

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

Budget estimates 2004–2005; June 2004

Answers to questions on notice from Department of Veterans' Affairs

**Question 2**

**Outcome 1 (Corporate)**

**Topic: DFISA**

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**Senator Mark Bishop asked:**

What were the figures for those costings done on Centrelink and FaCS administering the arrangement?

**Answer:**

Costings for alternative administrative arrangements comprise policy advice to Government and the Department is therefore not able to provide details.

**Question 11**

**Outcome 1 (Compensation and Resources)**

**Topic: DFISA**

**Senator Mark Bishop asked:**

- (a) Were costings done on the administrative costs of alternative models for the exemption of disability pensions from the SSA means test, and if so what were the costings for each model.
- (b) What is the precise break up of the 19 000 beneficiaries of DFISA by SSA payment type, and VEA payment type.
- (c) What are the projected levels of allowance by disability pension levels for each Centrelink benefit, including tax as currently provided in the Bill, and according to the proposed amendments assuming assessable income at the lowest marginal rate.

**Answer:**

(a) Please see response to question 2.

(b) See response to question 3.

(c) The amount of DFISA a person receives will depend on many factors, including the amount of disability pension they receive, the type of social security pension or benefit they receive, their marital status, any amount of other income they receive and whether they are a home-owner or renting privately.

As at 22 October there were 21019 DFISA recipients, with an average DFISA rate of \$44.23 across the entire population.

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Following is a list of DFISA recipients by social security payment type. This list gives the number of people receiving DFISA in each category and the average payment as at 22 October 2004.

SSA income support payment	Data	Total
AUSTUDY PAYMENT	Number	11
	Average Benefit	\$60.71
CARER PAYMENT NON-TAXABLE	Number	409
	Average Benefit	\$83.75
CARER PAYMENT TAXABLE	Number	93
	Average Benefit	\$51.30
AGE PENSION (Centrelink)	Number	12885
	Average Benefit	\$36.36
DSP NON-TAXABLE	Number	1590
	Average Benefit	\$71.61
DSP TAXABLE	Number	9
	Average Benefit	\$39.25
MATURE AGE ALLOWCE	Number	22
	Average Benefit	\$61.94
NESTART	Number	342
	Average Benefit	\$55.71
PARENTING PAYMENT	Number	269
	Average Benefit	\$67.81
PARTNER ALLOWANCE	Number	168
	Average Benefit	\$55.46
SICKNESS ALLOWANCE	Number	9
	Average Benefit	\$12.36
SPECIAL BENEFIT	Number	1
	Average Benefit	\$29.64
WIDOW ALLOWANCE	Number	2
	Average Benefit	\$1.10
WIFE PEN NON-TAXBLE	Number	77
	Average Benefit	\$73.80
WIFE PENSION TAXBLE	Number	71
	Average Benefit	\$33.81
YOUTH ALLOWANCE	Number	1
	Average Benefit	\$59.39
AGE PENSION (DVA)	Number	5060
	Average Benefit	\$53.78
Total Number		21019
Total Average Benefit		\$45.23

Note: Where the social security payment is taxable the corresponding DFISA payment is also taxable.

Where the social security payment is non-taxable the DFISA payment is non-taxable.

Some payments may be either taxable or non-taxable depending on circumstances, such as the age of the recipient. These are identified in the above table.

All other payments listed in the table are taxable payments.

The net indicative fortnightly benefits from DFISA based on the current rates for single disability support pensioners with no other income and not renting is as follows, based on rates as at 20 September 2004:

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- \$266.88 for special rate
- \$168.56 for intermediate rate
- \$129.96 for extreme disablement adjustment
- \$69.76 for 100 per cent general rate
- \$63.83 for 95 per cent general rate
- \$57.90 for 90 per cent general rate
- \$51.98 for 85 per cent general rate
- \$46.05 for 80 per cent general rate
- \$40.12 for 75 per cent general rate
- \$34.19 for 70 per cent general rate
- \$28.26 for 65 per cent general rate
- \$22.34 for 60 per cent general rate
- \$16.41 for 55 per cent general rate
- \$10.48 for 50 per cent general rate
- \$4.55 for 45 per cent general rate
- \$0.00 for 0 to 40 per cent general rate

Due to the complex interplay of a number of variables, it is not possible for DVA to determine the impact on an individual's income tax situation. However, the majority of DFISA recipients are over pension age and will therefore receive the senior Australians' tax offset (SATO). Where this applies the individual will pay minimal, if any, additional tax. Nobody will be financially worse off as a result of receiving the payment.

