SENATE INQUIRY BRIEF

AFGHANISTAN OFFICIAL DEVELOPMENT ASSISTANCE

Key Facts

• **The total Official Development Assistance eligible Defence projects in Uruzgan for the period of 2006-07 to 2011-12 is $65.969 million AUD.** • **The ADF has undertaken a number of construction projects in Uruzgan since 2006 aimed at increasing capacity building in the fields of community, transport, education, governance, health and civil works.**	• **In October 2012, errors in Defence's Official Development Assistance reporting were detected during preparations for the Senate Inquiry into Australia's Official Development Assistance to Afghanistan and subsequently rectified [at the 3 December 2012 hearing].** • **The ADF campaign plan in Afghanistan is closely aligned with other Government agencies.**

Key Issues

Coordination of Australian reconstruction work

- The ADF, with representatives from the Department of Foreign Affairs and Trade and AusAID, works within the Uruzgan Provincial Reconstruction Team to develop projects in close consultation with a wide range of stakeholders, including Afghan and International Security Assistance Force partners, provincial and district administration leaders and local communities.

- Success in Afghanistan requires an integrated civilian-military approach – a fundamental part of the International Security Assistance Force (ISAF) counterinsurgency strategy.

- This approach has seen the ADF focus on its key role of mentoring the Afghan National Army 4th Brigade in Uruzgan.

- Reconstruction tasks are delivered by an ADF Managed Works Team which supports the Department of Foreign Affairs and Trade-led Provincial Reconstruction Team.

- The ADF campaign plan for its operations in Afghanistan is closely aligned with other Australian Government agencies who all play a vital role in the whole-of-Government commitment to improve security, governance and development in Uruzgan.

- The ADF has undertaken a number of construction projects in Uruzgan Province since 2006 aimed at increasing capacity building in the fields of community, transport, education, governance, health and civil works.

- Examples include Tarin Kot Boy's Primary School, and the Dorafshan Basic Health Care Centre development.

- The purpose of these projects is to increase goodwill with the Afghan people, improve capacity within the government, include and mentor the Afghan people and provide local communities with infrastructure to support their development.

- Defence is not an aid agency, but it undertakes construction projects in Uruzgan to support national capacity building.

- Further, the ADF assists AusAID in a supporting role in the provision of development in Afghanistan where this is the most appropriate response.

- The ADF also provides force protection to allow the Uruzgan Provincial Reconstruction Team to go about its work *[this component is not ODA eligible]*.

Cost of supporting aid delivery and costing of ODA

- Defence does not receive AusAID funding to support Official Development Assistance (ODA) eligible projects undertaken by Defence in Afghanistan.

- ODA eligible projects undertaken by the ADF are funded from within the Defence budget, under operational funding arrangements within ODA eligibility guidelines.

- The total ODA eligible project amount for the period 2006-07 to 2011-12 is $65.969 million AUD.

- The costs of delivering and supporting development assistance in a difficult security environment such as Uruzgan province are significant. But the safest, and in some cases, the only way to deliver assistance when security is poor is by working with or via military elements. It is important that people in insecure areas also benefit from development assistance.

Standardisation of ODA across Government

- Defence is implementing uniform standards for the delivery of Official Development Assistance following the agreement of these standards by the Development Effectiveness Steering Committee (DESC) in December 2012.

- Defence will report on its implementation as part of the 2012-2013 Annual Review of Aid Effectiveness.

If asked: are ADF projects Official Development Assistance-eligible?

- Some of the ADF's construction projects are Official Development Assistance-eligible, and therefore included in Australia's Official Development Assistance assessment.

If asked: how are ADF Official Development Assistance eligible projects reported?

- In accordance with arrangements agreed with AusAID, Defence reports expenses incurred with the delivery of Official Development Assistance.

- In Afghanistan this includes two components:
    - the direct cost of undertaking construction activities, and
    - an estimated figure for personnel costs based on the numbers of personnel participating in operations who are involved in construction activities.

- The figure for personnel costs does not include ADF personnel dedicated to providing security, only those directly involved in construction activities.

If asked: about the assertion that aid delivered by the ADF is not effective?

- The delivery of construction by the Australian Defence Force through the Uruzgan Provincial Reconstruction Team is intended to generate support for the Afghan and Provincial Government and assist it to extend its authority.

- This in turn helps bring stability and security to the Uruzgan Province.

- Areas of Uruzgan where there are higher levels of instability do, in some instances, attract development/construction assistance.

- Local communities benefit greatly from these projects and military construction activities have often been delivered where civilian aid can't be due to the security risks.

If asked: does close collaboration between aid and military organisations put aid workers in danger?

- An integrated, whole of government approach is necessary to deliver national capacity building and counter-insurgency objectives in Uruzgan Province.

- To that end it is essential that Defence, AusAID and DFAT continue to work closely together to ensure a coordinated approach as we complete the transition process in Uruzgan.

If raised: AusAID/Defence Information sharing relationship

- AusAID and Defence are natural and equal partners, and we share common goals for the development of Afghanistan

- To ensure the security and safety of all Australian personnel in Afghanistan, it is in the common interest of Defence and AusAID that there is an appropriate level of information sharing.

- Australia's military and civilian efforts in Afghanistan are mutually reinforcing. Australia increased its civilian engagement in Afghanistan, including enhancing its diplomatic and civilian presence in Kabul. The increase recognised the importance of development assistance complementing security and also being the ultimate proof against conflict and instability in Afghanistan.

If asked: how will ethnicities and loyalties affect ANSF capability post 2014? Is this likely to cause a breakdown in security?

- Defence conducts evaluations on possible scenarios that could occur in Uruzgan province after 2014 and these inform our planning processes.

- It would be unhelpful to speculate on what specific scenarios are likely to eventuate in Afghanistan post-2014.

- As the Prime Minister said in her 31 October 2012 statement on Afghanistan to the House of Representatives, "we know that as Afghan forces increasingly take the lead through 2013, the Taliban will seek to test them. We know that not every valley or village in Uruzgan or Afghanistan will be peaceful or free from insurgency. There will be difficult days ahead..."

- However, Australia is committed to support Afghanistan through to transition in December 2014 and beyond. Post-2014, the ADF will continue to support the development of the ANSF through the provision of:

- o Training and advisory support, including at the Afghan National Army (ANA) Officer Academy in Kabul;

- o Consideration of a Special Forces contribution, under an appropriate mandate; and

- o US$100 million annually for three years from 2015 as part of international efforts to sustain and support the ANSF beyond transition.

Defence's error in calculating Official Development Assistance for Afghanistan

- In October, errors in Defence's reporting of ODA-eligible expenditure in Afghanistan were identified.

- Defence identified that the following costs which are not ODA-eligible under the Reporting Directives were incorrectly included in ODA-eligible expenditure for Afghanistan:

  - o Force Protection costs in 2010-11;

  - o Other activities such as engineering elements and trade training activities across some or all years; and

  - o Direct project costs for some military checkpoints in 2006-07 and 2007-08 shown in table 2 of the annex to Defence's original submission to the Senate Inquiry into Australia's Official Development Program with Afghanistan.

- An investigation into how the error in employee related costs arose indicates that it can be tracked back to the source data contained in the annual costings for Defence Operations.

- The number of staff involved in the Provincial Reconstruction Taskforce, including the number of staff assigned to Force Protection in 2010-11 and 2011-12 and other activities such as engineering elements and trade training across some or all years, was entered as an aggregate number. This aggregate number was then used in calculating the reportable ODA costs for reconstruction tasks.

- To ensure that this does not recur, JOC has implemented a process change that separately identifies the staffing for the Reconstruction Taskforce element in the Operations Costing Template. CFO Group will also ensure that agreement is sought from JOC for ODA eligible costings prior to AusAID lodgement.

- The incorrect inclusion of the military checkpoints was an error that arose as a result of an incorrect application of the OECD DAC Directive.

- To ensure that this does not recur, projects to be included in Defence's return to AusAID will be agreed in writing with AusAID prior to formal submission.

- Correcting these errors has resulted in the cost of Defence's ODA eligible projects from financial years 2006-2007 to 2010-2011 totalling $57.722 million and not $255.413 million as previously reported in Defence's original submission.

- The 2011-12 ODA eligible figures have been finalised and included in the Senate Inquiry Correction and the correction to QoN 41.

- Defence has written to AusAID and corrected the figures previously reported.

- The ODA eligible project amount for financial years 2006-2007 to 2011-2012 is $65.969 million and when the 2012-13 estimate of $10.190 million is included, this takes the total to $76.159 million *[as shown in the tables in the background section of this brief]*.

If asked: in a recent Senate Estimates hearing, CDF stated that the Trade Training School was not ODA eligible. Could you please clarify?

- When discussing the trade training activities, CDF was discussing personnel costs involved with the running of the Trade Training School as not being ODA eligible.

- The construction cost of the Trade Training School is ODA eligible.

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BACKGROUND

ADF involvement in delivery of Official Development Assistance

In accordance with arrangements agreed with AusAID, Defence reports expenses incurred with the delivery of Official Development Assistance (ODA). In Afghanistan this includes two components:

− The cost of undertaking reconstruction activities; and

− Estimated figures for personnel costs based on the numbers of personnel participating in operations who are directly involved in reconstruction activities. This includes allowances and logistics support, but excludes salaries.

The aim of Australia's ODA program is to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia's national interest. Examples of activities which are generally considered ODA-eligible include:

− development aid: schools, clinics, water supply systems;

− humanitarian aid: emergency aid for natural or man-made disasters;

− capacity building for developing country government agencies;

− contributions to multilateral development agencies; or

− building the capacity of police forces (excluding paramilitary).

For many years in Afghanistan, the ADF provided the safest and most suitable means by which to deliver reconstruction aid and humanitarian assistance. As the security situation improves and more aid organisations are able to move safely around the country we should expect the reliance on the ADF to reduce. Defence, though, continues to provide and facilitate force protection. Since 2009, the proportion of Australian development assistance to Afghanistan delivered by the Australian Defence Force has fallen. But Defence continues to make a critical contribution to the Uruzgan PRT, not just the provision of force protection, but also continuing to provide a small number of skilled personnel to supplement the PRT in managed works and trade training.

The governance and development efforts could definitely be boosted by greater participation from Non-Government Organisations and we would welcome an increased appearance and efforts of NGOs in Uruzgan. However, the security environment across Afghanistan necessitates a significant amount of force protection in support of any activity. To date there has been limited coordinated, large-scale Non-Government Organisation activity in Uruzgan, although as the security situation improves, we expect more agencies to become involved in the province. AusAID is working closely with international and national Non-Government Organisations to encourage their engagement in Uruzgan.

Incorrect reporting of ODA figures

- In October, Defence identified errors in the calculation and reporting of ODA-eligible expenditure in Afghanistan. Defence's ODA figures included costs which were not ODA-eligible under the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) Statistical Reporting Directives. As a result of this error, the amount of ODA-eligible development work undertaken by Defence was overstated.

- Correcting these errors has resulted in the cost of Defence's ODA-eligible projects from financial years 2006-2007 to 2010-2011 totalling AUD$57.7 million and not AUD$255.4 million as previously reported in Defence's original submission. Defence is taking steps to correct errors, which were used in:

    o Reporting to AusAID which is included in their Annual Report as part of an aggregate 'estimated cost' for aid in Afghanistan;

    o Defence's submission to the Senate Standing Committee Inquiry into the administration, management and objective of Australia's official development programs in Afghanistan in the context of the 'Transition Decade'; and

    o Responses to Questions on Notice from Senator Rhiannon during the Senate Estimates Hearing on 29 May 2012 and 17 October 2012.

- Media reporting in response to the initial error identified 90% of ODA-eligible Defence expenditure as attributable to associated personnel costs rather than direct construction costs. The corrected actual personnel costs as at 2011 and 2012 are respectively, 47% and 52% of all expenditure.

Standardisation of ODA across government

- The Development Effectiveness Steering Committee (DESC), chaired by Director General AusAID, oversees whole of government coordination and coherence of Australia's ODA expenditure. The DESC ensures alignment of ODA expenditure with the Comprehensive Aid Policy Framework which:

    o guides where Australian aid will be delivered;

    o underpins the four-year ODA budget strategy; and

    o outlines results to be achieved through Australia's aid investment.

- The DESC is also the body responsible for reviewing the implementation of uniform standards for ODA. These uniform standards will guide the planning, delivery, monitoring and reporting of ODA to improve the way Government manages Australia's aid program. The first suite of uniform standards for ODA approach were agreed by the DESC in December 2012 for implementation across Government in 2013.

- Agencies with direct appropriations of ODA are responsible for implementation of the standards and will report on their implementation as part of reporting on the 2012-2013 Annual Review of Aid Effectiveness.

- This Annual Review will assess the performance of the aid program as a whole against the Comprehensive Aid Policy Framework headline indicators, encompassing the aid spending of all Australian Government agencies. Individual Australian Government agencies are responsible for the management and oversight of the ODA-eligible programs they fund.

ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2013

Ser	Projects/Expenditure Item	Purpose Category	FY 06/07 AUD	FY 07/08 AUD	FY 08/09 AUD	FY 09/10 AUD	FY 10/11 AUD	FY11/12 AUD	FY12/13 AUD (EST)	Category Totals By Purpose AUD	Totals
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	(l)
1	Sedfidkar Flood Mitigation	Civil Works	11,730	158,037						169,767	
2	Tarin Kot Waste Management	Civil Works		95,166			205,303			300,469	
3	Tarin Kot Waste Management Facility	Civil Works				1,163,204		7510		1,170,714	
4	Tarin Kot Wells - various location	Civil Works	18,103	63,621	309,990	48,363	23,473	4,272		467,822	2,108,772
5	Baluchi Community Project	Community		781	364,342					365,123	
6	Chora Food Storage Cellars	Community				72,389	6,291			78,680	
7	Rosie Khan Mosque	Community				61,589	184,616	9,058		255,263	
8	Sorgh Morghab Mosque	Community					232,736	804,987		1,037,723	
9	Sorkh Morghab Community Projects	Community			589,925	74,097				664,022	
9a	Radio Television Authority Rebuild	Community							1,252,397	1,252,397	3,653,208
10	Afghan Health and Development Services Training Facility	Education	4,890	848,269	886,509	40,812				1,780,480	
11	Malalai Girl's School	Education					1,501,939	72,563		1,574,502	
12	Naway Waleh School	Education		136,724						136,724	
13	Talani School	Education	92,051	81,335	2,341					175,727	
14	Tarin Kot Boys High School	Education			1,289,479	130,335	29,401			1,449,215	
15	Tarin Kot Boys Primary School	Education			1,298,467	828,397	44,446			2,171,310	
16	Tarin Kot Boys School	Education	88,077	677,965						766,042	
17	Tarin Kot Girls School Expansion	Education				223,461				223,461	
18	Trade Training Centre	Education	111,092	95,475						206,567	
19	Womens Training Project	Education	3,682	3,254						6,936	8,490,964
20	Project removed as this was an ANA check point									0	
21	Governor's Compound	Governance		111,502						111,502	
22	Governor's Shura Building (including Governors Compound Rectification)	Governance						1,546,508	393,172	1,939,680	
23	Ministry of Energy & Water Compound	Governance			15,621	233,183	355,222	22,882		626,908	
24	Ministry of Rural Reconstruction and Development Compound Refurbishment	Governance		5,598	125,786	2,295				133,679	
25	National Directorate of Security Compound	Governance	340,349	449,174	20,316					809,839	
25a	TK Prison Water Tower	Governance						21,443		21,443	
26	Project removed as this was an ANA check point									0	3,643,051
27	Chora Clinical Health Centre Expansion	Health				168,509	892,361	46,558	2,877	1,110,305	
28	Dorofshan Basic Health Care Centre	Health			354,024	110,221				464,245	
29	Mirabad Basic Health Centre	Health				21,237				21,237	
30	Sorkh Morghab Basic Health Centre	Health			1,356,732					1,356,732	
31	Tarin Kot Hospital	Health	629,231	963,508	548,065	12,882				2,153,686	
31a	Tarin Kot Hospital Doctors Accomodation	Health						162,236.00	19,179	181,415	
32	Yaklenga Health Centre	Health	164,566	360,865						525,431	
32a	Tarin Kot Solid Waste Containment Project	Health							694,285	694,285	6,507,336
33	Alexander Hill Bridge	Transport					274,036	152		274,188	
34	Baluchi Crossing	Transport		368,638	399,420					768,058	
35	Chutu II Bridge	Transport					186,202			186,202	
35a	Chutu Bridge repairs	Transport					136,347			136,347	
36	Eastern Causeway	Transport	308,006	723,713	20,155					1,051,874	
37	Irish Crossing Refurbishment	Transport				26,166				26,166	
38	Kowtwal Crossing	Transport			3,152,356	374,384				3,526,740	
39	Sajawul Crossing	Transport					136,213	1,829,207	423,859	2,389,279	
40	Sorkh Lez Crossing	Transport								0	
41	Talani Crossing	Transport			2,675	85,516				88,191	
42	Tarin Kot Roads	Transport						3,275,219	767,165	4,042,384	
43	Zabul Bridges	Transport			1,204					1,204	
43a	Route Whale East	Transport							5,442,079	5,442,079	17,932,712
44	**Quick Impact Projects**[1]						679,786	55,284		735,070	735,070
		SubTotal	1,771,777	5,143,625	10,737,407	3,909,776	5,460,623	7,052,892	8,995,013	43,071,113	43,071,113
	Aggregated Employee Costs - Net additional costs of ADF personnel		2,678,996	$7,109,470	4,685,788	3,641,652	784,458	720,060	$721,000	20,341,424	
	Aggregated Support Costs - Net ADF personnel support and associated costs		1,445,175	4,901,203	2,589,838	2,407,154	455,439	473,315	474,000	12,746,123	
		SubTotal	4,124,171	12,010,673	7,275,626	6,048,806	1,239,897	1,193,375	1,195,000	33,087,547	
		Total	5,895,948	17,154,298	18,013,033	9,958,582	6,700,520	8,246,267	10,190,013	76,158,660	

