where Dr Gary Rumble appeared talking about DLA Piper. He expressed some disappointment at the lack of visibility or transparency around the report. There was some suggestion that DLA Piper volume 2 should be redacted and made public. I am just wondering what the current advice from the department to the minister is on that issue.

My understanding is – and I am happy to be corrected – that as a key stakeholder concerned about the reputation and possible accusation without substantiation of defence members that Defence's objections played a key role in the decision not to release (Volume 2). But if it was suitably redacted, does Defence have a position on that?

#### **Response:**

The release of the DLA Piper Volume 2 report, in whole or in part, is a matter for the Government.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 26 – Medicare Health Scheme**

**Senator Eggleston** asked on 20 November 2013, Hansard page 81

Can I ask you about the defence personnel scheme? That is where I was inquiring about the number of specialists. I wondered how many of these specialists have signed up with Defence Health to provide services under the medical health service agreement.

**Response:**

Under the ADF Health Services Contract with Medibank Health Solutions, specialists and other service providers do not sign an agreement directly with Defence. Medibank Health Solutions has engaged a number of service providers to provide services to ADF members under the ADF Health Services Contract.

As of 11 September 2013, 4146 medical specialists, 8327 Allied Health providers, and 254 hospitals are engaged by Medibank Health Solutions to provide services under the ADF Health Services Contract.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 27 – Fourth Air Warfare Destroyer**

**Senator Farrell** asked on 20 November 2013, Hansard page 85:

**Senator FARRELL:** I ask the minister at the table, is it still the position of Senator Johnston to support the fourth air warfare destroyer?

**Senator Ronaldson:** I will take that question on notice.

#### **Response:**

The option for a 4th air warfare destroyer was suspended by the previous government.

Within 18 months of coming into Government the Coalition government is committed to publishing a new defence White Paper that will align the government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow the government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and



## **Supplementary Budget Estimates Hearing – 20 November 2013**

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## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 28 – Timeframe for Fourth Air Warfare Destroyer**

**Senator Farrell** asked on 20 November 2013, Hansard page 87:

What is going to be the time frame for the decision about that fourth air warfare destroyer? If we can get a response to that, I would be perfectly happy with that answer.

**Response:**

The option for a fourth air warfare destroyer was suspended by the previous government.

Within 18 months of coming into Government the Coalition government is committed to publishing a new defence White Paper that will align the government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow the government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability, effectiveness and efficiency.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 29 – Two Navy replenishment vessels**

**Senator Farrell** asked on 20 November 2013, Hansard page 87:

On 30 August, former Prime Minister Rudd announced at the BAE shipyards in Williamstown the construction of two Navy replenishment vessels and that they would be fast-tracked to 2015-16. Can we get an indication as to whether the current government intends to carry through with the fast tracking of these two vessels.

Senator Ronaldson – Again, this was a commitment made by the former Prime Minister in the dying days of a dying government and it was not, on my understanding, a commitment that was made by anybody other than the former Prime Minister.... I do not think that these officers at the table are in any position to respond to what was an election commitment by a former government....

Senator Farrell - Can I again ask you, Minister, then, to forward the question to the incoming minister: is it the intention of the new government to continue with the construction of those two vessels in Williamstown?(p. 87-88)

Senator Ronaldson – I am happy to take the question about an unfunded election commitment made in the dying days of the former government if you would like me to do so. ... I am sure that when the minister sees the question, sees my comments and sees your comments he will make an appropriate judgement about how he might want to respond.

### **Response:**

Within 18 months of coming into Government the Coalition government is committed to publishing a new defence White Paper that will align the government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow the government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability, effectiveness and efficiency.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 30 – Future Submarine**

**Senator McEwen** asked on 20 November 2013, Hansard page 89:

Is it the decision of the current government to assemble the future submarine in Adelaide?

#### **Response:**

The previous Rudd/Gillard Labor governments made few decisions about the Future Submarine Project. After two terms in government, minimal progress was made with the SEA1000 project. The Abbott government is committed to the SEA1000 project and will ensure that the assembly of the future submarines will occur in Adelaide.

**Supplementary Budget Estimates Hearing – 20 November 2013**

**Question on Notice No. 31 – Nuclear Submarines**

**Senator McEwen** asked on 20 November 2013, Hansard page 88-89:

And my previous questions, about nuclear submarines? Can you take those on notice too?

Can you confirm that it remains the position of the current government that it is not appropriate or feasible to further explore the potential of Australia acquiring a nuclear submarine capability?

**Response:**

A nuclear submarine is not being considered by the Government.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. Q32 - Rizzo Reform Program – Number of Engineers**

**Senator Fawcett** asked on 20 November 2013 (Hansard p.64):

One of the figures that were quoted, I think, was that it had gone from either 600 or 800 down to about 20 engineers. It was quite a remarkable drop in the number of engineers. Have you set targets for where you hope to grow the engineering workforce back to?

Could you take on notice what the targets are and where you are up to in achieving that, not just in numbers but also by skill set and degree of competence?

#### **Response:**

A viable engineering support regime for materiel committed to naval service over the next ten years has been defined. This regime has enabled the identification of the engineering disciplines that are required and a plan to grow personnel in those disciplines has been articulated. These disciplines include reliability, maintainability, naval architecture, hull and structures, propulsion, electrical power generation and distribution, communications, radar/sonar, and weapons. There is no predication, at this time, as to whether those engineers are uniformed personnel, APS employees, or contractors other than what is required for seagoing roles, in which case the requirement is for uniformed personnel. Accordingly, the plan does not specify fixed targets with respect to the numbers of engineers employed in the Department other than graduated increases in the number of uniformed Engineer Officers and technical Sailors to recover to meet known requirements.

The immediate need to recover the engineering workforce to meet those known requirements has prompted significant effort in the engagement of qualified Engineer Officers and technical Sailors through lateral recruitment from other Navies. Seven Engineer Officers and 36 technical Sailors have been engaged since the commencement of the enhanced lateral recruitment campaign in 2012. It is anticipated that a further three Engineer Officers and 29 technical Sailors will be engaged by 30 Jun 14. Further engagements are projected for FY14/15. These personnel have competencies in surface ship and submarine engineering.

As well, graduate civilian engineers are being engaged for development and up-skilling in maritime engineering within the Department under Graduate programs. The ability to employ these personnel beyond the completion of their graduate programs is dependent on approvals to recruit to APS positions, either vacant or new.

A more complete understanding of the enduring requirement for engineering support will be defined when the engineering support workloads and materiel support arrangements of the Canberra Class LHD and Hobart Class DDG are fully defined and the transition arrangements for the retirement of the FFG Class are finalised. In addition, a detailed analysis conducted as part of the Rizzo Reform Program has

identified broader engineering support requirements to ensure the delivery of seaworthy materiel. These bodies of work will support decisions on the quanta of engineers required in the various disciplines that should be employed by the Department.

Contracted engineering support is being provided to a number of maritime support offices whilst this complete definition is under development and whilst special provisions are in place to achieve approval to recruitment personnel to vacant or new Departmental positions. Whilst this may not represent an enduring solution for the provision of engineering support, it is greatly assisting in the efforts to reduce backlogs created over a number of years by shortcomings identified by Mr Rizzo.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 33 – Progress of Act-of-Grace payment for Mr George Yardley of Springvale Station, Townsville**

**Senator Macdonald** asked on 20 November 2013, Hansard page 77:

(1) Can I just ask if Defence has given a brief to Finance on what they think about it?

(2) I would also like to ask you what it has cost you and Finance in administrative time and costs to get this far over the space of two or three years, or whatever it is?

**Response:**

(1) The Department of Defence (Defence) provided initial email advice to the Department of Finance and Deregulation (Finance) in June 2013 concerning Mr Yardley's request for an act of grace payment.

On 10 December 2013, Defence lodged a report to Finance in relation to Mr Yardley's request. A copy of the submission was also provided to Mr Yardley on 10 December 2013, to ensure he has an opportunity to comment on the Defence submission.

(2) The administrative cost to Defence has been limited to submitting Mr Yardley's claim to Comcover, the preparation of Ministerial responses such as Questions on Notice, and the submission of a report into the claim.



**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 34 – DLA Piper Vol. 1**

**Senator Faulkner** asked on 20 November 2013, Hansard page 84

That supplementary report to volume 1 has not been publicly released, has it? Can you check that?

**Response:**

The Supplement to the 'Report of the Review of allegations of sexual and other abuse in Defence, Facing the problems of the past, Volume 1: General findings and recommendations' was publicly released on 10 July 2012.

## Senate Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 35 – Incident near Tarin Kowt

**Senator Milne** provided in writing:

In relation to the incident near Tarin Kowt, capital of Oruzgan province in Afghanistan, on 27/09/13 where an Afghan man was found dead holding the body of a 6 year old child, after a raid involving Australian troops:

1. In what circumstances did this incident occur?
2. Has an investigation into this incident taken place?
  - a. If so, has the investigation concluded?
  - b. If not, what is the projected timeline for concluding this investigation?
3. Was it established that the child killed was the son of the man that was killed?
4. In what capacity was the man that was killed involved? Was it established that the man killed was a member of the Taliban?
5. Was the boy killed the son of the man killed as alleged?
6. Was it established that the man used the boy as a human shield?
7. Was compensation provided by the ADF provide in relation to this incident?
  - a. If so, why was this compensation provided?
  - b. How much compensation was paid?
  - c. Was compensation paid solely in relation to the child, or also in relation to the man?
  - d. To whom was the compensation paid?

### **Response:**

(1–6) Defence is conducting an inquiry into a possible civilian casualty incident in Afghanistan on 27 September 2013. The Government of Afghanistan and ISAF headquarters have been informed of the incident. The ADF takes all reasonable steps to ensure its operations do not put the lives of civilians and non-combatants in jeopardy. Deployed ADF personnel operate under strict rules of engagement designed to minimise the risk to civilians. Given the matter is the subject of an ongoing inquiry, it would be inappropriate for Defence to comment or speculate on matters that will be/are currently before the inquiry.

- (7) Yes. A payment was made under the Tactical Payment Scheme (TPS).
- (a) A TPS payment is a no-liability financial payment for collateral damage to property, injury or loss of life that has occurred during the course of an operation. The scheme provides a means for making a no-liability

condolence payment to people adversely affected during the conduct of ADF activities abroad.

(b-d) The disclosure of specific details of individual payments made under the TPS, including amount paid and the recipients are not made public due to operational sensitivity and privacy requirements. TPS payments do not imply any wrongdoing by members of the ADF, nor are they an admission of guilt.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 36 – Section 23AD of *Income Tax Assessment Act 1936*

Senator Wright provided in writing:

- (1) In cases where defence force personnel are injured during deployment and return to Australia for recuperation, they lose the tax exemption that would normally apply during their deployment, under section 23AD of the *Income Tax Assessment Act 1936*. Please provide the number of defence force personnel affected by this feature of the taxation system, in each of the last four financial years.
- (2) What is the total value of the entitlements lost as a result of this application of section 23AD of the Income Tax Assessment Act, by defence force members or veterans in each of the last four financial years?
- (3) If a government agency makes any savings compared with budgeted expenditure, in the course of this application of taxation law, where are these surplus funds redirected?

### Response:

- (1) The Senator may wish to note that on 14 August 2013, the Australian Taxation Office released a public ruling, Taxation Determination TD 2013/18, which provides that while the 23AD tax exemption is not available to ADF member while on convalescence leave (e.g. not receiving treatment in a hospital) there is an exemption available under section 23AG of the *Income Tax Assessment Act 1936* (ITAA 1936) until such time as the ADF member would have returned from the deployment, the ADF member resumes duty in Australia or the ADF member is medically discharged.

Paragraph 1 of the ruling states:

*'Foreign earnings derived by an ADF member from a period of leave as a result of an accident or illness that occurred while deployed overseas by the ADF as a member of a disciplined force are exempt under section 23AG of the ITAA 1936 where the earnings are derived during the period the ADF member would otherwise have remained deployed overseas had the accident or illness not occurred and all the other requirements of section 23AG are satisfied.'*

With regard to the number of personnel potentially affected by loss of their tax exemption prior to the 14 August when TD 2013/18 was released, the number of 'Medical Returns to Australia' (MRTA) for ADF personnel returning from Operation Slipper (warlike operation) for the past four calendar years is:

2010 - 119

2011 - 123

2012 - 100 and

2013 – 44 (as at 14 August 2013)

MRTA data is only available by calendar year. To reconfigure the data by financial year would require manual intervention and would require an unreasonable diversion of resources. These personnel may have been affected by the provisions of 23AD, but it is not possible to determine to what extent.

(2) and (3)

Defence is unable to provide the total value of entitlements lost as a result of this application of section 23AD. Providing this information would require assessment of each individual's case, including their original planned date of return, their actual Medical Return To Australia date and how much time was spent as an in-patient as a result of the medical conditions that caused their Medical Return To Australia. To collect this information would require an unreasonable diversion of resources. Defence does not track any savings made in the course of the application of section 23AD.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 37 – Defence White Paper**

**Senator Madigan** provided in writing:

In the Coalition's defence policy, it stated that "A Defence White Paper with costed, affordable ways to meet Australia's defence objectives will be published by the Coalition." When will a costed White Paper be released?

**Response:**

The Government intends to publish a Defence White Paper within its first eighteen months in office.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 38 – Increase of Sailors for New Naval Vessels**

**Senator Madigan** provided in writing:

The Navy will soon be taking possession of a number of new vessels. What provisions are under way to increase the amount of sailors we have to crew these vessels? Are we going to be able to fully man the vessels in our possession in 2020 and beyond?

#### **Response:**

As an integral part of the capability development process, crewing requirements and workforce transition plans are developed for each new class of ship entering naval service. For ships entering service before 2020 plans are well developed. The new ships such as the Landing Helicopter Dock (LHD) and the Air Warfare Destroyer do not increase the overall manning requirement for Navy when the decommissioning of other ships are taken into account.

There are, however, ongoing workforce pressures, particularly in the technical workforce that Navy has under active management. Based on current and projected recruiting and retention trends, Navy believes that it will be able to implement the workforce transition plans that will provide the required personnel to fully man the vessels planned for introduction into service by 2020 and will be able to continue to sustain the crewing of these new ships.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 39 – Capability of 4th Air Warfare Destroyer**

**Senator Madigan** provided in writing:

On the 7th of November, BAE Systems shipyard in Williamstown announced that 30 welding and boiler making jobs would be cut due to the lack of work. It has been suggested that building a 4th air warfare destroyer would bridge the gap between work. Earlier this year, Senator Brandis was quizzing defence about our current lack of capability to patrol the Southern Ocean due to a lack of resources. Would the acquisition of a 4th air warfare destroyer offer a potential solution to this problem?

#### **Response:**

A 4th air warfare destroyer would not be an appropriate vessel to patrol the Southern Ocean.

Within 18 months of coming into Government the Coalition Government is committed to publishing a defence white paper that will align the Government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow Government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability.



**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No.40 – Purchase of 4<sup>th</sup> Air Warfare Destroyer**

**Senator Madigan** provided in writing:

Considering the ANZAC class frigates are planned to be replaced by 2030, would the purchase of a 4th air warfare destroyer assist with maintaining currently expected capability through the transition to the replacement vessels?

**Response:**

Within 18 months of coming into Government the Coalition Government is committed to publishing a defence white paper that will align the Government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow Government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability, effectiveness and efficiency.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 41 – Fuel Security**

**Senator Ludwig** provided in writing:

What importance does fuel security have for the Navy, Air Force and Army?

And can you indicate how many days each branch can sustain intense operations with current reserves should the situation require it?

**Response:**

- (1) The provision of fuel and lubricants is a vital component of military capability, particularly to ensuring the mobility of the Navy, Army and Air Force on operations. Defence invests in a range of storage facilities and commercial contract activities to secure the provision of fuel and lubricants to the Australian Defence Force, both within Australia, and on deployed operations.

The specific number of days of sustainment for assigned operations conducted by the Australian Defence Force cannot be released publicly for operational reasons.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 42 – Albion explosives factory

Senator Madigan provided in writing:

I asked some questions during the February Senate Additional Estimates regarding the Albion explosives factory.

Defence's response to the first question we asked indicates that Defence did remediate the site.

- (1) What specifically was remediated and what can be accounted for?
- (2) Can a figure in cubic meters be provided?

In response to Defences answer to our third question.

- (3) Due to greater knowledge developed through advancements in science, would it be reasonable now to consider dioxin to be a contaminant of concern when auditing previous remediation efforts?
- (4) If so, why have no tests for dioxin taken place since?
- (5) Where is the blue stone which once lined all the ponds? Was this sold to cover costs, buried or given away? Can it be accounted for?

#### Responses:

- (1) The Department of Defence remediated a number of contaminants associated with the site's former use including; metals (such as lead, copper, mercury and zinc among others), explosive organic compounds, petroleum hydrocarbons and polycyclic aromatic hydrocarbons. All remediated soil was tracked from its source area to its final remediation destination using a materials tracking system. All remediated soil movements were accounted for by auditing the materials tracking system data against the surveyed remediation excavation volumes.
- (2) The Department of Defence remediated approximately 252,000 m<sup>3</sup> of contaminated soil from 178ha of land. The remainder of the site (277 ha) was remediated by Australian Defence Industries (ADI) and the Department does not hold records of the remediation work ADI completed.
- (3) Based upon the history of the site, dioxins were not considered to be contaminants of interest. The Amended NEPM Assessment of Site Contamination (NEPC 2013), Schedule B2 Guidelines on Site Characterisation, Section 9.2 Assessment of dioxin and dioxin-like compounds states:

*“It is rarely necessary to undertake analysis for dioxins and dioxin-like compounds (dioxins) at contaminated sites. Analysis should only be undertaken when the site history clearly indicates that dioxins are very likely to be present as a by-product resulting from specific manufacturing and industrial activities, or from waste disposal.”*

*“Dioxin contamination may be present following long-term and large scale use of a site for the following activities:*

- *manufacture and waste disposal associated with certain chlorinated compounds, for example, PCBs, phenoxy herbicides, organochlorine pesticides, chlorinated benzenes, chlorinated aliphatic compounds, chlorinated catalysts, and halogenated diphenyl ethers*
- *bleach pulp and paper mills processes known to produce dioxin*
- *incineration of substantial chlorinated compounds*
- *former municipal solid waste incinerators*
- *hospital waste incinerators*
- *extensive use of PCP in timber treatment.*

*Where dioxins are detected at levels significantly above background, a site-specific assessment may be required to determine the appropriate action.”*

The extensive historical investigations conducted did not indicate that any of the processes noted were undertaken on the site. It was therefore concluded, that it would not be reasonable to consider dioxins as contaminants of interest on this site.

(4) See response above. Dioxins are not contaminants of interest on the site.

(5) Defence does not hold any information regarding any bluestone lining of ponds. There is no record of any being present at the commencement of the Defence remediation program in 1996.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question On Notice No. 43 – Memorial wall**

**Senator Farrell** provided in writing:

- (1) Did Defence discuss the possible relocation of the memorial wall at the ISAF base in Tarin Kowt with other nations involved? If not, why not?
- (2) Did France, the United States or the Netherlands express an interest in repatriating the memorial?
- (3) What advice was provided to CDF recommending its destruction?
- (4) What were the reason/s it was not repatriated?
- (5) Were there any logistical barriers to bringing the memorial to Australia?
- (6) Would the memorial have had to be dismantled first?
- (7) The Minister for Veterans Affairs stated that Defence disposed of parts of the memorial which were "impractical and impossible to return to Australia." Which parts were these? What options were investigated to overcome these difficulties?
- (8) How many families were consulted before the memorial's destruction? Was the option of bringing the memorial to Australia suggested to these families? Were they told the memorial could not be repatriated to Australia? If so, what reason/s were they given for this?
- (9) Has Defence received any submissions from families opposed to the decision? If yes, what were their concerns?
- (10) Which, if any, parts of the memorial will be salvaged? When will they be brought home? Where will they be displayed?
- (11) Was the online petition with over 11,000 signatures from people who wish the memorial to "bring the wall home" taken into account?
- (12) How many private contractors offered to be involved in repatriating the memorial to Australia? Did they offer to dismantle and pack up the memorial for it to be transported by RAAF C-17 transport jets?
- (13) When did the Australian War Memorial director Brendan Nelson offer to provide a home for the memorial wall?

- (14) Were there any other offers of assistance to repatriate the memorial to Australia? Were any of these offers considered? Why were these offers rejected?

**Response:**

- (1) Defence consulted the countries involved and all agreed that the destruction / decommissioning of the memorial wall was the appropriate course of action.
- (2) No. All mutually agreed to the respectful destruction of the walls in lieu of repatriation to any one nation.
- (3) Australia does not have ownership of the Tarin Kot memorial wall. The wall is an international memorial which bears the names of the more than 110 United States, French, Dutch and Australian military personnel killed in action in Uruzgan. The wall lists personnel killed in action chronologically by year and not grouped by country of which the United States is the largest number. The Australian Defence Force is both respectful and mindful of the sensitivities surrounding fallen service personnel memorial sites and objects and is ensuring the Tarin Kot memorial is managed with the respect and solemnity that it deserves. All Australian specific historical items associated with the memorial wall, which are able to be returned to Australia, including the central stone plinth, will be brought home.
- (4) Australia does not have ownership of the wall. The wall was an international memorial and not uniquely Australian. It bore the names of more than 110 soldiers who have been killed in action. These soldiers were from four countries, and the largest number were from the United States. France, Netherlands and the United States agreed that the destruction / decommissioning of the memorial wall was the appropriate course of action. It would be presumptuous of the Australian Defence Force to believe that we could bring the wall to Australia and deny the families of the fallen from our allies the opportunity to visit the wall in their own country. Taking into account all the issues that surround the wall, size and in particular that it was not uniquely Australian, the families of our fallen brought a special insight into this matter and agreed to the plan, developed in consultation with all concerned nations, to decommission the wall.
- (5) Yes. The wall is about 25m wide and consists of 12 reinforced concrete T-walls (blast protection walls) weighing 9-11 tonnes each that are not designed for transportation once cast and positioned.
- (6) Yes. See response to question 5.
- (7) It was impractical to repatriate the T-wall sections intact due to their size and composition. It was not appropriate to repatriate the T-walls as the memorial was not uniquely Australian. See also question 10.
- (8) The Chief of the Defence Force, General David Hurley, recently accompanied family members of our fallen soldiers to Multi National Base Tarin Kot. The fate of the memorial wall was discussed with these families during this visit. Taking into account all the issues that surround the wall, size and in particular

that it was not uniquely Australian, the 33 families represented at the commemorative ceremony in Multi National Base Tarin Kot brought a special insight into this matter and agreed to the plan, developed in consultation with all concerned nations, to decommission the wall. See also the response at question 7.

- (9) Yes. Defence received submissions, prior to the visit to Multi National Base Tarin Kot by the Chief of the Defence Force and the families of the fallen, concerned with the proposal to destroy the wall. A number of these, who attended the ceremony, subsequently revoked their opposition when they saw the wall.
- (10) All uniquely Australian historical items associated with the memorial, which are able to be returned to Australia, including the central stone plinth, will be brought home. The central plinth is normally the focus of memorial ceremonies and where wreaths are laid. The Plinth was a gift from the Returned Service League organisation in Australia and will be lodged in the Australian War Memorial. Defence has planned on repatriating a small remnant of the wall from which small segments will be recovered and gifted to the families of the fallen to keep as a small memento of Afghanistan, should they desire it. Based on a historian's advice, significant work has been undertaken to develop a detailed electronic record of the memorial wall.
- (11) The Australian Defence Force is both respectful and mindful of the sensitivities surrounding fallen service personnel memorial sites and objects. The issues raised in the online petition were amongst many factors considered, including the views and wishes of the families of the fallen.
- (12) There were no offers made to Defence from private contractors to be involved in repatriating the memorial to Australia.
- (13) During a visit to Multi National Base Tarin Kot in March 2013, Australian War Memorial staff identified the plinth as the appropriate artefact from the memorial for lodgement at the Australian War Memorial
- (14) There were no other offers of assistance to repatriate the memorial to Australia.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 44 – Defence Implementation of Audit Recommendations

Senator Xenophon provided in writing:

In the June 2013, Senate Budget Estimates, I asked and was given a reply about Defence's Implementation of Audit Recommendations, particularly in relation to fraud detection and prevention.

In reply to that question Defence indicated that it was confident that its procedures have ensured that the recommendations have been implemented.

In light of your response can you explain why that now in the recently released ANAO Report No.6 – Capability Development Reform, the Auditor General made remarks and observations that:-

1. Defence does little reporting on reform progress relevant to major acquisitions. (Para 15.1)
2. That you pay insufficient attention to measure the status of the reform agenda. (Para 15.4)

Why do the responses from the ANAO and Defence differ materially?

#### **Response:**

The responses from Defence and the ANAO do differ materially as they pertain to two discrete issues.

The first issue relates to the response provided by Defence for Question on Notice No. 50 of the June 2013 Senate Budget Estimates. The response related to the procedures in place to address the implementation of audit recommendations which were reviewed in the ANAO's *Defence's Implementation of Audit Recommendations* report tabled on 27 February 2013.

The second issue relates to a recommendation from the ANAO *Capability Development Reform* report tabled on 30 October 2013.

In paragraph 15.52 of this report it states:

“While Defence's system for implementing audit recommendations exhibits many positive elements, such as having a clear process for assigning responsibility, and systematic monitoring and reporting on progress by Defence internal audit, there is no similar centralised long-term mechanism for managing the implementation of the recommendations of the various high profile reviews of Defence.”

To address this issue, recommendation 7 of the *Capability Development Reform* report states:

“To improve reporting and accountability for the achievement of expected outcomes from major reviews, the ANAO recommends that Defence implement systems to



centrally monitor progress over time on the implementation of recommendations/reforms stemming from these reviews.”

Defence has agreed to this recommendation.

Therefore, the ANAO has acknowledged that Defence does have systems to centrally monitor the progress of both ANAO and internal audit recommendations, and Defence has agreed to the ANAO’s recommendation of implementing a system for monitoring recommendations/reforms from major reviews.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 45 – Policing and security management system

**Senator Xenophon** provided in writing:

In the June 2013, Senate Budget Estimates, I asked about this system. Defence claimed that Defence fully implemented the recommendation in 1991 and that it became operational in September 2000. Yet in his 2012 response to the current Review project, the Inspector General-Defence identified that ‘the vast majority of complaints about the capabilities of DPSMS [a database used by all Defence Investigative Authorities] can be traced to problems with poor quality data being entered by users and/or users not utilising the full functionality of the system’  
<http://www.defence.gov.au/header/documents/StageAreport.pdf> Page 41 Footnote 36

- (1) If the data is unreliable how can you say it is fully implemented?
- (2) Furthermore, given its unreliability of data, how can you sign off in your letter of transmission to the Minister and state:- “We are satisfied Defence has prepared fraud risk assessments and fraud control plans, and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of Defence and comply with the Commonwealth Fraud Control Guidelines.” Why do the responses from Defence and from the Inspector General differ so materially?

#### **Response:**

- (1) The data in DPSMS is not considered by Defence to be unreliable. As with any case management or ICT system, there will be complaints about performance and where there are, the source of the issue is investigated.

In DPSMS’ case, the majority of complaints can be traced to data quality errors on the part of the user. Defence has a robust quality assurance process for DPSMS which detects these errors and they are immediately rectified. Further, where users are experiencing difficulty using the system they are given additional training and support.

- (2) The Inspector General of Defence has access to, checks, and remediates (where required) all data pertaining to fraud cases recorded in DPSMS. Consequently, the data within DPSMS is capable of meeting the appropriate reporting and data collection procedures and processes that meet the specific needs of Defence and comply with the Commonwealth Fraud Control Guidelines.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 46 – Fraud investigators

**Senator Xenophon** provided in writing:

In QoN (W53) in Additional Estimates Hearing on the 23rd February 2011 I asked questions about Fraud Investigators in Defence. Given the recent comments by the Inspector General – Defence to the “Re-thinking Systems of Inquiry, Investigation, Review and Audit in Defence” project, can Defence advise:

- (1) How many (by year since 2007) investigators from ADFIS have had a rotation/posting to the Fraud Control and Investigations Branch?
- (2) When an advanced DPSMS course was developed, when first deployed and how many (by year since 2007) investigators from ADFIS attended?

**Response:**

- (1) None.
- (2) The Defence Policing and Security Management System (DPSMS) underwent a complete upgrade which culminated in the introduction of DPSMS Stage 2 in February 2008. As part of the rollout of the new application, all ADFIS investigators were trained in the use of the system.

Post the DPSMS Stage 2 rollout, DPSMS courses were integrated into the Service Police investigation training courses held at the Defence Police Training Centre. ADFIS Investigators undertake DPSMS Stage 2 training as part of the Service Police Basic Course and consolidate that training as General Duties Service Police members, prior to appointment as ADF Investigators.

There is no readily available specific data to identify the years that the current ADFIS Investigators received DPSMS Stage 2 training, however, all serving ADFIS Investigators are trained in DPSMS Stage 2

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. Q47 – Fraud control and investigation**

**Senator Nick Xenophon** asked in writing:

In QoN (W7) in Budget Estimates 2010-11, I asked questions on Fraud Control and Investigation.

- (1) Has the Inspector-General's investigative structure been changed or enhanced since the Department's response to the Service Police Audit in 2004?
- (2) When was the last formal audit / review done of the performance of the Inspector General – Defence, given the quantum of capability, military justice and cultural reform reports and reviews that have been produced?
- (3) Given that the audit of the Service Police was done by Ernst & Young, would an outside equivalent audit be considered by the Minister, and if not so recommended, why not?

#### **Response:**

- (1) While the Service Police Audit in 2004 related only to the Service Police, there have been no changes to the Inspector General's investigative structure since then. The Inspector General of Defence continues to retain 11 staff dedicated to the receipt, assessment and investigation of fraud allegations.
- (2) Under the Commonwealth Fraud Control Guidelines 2011 the AFP conduct Quality Assurance Reviews (QARs) on agency fraud investigations. QARs are based on the Australian Government Investigation Standards 2011 (AGIS). The primary objective of the QARs is to identify, assist and support the development of best practice and to promote an appropriate and consistent level of investigation management across all Commonwealth agencies. The review process indicates where agencies have implemented best practice procedures or areas requiring improvement to enable the agency to meet the AGIS standards.

The most recent QAR of the Inspector General of Defence's investigative structure was conducted by the AFP in May 2012. It found that the Inspector General's investigative capability met all of the requirements of AGIS and the Commonwealth Fraud Control Guidelines.

- (3) The Inspector General of Defence is satisfied with the AFP oversight through the QAR process.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 48 – Public Services Efficiencies

Senator Ludwig provided in writing:

- a. Has there been a reduction in business flights?
- b. What are the estimated savings for each year over the forward estimates?
- c. Has there been a reduction in the use of external consultants and contractors?
- d. Has this impacted on the Department/agency, and how?
- e. What are the estimated savings for each year over the forward estimates?
- f. Has the department/agency reduced its printing costs? If no, why not?
- g. Have printing costs increased, and if yes why and how much?

**Response:**

(a) For Financial Year 2012-13, Defence's total invoiced spend on airfares was \$133 million. This is a 26% reduction compared to the \$181 million airfare expenditure for Financial Year 2011-12.

(b) There are no specific targets. Defence is committed to ensuring that only essential business travel is undertaken and expects further savings over the forward estimates.

(c) Defence achieved a reduction of \$46.49 million between 2011/12 and 2012/13.

(d) Defence has cancelled or deferred lower priority tasks. Defence continues to prioritise work within the available financial and people resources.

(e) There are no savings targets for the use of external consultants and contractors.

(f) Yes.

(g) Not applicable.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 49 – DART Abuse

Senator Xenophon provided in writing:

1. Can the CDF, or one of the Service Chiefs fully explain and elaborate on the term “suspend” with regard to service personnel when applied under the implemented Cultural Reforms Program?
2. Can the CDF, or one of the Service Chiefs fully explain and elaborate on the term “terminate” with regard to service personnel when applied under the implemented Cultural Reforms Program?
3. Does the Australian Defence Force have the ability/option to dismiss using the term “dishonourable discharge” for the egregious misrepresentation of defence values as expressed to the parliament and the Australian public?
  - a. If not, why not? When was it removed from the military justice options?
4. Once a payment has been approved by the DART, why, as has been reported by the Australian Defence Force Abuse Association, is it taking four-six weeks to process reparation payments?
5. Why has the DART seen fit to outsource the reparation payment process?

#### Response:

- (1) The term ‘suspend’ in relation to Australian Defence Force (ADF) personnel normally refers to the exercise of legal powers granted to authorised officers under the *Defence Force Discipline Act 1982* (DFDA) to suspend members from duty. An ADF member who has been convicted of an offence, whether that is a service offence, a civil court offence or an offence against foreign law, can be suspended from duty ‘*pending a decision as to the termination of the member’s service*’. An ADF member who has been charged with such a Service or civil law offence, or who is under investigation on suspicion that they have committed a Service offence, may also be suspended from duty. A member who is suspended from duty in both these circumstances is not entitled to pay, unless the relevant authority appointed by CDF or a Service Chief determines that the suspension should be with pay. This is authorised in subsection 98(1) and (2), subsection 99(2) and subsection 100(2) of the DFDA. The operation of this power to suspend with respect to the ADF cultural reform program is therefore limited to persons accused of, charged with, or convicted of offences, such as sexual offences or contravention of existing orders regarding behaviour.

(2) The 'termination' of a member's service is a process described in the *Defence (Personnel) Regulations 2002* (the Regulations). It may refer to voluntary or compulsory termination of a member's service in the ADF for the reasons identified in the Regulations at Chapter Nine. A member's service in the ADF may be terminated compulsorily if the member becomes a permanent resident of another country, is redundant, is continuously absent without leave for three months or more, or for other reasons. Relevant other reasons are set out in Regulation 85 for officers and Regulation 87 for enlisted members.

In the case of ADF members who have behaved contrary to the standards set out in the cultural reform initiatives, extant Defence policy and Defence values, the most relevant ground on which their service may be terminated is that their Service Chief is satisfied that their "retention is not in the interests" of either the ADF or their Service, because of their performance, behaviour or their conviction for an offence. This provision confers a broad discretion on the Service Chiefs and the Governor General (or delegates), in particular to decide what kind of behaviour is not compatible with continued service.

Further reasons to terminate the service of an enlisted member or an officer include mental or physical incapacity, failure to become an Australian citizen, failure to render required service and the request of a minor member's parent or guardian. In addition, officers' service may be terminated if they are inefficient or incompetent for a reason that is within their control, and enlisted members' service may be terminated for unsuitability for service or for further training.

The Regulations require that the decision-maker on termination of service for any of these reasons also take into account a range of organisational matters and '*whether, having regard to the individual's past and present conduct, the individual is of good character*' (Regulation 7). This is an important factor with regard to individuals who have behaved contrary to Defence values, standards of behaviour and cultural reform initiatives. The mandatory consideration of good character is a recent addition to the Regulations and commenced operation on 5 March 2013.

The termination of a member's service must follow the procedure prescribed in the Regulations, which generally includes the issue of a notice setting out the reason for the proposed termination and the provision of a minimum of 28 days for the member to respond. For terminations under Regulations 85 and 87 of the Regulations, a decision to terminate the member's service cannot be made until the 28 day notice period, or longer if extended, has elapsed. From a practical perspective, this limits the speed with which the service of ADF members can be terminated. Additional time may also be required after a decision is made to complete administration associated with the termination of service, including medical clearances, return of Defence equipment and the departure of the member and their family from Service housing.

The ‘termination’ of an ADF member’s service is also authorised by Part VIIIA of the *Defence Act 1903*, in respect only of members who test positive to prohibited substances. The procedures for testing and for the termination of members’ service on the basis of a positive test result are prescribed in that Act.

In addition to the termination of a member’s service under the Regulations and the *Defence Act*, the *Defence Force Discipline Act 1982* (DFDA) also retains the punishment of ‘*dismissal from the Defence Force*’ which may be imposed on both officers and enlisted personnel who commit service offences of a serious nature. This ignominious form of termination of service is listed by the DFDA as the third most severe sanction on the scale of punishments (after imprisonment for life or imprisonment for specified period). Given the severity of this punishment, it may only be imposed by a higher level Service tribunal—that is, a Court Martial and Defence Force magistrate.

- (3) Pejorative adjectives such as ‘dishonourable’ are not used in the *Defence (Personnel) Regulations 2002* to describe the legal grounds or reasons for administrative termination of service. Personnel who commit offences or whose behaviour is otherwise unacceptable can still have their service terminated under those Regulations on the basis that their retention is not in the interests of either the Defence Force or one of the three Services. When making a decision whether or not to terminate a member’s service on this basis, misconduct by the member cannot be ignored. Indeed, the Regulations were amended in March 2013 to explicitly require authorised decision-makers to consider whether, ‘*having regard to the individual’s past and present conduct, the individual is of good character*’ when making such termination decisions.
  - (a) Not applicable, noting that individuals convicted of service offences by Court Martial or Defence Force magistrate may be dismissed from the Defence Force and that, under the *Defence (Personnel) Regulations 2002*, an individual’s good or bad character is a mandatory consideration in respect of decisions to terminate a member’s service in the Defence Force.

- (4) To date, the average time to process reparation payments, between receipt of a complainant’s Electronic Funds Transfer (EFT) form and payment, is nine days.

In order for a payment to be processed, the Reparations Assessor must have made a final decision and the Taskforce must have received an EFT form from the complainant. Once this has occurred, a payment is made within 28 days.

The longest amount of time between receipt of an EFT form and payment to date has been 23 days.

- (5) The engagement of an external service provider to deliver the Defence Abuse Reparation Scheme payments ensures the confidential details of complainants are protected.



Utilising a service provider is less resource intensive than Commonwealth personnel providing the service, and enables the Taskforce to effectively and efficiently use Commonwealth funding.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 50 – Civilian Staffing

Senator Xenophon provided in writing:

- (1) Can Defence provide the Australian Public Service employment numbers for the period 2002-2003 through to the current financial year 2012-13?
- (2) Given the qualification in the Defence Annual Report 2011-12 that the APS staff employed “are Average Full Time Equivalent, they are not a headcount” can Defence:
  - a. Extrapolate the number of part time employed staff from actual full-time?
  - b. What number are employed by percentage of Full Time Equivalent?
  - c. What number are actually employed in the Department of Defence?
  - d. What number are actually employed in the Defence Materiel Organisation?
  - e. What is the actual number of Australian Public Servants employed by the Australian Defence Organisation by year 2002-03 through to 2012-13.

#### Response:

- (1) and (2e). The Australian Public Service (APS) workforce numbers for the Department of Defence for the period 2002-03 through to the current financial year 2012-13 are shown in the table below. These figures represent all APS employees who were employed by Defence on 30 June of each Financial Year:

| Financial Year | FTE - 30 June of each year (including DMO) |
|----------------|--|
| FY2002/03      | 18,531                                     |
| FY2003/04      | 18,251                                     |
| FY2004/05      | 17,722                                     |
| FY2005/06      | 18,854                                     |
| FY2006/07      | 20,191                                     |
| FY2007/08      | 20,439                                     |
| FY2008/09      | 19,977                                     |
| FY2009/10      | 20,281                                     |
| FY2010/11      | 21,263                                     |
| FY2011/12      | 22,284                                     |
| FY2012/13      | 21,006                                     |

- (2) As at 30 June 2013:
  - (a) there were 20,889 full-time and 1,218 part-time APS staff.
  - (b) the APS headcount was 22,107 with a Full-Time Equivalent (FTE) of 21,006 equating to 95.02% of headcount.
  - (c) the APS headcount was 22,107 (incl DMO).
  - (d) the headcount for the Defence Materiel Organisation was 5,565.

## Senate Standing Committee on Foreign Affairs, Defence and Trade

### Question On Notice No. 51 – Shipbuilding Projects

**Senator Xenophon** provided in writing:

- (a) I understand the previous Government announced, as part of the 2013 White Paper, that certain shipbuilding projects would be brought forward to keep ASC and other shipyards working over the next 5-10 years.
- Where are the details of this shipbuilding plan? I note the new Defence Minister has committed to solving this issue, what's the DMO's view of this problem?
- (b) ASC and other companies have stated very clearly that they see an auxiliary ship program as being necessary to bridge the gap between the conclusion of the Air Warfare Destroyer Program and the start of the Future Frigate and Future Submarine programs – the so called gap.
- Do you agree these auxiliary ships need to be built in Australia? If so, when might a tender or some sort of decision be expected?
- (c) Regarding the Future Frigate project to replace the current ANZAC class ships, when do you see this program being approved by Government and when would industry start actual design and production work on the project?
- (d) Given the Air Warfare Destroyer program was first considered in the 2001 White Paper and went into production in 2008, should we expect a similar timeline on Future Frigates and Future Submarines?
- (e) How does a fourth Air Warfare Destroyer fit into this picture? When should this be contracted if it is to fit into the current program?
- (f) Do you agree that if Australian shipbuilding industry becomes more productive, which is what avoiding the so-called 'valley of death' is about, it's a win/win scenario for the Navy and for industry?

#### **Response:**

(a), (b) and (e) Within 18 months of coming into Government the Coalition Government is committed to publishing a defence white paper that will align the Government's defence policy with a clear military strategy and an affordable, properly funded ADF structure designed to achieve that policy. This will allow Government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability, effectiveness and efficiency

Government decisions on replacement vessels and auxiliary replacement vessels will carefully balance the capability, resource, workforce and industry factors, as well as potential implications for competing funding priorities, as part of the value for money considerations.

