

CHAPTER 2

RESULTS FOR GOVERNMENT AS DEFENCE'S CUSTOMER

OUTPUT ONE: DEFENCE OPERATIONS

OVERVIEW

The performance targets for Output One have generally been achieved. The conduct of numerous overseas operations during 2000-01 was a complex undertaking, with the ADF involved in significant operations across a wide geographic area. The major regional operations in East Timor, Papua New Guinea (Bougainville) and the Solomon Islands were conducted concurrently, along with the ADF contribution to the Sydney Olympics and the Paralympics. The ADF was able to provide timely and effective contributions to operations through an embedded command, control, communications and intelligence system.

Exercise Tandem Thrust, a combined and joint exercise with the United States, which continued development and testing of high-level interoperability with our major ally, was undertaken successfully.

National support activities have included assistance to other government agencies through surveillance operations, search and rescue tasks, emergency assistance in remote communities and participation in Centenary of Federation activities.

CAPABILITY PERFORMANCE INFORMATION

PERFORMANCE TARGETS

Command of Operations

Involves the development and maintenance of an ADF capability to provide effective command of military campaigns, operations and other activities for:

- defeating attacks against Australia;
- defence of regional interests;
- defence of global interests;
- protection of national interests; and
- other national support tasks.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Shortfalls against Australian Theatre Operational Preparedness Directive are within acceptable bounds. • Shortfalls against exercise preparedness objectives are within acceptable bounds. • Operations commanded meet strategic objectives. • Shortfalls / issues identified in post-operation reports. <p>Quantity:</p> <ul style="list-style-type: none"> • Extent to which available resources satisfy operational and exercise activity. • Number of completed operations and exercises. • Number of current operations and exercises. 	<ul style="list-style-type: none"> • Achieved. The 'on occurrence preparedness report' database has been developed to monitor preparedness shortfalls. • Achieved. • Achieved. • Achieved. There are no significant outstanding post-operational report issues. • No significant shortfalls were identified in operations. Existing resources are generally sufficient for the conduct of exercises and training commitments. • Completed operations – 8. Completed exercises – 49. • Current operations – 22. Current exercises – 1. Planned exercises – 67 scheduled over 2001-02.

ADF Military Operations

Involves forces assigned by Service Chiefs that can meet operational preparedness directives.

The nature of ADF military operations is such that it is not possible to anticipate or predict the likelihood or scope of the ADF's involvement in military contingencies. The success of a military operation is measured against the satisfaction of the commander's intent and the attainment of the designated end-state.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • ADF forces assigned to Australian Theatre for contingency operations are effectively, deployed, sustained, and redeployed. • Agreed military objectives are satisfied. <p>Quantity:</p> <ul style="list-style-type: none"> • Number of operations conducted as required by Government. 	<ul style="list-style-type: none"> • Achieved. • Achieved. • Substantially Achieved. Operation Maxwell (ADF support to the enforcement of Australian sovereignty in the Heard Island – Macdonald Island Exclusive Economic Zone) was cancelled due to equipment problems, which were remediated in Operation Shinbone (ADF support to the Australian Fisheries Management Authority).

Military Geospatial Information

Entails the provision of hydrographic, topographic, aeronautical, meteorological and oceanographic information through an ongoing collection, production and dissemination program to support:

- operational users and ADF operational requirements;
- training or other users to support ADF preparedness; and
- national users to satisfy Hydrographer RAN responsibilities as national hydrographer.

Performance Targets	Performance
<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Able to satisfy operational requirements with digital and paper products. • Provide coverage required: <ul style="list-style-type: none"> - to required standard and specification; - to satisfy AS9002 quality accreditation where appropriate; and - in the format required. • Able to provide an effective response to short notice requirements in support of operations and exercises. • Able to provide geospatial data and products in support of military response options/Chief of the Defence Force's Preparedness Directive requirements. • Able to satisfy requirements within the time required, in respect of both forecast production and short notice requirements. 	<ul style="list-style-type: none"> • Achieved. Paper and digital products were supplied as required to meet operations. • Achieved. Required coverage was supplied in accordance with identified specifications, quality standards and format. The Defence Imagery and Geospatial Organisation's Bendigo facility maintained the AS-ISO 9002 standard. • Achieved. An effective response was provided for all requirements in support of operations and exercises. • Achieved. Preparedness was maintained in the supply of spatial data and products in support of military response options and the Chief of the Defence Force's Preparedness Directive. • Achieved by the Bendigo facility. • Partially Achieved by hydrographic, oceanographic and meteorological components. Due to the small number of short notice requirements in 2000-01, the majority of forecast production was completed with minimal impact. However, due to limited personnel resources, the Australian Hydrographic Office was unable to take on any short-notice requirements without suffering some slippage in forecast production.

