

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: List of countries that have increased their contribution in support of operations in the Middle East due to NATO request

Question reference number: 1

Senator: Farrell

Type of question: asked on Monday, 29 May 2017, Hansard page 12

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FARRELL: You mentioned that other NATO and non-NATO countries have been asked by NATO to increase their contribution. Are we aware of any other countries that have done that?

Senator Payne: I do not have a list of those with me, but I will obtain that for you.

Answer:

At NATO's mid-June 2017 Force Generation Conference, 15 nations pledged additional contributions to the Resolute Support mission. Further country pledges were made at the 29 June NATO Defence Ministers' Meeting. In addition to Australia, we are aware that the United Kingdom and Lithuania have announced their intention to increase their contributions. It is not appropriate for us to comment any further on other nations' potential commitments until they have been publically announced by their respective Governments.

This information is correct as at 4 July 2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Number of workers at contaminated sites

Question reference number: 2

Senator: Rhiannon

Type of question: asked on Monday, 29 May 2017, Hansard page 13

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RHIANNON: Which Defence sites around the country are affected by PFAS contamination or are under investigation for possible contamination?

Mr Grzeskowiak: We currently have 18 sites around the country that are under investigation. I will go through the list for you. RAAF Base Williamtown and Army Aviation Centre Oakey were the first two sites. The initial rounds of investigations at those sites are complete and were reported to members of the public in those areas and to relevant authorities last year. There is further work ongoing to refine those reports. As well, we have detailed site investigations ongoing at the following bases: RAAF Base Pearce, RAAF Base East Sale, HMAS Albatross, RAAF Base Edinburgh, RAAF Base Townsville, RAAF Base Amberley, the Jervis Bay Range Facility, RAAF Base Tindal, RAAF Base Darwin, RAAF Base Wagga, HMAS Cerberus, HMAS Stirling and RAAF Base Richmond. There are three other investigations that we are intending to undertake—they are not yet on contract but they should be before the end of June: Holsworthy Barracks, Albury Wodonga Military Area and Robertson Barracks. That is a total of 18 for all of those sites.

Senator RHIANNON: Do you have any information on how many workers either work or live near those sites? I am referring there to defence personnel and any other staff who may be subcontracted or visiting.

Mr Grzeskowiak: I could not provide that information.

Senator RHIANNON: Could you take it on notice?

Mr Grzeskowiak: We could take it on notice, but the definition of who lives in the area and the like would be vague. We certainly know how many people work on those bases and may turn up to work on those bases. We can have a look at that. It would be an approximate figure.

Senator RHIANNON: An approximate figure for the number working on the bases?

Mr Grzeskowiak: It depends on the scope of your question.

Senator RHIANNON: I am happy to reframe it. Can you take on notice how many workers are working on these sites. I am referring to the defence personnel and any subcontractors or staff who are directly or indirectly working for the defence department.

Mr Grzeskowiak: That is something we can take on notice and we should be able to get a reasonable answer to that question.

Answer:

The numbers of Australian Defence Force reservists and the numbers of other personnel such as; service providers, contractors and consultants, reflect the number of people with access to the sites. The numbers of people that are actually present at the sites varies considerably on any given day.

A list of Australian Defence Force, Australian Public Service and other personnel with access to the contaminated sites is at Attachment A.

RAAF Base Williamtown

Australian Defence Force Permanent: 2,515

Australian Defence Force Reserves: 623

Australian Public Service: 399

Other: 4,133

Army Aviation Centre Oakey

Australian Defence Force Permanent: 381

Australian Defence Force Reserves: 31

Australian Public Service: 112

Other: 917

RAAF Base Pearce

Australian Defence Force Permanent: 255

Australian Defence Force Reserves: 265

Australian Public Service: 34

Other: 744

RAAF Base East Sale

Australian Defence Force Permanent: 503

Australian Defence Force Reserves: 75

Australian Public Service: 95

Other: 971

HMAS Albatross

Australian Defence Force Permanent: 1,178

Australian Defence Force Reserves: 95

Australian Public Service: 226

Other: 1,714

RAAF Base Edinburgh

Australian Defence Force Permanent: 3,158

Australian Defence Force Reserves: 485

Australian Public Service: 495

Other: 3,535

RAAF Base Townsville

Australian Defence Force Permanent: 884

Australian Defence Force Reserves: 158

Australian Public Service: 38

Other: 776

RAAF Base Amberley

Australian Defence Force Permanent: 3,330

Australian Defence Force Reserves: 1231

Australian Public Service: 255

Other: 3,799

Jervis Bay Range Facility (HMAS Creswell ACT)

Australian Defence Force Permanent: 223

Australian Defence Force Reserves: 23

Australian Public Service: 14

Other: 0

RAAF Base Tindal

Australian Defence Force Permanent: 531

Australian Defence Force Reserves: 19

Australian Public Service: 11

Other: 595

RAAF Base Darwin

Australian Defence Force Permanent: 381

Australian Defence Force Reserves: 98

Australian Public Service: 26

Other: 655

RAAF Base Wagga

Australian Defence Force Permanent: 742

Australian Defence Force Reserves: 79

Australian Public Service: 52

Other: 660

HMAS Cerberus

Australian Defence Force Permanent: 1,531

Australian Defence Force Reserves: 179

Australian Public Service: 56

Other: 722

HMAS Stirling

Australian Defence Force Permanent: 1,204

Australian Defence Force Reserves: 169

Australian Public Service: 221

Other: 2,302

RAAF Base Richmond

Australian Defence Force Permanent: 1,350

Australian Defence Force Reserves: 434

Australian Public Service: 180

Other: 1,171

Holsworthy Barracks

Australian Defence Force Permanent: 2,305

Australian Defence Force Reserves: 750

Australian Public Service: 88

Other: 1,546

Albury/Wodonga Military Area

Australian Defence Force Permanent: 1,355

Australian Defence Force Reserves: 98

Australian Public Service: 194

Other: 1,603

Robertson Barracks

Australian Defence Force Permanent: 2,978

Australian Defence Force Reserves: 74

Australian Public Service: 59

Other: 836

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Union access to contaminated Defence sites

Question reference number: 3

Senator: Rhiannon

Type of question: asked on Monday 29 May 2017, Hansard page 14

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RHIANNON: Have any requests from unions to go on to any of these bases about the contamination issue not been granted?

Mr Grzeskowiak: I am not aware of any.

Senator RHIANNON: Can you take it on notice, please?

Mr Grzeskowiak: I can take that on notice to check.

Answer:

Defence has not declined any union access requests to Defence Per- and Poly-Fluoroalkyl Substance (PFAS) investigation sites.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Name of chemical in, and material safety data sheet for, Ansulite firefighting foam

Question reference number: 4

Senator: Rhiannon

Type of question: asked on Monday, 29 May 2017, Hansard page 14

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RHIANNON: I understand that Defence use the firefighting foam Ansulite at all RAAF bases across Australia. Is that the only firefighting foam used by Defence at the moment?

Mr Grzeskowiak: That is the main product that we use for actually putting out fires that are associated with incidents. We do have another product that is used in some of our training establishments, which is described as a training foam, which is completely free of any of these PFAS chemicals. That is not widely used. It is—

Senator RHIANNON: Could you give me the name of that chemical, please?

Mr Grzeskowiak: I will take it on notice rather than put incorrect evidence forward...

Senator RHIANNON: Are the material safety data sheets for these foams publicly available?

Mr Grzeskowiak: Yes, they are. They are available on the websites of the companies that manufacture them.

Senator RHIANNON: I have not been able to find them, so I was going to ask if you could release them. If you are saying that they are there, can you provide the links for them?

Mr Grzeskowiak: We can make available copies of the data sheets.

Senator Payne: And provide the links as well—that is fine.

Answer:

The Department of Defence sources Ansulite for firefighting capability. The Safety Data Sheets for the chemicals Defence uses are publicly available at the links below:

https://www.wormald.com.au/uploads/files/resources/Ansulite3AFFF_ICAO-B_Jul13.pdf

https://www.wormald.com.au/uploads/files/resources/Ansulite6AFFF_ICAO-B_Jul131.pdf

At shared airports (RAAF Base Townville and RAAF Base Darwin), Defence uses Airservices Australia to provide firefighting capability, using Aqueous Film Forming Foam approved by Defence. The current Aqueous Film Forming Foam used by Defence is Ansulite, which is consistent with current departmental policy.

Defence and Airservices Australia use Solberg for training activities. Defence has not been able to identify a publically available reference. The link below provides the Safety Data Sheet.

<http://www.solbergfoam.com/Technical-Documentation/Safety-Data-Sheets.aspx>

ANSULITE 3% AFFF (ICAO-B)

Product Code: 1010-2-040ANa

Issue Date: 07-25-2013

1. Product and Company Identification

| | |
|---|---|
| Material name | ANSULITE 3% AFFF (ICAO-B) |
| Version # | 01 |
| Revision date | 07-25-2013 |
| CAS # | Mixture |
| Product Code | 1010-2-040ANa |
| Recomemnded Use | Fire extinguishing agent |
| Importer / Supplier | Tyco Fire Protection Products |
| Address | Level 3, 95 Coventry Street, Southbank, Australia-Victoria 300 |
| Telephone Number | 6613 0313 9711 |
| Emergency telephone No. (CHEMTREC) | 612 9037 2994 (Australia) 1 703 527 3887 (International) |

2. Hazards Identification

HAZARDOUS SUBSTANCE. NON-DANGEROUS GOODS
(Classified as hazardous according to the criteria of NOHSC)



Irritant

Risk phrase(s) R36 Irritating to eyes

3. Composition / Information on Ingredients

| Components | CAS # | Percent |
|-----------------------------------|-------------|---------|
| Components below reportable level | 112-34-5 | > 80 |
| Butyl Carbitol | 112-34-5 | 15 - 20 |
| D-Glucopyranoside C9-C11 Oligomer | 132778-08-6 | 1 - 5 |

4. First Aid Measures

| | |
|-----------------------------|--|
| First aid procedures | Immediately flush eyes with plenty of water for at least 15 minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Get medical attention if irritation persists after washing. |
| Eye contact | |
| Skin contact | Wash off with warm water and soap. Get medical attention if irritation develops and persists. |
| Inhalation | Move to fresh air. For breathing difficulties, oxygen may be necessary. Get medical attention, if needed. |
| Ingestion | Rinse mouth. Do not induce vomiting without advice from poison control center. IF SWALLOWED: Immediately call a POISON CENTER or doctor/physician. If vomiting occurs, keep head low so that stomach content doesn't get into the lungs. |
| Notes to physician | Symptoms may be delayed. |
| General advice | If you feel unwell, seek medical advice (show the label where possible). Ensure that medical personnel are aware of the material(s) involved, and take precautions to protect themselves. Show this safety data sheet to the doctor in attendance. |

5. Fire Fighting Measures

| | |
|--|---|
| Flammable properties | No unusual fire or explosion hazards noted. |
| Extinguishing media | |
| Suitable extinguishing media | This product is not flammable. Use extinguishing agent suitable for type of surrounding fire. |
| Protection of firefighters | |
| Specific hazards arising from the chemical | None known. |
| Specific methods | In the event of fire, cool tanks with water spray. |
| Hazardous combustion products | May include oxides of nitrogen. |

6. Accidental Release Measures

| | |
|---------------------------|---|
| Personal precautions | Local authorities should be advised if significant spillages cannot be contained. Surfaces may become slippery after spillage. |
| Environmental precautions | Prevent further leakage or spillage if safe to do so. Avoid discharge into drains, water courses or onto the ground. |
| Methods for containment | Stop the flow of material, if this is without risk. Dike the spilled material, where this is possible. Prevent entry into waterways, sewer, basements or confined areas. |
| Methods for cleaning up | Should not be released into the environment. Large Spills: Dike far ahead of spill for later disposal. Use a non-combustible material like vermiculite, sand or earth to soak up the product and place into a container for later disposal. Small Spills: Wipe up with absorbent material (e.g. cloth, fleece). Never return spills in original containers for re-use. Following product recovery, flush area with water. Clean surface thoroughly to remove residual contamination. |

7. Handling and Storage

| | |
|----------|--|
| Handling | Do not get this material in contact with eyes. Avoid contact with skin. Avoid prolonged exposure. Handle and open container with care. |
| Storage | Store in cool place. Store in a well-ventilated place. Keep container tightly closed. Keep out of the reach of children. Use care in handling/storage. |

8. Exposure Controls / Personal Protection

| | |
|--------------------------------|---|
| Personal protective equipment | |
| Eye / face protection | Do not get in eyes. Wear approved chemical safety glasses or goggles where eye exposure is reasonably probable. |
| Skin protection | Wear appropriate chemical resistant clothing. Chemical resistant gloves. |
| Respiratory protection | When workers are facing concentrations above the exposure limit they must use appropriate certified respirators. |
| General hygiene considerations | When using do not smoke. Avoid contact with skin. Keep away from food and drink. Handle in accordance with good industrial hygiene and safety practice. |

9. Physical & Chemical Properties

| | |
|----------------|-------------------|
| Appearance | |
| Form | Liquid. |
| Color | Pale amber. |
| Odor | Characteristic. |
| Physical state | Liquid. |
| pH | 7.0 |
| Melting point | Not available. |
| Freezing point | Not available. |
| Boiling point | >212 °F (>100 °C) |

| | |
|--|----------------|
| Flash point | Not available. |
| Evaporation rate | Not available. |
| Flammability limits in air, upper, % by volume | Not available. |
| Flammability limits in air, lower, % by volume | Not available. |
| Vapor pressure | Not available. |
| Vapor density | Not available. |
| Specific gravity | 1.03 |
| Relative density | Not available. |
| Solubility (water) | Not available. |
| Partition coefficient (n-octanol/water) | Not available |
| Auto-ignition temperature | Not available. |
| Decomposition temperature | Not available. |
| VOC | Not available. |

10. Chemical Stability & Reactivity Information

| | |
|----------------------------------|--|
| Chemical stability | Material is stable under normal conditions. |
| Conditions to avoid | None known. |
| Incompatible materials | Alkaline metals. Strong acids, alkalis and oxidizing agents. |
| Hazardous decomposition products | Nitrogen oxides (NOx). Sulfur oxides. Carbon oxides. |

11. Toxicological Information

| | | |
|---------------------------|---|--|
| Toxicological information | The toxicity of this product has not been tested. | |
| Toxicological data | | |
| Components | Test Results | |
| Butyl Carbitol (112-34-5) | Acute Dermal LD50 Rabbit: 2700 mg/kg Acute Oral LD50 Guinea pig: 2000 mg/kg Acute Oral LD50 Rabbit: 2200 mg/kg Acute Oral LD50 Rat: 6560 mg/kg Acute Other LD50 Mouse: 850 mg/kg Acute Other LD50 Rat: 500 mg/kg | |
| Local effects | Components of the product may be absorbed into the body through the skin. Contact may irritate or burn eyes. | |
| Carcinogenicity | This product is not considered to be a carcinogen by IARC, ACGIH, NTP, or OSHA. | |

12. Ecological Information

| | | |
|---------------------------|--|--|
| Ecotoxicological data | | |
| Components | Test Results | |
| Butyl Carbitol (112-34-5) | EC50 Algae: > 100 mg/l 96.00 Hours EC50 Water flea (Daphnia magna): 3184 mg/l 24.00 hours LC50 Bluegill (Lepomis macrochirus): 1300 mg/l 96.00 hours | |
| Ecotoxicity | Contains a substance which causes risk of hazardous effects to the environment. | |
| Bioaccumulation | Not available. | |
| Environmental effects | An environmental hazard cannot be excluded in the event of unprofessional handling or disposal. | |
| Aquatic toxicity | Not available. | |

13. Disposal Considerations

Disposal instructions Dispose of contents/container in accordance with local, state and Commonwealth regulations.

14. Transport Information

ADG, IATA, IMDG

Not regulated as dangerous good.

15. Regulatory Information

National regulations

This Material Safety Data Sheet was prepared in accordance with the Australia National Code of Practice for the Preparation of Material Safety Data Sheets (NOHSC: 2011).

Inventory status

| Country(s) or region | Inventory name | On inventory (yes/no)* |
|-----------------------------|--|------------------------|
| Australia | Australian Inventory of Chemical Substances (AICS) | Yes |
| Canada | Domestic Substances List (DSL) | Yes |
| Canada | Non-Domestic Substances List (NDSL) | No |
| China | Inventory of Existing Chemical Substances in China (IECSC) | No |
| Europe | European Inventory of Existing Commercial Chemical Substances (EINECS) | No |
| Europe | European List of Notified Chemical Substances (ELINCS) | No |
| Japan | Inventory of Existing and New Chemical Substances (ENCS) | No |
| Korea | Existing Chemicals List (ECL) | Yes |
| New Zealand | New Zealand Inventory | Yes |
| Philippines | Philippine Inventory of Chemicals and Chemical Substances (PICCS) | No |
| United States & Puerto Rico | Toxic Substances Control Act (TSCA) Inventory | Yes |

*A "Yes" indicates that all components of this product comply with the inventory requirements administered by the governing country(s)

16. Other Information

Risk phrase(s) R36 Irritating to eyes.

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Issue date 07-25-2013

ANSULITE 6% AFFF (ICAO-B)

Product Code: 1010-2-041ANa

Issue Date: 07-25-2013

1. Product and Company Identification

| | |
|---------------------------------------|--|
| Material name | ANSULITE 6% AFFF (ICAO-B) |
| Version # | 01 |
| Revision date | 07-25-2013 |
| CAS # | Mixture |
| Product Code Product | 1010-2-041ANa |
| Recommended Use | Fire extinguishing agent |
| Importer / Supplier | Tyco Fire Protection Products |
| Address | Level 3, 95 Coventry Street, Southbank, Australia-Victoria 3006 |
| Telephone Number | 613 0313 9711 |
| Emergency telephone No. (CHEMTREC) | 612 9037 2994 (Australia) 1 703 527 3887 (International) |

2. Hazards Identification

NON-HAZARDOUS SUBSTANCE. NON-DANGEROUS GOODS.
(Classified as non-hazardous according to the criteria of NOHSC)

3. Composition / Information on Ingredients

| Components | CAS # | Percent |
|------------------------------------|-------------|---------|
| Components below reportable levels | | > 90 |
| Butyl Carbitol | 112-34-5 | 5 - 10 |
| D-Glucopyranoside C9-C11 Oligomer | 132778-08-6 | 1 - 5 |

4. First Aid Measures

First aid procedures

| | |
|--------------|---|
| Eye contact | Immediately flush eyes with plenty of water for at least 15 minutes. Remove contact lenses, if present and easy to do. Continue rinsing. Get medical attention if irritation persists after washing. |
| Skin contact | Wash off with warm water and soap. Get medical attention if irritation develops and persists. |
| Inhalation | Move to fresh air. For breathing difficulties, oxygen may be necessary. Get medical attention, if needed. |
| Ingestion | Rinse mouth. Do not induce vomiting without advice from poison control center. IF SWALLOWED: Immediately call a POISON CENTER or doctor/physician. If vomiting occurs, keep head low so that stomach content doesn't get into the lungs. |

Notes to physician: Symptoms may be delayed.

General advice: If you feel unwell, seek medical advice (show the label where possible). Ensure that medical personnel are aware of the material(s) involved, and take precautions to protect themselves. Show this safety data sheet to the doctor in attendance.

5. Fire Fighting Measures

| | |
|--|---|
| Flammable properties | No unusual fire or explosion hazards noted. |
| Extinguishing media | |
| Suitable extinguishing media | This product is not flammable. Use extinguishing agent suitable for type of surrounding fire. |
| Protection of firefighters | |
| Specific hazards arising from the chemical | None known. |
| Specific methods | In the event of fire, cool tanks with water spray. |
| Hazardous combustion products | May include oxides of nitrogen. |

6. Accidental Release Measures

| | |
|---------------------------|---|
| Personal precautions | Local authorities should be advised if significant spillages cannot be contained. Surfaces may become slippery after spillage. |
| Environmental precautions | Prevent further leakage or spillage if safe to do so. Avoid discharge into drains, water courses or onto the ground. |
| Methods for containment | Stop the flow of material, if this is without risk. Dike the spilled material, where this is possible. Prevent entry into waterways, sewer, basements or confined areas. |
| Methods for cleaning up | Should not be released into the environment. Large Spills: Dike far ahead of spill for later disposal. Use a non-combustible material like vermiculite, sand or earth to soak up the product and place into a container for later disposal. Small Spills: Wipe up with absorbent material (e.g. cloth, fleece). Never return spills in original containers for re-use. Following product recovery, flush area with water. Clean surface thoroughly to remove residual contamination. |

7. Handling and Storage

| | |
|----------|--|
| Handling | Do not get this material in contact with eyes. Avoid contact with skin. Avoid prolonged exposure. Handle and open container with care. |
| Storage | Store in cool place. Store in a well-ventilated place. Keep container tightly closed. Keep out of the reach of children. Use care in handling/storage. |

8. Exposure Controls / Personal Protection

| | |
|--------------------------------|---|
| Personal protective equipment | |
| Eye / face protection | Do not get in eyes. Wear approved chemical safety glasses or goggles where eye exposure is reasonably probable. |
| Skin protection | Wear appropriate chemical resistant clothing. Chemical resistant gloves. |
| Respiratory protection | When workers are facing concentrations above the exposure limit they must use appropriate certified respirators. |
| General hygiene considerations | When using do not smoke. Avoid contact with skin. Keep away from food and drink. Handle in accordance with good industrial hygiene and safety practice. |

9. Physical & Chemical Properties

| | |
|----------------|-------------------|
| Appearance | |
| Form | Liquid. |
| Color | Pale amber. |
| Odor | Characteristic |
| Physical state | . Liquid. |
| pH | Not available |
| Melting point | Not available. |
| Freezing point | Not available. |
| Boiling point | >212 °F (>100 °C) |

| | |
|--|----------------|
| Flash point | Not available. |
| Evaporation rate | Not available. |
| Flammability limits in air, upper, % by volume | Not available. |
| Flammability limits in air, lower, % by volume | Not available. |
| Vapor pressure | Not available. |
| Vapor density | Not available. |
| Specific gravity | 1.02 |
| Relative density | Not available. |
| Solubility (water) | Not available. |
| Partition coefficient (n-octanol/water) | Not available |
| Auto-ignition temperature | Not available. |
| Decomposition temperature | Not available. |
| VOC | Not available. |

10. Chemical Stability & Reactivity Information

| | |
|----------------------------------|---|
| Chemical stability | Material is stable under normal conditions. |
| Conditions to avoid | None known. |
| Incompatible materials | Alkaline metals. Strong acids, alkalies and oxidizing agents. |
| Hazardous decomposition products | Nitrogen oxides (NOx). Sulfur oxides. Carbon oxides. |

11. Toxicological Information

| | | |
|---------------------------|---|--|
| Toxicological information | The toxicity of this product has not been tested. | |
| Toxicological data | | |
| Components | Test Results | |
| Butyl Carbitol (112-34-5) | Acute Dermal LD50 Rabbit: 2700 mg/kg Acute Oral LD50 Guinea pig: 2000 mg/kg Acute Oral LD50 Rabbit: 2200 mg/kg Acute Oral LD50 Rat: 6560 mg/kg Acute Other LD50 Mouse: 850 mg/kg Acute Other LD50 Rat: 500 mg/kg | |
| Local effects | Components of the product may be absorbed into the body through the skin. Contact may irritate or burn eyes. | |
| Carcinogenicity | This product is not considered to be a carcinogen by IARC, ACGIH, NTP, or OSHA. | |

12. Ecological Information

| | | |
|---------------------------|--|--|
| Ecotoxicological data | | |
| Components | Test Results | |
| Butyl Carbitol (112-34-5) | EC50 Algae: > 100 mg/l 96.00 Hours EC50 Water flea (Daphnia magna): 3184 mg/l 24.00 hours LC50 Bluegill (Lepomis macrochirus): 1300 mg/l 96.00 hours | |
| Ecotoxicity | Contains a substance which causes risk of hazardous effects to the environment. | |
| Bioaccumulation | Not available. | |
| Environmental effects | An environmental hazard cannot be excluded in the event of unprofessional handling or disposal. | |
| Aquatic toxicity | Not available. | |

13. Disposal Considerations

Disposal instructions Dispose of contents/container in accordance with local, state and Commonwealth regulations.

14. Transport Information

ADG, IATA, IMDG

Not regulated as dangerous good.

15. Regulatory Information

National regulations

This Material Safety Data Sheet was prepared in accordance with the Australia National Code of Practice for the Preparation of Material Safety Data Sheets (NOHSC: 2011).

Inventory status

| Country(s) or region | Inventory name | On inventory (yes/no)* |
|-----------------------------|--|------------------------|
| Australia | Australian Inventory of Chemical Substances (AICS) | Yes |
| Canada | Domestic Substances List (DSL) | Yes |
| Canada | Non-Domestic Substances List (NDSL) | No |
| China | Inventory of Existing Chemical Substances in China (IECSC) | No |
| Europe | European Inventory of Existing Commercial Chemical Substances (EINECS) | No |
| Europe | European List of Notified Chemical Substances (ELINCS) | No |
| Japan | Inventory of Existing and New Chemical Substances (ENCS) | No |
| Korea | Existing Chemicals List (ECL) | Yes |
| New Zealand | New Zealand Inventory | Yes |
| Philippines | Philippine Inventory of Chemicals and Chemical Substances (PICCS) | No |
| United States & Puerto Rico | Toxic Substances Control Act (TSCA) Inventory | Yes |

*A "Yes" indicates that all components of this product comply with the inventory requirements administered by the governing country(s)

16. Other Information

Disclaimer

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Issue date

07-25-2013

SAFETY DATA SHEET

| | |
|---|-------------------------|
| Product Name: DoD3155 | Issue Date: 01 Dec 2015 |
| SDS No. (Revision No.): DoD3155 No:001 Rev:00 | Revision Date: N/A |
| Region: Australia | Page: Page 1 of 9 |

1. Identification of the substance/preparation and of the company/undertaking

1.1 Identification of the substance or preparation:

Product name : DoD3155
Synonyms : Solberg DoD 3155 Training Foam Concentrate (Fire Fighting Foam)

1.2 Use of the substance/preparation:

Fire extinguishing medium: concentrate

1.3 Company/undertaking identification:

Australian Supplier Solberg Asia Pacific Pty Ltd
3 Charles Street
AU-NSW 2760 St. Marys - Australia
Tel: +61 2 96 73 53 00

Overseas Supplier: SOLBERG SCANDINAVIAN AS - NORWAY
Olsvollstranda
NO-5938 Sæbøvågen
Tel: +47 56 34 97 00
luc.jacobs@solbergfoam.com

The Solberg Company
1520 Brookfield Avenue
US-WI 54313 Green Bay - USA
Tel: +1 920 593 94 45
dave.pelton@solbergfoam.com

1.4 Emergency telephone:

24HR EMERGENCY: 1800 802 902 or (02)9430 6396

2. Hazards identification

2.1 Classification of the substance or mixture

Classification according to the *Globally Harmonised System for the Classification and Labelling of Chemicals* (GHS), as adopted for industrial chemicals in Australia.

Serious Eye Damage/Eye Irritation Category 2A

Aquatic Acute Category 3.

Australian Dangerous Goods Code:

Not classified as Dangerous Goods and would not require any special transport, storage, packaging, or placarding.

2.2 Label elements

Hazard pictograms



GHS07

Signal Word: **Warning**

Hazard statements:

H319 Causes serious eye irritation.
H402 Harmful to aquatic life.

Precautionary statements:

P202 Do not handle until all safety precautions have been read and understood.
P280 Wear protective gloves/protective clothing/eye protection/face protection.
P281 Use personal protective equipment as required.
P305+P351+P338 IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing.
P302+350 IF ON SKIN: Gently wash with plenty of soap and water.
P333+P313 If skin irritation or rash occurs: Get medical advice/attention.
P308+P313 IF exposed or concerned: Get medical advice/attention.
P273 Avoid release to the environment.

2.3 Other hazards

This substance is not considered to be persistent, bioaccumulating nor toxic (PBT)

This substance is not considered to be very persistent nor very bioaccumulating (vPvB).

3. Composition/information on ingredients

| Hazardous ingredients | CAS No. | Conc. (%) | Hazards | Hazard Statement |
|--|-------------|-----------|--|------------------------------|
| 2-(2-butoxyethoxy)ethanol | 112-34-5 | <10 | Eye Irrit. 2 | H319 |
| Alcohol sulfate C12-14, triethanolamine salt | 90583-18-9 | <5 | Acute Tox. 4 Skin Irrit. 2 Eye Damage 1 Aquatic Chronic 3 | H302 H315 H318 H412 |
| 1-propanaminium, 3-amino-N-(carboxymethyl)-N,N-dimethyl-, N-coco acyl derivs., hydroxides, inner salts | 61789-40-0 | <2 | Skin Irrit.2 Eye Irrit. 2 Aquatic Acute 1 | H315 H319 H410 |
| Anionic surfactants | Proprietary | <5 | Skin Irrit.2 Eye Irrit. 2 | H315 H319 |

4. First aid measures

- 4.1 After inhalation:
- Remove the victim into fresh air
 - Respiratory problems: consult a doctor/medical service
- 4.2 Skin contact:
- Rinse with water
 - Soap may be used
 - Take victim to a doctor if irritation persists
- 4.3 Eye contact:
- Rinse immediately with plenty of water
 - Take victim to an ophthalmologist if irritation persists
- 4.4 After ingestion:
- Rinse mouth with water
 - Immediately give lots of water to drink
 - Consult a doctor/medical service if you feel unwell

5. Fire-fighting measures

- 5.1 Suitable extinguishing media:
- Non flammable, non combustible
 - For surrounding fires: all extinguishing media allowed
- 5.2 Unsuitable extinguishing media:
- No data available
- 5.3 Special exposure hazards:
- On burning: release of toxic and corrosive gases/vapours (nitrous vapours, sulphur oxides, carbon monoxide - carbon dioxide)
- 5.4 Instructions:
- Dilute toxic gases with water spray
- 5.5 Special protective equipment for firefighters:
- Heat/fire exposure: compressed air/oxygen apparatus when concentrated product is on fire.
 - Protective clothing for exposure to chemicals

6. Accidental release measures

6.1 Personal precautions:

See heading 8.2/13

6.2 Environmental precautions:

- Contain released substance, pump into suitable containers
- Plug the leak, cut off the supply

6.3 Methods for cleaning up:

- Take up liquid spill into inert absorbent material, e.g.: sand/earth
- Scoop absorbed substance into closing containers
- Clean contaminated surfaces with an excess of water
- Wash clothing and equipment after handling

7. Handling and storage

7.1 Handling:

- Observe normal hygiene standards

7.2 Storage:

- Keep container in a well-ventilated place
- Meet the legal requirements
- Keep away from: heat sources

| | | |
|-------------------------|---------------------|------|
| Storage temperature | : 0/50 | °C |
| Quantity limits | : N.D. | kg |
| Storage life | : N.D. | days |
| Materials for packaging | : | |
| - suitable | : HDPE | |
| - to avoid | : no data available | |

7.3 Specific use(s):

- See information supplied by the manufacturer for the identified use(s)

8. Exposure controls/Personal protection

8.1 Exposure limit values (OEL):

8.1.1 Occupational exposure:

2-(2-butoxyethoxy) ethanol

Australia

| | | | | |
|---------|--------|-------------------|------|-----|
| 8h TWA | : none | mg/m ³ | none | ppm |
| AU-STEL | : none | mg/m ³ | none | ppm |

New Zealand

| | | | | |
|-----------|--------|-------------------|------|-----|
| NZ WES 8h | : none | mg/m ³ | none | ppm |
| NZ-STEL | : none | mg/m ³ | none | ppm |

Note: While no OELs have been set for this chemical in Australia and New Zealand, it should be noted that The European Committee on Occupational Exposure Limits have recommended an 8hr TWA of 10 ppm (67.5 mg/m³) and STEL of 15 ppm (101.2 mg/m³).

8.1.2 Sampling methods:

- Sulfites, & Sulfates NIOSH 6004

8.2 Exposure controls:

8.2.1 Occupational exposure controls:

- Measure the concentration in the air regularly if likely to exceed OEL
- Work under local exhaust/ventilation

Personal protective equipment:

a) Respiratory protection:

- Wear gas mask with filter type A if conc. in air is likely to exceed OEL

b) Hand protection:

- Gloves
 - Suitable materials: Butyl rubber
- Breakthrough time: Not determined

c) Eye protection:

- Safety glasses

d) Skin protection:

- Protective clothing
 - Suitable materials: Butyl rubber

8.2.2 Environmental exposure controls: see headings 6.2, 6.3 and 13

9. Physicochemical properties

9.1 General information:

| | | | |
|------------|-----|---|--------------|
| Appearance | (at | : | Liquid |
| Odour | | : | Mild |
| Colour | | : | Light yellow |

9.2 Important safety and environmental information:

| | | | |
|--|---|-------------------|-------------|
| pH value (at 100%) | : | 7/8.5 | |
| Boiling point/boiling range | : | 100 | °C |
| Flash point/flammability | : | N.A. | °C |
| Explosion limits (explosive properties) Oxidising properties | : | N.D. | vol% |
| Vapour pressure (at 20°C) | : | 24 | hPa |
| Vapour pressure (at 50°C) | : | N.D. | hPa |
| Relative density (at 20°C) | : | 1.01 | |
| Water solubility | : | COMPLETELY | |
| Soluble in | : | No data available | |
| Relative vapour density | : | 1 | |
| Viscosity (at °C) | : | <0.003 | Pa.s (25°C) |
| Partition coefficient n-octanol/water | : | N.D. | |
| Evaporation rate | : | | |
| ratio to butyl acetate | : | N.D. | |
| ratio to ether | : | N.D. | |

9.3 Other information:

| | | | |
|-----------------------------|---|------|------------------|
| Melting point/melting range | : | 0 | °C |
| Auto-ignition temperature | : | N.D. | °C |
| Saturation concentration | : | N.D. | g/m ³ |
| Specific conductivity | : | N.D. | pS/m |

10. Stability and reactivity

10.1 Conditions to avoid:

- Stable under normal conditions

10.2 Materials to avoid:

- Keep away from: heat sources

10.3 Hazardous decomposition products:

- On burning: release of toxic and corrosive gases/vapours (nitrous vapours, sulphur oxides, carbon monoxide - carbon dioxide)

11. Toxicological information

11.1 Acute toxicity:

Whole Mixture:

Acute oral toxicity (rat): LD50 >5000 mg/kg

Acute dermal toxicity (Rabbit): LD50 > 2000 mg/kg

Acute primary dermal irritation (Rabbit): Non-irritating.

Eye irritation (Rabbit): Moderately irritating

Ingredients:

2-(2-butoxyethoxy)ethanol

LD50 oral rat : 2410 mg/kg

LD50 dermal rabbit : 2764 mg/kg

11.2 Chronic toxicity:

No data available.

11.3 Routes of exposure: ingestion, inhalation, eyes and skin

11.4 Acute effects/symptoms:

AFTER EYE CONTACT

- Redness of the eye tissue
- Irritation of the eye tissue

11.5 Chronic effects:

- No data available

12. Ecological information

12.1 Ecotoxicity:

- LC50 (96 h) : 22 mg/l (ONCORHYNCHUS MYKISS - RAINBOW TROUT)
- LC50 (96 h) : 32 mg/l (SALMO GAIRDNERI - STEELHEAD FRY)
- EC50 (48 h) : 69 mg/l (DAPHNIA MAGNA)

- Effect on waste water purification : harmless to activated sludge at sufficient dilution

12.2 Mobility:

- Volatile organic compounds (VOC): 0%
- Soluble in water

For other physicochemical properties see heading 9

12.3 Persistence and degradability:

- biodegradation BOD₅ : - Not available
- water : - Readily biodegradable in water
- test: 91%DOC removal, 14d
- soil : T^{1/2}: Not determined

12.4 Bioaccumulative potential:

- log P_{ow} : <3 (components)
- BCF : N.D.
- not bioaccumulative (components)

12.5 Results of PBT assessment:

- Does not meet PBT criteria

12.6 Other adverse effects:

- Effect on the ozone layer : Not dangerous for the ozone layer
- Greenhouse effect : No data available

13. Disposal considerations

- 13.1 Provisions relating to waste:
 - Dispose according to the requirements of local waste disposal authority.
- 13.2 Disposal methods:
 - Dilute
 - May be discharged to wastewater treatment installation or reed bed
 - Contains no organic halogen which may add to the AOX value
 - Discharge or disposal must be handled according to national or local legislation regulations.
- 13.3 Packaging/Container:
 - Dispose according to the requirements of local waste disposal authority.

14. Transport Information

- 14.1 IMDG (maritime transport)
 - CLASS :Not classified as Dangerous Goods
 - SUB RISKS :
 - PACKING GROUP :
 - MFAG :
 - EMS :
 - MARINE POLLUTANT :
 - 14.2 ICAO (air transport)
 - CLASS : Not classified as Dangerous Goods
 - SUB RISKS :
 - PACKING GROUP :
 - PACKING INSTRUCTIONS PASSENGER AIRCRAFT :
 - PACKING INSTRUCTIONS CARGO AIRCRAFT :
 - 14.3 Australia ADG Code
 - CLASS : Not classified as Dangerous Goods
 - SUB RISKS :
 - PACKING GROUP :
 - 14.4 New Zealand NZS 5433:2007
 - CLASS : Not classified as Dangerous Goods
 - SUB RISKS :
 - PACKING GROUP :
-

15. Regulatory information

15.1 Australia

All components are listed on the Australian Inventory of Chemical Substances (AICS).

15.2 New Zealand

Approval: Fire Fighting Chemicals Group Standard 2006 (HSR002573).

NZIoC: All components are listed on the New Zealand Inventory of Chemical Substances

HSNO Classification: 6.4A Eye irritancy, 9.1D Ecotoxic.

16. Other information

The information provided on this SDS is correct to the best of our knowledge, information and belief at the date of its publication. The information given is designed only as a guidance for safe handling, use, processing, storage, transportation, disposal and release and is not to be considered as a warranty or quality specification. The information relates only to the specific material designated and may not be valid for such material used in combination with any other material or in any process, unless specified in the text. As we cannot anticipate all use conditions, the user should conduct their own risk assessment.

SAFETY DATA SHEET

| | |
|--|-------------------------|
| Product Name: RE-HEALING FOAM RF 6 | Issue Date: 01 Dec 2015 |
| SDS No.(Revision No.): RF6 No:001 Rev:00 | Revision Date: N/A |
| Region: Australia | Page: Page 1 of 9 |

1. Identification of the substance/preparation and of the company/undertaking

1.1 Identification of the substance or preparation:

Product name : RE-HEALING FOAM RF 6
Synonyms :

1.2 Use of the substance/preparation:

Fire extinguishing medium: concentrate

1.3 Company/undertaking identification:

Australian Supplier Solberg Asia Pacific Pty Ltd
3 Charles Street
AU-NSW 2760 St. Marys - Australia
Tel: +61 2 96 73 53 00

Overseas Supplier: SOLBERG SCANDINAVIAN AS - NORWAY
Olsvollstranda
NO-5938 Sæbøvågen
Tel: +47 56 34 97 00
luc.jacobs@solbergfoam.com

The Solberg Company
1520 Brookfield Avenue
US-WI 54313 Green Bay - USA
Tel: +1 920 593 94 45
dave.pelton@solbergfoam.com

1.4 Emergency telephone:

24HR EMERGENCY: 1800 802 902 or (02)9430 6396

2. Hazards identification

2.1 Classification of the substance or mixture

Classification according to the *Globally Harmonised System for the Classification and Labelling of Chemicals* (GHS), as adopted for industrial chemicals in Australia.

Serious Eye Damage/Eye Irritation Category 2A

Skin Sensitization Category 1

Aquatic Acute Category 3.

Australian Dangerous Goods Code:

Not classified as Dangerous Goods and would not require any special transport, storage, packaging, or placarding.

2.2 Label elements

Hazard pictograms



GHS07

Signal Word: **Warning**

Hazard statements:

| | |
|--------|---|
| H319 | Causes serious eye irritation. |
| H317 | May cause allergic skin reaction. |
| EUH208 | Contains Thiazolones. May produce an allergic reaction. |
| H402 | Harmful to aquatic life. |

Precautionary statements:

| | |
|----------------|--|
| P202 | Do not handle until all safety precautions have been read and understood. |
| P280 | Wear protective gloves/protective clothing/eye protection/face protection. |
| P281 | Use personal protective equipment as required. |
| P305+P351+P338 | IF IN EYES: Rinse cautiously with water for several minutes. Remove contact lenses, if present and easy to do. Continue rinsing. |
| P302+350 | IF ON SKIN: Gently wash with plenty of soap and water. |
| P333+P313 | If skin irritation or rash occurs: Get medical advice/attention. |
| P308+P313 | IF exposed or concerned: Get medical advice/attention. |
| P273 | Avoid release to the environment. |

2.3 Other hazards

This substance is not considered to be persistent, bioaccumulating nor toxic (PBT)

This substance is not considered to be very persistent nor very bioaccumulating (vPvB).

RE-HEALING FOAM RF 6

Page: Page 3 of 9

3. Composition/information on ingredients

| Hazardous ingredients | CAS No. | Conc. (%) | Hazards | Hazard Statement |
|--|---------------------|-----------|---|----------------------|
| 2-(2-butoxyethoxy)ethanol | 112-34-5 | <10 | Eye Irrit. 2 | H319 |
| Anionic surfactants | Proprietary | <3 | Skin Irrit.2 Eye Irrit. 2 | H315 H319 |
| Amphoteric surfactant | Proprietary | <1 | Skin Irrit.2 Eye Irrit. 2 | H315 H319 |
| Decyl glucoside | 58846-77-8 | <1 | Skin Irrit.2 Eye Dam. 1 | H315 H318 |
| 1-propanaminium, 3-amino-N-(carboxymethyl)-N,N-dimethyl-, N-coco acyl derivs., hydroxides, inner salts | 61789-40-0 | <1 | Skin Irrit.2 Eye Irrit. 2 Aquatic Acute 1 | H315 H319 H410 |
| Thiazolones | 2634-33-5/2682-20-4 | 0.05 | Skin Sens. 1 | H317 |

4. First aid measures

- 4.1 After inhalation:
- Remove the victim into fresh air
 - Respiratory problems: consult a doctor/medical service
- 4.2 Skin contact:
- Rinse with water
 - Soap may be used
 - Take victim to a doctor if irritation persists
- 4.3 Eye contact:
- Rinse immediately with plenty of water
 - Take victim to an ophthalmologist if irritation persists
- 4.4 After ingestion:
- Rinse mouth with water
 - Immediately give lots of water to drink
 - Consult a doctor/medical service if you feel unwell

5. Fire-fighting measures

- 5.1 Suitable extinguishing media:
- Non flammable, non combustible
 - For surrounding fires: all extinguishing media allowed
- 5.2 Unsuitable extinguishing media:
- No data available
- 5.3 Special exposure hazards:
- On burning: release of toxic and corrosive gases/vapours (nitrous vapours, sulphur oxides, carbon monoxide - carbon dioxide)
- 5.4 Instructions:
- Dilute toxic gases with water spray
- 5.5 Special protective equipment for firefighters:
- Heat/fire exposure: compressed air/oxygen apparatus when concentrated product is on fire.
 - Protective clothing for exposure to chemicals

6. Accidental release measures

6.1 Personal precautions:

See heading 8.2/13

6.2 Environmental precautions:

- Contain released substance, pump into suitable containers
- Plug the leak, cut off the supply

6.3 Methods for cleaning up:

- Take up liquid spill into inert absorbent material, e.g.: sand/earth
- Scoop absorbed substance into closing containers
- Clean contaminated surfaces with an excess of water
- Wash clothing and equipment after handling

7. Handling and storage

7.1 Handling:

- Observe normal hygiene standards

7.2 Storage:

- Keep container in a well-ventilated place
- Meet the legal requirements
- Keep away from: heat sources

| | | |
|-------------------------|---------------------|------|
| Storage temperature | : 0/50 | °C |
| Quantity limits | : N.D. | kg |
| Storage life | : N.D. | days |
| Materials for packaging | : | |
| - suitable | : HDPE | |
| - to avoid | : no data available | |

7.3 Specific use(s):

- See information supplied by the manufacturer for the identified use(s)

8. Exposure controls/Personal protection

8.1 Exposure limit values (OEL):

8.1.1 Occupational exposure:

2-(2-butoxyethoxy) ethanol

Australia

| | | | | |
|---------|--------|-------------------|------|-----|
| 8h TWA | : none | mg/m ³ | none | ppm |
| AU-STEL | : none | mg/m ³ | none | ppm |

New Zealand

| | | | | |
|-----------|--------|-------------------|------|-----|
| NZ WES 8h | : none | mg/m ³ | none | ppm |
| NZ-STEL | : none | mg/m ³ | none | ppm |

Note: While no OELs have been set for this chemical in Australia and New Zealand, it should be noted that The European Committee on Occupational Exposure Limits have recommended an 8hr TWA of 10 ppm (67.5 mg/m³) and STEL of 15 ppm (101.2 mg/m³).

8.1.2 Sampling methods:

- Sulfites, & Sulfates NIOSH 6004

8.2 Exposure controls:

8.2.1 Occupational exposure controls:

- Measure the concentration in the air regularly if likely to exceed OEL
- Work under local exhaust/ventilation

Personal protective equipment:

a) Respiratory protection:

- Wear gas mask with filter type A if conc. in air is likely to exceed OEL

b) Hand protection:

- Gloves

Suitable materials: Butyl rubber

- Breakthrough time: not determined

c) Eye protection:

- Safety glasses

d) Skin protection:

- Protective clothing

Suitable materials: Butyl rubber

8.2.2 Environmental exposure controls: see headings 6.2, 6.3 and 13

9. Physicochemical properties

9.1 General information:

| | |
|------------|----------|
| Appearance | : Liquid |
| Odour | : Mild |
| Colour | : Brown |

9.2 Important safety and environmental information: health,

| | | |
|--|---------------------|------|
| pH value (at 100%) | : 7/8.5 | |
| Boiling point/boiling range | : 100 | °C |
| Flash point/flammability | : N.A. | °C |
| Explosion limits (explosive properties) Oxidising properties | : N.D. | vol% |
| Vapour pressure (at 20°C) | : 24 | hPa |
| Vapour pressure (at 50°C) | : N.D. | hPa |
| Relative density (at 20°C) | : 1.05 | |
| Water solubility | : COMPLETELY | |
| Soluble in | : No data available | |
| Relative vapour density | : 1 | |
| Viscosity (at °C) | : N.D. | Pa.s |
| Partition coefficient n-octanol/water | : N.D. | |
| Evaporation rate | | |
| ratio to butyl acetate | : N.D. | |
| ratio to ether | : N.D. | |

9.3 Other information:

| | | |
|-----------------------------|--------|------------------|
| Melting point/melting range | : 0 | °C |
| Auto-ignition temperature | : N.D. | °C |
| Saturation concentration | : N.D. | g/m ³ |
| Specific conductivity | : N.D. | pS/m |

10. Stability and reactivity

10.1 Conditions to avoid:

- Stable under normal conditions

10.2 Materials to avoid:

- Keep away from: heat sources

10.3 Hazardous decomposition products:

- On burning: release of toxic and corrosive gases/vapours (nitrous vapours, sulphur oxides, carbon monoxide - carbon dioxide)

11. Toxicological information

11.1 Acute toxicity:

Whole Mixture:

Acute oral toxicity (rat): LD50 >2000 mg/kg

Acute primary dermal irritation (Rabbit): Non-irritating

Eye irritation (Rabbit): Moderately irritating

Ingredients:

2-(2-butoxyethoxy)ethanol

LD50 oral rat : 2410 mg/kg

LD50 dermal rabbit : 2764 mg/kg

tris(2-hydroxyethyl)ammonium dodecylsulfate

LD50 oral rat : > 2000 mg/kg

11.2 Chronic toxicity:

No data available.

11.3 Routes of exposure: ingestion, inhalation, eyes and skin

11.4 Acute effects/symptoms:

AFTER EYE CONTACT

- Redness of the eye tissue

- Irritation of the eye tissue

11.5 Chronic effects:

- No data available

12. Ecological information

12.1 Ecotoxicity:

RE-HEALING FOAM RF3 3%:

- LC50 (96 h) : 42 mg/l (SALMO GAIIRDNERI/ONCORHYNCHUS MYKISS)

- EC50 (48 h) : 644 mg/l (DAPHNIA MAGNA)

- EC50 (96 h) : >6.9 mg/l (SELENASTRUM CAPRICORNUTUM)

- Effect on waste water purification : harmless to activated sludge at sufficient dilution

12.2 Mobility:

- Volatile organic compounds (VOC): 0%

- Soluble in water

For other physicochemical properties see heading 9

12.3 Persistence and degradability:

- biodegradation BOD₅ : - 54% COD

- water : - Readily biodegradable in water
- test: BOD 87% COD, 28d, OECD 301D

- soil : T^{1/2}: not determined

12.4 Bioaccumulative potential:

- log P_{ow} : <3 (components)

- BCF : N.D.

- not bioaccumulative (components)

12.5 Results of PBT assessment:

- Does not meet PBT criteria

12.6 Other adverse effects:

- Effect on the ozone layer : Not dangerous for the ozone layer

- Greenhouse effect : No data available

RE-HEALING FOAM RF 6

Page: Page 8 of 9

13. Disposal considerations

- 13.1 Provisions relating to waste:
- Dispose according to the requirements of local waste disposal authority.
- 13.2 Disposal methods:
- Dilute
- May be discharged to wastewater treatment installation or reed bed
- Contains no organic halogen which may add to the AOX value
- Discharge or disposal must be handled according to national or local legislation regulations.
- 13.3 Packaging/Container:
- Dispose according to the requirements of local waste disposal authority.

14. Transport Information

- 14.1 IMDG (maritime transport)
- | | |
|------------------|-------------------------------------|
| CLASS | : Not classified as Dangerous Goods |
| SUB RISKS | : |
| PACKING GROUP | : |
| MFAG | : |
| EMS | : |
| MARINE POLLUTANT | : |
- 14.2 ICAO (air transport)
- | | |
|---|-------------------------------------|
| CLASS | : Not classified as Dangerous Goods |
| SUB RISKS | : |
| PACKING GROUP | : |
| PACKING INSTRUCTIONS PASSENGER AIRCRAFT | : |
| PACKING INSTRUCTIONS CARGO AIRCRAFT | : |
- 14.3 Australia ADG Code
- | | |
|---------------|-------------------------------------|
| CLASS | : Not classified as Dangerous Goods |
| SUB RISKS | : |
| PACKING GROUP | : |
- 14.4 New Zealand NZS 5433:2007
- | | |
|---------------|-------------------------------------|
| CLASS | : Not classified as Dangerous Goods |
| SUB RISKS | : |
| PACKING GROUP | : |
-

RE-HEALING FOAM RF 6

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15. Regulatory information

15.1 Australia

All components are listed on the Australian Inventory of Chemical Substances (AICS).

15.2 New Zealand

Approval: Fire Fighting Chemicals Group Standard 2006 (HSR002573).

NZIoC: All components are listed on the New Zealand Inventory of Chemical Substances

HSNO Classification: 6.4A Eye irritancy, 6.5B Contact sensitization, 9.1D Ecotoxic.

16. Other information

The information provided on this SDS is correct to the best of our knowledge, information and belief at the date of its publication. The information given is designed only as a guidance for safe handling, use, processing, storage, transportation, disposal and release and is not to be considered as a warranty or quality specification. The information relates only to the specific material designated and may not be valid for such material used in combination with any other material or in any process, unless specified in the text. As we cannot anticipate all use conditions, the user should conduct their own risk assessment.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 17

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: International Incidents with Azimuth Pods

Question reference number: 5

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 21

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: That is why I asked the question. If there are hundreds of these systems in service around the world, how many other cases have you identified?

Vice Adm. Barrett: Mr Gillis has more knowledge of where these are used elsewhere and is responsible for the sustainment of them.

Mr Gillis: A number of the large cruise lines operate azimuthing PODs. Some of them have identified some issues with seals, and there has been remediation on those seals. Ours is a fairly select group of that particular type of POD. They are for our two LHDs and for the Juan Carlos, which is the Spanish Armada's vessel. Those ones are almost identical, but they are fairly unique in the world in respect of the specific configuration.

Senator KIM CARR: There has been no other incident of this type identified in any other fleet users?

Mr Gillis: No. There have been issues with azimuthing PODs in the early years. There were a number of issues identified with azimuthing PODs. But it has not been consistent across the fleet.

Senator KIM CARR: This is the Australian fleet?

Mr Gillis: No, the international fleet.

Senator KIM CARR: How many cases have you identified?

Mr Gillis: I do not have that data.

Senator KIM CARR: Will you take that on notice?

Mr Gillis: I can take that on notice.

Answer:

The Royal Australian Navy operates the Siemens podded propulsion system acquired as the SSP10 (also known more specifically by Siemens as the SISHIP eSiPOD12).

There are 10 ships (including the two Canberra Class Landing Helicopter Docks) that are installed with Pods from the same 'Pod family'.

Three have suffered major damage to the Pods – two related to external contact damage, and one related to maintenance.

The Spanish Landing Helicopter Dock Pod issue appears related to the top (Azimuth) section of the Pod interface with the hull.

None appear directly relevant to the symptoms and possible failure modes experienced by HMAS *Adelaide* and HMAS *Canberra*, which in themselves are still being investigated and do not appear identical.

More broadly, Defence is also continuing to monitor developments and research associated with the design, integration, and use of Pods across the major manufacturers.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Land Helicopter Dock (LHD) time at sea

Question reference number: 6

Senator: Kim Carr

Type of question: spoken on Monday, 29 May 2017, Hansard page 21

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: How much sea time have they done?

Vice Adm. Barrett: Over the last two years we have had quite an ambitious program to prove their capability, which they have done remarkably well. They have spent more time at sea—almost double—than the Spanish ship of the same type. I will get the figures for you, Senator. I will put them on record. It is about 180 days of sea time in the last year and about 110 days this year. But I will clarify those figures.

Answer:

As at 30 May 2017:

HMAS *Adelaide* 118 days during 2016 and another 42 days at sea in 2017.

HMAS *Canberra* 118 days during 2016 and another 19 days at sea in 2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Ernst & Young corporate services contract for SEA 1000

Question reference number: 7

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: According to LinkedIn, Admiral Moffitt, perhaps after some period of leave, commenced work with Ernst & Young in September 2014. Is that correct?

Rear Adm. Sammut: That is correct.

Senator XENOPHON: At about the same time, Ernst & Young received another contract by way of open tender for \$520,000 to provide corporate services for SEA 1000. Do you recall that contract and did you sign off on it?

Rear Adm. Sammut: I will need to take that on notice as to whether I signed off on that particular contract or whether the then General Manager Submarines signed off on that contract.

Answer:

The contract was signed on 14 August 2014 by Commodore Bronko Ogrizek in his former capacity as Director General SEA 1000 Future Submarine Program.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Ernst & Young corporate services contract for the Future Submarine Project

Question reference number: 8

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: Following on from that Ernst & Young contract, they received two further contracts, also by open tender, to provide corporate services to the Future Submarine Project. One was for \$1,100,000 and the other was for exactly double that—\$2,200,000. Do you recollect those contracts?

Rear Adm. Sammut: No, I do not. Could you—do you have a timeframe for those?

Senator XENOPHON: No, but I can provide that—I can put some further questions on notice in respect to that. But that followed on, and it seems that Ernst & Young had a number of contracts. Prior to Admiral Moffitt leaving the Navy, had Ernst & Young ever had a contract for the SEA 1000 project?

Rear Adm. Sammut: I would have to take that on notice as to whether they did or did not.

Answer:

The first contract with Ernst and Young was signed on 14 August 2014 after Rear Admiral Moffitt retired from the Australian Defence Force and before he joined Ernst and Young.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Parameters surrounding re-engagement with Defence following discharge

Question reference number: 9

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 24

Date set by the committee for the return of answer: 21 July 2017

Question:

Rear Adm. Sammut: What I do recall about the contracts that I was involved in in terms of Ernst & Young's involvement in the program was that it was on the basis of the expertise they were bringing. It was not predicated on the involvement of anybody else who may have been connected with the Future Submarine Program. There is a period of abstinence from further employment in relation to matters connected with the Future Submarine Program or any Defence matter—

Senator XENOPHON: Something that people call, unkindly, gardening leave. But what is that period?

Rear Adm. Sammut: It varies, as I understand, from time to time depending on the circumstances and the individuals involved. That is normally by their agreement before they leave Defence.

Senator XENOPHON: So there is no set time?

Rear Adm. Sammut: I will need to take further advice on what sort of set time we normally apply to that.

Senator XENOPHON: I thought there was—

Rear Adm. Sammut: I have not been in those circumstances.

Senator XENOPHON: And I hope you will not be for quite some time.

Mr Gillis: Having participated in that process myself and having left, it was 12 months for me. I left the country for 12 months and worked on non Australian Defence related—and that is a normal requirement. But sometimes when people are working above the line—in other words, working directly for the Commonwealth—they are not in a conflict and we do make exceptions.

Senator XENOPHON: On those, can you just—it concerns me. I just want to know how clear the rules are and what the timeframes are. I understand the exception that you referred to, but I just want to know what the parameters are and whether they are set out clearly.

Mr Gillis: It is 12 months.

Senator XENOPHON: It is 12 months?

Mr Gillis: Yes.

Senator Payne: We will take the rest of your question on notice.

Answer:

- Defence has specific instructions applicable to all Defence personnel with respect to:
 - Conflicts of Interest and Declarations of Interest; and
 - Notification of post-separation employment.

- Both documents are available on the Defence internet site at:
 - Conflicts of Interest and Declarations of Interest
[http://www.defence.gov.au/casg/multimedia/di\(g\)_pers_25-6-9-7977.pdf](http://www.defence.gov.au/casg/multimedia/di(g)_pers_25-6-9-7977.pdf)
 - Notification of post-separation employment
[http://www.defence.gov.au/casg/multimedia/di\(g\)_pers_25-4-9-7976.pdf](http://www.defence.gov.au/casg/multimedia/di(g)_pers_25-4-9-7976.pdf)

- Additionally, Defence contracting templates require contractors to state whether or not there is a conflict of interest connected with their performance of contractual obligations to Defence, including the use, or proposed use of, former Defence personnel on a contract. Defence contractors are required to obtain written approval from Defence before they, or approved subcontractors, seek to engage any current or former Defence personnel who were, in the preceding 12 months involved in:
 - The preparation or management of the contract,
 - The assessment or selection of the contractor, or
 - The planning, performance of the procurement or any activity relevant or related to the contract.

- Defence has produced, and makes available, a publication titled '*Defence and the Private Sector: An Ethical Relationship*' to provide practical recognition of the aims of both Defence and industry, the constraints under which they both operate and their mutual obligations. This document is available on the Defence internet site at:
http://www.defence.gov.au/casg/multimedia/defence_and_the_private_sector-an_ethical_relationship-9-7974.pdf

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 17

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Amount Spent to Date on LHD Repairs

Question reference number: 10

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 26

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: What is the suggested cost that you have at this point for repairs to the LHDs?