(c) SEA 5000 Maritime Surface Combatant is currently listed in the public Defence Capability Plan as the planned fleet of Future Frigates. This project will be considered in light of the new White Paper, which the Coalition Government has committed to releasing within 18 months of coming into Government.

(d) Since 2009, the Government has funded design, modelling, analysis and technology studies to examine in detail options for the future submarine capability. Similarly studies are underway for the development of the Future Frigates. Given the importance of these capabilities to Defence, any decisions on these projects will be made in the context of the new White Paper and will be informed by these studies. The delivery of future submarines and major surface combatants is an undertaking of significant strategic importance to Australia. Timelines are dependant on which procurement option Government selects to meet the strategic direction.

(f) Improved productivity would be a win/win for Defence and industry.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No.52 – Orion Replacement**

**Senator Conroy** provided in writing:

What options are Air Force looking into to replace the 3C Orion from around 2017?

**Response:**

- (1) Project AIR 7000 will acquire a mix of manned and unmanned aircraft to replace the AP-3C Orion aircraft to provide maritime patrol and response capabilities.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question On Notice No.53 – UAVs**

**Senator Conroy** provided in writing:

I understand that a key capability of the replacement Unmanned Aerial Vehicles (UAVs) will be maritime surveillance, is that the case?

- a. Given that we're looking at the Triton, can you tell me when the US currently expects a maritime surveillance variant to be available?
- b. Would it be possible for Australia to be operating a Triton for maritime surveillance by 2015?

#### **Response:**

(1 a-b)

Project Air 7000 will replace the AP-3C Orion capability with a combination of an unmanned aircraft system, under AIR 7000 Phase 1B, and a manned aircraft (P-8A Poseidon) under AIR 7000 Phase 2B.

As the Rudd government suspended the AIR7000 Phase 1B program, the earliest the MQ-4C Triton would be available from the US would be mid-2017 due to the extensive test and evaluation program still occurring in the US.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 54 – UAVs Policy**

**Senator Conroy** provided in writing:

What policy work is the Department doing on the issues surrounding the use of UAVs, including the possible acquisition and employment of UAVs in the future in terms of command and control, targeting, laws of armed conflict, rules of engagement?

#### **Response:**

Defence has an established policy approach to the employment of unmanned aerial vehicles (UAVs). UAVs have been deployed on Australian Defence Force (ADF) operations, most importantly in Afghanistan. As with all manned platforms, UAVs are, and will continue to be, employed in circumstances consistent with Australia's legal framework and obligations, including targeting rules under the laws of armed conflict and applicable rules of engagement.

The Government has no current plans to acquire armed UAVs. As with all capabilities, the appropriate contribution that UAVs can make to the tasks the Government expects the ADF to perform will be considered as part of the development of the 2015 Defence White Paper. Defence has established a UAV working group to examine policy and legal considerations associated with current and potential future uses of UAVs.

As with all new weapons, means or methods of warfare, before acquiring any new UAV system, Defence is obliged to conduct a formal legal review under Article 36 of the 1977 Additional Protocol I to the Geneva Conventions of 1949. This legal review assesses whether a vehicle (including its control system), in its normal or expected usage, is compliant with Australia's international legal obligations.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 55 – UAV Future Needs of ADF**

**Senator Conroy** provided in writing:

What process is in place for the analysis and assessment of the future needs of the ADF in relation to UAV?

**Response:**

- (1) The Force Structure Review process will be used to assess the longer term ADF requirements to field the various types of Unmanned Aerial Systems (UAS). Defence is also engaged in determining the policy implications of owning and operating these platforms.
- (2) The ADF is already seeking to capitalise on a number of obvious characteristics (endurance being one) of unmanned platforms in replacing the AP-3C aircraft capabilities under the various phases of Project AIR 7000.



## Senate Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 56 – Regulatory Reform

Senator Conroy provided in writing:

- (1) What methodology will Defence use to calculate the cost of regulation within the portfolio?
- (2) The government regulatory reform policy requires the Department to establish a dedicated unit led by an officer of at least SES1 level. Has the unit been established?
  - (a) How many staff have been assigned to this new unit?
  - (b) From where have the staff be redeployed?
  - (c) Is this a full time job for these officers?
  - (d) Is the officer who is heading this new unit available for appear?
- (3) According to the policy the Secretary will be set a specific regulatory performance target both in terms of the number of regulations to be cut and the extent of the impact of those regulations. Has that target been set for this Department yet? If so, what is the target? If no, when do you expect to finalise this target?
- (4) The performance in the area or regulatory reform is to be linked to SES pay and also the reappointment of departmental secretaries. Do you know how will you implement this? Will missing the regulatory reform target result in a pay cut for SES officers?
- (5) The policy also requires this Department to establish a Ministerial Advisory Council. What is the process for establishing this new council in Defence?
  - (a) How will the members be selected and who will be the final decision maker about the advice that is provided to the Minister?
  - (b) When do you expect the council to be up and running?

#### Response:

- (1) (3) and (4) The Government is currently considering arrangements for the implementation of the deregulation agenda.
- (2) Yes
  - (a) The team currently consists of 1 SES Band 1 and 2 staff members. The team will also call on subject matter experts across the Department to implement the Government's deregulation agenda.
  - (b) Staff have not been redeployed from elsewhere.
  - (c) No. The deregulation unit staff members will continue to have other duties.
  - (d) Yes, the officer will be available to appear at Senate Estimates.
- (5) Arrangements for the establishment of the Ministerial Advisory Council (MAC) on Deregulation are being considered.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 57 – Hot Issue Briefs

**Senator Ludwig** provided in writing:

Under the previous Government, Defence published Hot Issue Briefs, but the most recent one on the website was placed there on 6 September 2013. Has there been a policy decision to cease the publication of Hot Issue Briefs?

- 1) If so, when was this decision taken?
- 2) Who made the decision to cease publication of the Hot Issue Briefs?
- 3) What were the reasons behind the decision not to continue publishing Hot Issue Briefs?
- 4) Have there been any issues that would have been published under the previous guidelines, but which have not been published under the new guidelines?
  - a. If so, please provide a full description of each issue that would have been published under the previous guidelines, but have not been published.
- 5) How has the decision to cease publication of Hot Issue Briefs improved transparency and accountability of government?

**Response:**

1) to 5) Defence has not yet asked the Minister to consider the arrangements for Hot Issue Briefs. The department will provide advice to the Minister for his consideration in due course.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 58 – Civilian Staffing (Establishments)**

**Senator Conroy** provided in writing:

1. What was the FTE civilian staff establishment for the department at the 2013/14 budget?
  - a. Can you provide those FTE numbers by division?
  - b. Can you also provide the actual staffing levels in each division?
  - c. Of these staff, how many are on fixed term contracts or are employed on a temporary basis?
2. Where are the Department's civilian staff based?
  - a. How many are based in Canberra?
  - b. How many outside of Canberra?
  - c. Where outside of Canberra?
3. Do you envisage that there will be any aspects of delivering 'Force 2030' that will require an increase in civilian defence staff?
  - a. If so, can you provide detail of what areas these staff might be required in?
4. Mr Richardson said in his speech to ASPI last week that over the last ten years, 1000 ADF positions had been 'civilianised' to ensure uniformed personal were not doing jobs that could be performed equally by civilians at a lower cost.
  - a. Do you envisage that this trend will continue?
  - b. Do you envisage any further change in the civilian-to-uniformed staff ratio in the next ten years?
5. How would you characterise the current staffing establishment of the Department?

**Response:**

- (1) (a) The table below shows the 2013-14 Full Time Equivalent (FTE) allocation for Defence's Australian Public Service (APS) workforce broken down by Group (current as at the 2013-14 budget).

| <b>APS WORKFORCE ALLOCATIONS BY GROUP</b>   |               |
|---|---------------|
| Navy  | 729           |
| Army  | 918           |
| Air Force                                   | 781           |
| Chief Operating Officer (COO)               |               |
| <i>Defence Support and Reform Group</i>     | 2,679         |
| <i>Defence People Group</i>                 | 1,002         |
| <i>Chief Information Officer Group</i>      | 1,089         |
| <i>COO Other Elements</i>                   | 131           |
| Office of the Secretary and CDF             | 318           |
| Vice Chief of the Defence Force Group       | 1,833         |
| Joint Operations Command                    | 50            |
| Intelligence and Security Group             | 2,537         |
| Capability Development Group                | 152           |
| Defence Science and Technology Organisation | 2,340         |
| Chief Finance Officer's Group               | 960           |
| Defence Materiel Organisation               | 5,307         |
| <b>Total APS Workforce</b>                  | <b>20,826</b> |

- (1) (b) The table below shows the actual FTE level achieved in the fortnight ending 5 December 2013. Note that some allocations have changed since those provided in the budget due to functions having moved between Groups.

| <b>APS ACHIEVEMENT BY GROUP, 5 DECEMBER 2013</b> |               |
|--|---------------|
| Navy   | 662           |
| Army   | 940           |
| Air Force  | 780           |
| Chief Operating Officer (COO)                    |               |
| <i>Defence Support and Reform Group</i>          | 2,253         |
| <i>Defence People Group</i>                      | 1,366         |
| <i>Chief Information Officer Group</i>           | 1,108         |
| <i>COO Other Elements</i>                        | 122           |
| Office of the Secretary and CDF                  | 325           |
| Vice Chief of the Defence Force Group            | 1,817         |
| Joint Operations Command                         | 52            |
| Intelligence and Security Group                  | 2,449         |
| Capability Development Group                     | 150           |
| Defence Science and Technology Organisation      | 2,372         |
| Chief Finance Officer's Group                    | 909           |
| Defence Materiel Organisation                    | 5,236         |
| <b>Total APS Workforce</b>                       | <b>20,543</b> |

- (1) (c) As at 30 November 2013 there were 101 non-ongoing employees on fixed-term contracts in Defence. Note that this is a headcount number, in which all employees are counted as a whole employee, whereas the FTE approach above counts part-time employees as a fraction. As a basis for comparison, on the same day the total APS headcount for Defence was 21,620.
- (2) (a) and (b) As at 5 December 2013, of the 20,543 APS members in Defence (in FTE terms), 8,358 were based in Canberra and 12,185 outside Canberra.
- (2) (c) Defence APS members are distributed widely throughout Australia and overseas. The following table shows the distribution across states as at 5 December 2013, in FTE terms.

|                            |               |
|----------------------------|---------------|
| ACT (including Jervis Bay) | 8,380         |
| New South Wales            | 3,341         |
| Northern Territory         | 327           |
| Queensland                 | 1,423         |
| South Australia            | 2,224         |
| Tasmania                   | 80            |
| Victoria                   | 4,081         |
| Western Australia          | 563           |
| Overseas                   | 124           |
| <b>Total</b>               | <b>20,543</b> |

- (3) and (3) (a) The *Force 2030* construct was introduced with the 2009 White Paper (and continued in the 2013 White Paper) and brought with it additional workforce over the succeeding decade for specific programs. This will be reviewed in the construction of the 2015 White Paper.
- (4) (a) and (b) No further civilianisations or substantive changes to the civilian-to-uniformed staff ratio are currently planned, beyond the impact of the reductions in Defence's APS workforce that have been planned for several years. These are outlined in the *Portfolio Budget Statements 2013-14*, which show planned reductions in Defence's APS workforce from 21,217 full time equivalent in 2013-14 to 20,476 in 2016-17. Alterations in staffing can, however, occur as circumstances dictate and will be the subject of considerations by the current government.
- (5) Defence has an integrated workforce of approximately 20,000 APS members, 56,000 Permanent ADF members and 24,000 Reservists. These staffing levels are established with capability outcomes as the priority.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 59 – Separations and Appointments

Senator Conroy provided in writing:

- (1) Have there been any separations (staff departures) since the election? If so, how many?
  - (a) Please provide figures for resignations, retirements, redundancies and sackings that make up that total.
  - (b) Of the redundancies, how many of these received a redundancy package?
  - (c) Of these redundancies, how many were voluntary?
  - (d) Of the retirements, did anyone receive an ‘incentive to retire’ payment?
  - (e) If so, what were the circumstances surrounding the decision to make ‘incentive to retire’ payments?
  - (f) If there were sackings, were they on grounds of misconduct or incompetence?
  
- (2) Have any contractors or non-ongoing staff had their contracts terminated since the election?
  - (a) If so, how many?
  - (b) Were any contracts ended or terminated earlier than specified in the contract?
  
- (3) Have there been any appointments to the department since the election?
  - (a) If so, who was appointed, to what position were they appointed, what was the process followed and are they permanent or fixed term appointments?

### Response:

- (1) For the period 7 September 2013 to 30 November 2013, 291 Australian Public Service (APS) employees (ongoing and non-ongoing) separated from the Department of Defence.
  - (a) The APS separations are classified (using the breakdown provided) as per the following:  
  
Resignations: 161  
Retirements: 64  
Redundancy: 36  
Death: 1  
Completion of Contract: 15  
Reason Not Specified: 7  
Terminations: 7

(b) and (c). All 36 redundancies were voluntary and involved a redundancy package.

(d) No.

(e) Not applicable.

(f) For the period 7 September 2013 to 30 November 2013, employment was terminated for one APS employee for breaching the APS Code of Conduct (misconduct) and three APS employees for underperformance (inability to perform the duties of their position). The other three terminations in the period were on other grounds, as prescribed by Section 29 of the *Public Service Act 1999*.

(2) (a) and (b). There were 6 non-ongoing employees who completed their contracts earlier than the specified contract end date during the period 7 September 2013 to 30 November 2013. None of these contracts were terminated by Defence.

Please refer to response provided for Question on Notice No.94 – Staffing Recruitment.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No 60. – Coalition Policy – Public Service Numbers

Senator Conroy provided in writing:

1. The policy the Coalition took to the election was to cut the public service by at least 12,000 jobs.
  - a. Had you been told by the Government that Defence would be in any way exempt from this policy? For military and civilian employees?
  - b. Did Defence receive any instruction from the Government post-election relating to job cuts?
  - c. Had Defence put in place any mechanisms to meet the Government's job cuts target?
  
2. The Government's pre-election target for public service job cuts was 12,000 over three years, 6,000 in this financial year. Did the Department of Defence have its own internal target? (How many of that 12,000/6,000 will be met within Defence?)
  - a. If yes, how was this target decided on?
  - b. If no, if there is no target, how is it going to be determined how many jobs are cut within defence this financial year and across the next two financial years?
  
3. Prior to the election the Coalition's policy was that public service job cuts would be made through natural attrition alone. Did the department receive any instruction from the Government to not offer any redundancies?
  - a. Did you receive any instruction to implement these job cuts through natural attrition alone?
  - b. Did you receive any instruction to implement these job cuts through other means?
  - c. If so, what are those means?
  
4. The Government has now moved away from the policy it took to the election, instead asking the Commission of Audit to determine what the Government's new public service job cut policy should be.
  - a. Has Defence received any instruction from the Government relating to job cuts since this change in policy?
  
5. How has the hiring freeze announced by Minister Abetz on 31 October impacted the Department of Defence?
  - a. Have any contracts been terminated as a result of the hiring freeze?
    - i. If so, please provide detail.
  - b. Were there any contracts that you think would have been extended that will now not be extended due to the freeze?
    - i. If so please provide detail
  - c. How do you think the hiring freeze will affect the Department's future capability?
  - d. Do you think the hiring freeze will affect the Department's ability to reach the goals outlined in 'Force 2030'?



- i. Please provide detail about the specific capabilities provided by civilian members of Defence and how they will or will not be affected.

6. Prior to the election the Coalition announced policies of moving government agencies outside of Canberra. Are there currently any plans or have there been any discussions since the election about moving civilian defence staff out of Canberra?

**Response:**

1(a) – No. Military Personnel are not included as part of the APS.

1(b) – On 31 October 2013, the Minister Assisting the Prime Minister for the Public Service, Senator the Hon Eric Abetz, announced interim new recruiting arrangements within the APS to help meet the Government’s election commitment to reduce the public service by 12,000 employees through natural attrition. The new arrangements will maximise the use of capability already within the existing APS.

On 19 November 2013, the Minister for Finance, Senator the Hon Mathias Cormann, announced that the Government had received advice showing the former Government’s policy settings and savings measures were expected to result in around 14,500 total job cuts across the public service. Accordingly, the Government will now review the timing and approach to any further reductions.

1(c) – No. However, reductions in Defence’s APS workforce have been planned for several years. The *Defence Portfolio Budget Statements 2013-14*, prepared under the former Australian Government, outlined planned reductions in Defence’s APS workforce from 21,217 full-time equivalent in 2013-14 to 20,476 in 2016-17. Defence continues to progress towards these targets.

2 (a) – (b) – No, not in respect of the Government’s pre-election target. However, Defence continues to progress towards reductions announced by the previous Government.

3 (a) - (c) – No.

4 (a) – See 1(b).

5 and 5(c) – (d). The Department is managing the arrangements to ensure priority is given to capability and operations.

5(a) - (b) - No.

6 – No.

## Senate Standing Committee on Foreign Affairs, Defence and Trade

### Supplementary Estimates

#### Question On Notice No. 61 – Civilian Employees

Senator Conroy provided in writing:

1. How many ex-service personnel and how many spouses of current service personnel are employed as civilians in Defence?
  - a. What portion of the civilians in Defence do ex-service personnel make up?
  - b. Please describe the sorts of benefits that are provided by these ex-ADF members in the civilian side of defence and how they have been valuable.
2. Do civilians in Defence play a role in the direct support or delivery of operational outcomes?
  - a. What is the nature of these roles?
3. What is the cost benefit comparison of civilians filling the functions they currently perform in Defence compared to uniformed personnel?

#### Response:

1. There are 4,295 ex-service personnel who are employed as civilians in Defence. There were 886 Permanent ADF members who identified in the 2011 Defence Census that their spouse / partner worked in the Defence APS. Defence is unable to provide a more recent update to this because information on spouse / partner employment is not specifically recorded in Defence's Human Resource system (PMKeyS).
  - a. 19.6% APS Personnel (including DMO) are ex Permanent ADF Members
  - b. Engineering, Technical and selective Project Management skills are amongst those which are delivered by ex-ADF members in the APS.
2. Yes.
  - a. Australian Public Service and contracted staff provide a range of services that contribute directly to operations including, but not limited to, intelligence and policy support, acquisition, research and development, logistics and engineering support and ICT systems that support operations.
- (3) The uniformed personnel cost is between 15.2% to 40.9% higher than the cost of an equivalent ranked APS person.

This is primarily due to differences in superannuation and allowances paid to military members.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 62 – Cadets

Senator Conroy provided in writing:

1. Please provide the current (at 2013/14 budget) size of each of the three cadet forces (Australian Navy Cadets, Australian Army Cadets and Australian Air Force Cadets) and the number of cadets and staff in each cadet force.
  - a. How do the current numbers of cadets and staff compare with numbers six years ago?
  - b. What have been the growth trends over this time?
  - c. Have there been any new cadet units established in any of the three forces in the past six years?
  
2. In August 2008 the Government commissioned an independent review of the ADF Cadets to consider how it could be improved to ensure it reflects community expectations for a youth development organisation – the Hickling Review. What is the current status of the implementation of the agreed recommendations?
  - a. What difference do you think these recommendations have made to the operations of the ADFC?
  - b. Are you confident that the implementation of the agreed recommendations of the Hickling Review has been carried out comprehensively – to avoid the need for repeated/similar reviews in the near future?
  
3. In 2012 the Cadet Youth Development Framework was launched, what are the motives and process of developing the framework?
  - a. The framework has been in place for over a year now, how is it being used across the three ADFC forces?
  - b. How was the framework received within the ADF, and by other youth organisations?
  
4. In 2012 a Cadet Forces Regulation Review was conducted as part of a commitment to ensure the ADFC is the best possible environment for youth development. Please describe the:
  - a. motives behind this review;
  - b. the review process;
  - c. the recommendations of this review; and
  - d. the status of their implementation.

### Response:

1. The number of ADF Cadets and Staff (referred to as Officers of Cadets (OOC) and Instructors of Cadets (IOC)) in the Australian Navy Cadets (ANC), Australian

Army Cadets (AAC) and Australian Air Force Cadets (AAFC) as at 30 June 2013 is as follows:

Total Number of Cadets, OOC and IOC as at 30 June 2013<sup>1</sup>

| Service            | Cadets       | OOC,IOC     | Grand Total  |
|--------------------|--------------|-------------|--------------|
| ANC                | 2952         | 676         | 3628         |
| AAC                | 15469        | 1238        | 16707        |
| AAFC               | 6509         | 953         | 7462         |
| <b>Grand Total</b> | <b>24930</b> | <b>2867</b> | <b>27797</b> |

<sup>1</sup> CRESO collects Cadet data on a biannual basis (June and December each year)

- a. In June 2008 there were 21984 Cadets and 2287 OOC and IOC.
- b. Growth trends in Cadets, OOC and IOC from June 2008 to June 2013 were as per the following table:

Growth trends of Cadets, OOC and IOC from June 2008 – June 2013

| Year             | Cadets | Staff | Grand Total  |
|------------------|--------|-------|--------------|
| <b>June 2008</b> |        |       |              |
| ANC              | 1652   | 376   | 2028         |
| AAC              | 13985  | 1040  | 15025        |
| AAFC             | 6347   | 871   | 7218         |
|                  |        |       | <b>24271</b> |
| <b>June 2009</b> |        |       |              |
| ANC              | 2018   | 341   | 2359         |
| AAC              | 13675  | 1057  | 14732        |
| AAFC             | 6341   | 830   | 7171         |
|                  |        |       | <b>24262</b> |
| <b>June 2010</b> |        |       |              |
| ANC              | 2260   | 407   | 2667         |
| AAC              | 14004  | 1154  | 15158        |
| AAFC             | 6615   | 841   | 7456         |
|                  |        |       | <b>25281</b> |
| <b>June 2011</b> |        |       |              |
| ANC              | 2196   | 432   | 2628         |
| AAC              | 14696  | 1124  | 15820        |
| AAFC             | 6648   | 880   | 7528         |
|                  |        |       | <b>25976</b> |
| <b>June 2012</b> |        |       |              |
| ANC              | 2346   | 453   | 2799         |
| AAC              | 14732  | 1207  | 15939        |
| AAFC             | 6633   | 844   | 7477         |
|                  |        |       | <b>26215</b> |
| <b>June 2013</b> |        |       |              |
| ANC              | 2952   | 676   | 3628         |
| AAC              | 15469  | 1238  | 16707        |
| AAFC             | 6509   | 953   | 7462         |
|                  |        |       | <b>27797</b> |

- c. Several Cadet Units have opened since 2008, these are shown in the table below:

New Cadet Units from 2008 – 2013

|      | 2008 | 2009                                       | 2010   | 2011                                    | 2012   | 2013  |
|------|------|--|--|---|--|---|
| ANC  | Nil  | Nil  | Nil  | Nil                                     | Nil  | TS Orion – Jindabyne, NSW<br>NTS Kookaburra -<br>Stanthorpe, Qld. |
| AAC  | Nil  | Nil  | Nil  | Nil                                     | Werribee<br>Secondary<br>College -<br>Werribee VIC | Nil   |
| AAFC | Nil  | No. 231<br>Squadron –<br>Jimboomba,<br>QLD | No. 622<br>Squadron<br>– Murray<br>Bridge,<br>SA | No. 111<br>Squadron<br>– Mt Isa,<br>QLD | No. 413<br>Squadron –<br>Warrnambool,<br>VIC       | Nil   |

2. The Hickling Review was first considered by the Chiefs of Service Committee (COSC) in 2009, when 39 of the 48 recommendations were agreed. Government accepted the Defence response.

The Chiefs of Service Committee next considered the Review in June 2010, when 10 of the agreed recommendations were closed, and again in June 2011, when a further 11 recommendations were closed.

Work completed during 2011-2013 enables a further 9 recommendations to be proposed for closure as completed. A further recommendation regarding employment status of Cadet staff was superseded by subsequent Government direction. Another of the recommendations is proposed for transfer to business-as-usual on the basis that it can only be further implemented by the Services taking it into consideration in their annual budgeting processes. These will be considered by COSC on 19 December 2013.

The remaining 7 outstanding recommendations require additional work in order to achieve and embed the intended outcomes. These include:

- a. Resolution of issues relating to cadet unit funds, in the context of the review of the *FMA Act* following the *Williams Case*<sup>1</sup>;
- b. Development of Joint Core Curricula for cadets and cadet staff;
- c. Development of common standards for duty or care; and
- d. Civilian accreditation for cadet and cadet staff training.

Work on most of these recommendations is well-advanced, and it is anticipated that they will be complete by June 2014. It is proposed that these recommendations be reviewed by COSC in July 2014, with a view to closure then.

- a. The then Government did not approve two primary recommendations of the Hickling Review, namely the creation of a single authority with command and control over all three cadet organisations, and the creation of a single line source of resource

<sup>1</sup> *Williams v Commonwealth of Australia [2012] HCA 23 (20 June 2012)*

funding for the ADF Cadets organisation. Recommendations with regard to legal framework, command and control, and finance and administration - which the review authors considered fundamental – were either not agreed, or agreed to only a limited extent; as a result, there has been little change. However, there is now some centralised supervision with CDF and VCDF empowered to give directions with respect to the Cadet Forces, and some governance and policy oversight by Cadet Reserve and Employer Support Division within VCDF Group, without detracting from the identification of the cadet Forces with their parent Services. In terms of objectives and desired outcomes, the recommendations largely reflected extant policy and practice. In terms of formalising and assuring ADF support for ADF Cadet activities, there has in practice been little change. In the area of a standardised program and curriculum, work is proceeding.

b. Implementation of the agreed Hickling recommendations has largely been the purview of Head Cadet, Reserves and Employer Support Division in the Vice Chief of the Defence Force Group, supported by the three Cadet organisations reporting to the following Defence committees: 1 Star Joint Cadet Executive Committee chaired by Head Cadet, Reserves and Employer Support Division; 2 Star Joint Reserves Cadets Policy Committee chaired by the Vice Chief of the Defence Force, and the Chiefs of Service Committee chaired by the Chief of the Defence Force. For closure of completed recommendations, an evidence-based approach to establish achievement has been adopted at each stage.

Because key recommendations upon which the effects intended by the Hickling Review depended were not agreed, it cannot be said that there has been comprehensive implementation. The agreed recommendations have been (or in the case of those that remain open, are being) implemented to the extent that existing governance structures and resources have permitted, with the exception that the recommendation concerning the employment status of cadet staff has not been implemented, as it was superseded by subsequent direction of the then Government.

It is not possible to say that a similar review will not be appropriate in the near future. It is healthy that such program should be reviewed at appropriate intervals.

3. The primary motive behind the development of the Cadet Youth Development Framework was to implement the Hickling recommendation: “... *that a youth development framework be developed as the basis for the further development of the curriculum for the ADFC.*” In addition, the Youth Development Framework would support implementation of other Hickling recommendations relating to development of a standardised program and curriculum, obtaining accreditation for selected training elements, and describing the unique and distinctive youth engagement and development experience that the ADF Cadets offers Australian youth. In March 2011, Defence partnered with the Youth Research Centre, University of Melbourne, to develop a Generic Youth Development Framework. The Generic Youth Development Framework provided an Australian-based, comprehensively researched good-practice agenda to be used as a basis for any youth development organisation wishing to describe and improve its program.

Using the Generic Youth Development Framework as a reference point, the Cadet Youth Development Framework was developed after extensive consultations across

the three Cadet organisations, including research through 40 focus group interviews with groups of cadets and/or Cadet staff, a survey of in excess of 2700 cadets, 1000 staff and over 700 parents as well as consultations with school principals.

a. The Cadet Youth Development Framework is being used progressively by the three Cadet organisations to build and improve their respective Cadet programs, to establish a common core ADF Cadets curriculum, and to providing a basis for seeking accreditation.

For example, as a result of considering ADF Cadets training priorities and the Cadet Youth Development Framework recommendations, planning is well advanced to implement in early 2014, for Officers of Cadets and Instructors of Cadets, common 'Youth Mental Health First Aid' training, and in mid-2014, common 'Mentoring' and 'Dealing with Conflict' training.

b. The Generic Youth Development Framework has been well received within the ADF and by other youth development organisations, internationally as well as domestically. The Cadet Youth Development Framework has been well received by the ADF Cadet organisations.

4. a The review was directed by the previous Government in June 2011. The motives as stated in "Government Directions and Principles for the Review of Cadet Force Regulations 1977", were "that the Regulations are to reflect the commitment in providing the best possible environment for our youth to develop. In addition, the Regulations should comprehensively cover matters which will implement this commitment and include requirements to ensure the best possible cadet leaders and rigorous testing and screening methods. All matters in Cadet Force Regulations 1977 are to be reviewed for relevance, equity, and practicality, and additional matters, not presently included, but necessary to effect the main effort should also be included in the Regulations. Furthermore, appropriate single service administrative functions should be consolidated into joint cells to support the main effort, and be reflected in the Regulations".

b. In October 2011, the then Government accepted Terms of Reference drafted by Defence for the Review, which included ensuring that:

- the Regulations reflected the intent of Defence Legislation Amendment Bill 2011 in facilitating ultimate direction by the relevant Minister and the Chief of the Defence Force;
- the Regulations made comprehensive provision in respect of all matters necessary or appropriate to achieve that purpose and;
- all matters covered in the extant regulations, including (without limitation) the Code of Conduct, and provisions regulating the appointment obligations and rights of Officers of Cadets and Instructors of Cadets, were reviewed for relevance, equity and practicality.

A Cadet Force Regulations Working Group, comprising staff from Cadet, Reserve and Employer Support Division, supported by Defence Legal, Headquarters

Australian Navy Cadets, Headquarters Australian Army Cadets and Headquarters Australian Air Force Cadets progressed this review during 2012. This Working Group was finalising a report for the Joint Cadet Executive Committee in the first half of 2013.

In December 2012 the then Government directed Defence separately to review arrangements for command and accountability of the Cadet Forces, and responsibility for policy and governance, with a view to creating a single point of responsibility and accountability for policy and governance. Consideration of the major issues involved was then expedited to the Chiefs of Staff Committee in February 2013.

c. Defence provided the COSC endorsed recommendations as to future governance of the ADF Cadets to the then Government on 27 February 2013. They included:

- VCDF, supported in this respect by CRES D, will be the single ultimate point of policy, governance and accountability for the ADFC;
- subject to CDF/VCDF's direction, Service Chiefs will retain responsibility for administering their respective Cadet Forces, and continue to be responsible for current levels of funding and logistic support;
- HCRES D will continue to promulgate joint policy and overwatch the governance of the Service Cadet Forces;
- HCRES D will be responsible for the allocation to the Service Cadet Forces of any special additional financial support that Government may wish to channel directly to ADFC, through VCDFG and CRES D.

Defence also reviewed the status of Officers and Instructors of Cadets, and concluded that:

- ADF members and ex-members suitable for appointment as Officers of Cadets (OOC) or Instructors of Cadets (IOC) will be deemed to have sufficient skills, knowledge and experience to qualify them for appointment in a rank that corresponds to their ADF rank;
- Existing arrangements that recognised OOC and IOC as 'employees' were adequate;
- appointment on an ongoing basis is to be the ordinary basis of appointment, with appointment for a limited term being exceptional;
- the current structure of Cadet Force Allowance (CFA) is appropriate and no fundamental change is indicated.

d. At its request, in April 2013 Head Defence Legal provided a proposed new Cadet Force Regulation to the then Government. With effect from 13 June 2013, *Cadet Forces Regulations 1977* were replaced by new *Cadet Force Regulation 2013*, which are less comprehensive and less prescriptive than its predecessor. The new regulation was intended primarily to ensure that appropriate personnel were appointed as OOC/IOC, and that OOC/IOC were considered to be volunteers and not employees. Enactment of the new Regulation superceded the Cadet Force Regulations Review.





## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 63 – Military Superannuation

**Senator Conroy** provided in writing:

In the Coalition's election policy, it said with regard to indexation of military superannuation pensions: "The Coalition will deliver fair indexation to military superannuants. Recipients of the Defence Forces Retirement Benefits (DFRB) and the Defence Force Retirement and Death Benefits (DFRDB) military superannuation pensions will see their payments indexed in the same way as aged and service pensions. All DFRB and DFRDB superannuants aged 55 and over will benefit."

- (1) What progress have you made in implementing this policy?
- (2) When will the necessary changes be introduced, by way of either legislation or regulation?
  - (a) Will superannuants receive the additional benefits in the 2013-14 financial year?
- (3) Will all DFRB and DFRDB superannuants benefit?
  - (a) Are there any exceptions?
- (4) What is the reason for the exclusion of MSBS superannuants?
- (5) What will be the cash, fiscal and unfunded liability (in terms of impact on the future fund) cost of this proposal and how will it be paid for?

#### **Response:**

- (1) The Government is committed to ensuring fair indexation is applied to Defence Forces Retirement Benefits (DFRB) and Defence Force Retirement and Death Benefits (DFRDB) retirement pay for recipients 55 years of age and over. The Government intends that fair indexation will be delivered and funded in the Government's first budget, with the new measure to apply from 1 July 2014. DFRB and DFRDB retirement pay recipients 55 and over will see their retirement pay indexed in the same way as age and service pensions from this date.
- (2) There will need to be a change to relevant legislation before the Government's commitment to change the indexation arrangements can be effected. Arrangements have been made for the necessary amendments to be drafted for consideration by the Parliament to ensure the Government's commitment is met.
  - (a) DFRB and DFRDB retirement pay recipients aged 55 and over on 1 July 2014 will notice the change in benefits from the 2014-15 financial year.
- (3) All DFRB and DFRDB superannuants aged 55 and over from 1 July 2014 will benefit and those DFRB/DFRDB superannuants not yet aged 55 will benefit from the first indexation period (either 1 January or 1 July) after they reach age 55.
  - (a) There are no exceptions.

- (4) The Military Superannuation Benefits Scheme (MSBS) is a lump sum scheme that allows members to convert at least 50 per cent of the MSB employer benefit to an indexed pension that reverts to a spouse on the death of the pension recipient.

The factors that are used in the MSB scheme to convert the employer benefit to pension are very generous when compared to those that would be available commercially. For example, at age 60, \$11 of MSB employer benefit can be converted to \$1 of pension. In the private sector, it would take in the order of \$25 to buy \$1 of a similarly indexed pension with reversionary benefits.

This feature of the MSB scheme, which recognises the unique nature of military service, means that the Government is already heavily subsidising the MSB pension.

- (5) The Government's election commitment was costed by the Parliamentary Budget Office to decrease the underlying cash balance by \$58.1 million and decrease the fiscal balance by around \$780.1 million over the 2013-14 Budget forward estimates period. The commitment will also reduce the Government's net worth by around \$4.4 billion over the same period. The DFRB and DFRDB schemes are administered by the Department of Veterans' Affairs and are a Programme within the Defence Portfolio funded through an Administered appropriation.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 63 – Military Superannuation

**Senator Conroy** provided in writing:

In the Coalition's election policy, it said with regard to indexation of military superannuation pensions: "The Coalition will deliver fair indexation to military superannuants. Recipients of the Defence Forces Retirement Benefits (DFRB) and the Defence Force Retirement and Death Benefits (DFRDB) military superannuation pensions will see their payments indexed in the same way as aged and service pensions. All DFRB and DFRDB superannuants aged 55 and over will benefit."

- (1) What progress have you made in implementing this policy?
- (2) When will the necessary changes be introduced, by way of either legislation or regulation?
  - (a) Will superannuants receive the additional benefits in the 2013-14 financial year?
- (3) Will all DFRB and DFRDB superannuants benefit?
  - (a) Are there any exceptions?
- (4) What is the reason for the exclusion of MSBS superannuants?
- (5) What will be the cash, fiscal and unfunded liability (in terms of impact on the future fund) cost of this proposal and how will it be paid for?

#### **Response:**

- (1) The Government is committed to ensuring fair indexation is applied to Defence Forces Retirement Benefits (DFRB) and Defence Force Retirement and Death Benefits (DFRDB) retirement pay for recipients 55 years of age and over. The Government intends that fair indexation will be delivered and funded in the Government's first budget, with the new measure to apply from 1 July 2014. DFRB and DFRDB retirement pay recipients 55 and over will see their retirement pay indexed in the same way as age and service pensions from this date.
- (2) There will need to be a change to relevant legislation before the Government's commitment to change the indexation arrangements can be effected. Arrangements have been made for the necessary amendments to be drafted for consideration by the Parliament to ensure the Government's commitment is met.
  - (a) DFRB and DFRDB retirement pay recipients aged 55 and over on 1 July 2014 will notice the change in benefits from the 2014-15 financial year.
- (3) All DFRB and DFRDB superannuants aged 55 and over from 1 July 2014 will benefit and those DFRB/DFRDB superannuants not yet aged 55 will benefit from the first indexation period (either 1 January or 1 July) after they reach age 55.
  - (a) There are no exceptions.

- (4) The Military Superannuation Benefits Scheme (MSBS) is a lump sum scheme that allows members to convert at least 50 per cent of the MSB employer benefit to an indexed pension that reverts to a spouse on the death of the pension recipient.

The factors that are used in the MSB scheme to convert the employer benefit to pension are very generous when compared to those that would be available commercially. For example, at age 60, \$11 of MSB employer benefit can be converted to \$1 of pension. In the private sector, it would take in the order of \$25 to buy \$1 of a similarly indexed pension with reversionary benefits.

This feature of the MSB scheme, which recognises the unique nature of military service, means that the Government is already heavily subsidising the MSB pension.

- (5) The Government's election commitment was costed by the Parliamentary Budget Office to decrease the underlying cash balance by \$58.1 million and decrease the fiscal balance by around \$780.1 million over the 2013-14 Budget forward estimates period. The commitment will also reduce the Government's net worth by around \$4.4 billion over the same period. The DFRB and DFRDB schemes are administered by Comsuper and are a Programme within the Defence Portfolio funded through an Administered appropriation.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question On Notice No. 64 – Funding**

**Senator Conroy** provided in writing:

- (1) Have you been informed of any change to government spending on Defence over the Forward Estimates?
- (2) Have you been informed of any change to the Defence guidance?
- (3) Some independent experts have suggested that there would need to be a 5.3% growth in real terms each year to achieve 2% of GDP within a decade. Do you agree with this assessment?
  - (a) If so, have you been informed that you will receive funding increases of this magnitude over the forward estimates and defence guidance period?
  - (b) How much additional funding would be required in each year of the forward estimates and Defence guidance in order to achieve this target of 2% of GDP within a decade.

#### **Response:**

- (1 and 2) The Government as at 29 November 2013 has not changed spending on Defence over the Forward Estimates and beyond.
- (3) The rate of growth in the Defence Budget required to reach the target of 2% of GDP within the decade is dependent on which year the Government decides to commence. It is noted that the previous Government made the same commitment in the 2013 White Paper.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 65 – Discharge Rates

**Senator Macdonald** provided in writing:

Questions on Notice 79 from Budget Estimates in May 2013 asked a series of questions regarding:

- Soldier discharge rates;
  - Percentage of personnel remaining inside their return-of-service obligations;
  - The engagement of the Soldier Transitioning Centre in handling increasing discharge rates;
  - The PTSD and other discharge throughput at the Soldier Recovery Centre;
- and,
- Retention initiatives currently being employed by the Army and Defence.

In answer to Questions on Notice 79 from Budget Estimates in May 2013 the Department indicated that:

- Separation rates have returned to their highest point (12.3%) since 2004 (12.7%);
- 35% of personnel are under their initial employment period service obligation;
- 47% of personnel in total are under this or some other form of service obligation;
- That the work of transition centres has been augmented by the creation of Army Personnel Coordination detachments (APCDs);
- That Soldier Recovery Centres do not focus on PTSD;
- That PTSD is an “uncomplicated mental health case” that will not be referred to the Soldier Recovery Centre;
- That across 2011 and 2012 6,644 personnel discharged, 1251 on medical grounds;
- Over this period 1434 were recommended for medical discharge;
- 417 of these discharges were due to mental health issues;
- Of these 417, 213 suffered PTSD;
- Of the 1017 physical presentations that were recommended for discharge, 311 also had a mental health diagnosis of which 74 suffered from PTSD; and,
- Seven specific measures have been implemented to improve retention.

1. Do you collate figures for which individual corps has experienced the highest rate of discharges? Please provide these figures.
2. Do you collate figures for which bases have experienced the highest rate of discharges? Please provide these figures.
3. Do you have discharge figures for Lavarack Barracks in Townsville?

4. If 35-47 per cent of personnel are within a service obligation period, then doesn't that mean that 54 per cent are not, and could discharge at any time with limited or no notice?
5. Isn't it true that where a defence member who is outside their service obligation period has another job to go to, that defence has an obligation to facilitate the transition?
6. How is PTSD able to be characterised as "uncomplicated" when it is directly responsible for 213 mental health discharges - and attributable to an additional 74 discharges - which number accounts for 20 per cent of total discharges across the 2011-2012 period? Will the Department be instituting any new measures to assist in managing the impact of PTSD on readiness, capability and retention?
7. Has any data been collected that shows the success of the retention measures identified at point (5) of the Department's answer to QON 79?