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**Question 16**

**Outcome 3 (Commemoration)**

**Topic: Films**

**Senator Mark Bishop asked:**

- (a) What was the final cost of the film "Australians at War"?
- (b) When were tenders called, and when did they close.
- (c) How many expressions of interest were received, and how many were short listed.
- (d) What payments were made to those short listed.
- (e) What was the name of each company short listed, and what was the tender price offered by each for their proposal.
- (f) What were the selection criteria for assessing the most suitable proposal.
- (g) Who was on the assessment panel, who chaired it, what was the process of appointment, and who made the final appointment decision.
- (h) In what order were the applicants eliminated, and when was each advised.
- (i) Who were the nominated historians for each proposal in the original bid, and who were the historians finally used by the successful bidder.
- (j) Prior to the contract being let how many interviews and conversations were conducted by members of the assessment team with the principals of each proposal.
- (k) Were records of those interviews and conversations recorded.
- (l) Who was awarded the contract, and what sum was paid in total.
- (m) What was the name of each company sub contracted by the successful company, and in each case was approval required and given.

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- (n) What extensions and variations were made to the original contract and what was the reason and cost of each.
- (o) What form of acquittal process was conducted before final payment was made.
- (p) Who is considered to own the footage taken as part of the film production.
- (q) Has any income been earned from sales of the film, and how many screenings and by whom have there been since the initial telecast; if so what sum has been received, where has it been paid, and what royalty has been paid to the film producer.
- (r) Has the Fox History channel sought to access the film, and on what conditions; if so, what is the current situation with respect to negotiation, cost and use of any such revenue.
- (s) Who is responsible for deciding future use and access to the film and associated material, that is, who has the copyright and who exercises the authority.
- (t) Does the Australian War Memorial have ownership, or does it effectively operate a power of veto over future use with respect to footage used in the film; if not, what are the processes.
- (u) What is the connection between Mullion Creek and the selected company for the production of "Australians at War".
- (v) When did the principals of Mullion Creek approach the Minister with their proposal to produce the "Australians at War Film Archive".
- (w) What specific advice was given to the Minister with respect to the avoidance of public tender processes.
- (x) Which other government agencies and approval mechanisms were involved in the decisions on both film contracts.
- (y) Was approval of those organisations given, and if so, was it in written form.
- (z) What role did the Minister have in the process, and what instructions were given by the Minister with respect both to the concept, and the avoidance of tender processes.
- (Aa) How is the project funded, and whose approval was sought and given.
- (Bb) On what date was approval given, and what was the agreed amount.
- (Cc) How many variations have been made to the contract so far, and what was the cost and purpose of each.
- (Dd) How many veterans from which campaigns will be interviewed.
- (Ee) What is the estimated final cost of the project and when will it be finished.

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- (Ff) Why was there no public tender for this proposal, and what are the specific reasons against each guideline for Commonwealth tendering processes being by passed.
- (Gg) Who will own and have control of the copyright for this series of veteran interviews.
- (Hh) Is there a supervisory panel managing the project, and if so, who are its members. How was each selected and who made the appointment.
- (Ii) To what extent has the AWM been involved, and is it likely they will be the custodians of the final product.
- (Jj) How many other proposals have been put to DVA in the last two years for film production, by whom, which were accepted besides that of Mullion Creek, which were rejected, and for what reason.

**Answer:**

- (a) \$5.64 million comprised of:
- \$5 million – Centenary of Federation funding; and
  - \$640,000 – ABC broadcaster licence fee.
- (b) 19 July 1999 - Request for Tender (RFT) issued.  
9 August 1999 - Tenders closed.  
23 August 1999 - Request for Enhanced Tender (REFT) issued.  
20 September 1999 - REFT closed.
- (c) 21 tenders were received and five were shortlisted.
- (d) \$15,000 each after lodging enhanced tender responses containing expanded treatment concepts and detailed production budgets.
- Shortlisted tenderers also received the cost of two return economy airfares from Sydney or Melbourne to Canberra to present to the tender evaluation committee.
- (e) Beyond Productions Pty Ltd, Crawford Productions Pty Ltd, Film Australia, Look Television Productions Pty Ltd and TVU Pty Ltd.
- All submitted prices in accordance with the \$5 million advised in the RFT as the available funding, plus the broadcaster licence fee.
- (f) Request for Tender:
- merits of the concept for the documentary series, including concepts and timing;
  - production and marketing strategy, including concepts and timing, deliverables, marketing and promotion, intellectual property management,

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Service Charter, accountability and responsiveness, transition phases and consequences of default;

- capability to deliver the documentary on time, including tenderer details, key personnel and subcontractors, insurance and guarantees, standards and best practice, warranties and Year 2000 compliance; and
- indicative financial structure for the series, including a draft budget and financial aspects, insurance and guarantees and deliverables.

