



## **Submission No. 2**

### **Review of Defence Annual Report 2004-2005**

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5 May 2006

Dr Margot Kerley  
Secretary  
Defence Sub-Committee  
Joint Standing Committee on Foreign Affairs, Defence and Trade  
Parliament House  
CANBERRA ACT 2600

Dear Dr Kerley

I am pleased to advise you that Defence has completed the responses to questions taken on notice at the Joint Standing Committee on Foreign Affairs, Defence and Trade Review of the *Defence Annual Report 2004-05* hearing on 3 March 2006.

Enclosed are the responses to 18 questions - five questions taken on notice at the hearing and 13 questions submitted by Mr Snowdon after the hearing. The responses have been approved by the Minister.

If you have any questions, please contact me on (02) 6265 6277.

Yours sincerely

Susan Oldroyd  
Acting Director  
Statutory Reporting and Accountability  
Coordination and Public Affairs Division

**Enclosure:**

1. Defence responses to Questions taken on Notice at the JSCFADT hearing on 3 March 2006.

**JSCFADT HEARING ON 3 MARCH 2006**  
**REVIEW OF THE *DEFENCE ANNUAL REPORT 2004-05***

**QUESTIONS TAKEN ON NOTICE AND WRITTEN QUESTIONS**

<b>QUESTION</b>	<b>TOPIC</b>
<b>1</b>	Maturity Scores
<b>2</b>	Project Maturity Scores
<b>3</b>	F-111 Stand Off Weapon
<b>4</b>	Through-Life Support for Lightweight Torpedo
<b>5</b>	Cost of F-111 de-seal/reseal compensation
<b>W1</b>	Recruitment and retention
<b>W2</b>	Professional Service Providers
<b>W3</b>	Reserves
<b>W4</b>	Army Reserve revitalisation
<b>W5</b>	Reserves enhancement initiative
<b>W6</b>	Increases in Personnel for hardened network army
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<b>W8</b>	ADF Exercises
<b>W9</b>	Seasprite flight hours
<b>W10</b>	M113
<b>W11</b>	Achievements of Performance Targets
<b>W12</b>	Training activities
<b>W13</b>	Army capabilities

**DEPARTMENT OF DEFENCE  
RESPONSES TO QUESTIONS TAKEN ON NOTICE  
JSCFADT HEARING ON 3 MARCH 2006  
REVIEW OF THE *DEFENCE ANNUAL REPORT 2004-05***

**Question 1**

**Senator Ferguson**

Hansard p 6

**Maturity scores**

Is it possible to include maturity scores in the Defence Annual Report?

**RESPONSE**

The Defence annual report will continue to be prepared in accordance with Section 63 of the *Public Service Act 1999*. Should the Committee require information regarding Project Maturity Scores the Defence Department will continue to provide them on request.

**Question 2**

**Senator Ferguson**

Hansard p 7, 9-10

**Maturity scores**

- a) Please detail the five projects with the riskiest maturity scores and explain why the scores are low.
- b) Similarly, please detail the five projects that are considered to be progressing well.

**RESPONSE**

The Defence Materiel Organisation's (DMO) Project Maturity Score is an initiative which measures 7 risk elements of a project. The score is progressively accumulated over 13 stages of a project. These stages are called Lifecycle Gates. The first 4 lifecycle gates represent the Capability Definition stages and the remaining 9 represent Capability Delivery stages. The maturity of a project's current activity is an aggregate score from the 7 attributes related to the project's current lifecycle gate. Each of the 7 attributes has a possible score of 10, which adds to a total possible score of 70. A high score indicates the project has matured and most risks have been retired.

The score applies to a project as a whole and not to equipment or platforms which may be a significant portion of the project. For example, having aircraft delivered without simulators and hangers and training would give a low score. Therefore an equipment manufacturer's view of the maturity of a project may be different to DMO project manager's view. Difficulties associated with the provision of training and facilities will cause greater project risk.

- a) Listed below are the details of the five DMO acquisition projects with the greatest disparity between their Current Maturity Score and the Benchmark Maturity Score (the score which the project should have) for the relevant stage of the project (as at 20 March 2006). A low Current Maturity Score, when compared to the Benchmark Maturity Score, is a clear indication that DMO is intensively managing the probable risk and will not progress the project through to the next lifecycle gate until the risk has been mitigated.

<b>SEA 1390 Ph2.1</b>	<b>Guided Missile Frigate Upgrade</b>
Current maturity score	43
Benchmark maturity score	55

The Guided Missile Frigate upgrade seeks to ensure that the four Guided Missile Frigates remain effective and supportable through to their end of life 2013-2021.

With current schedule slippage by the contractor, the scheduled delivery date of 2008 for the last upgraded ship is under significant stress. This leads to a score of 2 out of 10 for "Schedule". This low score is a significant contributor to the difference of 12.

<b>JNT 2070 Ph2</b>	<b>Lightweight Torpedo Replacement</b>
Current maturity score	38
Benchmark maturity score	50

The JNT 2070 Phase 2 project is to procure a new ASW Lightweight Torpedo (the MU90 Impact Torpedo System) and integrate it with sea platforms (Guided Missile Frigates and ANZACs) and air platforms (AP-3Cs, Seahawks and Seasprites).