Note:1. No further breakdown of actual projects can be provided. QIPs provide a short to medium term development effect at the local level. The aim of a QIP is to provide funding for materials, labour and/or local national specialist advisors that benefit a wider group of people normally a village or community group. The stated goal is to provide entry into local communities, thereby facilitating closer engagement with key leaders and the community as a whole.

Summary of ODA Eligible Construction Activities Undertaken by Defence for Period FY 2006-07 to 2011-12 and Scheduled for FY 2012-13

Year	Direct Project Costings[1]	Defence Employee Costs [2]	Defence Employee Support Costs [3]	Totals
2006-07	$1,771,777	$2,678,996	$1,445,175	**$5,895,948**
2007-08	$5,143,625	$7,109,470	$4,901,203	**$17,154,298**
2008-09	$10,737,407	$4,685,788	$2,589,838	**$18,013,033**
2009-10	$3,909,776	$3,641,652	$2,407,154	**$9,958,582**
2010-11	$5,460,623	$784,458	$455,439	**$6,700,520**
2011-12	$7,052,892	$720,060	$473,315	**$8,246,267**
2012 -13**	$8,995,013	$721,000	$474,000	**$10,190,013**
Total	**$43,071,113**	**$20,341,424**	**$12,746,123**	**$76,158,660**

(1) Net costs directly attributed to the construction or delivery of development projects.
(2) Net additional costs of ADF personnel, consisting of the payment of international campaign allowance, additional accrued leave entitlements, separation and field allowance. This excludes personnel responsible for providing force protection.
(3) Net ADF Personnel support and associated costs, consisting of logistics support such as rations, water, base support, electricity generation, maintenance and vehicle running costs.

** Estimated costs

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SUPPORTING DOCUMENTS

Handling Note: CFO will not adjust the figures to reflect the latest ODA estimates (2012-13) as they have not yet been published, but the CFO rep will have them on hand.

- Response to Question on Notice from Senate Estimates Hearing, 29 May 2012 (Question 41)
- Responses to Questions on Notice from Senate Estimates Hearing, 17 October 2012 (Questions 27-28)
- Responses to Questions on Notice from Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012 (Questions 1-17) *[As of 24 Jan 12, responses are currently with MINDEF's office for clearance]*
- Hansard Transcript – Senate Estimates Hearing – 29 May 2012
- Hansard Transcript – Senate Estimates Hearing - 17 October 2012
- Hansard Transcript – Senate Inquiry into Aid in Afghanistan, 3 December 2012)

Q41: Provincial Reconstruction Team

Senator Rhiannon asked on Tuesday, 29 May 2012, Hansard page 72.

Provide a breakdown of ADF expenditure on individual aid projects in Afghanistan to understand how much goes to the actual project and how much is absorbed into additional costs.
If evaluations of ADF administered development programs occur, are any of these evaluations public?

Response:

The following table provides a summary of expenditure on ODA eligible projects undertaken by the Mentoring and Reconstruction Task Force from 2006-2009 and the Australian Defence Force Managed Works Team (ADF MWT) which is part of the Whole of Government Provincial Reconstruction Team (PRT) from 2009-2011. Further detail by year and individual project is provided in Attachment A.

Summary of ODA Eligible Individual Project Costings Undertaken by Defence for Period 2006 to 2011

Serial	Year	Direct Project Costings	Defence Employee Costs ($) (1)	Defence Employee Support Costs ($) (2)	Totals ($)
		(a)	(b)	(c)	(d)	(e)
1	2006-7	$1,827,850	$23,434,000	$21,217,000	$46,478,850
2	2007-8	$5,214,738	$28,861,000	$33,929,000	$68,004,738
3	2008-9	$10,737,406	$34,273,000	$36,297,000	$81,307,406
4	2009-10	$3,909,776	$15,095,000	$21,994,000	$40,998,776
5	2010-11	$5,428,117	$7,284,000	$5,911,000	$18,623,117
6	2011-12	Not Yet Available			
7	Total	$27,117,886	108,947,000	$119,348,000	$255,412,886

Notes:
> Net additional costs of ADF
(1)   personnel,
(2)   Net ADF personnel support and associated costs

The ADF contributes to whole of government (WOG) stabilisation and development efforts in Uruzgan.

Prior to 2009, an ADF-led Military Reconstruction and Task Force (MRTF) in Uruzgan province undertook limited construction projects using funds allocated though the Defence budgetary approval process. Some of these projects were ODA eligible. Reconstruction projects undertaken by the MRTF were prioritised on the basis that they assisted the wider efforts of the MRTF operations in Uruzgan. Assessments of these projects were undertaken by ADF, prior to commencement of construction and were routinely evaluated through the Defects Liability Period (DLP) for fitness for purpose after completion.

From August 2010 onwards, Australia assumed the lead of the Uruzgan Provincial Reconstruction Team Representatives from DFAT, AusAID and the ADF MWT in the PRT developed a program of ODA-eligible ADF MWT projects in Uruzgan in close consultation with a wide range of stakeholders including ISAF and Afghan partners, such as the leaders in the provincial and district administrations and local communities. Projects undertaken by the ADF MWT continue to be assessed, through the PRT leadership, prior to commencement of construction and are routinely evaluated through the DLP, for fitness for purpose after completion.

The overall security situation, the relatively small scale of the individual projects undertaken by the MRTF and MWT and the time imperatives to consistently deliver immediate and visible benefits to local communities, militate against the conduct of formal cost/benefit evaluations and hence their public release.

Q26: PRT Funding

Senator Rhiannon asked on 17 October 2012, Hansard page 82.

As per response to QoN 41 from May 2012 Estimates, can Defence provide updated information that provides a detailed breakdown on spending for FY 2011-12 including what the money was spend on, and an estimate for FY 2012-13?
Response:

Subsequent to the Estimates Hearing on 17 October 2012, Defence identified that the following costs which are not ODA eligible under the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) Statistical Reporting Directives were incorrectly included in ODA Eligible Expenditure for Afghanistan.

1. Force Protection costs in 2010-11 and 2011-12;

2. Other activities such as engineering elements and trade training activities across some or all years;

3. Direct project costs for some military checkpoints in 2006-07 and 2007-08 shown in the table.

Direct Construction Project Costs:
The original Defence submission to the Senate Inquiry into Australia's overseas development programs in Afghanistan detailed a total of 43 individual projects believed to be ODA-eligible in accordance with OECD guidelines. The list of projects has subsequently been separately reviewed for OECD guideline compliance.
As a result of this review, two Checkpoint construction projects totalling AUD$127,187 (Serials 20 and 26 of Enclosure 2) have been deleted from the list as they were not in accordance with OECD guidelines.
The inclusion of six additional individual projects undertaken in FY2011-12 or scheduled for work in FY2012-13 now brings the number of Defence construction projects, assessed as OECD compliant, up to a total of 47.

Defence Employee and Defence Employee Support Costs:
A comprehensive review of Defence employee and employee support costs identified that a substantial portion of the reported costs were not ODA eligible under the OECD DAC Statistical Reporting Directives. The reported figures incorrectly included activities being undertaken by the Provincial Reconstruction Taskforce such as engineering elements and trade training activities across some or all years that were not ODA eligible and Force Protection costs in 2010-11 and 2011-12.
An investigation into how the error in employee and employee support costs arose indicates that it can be tracked back to the source data contained in the annual costings for Defence Operations. To date, the number of staff involved in the Provincial Reconstruction Taskforce, including the number of staff assigned to Force Protection in 2010-11 and 2011-12 and other activities such as engineering elements and trade training activities across some or all years, was entered into the costing sheet as an aggregate number. This aggregate number was then used in calculating the reportable ODA costs.
Defence has now implemented a process that will separately identify the staffing for the Reconstruction Taskforce element that is undertaking ODA eligible activities in the Operations Costing Template.

Tables in Defence's submission to the Senate Inquiry into Australia's overseas development programs in Afghanistan

Defence's submission to the Senate Inquiry into Australia's overseas development programs in Afghanistan has been updated to include revised tables and resubmitted.

The Table below is a summary by financial year of expenditure on Defence ODA-eligible construction activities undertaken up to and including FY 2011-12 and estimates for FY 2012-13. The Table at Enclosure 1 shows a breakdown of the same information for each individual Defence ODA-eligible construction activity.

Summary of ODA Eligible Construction Activities Undertaken by Defence for Period FY 2006-07 to 2011-12 and Scheduled for FY 2012-13

Year	Direct Project Costings[1]	Defence Employee Costs [2]	Defence Employee Support Costs [3]	Totals
2006-07	$1,771,777	$2,678,996	$1,445,175	**$5,895,948**
2007-08	$5,143,625	$7,109,470	$4,901,203	**$17,154,298**
2008-09	$10,737,407	$4,685,788	$2,589,838	**$18,013,033**
2009-10	$3,909,776	$3,641,652	$2,407,154	**$9,958,582**
2010-11	$5,460,623	$784,458	$455,439	**$6,700,520**
2011-12	$7,052,892	$720,060	$473,315	**$8,246,267**
2012 -13**	$8,995,013	$721,000	$474,000	**$10,190,013**
Total	**$43,071,113**	**$20,341,424**	**$12,746,123**	**$76,158,660**

(1) Net costs directly attributed to the construction or delivery of development projects.
(2) Net additional costs of ADF personnel, consisting of the payment of international campaign allowance, additional accrued leave entitlements, separation and field allowance. This excludes personnel responsible for providing force protection.
(3) Net ADF Personnel support and associated costs, consisting of logistics support such as rations, water, base support, electricity generation, maintenance and vehicle running costs.

** Estimated costs

ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2013

Ser	Projects/Expenditure Item	Purpose Category	FY 06/07 AUD	FY 07/08 AUD	FY 08/09 AUD	FY 09/10 AUD	FY 10/11 AUD	FY11/12 AUD	FY12/13 AUD (EST)	Category Totals By Purpose AUD	Totals
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(k)	(l)
1	Sedfidkar Flood Mitigation	Civil Works	11,730	158,037						169,767	
2	Tarin Kot Waste Management	Civil Works		95,166			205,303			300,469	
3	Tarin Kot Waste Management Facility	Civil Works				1,163,204		7510		1,170,714	
4	Tarin Kot Wells - various location	Civil Works	18,103	63,621	309,990	48,363	23,473	4,272		467,822	2,108,772
5	Baluchi Community Project	Community		781	364,342					365,123	
6	Chora Food Storage Cellars	Community				72,389	6,291			78,680	
7	Rosie Khan Mosque	Community				61,589	184,616	9,058		255,263	
8	Sorgh Morghab Mosque	Community					232,736	804,987		1,037,723	
9	Sorkh Morghab Community Projects	Community			589,925	74,097				664,022	
9a	Radio Television Authority Rebuild	Community							1,252,397	1,252,397	3,653,208
10	Afghan Health and Development Services Training Facility	Education	4,890	848,269	886,509	40,812				1,780,480	
11	Malalai Girl's School	Education					1,501,939	72,563		1,574,502	
12	Naway Waleh School	Education		136,724						136,724	
13	Talani School	Education	92,051	81,335	2,341					175,727	
14	Tarin Kot Boys High School	Education			1,289,479	130,335	29,401			1,449,215	
15	Tarin Kot Boys Primary School	Education			1,298,467	828,397	44,446			2,171,310	
16	Tarin Kot Boys School	Education	88,077	677,965						766,042	
17	Tarin Kot Girls School Expansion	Education				223,461				223,461	
18	Trade Training Centre	Education	111,092	95,475						206,567	
19	Womens Training Project	Education	3,682	3,254						6,936	8,490,964
20	Project removed as this was an ANA check point									0	
21	Governor's Compound	Governance		111,502						111,502	
22	Governor's Shura Building (including Governors Compound Rectification)	Governance						1,546,508	393,172	1,939,680	
23	Ministry of Energy & Water Compound	Governance			15,621	233,183	355,222	22,882		626,908	
24	Ministry of Rural Reconstruction and Development Compound Refurbishment	Governance		5,598	125,786	2,295				133,679	
25	National Directorate of Security Compound	Governance	340,349	449,174	20,316					809,839	
25a	TK Prison Water Tower	Governance						21,443		21,443	
26	Project removed as this was an ANA check point									0	3,643,051
27	Chora Clinical Health Centre Expansion	Health				168,509	892,361	46,558	2,877	1,110,305	
28	Dorofshan Basic Health Care Centre	Health			354,024	110,221				464,245	
29	Mirabad Basic Health Centre	Health				21,237				21,237	
30	Sorkh Morghab Basic Health Centre	Health			1,356,732					1,356,732	
31	Tarin Kot Hospital	Health	629,231	963,508	548,065	12,882				2,153,686	
31a	Tarin Kot Hospital Doctors Accomodation	Health						162,236.00	19,179	181,415	
32	Yaklenga Health Centre	Health	164,566	360,865						525,431	
32a	Tarin Kot Solid Waste Containment Project	Health							694,285	694,285	6,507,336
33	Alexander Hill Bridge	Transport					274,036	152		274,188	
34	Baluchi Crossing	Transport		368,638	399,420					768,058	
35	Chutu II Bridge	Transport					186,202			186,202	
35a	Chutu Bridge repairs	Transport					136,347			136,347	
36	Eastern Causeway	Transport	308,006	723,713	20,155					1,051,874	
37	Irish Crossing Refurbishment	Transport				26,166				26,166	
38	Kowtwal Crossing	Transport			3,152,356	374,384				3,526,740	
39	Sajawul Crossing	Transport					136,213	1,829,207	423,859	2,389,279	
40	Sorkh Lez Crossing	Transport								0	
41	Talani Crossing	Transport			2,675	85,516				88,191	
42	Tarin Kot Roads	Transport						3,275,219	767,165	4,042,384	
43	Zabul Bridges	Transport			1,204					1,204	
43a	Route Whale East	Transport							5,442,079	5,442,079	17,932,712
44	**Quick Impact Projects[1]**						679,786	55,284		735,070	735,070
		SubTotal	1,771,777	5,143,625	10,737,407	3,909,776	5,460,623	7,052,892	8,995,013	43,071,113	43,071,113
	Aggregated Employee Costs - Net additional costs of ADF personnel		2,678,996	$7,109,470	4,685,788	3,641,652	784,458	720,060	$721,000	20,341,424	
	Aggregated Support Costs - Net ADF personnel support and associated costs		1,445,175	4,901,203	2,589,838	2,407,154	455,439	473,315	474,000	12,746,123	
		SubTotal	4,124,171	12,010,673	7,275,626	6,048,806	1,239,897	1,193,375	1,195,000	33,087,547	
		Total	5,895,948	17,154,298	18,013,033	9,958,582	6,700,520	8,246,267	10,190,013	76,158,660	

Note:1. No further breakdown of actual projects can be provided. QIPs provide a short to medium term development effect at the local level. The aim of a QIP is to provide funding for materials, labour and/or local national specialist advisors that benefit a wider group of people normally a village or community group. The stated goal is to provide entry into local communities, thereby facilitating closer engagement with key leaders and the community as a whole.