Request for Enhanced Tender:

- overall best value for money;
- merit of the documentary concept;
- quality and composition of the production team;
- workability of the production strategy; and
- level and quality of the corporate oversight.

(g) Preliminary assessment was undertaken by a tender evaluation team:

Ms Kerry Blackburn, Branch Head Commemorations, DVA (Chair)  
Ms Cathy Moore, Commemorations Branch, DVA  
Mr Robert Pounds, Commemorations Branch, DVA  
Ms Courtney Page, Commemorations Branch, DVA  
Mr Marc Mowbray-D'Arbela, Contracts Advisory Unit, DVA  
Mr Ben Evans, Australian War Memorial (AWM)  
Mr David Tiley – Australian Film Commission  
Ms Jean Wein, ScreenSound Australia  
Ms Sally Browning – Emerald Films  
Ms Claire Jager  
Ms Susan Mackinnon - Film Finance Corporation  
Ms Gina Twyble – Luminous Films.

The final assessment was undertaken by a Documentary Reference Group comprising:

Dr Neil Johnston, Secretary, DVA (Chair)  
Major General Paul Stevens AO, Repatriation Commissioner  
Mr Robert Tonkin, Deputy Secretary Resources and Management, Department of Defence  
Major General Steve Gower AO (Retd), Director, AWM  
Mr Ray Edmondson OAM, Deputy Director, ScreenSound Australia  
Major General Peter Phillips AO MC (Retd), National President, Returned & Services League of Australia  
Rear Admiral Guy Griffiths AO DSO DSC (Retd), Chairman, Australian Veterans and Defence Services Council  
Mr Gary Kent, Chief of Staff, Office of the Minister for Veterans' Affairs.

The recommendation of the Documentary Reference Group was approved by the delegate, Dr Johnston.

(h) 16 tenderers were eliminated (not shortlisted) – advised 24 August 1999 not preferred.

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4 tenderers were eliminated (Crawford Productions, Film Australia, Look Television Productions and TVU) – advised 9 December 1999.

- (i) The principal historians nominated by shortlisted tenderers were:

Beyond Productions – Associate Professor Jeffrey Grey,  
Professor David Horner, Dr Hank Nelson, Mr Neil McDonald  
Crawford Productions – Dr Michael McKernan, Mr Bob Lewis  
Film Australia – Dr Peter Stanley, Professor Joan Beaumont,  
Associate Professor Jeffrey Grey, Professor David Horner, Dr Craig Wilcox  
Look Television Productions – Professor David Horner, Dr Bill Gammage  
TVU – proposed a “national reference panel” with a large number of  
historians.

Beyond Productions used three historians for the series:

- Associate Professor Jeffrey Grey, Australian Defence Force Academy
- Dr Richard Reid, Historian, DVA
- Dr Peter Stanley, Principal Historian, AWM

and specialist historians:

Episode 1 – Dr Craig Wilcox  
Episode 2 – Dr Bill Gammage  
Episode 3 – Dr Bill Gammage  
Episode 4 – Professor David Horner, Mr Neil McDonald  
Episode 5 – Professor David Horner, Mr Neil McDonald  
Episode 6 – Professor David Horner, Professor Peter Edwards  
Episode 7 – Professor David Horner, Professor Peter Edwards  
Episode 8 – Professor David Horner.

- (j) Industry briefings were held in Melbourne on 23 July 1999 and in Sydney on 26 July 1999 for prospective tenderers.

Each shortlisted tenderer attended a meeting with the Documentary Reference Group in Canberra on 25 or 26 August 1999, to give them the opportunity to raise any general matters about the enhanced tender process and to provide feedback on their initial tender response.

Shortlisted tenderers each made a presentation to the Documentary Reference Group on 30 September or 6 October 1999.

Although most contact with tenderers was conducted in writing, DVA staff responded to telephone enquiries concerning appointment times for meetings with the Documentary Reference Group.

- (k) Yes

- (l) Beyond Productions Pty Ltd  
By DVA - \$4,614,378  
By the ABC - \$320,000 and \$320,000 in services



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- (m) Mullion Creek Productions Pty Ltd  
Brainwaave Interactive Pty Ltd  
Ryebuck Media

DVA approval was required and given in each case.

- (n) No extensions were made to the contract.