The low current maturity score of 38 for the project is due to a lack of well defined requirements for the air platform integration. The 'Schedule' and 'Cost' maturity score attributes are affecting the overall current maturity score. A score of 3 out of 10 for schedule is due to the MU90 torpedo still undergoing trials in Europe to prove that production quality faults have been overcome. Air platforms integration have not yet entered into contract. A score of 2 out of 10 for cost is related to air platform integration. Integration of the MU90 into the AP-3C was planned to be in conjunction with the Follow-On Stand-Off Weapon of Project AIR5418 under a joint funding arrangement. The MU90 will now be integrated separately and it is unlikely that current funding will be adequate.

The current maturity score reflects difficulties with integration on the air platform; the sea platform integration is proceeding on-schedule and on-cost.

<b>LND 53 Ph 2B NINOX</b>	<b>Unattended Ground Sensors</b>
Current maturity score	45
Benchmark maturity score	55

This project is to acquire seven unattended ground sensors.

The project entered into contract and progressed to system testing and evaluation well before the introduction of the benchmark maturity score system. The project was initially assessed as a low risk integration of commercial-off-the-shelf sub-systems. This has proven not to be the case. The level of technical difficulty in developing the system is reflected in the score of the individual maturity score attributes. Consequently, this project's current maturity score is below that which would now be expected for the current lifecycle gate.

<b>AIR 5276 Ph3</b>	<b>AP-3C Advanced Flight Simulator</b>
Current maturity score	49
Benchmark maturity score	57

The project is to provide the Australian Defence Force with a full flight simulator for the AP-3C.

Project AIR 5276 Phase 3's current maturity score of 49 is below its benchmark maturity score of 57 for the relevant project stage primarily due to uncertainties in the cost to finalise the project. Acceptance testing in 2005 uncovered a large number of issues with the flight model that affected training capabilities and final acceptance of the simulator. A four-stage rectification program was initiated to correct these issues. Defence testing of the first stage of the rectification program concluded that most issues had not been resolved. Negotiations regarding the test results are underway and may take several months to finalise. Options for future project direction are therefore unclear at this time and costs for project completion cannot currently be estimated with accuracy. This leads to a 'cost' maturity score attribute of 3 out of 10, which lowers the overall current maturity score.

<b>AIR 5333</b>	<b>Vigilare</b>
Current maturity score	42
Benchmark maturity score	50

Project AIR 5333 (Vigilare), is to replace the fixed site, Air Defence Command and Control Systems at Northern Regional Operations Centre (NORTHROC) - RAAF Tindal and Eastern Regional Operations Centre (EASTROC) - RAAF Williamtown. Project AIR 5333 is a software-intensive project.

The project has a low current maturity score of 42 against its benchmark maturity score of 50 to reflect the riskier aspects of the project. The Preliminary Design Review closed in July 2005. The contractor has advised that the critical design review milestone will be eight months behind schedule. Defence has stopped major payments to the contractor until this milestone is achieved.

- b) Listed below are the details of five Defence Materiel Organisation acquisition projects with current maturity scores that are on or above the benchmark maturity

score for the relevant stage of the project (as at 20 March 2006). These scores indicate that the project's overall performance is progressing well.

<b>LAND 116 Ph3</b>	<b>Bushranger</b>
Current maturity score	55
Benchmark maturity score	55

112 Bushmaster Infantry Mobility vehicles have been delivered under Project Land 116 – Bushranger, with the remainder due for delivery by mid-2007.

This is a very good example of the benefits of close working relationships between the contractor (ADI), DMO and the customer (Army). Some 18 months ago, the contractor and DMO were in a much different position, with some project delays and unresolved technical issues resulting in low project maturity scores. Through a sustained and concerted effort, open discussion, improved project management tools, and good leadership at all levels, we have seen the project make a significant turn around. The vehicles have now been deployed into operational theatres in Iraq and Afghanistan, providing essential support and protection to Australian and Coalition forces. The feedback we are receiving is that the soldiers have great confidence in the Bushmaster vehicle.

<b>SEA 1439 Ph 4A</b>	<b>Collins Submarine Replacement Combat System</b>
Current maturity score	54
Benchmark maturity score	55

SEA1439 Phase 4A aims to provide Collins-class submarines with the United States Navy Tactical Command and Control System, improvements to the sonar and navigations systems, and shore facilities for integration, testing and training.

During early procurement phases, the project was under extreme schedule pressure because of the change of strategy to procure equipment from the United States Navy rather than by tender. There was also a change in method of procurement from the US involving lengthy Department of State approvals for a Memorandum of Understanding and associated Armaments Cooperative Project. There were significant funding pressures through US changes to the Tactical Command and Control System and consequential cost increases for the Collins system. An added complication was the requirement that Defence, rather than industry, undertook the prime integrator role for this project.

Despite these pressures, the project is close to the benchmark score for completion of the system integration and test phase, with the shore testing phase due to complete in June 2006. Installation of the system on the first submarine is progressing to schedule with onboard testing scheduled later in 2006 and sea trials in early 2007. A maturity score above the benchmark for entry into the next stage, 'Acceptance into Service', is anticipated.