## **Response**

1. Yes. The attached separation rates, correct as at 1 November 2013, show the most recent 12-month rate and long term (10-year rate) for trained force personnel in each Corps. Those Corps with the largest influence on Army's overall separation rate for Other Ranks include those Corps which experienced significant growth between 2007 and 2009 and who now have a high proportion of personnel who have completed their obligation. These include Royal Australian Infantry Corps and Royal Australian Armoured Corps.
2. and 3.  
No. Army does not monitor separation rates by unit, base or geographic region.
4. Figures have reduced slightly in line with seasonal trends since the original Question on Notice and is now 45.5 per cent (37.3 per cent under IMPS, 8.2 per cent under ROSO). Personnel who have completed their obligation continue to serve under an open-ended arrangement and may leave voluntarily. Individuals may incur a subsequent obligation should they undergo training that requires a return-on-investment.
5. Members transitioning from the Army, regardless of future employment prospects, are provided with a range of support and services to assist in their transition. An overview of Defence and Army transition support organisations was provided in Army's previous response to Q79 at Question 2.
6. Army's response to Q79 Question 3 has created the unintentional view that all PTSD is characterised as uncomplicated. This is not correct. Army takes all cases of PTSD seriously; however, the level of treatment will vary subject to classification as complicated/complex or uncomplicated.

The use of the term 'complex' by Defence in this case refers to the case management an individual requires rather than to the diagnosis of PTSD. The



complexity of the case management will be determined by the severity of symptoms, the impact they have upon the individuals functioning, co-morbid conditions such as physical trauma requiring extended treatment and rehabilitation. Other external factors, such as the impact upon the family, and the family's ability to support the member may also add to the complexity of case management. Finally, there may be purely personnel management issues to be dealt with, such as the members' ability to continue to serve in the current role, be retained for alternate employment in Defence or discharged on medical grounds. While all members are treated in a holistic manner, some will require minimal support, perhaps just one health worker, and their care will require minimal coordination. Others will require the support of an extended multi-disciplinary team, which may include Defence, other government and voluntary agencies; by definition this care is multi-faceted and complex.

As part of case management, some members will require the support of a Soldier Recovery Centre (SRC) while others will not; those referred to SRCs are always managed as complex cases.

Army has done much to improve its complex case management in the past two years, with issues in the management of those with mental health problems providing much of the impetus. In 2013, the Army Support to Wounded Injured and Ill Program (A-SWIIP) and Directorate of Army Health have facilitated Army's participation in the Australian Defence Force Mental Health Day, reissued a new Commander's Guide to Mental Health and held the Chief of Army's Wounded, Injured and Ill Digger Forum, which focussed on mental health illness.

7. The initiatives listed are relatively recent and insufficient data will be available to either observe or attribute their effect at this stage. The initiatives are intended to work in combination to improve the employment options available to individuals which means that it is possible that attributing increased retention to any one single initiative will be difficult. The combined effect of the initiatives, if successful, will be observable from late 2014 providing there are no other confounding events.

**Attachments:**

- A. Trained Force Separation Rates by Corps as at 1 November 2013
- B. Response to Question on Notice No. 79 taken from the 3-4 June Budget Estimates hearing

**Trained Force Separation Rates by Corps as at 1 Nov 13**

| Rank Group                     | Corps Name  | Corps Abbrev | Separation Rate  |                 |
|--------------------------------|---|--------------|------------------|-----------------|
|                                |   |              | 12 month average | 10 year average |
| Other Ranks                    | Australian Army Aviation Corps                        | AAAVN        | 9.7%             | 8.0%            |
|                                | Australian Army Band Corps                            | AABC         | 4.8%             | 6.0%            |
|                                | Australian Army Catering Corps                        | AACC         | 10.8%            | 8.2%            |
|                                | Australian Army Psychology Corps                      | AA PSYCH     | 4.9%             | 7.8%            |
|                                | Australian Army Public Relations Service              | AAPRS        | 0.0%             | 10.9%           |
|                                | Australian Intelligence Corps                         | AUST INT     | 9.5%             | 8.1%            |
|                                | Royal Australian Armoured Corps                       | RAAC         | 21.4%            | 10.0%           |
|                                | Royal Australian Army Dental Corps                    | RAADC        | 19.5%            | 13.1%           |
|                                | Royal Australian Army Medical Corps                   | RAAMC        | 11.9%            | 8.2%            |
|                                | Royal Australian Army Ordnance Corps                  | RAAOC        | 8.9%             | 7.4%            |
|                                | Royal Australian Army Pay Corps                       | RAAPC        | 7.9%             | 7.6%            |
|                                | Royal Australian Artillery Corps                      | RAA          | 12.4%            | 8.7%            |
|                                | Royal Australian Corps of Military Police             | RACMP        | 10.5%            | 9.1%            |
|                                | Royal Australian Corps of Transport                   | RACT         | 12.9%            | 9.8%            |
|                                | Royal Australian Electrical Mechanical Engineer Corps | RAEME        | 9.2%             | 8.8%            |
|                                | Royal Australian Engineer Corps                       | RAE          | 12.5%            | 9.2%            |
|                                | Royal Australian Infantry Corps                       | RA INF       | 19.0%            | 10.1%           |
|                                | Royal Australian Signals Corps                        | RA SIGS      | 8.3%             | 8.1%            |
| Officer                        | Australian Army Aviation Corps                        | AAAVN        | 6.4%             | 6.4%            |
|                                | Australian Army Band Corps                            | AABC         | 4.3%             | 5.3%            |
|                                | Australian Army Catering Corps                        | AACC         | 10.3%            | 6.6%            |
|                                | Australian Army Legal Corps                           | AALC         | 5.1%             | 4.2%            |
|                                | Australian Army Psychology Corps                      | AA PSYCH     | 5.9%             | 6.9%            |
|                                | Australian Army Public Relations Service              | AAPRS        | 0.0%             | 9.2%            |
|                                | Australian Intelligence Corps                         | AUST INT     | 3.3%             | 4.5%            |
|                                | Royal Australian Armoured Corps                       | RAAC         | 4.4%             | 4.3%            |
|                                | Royal Australian Army Chaplains Department            | RAA CH D     | 11.8%            | 7.0%            |
|                                | Royal Australian Army Dental Corps                    | RAADC        | 7.3%             | 13.3%           |
|                                | Royal Australian Army Education Corps                 | RAAEC        | 7.0%             | 6.7%            |
|                                | Royal Australian Army Medical Corps                   | RAAMC        | 5.0%             | 7.9%            |
|                                | Royal Australian Army Nursing Corps                   | RAANC        | 14.6%            | 9.1%            |
|                                | Royal Australian Army Ordnance Corps                  | RAAOC        | 5.1%             | 5.4%            |
|                                | Royal Australian Army Pay Corps                       | RAAPC        | 8.3%             | 8.3%            |
|                                | Royal Australian Artillery Corps                      | RAA          | 3.4%             | 4.1%            |
|                                | Royal Australian Corps of Military Police             | RACMP        | 7.7%             | 7.0%            |
|                                | Royal Australian Corps of Transport                   | RACT         | 2.7%             | 5.2%            |
|                                | Royal Australian Electrical Mechanical Engineer Corps | RAEME        | 3.6%             | 5.0%            |
|                                | Royal Australian Engineer Corps                       | RAE          | 5.7%             | 4.7%            |
|                                | Royal Australian Infantry Corps                       | RA INF       | 6.0%             | 5.0%            |
| Royal Australian Signals Corps | RA SIGS   | 5.4%         | 5.2%             |                 |
|                                | <b>Total</b>  |              | <b>11.4%</b>     | <b>9.9%</b>     |

**Senate Standing Committee on Foreign Affairs, Defence and Trade**

**QUESTIONS ON NOTICE – COMMITTEES**

**Senate budget Estimates – 3-4 June 2013**

**Q79: Army discharge rates**

**Senator Macdonald** provided in writing:

According to answers to Question On Notice No. 49 from previous Estimates, Army discharge rates have hit their highest level in five years with 11.8 per cent of soldiers discharging in 2011/12 (an increase of 3 per cent on 2010/11 and 4.4 per cent on 2009/10). 56.8 per cent of the 2011/12 discharges were voluntary. Previous highest figures were 12.6 per cent and 11.9 per cent respectively for 2005/6 and 2006/7.

- (1) What percentage of currently serving personnel are within their 'Return of Service Obligation' period?
- (2) Is the Soldier Transitioning Centre receiving additional resources to enable it to provide services to the increased number of personnel transitioning to civilian employment?
- (3) Is the Soldier Recovery Centre monitoring the number of discharges that are due to PTSD or other mental health indicators?
- (4) How many of the 2011/12 discharges were due to PTSD or other mental health indicators?
- (5) Can the department provide details of the retention initiatives that are currently being utilised to encourage the ongoing service of experienced personnel?

**Response:**

Army separation rate by financial year since 2004-05 is as follows:

| <b>Financial year</b> | <b>Separation rate</b> |
|-----------------------|------------------------|
| 2004-05               | 12.7 per cent          |
| 2005-06               | 12.6 per cent          |
| 2006-07               | 11.9 per cent          |
| 2007-08               | 10.6 per cent          |
| 2008-09               | 10.3 per cent          |
| 2009-10               | 7.4 per cent           |
| 2010-11               | 8.8 per cent           |

|         |               |
|---------|---------------|
| 2011-12 | 11.8 per cent |
| 2012-13 | 12.3 per cent |

Highest separation rate of 12.9 per cent occurred in November 2005. Lowest separation rate of 7.3 per cent occurred in August 2010.

The low separation rates observed from 2008 to 2011 were a consequence of a variety of factors, which both increased the proportion of personnel serving under an initial obligation and provided retention incentives for those whose obligation was complete. The factors which increased the proportion of personnel under an initial obligation included surge recruiting for various initiatives from late 2007 to 2010. Retention initiatives included the introduction of amended pay scales and various bonuses.

As the effect from these factors diminished, the separation rates commenced a period of readjustment as those who had delayed their separation throughout 2008-11, or were constrained by their initial obligation period, started to leave. Although this readjustment is continuing, rates are now exhibiting behaviours closer to the long-term average and, on 1 June 2013, were down from 12.7 per cent in January 2013.

- (1) The proportion of personnel currently under an initial employment period is approximately 35 per cent. If all personnel under some form of service obligation are counted, including those under an initial employment period, retention or return-of-service obligation, the number is approximately 47 per cent.
- (2) The ADF Transition Centres (ADFTC) have primacy over all transition issues and are managed by the Defence Community Organisation (DCO). Commencing in 2010, Army has established 12 Army Personnel Coordination Detachments (APCD), from within existing resources. The APCDs are located in the major troop concentration areas and their work is coordinated nationally by the Headquarters of the Army Personnel Support Centre. Each APCD consists of an Australian Regular Army officer, an Army Reserve Assistant and an Australian Regular Army Trade Transfer and Retention Warrant Officer. The 12 APCDs are collocated, where possible, with the local ADFTCs. The APCDs work with the ADFTC to provide assistance and guidance to Army personnel and their families throughout the transition period.
- (3) The Soldier Recovery Centres (SRC) manage complex rehabilitation cases relating to both physical and mental health. The SRCs monitor their case mix and measure their rehabilitation performance, but they do not specifically focus on Post Traumatic Stress Disorder (PTSD) or other mental health outcomes. Moreover, there are a large number of mental health cases (including PTSD) that are considered uncomplicated and are not referred to SRCs to manage or monitor.
- (4) Between 1 January 2011 and 31 December 2012, 6,644 personnel discharged from the Army. Of these, 1,251 Army personnel were medically discharged. This information is drawn from a personnel database that does not contain the medical conditions. Over the same period, 1,434 members are recorded on a Medical Employment Category Advisory and Review Service database as having been recommended for medical discharge. This database contains details of the medical

condition(s) and is the source of the following data. Of the 1,434 members recommended for medical discharge, a mental health disorder was the primary reason for discharge for 417 members (29 per cent), of which 213 had PTSD. In addition, of the remaining 1,017 members whose primary reason for discharge related to a physical injury or illness, 311 also had a mental health diagnosis, including 74 members with PTSD. The table below provides a breakdown between 2011 and 2012 and does not demonstrate any significant changes in the number or percentage of recommendations for medical discharge with PTSD between 2011 and 2012.

|  | <b>2011</b>                           | <b>2012</b>                           |
|--|---------------------------------------|---------------------------------------|
| <b>Total determined by Medical Employment Classification Review Board unfit for Army Service</b>                                       | <b>778</b>                            | <b>656</b>                            |
| <b>Primary cause of recommendation is a mental health disorder, of who diagnosed PTSD</b>  | <b>206</b><br><i>108</i>              | <b>211</b><br><i>105</i>              |
| <b>Primary cause for recommendation is a physical disorder, of who also have a mental health diagnosis, of who diagnosed with PTSD</b> | <b>572</b><br><i>143</i><br><i>38</i> | <b>445</b><br><i>168</i><br><i>36</i> |

- (5) Army has undertaken a number of initiatives aimed at improving retention in different categories and groups of Service personnel. These include:
- a. Trade Transfer - Army is actively recruiting internally to fill vacancies and is providing additional opportunities for experienced personnel to change trades while continuing their Army career.
  - b. Flexible Work Arrangements - There has been a concerted communication effort to encourage all members and commanders to utilise Flexible Work Arrangements. These are designed to allow members to balance more effectively their personal responsibilities with the demands of Service life.
  - c. Increased Carer's Leave - On 1 December 2012, changes to carer's leave provisions for ADF members came into effect. This included an increase in the number of carer's leave days from five to ten. Prior to the changes, the range of circumstances under which a member could apply for carer's leave was limited. Now carer's leave can also be provided to members whose dependants are injured or affected by an unexpected emergency.
  - d. Paid Parental Leave - On 28 February 2013, changes to Paid Parental Leave, providing greater flexibility in how this leave is taken, came into effect. Members can now choose to take their parental leave at full pay, half pay or a combination of both.
  - e. ADF Purchase Leave - From 26 July 2013, ADF members will be able to purchase additional recreational leave. The ability to purchase leave will benefit all members including members who have exhausted most of their recreation

leave, members trying to extend the amount of paid leave available to them in conjunction with maternity or parental leave, as well as members who have family commitments.

f. Changes to facilitate in-home child care - ADF members will soon be allowed to have a non-dependent person live in their Defence-subsidised housing for the purpose of providing in-home child care.

g. Retention bonuses – The Pay and Conditions Manual (PACMAN) provides a number of remuneration levers that provide for financial incentives to retain personnel. Examples include the MSBS Retention Initiative and bonus initiatives for Recruit Instructors and targeted Employment Categories.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 66 – LAND 121 Project Overlander

**Senator Macdonald** provided in writing:

Question on Notice 63 from Budget Estimates in May 2013 asked the Department a series of questions regarding the LAND 121: Project Overlander vehicle acquisition program.

Question on Notice 63 focused on responsibility for repairs and maintenance to the vehicles and trailers being acquired under Project Overlander.

Questions were asked about manufacturer's 'remedy by repair' of defects, enhancements to RAEME (Royal Australian Mechanical and Electrical Engineers) repairs and maintenance facilities, and the likelihood of local civilian businesses and contractors being granted vehicle repair contracts.

In answer to Question on Notice 63 from Budget Estimates in May 2013 the Department indicated that:

- RAEME upgrades will take place however details remain Commercial-in-Confidence;
- Cost estimates for upgrades are not currently available;
- Upgrades at RAEME facilities are estimated to commence in 2016;
- Army and Air Force maintenance personnel will be responsible for "light and medium" repairs to the Mercedes Benz G-wagon fleet (which repairs will not void the manufacturer's warranty); and,
- Repairs to "less complex equipment" such as G-Wagon trailers "may have maintenance conducted by civilian contractors".

1. Will RAEME at Lavarack Barracks in Townsville be one of the facilities upgraded in 2016?

2. If RAEME personnel are currently being trained at Bandiana to conduct repairs on the G-Wagons, why will RAEME enhancements not begin until 2016?

3. Who will conduct repairs until 2016? Where will these repairs take place?

4. Will civilian contractors in, for example, Townsville be provided the opportunity to bid for maintenance contracts for then "less complex equipment" such as G-Wagon trailers?

### **Response:**

(1) The workshops at Lavarack Barracks, as used by RAEME personnel, are currently being assessed to determine what upgrades, if any, are required to allow them to

support the medium and heavy vehicles being acquired under Project LAND 121 Phase 3B. Any necessary upgrades are anticipated to be completed by 2016.

- (2) Improvements to facilities are not required for repairs to G-Wagons and lightweight/light trailers that are currently being rolled out to Army. However, some improvements to facilities will be required for the medium and heavy vehicles and trailers being acquired by LAND 121 Phase 3B, which roll out to Army in 2017.
- (3) Repairs will be conducted at Army unit workshops, regional Joint Logistics Units, and at the premises of the G-Wagon and lightweight/light trailers Original Equipment Manufacturers – respectively Mercedes-Benz Australia/Pacific in Mulgrave, Victoria and Haulmark Trailers Australia in Wacol, Queensland.
- (4) Repairs to less complex equipment, such as the Haulmark lightweight/light trailers, may be made available to civilian sub-contractors in the local area.



**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 67 – Progress of Act of Grace payment for Mr George Yardley of Springvale Station, Townsville**

**Senator Ian Macdonald** provided in writing:

- (1) Has the defence submission been finalised and provided to Mr Yardley and to the Department of Finance and Deregulation?
- (2) If the submission has been provided to the Department of Finance and Deregulation, what action has subsequently been taken by, or advice received from the department of Finance and Deregulation?

**Response:**

(1) – (2) The Department of Defence (Defence) provided initial email advice to the Department of Finance and Deregulation (Finance) in June 2013 concerning Mr Yardley's request for an act of grace payment.

On 10 December 2013, Defence lodged a report to Finance in relation to Mr Yardley's request. A copy of the submission was also provided to Mr Yardley on 10 December 2013, to ensure he has an opportunity to comment on the Defence submission.

Any request for further information regarding Mr Yardley's claim will need to be obtained from Finance.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 68 – Defence Industry in North Queensland**

**Senator Macdonald** provided in writing:

Q1. Does the Department have any plans to alter current local procurement strategies?

Q2. Does the Department exert any influence on the procurement strategies of third party providers (such as Serco) to ensure local civilian providers are provided the greatest opportunity to supply goods and services?

If not why not? (and yes, we know that the contractual relationship with the provider will eschew and conditions or restrains of trade)

#### **Response:**

(1) No.

(2) Defence complies with the requirements of Section 5 – Encouraging Competition of the Commonwealth Procurement Rules. In general Defence requires all providers to satisfy the requirements of relevant parts of the Commonwealth Procurement Rules. In particular, for the Base Services contract in the North Queensland sub-region of Defence, the contractor must ensure that a minimum of 10 per cent of the total contract value is sourced through Small to Medium Enterprise providers.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 69 – Commercial Contract Payments**

**Senator Xenophon** provided in writing:

In the June 2013, Senate Budget Estimates, I asked about commercial contract payments.

Over a three year period, you identified 45 instances totalling \$129,828.30

1. Today, who in Defence is responsible for monitoring and reporting contract management or mismanagement? And to whom?
2. Given your answers earlier this year that you meet current standards for Contract Management, can you give a response to DoD-IG reports and the recent reporting by US Congresswoman Speiers of overcharging by millions of dollars for spare parts. The article made particular mention, amongst others, of CH-47 Chinook and Black Hawk helicopters.

Are we doing better than or as well as the US Defence Department in the contract monitoring of our spare and replacement parts inventory, or now that it is in the public domain will you verify that we are not owed a refund, or at best a credit on future purchases?

#### **Response:**

1. Business owners in each Defence Group and Service, who initiate procurement, retain the responsibility for that procurement. This includes monitoring and reporting contract management and any issues to the relevant Group Head or Service Chief.
2. The Department of Defense Inspector General's report (DODIG-2013-103) refers to Boeing's overcharging for used parts in the production of remanufactured Chinook CH-47F helicopters for the United States Department of Defense.

Australia is in the process of replacing, under AIR9000 Phase 5C, its fleet of six CH-47D helicopters with seven brand new CH-47F models and is not purchasing any remanufactured aircraft.

Congresswoman Speier highlighted concerns about Sikorsky overcharging the United States Department of Defense for Black Hawk helicopter parts. Australia operates a fleet of 34 S-70A-9 Black Hawk helicopters.

Australia is not aware of any overcharging for parts supplied to support Chinook and Black Hawk helicopters. Routine logistic quality processes ensure that parts procured for use on Australian aircraft are checked prior to formal acceptance and any anomalies are addressed with the supplier prior to invoice payment.



## **Supplementary Budget Estimates Hearing - 20 November 2013**

### **Question on Notice No. 70 – Defence Logistics Transformation Program**

**Senator McDonald** provided in writing:

Question on Notice 22 from Budget Estimates in May 2013 asked the Department to identify the principal contractor for the Defence Logistics Transformation Program at Lavarack Barracks in Townsville.

Question on Notice 22 also asked the Department if there was any requirement to use local contractors who had tendered on previous (cancelled) versions of the same construction program?

In answer to Question on Notice 22 from Budget Estimates in May the Department indicated that:

- The Townsville construction program is being delivered by Boulderstone QLD Pty Ltd;
- At the time of answer 22 of 61 trade packages had been let to subcontractors;
- The remaining 39 trade packages are expected to be awarded/let in the 12-18 months from the answer date;
- Of the 22 subcontractors engaged at the time of answer, 8 are Townsville based; and,
- While Defence places no requirement on head contractors to use local civilian trade suppliers, there is an expectation that to do so will usually deliver competitive pricing

(1) How many of the remaining 39 trade packages have been let?

(2) How many of these trade packages have been let to Townsville businesses?

#### **Response:**

(1) The total number of trade packages required for the Townsville works has increased to 68 from the original 61 as advised in May 2013, and includes designers and consultancies in addition to the construction trades. To date, 65 of the 68 trade packages have been let.

(2) Thirty-nine of 65 trade packages have been let to Townsville-based companies. A further ten trade packages have been let to larger southeast Queensland-based companies which have an established office in Townsville.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 71 – Defence Indigenous Development Program**

**Senator Macdonald** provided in writing:

Question on Notice 66 from Budget Estimates in May 2013 asked the Department a series of questions regarding the Defence Indigenous Development Program (DIDP).

In answer to Question on Notice 66 from Budget Estimates in May the Department indicated that:

- DIDP trainees were enlisted in NORFORCE or in 51 FNQR;
  - A total of 50 trainees have been enlisted in the 2013 program;
  - Accommodation, vocation, language, numeracy and literacy providers have been engaged at North Queensland as well as Northern Territory locations;
  - Residential program accommodation has been sourced;
  - RFSU personnel are recruited for DIDP programs; and,
  - RFSL (Regional Force Surveillance List) personnel are also eligible for the DIDP program.
1. Why are no current DIDP participants from the Pilbara Regiment in WA?
  2. Do all 50 enrolled program participants remain in the course / will they all graduate?
  3. What percentage of the 50 enrolled participants are RFSU and/or RFSL personnel?

#### **Response:**

- (1) Participants are enlisted into the unit that supports the course in each location. NORFORCE supports the Northern Territory course and 51 Far North Queensland Regiment (FNQR) supports the North Queensland course. There are no DIDP courses run in the Pilbara Regiment areas of operation, and as such no DIDP participants are enlisted into the Pilbra Regiment. Any participants recruited into these two units from the Pilbra Regiment's area of operation or from anywhere else in the country, will be enlisted into NORFORCE or 51 FNQR, depending on the course they attend. In 2013, seven DIDP participants were recruited from remote parts of Northern Western Australia, although none were from the Pilbara.
- (2) Of the 30 participants enlisted in Northern Territory course, 27 completed the course and graduated with Certificate II or III Vocational Education and Training (VET) qualifications. Of the 20 participants enlisted in North Queensland course, 15 completed the course and graduated with Certificate II or III VET qualifications.

- (3) Of the 27 Northern Territory participants who completed the course, all are currently enlisted in NORFORCE, with one participant waiting to join the Permanent Air Force and one participant waiting to join Australian Regular Army.

Of the 15 North Queensland participants who completed the course, four are members of 51 Far North Queensland Regiment, eight have enlisted into the Permanent Navy, two have enlisted into the Australian Regular Army and one has enlisted into the Permanent Air Force.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 72 – Project Overlander (G-Wagon Repairs)**

**Senator Ian McDonald** asked on 20 November 2013.

Question on Notice 21 from Budget Estimates in May 2013 asked the Department to identify the location at which Mercedes-Benz will be conducting major repairs on the G-Wagons obtained under Project Overlander.

In answer to Question on Notice 21 from Budget Estimates in May 2013 the Department indicated that:

- Major-level repairs will take place in Mulgrave in Victoria.
- Q1. How will G-Wagons requiring repairs be transported to Mulgrave?
- Q2. How much will this transportation cost?
- Q3. Who will be paying for the transportation costs?

#### **Response:**

The G-Wagons are a very complex vehicle in terms of both structure and drive train. Diagnostic equipment and tooling is consequentially very specialised and expensive. For this reason, vehicles requiring repairs beyond the capability of Army first and second line maintenance facilities are transported to Mercedes-Benz Australia/Pacific's repair facility in Mulgrave.

- (1) Transportation to Mercedes-Benz Australia/Pacific's repair facility in Mulgrave is undertaken on an individual Survey and Quote basis under the terms and conditions of the LAND 121 Phase 3A Support Services Contract with Mercedes-Benz Australia/Pacific. The Commonwealth retains the option of using Defence's 'in-house' warehousing and distribution contractor if it is more cost effective.
- (2) In accordance with the terms and conditions of the LAND 121 Phase 3A Support Services Contract, transportation costs are identified by Mercedes-Benz Australia/Pacific when the Survey and Quote is raised. The costs are dependent on the location from which G-Wagons will be transported and the commercial carrier selected by Mercedes-Benz Australia/Pacific.

If the Commonwealth elects to use Defence's 'in-house' warehousing and distribution contract, the transportation costs are at a preferential rate, due to the size of the contract. The costs are also dependent on the location from which G-Wagons will be transported. It should be noted that the Joint Logistic Command is



currently re-tendering the provision of warehousing and distribution services as part of the Defence Logistics Transformation Program.

- (3) The transportation costs are paid for by the Commonwealth, unless the repair relates to a warranty or latent defect issue, which would be met by Mercedes-Benz Australia/Pacific.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 73 – Reviews

Senator Ludwig provided in writing:

1) Since 7 September 2013, how many new Reviews have been commenced? Please list them including:

- a. the date they were ordered
- b. the date they commenced
- c. the minister responsible
- d. the department responsible
- e. the nature of the review
- f. their terms of reference
- g. the scope of the review
- h. Whom is conducting the review
- i. the number of officers, and their classification level, involved in conducting the review
- j. the expected report date
- k. If the report will be tabled in parliament or made public

2) For any review commenced or ordered since 7 September 2013, have any external people, companies or contractors being engaged to assist or conduct the review?

- a. If so, please list them, including their name and/or trading name/s and any known alias or other trading names
- b. If so, please list their managing director and the board of directors or equivalent
- c. If yes, for each what are the costs associated with their involvement, broken down to each cost item
- d. If yes, for each, what is the nature of their involvement
- e. If yes, for each, are they on the lobbyist register, provide details.
- f. If yes, for each, what contact has the Minister or their office had with them
- g. If yes, for each, who selected them
- h. If yes, for each, did the minister or their office have any involvement in selecting them,
  - i. If yes, please detail what involvement it was
  - ii. If yes, did they see or provided input to a short list
  - iii. If yes, on what dates did this involvement occur
  - iv. If yes, did this involve any verbal discussions with the department
  - v. If yes, on what dates did this involvement occur

3) Since 7 September 2013, what reviews are on-going? Please list them.

4) Since 7 September 2013, have any reviews been stopped, paused or ceased? Please list them.

- 5) Since Budget estimates, what reviews have concluded? Please list them.
- 6) Since 7 September 2013, how many reviews have been provided to Government? Please list them and the date they were provided.
- 7) When will the Government be responding to the respective reviews that have been completed?
- 8) What reviews are planned?
  - a. When will each planned review be commenced?
  - b. When will each of these reviews be concluded?
  - c. When will government respond to each review?
  - d. Will the government release each review?
    - i. If so, when?
    - ii. If not, why not?

**Response:**

- 1 and 2) Attachment A provides details of two reviews that have commenced since 7 September 2013.
- 3) There are currently four reviews that commenced under the previous government
  - Re-thinking Systems of Inquiry, Investigation, Review and Audit (while the inquiry, investigation and review phase is complete, the audit phase is ongoing),
  - Airworthiness Review,
  - Review into Health Information sharing Practices within Defence; and
  - Study into the Business of Sustaining Australia's Collins Class Submarine Capability
- 4) No.
- 5) The Review into the Health Information Sharing Practices within Defence concluded on 13 December 2013
- 6) Nil.
- 7) Not applicable
- 8) Planning is under way to commence phase 4 of the Study into the Business of Sustaining Australia's Strategic Collins Class Submarine Capability' in the first quarter of 2014.
  - a January 2014
  - b March 2014
  - c March 2014
  - d The unclassified version will be released.
    - i. April 2014
    - ii. N/A

## Reviews Commenced Since 7 September 2013

| REVIEW 1. - REVIEW INTO HEALTH INFORMATION SHARING PRACTICES IN DEFENCE                      |   |
|--|---|
| a. the date ordered  | 17 Sep 13   |
| b. the date commenced  | 18 Sep 13   |
| c. the minister responsible  | Minister for Defence  |
| d. the department responsible  | Defence   |
| e. the nature of the review  | The purpose of the review is to examine whether current practices and policies relating to the sharing of health information in Defence meet the needs of commanders, health professionals and members – and if they will continue to do so into the future.  |
| f. terms of reference  | Without limiting the relevant issues to which the review team may have regard, the review team is to consider: <ul style="list-style-type: none"> <li>a. the relevant 2008 and 2011 Chiefs of Service Committee submissions;</li> <li>b. relevant legislation and case law relating to privacy, confidentiality and Defence service;</li> <li>c. relevant duties imposed by the Work Health and Safety Act 2011;</li> <li>d. the impact of the March 2014 amendments to the <i>Privacy Act 1988</i>;</li> <li>e. the current 'PM008' referral system in Defence;</li> <li>f. models of administrative and forensic referral used by courts, other government agencies and private enterprise;</li> <li>g. different models of welfare support provided by the different services (such as the Divisional Officer system used by Navy);</li> <li>h. the Defence – Department of Veterans' Affairs Memorandum of Understanding for the Cooperative Delivery of Care and Support to Eligible Persons.</li> </ul> |
| g. the scope of the review   | See above   |
| h. Whom is conducting the review   | Lieutenant General Mark Evans, AO, DSC; Air Commodore Tracy Smart, AM; and Group Captain Sheldon Kimber, AM;  |
| i. the number of officers, and their classification level, involved in conducting the review | See above   |
| j. report delivery date  | 13 Dec 13   |
| k. If the report will be tabled in parliament or made public                                 | No  |

## Reviews Commenced Since 7 September 2013

### 2, Have any external people, companies or contractors being engaged to assist or conduct the review?

|   |   |
|---|---|
| a. If so please list them   | Mr Gary Hevey, engaged to provide expert legal services as senior Legal Counsel.  |
| b. If so please list their managing director and the board of directors or equivalent   | None  |
| c. If yes for each what are the costs associated with their involvement, broken down to each cost item  | We have allowed \$245,000 for Mr Hevey's legal fees. So far, we have paid out \$94,645. It is likely that the final bill for Mr Hevey's fees will be under \$130,000. |
| d. If yes for each, what is the nature of their involvement   | Providing specialist legal services   |
| e. If yes for each, are they on the lobbyist register? If so, provide details.  | No  |
| f. If yes for each, what contact has the Minister or their office had with them   | None  |
| g. If yes for each, who selected them   | Directorate of the Chief of the Defence Force – Commission of Inquiry   |
| h. If yes for each, did the minister or their office have any involvement in selecting them,<br>i. If yes, please detail what involvement it was<br>ii. If yes, did they see or provided input to a short list<br>iii. if yes, on what dates did this involvement occur<br>iv. If yes, did this involve any verbal discussions with the department<br><br>v. If yes, on what dates did this involvement occur | No  |

## Reviews Commenced Since 7 September 2013

| <b>REVIEW 2. - AIRWORTHINESS REVIEW</b>  |  |
|--|--|
| a. the date ordered  | 16 Sep 13  |
| b. the date commenced  | 23 Sep 13  |
| c. the minister responsible  | Minister for Defence   |
| d. the department responsible  | Defence  |
| e. the nature of the review  | Identify additional airworthiness or air safety issues following death of LT Marcus Case, after CAF advised he felt the Case Commission of Inquiry Report to be deficient.   |
| f. terms of reference  | <p>To review:</p> <ul style="list-style-type: none"> <li>a. the Aircraft Accident Investigation Report into the CH-47 Crash in Afghanistan that resulted in the death of LT Case.;</li> <li>b. Operational Airworthiness Directive 01/12;</li> <li>c. both the transcript and the report of the Case Commission of Inquiry (COI); and</li> <li>d. implementation actions directed by CDF in his Minutes CDF/OUT/2013/728 and CDF/OUT/2013/7289 both dated 24 Jun 13. These minutes were sent out after consideration of the final COI Report.</li> </ul> |
| g. the scope of the review   | To determine whether any individual or systemic aircraft safety issues were disclosed during the Aircraft Accident Identification or Commission of Inquiry which have not already been the subject of findings or recommendations in either of the reports.  |
| h. Whom is conducting the review   | AIRCDRE John Oddie, AM, CSC<br>COL Brett Greenland, AM   |
| i. the number of officers, and their classification level, involved in conducting the review | See above.   |
| j. report delivery date  | 20 Dec 13  |
| k. If the report will be tabled in parliament or made public                                 | No   |

## Reviews Commenced Since 7 September 2013

### 2, Have any external people, companies or contractors being engaged to assist or conduct the review?

|   |      |
|---|------|
| a. If so please list them   | None |
| b. If so please list their managing director and the board of directors or equivalent   | N/A  |
| c. If yes for each what are the costs associated with their involvement, broken down to each cost item  | N/A  |
| d. If yes for each, what is the nature of their involvement   | N/A  |
| e. If yes for each, are they on the lobbyist register? If so, provide details.  | N/A  |
| f. If yes for each, what contact has the Minister or their office had with them   | N/A  |
| g. If yes for each, who selected them   | N/A  |
| h. If yes for each, did the minister or their office have any involvement in selecting them,<br>i. If yes, please detail what involvement it was<br>ii. If yes, did they see or provided input to a short list<br>iii. if yes, on what dates did this involvement occur<br>iv. If yes, did this involve any verbal discussions with the department<br><br>v. If yes, on what dates did this involvement occur | N/A  |

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 74 – Commissioned Reports**

**Senator Ludwig** provided in writing:

- a) Since 7 September 2013, how many Reports have been commissioned by the Government in your department/agency? 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/or is estimated to cost? How many departmental staff were involved in each report and at what level?
- c) What is the current status of each report? When is the Government intending to respond to these reports?

#### **Response:**

(a-c) As at 30 November, there have been no reports commissioned by the Government within Defence since 7 September 2013.



## Supplementary Budget Estimates Hearing 20 November 2013

### Question on Notice No. 75 – Briefings for other parties

Senator Ludwig provided in writing:

(1) Have any briefings and/or provision of information been provided to the Australian Greens? If yes, please include:

- (a) How are the briefing request commissioned?
- (b) What briefings have been undertaken? Provide details and a copy of each briefing.
- (c) Provide details of what information has been provided and a copy of the information.
- (d) Have any briefings request been unable to proceed? If yes, provide details of what the requests were and why it could not proceed.
- (e) How long is spent preparing and undertaking briefings/information requests for the Australian Greens? How many staff are involved and how many hours? Provide a breakdown for each employment classification.

(2) Have any briefings and/or provision of information been provided to Independents? If yes, please include:

- (a) How are briefings requests commissioned?
- (b) What briefings have been undertaken? Provide details and a copy of each briefing. (c) Provide details of what information has been provided and a copy of the information.
- (d) Have any briefings request been unable to proceed? If yes, provide details of what the requests were and why it could not proceed.
- (e) How long is spent preparing and undertaking briefings/information requests for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.
- (f) Which Independents have requested briefings and/or information?

(3) Have any briefings and/or provision of information been provided to parties other than Labor or the Greens? If yes, please include:

- (a) How are briefings requests commissioned?
- (b) What briefings have been undertaken? Provide details and a copy of each briefing. (c) Provide details of what information has been provided and a copy of the information.
- (d) Have any briefings request been unable to proceed? If yes, provide details of what the requests were and why it could not proceed.
- (e) How long is spent preparing and undertaking briefings/information requests for the Independents? How many staff are involved and how many hours? Provide a breakdown for each employment classification.
- (f) Which parties have requested briefings and/or information?

**Response:**

As appropriate, Defence provides information and responds to requests from the Australian Greens, Independents and other political parties on matters relating to the department in the usual course of parliamentary and ministerial business, including in the course of responding to Parliamentary Committees and to Questions on Notice.

The specific detail sought in the question, such as the detail of each representation and the amount of time taken to prepare a response, is not readily available. To provide the information would be an unreasonable diversion of departmental resources.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 76 - Appointments

**Senator Ludwig** provided in writing:

- a) Provide an update of the boards within this portfolio, including: board title, terms of appointment, tenure of appointment and members.
- b) What is the gender ratio on each board and across the portfolio?
- c) Please detail any board appointments made from 7 September to date

#### **Response:**

(a - c)

In accordance with Senate Orders 13 and 14 of June 2008, information regarding Defence board appointments, changes to board appointments and gender ratio for each board for the period 7 May to 28 October 2013 was tabled in the Senate on 12 November 2013. This information does not include boards within the portfolio that relate to the Department of Veterans' Affairs.

In addition, since 7 September BRIG Graeme Finney has been appointed by the Chief of Army to the Army Air Force Canteen Service as a non executive Director and Commodore Vicki MacConachie (Rtd) has been appointed to the Board of Defence Housing Australia by the Minister for Defence.

Defence contributes to the Gender Balance on Australian Government Boards Report annually in accordance with guidelines provided by the Office of Women. The Government released the *Gender Balance on Australian Government Boards Report 2012–2013* on 5 August 2013 and the report is available at <http://www.dpmc.gov.au/women/publications-articles/government-international/gender-balance-2012-13.cfm>

## **Supplementary Budget Estimates Hearing 20 November 2013**

### **Question On Notice No. 77 – Stationery Requirements**

**Senator Ludwig** provided in writing:

How much was spent by each department and agency on the government (Ministers / Parliamentary Secretaries) stationery requirements in your portfolio from 7 September 2013 to date?

**Response:**

The stationery cost borne by the Department on behalf of Ministers and the Parliamentary Secretary for the period 7 September 2013 to 30 November 2013, is \$14,777.04 (GST exclusive)

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 78 – Media Subscriptions

Senator Ludwig provided in writing:

#### Media subscriptions

1. What pay TV subscriptions does your department/agency have?
  - a) Please provide a list of what channels and the reason for each channel.
  - b) What is the cost from 7 September 2013 to date?
  - c) What is provided to the Minister or their office?
  - d) What is the cost from 7 September 2013 to date?
2. What newspaper subscriptions does your department/agency have?
  - a) Please provide a list of newspaper subscriptions and the reason for each.
  - b) What is the cost from 7 September 2013 to date?
  - c) What is provided to the Minister or their office?
  - d) What is the cost from 7 September 2013 to date?
3. What magazine subscriptions does your department/agency have?
  - a) Please provide a list of magazine subscriptions and the reason for each.
  - b) What is the cost from 7 September 2013 to date?
  - c) What is provided to the Minister or their office?
  - d) What is the cost from 7 September 2013 to date?
4. What publications does your department/agency purchase?
  - a) Please provide a list of publications purchased by the department and the reason for each.
  - b) What is the cost from 7 September 2013 to date?
  - c) What is provided to the Minister or their office?
  - d) What is the cost from 7 September 2013 to date?

#### **Response:**

1.
  - a) Defence subscribes to the standard pay TV packages with Foxtel and Austar, and at overseas, in-country local pay TV. Channels viewed include among others Defence Public Affairs, Parliamentary Channels, ABC News, CNN, Sky News, BBC World News, CNBC, Bloomberg and Al Jazeera. Given the breadth of the question it is not possible to provide a more specific response without an unreasonable diversion of resources.

Pay TV is viewed for the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Minister, Government and senior Defence executives
- to provide greater awareness of parliamentary proceedings to enable timely support to Ministers, Government and senior Defence executives
- operational support, particularly involving conflicts, emergency situations, natural disasters and extreme weather events

- amenity for deployed and remote-location personnel where free-to-air channels are not available including to Navy ships

b) Pay TV - Departmental cost by Group and Service from 7 September 2013 were as follows:

|  |                     |
|--|---------------------|
| Office of Secretary and CDF  | \$1,346.33          |
| Navy   | \$56,082.18         |
| Air Force  | \$4,050.25          |
| Army   | \$9,600.00          |
| Chief Finance Officer Group  | -                   |
| Joint Operations Command   | \$20,266.59         |
| Defence Material Organisation  | \$870.00            |
| Intelligence and Security  | -                   |
| Defence Science and Technology Organisation  | -                   |
| Chief Operating Officer including Defence People Group, Defence Support, Reform and Governance and Chief Information Officer Group | \$52,197.33         |
| VCDF   | \$640.00            |
| <b>TOTAL</b>   | <b>\$145,052.68</b> |

c) Foxtel for business is provided to Senator Johnston's ministerial office in Perth, WA.

d) The table below provides details of expenditure on TV subscriptions for each office, exclusive of GST, for the period 7 September to 30 November 2013.

|  |              |
|--|--------------|
| <b>Office of the</b>   |              |
| Minister for Defence (Senator the Hon. David Johnston)           | 56.36        |
| Assistant Minister for Defence (The Hon. Stuart Robert MP)       | -            |
| Parliamentary Secretary for Defence (The Hon. Darren Chester MP) | -            |
| <b>TOTAL (GST Exclusive)</b>                                     | <b>56.36</b> |

2.

a) Subscriptions include all of the major national newspapers as well as relevant major regional papers. Given the breadth of the question it is not possible to provide a more specific response without an unreasonable diversion of resources.