16 minor variations were made at no additional cost, covering matters such as:

- minor reallocations of funds within the overall budget;
- variation to the cashflow schedule to align it with payments under the Network Agreement;
- approval of a new signatory for bank accounts;
- changes to production personnel; and
- timing of the final audit and approval of the auditor.

- (o) Beyond Productions submitted regular cost and production progress reports in accordance with the contract. Payment of each drawdown in the cashflow schedule was contingent on satisfactory progress.

Regular progress reports were received from First Australian Completion Bond Company, the completion guarantor, which scrutinised all production and budget reports and provided advice to the investor, DVA.

- (p) The Commonwealth of Australia

- (q) ABC Television rebroadcast the series over eight weeks from 13 March 2005. Subsequently, an agreement was signed by the ABC, Beyond Productions and DVA in which the ABC agreed to release Beyond and DVA from the holdback period for subscription television rights in Australia from 1 April 2005. With DVA's permission, Beyond then entered into an agreement with National Geographic Channel to screen the series in Australia from 24 April 2005. The agreement allows unlimited runs over a three year period.

Income has been earned by DVA from:

- royalties from Screenrights as a result of educational institutions copying the series from the initial telecast (\$511,465); and
- royalties from ABC Enterprises as a result of sales of videos, DVDs and books (\$198,280).

These sums were paid into the DVA Official Australians at War Exempt Trust Account set up under Section 20 of the *Financial Management and Accountability Act, 1997*.

Income from the sale to National Geographic Channel will be in two payments due in July 2005 and July 2006. The licence fee is US\$40,000. DVA will receive 70 per cent of the licence fee and Beyond will receive 30 per cent.

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Beyond Productions has received a total of \$55,113 in Screenrights royalties.

- (r) Beyond Marketing advised DVA that the Fox History Channel inquired in June 2004 about access to the series, proposing to screen it in Australia and New Zealand. At the time of the inquiry Fox was advised by Beyond that the series was only licensed for screening in Australia. In addition to this, it was also pointed out to Fox History Channel that the ABC had, at that time, an exclusive license to broadcast the series until April 2006. Fox did not pursue the matter.
- (s) DVA on behalf of the Commonwealth of Australia.
- (t) The AWM has ownership of footage it supplied for the making of the series. This footage was supplied under the terms of a licence agreement, as was footage obtained from other sources. The AWM and other suppliers of footage can be approached for permission to use the footage beyond the terms of each licence agreement.
- (u) Subcontractor
- (v) September 2001
- (w) The concept for the Film Archive was developed by Mr Michael Caulfield of Mullion Creek Productions. On 5 October 2001 the then Minister for Veterans' Affairs approved funding for the conduct of a pilot project for the proposed Australians at War Film Archive by Mullion Creek Productions. The pilot established the need for and viability of producing a full film archive.

On 6 November 2002 DVA recommended to the then Minister that it enter into a contract with Mullion Creek Productions to produce the Australians at War Film Archive on the basis that:

- the concept was developed by Mr Caulfield of Mullion Creek Productions;
- Mullion Creek Productions offered value for money;
- Mr Caulfield had delivered the *Australians at War* documentary series \$220,000 under the \$5.64 million budget and the Film Archive pilot \$40,000 under the \$300,000 budget;
- a tender process would add six to nine months to the project - many veterans would pass away before their memories could be recorded;
- there was no relevant expertise in-house;
- Mr Caulfield had personally established close links with the veteran community during the production of *Australians at War* and enjoyed their trust and respect, hence he had direct access to a relevant network; and
- Mr Caulfield had pre-eminent expertise to direct the Film Archive project due to his experience as the Series Producer of the *Australians at War* series.

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On 9 November 2002 the then Minister approved DVA entering into a contract with Mullion Creek Productions for production of the *Australians at War* Film Archive. On 11 November 2002 she announced Government approval for the Film Archive and noted that the concept had been developed by Mr Caulfield of Mullion Creek Productions who would be commissioned to produce the Film Archive.

- (x) *Australians at War* documentary series – refer to response to (g).  
*Australians at War* Film Archive – nil.
- (y) Representatives of the organisations took part as full members of the tender evaluation team and documentary reference group.
- (z) Refer to response to (w). The Minister gave no instructions about the concepts or tender processes.
- (Aa) The *Australians at War* Film Archive is funded from Commemorations program Administered funds and royalty payments in the *Australians at War* Exempt Trust Account. The then Minister approved the funding on 9 November 2002.
- (Bb) On 5 October 2001, the then Minister approved funding of up to \$300,000 for the conduct of the pilot project by Mullion Creek Productions. On 9 November 2002, the then Minister approved funding for the project. The project commenced in 2002/03, with a view to completion in 2004/05 at an estimated cost of up to \$6 million. Final expenditure will be \$5.5 million.  
  