Performance Targets	Performance
<p>Quantity:</p> <ul style="list-style-type: none"> • Achieve planned production targets. • Achieve targets for acquisition of hydrographic and topographic data and products to meet short notice requirements. 	<ul style="list-style-type: none"> • Partially Achieved. 58 charts of various types were produced out of a planned total of 61. The main deficiency was in the production of new charts, but production of some types of new editions exceeded planned quotas. The shortfall in new chart production was due primarily to a shortage of qualified senior editing staff and to commitments to the development of a digital hydrographic database. At the organisation's Bendigo facility, output was affected by the unavailability of essential equipment, software and some source information required for planned offshore products. • Achieved by the Bendigo facility. All short notice requirements were met; short notice tasks were centred on East Timor requirements. • Partially Achieved by hydrographic, oceanographic and meteorological components, which undertook successfully two short-notice tasks and one programmed tasking requiring short notice and flexible provision of data. These short-notice requirements, together with ongoing system trial commitments for HMAS <i>Leeuwin</i> and <i>Melville</i>, resulted in the deferment of five routine surveys out of 20 planned for the period.

International Activities and Regional Engagement

Contributes to the Government's ability to achieve Australia's strategic objectives and enable effective shaping of Australia's strategic environment by providing international defence policy guidance and direction to Defence to enhance the ADF's ability to conduct successful operations and respond to regional crises as they occur.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Provide quality policy advice and support to Government and the ADF, in an effective and timely manner, to enable the successful conduct of operations and exercises, including responses to regional crises as they occur. 	<ul style="list-style-type: none"> • Achieved. Appropriate advice was provided through Strategic Command Division and Strategic and International Policy Division.

<ul style="list-style-type: none"> • Conduct a program of defence exercises and related training activities that provides opportunities to: <ul style="list-style-type: none"> - Develop and enhance ADF capabilities in interoperability; and - Allow the ADF to interact with regional armed forces in ways that promote stability and regional security. <p>Quantity:</p> <ul style="list-style-type: none"> • As required by Defence and government representatives. 	<ul style="list-style-type: none"> • Achieved. Detailed exercise information is available in the ADF exercise section. • Achieved. Detailed exercise information is available in the ADF exercise section. • Achieved.
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National Support Tasks

Entails the provision of ADF emergency and non-emergency assistance to the Government and the Australian community in non-combat related roles. The nature of national support tasks is such that it is not possible to anticipate or predict the likelihood or scope of the ADF's involvement in national support tasking. Only the ADF contribution to civil surveillance is tasked routinely in response to Government direction. In other cases, ADF involvement is as a result of calls for assistance from the applicable civil authority. This assistance is coordinated by Headquarters Australian Theatre or through Emergency Management Australia.

Emergency Management Australia has completed the implementation of all recommendations made in the ANAO performance audit of *Commonwealth Emergency Management Arrangements* (Audit Report No. 41, 28 April 2000). The recommendations related to improvements to national emergency management capability and communication/coordination arrangements. The ANAO's recommendations will also be addressed in the Council of Australian Governments-directed review of disaster relief, mitigation and contingency planning, announced in June 2001.

During the year, Emergency Management Australia:

- planned and coordinated national response arrangements for the return to earth of the Mir Space Station in March 2001;
- conducted the inaugural Australian Safer Communities Awards to recognise excellence in emergency management over 1998-99 and 1999-2000; and
- distributed additional special-purpose funding to states and territories to enhance national emergency management capability across organisations and communities.

The following table relates to tasks coordinated by Headquarters Australian Theatre or through Emergency Management Australia.

Performance Targets	Performance
<ul style="list-style-type: none"> • Maintain forces identified in the Australian Theatre Operational Preparedness Directive (OPD) at the levels of preparedness specified for Defence Assistance to Civil Authorities (formerly Defence Aid to the Civil Power). <p><i>Quality:</i></p> <ul style="list-style-type: none"> • Progress achieved by the Army against the Army/Aboriginal and Torres Strait Islander Commission community assistance project. • Maintain forces identified in the OPD at the levels of preparedness specified for civil search and rescue. • Search and rescue tasks are completed successfully. • Maintain forces identified in the OPD at the levels of preparedness specified for Defence support to civil surveillance. <p><i>Quantity:</i></p> <ul style="list-style-type: none"> • Number of : <ul style="list-style-type: none"> - Emergency management tasks undertaken. - Directed assistance to civil authorities tasks successfully completed. - Defence assistance to the civil community tasks accepted and completed by the ADF in accordance with agreed terms and standards. - Search and rescue tasks undertaken involving ADF assistance. - Other significant surveillance and/or response tasks conducted. 	<ul style="list-style-type: none"> • Achieved. <ul style="list-style-type: none"> • Achieved. The project met its objectives in 2000-01. Assistance was centred on Bathurst and Melville Islands. • Achieved. • Achieved. Searches were launched in a timely and efficient manner. • Achieved. <ul style="list-style-type: none"> - 16 Defence Assistance to the Civil Community⁽¹⁾ (DACC) Cat 1 and 9 DACC Cat 2 tasks were completed. - No Defence Assistance to Civil Authorities tasks were undertaken. - 2 DACC Cat 3, 93 DACC Cat 4, 223 DACC Cat 5, and 12 DACC Cat 6 tasks were completed. - 13 search and rescue tasks were undertaken involving ADF assistance. - Nil other than operations.