<u>**Previous Question on Notice from Senate Estimates Hearing, 17 October 2012**</u>

SSCFADT Supplementary Budget Estimates Hearing 17 October 2012 - Q27: ODA eligible

Senator Rhiannon asked on 17 October 2012, (a) As per response to QoN 41 from May 2012 Estimates, are the projects that are done by the ADF that are labelled as ODA eligible expenditure in line with review and evaluation across aid program guidelines? (b) Referring to page 12 of the OECD guidelines on statistical reference says that expenses should not be covered in these types of projects – can you please confirm whether or not salary is an expense?

Response:

Question 27

(a) As per response to QoN 41 from May 2012 Estimates, are the projects that are done by the ADF that are labelled as ODA eligible expenditure in line with review and evaluation across aid program guidelines?

Yes. The updated list at Enclosure 1 consists of projects that are all deemed to be OECD compliant and in accordance aid program guidelines.
The original Defence submission detailed a total of 43 individual projects believed to be ODA-eligible in accordance with Organisation for Economic Co-Operation and Development (OECD) guidelines. The list of projects has subsequently been reviewed for OECD guideline compliance. As a result of this review, two Checkpoint construction projects totalling AUD$127,187 (Serials 20 and 26 of Enclosure 2) have been deleted from the list as they were not in accordance with OECD guidelines. The inclusion of six additional individual projects undertaken in FY2011-12 or scheduled for work in FY2012-13 now brings the number of Defence construction projects, assessed as OECD compliant, up to a total of 47.

(b) Referring to page 12 of the OECD guidelines on statistical reference says that expenses should not be covered in these types of projects – can you please confirm whether or not personnel costs such as the payment of international campaign allowances, additional accrued leave entitlements and separation and field allowances are covered by the term 'expense'?

Paragraph 42 (page 12) of the Development Assistance Committee (DAC) directives is a general exclusion of military equipment or services from ODA reporting, however, the DAC directives do allow for some military costs to be reported as ODA. Specifically paragraph 42 states *"additional costs incurred for the use of military personnel to deliver humanitarian aid or perform development services are included in ODA (but not their regular salaries and expenses)".*
In accordance with the DAC directives the net additional cost paid to Defence members whilst undertaking humanitarian aid projects is ODA eligible as the costs are only paid while the member is deployed (i.e. they are outside the regular salaries and expenses). This includes personnel costs such as the payment of international campaign allowances, additional accrued leave entitlements and separation and field allowances. Similarly the net additional costs of supporting these members in theatre whilst they undertake the aid project are also ODA eligible under the directive.

ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2013

Ser	Projects/Expenditure Item	Purpose Category	FY 06/07 AUD	FY 07/08 AUD	FY 08/09 AUD	FY 09/10 AUD	FY 10/11 AUD	FY11/12 AUD	FY12/13 AUD (EST)	Category Totals By Purpose AUD	Totals
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9a	Radio Television Authority Rebuild	Community							1,252,397	1,252,397	3,653,208
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40	Sorkh Lez Crossing	Transport								0	
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42	Tarin Kot Roads	Transport						3,275,219	767,165	4,042,384	
43	Zabul Bridges	Transport			1,204					1,204	
43a	Route Whale East	Transport							5,442,079	5,442,079	17,932,712
44	**Quick Impact Projects[1]**						679,786	55,284		735,070	**735,070**
	SubTotal		**1,771,777**	**5,143,625**	**10,737,407**	**3,909,776**	**5,460,623**	**7,052,892**	**8,995,013**	**43,071,113**	**43,071,113**
	Aggregated Employee Costs - Net additional costs of ADF personnel		2,678,996	$7,109,470	4,685,788	3,641,652	784,458	720,060	$721,000	20,341,424	
	Aggregated Support Costs - Net ADF personnel support and associated costs		1,445,175	4,901,203	2,589,838	2,407,154	455,439	473,315	474,000	12,746,123	
	SubTotal		**4,124,171**	**12,010,673**	**7,275,626**	**6,048,806**	**1,239,897**	**1,193,375**	**1,195,000**	**33,087,547**	
	Total		**5,895,948**	**17,154,298**	**18,013,033**	**9,958,582**	**6,700,520**	**8,246,267**	**10,190,013**	**76,158,660**	

Note:1. No further breakdown of actual projects can be provided. QIPs provide a short to medium term development effect at the local level. The aim of a QIP is to provide funding for materials, labour and/or local national specialist advisors that benefit a wider group of people normally a village or community group. The stated goal is to provide entry into local communities, thereby facilitating closer engagement with key leaders and the community as a whole.

Question on Notice from Senate Estimates Hearing, 17 October 12

SSCFADT Supplementary Budget Estimates Hearing 17 October 2012 - Q28: ISAF Evaluations

Senator Rhiannon asked on 17 October 2012, does ISAF conduct any evaluations on ADF projects, and, if so, which projects have been evaluated and what were the outcomes?

Response:

The wider development impact of any of these projects has not been formally evaluated by International Security Assistance Force (ISAF). As previously advised, the overall security situation, the relatively small scale of the individual projects undertaken by the military Reconstruction and Task Force and Australian Defence Force (ADF) Managed Works Team and the time imperatives to consistently deliver immediate and visible benefits to local communities, militate against the conduct of formal cost/benefit evaluations.

However, all construction projects undertaken by Defence continue to be assessed, through the Provincial Reconstruction Team (PRT) leadership, prior to the commencement of construction and are then routinely evaluated at a functional level by the ADF through the formal Defect Liability Process, for fitness for purpose and construction standards, after completion. The PRT and the ADF are part of ISAF.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001153 - Q1: Impact of Operations on Aid Programs

Senator Rhiannon asked on Monday, 3 December 2012:

Has an assessment been done regarding whether Australian military operations compromise Australian aid programs in Afghanistan? If so: (1) what conclusions have been reached? and (2) have the conclusions been put into action?

Response:

(1)   No. Defence and AusAID assess that such an assessment is unnecessary. The security issues in Uruzgan mean that Australian Defence Force (ADF) and International Security Assistance Force assistance is essential to allow AusAID and DFAT personnel to implement aid programs or conduct political engagement.

The ADF's involvement in Afghanistan, alongside that of DFAT and AusAID, is part of an integrated whole-of-government effort with inter-linked security, diplomatic and development objectives. Experience in fragile and conflict-affected states, such as the Solomon Islands, East Timor and Afghanistan, confirms the importance of coordination between development (AusAID), diplomacy (DFAT) and security (ADF and Australian Federal Police) efforts in helping states transition from conflict and fragility to stability and peace.

(2)   Not applicable.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001154 - Q2: Protective Force requirements for the Malalai girls school in Tarin Kot

Senator Rhiannon asked on Monday 3 December 2012:

Are protective forces required to secure the Malalai girls school in Tarin Kot?

Response:

Decisions on the security of Afghan educational institutions are a matter for the Afghan Government and the provincial Government in Uruzgan. Defence understands that the Uruzgan Provincial Government provides armed guards on a 24 hour basis to secure the school. The Afghan National Security Forces also provide security to the school's immediate area.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001157 - Q3: Strategic and developmental goals

AusAID has identified 6 strategic goals for its assistance to Afghanistan 2011–2012—Sustainable Economic Development (32%); Effective Governance (24%); cross cutting support to multi-sector Afghan national programs (15%); promoting opportunities for all (11%); humanitarian and disaster response (13%) and saving lives (5%) (submission 16, p. 23).

(a)   What are Defence's key strategic goals in Afghanistan?

(b)   How do they fit in with Australia's whole-of-government effort in Afghanistan?

(c)   How do they complement AusAID's goals?

Response:

(a)   The strategic objective which Australia is pursuing in Afghanistan is to ensure that terrorist groups are denied safe haven in Afghanistan and ensure it does not again become a safe haven for international terrorists. International terrorism emanating from Afghanistan poses a grave threat to the region, to the international community and to Australia's interests. A key priority for International Security Assistance Force partners in Afghanistan has been developing the capacity and capability of the Afghan National Security Forces.

(b)   Australia's military and civilian efforts in Afghanistan are mutually reinforcing. Australia increased its civilian engagement in Afghanistan, including enhancing its diplomatic and civilian presence in Kabul. The increase recognised the importance of development assistance complementing security and also being the ultimate proof against conflict and instability in Afghanistan.

(c)   Defence complements AusAID's goals by working to ensure a secure environment for AusAID activities in Uruzgan.

<u>**Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012**</u>

QN12-001158 – Q4: Strategic and developmental goals ODA:

In its submission, Defence states that: As Uruzgan province proceeds through transition, and Australia's commitment becomes more nationally focused, it is likely that the proportion of Defence assistance will increasingly shift to financial contributions to the development of the Afghan National Security Forces and some of these contributions may be eligible to be classified as ODA (submission 17, page [1]).

Could you explain in what way some of the financial contributions to the development of the Afghan National Security Forces may be eligible to be classified as ODA?

Response:

ODA-eligible activities are defined under OECD Development Assistance Committee (DAC) guidelines (Statistical Reporting Directives). ODA is defined as assistance provided to countries and territories on the DAC List (which includes Afghanistan) that are:

(a)   provided by official agencies, including governments, or by their executive agencies; and

(b)   each transaction is administered with the promotion of the economic development and welfare of developing countries as its main objective.

The ODA eligibility of each activity is assessed on a case by case basis using the guidance provided by the OECD DAC outlined below.

Under the OECD DAC's guidelines ODA eligible security expenditure can include:

(a)   expenditure on police training in routine civil policing functions;

(b)   technical co-operation provided to government to improve civilian oversight and democratic control of budgeting, management, accountability and auditing of security expenditure, including military budgets, as part of a public expenditure management programme;

(c)   assistance to civil society to enhance its competence and capacity to scrutinise the security system so that it is managed in accordance with democratic norms and principles of accountability, transparency and good governance; and

(d)   security system reform.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001159 - Q5: ADF's development assistance

Defence lists a number of projects undertaken by the PRT including the Tarin Kot waste management facility and the Malalai Girl's School in Tarin Kot.

(a)   Are you able to quantify the funds that went toward such projects?

(b)   As part of a whole-of-government contribution has any other agency on behalf of the ADF undertaken an evaluation of the projects?

(c)   Sustainability is an important consideration when planning and designing a project. To what extent did Defence take account of the ability of those taking over the facilities to operate and maintain them?

(d)   Are the projects listed in Defence's submission fully operational?

Response:

(a)   The original Defence submission to this Inquiry included individual project cost breakdowns by year. The funds that went towards ODA-eligible construction projects undertaken by Defence and, later, by the Provincial Reconstruction Team are fully detailed in Table 2 "ODA Eligible Individual Projects undertaken by Defence for Period 2006 – 2013" contained in that submission and subsequent amendments.

(b)   No other agency, external to Defence, has undertaken project evaluation on the individual projects listed.

(c)   Australian Defence Force (ADF) construction projects in Uruzgan province aim to improve the capacity of and access by the provincial government to the local population, to mentor the Afghan people and build capacity, and provide local communities with infrastructure to support their own development. Construction projects in local communities also build goodwill among the Afghan people. This contributes to creating a more robust Afghan society, resulting in a more stable security environment. Throughout the project planning and design process, significant attention is given on each project to ensure that they are appropriate to the environment. Longer term viability and sustainability of these projects are taken into consideration. Construction efforts are, wherever possible, undertaken using construction techniques suitable for local conditions, employing local contractors and using locally sourced materials.

(1)   From 2006-2010, an ADF-led Mentoring and Reconstruction Task Force, followed by the Mentoring Task Force, undertook a number of construction projects in Uruzgan province. Construction efforts during this time were delivered in consultation with the Netherlands-led Provincial Reconstruction Team (PRT) and a wide range of local stakeholders, represented by provincial government officials and members of the local community.

(2)   In August 2010, Australia assumed the lead of the Uruzgan PRT, giving further opportunity to progress construction projects in Uruzgan. The PRT efforts in Uruzgan are a whole of government effort, and the ADF works with DFAT and AusAID in the PRT to develop projects. Projects are developed in close

consultation with a wide range of stakeholders, including Afghan and International Security Assistance Force partners, provincial and district administration leaders and local communities. Civilian and military advisers engage directly with the Afghan Government and community to enable the construction of roads, schools and other basic infrastructure to improve governance capacity and facilitate the delivery of basic services such as health and education to the Afghan people.

(d)   The following table indicates the functional status of Defence construction projects undertaken since 2006.

Table 1. ADF ODA-Eligible Project Status

Fully Operational	Partially Operational	Not Operational	No Information Available [1]	Total
12	3	2	31	48
25%	6%	4%	65%	100%

Note 1. For serials marked "no information available", these projects were operational at the time they were handed over to Afghanistan authorities and are now the responsibility of those authorities. A detailed response would require checking with district authorities, noting that Australian troops are no longer operating from Forward Operating Bases or Patrol Bases in Uruzgan Province and have consolidated their presence at the Multi-National Base Tarin Kot.