Rear Adm. Grunsell: We do not have an actual cost at this stage because it is a flowing activity. It will be aggregated towards the end of the activity. I cannot give you the exact cost at this stage.

Senator KIM CARR: How much have we spent so far?

Rear Adm. Grunsell: I would have to take that on notice. We would have to do some detailed analysis to determine how much we have spent to this point.

Answer:

The indicative cost of the Pod repairs up to mid-June 2017, including the docking of HMAS *Adelaide* and inventory, is in the order of \$7.5 million. This is additional to the 2016/17 Year to Date corrective maintenance expenditure. The final cost attribution will be determined based on the outcome of technical investigations, analysis, and reference to commercial considerations arising from the acquisition contract.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Number of consultants within Army

Question reference number: 11

Senator: Hinch

Type of question: asked on Monday, 29 May 2017, Hansard page 33

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator HINCH: Minister Payne, I want to talk about Department of Defence consultants and contracted consultants. I have a letter from the Minister for Finance, Senator Cormann, where he says that in 2016-17 government departments spent \$535 million on consultants and from 2007 to 2017, the total is nearly \$45 billion. On notice, can you break down what the figures are for Department of Defence, particularly the Army? I am old enough to remember the Queensland insurance business 30 years ago, where a person would finish their job as an employee on a Friday and start on the Monday as a consultant. That caused great changes with the ATO. I am getting anecdotal evidence from the Army that you have this happening. People are quitting their jobs or becoming redundant on a Friday and virtually starting again as a consultant on the following Monday. Can you take on notice how many consultants the Army has?

Senator Payne: Yes, I can certainly take that on notice, or perhaps Chief of Army, Lieutenant General Campbell, may be able to address that in part at this point. We will take the rest of your question on notice. If I may, I will also point you to the budget measure in relation to contractors and consultants for Defence, which indicates Defence efficiencies in contractors, consultants and in business travel of \$304 million, give or take, over the forward estimates. We will add some more detail to that as well.

Answer:

The Defence 2016-17 Financial Statements are not yet finalised. The 2016-17 consultant figures will be published in the 2016-17 Defence Annual Report.

All Defence personnel must comply with Defence Instructions (General) Personnel 25-4, Notification of Post Separation Employment. This requires all Defence personnel to report as soon as practicable any offer of post separation employment that could lead to an actual or perceived conflict of interest to their Commanding Officer or Supervisor.

Defence awards contracts based on value for money. The number of people engaged to provide the service is determined by the contracted service provider. To capture such information would require an impost on industry to identify the Full Time Equivalent impact of staff engaged under each contract. In addition Defence's existing financial information systems would require significant investment to be able to capture and report this information.

The 2017-18 budget measure for Defence efficiencies (\$304 million over the forward estimates) included savings through reductions in expenditure on consultants and contractors.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Departmental discussion regarding military sales to Saudi Arabia

Question reference number: 12

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 34

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: In light of that statement, can you confirm if the weapons were munitions or products that can be used to enhance weapons—for example, vehicles upon which weapons produced or purchased elsewhere could be fitted? Are we exporting war-fighting capability here?

Ms Skinner: I do not have the particular detail of that. If I can provide it under the arrangements that we have, then I will.

Answer:

Defence does not release the details of export approvals due to commercial-in-confidence considerations. To support Defence's ability to effectively regulate the export of military goods and technologies, Defence does not release the commercial details of exports.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: List of countries Australia exports military equipment to in the Middle East

Question reference number: 13

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 35

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: If we could ask on notice, the countries in the Middle East and all countries that we are in negotiations with in relation to military exports.

Ms Skinner: Certainly.

Answer:

As publicly announced in the 2016 Defence Industry Policy Statement, the Australian Government has signalled its intent to support growth in Australian defence industry exports.

The Minister for Defence Industry has supported this agenda by visiting several countries to assist Australian defence industry's export efforts. The Minister will continue to visit a range of countries as part of his portfolio responsibilities and support defence industry exports where relevant to the country.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Use of exported Australian military equipment in Yemen

Question reference number: 14

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 35

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Has the department assessed and previously supplied equipment that is being used by the Saudi-led coalition in Yemen? Do we know if any of the equipment is ending up in the conflict?

Ms Skinner: As part of the process of assessing applications, we look at the end user, as I have said, and where the end use of that technology is. So we satisfy ourselves that the export is sound in relation to international obligations and Australian policy. In regards to Yemen, we would just urge all parties to the conflict to return to the negotiating table and resolve that conflict peacefully.

Senator GALLACHER: That is not the question, though, is it? The question is whether the equipment has ended up being used in that conflict. Do you know?

Ms Skinner: That is not my understanding, because we would be unlikely to have issued export permits if that is where we thought the equipment or technology would go. But I will take that on notice and we will see what we can understand from that.

Answer:

Noting Australia's Arms Trade Treaty obligations, Defence would not approve exports of military equipment or technology if there is an overriding risk that it might be used in a conflict in violation of international humanitarian law or international human rights law. It is important to note that military equipment might be used in conflicts so, to meet Australia's international obligations, Defence assesses the risks as to whether it is likely to be used unlawfully in that conflict.

As part of the assessment process for an export application, as appropriate, Defence consults with a range of areas within and outside Defence. This includes the Department of Foreign Affairs and Trade. The Department of Foreign Affairs and Trade contributes to Defence's decisions by providing advice on any relevant foreign policy implications, drawing on input from relevant overseas missions and geographic desks as well as human rights, legal and other thematic areas in the Department. This advice includes consideration of application information in relation to Australia's obligations under the Arms Trade Treaty, and other international instruments.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Voluntary blood testing and other health services**Question reference number:** 15**Senator:** Rhiannon**Type of question:** asked on Monday, 29 May 2017, Hansard page 38**Date set by the committee for the return of answer:** 21 July 2017**Question:**

Senator RHIANNON: By now you are well aware of the stress this causes to people when they learn about this contamination or even possible contamination. You said then that talks had been held. I imagine you would be aware that the Northern Territory government has asked for voluntary blood testing to be offered to residents and for health services to be made available. As well as the talks, are there any other practical measures—apart from offering water to local people—being undertaken?

Senator Payne: We have indicated that we will provide rainwater tanks to properties where they are dependent on bore water with detections of the contaminants. We understand from the advice of the Northern Territory government that the town water in Katherine is safe for drinking purposes. Matters of blood testing and involvement of that nature are decisions for the health department, but they have been part, if I am not mistaken, of the consultations that the deputy secretary has attended. I am not sure who from the health department went to the last consultation in Katherine, but particularly the Deputy Chief Medical Officer, Dr Tony Hobbs has been a very close participant in all of the activities which, as the whole of government and as Defence, we have been engaged in.

Senator RHIANNON: The specific question was about the request for voluntary blood testing to be offered and other health services. We know often that is counselling.

Senator Payne: But that is run by Health.

Senator RHIANNON: I am aware of that. What I was about to say was: when I have asked questions previously, you have been quite forthcoming about providing details, because there is obviously a clear cooperation between departments here. If you can answer that, I think it would be a good look for you and it would help relieve some of the stress that is going on with this.

Senator Payne: I will follow that up with Health. I do not have that advice with me this afternoon.

Answer:

This question is a matter for the Department of Health, on the basis that it has portfolio responsibilities for administering these programs.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Names and positions of Defence personnel on the PM&C contamination taskforce

Question reference number: 16

Senator: Rhiannon

Type of question: asked on Monday, 29 May 2017, Hansard page 38

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RHIANNON: I want to ask about the Department of the Prime Minister and Cabinet's task force there. Who are the defence department representatives on that body?

Mr Grzeskowiak: The Department of Defence has couple of representatives on the task force. Generally the nature of these task forces is that they be established from maybe one or two people, in this case in Prime Minister and Cabinet, and then other people joining from other departments that might be involved. So we have representation, Department of Health has representation and Department of Infrastructure has representation, and so does, I think, the Department of Environment. I do not have the names of our representatives, but the people that we put into that task force were people who were working on the issue within Defence immediately before they went into the task force, so they had the experience of understanding what we in Defence understood about the issue, which they can take into the task force process.

Senator RHIANNON: Could you take it on notice and supply the names and positions of those people, please?

Mr Grzeskowiak: I could. I would be interested in understanding why you are looking for specific names.

Senator RHIANNON: The question just is: can you take that on notice, please?

Mr Grzeskowiak: I can take it on notice.

Answer:

There are four Defence employees seconded to the Department of the Prime Minister and Cabinet contamination task force.

These comprise of one SES Band 2, and three staff from the Per- and Poly Fluroalkyl Substances (PFAS) Investigation and Management Branch (one EL2, one EL1, and one APS6).

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Military Exports Approved from March 2017

Question reference number: 17

Senator: Ludlam

Type of question: asked on Monday, 29 May 2017, Hansard page 39

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator LUDLAM: I am happy to chase some of those other matters in the trade portfolio, but I will just confine my short time to military exports in particular. So four is the right number. I saw you nod but Hansard will not pick that up.

Ms Skinner: From April 2016, yes, Senator.

Senator LUDLAM: Have there been any more approved since this March?

Ms Skinner: Not that I am aware of and I will have to take that on notice. I can confirm that but not off the top of my head.

Answer:

Between 1 April 2017 and 30 June 2017, Defence approved one additional export of military equipment or technology to Saudi Arabia. The export was approved on 13 June 2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian military exports to Saudi Arabia

Question reference number: 18

Senator: Ludlam

Type of question: asked on Monday, 29 May 2017, Hansard page 40

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator LUDLAM: ... What kind of gear are we selling to Saudi Arabia?

Ms Skinner: For these particular exports I do not have the information I would need to generalise about them. I will take that on notice.

Answer:

Defence does not release the details of export approvals due to commercial-in-confidence considerations. To support Defence's ability to effectively regulate the export of military goods and technologies, Defence does not release the commercial details of exports.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Spend on Consultants in the last three years

Question reference number: 19

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 41

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: Mr Sargeant, could you take on notice how much has been spent by Defence on consultancies in the last three years. If it has really been out there, I am not—

Senator Payne: We do have a question on notice in relation to that from Senator Hinch, but yours is a slightly different point, so I am very happy to do that.

Answer:

Defence expenditure on Consultancies from 2013-14 to 2015-16 is outlined in the table below:

| | 2013-14 | 2014-15 | 2015-16 |
|--|---------|---------|---------|
| | \$m | \$m | \$m |
| Defence Consultancy Expenditure ¹ | 44 | 82 | 91 |

1: Consultancy expenditure as reported in the 2015-16 Defence Annual Report, page 145.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Departmental discussion regarding military sales to Saudi Arabia

Question reference number: 20

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 43

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: So in terms of discussions about sales to Saudi Arabia, can you tell me whether that was one that caused you to have to talk with the department of foreign affairs?

Ms Skinner: I can take that on notice. I would suggest it would—

Senator MOORE: That is what I thought.

Ms Skinner: because we would have been mindful of the issues in the region around regional instability and civil war. So we would have most likely done that, but I can confirm that for you.

Answer:

The need to consult with the Department of Foreign Affairs and Trade is identified on a case-by-case basis and depends on the nature of the export. Controlled items in the military list have a wide range of end uses including personal use, and commercial and academic applications that would not require consultation with the Department of Foreign Affairs and Trade; for example, a personal firearm that might be used for a target shooting competition, explosives used in mining, or historic military vehicles to be displayed in a museum. In the case of exports to Saudi Arabia, some cases were consulted with the Department of Foreign Affairs and Trade and some were not.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Checklist for determining viability of Australian military exports

Question reference number: 21

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 44

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: So when you are giving out the approvals, do you have to make a statement against each of those five that it has met the requirements? Is that the kind of paperwork process that you have to go through before, or even after, you make your delegation to prove that this process has been followed?

Ms Skinner: I would have to check exactly how the ticking of the boxes occurs. Certainly the assessing officer has a set of standard operating procedures, effectively, that they would go through to make sure all of these things are met. I could not tell you what the checklist looks like.

Senator MOORE: But in terms of that final delegation, it is accepted that the particular process has to meet our responsibilities under those five criteria?

Ms Skinner: It has to meet those criteria.

Senator MOORE: And in terms of the internal documents—I am not asking to see them; I understand that—there would be information against each of those five to say what processes have gone on?

Ms Skinner: I would have to take on notice—

Senator MOORE: Take it on notice.

Ms Skinner: exactly how that looks.

Senator MOORE: That would be useful in terms of the process.

Ms Skinner: Yes. I could do that.

Answer:

Applications are received online in the Defence Export Controls System which keeps records of each export application and the corresponding assessment and delegate decision.

Defence technical and assessment teams assess the nature of the good or technology, the end user and the end use, to recommend to the delegate whether the export can be approved in the context of the five export control policy criteria:

- International obligations,
- Human rights,
- Regional security,
- National security, and
- Foreign policy.

As part of the assessment process for an export application, as appropriate, Defence consults with a range of areas within and outside Defence. This includes the Department of Foreign Affairs and Trade.

The Department of Foreign Affairs and Trade contributes to Defence's decisions made by Defence by providing advice on any relevant foreign policy implications, drawing on input from relevant overseas missions and geographic desks as well as human rights, legal and other thematic areas in the Department. This advice includes consideration of application information in relation to Australia's obligations under the Arms Trade Treaty, and other international instruments.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Direct correspondence, or questions raised, regarding Australian military exports to Saudi Arabia

Question reference number: 22

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 44

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: Sure. Have you had complaint or questions about the sale of armaments to Saudi Arabia, particularly around the Yemen issue?

Ms Skinner: We would have to take—

Ms Louis: We are working on it.

Ms Skinner: Human Rights Watch have talked to us. We would need to take it on notice. But we would expect them to raise a whole range of issues, which would be of interest to us engaging on them.

Senator MOORE: I am particularly interested at this stage—and I could be interested in a whole lot more—in the Yemen issue because of community organisations that have spoken with me. Minister, have you had any direct correspondence or questions raised with you about the sale of armaments to Saudi Arabia on the basis of the impact in Yemen?

Senator Payne: I may have, Senator, but I would have to check. I will take that on notice.

Senator MOORE: It would be good if you could take that on notice.

Senator Payne: Of course.

Answer:

Human Rights Watch wrote to the Prime Minister, Minister Payne and Minister Pyne on 13 April 2017. Defence is working through a response in consultation with other agencies.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Denial of Military Export Permits to Saudi Arabia

Question reference number: 23

Senator: Ludlam

Type of question: asked on Monday, 29 May 2017, Hansard page 47

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator LUDLAM: I have a couple more questions. I think I am getting the wind-up. I will put two on notice, if that is okay, Chair, if you are about to wrap me up. Firstly, could you provide on notice any information as to whether you have ever denied a permit for an export to Saudi Arabia? Secondly, are there any thresholds as to how bad it would need to get in Yemen before you would reconsider exporting military equipment to Saudi Arabia?

Senator Payne: I suggest that that is a question for the Department of Foreign Affairs and Trade.

Senator LUDLAM: With great respect, these are the folks signing the certificates that allow this—

Senator Payne: We will have a look at it, I said.

Answer:

Since 2009 there have been four applications for exports of military equipment or technology to Saudi Arabia that have not been approved.

Noting Australia's Arms Trade Treaty obligations, Defence would not approve exports of military equipment or technology if there is an overriding risk that it might be used in a conflict in violation of international humanitarian law or international human rights law. It is important to note that military equipment or technology might be used in conflicts so, to meet Australia's international obligations, Defence assesses the risks as to whether it is likely to be used unlawfully in that conflict.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Total Amount of Military Exports to Saudi Arabia

Question reference number: 24

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 47

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: I am interested to know—this may go on notice—whether we can get any idea of the total we have approved to Saudi Arabia. It is kind of the offset of Senator Ludlam's questions.

Senator Payne: Under what timeframe, Senator?

Senator MOORE: The last five years?

Senator Payne: Certainly.

Senator MOORE: And where we would rank in terms of other countries and their sales to Saudi Arabia. Is there any information around that that you would have access to? I will put that on notice. You may not be able to on that.

Ms Skinner: But as to whether Defence itself has that specific information, other than noting that they are a sizeable trading partner with Australia, we will see what we have.

Answer:

Since Defence introduced electronic application processing in May 2013, there have been 24 applications for exports of military equipment or technology to Saudi Arabia which were approved.

Defence does not have any information on where Australia ranks in terms of other countries and their sales to Saudi Arabia.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Other nations' militaries roles in domestic terrorism events

Question reference number: 25

Senator: Farrell

Type of question: asked on Monday, 29 May 2017, Hansard page 49

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FARRELL: The minister or air chief marshal can answer this question, if they know the answer. What role or powers do defence forces in other countries, such as the United Kingdom and the United States, have in assisting domestic terrorist events?

Senator Payne: A number of our partners have different military and law enforcement compositions. They have different legislative frameworks to support them. I am not sure that we could provide you with a very brief off-the-cuff answer on that. We have seen some play out, recently, for example, in the United Kingdom. But to the extent that we are able, I am very happy to take that on notice and provide the committee with further information.

Senator FARRELL: Thank you, Minister. What about you?

Air Chief Marshal Binskin: I talk to my counterparts about what is happening in the UK, France and Belgium; I have recently. It would not be appropriate for me to talk about their particular employment legislation, although that is for them. In fact, it is held quite tightly amongst them as well.

Senator FARRELL: So that legislative framework is not publicly available?

Air Chief Marshal Binskin: I cannot speak for those nations without researching it, so I will not.

Senator Payne: To the extent that we can, we will provide the committee with some information.

Answer:

Every country has distinct legal frameworks and legal traditions. This gives rise to complex and different legal and policy arrangements supporting the call out of armed forces in response to terrorism activities, which may not be directly comparable to the Australian context.

- The Australian Defence Force's role in domestic counter-terrorism is derived from the Australian Constitution and the *Defence Act 1903* (Cth).
- The United Kingdom does not have a written Constitution and is a unitary system, not a federal system. Therefore, in the United Kingdom, the call out of the Armed Forces in support of domestic counter-terrorism may occur under Royal Prerogative, under an order made in accordance with the *Emergency Powers Act 1964* or via an emergency regulation made under the *Civil Contingencies Act 2004*, depending on the circumstances.
- In the United States, the US Constitution and a range of legislation govern the use of the Armed Forces, Department of Defense civilians, the US Coast Guard and the National Guard in domestic counter-terrorism activities.
 - The US President has certain authorities, for example, through Presidential proclamations or executive orders, to direct the use of the military against terrorist groups and individuals in the United States for purposes other than law enforcement actions i.e. for emergency protection of life or property or to restore order.

Defence, however, is not in a position to advise on the practical operation or application of these laws in the United Kingdom or United States.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Cost of decontamination at the former Defence site at Maribyrnong

Question reference number: 26

Senator: Farrell

Type of question: spoken on Monday 29 May 2017, Hansard page 51

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FARRELL: Yes. Has this \$60 million cost that you have mentioned been included in the Defence budget allocation for the 2017-18 financial year?

Mr Grzeskowiak: We have approval from the government for expenditure up to that amount for that decontamination activity. So, in that respect, it will be in our forward budgets spread over at least two, and possibly three, financial years.

Senator FARRELL: Can Defence identify where the costs are set out in the budget portfolio?

Mr Grzeskowiak: I am sure that can be done. It is in my infrastructure funding line.

Senator FARRELL: And you can provide that?

Mr Grzeskowiak: We can provide the details of that.

Answer:

Defence Site Maribyrnong decontamination activities were approved at \$54.9 million. This is included within the costs from sale of property (Table 6 of the Portfolio Budget Statements 2017-18 Budget Related Paper No. 1.4A Defence Portfolio page 22 refers).

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Process to determine 6,000-home capacity of the Maribyrnong site

Question reference number: 27

Senator: Farrell

Type of question: asked on Monday, 29 May 2017, Hansard page 52

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FARRELL: Yes. Are we able to get a bit more information about that process of how you came to the 6,000 homes?

Mr Grzeskowiak: We have a report from a consultant. I can take it on notice to see whether we can make some or all of that report available.

Senator FARRELL: Can you? Thank you very much.

Mr Grzeskowiak: I will need to look and see whether it has any commercial sensitivity in it.

Answer:

Defence received an indicative market valuation report for Defence Site Maribyrnong in March 2016. This report identified that the site has the potential to support at least 3,000 dwellings and up to 6,000 dwellings, subject to planning controls.

The independent and accredited valuer, Urbis based its advice on analysis of market conditions and preliminary investigation of the development potential of the site, subject to planning controls.

The valuation report contains commercial-in-confidence information that would compromise the integrity of a competitive open market sale process if it were released prior to the successful completion of the open market sale process.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Development Victoria bid for Maribyrnong – requirements not met

Question reference number: 28

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 53

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: But the proposal was to sell it to the Victorian government?

Mr Grzeskowiak: That was the 2009 position.

Senator KIM CARR: And why was that proposal not proceeded with at this stage?

Mr Grzeskowiak: We had long and extensive negotiations with Development Victoria over some time. Last year, we received a best and final offer from Development Victoria. That offer did not meet some of the requirements that were laid down by government in 2009. The decision that has now been taken by government and announced in the budget was that we would seek to go to the open market for opportunities to develop this site because we think that a better value solution might be available.

Senator KIM CARR: What requirements did it not meet?

Mr Grzeskowiak: I am not in a position to go into the detail of the bid from Development Victoria. It is commercial-in-confidence. Obviously I cannot talk about what was or was not in their bid.

Senator KIM CARR: I think you might have a look at the standing orders on this issue. Are you claiming executive privilege on this?

Mr Grzeskowiak: It is a commercial-in-confidence bid and I think it would be inappropriate for me to talk about the contents of it.

Senator KIM CARR: I will ask you to consider that. I am asking you the grounds on which the bid was rejected. Minister, there are requirements in regard to claiming commercial-in-confidence.

Senator Payne: We will have a look at what we can provide.

Senator KIM CARR: If it is the case that the Victorian government's offer was rejected, it was a government-to-government offer. You are claiming commercial-in-confidence. I think we are entitled to know the basis of that claim.

Senator Payne: We will have a look at that, Senator.

Answer:

The Government carefully considered Development Victoria's best and final offer in the context of the Commonwealth Property Disposals Policy, and the 2009 approval conditions for the off-market sale.

The final offer received from Development Victoria did not fully satisfy the conditions for an off-market sale to Development Victoria. The conditions for an off-market sale were approved in 2009 by the Commonwealth Government.

Disclosing the approval conditions or the terms of the offer may unduly influence the outcomes of the open market testing process. Defence is unable to provide further detail on Development Victoria bid.

Development Victoria is welcome to participate in the open market process, along with any party who is eligible to purchase property in Australia.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Development Victoria bid for Maribyrnong – date of decision

Question reference number: 29

Senator: Carr

Type of question: asked on Monday 29 May 2017, Hansard page 54

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: Who made the decision to reject the Victorian offer?

Mr Grzeskowiak: It was a decision made by the government.

Senator KIM CARR: A government decision. Who in the government?

Mr Grzeskowiak: In the security committee of cabinet.

Senator KIM CARR: So a cabinet decision?

Senator Payne: Yes.

Senator KIM CARR: What date was that made?

Senator Payne: I will check.

Answer:

It is a longstanding practice not to disclose information about the operation and business of the Cabinet, as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Industry Participation Agreement

Question reference number: 30

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 57,

Date set by the committee for the return of answer: 21 May 2017

Question:

Senator KIM CARR: I want to turn to submarines. Thank you, Mr Gillis. I will begin with the Australian Industry Participation agreement, which was signed between DCNS and the Defence Materials Technology Centre. Are you familiar with this agreement?

Mr Gillis: I will pass to Rear Admiral Sammut.

Senator KIM CARR: Are you able to tell me what is covered by this agreement?

Rear Adm. Sammut: No. I will have to take it on notice.

Senator KIM CARR: ... If the department has not seen it and you have not seen it, is there anyone here who can tell me whether a document has actually been sent to Minister Pyne's office?

Mr Gillis: We will have to take that on notice.

Senator KIM CARR: ... Has the defence department sought a copy of the document?

Rear Adm. Sammut: We are seeking that we get informed of all the agreements that DCNS has entered into as we work with them. Of course, they go beyond just what is required for the Future Submarine Program. This has been a bit more of a broader push than purely for the Future Submarine Program, as stated in the media release. At this stage, our focus is on the actual work that DCNS is doing to increase industry involvement in the Future Submarine Program itself.

Senator KIM CARR: But you have sought this document?

Rear Adm. Sammut: Yes, we have.

Senator KIM CARR: When did you seek that document?

Rear Adm. Sammut: I cannot say precisely when we sought that document.

Senator KIM CARR: Was it recently?

Rear Adm. Sammut: It was recently, Senator, yes.

Senator KIM CARR: And what has been the response from DCNS to your request?

Rear Adm. Sammut: They are happy to forward that document to us. That is moving through our system as it is being passed to us.

Senator KIM CARR: So it has been received?

Rear Adm. Sammut: I do not know whether it has been received yet. What I meant was in terms of our engagement with DCNS: the request has gone to them. We expect it to be forthcoming.

Senator KIM CARR: Could you check for me, please, whether or not it has been received?

Rear Adm. Sammut: I will check that.

Answer:

The Defence Materials Technology Centre is supported by participants drawn from industry and academia. The agreement between DCNS and the Defence Materials Technology Centre covers the relationship with DCNS as a 'Supporting Participant' of the Defence Materials Technology Centre. Each 'Supporting Participant' enters into a standard-form agreement to join the Defence Materials Technology Centre.

The Department of Defence, DCNS and the Defence Materials Technology Centre have not sent a copy of the agreement to Minister Pyne's office. Minister Pyne was briefed by the Defence Materials Technology Centre prior to the agreement being signed.

Defence has received a copy of the agreement.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: New Collins-class periscopes – contract value

Question reference number: 31

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 60

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: Well, we will come to that. When did the tender process begin for the new periscopes?

Mr Johnson: It began in 2015.

Senator KIM CARR: The value of this contract is about \$12 million, I am told. Is that be correct?

Mr Johnson: I believe the actual value is \$10 million. I can take that on notice.

Senator KIM CARR: If you would not mind—I am not too far off; I am told it is \$12 million, you say \$10 million.

Mr Johnson: Yes.

Answer:

The contract price is \$AUD 10.1 million including GST.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: New Collins-class periscopes – time since last periscope manufactured

Question reference number: 32

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 61

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: It was put to me that Thales UK have not made these periscope tubes for quite some time, particularly ones required for the Collins. Is that true?

Mr Johnson: No. They have been in production within at least the last 24 months at the time of the order.

Senator KIM CARR: At the time the contract was awarded. Is that true?

Mr Johnson: They were within production within 24 months.

Senator KIM CARR: So at the time the contract was awarded, was it true? You said you made the decision based on capability.

Air Chief Marshal Binskin: So was it true that they had produced these before but they may not have been in production right now?

Senator KIM CARR: I am told that they were not made for some time. That is what I am asking, Air Chief Marshal. Is that true? Is that correct?

Mr Johnson: They had made a periscope within 24 months of the time of the order.

Senator KIM CARR: Within 24 months. So they had been out of production for two years. Is that what you are trying to say?

Mr Johnson: I do not know any more details than those I answered your question with. I can take that on notice.

Answer:

Thales United Kingdom last completed manufacture of a new periscope tube for the Commonwealth of Australia in February 2015.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: New Collins-class periscopes – tender process with BAE

Question reference number: 33

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 70

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: That is your evidence. I am also led to believe that the timetabling was subject to BAE's discretion. Were there many changes, in terms of the contract arrangements?

Mr Johnson: Not that I am aware of.

Senator KIM CARR: Will you take that on notice?

Mr Johnson: Yes. In order to best answer your question, may I ask what you mean when you say contract arrangements?

Senator KIM CARR: I am told that BAE negotiated with prospective tenderers before informing them that they were unsuccessful. There was a dialogue between the respective tenderers. The original RFQ was sent out in August 2014. Is that correct?

Mr Johnson: I am not sure that I could call it an RFQ. There was a discussion to develop rough order of magnitude bids that began in August 2014. I am sometimes a bit trapped between the differences in vocabulary in contracting positions, so I would not call that an RFQ. I think that that process began in earnest in 2016 in a serious way.

Senator KIM CARR: Are you able to advise the committee as to whether or not there were changes requested by BAE with regard to the specifications?

Mr Johnson: I will take that on notice. I will also observe in these discussions, when you make the transition from finding companies who might be interested to bid to discussing what they might bid on to them getting to the no-kidding request for tender, that it is a normal practice to tailor in consultation with companies. We do that on a regular basis and that is an important part of getting value for money.

Senator KIM CARR: And was there any consideration, for instance, in having tenderers source and hold hard-to-obtain stock of particularly specialist forged materials, which I understand, it was argued, was to be for a reduction in costs and to mitigate risks?

Mr Johnson: I will take that on notice.

Senator KIM CARR: And during the time frame, does the department know whether or not the tenderers—that is, EZY-FIT and Hoffman—complied with BAE's requests for items such as side audits, risk mitigation strategies, detailed manufacturing operation sequencing and other items to demonstrate their capabilities to carry out the work requested?

Mr Johnson: I will take that on notice.

Answer:

1. The original Request For Quotation was issued in August 2014. BAE Systems Australia Ltd has advised that there was follow-on dialogue with tenderers in the form of requests for updated quotations to address omissions or non-compliances.
2. BAE Systems Australia Ltd did not request any changes to the specifications for Collins Class periscopes.
3. BAE Systems Australia Ltd has advised that it did not require tenderers to obtain and hold specialised items of stock and materials as part of the tender process.
4. BAE Systems Australia Ltd has advised that tenderers complied with BAE Systems Australia Ltd's requests for audits, risk mitigation strategies and detailed operation sequences.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Sale of former Defence site Maribyrnong – date of Cabinet discussion

Question reference number: 34

Senator: Rice

Type of question: asked on Monday, 29 May 2017, Hansard page 73

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RICE: Early May. You made a decision late last year. When exactly was it late last year that you decided that their bid was not acceptable?

Mr Grzeskowiak: Well, I did not make any decision. We received a best and final offer from Development Victoria in December last year, so very late last year. That was analysed and then—

Senator RICE: Who analysed it? What was the process of analysis?

Mr Grzeskowiak: It was analysed within the Department of Defence with a lens of best value for money, noting advice we had from strategic advisers familiar with this market. A range of options was put to government and a decision was made in early May, as the minister has just said.

Senator RICE: When were the range of options put to government?

Mr Grzeskowiak: For the decision in early May.

Senator RICE: But when?

Mr Grzeskowiak: I would have to take the actual date of that meeting on notice.

Answer:

It is a longstanding practice not to disclose information about the operation and business of the Cabinet, as to do so could potentially reveal the deliberations of the Cabinet, which are confidential.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: 310 St Kilda Road – date when decision to dispose was made

Question reference number: 35

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 75

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Just following on from the disposal of assets, I come back to some questions Senator Hinch asked you in the last round of estimates. Was there a proposal in the last round of estimates in relation to 310 St Kilda Road? Was it up for sale at that time?

Mr Grzeskowiak: The position with 310 St Kilda Road at the moment is that we have been talking to the government of Victoria about a potential off market sale ...

Senator GALLACHER: Perhaps I will go back a stage. When did Defence actually consider the site to be surplus to operational and strategic requirements? Is there a date for that?

Mr Grzeskowiak: So 310 St Kilda Road has not been used by the Department of Defence for some considerable time.

Senator GALLACHER: That is not the question. It has been derelict for 22 years, if you read the media. When did you decide you needed to dispose of it?

Mr Grzeskowiak: I would have to take that on notice. We have been talking about options for selling that property for some years. A range of players have been expressing interest. One of them is representing an organisation called the Australian National Veterans Art Museum. We have been talking to those people. For some years we have been working up to—

Senator GALLACHER: When did you list this?

Mr Grzeskowiak: the disposal of this property. But I would have to take on notice if you are looking for the month and year that a decision was made.

Answer:

The property was added to the Defence Disposal Programme on 6 May 2015.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: 310 St Kilda Road – Value on Defence asset ledger

Question reference number: 36

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 76

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: There are plenty of things in derelict condition in prime addresses, such as 310 St Kilda Road. I appreciate that there might be heritage concerns and all the rest of it, but it is a particularly prime address, is it not?

Mr Grzeskowiak: The location is very good, yes.

Senator GALLACHER: So what is it on your asset ledger?

Mr Grzeskowiak: I would have to take that on notice.

Senator GALLACHER: Did you discuss that when you made the decision to sell?

Mr Grzeskowiak: It would have been part of the—

Senator GALLACHER: Can someone give it to us before we finish estimates?

Mr Grzeskowiak: Well, I will take it on notice.

Answer:

The Defence Asset Register does not have an individual asset value for the 310 St Kilda Road property, as it is treated as an element of the broader Victoria Barracks Site.

Defence will obtain an independent property valuation of the 310 St Kilda Road property for the purpose of sale.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: 310 St Kilda Road – discussions with Senator Hinch

Question reference number: 37

Senator: Gallacher

Type of question: asked on Monday, 29 May 2017, Hansard page 78

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Have you had any discussion with Senator Hinch about his supposed gifting of the property?

Senator Payne: Only what I think you were in the room for at the last estimates, when Senator Hinch asked some questions. At the time—

Senator GALLACHER: He has gone on Channel 7 and announced that he has done a deal or there is a deal done.

Senator Payne: Well, I love his enthusiasm. I love his enthusiasm. If it is possible to achieve an outcome, let us achieve an outcome. But, at this point in time, the situation is as Mr Grzeskowiak has described it. If Minister Tehan has any further information, I will seek that for you and come back to the committee.

Answer:

On 10 March 2017 Senator Derryn Hinch, wrote to the Minister for Defence requesting that the Department of Defence withdraw the proposed sale of 310 St Kilda Road, Southbank, Victoria. This was referred to the Office of the Minister for Defence Personnel for response.

The Minister for Defence Personnel replied to Senator Hinch on 30 March 2017, advising that Defence is working with the Victorian Government to finalise an off-market offer for consideration by the Minister for Finance in accordance with the Commonwealth Property Disposals Program.

Senator Hinch subsequently visited 310 St Kilda Road on 5 April 2017.

The Department of Defence was represented by local base management and facilities staff.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Industry Capability Plan – availability of redacted documents

Question reference number: 38

Senator: Carr

Type of question: asked on Monday, 29 May 2017, Hansard page 84

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KIM CARR: I see. On page 11 at 1.5, there is a series of applicable documents referred to from A1 through to A8. Are those documents available?

Rear Adm. Sammut: There are a number of references there, as I recall. I do not have the document before me. Do they include things like the transfer of technology plan?

Senator KIM CARR: The Australian industry capability plan, the integrated master schedule, the development of the Australian build, build strategy, contract work breakdown structure, transfer of technology strategy, Australian steel development qualification, the options study and the quality management plan. They are the documents listed. Are they available?

Rear Adm. Sammut: They are being produced at the same time as the Australian industry capability plan and they continue to be developed in some cases. Politically, there is the integrated master schedule. You can readily imagine that some of those documents you have mentioned contain highly commercially-sensitive material, such as the contract work breakdown structure and so forth. Others have been raised in discussions before, including the Australian steel qualification and development plan, which was sought at the same time as the Australian industry capability plan. That continues to be developed.

Senator KIM CARR: Well, they have not actually been created yet?

Rear Adm. Sammut: All of those documents are in a draft form. They need to be developed in unison so that they are complementary to one another.

Senator KIM CARR: So are any of these documents available in a redacted form?

Rear Adm. Sammut: We have not made all the documents available in a redacted form, but some of them would be available in a redacted form.

Senator KIM CARR: Can you take on notice what documents are available in a redacted form of the ones I have drawn your attention to at 1.5 on page 11.

Rear Adm. Sammut: We can take on notice what documents would be available in a redacted form.

Answer:

Many of the documents generated in the course of the Future Submarine Program contain commercial information of a highly sensitive nature, the disclosure of which would disadvantage DCNS. These documents also cover a wide range of information that will collectively define arrangements for the design and build of the Future Submarine, which could be exploited with substantial damage to Australia's national security.

Within these considerations, Defence will continue to share information where it can, as evidenced by the recent tabling of a redacted copy of the initial version of the Australian Industry Capability Plan.

At this point the Integrated Master Schedule, Development of Australian Build, Build Strategy, Australian Steel Development and Qualification Options Study, and the Quality Management Plan remain in development and are not available for release in redacted form.

The Contract Work Breakdown Structure has been finalised, but contains commercial information of a highly sensitive nature and therefore is not available even in redacted form.

The Transfer of Technology Strategy has been finalised. A redacted copy is attached.

AUSTRALIAN FUTURE SUBMARINE PROGRAM

TRANSFER OF TECHNOLOGY STRATEGY

Final Version for Approval

This document contains both Background and Foreground IP



Prepared for:
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Revision Index

| Revision | Date | Revision Content |
|----------|---------------------------------|------------------|
| A | January 12 th , 2017 | Draft |
| B | March 16 th , 2017 | Final |
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1 Introduction (FGD)

1.1 Background

The Australian Future Submarine Program (FSP) will be Australia's largest ever defence program and is critical to Australia's national security for the five decades to come. The Commonwealth of Australia (CoA) chose DCNS as its international partner to deliver a regionally superior and sovereign submarine capability to the Royal Australian Navy (RAN) via a Competitive Evaluation Process (CEP). DCNS will work with Lockheed Martin Australia Pty Ltd (LMA) who are separately contracted to the CoA as the Combat System Integrator (CSI).

This TOTS has been developed under the assumptions that :

DCNS will be responsible for designing the platform, the physical integration of the combat system into the platform, the construction of twelve Future Submarines (FSM), the Transfer of Technology (ToT) Program as well as the design and build of the required infrastructure. DCNS will receive support from its subsidiary, DCNS Australia, in carrying out all Program-related activities, and

LMA will be responsible for the design of the Combat System, the purchase of Combat System Equipment, development and validation of the Combat System and its functional integration in the submarine. It is recognized there may be opportunities to collaborate with LMA in the field of TOT, however such collaboration would be assessed on a case by case basis and is not explicitly addressed in this document.

To enable the CoA to establish sovereign capability to operate and sustain FSM capability, DCNS has developed a ToT program that will provide appropriate Technical Data and knowledge transfer, including an understanding of the FSM design intent and basis of design. It includes a collaborative arrangement between the CoA and DCNS that is intended to provide the CoA with sufficient knowledge of FSM design to fulfil its legal and regulatory responsibilities for approval and acceptance. The CoA will be actively involved in the DCNS design process with a proposed team of CoA staff in France working with the DCNS team in order to understand the design throughout the various phases.

This proposal also includes the ToT to Australian Industry and a transfer of the Design Authority role to an Australian entity. The ToT program includes transfer of the required technical data, tools and processes and provides appropriate training, experience and mentoring to develop the skills of the persons who will be responsible for FSM sustainment.

1.2 Purpose of the Document

The Transfer of Technology Strategy (TOTS) is the primary enabler, detailing how DCNS will deliver sovereign capability to the CoA (including ToT to Australian Industry) in order to support this capability. In doing so, the CoA will be provided with sufficient data, knowledge and understanding of the design to establish sovereign capability and maintain, operate and modify the capability in a cost effective and safe manner.

This TOTS provides the methodology used to meet the CoA's expectations in terms of ToT. It provides the list and definitions of the different types of ToT and their components.

Interrelationships with the other parts of the FSP, the overall ToT schedules and risk management plans are developed via a collaborative approach between the CoA and DCNS.

DCNS uses the TOTS to:

- define and establish the strategy of the ToT for the entire FSP, via a collaborative approach. This includes ToT to Australian Industry as well as to the CoA;
- provide input for the development of the following:
 - Master Training Plan (MTP);
 - Technical Data Management Plan (TDMP);
 - Integrated Product Development and Support Environment (IPDSE); and
 - ToT Program Management Plan (TOT-PMP) in Step 2, used to implement the strategy, coordinate the different ToT Program activities and monitor the entire ToT Program consistently with the Integrated Master Schedule (IMS).
- ensure that the parties (including Subcontractors and Australian Industry) who are providing or involved in the ToT, understand their respective responsibilities, the processes to be used and the time-frames involved; and
- define the Contractor's expectations for Commonwealth & Australian Industry involvement in the ToT, including expectations in terms of CoA ToT organisation.

The CoA uses the TOTS to:

- gain visibility of the DCNS plan in order to meet ToT requirements of the Design and Mobilisation Contract (DMC), in particular how ToT will take place, timeframes for ToT and how DCNS will assist the CoA and Australian Industry in achieving sovereign capability;

Note: The TOTS addresses the subject not only on the DMC horizon but over the entire Program timeline;
- gain assurance that the DCNS TOTS will meet the requirements of the DMC, in particular its ability to respect the Australian Government's Industry Policy 2016;
- provide a basis for monitoring and assessing DCNS performance in relation to the DMC requirements for ToT;
- confirm and coordinate CoA interfaces with the DCNS ToT Manager; and
- provide input into the CoA's schedule for ToT activities, including resources required to assist the ToT process and an understanding of how to manage ToT with Australian Industry.

In line with the DMC and in order to meet the CoA's expectations, the TOTS, relies on:

- DCNS experience in providing Sovereign Submarine Capability to the French Navy and the Direction Générale de l'Armement (DGA French acronym); and
- lessons learned on previous ToT programs for Chile, India, Malaysia, Pakistan and Brazil.

1.3 Overview of the Transfer of Technology Strategy

The TOTS provides the methodology used to meet CoA expectations regarding ToT.

The document gives details of DCNS organisation, the roles of the main actors involved in implementing the various ToT programs.

The TOTS is the main driver for the following documents:

- ToT Master Training Plan (TOT-MTP);
- Technical Data Management Plan (TDMP);
- Integrated Product Development and Support Environment (IPDSE); and
- ToT Program Management Plan (TOT-PMP).

It provides a list and definitions of the different types of ToT, their components, the interrelationships with other parts of the FSP, the identified risks and mitigation plan, the timeline for each ToT with respect to the CMS.

As a transversal function of the Program, the TOTS inter-relates with the other FSP activities as described in:

- Program Management Plan (PMP);
- Contract Management Schedule (CMS);
- Contract Work Breakdown Structure (CWBS);
- Australian Industry Capability Plan (AICP);
- Build Strategy (BS);
- Integrated Logistic Support (ILSP);
- Engineering Management Plan (EMP);
- Technical Engagement Plan (TEP);
- Information and Communication Technology Management Plan;
- Security Management Plan; and
- IP Deed.

1.4 Assumptions

The following assumptions have been made in the development of this TOTS:

- DCNS will be responsible for designing the platform, the physical integration of the combat system into the platform, the construction of twelve Future Submarines (FSM), the Transfer of Technology (ToT) Program as well as the design and build of the required infrastructure. DCNS will receive support from its subsidiary, DCNS Australia, in carrying out all Program-related activities;
- LMA will be responsible for the design of the Combat System, the purchase of Combat System Equipment, development and validation of the Combat System and its functional integration in the submarine;
- the build option used is the Australian Build as described in the Competitive Evaluation Process (CEP). However, the Build Strategy is not finalised as it is an output of the DMC phase; The TOTS will be updated once the Build Strategy is approved;
- the Design Authority for sustainment will be embedded in DCNS Australia;
- the Certification Authority's role will be embedded in an Australian Government Entity yet to be defined; and
- the CoA will meet DCNS requirements and expectations, as expressed during the TOTS meetings in November [R1] and according to the CoA's ToT organisation. As recipient of the ToT program, the CoA shall be able to perform appropriate synchronisation throughout the various Contract streams, with the Australian Industry and other stakeholders, such as LMA as the CSI.

1.5 Referenced Documents

- [R1] Minutes of the meetings held on Stream 7 on 10th and 11th November: DCNS_AUS_084/16, DCNS/CoA Technical Workshop #1 Meetings Minutes
- [R2] FSP CDR PM-15_PMP: Program Management Plan (for DMC)
- [R3] DR_FSP_DMC_CDR_ENG-11_TEP: Technical Engagement Plan
- [R4] DR_FSP_DMC_CDR_PM-61_TOT- MTP : Master Training Plan

1.6 Applicable Documents

- [A1] DID-PM-TOTS (Transfer of Technology Strategy)
- [A2] DID-PM-BS (Build Strategy)
- [A3] DID-PM-IMS (Integrated Master Schedule)

1.7 Definitions

The following key terms are used throughout this document.

Table 1. Key Terms

| Key term | Meaning |
|---|--|
| Certification Authority | Means the entity responsible for determining whether the submarine is safe for sea and for signing the safe to dive certificate |
| Commonwealth Contractor | means any person, other than the Contractor, engaged by the Commonwealth in connection with the FSP, including the CSI. |
| Contract | means the Conditions of Contract (COC), the Attachments including the Statement of Work (SOW), and any document expressly incorporated as part of the Contract. |
| Contract Data Requirements List or CDRL | means Annex C to the SOW. |
| Design Authority | Authority vested in the submarine designer who commits to designing the submarine in compliance with applicable laws and regulations. As such, the Design Authority validates the passing of technical or industrial milestones and has the exclusive power of applying design modifications to the supplies. |
| Future Submarine or FSM | Means the submarines to be acquired by the Australian Government for service in the Royal Australian Navy under the Future Submarine Program. |
| Future Submarine Program or FSP | means the Commonwealth's Future Submarine Program and includes all activities connected with that Program, including all elements of the design, development, build, operation, sustainment and disposal of the Materiel System during its life of type. |
| Intellectual Property or IP | means all present and future rights conferred by law in or in relation to any of the following: <ul style="list-style-type: none"> • Copyright; • rights in relation to a Circuit Layout, Patent, Registrable Design or Trade Mark (including service marks); or • any other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields recognised in domestic law anywhere in the world whether registered or unregistered. |

| Key term | Meaning |
|------------------------|---|
| Program | Means the Future Submarine Program or FSP. |
| Program Contract | means any contract, agreement or arrangement with the Commonwealth for the FSP to which the Contractor is a party, or which otherwise states that it is a Program Contract for the FSP, including the: <ul style="list-style-type: none"> • Contract; • Strategic Partnering Agreement or SPA; • Tripartite Cooperative Arrangement or TCA; • Design Contract; and • any other relevant contracts for the completion of design and initial production, and the completion of production, of the Future Submarines. |
| Transfer of Technology | means the process by which an entity provides the ability to a partner through the provision of a set of data, methods, knowledge, operating modes, tools, assistance, etc., to implement knowledge to its transformation into a product or service, for the purpose of its exploitation |

2 Transfer of Technology Strategy Approach

Stream 7 consists of activities leading to the identification, definition and development of Transfer of Technology (ToT) to the CoA. The objective of this ToT is to provide the CoA with sufficient data, knowledge, Intellectual Property Rights (IPR) and understanding of the design to establish a sovereign capability in order to upkeep, update and upgrade its submarine capability in a cost effective and safe manner.

After a ToT overview defining the set of ToT capabilities, their related components and the ToT Program organisation, the TOTS will define for each capability, in section 3:

- definition and recipients;
- interrelationship/interfaces with the other streams;
- schedule; and
- risk management (identification and mitigation plan).

The various items will be developed consistently with the priorities of [A3] - IMS.

2.1 ToT Objectives (BGD)

As a response to the DID [A1] and the CoA's expectations in terms of Sovereignty, DCNS proposes to transfer the following capabilities to their related recipients via the CoA. The ToT overview table takes into account the outcomes of meetings that took place in November [R1].

Table 2. ToT Capabilities

| ToT Types | Objectives | Recipients |
|-----------------------|---|---------------------------------------|
| Capability to Build | To be able to Build the FSM in Australia | DCNS Australia |
| | To be able to supply Equipment for the FSM | Australian Industry |
| | To be able to provide Services to support the build of the FSM | Aus. Services Companies |
| Capability to Operate | To be able to operate the FSM | RAN |
| Capability to Upkeep | To be able to conduct Organisational Level of Maintenance (OLM) | RAN |
| | To be able to conduct OLM, Intermediate Level of Maintenance (ILM) and Depot Level of Maintenance (DLM) | Sustainment Contractor/DCNS Australia |
| | To be able to conduct Manufacturer Level of Maintenance (MLM) | Australian Industry |
| | To be able to provide Spares | Australian Industry |
| | To be able to provide Services to support the sustainment of the FSM | Aus. Services Companies |
| | To be able to carry upkeep design activities (including ILS design activities) | DCNS Australia |

| ToT Types | Objectives | Recipients |
|-----------------------|---|--|
| Capability to Update | To be able to address emerging obsolescence and supportability issues | Sustainment Contractor |
| | To be able to carry update design activities (including ILS design activities) | DCNS Australia |
| Capability to Upgrade | To be able to implement upgrades | Australian Shipbuilder |
| | To be able to carry upgrades design activities (including ILS design activities) | DCNS Australia |
| Capability to Accept | To be able to manage the design and build phases (including input, control and acceptance) | CoA |
| | To be able to manage the sustainment phases, upkeep, update and upgrade (including input, control and acceptance) | |
| Design Authority | To be able to be responsible and guarantor for the FSM in the specified field of employment, safety, compliance with applicable regulations and technical performance | DCNS Australia |
| Capability to Train | To be able to regenerate FSM crew | RAN |
| | To be able to regenerate industry skills | Australian Shipbuilder Sustainment Contractor |

Note: ILS program will define the objectives to reach in terms of capabilities for:

- the TOT Capability to Operate, for the OLM tasks, since its only recipient is the RAN; and
- the Capabilities to Upkeep and Update, for all the objectives described in sections 3.6 and 3.7.

The TOT Program will then conduct gap analysis, establish dedicated TOT plans to reach these capabilities, and then implement and monitor these ToT Plans.

2.2 ToT Components (BGD)

The Transfer of each capability involves the following components: training, tools, data, technical assistance, Intellectual Property Rights and infrastructures. The table below defines these components.

Table 3. Definition of ToT Component

| ToT Component | Description |
|---------------------|--|
| Skills Requirements | The skills required to achieve each ToT objective. |
| Training | <ul style="list-style-type: none"> • Theoretical: Classroom lectures; • Practical: Practical classroom exercises and practical work in workshop on dedicated materials. For example, a qualification welded joint is practical training for a welder; and • On the Job Training (OJT): This involves the direct involvement of trainees on a submarine job. For example, the involvement in a junction of two hull sections is OJT for a welder. |

| ToT Component | Description |
|-----------------------|--|
| Training Schedule | Agreed with the appropriate stakeholders and integrated into the Build Schedule to ensure the optimum timing of the ToT, particularly the training component. |
| Types and # of People | The types of people to receive the ToT training and the numbers of these people required to achieve the ToT objective as agreed with the stakeholders. |
| Tools | The tools required to be transferred to achieve the ToT objectives. |
| Data | The data required to be transferred to achieve the ToT objectives. This includes complete and mature Technical Data Packages (TDP) for the design, practice build, production, and the Logistics Package developed in the ILS Program. |
| Technical Assistance | A dedicated DCNS Technical Assistance Team in the Australian Shipyard known as the Advising Overseeing Team (AOT), to provide on-going technical assistance to the ToT. |
| Infrastructure | The infrastructure requirements to support the ToT objectives |
| Intellectual Property | Foreground IP and a licence to use the Background IP will be required for the purpose of building, operating, sustaining the FSMs. |

2.3 Management of the ToT Program (FGD)

This section details ToT management arrangements as well as how design and build knowledge will be transferred to Australia. It includes the following:

- CoA-led approval authority with DCNS;
- organisational structure of the DCNS ToT team, including its training team and proposed CoA counterparts in order to facilitate ToT (including relationship between roles); and
- any shipyard level of involvement for the ToT.

The ToT Management Plan will be developed in Step 2 to implement the strategy, coordinate the different ToT Program activities and monitor the entire ToT Program.

2.3.1 DCNS ToT Organisation for the Australian Future Submarine Program

(FGD). This section aims to place the Australian Future Submarine Program (FSP) organisation within DCNS Organisation and defines its interrelationship within DCNS.

(FGD). The next figure details the DCNS program management team: Green box positions are held in Australia, blue box positions are those held in France.

Note: If needed, the possible shifts from French positions to Australian positions will be detailed later, in the ToT Program Management Plan, to fit with CoA's ToT Organisation.

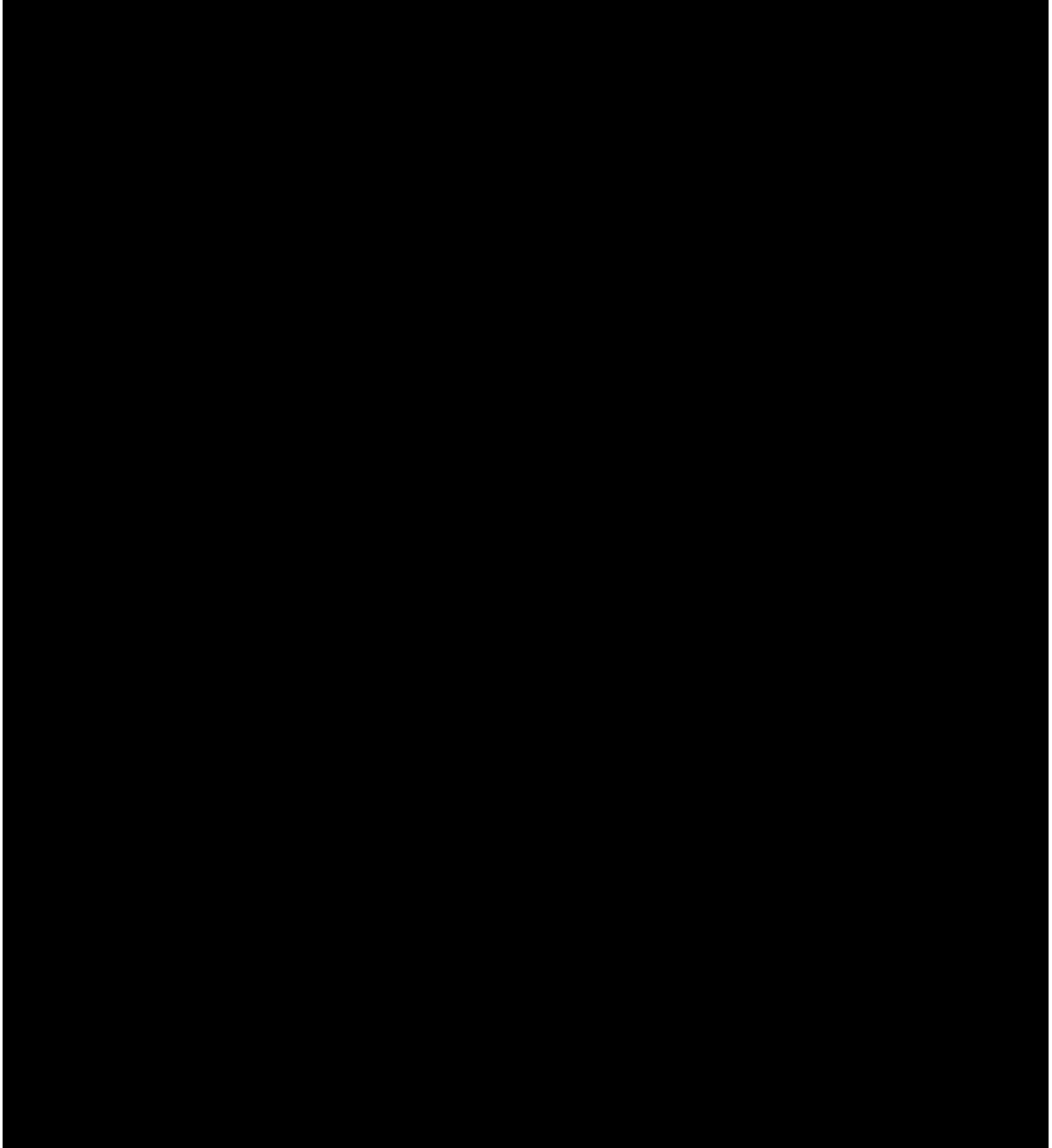


Figure 1. Detailed DCNS FSP Management Team

Details of the ToT Delivery Manager organisation:

(BGD) Lessons learned from previous ToT Program have led DCNS to create a dedicated ToT team within the FSP management team. This team will be responsible for managing all activities related to the Transfer of Technology necessary to build and then secure sovereign sustainment activities for the Future Submarine (FSM). The ToT Delivery Manager is assisted by the dedicated team set out in Figure 2 below.

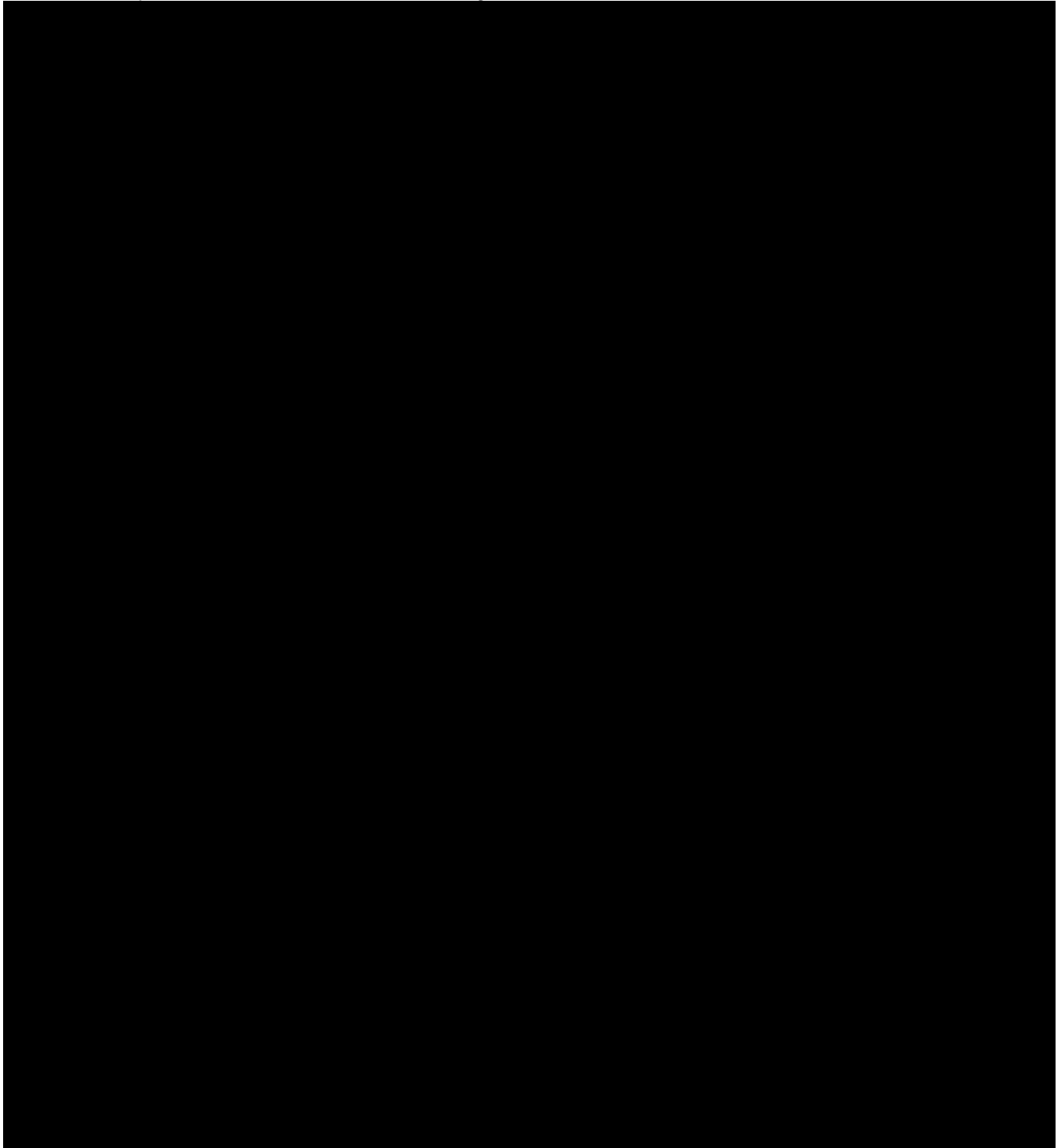


Figure 2. ToT Delivery Manager Team

(FGD) The figure below shows how the organisation will work:

- the team on the left side of Figure 2 is the link with the various Program activities and currently the link with the other streams in the DMC phase; and
- ToT skills are embedded in DCNS divisions that are coordinated via Work Package managers, on the right side of Figure 2.