Individual payments under the contract are approved by the Delegate, the Branch Head Commemorations.
- (Cc) Seven:
- notification of subcontractors
  - addition of key personnel
  - variations to the timing of payments (five).
- There was no cost associated with any of the variations.
- (Dd) 2005 interviews have been filmed, drawn from veterans and those who served on the home front in the following categories:

World War I

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World War II

(a) Europe/Mediterranean 1939-1945

RAN - Mediterranean, Atlantic Ocean and adjacent seas

Army - North Africa, Middle East (including Libya, Egypt, Syria, Greece/Crete) and significant experiences in other theatres

RAAF - UK, Europe, the Atlantic, North Africa, Middle East and Mediterranean

(b) Pacific and Indian Ocean Areas 1939-1945

RAN - Pacific and Indian Oceans areas

Army - Malaya/Singapore, Netherlands, East Indies, Papua New Guinea, Borneo and Australia

RAAF - Pacific and Indian Oceans areas

(c) Other categories

Prisoners of war - Germany, Italy, Japan, Burma, Thailand, Korea, Manchuria, Taiwan, Borneo, Malaya, Singapore and Netherlands East Indies

Merchant navy - any theatre in Australian ships or ships of another nation

Home front - service as a civilian towards the war effort

Former allies now living in Australia - served in Australia or served with Australians overseas

Former enemies now living in Australia - served against Australians

Australians serving with the armed forces of allied nations.

Post World War II but of World War II significance - War Crimes Tribunals, prisoners of war recovery, British Commonwealth Occupation Force, Berlin Airlift.

Post World War II

Korean War, Malayan Emergency, Indonesian Confrontation, Vietnam War, Gulf War, Afghanistan War, Peace operations, other

Significant military service either with Australian forces or attached to allied forces.

(Ee) \$5.5 million.

Filming of interviews was completed in September 2004. The Film Archive, including the associated website containing interview transcripts, is planned for completion by 30 June 2005.

(Ff) Refer to response to (w).

Commonwealth Procurement Guidelines at the time did not mandate the procurement process of open tender.

(Gg) The Commonwealth of Australia

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- (Hh) The project is managed by the Repatriation Commissioner and Commemorations Branch.

A panel of historians determined the interview categories, assisted in identifying possible interviewees and prepared historical briefing materials:

Dr Richard Reid, DVA

Dr Peter Stanley, AWM

Professor Joan Beaumont, Deakin University

Dr Michael McKernan

Dr John Reeve, Australian Defence Force Academy

Dr Alan Stephens, Australian Defence Force Academy.

- (Ii) The AWM's Principal Historian, Dr Peter Stanley, provided advice – refer to response to (Hh).

DVA is the custodian of the Film Archive.

- (Jj) Nine:

- Vietnam War – no funding available at the time and one episode of *Australians at War* had been devoted to the Vietnam War;
- Victoria Cross holders - seeding funding sought to develop concept and proposal not fully formulated;
- Battle for Australia – no funds were available for allocation within the timeframe appropriate to the subject matter, therefore the proposal lapsed;
- History of the Navy – proposal was not fully formulated, funding for a high cost series was not available and a significant part of the subject matter fell within the Defence portfolio;
- Victoria Cross holders – no response to DVA request for additional information;
- Remembering Gallipoli veterans on Anzac Day – project cancelled by proposer due to lack of time;
- New Guinea Volunteer Rifles – inadequate proposal;
- Life of World War I veteran Billy Sing – under consideration; and
- Pacific War, cooperation between Australians and Americans – under consideration.

DVA has not sought permission from the applicants to disclose their names.

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**Question 1**

**Outcome: All Outcomes**

**Topic: Advertising or public information projects**

**Written question on notice 18 May 2004**

Senator Andrew Murray

Please provide a list of all advertising or public information projects currently being undertaken or expected to be undertaken by the department or agency in the course of 2004 where the cost of the project is estimated or contracted to be \$100 000 or more, indicating:

- (a) the purpose and nature of the project;
- (b) the intended recipients of the information to be communicated by the project;
- (c) who authorised or is to authorise the project;
- (d) the manner in which the project is to be carried out;
- (e) who is to carry out the project;
- (f) whether the project is to be carried out under a contract;
- (g) whether such contract was let by tender;
- (h) the estimated or contracted cost of the project.

**Answer:**

Both the Department of Veterans' Affairs and the Australian War Memorial have a nil response to this question.