Additional detail of status by individual projects is provided at Table 2 below:

Ser	Projects/Expenditure Item	Purpose Category	Project Status [2]
	(a)	(b)	(c)
1	Sedfidkar Flood Mitigation	Civil Works	No Information Available
2	Tarin Kot Waste Management	Civil Works	Fully Operational
3	Tarin Kot Waste Management Facility	Civil Works	Fully Operational
4	Tarin Kot Wells - various location	Civil Works	Partially Operational
5	Baluchi Community Project	Community	No Information Available
6	Chora Food Storage Cellars	Community	No Information Available
7	Rosie Khan Mosque	Community	No Information Available
8	Sorgh Morghab Mosque	Community	No Information Available
9	Sorkh Morghab Community Projects	Community	No Information Available
10	Radio Television Authority Rebuild	Community	Partially Operational
11	Afghan Health and Development Services Training Facility	Education	No Information Available
12	Malalai Girl's School	Education	No Information Available
13	Naway Waleh School	Education	No Information Available
14	Talani School	Education	No Information Available
15	Tarin Kot Boys High School	Education	Fully Operational
16	Tarin Kot Boys Primary School	Education	Fully Operational
17	Tarin Kot Boys School	Education	Fully Operational
18	Tarin Kot Girls School Expansion	Education	Partially Operational
19	Trade Training Centre	Education	Fully Operational
20	Womens Training Project	Education	No Information Available
21	Governor's Compound	Governance	No Information Available
22	Governor's Shura Building (including Governors Compound Rectification)	Governance	Fully Operational
23	Ministry of Energy & Water Compound	Governance	No Information Available
24	Ministry of Rural Reconstruction and Development Compound Refurbishment	Governance	No Information Available

Table 2. ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2013: Project Status as at 2 Jan 13. Information provided by JTF 633 PRT

Ser	Projects/Expenditure Item	Purpose Category	Project Status [2]
	(a)	(b)	(c)
25	National Directorate of Security Compound	Governance	No Information Available
26	TK Prison Water Tower	Governance	No Information Available
27	Chora Clinical Health Centre Expansion	Health	Fully Operational
28	Dorofshan Basic Health Care Centre	Health	No Information Available
29	Mirabad Basic Health Centre	Health	No Information Available
30	Sorkh Morghab Basic Health Centre	Health	No Information Available
31	Tarin Kot Hospital	Health	Fully Operational
32	Tarin Kot Hospital Doctors Accomodation	Health	Fully Operational
33	Yaklenga Health Centre	Health	No Information Available
34	Tarin Kot Solid Waste Containment Project	Health	Not Operational
35	Alexander Hill Bridge	Transport	No Information Available
36	Baluchi Crossing	Transport	No Information Available
37	Chutu II Bridge	Transport	No Information Available
38	Chutu Bridge repairs	Transport	No Information Available
39	Eastern Causeway	Transport	No Information Available
40	Irish Crossing Refurbishment	Transport	No Information Available
41	Kowtwal Crossing	Transport	No Information Available
42	Sajawul Crossing	Transport	Fully Operational
43	Sorkh Lez Crossing	Transport	No Information Available
44	Talani Crossing	Transport	No Information Available
45	Tarin Kot Roads	Transport	Fully Operational
46	Zabul Bridges	Transport	No Information Available
47	Route Whale East	Transport	Not Operational
48	**Quick Impact Projects[1]**		No Information Available

Note 1: No further breakdown of actual projects can be provided. Quick Impact Projects provide a short to medium term development effect at the local level. The aim of a Quick Impact Project is to provide funding for materials, labour and/or local national specialist advisors that benefit a wider group of people normally a village or community group. The stated goal is to provide entry into local communities, thereby facilitating closer engagement with key leaders and the community as a whole.

Note 2: For serials marked "no information available", these projects were operational at the time they were handed over to Afghanistan authorities. As Uruzgan province progresses through transition and ADF draw down continues, detailed information on all projects undertaken since 2006 is not easily available.

<u>**Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012**</u>

QN12-001160 - Q6: Understanding complexity of Afghan society

The 2012 August report published by the Feinstein International Center found that Uruzgan highlights the necessity of seeing powerholders in a more nuanced light—that is as agents who exist in a complex web of personal, social and official relationships, and who act on a calculus of best interests.

How does the ADF obtain such a critical insight?

Response:

The Australian Defence Force, through its partnership with the Uruzgan Provincial Reconstruction Team (PRT), maintains an active program of consultation with the Afghan community, government leaders and groups in Uruzgan province. Defence, and other Australian agencies in the PRT, work in close partnership with these communities and with security providers in the province to maintain a good understanding of the social and political environment in which we operate.

<u>**Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012**</u>

QN12-001161 - Q7: Coordination with NGO's

The TLO Profile mentioned that some NGOs were frustrated with the unwillingness of international military forces to coordinate with NGOs.

Could you tell the committee about how Defence goes about ensuring that its work complements that of NGOs, of how it liaises and coordinates with NGOs?

Response:

The Australian Defence Force works within the Provincial Reconstruction Team, led by representatives from the Department of Foreign Affairs and Trade and AusAID, to develop and undertake projects in close consultation with a wide range of stakeholders. Stakeholders in Uruzgan include Afghan and International Security Assistance Force partners, provincial and district administration leaders, local communities, international organisations such as United Nations agencies and where appropriate, Non-Government Organisations.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001162 – Q8 - The Committee asked on 3 December 2012:

AID/WATCH suggested that military aid or the militarisation of aid increases the likelihood that aid will be used in corrupt ways, such as an incentive to extract information from locals.

(1)   To what extent do Defence personnel use the links they have established with local communities through their reconstruction work to obtain local intelligence?

(2)   If so, do you see a problem with doing so—does such activity blur the lines between development assistance and combat activity?

Response:

(1)   A natural result of close relationships with communities that the Provincial Reconstruction Team has developed over time is that many of the local Afghans develop open and good relationships with Australian representatives, and choose to discuss the security environment. This is considered a collaborative partnership.

(2)   Defence does not perceive a problem. Defence's contribution to governance and development assistance in Uruzgan province helps to increase ADF and ISAF goodwill with the local Afghan people, improve capacity within the Provincial Government, and provide local communities with infrastructure and other support. Strengthening the capacity of the provincial and local government and improving Rule of Law and governance in the province helps create a more stable and secure environment.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001163 - Q9: Distortion in the distribution of aid towards regions experiencing conflict

Professor Maley noted that a 'moral hazard' problem can easily arise if developmental activity is designed to complement the efforts of the military, which are almost always concentrated in areas of perceived or potential insecurity. He observed: The risk is that areas in which ordinary Afghans have done their best to produce local security will be neglected by aid agencies, and that this will send the signal that the way in which to secure aid money is to generate local insecurity.

(a)   From your experience in Afghanistan is development assistance designed to complement the efforts of the military?

(b)   Based on your experience in Afghanistan, is it correct that the more insecure areas of Afghanistan receive a disproportionate amount of development activity because it is used to complement military efforts?

(c)   If so, do you see this as a 'moral hazard'?

Response:

(a)   Development assistance is delivered across Afghanistan by a number of different actors, including by government and non-government agencies.

The safest and, in some cases, the only way to deliver assistance when security is poor is by working with or via military elements. It is important that people in insecure areas also benefit from development assistance.

Defence works in close collaboration with other government agencies in Uruzgan. Activities, including development projects undertaken by Defence, help to establish a permissive environment in which development and governance assistance delivered by other agencies can take effect. Without initial Defence assistance in non-permissive areas such as Uruzgan, other forms of development assistance would be difficult to implement. The delivery of construction by the Australian Defence Force through the Uruzgan Provincial Reconstruction Team is intended to generate support for the Afghan and Provincial Government and assist it to extend its authority. This in turn helps bring stability and security to Uruzgan Province.

(b)   Defence is unable to comment on the proportionality of development activity provided to insecure areas. Defence acknowledges that inequitable delivery of aid across regions may occur. Defence is not, however, an aid agency and only provides development assistance or an adjunct to its military mission.

(c)   Refer to (b)

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001164 - Q10: ANSF - Loyalties

Professor Maley noted that: …there is very little evidence to suggest that developmental activity will win a political dividend for the Afghan government or its international backers. This is in part because Afghans quite rationally align themselves politically not on the basis of gratitude for what has been done for them in the past, but rather on the basis of what alignments are likely to protect their interests in the future.

(a)   Would you agree with this assessment that Afghans quite rationally align themselves politically not on the basis of gratitude for what has been done for them in the past, but rather on the basis of what alignments are likely to protect their interests in the future?

(b)   What implications does such an approach have for the ANSF?

Response:

(3) (a) and (b) Defence is unable to comment on the motivation of individual Afghans. The Australian Defence Force provides support to development assistance activities in good faith and to allow space for the Afghan Government to operate as the long-term provider of security, governance and economic development to the Afghan people. The Australia-Afghanistan Comprehensive Long-Term Partnership underlines the Australian commitment to supporting Afghanistan beyond 2014, through cooperation in the areas of security, trade and development, and building the capacity of Afghanistan's national institutions. Post-2014, the ADF will continue to support the development of the Afghan National Security Forces (ANSF) through the provision of training and advisory support, including at the Afghan National Army (ANA) Officer Academy in Kabul. Australia will also consider a Special Forces contribution, under an appropriate mandate and will contribute US$100 million annually for three years from 2015 as part of international efforts to sustain and support the ANSF beyond transition. Australia's commitment reflects our enduring interest in Afghanistan's long term security and stability and sends a strong signal to the people of Afghanistan, the Taliban and the region that the international community will not walk away from Afghanistan at the end of 2014.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001165 - Q11: ANSF Ethnicities and Loyalties

Mr Bizhan, ANU, observed that political fragmentation and a lack of consensus after 2014 'may prove very challenging for the Afghan National Security Force, which are combined of different ethnicities'. Further that national and international actors need to be alert to the possibility of fragmentation within the security forces and they should take 'sensitive measures to reduce this risk' (submission 13, p. 5)[1].

(a)   Could you explain for the committee the nature and significance of the different ethnicities and loyalties in Afghanistan, their origins and how entrenched they are?

(b)   In your view what is the danger that the ANSF could fragment and support warlords—that the ANSF could fragment along tribal and patronage network lines.

(c)   Has Australia conducted its own evaluation of what is likely to happen after 2014?

Response:

(a)   Could you explain for the committee the nature and significance of the different ethnicities and loyalties in Afghanistan, their origins and how entrenched they are?

Afghanistan has a diverse range of ethnic groups with a Pashtun majority predominantly in the south of the country and Tajiks and Uzbeks predominantly in the north. Other significant ethnic groupings include Hazaras, Aimaks, Turkmen and Baloch.

(b)   In your view what is the danger that the ANSF could fragment and support warlords—that the ANSF could fragment along tribal and patronage network lines.

Through continued adequate military training and support of the international community, we expect the Afghan National Security Forces to be a confident and capable force to provide security for the Afghan people.

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[1]   Also see, an ACFID study found that parts of Uruzgan are still under militia control and the loyalty of the militia to the Government is poor or non-existent. Phil Sparrow, *In it for the long haul? Delivering Australian aid to Afghanistan,* ACFID Research in Development Series Report no. 1, March 2011.

(c) **Has Australia conducted its own evaluation of what is likely to happen after 2014?**

Defence conducts evaluations on possible scenarios that could occur in Uruzgan province after 2014 and these inform our planning processes. It would be unhelpful to speculate on what specific scenarios are likely to eventuate in Afghanistan post-2014. Country-wide assessments of Afghanistan undertaken by other International Security Assistance Force partners (such as the United States Department of Defense December 2012 Report to Congress on progress toward security and stability in Afghanistan) also inform our own planning. As the Prime Minister said in her 31 October 2012 statement on Afghanistan to the House of Representatives, "we know that as Afghan forces increasingly take the lead through 2013, the Taliban will seek to test them. We know that not every valley or village in Uruzgan or Afghanistan will be peaceful or free from insurgency. There will be difficult days ahead..."

However, Australia is committed to support Afghanistan through to transition in December 2014 and beyond. Post-2014, the ADF will continue to support the development of the ANSF through the provision of training and advisory support, including at the Afghan National Army (ANA) Officer Academy in Kabul. Australia will also consider a Special Forces contribution, under an appropriate mandate and will contribute US$100 million annually for three years from 2015 as part of international efforts to sustain and support the ANSF beyond transition.

<u>**Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012**</u>

QN12-001166 - Q12 - ANSF Corruption

The recent report published by the Feinstein International Center noted that respondents to its research in Uruzgan observed that 'the ADF's direct and hands-on role in supervising infrastructure projects was very expensive, but resulted in higher quality structures and fewer allegations of corruption'.

(a)   Would you like to comment on this observation?

(b)   To what extent did the ADF contract out or sub-contract its projects—could you provide details?

(c)   Did the ADF use its projects as a means of employing and/or training local Afghans in building and construction skills?

(d)   How did the ADF managed problems with corruption?

(e)   What precautions did the ADF take to ensure that its projects did not play into local power dynamics by exacerbating resentment or rivalries between groups?

(f)   How does the ADF ensure local buy-in for their projects?

Response:

(a)   The Australian Defence Force (ADF) is not an aid organisation. The costs of delivering and supporting development assistance in a difficult security environment such as Uruzgan province are significant.

Defence assesses that any projects that are designed, managed and delivered by the ADF exceed the typical quality of construction that is generally observed in the community. This is attributable to a number of factors, but the key reason is that local contractor trade training is usually limited. For example:

i.   the quality of local on site supervision is poor, and ADF delivered projects provide additional well trained supervision and oversight during both design and delivery phases;

ii.   safety on site is monitored by the Uruzgan Provincial Reconstruction Team's (PRT) Managed Works Team (MWT) and, where deficiencies are identified, mentoring and training is provided; and

iii.   continual reinforcement is provided to the contractor that safety, quality and contract management is the responsibility of the contractor and PRT MWT hold them to account within the bounds of the contracts.

(b)   From 2006-2010, an ADF-led Mentoring and Reconstruction Task Force, followed by a Mentoring Task Force, undertook a number of construction projects in Uruzgan province which utilised a mix of military trade specialist, locally employed labour and, as the security situation permitted, local contractors.

In August 2010, Australia assumed the lead of the Uruzgan Provincial Reconstruction Team, giving further opportunity to progress construction projects in Uruzgan. Australian civilian and military advisers engage directly with the Afghan Government and community to enable the construction of roads, schools and other basic infrastructure. These efforts

help to improve governance capacity and facilitate the delivery of basic service such as health and education to the Afghan people. Construction efforts are now, where possible, undertaken using construction techniques suitable for local conditions, employing local contractors and using locally sourced materials.

(c)   Construction efforts are, where possible, undertaken using construction techniques suitable for local conditions, employing local contractors and using locally sourced materials. In addition, the Trade Training School, previously run by the Mentoring Task Force and now by the Uruzgan Provincial Reconstruction Team, has been conducting basic plumbing, carpentry, concreting and bricklaying courses since 2006.

An advanced construction workers course has been offered since July 2007, providing a greater depth of training in plumbing, carpentry, concreting and bricklaying as well as developing basic foreman skills. The overall aim is to build sustainable Afghan trade professions.

(d)   The Australian Government attaches great importance to reducing the levels of corruption and illegal activity in Uruzgan and promoting good governance and the Rule of Law. The PRT development activities focus on ensuring that development aid is used positively, in support of governance and security in the province.

(e)   The project consultation and development process is the mechanism through which the ADF obtains critical insight to enable the identification and prioritisation of suitable construction projects. Project selection takes into account the local power dynamics.

(f)   The project consultation and development process is the mechanism through which the ADF obtains critical insight to enable the identification and prioritisation of suitable construction projects. The Uruzgan Provincial Reconstruction Team (PRT) engages closely with local communities, community leaders and other stakeholders to make sure projects suit local conditions and fulfil local needs, which serves to bring communities in to the projects. The ADF works hard to achieve buy-in from the communities in the PRT's aid projects, as one of the Australian Government's key goals is to support the development and governance efforts of the local Afghan government.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001167 - Q13: Evaluation and Reporting

Defence in its submission stated: The overall security situation, the relatively small scale of the individual projects undertaken by the Military Reconstruction and Task Force and ADF Managed Works Team and the time imperatives to consistently deliver immediate and visible benefits to local communities, militate against the conduct of formal cost/benefit evaluations (submission 17, p. [3]).

a) Could you explain how Defence monitors and evaluates the effectiveness of its ODA work in Afghanistan?

b) Has AusAID or DFAT, as the primary coordinator, undertaken such evaluations on behalf of Defence?

c) How does Defence assess the effectiveness of the development assistance it provides in Afghanistan? How do you receive feedback from the local communities?