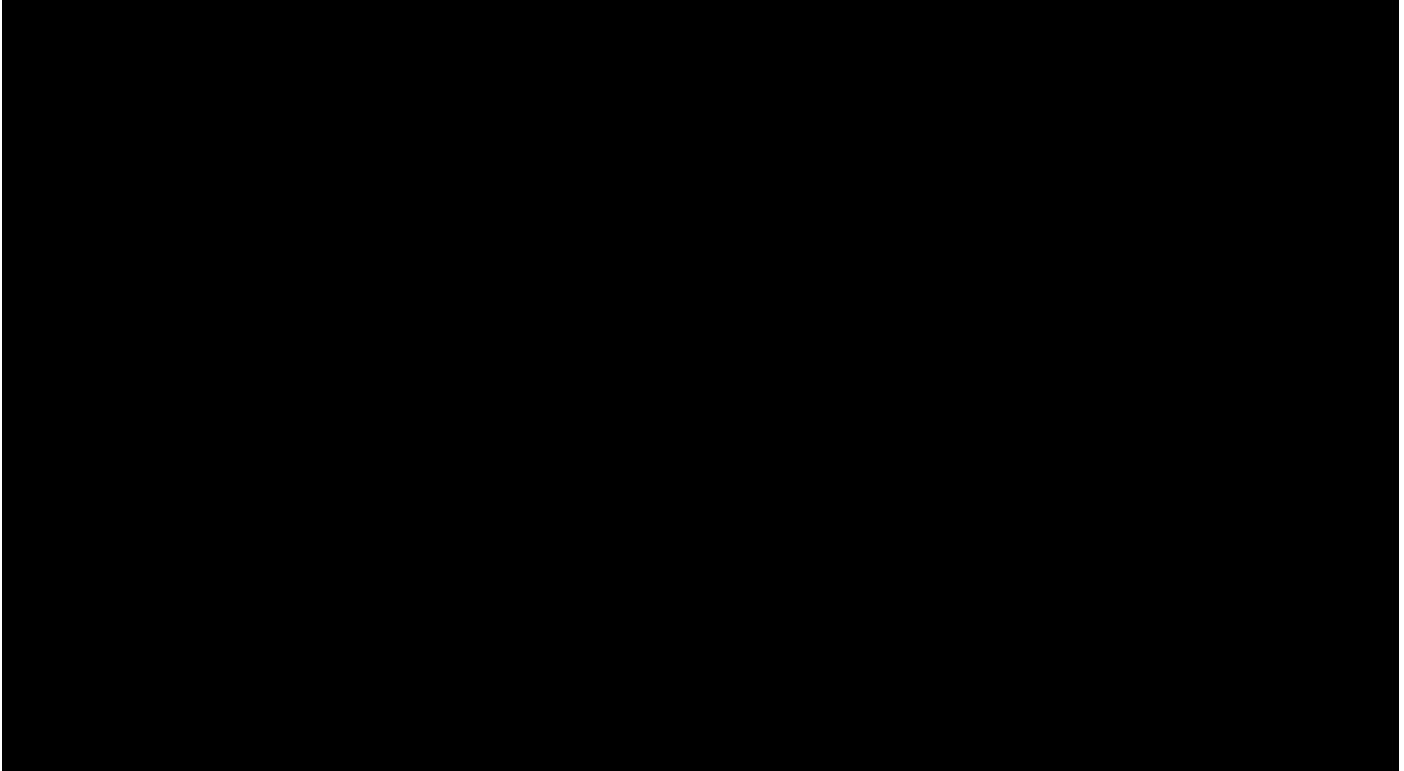


Figure 3. ToT Organisation Interrelationship

Interrelationships with other streams will be detailed during the workshops, in terms of their input and output and related processes. However, a preliminary draft is presented in the next section.

2.3.2 CoA ToT Organisation: DCNS Expectations (FGD)

Prerequisite: To ensure the success of the ToT program, both the CoA and DCNS need to be Aware, Engaged, Organised and Adept.

Detailed DCNS expectations for the CoA: The CoA ToT organisation shall:

- define who is leading the TOTS for the CoA, the CoA Team composition and how it fits in with the other CoA Stream leaders:
 - within the CoA; and
 - within the Australian Industry through the CoA.
- detail the workforce available to organise, liaise with DCNS and receive the ToT program:
 - inside the CoA; and
 - within the Australian Industry through the CoA.

- clarify the CoA organisation for sustaining ToT Capabilities: To maintain/sustain the set of skills once ToT has been delivered and acquired by all recipients;
- meet DCNS requirements and expectations, shared during the TOTS meetings in November [R1] and according to the CoA ToT Organisation. The CoA, recipient of the ToT program, is able to perform appropriate synchronisation throughout the various Contract streams, with the Australian Industry and other stakeholders, such as LMA (the CSI):
 - alignment and coordination of ToT topics within the CoA Organisation:
 - Design and Technical Strategy Workshop;
 - Procurement and AICP; and
 - Contract management.
 - effective coordination outside CoA organisation, with the Australian industry (Australian Shipyard, Sustainment entity, Services Companies, Original Equipment Manufacturers (OEM), etc.) aimed to maximise the involvement of the Australian industry. In practice, DCNS will transfer knowledge from the French sovereign submarine industry to Australia via the Commonwealth. In consultation with the CoA, DCNS will create the industrial capabilities within the Enterprise necessary for sovereign operation and sustainment of the FSP capability.

Our challenge during the DMC phase of the Program is to ensure that the other streams recognise the transversal nature of the ToT throughout the Program, so as to:

- acknowledge the inputs that their activities are to provide to the ToT program; and
- define what the ToT program will provide to support their activity throughout the entire Program.

Therefore, the CoA ToT Organisation should be similar to DCNS ToT Organisation.

3 Capability Delivery Packages

DCNS recognizes that the TOT Program spans the entire FSP, an outline of the TOT Program is provided in section 4.1 and will be further developed in the TOT-PMP.

Defined below for each capability are the activities, interrelationships with other DMC streams and preliminary schedule of activities

3.1 Capability to Accept Design & Build and Sustainment

3.1.1 Definition (BGD)

The capability to Accept is split into two (2) capabilities throughout the submarine's lifecycle:

- capability to accept design and build during the acquisition phase; and
- capability to accept upkeep, update and upgrade in the sustainment phase.

The Certification Authority relies on the Capability to accept design and build. The certification authority is usually located within a Government Agency and is responsible for deciding whether the submarine is Seaworthy and then Safe to Dive, and then, if this is the case, signing the 'Safe-to-Dive' certificate.

The capability to accept design and build will help the COA endorse this responsibility.;

3.1.2 Capability to accept Design & Build (FGD)

The aim of the ToT for 'Capability to Accept - Design & Build' is to give the CoA sufficient knowledge of the FSM design to fulfil its legal and regulatory responsibilities for approval and acceptance. The ToT will include the training and data necessary for the CoA to understand the following aspects:

- **Design:** Including design intent and compliance, the impact of balances, knowledge and understanding of the military environment aspects (acoustic discretion, shock, magnetic signature, vulnerability...);
- **Engineering:** Including interrelationships between systems, characteristics of the systems, knowledge of crewing plan safety & security;
- **Production:** Including the logic of build quality aspects for build;
- **Verification and Validation (V&V):** Including knowledge of V&Vs methodology;
- **Project Management:** Including risk analysis, cost benefit trade-offs, schedule structure and potential impacts; and
- **Documentation:** Including knowledge of the TDP and tools.

The table below provides a reminder of the draft list, created via the CEP process, of people to recruit and train to acquire the capability to accept “design and build” and sustainment. The list has been developed via a collaborative approach between the CoA and DCNS to take into account the current CoA profiles on one hand and, the need to ramp-up, consistently with the schedule on the other. The final list and the related schedule will be the outcome of the training needs analysis performed in Step 2, as described in the TOT-MTP. Besides these aspects, the CoA need to define how to maintain these competent profiles through the program timeline.

Table 4. Proposed list of the CoA ‘Capability to Accept Design, Build and Sustainment’

| Submarine Architecture (6) |
|--|
| WW Architect |
| Naval Architect |
| Combat System Physical Integration Manager |
| ILS Manager |
| Deputy ILS Manager |
| Safety Manager |
| Project Environment Managers (3) |
| Technical Data System Manager |
| Information System Manager |
| Infrastructure Manager |
| Platform and Warfare Specialists (10) |
| Military Environment Specialist |
| Weight & Stability Specialist |
| V&V Specialist |
| Human Factor Specialist |
| Hull and Structures Specialist |
| Propulsion Specialist |
| Electrical Specialist |
| IPMS Specialist |
| Life Onboard Specialist |
| Ancillaries Specialist |
| RAN Submarine Specialist (4) |
| RAN Sailor |
| RAN Sailor |
| RAN Sailor |
| RAN Sailor |

This capability will be transferred to the CoA via the two (2) main components:

- Training; and
- On-the-Job Training (OJT) and participation in chosen design reviews as described in the Technical Engagement Plan (TEP) and in the TOT-MTP.

3.1.3 Capability to Accept the Sustainment Phases (BGD)

The aim of the ToT for Capability to Accept - Sustainment is to give the CoA sufficient knowledge of the FSM to support upkeep, update and upgrade needs for the platform. The CoA needs to be able to review and approve the impact analysis of change to adapt to new mission requirements.

The following capabilities will be transferred to the CoA to ensure its ability to conduct Acceptance & Certification of the FSM in order to support Upkeep, Update and Upgrade activities:

- perform technical oversight and governance of engineering and maintenance activities;
- approve the technical acceptance file proposed by the contractor managing the engineering and maintenance activities;
- technical oversight and governance of V&V activities;
- accept the FSM Upkeep, Update and Upgrade activities;
- certify the FSM to CoA requirements; and
- certify the FSM Seaworthiness and 'Safe to Dive'.

This capability will be transferred to the CoA via the two (2) main components:

- Training; and
- On-the-Job Training (OJT) and participation in chosen design reviews as described in the TEP and in the TOT-MTP.

3.1.4 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of each box gives the nature of the relationships between the various DMC streams and the different components of the ToT. The main outputs are the ToT components, as described in section 2.2, found in Stream 7.

Table 5. ToT Component Description for the Capability to Accept Design and Build, and Sustainment

| | | Stream | | | | | |
|---------------------------|------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | | Case by case | |
| | Industrial Tools | | | When | | Case by case | |

| Stream | | | | | | | |
|--------|-----------------------|----------|---------|------|--------------|--------------|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | Information System | | | When | | Case by case | |
| | Training | For whom | Content | When | | Case by case | |
| | Skills Requirements | | | When | Requirements | Case by case | |
| | Types and # of People | | | When | Requirements | Case by case | |
| | Data Package | | Content | When | Requirements | Case by case | |
| | Technical Assistance | | | When | | Case by case | |

As an example, Skills requirements will be defined by stream 4 (Australian Build and Test facilities), as well as stream 5 (AICP). Stream 3 (Program Management) will define when the Infrastructures are needed

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.1.5 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program’s implementation to highlight the tasks prioritised for the period to come.

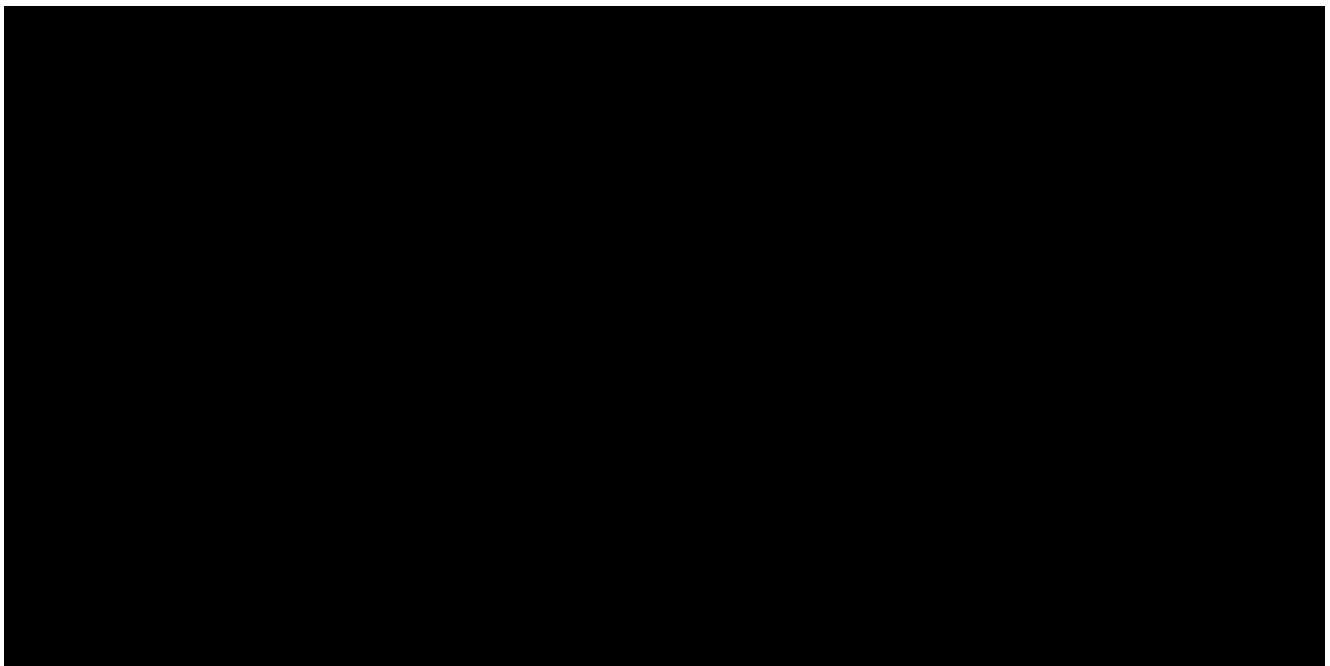


Figure 4. Capability to Accept Design & Build

The timeline for the Capability to Accept Sustainment is as such:

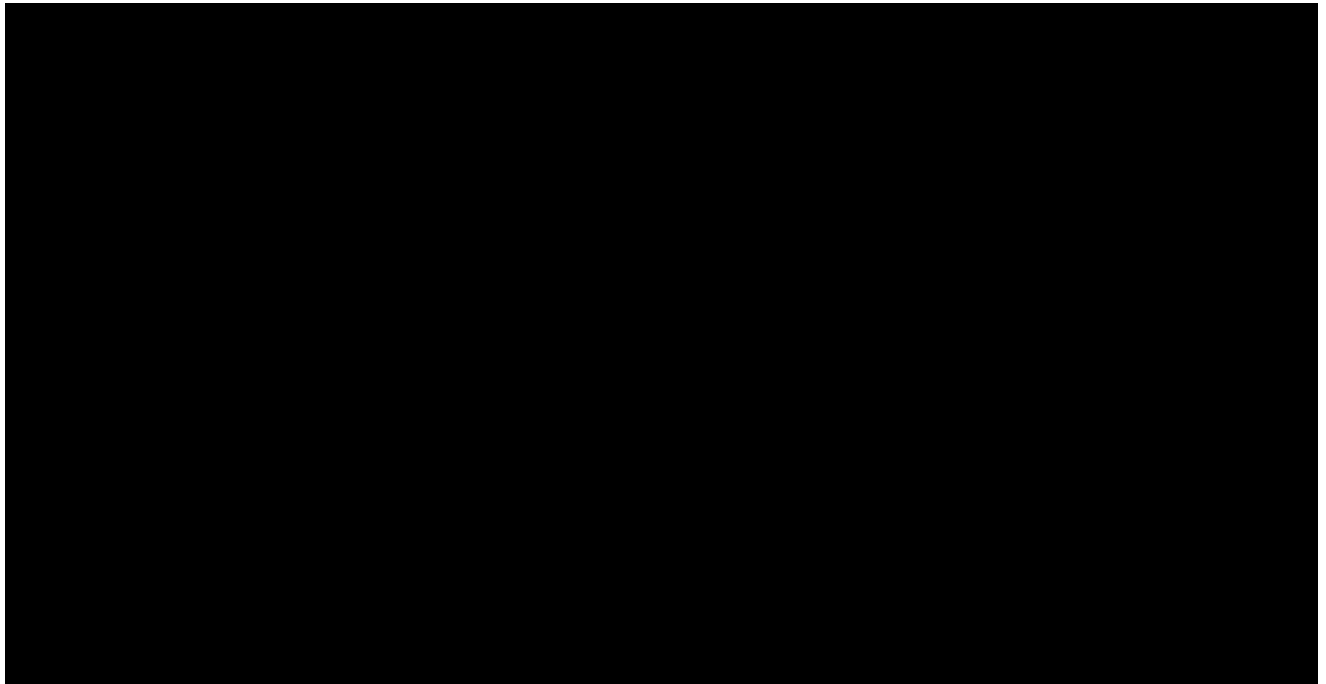
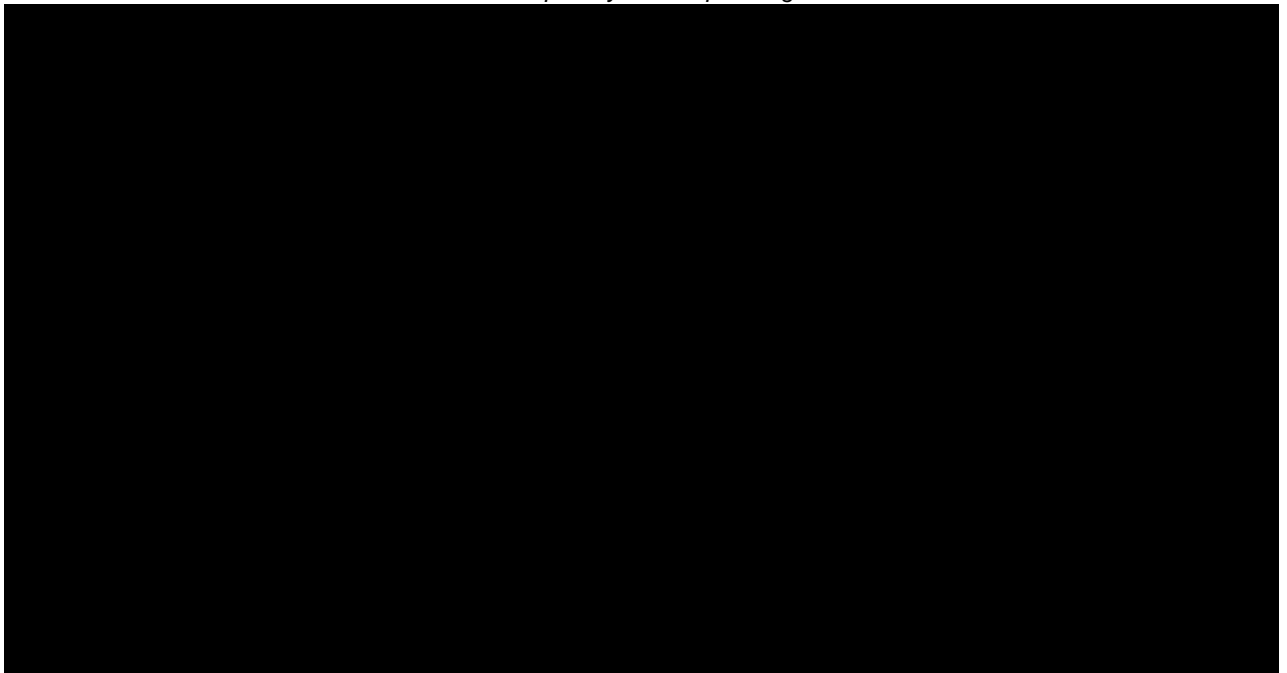


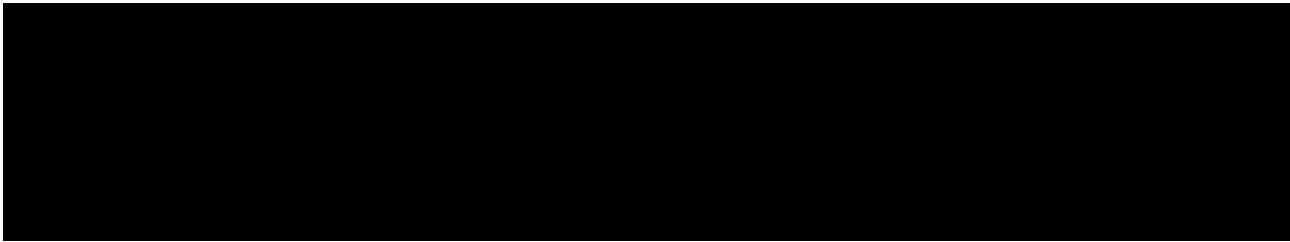
Figure 5. Capability to Accept Sustainment

3.1.6 Risk Management (FGD)

The list of risks and their related mitigation plans has been completed via a collaborative approach. The table below is the output for the Capability to Accept. It will be updated and tracked as part of the ToT Program implementation in accordance with the risk register management process described in the Program Management Plan.

Table 6. List of Risks for Capability to Accept Design & Build and Sustainment





3.2 Design Authority Capability

3.2.1 Definition

(BGD). The Design Authority (DA) is the entity formally designated as responsible and guarantor of the final product in the specified fields of employment, safety, compliance with applicable regulations and technical performance overall, as specified by the Customer. The Design Authority is usually part of the industrial entity in charge of ship design. It may validate the design alone as well as declare conformity of the end product compared to the validated design and authorise a change with respect to the original design, for areas that could impact the security, safety and product performance. The DA’s responsibility relies on the execution of verification and validation activities in the fields affecting safety, compliance with regulations in force or compliance with the specified performance.

(FGD). DCNS has proposed that the ToT recipient of the DA for sustainment should be DCNS Australia to ensure Australia’s sovereignty.

(FGD). The entity named as the DA for sustainment will have to interact closely with the Australian Sustainment Organisation, in charge of performing the maintenance of FSMs as well as implementing the modifications/evolutions of the up-dating and up-grading phases.

(FGD). The present section deals with the transfer of the Design Authority capability.

3.2.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of boxes gives the nature of relationships between the various DMC streams and the different components of the ToT to perform the Design Authority. The main outputs are the components of the ToT, as described in section 2.2 and found in Stream 7.

Table 7. ToT Component Description for Design Authority Capability

| | | Stream | | | | | |
|---------------------------|--------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | | | |
| | Industrial Tools | For whom | | When | | | |
| | Information System | For whom | | When | | | |

| Stream | | | | | | | |
|--------|-----------------------|--------------|---------|------|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | Training | For whom | Content | When | | | |
| | Skills Requirements | Gap analysis | | When | | | |
| | Types and # of People | Who | who | When | | | |
| | Data Package | For whom | Content | When | | | |
| | Technical Assistance | For whom | | When | | | |

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.2.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program’s implementation to highlight the tasks prioritised for the period to come.

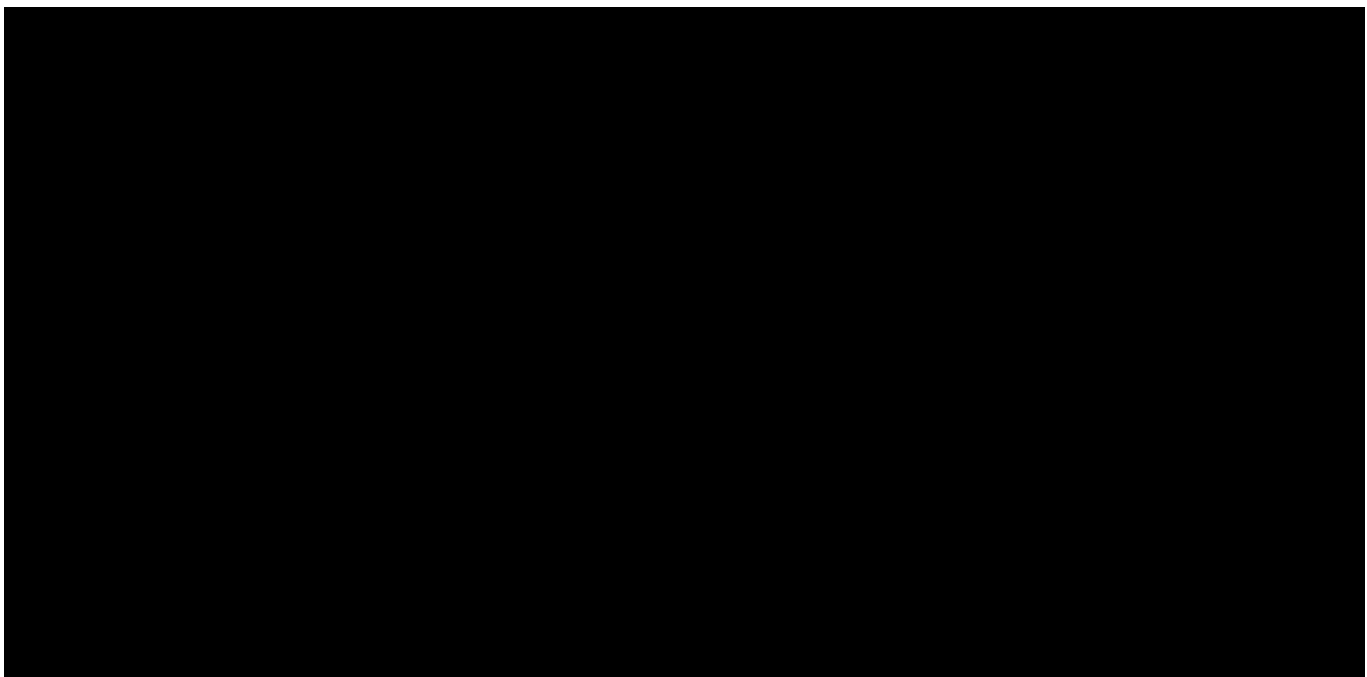
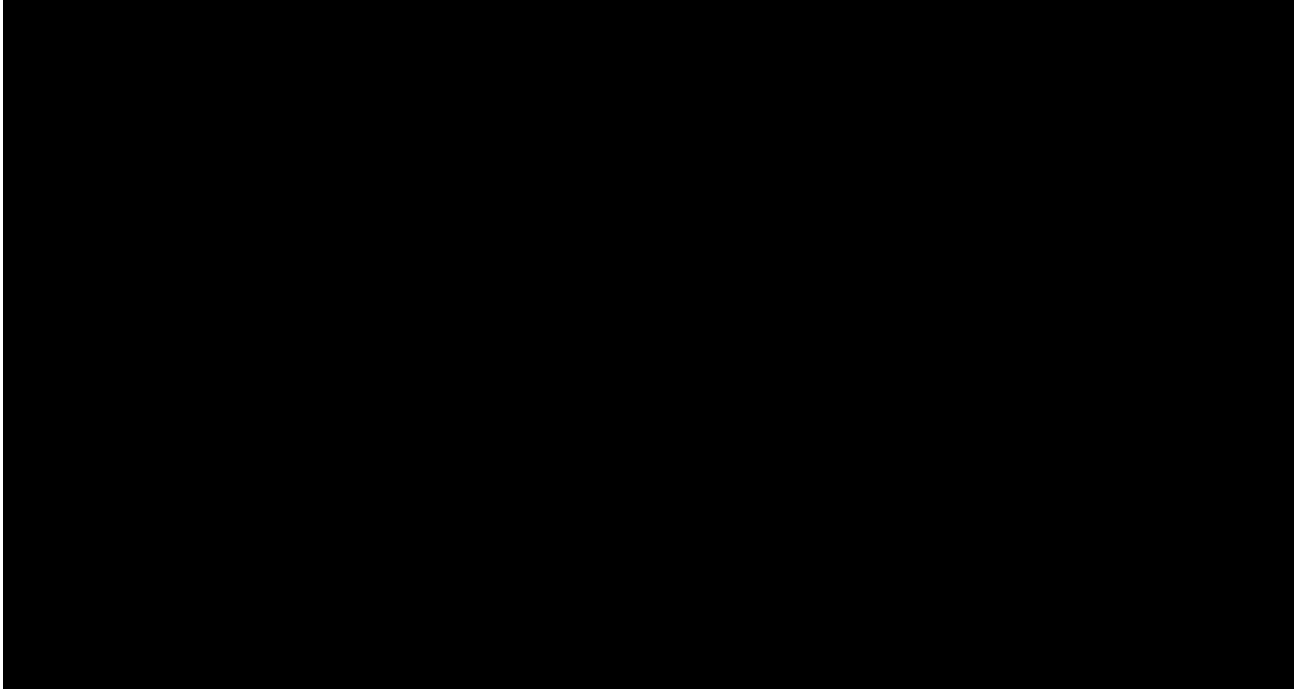


Figure 6. Design Authority

3.2.4 Risk Management (FGD)

The list of risks and their related mitigation plans has been completed via a collaborative approach. The table below is the output for the Design Authority. It will be updated and tracked as part of the ToT Program implementation.

Table 8. List of Risks for Design Authority Capability



3.3 Capability to Build

This section 3.3 Capability to Build will be updated and completed once the CoA has Approved the proposed Build Strategy. This update will take into account the specific aspects of the Australian Shipyard, the OEM and the services companies described in the Approved Build Strategy..

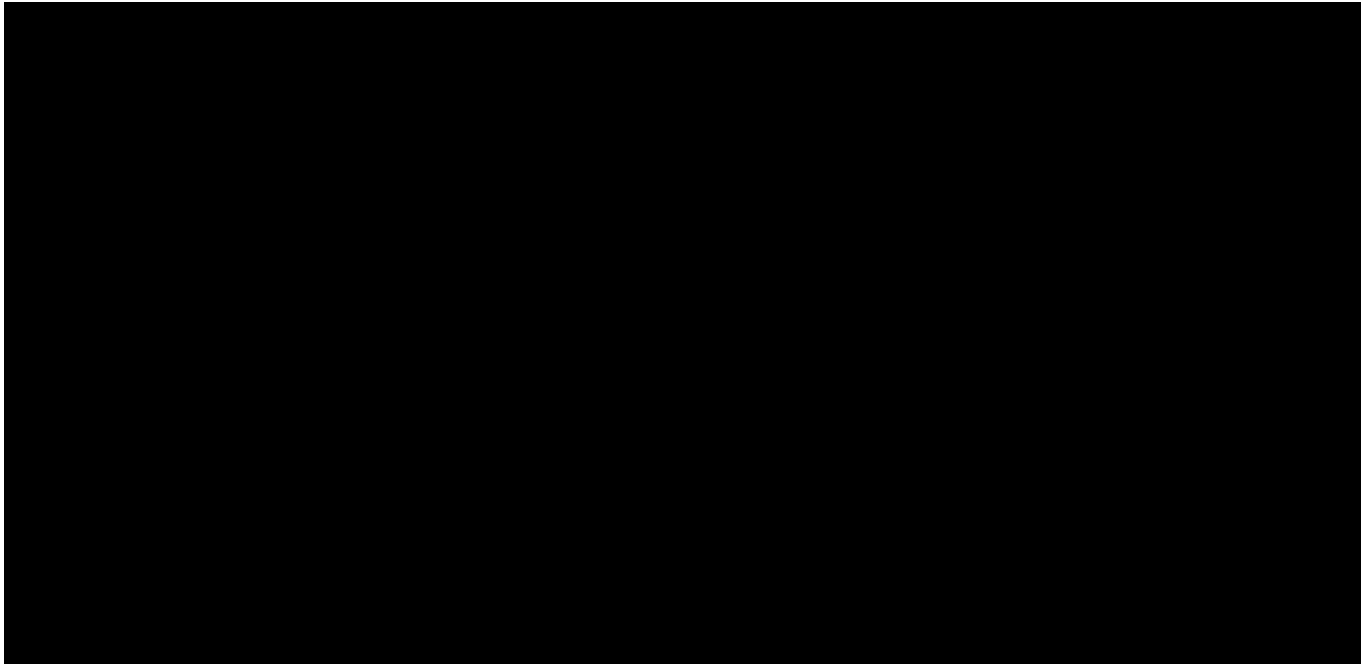
3.3.1 Definition (FGD)

The ToT Capability to Build is to enable:

- the Australian shipyard to build the FSM as well as the service companies to support the building of the FSM in Australia; and
- the Original Equipment Manufacturers (OEM) to provide equipments for the FSM.

The 'Capability to Build' transferred to the Australian OEMs will be managed on a case by case basis, adapted to each supplier and with respect to the Australian Industry Capability Plan.

The following scheme describes the content of ToT for the suppliers, to be managed through the ToT-PMP and AICP.



However, the methodology and tools described hereafter can be used as a general framework for all DCNS or DCNS supplier' s (for example Main Motor, weapons discharge systems, ...) recipients in this version.

For each component of the TOT (infrastructure, Industrial tools and IT systems, skills needed and data required to produce) the methodology consist of:

- assessment of the shipyard or supplier's capabilities;
- Gap analysis : comparison of the shipyard or supplier's capability with the required capability to build;
- Design of the TOT plan : definition and schedule of the actions plan to reach the required capability to build; and
- Implementation of the ToT Program Management Plan as described in the section 4.1.

Thereby, All the components of the ToT are addressed in the transfer of this capability.

The 'Capability to Build' is composed of Industrialisation, Production and Compliance Evidence.

A representative section of a submarine will be built on site by the Australian Shipyard once theoretical training and practical exercises as well as On-the-Job Training (OJT) is completed, in order to demonstrate its hull construction capabilities. This will prove the ability of the workforce and the production process before commencing work on the actual submarine. This is further developed in the Australian Build plan and will be updated if required once the Build Strategy (PM-**) is approved by the CoA

The DCNS Advising and Overseeing Team (AOT) will be present at the Australian Shipyard for during a part of the Build phase, as described in the contract. The AOT has two (2) roles:

- **Advising:** To provide technical assistance to the Shipyard; and
- **Overseeing:** To ensure that the shipyard applies the knowledge and processes learnt through ToT and correctly master the work carried out.

3.3.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of the boxes mention the nature of relationships between the various DMC streams with the different components of the ToT to Build. The main outputs are the components of the ToT, as described in section 2.2 as found in Stream 7.

Table 9. ToT Component Description for Capability to Build

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | Which, Where | Which, Where | |
| | Industrial Tools | | Which | When | Which, Where | Which, Where | |
| | Information System | | Which | When | Which, Where | Which, Where | |
| | Training | | Content | When | For whom | For whom | |
| | Skills Requirements | For whom | | | | | |
| | Types and # of People | For whom | | | | | |
| | Data Package | | Content | When | Which, Where | Which, Where | |
| | Technical Assistance | | Content | When | Which, Where | Which, Where | |

As an example, Infrastructure needs (which and where) will be defined by stream 4 (Australian Build and Test facilities), as well as stream 5 (AICP). Stream 3 (Program Management) will define when the Infrastructure is needed.

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.3.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program's implementation to highlight the tasks prioritised for the period to come.

The following figure displays the ToT components on the capability timeline.

Schedule will be developed and detailed during the implementation of the ToT Program to highlight the prioritised tasks of the coming periods.

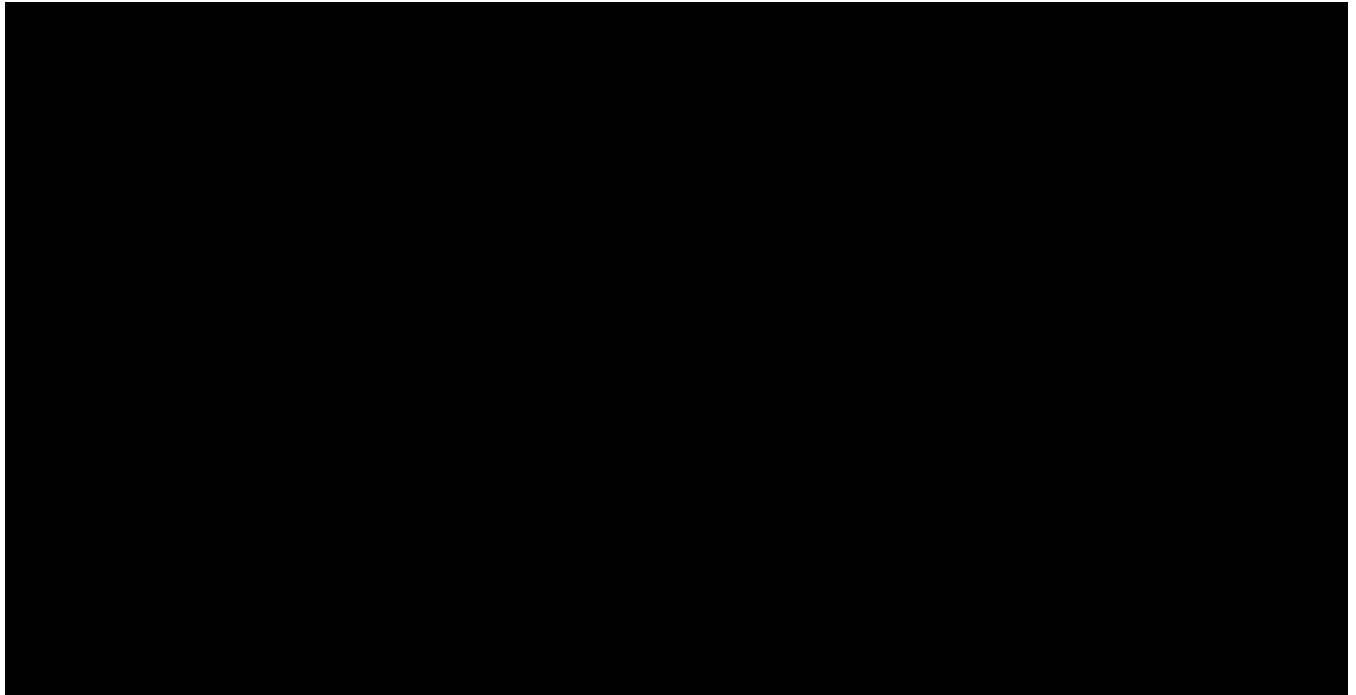


Figure 7. Capability to Build

3.3.4 Risk Management (FGD)

The list of risks and their related mitigation plans has been completed via a collaborative approach. The table below is the output for the capability to build. It will be updated and tracked as part of the implementation of the ToT Program.

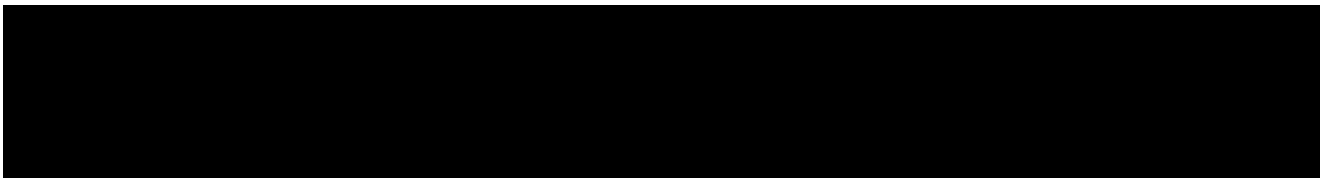


Table 10. List of Risks for Capability to Build

3.4 Capability to Train

3.4.1 Definition

(BGD). 'Capability to Train' is to regenerate skills in Industry and the CoA, including the submarines' crews. However the TOTS will only address the industrial capabilities at this stage of the FSP; the capability to train and sustain the FSM crew will be developed during a subsequent step of the Program.

(BGD). Following the initial ToT training by DCNS, the DCNS Australia and the Sustainment Organisation will need to ensure that their capabilities will be sustained. Therefore they will need the capability to train their workforce in these skills. 'Capability to Train' is the program in which the skills taught by DCNS can be passed on to new shipyard staff by the Australian Entity trainers. This program will include the supply of a complete training documentation package to establish a permanent knowledge base in Australia so as to continuously -convey know-how.

(FGD). The recipient of the ToT capability is the Australian Shipyard and the Australian Sustainment Organisation and will include the technical office of the CoA.

3.4.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of boxes gives the nature of relationships between the various DMC streams with the different components of the ToT to Train. The main outputs are the components of the ToT, as described in section 2.2 and found in Stream 7.

Table 11. ToT Component Description for Capability to Train

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructure | | | When | Gap analysis | | |
| | Industrial Tools | | | When | Gap analysis | | |
| | Information System | | | When | Gap analysis | | |
| | Training | For whom | Content | When | Gap analysis | | |
| | Skills Requirements | For whom | | When | Gap analysis | | |
| | Types and # of People | For whom | | When | Gap analysis | | |
| | Data Package | | Content | When | Gap analysis | | |
| | Technical Assistance | | | | | | |

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.4.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program’s implementation to highlight the tasks prioritised for the period to come.

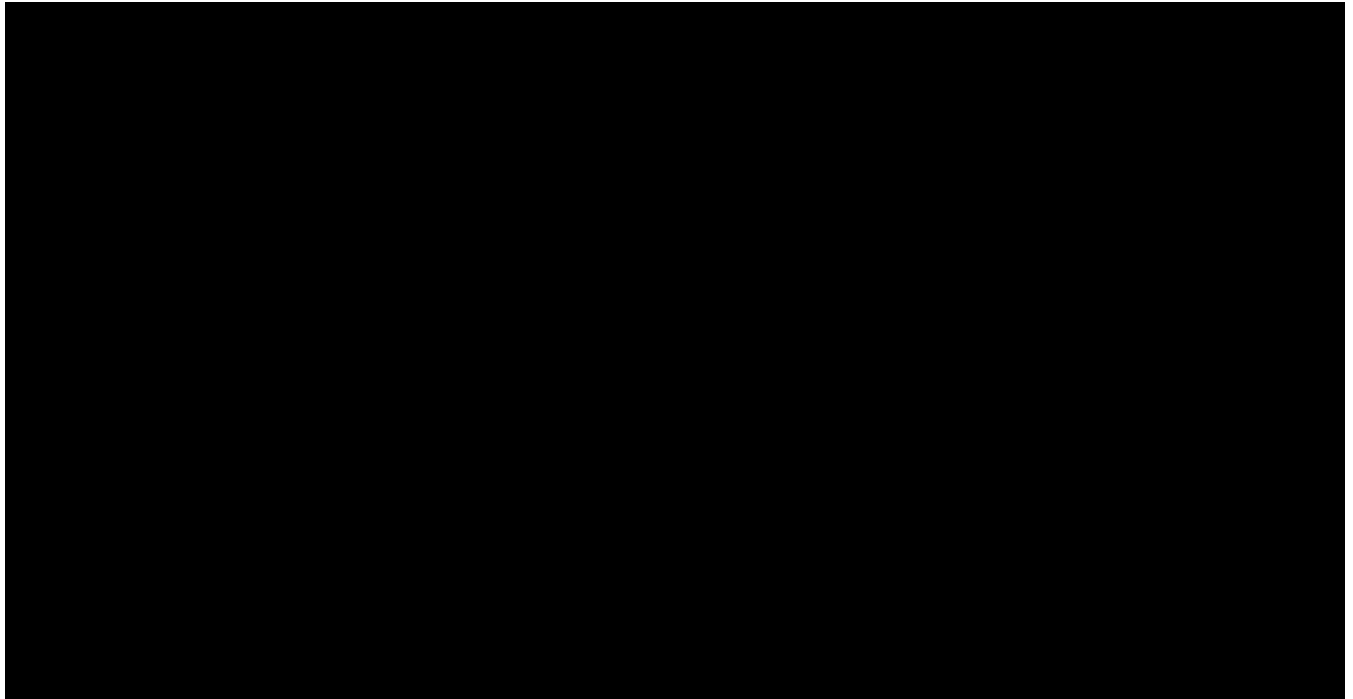
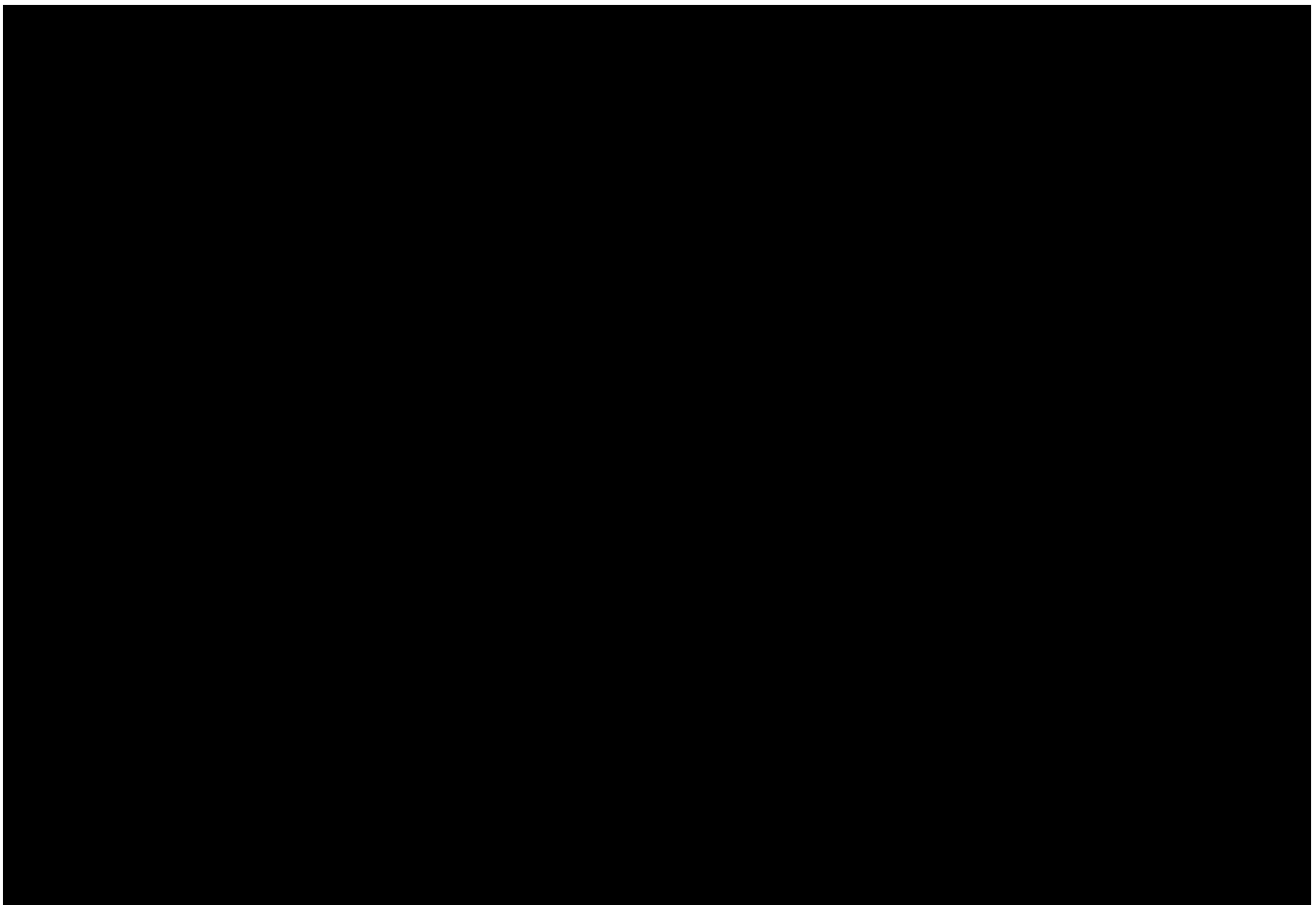


Figure 8. Capability to Train

3.4.4 Risk Management (FGD)



3.5 Capability to Operate

3.5.1 Definition

(BGD). The capability to operate is to give the crew the ability to operate systems and equipments of the submarine, and thereby operate the submarine. This Capability will be developed under the TOT Program with the help of subject matter experts (e.g. from DCNS University) in collaboration with the CoA and the RAN. ILS program will provide objectives for OLM Capabilities and data (documentation, training objectives for OLM, test equipment requirements, ...). TOT Program will design and implement the related TOT Plans.

(FGD). The recipient of this capability is the Royal Australian Navy (RAN).

3.5.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of each box gives the nature of the relationships between the various DMC streams and the different components of the ToT to Operate. The main outputs are the ToT components, as described in section 2.2, found in Stream 7.

Table 13. ToT Component Description for 'Capability to Operate'

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | | | |
| | Industrial Tools | | | When | | | |
| | Information System | | | When | | | |
| | Training | For whom | Content | When | | | |
| | Skills Requirements | For whom | | When | | | |
| | Types and # of People | For whom | | when | | | |
| | Data Package | | Content | When | | | |
| Technical Assistance | For whom | | When | | | | |

The future ToT Program Management Plan will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.5.3 Timeline (FGD)

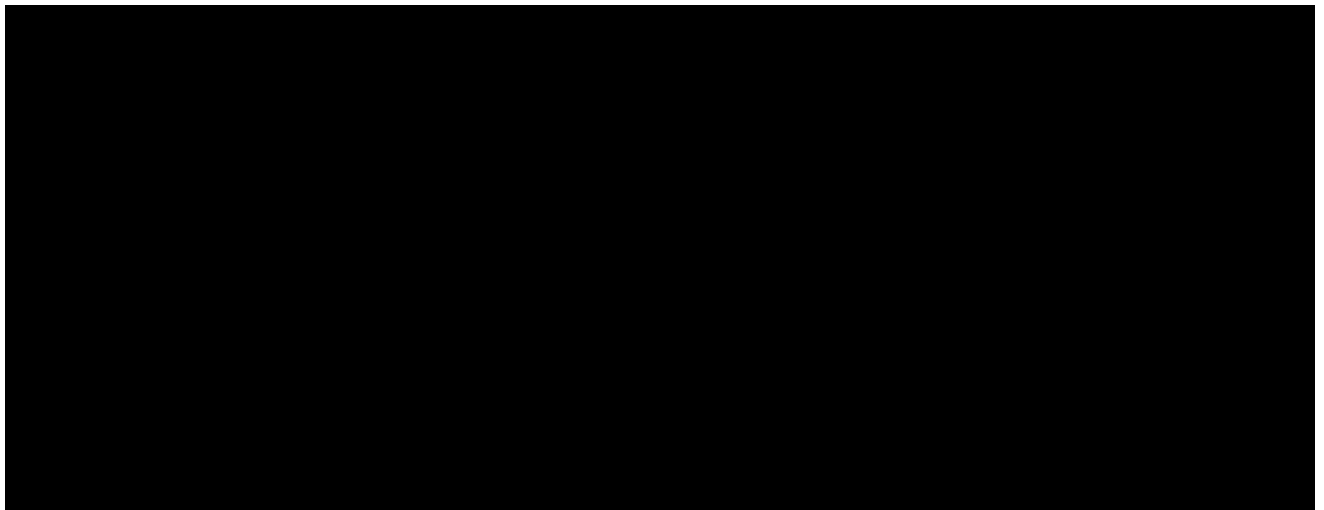
The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program's implementation to highlight the tasks prioritised for the period to come.



Figure 9. Capability to Operate

3.5.4 Risk Management (FGD)



3.6 Capability to Upkeep

3.6.1 Definition

(BGD). The 'Capability to Upkeep' the FSM is defined as the capability to maintain a seaworthy submarine through planned and corrective maintenance periods or whilst deployed (at sea or alongside). It includes the following capabilities:

- to be able to operate systems, subsystems and equipment of the FSM, in complete safety and with their all capabilities in normal and back-up modes during the performance of maintenance tasks;
- to organise maintenance works during the upkeep period;
- to be able to carry upkeep design activities, for DCNS Australia;
- to carry out preventive and corrective maintenance according to the maintenance plan:
 - to be able to conduct Organisational Level of Maintenance (OLM) for the RAN;
 - to be able to conduct OLM, Intermediate Level of Maintenance (ILM) and Depot Level of Maintenance (DLM), for Sustainment Contractor/DCNS
 - to be able to conduct Manufacturer Level of Maintenance (MLM), for the Australian Industry;
 - to be able to provide spares, for the Australian Industry; and
 - to be able to provide Services to support the sustainment of the FSM, for the Australian Services Companies.

(FGD). The Objectives and syllabus of the ToT 'Capability to Upkeep' training will be detailed in the related Detailed Training Plan (detailed training plans are established for each capability and subordinate to the TOT-MTP).

(FGD). The main people involved are those trades and professions employed in the Upkeep of the CCSM.

(FGD). The recipients of the Up-Keep capability are:

- Royal Australian Navy;
- Sustainment organisation; and
- Australian OEMs and Services Providers.

3.6.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of each box gives the nature of the relationships between the various DMC streams and the different components of the ToT to Upkeep. The main outputs are the ToT components, as described in section 2.2, found in Stream 7.

Table 15. ToT Component Description for 'Capability to Upkeep'

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | Which; Where | Which | |
| | Industrial Tools | | | When | Which; Where | Which | |
| | Information System | | | When | Which; Where | Which | |
| | Training | For whom | Content | When | For whom | For whom | |
| | Skills Requirements | For whom | | | | For whom | |
| | Types and # of People | For whom | | | | For whom | |
| | Data Package | | Content | When | | Content | |
| | Technical Assistance | For whom | | When | | | |

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.6.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program's implementation to highlight the tasks prioritised for the period to come.

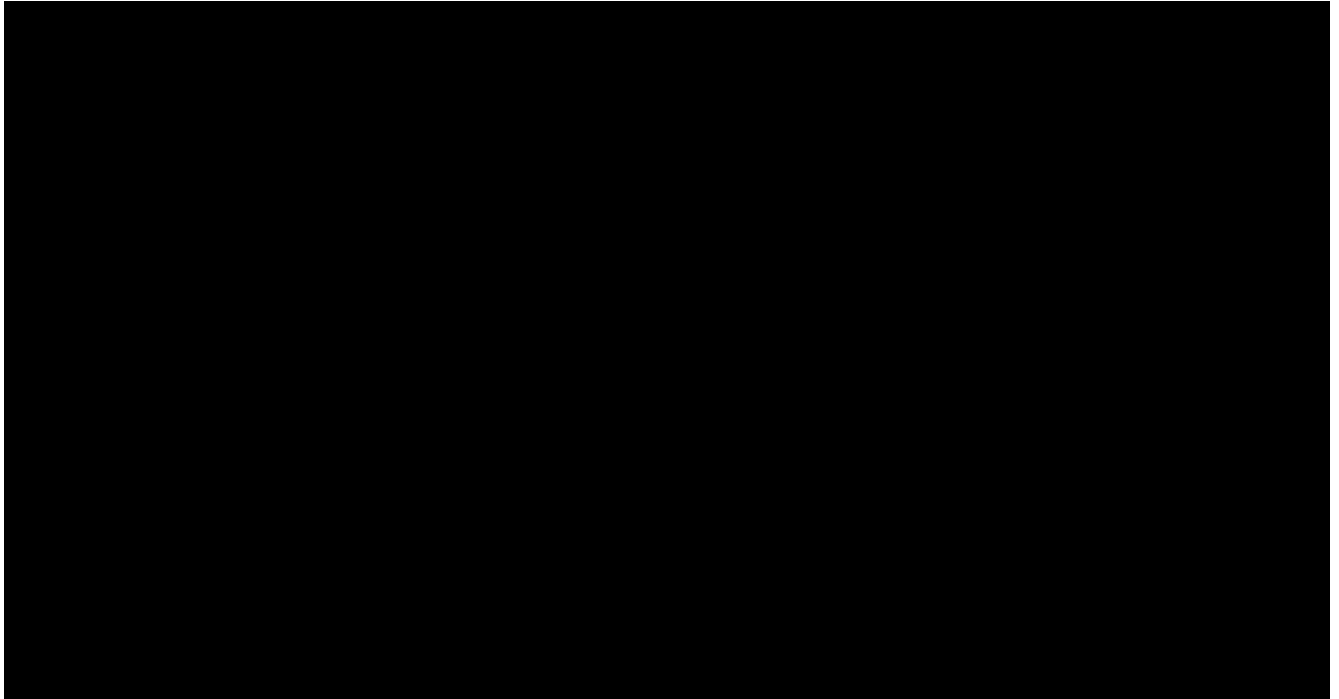
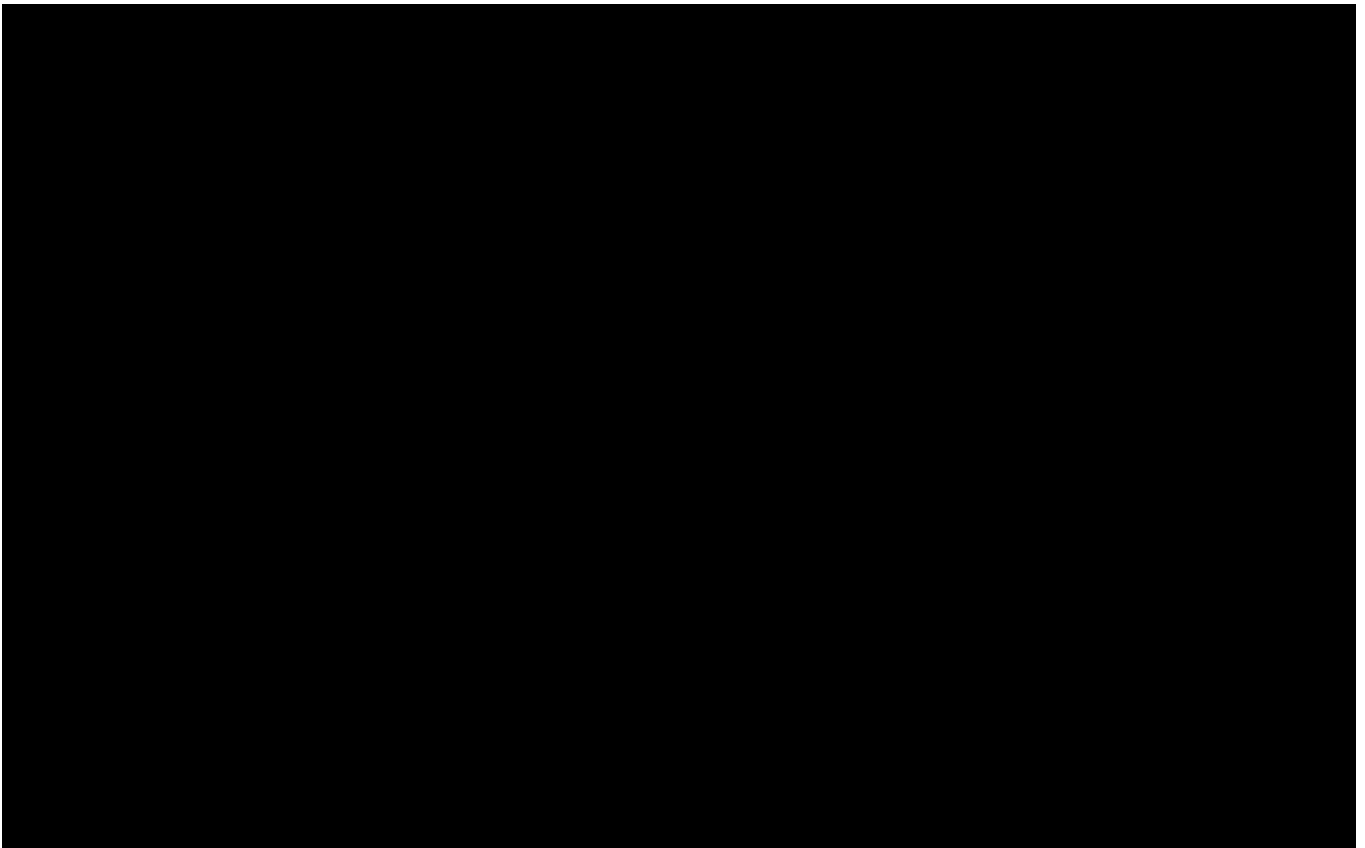


Figure 10. Capability to Upkeep

3.6.4 Risk Management (FGD)



3.7 Capability to Update

3.7.1 Definition

(BGD). The 'Capability to Update' the FSM is defined as the capability to address emerging obsolescence and related supportability (including reliability and maintainability) issues. It means that the Australian organisations managing the update activities shall have the following capabilities:

- to master the design and functioning of the FSM in order to:
 - identify the obsolescence and supportability issues;
 - carry out the studies to deal with obsolescence and supportability issues;
 - analyse the consequences of updating systems and their related equipment;
 - supervise the updating of systems and their related equipment;
 - adjust the network configuration according to the update of the equipment;
 - implement the update activities; and
 - define and perform the setting-to-work procedure and tests of the updated equipment.
- to use the design and Integrated Logistic Support tools in order to maintain the FSM documentation throughout the submarine's lifecycle.

