
Foreign Affairs, Defence and Trade
Legislation Committee

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CHAPTER 1

INTRODUCTION

1.1 The Committee is responsible for examining annual reports of departments and agencies within two portfolios: Foreign Affairs and Trade, and Defence (including the Department of Veterans' Affairs).

1.2 Under Standing Order 25 (21), the Committee is required to report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.

1.3 The following annual reports are examined by the Committee in this review:

Statutory authorities

Defence Portfolio

Judge Advocate General

Non-statutory authorities

Foreign Affairs and Trade Portfolio

Australia–India Council

Australian Submarine Corporation Pty Limited

Assessment of annual reports

1.4 The annual reports have been examined by the Committee to determine whether they are 'apparently satisfactory', as required by the Senate resolution of 24 August 1994. In the process of assessment, the Committee has considered whether the reports comply with the relevant requirements for the annual reports of departments or authorities.

1.5 Departments are required to adhere to the *Requirements for Departmental Annual Reports, March 1994* (updated April 1998) issued by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit in June 1998.¹ The aim of the revised *Guidelines* was to make reports 'the

¹ From now on referred to as *Requirements* (1998)

key accountability document for reviewing actual outcomes for the past financial year'. Together with Portfolio Budget Statements and Portfolio Additional Estimates Statements, annual reports are meant to enhance government communication with Parliament and so 'to make more meaningful their accountability relationships'.

1.6 The amendments required that annual reports should:

- focus on outcomes, including social justice outcomes;
- provide clear links between strategies, outcomes and program objectives; and
- be concise, readily understandable and balanced.

1.7 On 18 March 1994, the Department of Prime Minister and Cabinet informed departments that:

Commonwealth authorities whose operations are similar to those of departments should consult these revised requirements [for Departmental annual reports] and comply with them—as well as with the 1982 *Guidelines for the Content, Preparation and Presentation of Annual Reports by Statutory Authorities*—as far as is appropriate to do so.

1.8 Requirements for non-statutory authorities were outlined in the report of the Senate Standing Committee on Finance and Government Operations tabled in August 1986, and modified in 1987. Statutory authorities whose operations are not similar to those of departments are to follow the *Guidelines for the Content, Preparation and Presentation of Annual Reports by Statutory Authorities* (1982).²

1.9 Legislation committees are also required by the Senate Standing Orders to investigate and report any lateness in the presentation of annual reports.

General comments on the annual reports

1.10 The Committee was pleased to observe that the majority of reports are well designed and effectively describe and assess the work of authorities and non-statutory bodies within the two portfolios.

1.11 Subject to the comments made in the individual assessments following in the body of this report, the Committee found the annual reports considered in this report to be 'apparently satisfactory'.

² From now on referred to as *Guidelines* (1982)

CHAPTER 2

ANNUAL REPORTS BY STATUTORY AND NON-STATUTORY AUTHORITIES

STATUTORY AUTHORITIES

Defence portfolio

Judge Advocate General (JAG)

2.1 The Judge Advocate General Report for the period 1 January to 31 December 2001 was tabled in the Senate on 19 August 2002.

2.2 The office of Judge Advocate General (JAG) of the Australian Defence Force (ADF) was created by the *Defence Force Discipline Act 1982*. The JAG is an office held only by a Federal Court or a Supreme Court judge. The position has a number of functions, including making procedural rules for service tribunals, providing the final legal review of proceedings within the Australian Defence Force, and, reporting upon the operation of laws relating to the discipline of the ADF. “The JAG also plays a significant role in the promotion of the jurisprudential welfare and education of the ADF.”³

2.3 The Committee notes that Major General the Hon Justice Duggan’s appointment as JAG expired during the 2001 calendar year and that the Hon Justice L W Roberts-Smith was appointed as acting JAG by the then Minister, the Hon Peter Reith, MP, on 3 October 2001.