Response:

a) Australian Defence Force (ADF) projects are assessed for fitness for purpose and construction standards. They are routinely evaluated for such, after completion. Lower level monitoring of reconstruction projects is undertaken by the ADF but the ADF does not independently evaluate the development impact of these projects.

b) No.

c) The ADF works with representatives from DFAT and AusAID within the Provincial Reconstruction Team to develop projects in continued and close consultation with a wide range of stakeholders, including Afghan and ISAF partners, provincial and district administration leaders and local communities. Civilian and military advisers engage directly with the Afghan Government, community leaders and local communities to enable the construction of roads, schools and other basic infrastructure, to improve governance capacity and facilitate the delivery of basic service such as health and education to the Afghan people. This mechanism ensures that project development and delivery is appropriate to the local situation and beneficial to both the community and provincial government.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001168 - Q14: Report on Military construction effectiveness

Mr Poulter: …There is also the issue that I flagged earlier about the effectiveness of the assistance that is given. If we look at the report on school building, sadly, those that have been constructed by military aid were found to be far more likely to be attacked than those built by NGOs or by the communities themselves. Is Defence aware of any such reports?

Response:

Defence is aware of one such report. The Care Australia submission dated 17 September 2012 to the Inquiry refers to a report "Knowledge on Fire: Attacks on education in Afghanistan", produced by CARE international for the World Bank in 2009 which generally refers to data between 2006-2008. The report does describe foreign military involvement (in particular Provincial Reconstruction Teams) as one of a range of factors that can increase the risk of a school being attacked or threatened. While Uruzgan was not one of the provinces studied for the production of the report, it does appear in some of the comparison tables within the report.

The following summary table indicates only three confirmed records of attacks on two Defence ODA-eligible construction projects undertaken since 2006.

Table 1. Project-related Attacks on ADF ODA-Eligible Projects

Attacks	None	Unknown	Total
3	14	32	48
4%	29%	67%	100%

For serials marked "unknown", detailed information on all projects undertaken since 2006 is not easily available.

Additional detail by individual projects is provided at Table 2 below:

Ser	Projects/Expenditure Item	Purpose Category	Insurgent attacks [1]
	Table 2. ODA Eligible Individual Projects Undertaken by Defence for Period 2006-2013: Insurgent Attacks as at 2 Jan 13 – Information provided by JTF 633 PRT		
	(a)	(b)	(c)
1	Sedfidkar Flood Mitigation	Civil Works	Unknown
2	Tarin Kot Waste Management	Civil Works	None
3	Tarin Kot Waste Management Facility	Civil Works	None
4	Tarin Kot Wells - various location	Civil Works	2
5	Baluchi Community Project	Community	Unknown
6	Chora Food Storage Cellars	Community	Unknown
7	Rosie Khan Mosque	Community	Unknown
8	Sorgh Morghab Mosque	Community	Unknown
9	Sorkh Morghab Community Projects	Community	Unknown
10	Radio Television Authority Rebuild	Community	1
11	Afghan Health and Development Services Training Facility	Education	Unknown
12	Malalai Girl's School	Education	Unknown
13	Naway Waleh School	Education	Unknown
14	Talani School	Education	Unknown
15	Tarin Kot Boys High School	Education	None
16	Tarin Kot Boys Primary School	Education	None
17	Tarin Kot Boys School	Education	None
18	Tarin Kot Girls School Expansion	Education	Unknown
19	Trade Training Centre	Education	None
20	Womens Training Project	Education	Unknown
21	Governor's Compound	Governance	Unknown
22	Governor's Shura Building (including Governors Compound Rectification)	Governance	None
23	Ministry of Energy & Water Compound	Governance	Unknown
24	Ministry of Rural Reconstruction and Development Compound Refurbishment	Governance	Unknown

Ser	Projects/Expenditure Item	Purpose Category	Insurgent attacks [1]
	(a)	(b)	(c)
25	National Directorate of Security Compound	Governance	Unknown
26	TK Prison Water Tower	Governance	Unknown
27	Chora Clinical Health Centre Expansion	Health	None
28	Dorofshan Basic Health Care Centre	Health	Unknown
29	Mirabad Basic Health Centre	Health	Unknown
30	Sorkh Morghab Basic Health Centre	Health	Unknown
31	Tarin Kot Hospital	Health	None
32	Tarin Kot Hospital Doctors Accommodation	Health	None
33	Yaklenga Health Centre	Health	Unknown
34	Tarin Kot Solid Waste Containment Project	Health	None
35	Alexander Hill Bridge	Transport	Unknown
36	Baluchi Crossing	Transport	Unknown
37	Chutu II Bridge	Transport	Unknown
38	Chutu Bridge repairs	Transport	Unknown
39	Eastern Causeway	Transport	Unknown
40	Irish Crossing Refurbishment	Transport	Unknown
41	Kowtwal Crossing	Transport	Unknown
42	Sajawul Crossing	Transport	None
43	Sorkh Lez Crossing	Transport	Unknown
44	Talani Crossing	Transport	Unknown
45	Tarin Kot Roads	Transport	None [2]
46	Zabul Bridges	Transport	Unknown
47	Route Whale East	Transport	None
48	Quick Impact Projects		Unknown

Note 1: For serials marked "unknown" as Uruzgan province progresses through transition and ADF draw down continues, detailed information on all projects undertaken since 2006 is not easily available.

Note 2: A number of attacks have been recorded on the Tarin Kot Road (Serial 45), but none deemed to be project-related.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001177 - Q15: Afghani workers associated with aid projects

Senator Rhiannon asked on Wednesday 19 December 2012:

(1)   Have you considered what measures need to be taken to ensure Afghanis and their families that have been associated through work or in other ways with Australian military are not victimised, tortured or killed when the Australian military leave Afghanistan?

(2)   What arrangements have been made for Afghani interpreters and other Afghanis who have worked with your department in Afghanistan to secure their safety when Australian troops are withdrawn?

(3)   What arrangement have been made for the families of these workers?

Response:

(1), (2) and (3)

As the Minister for Defence and Minister for Immigration and Citizenship announced on 13 December 2012, Australia will offer resettlement to Australia to eligible locally engaged Afghan employees at risk of harm due to their employment in support of Australia's mission in Afghanistan. The announced visa policy is aimed at those locally engaged Afghan employees at the greatest risk of harm as a consequence of the support they have provided to Australia's mission in Afghanistan. This reflects Australia's view of its moral obligation to current and former employees who have provided valuable support to Australia's efforts in Afghanistan.

The Government will offer at-risk Afghan employees, and their direct family members, the opportunity to resettle in Australia. Successful applicants will be resettled under Australia's Humanitarian Program, administered by the Department of Immigration and Citizenship. They will have access to the same suite of resettlement services as any other humanitarian entrants, including accommodation support, basic assistance to set up a household, English language courses and help to access government, community and health services.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001178 - Q16: Advisers after troop withdrawal

Senator Rhiannon asked on Wednesday 19 December 2012:

1. Do you envisage that the advisers that remain in Afghanistan after the defence forces are withdrawn will assist with the Australian aid program in that country?
2. If so what programs will these advisers assist with?
3. In what areas will the advisers be based?
4. From when the government withdraws our defence forces and only Australian advisers remain in Afghanistan where will the Australian advisers to the Afghan police and army be based?
5. How many advisers will be from the Defence Forces?
6. How many advisers will be from the AFP?
7. How many military advisers be based in Uruzgan province?

Response:

(1-7) The Government has indicated that there will be a continuing role for the Australian Defence Force (ADF) in Afghanistan post-2014. The ADF will continue to support the development of the ANSF through the provision of training and advisory support, including at the Afghan National Army (ANA) Officer Academy in Kabul. Australia will also consider a Special Forces contribution, under an appropriate mandate.

Any role for development advisers post-2014 is a matter for AusAID.

The role of any Australian police trainers and advisers to Afghanistan post-2014 should be addressed to the Australian Federal Police.

Senate Inquiry into Aid in Afghanistan, Defence Hearing, 3 December 2012

QN12-001184 - Q17: Security in Afghanistan

The Committee asked on 3 December 2012:

Professor Gordon, London School of Economics held doubts over whom the Afghan National Security Forces would be loyal to post 2014 and to the danger that the army could fragment and support warlords. He indicated that the realigning with some local power brokers—the old strongmen—fragmentation along tribal and patronage network lines was a real concern (oral evidence taken before the United Kingdom International Development Select Committee, 3 July 2012).

(1)   Has Australia conducted its own evaluation of what is likely to happen after 2014?

(2)   To what extent does the international community, including Australia as a donor country, understand the likely security situation that will emerge after 2014? Could you outline the various scenarios and the one that is most likely?

Response:

(1)   Defence does conduct evaluations on possible scenarios that could occur in Uruzgan province after 2014 and these inform our planning processes. It would be unhelpful to speculate on what specific scenarios are likely to eventuate in Afghanistan after 2014.

Country-wide assessments of Afghanistan undertaken by other International Security Assistance Force partners (such as the United States Department of Defense December 2012 Report to Congress on progress toward security and stability in Afghanistan) also inform our planning.

As the Prime Minister said in her 31 October 2012 statement on Afghanistan to the House of Representatives, "we know that as Afghan forces increasingly take the lead through 2013, the Taliban will seek to test them. We know that not every valley or village in Uruzgan or Afghanistan will be peaceful or free from insurgency. There will be difficult days ahead".

(2)   It would be unhelpful to speculate on what specific scenarios are likely to eventuate in Afghanistan after 2014. Australia is, however, confident that the Afghan National Security Forces is being given the best opportunity to succeed, and through continued international support, will manage security in Afghanistan beyond 2014.

Senate Estimates Hansard, 29 May 2012

Senator RHIANNON: Thank you, Madam Chair. A statement made by foreign minister, Mr Carr, indicates that the ADF will deliver $11.7 million of the Overseas Development Assistance eligible expenditure in 2012-13. Can you confirm that this is the full amount of aid money going to the ADF in 2012-13?

Mr D Lewis: Senator, I am sorry: the question is not quite understood here.

Senator RHIANNON: I am talking about aid money and a statement that Mr Carr, the foreign minister, made in the context of the budget that ADF will deliver $11.7 million in aid programs in 2012-13. I am trying to confirm that this is the full amount of aid money going to ADF in 2012-13.

Senator Feeney: Senator, is this defence spending that has been designated as ODA or is this a transfer between AusAID and Defence?

Senator RHIANNON: That is what my questions will go on to, but it is what is called 'ODA eligible expenditure' that the ADF is given. That is how Mr Carr sets it out and is in the other documents I have received. So I want to establish the full amount and then go on to understand how it is spent.

Mr D Lewis: Senator, it is an unusual question. I am not familiar with the sum of money and I am not quite sure why we would be taking aid money. I understand ODA eligibility. If we could take that question on notice, and maybe have a look at the provenance of Minister Carr's comment, then we will be able to give you an answer. But I am not familiar with that sum of money off the top of my head.

Senator RHIANNON: Well, leaving the sums of money aside for the moment, can you detail which projects in Afghanistan the 2012 budget that you have been allocated go to? I am happy for you to take that on notice, because what I was after is the new projects that are planned, which ones are ongoing and which ones you have finalised.

Mr D Lewis: Okay. This is Provincial Reconstruction Team work, I understand.

Gen. Hurley: Yes, we can do that.

Senator RHIANNON: That was also one of my questions: are all your aid programs conducted by PRT under Operation Slipper?

Gen. Hurley: If you are saying all our aid programs—

Mr D Lewis: The ADF based ones, yes.

Gen. Hurley: AusAID manages some PRT projects as well.

Senator RHIANNON: I just wanted to establish that all your projects, the ADF projects that you undertake with ODA money, are all conducted by PRT, Provincial Reconstruction Team.

Senator Feeney: In Afghanistan.

Gen. Hurley: We do not necessarily have separate aid projects, Senator. We might assist in the delivery or implementation or construction of some of the projects, but we just have to untangle that in relation to ODA eligible funds—because we are primarily assisting the PRT to do its work through some engineer planning and force protection, but the actual management of the projects is an AusAID responsibility within the PRT.

Senator RHIANNON: This is what I really wanted to clarify. Looking back on previous estimates, you have supplied information about ADF projects, like the trade training centre at Tarin Kowt Boys School, Tarin Kowt Hospital—and the number of projects goes on and on. And they are listed as ADF projects.

Gen. Hurley: That is right, but things have changed in Afghanistan from the early days, when the ADF may have initiated projects because there was no other vehicle for them to be done, to the development of the PRT refinement of its processes and transitioning of responsibility. So I think it just reflects a change in the mechanism by which some parts have been initiated and undertaken over time. So, if there is any confusion there, I think that explains why things have changed.

Senator RHIANNON: So you are actually saying the ADF does not do any of these projects itself with this money? Mr Carr—and I am sure this is accurate information—has identified that the 'ADF will deliver $11.7 million in aid programs'.

Gen. Hurley: Senator, I understand what you are saying, but we would need to know where and what those aid programs were to help answer your question.

Senator RHIANNON: There is nobody here who can answer that? It is such a lot of money, and I thought we would have been able to clear this up.

Gen. Hurley: No, I cannot.

Senator RHIANNON: I understand ADF provides protection for AusAID officials and projects in areas considered dangerous, such as Oruzgan. Will these aid projects continue in Oruzgan or will aid be withdrawn as the military is withdrawn?

Gen. Hurley: There will be coordination with AusAID in the Oruzgan province as we begin the transition process, to allow them to continue to implement projects. There will become a time, though, when we will stop

managing those projects from Oruzgan and will more than likely be managing them from Kabul—and there will be a change of focus in the way that Australian aid and development assistance is delivered in Afghanistan to a more national focus than a provincial focus.

Senator RHIANNON: In response to that question you just said the ADF manages projects. I take that to mean you do manage these aid projects.

Gen. Hurley: No, AusAID manages the projects. If I said that, I confused you. We provide the force protection. As we transition we will interact with AusAID through the PRT for the delivery of projects but, as I say, they will transition from a provincial focus to a national focus over time.

Senator RHIANNON: Does the ADF ever contract out security for AusAID workers to private operators?

Gen. Hurley: Not that I am aware of.

Senator RHIANNON: Do you need to take that on notice?

Gen. Hurley: I will take it on notice, but I am pretty sure it does not happen.

Senator RHIANNON: Of the aid programs that ADF delivered—because, from the material that I have it seems very clear that you have delivered aid projects—how much was spent directly on the projects and how much was absorbed into net additional costs of ADF personnel support and associated costs?

Gen. Hurley: We could give you the costs, but all those activities in support of the operation would be under the no-win no-loss arrangements for the operation. But we will get a breakdown of what we have done over time. To just go back to your previous question: I am certain that we do not hire security contractors to provide force protection for the PRT.

Senator RHIANNON: Thank you. Just to clarify that question I asked: I was after the ADF expenditure by aid project, to understand how much goes on the actual project and how much is absorbed into additional costs. Could you take that on notice, please?

Gen. Hurley: Certainly.