(BGD). The main components of this capability are:

- Detailed Training Plan (DTP) related to the Capability;
- On-the-Job Training (OJT) and participation in chosen design reviews as described in the Technical Engagement Plan and Training Plan;
- Technical Data;
- Technical Assistance, according to the Australian Sustainment Organisation gap analysis; and
- IPR.

(FGD). The recipient of this capability is the Sustainment Organisation, via the CoA. The draft list of people to involve could be as follows and completed in the Detailed Training Plan:

- technology specialist engineer (Hull/Piping/Electricity);
- acceptance & trials manager;
- database administrators;
- ILS product manager;
- logistic configuration & engineering manager;
- maintenance engineering manager;
- safety & assurance manager and engineers;
- structural engineering manager and engineers;
- survey/technical manager;
- system team lead; and
- workscope planners.

3.7.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of each box gives the nature of the relationships between the various DMC streams and the different components of the ToT to Update. The main outputs are the ToT components, as described in section 2.2, found in Stream 7.

Table 17. ToT Component Description for 'Capability to Update'

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | Which; Where | Which | |
| | Industrial Tools | | Content | When | Which; Where | Content | |
| | Information System | | | When | Which; Where | Which | |
| | Training | For whom | Content | When | | For whom | |
| | Skills Requirements | For whom | | | | | |
| | Types and # of People | For whom | | | | | |
| | Data Package | | Content | When | | Content | |
| | Technical Assistance | For whom | | When | | | |

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.7.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program's implementation to highlight the tasks prioritised for the period to come.

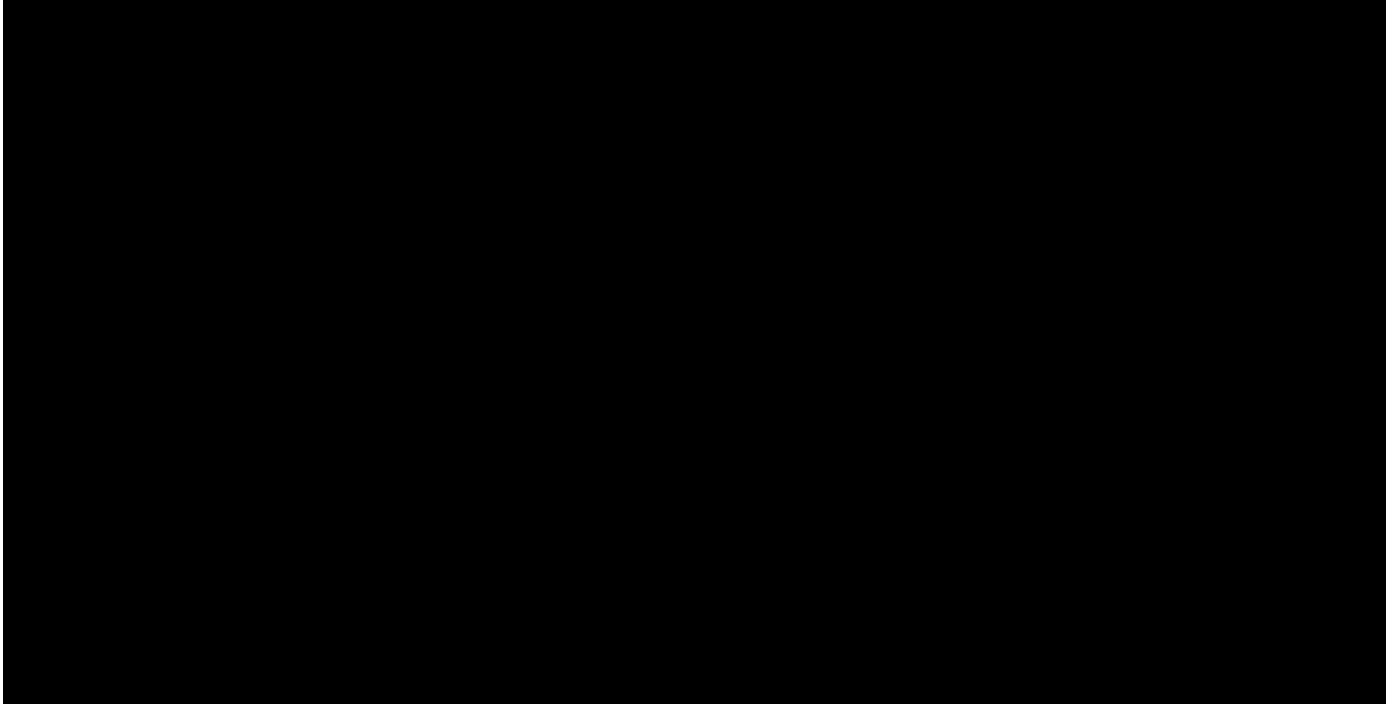
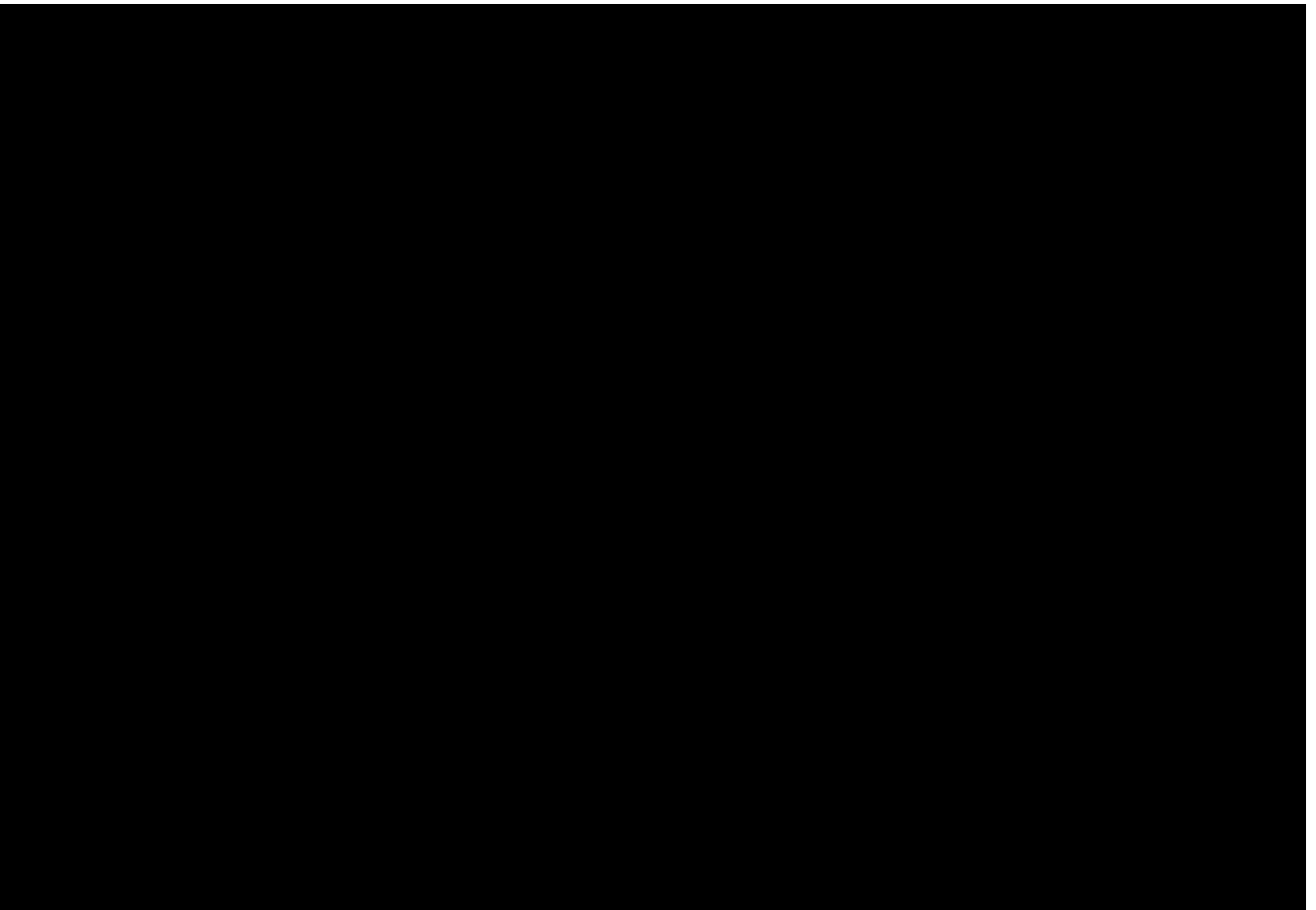


Figure 11. Capability to Update

3.7.4 Risk Management (FGD)



3.8 Capability to Upgrade

3.8.1 Definition

(BGD). The 'Capability to Upgrade' the FSM is defined as the capability to modify the submarine as needed to address emerging threats through improvements to the capability of the FSM. This requires Australian organisations to possess following capabilities:

- translate an operational requirement into several technical requirements to be addressed to different manufacturers:
 - master the FSM design and operation of the FSM in order to:
 - analyse the impact of technical requirements on the FSM;
 - carry out the design activities to deal with these requirements; and
 - manage the manufacturers' works.
- use the design and Integrated Logistic Support (ILS) tools in order to maintain the FSM documentation over the submarine's lifecycle.

The abilities required to dispose of submarines is not addressed.

(BGD). The main components of this capability are:

- Detailed Training Plan;
- On-the-Job Training (OJT) and participation in chosen design reviews as described in the Technical Engagement Plan;
- Technical Data;
- Technical Assistance, according to the Australian Sustainment Organisation gap analysis; and
- IPR.

(FGD). The additional ToT training required for the 'Capability to Upgrade' in addition to the 'Capability to Update' is defined in the related Detailed Training Plan.

(FGD). The recipient of Upgrade capability is the Design Authority in Australia and the Australian Shipyard, on behalf of the CoA.

3.8.2 Relationship with DMC Streams (FGD)

The inputs and outputs to and from the business-related items are shown in the interfaces table below, completed via a collaborative approach. The content of each box gives the nature of the relationships between the various DMC streams and the different components of the ToT to Upgrade. The main outputs are the ToT components, as described in section 2.2, found in Stream 7.

Table 19. ToT Component Description for 'Capability to Upgrade'

| | | Stream | | | | | |
|---------------------------|-----------------------|-----------------------|--------------------|--------------------|------------------------------------|---------------------------------|----------------|
| | | 1 | 2 | 3 | 4 | 5 | 6 |
| | | Executable agreements | Technical Strategy | Program management | Australian Build & test facilities | Australian Industry Involvement | Project Office |
| ToT Component Description | Infrastructures | | | When | Which; Where | Which | |
| | Industrial Tools | | Content | When | Which; Where | Content | |
| | Information System | | | When | Which; Where | Which | |
| | Training | For whom | Content | When | | For whom | |
| | Skills Requirements | For whom | | When | | | |
| | Types and # of People | For whom | | When | | | |
| | Data Package | | Content | When | | Content | |
| | Technical Assistance | For whom | | When | | | |

The future TOT-PMP will pursue the development of processes, organisation and reviews to implement and manage these relationships appropriately.

3.8.3 Timeline (FGD)

The figure below shows ToT components over the capability timeline.

The schedule will be developed and detailed during the ToT Program's implementation to highlight the tasks prioritised for the period to come.

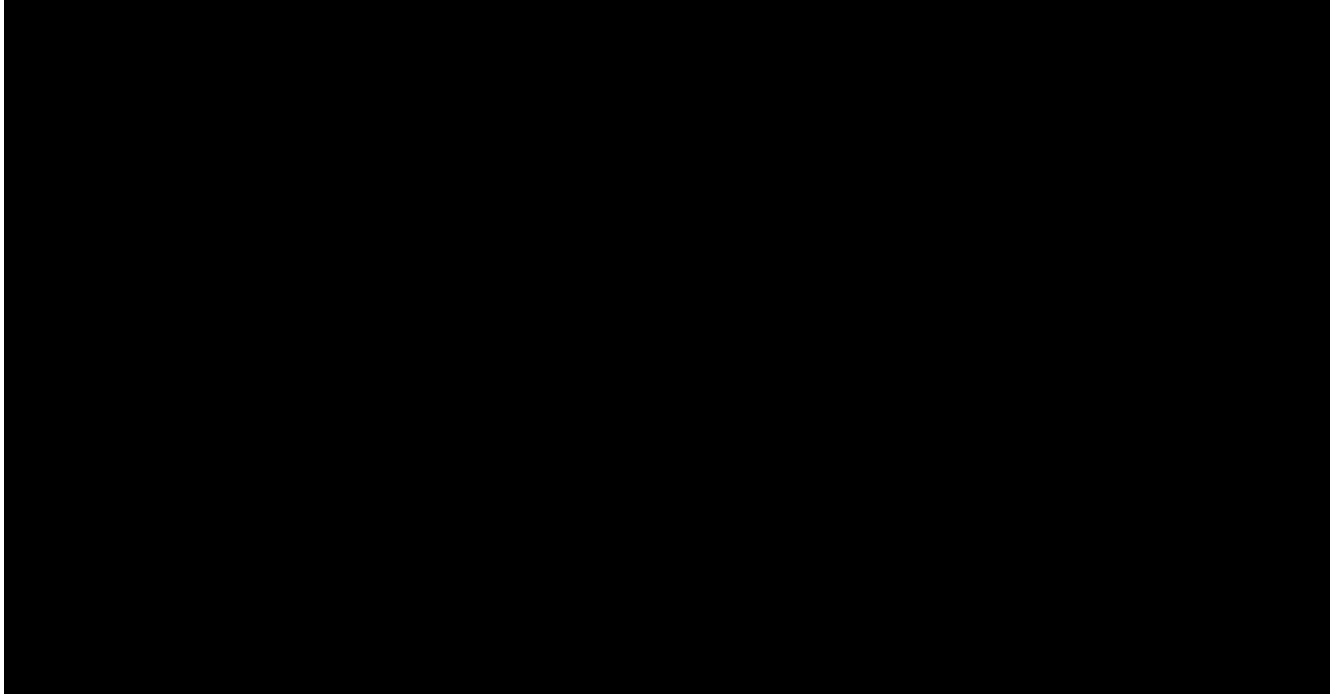
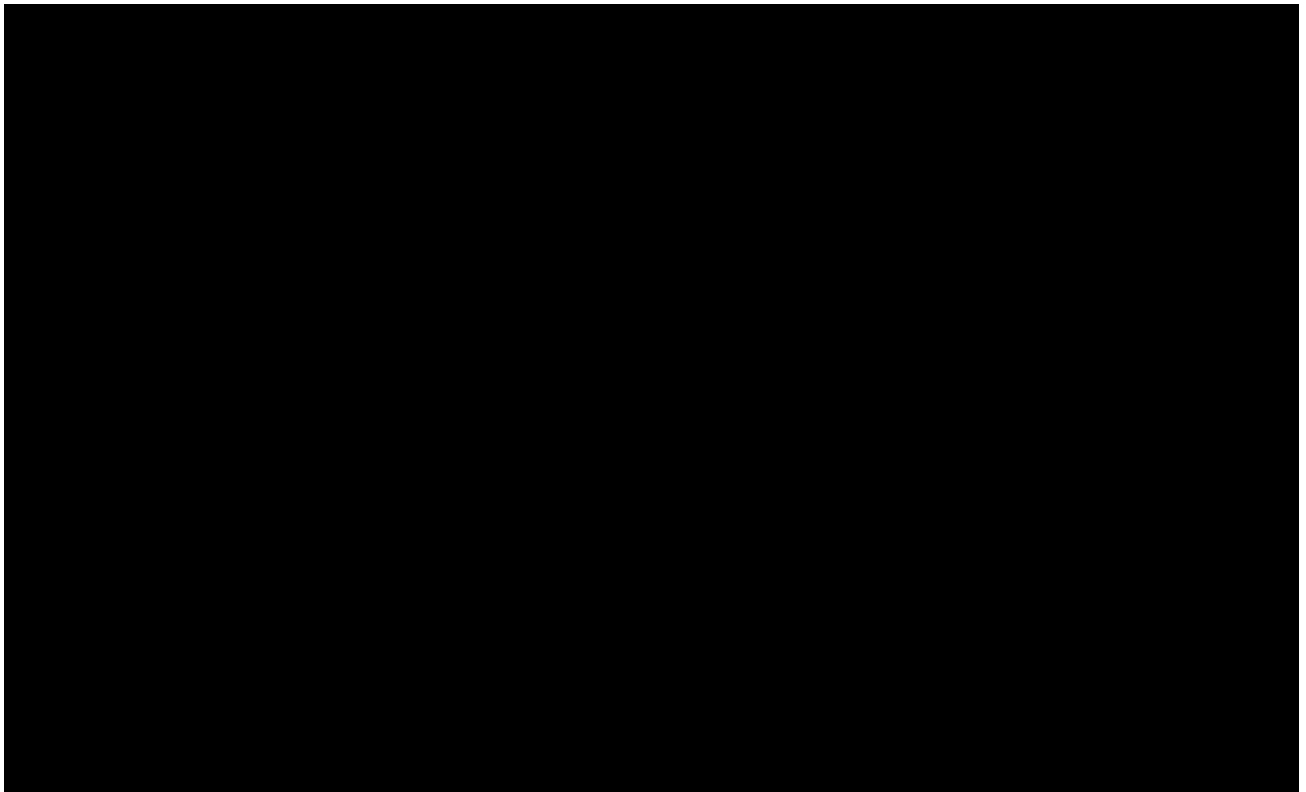


Figure 12. Capability to Upgrade

3.8.4 Risk Management (FGD)



3.9 Outcomes for the Sub-level Documents (FGD)

As a reminder, this document is the main driver for:

- ToT Master Training Plan (TOT-MTP);
- Technical Data Management Plan (TDMP);
- Integrated Product development and Support Environment (IPDSE); and
- The ToT Program Management Plan (TOT-PMP) (Step 2).

4 ToT Program Monitoring (FGD)

4.1 ToT Program Management Plan

A TOT-PMP will be developed to implement the TOTS.

The figure below, presented to the CoA during January's workshops in Adelaide, shows how the TOTS is implemented within the TOT-PMP and how the TOT-PMP covers the entire program. The TOT-PMP manages ToT activities from their design up to their acceptance and monitors them through ToT Program reviews as described below.

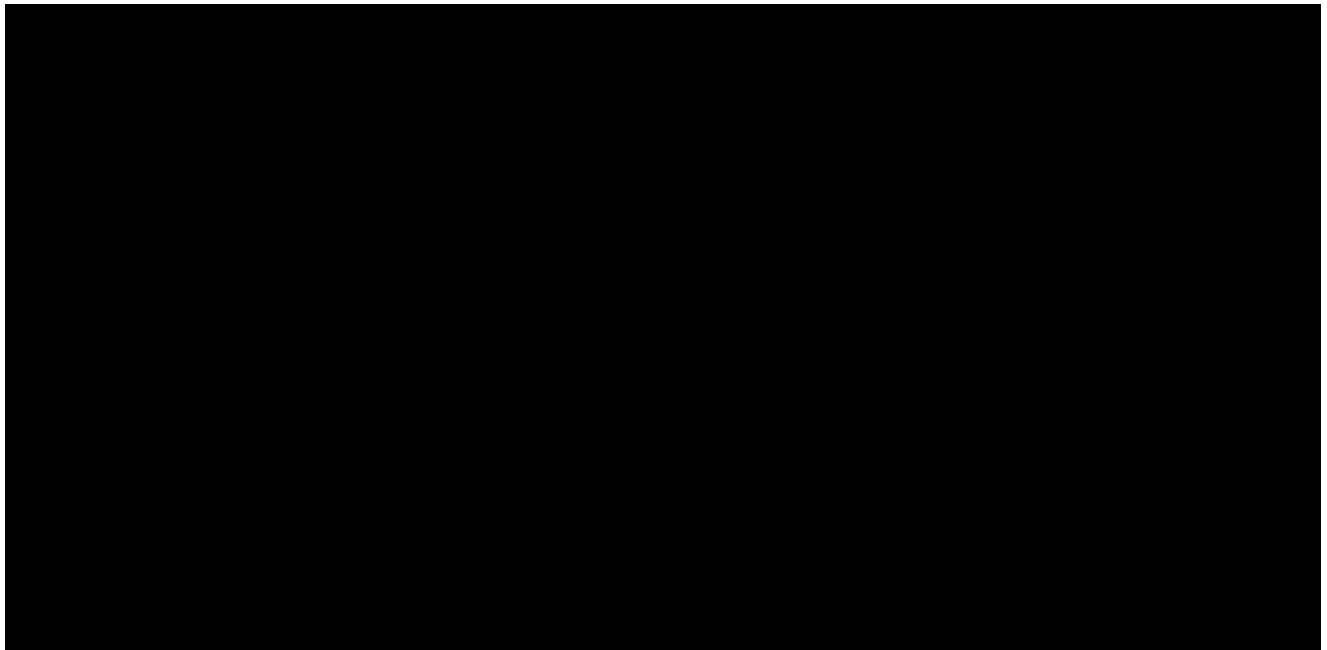


Figure 13. ToT Global Process, Timeline & Main Phases

The TOT-PMP will include:

- ToT organisation;
- ToT road map and processes;
- ToT dashboard;
- ToT development schedule follow up;
- **Deliverables** : documents, data, training, TDP batch schedule and their acceptance; and
- Description of Reviews consistent with [R2] - PMP.

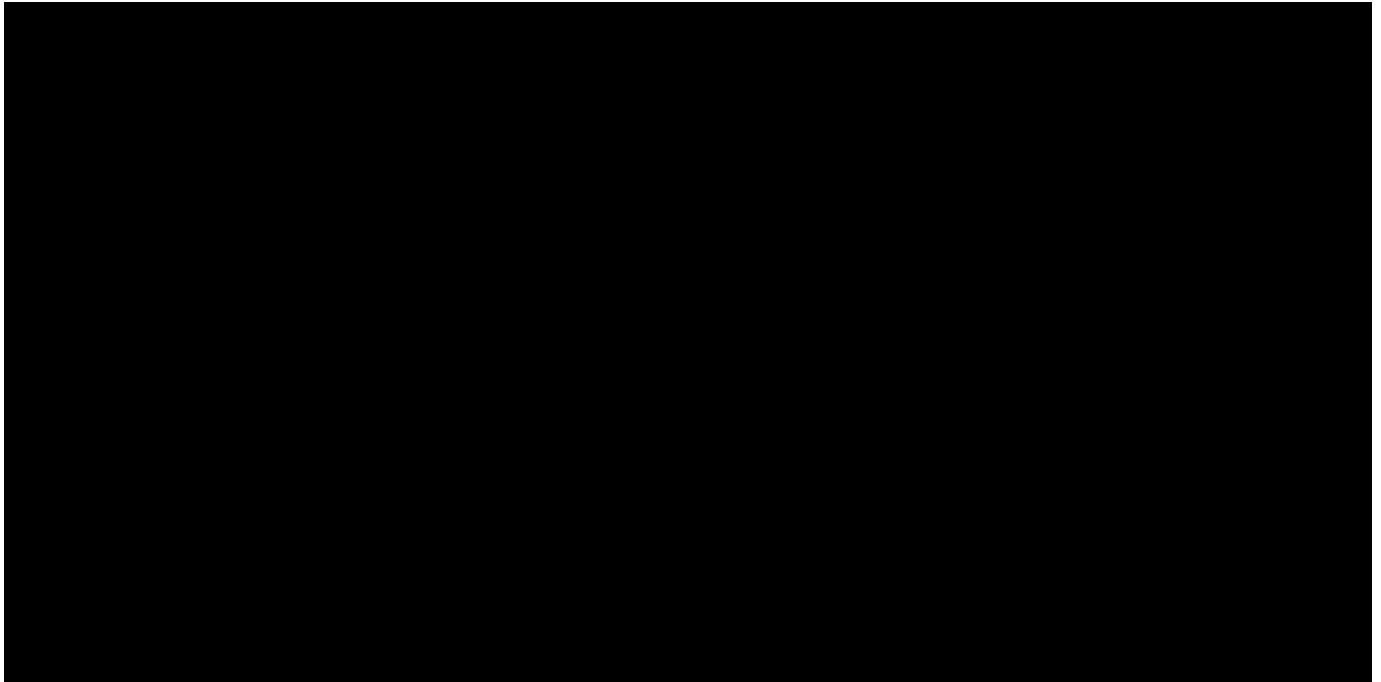


Figure 14. ToT Overall Road Map

4.2 ToT Program Management Reviews

DCNS ToT Program reviews involving an extended DCNS team, will take place monthly using the work-package dashboard, as described in [R2] - PMP.

The ToT team, coordinators and work-package managers will share the following information for each work-package:

- to-date physical progress on the scheduled tasks, compared to the anticipated schedule;
- to-date cost situation, compared to the cost-baseline;
- risks and opportunities, mitigation action plans; and
- action tracking.

4.3 Feed-back Loops with the CoA

4.3.1 Program Progress Meetings

Program Progress meetings between DCNS and the CoA will take place on a monthly basis, as described in [R2] - PMP, and will enable the parties to exchange on the global progress of ToT work packages as well as their consistency with the Integrated Master Schedule (IMS).

4.3.2 ToT Program Progress Meetings

In addition, ToT Program interrelates with:

- most of the FSP streams; and
- many different entities via the CoA, such as the Australian shipyard, the Australian Sustainment Organisation, the OEMs, services providers, the RAN, all considered as the end-users of ToT.

Once the workshop period is completed, a quarterly, or as mutually agreed, ToT review will take place between DCNS and the CoA ToT Team (the CoA ToT Coordinator and manager), accompanied by the ToT end-users in order to:

- validate the ToT Program development road map, including ToT acceptance plan, consistent with the IMS requirements;
- share the to-date progress on the road map using the chosen indicators;
- implement 'readiness for the next phase' and 'acceptance reviews' for each ToT component for a given capability:
 - organisation, for example, implementation of the advising and overseeing team's organisation regarding to the capability to build.
 - training periods;
 - TDP batch; and
 - infrastructures and tools.
- discuss Risk and Opportunities issues;
- update the ToT program roadmap and detailed schedule, and
- record and track actions.

This review will enable both DCNS and the CoA to exchange on the ToT Program overall progress to the benefit of Australia's FSM sovereign capability as well as coordinate the action plans related to the different recipients of ToT. The organisation, schedule, agenda and governance of these ToT Program reviews will be covered in the TOT-PMP.

A Acronyms

A

| | |
|------|-------------------------------------|
| AICP | Australian Industry Capability Plan |
| AOT | Advising and Overseeing Team |

B

| | |
|-----|----------------|
| BGD | Background IP |
| BS | Build Strategy |

C

| | |
|------|-----------------------------------|
| CCSM | Collins Class Submarine |
| CDRL | Contract Data Requirements List |
| CEP | Competitive Evaluation Process |
| CMS | Contract Master Schedule |
| CoA | Commonwealth of Australia |
| COC | Conditions of Contract |
| CSI | Combat System Integrator |
| CWBS | Contract Work Breakdown Structure |

D

| | |
|-----|---|
| DA | Design Authority |
| DGA | Direction Générale de l'Armement (French acronym) |
| DID | Data Item Description |
| DLM | Depot Level of Maintenance |
| DMA | Design Management Arrangement |
| DMC | Design and Mobilisation Contract |
| DTP | Detailed Training Plan |

E

| | |
|-----|-----------------------------|
| EMP | Engineering Management Plan |
|-----|-----------------------------|

F

| | |
|-----|--------------------------|
| FB | First Batch |
| FGD | Foreground IP |
| FoC | First of Class |
| FS | Feasibility Studies |
| FSM | Future Submarine |
| FSP | Future Submarine Program |
| FTE | For Time Equivalent |

H

| | |
|----|-----------------|
| HR | Human Resources |
|----|-----------------|

I

| | |
|-------|--|
| ILM | Intermediate Level of Maintenance |
| ILS | Integrated Logistic Support |
| ILSP | Integrated Logistics Support Plan |
| IMS | Integrated Master Schedule |
| IP | Intellectual Property |
| IPDSE | Integrated Product Development and Support Environment |
| IPMS | Integrated Platform Management System |
| IPR | Intellectual Property Right |

L

| | |
|-----|-----------------------------------|
| LMA | Lockheed Martin Australia Pty Ltd |
|-----|-----------------------------------|

M

| | |
|-----|-----------------------------------|
| MLM | Manufacturer Level of Maintenance |
| MTP | Master Training Plan |

O

| | |
|-----|-------------------------------------|
| OEM | Original Equipment Manufacturer |
| OJT | On-the-Job Training |
| OLM | Organisational Level of Maintenance |

P

| | |
|-----|-------------------------|
| PMP | Project Management Plan |
|-----|-------------------------|

R

| | |
|-----|-----------------------|
| RAN | Royal Australian Navy |
|-----|-----------------------|

S

| | |
|-----|--------------------------------|
| SOW | Statement Of Work |
| SPA | Strategic Partnering Agreement |

T

| | |
|------|------------------------------------|
| TCA | Tripartite Cooperative Arrangement |
| TDM | Technical Data Management |
| TDMP | Technical Data Management Plan |
| TDMS | Technical Data Management Systems |
| TDP | Technical Data Package |
| TEP | Technical Engagement Plan |

| | |
|---------|---------------------------------|
| ToT | Transfer of Technology |
| TOT-MTP | ToT Master Training Plan |
| TOT-PMP | ToT Program Management Plan |
| TOTS | Transfer of Technology Strategy |
| TP | Training Plan |

V

| | |
|-----|-----------------------------|
| V&V | Verification and Validation |
|-----|-----------------------------|

W

| | |
|-----|--------------------------|
| WBS | Work Breakdown Structure |
| WW | Whole Warship |

B DID Requirements Traceability Matrix

Table 21 is a traceability matrix that defines where each specific DID content requirement is addressed in this document.

Table 21. DMC ToT Strategy to DID-PM-TOTS Compliance

| DID Para | DID Para Title or Description | Cross Reference |
|----------|--|-----------------------------------|
| 3 | DESCRIPTION AND INTENDED USE | |
| 3.1 | The Transfer of Technology Strategy (TOTS) is to be the primary enabler setting out how the Contractor will deliver sovereign capability to the Commonwealth, including ToT to Australian Industry, in order to support this capability. In doing so, the CoA shall obtain sufficient data, knowledge and understanding of the design to establish sovereign capability to maintain, operate and modify the capability in a cost-effective and safe manner. | Sections 1.2 and 1.3 |
| 3.2 | The Contractor uses the TOTS to: <ul style="list-style-type: none"> Define, establish and monitor the ToT Program for the contract. This is to include ToT to Australian Industry as well as the Commonwealth; Ensure that those parties (including Subcontractors and Australian Industry) who are providing or involved in the ToT, understand their respective responsibilities, the processes to be used, and the time frames involved; and Define the Contractor's expectations for Commonwealth & Australian Industry involvement in the ToT. | Section 1.3 and Sections 3 and 4. |
| 3.3 | The Commonwealth uses the TOTS to: <ul style="list-style-type: none"> Gain visibility into the Contractor's plan in order to meet the ToT requirements of the Contract, in particular how ToT will occur, time-frames for ToT and how the Contractor will assist the CoA and Australian Industry achieving sovereign capability; Gain assurance that the Contractor's TOTS will meet the requirements of the Contract, in particular its ability to deliver on the Government's Industry Policy 2016; Provide a basis for monitoring and assessing the Contractor's performance in relation to the ToT requirements of the Contract; Confirm and coordinate Commonwealth interfaces with the Contractor's ToT manager; and Provide input into the Commonwealth's planning of ToT activities including resources required to assist in the ToT process and an understanding of how to manage ToT with Australian Industry. | Section 1.3 and Sections 3 and 4. |
| 4 | INTER-RELATIONSHIPS | |
| 4.1 | The Transfer of Technology Strategy inter-relates with all CDRL line numbers in the SOW, however is directly a main driver of the following documents: <ul style="list-style-type: none"> Training Management Plan (TMP); Contract Work Breakdown Structure (WBS); Technical Data Management Plan (TDMP); and Integrated Product Development and Support Environment (IPDSE). | Section 1.3 and Sections 3 and 4. |

| DID Para | DID Para Title or Description | Cross Reference |
|-------------|--|---|
| 5 | PREPARATION INSTRUCTIONS | |
| 5.1 | Generic Format and Content | |
| 5.1.1 | The data item shall comply with the general format, content and preparation instructions contained in the CDRL clause entitled "General Requirements for Data Items". | All |
| 5.1.2 | The data item shall include a traceability matrix that defines how each specific content requirement, as contained in this DID, is addressed by sections within the data item. | Annex B |
| 5.2 | Specific Content | |
| 5.2.1 | The TOTS shall throughout the document detail the following eight main types of transfer: | Section 3 |
| 5.2.1.a | <ul style="list-style-type: none"> detail how the Commonwealth, Australian Industry and the Contractor would work together to ensure that the Commonwealth obtains sufficient knowledge of the FSM design to fulfil its legal and regulatory responsibilities for approval and acceptance (including sufficient knowledge of the FSM design to support a sovereign industry capability able to deal with Updates, Upgrades and In-service demands of the platform); | Section 3 |
| 5.2.1.b | <ul style="list-style-type: none"> Provide details of the ToT management arrangements and how design and build knowledge will be transferred to Australia, including the following: | |
| 5.2.1.b.i | <ul style="list-style-type: none"> Commonwealth-led approval authority with the Contractor, | Section 3 |
| 5.2.1.b.ii | <ul style="list-style-type: none"> Organisational structure of the Contractor's ToT team, including its training team and proposed Commonwealth counterparts in order to facilitate ToT (including relationships between roles); and | Section 3 |
| 5.2.1.b.iii | <ul style="list-style-type: none"> Any shipyard level of involvement for the ToT; | Section 3 |
| 5.2.1.c | <ul style="list-style-type: none"> Provide a list of deliverables giving details of the types and form of the data to be transferred to Australia under the agreed Technical Data Management System (TDMS); | Section 2.2 and Technical Data Management Plan and Integrated Product Development and Support Environment |
| 5.2.1.d | <ul style="list-style-type: none"> Perform the obligatory Technical Design Reviews and audits to ensure the Commonwealth understands the design, including reviews on progress of Transfer of Technology; | Section 3.1 and 3.2 |
| 5.2.1.e | <ul style="list-style-type: none"> Show how the Contractor will in support of the Design Management Arrangement (DMA), assist the Commonwealth understand the detail of the Contractor's design processes as used during the design phases and build of the FSM, These include but are not limited to: | |
| 5.2.1.e.i | <ul style="list-style-type: none"> Technical risk management; | Sections 3.1.6, 3.2.4, 3.3.4, 3.4.4, 3.5.4, 3.6.4, 3.7.4, and 3.8.4 |

| DID Para | DID Para Title or Description | Cross Reference |
|-------------|--|---|
| 5.2.1.e.ii | <ul style="list-style-type: none"> Decision management and change control processes; | Sections 3.1 and 3.2 |
| 5.2.1.e.iii | <ul style="list-style-type: none"> Verification and Validation of models; and | Sections 3.1 and 3.2 and |
| 5.2.1.e.iv | <ul style="list-style-type: none"> Tools used in the design including sub systems. | Sections 3.1 and 3.2 and |
| 5.2.1.f | <ul style="list-style-type: none"> Describe and provide details in relation to any of the following used for ToT: | |
| 5.2.1.f.i | <ul style="list-style-type: none"> Process and tool development; | Sections 1.3 and 3.9 |
| 5.2.1.f.ii | <ul style="list-style-type: none"> Specialist equipment and tools; and | Sections 1.3 and 3.9 |
| 5.2.1.f.iii | <ul style="list-style-type: none"> Training (in particular for Commonwealth Personnel, Contractor Personnel and other parties involved in the ToT program). | Sections 1.3 and 3.9 |
| 5.2.1.g | required to undertake the ToT activities in accordance with the TOTS | |
| 5.2.1.h | <ul style="list-style-type: none"> Detail the ToT risk management definitions and managing contingencies. | Sections 3.1.6, 3.2.4, 3.3.4, 3.4.4, 3.5.4, 3.6.4, 3.7.4, and 3.8.4 |

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: EZY-FIT – ownership of industrial equipment

Question reference number: 39

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 95

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: I wonder if you could make further inquiries in relation to that. My understanding is that EZY-FIT sought the grant and purchased the new equipment to improve quality further and to improve the time frame to complete the job with fully automated equipment. Just for the record, as I said earlier, the final piece of equipment arrived this morning. Were you, Mr Johnson, or you, Rear Admiral Sammut, aware of that?

Mr Johnson: That it arrived this morning?

Senator XENOPHON: No. That they already had equipment that could do it but the grant was to improve the time frame to complete the job with fully automated equipment?

Senator XENOPHON: ... You may want to take that on notice.

Mr Johnson: I will take that on notice.

Answer:

See Department of Defence response to 2017 Budget Estimates Question on Notice 108.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence gas contract with Origin Energy in Wagga Wagga

Question reference number: 40

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 97

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: I want to go to something completely different. It is contract notice CN 3413769. If you do not know what it is, I will help you with it. It is a contract under the category of oil and gas utilities. The published date is 4 April 2017. It is for a contract value of \$5.234 million and it is for the provision of natural gas to the large Defence sites in Wagga Wagga in New South Wales. It was run by open tender and the supplier is Origin Energy. I understand there are commercial-in-confidence issues. Given that the price of gas is such a big issue in this country at the moment, can someone please tell me a price band for which that gas was procured? It is for a contract period of 1 April 2017 to 31 March 2021. It is for a reasonable amount of money—\$5.2 million for that period. It is a bit over \$1.3 million a year. Are you able to tell me the average price per gigajoule for that gas?

Mr Grzeskowiak: I do not have the information for that contract with me at the moment. I can try and source that information to come back with. But you are right; the overall contract is a bit over \$5 million.

Senator XENOPHON: I do not understand. That does not tell me much about how much it is per gigajoule, given the horror stories I am getting from Australian industry. I think Senator Back is acutely aware of this. A number of Australian businesses I have spoken to about their gas bills doubling or tripling are saying it is going to make it unviable for them to continue here in Australia. I am trying to get an idea of how much the Commonwealth is paying for gas in this contract.

Mr Grzeskowiak: We will try to get you those figures.

Answer:

Commodity pricing in Defence's Gas Contract with Origin Energy at Wagga Wagga, for the period 1 April 2017 to 31 March 2021, is Commercial-in-Confidence.

The procurement of the new gas contract for Wagga Wagga was performed through an open tender published in Austender which closed on 20 March 2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Former Defence site Maribyrnong – weed control and access to riverbank

Question reference number: 41

Senator: Rice

Type of question: asked on Monday, 29 May 2017, Hansard page 101

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator RICE: I table a photo. I travelled along the Maribyrnong River on the Blackbird with Peter Somerville over the weekend. He pointed out to me—I will table a photo I took then—the level of infestation of thistles. I did not get a photo, but there is a similar level of prickly pear on the site. He is very concerned about the weed management of the site and wanted me to ask what Defence is going to do to manage that weed infestation.

Mr Grzeskowiak: I will take that on notice and have a look at the photograph.

Senator RICE: They were also asking for access to the riverside in order to begin revegetation works and could not understand why that was not permitted. This is an area of the site along the riverbank which has not been contaminated and has never had development on it. They would very much like access to it to be able to begin revegetation, which you would think would be in the interests of increasing the value of the site.

Mr Grzeskowiak: That may well be. It may also be a difficulty if it is inside the perimeter fence that exists at the moment simply from a health and safety perspective.

Senator RICE: I think it is between the river and the perimeter fence, and they were not being given access to that site.

Mr Grzeskowiak: I will be happy to look into that and see what is possible, but I can make no promise that that can be done.

Answer:

Defence Site Maribyrnong is managed by local Defence staff, with access control and reactive estate upkeep services delivered by contract partners. The site is managed appropriately for a large, dormant property which is scheduled for disposal. Defence delivers services which are focused on the safety of personnel required to work at the site, preservation of high-value heritage assets, and bushfire management.

Weed infestation is recognised as a significant challenge at the Maribyrnong site, due to the large size of the site, and the need to minimise hazards from soil disturbance.

Defence is conducting a review of the Maribyrnong City Council and Melbourne Water environmental and weed management strategies, with a view to identifying opportunities to synchronise projects. Defence intends to collaborate with local authorities and the community to provide a coordinated effort to control weeds. The scope of this activity will include the Defence Site Maribyrnong precinct and the river corridor.

The Defence land management contractor has been requested to commence planning weed control measures for Spring 2017, to address high priority bushfire management and noxious weed tasks, and align with Council environmental and weed strategies.

Defence and Maribyrnong City Council have commenced planning discussions to deliver the riverside walking and cycle path, as it is possible to achieve in parallel to the open market disposal process.

Defence and Council have acknowledged that a key consideration in the timing of land release for development of a riverside walking and cycling path is ensuring that remediation works can be undertaken and public safety is not compromised.

Joint Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Army SO3 Course Syllabus

Question reference number: 42

Senator: Fawcett

Type of question: asked on Monday, 29 May 2017, Hansard page 104

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FAWCETT: Can I come back to your comment about the First Principles Review and the changing culture? Lieutenant General Campbell, at your SO3-level staff courses—and I am happy for you to take this on notice—has the syllabus for the training of those junior officers been changed to recognise and explain the role that industry plays as a fundamental input to capability?

Lt Gen. Campbell: I will have to take that on notice, and I will be looking to the staff courses, not the tactical courses. We will get back to you.

Answer:

No.

The All Corps Captains Course (SO3 Course) does not contain any learning, or supporting learning outcomes, explaining the role Australian Industry plays as a Fundamental Input to Capability.

The curriculum of the Capability and Technology Management College, a specialised course, as well as the Australian Command and Staff College addresses the role industry plays as a Fundamental Input to Capability. These courses are conducted by students who are at points within their careers (generally Major or Lieutenant Colonel) where they are most likely to engage with industry or consider the role of industry as Staff Officers or Project Managers.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Sustainment Costs for F-35 beyond 2024-25

Question reference number: 43

Senator: Ludlam

Type of question: asked on Monday, 29 May 2017, Hansard page 107

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator LUDLAM: Minister, you were correct—I think we were talking about question No. 39. I have it here now. It does not give us the total sustainment cost, so that is why my notes indicate that we did not get a response. We got a unit cost, I think. We got sustainment funding out to 2024-25. Remaining funding will be sought after 2020.

Senator Payne: If you want further information, we can take that on notice and see if we can provide any more.

Senator LUDLAM: But that was what I asked back in March.

Senator Payne: I have not gone through the Q&A that preceded the response again. Although I did live through it on the first occasion, I have not reread it now to see whether there would be any more, but we will take that on notice and follow up for you.

Senator LUDLAM: But you are just taking on notice the same question that I put to you in March. What is the total cost of this acquisition? That is all I am seeking to find out. You took it on notice then and did not provide it. Do we wait another couple of months? What is the problem?

Senator Payne: The costs are set out there, in acquisition and sustainment.

Senator LUDLAM: We have a sustainment figure that goes out to 2024, which is a third of the expected design life of the aircraft. Am I missing something really obvious here or do we not know how much this thing is going to cost?

Senator Payne: I think the figures have been set out as available, but, if there is any more, as I said, we will provide that for you.

Answer:

The total approved acquisition budget for the Australian F-35A project is A\$17.7 billion (adjusted for price and exchange to Budget 2017-18).

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Assault matters raised outside of the DART

Question reference number: 44

Senator: Kakoschke-Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 110

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: I would like to turn to the issue of allegations of serious sexual assault against permanent members of the ADF. In particular, I was hoping to unpack some of the answers that were provided to question on notice no. 51 from last estimates. Answer no. 1 from that particular sheet read: A review of the remaining open cases of Defence Abuse Response Taskforce referrals alleging sexual assault, as at 28 March 2017, identified there were 12 serving permanent members accused of sexual assault. Do those 12 serving permanent members represent all members who have been accused of sexual assault or only those who came to Defence's attention as a result of a referral from the DART?

Air Cdre Ehlers: That answer relates to matters raised through the Defence Abuse Response Taskforce.

Senator KAKOSCHKE-MOORE: Do you then have on hand statistics about the number of still-serving members who have been accused of serious sexual assault outside of the DART process?

Air Cdre Ehlers: No, I do not. I will have to take that on notice. That is a broader question.

Senator KAKOSCHKE-MOORE: If you could please. If you could go back for that answer as far as records permit. I am not too sure how your record keeping works in that respect. An update on that would be appreciated.

Air Cdre Ehlers: Yes.

Answer:

| Current serving members who have been accused of Sexual Assault outside the DART Process | |
|--|----|
| Navy | 23 |
| Army | 52 |
| Air Force | 16 |
| Data Caveats <ol style="list-style-type: none">1. Data provided from 2013 to present2. Data provided includes all members (including Active Reserves and Standby Reserves)3. Data is defined by 'sexual assault' ('serious' sexual assault posed in the question is not a classification or definition used by Defence) | |

Navy figure includes:

- a. three cases which were substantiated,
 - b. 11 cases were not substantiated; and
 - c. nine cases remain under investigation.
1. Within the three substantiated cases:
 - a. Disciplinary action was taken in two cases, and
 - b. In relation to the third matter the member's service was terminated.
 2. The 11 unsubstantiated cases included:
 - a. four cases did not progress as the complainant would not provide a statement,
 - b. five cases were investigated but insufficient evidence existed to proceed, and
 - c. two cases underwent trial and the members were found not guilty.
 3. Of the nine ongoing cases:
 - a. four cases have been referred to civilian authorities,
 - b. four cases remain with military authorities for consideration of appropriate action, and
 - c. one case has been found guilty and is undergoing legal review pending any punishment decision.

Army figures includes:

- a. 14 cases were substantiated,
 - b. 22 cases were not substantiated, and
 - c. 16 cases remain under investigation.
1. Within the 14 substantiated cases:
 - a. one conviction through civil proceedings;
 - b. 12 cases resulted in disciplinary and / or administrative action; and
 - c. one case managed through mediation.
 2. The 22 unsubstantiated cases included:
 - a. three cases that progressed to civil proceedings but were found not guilty,
 - b. three cases where the complaint was withdrawn by the complainant, and
 - c. 16 cases lacked sufficient corroborating evidence to proceed.

3. Of the 16 ongoing cases:
 - a. nine cases have been referred to civilian authorities for action, and
 - b. seven cases remain with military authorities for consideration of appropriate action.

Air Force figures include:

- a. nine cases where an inquiry is in progress,
 - b. four cases lacked sufficient corroborating evidence to proceed,
 - c. two cases were withdrawn by the complainant, and
 - d. one case could not be substantiated.
1. In both cases where the complaint was withdrawn by the complainant, administrative action was taken by Defence against the respondents.

Safety of Personnel

Defence actively manages the risk mitigation of complaints of abuse to ensure the ongoing safety and welfare of all individuals involved. Defence regularly reviews such risk mitigation and management strategies to ensure that both the victim and the accused are afforded fair and due process.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Discharge reasons from exit interviews

Question reference number: 45

Senator Kakoschke-Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 111

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: When I put these questions on notice last time, I asked how many people who had made allegations that they had been abused were subsequently discharged. Some information came back about that. Of the four who had discharged since making a complaint I was told that the alleged abuse was not a factor in their decision to leave. How was that question put to them in their exit interview? How can you be sure that that was not the determinative factor?

Air Chief Marshal Binskin: I will check from the exit interview why we would be confident that that is not a factor.

Senator KAKOSCHKE-MOORE: If it assists, it is question no. 6 on question on notice sheet 51. It says: The four members separated from the Australian Defence Force for reasons other than their complaint to the Defence Abuse Response Taskforce.

Air Chief Marshal Binskin: I will take that on notice and I will get an answer for you quickly from whoever approved it.

Senator Payne: Then, of the four, it says, ... (two transferred to the Australian Defence Force Reserves, one resigned and one was medically discharged). Is that the answer you were referring to.

Senator KAKOSCHKE-MOORE: Yes, that is correct. Thank you.

Air Chief Marshal Binskin: We will check that for you.

Senator KAKOSCHKE-MOORE: I suppose unless the question was directly put, there might have been some reluctance on the part of the person to come forward and say that this had happened.

Air Chief Marshal Binskin: We will find out what that was from the exit.

Answer:

On separation, a member is required to complete Form AC853 *Application to Transfer Within or Separate from the ADF*. Section 2 asks the member to record the reason for their decision, and a range of responses are available including: opportunities for further study or civilian employment, progression/promotion, end of a fixed period of service, reaching retiring age, seeking greater work/life balance, job satisfaction, home and family challenges, dissatisfaction with current posting, do not wish to disclose, or other.

Form AC853 also requires the member to be interviewed by their immediate supervisor and Commanding Officer. The supervisor is required to complete Section 4 of the form during this interview and provides an opportunity for the member to disclose their reason for separation.

The interview with the Commanding Officer provides the member with a final opportunity to disclose their reason for separation. While there is no script of questions to be asked during this exit interview, there is space on the AC853 Form to amplify any comments. In most circumstances, the Commanding Officer would not be aware the member submitted a complaint to the Defence Abuse Response Taskforce (unless the member chose to disclose this information to them or the unit was investigated) and would not be in a position to ask if the separation is as a consequence of the member's Defence Abuse Response Taskforce complaint. Furthermore, with the underlying principle of the Defence Abuse Response Taskforce process being 'do no further harm', it would not be appropriate for the Commanding Officer to pose such a question to a member who has already experienced significant trauma.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: DFDA charge for sexual assault

Question reference number: 46

Senator Kakoschke-Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 111

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: Is there is a particular act that they are charged under as opposed to a civilian Criminal Code offence?

Air Chief Marshal Binskin: If it is a sexual assault, it will go to the civilian police. So that would only be if it was deemed to not meet their threshold and handed back to us and we would have a complementary DFDA charge. I just have to find out what it is.

Answer:

Defence takes all allegations against its members seriously. When appropriate, Defence will refer allegations of sexual offences that occur within Australia to the relevant civilian authorities, especially those of a more serious nature. This is largely because crime is, in general terms, the responsibility of the States and Territories; however, referral may also be made because of the views and interests of the complainant.

Sexual assault offence provisions do not exist under the *Defence Force Discipline Act 1982* itself, however, members of the Australian Defence Force can be charged under the *Defence Force Discipline Act* if they engage in conduct which would be an offence in the Jervis Bay Territory and a 'Territory Offence'. Among the class of offences which are Territory Offences, are sexual assault provisions contained in Part 3 of the *Crimes Act 1900* (Australian Capital Territory). Those offences include offences which might be regarded as less serious, such as that under section 60 (act of indecency without consent).

The more serious sexual offences under Part 3 may also be charged as Territory Offences under the *Defence Force Discipline Act*. However, some of them require the consent of the Commonwealth Director of Public Prosecutions under section 63 of the *Defence Force Discipline Act* before they may be charged and heard before a service tribunal. These include, for example, the offence under section 54 of the *Crimes Act 1900* (sexual intercourse without consent).

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Date range for historical sexual assault complaints

Question reference number: 47

Senator: Kakoschke-Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 111

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: In answers 7, 8 and 9, you point me to 26 complaints involving sexual assault and the outcomes of those complaints. Clearly without identifying any particular case, are you able to give me a bit of a date range of what we can term historical offences, or are they recent offences?

Air Chief Marshal Binskin: We will take it on notice to get you the date range.

Air Cdre Ehlers: We can get the date range.

Answer:

| Year range | Number of sexual assault complaints from that period |
|----------------|--|
| 1950 – 1959 | 0 |
| 1960 – 1969 | 0 |
| 1970 – 1979 | 1 |
| 1980 – 1989 | 3 |
| 1990 – 1999 | 11 |
| 2000 – 2009 | 9 |
| 2010 - present | 2 |

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Gender breakdown of YourSay data

Question reference number: 48

Senator: Kakoschke-Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 112

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: Thank you. In response to one of my questions on notice, you provided a very helpful snapshot, you said, from the August 2016 YourSay organisational climate survey. It had some really helpful information in there about job satisfaction, commitment to the role and how proud a member felt to be serving in the ADF. As part of that collection of data, would you be able to break it down according to gender to say 50 per cent of women or 60 per cent of men responded in this way?

Ms Greig: Yes.

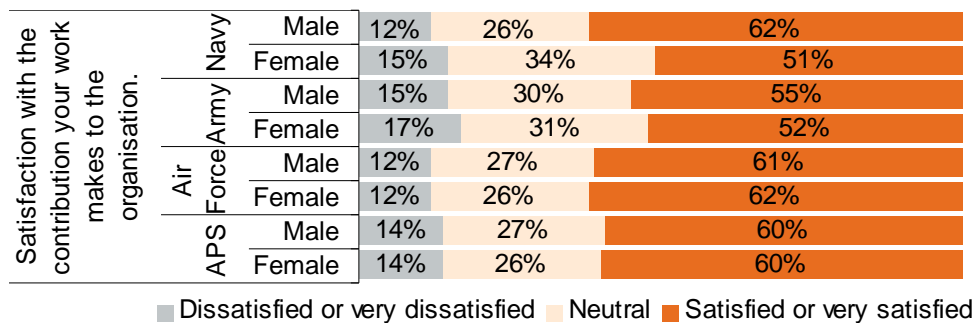
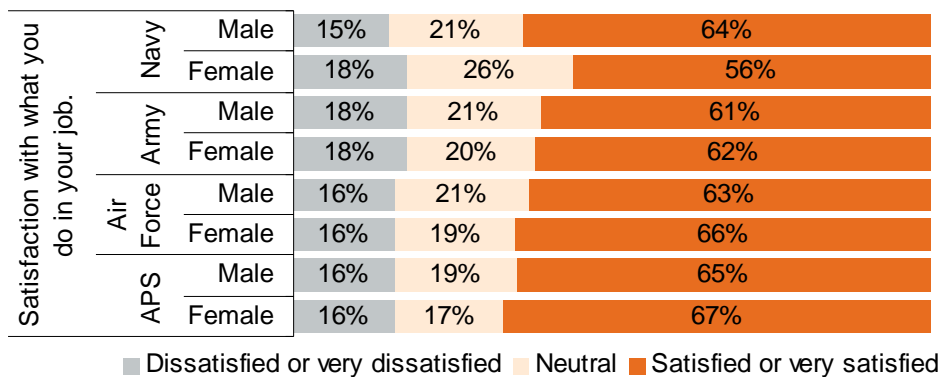
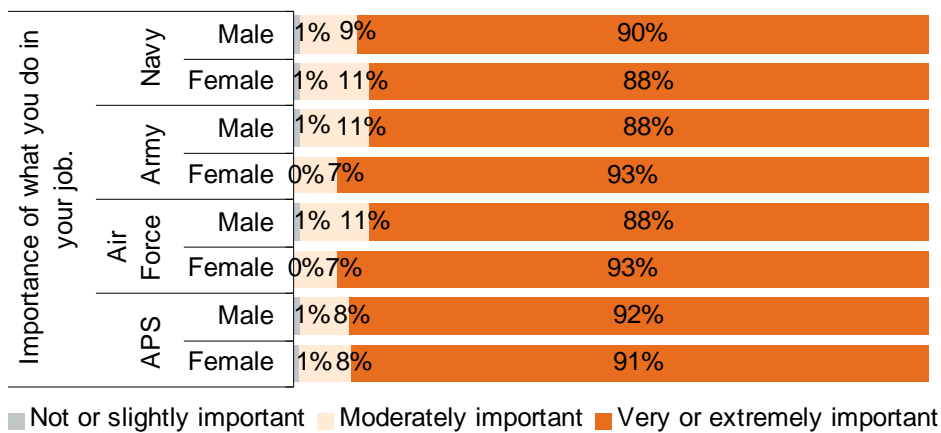
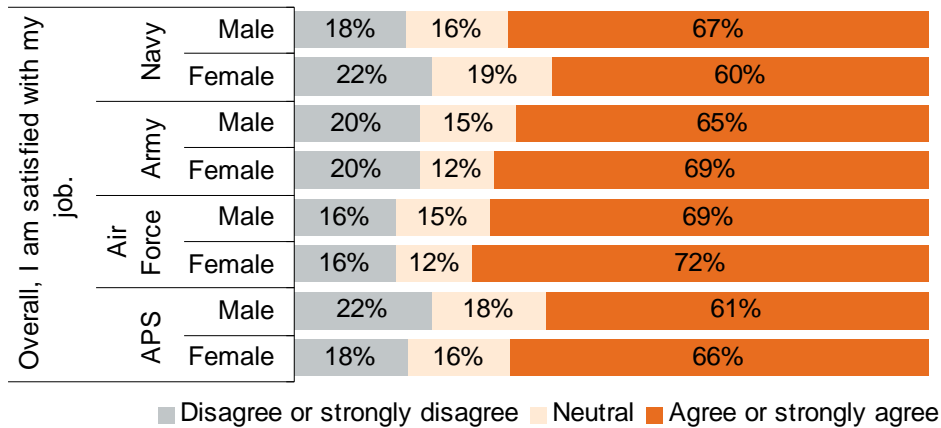
Senator KAKOSCHKE-MOORE: On notice, could you perhaps provide a few snapshots for me that you think demonstrate the breadth of questions that you asked and the range of answers you get. I will take it from there at the next estimates.