<b>JNT 2025 Ph3/4</b>	<b>Jindalee Operational Radar Network</b>
Current maturity score	55
Benchmark maturity score	55

The Jindalee Operational Radar Network (JORN) is arguably the world's leading over-the horizon-radar (OTHR) capability. The two operational radars provide high quality performance and, through a turnkey contract with RLM, continue to exceed operational availability requirements.

This success was not always assured as the project moved through very troubled times in the early and mid 1990s. The recent Australian National Audit Office (ANAO) report has found that the system procured under Joint Project 2025 has achieved a remarkable turnaround since its 1996 audit. ANAO found that the closer cooperation between RAAF, DMO, DSTO and the contractor RLM had successfully delivered against the project's functional specification that included 2,445 individual requirements and over 30,000 derived requirements through the application of sound systems engineering plans and procedures; well designed maintenance plans and procedures underpinned by suitably defined performance targets which were well supported by a comprehensive JORN Maintenance Management System.

While JORN continues to deliver operationally, the project office and all involved look forward to the challenges of Phase 5, the OTHR Enhancement Project which will further push the boundaries of the latest technologies and allow greater integration with the original Jindalee Facility, Alice Springs radar, into the operational network. This work builds on the 2004 signing of a Partnering Agreement with the OTHR System Program Office's industry partners RLM management and BAE Systems and the establishment of a Centre of Excellence for the research, development and support of OTHR systems.

<b>SEA 1348 Ph 2</b>	<b>ANZAC Ship</b>
Current Maturity Score	66
Benchmark Maturity Score	57

This project involves delivery of 10 ANZAC Class Ships, shore facilities and logistic support. Two of the ten ships are for the Royal New Zealand Navy.

To date, nine ships have been delivered, and four Shore Support Facilities have been completed. With the successful completion of Sea trials of the 10<sup>th</sup> and final ship having occurred in March 2006 there are no major impediments to the delivery of that ship in June 2006 in accordance with the contractual delivery schedule.



<b>LAND 40 Ph 1</b>	<b>Direct Fire Guided Weapon</b>
Current maturity score	59
Benchmark maturity score	55

Project Land 40 Phase 1, Direct Fire Guided Weapon, is delivering the Javelin weapon system to Australian Regular Army infantry, cavalry and Special Forces units. It is a medium range, fire and forget anti-armour system with a secondary capability against helicopters and bunkers. The project has an approved budget in excess of \$140m and is purchasing Command Launch Units, ammunition, training systems and logistic support under a US Foreign Military Sales deal.

Javelin is already operationally deployed, with trained personnel and logistics support; an achievement well in advance of the project's schedule. The early delivery of the system enabled introduction into service training of unit instructors to be conducted at the School of Infantry in November 2005. Full delivery of the Javelin Command Launch Units to units is on track to be complete by July 2006.

### **Question 3**

**Senator Thompson**

Hansard p 8

**F-111 stand off weapon**

When will the F-111 stand off weapon actually be fitted to the aircraft?

### **RESPONSE**

Integration of the AGM-142E stand off weapon to the F-111C fleet commenced on 7 April 2004. Fleet modification will be complete by August 2006.

### **Question 4**

**Senator Johnston**

Hansard p 15

**Through-life support for the Lightweight Torpedo Replacement**

Which company will provide the through-life support for the lightweight replacement torpedo?

### **RESPONSE**

Interim support for the replacement lightweight torpedo and associated ship fitted equipment is provided by the Djimindi Alliance; primarily by Eurotorp and Thales Underwater Systems Pty Ltd. The final decision is yet to be made with respect to which company will provide the ongoing through-life support for the torpedo and associated ship and aircraft fitted equipment. A decision is anticipated in 2007 and it is currently proposed that the through-life support will be based in Australia.

## **Question 5**

**Senator Thompson**

Hansard p 65

### **F-111 deseal/reseal study and costs of compensation**

What was the cost of the SHOAMP health outcomes study? To date, what has been the cost of compensation and ex-gratia payments to deseal/reseal people?

### **RESPONSE**

The direct cost of the *Study of Health Outcomes in Aircraft Maintenance Personnel* borne by Defence was \$6.5m.

Defence is funding the Department of Veterans' Affairs to pay the ex-gratia payments to a total of \$20.8m. As of 16 March 2006, Defence had provided \$18.76m.

The Department of Veterans' Affairs is responsible for payment of compensation to deseal/reseal staff.

## **Question W1**

**Mr Snowdon**

### **Recruitment & Retention**

- a) In his Army restructure submission of 15<sup>th</sup> December 2005, the former Minister for Defence called for an increase in Army strength of 2,500 additional troops.
  - i) In light of the recruitment success rate of 77 percent as cited in the Annual Report, and the fact that in 2005 the Army's separation rate was 13 percent (3,296 troops), how is it proposed to increase the strength by 2,500 troops?
  - ii) In light of the statement in the 2005 Department of Defence document, ADF Recruiting Strategic Plan 05-10, that "the ADF population in 2010 will be 48,500 and unable to achieve its growth targets", and the current ADF permanent population is 51,209, how is it proposed to achieve this increased strength?
- b) The 2004-05 Annual Report states that "ADF recruiting is Defence's highest workforce priority".
  - i) Is this still the case considering the fact that the Report provides that "an increase in separations of 782 was the main contributor to the decrease in permanent strength?"
  - ii) What priority is given to the retention of trained/experienced personnel?

