

**Senate Foreign Affairs, Defence and Trade Legislation Committee**

**Answers to written questions on notice  
DEPARTMENT OF DEFENCE**

**Additional estimates 2001—2002; 20–21 February 2002**

**Written questions from Senator Chris Evans**

**Defence Materiel Reorganisation**

**QUESTION W1**

- a) Where is the relocation of staff up to, ie. how many staff have been relocated to date, the origin and destination of any moves and how many more are due to move (again indicate intended origin and destination)?
- b) Of the original staff in DMO prior to any moves, how many have left the organisation, principally because they refused to move? What proportion of the original staff does this turnover represent?
  - How many of those have been redeployed within the ADO?
  - How many of those have been made redundant?
- c) In terms of specific systems program offices (SPOs) within the DMO, indicate the turnover of staff associated with the restructuring, in terms of the % of original staff who remained within the SPO following relocation. (It has been noted in a press article that the naval aviation support SPO lost 90% of its personnel in moving to Nowra.)
- d) What specific strategies are in place to develop greater expertise in the management of projects and counter the rotation of service personnel?

**RESPONSE**

- a) As at 8 March 2002, 126 Defence Materiel Organisation civilian staff have been relocated as a result of the restructuring of the organisation. This response refers only to civilian staff as military staff are regularly relocated through their posting cycles. Details of the number of staff that have relocated (including origin and destination) are detailed below.

Division / SPO	No. of staff actually moved as at 8 March 2002	
	Total	By Location
<b>Maritime Systems Division</b>	<b>41</b>	
Submarine SPO	3	1 Canberra – Perth 1 Sydney – Adelaide 1 Melbourne - Adelaide
Amphibious and Afloat Support SPO	8	1 Cairns- Sydney 1 Newcastle – Sydney 6 Canberra - Sydney
Hydrographic SPO	7	6 Canberra – Wollongong 1 Canberra - Cairns
ANZAC SPO	15	11 Canberra – Perth 4 Melbourne - Perth
FFG SPO	5	1 Newcastle - Sydney 4 Canberra - Sydney
Patrol Boat SPO	1	1 Newcastle - Canberra
Mine Warfare and Clearance Diving SPO	2	1 Newcastle - Sydney 1 Canberra - Sydney

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<b>Land Systems Division</b>	<b>34</b>	
Land Manoeuvre Systems	20	1 Sydney-Melbourne 19 Canberra - Melbourne
Land Close Combat Systems	8	8 Canberra - Melbourne
Contracting Policy and Operations	6	1 Canberra – Perth 1 Darwin – Brisbane 1 Canberra – Adelaide 3 Canberra - Melbourne
<b>Aerospace Systems Division</b>	<b>33</b>	
Tactical Fighter SPO	11	1 Darwin – Williamtown 10 Canberra - Williamtown
Strike Reconnaissance SPO	14	13 Canberra – Amberley 1 Cairns - Amberley
Army Aviation SPO	1	1 Canberra - Oakey
Naval Aviation SPO	7	1 Wollongong – Nowra 6 Canberra - Nowra
<b>Non SPO / Project</b>	<b>18</b>	1 Cairns – Sydney 2 Canberra – Brisbane 6 Melbourne – Canberra 1 Adelaide – Canberra 1 Brisbane – Canberra 7 Canberra - Melbourne
<b>DMO Total</b>	<b>126</b>	

The origin and destination of positions that are due to move up until 2003 is detailed below.

	<b>From - To</b>	<b>Timeframe</b>	<b>No of Civilian Positions</b>
FFG SPO	Canberra-Sydney	January 2003	9
Patrol Boat SPO	Canberra-Darwin	2002-03	4
Patrol Boat SPO	Cairns-Darwin	2002-03	4
Patrol Boat SPO	Canberra -Contractor	2002-03	4
Mine Warfare and Clearance Diving SPO	Canberra-Sydney	September 2003	27
Mine Warfare and Clearance Diving SPO	Newcastle-Sydney	September 2003	1
Land Systems Division	Canberra -Melbourne	June 2002	12
Over the Horizon Radar SPO	Canberra -Edinburgh	2002-03	19
Air Defence Ground Environment SPO	Canberra -Williamtown	2002-03	8
Naval Aviation SPO	Canberra -Nowra	2002-03	24
Guided Weapons SPO	To be determined	To be determined	-

- b) Defence is not aware of any staff who have left DMO or Defence principally because they refused to move with their position. Most staff who have not wanted to move with their position have been redeployed to other positions in DMO, or are in the process of being redeployed.