Ms Greig: Yes.

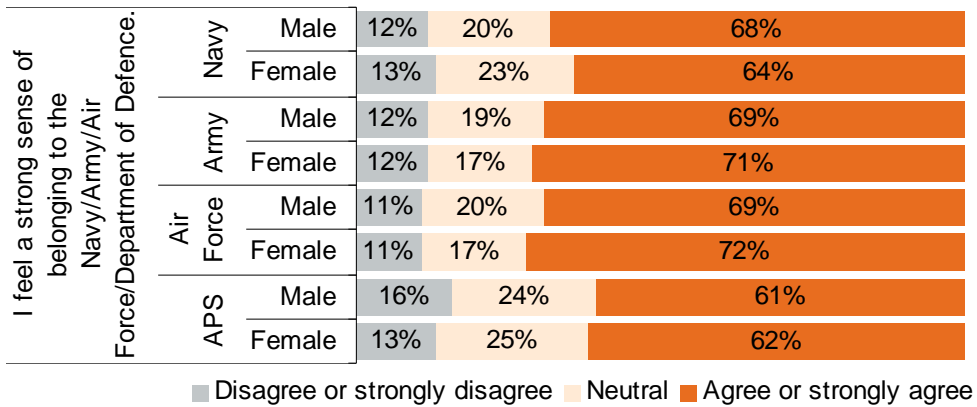
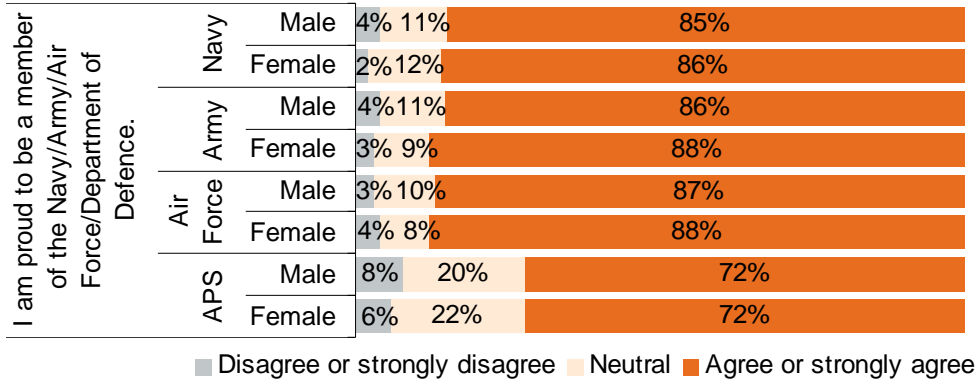
Answer:

The break down of the August 2016 YourSay data, and the survey items that informed the August 2016 YouSaid document, is as follows:

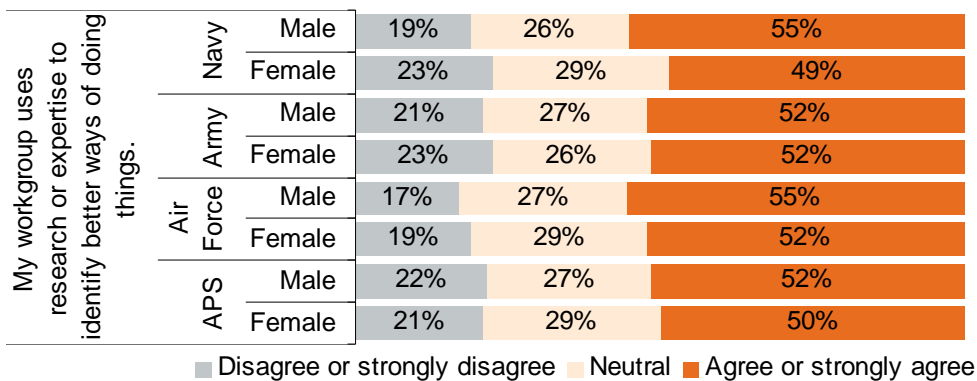
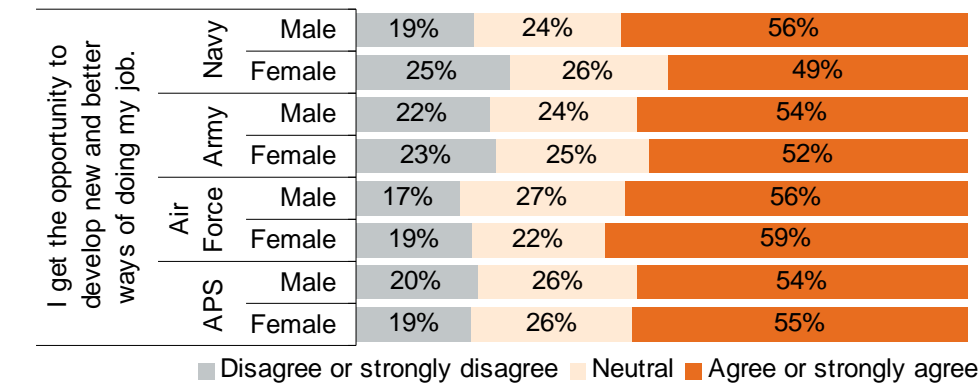
Job Satisfaction



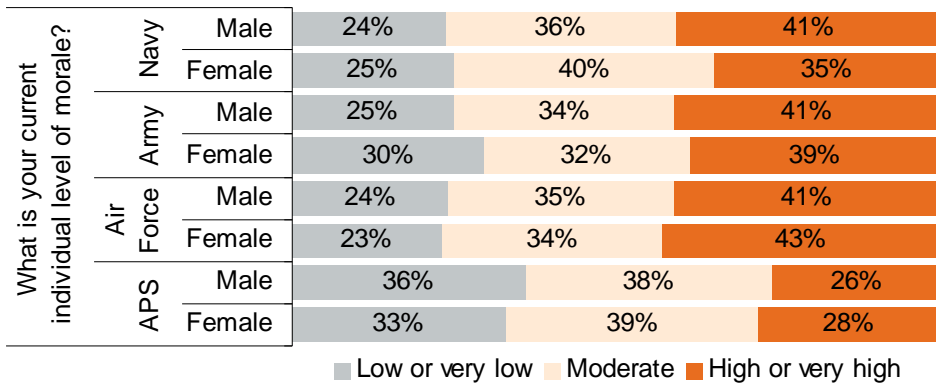
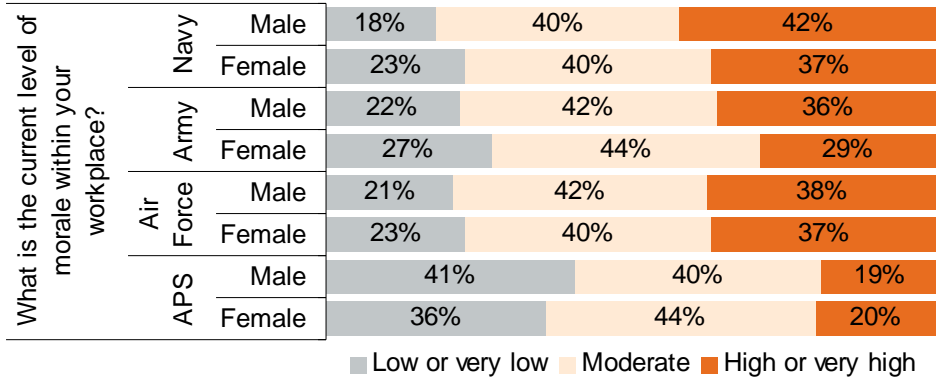
Commitment to Service



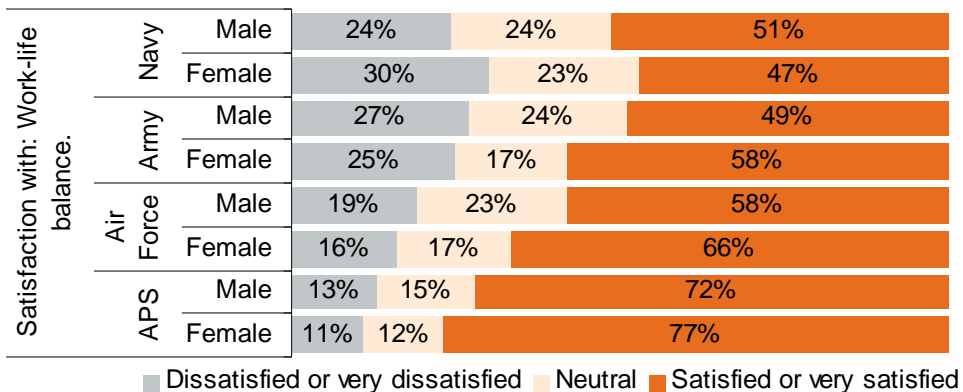
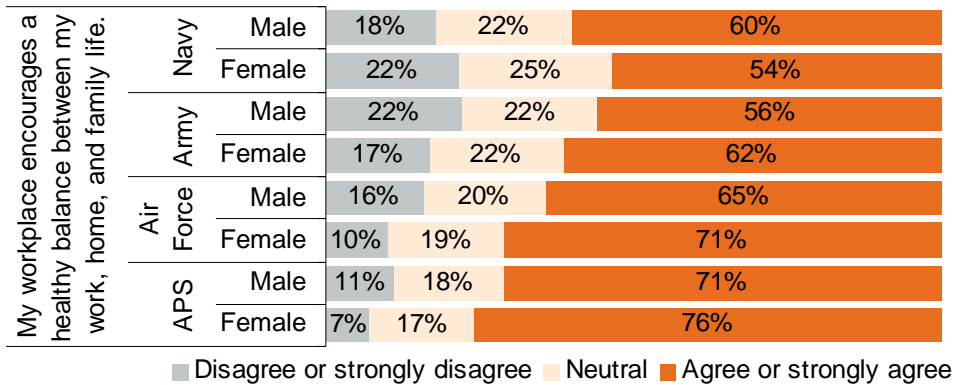
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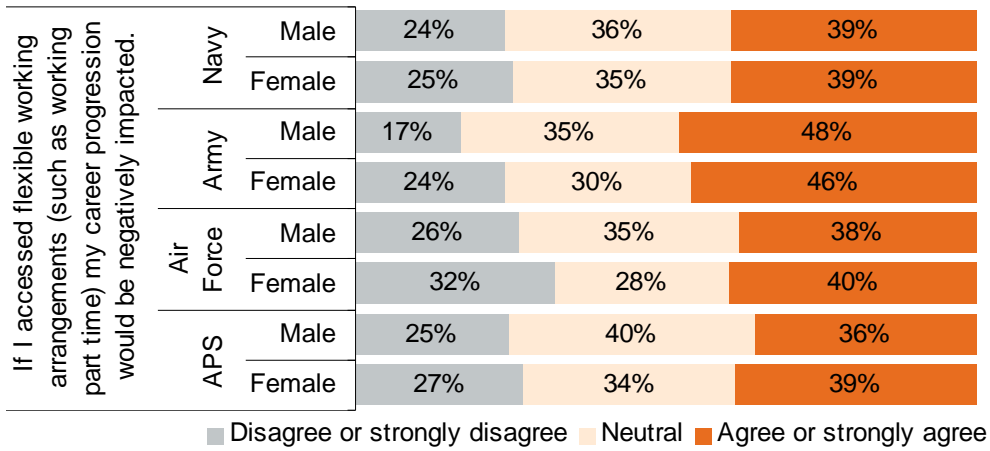
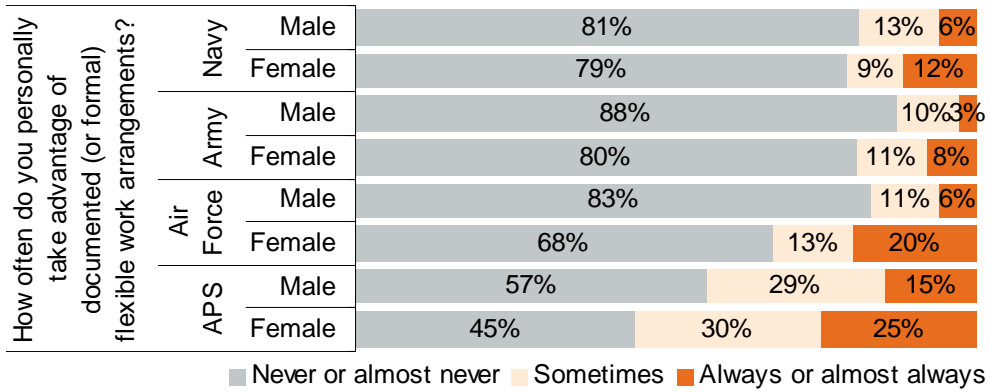
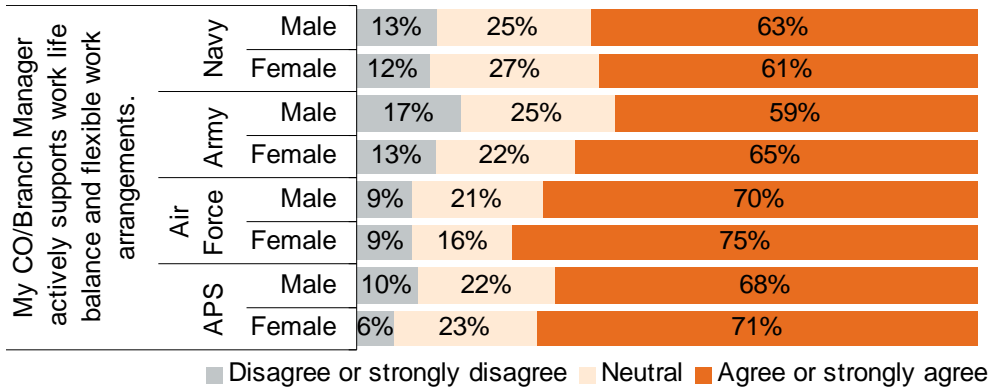


Morale

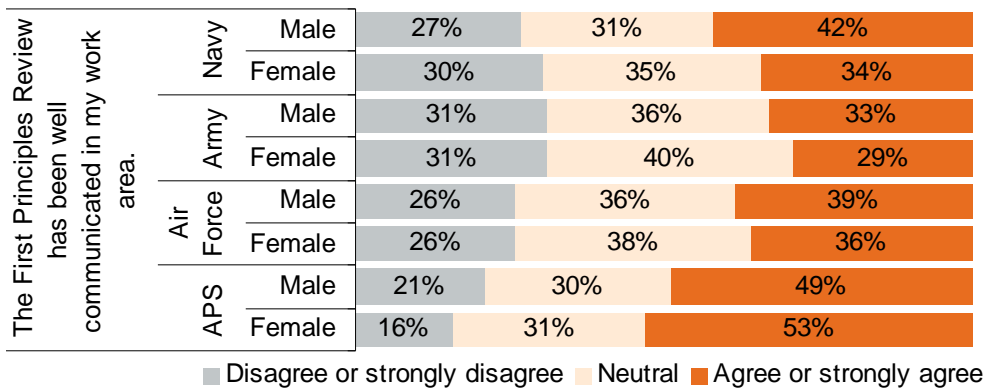


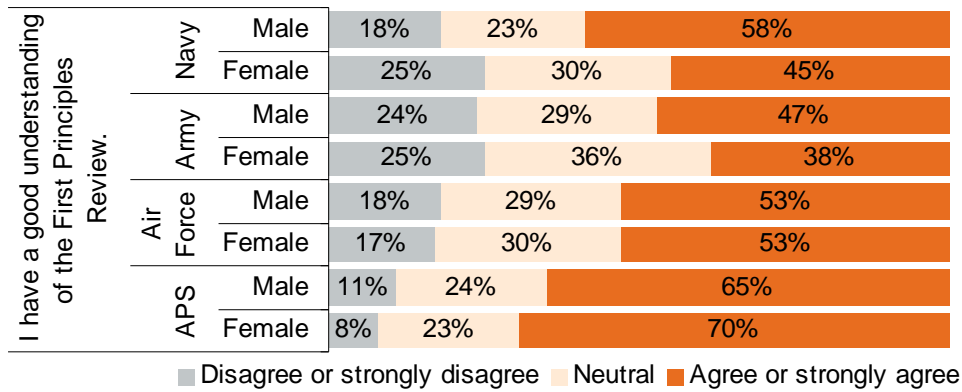
Work-life balance



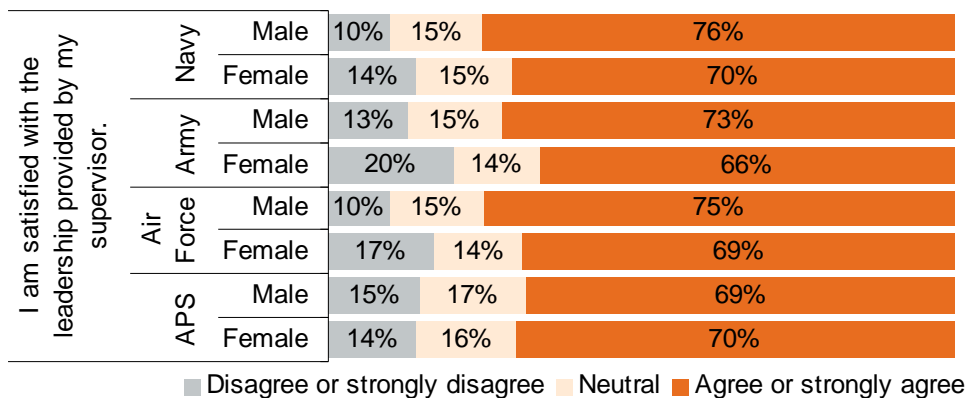
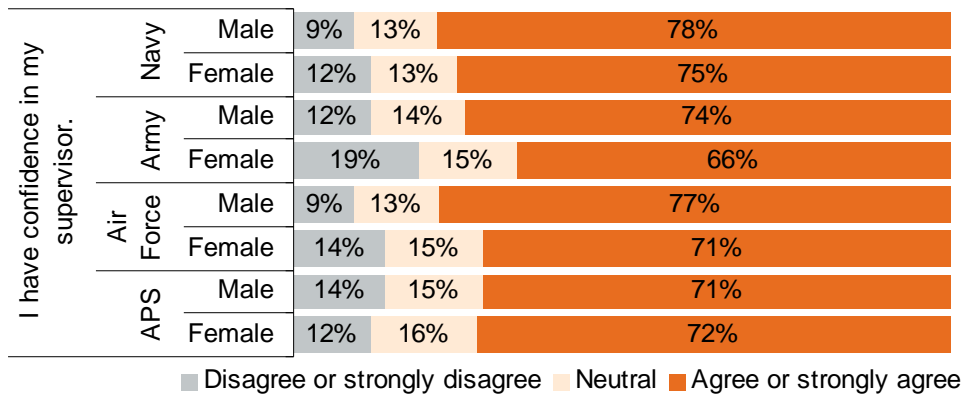
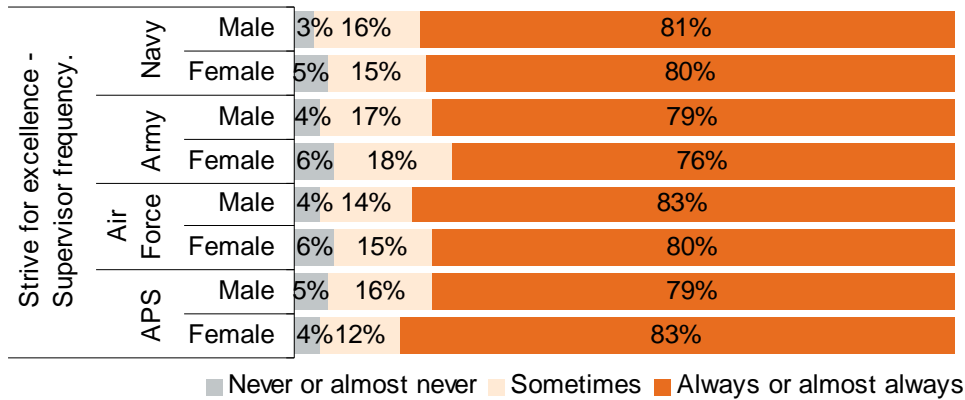


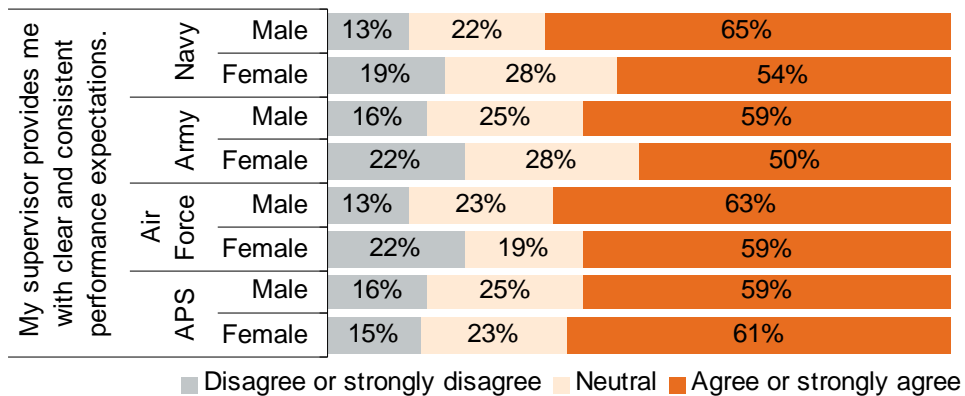
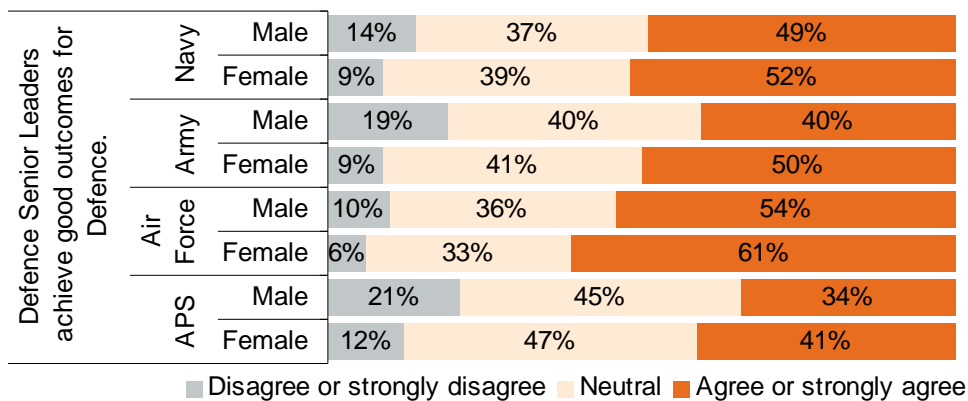
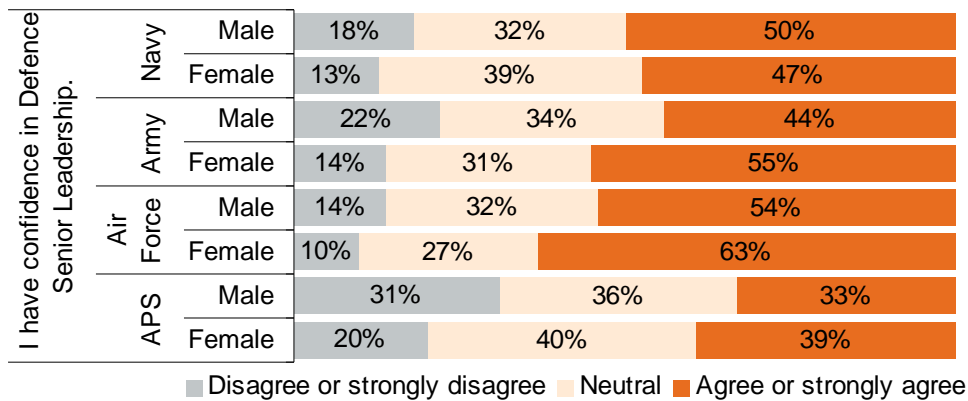
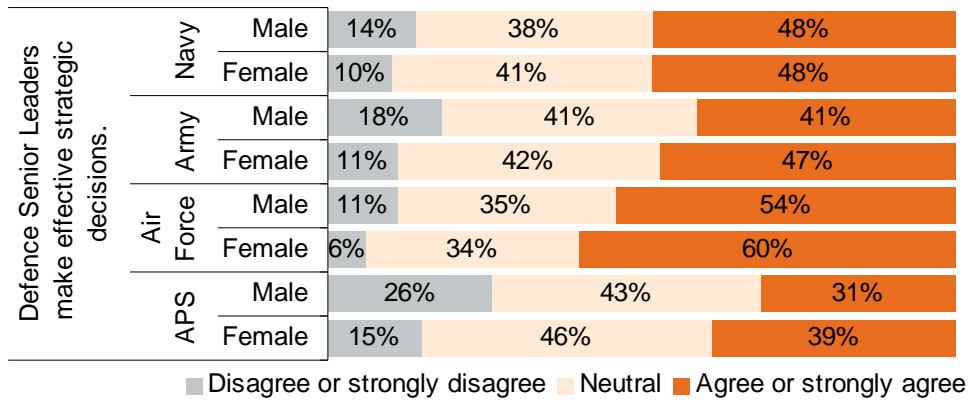
First Principles Review





Leadership & management





Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: KPIs for contamination reimbursement or compensation

Question reference number: 49

Senator: Kitching

Type of question: asked on Monday, 29 May 2017, Hansard page 114

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KITCHING: What is the KPI that Defence works to in assessing and making decisions regarding claims for reimbursement or compensation?

Mr Grzeskowiak: I would have to take that on notice or get one of the Defence legal colleagues to talk about any KPIs there might be.

Answer:

There are no Key Performance Indicators associated with assessing requests for reimbursement. Each request is assessed on its merits. However, Defence does prioritise management responses which address mitigating potential exposure pathways for PFAS contamination, such as the provision of alternative sources of drinking water.

There is no Defence Key Performance Indicators for legal claims. However, the Commonwealth's obligations to act as a model litigant, and the criteria for assessing and resolving claims, are set out in the Attorney General's *Legal Services Directions 2017 (Cth)*.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Cyber Security Centre

Question reference number: 50

Senator: Kitching

Type of question: asked on Monday, 29 May 2017, Hansard page 115

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: You have set up a new cybersecurity centre at Brindabella. Is that correct?

Ms Skinner: Yes, the Australian Cyber Security Centre, which is currently co-located in the Ben Chifley Building, will relocate to Brindabella in due course. Mr Grzeskowiak has those details.

Senator GALLACHER: And that is a combination of agencies, not just Defence?

Ms Skinner: That is right.

Senator GALLACHER: Some of the evidence that is on the public record is that people who are working out of the building you referred to needed a high-security pass and people who may be skilled at cybersecurity are not necessarily the same people who would be able to maintain or get that high-security pass.

Ms Skinner: That is not the way I would frame it. There is a cost to needing to clear people who are doing work that might not require that level of clearance. There is also an overhead to accessing a building such as the Ben Chifley Building. Where there can be cooperative work done at the classification that the work needs to be done at, there is a benefit in having a facility that has more layered security and more ready access for all those who need to participate.

Senator GALLACHER: Did you give evidence at the public works committee hearing into the new location at Brindabella by the airport?

Ms Skinner: I did not provide evidence.

Senator GALLACHER: I am pretty sure that, if you check the Hansard, that is the way they characterised it.

Ms Skinner: Okay, I will check that.

Answer:

The Australian Cyber Security Centre 2.0 requires access to the largest cyber security workforce possible. One of the approaches is to carry out work at less than a Top Secret level, which is possible for a wide range of cyber security activities. This allows access to a much broader workforce, many of whom will not require a Top Secret security clearance. The Australian Cyber Security Centre 2.0 also provides an environment that will permit staff to be recruited to work for the Australian Signals Directorate while they are going through a Top Secret vetting process.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Staff profile – cyber capability

Question reference number: 51

Senator: Kitching

Type of question: asked on Monday, 29 May 2017, Hansard page 115

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KITCHING: Is it possible to table the staff profile for the capability stream for the 2016-17 financial year and the 2017-18 financial year?

Ms Skinner: We can certainly provide some overview of how numbers in the broad are increasing, but it would not actually go to specific detail around the cyber capability per se. It would be about increase in the size of the workforce in my group.

Senator KITCHING: I am looking at question on notice 14. In that response there was some discussion around the capability stream out to 2025-26 and 2034-35. Is it possible to table the capability stream out to that time period?

Ms Skinner: I will have a look at the question—I am not familiar with what question 14 looks like—and if we can provide something that supports that then we will.

Air Chief Marshal Binskin: We will take that on notice, Senator.

Answer:

For 2016/17 and 2017/18, based on categories that may feed cyber-related work, there are approximately 1,000 Australian Public Service positions across information and communications technology, science and technology, intelligence and security job families and security workforces. Within the Australian Defence Force there are 15 cyber-related categories, ranging across the employment categories of communications, intelligence, engineering and information and communications technology.

The staff profile for 2025-26 to 2034-35 is still being considered as part of the development of the Integrated Investment Program.

The Defence White Paper 2016 enhancements in intelligence, space and cyber security will require around 900 new Australian Defence Force positions within the 62,400 Defence workforce over the next decade. These positions are based on the capabilities under consideration and development in the Integrated Investment Program. In addition, within the total Australian Public Service workforce of around 18,200 full time equivalent positions, enhancements to intelligence, space and cyber security capabilities will involve around 800 Australian Public Service positions.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Next Generations Technology Fund

Question reference number: 52

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 116

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: I have some questions from Senator Carr around the Next Generation Technologies Fund. Dr Cocking, Senator Carr wanted me to say he appreciated the briefing that he received from the chief defence scientist earlier this year—he wanted to put that on record. I understand that the fund involves an investment of \$730 million over 10 years, with \$16.8 million recently announced for the first round. What is the proposed funding profile for the fund over the decade?

Dr Cocking: The funding this year, as you rightly said, is \$16.8 million. My understanding is that it is \$29.1 million next year. Beyond that, rather than—

Senator MOORE: I can just put it on notice.

Dr Cocking: If you do not mind, and then I will give you the correct figures.

Answer:

The funding profile for the Next Generation Technologies Fund over the forward estimates is:

2016-17 - \$16.8 million;

2017-18 - \$29.1 million;

2018-19 - \$38.8 million; and

2019-20 - \$54.3 million.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence Cooperative Research Centres - governance

Question reference number: 53

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 120

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: What will be the governance arrangements for defence CRCs?

Dr Cocking: The program guidelines for that have been signed off, just last week.

Senator MOORE: Are they public?

Dr Cocking: We can provide them to you, I am sure.

Answer:

The Program Guidelines for the Defence Cooperative Research Centres were approved by the Minister for Defence Industry on 25 May 2017, but have not yet been announced by the Minister. Consequently, these Guidelines are not yet public.

The Guidelines will be available on www.business.gov.au (with a link to the Defence Innovation Portal) after the Minister has announced the program.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence Cooperative Research Centres – PhD training and recruitment

Question reference number: 54

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 121

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: Another element is that PhD training and getting that very important qualification has been promoted as a positive outcome.

Dr Cocking: Yes.

Senator MOORE: How is that progressing and how many PhDs have been recruited to date?

Dr Cocking: I will have to take that as a question on notice, if you do not mind.

Answer:

New programs under the Next Generation Technologies Fund are designed to provide PhD training. These include the Defence CRC program, the Australian-US Multi-disciplinary University Research Initiative, and the partnership between Defence and CSIRO's Data61, where the joint program is responding strongly to the government's cyber strategy to grow the number of PhDs in this field.

The Medical Countermeasures initiative proposes to develop new PhDs into industry-ready scientists in areas such as vaccine development, which has been identified as a critical need. The initiative will develop a fellowship program to fund postdoctoral scientists in industry nationally and internationally for up to three years.

The Defence Science and Technology Group has hosted 17 Australian Mathematical Sciences Institute PhD Interns to date, and recently made a preliminary commitment of 100 more over the next four years.

In addition, 59 new projects with university partners in priority technology areas will support more than 30 postdoctoral positions working in the universities.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Small Business Innovation Research for Defence program – considerations for prime contractors

Question reference number: 55

Senator: Moore

Type of question: asked on Monday, 29 May 2017, Hansard page 121

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: Will prime contractors be required to show additional consideration to such firms and actually help them build capacity to undertake defence work in Australia?

Dr Cocking: I am not the best person to answer that sort of question.

Senator MOORE: Who would be the best person to ask? Will the prime contractors be required to show additional consideration to the smaller firms that Ms Cocking has been telling me about? It can go on notice.

Mr Sargeant: We will take it on notice.

Answer:

The Small Business Innovation Research for Defence is a Defence Science and Technology Group-led program under the Next Generation Technologies Fund that seeks to encourage and facilitate research activity in Australian small to medium enterprises for potential Defence applications. It is not a procurement program.

Small to medium enterprises are a major component of the Australian industrial base and can play a critical role for Defence. The Australian Industry Capability Program focuses on tenderers demonstrating engagement with Australian industry in forming their proposed capability solution. Additionally, tenderers state in their Australian Industry Capability Plans what value-add work will be undertaken in Australia (including by small to medium enterprises and indigenous business enterprises) by company, location, and value within overall contract expenditure. The Australian Industry Capability Plan is a contracted deliverable for the successful tenderer.

Defence's Global Supply Chain Program, delivered by the Centre for Defence Industry Capability, contracts seven Prime contractors to work with Australian small to medium enterprises to assist them to be internationally competitive and to realise opportunities within the Prime contractor's global supply chain. Through the Global Supply Chain Program, 140 companies have been awarded work to date totaling over \$830 million. Additionally, hundreds more companies have indirectly benefited through supply chain work.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Future Submarine combat system

Question reference number: 56

Senator: Xenophon

Type of question: asked on Monday, 29 May 2017, Hansard page 123

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator XENOPHON: If you could perhaps take on notice (1) what are the other processes and (2) what opportunities do you see in the near term for Australian companies, and (3) can you please provide the committee with a copy of the Australian industry participation plan for the Future Submarine combat system, as delivered by the winning tenderer, Lockheed Martin.

Rear Adm. Sammut: We will provide the documents that we have in relation to any of those questions.

Senator XENOPHON: They are not just documents but also issues about opportunities, which I do not think are just document based.

Answer:

(1) and (2). The Commonwealth and Lockheed Martin Australia are leading classified industry forums for the Future Submarine combat system, which provide Australian industry with information on opportunities for participation (three such forums have been convened since November 2016 across Australia). These opportunities include the supply of systems and equipment, as well as participating in the design, construction, test, certification, and sustainment of the combat suite.

In March 2017 Lockheed Martin Australia released Requests for Information (RFIs) to industry for critical equipment such as sonar arrays. Responses were received by 12 June 2017. Further RFIs for major and minor combat system equipment will be released to industry by Lockheed Martin Australia during June and July 2017, with responses due in late September 2017. In mid-2018, Lockheed Martin Australia will issue Requests for Tenders to participate in combat system design activities.

In parallel, Australian industry continues to sustain the Collins combat system and to deliver major upgrades to communications, electronic warfare and sonar systems. Australian companies are also participating in the Advanced Development Program which provides capability upgrades to the AN/BYG-1 Tactical and Weapon Control Sub-system. Software produced by Thales Australia and Cirrus Realtime Processing Systems Pty Ltd has progressed through the Advanced Development Program and is

included in the next upgrade to AN/BYG-1 (Advanced Processing Build 15) which is scheduled for installation aboard Australian and United States Navy submarines from the second half of 2017. Thales Australia and Cirrus have each submitted proposals for Advanced Processing Build 17 and both companies are in contract to refine their respective proposals. A request for proposals has been issued for Advanced Processing Build 19 and information briefings were provided to Australian industry during the week of 5 June 2017.

(3). An Australian Industry Plan formed part of the Program Management Strategy delivered by Lockheed Martin Australia as part of the Future Submarine Combat System Integrator tender process. The Program Management Strategy formed one component of the material considered by the Commonwealth in a deliberative process for determining the most suitable partner for the role of Future Submarine Combat System Integrator. For this reason, Defence is unable to provide a copy of the plan, even in redacted form. Lockheed Martin Australia is currently developing an Australian Industry Capability Plan for the Future Submarine Combat System.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Women as members of Defence boards

Question reference number: 57

Senator: Kitching

Type of question: asked on Monday, 29 May 2017, Hansard page 6

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KITCHING: Thank you. Can I go to another topic: women in the ADF. Could the department please advise which women in service roles and in the APS respectively sit on the following boards? I can list them or go through them individually. The Chiefs of Service Committee?

Air Chief Marshal Binskin: The Chiefs of Service Committee—Ms Justine Greig sits on it as an invited member. We currently have Major General Simone Wilkie sitting on it and, from personnel, Roxanne Kelley sits on it.

Senator Payne: She is the deputy secretary who is unavoidably not here today.

Senator KITCHING: Chief of Navy Senior Advisory Committee?

Air Chief Marshal Binskin: If you have a long list, it might be better if we take exact positions on notice and just give you the list back on notice.

Senator KITCHING: Sure: Chief of Navy's Senior Advisory Committee, Chief of Army's Senior Advisory Committee, Chief of Air Force's advisory committee, and Human Resources Development Board. And, overlaying that, how many of the boards have the same women on them? Is there more that could be done to see women on those boards? Do you want to take all of that on notice?

Air Chief Marshal Binskin: We will take all that on notice except the last part. A lot of the board memberships or the committee memberships are by position. Therefore, to offset that, a lot of those will have invited members, as the Chief of Service Committee does, to provide that balance. So in the case of Justine, we wanted someone who had extensive experience in these areas and then also could provide a personnel side of it as well. I think you will find the same across the other committees. The one that you did not touch on there is the Gender Equity Advisory Board which the CDF and the secretary have, which actually has external members from corporate areas as well as members from across Defence that sit on that. So we will provide you with the membership of that one as well.

Answer:

As at 11 July 2017, details about women in the Australian Defence Force, Australian Public Service and the private sector, who sit on the Defence boards/committees specified, are as follows:

Chief of Navy's Senior Advisory Committee –

- Captain Letitia Van Stralen (Chief of Staff to Chief of Navy; permanent member); and
- Commodore Michelle Miller (Director General Navy People; permanent member).

Chief of Army's Senior Advisory Committee –

- Major General Kathryn Toohey (Head Land Capability; permanent member);
- Brigadier Jane Spalding (Chief of Staff Army Headquarters; permanent member);
- Brigadier Leigh Wilton (Director General Personnel – Army; permanent member); and
- Ms Fran Raymond (Chief Finance Officer – Army; permanent member).

Chief of Air Force's Advisory Committee –

- Air Vice Marshal Catherine Roberts (Head Aerospace Systems Division; permanent member);
- Air Vice Marshal Tracy Smart (Commander Joint Health, Surgeon General ADF; invited member);
- Air Commodore Katheryn Dunn (Chief of Staff Air Force Headquarters; permanent member);
- Air Commodore Christine Tolson (Director General Logistics Branch; permanent member); and
- Wing Commander Llani Kennealy (Chief of Air Force Gender Advisor; permanent member).

Human Resources Development Board –

- Ms Roxanne Kelley (Deputy Secretary Defence People; permanent member);
- MAJGEN Simone Wilkie (Commander Australian Defence College; permanent member); and
- BRIG Natasha Fox (Director General Workforce Planning; Invited Stakeholder).

Gender Equity Advisory Board –

- Ms Roxanne Kelley (Deputy Secretary Defence People; permanent member);
- Ms Catherine Fox (freelance journalist; permanent member);
- Ms Julie McKay (Gender advisor to the Chief of the Defence Force and advocate for social and economic empowerment of women; permanent member);
- Ms Kate Jenkins (Sex Discrimination Commissioner; permanent member);
- Ms Athalie Williams (Chief People Officer, BHP Billiton; permanent member);
- Commander Gemma Pumphrey (Navy Women's Strategic Adviser/Gender Advisor to the Chief of Navy; permanent member); and
- Wing Commander Llani Kennealy (Deputy Director Workforce Diversity/Gender Advisor to the Chief of Air Force; permanent member).

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Women, peace and security within the ADF

Question reference number: 58

Senator: Moore

Type of question: asked on Tuesday 30 May 2017, Hansard page 7

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: I have a general question about policy within the department around UN 1325, and I am wanting to get an update. I know the department has worked very hard in this space over a number of years, but just as we are moving towards a further evaluation of that at the international level, can I get an update about what the processes are, how it is going and how the department and the various arms of the service talk about this issue with their membership?

Air Chief Marshal Binskin: ... That is a general overview of where we are at. Justine will be able to give you more specifics. If I could, I would also like to take this on notice to provide you with a lot more, because there is a lot there.

Senator MOORE: That is what I was going to ask.

Air Chief Marshal Binskin: There is a lot there and I would like to make sure that we get it all on record.

Senator MOORE: And we have not had that discussion for a while specifically with your area, so it would be great to see a snapshot of where it is at now. The gender training is an extraordinarily valuable movement, and the source of that to provide services across the Pacific—I think there is great potential there. Please take the question on notice and we will go beyond that... Internally, when there are operational deployments, is there a specialised report back about the role of the gender advisers as part of the general operational report on things like the Fiji experience?

Ms Greig: There is. I am probably not the best one on the operational reporting but there is, yes.

Senator MOORE: It is just so that I know that that is there. Okay, we will wait for that. That will be really useful.

Senator Payne: We will add that aspect to the answer to the question on notice, Senator Moore.

Answer:

Defence has made significant efforts to integrate United Nations Security Council Resolution (UNSCR) 1325 and the Women, Peace and Security (WPS) agenda into our policy and doctrine, training, operations, and engagement activities over the last four years.

These efforts have been designed to institutionalise a gender perspective into Defence's operations. They include:

- Incorporation of a requirement to consider UNSCR 1325 and WPS in the Joint Doctrine Development Guide; which will see WPS and the gender perspective mainstreamed in all Defence doctrine over the coming years.
- Direction by the Secretary and the Chief of the Defence Force (CDF) to include consideration of WPS into planning directives for all current and future operations.
- The creation of a number of positions for Gender Advisors for senior commanders, including for the CDF, Vice Chief of the Defence Force, Chief of Joint Operations, and the three Service Chiefs. These officers work with the commander and their staff to ensure WPS and a gender perspective is considered in operational and raise, train and sustain activities.
- Defence has a gender focal point in the Middle East to support Commander Joint Task Force 633.
- Defence has, for some years now, provided the Senior Gender Advisor (a Colonel equivalent senior officer) to the North Atlantic Treaty Organisation (NATO) Resolute Support Mission in Afghanistan (and before that to the International Stability Assistance Force mission).
- Defence has recently deployed a Gender Advisor to the Force Commander of the United Nations Mission in the Republic of South Sudan, the first time that a military Gender Advisor has been deployed to that mission.
- Defence appointed Gender Advisors to Operation Fiji Assist in 2016, the first time that we have used Gender Advisors in a Humanitarian Aid and Disaster Relief Operation. This effort was followed up with further capacity building activities in Fiji later that year.
- Defence now regularly appoints Gender Advisors to other overseas operations and exercises, such as Operation Render Safe and Exercise Pacific Partnership.
- The Gender Advisor Cell at Joint Operations Command has commenced a program of collecting lessons learnt from Australian Defence Force (ADF) operations and joint exercises that are relevant to developing our understanding of the operational impact of WPS.

- In April 2017, the Minister for Defence announced the establishment of the Minister for Defence Visiting Fellowship in Women, Peace and Security at the Australian Defence Force Academy (UNSW). The purpose of the Fellowship is to transfer practical and research knowledge of the Women, Peace and Security experiences between Defence and the Academy.
- Defence has seconded, for five years, an officer to United Nations (UN) Women in New York, both to contribute to the development of the WPS agenda globally and to ensure Defence remains abreast of international developments in WPS.
- WPS and consideration of a gender perspective was a feature of the joint Exercise Talisman Sabre 15. “Demonstrate United States and Australian interoperability on the operationalisation and integration of UNSCR 1325 and resolutions relating to the Protection of Civilians” is one of six combined exercise objectives for Exercise Talisman Sabre 17. Exercise Talisman Sabre is being conducted between 23 June to 25 Jul 2017 across Australia and the United States.
- Defence recently conducted its first Operational Gender Advisors Course. This course was designed to train Gender Advisors to support military operations and training. The course had a panel of 24, including US military personnel and one officer from the Department of Foreign Affairs and Trade. This course will be conducted regularly in the future, with a panel from Defence, other Government agencies, and international students.
- All ADF personnel deploying on operations receive training on UN Security Council Resolution 1325 and WPS as part of their pre deployment package.
- Defence has recently developed an individual training framework on WPS, which will see a gender perspective integrated into professional military education and training for all ADF personnel from Recruit/Officer Cadet to Major (equivalent) level.
- Defence has recently developed a strategy to implement gender equality and WPS in the Defence International Engagement Program and our Defence Cooperation Plan. This will see consideration of gender mainstreamed in our international engagement activities, with particular emphasis on our region.
- Defence has developed and maintains strong links with the international military community focused on the WPS agenda. This includes regular contact with the ‘Five Eyes’ community, the UN (Department of Peacekeeping Operations and UN Women) and NATO, including the NATO Department Head for Gender at the Nordic Center for Gender in Military Operations.
- More detailed information on many of our specific initiatives is in the 2016 Whole of Government Progress Report on the Implementation of the National Action Plan on WPS 2012-2018, available from the Department of the Prime Minister and Cabinet Website at:
<http://www.dpmc.gov.au/sites/default/files/publications/progress-report-nap-women-peace-security.pdf>

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH – resolution of deficiencies

Question reference number: 59

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 11

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Can we move on to the ARH helicopters—the Tiger armed reconnaissance helicopter. The Defence 2016 white paper states that the government will replace the 22 Tiger armed reconnaissance helicopters with new armed reconnaissance capability from the mid-2020s. And the ANAO report released in September last year said it had 76 capability deficiencies, 60 of which the department deemed to be critical for the Tiger armed reconnaissance helicopters. A couple of weeks ago the budget forecasted an increase in flying hours from 4,800 hours in this financial year to 5,050 next year and 5,300 for the following three years. So for the program to be operational it is quite significant hours, I would imagine. Have any of the deficiencies reported by the Australian National Audit Office been resolved? It listed 76 capability deficiencies, 60 of which the department deemed to be critical. Have we resolved any of those issues?

Lt Gen. Campbell: Unless my colleague Brigadier King has the detail, I would have to take that on notice.

Answer:

The Chief of Army declared Final Operating Capability for Armed Reconnaissance Helicopter (ARH) Tiger on 14 April 2016 with nine caveats. Two caveats against ARH Tiger Electronic Warfare Self Protection and Identification Friend or Foe systems have been remediated satisfactorily and are being evaluated for closure. Resolution of the remaining seven caveats is being managed through in-service sustainment mechanisms.

The ANAO discussed ‘76 capability deficiencies’ in the recent Audit Report. These items were developed by Defence as design aspects for future capability to inform the Force Structure Review and the Defence White Paper 2016. The items do not relate to deficiencies of the current aircraft that have been identified for remediation.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH - availability

Question reference number: 60

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 12

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: This line of questioning is based on old figures—2015, 3.5 aircraft available. Perhaps on notice you could upgrade the information as to what is available at 10 o'clock on any given day.

Brig. King: Sure.

Answer:

Since July 2016, the ARH fleet of 22 aircraft has averaged 10.15 aircraft available on a daily basis.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH - original target for flying hours

Question reference number: 61

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 12

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: What was the original target for flying hours for the Tiger ARH?

Brig. King: I will take that on notice.

Senator GALLACHER: I have an answer here that it is 7,147. Does that sound about right?

Lt Gen. Campbell: I believe it might be a little high, but it is certainly more than we are currently achieving. We will take that on notice.

Answer:

7,147 hours was the original target for flying hours.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH helicopters

Question reference number: 62

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 13

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: When you purchased it, when were you originally expecting it to achieve FOC?

Lt Gen. Campbell: We would have to take it on notice, but earlier than we did.

Answer:

Final Operational Capability was originally planned to be achieved in June 2009.
Final Operational Capability was declared on 14 April 2016.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH – Wiring Defects

Question reference number: 63

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 16

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Did Germany have serious defects with wiring in 2009, and were you aware of that?

Brig. King: I would have to take that on notice.

Answer:

As stated by the Chief of Army, Lieutenant General Campbell, the Australian Defence Force is not in a position to comment on the capability matters of other nation's Defence Forces.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Tiger ARH – Sustainment Costs

Question reference number: 64

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 16

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: What would be the long-term average for the sustainment cost per flying hour for the Tiger ARH?

Brig. King: Are you asking what we expect it to extrapolate out to or what we have seen over the last five years?

Senator GALLACHER: I have an answer here, which is \$39,500. Does that sound about right?

Brig. King: Certainly what we have seen is a marked reduction in that cost per flying hour over the last three to four years as we have matured the platform and had a better understanding of the spares and how we operate that aircraft.

Lt Gen. Campbell: Senator, we do not wish to mislead or to guess. We will take it on notice and give you what we understand to be the average cost per flying hour of the aircraft since we acquired it to now.

Senator GALLACHER: What was the original target sustainment cost per flying hour for this platform?

Lt Gen. Campbell: We will advise that also.

Senator GALLACHER: Would it have been about half of what you are doing? I have an answer here, which is \$17,000. Is that incorrect?

Lt Gen. Campbell: I do not have it with me. We will have to put that into the question on notice. I am very happy to be advising you but I do not have that information.

Senator GALLACHER: The original budget for the Tiger ARH was \$1.5 billion in 2001—is that correct?

Brig. King: There or thereabouts, yes.

Senator GALLACHER: Plus \$397 million sustainment?

Brig. King: I do not have that figure with me at the moment.

CHAIR: You will take that on notice?

Brig. King: Yes.

Senator GALLACHER: I am presuming those figures that have been supplied to me are accurate, but I would appreciate—

Air Chief Marshal Binskin: I think they would be accurate but we just need to take them on notice. We do not have those figures here to cross-check.

Mr Gillis: I have \$1.584 billion in 1999 prices. So they are probably close to your 2000 pricing. But that is in that year dollars. You have to escalate those out 18 years to get a normalised figure. The current budget is just over \$2 billion in out-term prices.

Senator GALLACHER: As I said, this brief is with 2020 hindsight. It is scrutinising some of the issues. In terms of sustainment, you had \$397 million. What does it actually cost you in the air?

Mr Gillis: We will take that on notice and we will get you the figures between—what the budgeted figures were versus what we are currently actually seeing. I think the issue is going to be the significant lowering of rate of effort, because, as the brigadier said, the denominator in cost is usually fairly fixed; it is the rate of effort of flight that actually determines the cost per flight hour.

Senator GALLACHER: ... The end of this brief basically says that sustainment was budgeted at \$397 million and it is believed to have cost somewhere in the order of \$1.3 billion. The current sustainment contract is due to be renewed on 30 June 2019. Is that correct?

Lt Gen. Campbell: We will take that on notice and get you those figures broken down.

Answer:

Defence commenced operating the whole Tiger ARH fleet from 2013-14. In 2013-14, the cost was \$43,060 per flying hour. Much work has been done to reduce the cost of ownership through commercial negotiations. In financial year 2015-16 the Tiger cost was \$33,291 per flying hour. In 2016-17 the cost was \$31,722 per flying hour.

Importantly, these costs reflect the cost of all contracted activities for the Tiger divided by the hours flown in a year. In the case of Tiger, an extensive range of services have been outsourced to industry including:

- Fleet deeper maintenance services;
- Integrated logistics management services (including engineering, maintenance management, supply support and technical services);
- Aircrew and maintainer training;
- Flight simulators and maintenance training systems support services;
- Software support services;
- Instrumented ARH capability operations and support services;
- System upgrades; and
- Management and administration.

The cost of ownership is a measure of the contracted services provided. It does not include the cost of any work undertaken by Commonwealth personnel or Government facilities costs. Products with less industry support and more Commonwealth support therefore appear less expensive.

It is also important to note that Tiger (and other contemporary aircraft systems including the Multirole Helicopter) uses a different method of measuring flight hours compared to other aircraft systems. Modern aircraft systems measure the actual time of flight while older systems rely on recording the time under the pilot's command, including pre-flight checks and taxiing on the tarmac before flying commences. Tiger flight hours are therefore recorded as approximately 15 per cent fewer than other

aircraft types such as Black Hawk, when undertaking similar flying activities. This drives the apparent cost of ownership higher than for other aircraft systems.

The cost of ownership for aviation systems cannot therefore be accurately compared unless the contracted statement of work is similar and flying hours are recorded consistently across aircraft types.

In relation to the historical contract values for Tiger, ANAO Report No.36 of 2005-06 stated that the original contracted value for Tiger sustainment contract was \$410.9 million (in 2001 dollars). The ANAO Report also outlined that this contract value was based on an immature and incomplete Statement of Work. In 2008, it was agreed between Defence and the contractor to increase the contract price to 116.2 million per year (2017 dollars). These costs did not include the costs of upgrades to aircraft, support systems or training systems.

The current sustainment contract is ongoing until 18 December 2020.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Air Force O3-O5, SNCO and WOFF course syllabi

Question reference number: 65

Senator: Fawcett

Type of question: asked on Tuesday, 30 May 2017, Hansard page 19

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator FAWCETT: That is a very good segue to my final question for you. The first principles review has identified industry—who are a key partner for platforms such as the P-8 and many of the things you are seeking to do with Jericho—as a fundamental input to capability. Has Air Force changed its junior staff course syllabus yet to reflect the fact that industry is a FIC and to encourage your junior officers, as they consider the whole role of capability management and assurance through things like your airworthiness boards, to look to the help of industry and consider that role as part of their training?

Air Marshal Davies: I will get you the syllabi for our O3-, O4- and O5-level officers and for our senior NCOs and warrant officers, if I could take that delivery on notice. But in my engagement around the bases and at staff college at squadron leader, wing commander and group captain level, the conversation is much more vibrant about what industry can do and what we need to do to engage. So in a cultural sense, yes. I will show you the practical pieces of that that have changed.

Answer:

Air Force education of Fundamental Inputs to Capability has not changed in a doctrinal sense. Rather, Air Force addresses the issue of learning about Fundamental Inputs to Capability in a manner appropriate to the seniority and experience of the course members. Junior ranks attending Corporal promotion courses, for example, will be introduced to Fundamental Inputs to Capability as a concept very briefly, and to initiate awareness. The importance of industry will be a component of that introduction. At the other end of the scale, in terms of professional development, lies the Commander's Course and the Command and Staff Course. For that cohort, significant examination of all aspects of Fundamental Inputs to Capability, and a nuanced understanding of Industry's role, is covered in detail. Briefings or lectures will be delivered by those with first-hand experience of working with Industry, with a view to ensuring that the next generation of Senior Officers inherently understand the importance of Industry to Air Force.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Local industry engagement – estate expansion

Question reference number: 66

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 21

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: In response to that question on notice, Defence states its commitment to maximising the opportunities for local business through investment in training areas and upgrades. The MoU between Australia and the Singapore government states that priority will be given to Australian commercial enterprises in the locality of the training areas in support of both the development and the ongoing training places. That was a particular part of the answer. How will Defence implement this commitment?

Senator Payne: In fact it is unusual for that provision to be placed in a document such as an MoU of this nature. We will be working with local business organisations, chambers and community group. I can think of a couple which exist already. In fact in the last 18 months or so, and not related to the CSP, I have met with those groups in Townsville and in Rockhampton separately—nothing to do with this but just as part of normal community engagement. We will be working closely with them to put together a profile of the sort of industry support that is required by Singapore and by Australia in terms of preparing the sites, preparing for the influx of Singapore defence force members and ADF members for a greater training rotation, and determining what local suppliers and trades are able to provide. I intend for this to be a very locally focused set of activities. In infrastructure terms—and I do not have all of the material in front of me which we have discussed before—but whether we are talking about roads, fencing, the building of structures for garaging, medical facilities and those sorts of things—

Senator MOORE: It is pretty wild territory.

Senator Payne: Yes—I have been to both.

Senator MOORE: I know it well.

Senator Payne: In fact we have had some salutary lessons recently about how difficult some of that territory is to navigate. My absolute focus is ensuring that the investment that is prepared to be made by Singapore in this context is delivering returns, paying dividends in the commercial communities of Rockhampton and more broadly and Townsville and more broadly.

Senator MOORE: Is there going to be a separate process of communication around this issue—setting up a special group—or is it going to be a process of working with individual groups?

Senator Payne: I am not sure what you mean.

Senator MOORE: Is there going to be a Townsville Defence committee or—

Senator Payne: Interestingly, I think it is fair to say that both communities are very eager to engage themselves and are establishing their own structures. We will work with what is in the communities but we will also establish formal mechanisms back into Defence for that engagement.

Senator MOORE: You said this type of commitment is unusual in an MoU. Will the commitment extend to investment in expansion of training areas in other parts of Australia? Will this approach perhaps be the model for other projects which may happen in the future?

Senator Payne: This MoU is unique to this engagement and the comprehensive strategic partnership with Singapore. But in terms of Defence's work in a state and in infrastructure more broadly, I have a very keen interest—and I have made it very clear to the Department—about seeing the engagement of local industries specific to the area and the location of the relevant piece of the state in works that are being done in that context. There are a couple of examples which I would like to ask the Defence organisation to come back to you on notice with where we have endeavoured to do that. We do not always get it right yet. I am very happy to acknowledge that. But it is something that I am very keen to pursue. We also have the construct of the Commonwealth Procurement Guidelines to work within. But I believe that we are more than capable of achieving the value for money outcome that the Commonwealth Procurement Guidelines require at the same time as a strong and overriding engagement with local and regional businesses where Defence is doing work.

Senator MOORE: There is on record, not just with Defence but with a couple of other industries that have gone into regional Queensland—where this has not happened, and it creates a long-term negativity.

Senator Payne: I understand that.

Senator MOORE: It will be interesting to see.

Senator Payne: The acting secretary has reminded me of some of the activities we are doing under the US Force Posture Initiative, in terms of work that needs to be done for that. We will supply that to you on notice as well.

Senator MOORE: My last question could go on notice, Chair, so I will throw it in quickly. What are the key performance indicators to measure whether and how this commitment is being delivered? It just seems to me that is a natural follow-up on notice with what you give us later.

Senator Payne: We will come back to you on notice with that as well.

Answer:

Examples where the Department of Defence has endeavoured to engage local industries specific to the area and location of the relevant works:

Engaging local contractors to do local work through sub-contracted trade packages is synonymous with the principle of value for money. This is due to the clear benefits of drawing support from local businesses where there is both the capacity and capability available in the local market.