## **RESPONSE**

- a) i) A combination of increased recruiting target achievement and improved retention (reduced separations) has the potential to achieve Army's growth targets as outlined in the Hardening and Networking the Army initiative. Both the Army's recruiting performance and separation rates have improved since the finalisation of the Defence Annual Report 2004-05. The report indicated a recruiting achievement rate of 77 per cent, to 30 June 2005. The current in-year recruiting performance for the Army is in the order of 88 per cent for the full-time force. As at 1 March 2006, the Army's 12-month rolling separation rate was 11.9 per cent for the full-time force, which has fallen from 12.9 per cent in the past five months.
- ii) Defence is driving improvements to recruiting processes, structure, technology, people and tasks through measures including includes 27 individual action plans, each focused on specific areas for improvement. These action plans are ultimately aimed at increasing the conversion rate of enquiries to applications, and applications to the enlistments/appointments to enable the ADF's recruiting targets to be met. Coupled with detailed plans to improve retention, the ADF is moving towards meeting its strength states in the future.
- b) i) Both recruiting and retention are Defence's highest workforce priorities.
- ii) The retention of trained personnel is a high priority. Separations are caused by many factors, not all of which are within the control of the ADF. However some separation is required to allow promotion flows and new personnel to enter various trades. It is also recognised by the ADF that trained personnel leaving the regular Services can continue to contribute both in the Reserve Forces and as part of the trained civilian workforce. Defence is pursuing a number of initiatives to improve recruiting generally and to retain personnel who are in specialist and technical trade categories in particular.

### **Question W2**

#### **Mr Snowdon**

##### **Professional Service Providers**

Defence engages Professional Service Providers on contract to fill APS line positions because of "Defence's inability to recruit or retain civilian staff with these skills". In 2004-05 Defence spent \$185.67m on Professional Service Providers.

- a) What is being done to address this inability to recruit or retain such civilian staff?
- b) To what extent is the Professional Service Provider workforce being reduced as a result of any initiatives in this regard?

- c) What is the expected saving to Defence of a reduction in the contracted Professional Service Provider workforce?

## **RESPONSE**

- a) Professional Service Providers are being replaced with APS staff where it is practicable and cost effective to do so in a highly competitive labour market.
- b) Over the period June 2003 to June 2005, the percentage of Professional Service Providers decreased by 17 percent.
- c) Defence spending on Professional Service Providers in 2004-05 decreased by \$15.33m on the previous financial year.

## **Question W3**

### **Mr Snowden**

#### **Reserves**

The Reserve component of the ADF decreased in strength from 22,154 during 2003-04 to 21,968 in 2004-05.

- a) Of the separations, how many were attributed to an inability on the part of the individual to maintain Individual Readiness requirements?
- b) How many of these were as a result of injuries sustained in attempting to maintain Individual Readiness requirements?
- c) How many of the separations were involuntary due to an inability on the part of the individual to maintain Individual Readiness requirements?
- d) How many of the separations were involuntary due specifically to an inability to maintain the appropriate medical class for the individual's employment category?
- e) What is being done to address the separation rate of Reservists due to an inability to maintain Individual Readiness requirements?

## **RESPONSE**

The Navy has no Individual Readiness requirements for its reservists. To provide the information requested, the Army would have to manually collate data held across Australia as the records are not held centrally. Defence is not able to devote the considerable time and resources required to provide this information.

The responses below are in relation to Air Force Reserves Individual Readiness requirements.

- a) Fifteen separations from the Air Force Reserve were due to an inability to maintain individual readiness.
- b) Defence is unable to identify separations that are directly attributable to injuries sustained in attempting to maintain individual readiness.
- c) and d) All 15 Air Force separations.
- e) As a minimum, all Air Force Reserve personnel undergo a medical check upon entry to the Reserve and on transfer between Reserve elements. The Director General Air Force Reserves is working with Surgeon General ADF to formalise the provision of Annual Health Assessments for Air Force Active Reserve and Specialist Reserve personnel. Chief Officers support Reserve members in their efforts to maintain Individual Readiness. This includes Reservists accessing physical fitness programs developed by ADF physical fitness instructors.

#### **Question W4**

##### **Mr Snowdon**

##### **Army Reserve revitalisation**

The Annual Report states that “the Army continued to plan for the revitalisation of the Army Reserve to begin implementation in 2005-06 to ensure that it will make the maximum contribution to Army’s operational tasks”.

- a) What plans have been implemented to date in this respect?
- b) How effective have these plans been to date?

#### **RESPONSE**

- a) The Army will begin implementation of the Hardened and Networked Army (HNA) Reserve initiative on 1 July 2006. Under the new HNA Reserve initiative, the Army Reserve role is to provide specified individual and collective capabilities to support, sustain and reinforce the Army’s operational forces. Conditions of service are also being reviewed as part of Head Reserve Policy’s Reserve Remuneration Review.
- b) The HNA Reserve initiative will commence implementation on 1 July 2006.

## **Question W5**

**Mr Snowdon**

### **Reserves Enhancement Initiative**

In 2004-05, 19,275 Reservists undertook paid service, 1,852 less than the revised estimate of 21,127.