The department subscribes to newspapers for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Minister, Government and senior Defence executives
- to provide greater awareness of parliamentary proceedings to enable timely support to Ministers, Government and senior Defence executives
- operational support, particularly involving conflicts, emergency situations, natural disasters and extreme weather events
- provided as a condition of service where applicable

b) Newspaper subscriptions - Departmental cost by Group and Service from 7 September 2013 were as follows:

|  |                    |
|--|--------------------|
| Office of Secretary and CDF  | \$9,654.79         |
| Navy   | \$948.68           |
| Air Force  | \$6,355.20         |
| Army   | \$5,400.00         |
| Chief Finance Officer Group  | \$1,068.82         |
| Joint Operations Command   | \$7,689.65         |
| Defence Material Organisation  | \$6,870.25         |
| Intelligence and Security  | \$4,861.86         |
| Defence Science and Technology Organisation  | \$2,379.76         |
| Chief Operating Officer including Defence People Group, Defence Support, Reform and Governance and Chief Information Officer Group | \$13,252.82        |
| VCDF   | \$3,695.57         |
| <b>TOTAL</b>   | <b>\$62,145.81</b> |

c) & d) The table below provides details of newspaper subscriptions provided to each office, including costs for the period 7 September to 30 November 2013, exclusive of GST.

|   | <b>Hard copies</b>  | <b>Digital subscriptions</b>   |
|---|---|--|
| <b>Office of the Minister for Defence<br/>(Senator the Hon David Johnston)</b>  | The Adelaide Advertiser<br>The Age<br>The Courier Mail<br>Financial Review<br>The West Australian<br>The Canberra Times | The Australian Financial Review<br>The Daily Telegraph                     |
| <b>Total Cost<br/>(7 Sept to 30 Nov 2013)</b>                                   | <b>\$352.38 (ex GST)</b>  | <b>\$137.29 (ex GST)</b>   |
|   |   |  |
| <b>Office of the Assistant Minister for Defence (The Hon. Stuart Robert MP)</b> | The Age<br>The Australian Financial Review<br>The Sydney Morning Herald   | The Australian<br>The Sydney Morning Herald<br>The Age<br>Financial Review |
| <b>Total Cost<br/>(7 Sept to 30 Nov 2013)</b>                                   | <b>\$197.32 (ex GST)</b>  | <b>\$160.94 (ex GST)</b>   |
|   |   |  |
| <b>Office of Parliamentary Secretary<br/>(The Hon. Darren Chester MP)</b>       | The Australian<br>The Herald Sun  | The Australian<br>The Herald Sun<br>Financial Review<br>The Age            |
| <b>Total Cost<br/>(7 Sept to 30 Nov 2013)</b>                                   | <b>\$65.09 (ex GST)</b>   | <b>\$161.85</b>  |

3.

a) Magazines that the department subscribes to include among others:

- professional business magazines such as the Australian Law Journal and the Economist
- Defence specific magazines such as Australian Defence magazine
- a range of common interest magazines including human interest, health and fitness such as National Geographic, Inside Sport and Australian Men's Fitness

Given the breadth of the question it is not possible to provide a more specific response without an unreasonable diversion of resources.

The department subscribes to magazines for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Ministers, Government and senior Defence executives
- to support professional development
- to enhance troop morale and provide amenity for deployed and remote-location personnel



b) Magazines - Departmental cost by Group and Service from 7 September 2013 were as follows:

|  |                    |
|--|--------------------|
| Office of Secretary and CDF  | \$6,305.30         |
| Navy   | \$6,080.43         |
| Air Force  | \$5,181.83         |
| Army   | -                  |
| Chief Finance Officer Group  | -                  |
| Joint Operations Command   | \$41,650.16        |
| Defence Material Organisation  | \$190.00           |
| Intelligence and Security  | \$4,951.77         |
| Defence Science and Technology Organisation  | \$758.32           |
| Chief Operating Officer including Defence People Group, Defence Support, Reform and Governance and Chief Information Officer Group | \$2,784.76         |
| VCDF   | \$1,078.82         |
| <b>TOTAL</b>   | <b>\$68,981.39</b> |

c) & d) No magazine subscriptions have been purchased for the Ministers or their offices during the period 7 September to 30 November 2013.

4.

a) Publications that the department subscribes to include among others Aircraft Design, International Air Traffic Association Annual Handbook, San Remo Manual on International Law, Australian Master Tax Guide, and Australian Superannuation Legislation 2013.

Given the breadth of the question it is not possible to provide a more specific response without an unreasonable diversion of resources.

The department subscribes to publications for one or more of the following reasons:

- to provide greater current awareness of national and international events to enable timely support to Ministers, Government and senior Defence executives
- job related subject matter information
- to assist with operational tasking and planning
- concurrent use with Specialist Military Equipment
- research library content that is primarily scholarly, academic and technical

b) Publications - Departmental cost by Group and Service from 7 September 2013 were as follows:

|  |                            |
|--|----------------------------|
| Office of Secretary and CDF  | -                          |
| Navy   | \$13,157.62                |
| Air Force  | \$17,024.66                |
| Army   | -                          |
| Chief Finance Officer Group  | 21.72                      |
| Joint Operations Command   | \$716.68                   |
| Defence Material Organisation  | \$350,186.30               |
| Intelligence and Security  | \$6,788.84                 |
| Defence Science and Technology Organisation  | -                          |
| Chief Operating Officer including Defence People Group, Defence Support, Reform and Governance and Chief Information Officer Group | \$15,744.56                |
| VCDF   | -                          |
| <b>TOTAL</b>   | <b><u>\$403,640.38</u></b> |

c) & d) No publications have been purchased for the Ministers or their offices during the period 7 September to 30 November 2013.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 79 – Media Monitoring

Senator Ludwig provided in writing:

- 1) What is the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the Minister's office from 7 September 2013 to date?
  - a. Which agency or agencies provided these services?
  - b. What is the estimated budget to provide these services for the year 2012-13?
  - c. What has been spent providing these services from 7 September 2013 to date?
- 2) What was the total cost of media monitoring services, including press clippings, electronic media transcripts etcetera, provided to the department/agency from 7 September 2013 to date?
  - a. Which agency or agencies provided these services?
  - b. What is the estimated budget to provide these services for the year 2012-13?
  - c. What has been spent providing these services from 7 September 2013 to date?

#### Response:

- (1) No costs have been incurred by the department in the provision of media monitoring services to the Minister's office for period 7 September to 20 November 2013.
  - (a) Media Monitors (iSentia) is contracted by the Department of Defence to provide these services.
  - (b) The estimated budget to provide these services for financial year 2012-13 was \$20,000.
  - (c) No costs have been incurred by the department in the provision of media monitoring services to the Minister's office for period 7 September to 20 November 2013.
- (2) The total invoiced cost of media monitoring services for the department from 7 Sept to 20 Nov is \$27,208.71.
  - (a) Media Monitors (iSentia) is contracted by the Department of Defence to provide these services.
  - (b) The estimated budget to provide these services for financial year 2012-13 was \$747,500.
  - (c) The total invoiced cost of media monitoring services for the department from 7 Sept to 20 Nov is \$27,208.71.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. Q80 – Media training

Senator Ludwig or provided in writing:

- 1) In relation to media training services purchased by each department/agency, please provide the following information from 7 September 2013 to date:
  - a) Total spending on these services
  - b) The number of employees offered these services and their employment classification
  - c) The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification)
  - d) The names of all service providers engaged
- 2) For each service purchased from a provider listed under (d), please provide:
  - a) The name and nature of the service purchased
  - b) Whether the service is one-on-one or group based
  - c) The number of employees who received the service and their employment classification (provide a breakdown for each employment classification)
  - d) The total number of hours involved for all employees (provide a breakdown for each employment classification)
  - e) The total amount spent on the service
  - f) A description of the fees charged (i.e. per hour, complete package)
- 3) Where a service was provided at any location other than the department or agency's own premises, please provide:
  - a) The location used
  - b) The number of employees who took part on each occasion
  - c) The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
  - d) Any costs the department or agency's incurred to use the location

### Response:

- 1) The following information is provided in relation to media training services purchased by Defence for the period 7 September 2013 to 10 December 2013:
  - a) \$57,793 (GST exclusive).
  - b) Training was available to ADF members and APS employees likely to engage with the media.
  - c) From 7 September to 10 December 2013, 32 people completed the training conducted by Media Manoeuvres on behalf of Defence. Classification levels were as follows:  
  
SES Band 2 – 3  
SES Band 1 – 11

EL2 – 3  
EL1 – 6  
APS6 – 6  
APS5 – 1  
APS 4-5 (PA1) - 2

Course attendance was classified as duty and study leave was not required.

d) Media Manoeuvres.

- 2) The following information is provided in relation to the nature of the service purchased:
- a) Media Manoeuvres was contracted by Defence to deliver two types of courses: a series of one-day duration media awareness and interview skills courses, and a series of one-day duration media awareness and writing skills courses.
  - b) All training provided by Media Manoeuvres during the period was group-based training.
  - c) Thirty-two people (all APS) attended one of the five courses conducted on behalf of Defence. Employment classification information is detailed above.
  - d) Thirty-two people completed the one-day Defence training courses, which is the equivalent of 240 hours. Total media training hours per employment classification were:
    - SES Band 2 (3) – 22.5 hrs
    - SES Band 1 (11) – 82.5 hrs
    - EL2 (3) – 22.5 hrs
    - EL1 (6) – 45 hrs
    - APS6 (6) – 45 hrs
    - APS5 (1) – 7.5 hrs
    - APS 4-5 (PA1) (2) 15 hrs
  - e) For the period 7 September to 10 December 2013, Media Manoeuvres was contracted to provide media awareness and skills training for \$57,793 GST exclusive.
  - f) The breakdown of costs incurred under contract is commercial-in-confidence.
- 3) All contracted media training was conducted at Defence establishments.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question on Notice No. 81 – Communications staff

**Senator Ludwig** provided in writing:

1. For all departments and agencies, please provide—in relation to all public relations, communication and media staff—the following: By Department or agency:
  - a) How many ongoing staff, the classification, the type of work they undertake and their location?
  - b) How many non-ongoing staff, their classification, type of work they undertake and their location?
  - c) How many contractors, their classification, type of work they undertake and their location?
  - d) How many graphic designers?
  - e) How many media managers?
  - f) How many organise events?
  
2. Do any departments/agencies have independent media studios? If yes, why?
  - When was it established?
  - What is the set up cost? What is the ongoing cost?
  - How many staff work there and what are their classifications?

**Response:**

1. (a-d)

The Department of Defence has 216 personnel engaged in public relations, communications and media roles.

As at 29 November 2013, the Corporate Communication Branch employed 41 permanent civilians, six permanent military personnel, one non-ongoing part-time civilian and one contractor.

Corporate Communication Branch is responsible for day to day public affairs and media engagement activities, both nationally and regionally; collation and distribution of Defence imagery and video; management of the Defence internet and intranet; and producing the Navy, Army and Air Force newspapers and the Defence magazine.

As at 29 November 2013, the Ministerial and Corporate Support Branch employed seven permanent civilians involved in media-related functions.

| Corporate Communication Branch | Number of staff | Classification                  | Type of Work  | Location |
|--------------------------------|-----------------|---------------------------------|---|----------|
| (a) Ongoing staff              | 47              | Executive:<br>1 x permanent SES | Public affairs support for Defence and Ministers in | Canberra |

|  |  |  |  |  |
|--|--|--|--|--|
|  |  | <p>Band 1</p> <p>Defence News:<br/> 1 x permanent EL2<br/> 5 x permanent EL1<br/> 5 x permanent APS6<br/> 1 x permanent WO2<br/> 1 x permanent Army SGT<br/> 3 x permanent CPL<br/> 1 x permanent LS</p> <p>Policy and Plans:<br/> 1 x permanent EL2<br/> 1 x permanent APS6<br/> 1 x permanent part-time APS6</p> <p>Multimedia:<br/> 1 x permanent EL2<br/> 2 x permanent EL1<br/> 5 x permanent APS6<br/> 1 x permanent PAO1<br/> 2 x permanent APS5<br/> 1 x permanent part-time APS5</p> <p>Public Affairs:<br/> 1 x permanent EL2<br/> 1 x permanent PAO3<br/> 1 x permanent PAO2<br/> 1 x permanent PAO1</p> <p><i>Regions–</i><br/> 1 x permanent PAO3<br/> 1 x permanent EL1<br/> 1 x permanent PAO3<br/> 1 x permanent APS2<br/> 1 x permanent part-time PAO3<br/> 1 x permanent PAO3<br/> 1 x permanent EL1</p> | <p>the areas of media engagement, Defence newspapers, imagery (stills and video), online content, entertainment media liaison, regional media engagement, corporate identity, archiving and records management.</p> <p>Provide public affairs support to all Defence elements in region.</p> | <p>Sydney</p> <p>Perth<br/>Adelaide</p> <p>Adelaide</p> <p>Melbourne<br/>Brisbane<br/>Townsville</p> |
|--|--|--|--|--|

|                       |   |   |   |                        |
|-----------------------|---|---|---|------------------------|
|                       |   | 1 x permanent EL1<br><br><i>Service Advisers</i> –<br>2 x permanent<br>PAO3 | Strategic Communication<br>Advisers to Chiefs of Navy<br>and Air Force. | Darwin<br><br>Canberra |
| (b) Non-ongoing staff | 1 | 1 x temporary part-time EL1   | Regional Manager Public Affairs   | Melbourne              |
| (c) Contractors       | 1 | N/A   | Web programmer  | Canberra               |

Key: SES: Senior Executive Service, EL: Executive Level, APS: Australian Public Service, PAO: Public Affairs Officer, COL: Colonel, MAJ: Major, WO2: Warrant Officer Class 2, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman.

| Ministerial and Corporate Support Branch | Number of staff | Classification  | Type of Work  | Location |
|--|-----------------|---|---|----------|
| (a) Ongoing staff                        | 7               | Media Operations:<br>1 x permanent EL2<br>1 x permanent EL1<br>1 x permanent part-time EL 1<br>3 x permanent APS6<br>1 x permanent PAO1 | Management of media product such as media releases, responses to journalists, media alerts and talking points for ministers and the Defence senior leadership to use when engaging the media. | Canberra |
| (b) Non-ongoing staff                    | 0               | N/A   | N/A   | N/A      |
| (c) Contractors                          | 0               | N/A   | N/A   | N/A      |

Key: SES: Senior Executive Service, EL: Executive Level, APS: Australian Public Service, PAO: Public Affairs Officer, COL: Colonel, MAJ: Major, WO2: Warrant Officer Class 2, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman.

| Strategic Communication Branch (VCDF Group) | Number of staff | Classification  | Type of Work  | Location |
|---|-----------------|---|---|----------|
| (a) Ongoing staff                           | 72              | 1 x permanent AIRCDRE <sup>1</sup><br><br>1 x permanent EL2<br>1 x permanent EL1<br>1 x Reserve WGCDCR<br>1 x permanent APS4<br><br>1 x permanent COL | Executive:<br><ul style="list-style-type: none"> <li>Strategic communication planning and advice</li> <li>Military information activities planning/execution.</li> </ul><br>Directorate Plans & Policy:<br><ul style="list-style-type: none"> <li>Strategic communication planning and advice.</li> </ul> | Canberra |



|                       |   |   |   |     |
|-----------------------|---|---|---|-----|
|                       |   | <p>1 x permanent LTCOL<br/>2 x permanent EL1</p> <p>1 x permanent MAJ<br/>1 x permanent CAPT<br/>4 x Reserve LTCOL<br/>1 x Reserve SQNLDR<br/>11 x Reserve MAJ<br/>13 x Reserve CAPT<br/>2 x Reserve LT<br/>1 x permanent MAJ<br/>5 x permanent CAPT<br/>1 x permanent FLTLT<br/>1 x permanent FLGOFF<br/>2 x permanent WO2<br/>1 x permanent PO<br/>2 x permanent Army SGT<br/>2 x permanent RAAF SGT<br/>1 x permanent LS<br/>5 x permanent Army CPL<br/>2 x permanent RAAF CPL<br/>1 x permanent LAC<br/>1 x permanent APS4</p> <p>1 x Permanent WGCDR<br/>1 x Reserve SGT<br/>1 x permanent APS4<sup>2</sup></p> <p>2 x permanent ELI</p> | <p>Directorate Operations:</p> <ul style="list-style-type: none"> <li>• Military information activities planning/execution.</li> </ul> <p>Military Public Affairs Support (Preparedness &amp; Training):</p> <ul style="list-style-type: none"> <li>• Military public affairs doctrine, training and preparedness.</li> <li>• Augment (when needed) the provision of military public affairs support to ADF operations, training and support tasks.</li> </ul> <p>1<sup>st</sup> Joint Public Affairs Unit:</p> <ul style="list-style-type: none"> <li>• Provision of military public affairs support to ADF operations, training and support tasks.</li> </ul> <p>Administrative &amp; logistic support to StratCom Executive.</p> <p>Long-term absences:<br/>Maternity leave/temporary transfer to another Group.</p> |     |
| (b) Non-ongoing staff | 0 | N/A   | N/A   | N/A |
| (c) Contractors       | 0 | N/A   | N/A   | N/A |

Key: SES: Senior Executive Service, EL: Executive Level, AIRCDRE: Air Commodore, APS: Australian Public Service, COL: Colonel, LTCOL: Lieutenant Colonel, MAJ: Major, WGCDR: Wing Commander, CAPT: Captain (Army), FLTLT: Flight Lieutenant, LT: Lieutenant (Army), FLGOFF: Flying Officer, WO2: Warrant

Officer Class 2, PO: Petty Officer, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman, LCPL: Lance Corporal, LAC: Leading Aircraftsman, AB: Able Seaman.

Notes:

1. Media/public relations are only one aspect of this appointment, which also includes responsibility for oversight of select special ADF projects.
2. This member is employed in a supply management role, not media and public relations. This member is also reported under Administrative/Logistic Support as a Reserve SGT.

| Navy                  | Number of staff    | Classification              | Type of Work                     | Location |
|-----------------------|--------------------|-----------------------------|----------------------------------|----------|
| (a) Ongoing staff     | 11                 | 1 x CFTS (Reserve) LCDR     | Director Communication and Media | Canberra |
|                       |                    | 1 x CFTS (Reserve) LEUT     | Communication and Media          | Canberra |
|                       |                    | 1 x permanent part-time EL1 | Communication and Media          | Canberra |
|                       |                    | 1 x permanent APS6          | Communication and Media          | Sydney   |
|                       |                    | 1 x CFTS (Reserve) LEUT     |                                  | Sydney   |
|                       |                    | 1 x permanent LEUT          | Communication and Media          | Perth    |
|                       |                    | 1 x permanent EL1           | Communication and Media          | Canberra |
|                       |                    | 1 x permanent APS6          | Communication and Media          | Canberra |
|                       |                    | 1 x permanent LCDR          | Events                           | Canberra |
|                       |                    | 1 x permanent APS6 (Vacant) | Events                           | Canberra |
|                       | 1 x permanent APS5 | Events                      | Canberra                         |          |
| (b) Non-ongoing staff | 0                  | N/A                         | N/A                              | N/A      |
| (c) Contractors       | 0                  | N/A                         | N/A                              | N/A      |
| Army                  | Number of staff    | Classification              | Type of Work                     | Location |
| (a) Ongoing staff     | 7                  | 1 x permanent EL2           | Director Army Communication.     | Canberra |
|                       |                    | 1 x permanent EL1           | Senior Communication Adviser.    | Canberra |
|                       |                    | 1 x permanent APS6          | Army Branding.                   | Canberra |

|   |                        |  |  |  |
|---|------------------------|--|--|--|
|   |                        | 1 x permanent APS6<br>1 x permanent APS5<br>1 x permanent APS5<br>1 x permanent APS4 | Public Affairs Officer.<br>Communication Officer.<br>Graphic Designer.<br>Research Assistant.  | Brisbane<br>Canberra<br>Canberra<br>Canberra                               |
| (b) Non-ongoing staff   | 0                      | N/A  | N/A  | N/A  |
| (c) Contractors   | 0                      | N/A  | N/A  | N/A  |
| <b>Air Force</b>  | <b>Number of staff</b> | <b>Classification</b>  | <b>Type of Work</b>  | <b>Location</b>  |
| (a) Ongoing staff   | 5                      | 1 x permanent EL1<br><br>2 x permanent APS 6<br><br>2 x permanent FLTLT              | Public affairs support for Air Force, including answering media enquiries and proactive regional media engagement.<br>Public affairs support for Air Force, including answering media enquiries and proactive regional media engagement.<br>Public affairs support for Air Force, including answering media enquiries and proactive regional media engagement. | Glenbrook<br><br>Richmond<br>Williamstown<br><br>Williamstown<br>Amberley  |
| (b) Non-ongoing staff   | 0                      | N/A  | N/A  | N/A  |
| (c) Contractors   | 0                      | N/A  | N/A  | N/A  |
| <b>Office of the Secretary and Chief of the Defence Force (OSCDF)</b> | <b>Number of staff</b> | <b>Classification</b>  | <b>Type of Work</b>  | <b>Location</b>  |
| (a) Ongoing staff   | 1<br><br>1             | 1 x permanent EL1<br><br>1 x permanent EL1   | Strategic Communications Adviser to the Chief of the Defence Force.<br>Strategic Communications Adviser to the Chief of the Defence Force<br>Commissions of Inquiry.   | Canberra<br><br>Position based in Canberra but officer works remotely from |

|   |                 |   |   |                      |
|---|-----------------|---|---|----------------------|
|   |                 |   |   | Brisbane.            |
| (b) Non-ongoing staff   | 0               | N/A                                     | N/A   | N/A                  |
| (c) Contractors   | 0               | N/A                                     | N/A   | N/A                  |
| Vice Chief of the Defence Force   | Number of staff | Classification                          | Type of Work  | Location             |
| (a) Ongoing staff   | 6               | 1 x permanent EL1                       | Office of the Vice Chief of the Defence Force: Strategic Communication Adviser.   | Canberra             |
|   |                 | 1 x permanent EL1<br>1 x permanent APS6 | Cadet, Reserve and Employer Support Division: EL1 & APS6 ADF Cadets, Defence Youth, Defence Work Experience and Engagement Program. | Canberra<br>Canberra |
|   |                 | 1 x permanent EL1                       | Support Plan Suakin – Reserve Reform Stream.  |                      |
|   |                 | 1 x permanent APS6                      | Communications Advisers to ADFA, ADC.   | Canberra             |
|   |                 | 1 x permanent EL1                       | Australian Civil-Military Centre: Corporate communications.   | Queanbeyan           |
| (b) Non-ongoing staff   | 0               | N/A                                     | N/A   | N/A                  |
| (c) Contractors   | 0               | N/A                                     | N/A   | N/A                  |
| Military Headquarters Support (FORCOMD, HQ 1 Div, HQ 1 Bde, HQ 3 Bde, HQ 7 Bde, HQ NORCOM, HQ | Number of staff | Classification                          | Type of Work  | Location             |

|                                  |                        |   |   |  |
|----------------------------------|------------------------|---|---|--|
| <b>SOCOMD)</b>                   |                        |   |   |  |
| (a) Ongoing staff                | 6                      | 1 x permanent MAJ<br>1 x permanent CAPT<br>1 x permanent CAPT<br>1 x permanent CAPT<br>1 x permanent MAJ<br>1x permanent CAPT   | Organic public affairs support to military headquarters.  | Sydney<br>Sydney<br>Brisbane<br>Brisbane<br>Darwin<br>Townsville |
| (b) Non-ongoing staff            | 0                      | N/A   | N/A   | N/A  |
| (c) Contractors                  | 0                      | N/A   | N/A   | N/A  |
| <b>Defence People Group</b>      | <b>Number of staff</b> | <b>Classification</b>   | <b>Type of Work</b>   | <b>Location</b>  |
| (a) Ongoing staff                | 9                      | 3 x permanent EL1 (communications)<br><br>1 x permanent APS6 (communications)<br><br>1 x permanent part-time APS6 (communications)<br><br>1 x permanent part-time APS6 (graphic design)<br><br>2 x permanent APS5 (communications)<br><br>1 x permanent APS4 (communications) | Strategic communication for Defence People Group (including Defence Force Recruiting and Defence Community Organisation), internal and external communications on people matters, provision of advice to DPG subject matter experts on communication planning and products, events management, executive speech writing and presentations, coordination and development of responses to media enquiries relating to people matters. | Canberra   |
| (b) Non-ongoing staff            | 0                      | N/A   | N/A   | N/A  |
| (c) Contractors                  | 0                      | N/A   | N/A   | N/A  |
| <b>Intelligence and Security</b> | <b>Number of staff</b> | <b>Classification</b>   | <b>Type of Work</b>   | <b>Location</b>  |
| (a) Ongoing staff                | 5                      | 1 x permanent EL1<br>3 x permanent APS6   | Defence Awareness Security Communications and development of  | Canberra   |

|  |                     |  |   |   |
|--|---------------------|--|---|---|
|  |                     | 1 x permanent APS5   | training material.  |   |
| (b) Non-ongoing staff                              | 0                   | N/A  | N/A   | N/A   |
| (c) Contractors                                    | 0                   | N/A  | N/A   | N/A   |
| <b>Defence Science and Technology Organisation</b> | Number of staff     | Classification   | Type of Work  | Location  |
| (a) Ongoing staff                                  | 7                   | 1 x permanent EL2<br>1 x permanent EL1<br>1 x permanent EL1<br>1 x permanent APS6<br>1 x permanent EL1<br>1 x permanent APS6<br>1 x permanent APS5 | Director (and media manager).<br>Corporate Communications.<br>Web Manager (LWOP).<br>Internal Communications.<br>Regional Communications.<br>Events Management.<br>Graphic Designer.          | Canberra<br>Canberra<br>Melbourne<br>Melbourne<br>Edinburgh<br>Edinburgh<br>Edinburgh |
| (b) Non-ongoing staff                              | 0                   | N/A  | N/A   | N/A   |
| (c) Contractors                                    | 1<br><br>1<br><br>1 | N/A<br><br>N/A<br><br>N/A  | Research, write and produce monthly internal staff magazine (part-time).<br><br>Research, write and produce quarterly external defence science magazine (part-time).<br><br>Graphic Designer. | Edinburgh<br><br>Edinburgh<br><br>Melbourne   |
| <b>Defence Materiel Organisation</b>               | Number of staff     | Classification   | Type of Work  | Location  |
| (a) Ongoing staff                                  | 13                  | 1 x permanent EL2<br>1 x permanent EL1<br><br>1 x permanent EL1  | Director.<br>Media liaison, development of public relations materials, responding to media enquiries.<br>Internal Communications.   | Canberra<br>Canberra<br>Canberra  |

|                               |                 |                      |  |                      |
|-------------------------------|-----------------|----------------------|--|----------------------|
|                               |                 | 1 x permanent APS6   | Media liaison, development of public relations materials, responding to media enquiries and communications planning. | Canberra             |
|                               |                 | 1 x APS6             | Graphic Design.  | Canberra             |
|                               |                 | 1 x APS5             | Graphic Design.  | Canberra             |
|                               |                 | 1 x APS6<br>1 x APS6 | Internal Communications. AWD Alliance communications (50%) and Ministerial tasks (50%).                              | Canberra<br>Adelaide |
|                               |                 | 1 x EL1              | Aerospace Communications (20% of role).  | Canberra             |
|                               |                 | 1 x EL2              | Seaworthiness Communications.  | Canberra             |
|                               |                 | 1 x EL1              | Seaworthiness Communications.  | Canberra             |
|                               |                 | 1 x EL1 (part time)  | Land Systems Division Communications.  | Melbourne            |
|                               |                 | 1 x APS6 (part time) | Land Systems Division Communications.  | Melbourne            |
| (b) Non-ongoing staff         | 0               | N/A                  | N/A  | N/A                  |
| (c) Contractors               | 2               | N/A                  | Communications for SEA 1000.   | Canberra             |
| <b>Capability Development</b> | Number of staff | Classification       | Type of Work   | Location             |
| (a) Ongoing staff             | 1               | 1 x permanent APS6   | Media, Communication, Coordination (position also supports ministerial coordination).                                | Canberra             |
| (b) Non-ongoing staff         | 0               | N/A                  | N/A  | N/A                  |
| (c) Contractors               | 0               | N/A                  | N/A  | N/A                  |
| <b>HQ Joint Operations</b>    | Number of staff | Classification       | Type of Work   | Location             |

| Command                     |                 |   |  |                   |
|-----------------------------|-----------------|---|--|-------------------|
| (a) Ongoing staff           | 5               | 1 x permanent LTCOL<br>1 x permanent MAJ<br>1 x permanent SQNLDR<br>1 x permanent CAPT<br>1 x permanent LCDR<br>(filled by Navy LEUT) | Support to ADF Operations/Joint & Combined Exercises. (Supports ADF's 24-hour Watch/ Control Centre). Coordination of HQ JOC (CJOPS and/or staff) media engagements/events e.g. roundtable and interviews. | HQJOC, Bungendore |
| (b) Non-ongoing staff       | 0               | N/A   | N/A  | N/A               |
| (c) Contractors             | 0               | N/A   | N/A  | N/A               |
| Chief Operating Officer     | Number of staff | Classification  | Type of Work   | Location          |
| (a) Ongoing staff           | 0               | N/A   | N/A  | N/A               |
| (b) Non-ongoing staff       | 0               | N/A   | N/A  | N/A               |
| (c) Contractors             | 0               | N/A   | N/A  | N/A               |
| Chief Finance Officer Group | Number of staff | Classification  | Type of Work   | Location          |
| (a) Ongoing staff           | 0               | N/A   | N/A  | N/A               |
| (b) Non-ongoing staff       | 0               | N/A   | N/A  | N/A               |
| (c) Contractors             | 0               | N/A   | N/A  | N/A               |
| Defence Legal               | Number of staff | Classification  | Type of Work   | Location          |
| (a) Ongoing staff           | 0               | N/A   | N/A  | N/A               |
| (b) Non-ongoing staff       | 0               | N/A   | N/A  | N/A               |
| (c) Contractors             | 1               | N/A   | A publicist who liaises with media on the requests to the Defence Honours and Awards Appeals Tribunal for interviews/comments and also prepares the principal prior to media appearances.                  | Off-site          |



| Defence Support and Reform      | Number of staff | Classification  | Type of Work  | Location |
|---------------------------------|-----------------|---|---|----------|
| (a) Ongoing staff               | 1               | 1 x permanent EL1   | Strategic Communication Advisor.  | Canberra |
| (b) Non-ongoing staff           | 0               | N/A   | N/A   | N/A      |
| (c) Contractors                 | 0               | N/A   | N/A   | N/A      |
| Chief Information Officer Group | Number of staff | Classification  | Type of Work  | Location |
| (a) Ongoing staff               | 4               | 1 x permanent EL1<br>2 x Acting EL1<br>1 x part time Acting EL1 | Strategic communication for the Chief Information Officer Group (CIOG).<br>Executive speech writing and presentations.<br>Internal Defence communications on ICT matters.<br>Communications consultancy services to ICT project, policy and BAU business areas.<br>Group graphic design services in support of electronic and print communications.<br>Specialist ICT Events Management (Defence, Government & Industry).<br>Coordinating and responding to ICT related media enquiries, alerts and releases. | Canberra |
| (b) Non-ongoing staff           | 0               | N/A   | N/A   | N/A      |
| (c) Contractors                 | 0               | N/A   | N/A   | N/A      |

Key: CJOPS: Chief of Joint Operations, SES: Senior Executive Service, EL: Executive Level, APS: Australian Public Service, COL: Colonel, LTCOL: Lieutenant Colonel, CMDR: Commander, LCDR: Lieutenant Commander, MAJ: Major, SQNLDR: Squadron Leader, LEUT: Lieutenant (Navy), CAPT: Captain (Army), FLTLT: Flight Lieutenant, WO2: Warrant Officer Class 2, SGT: Sergeant, CPL: Corporal, LS: Leading Seaman, LCPL: Lance Corporal, LAC: Leading Aircraftsman, AB: Able Seaman.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 82 – Provision of Equipment

Senator Ludwig provided in writing:

(1)

(a) For departments/agencies that provide mobile phones to Ministers and/or Parliamentary Secretaries and/or their offices, what type of mobile phone is provided and the costs?

(b) For departments/agencies that provide electronic equipment to Ministers and/or Parliamentary Secretaries and/or their offices, what are the ongoing costs from 7 September 2013 to date?

(c) Is electronic equipment (such as iPad, laptop, wireless card, vasco token, blackberry, mobile phone (list type if relevant), thumb drive) provided to department/agency staff? If yes provide details of what is provided, the purchase cost, the ongoing cost and a breakdown of what staff and staff classification receives it.

(d) Does the department/agency provide their Ministers and/or Parliamentary Secretaries and/or their offices with any electronic equipment? If yes, provide details of what is provided, the cost and to who it is provided.

#### Response:

(1) (a) The Minister for Defence, Assistant Minister for Defence and the Parliamentary Secretary to the Minister for Defence and their staff have each been provided with a BlackBerry handset in accordance with the whole-of-government panel arrangements for the procurement for telecommunications carriers, commodities and other associated services. The Blackberry cost is approximately \$491.00 (GST exclusive) per unit.

(b) Table A provides details of ongoing costs (GST exclusive) for current electronic equipment provided to the Ministers' and Parliamentary Secretary's offices. This information is correct as at 30 November 2013.

Table A

| Ongoing Data & Services Charges | September 2013    | October 2013      | Total             |
|---------------------------------|-------------------|-------------------|-------------------|
| BlackBerry                      | \$2,397.35        | \$2,026.06        | \$4,423.41        |
| Wireless Data                   | \$402.70          | \$845.89          | \$1,248.59        |
| <b>Total</b>                    | <b>\$2,800.05</b> | <b>\$2,871.95</b> | <b>\$5,672.00</b> |

(c) Purchase and ongoing costs and the classification of staff assigned individual electronic pieces of equipment across the Department of Defence is not collected in a central repository and, therefore, a breakdown of costs and the classification of staff that receive this electronic equipment is not readily available.

(d) Table B provides details of all mobile electronic equipment currently provided to the Ministers, the Parliamentary Secretary and their staff as at 30 November 2013. Table C provides the cost of the equipment provided.

**Table B**

| Office of the   | Staff Classification          | Laptop   | Datacard | Dreams    | BlackBerry | iPad     | iPad Accessories |
|---|-------------------------------|----------|----------|-----------|------------|----------|------------------|
| Minister for Defence, Senator Johnston                          | Minister                      | 0        | 0        | 1         | 1          | 1        | 0                |
|   | Aide-de-Camp                  | 1        | 1        | 1         | 1          | 0        | 0                |
|   | Departmental Liaison Officers | 0        | 0        | 2         | 2          | 0        | 0                |
|   | Ministerial Staff             | 4        | 4        | 10        | 11         | 3        | 3                |
|   | <b>Total</b>                  | <b>5</b> | <b>5</b> | <b>14</b> | <b>15</b>  | <b>4</b> | <b>3</b>         |
| Assistant Minister for Defence, Mr Robert                       | Minister                      | 1        | 1        | 1         | 1          | 1        | 1                |
|   | Aide-de-Camp                  | 0        | 0        | 1         | 1          | 1        | 1                |
|   | Departmental Liaison Officer  | 1        | 1        | 1         | 1          | 0        | 0                |
|   | Ministerial Staff             | 1        | 1        | 8         | 8          | 0        | 0                |
|   | <b>Total</b>                  | <b>3</b> | <b>3</b> | <b>11</b> | <b>11</b>  | <b>2</b> | <b>2</b>         |
| Parliamentary Secretary to the Minister for Defence, Mr Chester | Parliamentary Secretary       | 0        | 0        | 1         | 1          | 1        | 1                |
|   | Departmental Liaison Officer  | 1        | 1        | 1         | 1          | 0        | 0                |
|   | Ministerial Staff             | 0        | 0        | 1         | 1          | 0        | 0                |
|   | <b>Total</b>                  | <b>1</b> | <b>1</b> | <b>3</b>  | <b>3</b>   | <b>1</b> | <b>1</b>         |
|   | <b>Grand Total</b>            | <b>9</b> | <b>9</b> | <b>28</b> | <b>29</b>  | <b>7</b> | <b>6</b>         |

**Table C**

| Equipment                      | Current market price of cost per unit (GST Exclusive) |
|--------------------------------|---|
| Laptop (standard notebook)     | \$850.00 <sup>1</sup>                                 |
| BlackBerry                     | \$491.00 <sup>2</sup>                                 |
| DREAMS (Vasco) Token           | \$28.25 <sup>3</sup>                                  |
| Datacard (Wireless USB 4G)     | \$200.00  |
| iPad (64GB)                    | \$912.00 <sup>2</sup>                                 |
| iPad Standard Cover            | \$25.80 <sup>2</sup>                                  |
| iPad Keyboard (Wireless) Cover | \$82.80 <sup>2</sup>                                  |

<sup>1</sup> Taken from ICT Hardware price list (September 2013).

<sup>2</sup> Provided by Telstra under contract (November 2013)

<sup>3</sup> Does not include user data subscription fee of \$5.00 per token

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 83 – Travel Costs

Senator Joe Ludwig asked on 29 November 2013:

- (1) 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).
- (2) 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). Also provide a reason and brief explanation for the travel.
- (3) What travel is planned from 7 September 2013? Also provide a reason and brief explanation for the travel.
- (4) What travel is planned for the rest of this calendar year? Also provide a reason and brief explanation for the travel.
- (5) What is the policy for business class airfare tickets?
- (6) 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.
- (7) 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.
- (8) Does the department/agency elect to offset emissions for employees work related travel? If yes, what is the cost?

#### Response:

(1) Annex A provides details of costs for overseas travel for the financial year to date. Annex B provides costs of domestic travel for the financial year to date.

(2) – (4) For financial year 2012/13, Defence (which includes the Defence Materiel Organisation) spent approximately \$358 million (exclusive of GST) on travel-related expenses. For financial year 2011/12, Defence spent approximately \$459 million (exclusive of GST) on travel-related expenses. These figures represent the entire Department of Defence workforce, APS employees, full time 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. Defence does not have a single data source that identifies each trip undertaken or planned to be taken for central reporting.

(5) The table below sets out the current Defence policy provisions for class of travel across the ADF and APS.

| <b>Travel entitlements for Non-SES employees &amp; ADF equivalent, SES members &amp; equivalent, star ranked officers and statutory office holders</b> |  |   |
|--|--|---|
|  | <b>Domestic</b>  | <b>International</b>  |
| <b>Non-SES (equiv)</b>   | Economy  | Business Class  |
| <b>SES (equiv)</b>   | Business Class (except for travel between Sydney and Canberra, which is economy) | Business Class or First Class where Business Class is not available |
| <b>Statutory Office Holders</b>  | Tier 1 – Highest available class<br>Tier 2 – Business Class                      | Tier 1 – Business or First Class<br>Tier 2 – Business Class         |

(6) Defence SES and equivalent employees, Star Ranked Officers and Statutory Office Holders are eligible for Defence funded basic airline lounge membership with a Government contracted carrier. Lounge membership is generally not available to non-SES employees unless a business need exists and provides value for money outcomes to Defence.

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.

(7) Please see the response to the 13 February 2013 Additional Estimates Question on Notice No. 111, part (f) as the information relating to travel costs remains extant.

(8) Please see the response to the 13 February 2013 Additional Estimates Question on Notice No. 111, part (g) as the information relating to travel costs remains extant.

