

ADDITIONAL BUDGET ESTIMATES – 25 FEBRUARY 2009

Questions taken on Notice during the Hearing

Q1

SAS Pay

Senator Johnston, Hansard, 25 February 2009, pp14-15

Will the debt, and the interest charged by Defence as a result of that debt, be repaid to SAS personnel?

RESPONSE

All personnel have been reimbursed for monies repaid. No interest was charged on debts as a result of the Defence Force Remuneration Tribunal Determination.

Q2

Contribution to NATO Fund

Senator Trood, Hansard, 25 February 2009, p31

Defence contributes \$3 million to NATO's fund to augment helicopter capability in Afghanistan. What proportion is this of the overall fund?

RESPONSE

NATO advises that, as at 16 March 2009, Australia's contribution represented 5.8 per cent of the funds pledged.

Q3

Foreign Exchange

Senator Johnston, Hansard, 25 February 2009, p34

- a) What assumptions are used to determine the fluctuations in foreign exchange?
- b) What is the base rate that you have determined for 2008-09?
- c) Is the Foreign Exchange line item in PAES 2008-09 Table 1.2.5 based on pre-August or post-August exchange figures?

RESPONSE

- a)– b) Treasury to respond.
- c) Post-August exchange figures. The Department of Finance and Deregulation issued parameters to agencies for the 2008-09 Portfolio Additional Estimates Statements in the week beginning 29 September 2008.

Q4

Defence Expenditure Overseas

Senator Johnston, Hansard, 25 February 2009, p35

How much has Defence spent overseas for the last five years in dollar terms per annum and what percentage is that of our annual expenditure?

RESPONSE

The table below shows the amount and percentage of Defence's Departmental cash budget that was spent overseas in the last five years.

	2003-04	2004-05	2005-06	2006-07	2007-08
	\$b	\$b	\$b	\$b	\$b
Overseas Spend	2.428	2.833	3.389	3.455	3.190
Annual Budget	17.508	17.503	18.432	20.468	21.441
Percentage of Total Budget	13.9	16.2	18.4	16.9	14.9

Q5

Enhanced Land Force

Senators Johnston, Hansard, 25 February 2009, p35

What is the cost impact of the slippage of accommodation for the 3rd Battalion in Townsville?

RESPONSE

There is no anticipated cost impact in the delay of 3 RAR's relocation to Townsville in 2012.

Q6

Efficiency Dividend

Senator Johnston, Hansard, 25 February 2009, p36

What was the original efficiency dividend for 2008-09?

RESPONSE

The table below shows the efficiency dividend as applied in the 2007-08 Portfolio Additional Estimates Statements, the adjustment made in the 2008-09 Portfolio Additional Estimates Statements and the total impact of the 1.25 per cent efficiency dividend.

Efficiency Dividend – increase in the rate 1% to 1.25%					
		2008-09 \$m	2009-10 \$m	2011-12 \$m	Total FE \$m
As reported 2007-08 PAES	Table 2.2 p15	-4.607	-9.709	-13.565	-27.881
Adjustment – 2008-09 PAES	Table 1.2.5 p21	-1.776	-2.887	-3.870	-8.533
Total Efficiency Dividend		-6.383	-12.596	-17.435	-36.414

Q7

Obesity in the Australian Defence Force

Senator Barnett, Hansard, 25 February 2009, p39 and 43

- a) What numbers of ADF personnel, broken down by service and gender, have a BMI over 25?
- b) Can Defence provide the Committee with a copy of the interim report for the study conducted by the Centre for Military and Veterans Health?
- c) Could Defence comment on a 2002 Monash University study which found that 20 per cent of ADF personnel did not exercise?

RESPONSE

- a) Body Mass Index (BMI) is a calculated ratio of weight to height and does not take into account body composition or proportions. BMI is therefore not an accurate measure of obesity. During the period 7 February 2008 to 7 February 2009, a BMI was entered into HealthKeys for 14,791 personnel. Of these, 9,206 personnel had a BMI of 25 or higher. The Service and gender breakdown is as follows:

- Navy – 747 male, 72 female, total 819
- Army – 5,834 male, 334 female, total 6,168
- Air Force – 1,991 male, 228 female, total 2,219

It should be noted that Australian Defence Force (ADF) health records are still largely paper based and the new electronic health database (HealthKeys) has not been rolled out to all ADF health units. Hence, the data contained within this database is unlikely to be representative of the whole ADF population.