Performance Targets	Performance
<ul style="list-style-type: none"> • As required to meet specified Army/Aboriginal and Torres Strait Islander Commission community assistance project milestones. • 250 hours of aerial surveillance provided by P-3C aircraft. • 1,800 ship-days of surface patrol and response provided by patrol boats. 	<ul style="list-style-type: none"> • The 2000-01 program, centred on Melville and Bathurst Islands in the Northern Territory, was completed successfully. • Achieved – 256 hours were provided by P-3C aircraft. • Substantially Achieved – 1688 ship-days were provided by patrol boats. A number of patrol boat days were lost due to unscheduled maintenance (in particular relating to hull defects) and short-notice changes in priority diversion from civil surveillance to support other activities.

Note

1. Defence assistance to the civil community comprises six categories:

Counter Disaster and Emergency Assistance

Category 1. Emergency assistance for a specific task provided by a local commander or administrator, from within his or her own resources, in localised emergency situations when immediate action is necessary to save human life, alleviate suffering, prevent extensive loss of animal life or prevent widespread loss or damage to property.

Category 2. Emergency assistance in a more extensive or continuing disaster where action is necessary to save human life or alleviate suffering, prevent extensive loss of animal life or prevent loss or damage to property, and when state or territory resources are inadequate.

Category 3. Assistance associated with a civil emergency or disaster recovery, which is not directly related to the saving of life or property.

Non-Emergency Assistance

Category 4. Non-emergency assistance provided to other government departments or authorities, to the states or territories, local government or other authorities or organisations, commercial enterprises, non-profit organisations, or individuals or bodies in the general community.

Category 5. Non-emergency assistance of a minor nature, excluding flying tasks, provided to local organisations and which is within the capacity of a local commander or administrator's resources and authority.

Category 6. Support to civil authorities in the performance of non-emergency law enforcement related tasks where there is no likelihood that Defence personnel will be required to use force.

COST OF OUTPUT

Table 2.1: Cost of Output One - Defence Operations

Departmental Expenses	2000-01 Budget Estimate \$m	2000-01 Revised Estimate \$m	2000-01 Actual \$m	Variation \$m
Expenses				
Employees - Military	455.5	393.6	455.8	62.2
Employees - Civilian	80.1	100.0	100.6	0.6
Sub-Total Employees	535.6	493.6	556.4	62.8
Suppliers - Non-Inventory	463.5	476.2	288.3	-187.9
Suppliers - Inventory Consumption	70.5	69.6	116.6	47.1
Sub-Total Suppliers	534.0	545.7	405.0	-140.8
Depreciation and Amortisation	86.1	78.2	71.4	-6.7
Write-Down of Assets	0.0	0.5	2.8	2.3
Other Expenses - including Interest and Grants	6.5	2.0	3.4	1.4
Expensed Assets Under Construction	11.1	23.0	115.0	92.0
Loss on sale of Assets	0.0	0.0	0.1	0.1
Total Expenses	1173.3	1143.0	1154.1	11.1
Capital Use Charge	214.0	190.1	198.4	8.4
Total Cost of Output One	1387.3	1333.0	1352.5	19.5

EXPLANATION

Financial variations for Output One have arisen as a consequence of ADF involvement in a number of operations and exercises throughout the year. Given the nature of military operations and exercises it has not been possible to anticipate or predict with any certainty the likelihood or scope of the ADF's involvement and hence the associated financial commitment.