- a) Has the Reserves Enhancement Initiative improved the level of paid service rendered by Reservists such that a greater number are meeting their training commitments?
- b) Has the Initiative resulted in an increase in Reserve recruiting activity and a resultant increase in the number of Reservists joining?

### **RESPONSE**

- a) The use of Reserves, their availability, and their contribution to capability has risen since the initiatives were introduced with the average number of days served increasing from 47.8 days in 2000-01 to 55.9 days in 2004-05. Additionally, the number of personnel rendering paid service has increased by over 1,600 in the same period.
- b) The ultimate measure of the effectiveness of the initiatives is whether they have enabled Reservists to increase their overall contribution to ADF capability. Recruiting and retention of Reserves are affected by a complex matrix of factors. The Reserve Enhancement Initiatives are intended to increase contribution to capability, rather than directly affect recruiting and retention.

## **Question W6**

**Mr Snowdon**

### **Increases in personnel for Hardened and Networked Army**

- a) Air Chief Marshal Houston has advised that the ADF permanent force currently stands at 50,700 personnel and would reach a target of 54,737 personnel by 2016. This figure would include the additional 1,485 Army personnel required for the Hardened and Networked Army initiative announced in the Defence Update 2005.
  - i) The PAES 2005-06 has a revised estimate of 51,159 permanent force members for this financial year. Can you confirm whether this target will be reached?
  - ii) If so, can you explain whether an adjustment will be made to the target of 54,737 defence force personnel by 2016?

- b) In the Defence Update 2005, the Hardened and Networked Army (HNA) initiative will be achieved by increasing Army personnel by 1,485.
- i) It is unclear whether this figure is in addition to the revised estimate of 25,171 listed in the PAES 2005-06 or to the PBS Budget target of 25,484 personnel. Can you clarify how many Army permanent force members are required for the HNA initiative?
  - ii) Does that figure include the additional 1,485 personnel which will be necessary for the HNA initiative?
  - iii) The PBS for 2004-05 shows a Budget estimate of 26,035 Army permanent force; the PBS for 2005-06 shows a Budget estimate of 25,484 Army permanent force. This figure was again revised to 25,171 Army personnel in the PAES 2005-06. That is a variation to Army permanent force in the last two financial years of (-864) personnel.

How will the recruitment of an additional 1,485 Army personnel over the next 10 years be achieved when trends show the Army permanent force is shrinking?

- c) The PBS 2004-05 shows Reserve Force staffing at 20,710; the PBS 2005-06 shows Reserve Force staffing at 20,250. This figure was again revised to 20,150 Reserve Force personnel in the PAES 2005-06. Can you explain how the continuing drop in Reserve Force staffing will impact on the number of 'high readiness' reservists available for front line deployment?
- d) The HNA also outlined a re-focussing of the Army Reserve with a target to provide approximately 2,800 'high readiness' reservists to support Army's front line deployable units.
  - i) How many 'high readiness' reservists are currently available to be deployed to front line units?
  - ii) Can you confirm when targets of 2,800 'high readiness' reservists available for front line deployment will be reached?

## **RESPONSE**

- a) i) On current recruiting and retention trends, the ADF is likely to achieve the revised Average Funded Strength target of 51,159 for financial year 2005-06.
- ii) The approved ADF strength target for 2016 remains at 54,737. This target represents a sensible growth path based upon current workforce trends and is an expression of the expected workforce demand and planned capability changes at that time. Nevertheless, unplanned changes in the strategic environment or changing government priorities could lead to an adjustment of this target. Defence's annual iterative workforce planning cycle caters for such changes as they arise from time to time.

- b) i) The Hardened and Networked Army initiative requires an additional 1,485 personnel, bringing the estimated Army permanent force strength to 27,837 by 2015-16.
- ii) Yes.
- iii) The additional 1,485 personnel required for the Hardened Networked Army initiative will be achieved through improved retention, retraining and redeployment, and new recruitment initiatives.
- c) The Government is considering measures which takes into account the current staffing issues within the Reserve. It is expected that these initiatives will both assist in boosting numbers in the Reserves while also encouraging High Readiness Reserve service.
- d) i) There are currently 693 Army Reservists serving in regional Reserve Response Forces, which are designed for domestic security and disaster response operations. These forces are not designed to be deployed with front line forces on offshore operations. These forces, which are currently designated as High Readiness Reserves, will be re-designated as Active Reservists on 1 July 2006.
- ii) The Army will commence raising this force on 1 July 2006, with a view to having approximately 1,100 High Readiness Reservists serving by 31 December 2008. The Army plans to reach its target of 2,800 High Readiness Reservists by 31 December 2012.

### **Question W7**

**Mr Snowdon**

#### **Tertiary Legal Education Services**

The contract for the provision of tertiary legal education services for military legal officers expired at the end of 2005.

- a) At what stage is the request for tender process for a provider of tertiary legal education at?
- b) How is/was such education being provided to military legal officers in the interim period?



## **RESPONSE**

- a) The tender process has now concluded. A contract between the Commonwealth and the Australian National University for the provision of tertiary legal education services for ADF legal officers was executed on 13 January 2006.
- b) The short break in contract continuity over the Christmas period (31 December 2005 until 13 January 2006) did not affect the provision of tertiary legal services to ADF officers. No courses were scheduled during this period.