- b) Not at this time. This study is still in progress and, until completed, no meaningful interpretation of data is possible.
- c) The 2002 Monash University Accident Research Centre study is titled “Strategic direction and advice for increasing safe participation in physical activity in the Australian Defence Force”. This report states in the first paragraph of section 1.4 that “there are no data on the amount and type of physical activity engaged in by ADF personnel. Anecdotal evidence suggests that approximately 60 per cent of personnel engage in three episodes of physical activity per week, 20 per cent undertake higher levels of more vigorous activity, 20 per cent are largely inactive...”. This figure is a crude estimate based on anecdotal evidence; it is not a statistically valid finding of the study. Currently, all ADF personnel are required to undergo formal physical fitness testing at least annually.

Q8

Oil Shock

Senator Ludlam, Hansard, 25 February 2009, p46

What administrative arrangements are in place in the event of an oil shock, including Defence's access to fuel and oil supplies?

RESPONSE

The *Liquid Fuel Emergency Act 1984* provides the legislative basis for managing liquid fuel emergencies in Australia. The Government has also established the National Oil Supplies Emergency Committee which is the main executive channel by which the Commonwealth, State/Territory Governments and industry develop national responses to fuel supply emergencies. Defence is a standing member of this committee. A National Liquid Fuel Emergency Response Plan has been developed by the committee.

The process for designating the ADF as a priority fuel user in a national emergency is as follows:

- The Governor-General would declare a national liquid fuel emergency under the *Liquid Fuel Emergency Act 1984* if a severe disruption to national fuel supplies existed.
- The Minister for Resources, Energy and Tourism would then be provided with wide-ranging powers to control the drawdown, transfer and sale of crude oil and liquid fuels.
- The Minister would also have the power to control bulk and retail sales across Australia.
- If the Act was invoked, Defence would seek from the Minister for Resources, Energy and Tourism identification as a 'bulk customer' under s.10 of the legislation. This would be provided to Defence given that it would play a role in facilitating a Government response to any emergency.
- As a 'bulk customer', Defence would be able to receive bulk deliveries of fuel from its suppliers.
- Defence would also seek to be identified as an essential user under s.11 of the Act. Under the Act, all organisations involved in activities related to the defence of Australia are considered essential users.
- The National Liquid Fuel Emergency Response Plan would be implemented. The National Oil Supplies Emergency Committee would ensure that all 'essential users' had sufficient fuel to meet their requirements.
- In a liquid fuel emergency, Defence would also review its fuel demand and usage requirements and only seek to procure fuel that was essential to operations.

It should be noted that a national liquid fuel emergency has yet to be invoked in Australia.

Q9

Victorian Bushfires

Senator Kroger, Hansard, 25 February 2009, p47

How long will ADF personnel be involved in searches for bushfire victims?

RESPONSE

ADF personnel involved in searches for bushfire victims were part of Operation Vicfires Assist, which was completed on 13 March 2009.

However, two Navy Dental officers continue to provide support to the Victorian Coroner on a part-time basis. Major General Cantwell and his small staff also remain seconded to the Victorian Government. The nature of this support does not require the continuation of the operation.

While no end date for this remaining ADF support has been set, it is regularly reviewed.

Q10

Submarine Rescue Vehicle Certification

Senator Johnston, Hansard, 25 February 2009, p55

Is the LR5 certified to dock with a Collins Class submarine?

RESPONSE

The LR5 vehicle and its launch and recovery system are both certified and maintained in class with Lloyd's Register by James Fisher Defence. The current Safety Construction (SAFCON) Certificate was issued by Lloyd's Register on 18 May 2008. The LR5 recently had its five yearly inspection completed in January 2009 to allow the certificate to be renewed prior to expiry in May 2009.

The LR5 has been proven to dock safely with submarines fitted with the standard NATO rescue seat (STANAG 1297). All Collins Class submarines have the rescue seat fitted and all operational Collins Class rescue seats are certified every three years by the United States Navy (NAVSEA) for each submarine:

- HMAS *Collins* rescue seat was certified on 27 Feb 2009
- HMAS *Farncomb* rescue seat was certified on 9 Jul 2008
- HMAS *Waller* rescue seat was certified on 5 May 2007
- HMAS *Rankin* rescue seat was certified on 18 April 2007.

The remaining two submarine rescue seats are to be recertified at completion of the Submarines' Full Cycle Docking periods.