Senator RHIANNON: To clarify, from going back to what I asked—I think you took it on notice, but I just want to be—

Mr D Lewis: Senator, if I may just try to assist with your line of inquiry here. I think as General Hurley said, in the very early days of our presence in Oruzgan the Department of Defence, and the ADF in particular, would have been delivering some projects that you might describe as aid—that is, doing some work in Oruzgan that was being done by Defence because we were the only vehicle by which that aid project could be delivered. As the CDF has said, through time there has become an increasing ability for AusAID to deliver more clearly straight aid programs into Oruzgan. Some of that has been done with Defence assistance, Defence support or a Defence security umbrella being put over the top of it. But I think it will be quite difficult, while we will give it our best shot, to actually identify in those early projects how much money was spent on each of the projects and then to try and attribute the kinds of things you are talking about—the Defence cost of involvement and so on. I think that would be near impossible, based on our current accounting processes, mainly because it is—

Loud music from an e-device in the audience having interrupted proceedings—

Gen. Hurley: My goodness!

Senator Feeney: Is that Chief of Army trying to steal centre stage!

Gen. Hurley: Senator, I am sorry, I have been quite put off here. I will just try and recover myself.

Senator RHIANNON: Yes, I think we have to start again! I understand your point—

Gen. Hurley: I know where you are going with this, and the ODA eligibility and so forth of money is well understood, but I cannot recall any time when Defence expenditure has been considered to be ODA eligible in this case. But let us check and we will see if we can come back with some clarity for you.

Senator RHIANNON: Thank you. I am pursuing this because I heard you say 'it was in the early days'. But from the estimates of June last year—probably this very time and place a year ago—it was said 'the ADF is expected to spend $13.8 million in ODA eligible expenditure in 2011-12.' So the amounts are still coming through, in your own data, and ODA eligible expenditure, I think to the general public, means that it is aid money being spent by ADF.

Senator Feeney: Senator, you may have said this already—if so, I apologise—but can you cite the publication you are drawing that from?

Senator RHIANNON: It is a summary of the estimates, so Foreign Affairs, Defence and Trade Legislation Committee Estimates, Senate, 2 June 2011, page 86.

Senator Feeney: Thank you.

Mr Sargeant: ODA is a way of categorising expenditure and it means that some activity that Defence undertakes as, for example, the Federal Police might undertake in countries, can be categorised as expenditure under the aid program for reporting. What that means is that some activity that Defence undertakes in Afghanistan is

categorised as ODA eligible, meaning that the government can count as part of its overall aid expenditure. We will identify those elements of the activities in Afghanistan that meet that criterion and respond to you.

Senator Feeney: Surely the point is that if it ultimately was not counted towards ODA then that is the end of it.

Mr D Lewis: What I can assure you, Senator, is that no ODA money is being spent on the Defence organisation, if that is the thrust of your question. There is no suggestion of that. The ODA money may well be used as part of payment for the delivery of a project that the ADF may be working on but it is not in any way coming towards the benefit, if you like, of the Australian Defence Force. I want to put that on the record. But we will get some answers for you.

Senator RHIANNON: Thank you. I am trying. to clarify what that money is spent on. Does the International Security Assistance Force undertake an evaluation of ADF administered development projects?

Gen. Hurley: What do you define as ADF assisted development projects?

Senator RHIANNON: ADF development projects. We have obviously got a bit of confusion about do you or don't you.

Gen. Hurley: Again there has been an evolution in terms of the capacity of both the Afghan government and I think the international agencies that support it to assist in the oversight of delivery of aid projects through the provincial reconstruction teams, so, yes, there are external visits conducted and assessments. They may not be directed through to the ADF, though; they are more in the PRT chain.

Senator RHIANNON: Are any of these evaluations public?

Gen. Hurley: Not that I am aware of, Senator. I do not know.

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

Gen. Hurley: Yes.

Senator RHIANNON: I would like to clarify the $11 million. The question remains, if the ADF are not doing aid projects now, what is the ADF getting the $11 million for from AusAID this year that is spelt out in Mr Carr's statement?

Mr D Lewis: We are not receiving money from AusAID.

Senator RHIANNON: Take AusAID out of the question and go back to ODA eligible expenditure.

Senator Feeney: It is different to AusAID money. It is Defence money that is eligible by government to be counted as ODA. So it need never pass through AusAID's coffers to be counted for ODA.

Senate Estimates Hansard, 17 October 2012

Senator RHIANNON: I had a question on notice in the May estimates. It was No. 41. It comes under the provincial reconstruction team. You provided a detailed project list for 2006-07 to 2010-11. Thank you for providing that level of detail. I want to ask why there was no detail provided for 2011-12 and 2012-13.

Mr Sargeant: I will have to check that and find out.

Senator RHIANNON: The total amount I understand is available for 2010-11. You did not provide a breakdown. For 2012-13, considering that these projects would have had to have been approved, you would have had an indication of what they are.

Gen. Hurley: I am just wondering if your question was about work done particularly by the ADF because the operation transitioned into delivery of these projects to a different manner around the end of that 2010-11 period. I am wondering if that is why.

Senator RHIANNON: On page 127 of the budget paper *Australia's International Assistance Development Program 2012-13* under the heading 'Summary of aid programs delivered by OGDs' in the table titled 'Aid delivered by Australian government agencies other than AusAID', so we are talking about ODA, Defence comes in with an estimated spend of $11.7 million for 2012-13 and $19.7 million for 2011-12. You have provided a great deal of detail for all those other years and then it stops.

Gen. Hurley: I am not quite sure why that was the case but if the detail is there we will give it to you.

Mr Sargeant: I think it is the difference. The question asked how much we had spent. We know that. We have an estimate for 2012-13 but we have not finished that year, so what we could provide is the estimate.

Senator RHIANNON: So you could provide an estimate of the division between direct project costings, Defence employee costs and Defence employee support costs?

Mr Sargeant: I would expect so.

Senator RHIANNON: Thank you. For the year that is completed 2011-12, can you provide details about what that money was spent on?

Gen. Hurley: Yes, we will be able to.

Senator RHIANNON: So you need to take that on notice?

Gen. Hurley: Yes, if we could.

Senator RHIANNON: Staying with that same question on notice that you responded to, I will read out one of the paragraphs that you included in your answer because I had some questions arising from it. It says:

The overall security situation, the relatively small scale of the individual projects undertaken by the MRTF and MWT—

the Mentoring and Reconstruction Task Force and ADF Managed Works Team—

and the time imperatives to consistently deliver immediate and visible benefits to local communities, militate against the conduct of formal cost/benefit evaluations …

The line that comes out there that I want to explore is:

… consistently deliver immediate and visible benefits to local communities, militate against the conduct of formal cost/benefit evaluations …

Are the projects that are done by the ADF and that are labelled as ODA eligible expenditures in line with the review and evaluation across aid program guidelines that, again, are set out in the publication I just referred to? It is quite detailed in terms of evaluation.

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

Senator RHIANNON: Is there somebody here who can explore that, because we are talking about one of the very fundamental aspects of Defence projects that are funded by aid and the evaluation is built into all that so deeply—

Senator Feeney: Senator, I think we need to clarify some of that language.

Gen. Hurley: Senator, these are not funded by aid. These are funded out of the Defence budget. They may be declared ODA eligible but they are not aid dollars; they are Defence dollars.

Senator Feeney: And of course they only become ODA eligible if they fulfil external criteria. Defence is not able to unilaterally declare its own expenditure ODA.

Senator RHIANNON: That was what I was trying to assess. Thank you for clarifying that point. For it to be classified to be ODA eligible, I understood that evaluation was essential but in response to my question you had said 'militate against the conduct of formal cost/benefit evaluations'. So I am trying to explore this issue that you have laid out there.

Mr Sargeant: A cost-benefit evaluation is not necessarily an evaluation about whether expenditure is ODA eligible. It could be about different things.

Senator RHIANNON: What different things could they be?

Mr Sargeant: A cost-benefit analysis, which would be an analysis of the value of the project against the costs that went into delivering the project—

Senator Feeney: Senator, it seems to me that the phraseology essentially is trying to say that a project might be supported in a place like, for example, Uruzgan province—and I am about to make something up—where, for instance, a well might be sunk and, by virtue of the fact that that is a tangible benefit to the local community, that goes above and beyond the simple parameters of a typical cost-benefit analysis. That is because of its emblematic, symbolic value or whatever. So I think that is the language you are talking to.

Gen. Hurley: I think you need to be thinking through what are the objectives of the work we do, Senator. When you particularly look at the period over the last four or so years in Afghanistan when we were doing this type of work, you see we were there trying to create a secure environment to allow activities to occur. Many of the times when you are doing these military operations you are looking for opportunities to give confidence to the community that we are a dependable group that is there to do good for them, to help them in their current situation. So you are looking at projects that they might bring to you and say, 'We have not had a school here,' or 'Our school was burnt down. If you could rebuild that school for us that would be very beneficial for us.' We will look at those tasks and say that that seems to be something that hits a local need very quickly so we will put the resources into doing that. We will be using Defence budget funds to do that. It is not necessarily that we have sat down and said: okay, how do you reconstruct Uruzgan, for example, and build the infrastructure over a set six- or seven-year period to a formal plan, and evaluate each of the projects within that plan. In the early days, we have to work hard—we are in a combat situation; we are trying to win the population's confidence and win them over to our support—so are there projects we can do that help us to achieve that as we go through it?

Then there is the bureaucratic process that says later on: you have spent this money on this type of project and that is actually ODA-eligible. We are not thinking of it in that sense. We are thinking that it helps us get the security objective achieved as well as advance the welfare of the people.

Senator RHIANNON: Thank you for explaining the process. It would appear that there could still be a contradiction there so I was interested in your expanding on the point of how these projects are listed as ODA-eligible when the primary purpose, as set out in that response to my question, is to deliver immediate and visible benefits without assessing whether these projects are effective in promoting the economic development and welfare of developing countries.

Gen. Hurley: But again, if you go through the list you would be hard-pressed to find anything on that project list that does not achieve those objectives. Flood mitigation, waste management, wells, community projects, storage cellars for food, mosques, a girls' schools, a boys' schools, a boys' high school, training centres for trades and crafts, a building for the governor to meet with his local people, health centres, a hospital, bridging, crossings, causeways—these are all part and parcel, I would have thought, of fundamental infrastructure to help a society rebuild.

That they have a security benefit for us is just as important. And again, the framework particularly when we first arrived in Afghanistan was more from security perspective and how we open the door to get in to have that communication and confidence with the people. There is a process after that that says that it is ODA-eligible, but in doing those tasks we are not seeking to make that funding ODA-eligible. We are seeking to have a security and a community outcome.

Senator Feeney: Again, I just want to make clear that these are Defence dollars; these are not AusAID dollars, and ODA eligibility is something that is established externally, not internally.

Senator RHIANNON: Yes, I appreciate that. But from what I understand, the majority of this will be approved and become ODA funded—it will move over.

Senator Feeney: No. The Australian government might end up saying that this year we spent X as ODA, but those moneys will come from many departments. This does not change, distract, divert or subvert the AusAID budget, and Defence is not reimbursed for this activity.

Senator RHIANNON: So you are saying that this does not come under the ODA budget at any stage?

Senator Feeney: It is recognised as aid by internationally established standards, but it is not an AusAID program. It does not change the AusAID budget.

Gen. Hurley: We are not compensated for it.

Senator RHIANNON: The word 'standards' is where I wanted to go. We are aware that there are the OECD guidelines that set out what is classified as ODA and when you look at the costings here with Defence and employee support costs they come in, in most cases, well over 90 per cent of the total that has gone in in any year. Going to that issue of standards, the OECD guidelines on statistical reference set out how projects linked with the military can be regarded as ODA. I note that they exclude salaries and expenses, so my question was: considering Defence employee costs, does that include salaries and expenses?

Senator Feeney: We are not able to characterise Defence spending as ODA eligible unless it meets those criteria. Without being able to answer that specific point—perhaps there is somebody here who can, otherwise we will take it on notice—we cannot deem something as ODA on our own recognisance. If you are saying that those are the standards that apply then those are the standards that apply.

Gen. Hurley: My brief says that, in accordance with the Organisation for Economic Cooperation Development Assistance Committee reporting guidelines on ODA, the ADF's personnel costs associated with delivering ODA in Afghanistan include military employee and support costs for ADF personnel undertaking reconstruction tasks. These costs include personnel costs which consist of the payment of international campaign allowance, additional accrued leave entitlements, separation and field allowance. In addition to these personnel costs, support costs are also ODA eligible and consist of logistics costs support for ADF personnel such as rations, water, base support, electricity generation, maintenance and vehicle running costs. It should be noted that these costs exclude the cost of the ADF personnel providing force protection to the reconstruction force, so it is really only those doing the reconstruction work or the actual task.

Senator RHIANNON: But we would call that expenses. Page 12 of the OECD guidelines on statistical reference sets out:

On the other hand additional costs incurred for the use of military personnel to deliver humanitarian aid or perform development services are included in ODA (but not their regular salaries and expenses).

Gen. Hurley: And I have said that there. These costs include personnel costs which include payment of allowances but not their salary. The payment of international campaign allowance, additional accrued leave entitlements, separation and field allowance—that is not their salary.

Senator RHIANNON: But would not you interpret the word 'expenses' as covering that, and that is to be excluded?

Gen. Hurley: I have to admit that I am not a Department of Finance expert or a Chief Finance Officer expert on the issue, but obviously agreement has been reached with the Department of Finance about how these expenditures are to be accounted for or could become ODA eligible. It is talking about personnel costs as those allowances and it is not talking about salary as part of that package in the brief I have. Whether or not salary is an expense I would have to let some other expert argue that point.

Senator RHIANNON: Could you take that on notice—and I have read that definition out; page 12 of the OECD guidelines on statistical reference says that expenses should not be covered in these types of projects—whether the term 'expenses' covers any aspect of what you have set out there?

Gen. Hurley: I will take that on notice and come back to you.

Senator RHIANNON: Thank you very much. I want to go back to the May estimates. I asked whether the International Security Assistance Force undertakes an evaluation of ADF administered development projects. In response to that question you said:

… I think the international agencies that support it to assist in the oversight of delivery of aid projects through the provincial reconstruction teams, so, yes, there are external visits conducted and assessments. They may not be directed through to the ADF, though; they are more in the PRT chain.

Then, in response to my question on notice, it was stated that the ADF states there are no formal cost-benefit evaluations. I know we touched on that a bit before, but I want to ask if you can clarify this: does ISAF do evaluations and, if so, which projects have been evaluated and what are the outcomes?

Gen. Hurley: Understandably, I will not have all that detail on hand now. I will take it on notice.

Senator RHIANNON: I will leave it at that. Thank you.

Senate Inquiry into Aid with Afghanistan, Defence Hearing, 3 December 2012

MARSHALL, Air Commodore Hayden, Director-General, Support Branch, Department of Defence
MOORE, Mr Stephen, Director, Afghanistan and Pakistan, International Policy Division, Department of Defence
PRIOR, Mr Phillip James, Chief Finance Officer, Department of Defence
SARGEANT, Mr Brendan John, Deputy Secretary, Strategy, Department of Defence
[15:17]
CHAIR: Welcome. The committee has received your submission as submission 17. Do you wish to make any amendments or alterations to your submission?
Mr Sargeant: I was wondering whether I could make an opening statement.
CHAIR: That was my next question, would you like to make an opening statement, so please go ahead.
Mr Sargeant: Thank you for the opportunity. I would like to provide the committee with an update from Defence on the work that the ADF undertakes in support of development in Afghanistan. Before I provide this update, I would like to correct an error reported in Defence's submission of 20 September 2012. The submission incorrectly reported ODA eligible expenditure in Afghanistan. I wish to apologise for this error and any inconvenience it has caused. This correction came from identifying the inclusion of non-ODA eligible activities. These activities included force protection costs in 2010-11, engineering elements and trade training activities across all or some of the years and direct project costs for some military checkpoints in 2006-07 and 2007-08. As a result of this error the table in annex A to our submission was incorrect. The table has been amended and resubmitted to the committee. The ODA eligible spend in Afghanistan for the period 2005-06 to 2011-12 was $65,969,000, which includes $34,076,000 for direct project costings, $19.62 million for Defence employee costs and $12.272 million for Defence employee support costs. The ADF's government-mandated mission in Afghanistan is through its operations to support the International Security Assistance Force mission in preventing Afghanistan from becoming a place where terrorists plan and train for attacks on innocent civilians. This includes attacks on Australian civilians both in our own region and further afield.