### **Question W8**

#### **Mr Snowdon**

#### **ADF Exercises**

In 2004-05, four of the 74 programmed ADF exercises were cancelled.

- a) Which exercises were cancelled?
- b) Why were they cancelled?
- c) Have they been rescheduled?

## **RESPONSE**

- a) The four exercises cancelled in 2004-05 were Vital Prospect 05, Joint Kiwi 05, Tricrab 05 and Ocean Protector 04-2.
- b) Exercise Vital Prospect 05, which exercises Deployable Joint Force Headquarters, was cancelled due to operational commitments arising from earthquake relief operations in Indonesia (Op Sumatra Assist) and the planning and deployment of 1 Brigade personnel to Iraq.

Exercise Joint Kiwi 05, which is designed to improve the standardisation of New Zealand and Australian defence capabilities, was cancelled due to operational commitments which arose from earthquake relief operations in Indonesia (Op Sumatra Assist). New Zealand was also equally committed to earthquake relief operations.

Exercise Tricrab 05, which is an exercise to improve interoperability between the United States Navy and Royal Australian Navy in explosive ordnance and improvised explosive devices disposal, was cancelled at the United States Navy's request due to operational commitments.

Exercise Ocean Protector 04-2, which brings RAN units to minimum levels of capability after a reduced activity period, was cancelled due to RAN units being assigned to higher priority tasking.

- c) Exercise Vital Prospect 06 is scheduled for 1-12 May 2006.  
Exercise Joint Kiwi 06 is scheduled 22 November - 1 December 2006.  
Exercise Tricrab 06 is scheduled for 17 - 28 April 2006.  
Exercise Ocean Protector 05-1 was conducted between 31 January - 11 February 2005.

## **Question W9**

### **Mr Snowdon**

#### **Seasprite flight hours**

Of the 1,200 allotted flight hours, the RAN Super Seasprite helicopters achieved 69 per cent (826 hours).

- a) What was the cause of this inability to achieve the allotted flight hours [as reported on p174 of the DAR]?
- b) Have these issues been rectified such that the allotted flight hours will be achievable in the 2005-06 reporting period?

## **RESPONSE**

- a) Five main factors that have caused the Seasprite flying hours estimate to be reduced:
- Technical airworthiness. Testing of the aircraft has raised issues related to the design and reliability of the Seasprite's automatic flight control system that have resulted in limitations on the operation of the aircraft.
  - Spares shortages. Some components have had usages greater than anticipated. The spares package has been modified to reflect actual usage rates.
  - Unexpected quality issues. A series of quality problems with components have been found as the equipment was operated and tested. The manufacturer is addressing production quality issues as they are reported by Defence.
  - Test pilots. The competing demands on test pilot services between project support and in-service support contributes to the reduction in flying hours. A third test pilot is being trained for the project.
  - The Maintenance Reinvigoration Program. The program was introduced after a comprehensive review of all naval aviation maintenance practices was completed in August 2005. This program requires significant additional

supervision of maintenance activities and is slowing maintenance at Squadron level.

- b) Work continues on rectifying these issues. Routine Seasprite flying was suspended in late March to permit further analysis of the automatic flight control system. Test flying will continue. Subject to the outcomes of this analysis, it is assessed that it is unlikely that the revised 2005-06 estimate of 975 hours will be met.

### **Question W10**

**Mr Snowdon**

#### **M113**

The Annual Report states that the upgraded M113 Armoured Vehicles are expected to enter full production in 2005-06, and meet the key date of an initial capability in-service by December 2006.

- a) Is it still expected that these milestones will be achieved?
- b) What is happening to the non-upgraded M113 Armoured Vehicles?
- c) Is it the case that the upgraded vehicles are being provided to Regular Army Infantry units only?
- d) If the non-upgraded vehicles are not being retained and the upgraded vehicles are being provided to Regular Infantry units only, what vehicle can Reserve Armoured units expect to operate?

### **RESPONSE**

- a) Yes, although the achievement of these milestones remains high risk.
- b) It is planned that some will be donated to museums while the remainder will be sold.
- c) Yes. The 350 upgraded M113 vehicles will be issued to the School of Armour, Army Logistic Training Centre and Regular Army units of the 1<sup>st</sup> Brigade, based in Darwin. Within the 1<sup>st</sup> Brigade, the upgraded M113 vehicles will be operated by infantry, armoured, engineer, artillery, signals and logistic units.
- d) The 2<sup>nd</sup>/14<sup>th</sup> Light Horse Regiment, based in Brisbane, has been converted to a Regular Army Cavalry unit and equipped with the ASLAV family of vehicles. The 12<sup>th</sup>/16<sup>th</sup> Hunter River Lancers will receive 15 Bushmaster Infantry Mobility Vehicles and the remaining four Reserve Armoured units will be issued Land-Rover Regional Force Surveillance Vehicles and Interim Infantry Mobility Vehicles as part of their transition to the Light Cavalry capability.

## **Question W11**

**Mr Snowdon**

### **Achievements of Performance Targets**

In the table on page 187 of Annual Report in output 3.2 it is noted that:

“The medium combined arms operations capability was unable to meet all allocated preparedness requirements for military response options in this reporting period due to:

- deficiencies in equipment;
- personnel numbers in key trades; and
- commitments to operations”.