The Collins Class have docked successfully with other nations' rescue vehicles. The most recent was HMAS *Rankin* which docked with and transferred personnel to the Japanese Maritime Self Defence Force deep sea rescue vehicle during Exercise Pacific Reach in December 2007.

Q11

Exercise Talisman Saber 2009

Senator Ludlam, Hansard, 25 February 2009, pp65&66

- a) What type of environmental documentation do you produce, specifically for Talisman Saber?
- b) What documents are available in the public domain?
- c) What forms of community consultation have been undertaken by Defence in the areas around where the exercise will occur?
- d) What is the cost of Exercise Talisman Saber 2009?

RESPONSE

a) The environmental impact assessment of Exercise Talisman Saber 2009 is being undertaken by Defence using the Public Environment Report methodology. The methodology is described in the Commonwealth's *Environment Protection and Biodiversity Conservation Act 1999*.

The key document that is produced is the Public Environment Report. The report aims to communicate Exercise Talisman Saber 2009 activities to the Australian public and relevant stakeholders. It outlines potential environmental risks associated with conducting the exercise, and the controls that the ADF intends to implement for the exercise to avoid or minimise environmental risks. The approach follows the guidance provided in the Department of Environment, Water, Heritage and the Arts "Policy Statement 1.2 Significant Impact Guidelines – Actions on, or impacting upon Commonwealth land, and actions by Commonwealth agencies".

A Talisman Saber 2009 Environmental Management Plan (EMP) has also been developed to assist military participants in understanding their roles and responsibilities for environmental protection.

The EMP provides a summary of the environmental issues likely to be notable and requiring some degree of vigilance and/or management. All Exercise Talisman Saber 2009 activities have been subjected to a detailed risk assessment. The EMP provides clear guidance on environment management processes and planned controls, including exercise monitoring and incident management. It is not the intent of the EMP to create new processes or protocols where they are already in place. Instead, the goal is to provide a clear framework for environmental management during Exercise Talisman Saber 2009 through use of existing Defence controls contained within exercise procedures and instructions, standing orders and site environmental management documentation.

Environmental awareness materials are also produced to disseminate information about relevant environmental issues to exercise participants.

b) A number of documents can be downloaded from the Talisman Saber 2009 Environmental Impact Assessment Project website. The key document is the Draft Public Environment Report, which, along with other fact sheets, maps and frequently asked questions can be downloaded from the website at www.talismansaber09.com.au. Fact sheets include information on:

- Exercise Talisman Saber 2009
- Draft Public Environment Report
- location of activities
- environmental controls
- sustainable environmental measures:
 - noise and waste
 - flora and fauna
 - fire.

c) Formal public consultation about Exercise Talisman Saber 2009 occurred during the exhibition of the Public Environment Report from 13 October – 7 November 2008. Consultation included:

- 1800 Number, Reply Paid and project email address
- Mail out of information packs to key stakeholder groups
- Advertisements and public notices in local and state newspapers
- CD-ROMs at information sessions and static displays

- Static library displays throughout the consultation period
- Community information sessions at Rockhampton, Yeppoon, Townsville and Darwin
- Fact sheets during the consultation process at numerous locations
- A Public Environment Report website in which members of the public could access relevant information and make an electronic submission.

At the end of this scheduled consultation period, Defence noted that fewer responses to the environmental issues associated with the exercise had been received when compared to previous years. As a result, the consultation period was extended by a further eight business days to allow the public more time to comment.

d) The planning for Exercise Talisman Saber 2009 is still underway with the final planning conference scheduled to be conducted 20-23 April 2009. With many planning uncertainties it is not possible, at this stage, to provide a precise figure of the cost of conducting Exercise Talisman Saber 2009. An estimated cost of staging the exercise is around \$48 million. This amount is the additional cost associated with executing this activity and does not include ongoing personnel, force element or equipment costs of ownership by the ADF.

Written Questions on Notice

W1

SES Positions

Senator Humphries

How many SES positions were there in the department/agency as at:

- a) 24 November 2007
- b) 26 February 2009.

RESPONSE

SES statistics are validated and recorded at the end of each month, therefore a mid-month breakdown is not available. The number of SES positions in the Department of Defence are as follows:

- a) 30 November 2007: 158 positions
 - This figure includes 25 vacant positions which can be broken down as follows:
 - Two positions were frozen while being occupied by military officers;
 - Seventeen positions were under recruitment;
 - Six positions were suspended due to organisational restructures resulting from the Defence Management Review.
- b) 28 February 2009: 166 positions
 - This figure includes 22 vacant positions which can be broken down as follows:
 - Three positions have been frozen while being occupied by military officers;
 - Eleven positions are under recruitment;
 - Eight positions remain vacant resulting from reviews and pending the outcome of Defence reform.