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As at 8 March 2002, 118 DMO civilian staff members affected by the restructuring have been successfully redeployed to other positions within Defence.

To date, no DMO staff members have been made redundant as a result of the relocation of systems program offices. The DMO mobility management unit and departmental redeployment staff continue to work on finding new positions for those staff who have not relocated with their project.

- c) The table below shows the number of civilian positions moving as a result of the restructuring of DMO and the relocation of SPOs.

<b>Division / SPO</b>	<b>No of Civilian Positions Moving</b>	<b>Responses Received from Position Owners</b>	<b>No. of Persons Moving with their Position</b>	<b>% of Staff Relocating with their Position</b>
<b>Maritime Systems Division</b>	<b>135</b>	<b>41</b>	<b>30</b>	<b>73%</b>
Submarine SPO	7	7	5	71%
Amphibious and Afloat Support SPO	10	10	8	80%
Hydrographic SPO	15	15	10	66%
ANZAC SPO	9	9	7	78%
FFG SPO	28	Responses not yet due		
Patrol Boat SPO	18			
Mine Warfare and Clearance Diving SPO	48			
<b>Land Systems Division</b>	<b>49</b>	<b>49</b>	<b>16</b>	<b>33%</b>
Land Manoeuvre Systems	21	21	11	52%
Land Close Combat Systems	19	19	3	16%
Contracting Policy and Operations	9	9	2	22%
<b>Electronic Systems Division</b>	<b>12</b>	<b>7</b>	<b>3</b>	<b>43%</b>
Over the Horizon Radar SPO	5	Responses not yet due		
Air Defence Ground Environment SPO	7	7	3	43%
<b>Aerospace Systems Division</b>	<b>80</b>	<b>80</b>	<b>29</b>	<b>36%</b>
Tactical Fighter SPO	32	32	13	41%
Strike Reconnaissance SPO	9	9	7	78%
Airlift SPO	1	1	0	0%
Maritime Patrol SPO	3	3	0	0%
Army Aviation SPO	3	3	0	0%
Aerospace Logistics	7	7	1	14%
Naval Aviation SPO	25	25	8	32%
<b>Non SPO / Project</b>	<b>18</b>	<b>18</b>	<b>6</b>	<b>33%</b>
<b>DMO Total</b>	<b>294</b>	<b>195</b>	<b>84</b>	<b>43%</b>

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- d) The DMO Strategic People Agenda is designed to support Defence's Results Through People framework by providing the DMO with a skilled, motivated and innovative workforce. Several strategies are being developed to work towards ensuring that the DMO is a highly skilled workforce with greater project management expertise.

Specific strategies that are either being developed or are in place include:

- a career management framework which will assist employees make career choices within the DMO. It will first identify the skills and qualifications required to work in a particular job discipline, such as project management. This will be linked to a training and development framework, which will identify the appropriate on the job and off the job training opportunities to equip DMO personnel with the skills they need;
- a strategic workforce planning tool to assist the DMO plan to develop its workforce of the future in terms of both personnel and skill levels;
- a succession planning tool to ensure there exists a pool of appropriately trained personnel in critical areas, thereby reducing the cost of vacancies in the organisation;
- a review of all Service positions within DMO to identify those positions that must be filled by Service personnel and those that can be filled by civilian personnel. The intention of this review is to reduce the number of Service positions in projects to the essential minimum. This will contribute to a reduced impact of Service personnel rotations; and
- the DMO Project Manager's Development Program, which is a 12-month program designed to equip prospective project managers with the skills they require to manage projects within the DMO.