## Annex A

| Minister/Parliamentary Secretary                         | Travel Undertaken<br>Destination, duration and purpose  | Departmental ministerial costs<br>(i) Gifts<br>(ii) Security<br>(iii) Portfolio costs to Defence<br>(iv) Entertainment | Defence Delegation  | Defence personnel costs<br>(i) Travel<br>(ii) Accommodation<br>(iii) Other <sup>1</sup>             |
|--|---|--|---|---|
| <p><i>Minister for Defence,<br/>Senator Johnston</i></p> | <p><b>Belgium, United Kingdom, United Arab Emirates and Afghanistan from 20 to 30 October 2013.</b></p> <p>Senator Johnston travelled to Belgium to attend the North Atlantic Treaty Organisation (NATO) and International Security Assistance Force (ISAF) Defence Ministers' Meeting.</p> <p>Senator Johnston travelled to the United Kingdom to conduct calls on his counterpart and other senior UK government officials and representatives.</p> <p>Senator Johnston visited the United Arab Emirates and met with His Highness Sheikh Mohammed Bin Rashid Al Maktoum, the Vice President, the Prime Minister and the Minister for Defence. He conducted a ship visit to HMAS <i>Melbourne</i> and met with deployed Australian Defence personnel at Al Minhad Air Base.</p> <p>Senator Johnston travelled to Afghanistan to attend the Recognition Ceremony with the Prime Minister, and other Australian government officials.</p> | <p>(i) Nil<br/>(ii) Nil<br/>(iii) \$2,473.51<sup>2</sup><br/>(iv) \$4,655.60<sup>2</sup></p>                           | <ol style="list-style-type: none"> <li>1. Secretary of Defence<sup>3</sup></li> <li>2. Chief of the Defence Force<sup>4</sup></li> <li>3. Aide-de-Camp to Minister of Defence (business class)</li> <li>4. Aide-de-Camp to Chief of the Defence Force<sup>4</sup></li> <li>5. Communications Assistant to the Chief of the Defence Force<sup>5</sup></li> <li>6. Departmental Officer (business class)</li> </ol> | <p>(i) \$26,419.38<sup>5</sup><br/>(ii) \$5,004.51<sup>3</sup><br/>(iii) \$2,812.05<sup>3</sup></p> |

<sup>1</sup> 'Other' includes meals, and incidentals such as visas, excess baggage etc.

<sup>2</sup> Portfolio costs to Defence and entertainment figures are based on finalised invoicing and quoted figures from overseas post.

<sup>3</sup> The Secretary did not travel as a part of the delegation. He visited the United Kingdom only and flew First Class.

| Minister/Parliamentary Secretary                  | Travel Undertaken<br>Destination, duration and purpose   | Departmental ministerial costs<br>(i) Gifts<br>(ii) Security<br>(iii) Portfolio costs to Defence<br>(iv) Entertainment | Defence Delegation  | Defence personnel costs<br>(i) Travel<br>(ii) Accommodation<br>(iii) Other <sup>1</sup> |
|---|--|--|---|---|
| <i>Minister for Defence,<br/>Senator Johnston</i> | <b>Indonesia from 7 to 8 November 2013.</b><br><br>Senator Johnston met with his Indonesian counterpart, Minister Ysgiantoro.<br><br>Senator Johnston laid a wreath at Kalibata Heroes Cemetery.   | (i) \$190.01<br>(ii) Nil<br>(iii) Nil<br>(iv) Nil  | 1. Secretary of Defence <sup>6</sup><br>2. Aide-de-Camp to the Minister for Defence (business class)<br>3. Departmental Officer (business class)  | (i) \$24,375.47<br>(ii) \$1,384.02<br>(iii) \$1,191.07                                  |
| <i>Minister for Defence,<br/>Senator Johnston</i> | <b>United States from 17 to 23 November 2013.</b><br><br>Senator Johnston attended the Australia-United States Ministerial (AUSMIN) consultations.<br><br>Senator Johnston conducted several bilateral discussions with US political and government officials. | (i) \$81.00<br>(ii) Nil<br>(iii) Nil<br>(iv) \$800.80  | 1. Secretary of Defence <sup>7</sup><br>2. Chief of the Defence Force <sup>8</sup><br>3. Aide-de-Camp to Minister of Defence (business class)<br>4. Aide-de-Camp to Chief of the Defence Force <sup>9</sup> | (i) \$12,709.16 <sup>10</sup><br>(ii) \$1,720.13<br>(iii) \$1,224.21                    |

<sup>4</sup> The Chief of the Defence Force and his Aide-De-Camp travelled with the delegation for part of the trip. He flew first class with the exception of a business class flight from the United Kingdom to the United Arab Emirates. His Aide-De-Camp flew business class for the entire trip.

<sup>5</sup> The Communications Assistant to the Chief of the Defence Force flew separately to CDF and Minister to Brussels and returned alone to Australia from the UK. *Figures provided for Defence personnel costs do not include expenditure for the office of Chief of Defence Force and Departmental Officer. These costs are yet to be officially finalised.*

<sup>6</sup> The Secretary did not travel as part of the delegation and flew a mixture of business and first class.

<sup>7</sup> The Secretary did not travel as part of the delegation and flew a mixture of business and first class.

<sup>8</sup> The Chief of the Defence Force did not travel as part of the delegation and flew business class.

<sup>9</sup> The Aide-De-Camp to the Chief of the Defence Force travelled with the Chief of the Defence Force separately and flew business class.

<sup>10</sup> *Figures provided do not include Defence personnel costs for the office of Chief of the Defence Force. These costs are yet to be officially finalised.*

| Minister/Parliamentary Secretary                         | Travel Undertaken<br>Destination, duration and purpose   | Departmental ministerial costs<br>(i) Gifts<br>(ii) Security<br>(iii) Portfolio costs to Defence<br>(iv) Entertainment | Defence Delegation   | Defence personnel costs<br>(i) Travel<br>(ii) Accommodation<br>(iii) Other |
|--|--|--|--|--|
| <i>Minister for Veterans' Affairs, Senator Ronaldson</i> | <p><b>United Kingdom, Turkey, France from 13 to 21 October 2013<sup>11</sup>.</b></p> <p>Senator Ronaldson attended a ministerial meeting called by the French Minister and visited key sites on the Somme and north of Paris.</p> <p>Senator Ronaldson hosted a bilateral meeting with his New Zealand counterpart and held several meetings with his ministerial counterparts from the UK, Turkey, and Canada.</p> | <p>(i) Nil<br/>(ii) Nil<br/>(iii) Nil<br/>(iv) Nil</p>   | <p>1. Aide-de-Camp to the Assistant Minister of Defence (business class)</p> | <p>(i) \$10,119.23<br/>(ii) \$842.77<br/>(iii) \$2,594.61</p>              |

<sup>11</sup> This visit was 100% Veterans' Affairs-related calls and activities. Cost recovery action through Department of Veterans' Affairs being undertaken.



## Minister for Defence, Senator Johnston

| Position                           | Start      | Finish     | City/Town | Accommodation   | Transport      | Meals & Incidentals | Miscellaneous travel costs | Grand Total     |
|------------------------------------|------------|------------|-----------|-----------------|----------------|---------------------|----------------------------|-----------------|
| Adviser                            | 15/11/2013 | 15/11/2013 | Sydney    |                 | 458.06         |                     |                            | 458.06          |
| Adviser Total                      |            |            |           |                 | 458.06         |                     |                            | 458.06          |
| Aide-de-Camp                       | 4/10/2013  | 9/10/2013  | Sydney    | 1,881.42        | 238.38         | 648.27              | 11.02                      | 2,779.09        |
|                                    | 10/10/2013 | 11/10/2013 | Sydney    | 216.85          | 345.30         | 90.00               | 1.53                       | 653.68          |
|                                    | 14/10/2013 | 16/10/2013 | Adelaide  | 680.97          | 206.74         | 255.90              | 4.35                       | 1,147.96        |
| Aide-de-Camp Total                 |            |            |           | 2,779.24        | 790.42         | 994.17              | 16.90                      | 4,580.73        |
| Departmental Liaison Officer       | 11/10/2013 | 12/10/2013 | Perth     |                 | 1,252.29       | 84.00               | 1.42                       | 1,337.71        |
| Departmental Liaison Officer Total |            |            |           |                 | 1,252.29       | 84.00               | 1.42                       | 1,337.71        |
| <b>Minister for Defence Total</b>  |            |            |           | <b>2,779.24</b> | <b>2500.77</b> | <b>1,078.17</b>     | <b>18.32</b>               | <b>6,376.50</b> |

## Assistant Minister for Defence, Mr Robert

| Position                                    | Start      | Finish     | City/Town         | Accommodation   | Transport       | Meals & Incidentals | Miscellaneous travel costs | Grand Total      |
|---|------------|------------|-------------------|-----------------|-----------------|---------------------|----------------------------|------------------|
| Adviser                                     | 23/10/2013 | 24/10/2013 | Brisbane          | 126.36          | 480.55          | 51.82               |                            | 658.73           |
| Adviser Total                               |            |            |                   | 126.36          | 480.55          | 51.82               |                            | 658.73           |
| Aide-de-Camp                                | 27/09/2013 | 28/09/2013 | Brisbane          | 171.82          | 557.07          | 116.20              | 8.59                       | 853.68           |
|   | 3/10/2013  | 7/10/2013  | Sydney            | 1,079.59        | 535.32          | 556.80              | 9.46                       | 2,181.17         |
|   | 13/10/2013 | 21/10/2013 | Melbourne         |                 |                 | 363.32              |                            | 363.32           |
|   | 23/10/2013 | 28/10/2013 | Gold Coast        | 631.82          | 1149.9          | 581.00              | 9.87                       | 2,372.59         |
|   | 30/10/2013 | 1/11/2013  | Brisbane/Amberley | 183.18          | 727.76          | 277.00              | 4.70                       | 1,192.64         |
|   | 5/11/2013  | 7/11/2013  | Qld/Adelaide      | 166.09          | 1,404.38        | 324.00              | 5.50                       | 1,899.97         |
|   | 10/11/2013 | 11/11/2013 | Brisbane          |                 | 211.6           |                     |                            | 211.60           |
|   | 18/11/2013 | 19/11/2013 | Shoalwater        |                 | 174.55          | 180.00              | 3.60                       | 358.15           |
| 27/11/2013                                  | 28/11/2013 | Sydney     |                   | 31.37           |                 |                     | 31.37                      |                  |
| Aide-de-Camp Total                          |            |            |                   | 2,232.50        | 4,791.95        | 2398.32             | 41.72                      | 9,464.49         |
| <b>Assistant Minister for Defence Total</b> |            |            |                   | <b>2,358.86</b> | <b>5,272.50</b> | <b>2,450.14</b>     | <b>41.72</b>               | <b>10,123.22</b> |

**Parliamentary Secretary to the Minister for Defence, Mr Chester**

| <b>Position</b>                      | <b>Start</b> | <b>Finish</b> | <b>City/Town</b> | <b>Accommodation</b> | <b>Transport</b> | <b>Meals &amp; Incidentals</b> | <b>Miscellaneous travel costs</b> | <b>Grand Total</b> |
|--------------------------------------|--------------|---------------|------------------|----------------------|------------------|--------------------------------|-----------------------------------|--------------------|
| Departmental Liaison Officer         | 3/10/2013    | 4/10/2013     | Sydney           | 239.91               | 773.48           |                                |                                   | 1,013.39           |
|                                      | 8/10/2013    | 9/10/2013     | Sydney           |                      | 214.28           |                                |                                   | 214.28             |
|                                      | 23/10/2013   | 24/10/2013    | Sydney           | 226.07               | 142.11           |                                |                                   | 368.18             |
|                                      | 28/10/2013   | 31/10/2013    | Darwin           | 263.00               | 880.14           |                                |                                   | 1143.14            |
| Departmental Liaison Officer Total   |              |               |                  | 728.98               | 2,010.01         | Nil                            | Nil                               | 2,738.99           |
| <b>Parliamentary Secretary Total</b> |              |               |                  | <b>728.98</b>        | <b>2,010.01</b>  | <b>Nil</b>                     | <b>Nil</b>                        | <b>2,738.99</b>    |

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 84 – Grants

**Senator Ludwig** provided in writing:

- (a) Could the department/agency provide an update list of all grants, including ad hoc and one-off grants from 7 September 2013 to date? Please provide details of the recipients, the amount, the intended use of the grants and what locations have benefited from the grants.
- (b) Have all grant agreement details been published on its website.
- (c) Please list all grants that were approved prior to 7 September 2013, but did not have financial contracts in place on 7 September 2013. Please provide details of the recipients, the amount, the intended use of the grants and what locations have benefited from the grants. Please lists which grant applicants had been contacted advising of their success. Please provide the current status of these grants. Have any of these grants been cancelled, paused, discontinued or cut?

**Response:**

#### **Defence**

- (a) No grants were approved during the period 7 September 2013 to 6 December 2013.
- (b) In accordance with the Commonwealth Grant Guidelines, all Defence grants with finalised agreements have been published on the Defence external website:  
[http://www.defence.gov.au/header/documents/Update\\_of\\_reporting\\_spreadsheet\\_28November2013.xls](http://www.defence.gov.au/header/documents/Update_of_reporting_spreadsheet_28November2013.xls).
- (c) Four grants were approved by the previous Minister for Defence prior to 7 September 2013 that did not have a financial contract in place on 7 September 2013. A detailed listing of each grant is at Attachment A. No grants listed at Attachment A have been cancelled, paused, discontinued or cut.

#### **DMO**

- (a) Details of the grants awarded by the Defence Materiel Organisation for the period 7 September 2013 to 6 December 2013 are provided at Attachment A. Grants are considered to be awarded by the Defence Materiel Organisation when the relevant funding agreement has been fully executed.
- (b) In accordance with Commonwealth Grant Guidelines full details of all grants made by the Defence Materiel Organisation are reported on the following Department of Defence's websites:
  - Skilling Australia's Defence Industry (SADI) Program for financial year 2013-14 is available at:

[http://www.defence.gov.au/dmo/ID/SADI/SADI\\_CommonwealthGrantsTable\\_FY1314\\_r1.pdf](http://www.defence.gov.au/dmo/ID/SADI/SADI_CommonwealthGrantsTable_FY1314_r1.pdf)

- Defence Industry Innovation Centre (DIIC) is available at:  
[http://www.defence.gov.au/dmo/id/industry\\_skilling/ISPE\\_GrantsReporting.pdf](http://www.defence.gov.au/dmo/id/industry_skilling/ISPE_GrantsReporting.pdf)
- Priority Industry Capability Innovation Program (PICIP) is available at  
[www.defence.gov.au/dmo/id/picip/PICIP\\_Round2\\_Grant\\_recipients.pdf](http://www.defence.gov.au/dmo/id/picip/PICIP_Round2_Grant_recipients.pdf)
- New Air Combat Capability Industry Support Program for financial year 2013-14 are available at:  
[http://www.defence.gov.au/dmo/jsf/NACC-ISP\\_Grant\\_Recipients\\_FY2013\\_14.pdf](http://www.defence.gov.au/dmo/jsf/NACC-ISP_Grant_Recipients_FY2013_14.pdf)

(d) Details of awarded grants that were approved by the Defence Materiel Organisation prior to 7 September 2013, but did not have financial contracts in place on 7 September 2013, are provided at Attachment B.

- The two Defence Industry Innovation Centre (DIIC) grant recipients listed in Attachment B, were advised of the outcome of their applications prior to 7 September 2013.
- The Skilling Australia's Defence Industry (SADI) grant recipients listed in Attachment B, were advised of the outcome after 7 September 2013. Three SADI grant applicants, who were approved for funding prior to 7 September 2013, subsequently declined their offered funding agreements and hence are not listed in Attachment B.
- In relation to the NACC Industry Support Program grant for Rockwell Collins Australia listed in Attachment B, the company has been advised of its success. The grant has been on hold pending finalisation of a separate contract between Rockwell and Northrop Grumman. This contract is now in place and the execution of the grant in line with current guidelines is expected in the near future.

All of the grants listed at Attachment B are current. No grants listed at Attachment B have been cancelled, paused, discontinued or cut.

Defence Grants approved prior to 7-Sep-13, but did not have financial contracts in place on 7-Sep-13

| Approval Date | Program Title   | Recipient  | Purpose   | Total Grant Approved AUD (GST Exclusive) | 2013-14 Approved to be Paid AUD | Grant Term | Grant Funding Location         | Electorate   | Grant Applicant Contacted Advising of their Success | Current Status of Grant  | Grant Cancelled, Paused, Discontinued or Cut |
|---------------|---|--|---|--|---------------------------------|------------|--------------------------------|--------------|---|--|--|
| 21-Jun-13     | Independent research and analysis of contemporary issues facing Defence in today's complex security environment | Sir Richard Williams Foundation  | To assist the reseach board in undertaking more active and public role in the strategic defence debate and to undertake independent research and analysis of contemporary issues facing Defence in today's complex security environment including the areas of defence policy and air power concepts.   | \$50,000                                 | \$50,000                        | 12 months  | Kingston, ACT, 2604            | Fraser       | No  | Funding Agreement not finalised.   | No   |
| 21-Jun-13     | Strategy - support for IISS 2014 Shangri-La Dialogue  | International Institute for Strategic Studies (IISS) for 2014 Shangri-La Dialogue  | To support the International Institute for Strategic Studies (IISS) 2014 Shangri-La Dialogue, held in Singapore in late May or early June 2014 which provides an opportunity for Government members and the officials of regional states' Defence establishments to exchange views on security in the region.   | \$90,000                                 | \$90,000                        | 12 months  | Singapore, Overseas            | Overseas     | Yes   | Funding Agreement finalised, grant not yet paid.                                 | No   |
| 21-Jun-13     | Strategy - support for Post Doctoral Fellowship Program at SDSC at ANU  | Strategic and Defence Studies Centre (SDSC) at the Australian National University (ANU) for the Post Doctoral Fellowship Program | Funding this program enables the development of future academics in the field of Australia's long-term strategic and defence challenges. The role of the Post-Doctoral Fellow is to perform quality research that has a bearing on Australia's long-term strategic and defence challenges and be proactive in their engagement with Defence, particularly in fostering communication and networks with Strategic Policy Division. (multi-year grant). | \$434,290                                | \$138,225                       | 36 months  | Strathpine, QLD, 4500          | Dickson, QLD | Yes   | Funding Agreement finalised, grant not yet paid.                                 | No   |
| 27-Aug-13     | Contribution to construction of the Australian Sailor Monument  | Australian Sailor Pty Ltd  | Contribution to construction of the Australian Sailor Monument to be erected at Rous Head precinct in Fremantle.  | \$400,000                                | \$400,000                       | 12 months  | Rous Head, Fremantle, WA, 6159 | Fremantle    | Yes   | Funding Agreement has been drafted and will be sent to recipient once finalised. | No   |
|               |   |  | <b>Totals</b>   | <b>\$974,290</b>                         | <b>\$678,225</b>                |            |                                |              |   |  |  |

**DMO Grants Awarded 2012-13 YTD**

DMO Response - Attachment A

| <b>Grant Program</b>                         | <b>Grant Recipient</b>                         | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>  | <b>State</b> | <b>Postcode</b> |
|--|--|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>AEA Aerospace</b>                           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 34,778.37                 | Mile End South | SA           | 5031            |
| Skilling Australia's Defence Industry (SADI) | <b>Aerospace Concepts Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 100,389.77                | Port Adelaide  | SA           | 5015            |
| Skilling Australia's Defence Industry (SADI) | <b>Agent Oriented Software Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,409.00                 | Carlton South  | VIC          | 3053            |
| Skilling Australia's Defence Industry (SADI) | <b>Air Affairs Australia Pty Ltd</b>           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,169.13                 | Nowra          | NSW          | 2541            |
| Skilling Australia's Defence Industry (SADI) | <b>Airflite Pty Ltd</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 39,600.00                 | Perth          | WA           | 6105            |
| Skilling Australia's Defence Industry (SADI) | <b>AJF Professional Services Pty Ltd</b>       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 11,129.80                 | Banksia Park   | SA           | 5091            |
| Skilling Australia's Defence Industry (SADI) | <b>Aquila Engineering Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 50,851.20                 | Sale           | VIC          | 3850            |
| Skilling Australia's Defence Industry (SADI) | <b>Archer Enterprises Pty Limited</b>          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 62,846.96                 | Somersby       | NSW          | 2250            |
| Skilling Australia's Defence Industry (SADI) | <b>ATSA Defence Services Pty Ltd</b>           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 17,600.00                 | Thornton       | NSW          | 2322            |
| Skilling Australia's Defence Industry (SADI) | <b>Audio Visual Imagenation</b>                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 54,175.00                 | Applecross     | WA           | 6953            |
| Skilling Australia's Defence Industry (SADI) | <b>Austal Ships Pty Ltd</b>                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 365,164.80                | Henderson      | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Australian Aerospace Ltd</b>                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 287,633.50                | Pinkemba       | QLD          | 4008            |
| Skilling Australia's Defence Industry (SADI) | <b>Australian Marine Technologies Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,614.80                 | Port Melbourne | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Babcock Pty Ltd</b>                         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 79,128.50                 | North Haven    | SA           | 5018            |
| Skilling Australia's Defence Industry (SADI) | <b>Bale Defence Industries Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,200.00                 | Port Macquarie | NSW          | 2444            |
| Skilling Australia's Defence Industry (SADI) | <b>BCI Technology</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,655.00                  | Brisbane       | QLD          | 4001            |
| Skilling Australia's Defence Industry (SADI) | <b>Beak Engineering</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 15,622.20                 | Braeside       | VIC          | 3195            |
| Skilling Australia's Defence Industry (SADI) | <b>Berkeley Information Technology Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 24,599.88                 | Sydney         | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI) | <b>Birdon Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 20,900.00                 | Port Macquarie | NSW          | 2444            |
| Skilling Australia's Defence Industry (SADI) | <b>BMT Design &amp; Technology Pty Ltd</b>     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 67,507.00                 | Melbourne      | VIC          | 3000            |

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| <b>Grant Program</b>                         | <b>Grant Recipient</b>               | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>  | <b>State</b> | <b>Postcode</b> |
|--|--------------------------------------|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Bohemia Interactive</b>           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,456.00                  | Nelson Bay     | NSW          | 2315            |
| Skilling Australia's Defence Industry (SADI) | <b>Broens Industries Pty Lt</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,720.02                 | Ingleburn      | NSW          | 1890            |
| Skilling Australia's Defence Industry (SADI) | <b>Cablex</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 439,762.84                | East Bentleigh | VIC          | 3165            |
| Skilling Australia's Defence Industry (SADI) | <b>CAE Australia Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 148,002.80                | Silverwater    | NSW          | 1811            |
| Skilling Australia's Defence Industry (SADI) | <b>Calytrix Technologies Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 57,472.25                 | Perth          | WA           | 6000            |
| Skilling Australia's Defence Industry (SADI) | <b>Capability By Design Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,930.50                 | Granville      | NSW          | 2142            |
| Skilling Australia's Defence Industry (SADI) | <b>CEA Technologies Pty Ltd</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 89,665.54                 | Fyshwick       | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Chemring Australia Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,353.80                 | Lara           | VIC          | 3212            |
| Skilling Australia's Defence Industry (SADI) | <b>Clearbox Systems</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,435.00                  | North Ryde     | NSW          | 1670            |
| Skilling Australia's Defence Industry (SADI) | <b>Codarra Advanced Systems</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 24,722.50                 | Jamison        | ACT          | 2614            |
| Skilling Australia's Defence Industry (SADI) | <b>Cognesis Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,750.00                 | Brisbane       | QLD          | 4000            |
| Skilling Australia's Defence Industry (SADI) | <b>Consilium Technology</b>          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 18,821.00                 | Thebarton      | SA           | 5031            |
| Skilling Australia's Defence Industry (SADI) | <b>Crystalaid Manufacture</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 120,055.81                | Newstead       | QLD          | 4006            |
| Skilling Australia's Defence Industry (SADI) | <b>Daronmont Technologies</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 73,829.80                 | Mawson Lakes   | SA           | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>DESA Australia Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 44,951.50                 | Fairfield      | VIC          | 3078            |
| Skilling Australia's Defence Industry (SADI) | <b>DEWC</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 2,502.50                  | Prospect       | SA           | 5082            |
| Skilling Australia's Defence Industry (SADI) | <b>Dimension Data Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 114,904.90                | The Rocks      | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI) | <b>Divex Asia Pacific Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 22,990.00                 | Henderson      | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Elbit Systems of Australia</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 230,995.60                | Port Melbourne | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Electromold Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,842.70                 | Thomastown     | VIC          | 3074            |
| Skilling Australia's Defence Industry (SADI) | <b>Elmtek</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 10,276.20                 | Rose Park      | SA           | 5067            |

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|--|--|--|------------------------------|------------------|------------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>EM Solutions Pty Ltd</b>                              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,281.00                 | Yeronga          | QLD              | 4164            |
| Skilling Australia's Defence Industry (SADI) | <b>Eptec Pty Ltd</b>                                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 71,199.92                 | Ultimo           | NSW              | 2007            |
| Skilling Australia's Defence Industry (SADI) | <b>Favcote Pty Ltd</b>                                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 50,983.99                 | Austral          | NSW              | 2179            |
| Skilling Australia's Defence Industry (SADI) | <b>Fawkes Solutions Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,750.00                 | Kelvin Grove     | Kelvin Grove QLD | 4059            |
| Skilling Australia's Defence Industry (SADI) | <b>Ferra Engineering Limited</b>                         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 53,626.10                 | Tingalpa         | QLD              | 4173            |
| Skilling Australia's Defence Industry (SADI) | <b>Fire Control Systems Pty Ltd</b>                      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 19,980.03                 | Weston Creek     | ACT              | 2611            |
| Skilling Australia's Defence Industry (SADI) | <b>Forgacs</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 489,405.45                | Carrington       | Carrington NSW   | 2294            |
| Skilling Australia's Defence Industry (SADI) | <b>Frazer-Nash Consultancy Ltd</b>                       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 44,904.20                 | Adelaide         | SA               | 5000            |
| Skilling Australia's Defence Industry (SADI) | <b>General Dynamics Land Systems - Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 151,513.64                | Pooraka          | SA               | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>GH Varley Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 115,500.00                | Newcastle        | NSW              | 2310            |
| Skilling Australia's Defence Industry (SADI) | <b>Hawker Pacific Pty Ltd</b>                            | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 310,148.70                | Regents Park     | NSW              | 2143            |
| Skilling Australia's Defence Industry (SADI) | <b>Heat Treatment Australia Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 132,496.32                | Acacia Ridge     | QLD              | 4110            |
| Skilling Australia's Defence Industry (SADI) | <b>HI Fraser Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 83,930.88                 | Warriewood       | NSW              | 2102            |
| Skilling Australia's Defence Industry (SADI) | <b>IKAD</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 113,447.92                | Bibra Lake       | WA               | 6965            |
| Skilling Australia's Defence Industry (SADI) | <b>Incat Crowther</b>                                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 16,252.50                 | Terrey Hills     | NSW              | 2084            |
| Skilling Australia's Defence Industry (SADI) | <b>Innovasys Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,492.00                  | Newcastle        | NSW              | 2302            |
| Skilling Australia's Defence Industry (SADI) | <b>Insitu Pacific</b>                                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,500.00                 | Fortitude Valley | QLD              | 4006            |
| Skilling Australia's Defence Industry (SADI) | <b>Integra Packaging</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 1,100.00                  | Yeerongpilly     | QLD              | 4105            |
| Skilling Australia's Defence Industry (SADI) | <b>Jacobs Australia Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 63,688.20                 | Canberra         | ACT              | 2601            |
| Skilling Australia's Defence Industry (SADI) | <b>Jenkins Engineering Defence Systems</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 41,085.00                 | Matraville       | NSW              | 2036            |
| Skilling Australia's Defence Industry (SADI) | <b>John Holland Group</b>                                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 72,380.00                 | Melbourne        | VIC              | 3001            |



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|--|---|--|------------------------------|-------------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>John Holland Pty Ltd</b>                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 48,951.10                 | Melbourne         | VIC          | 3001            |
| Skilling Australia's Defence Industry (SADI) | <b>Levett Engineering</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 14,300.00                 | Elizabeth Vale    | SA           | 5112            |
| Skilling Australia's Defence Industry (SADI) | <b>Liquip International Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 18,700.00                 | Smithfield        | NSW          | 2164            |
| Skilling Australia's Defence Industry (SADI) | <b>Lockheed Martin Australia Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 72,103.86                 | Mawson Lakes      | SA           | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>Logistic Solutions</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 57,024.00                 | Canberra City     | ACT          | 2601            |
| Skilling Australia's Defence Industry (SADI) | <b>Marand Precision Engineering Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 159,328.49                | Moorabbin         | VIC          | 3189            |
| Skilling Australia's Defence Industry (SADI) | <b>Marathon Targets</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 2,700.01                  | Marrickville      | NSW          | 2204            |
| Skilling Australia's Defence Industry (SADI) | <b>Marshall Aerospace Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,818.98                 | Richmond          | NSW          | 2755            |
| Skilling Australia's Defence Industry (SADI) | <b>Memko Pty Ltd</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,395.00                 | Melbourne         | VIC          | 3000            |
| Skilling Australia's Defence Industry (SADI) | <b>Metromatics Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 37,136.03                 | North Lakes       | QLD          | 4509            |
| Skilling Australia's Defence Industry (SADI) | <b>Micreo Limited</b>                       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 49,018.91                 | Eight Mile Plains | QLD          | 4113            |
| Skilling Australia's Defence Industry (SADI) | <b>Milspec Manufacturing Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 137,866.19                | Albury            | NSW          | 2640            |
| Skilling Australia's Defence Industry (SADI) | <b>Mincham Aviation</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,994.24                  | Parafield         | SA           | 5106            |
| Skilling Australia's Defence Industry (SADI) | <b>MoTec</b>                                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 9,889.00                  | Croydon South     | VIC          | 3136            |
| Skilling Australia's Defence Industry (SADI) | <b>MTU Detroit Diesel Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 251,779.62                | Glendenning       | NSW          | 2761            |
| Skilling Australia's Defence Industry (SADI) | <b>Nova Aerospace Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 248,235.05                | Edinburgh         | SA           | 5111            |
| Skilling Australia's Defence Industry (SADI) | <b>Ocean Software Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 14,256.00                 | Melbourne         | VIC          | 3000            |
| Skilling Australia's Defence Industry (SADI) | <b>Orontide Group Ltd</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 93,658.45                 | Henderson         | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Pall Australia Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,669.06                 | Moorabbin         | VIC          | 3189            |
| Skilling Australia's Defence Industry (SADI) | <b>PEL-AIR Aviation Pty Ltd</b>             | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 9,344.02                  | Mascot            | NSW          | 2020            |
| Skilling Australia's Defence Industry (SADI) | <b>PMB Defence Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 33,875.60                 | North Haven       | SA           | 5017            |

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|--|--|--|------------------------------|-----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Project Outcomes Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 7,920.00                  | Belconnen       | ACT          | 2617            |
| Skilling Australia's Defence Industry (SADI) | <b>Qantas Defence Services Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 168,395.81                | Mascot          | NSW          | 2020            |
| Skilling Australia's Defence Industry (SADI) | <b>QinetiQ Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 308,546.73                | Brisbane        | QLD          | 4000            |
| Skilling Australia's Defence Industry (SADI) | <b>Quest Global Engineering</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,300.00                 | South Melbourne | VIC          | 3205            |
| Skilling Australia's Defence Industry (SADI) | <b>Quickstep Technologies Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 200,919.69                | Milperra        | NSW          | 2214            |
| Skilling Australia's Defence Industry (SADI) | <b>RGM Maintenance Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 146,113.40                | Archerfield     | QLD          | 4108            |
| Skilling Australia's Defence Industry (SADI) | <b>Rheinmetall MAN Military Vehicles Australia Pty Limited</b>                           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 60,915.14                 | Deakin West     | ACT          | 2600            |
| Skilling Australia's Defence Industry (SADI) | <b>Rockwell Collins Australia</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 31,108.00                 | Lane Cove West  | NSW          | 2066            |
| Skilling Australia's Defence Industry (SADI) | <b>Rolls-Royce Australia Services Pty Limited</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,200.00                 | Macquarie Park  | NSW          | 2113            |
| Skilling Australia's Defence Industry (SADI) | <b>Rosebank Engineering Australia</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 150,204.80                | Bayswater       | VIC          | 3153            |
| Skilling Australia's Defence Industry (SADI) | <b>RPC Technologies</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,995.60                 | Broadmeadow     | NSW          | 2282            |
| Skilling Australia's Defence Industry (SADI) | <b>Ryan Aerospace</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,445.00                  | Taree           | NSW          | 2430            |
| Skilling Australia's Defence Industry (SADI) | <b>Scientific Management Associates Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,566.00                  | Hawthorn        | VIC          | 3122            |
| Skilling Australia's Defence Industry (SADI) | <b>Sea Box International Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,990.00                  | Fyshwick        | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Servicepoint</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 33,000.00                 | Fyshwick        | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Sikorsky Aircraft Australia Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 284,259.97                | Eagle Farm      | QLD          | 4009            |
| Skilling Australia's Defence Industry (SADI) | <b>Smart Engineering and Logistics Solutions Pty Ltd (Trading Name - Seal Solutions)</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,010.00                 | Southbank       | VIC          | 3006            |
| Skilling Australia's Defence Industry (SADI) | <b>Sonartech Atlas Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 29,953.00                 | Macquarie Park  | NSW          | 2113            |
| Skilling Australia's Defence Industry (SADI) | <b>Spiral Systems Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 17,384.40                 | Oakleigh South  | VIC          | 3167            |
| Skilling Australia's Defence Industry (SADI) | <b>Supacat Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 171,650.53                | Port Melbourne  | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Tactical Research Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,412.50                  | Campbell        | ACT          | 2612            |

**DMO Grants Awarded 2012-13 YTD**

| <b>Grant Program</b>                                | <b>Grant Recipient</b>                          | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>  | <b>State</b> | <b>Postcode</b> |
|---|---|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI)        | <b>Tactical Systems Pty Ltd</b>                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,223.60                  | Kensington     | NSW          | 2033            |
| Skilling Australia's Defence Industry (SADI)        | <b>TAE Gas Turbines Pty Ltd</b>                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 238,218.07                | Amberley       | QLD          | 4306            |
| Skilling Australia's Defence Industry (SADI)        | <b>Tectonica Australia</b>                      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 7,227.00                  | West Melbourne | VIC          | 3003            |
| Skilling Australia's Defence Industry (SADI)        | <b>Thales Australia Ltd</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 654,574.22                | Silver Water   | NSW          | 2128            |
| Skilling Australia's Defence Industry (SADI)        | <b>Turner &amp; Townsend Pty Ltd</b>            | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 42,626.10                 | Sydney         | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI)        | <b>Ultra Electronics Avalon Systems Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 4,675.00                  | Mawson Lakes   | SA           | 5110            |
| Skilling Australia's Defence Industry (SADI)        | <b>UVS Pty Ltd</b>                              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,210.00                 | Thornton       | NSW          | 2322            |
| Skilling Australia's Defence Industry (SADI)        | <b>Xtek Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 38,112.97                 | Fyshwick       | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI)        | <b>YTEK</b>                                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 48,151.40                 | Camberwell     | VIC          | 3124            |
| Skilling Australia's Defence Industry (SADI)        | <b>Boeing Defence Australia Limited</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 490,956.02                | Brisbane       | Qld          | 4001            |
| Skilling Australia's Defence Industry (SADI)        | <b>Tracey Brunstrom and Hammond Pty Ltd</b>     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,969.92                 | North Sydney   | NSW          | 2060            |
| Skilling Australia's Defence Industry (SADI)        | <b>Harris Software Systems</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 19,173.00                 | Newstead       | QLD          | 4006            |
| Skilling Australia's Defence Industry (SADI)        | <b>Wilderness Wear Australia Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,847.23                 | Kew VIC        | VIC          | 3101            |
| Defence Industry Innovation Centre (DIIC) TAS Grant | <b>Babcock Pty Ltd</b>                          | Implementation of Lean Management and Principles   | \$ 22,000.00                 | Osborne        | SA           | 5017            |
| Defence Industry Innovation Centre (DIIC) DAS Grant | <b>RPC Technologies Pty Ltd</b>                 | Implementation of AS9100c  | \$ 22,000.00                 | Seven Hills    | NSW          | 2147            |
| NACC Industry Support Program                       | <b>Quickstep Operations Pty Ltd</b>             | Rapid, Low Cost Curing of Joint Strike Fighter (F-35) Carbon Fibre Composite Structures  | \$1,100,000.00               | Bankstown      | NSW          | 2200            |
| NACC Industry Support Program                       | <b>George Lovitt Manufacturing Pty Ltd</b>      | Increase competitiveness in the manufacture of Joint Strike Fighter  | \$275,000.00                 | Montmorency    | VIC          | 3095            |

**\$ 10,998,380.73**

**DMO Grants Awarded 2012-13 YTD**

| <b>Grant Program</b>                         | <b>Grant Recipient</b>                         | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>  | <b>State</b> | <b>Postcode</b> |
|--|--|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>AEA Aerospace</b>                           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 34,778.37                 | Mile End South | SA           | 5031            |
| Skilling Australia's Defence Industry (SADI) | <b>Aerospace Concepts Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 100,389.77                | Port Adelaide  | SA           | 5015            |
| Skilling Australia's Defence Industry (SADI) | <b>Agent Oriented Software Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,409.00                 | Carlton South  | VIC          | 3053            |
| Skilling Australia's Defence Industry (SADI) | <b>Air Affairs Australia Pty Ltd</b>           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,169.13                 | Nowra          | NSW          | 2541            |
| Skilling Australia's Defence Industry (SADI) | <b>Airflite Pty Ltd</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 39,600.00                 | Perth          | WA           | 6105            |
| Skilling Australia's Defence Industry (SADI) | <b>AJF Professional Services Pty Ltd</b>       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 11,129.80                 | Banksia Park   | SA           | 5091            |
| Skilling Australia's Defence Industry (SADI) | <b>Aquila Engineering Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 50,851.20                 | Sale           | VIC          | 3850            |
| Skilling Australia's Defence Industry (SADI) | <b>Archer Enterprises Pty Limited</b>          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 62,846.96                 | Somersby       | NSW          | 2250            |
| Skilling Australia's Defence Industry (SADI) | <b>ATSA Defence Services Pty Ltd</b>           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 17,600.00                 | Thornton       | NSW          | 2322            |
| Skilling Australia's Defence Industry (SADI) | <b>Audio Visual Imagenation</b>                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 54,175.00                 | Applecross     | WA           | 6953            |
| Skilling Australia's Defence Industry (SADI) | <b>Austal Ships Pty Ltd</b>                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 365,164.80                | Henderson      | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Australian Aerospace Ltd</b>                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 287,633.50                | Pinkemba       | QLD          | 4008            |
| Skilling Australia's Defence Industry (SADI) | <b>Australian Marine Technologies Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,614.80                 | Port Melbourne | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Babcock Pty Ltd</b>                         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 79,128.50                 | North Haven    | SA           | 5018            |
| Skilling Australia's Defence Industry (SADI) | <b>Bale Defence Industries Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,200.00                 | Port Macquarie | NSW          | 2444            |
| Skilling Australia's Defence Industry (SADI) | <b>BCI Technology</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,655.00                  | Brisbane       | QLD          | 4001            |
| Skilling Australia's Defence Industry (SADI) | <b>Beak Engineering</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 15,622.20                 | Braeside       | VIC          | 3195            |
| Skilling Australia's Defence Industry (SADI) | <b>Berkeley Information Technology Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 24,599.88                 | Sydney         | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI) | <b>Birdon Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 20,900.00                 | Port Macquarie | NSW          | 2444            |
| Skilling Australia's Defence Industry (SADI) | <b>BMT Design &amp; Technology Pty Ltd</b>     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 67,507.00                 | Melbourne      | VIC          | 3000            |
| Skilling Australia's Defence Industry (SADI) | <b>Bohemia Interactive</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,456.00                  | Nelson Bay     | NSW          | 2315            |

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|--|--------------------------------------|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Broens Industries Pty Lt</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,720.02                 | Ingleburn      | NSW          | 1890            |
| Skilling Australia's Defence Industry (SADI) | <b>Cablex</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 439,762.84                | East Bentleigh | VIC          | 3165            |
| Skilling Australia's Defence Industry (SADI) | <b>CAE Australia Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 148,002.80                | Silverwater    | NSW          | 1811            |
| Skilling Australia's Defence Industry (SADI) | <b>Calytrix Technologies Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 57,472.25                 | Perth          | WA           | 6000            |
| Skilling Australia's Defence Industry (SADI) | <b>Capability By Design Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,930.50                 | Granville      | NSW          | 2142            |
| Skilling Australia's Defence Industry (SADI) | <b>CEA Technologies Pty Ltd</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 89,665.54                 | Fyshwick       | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Chemring Australia Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 70,353.80                 | Lara           | VIC          | 3212            |
| Skilling Australia's Defence Industry (SADI) | <b>Clearbox Systems</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,435.00                  | North Ryde     | NSW          | 1670            |
| Skilling Australia's Defence Industry (SADI) | <b>Codarra Advanced Systems</b>      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 24,722.50                 | Jamison        | ACT          | 2614            |
| Skilling Australia's Defence Industry (SADI) | <b>Cognesis Pty Ltd</b>              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,750.00                 | Brisbane       | QLD          | 4000            |
| Skilling Australia's Defence Industry (SADI) | <b>Consilium Technology</b>          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 18,821.00                 | Thebarton      | SA           | 5031            |
| Skilling Australia's Defence Industry (SADI) | <b>Crystalaid Manufacture</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 120,055.81                | Newstead       | QLD          | 4006            |
| Skilling Australia's Defence Industry (SADI) | <b>Daronmont Technologies</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 73,829.80                 | Mawson Lakes   | SA           | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>DESA Australia Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 44,951.50                 | Fairfield      | VIC          | 3078            |
| Skilling Australia's Defence Industry (SADI) | <b>DEWC</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 2,502.50                  | Prospect       | SA           | 5082            |
| Skilling Australia's Defence Industry (SADI) | <b>Dimension Data Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 114,904.90                | The Rocks      | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI) | <b>Divex Asia Pacific Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 22,990.00                 | Henderson      | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Elbit Systems of Australia</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 230,995.60                | Port Melbourne | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Electromold Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,842.70                 | Thomastown     | VIC          | 3074            |
| Skilling Australia's Defence Industry (SADI) | <b>Elmtek</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 10,276.20                 | Rose Park      | SA           | 5067            |
| Skilling Australia's Defence Industry (SADI) | <b>EM Solutions Pty Ltd</b>          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,281.00                 | Yeronga        | QLD          | 4164            |