The ADF also has a role in Australia's broader mission to help stabilise Afghanistan, a role that has security, governance and development aspects, and which is addressed by a number of government agencies with Defence, including the Department of Foreign Affairs and Trade and the Australian Agency for International Development. To achieve its mission, the ADF has been training and mentoring the Afghan National Army 4th Brigade in Uruzgan province in order to enable them to take security responsibility in the province by the end of 2014. We are on track to achieve this task. On 20 November 2012 the ADF shifted from a mentoring to an advising role, and was able to withdraw from forward operating bases throughout Uruzgan, transferring control to the Afghan national security forces. This effort is matched by similar efforts from our ISAF partners across Afghanistan, and now 75 per cent of the Afghan population is protected by its own security forces.

The ADF also contributes to whole-of-government stabilisation and development efforts in Uruzgan. ADF personnel work on development projects alongside representatives from DFAT and AusAID in the Uruzgan Provincial Reconstruction Team.

Australia's approach reflects ISAF's counterinsurgency strategy. A secure future for Afghanistan requires progress in governance and development in concert with security. Until now, ISAF has provided security for areas in which reconstruction work is being conducted, and practical support for reconstruction and development efforts where appropriate. ISAF also provides support for humanitarian assistance conducted by Afghan and international organisations.

The ADF's contribution to governance and development in Uruzgan commenced in 2006, and has focused on construction activities aimed at increasing capacity building in the fields of community, transport, education, governance, health and civil works. From 2006 to 2010 this was provided through the ADF-led Mentoring and Reconstruction Task Force. From August 2010 the ADF has contributed to the delivery of construction projects under the DFAT-led Provincial Reconstruction Team. ADF efforts have included direct involvement in construction and the provision of force protection to allow the Uruzgan Provincial Reconstruction Team to carry out its work.

Critically, the construction and development work undertaken by the ADF complements its efforts to develop security across Uruzgan. In short, it helps create a safe environment in which the ADF is able to conduct operations. This is a key part of the ADF strategy in Uruzgan. Development projects help to build relationships and goodwill with the local population, increasing support for both the ADF and Australian civilian agencies in Afghanistan.

Support from the local population is crucial in creating an environment conducive to the success of both the expansion of security across Uruzgan and long-term development projects. For example, in August 2011 the education of girls in Uruzgan was given a major boost with the opening of the Malalai Girls School in Tarin Kot.

The 21-classroom school took 15 months to build at a cost of US$1.575 million, and has facilities for up to 700 primary and secondary students. The construction of the school was a partnership of the Uruzgan provincial government and the Uruzgan Provincial Reconstruction Team, but most of the construction work was undertaken by Afghan contractors using local labour with direction from ADF engineers. Other projects the ADF has been involved in include the construction of the Tarin Kot boys primary school, the Dorafshan Basic Health Centre, and development and redevelopment of Uruzgan Ministry of Energy and Water compound. A more complete list of projects can be found in Defence's submission to the committee's inquiry.

As we move through transition the ADF focus is shifting. Where ADF personnel were directly committed to construction related tasks the effort has now moved towards project management and supervision. This aligns with Defence's focus on mentoring the ANA fourth brigade in Uruzgan, and has been allowed, in part, by an increased AusAID and DFAT presence in Uruzgan since August 2010. Since that time AusAID has taken primary responsibility for delivering development assistance to Uruzgan, with the ADF providing a supporting role. Development projects undertaken by Defence are funded from within Defence operational funding budget for Operation Slipper. In recognition that this work goes to supporting and developing the province, a number of the development and reconstruction projects undertaken by the ADF in Uruzgan since 2006 have met the criteria to be deemed official development assistance, ODA, eligible. ODA is defined as assistance provided to countries and territories on the development assistance committee list, including Afghanistan, which is provided by official agencies, including governments, or by their executive agencies. Each transaction must be administered with the promotion of the economic development and welfare of developing countries as the main objective. Many of the ADF projects fulfil these requirements. The costs associated with Defence's ODA-eligible projects from financial years 2006 to 2011-12, total $65.969 million.

As you are aware, Defence does not receive AusAID funding to support ODA-eligible projects undertaken by Defence. They are funded from within the Defence budget under operational funding arrangements. This figure is the aggregate of the direct cost of undertaken construction activities, and associated personnel costs are calculated in accordance with OECD ODA guidelines. These costs are ODA eligible. The costs do not include salaries of military personnel or costs associated with ADF personnel dedicated to providing security, as they are not ODA eligible.

In accordance with the development assistance committee directives the net additional costs paid to Defence members whilst undertaking humanitarian aid projects are ODA eligible as the costs are only paid while the member is deployed—that is, they are outside the regular salaries and expenses. This includes personnel costs such as the payment of international campaign allowances, additional accrued leave entitlements and separation and field allowances. Similarly, the net additional costs of supporting these members in theatre while they undertake the aid project are also ODA eligible under the directive.

Creating a secure operational environment is vital to the ADF strategy in Afghanistan. This is achieved both militarily and through the provision of development and construction assistance. Contributing to governance and development support for the people of Uruzgan helps to increase ADF and ISAF good will with the local people, improves capacity within the Afghan government and provides local communities with infrastructure and other support. All these positive developments help, in turn, create a more secure operating environment for the ADF, other Australian government agencies and the Afghan government. That concludes my opening statement.

CHAIR: Thank you very much indeed.

Senator RHIANNON: How would you describe the role of the ADF post 2014, when most ADF and AFP forces will have been withdrawn?

Mr Sargeant: The government is yet to make decisions on what the ADF's post 2014 role will be but it is likely to focus around the provision of advice to support the continuing development of the Afghan National Army.

Senator RHIANNON: Sorry, I could not hear.

Mr Sargeant: The government has yet to make decisions but, to the extent that the ADF will have any involvement post 2014, it is likely to be an advisory role.

Senator RHIANNON: How many personnel do you have there at present?

Mr Moore: Currently, there are around 1,550—and Polly from Joint Operation Command could probably give you the exact figure—within theatre. They are spread across Afghanistan and outside in the broader Middle East.

Senator RHIANNON: Of those 1,550, would you be drawing advisers who may remain in Afghanistan post 2014 from those 1,550 or would they be other personnel, totally separate?

Mr Sargeant: In the normal course of the posting cycle, ADF would provide appropriately skilled and trained people to fulfil the role. Whether or not they are currently in Afghanistan would depend on a whole range of matters.

Air Cdre Marshall: As indicated by Mr Sargeant, we are still awaiting government guidance on what the size of the mission will be in the post-2014 environment. The current rotation policy is between six to nine months for most folks in Afghanistan. So by 2014 we will see a completely different group of folks in theatre. The current elements there will have moved out of Afghanistan and will have been replaced by other elements.

Senator RHIANNON: Considering that you said in your opening address, Mr Sargeant, that there is already a shift from mentoring to advising, therefore would it be correct to say that post 2014 the advisory role would not be that different from what you have already moved to or what you are in the process of moving to?

Mr Sargeant: We had a mentoring role and we are transitioning out of that operation over the next couple of years towards a post-2014 environment. That transition, in practical terms, means that we draw back and allow the Afghan National Army to be responsible for security. We go from a mentoring role, which means a very close engagement with what they are doing, to a more distant advisory role so that they take responsibility and accountability. We would provide advice on their development and on what they are doing. Our footprint, as a result of that, is likely to be smaller and different to reflect that transition.

Senator RHIANNON: When do you expect that shift to be completed?

Mr Sargeant: The aim is to complete it by 2014. That is the transition strategy that we are in at the moment.

Senator RHIANNON: How many advisers do you expect will stay in Afghanistan?

Mr Sargeant: We are still working through that. The government has not made decisions about the exact nature of the role or the disposition of the force. That will depend on a number of factors and that process is being worked through at the moment. When I say 'a number of factors' I am referring to the legal arrangements under which we would be there, the requirements of the Afghan government and the nature of the role we might take in terms of the particular needs of the areas we might be involved in. All that is being worked through at the moment.

We have started the process of transitioning, because we know that we will have a smaller footprint and the role will change, but what it will look like post 2014 is still being determined.

Senator RHIANNON: Has it been determined that Kabul will be the location for those people? We have heard from AusAID that they are withdrawing everybody back to Kabul and their emphasis will be on national programs.

Mr Moore: Certainly Defence's role in Afghanistan will probably be Kabul focussed but that is still a matter of planning and consideration. There is still some work to be done before we get to that point.

Senator RHIANNON: Could you describe the Kabul focus—would the advice be given in Kabul?

Mr Sargeant: Yes. It is likely to be Kabul focussed to the extent that that is where the institutions are located and where the Afghan government is, but that does not preclude the possibility of advisory activities taking place elsewhere because the Afghan National Army is located everywhere as well. It really depends on the nature of the work that we get involved in post-2014; and as I said that is still being worked through.

Senator RHIANNON: Thank you. In their submission, ACFID includes a comment about how the US Army sees aid programs. I would just like to read it to you:

In 'Commanders' Guide to Money as a Weapons System,' a US army manual for troops in Afghanistan and Iraq, aid is defined as 'a nonlethal weapon' that is utilized to 'win the hearts and minds of the indigenous populations'.

Considering the ADF is working so closely with the US and all the NATO forces, does that define the ADF's approach as well?

Mr Sargeant: No. The ADF develops its own doctrine. It does not just download US doctrine. Secondly, as I said in the opening statement, the aim is to create a safe and secure environment for Afghans and Australian agencies including the ADF and part of that is winning the confidence of people and building trust. As part of that the ADF will undertake projects where appropriate but we do not talk about aid as a weapon or use that sort of language. It is not appropriate.

Senator RHIANNON: I did pick up that there is a strategic partnership agreement between Defence and AusAID, in which you describe Defence and AusAID as 'equal and natural partners with common goals' that would 'share intelligence'. Could you describe that? Does that mean that there is an expectation that aid workers will provide you with information?

Mr Sargeant: No, I would say that that is about ensuring that people understand the nature of the environment they are in and, if they have information about it, that they make that available. The last thing you would want is for an aid worker to be working in an environment which is dangerous, where we know about the dangers and do not tell them or vice versa. It is a question of working together to understand the nature of the environment. The term intelligence may include intelligence that Defence or other people have access to, but it also includes information about what is happening. The term intelligence can be a bit misleading because what it is really saying is that all the information available contributes to understanding—which contributes to safety.

Senator RHIANNON: So you actually think that that term—because that is in inverted commas, 'share intelligence'—does not describe what you expect from AusAID?

Mr Sargeant: No. AusAID is not an intelligence agency. What we want from AusAID is that, if they know what is happening, they will tell us; and if we know what is happening we will tell them.

Senator RHIANNON: I might come back to that. About the ODA—what percentage of the work that you undertake in Afghanistan is ODA-eligible? There are those figures that you gave earlier. That is what you have corrected?

Mr Sargeant: That is it. Those are the correct figures. We have put in a correction to the secretariat which elaborates that in detail.

Senator RHIANNON: Could you elaborate on how that mistake occurred? I am trying to understand, because I do often find that there is considerable misunderstanding about what is ODA eligible. Is that how that came about?

Mr Sargeant: Yes.

Mr Prior: How it came about was as simple as an internal recording system that recorded the costs associated with the operation, and one of the headings is 'Provisional reconstruction task force support costs'. For all these years that line has been picked up as being ODA eligible, because the title implied to the reader that that was ODA eligible. In fact, your questions caused us to go back and ask ourselves—

Senator RHIANNON: You mean that long session in estimates?

Mr Prior: Yes.

Senator RHIANNON: That was interesting. So we were all confused?

Mr Prior: It caused us to go back and say: 'Is there something here?' We then looked inside the ledger system and started to interrogate every single transaction and every single item that was in there. Of course, then it started to unfold. What essentially had been at play here was that a number of members of the forces that were coded under 'provisional reconstruction task force support' were actually not involved in ODA activity. It was a coding problem that had been inherent in the system for many years. It was as simple as that. Once that was uncovered, it was quite easy to talk to AusAID and say, 'We think we have uncovered a problem here.'

Senator RHIANNON: Does that mean that AusAID does not check your figures on what is ODA eligible?

Mr Prior: They do now. We have a process going forward where we have agreed with them a protocol, and we will put forward in quite substantial detail our submission and they will then validate that with us. In the past that was not the case. In the past we would put forward our annual statement and they would take that as given and proceed. That process has now been changed to make sure that we have good quality assurance on both sides.

Senator RHIANNON: And that data is reported to the OECD, is it not?

Mr Prior: Yes, it is ultimately.

Senator RHIANNON: Have those corrections been notified to the OECD?

Mr Prior: I am not sure of the process. That is not a document that we own. When we spoke to them they indicated that they have corrections that go through on a regular basis from other agencies as time goes on and then they put forward a new statement. I am not sure of exactly how that process works in terms of communicating that to the OECD. **Senator RHIANNON:** We will go back to them for that. How do you anticipate the ratios in the funding—and you have just given us the new version—will change after withdrawal?

Air Cdre Marshall: We are in the drawdown phase of the ODA eligible projects, commensurate with transition from Uruzgan. So we are not anticipating starting any new projects and we are working to make sure that all of those that are currently underway are finished in a timely fashion to allow them to be bedded down before we finally leave the province in 2014.

Senator RHIANNON: In undertaking your work in Afghanistan—not just with the ADF but also the other military operations—there often has been comment about the impact this can have on people delivering aid programs. The Doctors Without Borders in one of their reports, *Dangerous aid in Afghanistan,* made some comments about this. They stated:

… it has become ever more dangerous for the Afghan people to receive assistance provided by military bodies or groups affiliated with them. The case for the independent and impartial provision of aid has never been more urgent.

For sick or wounded Afghans, going to a NATO-run clinic or receiving assistance from groups affiliated with the NATO counterinsurgency (COIN) strategy risks retaliation from the opposition, be they Taliban or other militant groups.

Have you looked at this problem of how your operations can compromise the aid programs that come from our country and other countries? If you have made such an assessment, how have you responded?

Mr Sargeant: We are aware of that issue and we work with AusAID and international humanitarian organisations to try to ensure that how the ADF does its work does not put aid workers in danger. We try to meet international guidelines that have been developed for the use of military and civil defence assets to support humanitarian organisations in complex emergencies. Our concern is to ensure that what we do does not create risk for humanitarian organisations delivering aid.

Senator RHIANNON: But the MSF's point was not just about the aid workers. It was also about the Afghanis themselves. If they go to a NATO-run hospital they are then associated with your side in the civil war—innocent people who are often virtually destitute in the way they live. Have you made an assessment of that? If so, how do you respond?