As an example, across the 12 most recent major capital facilities and infrastructure contracts let by Defence across Australia there are approximately 1,300 various trade packages, valued at approximately \$1.9 billion, which will be sub-contracted out to the market. To date, approximately 400 of these trade packages have been let, at a value of approximately \$570 million. Approximately 250 (or 62 per cent) of these packages have been awarded to local contractors at a total value of approximately \$415 million (or 73 per cent of the total value of trade packages let to date).

These Australia-wide statistics are also being realised in the Northern Territory on the New Air Combat Capability Facilities Project at RAAF Base Tindal.

Lendlease, as Defence's Managing Contractor for the New Air Combat Capability Facilities Project, is currently in the process of competitively tendering a total of 60 trade packages valued at approximately \$290 million for the works required. To date, 37 of these trade packages, at a total value of approximately \$214 million, have been let. Of these, 27 trade packages, valued at approximately \$140 million, have been awarded or are in the final stages of being awarded to Northern Territory enterprises.

These figures show that approximately 73 per cent of the total number of trade packages let to date and 65 per cent of the total value of trade packages let to date have been awarded to Northern Territory enterprises (as defined by the Northern Territory Government's 'Buy Local' definition).

Of particular note is the civil works sub-contract for the New Air Combat Capability Facilities Project. Valued at approximately \$33 million, the sub-contract has been awarded to Rusca Brothers, a Northern Territory enterprise from Darwin, which is also an Indigenous-owned company.

Where sub-contracts under the New Air Combat Capability Facilities Project have been awarded outside of the Northern Territory, the successful sub-contractors have committed to sourcing local suppliers and/or sub-sub-contractors in order to maximise local labour participation and employment opportunities. This includes achieving a six per cent indigenous workforce target.

Defence also undertakes targeted industry briefings for all of its major construction projects as part of the Tender process.

An example of this form of engagement was an Invitation to Register Industry Briefing for the Shoalwater Bay Training Area Redevelopment Project. The briefing was conducted in Rockhampton on 28 April 2017 with approximately 30 local contractors and suppliers in attendance (note that the Redevelopment Project is separate to any works that may be undertaken in support of the Australia Singapore Military Training Initiative).

On 31 August 2017, the Minister for Defence, Senator the Hon Marise Payne, announced a pilot program to trial a Local Industry Capability Plan for three major capital facilities and infrastructure projects. The results of this pilot will inform the Defence Industry Participation Policy to be released in the first half of 2018.

Under the pilot program, Defence will seek information from construction contractors during the tender process to explain how they have engaged with local industry in providing their tendered solution, and how local industry will specifically be involved in delivering the project.

In response to concerns raised by industry in regional areas, Defence is also considering the use of 'works packages' rather than 'trade packages' where appropriate, for use with the Managing Contractor Contract. Under this approach, discrete building elements will be tendered, rather than breaking the building into its trade components, as is traditionally done under the Managing Contractor Contract. It is expected that this approach will provide greater opportunities for local construction sub-contractors and suppliers.

Information regarding what the United States Force Posture Initiatives is doing to encourage the use of local contractors

The implementation and management of the United States Force Posture Initiative provides diverse opportunities for local businesses and industry. The initiatives are governed by the legally binding treaty-level Force Posture Agreement between Australia and the United States. Article XVII of the agreement states the United States will strive to use Australian suppliers of goods, products and services, including Australian workers and Australian commercial enterprises, to the greatest extent practicable in accordance with Australian and United States laws and regulations.

Defence has been working to prepare Australian industry to take advantage of opportunities generated through the United States Force Posture Initiative. In December 2016, Defence partnered with the Northern Territory Government and Master Builders Association to facilitate a briefing from United States Government officials on how to compete for United States projects in anticipation of the first United States infrastructure project at RAAF Base Darwin. Australian industry comprised approximately 75 per cent of respondents to a subsequent call for Expressions of Interest from United States Naval Facilities Engineering Command Pacific – the organisation responsible for the delivery and management of United States funded projects.

Defence partnered with the Northern Territory Government to hold a ‘United States Industry Day’ in Darwin in June 2017. The day was designed to provide information to Australian businesses interested in working with United States Naval Facilities Engineering Command Pacific. These information sharing sessions will be complemented by project-specific briefings as the works are rolled out.

Local businesses will also have an opportunity to supply goods and services in support of the annual United States presence. In addition to engaging suppliers directly, the United States utilises many Australian Defence supply contracts to provide services such as catering, transportation, maintenance and operational support.

Defence will continue to work closely with local businesses and industry as planning matures to ensure they are well prepared to compete for work throughout the implementation of the initiatives.

Information regarding how Defence measures the use of local industries and suppliers and how this will be applied to meet Australia's commitments under the Memorandum of Understanding for the Australia Singapore Military Training Initiative.

For the Australia Singapore Military Training Initiative, Defence will assess implementation of the commitment under the Memorandum of Understanding to give priority to Australian commercial enterprises in the locality of the training areas as the Initiative progresses. This assessment will take into account the capability of Australian commercial enterprises in both regions to deliver the goods or services to the quality standards required, as well as requirements to demonstrate value for money.

For construction-related services, there are two key metrics that Defence uses to assess local engagement:

- a. the number of sub-contracted packages (for example plumbing, or bulk earthworks) delivered by local contractors as a proportion of the total number of sub-contracted packages; and
- b. the value of construction work (measured again on a sub-contracted package basis) delivered by local contractors as a proportion of the total construction work.

The data is collected by the construction contractor and reported regularly to Defence.

Defence intends to use similar metrics for non-construction services supporting operations and maintenance of the two training areas.

Similarly, for goods or services contracted directly by Singapore, it is proposed that Singapore will report to Defence on the breakdown of its expenditure on goods and services procured from Australian commercial enterprises.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: US FPI – KPIs for delivery of the initiative

Question reference number: 67

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 21

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: My last question could go on notice, Chair, so I will throw it in quickly. What are the key performance indicators to measure whether and how this commitment is being delivered? It just seems to me that is a natural follow-up on notice with what you give us later.

Senator Payne: We will come back to you on notice with that as well.

Answer:

A comprehensive response to this question on notice is provided under Question 66 from the May 2017 Budget Estimates hearing.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Date of definition of ANCAP 5-Star rating

Question reference number: 68

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 22

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Just on that point, you are aware that ANCAP has included autonomous braking technology in the five-star rating? That is a new—they have now said that you will not get a five-star rating unless you have autonomous braking technology. Are you talking about the same five-star rating or was this document produced earlier?

Major Gen. Coghlan: SG Fleet are the whole government provider of vehicles under the Department of Finance criteria, so I will take that on notice if I could.

Answer:

According to the ANCAP Safety Rating Requirements for 2017, while autonomous emergency braking and lane-support systems are not currently mandated for five-star ANCAP safety-rated cars, autonomous emergency braking can be taken into consideration as part of the overall assessment.

The official ANCAP website states that from 1 January 2018, ANCAP safety ratings will include performance testing of a range of safety-assist technologies, including electronic stability control, speed-assist systems, lane-support systems and autonomous emergency braking. Recent advice from ANCAP Australasia Ltd is that any vehicle rated after 1 January 2018 will need to be fitted with an effective autonomous emergency braking system to achieve a five-star rating. Autonomous emergency braking will be progressively introduced into the Defence fleet as older vehicles are replaced with new vehicles required to have this technology in accordance with Whole of Government fleet procurement policy.

ANCAP Safety Rating Requirements for 2017 and future ANCAP safety ratings can be found respectively at:

<http://www.ancap.com.au/safety-ratings-explained> and
<http://www.ancap.com.au/future-requirements>.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Safety Considerations – Heavy Rigid Trucks

Question reference number: 69

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Just to clarify, would your heavy rigid trucks have lane-keeping assist and autonomous emergency braking systems?

Major Gen. Coghlan: The civilian line vehicles I would have to take on notice. Our field vehicles are, of course, an entirely different kettle of fish, and they have different safety considerations.

Answer:

All commercial cars purchased by Defence are five-star ANCAP safety-rated at the time of purchase.

While light and heavy commercial vehicles are not rated by the ANCAP system, safety factors are a key consideration in the purchase of these vehicles by Defence. Defence commercial vehicle purchases typically feature the latest safety features provided by the manufacturers. However, with respect to ‘heavy rigid trucks’, lane-keeping assist and autonomous emergency braking systems are not yet widely available.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Difference between ANCAP 4- and 5- Star ratings

Question reference number: 70

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: I think you mentioned that the current domestically purchased vehicles were five-star ANCAP and overseas were four?

Major Gen. Coghlan: No, it is a difference in the vehicles. The passenger vehicles are five-star. For light commercial vehicles, the policy is that they must have a four-star rating and they can be procured from overseas where no suitable vehicle is manufactured in Australia.

Senator GALLACHER: Can you just provide on notice the difference between them—the four-star and five-star?

Major Gen. Coghlan: Yes, Senator.

Answer:

A five-star ANCAP safety-rated car offers good protection for the head, body and legs, indicating a high level of protection and survivability for both driver and front-seat passenger. It offers acceptable protection for the lower legs and chest of the passenger, with only a slight chance of serious injury to these areas.

A four-star ANCAP safety-rated car provides good protection for the head and neck for both driver and front-seat passenger, greatly reducing the risk of serious injury or death from impact to these areas.

Specific differences in the requirements for the various ANCAP ratings are listed at the official ANCAP website:

<http://www.ancap.com.au/safety-ratings-explained>; and
<http://www.ancap.com.au/future-requirements>.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: ADF vehicle fleet – statistics on accidents and injuries

Question reference number: 71

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Do you have any stats on your fleet—how many accidents you are involved in and how many injuries?

Major Gen. Coghlan: No, I would have to take that on notice.

Senator GALLACHER: Yes. You are a substantial fleet, and you will affect the second-hand car market when you dispose of vehicles. Obviously, I have a road safety hat on. If you buy the best vehicles and the safest vehicles, they translate into the second-hand market as well as keeping your personnel safe. I would be interested in—you have a lot of people driving vehicles at all times of the day and night. I would be interested in any statistics you have about accidents and injuries in the operation of your fleet, as distinct from people driving privately.

Major Gen. Coghlan: We will provide that and, of course, we do this within a whole-of-government context and policy for these vehicles.

Answer:

In 2016 there were approximately 1,100 accidents reported, with four injuries reported at the time of lodging the accident report. This represents an ‘incident rate’ of less than 20 per cent for the year. The incident rate is calculated by dividing the number of accidents by the number of vehicles. Most industry commercial fleet incident rates are approximately 25 per cent annually.

To date in 2017, 340 vehicle accidents have been reported, with two injuries reported at the time of lodging the accident report.

Injuries are only recorded if reported at the time of lodging the accident report.

Historically, approximately 40 per cent of accidents relate to impacts with stationary objects and reversing.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Average age of ADF passenger fleet

Question reference number: 72

Senator Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 23

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: What is the current average age of your passenger fleet?

Major Gen. Coghlan: I would have to take that on notice. Depending on the vehicle usage, we attempt to turn them over every three to six years.

Senator GALLACHER: You mentioned SG Fleet. Do they manage the fleet in terms of kilometres or years?

Major Gen. Coghlan: A combination of both.

Senator GALLACHER: If you could break that down into the different categories of vehicles, I would appreciate it.

Answer:

The average age of the fleet is approximately 32 months.

The criteria for replacement take into consideration vehicle age, distance travelled, and class of vehicle. Passenger vehicles are usually replaced at 36 months and/or 45,000 kilometres; light commercial vehicles at 60 months and/or 75,000 kilometres; and heavy commercial vehicles at between 84 months and 120 months. Specialist vehicles may be retained in service for a longer period of time.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Number of fuel cards on issue to the ADF

Question reference number: 73

Senator: Gallacher

Type of question: spoken on Tuesday, 30 May 2017, Hansard page 24

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: You have 5,800 Defence-owned commercial vehicles and trailers approximately. How many fuel cards do you have on issue?

Major Gen. Mulhall: I will confirm that precise number with you.

Answer:

This question was answered by the Chief of the Defence Force during the Budget Estimates hearing (Hansard, 30 May 2017, page 35 refers).

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Cafeterias within Defence premises

Question reference number: 74

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 24

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: That is very impressive. Thank you. You have a contract out to replace your espresso bar provider or something similar in your precinct.

Air Chief Marshal Binskin: That is coffee. That will be—

Senator GALLACHER: It is current open tender RFT CSG 1617, published 19 May 2017, closing 15 June, cafeteria services.

Mr Grzeskowiak: That is right. The current contract is due to expire and we are just going through a normal process of retesting the market.

Senator GALLACHER: Are you making money out of this deal? Is it that someone bids for the opportunity to sell to your staff? How does it all work?

Mr Grzeskowiak: We have various cafeterias. In this case, we are talking about largely the Canberra-based precinct. Within some of our offices we have cafeterias of different scopes and scales, a bit like you see here in Parliament House. Some of them just do coffee and snacks, and some of them do full-on lunches and the like. Working from memory here, I think this tender is just for some of the smaller coffee espresso and sandwich bars. So we are just going to market looking for the best deal we can get to continue to provide that service.

Senator GALLACHER: It is a tender—a contract of five years plus two 12-month extensions. Is it an income-producing tender? Do people actually bid to get these locations and then fit them out and make a profit selling?

Mr Grzeskowiak: Yes, that is more or less how it works.

Senator GALLACHER: So it is not a cost to Defence in any way, shape or form?

Mr Grzeskowiak: No, not really. We provide the space, obviously, in terms of somewhere for the facility to be. We do not incur significant cost in terms of providing the service. So the companies that provide the service sell coffee and whatever and they can make a profit out of that.

Senator GALLACHER: You say it does not incur any significant cost to Defence. Does it not produce revenue?

Mr Grzeskowiak: I would have to take that on notice to just check. I do not want to mislead the committee, but looking for revenue is not what we are primarily looking for here. We are looking for good quality cafeteria services for the staff.

Senator GALLACHER: Cost neutral. Is it cost neutral?

Mr Grzeskowiak: Yes. Certainly, we would not be looking to have to expend money.

Senator GALLACHER: Perhaps you could take that on notice. It seems eminently reasonable to me. Is it a cost to Defence or are you—

Mr Grzeskowiak: The only real cost to Defence, is essentially the cost of providing space.

Senator MOORE: Can you put in that answer, about how long they have been there?

Mr Grzeskowiak: The current—

Senator MOORE: I know they are there; but some idea about how long they have been there.

Mr Grzeskowiak: These contracts are normally of the order of five years give or take, so we can put that in the response.

Senator GALLACHER: It will be no different to any other government department that offers some space for someone to come in and bid for—

Mr Grzeskowiak: It would be no different to what goes on in a whole range of offices around the country.

Senator GALLACHER: Does it produce revenue?

Mr Grzeskowiak: I do not think so, but I will take that on notice, just to clarify.

Answer:

The Facilities Licence agreement for Espresso Bar Services in Defence ACT locations has been in place across eight Defence sites since May 2010. The agreement was established for an initial term of five years and included the option for two one-year extensions. The current agreement for these Services expires on 2 August 2017. The procurement activity being undertaken by Defence, at this time, is for the retendering of this Facilities Licence agreement; Request For Tender RFT CASG/1617/0589 was released on AusTender on 19 May 2017.

The arrangement is revenue neutral to Defence and does not include the provision for revenue/profit sharing with the Commonwealth, based on turnover or any other basis.

Service providers are required to agree to a Facilities Licence agreement, which includes a Licence Fee paid to the Commonwealth. The Licence fee is for the 'Civilian use of the Defence Estate' allowing the service provider to access floor space at the individual locations. The Licence fee charged is expected to cover the Commonwealth's expenses associated with utility costs such as electricity and water, as the sites are not individually metered. The Licence fee does not cover normal Defence facility maintenance costs; these are borne by Defence. Costs associated with the maintenance, cleaning and repair of the sites and equipment related to service provision are the responsibility of the service provider.

The Facilities Licence agreement is facilitated by Property Management Branch, Infrastructure Division and Cushman Wakefield, Defence Property Leasing Contractor.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Trades to be available at the Naval Shipbuilding College

Question reference number: 75

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 27

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: What trades would be available at the college? Do you have a list or not?

Mr Ablong: Initially, we will start with the Certificate III and Certificate IV vocational education and training courses for trades involving welding, structural work, carpentry, electrotechnical, electricians and those sorts of skills. In the second phase of the college, we will put more of the focus on the higher education: naval architecture, naval engineering and the sorts of professional skills in project planning and logistics and supply arrangements. Initially, the focus is on those vocational trades.

Senator GALLACHER: Could you provide a list of those?

Mr Ablong: Yes, we can.

Answer:

Critical trades and potential shortfalls identified in the Naval Shipbuilding Plan are listed below:

| Category | Sub-Category | Specific Skill |
|----------------------------------|---------------------|---|
| General Management and Technical | General Management | Management Administration Marketing Purchasing |
| | Technical | Design Drafting/computer-aided design (CAD) Engineering Estimation Planning Program control/program management |
| Manufacturing | Structure | Steelworker, plater, boilermaker Structure welder Shipwright/fitter Team leader, foreman, supervisor, progress control (fabrication) |
| | Outfitting | Electrician, electrical technician, calibrator, instrument technician Heating, ventilation and air-conditioning (HVAC) installer Hull insulator Joiner, carpenter Fiberglass laminator Machinist, Mechanical fitter/technician, fitter, tuner Painter, caulker Piper welder Piping, machinery insulator Sheet metal Team leader, foreman, supervisor, progress control (outfitting) Weapons system |
| | Direct Support | Rigger, stager, slinger, crane, and lorry operations Service, support, cleaners, trade assistant, ancillary Stores, materiel control Quality assurance/control |

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Update on DART Taskforce and report

Question reference number: 76

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 30

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: In previous evidence to this committee and also in questions on notice, the department said it was continuing to consider the recommendations of the DART Taskforce. Can the department update us on what actions or plans have been taken since the release of the DART report in 2016?

Air Chief Marshal Binskin: Could you be more specific? Or we can take that on notice and detail it all the way through to give you all the—

Senator MOORE: I think that would be useful.

Air Chief Marshal Binskin: That would probably be easiest.

Senator MOORE: That is the intent of the question: to see what has happened.

Air Chief Marshal Binskin: Otherwise I am going to read out a thick—

Senator MOORE: I know, which is the history of the DART process, really.

Air Chief Marshal Binskin: That is it—yes.

Senator MOORE: This is a question to you, Minister. Are we expecting a government response to the DART Taskforce? We were told that it was under consideration, but it is eight or nine months since it was released. Is there a plan to have a formal government response?

Senator Payne: We have made announcements in the budget which relate to the development of the role of the Defence Force Ombudsman. In terms of a formal government response, the Minister for Defence Personnel and I will determine that in due course. We have not done that as yet.

Senator MOORE: The particular questions I have here are about the six specific recommendations. Has there been a determination about what is going to happen with each of them? And with whom is the department talking? I am sure this is part of the answer to questions on notice.

Senator Payne: We would be very happy to come back on that.

Senator MOORE: It is recommendation by recommendation, in terms of what has happened, has there been a determination and what is the process of further consideration?

Senator Payne: Certainly.

Senator MOORE: I think it is worthwhile to put that on notice, rather than take more time today.

Answer:

The final report delivered by the Defence Abuse Response Taskforce in March 2016 contained eight recommendations. Of those eight recommendations, Defence agreed with six in full, agreed with one in principle, and recommended that one be referred to the Commonwealth Ombudsman in his role as the Defence Force Ombudsman. The recommendation that was referred to the Defence Force Ombudsman related to monitoring Defence's implementation of the Defence Abuse Response Taskforce's recommendations.

Defence's response to the recommendations (outlined below) takes into consideration the comprehensive program of work that has been in progress since April 2011. That program of work has been consistently informed by the work of the Defence Abuse Response Taskforce through its quarterly reports, and also by the work done by the law firm DLA Piper, the former Sex Discrimination Commissioner, Elizabeth Broderick, and the Australian Human Rights Commission. The Pathway to Change program has been a significant driver for the implementation of reform in this area.

Defence Abuse Response Taskforce Recommendation 1: That the training provided to officers employed by the Inspector-General Australian Defence Force and the Australian Defence Force Investigative Service accord with policing best practice in responding to Defence members who have suffered sexual assault or other abuse.

Agreed. Since 2009, staff from the Australian Defence Force Investigative Service have been required to complete the appropriate training and hold qualifications relevant to this recommendation. In 2016 the intake for this training was increased to include staff from the Office of the Inspector General of the Australian Defence Force. Recurrent training continues to sustain Defence's commitment to this recommendation.

Defence Abuse Response Taskforce Recommendation 2:

2.1 That civilian criminal offences involving acts of abuse by members of Defence should (except for minor offences) be investigated and prosecuted through an Australian criminal justice system unless the alleged offence was committed overseas and Australian authorities have no jurisdiction.

This recommendation was agreed so far as when a victim consents, the matter is referred to the relevant civil authorities. However, in line with recommendations from both the Broderick Report and from DLA Piper, Defence has adopted a victim-centric approach which means that when the victim does not wish for the matter to go further, Defence will respect the victim's wishes. A victim-centric approach is in line with the majority of civilian policing organisations in Australia.

2.2 That details of any alleged criminal offences that involve acts of abuse investigated or prosecuted through the military justice system (whether or not there was a conviction) should be provided to the relevant police authority.

This recommendation was agreed in principle. An alleged 'criminal offence' that relates to abuse is referred to the relevant civil police service when the victim consents for this to happen. If the victim does not consent, the referral may cause further harm and contravene Defence's victim-centric approach. This

issue was emphasised by Elizabeth Broderick and throughout the DLA Piper Report and recommendations.

2.3 That Defence strictly comply with the provisions of Defence Instructions (General) PERS 35-4 Reporting and management of sexual misconduct including sexual offences.

This recommendation was agreed. Since 2005, the Inspector General Australian Defence Force has had an ongoing military justice performance audit program in place where all units are monitored for compliance with the reporting and management regime articulated in Defence Instruction (General) Personnel 35-4. When a unit does not comply with requirements, , the Inspector General Australian Defence Force will make recommendations and monitor the remediation actions.

Defence Abuse Response Taskforce Recommendation 3: That Defence ensures that all officers who conduct formal inquiries into allegations of sexual harassment have, in addition to a knowledge of and familiarity with the relevant legislation and applicable process, a clear understanding of the definition and nature of sexual harassment and best practice in responding to victims of such abuse. Senior officers and managers would also benefit from training directed at understanding the nature of sexual harassment and recognising it when it occurs.

Agreed. Staff of the office of the Inspector General Australian Defence Force currently undertake training from the Australian Federal Police (AFP) Sexual Victims Unit. All Australian Defence Force Investigative Service personnel and Service Police are also qualified in this AFP sourced training. In addition, the Sexual Misconduct and Prevention Office continues to deliver training in accordance with the 'Sexual Ethics Education in Defence' learning strategy.

Defence Abuse Response Taskforce Recommendation 4: That, noting the number of complaints which included an element of mismanagement, Defence ensure its processes include proper and effective management of abuse where it has actual or constructive knowledge of the abuse whether or not a complaint has been made.

Agreed. Defence has a number of policies and resources available to commanders and managers to guide them in their responsibilities regarding unacceptable behavior. The central policy document is currently under review and expected to be re-issued in the Complaints and Resolution Manual by end of 2017.

In addition, an Enterprise Recording, Reporting and Case Management System is being developed to enhance the reporting and management of unacceptable behaviour and abuse in Defence. The system is expected to be fully functional in financial year 2020-2021.

Defence Abuse Response Taskforce Recommendation 5: That Defence amend its policies and procedures to ensure that complainants can be and are kept advised of the progress of their complaints and given a clear explanation about any action taken, its outcome and any sanction imposed.

Agreed. The central policy currently under review (see Recommendation 4) will ensure complainants, and other parties as appropriate, are informed of the progress of a complaint. The final outcome will also be communicated to the complainant and other affected parties in accordance with the *Privacy Act 1988*.

Defence Abuse Response Taskforce Recommendation 6: That, in addition to its current responsibilities, Defence empower and appropriately staff and resource the Sexual Misconduct Prevention and Response Office reporting directly to the Chief of the Defence Force to:

6.1 develop or revise policies and training and other programs to address and prevent sexual abuse, sexual harassment, workplace harassment and bullying and other specific areas of concern.

6.2 have a Defence-wide education and training role to continue with and give ongoing impetus to the present efforts to improve Defence culture and practices.

6.3 gather and regularly publish statistics on allegations of abuse in Defence.

6.4 bring forward and advise the Chief of the Defence Force on further initiatives or programs to advance and continue improvements in Defence culture and practices.

All sub-recommendations under Recommendation 6 are agreed and have been implemented under the auspices of the Sexual Misconduct and Prevention Office. In addition to its reporting and support functions, this office also manages the Sexual Ethics Education in Defence strategy, which reinforces a zero tolerance culture toward sexual misconduct. Defence continues to support and resource the Sexual Misconduct and Prevention Office to maintain and sustain its functions.

Defence Abuse Response Taskforce Recommendation 7: That the Defence Force Ombudsman monitor Defence's implementation of these Recommendations, including in particular Recommendation 6, and report his findings to the Chief of the Defence Force and in the Defence Force Ombudsman's Annual Report.

Referred. This recommendation was referred to the Defence Force Ombudsman on 10 February 2017. The Defence Force Ombudsman has advised that it is developing an audit process to review Defence guidelines, procedures and records concerning reports of abuse.

Defence Abuse Response Taskforce Recommendation 8: As subjects of past abuse will continue to come forward when they feel able to do so for many years into the future, the Taskforce considers that the Government and Defence should develop and implement processes to enable them to do so and to have their complaints responded to appropriately.

Agreed. Defence continues to maintain numerous reporting and support mechanisms for current and former members to report abuse or mistreatment. Members can report abuse to their Chain of Command; the Sexual Misconduct and Prevention Office; the Australian Defence Force Investigative Service; or, the Inspector General of the Australian Defence Force. Complainants who may not be comfortable with reporting their concerns through Defence mechanisms can make a report to the Defence Force Ombudsman, the Australian Human Rights Commission or to civil authorities or legal representatives.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Defence Force Parliamentary Program – Participant Details

Question reference number: 77

Senator: Back

Type of question: asked on Tuesday, 30 May 2017, Hansard page 30

Date set by the committee for the return of answer: 21 July 2017

Question:

CHAIR: Finally, of these 38, do you have any figures on those who are participating for the first time?

Vice Adm. Griggs: I will get that on notice as well as the frequent flyer details.

Answer:

As at 1 June 2017, 38 Senators and Members of Parliament have nominated to participate in the 2017 Australian Defence Force Parliamentary Program. Of this group, there are 17 parliamentarians who plan to take part for the first time this year.

Since 2011, nine parliamentarians have participated on five or more occasions.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Defence Force Parliamentary Program – historical data and reciprocal program

Question reference number: 78

Senator: Moore

Type of question: Spoken, asked on Tuesday, 30 May 2017, Hansard page 31

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: Do we have any data on how the 38 from this particular parliament compares with previous parliaments?

Vice Adm. Griggs: I can get that on notice.

Senator MOORE: My understanding is that it has been one of the biggest turnovers in terms of members and senators of recent years. It would be useful to know. I was also going to follow up, Chief, about the reciprocal program. We have asked questions before about the parliamentarians going in to share in programs. Do we have figures about how those numbers in the reciprocal program have changed? You said you have had over—

Vice Adm. Griggs: Around 200.

Senator MOORE: around 200 so far. Can we get some detail on notice about the numbers?

Vice Adm. Griggs: Will give you year-by-year participation rates.

Senator MOORE: That would be useful, and also in terms of capacity.

Answer:

The Australian Defence Force Parliamentary Program commenced in 2001. Between 2001 and 2016, 390 parliamentarians participated in the Program. For the 2017 Program, 38 nominations have been received, and two participants have completed attachments to date. The capacity of the Program varies every year and is dependent on the options available. There is flexibility within the Program to meet participant requirements and, for the most part, parliamentarians are placed on their preferred option. However, the capacity of the Middle East Region option is restricted to a certain number of participants each year. Should an option be oversubscribed, a ballot process is followed to determine the participants.

The breakdown of participant numbers, by year, is as follows:

- 2001 – 8
- 2002 – 18
- 2003 – 15
- 2004 – 18
- 2005 – 19
- 2006 – 24
- 2007 – 16
- 2008 – 32
- 2009 – 46
- 2010 – 28
- 2011 – 31
- 2012 – 38
- 2013 – 13
- 2014 – 34
- 2015 – 31
- 2016 – 19
- 2017 – 2 (as at 1 June 2017)

The Australian Defence Force Exchange Program provides Australian Defence Force (ADF) personnel with the opportunity to be attached to the office of a parliamentarian for the period of one sitting week. This element of the program commenced in 2003. Between 2003 and 2016, 184 ADF personnel have participated in the Exchange Program. It is expected that 16 participants will take part in the 2017 Program, which is planned to occur from 14 – 17 August 2017. The breakdown of participant numbers, by year, is as follows:

- 2003 – 6
- 2004 – 6
- 2005 – 12
- 2006 – 13
- 2007 – 12
- 2008 – 12
- 2009 – 15
- 2010 – 15
- 2011 – 15
- 2012 – 15
- 2013 – 15
- 2014 – 16
- 2015 – 16
- 2016 – 16

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: ANI Governance

Question reference number: 79

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 35

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: That is clear as mud but, anyway, it sounds as if it will eventually be CEO, chairman, board, and a statement of assets and liabilities will eventually be on the public record?

Mr Gillis: That is correct.

Senator GALLACHER: My point I suppose is: do you wait for the first AGM or do they come onto the public record at creation?

Mr Gillis: I would have to take that on notice. I have not constructed a GBE myself. That is something that the Department of Finance does on behalf of the government on a regular basis, and I would have to defer to my colleague.

Senator GALLACHER: Perhaps on notice we could have when the assets, liabilities and the injection of capital required to make this a working concern will be available to the committee.

Mr Gillis: Absolutely.

Answer:

As the Australian Naval Infrastructure (ANI) falls within the responsibilities of the Finance portfolio, this question should be directed to the Department of Finance.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: National Mental Health Commission report

Question reference number: 80

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 36

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: The National Mental Health Commission recently released the report of its review of services available to veterans and members of the Australian Defence Force in relation to prevention of self-harm and suicide. Certainly that is an incredibly important piece of work, and I know that the department and the services have been looking at that for a long time. My particular focus in the series of questions that I have is on services to the families, because the report made it very clear that service personnel were central to support needs—from the employer and also in transition. It really highlighted the desperate situation of some of the families of personnel. Has the department budgeted for any implementation of the NMHC's recommendations? And there are a few of them

Vice Adm. Griggs: Not at this point, because the government has not responded to the commission's review. That is in train at present.

Senator MOORE: Minister, when any of these reports come down, time needs to be taken to absorb them and plan. Is there any indication of the time frame for a response to this one?

Senator Payne: I will check that with the Minister for Defence Personnel.

Answer:

The National Mental Health Commission Report of the *Review into the Suicide and Self-harm Prevention Services Available to Current and Former Serving Australian Defence Force Members and their Families* (the Report) was released on 30 March 2017. The Government provided its response to the Commission's Review on 30 June 2017, as announced by the Minister for Defence Personnel and Veterans' Affairs, the Hon. Dan Tehan MP.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence-funded childcare centres

Question reference number: 81

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 37

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: This child care link was talked about for many years, because the feedback from families was overwhelming. The school system was relatively open for access but the child care system was not because of the variation across the country. I remember being involved in a number of community events which were talking about this process. The pilot was put in place, then it was assessed, and is it being rolled out now across the whole of the country?

Rear Adm. Wolski: Yes. The ADF is still funding several childcare centres in areas where commercially there are not enough childcare places available. We support childcare facilities in some areas—

Senator MOORE: On notice can I get where they are. Knowing where childcare centres are being specifically supported by Defence would be very useful, because that was another issue we talked about in that preliminary stage, wearing another hat that I had, about the fact that there were some places where the biggest market was for the ADF and it just was not being serviced by the mainstream providers.

Air Chief Marshal Binskin: We will also give you the full details of what is happening. To give you an idea, the Chiefs of Service Committee is the highest ADF committee that we have—all the service chiefs and the Vice Chief of the Defence Force sit on it. We talked about representation before, and I forgot Ms Skinner in her representation. The Chiefs of Service Committee has considered child care twice in the last 12 months because we see it as such an important part of what we need for our families and being able to do a job, which is capability at the endgame. They are the sorts of things that we do consider quite regularly.

Senator MOORE: Can we also have where those childcare centres are being funded. We would like to get an update of what is happening with that childcare program, and the funding that goes into that and what the funding arrangements are—in the out years.

Answer:

The Defence Childcare program has childcare centres located at a number of locations around Australia. This service is managed by Mission Australia.

Attachment A contains location details of Defence Childcare Program Centres.

The budget for the Defence Childcare Centre Program is:

- 2017-18 - \$2.520m;
- 2018-19 - \$2.842m;
- 2019-20 - \$2.885m; and
- 2020-21 - \$2.928m.

In 2016 Defence introduced the Individual Case Management Service, which offers parents the ability to decide the best childcare service for their family. The service provider negotiates with all local registered childcare providers, including family day care and before and after school care, to ensure childcare is tailored to individual family circumstances. The service is free to Defence members.

As at 29 May 2017 the Individual Case Management Service has successfully assisted 260 Australian Defence Force families and a total of 296 children.

The Individual Case Management Service is accessible when:

- Defence members are posted to a new location; or
- The work or care arrangements of a Defence member changes (for instance, when the member is returning from maternity leave).

Assistance with childcare placement has been successful in a variety of Early Learning settings including Long Day Care, Family Day Care, Out School Hours Care, Preschool and Kindergarten (Queensland).

DEFENCE CHILD CARE PROGRAM – LIST & LOCATION OF CENTRES

| STATE | CENTRE NAME | ADDRESS |
|-------|--|---|
| ACT | Russell Hill Early Childhood Centre | R8 Annex, Kelliher Drive Russell Offices Canberra |
| | Kangaroo Cottage Child Care Centre * | HMAS Creswell 19 Benson Road Jervis Bay |
| NSW | Little Diggers Child Care Centre | Holsworthy Barracks MacArthur Drive Moorebank |
| | Little Eagles Child Care Centre * | Canberra Ave RAAF Base Richmond |
| | The Blue House Outside School Hours Care * | RAAF Base Richmond Wood Street Richmond |
| | Tingira Child Care Centre * | HMAS Albatross Bedford Ave Nowra |
| | Kids Crew Room Outside School Hours Care | HMAS Albatross Bedford Ave Nowra |
| | Williamstown Child (Raymond Terrace) Care Centre | 20a Kangaroo Street Raymond Terrace |
| VIC | Cerberus Child Care Centre * | HMAS Cerberus 12-14 Cook Road Crib Point |
| | East Sale Child Care Centre * | RAAF Base Heart Ave East Sale |
| | Williams Child Care Centre * | RAAF Base Williams 17 Campbell Parade Laverton |
| | Puckapunyal Child Care Centre Includes OSHC * | Lone Pine Cres Puckapunyal Military Area |
| | Victoria Barracks Child Care Centre | 32 Coventry Rd Southbank Melbourne |
| WA | The Sunny Child Care Centre | 50 Seaward Ave Swanbourne |
| | Flying Start Child Care Centre * | RAAF Base Pearce Brownwell Ave Bullsbrook |

| | | |
|-----|---|---|
| QLD | Enoggera Child Care Centre | 2 Taurama St Enoggera |
| | Coral Sea Child Care Centre | 71 Bamford Lane, Kirwan (Townsville) |
| | Kids Brigade Child Care Centre | Cnr University Ave & Woodlake Blvd Durack, Palmerston NT |
| NT | Little Geckos Child Care Centre * | RAAF Base, Easton Parade Tindal |
| | Big Geckos Outside School Hours Care * | RAAF Base, Easton Parade Tindal NT |

* on-base centres

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence Community Organisation funding and services

Question reference number: 82

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 39

Date set by the committee for the return of answer: 21 July 2017

Question:

Air Chief Marshal Binskin: There is a lot out there, so we are trying to make sure that, across DCO, they know what is available. We want to be able to put that out to the people in the different regions as well. We have come a long way. I remember, as Air Commander Australia back in 2007, that people did not even want to know about the DCO back then. They would just say: 'Leave us alone. We're right where we are.' Compare that to today, when everyone wants to know, and they are not necessarily providing enough. We just need to keep progressing here. There is always something to learn—trust me. Every time I go and talk to people, I always discover something new that we can help with. We just need to keep improving what we can here.

Senator MOORE: Can I get, on notice, what the current expenditure is for the forces in this area across that range of service that you pointed out? It is almost a mapping process, which I know you did in the Defence submission to the inquiry. I know you have done that. I would just like to have that done.

Rear Adm. Wolski: We will also give you a full list of the services which Defence Community Organisation conduct and the funding allocated.

Answer:

The table below provides a complete list of Defence Community Organisation services and funding allocated for 2016-17:

| Key activities / projects (accrual) | Budget (\$m) |
|---|--------------|
| 1. Defence Childcare Program | 2.7 |
| 2. Partner Employment & Education Program | 1.9 |
| 3. Defence Family Helpline | 1.2 |
| 4. Defence School Transition Aide Program | 5.0 |
| 5. Family Support Funding Program (Grants) | 1.6 |
| 6. Career Transition Assistance Scheme | 3.0 |
| 7. Dependants with Special Needs | 0.3 |
| 8. Military Funerals & Australians Dangerously Ill Scheme | 0.3 |
| 9. Regional Area Offices, National Support, Executive Support | 3.6 |
| 10. Emergency Support for Families Scheme | 0.3 |
| 11. Defence Family Magazine | 0.1 |
| Totals | 20.0 |

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Training for Defence Community Organisation Helpline operators

Question reference number: 83

Senator: Moore

Type of question: asked on Tuesday, 30 May 2017, Hansard page 40

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator MOORE: On notice can I get some information about the training levels of the people who answer those calls, similar to what we get with other phone services—the kind of expectations et cetera.

Rear Adm. Wolski: Certainly. We can take that on notice.

Senator MOORE: That would be useful.

Air Chief Marshal Binskin: We can actually do a bit more than that, because it is only five minutes down the road. If you can give us an hour of one day, we will take you down and introduce you to DCO folk and the people who manage the helpline.

Senator MOORE: I would think our whole committee would be interested. I think through the chairs of the committee here, we might take that up, because that would be very useful.

Air Chief Marshal Binskin: We can organise that.

Senator MOORE: That would be great.

Air Chief Marshal Binskin: They would love to see you for sure.

Senator MOORE: At least for the first visit!

Answer:

The qualifications currently held by staff within the Defence Family Helpline vary, with some staff having multiple qualifications. The following qualifications are held within the Helpline team:

- Bachelor of Social Work;
- Bachelor of Psychology;
- Post-Graduate Diploma of Counselling;
- Bachelor Health Science (Rehabilitation counselling);
- Bachelor Social Science (Psychology) – honours;
- Diploma Community Services (Welfare);
- Master of Social Work;
- Diploma in Youth work, Drug & Alcohol and Community Services;
- Masters in Criminology;
- Bachelor of Psychological Science; and
- Masters of Art Therapy.

The training undertaken by Defence Family Helpline staff are listed below:

- Comprehensive induction and ongoing in-house training;
- Supporting Practice with Complex Trauma Clients;
- Safeguarding Yourself: Recognising and Responding to Vicarious trauma;
- Mental health first aid;
- Grief and Bereavement;
- Accidental Counselling;
- Self-Care and Debriefing;
- Managing Conflict and Difficult Conversations;
- Practical strategies to assist families and other Defence Community Organisation clients with mental health issues;
- Domestic Violence Training;
- Partners in Depression; and
- Upcoming - mental health training.

The Chair of the Senate Standing Committee on Foreign Affairs, Defence and Trade, Senator Chris Back, and Committee Members, Senator Claire Moore and Senator Kimberley Kitching, attended the Defence Community Headquarters on 19 June 2017. During this visit the Director General Defence Community Organisation outlined the Defence Community Organisation's key programs and services, and discussed the skills and training of Defence Family Helpline operators.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Centralised Processing Services – delays and anticipated cost increases

Question reference number: 84

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 43

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: The answer to question on notice No. 121 refers to 120 separate statements of work relating to this project. How many of those have been affected by the delays that you have experienced?

Air Vice Marshal Dowse: I would have to take that on notice.

Senator GALLACHER: Is your evidence today that the delays have been resolved?

Air Vice Marshal Dowse: They have been resolved at this stage, yes.

Senator GALLACHER: And there has been no other identification of any further risks or delays?

Air Vice Marshal Dowse: No.

Senator GALLACHER: When do we expect final operational capability?

Air Vice Marshal Dowse: Quarter 4, 2017. So, before the end of this calendar year.

Senator GALLACHER: What is the nature of any cost increases referred to in answer 11?

Air Vice Marshal Dowse: I do not have the details of specific cost increases. I would have to take that on notice.

Senator GALLACHER: We know what the original budget was and you mentioned some of the contingency had been used. Do you have any further detail on that? You told us it was \$185 million with \$37 million in contingency, of which you used some contingency. Is there any explanation of the area of contingency expenditure?

Air Vice Marshal Dowse: In order to manage some of those risks, we have had to access \$30 million of the \$37 million of contingency. I do not have the details about the specifics of what that was used for or the rationale for that contingency. I would have to take that on notice.

Senator GALLACHER: If you could take that on notice that would be helpful. You allowed a significant contingency amount. You expended \$30 million of the \$37 million. Is there enough contingency to get you through the project?

Air Vice Marshal Dowse: We believe so.

Senator GALLACHER: Are we seven months away from finality?

Air Vice Marshal Dowse: Six months.

Senator GALLACHER: So, you do not anticipate having any additional costs? Do you anticipate completing this project in the funding envelope of \$185 million plus \$37 million?

Air Vice Marshal Dowse: That is our expectation, yes.

Senator GALLACHER: But you will update us on notice on how much contingency you have spent and where?

Air Vice Marshal Dowse: We will deal with the question on notice, yes.

Senator GALLACHER: ... In respect of the 120 separate statements of work that you are monitoring, what does that look like?

Air Vice Marshal Dowse: I do not have the details of that. I will address that in the response to the question on notice.

Answer:

Background

The Centralised Processing Contract was signed with Lockheed Martin Australia Pty Ltd in September 2014. This contract was novated to Abacus Innovations Australia Pty Ltd in August 2016, as part of a merger between Lockheed Martin Corporation and Leidos Holdings. Abacus Innovations Australia Pty Ltd subsequently changed its name to Leidos Australia Pty Ltd.

The Centralised Processing Contract encompasses the following services:

1. Transformation services (referred to as the Centralised Processing Transformation Project) to consolidate Defence's data centres, virtualise the Centralised Processing environment and migrate applications to the new environment;
2. Ongoing services to provide operational sustainment of the Centralised Processing environment (legacy and transformed); and
3. Project services as part of ongoing infrastructure services.

Project Services are approved by Defence and predominately fall into one of the following categories:

- Infrastructure support for Defence business and military projects (for example, new Defence systems);
- Infrastructure support for other Chief Information Officer Group projects conducted by the Chief Information Officer Group;
- Infrastructure support for minor upgrades, small growth and remediation; and
- infrastructure design and consulting support for various Defence initiatives.

Project Services provided by Leidos under the Centralised Processing Contract are often subservient to broader Defence initiatives or projects not managed by Leidos.

Responses to specific questions are provided below.

The answer to question on notice No. 121 refers to 120 separate statements of work relating to this project. How many of those have been affected by the delays that you have experienced?

The 120 *Project Services* statements of work referenced in the response to QoN 121, item 11 do not relate to the Centralised Processing Transformation Project but are delivered as ongoing services (refer above background). These Project Services statements of work are delivered independent of the Centralised Processing Transformation Project.

What is the nature of any cost increases referred to in answer 11?

Cost increases referred to in this context were associated with the ongoing project services, not the Centralised Processing Transformation Project. The increases were associated with negotiated changes in scope of the services subsequent to initial quotation.

We know what the original budget was and you mentioned some of the contingency had been used. Do you have any further detail on that? You told us it was \$185 million with \$37 million in contingency, of which you used some contingency. Is there any explanation of the area of contingency expenditure?

Defence secured Second Pass Approval in August 2014 for \$222.4 million, including \$37.1 million in contingency for the Centralised Processing Transformation Project. In October 2016, the Centralised Processing Transformation Project requested access to \$30 million of the project contingency provision held within the Defence Integrated Investment Program to fund unforeseen costs related to changes in the Defence landscape, delivery and commercial challenges, and the impact of delays to Final Operating Capability. Approval to access \$30 million of the contingency was obtained in December 2016.

The Centralised Processing Transformation Project subsequently increased the existing purchase order with Leidos by the value of \$22.771 million. As at 30 May 2017 Defence had paid \$2.946 million of the \$22.771 million purchase order uplift, with the balance of the \$22.771 million to be incurred in future financial years.

The remaining \$7.229 million of the approved contingency has been allocated to address a number of other Centralised Processing Transformation Project requirements, including \$3.8 million for ongoing project labour, and \$2.01 million for additional data centre facilities remediation costs. As at 30 May 2017, no costs have been incurred against the remaining \$7.229 million as this work is due to be carried out in future financial years.

[Y]ou do not anticipate having any additional costs? Do you anticipate completing this project in the funding envelope of \$185 million plus \$37 million?

Refer to the above responses.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Centralised Processing Services – project changes

Question reference number: 85

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 45

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: What is the nature of the 10 project changes identified in the response? Are you familiar with that?

Air Vice Marshal Dowse: No, I am not. I would have to take that on notice.

Answer:

At the time of the Budget Estimates hearing, ten contract change proposals to the Centralised Processing Contract had been executed by Defence since September 2016. As at 23 June 2017, a further eight contract change proposals have been executed by Defence. A summary of the 18 contract change proposals executed since September 2016 is provided below:

| CCP ID Number | Description | CCP Type | Change Category |
|-----------------|--|---------------------------|------------------------|
| CIOG-CP-0001-67 | Removal of UNCLASS security domain for International Data Centers | Ongoing Services | Scope |
| CIOG-CP-0001-58 | Indigenous Procurement Policy | Ongoing Services | Administrative |
| CIOG-CP-0001-66 | Milestone 17 Split into 17A and 17B | CP Transformation project | Administrative |
| CIOG-CP-0001-68 | Acceptance Criteria for Tbl 6.1 & 6.2 updated | CP Transformation project | Administrative |
| CIOG-CP-0001-69 | Milestone 43 - acceptance criteria updated | CP Transformation project | Administrative |
| CIOG-CP-0001-72 | Problem Management Service Level definition updated | Ongoing Services | Clarification |
| CIOG-CP-0001-64 | Equipment Maintenance updated for End User Computing project | Ongoing Services | Scope / price |
| CIOG-CP-0001-59 | Attachment B, Annex B, Table 3 - Milestone updates | CP Transformation project | Administrative |
| CIOG-CP-0001-76 | Additional Application Migration & Milestone update | CP Transformation project | Scope / price |
| CIOG-CP-0001-50 | IBM & Unisys Mainframe Services Extension | Ongoing Services | Scope / price |
| CIOG-CP-0001-83 | Application of Continuous Improvement to Service Levels | Ongoing Services | Administrative |
| CIOG-CP-0001-51 | Technical Solution change from DIEMS to TITAN | CP Transformation project | Requirement / price |
| CIOG-CP-0001-74 | Disaster Recovery Point Objective (DRPO) Definition Update | Ongoing Services | Clarification |
| CIOG-CP-0001-77 | Government Furnished Materials True Up | CP Transformation project | Administrative |
| CIOG-CP-0001-80 | Pricing Tables - CY3 CPI Application | Ongoing Services | Administrative / price |
| CIOG-CP-0001-90 | Application Analysis (Table 6.2) Split into 6.2.a and 6.2.b | CP Transformation project | Administrative |
| CIOG-CP-0001-85 | ADFPay Mainframe Support Services Extension | Ongoing Services | Scope / price |
| CIOG-CP-0001-89 | Incident Management Service Level (P3 & P4 Incidents) - reclassification | Ongoing Services | Administrative |

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Centralised Processing Services – risk management plan

Question reference number: 86

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 45

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Do you have a risk management plan or a risk assessment process for this?

Mr Mohan: Yes.

Air Vice Marshal Dowse: Yes, we do.

Senator GALLACHER: Is that available on notice?

Air Vice Marshal Dowse: Yes.

Mr Mohan: Yes.

Answer:

Risks associated with the Centralised Processing Contract are managed via multiple governance arrangements. At a whole of contract level, risks associated with Leidos' delivery of services are managed via a number of prescribed governance arrangements detailed within the Centralised Processing Contract and the Chief Information Officer Group's overarching risk management policies and procedures.

In addition to these prescribed arrangements, significant one-off risks are also subject to separate risk assessment, such as the detailed due diligence and risk assessment performed on the Lockheed Martin Australia to Leidos transition.

At a Centralised Processing Transformation Project level, project risks are managed in accordance with the Leidos Centralised Processing Transformation Project Risk Management Plan.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Additional Leidos contracts with Defence

Question reference number: 87

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 45

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: I would appreciate it if you could provide that on notice. We know from reports from earlier this month that Leidos has been awarded another contract with Defence worth \$20 million. What was that contract for?

Air Vice Marshal Dowse: I am not aware of that particular contract.

Mr Mohan: We can take that on notice.

Air Vice Marshal Dowse: Do you have any of the details there or should we take it on notice?

Senator GALLACHER: I presume we have found out about it on AusTender. Quite often we only find out the dollar amount and the company. So, the questions go to, how was the contract was awarded? Was it an open approach to market, a closed tender or something else?

Mr Mohan: We will take that on notice.

Senator GALLACHER: On what basis was the contract awarded to Leidos? Is this a separate project from the Centralised Processing Services contract or is it a subproject of that one? What is the value of all Leidos and Abacus Innovations contracts with Defence now?

Mr Mohan: We will take that on notice.

Senator GALLACHER: If you can take those on notice, that finalises that issue.

Answer:

The AusTender notification relates to Contract Change Proposal 64 to the Centralised Processing Contract. This Contract Change Proposal is to update the Centralised Processing Contract to include pricing for equipment maintenance for infrastructure required by the End User Computing project, to support Defence's new End User Computing environment. This funding was provided in accordance with the Government-approved business case for the End User Computing Project.

This is not a new contract. The Contract Change Proposal for the \$20 million relates to Centralised Processing Ongoing services for the End User Computing Project.

The scope of the above questions relates to the Centralised Processing Contract, which was novated from Lockheed Martin contracts to Abacus Innovations Australia Pty Ltd (now Leidos Holdings Pty Ltd) in August 2016. The total value of the Centralised Processing Contract from commencement (which includes pre-Leidos novation) is:

- Centralised Processing Transformation Project - \$167.6 million¹ excluding GST (includes the contingency allocation);
- Centralised Processing Ongoing Services (from March 2015 to August 2022) - \$702.9 million excluding GST (includes the \$20 million additional services for the End User Computing Project);
- Centralised Processing Project Services (from September 2014 to 14 June 2017) - \$210.3 million excluding GST. This includes \$138 million funding approved by Government for the End User Computing Project.

Notes:

1. For the Centralised Processing Contract, the Centralised Processing Transformation Project component is the Leidos-only component of the overall Centralised Processing Transformation Project Government approved funding (\$222 million, including contingency).

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian shipbuilding – domestic and export manufacture data

Question reference number: 88

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 53

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Can you put on record Austal Shipping's record about Australian manufacture versus exported manufacture?

Mr Gillis: We can get that on notice.

Senator GALLACHER: They have told me that for every aluminum ship they build in Australia they build four for overseas.

Mr Gillis: Yes. They have had a long history, going back nearly 30 years, of being a successful exporter in the high-speed ferry market, in the support vessel market and patrol boats to countries around the world. They have been quite successful in that market. Also, that whole industry in Western Australia has been successful in large vessels for superyachts and ferries in a number of different countries. It is not just Austal. It is a very vibrant industry in Western Australia.

Senator KITCHING: Could we get a snapshot or some more information around that? Where have they exported to? Is that possible?

Mr Gillis: Absolutely. I can get that information. It is not just Austal. It is a number of different shipbuilding companies in the West Australian area. Austal would be the largest, but there is a number of smaller companies who have been quite successful.

Answer:

Austal has advised Defence that, *“since 1988, the Austal group has delivered, is constructing or has contracted 300 vessels. Of these, approximately 80% or 237 vessels have been delivered to, or will be delivered to, operators outside of Australia. Austals 63 Australian deliveries include the Commonwealth’s entire border patrol capability of 32 vessels for the Royal Australian Navy and Australian Border Force. Austal has delivered and continues to deliver commercial and defence vessels to more than 100 operators located in 54 countries, including 14 countries in Europe, 12 countries in Asia and 28 countries across the rest of the world”*.

In terms of Western Australian shipbuilding more broadly, the Western Australian Department of Commerce has advised Defence that Hanseatic/Silver yachts has exported large superyachts to an overseas buyer who has on-sold to the United Arab Emirates and the United States of America; Echo Yachts has exported large superyachts to Singapore; and Evolution Commercial has exported large superyachts to Denmark, Taiwan and Singapore.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: UN Security Council Resolution 2286 – changes to ADF training or activities

Question reference number: 89

Senator: Ludlam

Type of question: asked on Tuesday, 30 May 2017, Hansard page 54

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator LUDLAM: We are engaged in conflicts in really volatile parts of the world. This is the sort of stuff that we were talking about yesterday—dense urban areas with civilians all over the place. Was there any material change to ADF rules of engagement, custom, practice or training as a result of Australia signing on to that resolution?

Air Chief Marshal Binskin: There will be some training that I can talk about. This is why I was trying to understand. As to the targeting side of it, we would go through the normal targeting process. There would be restricted targets that we would consider, and hospitals and all of that would be on that list because we abide by laws of armed conflict when we are going through. I was just going to narrow down whether you were talking about operational or training for our people.

Senator LUDLAM: Right across the board.

Air Chief Marshal Binskin: I do not believe that it added anything extra, but I will talk to the legal side of it. I think we would have just rolled that into our training packages and everything that we would normally do in this area. I was just trying to get exactly where you were.

Senator LUDLAM: ... I will put some of these to DFAT, but I wanted to go to a couple of particular recommendations. We have the resolution and we have the secretary-general's recommendations and what flows. Recommendation 9 is 'Adopting, reviewing, revising and implementing operational precautionary measures'. I think what you are telling us is you have already done that, and so there was not a great deal of work to be done subsequent to the resolution?

Air Chief Marshal Binskin: I would think, if I went back and checked our processes, procedures, targeting how we employ laws of armed conflict and our rules of engagement, we would have already been in that area. But I will check and if that is incorrect or we have adjusted something after the fact I will let you know. I will take that on notice.

Senator LUDLAM: ... The last one goes to recommendation 6. This one might be a bit trickier. 'Using available means of influence vis-a-vis parties to a conflict in order to ensure respect for and prevent violations of international law relating to the protection of medical care in armed conflict.' What role do we play with the allies and partners in the conflict zones that we are involved in to improve practices in other militaries in coalition and partner states, if any?

Air Chief Marshal Binskin: As part of our building partner capacity activities that we do with the nations that we are working with we roll in laws of armed conflict and rules of engagement. Those areas of education for those particular militaries is part of the training packages that we do. Plus, we participate in various international forums and so forth.

Senator LUDLAM: What I might do is—

Air Chief Marshal Binskin: We can give you more detail on that on notice if you would like that.

Answer:

Australia co-sponsored the United Nations Security Council Resolution 2286 on “The Protection of Civilians in Armed Conflict”, adopted by the Security Council on 3 May 2016.

The Australian Government looks forward to engaging with the Security Council in relation to the Secretary-General’s recommendations issued pursuant to UNSC 2286.

Recommendation 9 'Adopting, reviewing, revising and implementing operational precautionary measures.'

Defence regularly reviews rules of engagement and other operational rules and guidelines to ensure they are consistent with all aspects of international humanitarian law, including the prohibition on targeting protected medical staff, facilities and transports. The application of precautions in attacks is a key focus of these operational documents and associated training. For example, Australian Defence Force targeting practices include recording, mapping and regularly updating information relating to the presence of hospitals and other medical facilities.

The regular reviews conducted by Defence are consistent with Recommendation 9 and no significant changes to operational documents were required following UNSCR 2286.

Recommendation 6 'Using available means of influence vis-a-vis parties to a conflict in order to ensure respect for and prevent violations of international law relating to the protection of medical care in armed conflict.'

Australia presently conducts ‘advise and assist’ and ‘building partner capacity’ missions in Iraq. These missions involve mentoring and training Iraqi Security Forces in professional military conduct, such as on the Law of Armed Conflict and Rules of Engagement. This includes a comprehensive training package in international humanitarian law including the prohibition on attacking medical staff, medical facilities and medical transports, which can be delivered in both English and Arabic.

In addition to participating in various international forums relating to the protection of medical care in armed conflict, Defence also provides training on international humanitarian law issues to other states that are not involved in armed conflicts.

Defence encourages the training of parties to armed conflicts to understand and comply with international humanitarian law but also notes that Australia’s capacity to train and instruct will vary from operation to operation, depending on factors including but not limited to Australia’s role in the conflict and diplomatic relations with the other parties involved.

The Australian Government, including Defence, was a key diplomatic partner of the International Committee of the Red Cross's *Health Care in Danger Project*. Among other initiatives, Australia hosted and co-chaired with the International Committee of the Red Cross a global workshop of government military experts in Sydney in December 2013 to discuss practical measures to ensure sick and wounded have safe access to effective and impartial health care during armed conflict.

Australia continues to provide substantial financial and diplomatic support. This includes providing \$27.5 million in 2016-2017 to the International Committee of the Red Cross, which included funding to support the International Committee of the Red Cross to continue work to institutionalise the goals of the *Health Care in Danger Project* and ensure the protection of medical care during armed conflict remains on the agenda of the wider international community.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Number of ICT contractors

Question reference number: 90

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 61

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Do we know how many are specifically involved in ICT?

Mr Sargeant: The ICT workforce, if you include contractors provided through some of our big contracts with ICT companies, it would be about half the workforce. It would be about half the ICT workforce, which would be around 1,000.

Senator GALLACHER: 1,000?

Mr Sargeant: I would have to get you specific numbers, but it is of that order.

Answer:

The Chief Information Officer Group integrated workforce is comprised of Australian Public Servants, Australian Defence Force members and External Service Providers (encompassing all external workforce contracts).

Defence awards contracts based on value for money. The number of people engaged to provide the service is determined by the contracted service provider. The actual number of service provider employees varies, according to demand and how the provider seeks to meet the requirements of the contract and Defence does not seek or collect that data. Defence estimates the number of service provider staff is in the order of 1,000 at any given time.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Reasons for termination of contracts

Question reference number: 91

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 61

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: That is the point that we are trying to get to. Of the 22 contractors that had their contracts terminated, is that because they were not performing?

Mr Sargeant: Not necessarily. You would have to look at each specific contract.