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|--|--|--|------------------------------|------------------|------------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Eptec Pty Ltd</b>                                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 71,199.92                 | Ultimo           | NSW              | 2007            |
| Skilling Australia's Defence Industry (SADI) | <b>Favcote Pty Ltd</b>                                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 50,983.99                 | Austral          | NSW              | 2179            |
| Skilling Australia's Defence Industry (SADI) | <b>Fawkes Solutions Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,750.00                 | Kelvin Grove     | Kelvin Grove QLD | 4059            |
| Skilling Australia's Defence Industry (SADI) | <b>Ferra Engineering Limited</b>                         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 53,626.10                 | Tingalpa         | QLD              | 4173            |
| Skilling Australia's Defence Industry (SADI) | <b>Fire Control Systems Pty Ltd</b>                      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 19,980.03                 | Weston Creek     | ACT              | 2611            |
| Skilling Australia's Defence Industry (SADI) | <b>Forgacs</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 489,405.45                | Carrington       | Carrington NSW   | 2294            |
| Skilling Australia's Defence Industry (SADI) | <b>Frazer-Nash Consultancy Ltd</b>                       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 44,904.20                 | Adelaide         | SA               | 5000            |
| Skilling Australia's Defence Industry (SADI) | <b>General Dynamics Land Systems - Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 151,513.64                | Pooraka          | SA               | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>GH Varley Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 115,500.00                | Newcastle        | NSW              | 2310            |
| Skilling Australia's Defence Industry (SADI) | <b>Hawker Pacific Pty Ltd</b>                            | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 310,148.70                | Regents Park     | NSW              | 2143            |
| Skilling Australia's Defence Industry (SADI) | <b>Heat Treatment Australia Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 132,496.32                | Acacia Ridge     | QLD              | 4110            |
| Skilling Australia's Defence Industry (SADI) | <b>HI Fraser Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 83,930.88                 | Warriewood       | NSW              | 2102            |
| Skilling Australia's Defence Industry (SADI) | <b>IKAD</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 113,447.92                | Bibra Lake       | WA               | 6965            |
| Skilling Australia's Defence Industry (SADI) | <b>Incat Crowther</b>                                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 16,252.50                 | Terrey Hills     | NSW              | 2084            |
| Skilling Australia's Defence Industry (SADI) | <b>Innovasys Pty Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,492.00                  | Newcastle        | NSW              | 2302            |
| Skilling Australia's Defence Industry (SADI) | <b>Insitu Pacific</b>                                    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,500.00                 | Fortitude Valley | QLD              | 4006            |
| Skilling Australia's Defence Industry (SADI) | <b>Integra Packaging</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 1,100.00                  | Yeerongpilly     | QLD              | 4105            |
| Skilling Australia's Defence Industry (SADI) | <b>Jacobs Australia Pty Ltd</b>                          | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 63,688.20                 | Canberra         | ACT              | 2601            |
| Skilling Australia's Defence Industry (SADI) | <b>Jenkins Engineering Defence Systems</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 41,085.00                 | Matraville       | NSW              | 2036            |
| Skilling Australia's Defence Industry (SADI) | <b>John Holland Group</b>                                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 72,380.00                 | Melbourne        | VIC              | 3001            |
| Skilling Australia's Defence Industry (SADI) | <b>John Holland Pty Ltd</b>                              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 48,951.10                 | Melbourne        | VIC              | 3001            |

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|--|---|--|------------------------------|-------------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Levett Engineering</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 14,300.00                 | Elizabeth Vale    | SA           | 5112            |
| Skilling Australia's Defence Industry (SADI) | <b>Liquip International Pty Ltd</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 18,700.00                 | Smithfield        | NSW          | 2164            |
| Skilling Australia's Defence Industry (SADI) | <b>Lockheed Martin Australia Pty Ltd</b>    | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 72,103.86                 | Mawson Lakes      | SA           | 5095            |
| Skilling Australia's Defence Industry (SADI) | <b>Logistic Solutions</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 57,024.00                 | Canberra City     | ACT          | 2601            |
| Skilling Australia's Defence Industry (SADI) | <b>Marand Precision Engineering Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 159,328.49                | Moorabbin         | VIC          | 3189            |
| Skilling Australia's Defence Industry (SADI) | <b>Marathon Targets</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 2,700.01                  | Marrickville      | NSW          | 2204            |
| Skilling Australia's Defence Industry (SADI) | <b>Marshall Aerospace Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,818.98                 | Richmond          | NSW          | 2755            |
| Skilling Australia's Defence Industry (SADI) | <b>Memko Pty Ltd</b>                        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,395.00                 | Melbourne         | VIC          | 3000            |
| Skilling Australia's Defence Industry (SADI) | <b>Metromatics Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 37,136.03                 | North Lakes       | QLD          | 4509            |
| Skilling Australia's Defence Industry (SADI) | <b>Micreo Limited</b>                       | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 49,018.91                 | Eight Mile Plains | QLD          | 4113            |
| Skilling Australia's Defence Industry (SADI) | <b>Milspec Manufacturing Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 137,866.19                | Albury            | NSW          | 2640            |
| Skilling Australia's Defence Industry (SADI) | <b>Mincham Aviation</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 6,994.24                  | Parafield         | SA           | 5106            |
| Skilling Australia's Defence Industry (SADI) | <b>MoTec</b>                                | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 9,889.00                  | Croydon South     | VIC          | 3136            |
| Skilling Australia's Defence Industry (SADI) | <b>MTU Detroit Diesel Australia Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 251,779.62                | Glendenning       | NSW          | 2761            |
| Skilling Australia's Defence Industry (SADI) | <b>Nova Aerospace Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 248,235.05                | Edinburgh         | SA           | 5111            |
| Skilling Australia's Defence Industry (SADI) | <b>Ocean Software Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 14,256.00                 | Melbourne         | VIC          | 3000            |
| Skilling Australia's Defence Industry (SADI) | <b>Orontide Group Ltd</b>                   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 93,658.45                 | Henderson         | WA           | 6166            |
| Skilling Australia's Defence Industry (SADI) | <b>Pall Australia Pty Ltd</b>               | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,669.06                 | Moorabbin         | VIC          | 3189            |
| Skilling Australia's Defence Industry (SADI) | <b>PEL-AIR Aviation Pty Ltd</b>             | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 9,344.02                  | Mascot            | NSW          | 2020            |
| Skilling Australia's Defence Industry (SADI) | <b>PMB Defence Pty Ltd</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 33,875.60                 | North Haven       | SA           | 5017            |
| Skilling Australia's Defence Industry (SADI) | <b>Project Outcomes Pty Ltd</b>             | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 7,920.00                  | Belconnen         | ACT          | 2617            |

**DMO Grants Awarded 2012-13 YTD**

| <b>Grant Program</b>                         | <b>Grant Recipient</b>   | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>   | <b>State</b> | <b>Postcode</b> |
|--|--|--|------------------------------|-----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI) | <b>Qantas Defence Services Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 168,395.81                | Mascot          | NSW          | 2020            |
| Skilling Australia's Defence Industry (SADI) | <b>QinetiQ Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 308,546.73                | Brisbane        | QLD          | 4000            |
| Skilling Australia's Defence Industry (SADI) | <b>Quest Global Engineering</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,300.00                 | South Melbourne | VIC          | 3205            |
| Skilling Australia's Defence Industry (SADI) | <b>Quickstep Technologies Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 200,919.69                | Milperra        | NSW          | 2214            |
| Skilling Australia's Defence Industry (SADI) | <b>RGM Maintenance Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 146,113.40                | Archerfield     | QLD          | 4108            |
| Skilling Australia's Defence Industry (SADI) | <b>Rheinmetall MAN Military Vehicles Australia Pty Limited</b>                           | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 60,915.14                 | Deakin West     | ACT          | 2600            |
| Skilling Australia's Defence Industry (SADI) | <b>Rockwell Collins Australia</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 31,108.00                 | Lane Cove West  | NSW          | 2066            |
| Skilling Australia's Defence Industry (SADI) | <b>Rolls-Royce Australia Services Pty Limited</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 13,200.00                 | Macquarie Park  | NSW          | 2113            |
| Skilling Australia's Defence Industry (SADI) | <b>Rosebank Engineering Australia</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 150,204.80                | Bayswater       | VIC          | 3153            |
| Skilling Australia's Defence Industry (SADI) | <b>RPC Technologies</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,995.60                 | Broadmeadow     | NSW          | 2282            |
| Skilling Australia's Defence Industry (SADI) | <b>Ryan Aerospace</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,445.00                  | Taree           | NSW          | 2430            |
| Skilling Australia's Defence Industry (SADI) | <b>Scientific Management Associates Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 5,566.00                  | Hawthorn        | VIC          | 3122            |
| Skilling Australia's Defence Industry (SADI) | <b>Sea Box International Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,990.00                  | Fyshwick        | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Servicepoint</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 33,000.00                 | Fyshwick        | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI) | <b>Sikorsky Aircraft Australia Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 284,259.97                | Eagle Farm      | QLD          | 4009            |
| Skilling Australia's Defence Industry (SADI) | <b>Smart Engineering and Logistics Solutions Pty Ltd (Trading Name - Seal Solutions)</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 32,010.00                 | Southbank       | VIC          | 3006            |
| Skilling Australia's Defence Industry (SADI) | <b>Sonartech Atlas Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 29,953.00                 | Macquarie Park  | NSW          | 2113            |
| Skilling Australia's Defence Industry (SADI) | <b>Spiral Systems Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 17,384.40                 | Oakleigh South  | VIC          | 3167            |
| Skilling Australia's Defence Industry (SADI) | <b>Supacat Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 171,650.53                | Port Melbourne  | VIC          | 3207            |
| Skilling Australia's Defence Industry (SADI) | <b>Tactical Research Pty Ltd</b>   | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,412.50                  | Campbell        | ACT          | 2612            |
| Skilling Australia's Defence Industry (SADI) | <b>Tactical Systems Pty Ltd</b>  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 8,223.60                  | Kensington      | NSW          | 2033            |



**DMO Grants Awarded 2012-13 YTD**

| <b>Grant Program</b>                                | <b>Grant Recipient</b>                          | <b>Grant Purpose</b>   | <b>Grant (GST Inclusive)</b> | <b>Suburb</b>  | <b>State</b> | <b>Postcode</b> |
|---|---|--|------------------------------|----------------|--------------|-----------------|
| Skilling Australia's Defence Industry (SADI)        | <b>TAE Gas Turbines Pty Ltd</b>                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 238,218.07                | Amberley       | QLD          | 4306            |
| Skilling Australia's Defence Industry (SADI)        | <b>Tectonica Australia</b>                      | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 7,227.00                  | West Melbourne | VIC          | 3003            |
| Skilling Australia's Defence Industry (SADI)        | <b>Thales Australia Ltd</b>                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 654,574.22                | Silver Water   | NSW          | 2128            |
| Skilling Australia's Defence Industry (SADI)        | <b>Turner &amp; Townsend Pty Ltd</b>            | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 42,626.10                 | Sydney         | NSW          | 2000            |
| Skilling Australia's Defence Industry (SADI)        | <b>Ultra Electronics Avalon Systems Pty Ltd</b> | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 4,675.00                  | Mawson Lakes   | SA           | 5110            |
| Skilling Australia's Defence Industry (SADI)        | <b>UVS Pty Ltd</b>                              | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 12,210.00                 | Thornton       | NSW          | 2322            |
| Skilling Australia's Defence Industry (SADI)        | <b>Xtek Ltd</b>                                 | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 38,112.97                 | Fyshwick       | ACT          | 2609            |
| Skilling Australia's Defence Industry (SADI)        | <b>YTEK</b>                                     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 48,151.40                 | Camberwell     | VIC          | 3124            |
| Skilling Australia's Defence Industry (SADI)        | <b>Boeing Defence Australia Limited</b>         | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 490,956.02                | Brisbane       | Qld          | 4001            |
| Skilling Australia's Defence Industry (SADI)        | <b>Tracey Brunstrom and Hammond Pty Ltd</b>     | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 27,969.92                 | North Sydney   | NSW          | 2060            |
| Skilling Australia's Defence Industry (SADI)        | <b>Harris Software Systems</b>                  | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 19,173.00                 | Newstead       | QLD          | 4006            |
| Skilling Australia's Defence Industry (SADI)        | <b>Wilderness Wear Australia Pty Ltd</b>        | Provide financial support for training and skilling activities in trade, technical or professional skill sets that are required to meet a current or future Defence capability need. | \$ 25,847.23                 | Kew VIC        | VIC          | 3101            |
| Defence Industry Innovation Centre (DIIC) TAS Grant | <b>Babcock Pty Ltd</b>                          | Implementation of Lean Management and Principles   | \$ 22,000.00                 | Osborne        | SA           | 5017            |
| Defence Industry Innovation Centre (DIIC) DAS Grant | <b>RPC Technologies Pty Ltd</b>                 | Implementation of AS9100c  | \$ 22,000.00                 | Seven Hills    | NSW          | 2147            |
| NACC Industry Support Program                       | <b>Rockwell Collins Australia</b>               | Establish a Joint Strike Fighter (F-35) Electro Optical Distributed Aperture System (EODAS) Optical assembly manufacturing facility  | \$275,000.00                 | Tullamarine    | VIC          | 3043            |

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 85 – Government Payment of Accounts**

**Senator Ludwig** provided in writing on 29 November 2013:

- a) From 7 September 2013 to date, 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)?
- b) If not, why not? Provide details, including 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)
- c) 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?
- d) Where interest is being paid, what rate of interest is being paid and how is this rate determined?

#### **Response:**

(a) Yes.

From 1 September to 30 November 2013 Defence made 486,795 payments to suppliers with 99.53% of these made within 30 days. This exceeds the 90% on time payment performance expectation contained in the former Department of Innovation, Industry, Science, Research and Tertiary Education (now Department of Industry) Survey of Australian Government Payments to Small Business.

(b) N/A.

Defence payments have been made in accordance with Government policy.

(c) Yes.

Where required, interest is paid as per the Procurement On-Time Payment policy for Small Business (Finance Circular No. 2012/02).

FY2013-14 – Nil. Defence has not been required to make any interest payments for the late payment of any invoices rendered during the current financial year.

FY2012-13 – Defence was required to pay 21 interest payments totalling \$7808.44 due to the late payment of invoices rendered during the previous financial year

(d) Interest payments were calculated in accordance with the rate and methodology detailed in the Procurement On-Time Payment policy for Small Business (Finance Circular No. 2012/02).

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 86 – Consultancies

**Senator Ludwig** provided in writing:

- (1) How many consultancies have been undertaken from 7 September 2013 to date? 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.
- (2) How many consultancies are planned for this calendar year? 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:**

- (1) For the period 7 September 2013 to 29 November 2013, 126 consultancy contracts were entered into with a total contract value of \$12,094,078. Of these, 95 contracts were above \$10,000 and published on AusTender. The details of the AusTender reported contracts including subject matter, duration, cost and method of procurement are provided in Table 1.
- (2) The Defence Annual Procurement Plan (APP) for the calendar year lists 56 planned consultancy activities, which have an estimated value of greater than \$1 million. The published details of Defence APP are included in Table 2.

Defence consulting contracts are typically entered into in response to current operational and business requirements which are completed within short timeframes. Therefore the details of other consultancies planned for the calendar year are published on AusTender where appropriate, when the contract is let.

Table 1

| <b>Consultancy reported</b><br><b>7 September 2013 to 29 November 2013 (value \$10,000 and Above)</b> |  |            |           |                                  |                     |               |   |
|---|--|------------|-----------|----------------------------------|---------------------|---------------|---|
| Count   | Consultant Name                              | Start Date | End Date  | AusTender Description            | Procurement Method  | Justification | AusTender Contract Value as at 29/11/13 |
|   | <b>Vice Chief of the Defence Force</b>       |            |           |                                  |                     |               |   |
| 1   | RICHARD C. SMITH                             | 20-Nov-13  | 30-Jun-14 | Advise Lessons Project           | Limited tender      | B             | 155,700.00                              |
| 2   | ABW MANAGEMENT CONSULTING                    | 20-Nov-13  | 30-May-14 | Re-Tender Support                | Limited tender      | A             | 150,000.00                              |
| 3   | WORKFORCE PLANNING AUSTRALIA                 | 31-Oct-13  | 30-Jun-14 | Workforce Review                 | Limited tender      | B             | 34,640.00                               |
| 4   | SILVER SPIRIT PARTNERS                       | 11-Sep-13  | 30-Dec-13 | Lead Negotiator                  | Prequalified tender | B             | 340,000.00                              |
| <b>4</b>  | <b>Vice Chief of the Defence Force Total</b> |            |           |                                  |                     |               | <b>680,340</b>                          |
|   | <b>ARMY</b>                                  |            |           |                                  |                     |               |   |
| 1   | SAMANTHA CROMPVOETS PTY LTD                  | 1-Oct-13   | 30-Jun-14 | Research Services                | Limited tender      | B             | 254,100.00                              |
| 2   | WIKISTRAT PTY LTD                            | 1-Nov-13   | 1-Dec-13  | Strategic Research Analysis      | Limited tender      | C             | 28,948.15                               |
| <b>2</b>  | <b>ARMY Total</b>                            |            |           |                                  |                     |               | <b>283,048</b>                          |
|   | <b>NAVY</b>                                  |            |           |                                  |                     |               |   |
| 1   | MR PAUL RIZZO                                | 12-Sep-13  | 31-Dec-14 | Review Implementation Committee  | Limited tender      | B             | 142,807.50                              |
| <b>1</b>  | <b>NAVY Total</b>                            |            |           |                                  |                     |               | <b>142,808</b>                          |
|   | <b>Chief Finance Officer</b>                 |            |           |                                  |                     |               |   |
| 1   | AUSTRALIAN GOVERNMENT ACTUARY                | 12-Nov-13  | 30-Jun-14 | Actuarial Services               | Prequalified tender | B             | 75,000.00                               |
| <b>1</b>  | <b>Chief Finance Officer</b>                 |            |           |                                  |                     |               | <b>75,000</b>                           |
|   | <b>Chief Information Officer</b>             |            |           |                                  |                     |               |   |
| 1   | PM LOGIC                                     | 5-Nov-13   | 11-Nov-13 | Project Health Check             | Limited tender      | C             | 19,635.00                               |
| 2   | SME GATEWAY LTD                              | 22-Oct-13  | 13-Dec-13 | Management Consulting Services   | Open tender         | A             | 34,977.81                               |
| 3   | NOVA DEFENCE                                 | 20-Sep-13  | 31-May-14 | Smartcard consulting services    | Open tender         | A             | 121,290.00                              |
| 4   | DATAKOM SYSTEMS (ACT) PTY LTD                | 1-Nov-13   | 20-Dec-13 | External service provider        | Open tender         | B             | 35,200.00                               |
| <b>4</b>  | <b>Chief Information Officer</b>             |            |           |                                  |                     |               | <b>211,103</b>                          |
|   | <b>Defence Support and Reform</b>            |            |           |                                  |                     |               |   |
| 1   | THINKPLACE PTY LTD                           | 11-Nov-13  | 11-Nov-13 | Divisional Organisational Design | Limited tender      | A             | 76,000.00                               |
| 2   | CLAYTON UTZ                                  | 31-Oct-13  | 30-Dec-13 | DL0018/2012 - Legal Services     | Open tender         | B             | 40,972.80                               |
| 3   | CLAYTON UTZ                                  | 27-Sep-13  | 31-Jan-14 | DL0075/2012 - Legal Services     | Open tender         | B             | 50,016.99                               |
| 4   | ASHURST AUSTRALIA                            | 15-Oct-13  | 30-Jun-15 | ID1053/2012- LEGAL SERVICES      | Prequalified tender | B             | 31,214.78                               |
| 5   | MINTER ELLISON                               | 15-Nov-13  | 31-Mar-14 | ID1068E02/2008 - Legal Services  | Open tender         | B             | 19,060.82                               |

Table 1

| <b>Consultancy reported</b><br><b>7 September 2013 to 29 November 2013 (value \$10,000 and Above)</b> |                                  |            |           |  |                     |               |   |
|---|----------------------------------|------------|-----------|--|---------------------|---------------|---|
| Count   | Consultant Name                  | Start Date | End Date  | AusTender Description                            | Procurement Method  | Justification | AusTender Contract Value as at 29/11/13 |
| 6   | SPARKE HELMORE                   | 26-Sep-13  | 30-Jun-14 | DL0034/2013 - Legal Services                     | Prequalified tender | B             | 49,448.96                               |
| 7   | CLAYTON UTZ                      | 17-Sep-13  | 30-Dec-14 | ID1014/2013 - Legal Services                     | Prequalified tender | B             | 84,573.00                               |
| 8   | SINCLAIR KNIGHT MERZ DEFENCE P/L | 18-Sep-13  | 30-Mar-15 | National program support service                 | Prequalified tender | B             | 605,000.00                              |
| 9   | MINTER ELLISON                   | 19-Sep-13  | 30-Nov-13 | DPE2005/2013 - Legal Services                    | Prequalified tender | B             | 34,046.10                               |
| 10  | CORRS CHAMBERS WESTGARTH         | 10-Oct-13  | 30-Jun-14 | DL0071/2013 - Legal Services                     | Prequalified tender | A             | 50,935.50                               |
| 11  | FAL LAWYERS                      | 29-Oct-13  | 30-Jun-14 | DL0070/2013 - Legal Services                     | Prequalified tender | B             | 69,823.00                               |
| 12  | CLAYTON UTZ                      | 21-Oct-13  | 31-Dec-13 | DL0119/2013 - Legal Services                     | Prequalified tender | B             | 88,759.00                               |
| 13  | AUSTRALIAN GOVERNMENT SOLICITOR  | 22-Nov-13  | 31-Mar-14 | DL0122/2013 - Legal Services - Tied Work         | Prequalified tender | C             | 27,940.00                               |
| 14  | CLAYTON UTZ                      | 10-Sep-13  | 30-Jun-16 | ID1024/2013 - Legal Services                     | Prequalified tender | B             | 1,188,000.00                            |
| 15  | CLAYTON UTZ                      | 10-Sep-13  | 30-Dec-13 | ID1059/2013 - Legal Services                     | Prequalified tender | B             | 32,208.00                               |
| 16  | MINTER ELLISON                   | 11-Sep-13  | 30-Dec-13 | ID1061/2013 - Legal Services                     | Prequalified tender | B             | 29,070.80                               |
| 17  | AUSTRALIAN GOVERNMENT SOLICITOR  | 11-Sep-13  | 31-Oct-13 | DL0131/2013 - legal services *TIED SERVICES*     | Prequalified tender | B             | 65,399.99                               |
| 18  | ASHURST AUSTRALIA                | 12-Sep-13  | 30-Nov-13 | DPE2012/2013 - Legal Services                    | Prequalified tender | B             | 18,868.94                               |
| 19  | HWL EBSWORTH LAWYERS             | 13-Sep-13  | 30-Nov-13 | DPE2010/2013 - Legal Services                    | Prequalified tender | B             | 10,529.20                               |
| 20  | CLAYTON UTZ                      | 17-Sep-13  | 30-Dec-13 | ID1063/2013 - Legal Services                     | Prequalified tender | B             | 51,040.00                               |
| 21  | KAURNA CULTURAL SERVICES PTY LTD | 17-Sep-13  | 16-Sep-14 | Engaged to provide specialist cultural services  | Prequalified tender | B             | 55,000.00                               |
| 22  | LANDER & ROGERS LAWYERS          | 18-Sep-13  | 30-Jun-14 | DL0132/2013 - Legal Services                     | Prequalified tender | B             | 13,300.00                               |
| 23  | CLAYTON UTZ                      | 20-Sep-13  | 30-Jun-14 | ID1064/2013 - Legal Services                     | Prequalified tender | B             | 58,740.00                               |
| 24  | AUSTRALIAN GOVERNMENT SOLICITOR  | 20-Sep-13  | 31-Dec-13 | DL0135/2013 - Legal services - Tied              | Prequalified tender | B             | 28,594.50                               |
| 25  | CLAYTON UTZ                      | 23-Sep-13  | 30-Jun-14 | DL0133/2013 - Legal Services                     | Prequalified tender | A             | 21,571.00                               |
| 26  | SPARKE HELMORE                   | 23-Sep-13  | 31-Mar-14 | DPE2016/2013 - Legal Services                    | Prequalified tender | B             | 15,999.72                               |
| 27  | AUSTRALIAN GOVERNMENT SOLICITOR  | 23-Sep-13  | 30-Sep-13 | DL0120/2013 - Legal Services                     | Prequalified tender | B             | 57,498.85                               |
| 28  | AUSTRALIAN GOVERNMENT SOLICITOR  | 25-Sep-13  | 31-Dec-13 | DL0139/2013 - Legal Services - Tied work         | Prequalified tender | B             | 12,283.15                               |
| 29  | MEYER VANDENBERG                 | 26-Sep-13  | 31-Mar-14 | DPE2017/2013 - Legal Services                    | Prequalified tender | B             | 121,930.71                              |
| 30  | AURECON                          | 30-Sep-13  | 30-Jun-14 | Engineering Specialist                           | Prequalified tender | B             | 22,000.00                               |
| 31  | CLAYTON UTZ                      | 1-Oct-13   | 30-Jan-14 | ID1066/2013 - Legal Services                     | Prequalified tender | B             | 18,425.00                               |
| 32  | CLAYTON UTZ                      | 1-Oct-13   | 30-Jan-14 | ID1067/2013 - Legal Services                     | Prequalified tender | B             | 21,065.00                               |
| 33  | SPARKE HELMORE                   | 1-Oct-13   | 30-Jun-14 | ID1069/2013 - Legal Services                     | Prequalified tender | B             | 74,373.64                               |
| 34  | CLAYTON UTZ                      | 1-Oct-13   | 30-Nov-13 | DL0141/2013 - legal services                     | Prequalified tender | B             | 22,000.00                               |
| 35  | MWH AUSTRALIA PTY LTD            | 1-Oct-13   | 30-Jun-18 | Energy, Waste and Pollution Prevention Reporting | Open tender         | B             | 235,854.00                              |
| 36  | POWER INITIATIVES                | 2-Oct-13   | 30-Jun-14 | Strategic Business Case Writer                   | Limited tender      | B             | 310,876.50                              |
| 37  | COMBATFX                         | 2-Oct-13   | 30-Jun-14 | Engineering Specialist                           | Prequalified tender | B             | 18,000.00                               |
| 38  | SPARKE HELMORE                   | 3-Oct-13   | 31-Oct-15 | ID1057/2013 - Legal Services                     | Prequalified tender | B             | 162,336.88                              |
| 39  | MADDOCKS                         | 3-Oct-13   | 30-Aug-17 | Legal Professional                               | Prequalified tender | C             | 157,072.30                              |

Table 1

| <b>Consultancy reported</b><br><b>7 September 2013 to 29 November 2013 (value \$10,000 and Above)</b> |                                  |            |           |   |                     |               |   |
|---|----------------------------------|------------|-----------|---|---------------------|---------------|---|
| Count   | Consultant Name                  | Start Date | End Date  | AusTender Description                           | Procurement Method  | Justification | AusTender Contract Value as at 29/11/13 |
| 40  | SPARKE HELMORE                   | 4-Oct-13   | 31-Jan-14 | DL0145/2013 - legal services                    | Prequalified tender | B             | 64,398.84                               |
| 41  | CLAYTON UTZ                      | 8-Oct-13   | 30-Jan-14 | ID1068/2013 - Legal Services                    | Prequalified tender | B             | 28,358.00                               |
| 42  | CLAYTON UTZ                      | 9-Oct-13   | 30-Apr-14 | ID1065/2013 - Legal Services                    | Prequalified tender | B             | 40,986.00                               |
| 43  | NORTON ROSE FULBRIGHT AUSTRALIA  | 9-Oct-13   | 30-Jun-14 | DL0147/2013 - Legal Services                    | Prequalified tender | B             | 46,848.20                               |
| 44  | T T BUILDING CONSULTANTS PTY LTD | 9-Oct-13   | 30-Jun-14 | Conduct Fire Safety Surveys                     | Limited tender      | B             | 189,530.00                              |
| 45  | AUSTRALIAN GOVERNMENT SOLICITOR  | 9-Oct-13   | 31-Dec-13 | Legal Professional                              | Prequalified tender | C             | 11,595.00                               |
| 46  | ASHURST AUSTRALIA                | 11-Oct-13  | 30-Jun-14 | DL0150/2013 - Legal Services                    | Prequalified tender | B             | 79,577.79                               |
| 47  | SPARKE HELMORE                   | 14-Oct-13  | 30-Jun-15 | Legal Professional                              | Prequalified tender | C             | 118,132.76                              |
| 48  | ASHURST AUSTRALIA                | 15-Oct-13  | 30-Jan-14 | ID1079/2013 - Legal Services                    | Prequalified tender | B             | 22,553.85                               |
| 49  | HWL EBSWORTH LAWYERS             | 16-Oct-13  | 30-Aug-15 | ID1078/2013 - Legal Services                    | Prequalified tender | B             | 49,400.98                               |
| 50  | CLAYTON UTZ                      | 16-Oct-13  | 22-Nov-13 | DL0153/2013 - Legal Services                    | Prequalified tender | B             | 19,492.00                               |
| 51  | SALVOS LEGAL                     | 17-Oct-13  | 30-Jun-14 | Land Acquisition                                | Limited tender      | A             | 726,000.00                              |
| 52  | KPMG                             | 18-Oct-13  | 6-Dec-13  | Provision of Management Advisory Services       | Open tender         | B             | 168,999.82                              |
| 53  | CLAYTON UTZ                      | 22-Oct-13  | 30-Jan-14 | ID1077/2013 - Legal Services                    | Prequalified tender | B             | 45,925.00                               |
| 54  | KELLY HAZELL QUILL LAWYERS       | 23-Oct-13  | 31-Jan-14 | DL0158/2013 - legal services                    | Prequalified tender | B             | 15,653.00                               |
| 55  | ASHURST AUSTRALIA                | 24-Oct-13  | 30-Dec-15 | ID1071/2013 - Legal Services                    | Prequalified tender | B             | 145,586.31                              |
| 56  | SPARKE HELMORE                   | 24-Oct-13  | 31-Dec-13 | DL0156/2013 - Legal Services                    | Prequalified tender | B             | 88,262.60                               |
| 57  | SALVOS LEGAL                     | 28-Oct-13  | 30-Jun-14 | Land Acquisition                                | Limited tender      | A             | 331,000.00                              |
| 58  | SPARKE HELMORE                   | 29-Oct-13  | 30-Jun-16 | ID1024E07/2013 - Legal Services                 | Prequalified tender | B             | 1,353,000.00                            |
| 59  | KING & WOOD MALLESONS            | 30-Oct-13  | 30-Jan-14 | ID1082/2013 - Legal Services                    | Prequalified tender | B             | 10,630.10                               |
| 60  | MINTER ELLISON                   | 30-Oct-13  | 31-Mar-14 | DL0159/2013 - Legal Services                    | Prequalified tender | B             | 77,887.70                               |
| 61  | LANDER & ROGERS LAWYERS          | 30-Oct-13  | 30-Aug-15 | ID1073/2013 - Legal Services                    | Prequalified tender | B             | 33,299.99                               |
| 62  | AUSTRALIAN GOVERNMENT SOLICITOR  | 31-Oct-13  | 31-Jan-14 | DL0160/2013 - Legal Services - Tied             | Prequalified tender | B             | 64,630.50                               |
| 63  | AUSTRALIAN GOVERNMENT SOLICITOR  | 31-Oct-13  | 31-Dec-13 | DL0162/2013 - legal services                    | Prequalified tender | B             | 62,656.00                               |
| 64  | ASHURST AUSTRALIA                | 31-Oct-13  | 31-Jan-14 | Legal Professional                              | Prequalified tender | C             | 40,250.76                               |
| 65  | HOLOCENTRIC PTY LTD              | 4-Nov-13   | 30-Jun-14 | Business Process Design Services                | Open tender         | B             | 30,199.95                               |
| 66  | SINCLAIR KNIGHT MERZ DEFENCE P/L | 6-Nov-13   | 30-Dec-15 | Project Management Contract Administration      | Prequalified tender | B             | 70,000.00                               |
| 67  | CLAYTON UTZ                      | 11-Nov-13  | 30-Jun-14 | DL0168/2013 - legal services                    | Prequalified tender | B             | 75,075.00                               |
| 68  | SINCLAIR KNIGHT MERZ DEFENCE P/L | 12-Nov-13  | 31-Jan-14 | Geographical Information System                 | Limited tender      | A             | 39,039.00                               |
| 69  | AUSTRALIAN GOVERNMENT SOLICITOR  | 13-Nov-13  | 5-Nov-14  | DL0163-2013 - legal services                    | Prequalified tender | B             | 16,566.00                               |
| 70  | CLAYTON UTZ                      | 14-Nov-13  | 30-Dec-17 | ID1081/2013 - Legal Services                    | Prequalified tender | B             | 116,193.00                              |
| 71  | KAURNA NATION CULTURAL HERITAGE  | 15-Nov-13  | 16-Sep-14 | Engaged to provide specialist cultural services | Prequalified tender | B             | 55,000.00                               |
| 72  | URS AUSTRALIA PTY LTD            | 18-Nov-13  | 28-Feb-14 | Environmental/Heritage Survey                   | Open tender         | C             | 26,400.00                               |
| 73  | HWL EBSWORTH LAWYERS             | 20-Nov-13  | 30-Jun-14 | DL0164/2013 - Legal Services                    | Prequalified tender | B             | 170,280.00                              |

Table 1

| <b>Consultancy reported</b><br><b>7 September 2013 to 29 November 2013 (value \$10,000 and Above)</b> |   |            |           |   |                     |               |   |
|---|---|------------|-----------|---|---------------------|---------------|---|
| Count   | Consultant Name                         | Start Date | End Date  | AusTender Description                     | Procurement Method  | Justification | AusTender Contract Value as at 29/11/13 |
| 73  | <b>Defence Support and Reform Total</b> |            |           |   |                     |               | <b>8,483,237</b>                        |
|   | <b>Intelligence Capabilities</b>        |            |           |   |                     |               |   |
| 1   | READINGROOM AUSTRALIA LTD               | 9-Oct-13   | 31-Dec-13 | Web Scoping Study                         | Open tender         | B             | 50,490.00                               |
| 2   | EVOLVE INFORMATION SERVICES PTY LTD     | 25-Sep-13  | 14-Feb-14 | Development of training program           | Limited tender      | B             | 46,200.00                               |
| 3   | KPMG AUSTRALIA                          | 25-Sep-13  | 30-Jun-14 | Provision of Professional Review Services | Open tender         | A             | 894,365.41                              |
| 3   | <b>Intelligence Capabilities Total</b>  |            |           |   |                     |               | <b>991,055</b>                          |
|   | <b>Defence People</b>                   |            |           |   |                     |               |   |
| 1   | HWL EBSWORTH LAWYERS                    | 20-Nov-13  | 30-Jun-14 | DL0066/2013 - Legal Services              | Prequalified tender | B             | 42,075.00                               |
| 2   | WORKPLACE RESEARCH ASSOCIATES PTY       | 5-Nov-13   | 28-Feb-14 | Work level standard assessments           | Limited tender      | B             | 161,172.00                              |
| 3   | MARY GRACE CONSULTING PTY LTD           | 7-Nov-13   | 31-Jan-14 | Administration Investigation Services     | Limited tender      | C             | 16,000.00                               |
| 4   | MERCER                                  | 4-Oct-13   | 20-Dec-13 | Work Value Assessment                     | Prequalified tender | C             | 12,650.00                               |
| 5   | MINTER ELLISON                          | 24-Sep-13  | 31-Dec-13 | DL0136/2013 - Legal services              | Prequalified tender | B             | 18,515.20                               |
| 6   | NOUS GROUP                              | 20-Sep-13  | 27-Sep-13 | Review of Corporate Governance processes  | Limited tender      | B             | 68,200.00                               |
| 7   | CORDELTA                                | 18-Nov-13  | 30-Jun-14 | Management and Advisory Services          | Prequalified tender | B             | 770,000.00                              |
| 7   | <b>Defence People Total</b>             |            |           |   |                     |               | <b>1,088,612</b>                        |
| 95  | <b>Total</b>                            |            |           |   |                     |               | <b>11,955,203</b>                       |

|     |   |
|-----|---|
| A - | Skills Currently Unavailable Within Agency  |
| B - | Need for Specialised or Professional Skills |
| C - | Need for Independent Research or Assessment |

|                          |            | Value             |
|--------------------------|------------|-------------------|
| <b>Total Contracts =</b> | <b>126</b> | <b>12,094,078</b> |
| Above \$10k =            | 95         | 11,955,203        |
| Below \$10k =            | 31         | 138,874           |