2.4 The Committee observes with interest progress of the implementation of various findings of the Parliamentary Committee Investigation, (“Rough Justice”) and the Military Justice Inquiry, (“The Burchett Report”). The JAG reported that progress had been made with regard to a review of the Defence Legal Office, now the Defence Legal Service, (TDLS). The JAG also reported that:

- a. the position of an Inspector General – Australian Defence Force (Recommendation 55 of the Burchett Report) has been created and advertised during the reporting period;
- b. models for a Director of Military Prosecutions (DMP), (Recommendation 47) are being examined. A DLO team has been formed to implement the recommendations of the Burchett Report including the establishment of a DMP. The team is currently examining models for the DMP with a deadline of 8 June 2002 to produce a recommended model to the Chiefs of Service Committee;

³ Judge Advocate General Annual Report 2001, p. 2

- c. an improved training program on Military Justice procedures is being developed for all Defence members, particularly Defence Force Discipline Act officials (Recommendation 1-6)⁴

2.5 The Committee notes the involvement of the ADF Legal Service in numerous important areas including Fisheries Enforcement and Border Protection issues, as well as East Timor. With regard to the War on Terrorism, the JAG reported that “the tragic events of 11 September gave rise to numerous legal issues which required intensive consideration and factored heavily into the planning and execution of the Australian military response. Extremely close liaison was established between ADF Legal Officers and officers of the Attorney-General’s Dept as well as DFAT in considering the legal status of the conflict and the drafting of Rules of Engagement for the campaign which were ultimately approved.”⁵

2.6 The JAG report also contained information on the activities of the ADF Military Law Centre and the TDLS and noted that “The academic relationship with Melbourne University entered upon a firmer footing as the administration of the Military Law courses evolved during 2001. An exchange position with the US Centre for Law and Military Operations (USCLAMO) has been proposed and it is hoped this will be finalised by mid-2002.” And “In May 2001 The Defence Legal Service and the Melbourne University Law School signed a formal agreement for the collaborative establishment of the Asia-Pacific Centre for Military Law.”⁶

2.7 The report is a clearly written account of the operations and performance of the office of the Judge Advocate General. The Committee finds that the report fulfils all the requirements outlined in the *Guidelines* for statutory bodies.

Foreign Affairs and Trade portfolio

Australia Indonesia Institute

2.8 The Australia Indonesia Institute Annual Report 2000-2001 was tabled in the Senate on 12 March 2002.

2.9 The Australia Indonesia Institute was established by Order-in-Council in April 1989. The mission of the Institute is “To develop relations between Australia and Indonesia by promoting greater mutual understanding. To contribute to the enlargement over the longer term of the areas of contact and exchange between the people of Australia and Indonesia.”

2.10 The Chairman, in his statement, reported that, “During 2000-2001, the Institute held one of its tri-annual board meetings in Indonesia. An especially encouraging outcome of the Indonesia visit was the positive views expressed by interlocutors about

⁴ Judge Advocate General Annual Report 2001, p.9

⁵ Judge Advocate General Annual Report 2001, pp.16-17

⁶ Judge Advocate General Annual Report 2001, p.18

Australia and the bilateral relationship. This indicated to board members an ebbing of the strains that in recent years have characterised the bilateral relationship.”⁷

2.11 The Committee notes the continuation of the Youth and Education Program as a major focus of the Institute. As part of its on-going educational focus, the Teacher Exchange Program saw 22 Australian teachers placed in local schools in North Sulawesi, and 11 Indonesian teachers commence their exchange program in Australia during the second half of 2001.

2.12 The Institute reported that it supported an eclectic range of artistic activities during the 2000-2001 reporting period. This included a very successful visit to Jakarta by students of the national Aboriginal Islander Skills Development Association, and a tour of Australia by the prominent Indonesian jazz fusion group, Krakatau, during October 2000.⁸

2.13 The Committee also notes that the Institute provided sponsorship to the Indonesian Centre for Women in Politics. The sponsorship is designed to “facilitate the review, development and refinement of training aids relating to women’s participation in public policy decision making.”⁹

2.14 The Institute sponsored the first year of a planned three-year exchange program between Australian and Indonesian health professionals, with an initial focus on the health of mothers and babies. “In the longer term, the project is expected to build sustainable linkages between Australian and Indonesian health professionals and provide opportunities for cross-cultural and comparative research projects.”¹⁰

2.15 The Institute’s report is clear, concise and well written. It is a well-presented account of the Institute’s activities over the reporting period. The Committee considers that the report meets all the guidelines for annual reports of statutory authorities.