Mr Sargeant: I would have to check to see whether we have actually made an assessment about that. One of the ways in which we try to work is to reduce the level of risk to non-combatants and to ensure that innocent people are not caught up in the conflict. One of the difficulties in this conflict is that it is a civil war and that the enemy will exploit circumstances to try to persuade or coerce parts of the population to either not cooperate with the

government or to support them. That is one of the unfortunate things that happen. In our approach to it we try to avoid or minimise that happening, but it is part of the nature of the conflict.

Senator RHIANNON: I am out of time, so could you take on notice please: you said that you were not sure if an assessment had been made. Could you take on notice if an assessment has been made and, if it was, what conclusions you reached and if they were put into action.

Mr Sargeant: Yes.

Senator KROGER: What was the redacted or corrected figure for Defence employee costs in that schedule?

Mr Prior: Have you got the answer there, or—

Senator KROGER: I have, actually. I was just looking at it. It is substantially different.

Mr Prior: Yes, it is.

Senator KROGER: You are looking at probably a two to one ratio there in terms of actual cost versus support cost to apply—

Mr Prior: Are you looking at essentially—

Senator KROGER: Direct project costs and then what it costs to apply that, to deploy it.

Mr Prior: It looks like forty-one.

Senator KROGER: So that is a really significant difference. With the employee costs, does that include the costs of securing AusAID workers on the ground in TK or Uruzgan province?

Air Cdre Marshall: Not now, it does not.

Senator KROGER: Where does that cost come up?

Air Cdre Marshall: That will be reported as part of other costs of the operation. We had previously included the costs associated with the force protection element that goes out with AusAID and the ADF managed worksteam to projects providing protected mobility transport as well as site security. Those costs were previously reported as part of the numbers, so we have now segregated—

Senator KROGER: So those costs were in here before.

Air Cdre Marshall: Correct.

Mr Prior: Only for one year.

Senator KROGER: Where can I find total cost for aid deployed in Afghanistan?

Mr Prior: To be helpful, I think you are now asking a question which is, if I have this right, beyond what is defined as ODA by the OECD—I think that is what you are trying to get to.

Senator KROGER: What I am interested in, and I understand this is only a very small part of your brief, is the value of the aid that is deployed by the Australian government to Afghanistan per year. In addition to that I am interested in knowing what the total cost of supporting the application and deployment of that aid is in Afghanistan. From reading between the lines, the original figure that you provided sounds like it may be more like it than the edited figure. So, I am not after the ODA—and I have seen some of the activities that our troops actually run in the Uruzgan province—but the support that you provide to ensure the safekeeping of the 12 AusAID workers, for instance, who are in Uruzgan province, such as the support they may need in terms of armoured vehicles or in terms of putting drones in the air to make sure that the areas are safe before they go into an area. I am interested in whether there is such a figure that can be provided to ascertain what it costs for us to have aid workers on the ground safely in the province.

Mr Prior: I am not aware of a figure that is used anywhere to describe what you are describing. Just to be very clear: what we have put to you in corrected form is precisely as per the OECD definition of ODA. They have rules around what is in or out of that definition set. We have followed that now, I think, very precisely. In terms of answering your question, we do not have internally a figure at hand for what you describe, something that we utilise from day to day.

Mr Sargeant: To take the example of force protection, you have ADF units deployed in Afghanistan who undertake force protection. They might undertake force protection for aid workers, visiting dignitaries, senior officers and Afghan officials, so what we have is a force protection capability which the aid program draws on. It is not categorised under the ODA rules as aid but as part of the security infrastructure that is provided and supports a range of activities by different people. What we do not do, either by agency or by task, is distinguish between force protection for, say, looking after a visitor and force protection to look after aid workers. So at the moment those costs are part of the total cost of the operation, which is about $1.6 billion a year. Within that there is a categorisation of some activity, which is ODA eligible under the OECD guidelines.

Senator KROGER: I have to confess, I am just reading this document that you circulated, and I am increasingly confused because in this document you have made it clear that you have done the re-determination on the basis of the OECD definition, but in the first line you have put that you have incorrectly included force protection costs. So the very thing that I am asking for was in these original figures and that is what you have now taken out of it.

Mr Prior: Because the definition does not apply to those types of costs. And you would note they are force protection costs for 2010-11, not for other years. The reason for 10-11 being included was that the funding arrangements for that year meant that Defence was contributing directly from its base budget to force protection.

Senator KROGER: Sure. The second point you have is 'other activities such as engineering elements and trade training activities across some or all years'. Are you referring to the trade training school?

Air Cdre Marshall: I do not know precisely. My understanding is that is what it does refer to.

Senator KROGER: I understand what you are telling me—it is on the basis of a strict definition. But anybody who has seen that would classify that as a significant development project, and yet it does not comply.

Mr Prior: As I said before, we have been through this in great detail with AusAID to confirm that this is now a correct representation in accordance with that definition set.

Senator KROGER: Okay. I am seeking your guidance on this. If we are looking at withdrawing troops very shortly, as we know, there has to be a decision made and presumably it is a budgetary decision. We are in a climate where budgets are very critical. There has to be a political and a budgetary decision made in terms of ongoing commitment and what ongoing commitment we have to supporting development and ODA. We heard this morning that the Prime Minister has increased the per annum allocation up to 2015. It begs the question: how do you determine what support any further aid development will require and how that is costed into overall budgets when it is not part of your brief to include it? I have been through, line by line, AusAID and I am telling you it is not part of their brief. So whose brief is it? Where does it actually appear so that people can understand the real implications and costs of what we are doing and conduct a proper cost-benefit analysis? I guess that is why we have an estimates process to see all this because there is not one document where we seem to be able to find it.

Mr Sargeant: No, but the other thing is there is not a one-to-one correspondence between expenditure and policy objectives. In Defence, when we think about Afghanistan, we have quite specific government mandated policy objectives which we are asked to support the achievement of, and they are primarily around the development of support for the development of a secure Afghan state. As part of that we participate in some development activity, but it is not the core of what we do, it is an element of what we do, whereas if you go across to AusAID they have quite a specific mandate for development. I think what the ODA eligibility criteria try to do is, perhaps in a crude way, distinguish between expenditures which support development objectives and expenditures which are more directed towards other objectives.

You can argue that quite a significant amount of the Defence expenditure in Afghanistan, by supporting security, supports development activities, but it also supports the development of security in other ways which you would not say are about development at all. Disentangling those in terms of expenditure categories is actually quite challenging. From my perspective the ODA is rough but it is probably the best we have available at the moment.

Senator KROGER: Challenging times ahead to determine what is going to be in it and what is not. Can I use, for instance, Solomon Islands as an example or even Timor Leste. When we withdrew troops—

Mr Sargeant: As we are now, yes.

Senator KROGER: When the times were still volatile, not to put too fine a point on it, I presume that during those later stages when we were deploying development aid, that required force protection by the ADF, did it?

Mr Sargeant: In terms of the Solomons, you had a breakdown of civil authority and then you had support by Australia to restore civil authority through RAMSI. Part of that was to provide security. It was police led Defence supported, so an element of that was to provide security.

Senator KROGER: Settle things down.

Mr Sargeant: Settle things down and all that. Then what the aid program does is build capacity and over time as the situation normalises and civil authority is able to establish itself you withdraw your defence support and you transition to normal government. You would hope that the aid activity you have done and the stuff you will do in the future continues to build capacity and civil authority so that the country can exercise its sovereignty and govern itself without the need for security support from a country like Australia. So it is managing that transition. When you think about that, in Defence we try to conceive of our role fairly narrowly in the sense that is about providing security and security support to enable other organisations to do what they need to do, which is really not something that Defence can or, speaking philosophically, should get involved in. You will find that with RAMSI with Solomon Islands, with Bougainville, with Timor, it is really that type of transition that you see as those intervention take place and then mature over time.

Senator KROGER: Going back to the trade school as an example, what line-item do you put that against, given that you did include it in the here? Where do you now put the costs of running that trade school which I would have thought was development, in your budget?

Mr Prior: It is still part of our cost and still goes in our budget. As to what we now call it, I do not know.

Senator KROGER: Okay, so you have got to make up a new line-item. I think I am making a point. I am not suggesting you guys are doing anything wrong but this is serious smoke and mirrors that is going on here in trying to ascertain the true value and cost of what is happening in Afghanistan. In closing, I note that you have got a lot of projects here but DFAT had listed a number of the projects such as the school you were talking about. Are any of the completed projects such as the girls school, not so much the boys school, but are any of those completed projects requiring ongoing protective services that the ADF is involved in?

Air Cdre Marshall: The short answer is no. I guess it comes back to the idea of which projects are selected in the first place for sponsorship for development assistance. There is a lot of work done in conjunction with the local government authorities to identify what projects would be suitable and then it is also measured against the capacity of the team in terms of what they are actually able to deliver within the resources and skill sets of that provincial reconstruction team. So there is a careful balance and the intent is always to, at the conclusion of the project, hand it over to the local government authorities. We continue to manage them, particularly for those projects where we have had them delivered by contractors, with a defects liability period whereby we will go back and check to make sure that the construction has withstood the tests of time and continues to be at the standard for which we had contracted it to be built. But there is no ongoing presence by ourselves or by contracted authorities post the completion of the projects.

Senator KROGER: As a question on notice, would you check whether there are any protective forces required to secure that girls school? I have a particular interest in it.

Air Cdre Marshall: Sure.

Senator KROGER: Thank you, Air Commodore.

Mr Prior: Senator, if I may help: you would have heard of smoke and mirrors and can I assure you we are not trying to use any smoke and mirrors.

Senator KROGER: I understand that.

Mr Prior: Because of the senators' queries we have delved back to very precise nature of the classification system. Whether that classification system is helpful or not is, I think, part of what you are actually touching on.

Senator KROGER: Mr Prior, I could not agree more. I am not in any way casting an adverse reflection on you at all—

Mr Prior: I knew you were not, Senator.

Senator KROGER: and it is quite the opposite.

Mr Prior: We do try and help.

Senator KROGER: I appreciate that.

CHAIR: We will go to Senator Stephens.

Senator STEPHENS: I am sure that you have been following the submissions to this inquiry. I wonder if you have read the recent report from the Fishstein International Center which is actually quite critical. It is called 'Winning Hearts and Minds in Uruzgan Province'. I do not know if you are aware of that paper, but it is pretty critical, suggesting that Australia's stabilisation projects in Uruzgan are relatively small, short-term projects 'often directly implemented by the ADF and designed to legitimize initial interactions of the ADF with local community leaders in insecure areas'. In and of itself, that is not criticism, but it goes on to say that the ADF's 'direct and hands-on role in supervising infrastructure projects was very expensive'. There was one other comment that you might like to take on board, and it goes back to the issue of whether or not the Defence Force delivering aid as quick fixes over long-term development outcomes 'could be successful in advancing the short-term tactical goals of the military' but in the long term 'tended to intensify conflicts associated with the war in Afghanistan'. That last little bit of the quote from 'tended' is from AID/WATCH. I wonder how you would like to respond to that criticism about the military delivering developmental assistance. I am sure it is a criticism that you get a lot, so it is an opportunity for you to address it.

Mr Sargeant: I think that it goes back to your fundamental strategic objectives. The ADF is the ADF. It is not an aid delivery organisation. It is there to help the Afghan National Army develop to the point where it can undertake responsibility for security in Afghanistan. In that sense it is there to support the capacity of the Afghan government to govern and exercise its sovereign responsibilities. As part of that a whole range of things occurs. There are operations, fighting and stabilisation activities—so there is a whole range of operational activities, some of which, as part of a broader ISAAF counterinsurgency strategy, includes the provision of aid projects. In my view, yes, they are quite likely to be tactical because they will be done quickly on the spot in response to local situations; and it is a very different thing doing that to doing long-term capacity-building development programs of the sort that AusAID would do. So, from our perspective, the ADF is there primarily to support the development of Afghanistan's security with the development of the ANA 4th Brigade. As part of that, the ADF involves itself in a range of activities including support for AusAID and the provision of some projects which are categorised as development, but the ADF is transitioning out as that mission comes to its conclusion. In my view, what you would want to see is, I suppose, more mainstream or normal aid provision with a long-term, capacity-building strategic focus. The criticisms make sense from one set of perspectives but they also, in a sense, do not recognise the nature of the ADF mission and what it is actually doing. It is very important to recognise that the ADF is not an aid-delivery organisation in its primary mission. It has the capacity to do some things which can be categorised as aid or project development because it has those skills and capabilities.

Senator STEPHENS: Okay. That is fair enough. I only have one more question and it is a hypothetical question. I noted, when the peacekeeping forces moved out of East Timor recently, that there was quite a big splash about the extent to which they were taking their equipment with them. Of course, I understand that logistically that is

exactly what needs to be done. I am just wondering to what extent, when the military engagement in Afghanistan finishes and the troops are withdrawn, logistical support from the Australian government will remain in hard materiel terms or hard resources on the ground?

Mr Sargeant: What will we leave behind?

Senator STEPHENS: Yes.

Mr Sargeant: Not very much. The reason for that is that we need the equipment ourselves and, secondly, it is really up to the Afghan National Army to develop its own capability and acquisition strategies in a way that is appropriate for their future development, which may not include some of the equipment that we have. Plus, we need the equipment. It is not use and throw away, it is use and use and use again; so we will bring it back and that is a rather large logistics operation that is being planned at the moment.

Air Cdre Marshall: I can certainly add a little further to that. Apologies for not knowing, Senator, but are you also on the Public Works Committee?

Senator STEPHENS: No.

Air Cdre Marshall: We are making a presentation to the PWC in February to talk about how we are looking at the deconstruction of activities at Tarin Kot. It is a large activity, as indicated by Mr Sergeant, and so we are seeking appropriate approvals to make sure that people understand what we are doing and how we are going to go about doing it. The NATO Training Mission Afghanistan has published some very clear guidelines to contributing nations regarding disposal of military goods and they certainly do not want to see a dumping ground created in Afghanistan as people leave. The guidelines are quite strict in terms of the approvals process that you need to go through to seek permission to gift goods to the Afghan security forces, which is quite appropriate. In particular, many of the militaries—or their governments—have contributed significant funding already. The ANA and the ANP are actually quite well equipped and they do not need our pieces of hardware in small numbers. That is probably going to confuse them more than help them. We have been told if we have any intention of leaving any materials behind, there have to be instructions produced in Dari and Pashto as well as sustainment support. In large part, it is not in our interests or in the Afghan security forces interests for us to look at leaving any of that material behind. They have sufficient to meet their requirements.

Senator KROGER: How did you get all the shipping containers in? Where did they come in from?

Air Cdre Marshall: Are you talking about the armoured accommodation containers?

Senator KROGER: Yes.

Air Cdre Marshall: They came from a manufacturer in Germany. Most of them came in via ground through Pakistan. That is more than likely the route that we will look to remove them out of the country. They are an export controlled item so we cannot leave them behind. There is technology associated with those that we are not able to leave to anybody. We are looking at options for the reuse of those accommodation modules in Afghanistan at the moment.

Senator KROGER: I presume the same applies to all the different assets that are in Al Minhad. Would the same apply there?

Air Cdre Marshall: That is correct. Again, I had a fair bit to do with that. We end up negotiating with the host nation for the final disposition of those items. We have deliberately constructed demountable buildings in some areas so they can be removed. But there are also some more permanent facilities at the airbase that, I daresay, we will have a discussion with the emirates in terms of what is appropriate to those in the longer term.

CHAIR: There are more questions we could us you but we have run out of our scheduled time. We might see you again in February and have more questions for you at that time. Thank you very much for appearing this afternoon.

Committee adjourned at 16:17