Criteria Summary  
 Agency Defence - Department of Defence (Active)  
 Date Range 1-Jan-2013 to 31-Dec-2013  
 Estimated Date of Appro All  
 Category All

| Count | Agency                | Agency Reference | Description  | Estimated Date of Approach to Market | Category  | Status       | Change comments         | Last updated     |
|-------|-----------------------|------------------|--|--------------------------------------|---|--------------|-------------------------|------------------|
| 1     | Department of Defence | DoD-01           | Head Contract for Human Protection and Performance Facilities & Security Upgrade                               | Quarter 2                            | Building construction and support and maintenance and repair services   | To Market    | Q2 and Contact details  | 12/11/2013 23:58 |
| 2     | Department of Defence | DoD-15           | Managing Contractor Contract for development & construction of vehicle shelters nationally                     | Quarter 1                            | Building construction and support and maintenance and repair services   | To Market    |                         | 6/11/2013 17:16  |
| 3     | Department of Defence | DoD-56           | Managing Contractor R8092 Growler Airborne Attack Capability Facilities Project                                | Quarter 2                            | Building construction and support and maintenance and repair services   | To Market    |                         | 30/10/2013 9:52  |
| 4     | Department of Defence | DoD-12           | Head Contract for flood remediation at RAAF Base Darwin  | Quarter 3                            | Building construction and support and maintenance and repair services   | To Market    |                         | 25/10/2013 0:00  |
| 5     | Department of Defence | DoD-06           | Head Contract for Watsonia - Defence Force School of Signals   | Quarter 3                            | Building construction and support and maintenance and repair services   | Amended      | Contact details amended | 23/10/2013 12:30 |
| 6     | Department of Defence | DoD-05           | Head Contract for Battlespace Communications Facilities (JP2072 Ph 2B) - Simpson Barracks, Watsonia            | Quarter 4                            | Building construction and support and maintenance and repair services   | Amended      | Contact details amended | 23/10/2013 12:28 |
| 7     | Department of Defence | DoD-03           | Head Contract for DSTO Underwater Explosive Test Facility  | Quarter 4                            | Building construction and support and maintenance and repair services   | Amended      | Contact Details amended | 23/10/2013 12:23 |
| 8     | Department of Defence | DoD-04           | Head Contract for Proof & Experimental Establishment Benalla - Small Arms Ammunition Test facility             | Quarter 3                            | Building construction and support and maintenance and repair services   | Amended      | Contact Details amended | 23/10/2013 12:21 |
| 9     | Department of Defence | DoD-38           | Natural Gas Supply to Defence Sites, Wagga Wagga, NSW  | Quarter 2                            | Oil and gas utilities   | To Market    | Change to Q2            | 18/10/2013 16:41 |
| 10    | Department of Defence | DoD-47           | Work Health and Safety Management Information System Professional Services                                     | Quarter 1                            | Management information systems MIS                                      | Withdrawn    |                         | 16/10/2013 15:03 |
| 11    | Department of Defence | DoD-52           | Simulation and Systems Services  | Quarter 3                            | Military science and research   | Amended      | Change to Q3            | 16/10/2013 11:38 |
| 12    | Department of Defence | DoD-49           | Psychology Assessment Services   | Quarter 3                            | Psychologists services  | Amended      | Change to Q3            | 16/10/2013 11:37 |
| 13    | Department of Defence | DoD-48           | Security Vetting Services  | Quarter 3                            | Security and personal safety  | Withdrawn    |                         | 16/10/2013 11:36 |
| 14    | Department of Defence | DoD-50           | Academic Services Support for the Defence and Strategic Studies Course   | Quarter 3                            | Education and Training Services   | Amended      | Contact Details amended | 16/10/2013 10:35 |
| 15    | Department of Defence | DoD-31           | Work Health and Safety Professional Services Standing Offer Panel  | Quarter 2                            | Occupational health or safety services                                  | Amended      | Change to Q2            | 16/10/2013 10:29 |
| 16    | Department of Defence | DoD-36           | Supply Bulk LPG to Defence establishments  | Quarter 2                            | Oil and gas utilities   | Amended      | Change to Q2            | 16/10/2013 10:18 |
| 17    | Department of Defence | DoD-18           | National Airfields Maintenance Program - Project Services  | Quarter 4                            | Airfield  | Amended      | Change to Q4            | 16/10/2013 10:15 |
| 18    | Department of Defence | DoD-40           | Electricity supply to Defence sites in TAS   | Quarter 3                            | Electric utilities  | Amended      | Change to Q3            | 16/10/2013 10:10 |
| 19    | Department of Defence | DoD-39           | Electricity supply to Defence sites in QLD   | Quarter 2                            | Electric utilities  | Amended      | Change to Q2            | 16/10/2013 10:07 |
| 20    | Department of Defence | DoD-02           | Medium Works Contract for Graytown Proof & Experimental Establishment Road Upgrade                             | Quarter 2                            | Building construction and support and maintenance and repair services   | To Market    |                         | 15/10/2013 18:47 |
| 21    | Department of Defence | DoD-32           | Environmental and Heritage Management and Unexploded Ordnance Professional Services Standing Offer Panel       | Quarter 1                            | Environmental management  | To Market    |                         | 20/08/2013 17:07 |
| 22    | Department of Defence | DoD-22           | Head Contract for RAAF Base Williamtown Airfield Works (P0004)   | Quarter 1                            | Airfield  | To Market    |                         | 29/07/2013 14:36 |
| 23    | Department of Defence | DoD-30           | Professional Services Standing Offer Panel   | Quarter 1                            | Management advisory services  | To Market    |                         | 12/07/2013 14:50 |
| 24    | Department of Defence | DoD-37           | Electricity supply to Defence sites in WA  | Quarter 1                            | Electric utilities  | To Market    |                         | 4/07/2013 13:29  |
| 25    | Department of Defence | DoD-55           | Driver, Machinery and Plant Operator Training  | Quarter 3                            | Education and Training Services   | As Published |                         | 3/07/2013 9:31   |
| 26    | Department of Defence | DoD-54           | Electronic Warfare Training Systems  | Quarter 1                            | Military science and research   | As Published |                         | 3/07/2013 9:29   |
| 27    | Department of Defence | DoD-53           | Scientific, engineering and other technical services   | Quarter 3                            | Military science and research   | As Published |                         | 26/06/2013 15:36 |
| 28    | Department of Defence | DoD-43           | Aircraft hire for Army Parachute Training School   | Quarter 3                            | Aircraft  | As Published |                         | 25/06/2013 15:02 |
| 29    | Department of Defence | DoD-07           | Head Contract for Support facilities for Landing Craft (LCM-1E) at HMAS Waterhen & Garden Island               | Quarter 2                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 14:31 |
| 30    | Department of Defence | DoD-51           | Equipment & Hardware (eg. Portable Data Terminals, Tethered Bar Code Scanners; Consumables)acquisition for ADC | Quarter 3                            | Data Voice or Multimedia Network Equipment or Platforms and Accessories | As Published |                         | 25/06/2013 13:26 |
| 31    | Department of Defence | DoD-46           | Portable Data Entry Terminals  | Quarter 2                            | Data Voice or Multimedia Network Equipment or Platforms and Accessories | As Published |                         | 25/06/2013 12:57 |
| 32    | Department of Defence | DoD-45           | Simulated Training Services  | Quarter 2                            | Education and Training Services   | As Published |                         | 25/06/2013 12:50 |
| 33    | Department of Defence | DoD-44           | Communication, Information Systems and Technology Training Services for the Defence Force School of Signals    | Quarter 4                            | Education and Training Services   | As Published |                         | 25/06/2013 12:46 |
| 34    | Department of Defence | DoD-42           | Natural Gas Supply to Defence Sites, Oakay, QLD  | Quarter 3                            | Oil and gas utilities   | As Published |                         | 25/06/2013 12:35 |
| 35    | Department of Defence | DoD-41           | Electricity supply to Defence sites in NT  | Quarter 3                            | Electric utilities  | As Published |                         | 25/06/2013 12:32 |
| 36    | Department of Defence | DoD-35           | Building modification works, Fort Queenscliff, VIC   | Quarter 3                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 12:20 |
| 37    | Department of Defence | DoD-34           | Electronic Legal Information Resources and related services Standing Offer Panel                               | Quarter 3                            | Library or documentation services                                       | As Published |                         | 25/06/2013 12:17 |
| 38    | Department of Defence | DoD-33           | Maintenance services of non-tactical communication equipment on Defence Training Areas                         | Future/Beyond this FY                | Local and long distance telephone communications                        | As Published |                         | 25/06/2013 12:12 |
| 39    | Department of Defence | DoD-29           | Information Communications Technology Professional Services Standing Offer Panel                               | Quarter 3                            | Information technology consultation services                            | As Published |                         | 25/06/2013 11:46 |
| 40    | Department of Defence | DoD-28           | Property Management Services for the Defence Estate  | Quarter 3                            | Property management services  | As Published |                         | 25/06/2013 11:32 |
| 41    | Department of Defence | DoD-27           | Modifications to a Simulation Facility and construction services for Training Aid Facility, Darwin             | Quarter 3                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 11:32 |
| 42    | Department of Defence | DoD-26           | Managing Contractor Contract (J0028)   | Quarter 1                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 11:21 |
| 43    | Department of Defence | DoD-25           | Head Contract TMF Stirling (N2222)   | Quarter 1                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 11:19 |
| 44    | Department of Defence | DoD-24           | Head Contract Albatross (N2222)  | Quarter 1                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 11:18 |
| 45    | Department of Defence | DoD-23           | Airfield Pavements and Lighting (P0006) - Designer   | Quarter 3                            | Airfield  | As Published |                         | 25/06/2013 11:13 |
| 46    | Department of Defence | DoD-21           | Head Contract for Airfield Works (P0005)   | Quarter 2                            | Airfield  | As Published |                         | 25/06/2013 11:08 |
| 47    | Department of Defence | DoD-20           | Managing Contractor Contract for R8085 / 8077  | Quarter 2                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 11:06 |
| 48    | Department of Defence | DoD-19           | Head Contract for National Airfields Maintenance Program   | Quarter 3                            | Airfield  | As Published |                         | 25/06/2013 11:03 |
| 49    | Department of Defence | DoD-17           | Construction Services  | Quarter 1                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:57 |
| 50    | Department of Defence | DoD-16           | Design Services Contract for design of vehicle bays and artillery storage areas                                | Quarter 3                            | Architectural services  | As Published |                         | 25/06/2013 10:50 |
| 51    | Department of Defence | DoD-14           | Design Services Contract Invitation to Register  | Quarter 2                            | Architectural services  | As Published |                         | 25/06/2013 10:45 |
| 52    | Department of Defence | DoD-13           | Head Contract for Chinook Facilities, Townsville   | Quarter 4                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:42 |
| 53    | Department of Defence | DoD-11           | HMAS Stirling Low Level Bridge Repair  | Quarter 2                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:34 |
| 54    | Department of Defence | DoD-10           | Medium Works Contract for RAAF Base Williamtown Wastewater Transfer Scheme Facility                            | Quarter 2                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:31 |
| 55    | Department of Defence | DoD-09           | Medium Works Contract for Maritime Rapid Environmental Assessment (JP1770 Ph1)                                 | Quarter 3                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:28 |
| 56    | Department of Defence | DoD-08           | Medium Works Contract for Deployable Mine Counter Measures (SEA 1778 Ph1) - Organic Mine Counter Measures      | Quarter 3                            | Building construction and support and maintenance and repair services   | As Published |                         | 25/06/2013 10:26 |



## **Supplementary Senate Estimates Hearing – 20 November 2013**

### **Question On Notice No. 87 – Meeting Costs**

**Senator Ludwig** provided in writing:

- a) What is the Department/Agency's meeting spend from 7 September 2013 to date? Detail date, location, purpose and cost of all events, including any catering and drinks costs.
- b) For each Minister and Parliamentary Secretary office, please detail total meeting spend from 7 September 2013 to date. Detail date, location, purpose and cost of each event including any catering and drinks costs.
- c) What meeting spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- d) For each Minister and Parliamentary Secretary office, what meeting spend is currently being planned for? Detail date, location, purpose and cost of each event including any catering and drinks costs.

#### **Response:**

Defence's travel costs associated with meetings are provided in Defence's response to Supplementary Senate Estimates Hearing Question on Notice No. 83: Travel Costs taken from the 20 November hearing.

Defence's hospitality costs associated with meetings are provided in Defence's response to Supplementary Senate Estimates Hearing Question on Notice No. 88: Hospitality and Entertainment taken from the 20 November hearing.

An unreasonable diversion of departmental resources would be required to provide information on other aspects of meetings such as dates, locations, purposes and costs of individual meetings.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 88 – Hospitality Expenditure

Senator Ludwig provided in writing:

- a) What is the Department/Agency's hospitality spend for all events including any catering and drinks costs from 7 September 2013 to date.
- b) For each Minister and Parliamentary Secretary office, please detail total hospitality spend from 7 September 2013 to date. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- c) What is the Department/Agency's entertainment spend from 7 September 2013 to date? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- d) For each Minister and Parliamentary Secretary office, please detail total entertainment spend from 7 September 2013 to date. Detail date, location, purpose and cost of all events including any catering and drinks costs.
- e) What hospitality spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- f) For each Minister and Parliamentary Secretary office, what hospitality spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- g) What entertainment spend is the Department/Agency's planning on spending? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- h) For each Minister and Parliamentary Secretary office, what entertainment spend is currently being planned for? Detail date, location, purpose and cost of all events including any catering and drinks costs.
- i) Is the Department/Agency planning on reducing any of its spending on these items? If so, how will reductions be achieved and what are they?

#### Response:

- (a) For the period 7 September 2013 to 20 November 2013 the Defence Portfolio's total expenditure on hospitality (excluding the Minister's Office and minor portfolio bodies) is \$269,093.

- (b) For the period 7 September 2013 to 30 November 2013, Defence has provided details in response to Senate Question on Notice No. 105. No hospitality expenditure has been incurred by the Assistant Minister for Defence or the Parliamentary Secretary.
- (c) Nil.
- (d) Nil.
- (e) Planned expenditure on hospitality for the Defence Portfolio (excluding the Minister's Office and minor portfolio bodies) for the period 1 July 2013 to 30 June 2014 is \$1,693,000 as shown in **Table 1**. Details of the date, location and purpose of the planned Hospitality expenditure are not available until events are approved.
- (f) The Department has not been advised of any anticipated hospitality expenditure for each Minister and Parliamentary Secretary office.
- (g) Nil.
- (h) Nil.
- (i) Defence is continually reviewing all areas of expenditure (including hospitality) for potential savings and efficiencies. The Defence Instruction (General) PERS 25-7 Gifts, Hospitality and Sponsorship requires all officials to comply with a comprehensive approval and reporting process for hospitality. With this control framework hospitality expenditure is expected to decrease.

**Hospitality and Representational Allowance Planned Expenditure**  
For the Period From 1 July 13 to 30 June 14

|  | <b>Representational<br/>Allowances<br/>\$ excl GST</b> | <b>Hospitality Expense<br/>\$ excl GST</b> | <b>Total<br/>\$ excl GST</b> |
|--|--|--|------------------------------|
| <b>Departmental Group</b>                  |  |  |                              |
| OSCDF                                      | 600,000  | 240,000                                    | 840,000                      |
| VCDF                                       | 0  | 139,000                                    | 139,000                      |
| JOC  | 0  | 38,000                                     | 38,000                       |
| Navy                                       | 0  | 181,000                                    | 181,000                      |
| Army                                       | 0  | 75,000                                     | 75,000                       |
| Air Force                                  | 0  | 248,000                                    | 248,000                      |
| CDG  | 0  | 1,000                                      | 1,000                        |
| COO  | 0  | 58,000                                     | 58,000                       |
| CFO  | 0  | 1,000                                      | 1,000                        |
| DSTO                                       | 0  | 19,000                                     | 19,000                       |
| Intelligence & Security                    | 0  | 61,000                                     | 61,000                       |
| <b>Total Defence (Excl. DMO &amp; DHA)</b> | <b>600,000</b>   | <b>1,061,000</b>                           | <b>1,661,000</b>             |
| DMO  |  | 15,000                                     | 15,000                       |
| DHA  | 0  | 17,000                                     | 17,000                       |
| <b>Total Defence Portfolio</b>             | <b>0</b>   | <b>1,093,000</b>                           | <b>1,693,000</b>             |

## Supplementary Budget Estimates hearing - 20 November 2013

### Question on Notice No.89 -- Mental Health

**Senator Farrell** provided in writing:

What practical policies and practices are gearing up to cope with the return of Afghanistan soldiers and will these be an increase on what is currently available?

**Response:**

In the past four years, Defence has significantly enhanced its focus, resources and capabilities to better understand the prevalence of mental disorder in the ADF and improve the delivery of mental health services to ADF members, including those involving post-traumatic mental health.

Research, surveillance and mental health services are in place to monitor and respond to any increase in mental health presentations by defence members following the withdrawal of ADF personnel from Afghanistan.

The ADF Mental Health and Wellbeing Strategy, released in 2011 and the supporting Action Plan released in 2012, sets priority actions through to 2015 with particular attention to building resilience, addressing stigma and barriers to care, responding to mental health impact of deployments, alcohol use, suicide prevention and improving access to care as early as possible. Our health care arrangements and mental health initiatives are there to support all of our personnel, no matter the source or cause of their mental health problems.

A comprehensive mental health screening program exists to identify and provide assistance to individuals who have been exposed to potentially traumatic events through activities such as deployments, Border Protection operations, humanitarian and disaster relief missions or training accidents.

Defence members are provided with a continuum of mental health support prior to, during and post deployment. The ADF has in place effective treatment, rehabilitation and transition programs. We have also been up-skilling our mental health workforce to more effectively engage members with trauma related mental health conditions.

There are post-deployment mental health services available through Defence and Department of Veterans' Affairs (DVA) to ensure personnel, serving and ex-serving, are able to access treatment throughout Australia, including in regional and remote locations. Regional Mental Health Teams (RMHT) and Mental Health Psychology Sections (MHPS) have been established across Australia as part of our Garrison Health Services to provide assessment and treatment for psychological disorders. Further, access to additional specialist mental health professionals such as psychiatrists and clinical psychologists is enabled through the 'on base' and 'off base' contract arrangements with Medibank Health Solutions. Personnel and their families are also able to access the Veterans and Veterans Families Counselling Service (VVCS) throughout Australia.

Attention has been given to strengthening the coordination and integration of rehabilitation and transition services provided by Defence and DVA. These programs aim to ensure that wounded, injured or ill members are given sufficient support and opportunity to recover and return to their previous or new work within the ADF or support a transition to civilian life.

In February 2013, the Departments of Defence and Veterans' Affairs signed a Memorandum of Understanding (MOU) for the Cooperative Delivery of Care and Support to Eligible Persons. The MOU introduces the concept of the 'Support Continuum', a system of care that extends across both Defence and Veterans' Affairs to deliver seamless care and support to our servicemen and women, and their dependants. As part of the ADF/DVA collaboration, e-mental health and mobile phone applications are being developed to improve access to mental health support and information for individuals and their families regardless of their location.

## Supplementary Budget Estimates Hearing - 20 November 2013

### Question On Notice No. 90 – Ministerial office security classification

Senator Ludwig provided in writing:

- (1) What is the policy for ministerial staff security clearances?
- (2) How many staffers employed by the government under the MOP(S) Act have security clearances?
  - (a) At what level?
  - (b) If not, why not?
- (3) How many seconded departmental officers acting in ministerial offices, including DLOs have security clearances?
  - (a) At what level?
  - (b) If not, why not?

#### Response:

- (1) In accordance with the *Ministers of State Entitlements* handbook, Ministers and Parliamentary Secretaries are responsible for ensuring that all their ministerial and electorate employees have a Negative Vetting Level 2 (formerly 'Top Secret') security clearance. Employment is conditional upon receiving and maintaining this clearance, and employees should be advised of this requirement at the time of employment engagement. The Australian Government Security Vetting Agency (AGSVA), located within the Department of Defence, is responsible for the processing of Negative Vetting Level 2 security clearances. The AGSVA will notify Ministers, through their Chiefs of Staff, of the outcome of the Negative Vetting Level 2 security clearance process.
- (2) As at 4 December 2013, 367 security clearance processes had been requested and are progressing. Some additional staff already hold appropriate clearances and they remain extant.
  - (2) (a) The majority of clearances required are Negative Vetting Level 2, with a small number of staff requiring a Positive Vetting.
  - (2) (b) All Ministerial staff will hold a clearance. The granting of a security clearance is a lengthy process that is continuing. AGSVA has allocated additional resources to ensure a speedy resolution.
- (3) (a) and (b) All seconded departmental officers acting in the ministerial offices, including Departmental Liaison Officers (DLOs), hold valid security clearances. The minimum security clearance held by these officers is a Negative Vetting Level 1 (formerly 'Secret') security clearance. One DLO does not currently hold a Negative Vetting Level 2 clearance, however arrangements are in place for this officer's security clearance to be upgraded to the appropriate level. Departmental officers acting in the ministerial offices will not have their clearances upgraded to Negative Vetting Level 2, as these officers will return to the Department at the end of their relief staffing engagement.





## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 91 – Executive coaching and leadership training

Senator Ludwig provided in writing:

In relation to executive coaching and/or other leadership training services purchased by each department/agency, please provide the following information from 7 September 2013 to date:

1. Total spending on these services
2. The number of employees offered these services and their employment classification
3. The number of employees who have utilised these services, their employment classification and how much study leave each employee was granted (provide a breakdown for each employment classification)
4. The names of all service providers engaged  
For each service purchased from a provider listed under (4), please provide:
  - a) The name and nature of the service purchased
  - b) Whether the service is one-on-one or group based
  - c) The number of employees who received the service and their employment classification
  - d) The total number of hours involved for all employees (provide a breakdown for each employment classification)
  - e) The total amount spent on the service
  - f) A description of the fees charged (i.e. per hour, complete package)
5. Where a service was provided at any location other than the department or agency's own premises, please provide:
  - a) The location used
  - b) The number of employees who took part on each occasion (provide a breakdown for each employment classification)
  - c) The total number of hours involved for all employees who took part (provide a breakdown for each employment classification)
  - d) Any costs the department or agency's incurred to use the location

### Response:

(1) Expenditure on all commercially-procured non-military training, including leadership training, for the months of September, October and November 2013 was \$9.7 million. As Defence information management systems do not support separate cost attribution specifically for executive coaching and training expenses categorised as leadership, only a part of this expenditure is attributable specifically to executive leadership training and coaching.

(2), (3), (4) and (5) Only some civilian senior executive leadership training and coaching is provided at corporate level. Most is externally purchased, and managed at group, divisional, and branch level. Senior military leadership training is provided through attendance at internal programs delivered by the Australian Defence College. Defence information systems do not record each separate coaching session or leadership course attended by a Defence member or employee nor the number of participants or other attributes such as hours involved, training venue or any applicable study leave. The table below shows commercial service providers with contracts for delivery of leadership training or coaching services during the months of September, October, or November 2013. The costs shown below are the total values of the contracts, which in some cases exceed the costs of the services delivered during the three months in question as some of these contracts cover services extending over timeframes well beyond this short period. The list is not exhaustive and does not include providers of training or coaching where leadership is not the primary or only content.

| <b>Supplier Name</b>                 | <b>Description of service</b>               | <b>Value (AUD)</b> |
|--------------------------------------|---|--------------------|
| APIS Group Pty Ltd                   | Training services                           | 47,792.01          |
| Aust Public Service Commission       | Education and training services             | 21,000.00          |
| Australian Public Service Commission | Senior executive service leadership program | 10,000.00          |
| Leargas Pty Ltd                      | Leadership training                         | 17,600.00          |
| Melbourne Business School            | Leadership training services                | 148,000.00         |
| Nous Group                           | Educational services                        | 12,336.01          |
| Rogensi Pty Ltd                      | Extraordinary leader program                | 88,461.45          |

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 92 – Staffing Reductions

Senator Ludwig provided in writing:

- (1)
  - (a) How many staff reductions/voluntary redundancies have occurred from 7 September 2013 to date? What was the reason for these reductions?
  - (b) Were any of these reductions involuntary redundancies? If yes, provide details.
  - (c) Are there any plans for further staff reductions/voluntary redundancies? If so, please advise details including if there is a reduction target, how this will be achieved, and if any services/programs will be cut.
  - (d) If there are plans for staff reductions, please give the reason why these are happening.
  - (e) Are there any plans for involuntary redundancies? If yes, provide details.

**Response:**

- (1)
  - (a) For the period 7 September 2013 to 30 November 2013, 291 Australian Public Service (APS) personnel (ongoing and non-ongoing) have separated from the Department of Defence. Of these, 36 were voluntary redundancies, which were due to internal change processes.
  - (b) No.
  - (c) and (d). Reductions in Defence's APS workforce were planned for under the previous government's Strategic Reform Program and subsequent budgets. The *Portfolio Budget Statements 2013-14* detail planned reductions in Defence's APS workforce from 21,217 full time equivalent in 2013-14 to 20,476 in 2016-17. These staff reductions are due to continuing reforms to Defence's business practices, in particular through the wider application of shared services reform.

Any reductions will take place in the context of the Government's plans for the wider APS, including the National Commission of Audit and the Government's interim new recruiting arrangements.

(e) There are no current plans for involuntary redundancies.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 93 – Staffing Cessations

**Senator Ludwig** provided in writing:

- a) How many ongoing staff left the department/agency from 7 September 2013 to date? What classification were these staff?
- b) How many non-ongoing staff left department/agency from 7 September 2013 to date? What classification were these staff?

**Response:**

- (a) From 7 September to 30 November 2013 the number of ongoing APS staff who separated from the Department was 269, made up of the following APS classifications:

|                   |    |
|-------------------|----|
| APS Graduate      | 1  |
| APS Level 1       | 3  |
| APS Level 2       | 16 |
| APS Level 3       | 26 |
| APS Level 4       | 30 |
| APS Level 5       | 41 |
| APS Level 6       | 67 |
| Executive Level 1 | 57 |
| Executive Level 2 | 23 |
| SES Level 1       | 2  |
| SES Level 2       | 3  |

- b) From 7 September to 30 November 2013 the number of non-ongoing APS staff who separated from the Department was 22, made up of the following classifications:

|                   |   |
|-------------------|---|
| APS Level 2       | 1 |
| APS Level 3       | 7 |
| APS Level 4       | 6 |
| APS Level 5       | 3 |
| APS Level 6       | 1 |
| Executive Level 1 | 3 |
| Executive Level 2 | 1 |

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No. 94 – Staffing Recruitment

**Senator Ludwig** provided in writing:

- (1) How many ongoing staff recruited from 7 September 2013 to date? What classification are these staff?
- (2) How many non-ongoing positions exist or have been created from 7 September 2013 to date? What classification are these staff?
- (3) From 7 September 2013 to date, how many employees have been employed on contract and what is the average length of their employment period?

**Response:**

- (1) 78 ongoing APS employees were recruited over the period 7 September 2013 to 30 November 2013. *Thirty of the 78 ongoing APS employees were recruited through the new process announced by Senator Abetz on 31 October 2013.* The breakdown of APS classification is as follows:

|                   |    |
|-------------------|----|
| APS Trainee       | 4  |
| APS Level 1       | 1  |
| APS Level 2       | 7  |
| APS Level 3       | 4  |
| APS Level 4       | 12 |
| APS Level 5       | 11 |
| APS Level 6       | 21 |
| Executive Level 1 | 14 |
| Executive Level 2 | 4  |

- (2) The number of non-ongoing positions that existed or were created over the period 7 September 2013 and 30 November 2013 was 206, noting that this relates to positions rather than employees and that not all positions created have been filled. The breakdown of APS classification was:

|                   | <b>Existing</b> | <b>Created</b> |
|-------------------|-----------------|----------------|
| APS Level 1       | 1               |                |
| APS Level 2       | 3               | 1              |
| APS Level 3       | 13              |                |
| APS Level 4       | 23              |                |
| APS Level 5       | 16              |                |
| APS Level 6       | 51              | 6              |
| Executive Level 1 | 58              | 6              |
| Executive Level 2 | 24              | 1              |
| SES Level 1       | 1               |                |
| SES Level 2       | 1               |                |

Unknown

1 (**position yet to be classified**)

- (3) From the 7 September to 30 November 2013 there were 11 non-ongoing APS personnel employed on contract with an average initial period of employment of 281 days.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 95 – Coffee Machines**

**Senator Ludwig** provided in writing:

1. Has the department/agency purchased coffee machines for staff useage since 7 September 2013?

a) If yes, provide a list that includes the type of coffee machine, the cost, the amount, and any ongoing costs such as purchase of coffee or coffee pods and when the machine was purchased?

b) Why were coffee machines purchased?

c) Has there been a noticeable difference in staff productivity since coffee machines were purchased? Are staff leaving the office premises less during business hours as a result?

d) Where did the funding for the coffee machines come from?

e) Who has access?

f) Who is responsible for the maintenance of the coffee machines? How much was spent on maintenance in from 7 September 2013 to date, include a list of what maintenance has been undertaken. Where does the funding for maintenance come from?

g) What are the ongoing costs of the coffee machine, such as the cost of coffee?

2. Does the department/agency rent coffee machines for staff useage?

a) If yes, provide a list that includes the type of coffee machine, the cost, the amount, and any ongoing costs such as purchase of coffee or coffee pods and when the machine was purchased.

b) Why are coffee machines rented?

c) Has there been a noticeable difference in staff productivity since coffee machines were rented? Are staff leaving the office premises less during business hours as a result?

d) Where does the funding for the coffee machines come from?

e) Who has access?



- f) Who is responsible for the maintenance of the coffee machines? How much was spent on maintenance in from 7 September 2013 to date, include a list of what maintenance has been undertaken. Where does the funding for maintenance come from?
- g) What are the ongoing costs of the coffee machine, such as the cost of coffee?

**Response:**

(1 & 2)

Since 7 September 2013, there have been no coffee machines purchased or rented by the Department.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 96 – Departmental Printing**

**Senator Ludwig** provided in writing on 29 November 2013:

How many documents (include the amount of copies) have been printed from 7 September 2013 to date? How many of these printed documents were also published online?

**Response:**

Defence prints hard copies of reports/statements/papers produced within the Department. Examples include statutory documents such as the Portfolio Budget Statements, the Portfolio Additional Estimates Statements and the Annual Report, which are intended for Parliamentary purposes and external transparency. Other examples include internal documents such as audit reports, financial statements, and discussion papers.

Publications such as the Defence Annual Report, Portfolio Budget Statements and Portfolio Additional Estimates Statements are published online on the Internet and Defence Intranet.

Numbers of copies printed for each document differ greatly depending on the nature of the document and its intended audience.

Given the breadth of the question and the diversity of documents printed within Defence, it is not possible to provide a more specific response without an unreasonable diversion of resources.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 97 – Corporate Cars

Senator Ludwig provided in writing:

- a) How cars are owned by each department/agency?
- b) Where is the car/s located?
- c) What is the car/s used for?
- d) What is the cost of each car from 7 September 2013 to date?
- e) How far did each car travel from 7 September 2013 to date?

#### Response:

- a) As at 30 November 2013, Defence owned 2216 passenger vehicles, or cars, including sedans, station wagons and multi-purpose vehicles (excluding four wheel drive vehicles, buses and trucks). This is down from a total of 2349 vehicles reported on 9 July 2013 due to the programmed reduction in the size of the fleet under the Strategic Reform Program.
- b) These passenger vehicles are located throughout Australia and overseas (Singapore and Malaysia) as follows:
  - Australian Capital Territory - 183
  - New South Wales - 724
  - Northern Territory - 156
  - Queensland - 461
  - South Australia - 128
  - Tasmania - 33
  - Victoria - 360
  - Western Australia - 144
  - Singapore - 4
  - Malaysia - 23
- c) These passenger vehicles are used to meet Departmental administrative requirements, support training activities and base operations.
- d) As at 30 November 2013, the cost of owning the 2216 passenger vehicles during the period 7 September to 30 November 2013 was estimated at approximately \$4.158m or \$1877 per vehicle, comprising estimated capital cost (average capital cost less average revenue expected), operating, maintenance and domestic fuel costs.
- e) A complete data set of the distance travelled for individual Defence-owned vehicles during the period 7 September to 30 November 2013 is not available and would not be able to be confirmed within the time available to respond to this Question on Notice.

At 31 January 2013, average whole-of-life utilisation during financial year 2012-13, across a sample of 185 cars at disposal was 12 139km per annum per vehicle or 2794km per vehicle for the period 7 September to 30 November 2013.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 98 – Taxi Costs

Senator Ludwig provided in writing:

- a) How much did each department/agency spend on taxis from 7 September 2013 to date? Provide a breakdown for each business group in each department/agency.
- b) What are the reasons for taxi costs?

**Response:**

a) The table below represents Defence's approximate monthly spend on taxis domestically and overseas for the first four months of the 2013-14 financial year and includes the Defence Materiel Organisation.

| <b>Department of Defence</b> |                         |
|------------------------------|-------------------------|
| <b>Month</b>                 | <b>Taxi Expenditure</b> |
| July 2013                    | \$1.2 million           |
| August 2013                  | \$1.2 million           |
| September 2013               | \$1.2 million           |
| October 2013                 | \$1.3 million           |

Expenditure on taxis for the date period requested is not available because Defence's financial reporting system reports expenditure by month. A breakdown for each business group is not available because taxi travel data is not captured or maintained in Defence's financial system at this level of detail and to provide this information would represent an unreasonable diversion of resources.

b) Defence travel policy and procedural framework provides Defence staff and their manager's flexibility to determine the most suitable and cost effective means of transport. Taxis are commonly used when:

- (a) It represents the most efficient and effective means of transport;
- (b) No other reasonable or more efficient alternate transport is available; and
- (c) Shared use represents a more cost effective outcome.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 99 – Hire Cars

**Senator Ludwig** provided in writing:

- a) How much did each department/agency spend on hire cars from 7 September 2013 to date? Provide a breakdown of each business group in each department/agency.
- b) What are the reasons for hire car costs?

**Response:**

(a) The table below represents Defence's approximate monthly spend on hire cars domestically and overseas for the first four months of financial year 2013-2014 and includes the Defence Materiel Organisation.

| <b>Department of Defence</b> |                                   |
|------------------------------|-----------------------------------|
| <b>Month</b>                 | <b>Rental Vehicle Expenditure</b> |
| July 2013                    | \$1.6 million                     |
| August 2013                  | \$2.3 million                     |
| September 2013               | \$1.4 million                     |
| October 2013                 | \$1.5 million                     |

Defence's financial reporting systems report expenditure by month, therefore expenditure for the requested dates is not available. A breakdown by business group cannot be provided because hire car data is not captured or maintained at this level in Defence's financial system and to provide this information would represent an unreasonable diversion of resources.

(b) Defence travel policy and procedural framework provides Defence staff and their manager's flexibility to determine the most suitable and cost effective means of transport.

Hire cars are commonly used when:

- i. It represents the most efficient and effective means of transport;
- ii. No other reasonable or more efficient alternate transport is available; and
- iii. Shared use represents a more cost effective outcome.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question on Notice No.100 – Credit Cards

**Senator Ludwig** provided in writing:

1. Provide a breakdown for each employment classification that has a corporate credit card.
2. Please update details of the following?
  - a) What action is taken if the corporate credit card is misused?
  - b) How is corporate credit card use monitored?
  - c) What happens if misuse of a corporate credit card is discovered?
  - d) Have any instances of corporate credit card misuse have been discovered?  
List staff classification and what the misuse was, and the action taken.
  - e) What action is taken to prevent corporate credit card misuse?

### **Response:**

- (1) There are 67,495 Defence Travel Cards (DTC) and 6,982 Defence Purchasing Cards (DPC) issued to Australian Public Servants and military personnel who are required to either undertake travel or procure items on behalf of the Commonwealth.

As the credit card management system used by Defence does not currently capture the employment classification data of members issued with a credit card, a breakdown by each employment classification is not currently available.

- (2)
  - a) 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 include: 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 that warrants criminal prosecution is investigated under the criminal law. The employee's misconduct is also simultaneously dealt with under misconduct provisions of the Public Service Act 1999. Less serious matters that do not meet the criteria for criminal prosecution are dealt with through misconduct provisions alone.

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.

- b) 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 indentify 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.

- c) Refer to answer for question 2 (a)

- d) For the last reporting period of July 2011 to June 2013, there were 23 Defence Travel Card (DTC) and 4 Defence Purchasing Card (DPC) investigations finalised with an assessed loss of just over \$92,000. This equates to less than 0.008% of fraud on a total spend of \$1.13 billion comprising 3.5 million individual transactions

| <b>Rank/Level</b> | <b>Allegation</b> | <b>Value</b>                                      | <b>Outcome</b>  |
|-------------------|-------------------|---|---|
| APS 2             | Misuse of DTC     | \$ 5,596.25                                       | Charged under FMA Act 1997. Found guilty but no offence recorded. Recognisance to be of good behaviour for a period of three years.                                   |
| APS 3             | Misuse of DTC     | \$ 4,080.00                                       | Employment terminated under the Public Service Act 1999.  |
| APS 3             | Misuse of DTC     | \$ 2,903.19                                       | Employment terminated under the Public Service Act 1999.  |
| APS 4             | Misuse of DTC     | Same Investigation as above (\$2,903.19 combined) | Charged under FMA Act 1997. 18 months imprisonment released forthwith to be of good behaviour for 24 months. Employment terminated under the Public Service Act 1999. |
| APS 4             | Misuse of DPC     | \$ 130.00   | Administrative action. Resigned before disciplinary action could be taken.  |
| APS 6             | Misuse of DTC     | \$ 57.60  | Found to have breached the Public Service Act 1999. Received formal reprimand and a fine of \$500.  |



| <b>Rank/Level</b>         | <b>Allegation</b>    | <b>Value</b> | <b>Outcome</b>  |
|---------------------------|----------------------|--------------|---|
| EL1                       | Misuse of DTC        | \$779.02     | Administrative action. Resigned before disciplinary action could be taken. Debt repaid in full.   |
| EL1                       | Misuse of DTC        | \$1,047.65   | Administrative action. Employee counselled. Debt repaid in full.  |
| Private                   | Misuse of DTC        | \$3,052.50   | Administrative action. Member counselled by unit. Recovery action commenced.  |
| Private                   | Misuse of DTC        | \$1,400.00   | Administrative action. Member formally counselled.  |
| Private                   | Misuse of DPC        | \$3,326.04   | Administrative action. Member educated on processes to secure DPC and made financial reparation.  |
| Private                   | Misuse of DTC        | \$900.00     | Found guilty under the DFDA 1982. Dismissed from ADF and fined \$1500.  |
| Private                   | Misuse of DTC        | \$1,560.00   | Administrative action. Member counselled.   |
| Private                   | Alleged theft of DTC | \$1,500.00   | Found guilty under DFDA 1982. Member reprimanded and counselled.  |
| Able Seaman               | Misuse of DTC        | \$186.40     | Charged and convicted under DFDA.   |
| Leading Aircraftman/Woman | Misuse of DTC        | \$14,488.76  | Reduction in rank from SGT to LAC/W and 28 days detention.  |
| Corporal (Army)           | Misuse of DTC        | \$77.70      | Administrative Action. Debt repaid in full.   |
| Corporal (Army)           | Theft of DTC         | \$28,658.27  | Relates to former Corporal. Found guilty under FMA Act 1997. 4 month prison sentence - to be served by way of Intensive Community correctional order. Reparation order for \$18,458.27. |
| Leading Seaman            | Misuse of DTC        | \$613.75     | Found guilty under the DFDA 1982 relating to FMA Act 1997. Member reprimanded.  |
| Sergeant                  | Misuse of DPC        | \$260.00     | Administrative Action. Received counselling and ordered to pay financial reparation.  |
| Sergeant                  | Misuse of DTC        | \$2,323.59   | DFDA Charges not pursued due to medical discharge on 27 Nov 2011. Debt repaid in full.  |
| Sergeant                  | Misuse of DTC        | \$852.00     | Administrative action. Member was given 14 days extra guard duty.   |
| Lieutenant Commander      | Misuse of DTC        | \$1,792.62   | Administrative action. Member issued with Notice to Show Cause. Member censured.  |
| Squadron Leader           | Misuse of DPC        | \$7,121.25   | Relates to former Squadron Leader. Charged under FMA Act 1997. Recognisance to be of Good behaviour for a period of two years.  |

| <b>Rank/Level</b>          | <b>Allegation</b> | <b>Value</b> | <b>Outcome</b>  |
|----------------------------|-------------------|--------------|---|
| Warrant Officer<br>Class 1 | Misuse of DTC     | \$ 4,593.25  | Found guilty under the DFDA 1982 relating to FMA Act 1997. Member received severe reprimand and fined \$900. Debt repaid in full. |
| Able Seaman                | Misuse of DTC     | \$ 5,449.00  | Found guilty under the DFDA 1982 relating to FMA Act 1997. Three months imprisonment and dismissal from the ADF.                  |

e) In addition to the monitoring mechanisms described in 2 (a) above, Defence has a number of other mechanisms in place to guard against credit card misuse. Defence places a strong emphasis on fostering and maintaining the highest standards of ethical behaviour, which plays an important role in preventing fraud and helping to detect it once it occurs. Within this context, Defence has a comprehensive fraud control framework that is underpinned by:

- a. the Defence Values;
- b. intelligence driven internal audits,
- c. systematic analysis of corporate information and communications technology systems;
- c. the Defence Whistleblower Scheme;
- d. the investigation and prosecution of reported frauds;
- e. the recovery of defrauded moneys (where possible);
- f. Education programs consisting of either face-to-face ethics and fraud awareness presentations or completion of an on-line eLearning ethics and fraud training module;
- g. the provision of quarterly fraud statistics to Groups to facilitate the ongoing fraud risk assessment process;
- h. specialist workshops in fraud risk assessment, the evaluation and treatment of fraud risks, and the development of fraud control plans;
- i. the provision of a central point of contact by the Inspector General for policy, guidance and advice on ethics and fraud related issues;
- j. Defence Audit and Risk Committee oversight of the development and implementation of the fraud control plan; and
- k. A comprehensive suite of policies aimed at ensuring that Defence personnel behave in a proper manner, which in turn mitigates the risk of fraudulent conduct.

Other mechanisms in place to guard against credit card misuse include:

- a. delegate approval and funds availability sign off prior to the commitment of Commonwealth monies;
- b. credit card limits, cash advance controls and card merchant blockings;

c. 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.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 101 – Electricity Purchasing

Senator Ludwig provided in writing:

- a) What are the details of the department/agency electricity purchasing agreement?
- b) What are the department/agency electricity costs from 7 September 2013 to date?

#### Response:

a) Defence is a major consumer of electricity with 1169 electricity accounts across 522 sites. Defence has eight electricity contracts with licensed retailers that account for eighty percent of Defence's consumption. The details of the eight electricity contracts are:

- South Australia – ERM Power Retail - Contracted from 1 October 2013 for three years;
- Western Australia – Perth Energy - Contracted from 1 December 2013 for three years;
- Queensland – Energy Australia - Contracted from 1 May 2010 for four years;
- New South Wales – ERM Power Retail - Contracted from 1 July 2011 for four years;
- Australian Capital Territory – ERM Power Retail - Contracted from 1 July 2011 for four years;
- Northern Territory – Power and Water Corporation - Contracted from 1 September 2012 for two years;
- Victoria – ERM Power Retail - Contracted from 1 July 2012 for four years; and
- Tasmania – ERM Power Retail - Contracted from 1 July 2012 for two years.

Defence has also entered into arrangements in Victoria, New South Wales and the Australian Capital Territory to supply electricity to small Defence sites in these jurisdictions. The arrangements deliver a discount to the standard tariff and savings to Defence. Other small Defence sites across Australia are supplied by local or default retailers at standard or regulated tariffs. Defence procures electricity for its large sites on a state by state basis using an open market tender approach advertised on AusTender.

b) The actual electricity costs or spend is not linear throughout the year as some invoices are received monthly and others quarterly. From the period 7 September 2013 to 30 November 2013, Defence has paid \$22.177 million (excluding GST) on electricity invoices.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 102 – Ministerial Briefing**

**Senator Ludwig** provided in writing:

- 1) Does the department provide a regular briefing to the Minister on the activities of the department and/or any upcoming issues and/or any upcoming matters to come before the Minister?
- 2) In what form does that occur?
- 3) On what basis is that provided?
- 4) What title is this briefing given?

### **Response**

1-4) The Minister is regularly briefed on issues of importance to Defence.

## **Supplementary Budget Estimates 20 November 2013**

### **Question on Notice No. 103 – Departmental Senate Estimates Briefing**

**Senator Ludwig** provided in writing on 29 November 2013:

- 1) How many officers were responsible for preparing the Minister's briefing pack for the purposes of senate estimates?
- 2) How many officer hours were spent on preparing that information?
  - a. Please break down the hours by officer APS classification
- 3) Were drafts shown to the Minister or their office before senate estimates?
  - a. If so, when did this occur?
  - b. How many versions of this information were shown to the minister or their office?
- 4) Did the minister or their office make any contributions, edits or suggestions for departmental changes to this information?
  - a. If so, when did this occur?
  - b. What officer hours were spent on making these edits? Please break down the hours by officer APS classification.
  - c. When were the changes made?