- a) Would you please identify what were those deficiencies in equipment?
- b) Would you please identify what key trades were affected by shortage?
- c) Would you please clarify the extent to which other operations are affecting achieving that performance goal?

### **RESPONSE**

- a) During 2004-05, the Army participated in additional operational commitments including deploying 450 personnel as the Al Muthanna Task Group to Southern Iraq and providing combat engineer, health, rotary wing, logistic and command and control support to the tsunami relief effort in Indonesia, under Operation Sumatra Assist. Given the relative short notice of these deployments, there was a requirement to address equipment deficiencies that existed in the medium combined arms operations capability. The main equipment affected by these deployments was the Australian Light Armoured Vehicle (ASLAV) for service in Iraq and water purification equipment for our commitment to the Sumatra Assist relief effort.
- b) The following key trades were affected by shortages:
  - Medical Assistant;
  - Medical Officer;
  - Nurses;
  - Operator Supply;
  - Operator Command Support Systems;
  - Technician Telecommunications System; and
  - Engineer Driver
- c) Operational deployments affect Army units' capacity to train. For example, a major 1<sup>st</sup> Brigade Infantry unit, 5<sup>th</sup>/7<sup>th</sup> Battalion, the Royal Australian Regiment (5/7 RAR), that deployed to Al Muthanna and provided manpower to provide the Security Detachment in Baghdad, was unable to train for its full range of tasks while in Iraq.

## **Question W12**

**Mr Snowdon**

### **Training activities**

Similarly in respect to training it is noted on page 187 that a number of training activities had to be reduced due to:

- Operational commitments;
- Personnel shortages in a number of key trades;
- Equipment deficiencies.

- a) Again would you please identify those trades affected.
- b) The equipment that was not available.
- c) The extent to which operations have been impacted.

### **RESPONSE**

- a) See response to question W11 b).
- b) See response to question W11 a).
- c) The reduction in training activities did not affect operations because the training that was conducted was specific to the preparation for the mission in Iraq.

## **Question W13**

**Mr Snowdon**

### **Army capabilities**

- a) In output 3.5 on page 190 it is indicated that “the ground based air defence capability was unable to meet all preparedness requirements as directed in the military response option due to:
  - Ammunition deficiencies;
  - Personnel shortfalls in critical trades.”
    - i) Would you please identify what were those ammunition deficiencies and what remedial action is being taken?
    - ii) Would you please identify whether shortfalls in critical trades have now been addressed, if not, what is the likely outcome in respect to that issue.
- b) On page 192 in respect to output 3.8 capability for operational logistic support to land forces it is noted that: “As a result of the continued support to operations and

personnel short falls in critical trades, the capability was unable to meet all preparedness requirements.

- i) Would you please identify those requirements which the capability was unable to meet; and
  - ii) what is being done to remediate the situation?
- c) Similarly, output 3.8 indicates that operational deployments, limited exercise opportunities, and personnel deficiencies in a number of key trades effected the achievement of all training requirements that maintained core skills and professional standards across all warfare areas.
- i) Could you please explain what exercise opportunities were limited?
  - ii) Again can you please explain the extent of the skills shortage and again can you please explain what remediation work is being undertaken?
- d) Similarly in the same table it is indicated that:  
“The logistic support capability had insufficient personnel and equipment to achieve all of the tasks required of it.”
- i) Can you please identify in what areas there was insufficient personnel and
  - ii) what areas was there insufficient equipment?
  - iii) Have those issues now been addressed?
- e) In output 3.9 on page 193 it is indicated that “the motorised combined armed operations capability provided elements of the 6<sup>th</sup> Battalion and the 2<sup>nd</sup>/14<sup>th</sup> Light Horse Regiment have provided elements to support operations in Iraq but the remainder of capability was not able to support all military response options due to equipment deficiencies and personnel shortages in key trades and also sustainability issues.”
- i) Again can you please outline the extent of the personnel shortfalls and whether they are in fact being addressed through recruiting and retention programs if so please outline what those programs are?
  - ii) In respect to equipment deficiencies can you please explain what they are and how they are being addressed?
- f) Similarly in respect to training in that table it is indicated that:  
“Some collective training activities were reduced in scope due to operational commitments and deficiencies in equipment and personnel?”

- i) Again, would you please outline what those deficiencies in equipment were?
  - ii) Can you please explain what you mean by “deficiencies in personnel”?
- g) In respect to the 7<sup>th</sup> Brigade the table indicates “army reserve units achieved lower than expected staffing, which affected capability”.
- i) What was the expected staffing of army reserve units?
  - ii) To what extent was there a shortfall in that expected staffing?
  - iii) Is that shortfall in staffing now being addressed if so how?
- h) In respect to output 3.10 on page 194 the annual report indicates in respect to capability for protective operations it is noted that elements of this capacity are trained to assist in domestic security incidents. Again in this area there has been failure to achieve all performance goals. Other than in respect to the six reserve response forces drawn from the 4<sup>th</sup>, 5<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 11<sup>th</sup> and 13<sup>th</sup> Brigades it is stated that: “The remainder of the capability was unable to achieve most preparedness tasks”.
- i) Would you please outline the nature of those preparedness tasks which were not achieved?
  - ii) Would you please outline the extent to which deficiencies and equipment and personnel shortages in all trades impacted upon achieving those targets?
  - iii) Can you please expand upon how each of those deficiencies is being addressed?
- i) In the table there is an indication that the capability is relevant to providing personnel for transit security element in support of border security operations.
- i) Can you please explain the nature of those border security operations; and
  - ii) Whether they have been affected by the equipment and personnel shortfalls?
- j) Again the chart indicates that some collective training activities were reduced in scope due to deficiencies in equipment and personnel.