W2

Disposal of Defence Property

Senator Payne

- a) The Government has stated that it committed to releasing surplus government land for housing purposes. In September 2008, Housing Minister Tanya Plibersek, responding to a Question on Notice, said that the commonwealth had released the following land for sale (West Wattle Grove (Sydney), Cannon Hill (Brisbane) and Schofields (Sydney)). For the West Wattle Grove and Schofields sites, are there any updates on this process? Will the future use of this land be for housing?
- b) Will these sites be investigated for development as part of the 20,000 social housing dwellings to be provided as part of the Commonwealth's National Building and Jobs Plan?
- c) Will the Commonwealth Government consider transferring ownership of these Defence sites to State Governments as part of its response to the shortage of public housing?
- d) It is understood that the Schofields site in north-west Sydney was not sold in 2008. Does the Government intend to continue with the disposal of this land, particularly given the failed sale process in 2008?
- e) It is understood from the Supplementary Budget Estimates in October that the West Wattle Grove site is no longer owned by the Commonwealth. Was this land sold for residential

purposes? Was there a requirement in the contract of sale that the land be rezoned for residential purposes and ultimately developed for residential purposes?

RESPONSE

- a) – c) Referred to the Department of Finance and Deregulation and the Department of Families, Housing, Community Services and Indigenous Affairs.
- d) The Transport Infrastructure Development Corporation has made an application to purchase a portion of the Schofields site. When the portion of land in question is resolved, a decision will be made on the disposal strategy for the balance of the site, in terms of the Government's revamped *Commonwealth Property Disposals Policy*.
- e) The West Wattle Grove site was put to the market for sale by tender in mid-2008. However, the preferred tenderer did not proceed with the sale and the property is still owned by the Commonwealth.

Clause 17 of the Tender Conditions addressed consideration of the site for residential purposes:

- 17.1 - The sale of the Property is being conducted having regard to the Australian Government's surplus land disposal objectives. These include:
 - optimising sale proceeds within the context of the broader Australian Government sales and policy objectives
 - minimising the Australian Government's exposure to residual risks and liabilities
 - ensuring that the successful Tenderer has the necessary financial and managerial capabilities to provide timely investment into appropriate infrastructure
 - ensuring the sale outcome is consistent with relevant policy requirements including environmental policy
 - ensuring the successful Tenderer demonstrates a commitment to the effective development of the Property
- achieving a sale outcome which contributes to a competitive, sustainable and efficient residential development.
- 17.2 - By submitting a Tender, the Tenderer acknowledges the objectives of the Australian Government and confirms it has considered residential uses for the Property.

W3

Review of Military Superannuation

Senator Johnston

How many complaints has the Department received regarding the delay in the Government responding to the Review of Military Superannuation?

RESPONSE

Defence has received 46 inquiries/complaints.

W4

Transition from Military to Civilian Life

Senator Johnston

Is there a policy for allowing ex-service organisations onto bases to discuss potential issues of concern?

RESPONSE

Yes. Defence does have a policy to allow ex-service organisations onto bases to discuss potential issues of concern. This policy is detailed in Defence Instruction (General) Administrative 35-1 *Provision of Defence Services to Non-Defence Organisations* (a copy of the instruction has been provided to the committee). Additionally Defence has in place licence agreements with the following organisations:

- Royal United Services Institute
- The Australian Army Training Team Vietnam Welfare Association
- Australia Veterans and Defence Service Council
- RAAF Association NSW
- Naval Association of Australia
- The Fleet Air Arm Association
- Armoured Corps Association.

W5

Breakdown of fuel used by Defence

Senator Ludlham

What is the breakdown of fuel oils used by Defence on operations?

RESPONSE

ADF Fuel Usage Chart 2002 - 2008 (in Megalitres)							
FUEL TYPE	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	6 Yr Avg
Marine (F76, Fuel Oil and Civilian Distillate)	116	104	109	106	110	92	106
Aviation (F34, F44 & Jet A1)	206	201	213	204	194	204	204
Ground (ULP and Diesel)	28	34	28	24	22	23	27
Total	350	340	350	334	325	318	336
% Variation from average	4.12	1.14	4.12	-0.64	-3.32	-5.40	