Senator GALLACHER: Could you take that on notice?

Mr Sargeant: Yes.

Senator GALLACHER: Since 1 July 2016, 22 contractors have had their contracts terminated before their contract at expiry date.

Mr Sargeant: Yes.

Senator GALLACHER: Did they finish early?

Mr Sargeant: I will take that on notice.

Senator GALLACHER: Or did they get the sack or did they not perform?

Mr Sargeant: I will take that on notice. The termination of the contract does not imply that the contractor was sacked. It just means the contract was terminated for any variety of reasons.

Senator GALLACHER: ... Going back to contractors, you have taken on notice the 22 terminations or finished early contracts and you will provide that. Were any of the contractors terminated for financial reasons, that is budget cuts or the like?

Mr Sargeant: No. I would have to check.

Senator GALLACHER: Can we look quite specifically where these contracts were terminated?

Mr Sargeant: Yes.

Senator GALLACHER: ... You have mentioned your overall responsibility there and your efforts, so you would be able to identify, where those contracts have been terminated, where the workforce has had to pick up the additional workload and work overtime?

Mr Sargeant: If that is what occurred we would know that. We would be able to find that out.

Senator GALLACHER: Can you tell us how much overtime you have had, on notice obviously, since 1 July 2016?

Mr Sargeant: Yes, we can get those figures.

Answer:

None of the contracts were terminated due to financial reasons. The reasons why these contracts were cancelled are as follows:

- 10 contractors - services were no longer required;
- four contractors - due to mutual agreement, contracts were terminated;
- three contractors - contractors did not meet the performance standards required;
- two contractors - adjustment in project timelines, resulting in early cancellation of the contract;
- one contractor - conflict of interest;
- one contractor - contractor had found permanent employment elsewhere; and
- one contractor - contractor was unable to obtain ethics approval from the Australian Human Defence Research Ethics Committee (a requirement specified in the contract).

These contractors were working in a variety of areas including Information and Communications Technology, Defence Health, Defence Recruiting, Army, and Publishing advice. No overtime was required to cover the loss of these contractors. Where necessary the work was either redistributed within the existing team, the Company provided another contractor under the existing contract, or other contractors within the team completed the work.

As at 31 May 2017, the overtime expenditure for 2016-17 is \$8.860 million.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: ADF Uniforms – Breakdown of Australian Manufacturers

Question reference number: 92

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 66

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: So the first percentage you gave was that 60 per cent of the complete requirements that are Australian made?

Major Gen. Coghlan: Overall. I could break it down into a bit more detail by prime contractors and location if you would prefer.

Senator GALLACHER: I will just take that on notice.

Answer:

The top contractors for ADF Clothing for Financial Year 2015-16, account for approximately 92 per cent of the total budget (approximately \$62.6 million of a total budget of \$67.8 million).

Approximately 58 per cent of ADF uniform items by value were made in Australia last financial year. It is anticipated that an equivalent percentage will be made in Australia this Financial Year.

For example, major contractors include:

| | | | |
|----------------------------|-------------------------------|-----------------|---------|
| Australian Defence Apparel | Standard Combat Uniforms | Bendigo, VIC | \$25.3m |
| The Workwear Group Pty Ltd | Cold Weather Flyer's Clothing | Heidelberg, Vic | \$2.3m |
| The Workwear Group Pty Ltd | SCU-Bush Hat | Melbourne, Vic | |
| Oliver Footwear | Navy Combat/Fireman's Boot | Ballarat, Vic | \$2.4m |
| Redback Boot Co Pty Ltd | Combat Boot | Waterloo, NSW | \$1.9m |
| Akubra Hats Pty Ltd | ADF Slouch Hat | Kempsey, NSW | \$1.5m |
| R.M. Williams Pty Ltd | ADF Parade Boot | Salisbury, SA | \$0.9m |

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Ministerial medallions

Question reference number: 93

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 67

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Basically, who makes them and how much do they cost? How much input do the ministers and their offices have in designing? Do they pick their own mottos?

Senator Payne: Indeed.

Answer:

The medallions are sourced from the Military Shop, Fyshwick, and cost between \$7.00 - \$9.00 per medallion. Ministers and their offices provide input into the design of the medallions, including mottos.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Current Number of Consultants and changes due to budget reductions

Question reference number: 94

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 70

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Is it possible to get a figure of how many consultants you have and what it will look like going forward with the reduction of \$69 million or \$68 million, whichever applies?

Mr Sargeant: Yes.

Answer:

Defence does not track the number of individual consultants.

As advised by the former Secretary of Defence at the 2016-17 Senate Additional Estimates Hearing, consultants are controlled in dollar terms (Official Committee Hansard, Senate, Foreign Affairs, Defence and Trade Legislation Committee, Estimates, Wednesday, 1 March 2017, page 28).

The 2017-18 Budget included a reduction to the consultants budget across the forward estimates of \$68 million.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Definitions of and numbers undertaking non-operational travel

Question reference number: 95

Senator: Gallacher

Type of question: asked on Tuesday, 30 May 2017, Hansard page 71

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator GALLACHER: Perhaps if you could take it on notice so we can get a picture of this sort of activity. How do you define non-operational overseas travel for the purposes of this measure? How many trips that would meet that definition were undertaken in the period 1 July 2016 to now? Could you also provide information on how many staff undertook non-operational overseas travel in the same period? In relation to business travel, what is the definition of business travel for the purposes of these measures? Is it the same as the non-operational travel?

Mr Sargeant: Business travel is work related travel. You might have to go to a meeting in Melbourne. That would be business related travel. Non-operational business related travel is, in other words, the travel related to the ongoing work of the organisation.

Senator GALLACHER: Can we have the definition of 'business travel' for the purpose of this measure on notice?

Mr Sargeant: Yes.

Senator GALLACHER: And how many trips have been undertaken from 1 July 2016 to now?

Mr Sargeant: Yes.

Answer:

Defence defines 'business travel' as travel undertaken in the normal course of one's duties. 'Business travel' includes travel to participate in meetings, courses, seminars, site visits, conferences, exercise planning, training, and other similar work related activities.

'Non-operational travel' is defined as travel within Australia or outside of Australia, for ordinary activities performed away from home base, and it includes: 'business travel' and travel for Australia Defence Force personnel relocations, military exercises and training, and travel associated with military Conditions of Service, such as recreation leave and reunion visits.

QBT Pty Ltd, the Whole of Government Travel provider, report the total number of overseas Defence bookings invoiced for the period 1 July 2016 to 31 May 2017 was 14,175.

Under the Whole of Australian Government Travel Arrangements, each overseas airfare booking is for an individual traveller. There are some exceptions to this process, such as group airfare bookings and when Defence families are traveling together for re-locations or Conditions of Service travel. These exceptions mean that it is not possible to more precisely determine how many staff undertook non-operational overseas travel in the period 1 July 2016 to 31 May 2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Vietnam Veterans Association, Renewal SA and the Badcoe VC complex

Question reference number: 96

Senator: Kakoschke-Moore

Type of question: asked on Tuesday 30 May 2017, Hansard page 72

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator KAKOSCHKE-MOORE: When was the department first advised by Renewal SA that they no longer had plans that would impact on the veterans association's ability to use the access road?

Mr Grzeskowiak: I am not sure it is the case that Renewal SA no longer have plans.

Senator KAKOSCHKE-MOORE: But no imminent plans that would require the eviction of the association by June 30 this year?

Mr Grzeskowiak: I do not know.

Senator KAKOSCHKE-MOORE: Can you take that on notice?

Mr Grzeskowiak: I can but the key point is that it looks like we will be in a position to extend that lease. The message that I am giving you is that while we might be able to do that for a few years I think, in the longer term, there is an issue that will need to be dealt with which may go to relocation to a different site in due course.

Senator KAKOSCHKE-MOORE: Thank you. I do not want you to confuse my questions with my being ungrateful. I am very grateful for this advice and I am sure the Vietnam Veterans' Association will be quite relieved to hear that there is a possibility. It still needs to be confirmed, but an extension will be granted. What I am concerned about is that they were put through the stress and the uncertainty of being told they had to leave by 30 June this year. It turns out it might not have to be for another couple of years and it is because somebody else changed their mind. I am just concerned about how that played out in the background but, as I said, please do not mistake that for my being ungrateful that this information has come forward.

Mr Grzeskowiak: I will have a look and see what that time line looks like.

Answer:

In August 2016, Renewal SA advised the Department of Defence of the potential development of State-owned land adjacent to the Edinburgh Defence Precinct, possibly restricting access to the site by the Peter Badcoe VC Complex Inc (PBVCCI).

This advice was one of several considerations associated with the Department of Defence's November 2016 decision not to extend PBVCCI's lease at the Edinburgh Defence Precinct, beyond the lease cessation date of 30 June 2017.

On 21 December 2016 Defence met with the Department of Veterans' Affairs – SA (DVA-SA) to discuss options for PBVCCI. DVA-SA advised that, while it provides grants for some organisations, it was unable to provide property leasing support requested by the PBVCCI.

On 16 March 2017, Defence representatives met with the PBVCCI Committee, and the Returned Services League – SA to discuss this matter. Following this meeting, Defence sought confirmation from Renewal SA regarding the development program for the area adjacent to the PBVCCI site.

On 8 May 2017, Renewal SA confirmed in writing that the current access road to the PBVCCI site would remain available until 2021.

On the basis that Renewal SA is unlikely to begin works on land adjacent to the Edinburgh Defence Precinct, Defence has re-evaluated its arrangement and is willing to enter into an additional lease with the PBVCCI for the use of Building 185, 186, 196 and 200 for three years with two, one year extension option terms.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: APS Staffing and Redundancies

Question reference number: 97

Senator: Roberts

Type of question: asked on Tuesday, 30 May 2017, Hansard page 73

Date set by the committee for the return of answer: 21 July 2017

Question:

Senator ROBERTS: Please advise the numbers of so-called executive level EL1 and EL2 employees in Defence at the end of 2004-05 and the numbers at the time of the First Principles Review in 2014-15.

Senator Payne: We will take that on notice.

Senator ROBERTS: What is the current salary range of EL1 and EL2 public servants?

Mr Sargeant: I will take that on notice.

Senator ROBERTS: Is it around \$110,000 to \$120,000?

Mr Sargeant: Yes, it is in that order.

Senator Payne: If you want a precise response, we will take it on notice.

Senator ROBERTS: Thank you. How many so-called senior executive service SES public servants were there in Defence at the end of 2004-05 and how many were there by the end of 2014-15?

Mr Sargeant: I will take that on notice.

Senator ROBERTS: What is the current salary range of SES public servants?

Mr Sargeant: I will take that on notice.

Senator ROBERTS: Was it the case that in response to the findings of the First Principles Review Defence restructured and offered voluntary redundancies to EL1 and EL2 employees from late 2015?

Mr Sargeant: Yes.

Senator ROBERTS: What about SES level employees?

Mr Sargeant: We did not have a voluntary redundancy program for SES but we did see significant movement in the SES at that time.

Senator ROBERTS: When you say 'movement', what happened?

Mr Sargeant: People left. People retired. People resigned and some people were given incentives to retire under the Public Service Act.

Senator ROBERTS: Do you know how many redundancies were taken?

Mr Sargeant: In the SES, 22.

Senator ROBERTS: And EL1 and EL2? **Mr Sargeant:** We will take that on notice.

Senator ROBERTS: What percentages of those made redundant were male and what percentage female?

Mr Sargeant: I will take that on notice.

Senator ROBERTS: How many were offered to those of non-Anglo-Celtic descent?

Mr Sargeant: I would have to take that on notice.

Senator ROBERTS: ... Is it the case that some men who applied for redundancies, whose positions were not abolished, were given them anyway, with their positions simply undergoing name changes to justify the supposed redundancy?

Mr Sargeant: No, I do not accept that that has happened, but we can look at that.

Senator ROBERTS: ... Could I also find out how many EL1s and EL2s in Defence before the 2015 redundancy process and how many there were after the conclusion of the redundancy process in early 2016?

Mr Sargeant: We will take that on notice.

Senator Payne: We will take that on notice.

Senator ROBERTS: It is the same with SES.

Mr Sargeant: Yes.

Senator ROBERTS: How many EL1s and EL2s are there currently employed by Defence right now and how many SES?

Mr Sargeant: I will take that on notice.

Answer:

The table below provides a comparison of Executive Level headcount between 2005 and 2017.

| Headcount | 30 June 2005 | 19 March 2015 * | 30 June 2016 | 31 May 2017 |
|-------------------|--------------|-----------------|--------------|-------------|
| Executive Level 1 | 2,488 | 3,501 | 3,462 | 3,411 |
| Executive Level 2 | 932 | 1,256 | 1,196 | 1,222 |
| Total | 3,420 | 4,757 | 4,658 | 4,633 |

* 19 March 2015 is the date that Defence commenced re-shaping the workforce in accordance with recommendations from the First Principles Review.

Defence ran a voluntary redundancy program during 2015/2016. A total of 525 Executive Level 1 and 2 employees were made redundant as part of the program and separated during the period November 2015 to June 2016. Of those made redundant 70.8 per cent were male and 29.2 per cent female.

The Voluntary Redundancy program was driven by the need to reshape Defence's middle management levels and realign people and functions to ensure the ongoing workforce had the capacity to deliver Defence capability in line with the recommendations of the First Principles Review and the 2016 Defence White Paper.

Redundancies were only offered where the loss or downgrading of a position was consistent with organisational needs and priorities.

Defence does not require employees to provide their ethnicity as part of their employment record. From those employees who received a redundancy and volunteered such information three employees identified as indigenous and 17 employees identified as from culturally and linguistically diverse backgrounds.

As outlined in the Defence Enterprise Collective Agreement 2012-2014, the current salary range for Executive Level 1 employees is \$96,084 - \$108,382, and Executive Level 2 employees is \$111,559 - \$133,905.

The table below provides a breakdown of Defence Senior Executive Service staff numbers for 2004/05, 2014/15, and 31 May 2017.

| Level | 2004-05 * | 2014-15 * | Current (31 May 17) |
|------------------------------------|------------------|------------------|--------------------------------|
| Senior Executive Service Band 3 | 6 | 13 | 8 |
| Senior Executive Service Band 2 | 27 | 25 | 28 |
| Senior Executive Service Band 1 | 66 | 81 | 90 |
| TOTAL ** | 99 | 119 | 126 |

* *Historical figures are taken from Defence Annual Reports.*

** *The Defence Senior Executive Service Cap is 147.*

In accordance with the *Public Service Classification Rules 2000*, Chief of Division Grades 1 to 3 are equivalent in level to the Senior Executive Service 1 to 3. The table below provides a breakdown of Defence Chief of Division staff numbers for 2004/05, 2014/15, and 31 May 2017.

| Level | 2004-05 * | 2014-15 * | Current (31 May 17) |
|---------------------------|------------------|------------------|--------------------------------|
| Chief of Division Grade 3 | 3 | - | - |
| Chief of Division Grade 2 | 12 | 11 | 8 |
| Chief of Division Grade 1 | - | - | 2 |
| TOTAL | 15 | 11 | 10 |

* *Historical figures are taken from Defence Annual Reports.*

The Senior Executive Service salary ranges are:

- Band 1 - \$159,339 - \$186,969
- Band 2 - \$193,349 - \$233,415
- Band 3 - \$240,425 - \$286,456

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Update on the Report on Mental Health of ADF Serving Personnel

Question reference number: 98

Senator: Lambie

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

Could the Department of Defence provide an update on the status of recommendations it agreed or partly agreed or noted or agreed in principle with respect to the report on Mental Health of ADF Serving Personnel by the Senate Foreign Affairs, Defence and Trade References Committee, together with the Minority Recommendations, issued on 17 August 2016.

Answer:

As agreed with the Committee Secretariat, this question has been transferred to, and will be addressed by, the Department of Veterans' Affairs.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Market Research

Question reference number: 99

Senator: Farrell

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

For the 2016-17 financial year, what was the total amount spent by the Department/agency on market research (either as a whole contract or as part of a contract)? For each contract for market research in 2016/2017, can you please provide:

- a. The subject of the market research;
- b. The supplier;
- c. Whether the supplier has been engaged previously and if so, for which contracts;
- d. The total value of the contract;
- e. The term of the contract (time);
- f. The date that the decision was taken to seek market research on the topic;
- g. The date the contract was opened to tender or selection process;
- h. The date the supplier was engaged;
- i. Whether the contract was subject to a tender process, including whether there was a full, partial or closed tender process;
- j. Does the supplier exist on a pre-approved supplier list, if so, when were they added to that list;
- k. Whether the Minister, or the Minister's Office, requested that the research be conducted;
- l. Whether the Minister approved the decision to conduct market research;
- m. Whether the Minister approved the contract with the supplier;
- n. Whether the Minister or the Minister's office was consulted on questions asked;
- o. Whether the Minister or the Minister's office received a copy of the market research;
- p. If the decision to conduct research was initiated by the department or agency, was the Minister or their office consulted before the decision was taken to conduct research, if so – in what form did that consultation take (written, verbal other);
- q. If the decision to conduct research was initiated by the department or agency, did Minister or their office make any amendments or changes to the Department's proposal for market research to be conducted, if so, what changes and to what aspects were they made;
- r. At any stage in the life of the proposal to conduct market research were other departments or agencies consulted?

- s. At any stage in the life of the proposal to conduct market research were other Ministers, or the Prime Minister consulted?
- t. At any stage in the life of the proposal to conduct market research did the expected cost change, if so how?
- u. At any stage in the life of the proposal to conduct market research did the scope, questions or supplier of the research change?
- v. Have any topics or questions of market research been conducted and subsequently conducted again by the same or different supplier?

Answer:

The total amount spent by the Department of Defence on market research for the period 1 July 2016 to 31 May 2017, was approximately \$0.9 million (GST exclusive).

- a. – h. Defence market research conducted in 2016-17 related to Australian Defence Force Recruitment advertising campaigns. Information on Defence contracts above \$10,000 are published on the AusTender website (www.tenders.gov.au).
- i. – j. Defence uses the Department of Finance managed Communication Multi Use List to establish a Market Research Services Standing Offer Panel.
Suppliers are engaged through the Standing Offer Panel. The current panel was established in 2016.
- k. – o. Neither the Minister nor the Minister's office:
 - requested that research be conducted;
 - approved the decision to conduct market research;
 - approved the contracts with suppliers;
 - were consulted on questions asked during the market research activities; or
 - received copies of the market research.
- p. The market research was initiated by the Department of Defence and neither the Minister nor the Minister's office was consulted before the decision was taken to conduct the research.
- q. No amendments or changes were made by the Minister or the Minister's Office to the proposals for market research.
- r. The Market Research Services Standing Offer Panel tender process has on each occasion been conducted in close consultation with the Department of Finance.
- s. At no stage in the life of the proposals to conduct market research were other Ministers or the Prime Minister consulted.
- t. – u. On occasion market research proposals have had additional requirements included at a later date, resulting in a change of scope and an increased cost. Information on Defence contracts above \$10,000 are published on the AusTender website (www.tenders.gov.au).
- v. Defence has been conducting market research comprising monthly and annual surveys to various segments of Defence Force Recruiting target audiences on a continuous basis since 2007. The use of repeat questions allows Defence to measure changes over time.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Transitioning ADF Members

Question reference number: 100

Senator: Kakoschke-Moore

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

- a. What feedback have you sought from recently transitioned, or currently transitioned members?
- b. Recommendations have been made that follow-ups are conducted to each recent ex-ADF member to ensure their transition has been successful and to determine whether they need assistance. Does the ADF see that as their role, or would this be something that DVA would assist with?

Answer:

Defence has commenced testing and refining a coaching and mentoring transition service model in three launch sites. Following successful trial, the model will be implemented nationally. The model features individual coaching and mentoring with a focus on future employment, family needs during transition, and wellbeing post-separation.

Defence has commenced personalised follow-up of separated members to establish how well they have transitioned. Contact with the member will continue for up to 13 months following separation. The new model will allow Defence to better identify those who may need additional support post-separation, and to refer them to available services prior to the need becoming imperative.

Testing of a new electronic survey has begun, with a view to implementing an ongoing quarterly survey up to 13 months following separation.

The information collected from the personalised follow-up and surveys will enable Defence to refine, or develop, new programs. If necessary, support will be offered through Defence programs or connecting with the Department of Veterans' Affairs, Commonwealth Superannuation Corporation, and Ex-Service Organisations to meet immediate needs.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: SeMPRO

Question reference number: 101

Senator: Kakoschke-Moore

Type of question: provided in writing.

Date set by the committee for the return of answer: 21 July 2017

Question:

In 2012 Sex Discrimination Commissioner Elizabeth Broderick recommended the establishment of SeMPRO and made a strong recommendation for implementation of restricted reporting similar to the restricted reporting available to Defence personnel in the United States military. She emphasised the importance of restricted reporting so that victims can get prompt assistance and so that Command can get prompt information of risk situations. Defence has emphasised in previous answers to this Committee that it has adopted a version of restricted reporting suitable to the ADF's circumstances. Defence has previously stated that since SeMPRO was established in July 2013 there have been fewer than five occasions on which SeMPRO has accepted a restricted report of sexual assault within 72 hours of the assault. Defence has also informed this Committee that collection of forensic evidence is not possible after 72 hours.

- a. Given the very low numbers of restricted reports, does the Department believe that victims of sexual assault in the ADF are getting prompt assistance from SeMPRO, through reporting to SeMPRO?
- b. What is Defence's estimate of the number of members of the ADF who are victims of sexual assault by other members of the ADF each year?
- c. What is Defence's estimate of the number per year of victims of sexual assault in the ADF who do not get assistance from SeMPRO within 72 hours after an incident?
- d. What is Defence's estimate of the number per year of incidents of sexual assault by ADF members on other ADF members where Command receives no information at all about there being a risk situation?
- e. If an estimate cannot be made, how can it be determined that the scheme is assisting the right number of people?
- f. How many restricted reports within 72 hours are made in the United States military each year?
- g. How and why does the version of restricted reporting which the ADF has implemented differ from the United States' version?
- h. Are the differences required by Australian laws - and if yes can details of the legal requirements be provided?
- i. If not, do these differences represent policy choices? And if so why have those policy choices been made?

- j. In response to questions which I put to Defence during Additional Estimates in March 2017 statements were removed from the SeMPRO website which seemed to give SeMPRO a discretion to deny victims the right to make restricted reports which had been set out in the relevant Defence Instruction. Why were those restrictions curtailing the Defence Instruction based rights to make restricted reports put onto the SeMPRO website?
- k. After those changes there is still no mention on the home page of the SeMPRO website <http://www.defence.gov.au/sempro/> that restricted reporting is available. Is Defence satisfied that the SeMPRO website sufficiently highlights the availability of restricted reporting?
- l. Is the SeMPRO system functioning in a way that is alerting Command to risk situations given the very low numbers of restricted reports that have been received?
- m. Has SeMPRO considered the corresponding website for the United States military to see whether any lessons can be learnt about how to highlight the availability of restricted reporting.

Answer:

a. The Sexual Misconduct Prevention and Response Office provides support and case management services to victims. It is not an investigation agency and does not take reports about sexual assaults. Almost all of the Sexual Misconduct Prevention and Response Office's clients have formally reported their experience to Defence, via Service Police or the Australian Defence Force Investigative Service, or to civilian police.

Support Coordinators at the Sexual Misconduct Prevention and Response Office provide a 24 hour service which provides victims assistance at the time they make contact with the service. Victims may choose to access support and case management services at the time they experience a sexual offence or sexual harassment incident. Victims may also choose to access those services sometime after an offence or incident as their circumstances or needs change. Regardless of when victims approach the Sexual Misconduct Prevention and Response Office they are provided prompt assistance.

b. A total of 192 sexual assaults were formally reported to Defence between 1 July 2011 and 30 June 2016 where both victim and perpetrator were Australian Defence Force members. This is an average of 38 sexual assaults formally reported to Defence in each of those years but it is important to note that not all of those offences took place in the year they were reported to Defence. For 2015-16 there were 24 reports of sexual assault made in which both victim and perpetrator were Australian Defence Force members and the assault happened within a year. Defence cannot estimate the number of unreported crimes, including sexual offences, committed by and against Australian Defence Force members.

c. Defence is not able to estimate the number of Australian Defence Force members who become victims of sexual assaults and who do not make a formal report to Service Police or the Australian Defence Force Investigative Service or the civilian police. Less than ten per cent of victim services clients contacted the Sexual Misconduct Prevention and Response Office within 72 hours of an offence and all of these personnel were provided support. Defence is working to increase the awareness of the Sexual Misconduct Prevention and Response Office throughout the Australian Defence Force in order to increase awareness of the services offered and support people to feel comfortable in seeking help shortly after a sexual assault.

d. Defence is not able to estimate the number of sexual assaults perpetrated by Australian Defence Force members with Australian Defence Force victims that are not formally reported to Service Police or the Australian Defence Force Investigative Service.

The Sexual Misconduct Prevention and Response Office is not a reporting or investigative Agency. Support Coordinators in the Sexual Misconduct Prevention and Response Office do not notify Command about a sexual offence, if they are not already aware, without the consent of the victim. This is a procedure which protects the victim's confidentiality. The trauma informed principles of safety, trust, collaboration, choice, and empowerment used in the Sexual Misconduct Prevention and Response Office promote victims making decisions about their circumstances.

e. The Sexual Misconduct Prevention and Response Office does not have client targets however the volume of victim services clients has increased since establishment in 2013 as awareness and confidence in using the new system increases. All victims who seek help through the Sexual Misconduct Prevention and Response Office are provided it.

f. The United States' Sexual Assault Prevention and Response Office reported that military personnel made 1,995 Restricted Disclosures in the 2016 financial year. Public reporting from the Sexual Assault Prevention and Response Office does not specify the volume of victims who sought services within the 72 hours post incident. It should be noted that the United States' Sexual Assault Prevention and Response Office counts contacts from United States Armed Services members and their families.

g. In the United States military victims who access medical and psychological help without making a formal report are included in the number of Restricted Disclosures. In the Australian Defence Force context, victims who access medical and psychological services are not described as making Restricted Disclosures. Restricted Disclosure numbers in the Australian Defence Force are derived only from those seeking this type of victim services support from the Sexual Misconduct Prevention and Response Office.

The military dependents who access medical and psychological assistance after a sexual assault, or seek help from a Sexual Assault Response Coordinator or a Victim's Advocate, without making a formal report are also described as making a Restricted Disclosure in the United States. Restricted Disclosure reporting in the Australian Defence Force does not include the children and partners of Australian Defence Force members. The Sexual Misconduct Prevention and Response Office will provide assistance to Australian Defence Force family members when they do contact the Sexual Misconduct Prevention and Response Office helpline.

The United States military health system undertakes sexual assault forensic examinations using a computer generated code for the victim if they do not wish to make a formal report. Civilian services are utilised for forensic examinations in Australia.

The United States medical, mental health, and Sexual Assault Prevention and Response Office personnel who receive a Restricted Disclosure notify the victim's command about the incident with a de-identified report. In comparison, Support Coordinators in the Sexual Misconduct Prevention and Response Office in the Australian Defence Force maintain confidentiality with all clients, including those who do not make a formal report, in accordance with psychology and social work professional standards in Australia.

h. Australian civilian law does not direct the differences between Restricted Disclosures in the Australian Defence Force and in the United States military. The ability to take a restricted disclosure is referring to a confidential service, it is not a legal process.

i. The ability for a current serving Australian Defence Force member to make a restricted disclosure is a policy decision that supports the principles of providing a victim-focused, trauma-informed support option for Australian Defence Force members who have experienced sexual misconduct. Restricted disclosures reflect the capacity for specific professional groups to hold confidential information. Confidential support can be provided to Australian Defence Force members by any medical officer, psychologist, social worker or psychiatric nurse within Defence. All of the Sexual Misconduct Prevention and Response Office's support coordinators are either social workers or psychologists, which enables them to provide support in a confidential manner in accordance with their professional practice guidelines. The Sexual Misconduct Prevention and Response Office seeks to ensure that Australian Defence Force members understand they have a confidential option.

Defence has made policy decisions to encourage members to access support from any of the options available to them.

j. There has never been an intention to curtail the right to make a restricted report. The statements regarding Restricted Disclosure, which were removed from the website home page, referred to the risk assessment conducted by the Sexual Misconduct Prevention and Response Office Support Coordinator for each victim services client. If any of these conditions/risks were evident then the safety of the victim must take precedence in accordance with professional mental health assessment standards (as explained on the Report/Disclose – Restricted Disclosure page of the website).

k. The Sexual Misconduct Prevention and Response Office external website is regularly reviewed. The second tab on the Sexual Misconduct Prevention and Response Office website provides Reporting and Disclosure options. Restricted reporting is clearly explained on this page of the website. All communications, including the intranet page and the sexual ethics education brief delivered to Australian Defence Force members in person, emphasise and reinforce that victim services provided by the Sexual Misconduct Prevention and Response Office are confidential.

l. Almost all of the Sexual Misconduct Prevention and Response Office's clients have sought out support and case management after making a formal report to Service Police or the Australian Defence Force Investigative Service.

The Sexual Misconduct Prevention and Response Office's role is to provide support, case management, and advice to victims of sexual misconduct. Support coordinators also provide support and advice to personnel who are managing incidents, to those who are supporting victims as friends or managers, and to personnel impacted by incidents in other ways.

The confidentiality of the victim services clients is paramount. This confidentiality is preserved unless the risk assessment conducted by the Support coordinator reveals a risk to the client at which time action will be taken to ensure the safety of the client. This may involve informing Command.

m. The Sexual Misconduct Prevention and Response Office considered the United States Military Sexual Assault Prevention and Response Office website when creating the Australian Defence Force's website. This has led to strong similarities between elements of the two websites. Both address Reporting Options in the same manner, albeit under differently named tabs Reporting and Disclosure (Australian Defence Force) and Victim Assistance (United States).

Both organisations operate under a victim focused, trauma informed framework. The messaging on the Australian Defence Force's Sexual Misconduct Prevention and Response Office website is intended to encourage clients to call to explore their options instead of potentially having them self select out of making contact. Rather than providing detail on the legal boundaries of the professional privilege of psychologists, social workers, and medical professionals, they are encouraged to call to discuss options available and the limits of confidentiality can then be explained to a caller in relation to their specific circumstances.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence Abuse

Question reference number: 102

Senator: Kakoschke-Moore

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

- a. Do all of the people who report abuse and subsequently leave, have a separation interview in which the reasons for their separation are noted?
- b. If yes – is this feedback provided to ADF and the Department? What was done with this feedback?
- c. If not, why not?
- d. Part 8 of answer to QON 51 (Additional Estimates 2017) refers to disciplinary action resulting from a successful finding of guilt for serious sexual assault. What actions comprise disciplinary action?
- e. That answer also refers to adverse administrative action resulting from sexual assault. What is an adverse administrative action?
- f. What is the total amount of money the Department of Defence and/or the Department of Veterans' Affairs has paid out to people who have brought common law claims against that Department relating to sexual abuse suffered by that person while they were serving in the ADF?

Answer:

- a. All members who leave the Australian Defence Force have an exit interview with their Commanding Officer as part of completing their AC853 – *Application to transfer Within or Separate from the ADF*, and their reasons for leaving are annotated on this form. This process would normally include follow-on discussions with their career manager in regards to their reasons for leaving.
- b. This form, including the member's reasons for leaving, is sent to the Service Career Management Agency. This data is used by the Service Career Management Agencies to provide individual solutions to defer the member leaving (where appropriate), collate data to identify separation trends within rank bands or occupational groups, and use the data/feedback to inform organisational strategies and programs to address trends (for example, Pilot Retention Bonus or Instructor Bonus). Finally, the feedback is also used more broadly to inform Defence Human Resource

practices and Conditions of Services (for example, Better Flexible Work Arrangement policies and posting considerations)

c. N/A.

d. In addition to the criminal law of the Commonwealth, States and Territories, Australian Defence Force members are subject to the *Defence Force Discipline Act 1982* (the Act). Members can be prosecuted for Service offences under the Act when commission of the offence substantially affects the maintenance and enforcement of Service discipline. The discipline system established under the Act includes processes for investigating alleged offences, for preferring charges for offences, and for the conduct of fair and impartial trials. Trials may be held at both a summary tribunal level, for example before a Commanding Officer, or before a Court Martial or Defence Force Magistrate as appropriate. Part IV of the Act lists the disciplinary action that can be taken. The discipline system includes safeguards such as automatic review of convictions and punishments, and the right to an internal and external appeal.

e. Adverse administrative actions are similar in nature to actions brought under the Australian Public Service Code of Conduct for behavior not in the interest of the service. Adverse administrative action may include counselling, imposition of a formal warning or censure, compulsory transfer of employment category, denying or delaying promotion, reduction in rank, removal of security classification/clearance, removal from an appointment or locality or termination of service. Adverse administrative actions may be imposed by appropriately authorised managers or supervisors on an individual whose conduct, performance or standards has fallen below that expected by the organisation or whose actions or behaviour have adversely impacted, or are likely to impact, the efficiency, reputation or operational effectiveness of the Australian Defence Force. Administrative action may be taken in conjunction with an incident that also resulted in disciplinary action.

f. As at 20 June 2017, the Office of Defence Special Counsel had settled and closed 52 claims against the Commonwealth relating to sexual abuse, with payments to date totaling \$17,278,195.77 (damages and costs). These claims related to incidents that occurred between 1960 and 2006. This figure relates to Defence only and the relevant expenditure has formed part of the Defence financial statements in 2015-2016 or will form part of the financial statements for 2016-2017.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Pathway to Change and Defence Graduates

Question reference number: 103

Senator: Kakoschke-Moore

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

- a. Has a review of Pathway to Change now been considered?
- b. It was stated last estimates that the proportion of women in the Defence graduate program has increased from 39 per cent in 2014 to 45 per cent in March 2017. What is the drop-out rate for women in the defence graduate program six months, and after one year? What is the rate for male graduate drop outs after six months, and after one year?
- c. Have all of those women undertaken separation interviews?
- d. What were the reasons they gave for leaving the defence forces?

Answer:

- a. Through a series of Command-led and Defence-wide stakeholder conversations, the progress of Pathway to Change has been reviewed. The organisation reflected on the current Pathway to Change and identified where improvements had been made, as well as opportunities for a new or continued focus.

Following these conversations a refreshed statement of cultural intent has been developed and, once endorsed, will be released across the organisation.

This builds on '*Pathway to Change: Evolving Defence Culture 2012-2017*'. With the key recommendations and actions of the 2012-2017 program finalised, the new intent statement includes six key priorities, for which Groups and Services will be required to focus and report progress on.

b. Since 2014 no graduates, either male or female, have left Defence within six months of commencement in the graduate program.

The following table outlines the number of graduates, by gender, having left the program within 12 months of commencement, and those exiting after 12 months, by intake.

| Graduate intake | Total Intake | | Attrition from total intake | Attrition ≤ 12 Months | | Attrition >12 Months (to February 2017) | |
|-----------------|--------------|------|-----------------------------|-----------------------|--------|---|----------|
| | Female | Male | | Female | Male | Female | Male |
| 2014 | 61 | 113 | 48 (28%) | 1 (2%) | 1 (1%) | 22 (36%) | 24 (19%) |
| 2015 | 71 | 114 | 12 (6%) | 3 (4%) | 5 (4%) | 4 (6%) | 0 |
| 2016 | 96 | 129 | 7 (3%) | 3 (3%) | 3 (2%) | 0 | 1 (<1%) |

* The percentage attrition rate is calculated in proportion to exits by gender. For example, one of 61 females (2 per cent) recruited in 2014 exited Defence within 12 months of commencing the graduate program.

c. Exit interviews are conducted where an individual leaves Defence during the course of the Graduate Development Program.

d. The following points outline the reason provided by female Australian Public Service graduates who leave Defence prior to completion of the graduate program.

These reasons are similar to those provided by male graduates from the same cohorts.

2014 intake:

- desire to return to the individual's home town. The individual secured employment in private sector in their home town.

2015 intake:

- returned to the individual's home town due to a family illness;
- transferred to a preferred role outside of the public service; and
- promotion to another Australian Public Service agency.

2016 intake:

- desire to return to the individual's home town. The individual accepted a promotion in State Government in their home town;
- chose not to leave home region; gained alternative employment; and
- promotion to another Australian Public Service agency.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Limited Tender Contracts

Question reference number: 104

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. What percentage of contracts entered into by the Department in FY 2015/16 were limited?
2. What was the total value of these limited tenders?
3. Across the department, please provide a list of all contracts in FY 2015/16 that involved a limited tender contract to an entity for services below \$80,000 followed by a limited tender contract (either in FY 15/16 or 16/17) to the same entity for services below \$80,000 or above \$80,000 (please list the two contracts by AUSTENDER number). Please provide the justification (and any documents relating thereto) for the limited tender of any second contract that was above the \$80,000 threshold.
4. Across the department, please provide a list of all contracts in FY 2016/17 that involved a limited tender contract to an entity for services below \$80,000 followed by a limited tender contract to the same entity for services below \$80,000 or above \$80,000 (please list the two contracts by AUSTENDER number). Please provide the justification (and any documents relating thereto) for the limited tender of any second contract that was above the \$80,000 threshold.

Answer:

1. 66 per cent of contract notices (by volume) published to AusTender during 2015/16 were Limited Tender.

2. \$15.3 billion.

3 and 4. During 2015/16 Defence published 33,137 Contract Notices on AusTender, of which 13,797 were Limited Tender and were valued under \$80,000. As at 30 April 2017, Defence had published 30,145 Contract Notices on Austender for 2016/17, of which 10,477 were Limited Tender and were valued under \$80,000. Given the large volume of contracts Defence enters each year (over 30,000 a year) it is not unusual for a single supplier to have multiple contracts to provide a range of goods and services.

To provide a more detailed response would require the review of over 60,000 contract notices and related procurement approval documentation and is not deemed to be a reasonable use of Commonwealth resources. In addition, details of all contract notices are publicly available on the AusTender website at: <https://www.tenders.gov.au/>

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Future Submarine Project – ICCPM Contracts

Question reference number: 105

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

With respect to the following contracts CN3410383, CN3408012, CN3408026, CN3396775:

1. Noting these contracts are submarine related, why was this Defence Contract tendered through the Border Protection Services Panel and not through Defence Services Panel?
2. What due diligence was done on ICCPM Systems?
3. At the time of tender, how many employees did ICCPM Systems have?
4. What is the relationship between ICCPM and ICCPM Systems?
5. Are any of the contracted ICCPM Systems consultants fellows of the ICCPM?
 - a. If so, please provide the names of those consultants?
6. At the time of contract signature, were any persons related to the Director/s of ICCPM Systems working inside Defence.
 - a. If so, in what capacity and for what organisations within Defence?
7. What SES Officers signed the PGPA Section 23 Commitment Approval?
8. What is the nature of the services the Future Submarine Project is receiving from ICCPM Systems?
9. Why does the Future Submarine Project require those services?
10. Noting the perpetual role of the CASG, why are the skill sets being procured under these contracts not available in Defence?
11. How long does Defence anticipate it will require these types of services from an external entity?
12. Were each of the tenders associated with these contracts considered in isolation to each other?

Answer:

1. Government agencies establish standing offer panels and make them available for use by all Commonwealth agencies. On this occasion, the services sought were available from the Australian Border Force panel.

2. Due diligence in accordance with Defence and Commonwealth policy and procedures was undertaken in relation to the subject contracts.
3. This is a question for ICCPM.
4. This is a question for ICCPM.
5. The specified personnel provided by ICCPM Solutions under the subject contracts are not consultants. Mr Harry Bradford is the only person provided who is a fellow of ICCPM.
6. Yes. There was one person, employed via non-ICCPM related contract, who was assisting with reforms arising from implementation of the First Principles Review within CASG. They had no involvement in any contracting.
7. An Executive Level 2 officer signed the Section 23 Commitment Approval for CN3396775. RADM Gregory Sammut signed the Section 23 Commitment Approvals for CN3410383, CN3408012 and CN3408026.
8. Under the subject contracts, ICCPM Solutions provides strategic advice, program management, and strategic industry advice, industry and supply chain management services to the Future Submarine Program.
9. Given the magnitude and complexity of the Future Submarine Program, these services have been acquired to ensure that the most appropriate structures and arrangements are implemented from the outset, laying robust foundations for the effective and efficient execution of the Program. This work is building on the progress of the Future Submarine Program following the successful conclusion of the Competitive Evaluation Process, and supports the changes now necessary to move through design of the Future Submarine and enter into construction of the fleet.
10. The procurement of these services recognises the particular complexities arising from the establishment of naval construction programs on a scale not undertaken in recent history, and the need to deepen the skills of Defence personnel, who will work alongside personnel seconded from industry to initially support these programs.
11. Services under CN3396775 will be required until 30 September 2017. Services under CN3410383, CN3408012 and CN3408026 will be required until 30 June 2019.
12. Yes.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Future Submarine Project – Contract Progress

Question reference number: 106

Senator: Xenophon

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

With reference to the announcement that DCNS is to be the design partner for the Future Submarine program:

1. How many project-related contracts have been awarded by Defence to DCNS (France), and what is the value of those contracts.
2. How many project-related contracts have been awarded by Defence to DCNS (Australia), and what is the value of those contracts.
3. How many project-related contracts have been awarded by Defence to Australian companies (excluding DCNS (Australia)) and can the following information be provided:
 - a. what is the value of those contracts; and
 - b. how much local content is in those contracts (by % value).
4. Noting that there is a requirement to maximise Australian industry participation in the Future Submarine project:
 - a. how many project-related contracts have been awarded by DCNS (France) to Australian companies and:
 - i. what is the value of those contracts, and
 - ii. how much local content is in those contracts (by % value);
 - b. how many project-related contracts have been awarded by DCNS (France) to French companies and what is the value of those contracts;
 - c. how many project-related contracts have been awarded by DCNS (Australia) to Australian companies and:
 - i. what is the value of those contracts, and
 - ii. how much local content is in those contracts (by % value).
5. What data is Defence is collecting relevant data in relation to Australian industry participation to allow it to monitor and facilitate Australian industry participation in the future submarine project?
6. How many companies (contracted or potential program participants) in France have been site visited by the Head of the Submarine Project?
7. How many companies (contracted or potential program participants) in Australia have been site visited by the Head of the Submarine Project?

8. In respect of the Design and Mobilisation Contract please provide a list of milestones that have not been met and the magnitude of the delay.
9. At present, what are the significant risk items in the project's risk register?

Answer:

1. Since completion of the Competitive Evaluation Process to the period 1 August 2017, one contract has been awarded (the Design and Mobilisation Contract) to a current value of \$127 million.
2. No contracts have been awarded.
3. Since the announcement selecting Naval Group (formerly DCNS) as Australia's international partner, 91 contracts have been awarded to Australian companies.
 - a. \$146 million.
 - b. Approximately 80%.
4.
 - ai-ii. Nil.
 - b. 26 contracts have been awarded for a value of €13 million.
 - c. 44 contracts have been awarded.
 - i. \$11.6 million.
 - ii. 100%.
5. The Future Submarine Program Office is currently collecting data on the number of requests for information placed with Australian industry by Naval Group (formerly DCNS) and Lockheed Martin Australia, and the progress of Australian companies towards qualification as potential suppliers to the Future Submarine Program. The full data set will be further defined once Australian Industry Capability Plans have been approved.
6. One.
7. One.
8. As of 1 August 2017, all milestones of the Design and Mobilisation Contract have been met.
9. The significant risk items under management include: the necessity to coordinate across the major naval construction programs (Future Submarine, Future Frigate, Off-shore Patrol Vessel); the requirement to expand the government and industry workforce to sustain and deliver submarine capability; and the ongoing need to ensure that capability, cost, and schedule are balanced as the Future Submarine is designed, constructed and delivered to the Royal Australian Navy.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Periscope Repair Work

Question reference number: 107

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Has Ezyfit Pty Ltd (Ezyfit) carried out periscope repair work?
2. If so:
 - a. When?
 - b. What was the nature of the repair work in each instance?
 - c. Noting the testimony of Rear Admiral Sammut, has the Navy assessed the company in respect of SUBSAFE (and if not, why not?)
3. Has Hoffman Engineering Pty Ltd carried out periscope repair work?
4. If so:
 - a. When?
 - b. What was the nature of the repair work in each instance?
 - c. Noting the testimony of Rear Admiral Sammut, has the Navy assessed the company in respect of SUBSAFE (and if not, why not?)

Answer:

1. No.

2a and b. N/A.

2c. Defence conducts quality audits of its Prime Contractors, such as BAE Systems Australia Ltd. The Prime Contractors conduct quality audits of their sub-contractors. Defence and its Prime Contractors ensure that submarine safety is maintained by checking that all equipment supplied is manufactured or repaired in accordance with the approved design specification.

3. Yes.

4a. Tube repair orders were placed 1 August 2013, 8 August 2014 and 27 April 2015.

4b. In each instance the nature of work was tube finishing, which is a surface finishing process to remove scoring caused through normal wear and tear.

4c. See response to question 2c.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Periscope Production Capability

Question reference number: 108

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Noting that Ezyfit were tendering for the Periscope Work:
 - a. On what dates did BAE Systems (BAE) provide reports or briefs to Defence in respect of Ezyfit Pty Ltd capabilities?
 - b. When did Defence learn that Ezyfit had manual equipment (lathe and honing equipment) installed in its factory that was capable of carrying out the periscope work? From whom was this information obtained or gleaned from?
 - c. When did Defence learn that the equipment that was being procured by way of grant and a company contribution was an upgrade to an existing capability? From whom was this information obtained or gleaned from?
 - d. When did Defence learn that Ezyfit have a Coordinate Measuring Machine installed?
 - e. Noting the testimony of Rear Admiral Sammut at hearing, what activities did Defence (or BAE) carry out in respect of ensuring that had:
 - i. Qualified and fit for purpose equipment?
 - ii. Trained and qualified people to operate the relevant tools?
 - iii. Appropriate SUBSAFE knowledge and processes?
 - f. Other than when a de-brief was provided by BAE to Ezyfit, on what dates in the last year did BAE site visit Ezyfit?
 - g. Were the results of any BAE capability or quality assessments/audit reports or concerns in relation to Ezyfit ever provided to Defence?
 - h. Is Defence aware of any BAE capability or quality assessment/audit reports or concerns in relation to Ezyfit being provided to Ezyfit?
 - i. Noting the importance of Defence Industry to Defence as a formal Fundamental Input to Capability, what measures are Defence aware of in respect BAE fostering the company capability?
 - ii. What efforts were made by BAE and on what dates?

2. Noting Defence are relying on Thales UK to deliver Collins Periscopes Tubes, what knowledge does it have of:
 - a. The company's machinery to turn the tube (manual or automatic and tolerances)?
 - b. The company's hone to provide internal accuracy?
 - c. On what date was this knowledge obtained by Defence?
3. Noting the testimony of Rear Admiral Sammut at hearing, what activities did Defence (or BAE) carry out in respect of ensuring that Thales had:
 - a. Qualified and fit for purpose equipment?
 - b. Trained and qualified people to operate the relevant tools?
 - c. Appropriate SUBSAFE knowledge and processes?

Answer:

1a. On 9 December 2016, BAE Systems Australia Limited advised Defence that it had considered several companies for the supply of periscope tubes (including Ezy-Fit and Hoffman), and had conducted capability and supply chain audits undertaken by BAE Systems Australia Limited Quality Engineers.

1b. The audit conducted by BAE Systems Australia Limited found that Ezy-Fit could not manufacture periscope tubes in accordance with the approved design specification using existing equipment. In particular, Ezy-Fit's existing machinery was insufficient to fulfill the requirements to machine the 11 metre-long tubes.

1c. In reviewing responses from the initial Request for Quotation, BAE Systems Australia Limited became aware that Ezy-Fit was seeking to upgrade its equipment with the support of a grant. This information was provided to Defence by BAE Systems Australia Limited on 1 September 2016.

1d. BAE Systems Australia Limited was aware that Ezy-Fit had purchased the Coordinate Measuring Machine at the time of their compliant quote (18 November 2016); however, it had not been installed or commissioned at that point.

1e.i. BAE Systems Australia Limited undertook a quality audit at the Ezy-Fit premises on 27 October 2016.

1e.ii. See response to question 1e.i.

1e.iii. See response to question 1e.i.

1f. 27 October 2016 and 21 November 2016.

1g. Yes.

1h. Yes.

1h.i BAE Systems Australia Limited has leveraged its quality assurance and manufacturing knowledge to provide feed-back to Ezy-Fit as a means to foster the company's capability.

1h.ii BAE Systems Australia Limited identified two potential local options for manufacture of replacement tubes by Hoffman Engineering and Ezy-Fit on 24 June 2016. On 27 October 2016, BAE Systems Australia Limited undertook a quality audit and provided feedback to Ezy-Fit. On 21 November 2016, a senior member of BAE Systems Australia Limited visited Ezy-Fit to review their facility and provide advice on defence manufacturing processes. On 2 December 2016, Ezy-Fit visited BAE Systems Australia Limited's Advanced Manufacturing Facility at Edinburgh Parks, South Australia, to view their capability.

2a, b and c. Through the audits conducted by BAE Systems Australia Limited, Defence became aware on 9 December 2016 that Thales UK Limited had the ability to manufacture periscope tubes to the required technical specification (including turning and access to honing capabilities). Thales UK Limited had also successfully manufactured a replacement tube in 2015.

3a, b and c. Thales UK Limited is contracted to BAE Systems Australia Limited for provision of Original Equipment Design support as a core element of the Collins Periscope In-Service Support contract. BAE Systems Australia Limited provide quality auditing and competency assessment of all subcontractors.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Briefing by BAE

Question reference number: 109

Senator: Xenophon

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

Defence advised the Committee that it had met with BAE on the Tuesday prior to Senate Estimates.

- a. What was the dominant purpose of this meeting?
- b. Who from Defence attended the meeting?
- c. Who from BAE attended the meeting?
- d. What periscope related information was provided to Defence at this meeting?

Answer:

- a. The purpose of the meeting was to confirm Defence's understanding of the subcontracting process for the replacement periscope tube procurement.
- b. Mr Stephen Johnson (General Manager Submarines), Commander Grant Murray (Collins Combat Systems Sustainment Manager), and Mrs Helen Scholes (Manager BAE In-Service Support Contract).
- c. Mr Stuart Lindley (General Manager Integrated Systems), Ms Debra Fillingham (Submarine Systems Program Manager) and Mr Kevin Harness (Periscope Project Manager).
- d. Confirmation of BAE Systems Australia Ltd's assessment and subcontracting process for the replacement periscope tube procurement.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Periscope Value for Money

Question reference number: 110

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. On what date did Defence become aware that Ezy-Fit had provided BAE with a quotation for the complete job of under \$10 million?
2. On what date did Defence advise the Minister of this?

Answer:

1. Initially, Ezy-Fit offered a non-compliant quotation, priced at less than \$10 million (excluding GST) on 25 October 2016. Rather than rejecting this non-compliant offer, BAE Systems Australia Limited assisted Ezy-Fit in providing a compliant quotation on 18 November 2016. Ezy-Fit's compliant quotation was in excess of \$10 million (excluding GST).
2. The Ministers for Defence and Defence Industry were not advised of the initial non-compliant quotation provided by Ezy-Fit to BAE Systems Australia Limited.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Periscope Contracting and Schedule

Question reference number: 111

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. It was reported in the Advertiser on 12 June 2012 that BAE had won a contract to replace periscope systems in the Collins Class submarines. The report suggested this contract was to replace the periscopes on one submarine and that further work to replace the remaining five submarines could flow from the activity. Is this correct?
2. What was the date of this contract?
3. What was the value of this contract?
4. At contract signature, what was the delivery date of the first periscope?
5. What Australian Industry Participation occurred in the execution of this contract (contracts to PTY LTD companies of more than \$500,000)?
6. What was the delivery date of the first periscope?
7. Is the current work on foot a new contract or a variation to the 2012 contract?
8. For either case:
 - a. When was the contract/contract variation signed?
 - b. What was the value of the contract/contract variation?
 - c. What was the scope of the new work?
 - d. What were the original contracted delivery dates?
 - e. What provisions are there in the contract to remedy inaccurate and/or incomplete sub-contracting briefing or reporting to Defence, were that to occur?
9. When was the BAE contract signed with Thales UK?
10. Mr Johnston suggested discussions took place in August 2014 to develop rough order magnitude bids and that work on the process began in earnest in 2016. Why was there such a delay in the negotiations which has, prima facie, compressed the delivery time down to what appears to be 7 months?
11. Defence advised the Committee that the first build of periscopes took 2 years. Noting that, and the relatively short delivery deadline, what gives Defence confidence that the schedule will be met?
12. Are there any provisions in the contract to apply financial penalties in the event that the periscope is not delivered in December 2017?

13. Are there any provisions in the contract to terminate the contract in the event that the periscope is not delivered in December 2017?

Answer:

1. BAE Systems Australia Ltd has been Defence's Prime Contractor providing In-Service Sustainment Support for the Collins Class periscopes since the submarines were built. In 2012, Defence contracted BAE Systems Australia Ltd (as an additional order under the existing In-Service Support Contract) to develop an update to replace obsolescent analogue components with digital components. The 2012 contract was for two prototype modifications kits.
2. 19 April 2012.
3. \$AUD 18.5 million (including GST).
4. 12 April 2015.
5. The work was awarded to BAE Systems Australia Ltd as the provider of periscope In-Service Support, who then subcontracted the design and manufacture of modification kits to Thales Optronics UK as the periscope Designer and Manufacturer of these parts of the periscopes.
6. 5 November 2015. BAE Systems Australia Ltd advised delay was due to prototyping issues.
7. BAE Systems Australia Ltd is contracted to provide replacement periscope tubes under a different purchase order against the current In-Service Support Contract.
8.
 - a. 16 February 2017.
 - b. \$10.1 million (including GST).
 - c. Provision of 10 periscope tubes.
 - d. 1 tube December 2017, 2 tubes December 2018, 3 tubes December 2019, 2 tubes December 2020, 2 tubes December 2021.
 - e. Subcontractors report to BAE Systems Australia Ltd as the prime, who in turn reports to Defence in accordance with standard Defence contracting requirements. The contract contains standard Defence contracting provisions for dispute resolution.
9. 23 February 2017.
10. Between 2014 and 2016, available Defence sustainment funds for treatment of system obsolescence were directed to higher priorities, including the digitised periscope prototypes referred to in the response to Q1.
11. The current work is not to build complete periscopes, but to manufacture replacements structural tubes. Thales UK experience as the original designer, having also recently manufactured this equipment, gives Defence confidence that the schedule will be met.

12. The contract does not apply penalty for late delivery. However, contract payment is milestone based such that the contractor is required to achieve the milestones to receive payment.
13. The contract includes standard Defence provisions for termination for default.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Contract Verification and Validation Thresholds

Question reference number: 112

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

It is apparent that Defence did not verify or validate the capabilities of the companies tendering the Periscope work and it is clear that there was a misunderstanding by the Navy as to the capabilities of the companies. Noting Defence can not easily mitigate performance or schedule risk in the context of a national security need:

1. What monetary value does Defence set as a threshold for auditing the reports and reviews of a prime contractor's sub-suppliers, of conducting a site visit to the proposed supplier?
2. What performance or schedule criticality level does Defence set as a threshold for auditing the reports and reviews of a prime contractor's sub-suppliers?

Answer:

1. Defence adopts a comprehensive risk based approach to obtaining assurance of the capability of prime contractors and subcontractors. Under this approach, in complex procurements, work by subcontractors that involves:

- design and development activities;
- modification of systems or equipment;
- systems installation or integration;
- tasks to meet industry requirements; or
- significant intellectual property,

requires Commonwealth approval of proposed subcontractors. In addition, a monetary threshold (relevant to the risk and total value of the procurement) can be applied above which any other subcontractors not covered by the above criteria also requires approval by the Commonwealth. Further, the Commonwealth has broad access rights in the contracts to the premises, records and accounts of prime contractors and approved subcontractors for any purpose related to the contract.

Notwithstanding that the prime contractor remains responsible for the performance of all subcontractors (including approved subcontractors). Proposed approved subcontractors are subject to greater levels of due diligence by the Commonwealth in procurement processes.

Tenderer's are required to provide:

- subcontractor profiles based on the same criteria that applies to the prime contractor;
- subcontractor past performance information along with strategies for improvement if required; and
- subcontractor quality management information.

In addition, conditions of tender enable the Commonwealth to undertake site visits of primes and subcontractors where the Commonwealth considers it appropriate.

2. Prime contractors remain responsible for the performance of all subcontractors (including approved subcontractors). In the event a performance or schedule issue arises that is caused by an approved subcontractor, the Commonwealth has broad access rights to the premises, records and accounts of approved subcontractors to assist in facilitating resolution of the issues.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Collins Submarine Life of Type Extension Scoping Study

Question reference number: 113

Senator: Xenophon

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. In respect of Contract number CN3396691
 - a. What is the scope of work for this contract?
 - b. What are the deliverables for this contract?
 - c. What is the date of each delivery?
2. In respect of Contract number CN3396856:
 - a. What is the scope of work for this contract?
 - b. What are the deliverables for this contract?
 - c. What is the date of each delivery?
3. Why two separate contracts?
4. Are there any other entities external to Defence that have been contracted to provide input to BAEs work? and if so, which companies?
5. Are there any other entities external to Defence that are conducting independent Life of Type Extension Scoping Study work?
 - a. What is the scope of work for each contract?
 - b. What are the deliverables for each contract?
 - c. What is the date of each delivery?

Answer:

1 a, b, and c. Under contract CN3396691, BAE Systems Australia Limited is conducting a scoping study to plan the ongoing sustainment of the Collins submarine periscope until the Collins fleet is replaced by the Future Submarine. The study will identify upkeep, update and upgrade needs, and potential solutions. The scoping study is due for completion in the third quarter 2017.

2. a, b, c, 3, and 4. Under contract CN3396856, Thales UK is conducting its component of the Collins periscope study, also due for completion in the third quarter 2017.

5. Prime contractors providing in-service support to the Collins class are conducting scoping studies to plan the ongoing sustainment of the Collins submarine fleet until it is replaced by the Future Submarine. These studies are being conducted with ASC

(platform system), Raytheon (combat system), and Thales (sonar system). Each study will identify upkeep, update and upgrade needs, and potential solutions. All scoping studies are due for completion in the third quarter 2017.

Senate Standing Committee Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: AWD Aegis Interface

Question reference number: 114

Senator: Xenophon

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Mr Gillis gave evidence to the Committee that there are probably about 200 Raytheon people working on the air warfare destroyer-Aegis interface.
 - a. Please describe the extent of the Interface – to what is the AEGIS being interfaced?
 - b. Can Defence confirm that the function is limited to allowing control signals and data to be transferred between the AEGIS and equipment that it is being interfaced to?
 - c. How long have these 200 people been working on the interface?
 - d. How much has the interface cost the Commonwealth?
 - e. To whom does the intellectual property belong?
 - f. Is the interface exportable?