#### **Response:**

- (1) A Senate Estimates briefing pack was not prepared specifically for the Minister. Instead a single Senate Estimates briefing pack was prepared for use by the Secretary, Chief of the Defence Force, Minister for Defence, Assistant Minister for Defence, and Parliamentary Secretary for Defence. A team of six officers worked directly on tasking and assembling this pack. Many other officers throughout the Department were involved in the coordination, drafting, editing and approval of briefs for these packs. Providing an exact number would be an unreasonable diversion of resources.
- (2) Briefing packs for Senate Estimates were prepared by both APS and ADF staff across the organisation. These activities were conducted as part of routine daily business. Calculating an exact number of hours by APS classification would be a significant undertaking requiring an unreasonable diversion of resources.
- (3) and (4) Defence provided the Minister for Defence, Assistant Minister for Defence and the Parliamentary Secretary for Defence with copies of the Senate Estimates briefing pack on 8 November. Following a meeting between the Secretary, CDF and Ministers on 12 November a small number of editorial suggestions were provided to the Department. These were actioned by Defence in the days leading up to Defence's Senate Estimates hearing on 20 November. The time for a range of officers at levels between APS 5 and Executive Level 2 to make these changes is estimated to be in total less than 5 hours.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 104 – Freedom of Information

**Senator Ludwig** provided in writing:

- 1) Can the department please outline the process it undergoes to assess Freedom of Information requests?
- 2) Does the department consult or inform the Minister when it receives Freedom of Information requests?
  - a. If so, when?
  - b. If so, how does this occur?
- 3) Does the department consult or inform other departments or agencies when it receives Freedom of Information requests?
  - a. If so, which departments or agencies?
  - b. If so, when?
  - c. If so, how does this occur?
- 4) Does the department consult or inform the Minister when or before it makes a decision on a Freedom of Information request?
  - a. If so, when?
  - b. If so, how does this occur?
- 5) Does the department consult or inform other departments or agencies when or before it makes a decision on a Freedom of Information request?
  - a. If so, which departments or agencies?
  - b. If so, when?
  - c. If so, how does this occur?
- 6) What resources does the department commit to its Freedom of Information team?
- 7) List the staffing resources by APS level assigned solely to Freedom of Information requests.
- 8) List the staffing resources by APS level assigned indirectly to Freedom of Information requests.
- 9) Does the department ever second additional resources to processing Freedom of Information requests?
  - a. If so, please detail those resources by APS level
- 10) How many officers are currently designated decision makers under the Freedom of Information Act 1982 within the department?

- a. How does this differ to the number of officers designated as at 6 September 2013?
- 11) How many officers are currently designated decision makers under the Freedom of Information Act 1982 within the Minister's office?
- a. How does this differ to the number of officers designated as at 6 September 2013?
- 12) Of the officers that are designated decision makers under the Freedom of Information Act 1982 within the Ministers office, how many are seconded officers from the department?
- 13) What training does the department provide to designated decision makers under the Freedom of Information Act who work within the department?
- a. Of the officers designated as decision makers within the department, how many have received formal training?
  - b. Of the officers designated as decision makers within the department, how many have received informal training?
  - c. How long after each officers appointment as a designated decision maker did they receive formal training?
  - d. What did the training involve?
  - e. How long was the training?
  - f. By whom was the training conducted?
- 14) What training does the department provide to designated decision makers under the Freedom of Information Act who work within the Minister's office, excluding those officers on secondment from the department?
- a. Of the officers designated as decision makers, how many have received formal training?
  - b. Of the officers designated as decision makers, how many have received informal training?
  - c. How long after each officers appointment as a designated decision maker did they receive formal training?
  - d. What did the training involve?
  - e. How long was the training?
  - f. By whom was the training conducted?

**Response:**

- (1) Defence assesses requests for access under section 15 and applications for amendment or annotation of personal records under section 48 of the *Freedom of Information Act 1982* (FOI Act).
- (2) (a) Consultation is undertaken in accordance with the FOI Act. Defence informs the Minister's office of requests by way of including it on a distribution list for regular 'restricted' Freedom of Information reports.  
  
(b) By email.



- (3) (a)(b) and (c) Consultation is undertaken in accordance with the FOI Act and as recommended in the Guidelines issued by the Australian Information Commissioner under s93A of the *Freedom of Information Act 1982*, specifically paragraphs 3.91 – 3.93 [Consultation with agencies].
- (4) (a)(b) and (c) Refer to response at Question 2.
- (5) (a)(b) and (c) Refer to response at Question 3.
- (6) As at 29 November 2013, there were 14 people in the FOI team at a Full Time Equivalent (FTE) figure of 12.9.
- (7) As at 29 November 2013, the FOI team comprised: 2 x EL2 staff, 6xEL1 staff, 3xAPS6 staff and 3xAPS5 staff.
- (8) A total of 128 staff at varying levels of involvement including APS levels from EL2 to APS4 and military personnel ranging from Colonel (or equivalent) to Major (or equivalent).
- (9) No.
- (10) As at 29 November 2013, there were 69 FOI Accredited Decision Makers.  
(a) No change.
- (11) None  
(a) Not applicable.
- (12) Not applicable.
- (13) (a) All appointed FOI Accredited Decision Makers have received formal training.
- (b) Defence does not record that information, however decision makers can, and are encouraged to, attend seminars and presentations if they wish.
- (c) FOI Accredited Decision Makers are not appointed until they have completed the FOI Accredited Decision Makers Training Program and are certified by a delegate of the Secretary of Defence.
- (d) Attendance at a two-day training program, followed by successful completion of an examination.
- (e) Two days.
- (f) Australian Government Solicitor and Defence representatives.
- (14) (a) to (f) Not applicable - see response to question 11 above.

## Supplementary Budget Estimates hearing - 20 November 2013

### Question on Notice No. 105 - Functions

**Senator Ludwig** provided in writing:

1) Provide a list of all formal functions or forms of hospitality conducted for the Minister.

Include:

- a) The guest list of each function
- b) The party or individual who initiated the request for the function
- c) The menu, program or list of proceedings of the function
- d) A list of drinks consumed at the function.

2) Provide a list of the current wine, beer or other alcoholic beverages in stock or on order in the Minister's office.

#### **Response:**

(1) Table A provides details of formal functions and forms of hospitality conducted for the Minister for the period 7 September to 30 November 2013. This information is correct as at 16 December 2013.

(2) As at 30 November 2013, no wine, beer or other alcoholic beverages were in stock or on order in the Minister's office.

**Table A**

| a) Function/Hospitality  | b) Guest List  | c) Requested by  | d) Menu/Program | e) Alcohol                  | f) Cost (GST incl.) |
|--|--|------------------|-----------------|-----------------------------|---------------------|
| Lunch hosted for Japanese Ambassador<br>Nobu Restaurant, Perth<br>11 October 2013                                      | Japanese Ambassador<br>Staff member to the Japanese Ambassador<br>Adviser to the Minister for Defence  | Senator Johnston | Not Available   | Wine<br>(no list available) | \$373.91            |
| Lunch – Working Meal for Ministerial Visit<br>Tamarind Foods, Brussels, Belgium<br>23 October 2013                     | Chief of the Defence Force<br>Chief of Staff to the Minister for Defence<br>Senior Adviser to the Minister for Defence<br>Military Representative to NATO and EU<br>Defence Attaché NATO, EU and Belgium<br>Australian Ambassador to Belgium<br>Aide-de-Camp to the Chief of Defence Force<br>Chairman of the Military Committee and three of his staff                  | IP Division      | Not Available   | None                        | \$317.310           |
| Dinner – Australian Delegation and Belgium based Australian staff<br>Belga Queen, Brussels, Belgium<br>23 October 2013 | Chief of the Defence Force<br>Chief of Staff to the Minister for Defence<br>Senior Adviser to the Minister for Defence<br>Aide-de-Camp to the Minister for Defence<br>Aide-de-Camp to the Chief of Defence Force<br>Australian Ambassador to Belgium plus wife<br>Defence Attaché to NATO, EU plus wife<br>Australian embedded officer in NATO<br>Defence Policy Adviser | Senator Johnston | Not Available   | Wine<br>(no list available) | \$1,304.30          |
| Breakfast - Working Meal for UK Industry Representatives<br>Corinthia Hotel, London, UK<br>25 October 2013             | Chief of Staff to the Minister for Defence<br>Senior Adviser to the Minister for Defence<br>Chief Global Chairman - LEK<br>Senior Partner - LEK<br>Senior Consultant - LEK   | IP Division      | Not Available   | None                        | \$344.85            |
| Lunch – Working Meal for UK Industry Representatives<br>Corinthia Hotel, London, UK<br>25 October 2013                 | Chief of Staff to the Minister for Defence<br>Senior Adviser to the Minister for Defence<br>Aide-de-Camp to the Minister for Defence<br>Head Australian Defence Staff - Australian High Commission<br>34 staff members of Australian High Commission<br>Professor Vernon Gibson, UK MOD Chief  | IP Division      | Not Available   | None                        | \$1,327.12          |

|  |  |                   |               |                                     |  |
|--|--|-------------------|---------------|-------------------------------------|--|
|  | Scientific Advisor<br>Guy Griffiths, Group Managing Director,<br>BAE Systems   |                   |               |                                     |  |
| Dinner for Embassy staff and UK Industry Representatives<br>Corinthia Hotel, London, UK<br>25 October 2013 | Chief of Defence Force<br>Chief of Staff to the Minister for Defence<br>Senior Adviser to the Minister for Defence<br>Head Australian Defence Staff -<br>Australian High Commission<br>Counsellor Defence Materiel - Australian<br>High Commission<br>Chief Executive - Marshall Aerospace &<br>Defence Group<br>Chief Executive Officer - Babcock Marine<br>& Technology<br>Chief Executive Officer - QinetiQ<br>Head of Supply Chain Rolls-Royce | Senator Johnston  | Not Available | Wine<br>(no list<br>available)      | \$1,369.88   |
| Meals - AUSMIN delegation<br>Willard Hotel<br>Washington DC, USA<br>17-22 November 2013                    | Not Available  | Post - Washington | Not Available | Wine/Beer<br>(no list<br>available) | Cost yet to be<br>finalised.<br>Anticipated<br>cost<br>\$1,616.88 <sup>1</sup> |
| Lunch US Representatives<br>J&G Steak House<br>Washington DC, USA<br>22 November 2013                      | Chief of Staff to the Minister for Defence<br>President/CEO Global Impact and<br>Member of the American Australian<br>Leadership Dialogue<br>Head of Australian Defence Staff<br>Minister Counsellor Defence Policy  | Senator Johnston  | Not Available | Wine<br>(no list<br>available)      | \$800.80   |

<sup>1</sup> Reported costs include room hire expenses.



## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 106 – Red Tape Reduction

Senator Ludwig provided in writing:

- (1) Please detail what structures, officials, offices, units, taskforce or other processes has the department dedicated to meeting the government's red tape reduction targets?
- (2) What is the progress of that red tape reduction target?
- (3) How many officers have been placed in those units and at what level?
- (4) How have they been recruited?
- (5) What process was used for their appointment?
- (6) What is the total cost of this unit?
- (7) Do members of the unit have access to cabinet documents?
- (8) Please list the security classification and date the classification was issued for each officer, broken down by APS or SES level, in the red tape reduction unit or similar body.

#### Response:

- (1) A Defence deregulation unit has been established and currently consists of three staff members, being 1 x SES Band 1, 1xEL2 and 1xEL1. These staff maintain additional duties.
- (2) The Government is currently considering arrangements for the implementation of the deregulation agenda.
- (3) The deregulation unit currently consists of three staff members, being 1 x SES Band 1, 1xEL2 and 1xEL1. Expertise from across Defence will be utilised on a needs basis.
- (4) and (5) The team has been drawn from existing Departmental resources.
- (6) All costs are being absorbed from within extant funding.
- (7) All members of the team have the necessary access to Cabinet documents.
- (8) All members of the deregulation unit have Secret access.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 107 – UAV skills and capability**

**Senator Conroy** provided in writing:

What action is being taken to retain the skills, experience and capability developed in Afghanistan in the use of UAV?

**Response:**

Defence has identified the obvious benefits of unmanned aerial systems when employed in the overland Intelligence Surveillance and Reconnaissance (ISR) role, both at the theatre and tactical level.

Army will continue to develop operations with the Shadow 200 Tactical Unmanned Aerial System (UAS) following the withdrawal from Afghanistan. Army is progressing future tactical UAS capabilities under JP129 Ph 4.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No.108 – Project Approvals**

**Senator Conroy** provided in writing:

1. How many projects have been approved since the release of the May 2009 White Paper?
2. What is the approximate value of those projects?
3. In FY 2012/13 how many approvals including 1st and 2nd Pass and other approvals were made? What is the approximate value of these projects?
4. In 2013 how many projects were approved by Government?

#### **Response:**

(1) Since the release of the Defence White Paper in May 2009 through to 18 November 2013 there have been 146 Government approvals (33 First Pass, 74 Second Pass and 39 'Other' approvals) of Defence Capability Plan (DCP) projects.

(2) The approximate value of the above approvals is \$21.3 billion.

(3) In FY 2012-13, 27 projects were approved with a value of \$4.3 billion. Of the 27 approvals, six were First Pass, 16 were Second Pass and five were 'Other' approvals.

(4) As of 12 December a total of 27 Government approvals have been achieved in 2013 consisting of five First Pass approvals, 17 Second Pass approvals, and five 'Other' approvals.



## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No.109 – Defence Capability Plan 2013**

**Senator Conroy** provided in writing:

What direction has the Government given Defence concerning the release of the Defence Capability Plan (DCP) 2013?

- a. Is it still the intention of Government to publish a Public Defence Capability Guide to address projects scheduled for approval in the six years beyond the forward estimates and to assist Industry?

#### **Response:**

The Government has directed that the next Defence Capability Plan (DCP) will be developed in the context of the new Defence White Paper. The classified DCP will form the basis for a Public DCP covering a ten-year span

**Supplementary Budget Estimates Hearing – 20 November 2013**

**Question On Notice No. 110 – Government Approach to Progress Key Strategic Projects**

**Senator Conroy** provided in writing:

Can you please advise what approach the Government will be taking to progress key strategic projects such as the acquisition of medium and heavy trucks, enhancements to cyber security, enhancements to Defence's Space Situational Awareness capabilities and Government consideration to replace our existing P3-Orion Maritime Patrol Aircraft (MPA) with P-8A MPA?

**Response:**

The Government applies a tailored approach to all major acquisition projects, such as those detailed in the question. As a general principle, all capability proposals are progressed through a Two-Pass approval process.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 111 – Future Submarine Options**

**Senator Conroy** provided in writing:

The previous Labor Government narrowed the options currently being investigated for Australia's Future Submarines to Options 3 and 4, these being an evolved design or a new design. Can you confirm that this remains Government's guidance to Defence?

**Response:**

The previous government suspended Options 1 and 2 and focussed their attention on Options 3 and 4. The current government is committed to the Future Submarines Project and will progress it as a priority.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 112 – Government Position on Nuclear Submarine Capability**

**Senator Conroy** provided in writing:

Can you confirm that it remains the position of Government that it is not appropriate or feasible to further explore the potential of Australia acquiring a Nuclear Submarine Capability?

**Response:**

A nuclear submarine is not being considered by the Government.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 113 – Support for Nuclear Submarines**

**Senator Conroy** provided in writing:

Does it remain the case that Australia lacks the infrastructure, training facilities, medical support services, regulatory or safety systems necessary for RAN to operate Nuclear Submarines?

**Response:**

Australia currently lacks these and other prerequisites, including an appropriately skilled workforce, for the RAN to operate nuclear-powered submarines

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 114 – Submarine Capability Gaps**

**Senator Conroy** provided in writing:

Does it remain the resolve of Government that there be no gap in the Submarine Capability?

**Response:**

The previous government left a legacy which would have left Australia with a submarine capability gap. The current government is committed to ensuring that this does not happen.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 115 – Future Submarine MOTS option**

**Senator Conroy** provided in writing:

Can you confirm that the Government has ruled out buying a military off-the-shelf (MOTS) design for the Future Submarine?

**Response:**

Investigation of military-off-the-shelf options was suspended by the former Government.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 116 – Future Submarine Assembly**

**Senator Conroy** provided in writing:

Does the decision to assemble the Future Submarine in Adelaide remain Government policy?

**Response:**

The previous Rudd/Gillard Labor governments made few decisions about the Future Submarine. After two terms in government, minimal progress was made with the SEA1000 project. The Abbott government is committed to the SEA1000 project and will ensure that the assembly of the submarines will occur in Adelaide.



**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 117 – Future Submarine Capability Requirements**

**Senator Conroy** provided in writing:

Can you please describe what the unique capability requirements are for the Future Submarine that makes a MOTS solution inappropriate for Australia?

**Response:**

The unique capability requirements of the Future Submarine are sensitive and cannot be released publicly.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 118 – Future Submarine Project Schedule**

**Senator Conroy** provided in writing:

What is the broad project schedule for the Future Submarine Project?

**Response:**

The Abbott government is committed to the Future Submarine Project. The current schedule for the Future Submarine Project involves a series of Government considerations that principally concern design options, commercial arrangements, test facilities, and construction.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 119 – Future Submarine Project Office (Staffing)**

**Senator Conroy** provided in writing:

How many staff are currently engaged by the (Future Submarine) Project office?

How many DSTO advisors are included in this number?

**Response:**

The total number of staff employed in the Future Submarine Program is 85, comprising of uniformed, public service, contract, and three Defence Science and Technology Organisation (DSTO) personnel working with the Project office. Around 45 DSTO staff are engaged in the science and technology program for the Future Submarine.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 120 – Future Submarines Industry and Skills Plan**

**Senator Conroy** provided in writing:

Has there been any formal alternation to the Future Submarines Industry and Skills Plan, including the rolling build concept?

**Response:**

There has been no alternation to the Future Submarines Industry Skills Plan.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question on Notice No. 121 – Land Based Propulsion System and AN-BYG1  
Combat System**

**Senator Conroy** or provided in writing:

How important is the land based propulsion testing facility and the AN-BGY1 combat system to facilitating the Future Submarine project?

**Response:**

**Submarine Propulsion, Energy, Support and Integration Facility**

The land-based propulsion testing facility being developed for the Future Submarine is known as the Submarine Propulsion, Energy, Support, and Integration Facility (SPESIFy). Lessons learned from the Collins program and international submarine programs demonstrate the importance of land-based propulsion testing facilities in ensuring propulsion system reliability.

**AN/BYG -1 Combat System**

The AN/BYG-1 tactical and weapon control system is being used as a reference system for work within the Future Submarine Program.

## Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 122 – Acquisition of Growlers

**Senator Conroy** provided in writing:

1. In May 2013 the former Labor Government announced its intention to acquire 12 EA-18G Growlers to compliment the F/A-18F Super Hornets and the future F-35A Joint Strike Fighter aircraft. Does the Government remain committed to the acquisition of the Growlers?
2. What capabilities will the Growler bring to Australia?
3. How many nations operate the EA-18G Growler aircraft?
4. The EA-18G Growler purchase, including the aircraft, required mission and support systems, training and ongoing support was announced to be \$1.5b. Is this still the cost estimate?
5. In May 2013 it was announced that Defence plans to achieve initial operational capability (IOC) in 2018. Does this remain the plan of Government?

#### **Response:**

- (1) Within 18 months of coming into Government the Coalition government is committed to publishing a new defence White Paper that will align the government's defence policy with a clear military strategy and an affordable, funded ADF structure designed to achieve that policy. This will allow the government to give authoritative guidance to Defence and will provide a logical and sustainable basis for investment and procurement decisions and enable measurable assessments of accountability, effectiveness and efficiency.
- (2) Growler will present an extremely valuable electronic attack capability with broad application in a range of contingencies.
- (3) Currently only the United States Navy operate the EA-18G Growler aircraft, with Australia being the only other nation known to be procuring this electronic attack capability.
- (4) On 23 August 2012, the previous Government announced its decision to acquire the Growler electronic warfare system for the Super Hornet with few details offered on how it was going to be paid for. The original price for converting 12 Super Hornets to the Growler variant was approximately \$1.5b. Subsequently, the then Government announced the decision to acquire 12 Growlers off-the-shelf rather than converting Super Hornets to Growler. The budget for acquiring 12 new Growler aircraft is approximately \$2.7b.

- (5) The planned date for the declaration of Initial Operating Capability (IOC) for the EA-18G Growler Airborne Electronic Attack capability remains 2018.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 123 – Position on Growler**

**Senator Conroy** asked on 29 November 2013:

The Chief of Air Force declared “The Growler will significantly improve Air Force’s ability to operate in a complex and increasingly hostile battlespace. It will also considerably decrease the risk to land and sea operations.” Does this remain your position?

**Response:**

Yes



## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 124 - Operation RESOLUTE/Operation SOVEREIGN BORDERS

Senator Conroy provided in writing:

- (1) What is the precise definition used by Defence of an “on-water” matter?
- (2) What is the precise definition used by Defence of an “operational matter”?
- (3) I understand that the Government has issued new tactics, techniques and procedures (TTPs) to navy crews. In order to understand the potential risks to the safety of our Navy personnel, can you please describe these new protocols?
- (4) Do these include the protocols to be followed when Navy personnel board boats at sea?
- (5) Have these new TTPs ever been used?
  - a. On how many occasions?
- (6) How many personnel are typically involved in a boarding operations?
- (7) When the Navy intercepts people seeking asylum seekers, are they always transferred to Navy boats, or are their boats escorted?
- (8) How does this process differ when we’re made aware of a boat in need of assistance in the Indonesian search and rescue zone?
- (9) How many times have Navy personnel been involved in intercepting asylum seekers since September 7?
- (10) How many times have Navy personnel been involved in on-sea incidents since September 7?
- (11) How many times have Navy personnel taken asylum seekers to Australia since September 7?
- (12) How many times have Navy personnel returned asylum seekers to Indonesia since September 7?
  - a. On those occasions that Navy sought to return asylum seekers to Indonesia, but were unsuccessful in doing so, what protocols were followed?
  - b. If the Navy is seeking to return asylum seekers to Indonesia, and they are in Indonesian waters, what protocols do they follow?
  - c. How close are Navy vessels allowed to get to Indonesian ports before approval is granted to return the asylum seekers to Indonesia?

- (13) Since 07 September 2013, have there been any injuries or reported health and safety incidents for Navy personnel involved in Operation Resolute?
- (14) Are you concerned that the new protocols and procedures create Health and Safety risks for Navy personnel?
- What is being done to manage the additional health and safety risk to Navy personnel due to the new protocols and procedures?
  - What is being done, from a mental health perspective, to look after the Navy personnel involved in Operation Resolute?
  - Is the mental health impact of the new protocols and procedures on Navy personnel being monitored?
- (15) Some media reporting (SMH, 14 November) indicates that Indonesia has recently changed its protocols and procedures, are you aware of any change?
- What is that change?
  - Will this change result in more Australian Navy personnel being responsible for responding to a larger number of distressed boats?
  - Will this mean that more Australian Navy personnel will need to place themselves in dangerous situations more frequently that would previously have been the case?
  - Does this change require any additional Navy resources, either in additional crew rotations or additional Navy assets in order to ensure safe operation?
  - Was the Department involved, made aware of, any consultations between the Indonesian government and the Australian government prior to this new approach being adopted?
- (16) Has there been any recent change in the classification level of the information about Operation Resolute?
- (17) Are the following operational details of Operation Resolute classified for security reasons:
- The arrival of new boats into Australia's waters?
  - The activities of Navy personnel in responding to those arrivals?
  - The activities of Navy personnel undertaking search and rescue activities?
  - Generic details of the asylum seekers that are intercepted by Navy personnel, for example, their number, health, gender or nationality?
  - Are any of these details classified for other reasons?
- (18) Who makes decisions about which information is classified or suppressed in relation to Operation Resolute?
- What evidence have they used to support these decisions?
  - Who is responsible for reviewing these decisions?
  - Does any Minister have a role in this decision?
  - If so, which Minister is it?

- (19) Has the Navy ever recommended that information about Operation Resolute should be suppressed?
  - a. Upon what evidence was that recommendation based?
  - b. Can you please provide details about the source of this evidence?
  - c. Can you please provide the specific details (dates, times, sources, corroborating information, etc.) which underpin each of the pieces of evidence that were used to support this information?
  
- (20) Has the Minister signed off on the decision to suppress information?
  - a. If yes, was the Minister provided with any alternative options which did not involve the suppression of information?
- (21) If publication of this information is responsible for the arrival of additional boats, is there evidence that frequent media comments from high profile politicians in the past was responsible for additional arrivals?
  
- (22) Are details about the arrival of asylum seekers provided to Indonesian authorities?
  - a. What measures are in place to require Indonesian authorities to keep this information suppressed?

**Response:**

Operation RESOLUTE is Defence's contribution to Operation SOVEREIGN BORDERS. These questions should be referred to the Joint Agency Task Force (JATF) which oversees Operation SOVEREIGN BORDERS.

**Supplementary Budget Estimates hearing – 20 November 2013**

**Question On Notice No. 125 – Concurrent Use of Super Hornets and Growler**

**Senator Conroy** asked on 29 November 2013:

Does it remain the intention of Government to operate 24 F/A-18F Super Hornets and 12 EA-18G Growler aircraft at the same time?

**Response:**

Yes.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 126 – Joint Strike Fighter**

**Senator Conroy** provided in writing:

1. How many F-35A Aircraft is Australia currently contracted to purchase?
2. On 3 May 2012 Minister Smith announced the decision to delay the delivery of the F-35 by around two years to better align Australia's F-35 procurement with that of the US. Does this remain the policy of Government?
3. Are you satisfied that there will be no air combat capability gap?
4. How many JSF Aircraft is the Government planning to purchase?
5. Does it remain the intention of Government to purchase enough aircraft to field three squadrons?
6. Has there been any change in international participation in the F-35 program since the June estimates?

#### **Response:**

- (1) Australia is contractually committed to the first two aircraft, which will be delivered in the US in mid-2014.
- (2), (3), (4) and (5) Government will review the air combat capability and the number of F-35 aircraft to be acquired as part of the AIR6000 Government consideration in 2014.
- (6) The Norwegian Parliament has formally agreed the purchase of the F-35 as the successor to the current Royal Netherlands Air Force F-16s. The Netherlands program will be cost capped at €4.5 billion.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 127 – Extension of Service Life (Hornet)**

**Senator Conroy** provided in writing:

1. What progress has been made in developing options to extend the service life of the Classic Hornet?
2. How has the purchase of 24 F/A-18F Super Hornets assisted in our avoiding a capability gap?

#### **Response:**

- (1) The age of the Classic Hornet continues to provide challenges in all aspects of aircraft support. To address this, a number of activities have either been or are being conducted including:
  - (a) A Structural Refurbishment Program, consisting of a range of fatigue related inspections and discrete modifications will be completed early in 2014.
  - (b) An extension of the Classic Hornet airframe hour life limit is being investigated to ensure that the planned withdrawal date can be achieved within the airframe structural life limit.
  - (c) A comprehensive ageing aircraft systems audit has been conducted. There were no immediate airworthiness issues identified, however there were 162 recommendations that have been actioned by Number 81 Wing and the Tactical Fighter Systems Program Office.
  - (d) An additional phase of the audit has been commissioned to further examine aircraft wiring, stores suspension equipment and life support systems. Once this phase of the audit is completed, remedial action will be implemented as required.
- (2) The decision to purchase the Super Hornets was made by the Howard government to fill the gap between retirement of the F-111 and introduction of the F-35A Joint Strike Fighter.

The F-111 was an ageing aircraft, had reached the limit of its technological potential and was becoming increasingly more expensive to support. Unlike the F-111, the Super Hornet is equipped with contemporary systems including the APG-79 Active Electronically Scanned Array (AESA) radar and modern weapons. It is also able to network and share information with F/A-18 A/B Hornets, E-7A Wedgetail Airborne Early Warning and Control (AEW&C), the Vigilare Air Defence System and other emerging aircraft. The sensors and datalinks fitted to the Super Hornet are becoming essential requirements in modern warfare. These advances have assisted in avoiding a capability gap.

The cost and time to introduce the Super Hornet was minimised because of its similarity in support, training and tactics to the existing fleet of F/A-18A/B Hornets. The Super Hornet also allows Air Force to gain experience in 4.5<sup>th</sup> generation technology leading up to the JSF acquisition, which will assist in avoiding a capability gap and reducing the 'technological leap' that F-111 aircrew would have experienced had they transferred directly onto a 5<sup>th</sup> generation aircraft.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 128 – Coles Transformation Program**

**Senator Conroy** provided in writing:

1. Under the Coles Transformation Program, how have sustainment costs been stabilised?
  - a. How has Defence improved the availability of the Submarine?
  - b. How does Collins sustainment cost performance compare with international benchmarks?

**Response:**

- (1) The Collins Transformation Program has been a catalyst to reform systemic sustainment issues.

(a) and (b)

Defence accepted the conclusions of the Coles Review Team and that the cost per Material Ready Day has shown some improvement with three boats currently available for tasking. The Collins Class Sustainment Program is at least twice that of international comparators. The planned increase in Material Ready Day will lead to an improvement in cost per Material Ready Day by 2017.



## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. Q129 – Collins Sustainment Expenditure

Senator Conroy provided in writing:

1. Collins sustainment expenditure over the period 2001 through to 2009/10 was much less than contemporary expenditures (\$247m in 2005/06 versus \$501m in 2012/13). Was the level of expenditure prior to 2009/10 adequate?
2. Were the low levels of Collins readiness experienced in 2009 and 2010 the product of long-term underfunding and inadequate investment in sustainment?

#### Response:

- (1) Collins sustainment expenditure over the period Financial Year 2003 to 2013 in 2012 constant prices is at table 1. This period correlates to all six Collins class submarines being in service (financial data prior to Financial Year 2003 is not available due financial system limitations):

| \$M                              | ACTUALS |       |       |       |       |       |       |       |       |       |       |
|----------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                  | 02/03   | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 |
| Sustainment costs (2012 Dollars) | 247.8   | 312.9 | 297.6 | 302.0 | 375.5 | 373.8 | 349.6 | 341.9 | 426.7 | 476.0 | 494.4 |

Table 1: Collins Class Submarine Sustainment Costs Financial Year 2003-2013

(Sources: 2003-2005 DMO Roman, 2006-2007 DMO Attribution Tool, 2008-2013 DMO BORIS)

- (2) The Coles Report identified five root causes which were equally significant in contributing to the low level of sustainment performance in 2009 and 2010. The root causes were:

Unclear Requirements – Operational requirements were not defined in a way that could be effectively translated to sustainment activities.

Lack of a performance based ethos – There has been a clear lack of performance based culture across the Collins Class Sustainment Program.

Unclear Lines of Responsibility – Many key roles and responsibilities at all levels within the Collins Class Sustainment Program were not clearly defined or understood from an organisational and an individual perspective.

Poor Planning – The lack of a clearly stated long-term strategic plan prevented accurate lower level plans and targets being established and achieved.

Lack of a single set of accurate information to inform decision making – Effective systems and processes in addition to accurate and timely data are crucial to achieving an informed position upon which organisations can make decisions.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 130 – Materiel Sustainment Agreement**

**Senator Conroy** asked in writing on 29 November 2013:

1. Could you please explain the new Materiel Sustainment Agreement (MSA) between the RAN and DMO?
  - a. How has this resulted in improved maintenance and performance of the Collins?

**Response:**

- (1) The Navy 2012-22 MSA was signed by the Chief of Navy on 9 August 2012 accepting the contracted services price for products and services provided by the DMO to sustain Navy capability. The MSA is a two part document: Part 1 details the agreement principles and management information; and Part 2 covers individual product schedules. MSA Part 1 and five of the product schedules; CN02 (ANZAC Class Frigates), CN09 (Armidale Class Patrol Boats), CN10 (Collins Class Submarines), CN37 (Munitions) and CN38 (Navy Guided Weapons) were revised as a partial implementation of Rizzo inquiry recommendations 11 and 12.

## Supplementary Budget Estimates Hearing – 20 November 2013

### Question On Notice No. 131 – Unit Ready Days

Senator Conroy provided in writing:

1. What has been the glide path for improved unit-ready days since the Coles Study?
  - a. What is the planned achievement for unit-ready days in coming years?
  - b. Are we currently on track to meet these objectives?

#### Response:

- (1) Navy is required to report return on investment for the assets it operates as part of its corporate reporting to Government. The principal measure used for ships is Unit Ready Days (URD), which is *the number of days during a Financial Year that a force element is not in a major maintenance period (refit) and hence generally available for tasking either immediately or within a reasonable timeframe.*

This URD performance measure is a broad metric that does not provide a readily obvious indication of the true availability of assets and reveals little about how forces are actually performing. The Key Performance Indicator (KPI) used to assess availability is Materiel Ready Days (MRD) which is the number of days during a Financial Year that a submarine is not conducting planned maintenance and is not encumbered by defects that prevent it from proceeding to sea. The understanding of MRD is very solid across the Submarine Enterprise (Navy, DMO and Industry), and has been given extra prominence by the Coles report.

The Coles Study provided a set of international submarine performance benchmarks against which to assess the effectiveness of the Collins Class Sustainment Program. These international benchmarks provided metrics across the submarine fleet for availability (in terms of MRD), time in planned maintenance, maintenance overruns, and time when defects prevent a submarine from proceeding to sea.

- (a) In line with recommendations arising from the Coles study, Navy has set achievable, yet challenging, availability targets out to Financial Year 22/23. These targets progressively climb in step with the transition to a new 10+2 Usage and Upkeep Cycle, which will reduce the time our submarines spend in planned maintenance.
- (b) The Submarine Enterprise is on track to meet the objective of Coles Study international benchmark availability performance by Financial Year 16/17. This level of performance satisfies the requirements of Chief of Navy's Statement of Submarine Availability - two deployable submarines from three consistently available for tasking, with a fourth submarine occasionally available for tasking.

There will be planned fluctuations in performance in the interim as we address legacy issues (for example, propulsion system remediation) across the submarine fleet as we transition towards achievement of international benchmark performance in FY 16/17.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question On Notice No. 132 – Fourth Submarine Crew**

**Senator Conroy** provided in writing:

Navy established a fourth submarine crew in December 2012. How is workforce growth progressing?

**Response:**

The submarine workforce has increased in size from 488 in December 2012 to 524 as of 31 October 2013. This achievement is attributed to the success of the enhanced submarine training system, introduced in July 2013 and a reduction in the number of qualified submariners leaving the force.

The prognosis is for continued growth and achievement of established targets for FY13/14. To date, 42 submariners have qualified, compared with 15 for the equivalent period last year. This equates to a net growth of 24, which is on track to achieve a growth target of 40 for FY13/14; an improvement on the net growth of three for the previous FY.

Strategies are in place to capitalise on initiatives to date and further increase the growth of the submarine workforce in FY14/15.

## **Supplementary Budget Estimates Hearing – 20 November 2013**

### **Question on Notice No. 133 – Collins Class Service Life Evaluation Program Report**

**Senator Conroy** provided in writing:

Defence has recently concluded a Collins Class Service Life Evaluation Program report.

(1) What are its findings?

- a. What is the life achievable from the Collins Class?
- b. What is the work required in order to operate the submarines beyond their current planned life?
- c. Other navies have done similar assessments and successfully operated submarines beyond their original design life. Is this true?
- d. Given these findings, what is the risk of a submarine capability gap?

**Response:**

(1)

- (a) The Collins Class submarines were designed to have a nominal life of 28 years. An extension of one operating cycle at the time of the Service Life Evaluation Program (SLEP) Study would theoretically extend the life of each Collins Class submarine by eight years. SLEP did not determine the theoretical life that might be achievable by the Collins Class, just that it could be extended by one operating cycle.
- (b) The precise scope of work cannot be described in detail because of national security constraints, but at a summary level it is a mix of obsolescence remediation with the routine continuation of existing planned maintenance processes.
- (c) Yes .
- (d) The previous government, through years of indecision and inactivity has put at risk the possibility of a capability gap. This government is committed to ensuring there will be no capability gap.

## **Supplementary Budget Estimates hearing – 20 November 2013**

### **Question on Notice No. 134 - Public Service Efficiencies (Recruitment Advertising)**

**Senator Conroy** provided in writing:

Provide an update of moving recruitment advertising online. Is any recruitment still in printed materials, and if yes, why?

What are the estimated savings for each year over the forward estimates?

#### **Response:**

Guidelines for Non-Campaign Recruitment Advertising were implemented throughout Defence in July 2012. Since this time all online recruitment advertising has occurred within these guidelines. Print media has however been utilised for the advertising of job opportunities within regional or rural locations, particularly for targeting indigenous candidates. This use of print media has occurred in accordance with the advertising guidelines.

Defence continues to operate under a reduced recruitment climate due to the May 2012 Budget requirements impacting Defence's APS workforce numbers, and more recently the whole of Government Interim Recruitment Guidelines announced by the Minister Assisting the Prime Minister for the Public Service, Senator the Hon. Eric Abetz. Within this climate, Defence has seen a reduction in APS recruitment advertising costs. Because of the impact of the changed recruitment environment on advertising spending, Defence is unable to attribute the savings that will be gained from the implementation of the advertising guidelines for each year over the forward estimates.

## Senate Supplementary Budget Estimates hearing – 20 November 2013

### Question On Notice No. 135 – Public Service Efficiencies (Savings Targets)

Senator Conroy provided in writing:

(1) Has the five per cent savings target been achieved – if yes, how, or if it will not, why not?

What are the estimated savings for each year over the Forward Estimates?

#### Response:

(1) The five per cent savings target as set by the previous government has been achieved.

(a) The savings target is being achieved by reducing Defence's operating expenditure on non-operational activities.

(b) The savings for each financial year over the Forward Estimates are shown in the table below.

| Defence Savings Targets                                     | 2013-14<br>\$m | 2014-15<br>\$m | 2015-16<br>\$m | 2016-17<br>\$m | Total<br>\$m |
|---|----------------|----------------|----------------|----------------|--------------|
| PBS 11-12: Efficiency Dividend (Increase by 0.25% to 1.25%) | 39.6           | 49.6           | 45.6           | 50.1           | 184.9        |
| MYEFO 11-12 One Off 2.5% Efficiency Dividend                | 64.0           | 66.0           | 71.6           | 73.8           | 275.4        |
| PEFO 13-14 Efficiency Dividend (Increase by 1% to 2.25%)    |                | 28.3           | 67.6           | 106.8          | 202.8        |
| <b>Total</b>  | <b>103.6</b>   | <b>143.9</b>   | <b>184.8</b>   | <b>230.8</b>   | <b>663.1</b> |



## **Supplementary Budget Estimates Hearing - 20 November 2013**

### **Question on Notice No.136 – Mental Health - Rising PTSD**

**Senator Farrell** provided in writing:

What percentage of personnel serving in Afghanistan are showing symptoms of PTSD?

**Response:**

On the 8<sup>th</sup> August 2013 the results of the Middle East Area of Operations (MEAO) Census and Prospective Health Studies (also known as the MEAO Health Studies) were released. These studies suggest that ADF members deployed to the MEAO are generally physically and mentally healthy.

The MEAO Prospective Health Study, which examined the health of ADF members prior to and following deployment to the MEAO found that 0.1 per cent of the participants at pre-deployment and 1.9 per cent of the participants at post-deployment reported symptoms which were consistent with post traumatic stress disorder (PTSD).

The MEAO Health Studies indicated that certain groups are at greater risk of mental health concerns than others, including those in combat roles or roles associated with exposures to potentially traumatic events. Although some ADF members may be exposed to specific conditions on deployment, Defence and DVA have a range of prevention, identification, treatment and support programs for individuals in these circumstances. The findings support the work Defence is doing in ensuring risk-based intervention and screening to maximise support for those most at risk.

## **Supplementary Budget Estimates Hearing - 20 November 2013**

### **Question on Notice No. 137 - Mental Health - Rising PTSD**

**Senator Farrell** asked in writing:

Is PTSD among Afghanistan servicemen and women rising at an alarming rate, as has been reported in the media?

#### **Response:**

As we enter the post Afghanistan draw down period there is significant interest in ensuring that the ADF is prepared to respond to the potential mental health impact of the operational tempo of recent years. While the number of mental health presentation may increase post Afghanistan, it is anticipated that any increase will be gradual.

Over the past few years Defence has undertaken a significant body of research to understand the health and well-being of ADF personnel. This research includes the 2010 ADF Mental Health Prevalence and Wellbeing Study (released in 2011) and the Middle East Area of Operations (MEAO) Census and Prospective Health Studies, released in August 2013.

Despite the high prevalence of exposure to traumatic events in the ADF, most members will not go on to develop PTSD. The ADF Mental Health Prevalence and Wellbeing Study, which used a diagnostic interview to survey currently serving members in 2010, found that 8 per cent of ADF members who had deployed (including to the MEAO and other operations) had experienced PTSD in the previous 12 months as a result of life-time trauma in their personal and/or military lives. While the overall rates of PTSD in the ADF were not greater than the Australian community, ADF males reported significantly higher rates of PTSD than the general community.

Less than one per cent of Defence members who have deployed to the MEAO since 2003 have been medically discharged for mental health conditions relating to MEAO service. These figures include ADF members who have deployed to the MEAO on multiple occasions.

It is difficult to forecast accurately the demands on health services in the ADF or DVA in the short or medium term. We estimate that at least one in five ADF personnel had a mental disorder in the previous 12 months. Based on available research we expect that approximately half of those with a mental disorder may seek treatment in the next two years. Therefore, at least 10 per cent of ADF personnel may seek help in the short to medium term.

Although this rate may increase, there is research evidence to suggest this increase in help-seeking will occur at a gradual pace. For some individuals it is only through the passage of time that a diagnosable mental disorder becomes apparent. Our efforts to educate and encourage our people to seek help as early as possible may also gradually increase the number of those seeking treatment who require it.