**Collins Project  
QUESTION W2**

- a) A recent Audit Office report indicated that a further \$860 million and \$840 million will be spent in the seven years from 2001 on upgrading and resolving deficiencies in the Collins submarines. ANAO indicates that this appears to be new money. Is this funding in addition to the original project budget? Specifically what will this funding be used for?
- Is this in addition to the previously approved \$225 noted in the PBS for 'Submarine Augmentation'?
- b) When was the decision taken to abandon the tender process for the replacement of the combat systems? Who made that decision? Did the Department advise the Minister to abandon the tender process?
- c) Where is the replacement of the combat system up to? Which companies are involved in that project and what are their roles? What is the approved budget for this project? What are the time-lines for this project, in terms of the various stages? When will the new combat system be operational?

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**RESPONSE**

- a) The Collins class submarine was designed in the 1980s. As with all major weapon systems, through-life updates and enhancements, additional to the original project acquisition costs, were always planned for the Collins class to retain its effectiveness through life.

The figures of \$860 million and \$840 million (total \$1,700 million) referred to in the ANAO Report can be confusing as they are a mix of current and future dollars, and a mix of new capability and rectification.

Approximately 75 per cent of the \$860 million will rectify performance deficiencies including the combat system and noise signature. The balance of the \$860 million and the whole of the \$840 million are for planned capability enhancements. Planned capability enhancements include new torpedoes and submarine self-defence decoys, and the replacement of equipment as it becomes obsolete (particularly in fast moving technology domains such as electronic warfare) or unsupportable.

The \$225 million for submarine augmentation is in addition to the funds identified by the ANAO.

- b) The Government decided to terminate the tender process for the replacement combat system following the decision to develop a longer term strategic relationship with the United States Navy. This decision was announced on 9 July 2001.
- c) Following the termination of the tender process, an initial design study was commissioned to determine the feasibility and cost of replacing the combat system under the new arrangements. Parties participating in the study were Raytheon Australia, Raytheon US and the Naval Underwater Warfare Center, USA, STN Atlas Elektronik and Thales Underwater Systems. Input was also provided by the Australian Submarine Corporation and Kockums.

The initial design study is substantially complete with an engineering solution emerging and with most technical risk areas investigated and scoped. Government approval to proceed will be sought shortly.

The work (under SEA 1439 Phase 4A) is currently listed in the Defence Capability Plan as costing an estimated \$350 million–\$450 million.

Subject to Government approval, the first system is expected to be installed on the first submarine in 2004–05, with all submarines completed with fully operational systems by 2008–09.

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Sea 1444—Replacement Patrol Boat Project

QUESTION W3

- a) Where is the tender process up to? When is the short-list to be announced?
- b) Can a copy of the original tender documents for this project be provided?
- c) Is this project considering the capability of the replacement patrol boats in the context of the operations to intercept unauthorised boat arrivals? Does the project specify increased capability, when compared to the existing patrol boats, to carry out this role?

RESPONSE

- a) A two-stage tender process is being used. Evaluation of responses to the first stage is currently occurring. The process of short-listing tenderers who will proceed to the next stage will commence shortly after the conclusion of stage one. A final selection is planned to be made by the end of 2002.
- b) **The tender documentation is of considerable length and has been provided to the committee on CD ROM.**
- c) The new patrol boats will be capable of carrying out a range of tasks including interception of unauthorised boat arrivals. The replacement patrol boats will have increased capacity over the existing Fremantle class in a number of areas including:
  - new command, control and communication equipment to provide information from multiple sources on vessel movements in the patrol area;
  - accommodation and facilities to carry 20 people in addition to the crew and up to 80 additional passengers in ‘safety of life at sea’ operations;
  - two (7 to 8 metre) rigid hull inflatable boats to be carried compared with a single 4.2 metre sea boat in the Fremantle class, plus enhanced launch and recovery systems; and
  - greater range and endurance.

*Attachment:* CD ROM—Project SEA 1444—Patrol Boat replacement.

*(Not available from the website. Please contact the secretariat for details.)*