Answer:

1a. The Air Warfare Destroyer Combat System architecture is centred on the United States Navy Aegis Weapon System. Aegis is focused on Air Warfare, multi-warfare domain command and control, and task group command and control. The US Navy employs other systems on-board its Aegis ships to provide an integrated capability in the other warfare areas (in particular Electronic Warfare and Undersea Warfare).

A core goal of the Commonwealth's approach to reducing development risk and minimising Aegis through life cost on the Air Warfare Destroyer Program is to (1) preserve the existing Aegis interfaces and the associated US Navy certification boundary and (2) retain the option for Australia to select its own sensors and effectors to augment the core Aegis capabilities (these other sensors and effectors would support Electronic Warfare, Undersea Warfare and Short Range defence against small boats).

To implement this goal on Air Warfare Destroyer, Raytheon as the Combat System System Engineer for the Air Warfare Destroyer Combat System Enterprise, focused on three areas of integration with the Aegis system:

I. The introduction of the Australian Tactical Interface which (1) provided integration with Aegis and largely preserved the interfaces to Aegis without change and (2) provided a control system (made up of a common computing and operator console environment) for the integration of the sensors, weapons and control systems for electronic warfare, undersea warfare, electro-optical surveillance and short range surface defence.

II. The integration of Aegis navigation elements into the Air Warfare Destroyer Navigation system – to ensure a common source of Navigation data was used across the Combat system.

III. The integration of Aegis internal and external communication elements into the Air Warfare Destroyer communication system – to ensure Australian communication requirements were met, and utilising components of the F100 communications suite.

1b. The integration effort was greater than allowing control signals and data to transfer between Aegis and equipment. With over 2,293 Combat System interfaces the level of integration varies from Simple (control signals and data transfer) to Complex (control system for various effectors and weapons). An example of this is the establishment of the Under Sea controller in the Australian Tactical Interface which provides information to Aegis whilst also acting as the control system for undersea warfare weapons and sensors.

1c. Raytheon Australia's Combat System Systems Engineer task for the Air Warfare Destroyer Program began in 2007. The Combat System team currently involves over 200 people who are completing the remaining Combat System Systems Engineer tasks for the project.

1d. The cost of integrating the Aegis Weapon System into the Air Warfare Destroyer platform is approximately \$250 million. This includes Australian labour, and the design, development and verification of the interfaces.

1e. All intellectual property paid for and developed specifically for the Air Warfare Destroyer Program is owned by the Commonwealth.

1f. As owner, the Commonwealth may utilise that intellectual property for whatever purpose it desires, including exporting to foreign parties.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: OPV Combat System

Question reference number: 115

Senator: Xenophon

Type of question: Provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. It is understood that the 9LV is a scalable product. Who (e.g. Project Staff, CASG Management, Defence Leadership, the Defence Minister or Cabinet) made the decision not to include the 9LV as an option for the OPV and what was the basis for that decisions?
2. What sensors and effectors are on the oilers being procured from Navantia?
3. What sensors and effectors (to a generic level – e.g. navigation radar, radar, EO system, gun, SAM etc.) are planned on the OPVs?
4. Are tenderers permitted to provide an unsolicited proposal to Defence to install a 9LV on the OPVs in consideration of the benefit to the Australian economy and commonality of systems across a large part of the RAN's fleet?

Answer:

1. The Department of Defence has not specified the use or otherwise of a particular system such as the 9LV for the Offshore Patrol Vessel.
2. The sensors and effectors being procured from Navantia for the Auxiliary Oiler Replenishment Ships include Navigation, Radar, Tactical Communications and Combat Systems.
3. The sensors and effectors are broadly Navigation and Search Radar, Main Gun, navigation and meteorological sensors, Electro-Optical Sensor and Electronic Warfare sensor.
4. The Department of Defence can confirm that options could be proposed as part of the SEA 1180 Acquisition Request for Tender, but the Department of Defence cannot discuss the nature of the proposals or the options during the tender evaluation process.

Senate Standing Committee on Foreign Affairs, Defence And Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Dive Team Nine

Question reference number: 116

Senator: Xenophon

Type of question: Provided in writing

Date set by the committee for the return of answer: 23 June 2017

Question:

1. How much dive tasking occurred for Diving Team Nine in FY15/16 and what was the total cost to Navy? Please provide a breakdown of that cost.
2. How much dive tasking occurred for Diving Team Nine in this financial year to date and what was the total cost to Navy? Please provide a breakdown of that cost.
3. How much dive tasking occurred for civilian divers in SA in FY15/16 and what was the total cost to Navy?
 - a. Please provide a breakdown of that cost.
 - b. Please list the commercial companies engaged to carry out the tasking.
4. How much dive tasking occurred for civilian divers in SA in this financial year to date and what was the total cost to Navy? Please provide a breakdown of that cost.
5. Is there a requirement for classified (or sensitive) dive tasking in SA and does Dive Team Nine do this classified work exclusively?
6. Please provide a (de-identified) constitution of Dive Team Nine. For each diver please provide:
 - a. Rank
 - b. Rating
 - c. Number of years of permanent naval service
 - d. Dive experience in the permanent naval service
 - e. Number of years of reserve service
 - f. Dive experience in the permanent naval service
7. What value does Navy place on previous naval experience?
8. What is the Navy's intentions with respect to retaining Navy Dive Team Nine?

Answer:

1. Dive Team 9 did not undertake any tasks required by Navy in 2015/16.

Direct costs relating to salary and allowances paid to Dive Team 9 members during financial year 2015/16 is \$156,321.39. Indirect costs relating to personnel overheads such as housing, health and Fringe Benefit Tax are not included.

Dive Team 9 also consumed resources such as equipment, facilities, depreciation, maintenance, utilities, security. Most of these resources are shared and exact costs are not separately identifiable.

2. Dive Team 9 did not undertake any tasks required by Navy in 2016/17.

Direct costs relating to salary and allowances paid to Dive Team 9 members during financial year 2016/17 is \$118,301.21. Indirect costs relating to personnel overheads such as housing, health and Fringe Benefit Tax are not included.

Dive Team 9 also consumed resources such as equipment, facilities, depreciation, maintenance, utilities, security. Most of these resources are shared and exact costs are not separately identifiable.

3, 3(a), 3(b). Maritime Operations and the Navy authority for Mine Warfare and Clearance Diving has not required any diving tasks to be undertaken by civilian divers in South Australia.

4. Maritime Operations and the Navy authority for Mine Warfare and Clearance Diving has not required any diving tasks to be undertaken by civilian divers in South Australia.

5. Yes, there is a requirement to perform classified/sensitive dive work in South Australia. Dive Team 9 are not qualified to perform this work.

6a. Rank:

1 x Lieutenant,
2 x Chief Petty Officers,
4 x Petty Officers,
4 x Leading Seamen and
2 x Able Seamen.

6b. Rating:

1 x Mine Warfare and Clearance Diving Officer, and
12 x Reserve Divers.

6c. Number of years of permanent naval service: 17

6d. Dive experience in the permanent naval service:

Lieutenant – 4 years
Leading Seaman – 13 years

6e. Number of years of reserve service (reserve year is typically 20 days):
Chief Petty Officers – 64 years;
Petty Officers – 69 years;
Leading Seamen – 62 years;
Able Seamen – 10 years.

6f. Reserve dive experience in the permanent naval service: zero.

7. The Navy places significant importance on previous permanent naval service within the Navy Reserves. The previous permanent naval service is relied upon to integrate the reserve members into the desired naval capability.

8. On 12 June 2017, the Chief of Navy authorised the closure of all seven Reserve Diving Teams (including Reserve Diving Team 9) which is to be concluded before the end of Quarter 3 2017. This decision aligns the Mine Warfare and Clearance Diving Reserve workforce with the integrated Total Workforce Model for Reservist employment within the Australian Defence Force, which was implemented in 2016. The existing Reserve divers will be offered the opportunity to render their service in support of the desired naval capability.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Maribyrnong Defence Site Contamination

Question reference number: 117

Senator: Carr

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. When will expressions of interest (EOI) for the Maribyrnong site development open?
2. When will the EOI close?
3. When does the department estimate final offers on the site will be made?
4. Who was the consultant that determined that the Maribyrnong site was suitable for 6000 dwellings?
5. Can a copy of the consultant's report on the Maribyrnong site please be provided.
6. What contact has the department or the Minister's office had with Australia Zhongren Enrichment Holding Pty Ltd or Carlson Design about the Maribyrnong site?
 - a. When did the contact occur?
 - b. What was the nature of the communication?

Answer:

1. The timing of a call for expressions of interest as part of the open market testing process has yet to be determined. Defence will first procure a team of specialist advisors, then work with Victorian planning and environmental authorities and the Maribyrnong City Council to develop the statement of requirements.
2. The timetable for the release to market will be decided based on industry advice, and in consultation with the Victorian Government and Maribyrnong City Council.
3. Refer to Question 2 above.
4. Refer to the answer to Budget Estimates Question on Notice 27.
5. Refer to the answer to Budget Estimates Question on Notice 27.
- 6.

- a. During the week commencing 22 May 2017, Defence received an unsolicited proposal from Australia Zhongren Enrichment Holding Pty Ltd.
- b. This proposal was received in hard copy only and includes:
 - an updated letter of introduction to Mr Steve Grezskowiak, signed by Mr Tarczon and Mr Li (undated);
 - a letter of support, dated 22 March 2017, from the Shenzhen Meixian Chamber of Commerce;
 - a Contamination Remediation Proposal, dated 10 May 2017; and
 - a Strategy Proposal and Urban Design book, dated March 2017.

On 14 June 2017, Defence wrote to Mr Tarczon and Mr Li advising that there will be an open market testing process for the sale of Defence Site Maribyrnong, and that Defence will not consider unsolicited proposals outside of this process.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Williamstown Shipyard

Question reference number: 118

Senator: Carr

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. What is the current status of the Williamstown shipyards?
2. Does BAE currently have any contracts with Defence that are being undertaken at Williamstown shipyards? If so, what are they? When are they expected to conclude? How many workers are involved?
3. Has the Department had any consultation with BAE about the Williamstown shipyard site? If so, what was the nature of those discussions? When did they occur?
4. Has the Department had any discussions with the Victorian State Government about the future of the site? If so, what was the nature of those discussions? What plans were discussed for the future of the site? When did they occur?
5. How many people are still employed at the Williamstown shipyard?
6. What plans does the Department currently have for the future of the site? What are the options?
7. Are there any current restrictions on the use of the site for future redevelopments?
8. The Master Plan for Naval Shipbuilding Infrastructure shows shipbuilding yards at Osborne in SA and Henderson in WA. It shows sustainment yards in NSW, QLD, NT, WA and SA. Can you confirm that Commonwealth has abandoned any plans to use Williamstown in Victoria for any future naval shipbuilding or sustainment activities? The NSP has only one mention of the Williamstown shipyard in Victoria, noting the ANZAC frigates were built there.

Answer:

1. As owner of the site, BAE is best placed to advise the status of the Williamstown shipyards. Defence understands that BAE are in discussions with the Victorian State Government regarding the future use of the site.
2. Although Defence's current contracts do not specify that work is to be conducted at BAE's Williamstown shipyard, BAE staff and facilities at their Williamstown site are currently used for some Defence work, including:
 - ANZAC Class gun overhaul activities;
 - Some design services in support of ANZAC Class; and

- Some engineering and administrative services in support of the CANBERRA Class.
3. Yes, during broader consultation in relation to the Naval Shipbuilding Plan.
 4. Yes, there have been discussions between Defence and Victorian State Government officials over the past six years regarding work flow at the Williamstown shipyard.
 5. BAE has advised Defence that they currently have approximately 300 staff based at the site.
 6. As the owner of the Williamstown shipyard, plans for future use of the site are a matter for BAE in the first instance. Defence understands that BAE are currently in discussions with the Victorian State Government over the future of the site.
 7. Defence understands that the Williamstown shipyard site is currently subject to a Victorian State statute.
 8. The Commonwealth's Naval Shipbuilding Plan does not include any specific plans for use of the Williamstown dockyard for construction or sustainment activities.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Consultants

Question reference number: 119

Senator: Carr

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. At Additional Estimates in March, you advised that the budget for consultants had been reduced by \$3.6million. Is this still the case?
 - a. What is the total budget estimate for consultants in 2017/18?
 - b. What is the total budget estimate for contractors in 2017/18?
2. Can you please advise the pay scale for the position of APS naval architect?
3. Can you please advise the committee how many engineers are currently contracted to work in the Future Submarines Technical Office? What is the total cost?
4. Can you advise the breakdown of male/female engineers in the technical office?
5. In relation to the below plans, agreements and strategies:
 - Australian Naval Shipbuilding Plan
 - Australian Industry Capability Plan
 - Australian Industry Participation Agreement
 - FSM public communications strategy
 - Strategic Workforce Plan
 - Transfer of Technology Strategy
 - Quality Management Plan
 - Australian Steel Development and Qualification Study

Please advise the following:

- a. Were any consultants engaged in the preparation /or will any consultants be engaged in the preparation or execution? If so, how many? What is the proportion out of APS staff?
- b. What is the cost/projected cost of bringing on those consultants for each project?
- c. Why was the hiring of consultants necessary? Can you please detail why the work could not be done by APS staff?

Answer:

1(a) and (b). The Defence Budget for consultants was reduced by \$3.6 million as part of the Defence 2016-17 Additional Estimates.

Further, the Defence budget for consultants was reduced by \$16 million as part of the Defence 2017-18 Portfolio Budget Statements. The Defence 2017-18 Portfolio Budget Statements budget for consultants and contractors is as follows:

- a. the operating budget for consultants is \$146 million.
- b. the operating budget for contractors is \$166 million.

Defence is currently reviewing and improving its data collection processes in order to ensure the ongoing reliability of expenditure for service providers, consultants and contractors.

2. APS5 Engineer Practitioner - Naval Architect - \$69,395 - \$74,331.
APS6 Engineer Professional - Naval Architect - \$76,023 - \$86,844.
APS6 Engineer Professional Team Leader - Naval Architect \$76,023- \$86,844.
EL1 Engineer Professional - Naval Architect \$96,084- \$108,382.
EL1 Engineer Professional Manager - Naval Architect - \$96,084- \$108,382.
EL2 Engineering Professional \$111,559 - \$133,905.
3. As at 16 June 2017, there are 43 engineering and technical contractors (including naval architects) in the Future Submarine Technical Office. These personnel have been contracted from industry (including companies such as ASC) to provide specialist expertise in submarine development and design that cannot currently be sourced from the APS. They perform an essential role as part of the Program Office in ensuring the Commonwealth remains an informed customer as the Future Submarine is developed and delivered. Another important role for these engineering and technical contractors is to mentor Australian Public Service staff who will, in time, assume broader roles in the Future Submarine Program. The cost for the Future Submarine Technical Office is budgeted at \$30.987 million in FY 2017-18 and \$31.626 million in FY 2018-19, excluding the cost of the APS workforce.
4. As at 16 June 2107, there are four female and 56 male engineering and technical staff (both contractor and Australian Public Service) in the Future Submarine Technical Office.

5.

Australian Naval Shipbuilding Plan

- a. A number of organisations and individuals have provided research, analytical support and independent advice to the Department of Defence during the analysis and drafting phases of the Naval Shipbuilding Plan's development, including the RAND Corporation, Deloitte and BMT. The Naval Shipbuilding Advisory Board (10 members, including the Chair) has been established to provide expert, independent advice to Government on all aspects of naval shipbuilding.
- b. As of 22 May 2017, the Naval Shipbuilding Taskforce had expended a total of approximately \$3.6 million on non-Australian Public Service activities.

c. Independent advice from the Naval Shipbuilding Advisory Board and other consultants is critical to providing the best possible advice from international experts with experience in shipbuilding industry and benchmarking practices. This advice was sought to support the development of the Plan that was undertaken by the Australian Public Service-staffed Naval Shipbuilding Taskforce.

Strategic Workforce Plan

a-b. During the development of the Defence Strategic Workforce Plan one consultant group was engaged for a period of six months, at a cost of \$300,000. A team consisting of 11 Australian Defence Force members and 10 Australian Public Service staff assisted in the development, though not all members were involved in a full-time capacity.

A small team consisting of one Australian Defence Force member and two Australian Public Service staff are currently overseeing the implementation of the Defence Strategic Workforce Plan.

c. The task to develop a Strategic Workforce Plan and engage professional assistance was identified through the First Principles Review. The Review recommended:

Defence build a strategic workforce plan for the enabling functions, and incorporate workforce plans for each job family in order to drive recruitment, learning and development, performance and talent management. We envisage Defence will require professional assistance to complete this large task. (page 57)

Australian Industry Capability Plan

Transfer of Technology Strategy

Quality Management Plan

Australian Steel Development and Qualification Study

a-c. No. These plans and strategies are deliverables under the Design and Mobilisation Contract and are under development by DCNS.

Australian Industry Participation Agreement

a-c. The Australian Industry Participation Agreement is an agreement between DCNS and the Defence Materials Technology Centre.

FSM public communications strategy

a-c. The Future Submarine Program has not engaged contractors to develop a Future Submarine public communications strategy.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Australian Defence Vessel Cape Inscription

Question reference number: 120

Senator: Carr

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. On 6 June, Minister Pyne issued a media release regarding Australian Defence Vessel (ADV) *Cape Inscription*. Please provide details of the lease between Defence and the Department of Immigration and Border Protection (DIBP).
 - a. How long is this arrangement expected to be in place?
 - b. What is the rationale behind this arrangement?
2. The media release states that the two ships, *Cape Fourcroy* and *Cape Inscription* were 'built by Austal through a lease with the National Australia Bank'. Please elaborate on this arrangement.
 - a. What role does the National Australia Bank have in the procurement of government vessels? Is this arrangement normal? Please provide examples where this has occurred before.
 - b. Who ultimately owns the vessels?
 - c. What will happen to the vessels post 2020?

Answer:

1a. Defence does not have a lease with the Department of Immigration and Border Protection; the lease between National Australia Bank (NAB) and Defence is for three years, terminating on 26 May 2020.

1b. The lease is in place to allow the continued level of operational outcome while remediation of the Armidale Patrol Boat Force structural issue is conducted.

2a. The NAB entered into a build contract with Austal, contingent on a second lease between Defence and the NAB for each vessel (*Cape Inscription* and *Cape Fourcroy*). Defence, through the Capability Acquisition and Sustainment Group, provided oversight of the build process and assurance to NAB that Austal's deliverables were acceptable. Defence assessed and approved the various milestones of the build project and prompted the NAB to release payments to Austal. At the completion of the build, Defence signed the charters for both *Cape Fourcroy* and *Cape Inscription*, which allowed Defence personnel to crew the vessels under the Australian White Ensign. From that point, quarterly payments are made to the NAB for the life of the lease.

It is not unusual for Defence (Navy) to lease vessels, primarily for support and training roles, that are manned by civilian crew and operate under the Australian Maritime Safety Authority red ensign. However, in this case, the combination of a build contract and a lease is innovative.

2b. The NAB owns the vessels.

2c. In 2020, Defence has the option to renew the lease. If the lease is renewed, Defence will continue to operate the vessels. If not, the vessels will return to the owner (the NAB) who will then be responsible for their disposal or on-sell/on-lease.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Ministerial functions

Question reference number: 121

Senator: Bilyk

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

In relation to any functions or official receptions hosted by Ministers or Assistant Ministers in the portfolio since 1 March 2017, can the following please be provided:

- a. List of functions;
- b. List of attendees including departmental officials, ministerial staff and if members of the Minister's immediate family attended – number of members (names not required);
- c. Function venue;
- d. Itemised list of costs (GST inclusive);
- e. Details of any food served;
- f. Details of any wines or champagnes served including brand and vintage; and
- g. Details of any entertainment provided.

Answer:

The cost of official receptions hosted by Ministers in the Defence portfolio for the period 1 March to 31 May 2017 was \$4,337.65 and related to various meetings.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Laptops

Question reference number: 123

Senator: Bilyk

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

- a. How many laptops are currently on issue to staff of the Department and agencies in the portfolio?
- b. Can an itemised list showing make and model please be provided?
- c. How many new laptops were purchased by the Department and agencies in the portfolio in calendar year 2016?
- d. What was the total cost (GST inclusive) of purchasing laptops for staff of the Department and agencies in the portfolio in calendar year 2016?
- e. How many laptops did the Department and agencies in the portfolio have to be replace due to damage in calendar year 2016? What was the cost of replacement (GST inclusive)?
- f. How many laptops were reported lost or stolen in calendar year 2016? What was the cost of replacement (GST inclusive)?

Answer:

- a. 21,752.
- b. As of 13 June 2017 the Defence Service Manager System identified the below list of makes and models of laptops issued within the Department. Please note:
 - The category referred below to as Notebook/Standard represents the ‘basic level’ model of notebook.
 - The category referred below to as Notebook/Non-Standard represents ‘premium’ model of notebook.
 - Other notebook categories included below, eg Notebook/Ruggedised, are self-explanatory.

| Type and Brand | Count |
|-------------------------|---------------|
| NOTEBOOK \ LIGHTWEIGHT | 2,395 |
| ACER | 1,208 |
| DELL | 256 |
| HP | 807 |
| LENOVO | 38 |
| SONY | 46 |
| TOSHIBA | 35 |
| Other Brands <10 each | 5 |
| NOTEBOOK \ NETBOOK | 155 |
| DELL | 10 |
| HP | 140 |
| Other Brands <10 each | 5 |
| NOTEBOOK \ NON-STANDARD | 721 |
| ACER | 18 |
| APPLE | 34 |
| ASUS | 17 |
| DELL | 109 |
| GETAC | 32 |
| HP | 147 |
| MSI | 299 |
| TOSHIBA | 42 |
| Other Brands <10 each | 23 |
| NOTEBOOK \ RUGGEDISED | 1,366 |
| DELL | 858 |
| LENOVO | 24 |
| MOTION | 10 |
| PANASONIC | 459 |
| Other Brands <10 each | 15 |
| NOTEBOOK \ STANDARD | 17,115 |
| ACER | 3,853 |
| ASI | 11 |
| ASUS | 39 |
| DELL | 8,960 |
| GETAC | 36 |
| HP | 2,968 |
| LEADER SYSTEMS | 18 |
| LENOVO | 861 |
| TOSHIBA | 295 |
| Other Brands <10 each | 74 |
| TOTAL | 21,752 |

c. 8,956 laptops were procured during 2016 as part of the Department's ICT hardware refresh program in order to replace laptops that had reached the end of life.

d. \$11,442,035 (GST inclusive).

e. Defence's records indicate that only one laptop was replaced due to damage in calendar year 2016. The cost associated with replacement of this item would have been \$1,190 borne by the associated Defence Unit. It is likely that the incidence of damaged items has been under-reported. A proposed audit later in the current financial year will help identify additional assets that have been damaged.

When buying notebooks Chief Information Officer Group (CIOG) buys extended warranty to match the expected life of the notebook. In general, a notebook that requires repairs is often covered by warranty and is handled accordingly; or if outside its warranty period, is written off.

f. Under current reporting arrangements, only two instances of lost or stolen laptops were reported in 2016. The cost of replacement of these laptops would be \$1,190 each, borne by the respective Defence Units. It is suspected that the actual incidence of lost or stolen assets during 2016 is higher, but this can only be verified through an audit or discovery process. Unlike other computing assets, laptops are disconnected devices and therefore can only be checked through a physical check. Defence plans to undertake an audit during the current financial year.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Executive Office Upgrades

Question reference number: 124

Senator: Bilyk

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

Have the furniture, fixtures or fittings of the Secretary's office, or the offices of any Deputy Secretaries, been upgraded since 1 March 2017?

If so, can an itemised list of costs please be provided (GST inclusive)?

Answer:

No.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Facilities Upgrades

Question reference number: 125

Senator: Bilyk

Type of question: written

Date set by the committee for the return of answer: 21 July 2017

Question:

Have the facilities of any of the Department's premises, or the premises of any agencies in the portfolio, been upgraded since 1 March 2017, for example, staff room refurbishments, kitchen refurbishments, bathroom refurbishments, the purchase of any new fridges, coffee machines, or other kitchen equipment? If so, can a detailed description of the relevant facilities upgrade please be provided together with an itemised list of costs (GST inclusive)? Can any photographs of the upgraded facilities please be provided?

Answer:

The Department of Defence is concurrently engaged in the maintenance, refurbishment and construction of many facilities. The Estate Upkeep Program engages in up to 80,000 separate tasks each month. The annual budget of the Estate Upkeep Program is approximately \$350 million.

Defence also manages an Estate Works Program that consists of approximately 800 projects with an annual spend of approximately \$620 million.

The Facilities and Infrastructure component of the Integrated Investment Program consists of approximately 110 projects in the delivery phase. The average annual expenditure over the last five years is approximately \$1.1 billion.

It would be an unreasonable diversion of departmental resources to itemise the detail across the three programs or photograph the items, in the manner requested.

Senate Standing Committee on Foreign Affairs, Defence and Trade

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Vacancies

Question reference number: 126

Senator: Bilyk

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

Please provide a list of all statutory, board and legislated office vacancies and other significant appointments vacancies within the portfolio, including length of time vacant and current acting arrangements.

Answer:

The Defence Secretary position became vacant at 1700h, 12 May 2017, acting arrangements commenced on this day.

As at 30 June 2017, the board vacancies are listed in the table below.

| Commonwealth Body | Position (Vacancy) | Length of Vacancy | Acting Arrangements |
|--|--------------------|-------------------|---------------------|
| Centre for Defence Industry Capability | Member | 31 March 2017 | Nil |
| Centre for Defence Industry Capability | Member | 22 June 2017 | Nil |
| Defence Reserves Support Council | Member | 9 October 2015 | Nil |
| Defence Reserves Support Council | Member | 16 April 2016 | Nil |

| | | | |
|--|---------------------------------|-------------------|-----|
| RAAF Welfare Recreation Company | Director/Non-executive Director | 22 February 2016 | Nil |
| Woomera Prohibited Area Advisory Board | Chair Person | 30 September 2016 | Nil |
| Woomera Prohibited Area Advisory Board | Deputy Chair Person | 30 September 2016 | Nil |
| Young Endeavour Advisory Board | Member | December 2016 | Nil |

Actions are underway to fill board vacancies. The process for the Woomera Prohibited Area Advisory Board is close to finalisation.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Credit Cards

Question reference number: 127

Senator: Bilyk

Type of question: provided in writing.

Date set by the committee for the return of answer: 21 July 2017

Question:

- a. How many credit cards are currently on issue for staff in the Department and agencies within the portfolio? If possible, please provide a break-down of this information by APS/ SES level.
- b. What was the value of the largest reported purchase on a credit card in calendar year 2016 and what was it for?
- c. How much interest was paid on amounts outstanding from credit cards in calendar year 2016?
- d. How much was paid in late fees on amounts outstanding from credit cards in calendar year 2016?
- e. What was the largest amount outstanding on a single card at the end of a payment period in calendar year 2016 and what was the card holder's APS/ SES level?
- f. How many credit cards were reported as lost or stolen in calendar year 2016 and what was the cost of their replacement?
- g. How many credit card purchases were deemed to be illegitimate or contrary to agency policy in calendar year 2016? What was the total value of those purchases? How many purchases were asked to be repaid on that basis in calendar year 2016 and what was the total value thereof? Were all those amounts actually repaid? If no, how many were not repaid, and what was the total value thereof?
- h. What was the largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016, and what was the cardholder's APS/ SES level? What that amount actually repaid, in full? If no, what amount was left unpaid?
- i. Are any credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes? Do staff receive any personal benefit as a result of those reward schemes?
- j. Can a copy of the Department's staff credit card policy please be provided?

Answer:

- a. The number of credit cards currently on issue for the Department of Defence is 106,229 (this includes Defence Travel Cards, Defence Master Card Companion Cards, Defence Purchasing Cards and Defence Fuel Cards). This is made up of 75,541 cards for Australian Public Service staff and non-Star ranked Australian Defence Force and 757 cards for Senior Executive Service and Star Ranked ADF members and 29,931 Fuel Cards which are attached to vehicles not members.
- b. The largest value of the reported purchase on a credit card for calendar year 2016 was for \$278,248 for exercise Rim of the Pacific. The transaction payment was for hotel accommodation for up to 130 personnel from 29 June to 12 July 2016.
- c. The amount of interest paid on amounts outstanding from credit cards in calendar year 2016 was \$0.
- d. The amount of late fees paid in the calendar year of 2016 was \$0 as the credit card balances are automatically paid in full on the due date every month.
- e. The largest amount outstanding on a single card at the end of a payment period in calendar year 2016 was \$0. Credit card balances are automatically paid in full on the due date every month
- f. The number of cards lost or stolen reported in the calendar year of 2016 was 865. There is no cost of replacement.
- g. The number of credit card purchases deemed to be illegitimate or contrary to agencies policy in calendar year 2016 was 28. The total value of those purchases was \$35,456. The 28 cases referred to above were all considered for recovery action in the calendar year of 2016. 17 of those cases have been recovered to the value of \$23,155 with 11 cases remaining under consideration for recovery action with \$12,301 outstanding.
- h. The largest purchase that was deemed illegitimate or contrary to agency policy and asked to be repaid in calendar year 2016 was \$7,138. Full debt recovery was finalized on 2 November 2016. The cardholder was a member of the military at the rank of Able Seaman. The debt was paid in full.
- i. There are no credit cards currently on issue in the Department or agencies within the portfolio connected to rewards schemes. Staff do not receive any personal benefit as a result of reward schemes.
- j. Yes, a copy of the Department's staff credit card policy can be provided and is attached. AAI 5, Defence Finance Instructions, V05S07C01B Use and Management of Defence Issued Commercial Fuel Cards.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: ARH Tiger Performance

Question reference number: 128

Senator: Gallacher

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. What is the flying cost per hour for the ARH Tiger?
2. How does the ARH Tiger per-hour flying cost compare to other helicopters and aircraft in the ADF's inventory?
3. What accounts for this very high cost and what is being done to bring the cost down?
4. The Defence Portfolio Budget Statements for 2017-18 Budget Related Paper No. 1.4A, page 64 state that rate of effort in terms of flying hours for Tiger are as follows:
 - 2016-17 Estimated actual: 4,800 hours
 - 2017-18 Budget estimated: 5,050 hours
 - 2018-19 Budget estimate: 5,300 hours
 - 2019-20 Budget estimate: 5,300 hours
 - 2020-21 Budget estimate: 5,300 hours
 - a. What was the final rate of effort achieved by Tiger in Financial Year 2015-16?
 - b. How does the cost and flying hour numbers for Tiger compare with the planned targets originally set out in the contract requirements?
 - c. What gives Defence confidence that it will be able to increase the rate of effort by such a large amount between 2016-17 and 2020-21?
5. Regarding final operating capability and the nine caveats referenced by Brigadier King at Budget estimates (30 May p12); does Defence expect that the Tiger will be able to operate from the Landing Helicopter Dock ships in time for the Amphibious Ready Element without compromising its sustainment or capabilities?
 - a. What are the nine caveats?
 - b. Is work being carried out by Defence and / or the equipment manufacture to remediate any of the nine caveats?
6. In the event that the Tiger is deemed unsuitable for operations conducted from the flight deck of the LHDs, what implications does this have for force structure and the current concept of the Amphibious Ready Group?

Answer:

1. In 2013-14 the cost per flying hour was \$43,060 per flying hour. The cost per flying hour in 2016-17 was \$31,722. Based on figures from the past two financial years 2015-16 and 2016-17, the average cost per flying hour, following re-negotiation of the contract, is \$32,507.
2. While it is valid to compare the cost of ownership for a single aircraft type over multiple years (assuming the contracted services remain the same), comparing the cost per flying hour of different platforms is not a meaningful comparison. For different aircraft systems the scope of costs included is different, depending on the contracts in place from platform to platform. For example, the ARH Tiger's sustainment cost includes elements that are not included in simpler platforms, such as the Kiowa, and older platforms, such as the Black Hawk, have very different sustainment arrangements.
3. The Armed Reconnaissance Helicopter sustainment cost figure includes:
 - Integrated logistics management services (including engineering, maintenance management, supply support and technical services);
 - Armed Reconnaissance Helicopter fleet deeper maintenance services;
 - Aircrew and maintainer training;
 - Flight simulators and maintenance training systems support services;
 - Software support services;
 - Instrumented Armed Reconnaissance Helicopter capability operations and support services;
 - System upgrades; and
 - Management and administration provided by the contractor in support of the Armed Reconnaissance Helicopter capability.

The cost of ownership is a reflection of the work done for Defence by Industry. Where services are provided by Australian Defence Force and Australian Public Service members or Commonwealth facilities are provided, these costs are not shown.

A range of sustainment improvements have been, and continue to be, implemented to drive down the cost of ownership for Tiger. These include improvements in contractual relationships, a reduced cost of ownership and increased transparency in relation to contracts and sustainment. Improvements in the reliability, maintainability and availability continue and will contribute towards a reduction in the cost of ownership.

- 4a. The final rate of effort achieved by Tiger, as reported in the 2015-16 Defence Annual Report, was 3,995 hours.
- 4b. For 2015-16, the contracted cost per flying hour was \$21,033 (based on the original planned 6,300 hours of flying). The actual cost per flying hour was \$33,291 (based on \$133 million expenditure as published in the 2015-16 Portfolio Budget Statements and 3,995 hours as published in the 2015-16 Defence Annual Report).
- 4c. The Tiger achieved an annual Rate of Effort of 3,995 hours in 2015-16. This is an increase of 320 hours on the Rate of Effort achieved in 2014-15 (3,675 hours), and continues a positive trend up from 3,019 hours in 2013-14. This trend demonstrates increasing maturity and confidence in the platform.

5. The Tiger Armed Reconnaissance Helicopter has been proven suitable for operations from the Landing Helicopter Dock flight deck during first of class flight trials.

5a. The caveats, as listed on the Chief of Army's declaration of Final Operational Capability for Tiger were:

- Electronic warfare self-protection system,
- Availability and rate of effort,
- Identification friend or foe system,
- Communication and mission planning,
- Stocks of Tiger specific missiles,
- Spare parts and consumables,
- Stocks of Tiger specific ammunition,
- Number of Class IX fly away Kits, and
- Engineering support.

5b. Yes, the identification friend or foe and electronic warfare self-protection caveats have been resolved and the remaining caveats continue to be managed through ongoing sustainment mechanisms.

6. Refer to 5.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Amphibious Ready Element

Question reference number: 129

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. How is the ADF tracking towards the establishment of the Australian Amphibious Force?
2. Is the ADF still expecting to achieve full operational capability and an Amphibious Ready Group in 2017?
 - a. If not:
 - i. When is the ADF expecting to achieve this capability?
 - ii. What are the major constraints to achieving this capability in 2017?
3. When is Defence expecting to achieve full operational capability and an Amphibious Ready Group?

Answer:

1. The Australian Amphibious Force has been established and continues to progress towards full capability. The Australian Amphibious Force consists of the Joint Amphibious Task Group headquarters, a Landing Force, and the three amphibious ships; HMA Ships *Choules*, *Canberra*, and *Adelaide*.

HMA Ships *Choules* entered service in 2011 primarily for Humanitarian Assistance and Disaster Relief roles and support to Amphibious Operations. HMA Ships *Canberra* entered service in 2014 and *Adelaide* in 2015 and are similarly capable of Humanitarian Assistance and Disaster Relief and Amphibious Operations. Both HMA Ships *Canberra* and *Adelaide* remain in the Operational Test and Evaluation period, having not yet reached Full Operating Capability.

HMA Ships *Canberra* and *Choules* have participated in Humanitarian Assistance and Disaster Relief activities including Operation FIJI ASSIST (2016) and Operation QUEENSLAND ASSIST (2017), demonstrating their considerable Humanitarian Assistance and Disaster Relief capability.

HMA Ship *Canberra* participated in Exercise RIMPAC (2016) in an amphibious role where she demonstrated significant interoperability with the United States and other allies.

A Battle Group-sized Landing Force aboard HMA Ships *Canberra*, *Choules* and HMNZS *Canterbury* exercised during Exercise TALISMAN SABRE 17. This was one of the largest modern amphibious exercises ever conducted by Australia, and demonstrated the Australian Defence Force's significant increase in amphibious combat capability alongside our US partners.

Planned Exercise activities in the next 12-18 months will continue to grow the amphibious combat capability, aiming to test and evaluate the effectiveness in projecting landing force capability over the shore.

2. The current maintenance activity to repair HMAS *Adelaide*'s propulsion system defect, and subsequent repair plan for HMAS *Canberra* have impacted Operational Test and Evaluation activities. This has delayed the planned achievement of full operational capability.

Both Landing Helicopter Docks are expected to be available in Quarter 3 /4 2017, after which time Operational Test and Evaluation will resume for both ships. The Operational Test and Evaluation activities planned in 2018 are being rescheduled across the Australian Defence Force in balance with a range of operational and training commitments already planned. This planning is significant and ongoing.

3. See answer to question 2.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: LHD and M1 Abrams Tank

Question reference number: 130

Senator Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Regarding Chief of Navy's response to a question about the M1 Abrams tank and LHDs on 29 May (p 28 FADT Estimates Hansard) QUOTE: "We are yet to prove the ability to carry an Abram tank." – What is the issue with the tanks, why can't they get on to the LHDs?
 - (a) Are the issues to do with transferring from connector ships / landing craft, swimming aboard, driving aboard from alongside or lifting them on to the vessel?
2. Does testing for Abrams involve transfers from landing craft, swimming or lifting on to the LHD or has the testing to date only focused on embarking and disembarking while alongside?
 - (a) What other types of embarking or transferring to the LHD have been tested for M1 Abrams tanks?
3. Is there an issue with connector ships' ramps not being able to hold the weight of an Abram?
 - (a) Is there a weight restriction on the connector ships or the bridges connecting them?
 - (b) What is the weight restriction?
4. Is embarking and disembarking from the LHD landing craft for other land based vehicles being tested?
 - (a) What vehicles?
 - (b) How is each vehicle performing against the tests?
 - (c) Are any other vehicles yet to be proven for this capability?
5. What will Navy do if Australian tanks, or other vehicles, can't get onto the LHDs? Is there a plan in place for remediation?

Answer:

1, 1(a). A M1A1 Abrams Tank has been driven onto the Landing Helicopter Dock (LHD). The M1A1 was further transferred onto a LHD Landing Craft. The trial was suspended because the LHD Landing Craft sat lower in the water than was predicted. Further analysis has been undertaken and Navy is planning to conduct another M1A1 LHD Landing Craft trial.

2, 2(a). Testing to date has focused on driving the M1A1 from a wharf facility onto the LHD using fitted LHD ramps, and driving the M1A1 Abrams onto the LHD Landing Craft.

The M1A1 Abrams is not a swimmable vehicle.

Lifting trials of the M1A1 Abrams onto the LHD have not been undertaken. Lifting the M1A1 onto the LHD is not planned.

The M1A1 Abrams has been transferred between the ship and shore using the Mexeflote, a motorized landing raft system, fitted to HMAS *Choules*. Mexeflote has also been tested with the LHD and proved suitable.

3. No.

3(a). LHD Landing Craft and Mexeflote - Yes. There are no bridges being used within the LHD or LHD Landing Craft.

3(b). The LHD Landing Craft can carry 65 tonnes in benign weather conditions, decreasing to 38.9 tonnes in Sea State 4. Further test and evaluation activities may change these figures.

The Mexeflote has a maximum load carriage capacity of 120 tonnes.

The Landing Helicopter Dock system was procured to operate with all of the Army's vehicles, including the M1A1 Abrams. The Operational Test and Evaluation period is not yet completed and the ability to carry the M1A1 Abrams has yet to be proven.

4. Yes.

4(a), 4(b), 4(c). Operational Test and Evaluation Activities will assess various means to embark and disembark a range of Army vehicles, including the M1A1 Abrams, in a variety of environments.

Testing has been completed for the current landing force. Two vehicle types (Unimog and Mack Truck) have high deck loading weights for the LHD Landing Craft which is being managed through additional safety precautions and monitoring.

There are no limitations for the Mexeflote for current landing force vehicles.

LAND 121 and LAND 400 vehicles are being subjected to a technical assessment prior to testing and evaluation.

5. All current landing force vehicles can be embarked into the LHD.

As an alternative to the LHD, HMAS *Choules*, which forms part of Navy's amphibious capability, is certified and has transported a range of Army's in-service vehicles. HMAS *Choules* has landed and recovered the M1A1 Abrams tank using Mexeflote.

If a vehicle, through test and evaluation, is unable to be embarked in the LHD, then further options will be developed to overcome the issues.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: MRH 90

Question reference number: 131

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Regarding the manual folding-back procedure for MRH-90 rotor blades, Chief of Navy stated that he expects this process to become faster QUOTE “With practice and when people become more competent on it” (p9 30 May FADT Estimates Hansard). How long does it take to complete this procedure now?
2. Is the ADF looking to implement a more automated process for this procedure?
3. How many personnel does it take to carry out this procedure?
4. Are personnel on board the aircraft able to disembark from the aircraft before this procedure is complete?
5. Are any personnel inside the helicopter when this procedure is undertaken?
 - a. If yes: What are these personnel doing, are they taking part in the procedure?
 - b. What is the role of personnel inside the helicopter when this procedure is taking place?
6. Regarding the engine failure issues discussed during Defence Estimates (pp10-11 30 May Estimates) “We are working with the original equipment manufacturer to understand at what point—or what we will need to do in the future, based on their advice. At this stage they are still investigating it and they are keeping us abreast of their investigations and their findings as they work through those.” When does ADF expect to receive a response from the equipment manufacturer?
7. Has Defence received any advice on this issue from the equipment manufacturer?
 - a. If yes: What is the advice?
8. Is there any restriction to the flying of MRH 90 while this investigation is taking place?

Answer:

1. It takes 20 minutes to complete the blade fold procedure. However, with practice, a more experienced team can complete the procedure in 12 to 15 minutes.
2. No. This was investigated in 2008 but rejected by Defence due to high cost and technical risk.
3. In normal conditions a minimum of six are required to carry out the blade fold procedure. In high sea states or high winds and/or to reduce the time to 12 minutes, eight to nine personnel are used.
4. Yes.
- 5, 5a and 5b. There is no restriction on personnel being in the aircraft during the blade fold procedure. Before commencing the blade fold procedure, the personnel inside the aircraft settle the flying controls to a neutral position.
6. The next engine manufacturer update is scheduled to be with Defence before 15 July 2017.
- 7 and 7a. Defence has been advised that technical investigations are undergoing.
8. As a dual engine aircraft, the MRH90 can operate on a single engine in certain emergency conditions. For over water operations, where practical, Navy aircrew plan to minimise exposure to conditions where an aircraft would have to operate with a single engine.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Centralised Processing Services Project

Question reference number: 132

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Regarding a response to a question on the Centralised Processing Services project by Air Vice Marshal Dowse “The acquisition cost was \$185 million excluding contingency. I think the contingency was about \$37 million. I believe we have utilised a little bit of that contingency, but still within the approved provision.” (p42 Defence Estimate 30 May) how much of the contingency for this project has been spent to date?
 - a. What has this contingency been spent on?
 - b. Is Defence seeking additional funding to the contingency budget?
 - i. If yes: What will the additional contingency be used for?
2. Is this project still on target to reach full operating capability in quarter four 2017?
 - a. If no: what is the revised date of FOC?
3. Regarding a response to a separate question on this project, Air Vice Marshal Dowse stated that QUOTE: “There were a lot of interdependencies between Defence and Leidos that in the early days of the project were perhaps not as well managed. We now have a very strong governance over this project and, in addition to the governance of the project, the executive of CIO Group and the executive from Leidos meet on a fortnightly basis to ensure that we are managing the risks and that we are remaining on schedule.” (p43 Defence estimates 30 May). What additional governance measures have been put in place in addition to the fortnightly meeting between CIOG and Leidos executives?

Answer:

- 1 and 1a. Refer to the response provided for Q84 from the Budget Estimates Hearing.
- 1b. Defence is currently forecasting that no further access to contingency will be required by the Centralised Processing Transformation Project.
2. The Centralised Processing Transformation Project is currently on target to achieve full operating capability in quarter four 2017.

3. Governance for the project has been strengthened since the Centralised Processing Transformation Project commenced through improvements to existing governance arrangements, and establishing additional governance arrangements. Improvements to existing governance arrangements include upgraded project status reporting, schedule management, dependency management, and risk and issue management. These improvements have applied to both Leidos and Defence-shared governance arrangements, as well as Defence-only governance arrangements, for the Centralised Processing Transformation Project.

Examples of additional governance arrangements include:

- appointment of an additional Senior Executive Service officer to the Infrastructure Transformation Program, of which the Centralised Processing Transformation Project is part;
- appointment of an independent advisor for the Infrastructure Transformation Program, reporting to the Chief Information Officer and Head Infrastructure Transformation Program; and
- establishing the Infrastructure Transformation Program Integrated Delivery Office to manage program dependencies, risks and issues.

A number of these improved or additional arrangements were the direct result of implementing recommendations from reviews conducted on the Centralised Processing Transformation Project, in accordance with the Department of Finance's Gateway Review process.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Joint Strike Fighter – Issues with Grounding the Aircraft

Question reference number: 133

Senator: Gallacher

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

1. What is the impact of the grounding of Australia's two F-35A Joint Strike Fighters in the US?
2. How long is this grounding expected to last?
3. What impact is the grounding having on training exercises and / or pilot training?
4. What are the issues that have caused the grounding?
5. How is the ADF involved in the trouble shooting and remediation processes for the issues?
6. What is the ADF doing to remediate the issues?

Answer:

1. The only base impacted was the F-35A training squadron at Luke Air Force Base, Arizona. The local 56th Operations Group Commander called a 'pause' to flying operations on 9 June 2017 so a comprehensive review could be conducted into the facts and circumstances surrounding physiological episodes recently experienced at Luke Air Force Base.

F-35 operations continued as usual at all other US Bases and in Israel, Italy and Japan.

A pause in flying operations results in the live flying activities associated with pilot training being temporarily halted. Other pilot training activities such as simulator flying and academic training continued throughout the period.

Luke Air Force Base is home to the 56th Fighter Wing which includes the F-35A international Pilot Training Centre where Australia's two F-35A aircraft and six F-35A pilots are currently based.

2. Flying resumed at Luke Air Force Base on 21 June 2017.

3. See answer 1.

4. There have been five separate physiological episodes or events presenting hypoxia-like symptoms to pilots operating F-35A aircraft based at Luke Air Force Base, Arizona since 2 May 2017. Hypoxia is caused by a lack of oxygen supplied to the pilot or an inability of the blood to transport oxygen resulting from contaminants in the oxygen supply.

No Australian pilots have been involved with these incidents.

Aircrew operating fighter aircraft require a reliable source of breathable oxygen to supplement or replace cabin air at the higher cabin altitudes where fighters usually operate.

Physiological episodes presenting hypoxia-like symptoms are sometimes experienced in other fighter aircraft. Fighter aircrew receive appropriate training and employ procedures if they are affected by such episodes. Hypoxia symptoms can vary from individual to individual—symptoms experienced across the five reported episodes have varied in each occasion but included dizziness and nausea.

5. Australian representatives located in the F-35 Joint Program Office and at Luke Air Force Base, including our senior Australian F-35A pilot, worked closely with the Action Team assigned to review the incidents, ensuring all Action Team updates and findings were communicated to Defence in Australia.

Activation of an Action Team is part of a routine process outlined in the F-35 Program's Serious Fault Notification Standard Operating Instruction. An Action Team is disbanded once a problem has been resolved.

The F-35 enterprise, which includes Australia as a F-35 Partner nation, takes a multi-disciplinary approach to monitoring and tracking physiological issues within the fleet and integrating findings to improve the weapon system and the tactics, techniques, and procedures with which it operates.

As with remediation of any issue, Australia contributes as a key Partner and has privileged access to the program through its embedded Cooperative Project Personnel.

6. See answer 5.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Passenger and Light Commercial Vehicles in Malaysia

Question reference number: 134

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Regarding the 63 vehicles ordered from Malaysian dealers to replace the current fleet at RMAF Butterworth: Has ADF specified a safety rating for these vehicles (i.e. will they be ANCAP five star rated or the Malaysian equivalent)?
2. How old is the current fleet?
3. How many vehicles in total are in this fleet?
 - a. What is the make-up of these vehicles?
4. Is the entire fleet being replaced?
 - a. If no – How is the replacement of the entire fleet being managed?
 - b. Which vehicles are being replaced?
5. What is the value of this purchase?
6. How long is the new fleet expected to last?
7. How are the vehicles being replaced disposed of? Are they traded in, sold on the Malaysian second hand car market, wrecked or disposed of in another way?

Answer:

1. The vehicle safety rating system applicable in Malaysia is the ASEAN NCAP safety rating system. Where a five-star rating has been awarded to a model in the class of car required, it will be selected. If there are no five-star models available, vehicles with the highest level of Safety Assist Technology will be procured.
2. The average age of the current fleet is nine years.
3. The fleet size is currently 63 vehicles.
 - a. The fleet comprises of: two passenger sedans, two light commercial vans, six medium commercial buses, 13 4x4 station wagons, 13 light commercial buses, seven 4x4 dual cab utilities, four ambulances, 10 heavy commercial trucks, and six baggage trailers.

4. The majority of the fleet is being replaced over 2017-18 to 2018-19.
 - a. Vehicles being replaced in 2017-18 are: two passenger sedans, six heavy commercial trucks, 13 4x4 Station Wagons, seven 4x4 dual cab utilities, 13 light commercial buses, and six medium commercial buses. Note that the six medium commercial buses are being replaced with light commercial buses, which will increase the fleet size by 10 vehicles.
 - b. The balance of the fleet is scheduled for replacement in 2018-19, but does not include the six baggage trailers.
5. The total estimated value of the purchase across 2017-18 to 2018-19 is approximately A\$5.4 million.
6. The life of type of the new fleet is dependent on the type of vehicle, the annual kilometres travelled, and the age and condition of the vehicles.
7. The Malaysian Ministry of Finance has first option to buy the replaced vehicles. If the Ministry of Finance declines to purchase these vehicles, they will then be offered for sale by open tender to the local market.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Supply of Fresh Food to ADF Personnel Deployed Overseas

Question reference number: 135

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. How is fresh food provided to ADF personnel deployed overseas, specifically:
 - a. Operation OKRA;
 - b. Operation Accordion;
 - c. Operation Manitou;
 - d. Operation Highroad; and
 - e. Operation Resolute?
2. How is fresh food sourced and paid for on these operations?
3. Are any Australian companies involved in the supply of fresh food to ADF personnel deployed overseas?
4. What was the total cost in financial year 2016/17 to supply fresh food to the individual operations listed above?
5. What was the total cost in financial year 2016/17 to provide fresh food to all operations?

Answer:

1. Fresh food is provided to Operation OKRA (Iraq), Operation HIGHROAD (Afghanistan) and Operation ACCORDION (Middle East Region) through coalition dining facilities operated by contractors.

In particular to Operation ACCORDION, fresh rations are provided by Serco Australia, the prime contractor for the Middle East Logistic and Base Support Contract. This contract is managed by Joint Logistics Command and funded by Headquarters Joint Operations Command. In-country service delivery aspects are managed by the Contract Management Cell of Headquarters Joint Task Force 633.

Fresh food is provided to Operation MANITOU (Middle East Region) through dining facilities aboard Navy ships, through contractor operated coalition dining facilities and through direct local procurement. Fresh Rations are sourced and provided by the appointed contractor under the Standing Offer for Naval Port Agency Services deed.

Fresh food to Operation RESOLUTE (Border Protection) is provided through dining facilities on Defence bases and Navy vessels. For the maritime resources allocated to Operation RESOLUTE, fresh rations are sourced and provided by an appointed contractor under the Standing Offer for Naval Port Services, or via a local supplier. The allocation of support is determined by the location and level of Naval support in the area.

The Commonwealth entered into the Standing Offer for Naval Port Services deed in 2015 with Inchcape Shipping Services and Toll Remote Logistics. This deed was entered into to ensure port services requirements, including fresh rations support, are provided to Naval vessels operating outside Navy managed ports. This deed is a panel arrangement, and contactors are determined and appointed based on a value for money comparison.

2. Fresh food is sourced through contractors, either directly or through coalition support arrangements. Payment is made directly to the contractors or coalition partners in accordance with each contractual arrangement. Payment for fresh food provided to Operation RESOLUTE is made through existing domestic and Navy arrangements.
3. There is no direct engagement with Australian companies for the supply of fresh food to Australian Defence Force operations outside Australia. Australian companies are involved in support to Operation RESOLUTE through existing domestic support arrangements.

Sealanes WA was engaged to support Fleet Units deployed on Operation RESOLUTE for 2016/17. Sealanes WA was engaged to provide meat products, which were prepositioned on Christmas Island for Maritime units deployed on Operation RESOLUTE.

4. The cost of Operations is not tracked to a level of detail in the Defence financial system that allows the cost of fresh food to be discreetly recognised. The supply of rations for Operations is provided under a range of contractual arrangements. For example, the Operation OKRA Mutual Logistics Base Support Services Contract provides services such as meals, water and accommodation. Invoices for the meals component under this contract are not itemised by fresh food.
5. The cost of Operations is not tracked to a level of detail in the Defence financial system that allows the cost of fresh food to be discreetly recognised.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Base Contamination

Question reference number: 136

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

Regarding the taskforce referenced in answer to question reference number 196 from Finance and Public Administration additional estimates 2016-17 “A taskforce has been established in the Department of the Prime Minister and Cabinet (PM&C) to oversee and coordinate the whole of government response to per- and poly-fluoroalkyl substances (PFAS) contamination at Commonwealth owned sites and affected communities”:

1. Does Defence participate in the taskforce? If yes:
 - a. What is the Defence’s role on the taskforce?
 - b. What is the scope or the terms of reference of the taskforce?
 - c. What other Commonwealth agencies are represented on the taskforce?
 - d. Are any state or territory entities represented on the taskforce?
 - e. When and how often does the taskforce meet?
 - f. Has Defence, as part of the taskforce, considered any requests for compensation from business owners in Williamstown and Oakey for losses following the PFAS contamination?
 - g. Has Defence, as part of the taskforce, advised on whether compensation claims should be paid?
 - i. If so, how many?
 - h. Has Defence provided advice or recommendations to the taskforce regarding the buyouts of homes of residents affected by the PFAS contamination?
 - i. What recommendations have been made to the task force by Defence?

Answer:

1. Yes.

- a. The Department of Defence has four officers seconded into the PFAS Taskforce within the Department of the Prime Minister and Cabinet, comprising a Senior Executive Service Band 2, an Executive Level 2, an Executive Level 1 and an APS 6.
- b-c Please refer to Question on Notice 196 from the Prime Minister and Cabinet at the Additional Estimates 2016-17 at Attachment A.
- d-e. These questions should be referred to the Department of the Prime Minister and Cabinet.
- f-i. No. The Commonwealth Government has committed to considering a range of options to assist people and businesses in affected areas. Policy decisions will be informed by:
 - new health based guidance values;
 - outcomes of site investigations; and
 - outcomes of human health and ecological risk assessments.

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ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Military Acquisition – Transfer of Intellectual Property and Australian Industry Content

Question reference number: 137

Senator: Gallacher

Type of question: provided in writing

Date set by the committee for the return of answer: 21 July 2017

Question:

1. Regarding the Australian Industry Capability (AIC) Program – Is the program investigating or addressing how intellectual property is transferred from a supplier or manufacturer of a product to the Defence user of the product or the supply chain sustain the product? If yes:

- a. How is the program investigating or addressing this?
- b. What outcomes is the program looking to achieve?
- c. What is the scope of the investigation?

If no:

- a. Is Defence investigating or addressing, in any other capacity, the transfer of intellectual property from a supplier or manufacturer of a product to the Defence user of the product or the supply chain sustain the product?

b. If yes:

- i. How is the being investigated or addressed?
- ii. What outcomes is it looking to achieve?
- iii. What is the scope of the investigation?

2. How many current capabilities or platforms within the ADF have intellectual property held outside Australia?

- a. Which capabilities or platforms?

3. How does foreign held intellectual property affect:

- a. Supply chain;
- b. Sustainment;
- c. Troubleshooting of faults;
- d. Duration of downtime due to faults; and
- e. Any other aspect of a capability?

4. Does Defence prescribe minimum Australian industry content in products it acquires?
 - a. How does the Department enforce minimum Australian industry content in products it procures?

Answer:

1. Due the nature of the specialist capabilities that Defence requires, many of the platforms and military systems procured from Original Equipment Manufacturers are from countries other than Australia, such as the United States, France, Germany and Spain.

Defence undertakes extensive analysis, as part of design and requirements planning, to determine and understand Defence requirements to secure the necessary technical data and associated intellectual property rights in order to utilise and sustain the capability via Defence personnel or externally through contractual arrangements with Australian industry.

This analysis is performed on a case by case basis and will vary depending upon a capability's acquisition support strategy. This can encompass basic level support requirements through to deeper level maintenance and mid life upgrades. Contractors are required to set out in their Australian Industry Capability Plans their commitments to develop or enhance the skills, knowledge, systems, and infrastructure (where appropriate) within Australian industry, and to undertake technology transfer to Australia. This includes how these skills and knowledge will be developed, shared, maintained and retained by suppliers beyond the life of the contracted activity.

2. Given the global nature of supply chains, almost every capability or platform would involve some intellectual property being held overseas. Regardless of where the intellectual property is held, Defence contracts specify the relevant technical data to be delivered and the associated intellectual property rights of the parties regarding use and support of the supplies.

3. Whether the intellectual property is held within Australia or overseas, the Australian Industry Capability Program requires Defence tenderers to demonstrate their approach to securing technical data and associated intellectual property as part of responding to a Local Industry Activity. These details are captured within the Local Industry Activity Description Sheets of the Australian Industry Capability Plan that forms part of the contract.

The Australian Industry Capability Plan requires the contractor to identify what agreements are in place, or will be established, after contract execution, to ensure the Australian supply chain can support the contracted scope of work as committed to in the Australian Industry Capability Plan.

4. Defence's recent strengthening of the Australian Industry Capability Program is aimed at ensuring that tenderers demonstrate how they will maximise Australian industry involvement in meeting Australia's Defence capability goals. Defence does not mandate percentages of local content because we seek a solution that meets both capability requirements and supports a highly competitive, innovative and productive Australian industrial base. Contractors are required to give effect to their Australian Industry Capability Plans and this is monitored through contractor reporting on the achievement of the Australian Industry Capability Plan.

Senate Standing Committee on Foreign Affairs, Defence and Trade

Budget Estimates – 29-30 May 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: AusTender Contracts under the Indigenous Procurement Policy

Question reference number: 138

Senator: Kitching

Type of question: Written

Date set by the committee for the return of answer: 21 July 2017

Question:

Is the Department aware of any tenders or contracts identified, offered and awarded or declined under the Indigenous Procurement Policy provisions, by the Department or others, such as Aurecon, sub-tendering/acting on the Department of Defence's behalf in this region?

Answer:

The Department of Prime Minister and Cabinet publishes Indigenous Procurement Policy target results annually on their website at <https://www.pmc.gov.au/indigenous-affairs/economic-development/indigenous-procurement-policy-ipp>.

Defence does not collect data on declined tenders.