- i) Have those deficiencies now been rectified?
- ii) If not, to what extent do the deficiencies continue to exist and what is being done to remediate those deficiencies?

## RESPONSE

- a)
  - i) The ammunition deficiencies specified on pg 190 of the DAR 04-05 related to shortages in the number of missiles for the new RBS-70 air defence missile system. Procurement of additional missiles was initiated in 2004 and this shortfall has now been addressed.
  - ii) There is a continuing shortfall in the operator supply and electrical and mechanical engineers trades although the deficiency is being addressed through recruitment and retention initiatives. The likely outcome of these initiatives is that the vacancies will be filled over time. See also response to e) i).
- b)
  - i) Significant logistics resources were deployed to Sumatra after the tsunami. This level of support combined with personnel shortages in health specialists, signals and operator supply trades reduced the Army's ability to provide simultaneous logistic support to multiple operations.
  - ii) A logistic shortfall supplementation plan was implemented to remediate deficiencies resulting from the support to Sumatra. These deficiencies included:
    - a. the Army's vehicle fleet;
    - b. the Command Support System; and
    - c. surveillance equipment.
- c)
  - i) There were a number of exercises where the entire Logistic Support Force was unable to deploy due to the requirement for support to Sumatra.
  - ii) See response W11 b).
- d)
  - i) See response to b) i) above.
  - ii) See response to b) i) above.
  - iii) The remediation of equipment deficiencies is occurring.
- e)
  - i) Output 3.9 was affected by shortages in the following key trades:
    - Medical Assistant;
    - Medical Officers;
    - Nurses;
    - Operator Supply;
    - Operator Command Support Systems; and
    - Technician Telecommunications System.



These personnel deficiencies are being addressed at very senior levels. Specifically, two positions have been created, Director General Recruiting and Director General Retention, to ensure that the recruiting and retention initiatives that have been developed by the Army, and the other two services, are managed at an appropriate level. These initiatives include a wide range of actions including:

- providing completion bonuses for approved specialist trades;
  - encouraging lateral trade transfers for personnel who are about to complete their initial engagement contract; and
  - encouraging lateral transfers from specialist trades from overseas.
- ii) Equipment deficiencies in Output 3.9 related to armoured vehicle shortages. The requirements to enhance the survivability of vehicles in the Middle East Area of Operations combined with the upgrade of ASLAV fleet has reduced the number of vehicle quantities within the 7<sup>th</sup> Brigade.
- f) i) See response to e) ii) above.
- ii) The 7<sup>th</sup> Brigade has a lower readiness notice and therefore has a lower priority for personnel. As a result, in the event of an operational deployment key personnel may be drawn upon to round-out personnel requirements in higher readiness units or to build task forces for operations. This has led to deficiencies in personnel in certain units within the 7<sup>th</sup> Brigade.
- g) The 7<sup>th</sup> Brigade consists of one Regular Army unit, one Army Reserve unit and a number of integrated units. In respect of all Army Reserve positions within 7<sup>th</sup> Brigade:
- i) There were 2,353 Army Reserve positions as at 30 June 2005.
  - ii) There was a shortfall of 603 personnel, being 25.6 per cent, as at 30 June 2005.
  - iii) The shortfall is being addressed through the recently agreed new roles and tasks for the Army Reserve as part of the Hardened and Networked Army initiative. This initiative will see the restructuring of the Army Reserve with roles and tasks that will directly link with and support full-time units.
- h) i) The Reserve security elements, known as Force Protection Company Groups, are planned to be maintained at high readiness. However, due to Reserve manpower deficiencies, this capability is still being developed.
- ii) The Force Protection Company Groups are still being developed and the key deficiencies in this area relate to the shortage of Reservists with the required level of skills and training.

- iii) The Army is developing a High Readiness Reserve that will provide a new category of service with tailored conditions of service and defined training requirements. This category of service will be raised on 1 July 2006 and the Army intends to develop two high-readiness Reserve Force Protection Company Groups from 1 July 2006 until 31 December 2008 and another four Force Protection Company Groups will be raised from 1 January 2009 until 31 December 2012.
  
- i) i) Reserve members were deployed on the whole-of-Government response to deter potential illegal immigrants from entering Australia by sea through the Australian migration zone. The soldiers were deployed in Royal Australian Navy vessels with a task to assist Navy personnel deter and intercept suspected illegal entry vessels.
  
- ii) The soldiers' operational effectiveness was not affected by equipment and personnel shortfalls.
  
- j) i) and ii) As mentioned in the response to f) ii) above, the priority of equipment and resources is allocated to high-readiness units. Where Reserve units are called upon to round-out full-time units, there may be a requirement to reduce the scope of certain exercises in order to ensure that key personnel and other resources are available to meet readiness tasks.