NON-STATUTORY AUTHORITIES

Australia India Council

2.16 The Australia India Council Annual Report 2000-2001 was tabled in the Senate on 25 June 2002.

2.17 The Australia India Council was established by Order-in-Council in 1992. The mission statement of the Australia India Council is to “promote Australia’s interests in

⁷ Australia Indonesia Institute Annual Report 2000-2001, p 2

⁸ Australia Indonesia Institute Annual Report 2000-2001, pp 12/14

⁹ Australia Indonesia Institute Annual Report 2000-2001, p 17

¹⁰ Australia Indonesia Institute Annual Report 2000-2001, p 19

India by initiating and supporting activities designed to enhance awareness and understanding between the peoples and institutions of both countries.”¹¹

2.18 The Council, at time of reporting, consisted of a Chairman, a Deputy Chair and 11 members. This is 3 less than the maximum number of members allowed under the establishing Order-in-Council.

2.19 The Chairman of the Council reported that, “The AIC has continued to seek an appropriate balance between support for projects initiated by the Council itself and projects initiated by others. The Council seeks to draw as far as practicable on the knowledge and expertise of the broader Australian and Indian communities.”¹²

2.20 The Chairman reported that “The highlight of the Council’s activities during 2000-2001 was the Australia-India Disaster Management Symposium held in New Delhi in November 2000.” The symposium brought together specialists in disaster management from a range of government and non-government organisations, the aim of which was to “discuss how each country deals with disasters, and to identify procedures with common benefits for affected communities.”¹³

2.21 The Committee commends the Council on its efforts with regard to its commerce activities, and notes the interest in possible Australia-India partnerships in sustainable energy. The Committee also notes the continuation of the Australia-India Business Council exchanges.¹⁴

2.22 The Committee acknowledges the on-going work of the Council in the health and social issues fields. The Council reported on many activities in these fields including, blood quality transfusion projects designed to reduce the incidence of transfusion-transmitted infections, and various exchanges of health professionals including ophthalmologists and surgeons.¹⁵

2.23 The AIC Annual Report for 2000-2001 is a well produced document, which clearly outlines the projects and activities undertaken by the Council, including their associated costs. The Committee considers that the report meets all the necessary requirements for reports by statutory authorities.

Australian Submarine Corporation Pty Limited

2.24 The Australian Submarine Corporation report for 2000-2001 was tabled in the Senate on 12 March 2002.

2.25 The principal activities of the Australian Submarine Corporation are “the design, engineering and maintenance of six submarines under contract to the

¹¹ Australia India Council Annual Report 2000-2001, p 7

¹² Australia India Council Annual Report 2000-2001, p 3

¹³ Australia India Council Annual Report 2000-2001, p 3

¹⁴ Australia India Council Annual Report 2000-2001, p 12

¹⁵ Australia India Council Annual Report 2000-2001, pp 22-23

Commonwealth for the Royal Australian Navy.” In addition, “subsidiaries provide services to the parent and to the heavy engineering industry in Australia as well as other shipbuilding operations in South-East Asia.”¹⁶

2.26 The Committee notes with interest the change of ownership of the Corporation. The Chairman’s report states, “On 3 November 2000 the Commonwealth increased its holding in the Company from 48.5% to 100%. This occurred when Australian Industry Development Corporation (AIDC) exercised its pre-emptive rights to do so following Celsius AB (as the parent of the previous 49% shareholder, Kockums Pacific Pty Ltd) becoming a subsidiary of Howaldswerke-Deutsche Werft AG (HDW) of Germany. Concurrently the Commonwealth purchased the minority interest in the Company held by RCI Ltd.”¹⁷

2.27 The Committee recognises the considerable work undertaken by the management of the ASC to ready the Company for private sale in order to comply with Commonwealth policy.¹⁸

2.28 With regard to the construction of the submarines under contract, the Committee notes that the ASC completed submarines 04 & 05 and they were delivered to the Royal Australian Navy as HMAS DECHAINEUX, (25 July 2000) and HMAS SHEEAN, (21 August 2001) respectively.¹⁹

2.29 Other operational aspects of the ASC included, “maintenance support for the submarines at various Australian ports, at Pearl Harbour, Hawaii and ports in Asia. Work commenced in Adelaide on the first full cycle docking (FCD) for HMAS Collins.

2.30 The Committee believes the report gives a true and accurate overview of the operations and functions of the Australian Submarine Corporation. The Committee considers that the report meets all the obligations required of it.



Sandy Macdonald

Chair

¹⁶ Australian submarine Corporation Annual Report 2000-2001, p 2

¹⁷ Australian submarine Corporation Annual Report 2000-2001, p 2

¹⁸ Australian submarine Corporation Annual Report 2000-2001, p 6

¹⁹ Australian submarine Corporation Annual Report 2000-2001, p 3