AUSTRALIAN DEFENCE FORCE OPERATIONS

Table 2.2: ADF Major Operations

Operation	Objective and Current Status
<p>Belisi II April 1998 – Continuing <u>Forces</u> ADF <u>Other Countries</u> New Zealand, Fiji, Vanuatu</p>	<p>Objective: To support the regional Peace Monitoring Group in monitoring and reporting on the maintenance of the cease-fire on Bougainville by contributing specialist medical, logistic, communications and transport capabilities. The Peace Monitoring Group is now being drawn down as the peace process matures. Current Status: The ADF contribution is assisting in progress of the peace process.</p>
<p>Tanager⁽¹⁾ February 2000 – Continuing <u>Forces</u> ADF</p>	<p>Objective: To contribute to the United Nations Transitional Administration in East Timor Security Force, in order to assist in the achievement of United Nations resolution 1272/99, by contributing equipment and approximately 1,500 ADF personnel during 2000-01. This operation is ongoing. Current Status: Completion of the electoral process is expected to lead to reassessment of the ADF contribution early in 2002.</p>
<p>Trek 2000 – Continuing <u>Forces</u> ADF</p>	<p>Objective: To promote stability in the Solomon Islands by supporting the International Peace Monitoring Team that is deployed in support of the Cease-Fire Agreement. During 2000-01, the Defence contribution consisted of one major fleet unit and embarked rotary-wing aircraft, with a small number of shore-based personnel. Current Status: A continued ADF contribution is assisting in maintaining stability.</p>

Note

1. Operation Tanager was erroneously reported in the *Portfolio Additional Estimates Statements 2000-01* as commencing in 1999.

Table 2.3: ADF National Support Operations

Operation	Objective and Current Status
<p>Gold 1998 – Completed <u>Forces</u> ADF</p>	<p>Objective: To provide military support to the Sydney 2000 Olympic and Paralympic Games by contributing 5,622 ADF personnel over the period (force size was approximately 4000), facilities and equipment. This operation has now ceased. Current Status: Successful ADF support was widely acknowledged.</p>
<p>Centenary 2000 – Continuing <u>Forces</u> ADF</p>	<p>Objective: To provide support to and participate in the Centenary of Federation celebrations. Current Status: The program of activities is continuing.</p>

Operation	Objective and Current Status
Guardian 2001 – Continuing <u>Forces</u> ADF	Objective: To provide support to the Commonwealth Heads of Government Meeting that will be held in Brisbane over the period 6-9 October 2001. This operation remains ongoing. It is anticipated that the Defence contribution will consist of approximately 1,600 personnel in addition to facilities and equipment. Current Status: Due to the postponement of the Commonwealth Heads of Government Meeting, Operation Guardian ceased in October 2001.

Table 2.4: ADF Non-Regional Operations

Operation	Objective and Current Status
Paladin⁽¹⁾ 1956 –Continuing <u>Forces</u> Army	Objective: To contribute to the United Nations Truce Supervisory Organisation in the Middle East. This force of unarmed military observers supervise, observe and report on the various cease-fire arrangements, truces and peace treaties that have been negotiated between Israel and neighbouring Arab nations since 1948. During 2000-01, the Defence contribution consisted of 12 ADF personnel. Current Status: This operation is under review.
Mazurka 1992 – Continuing <u>Forces</u> ADF	Objective: To provide personnel to the Multinational Force and Observers to monitor the security arrangements in the Sinai. During 2000-01, the Defence contribution consisted of 27 ADF personnel. Current Status: This operation is under review.
Coracle 1994 – Continuing <u>Forces</u> Army	Objective: To support the United Nations Accelerated Demining Program in Mozambique by contributing two ADF engineering personnel to provide training to de-mining staff. Current Status: This operation is under review.
Osier March 1997 – Continuing <u>Forces</u> Army	Objective: Army personnel deployed as part of the Stabilisation Force, in Bosnia-Herzegovina and Croatia, and the Kosovo Force. In both cases, personnel serve as individuals attached to United Kingdom forces. During 2000-01, Defence contributed 10 ADF personnel. Current Status: This operation is under review.
Pollard 1998 – Dormant <u>Forces</u> ADF	Objective: To contribute to United States-led operations against Iraq. Current Status: This operation was made dormant in 1999 and is expected to cease in the near future.
Pomelo 2001 – Continuing <u>Forces</u> ADF	Objective: To contribute effectively to United Nations peacekeeping efforts in Africa as part of the United Nations Mission in Ethiopia/Eritrea. During 2000-01, Defence contributed two ADF personnel. Current Status: This operation is under review.

Operation	Objective and Current Status
Husky 2001 – Continuing <u>Forces</u> ADF	Objective: To contribute effectively to the training of the Sierra Leone Army. During 2000-01, Defence contributed two ADF personnel. Current Status: This operation is under review.
Damask 1991 – Periodic and continuing <u>Forces</u> ADF	Objective: To contribute to the enforcement of sanctions against Iraq in accordance with applicable United Nations Security Council resolutions. In 2000-01, the Defence contribution consisted of workup training for one major fleet unit with embarked rotary-wing aircraft. Current Status: This operation is continuing.

Note

1. Operation Paladin was erroneously reported in the *Portfolio Budget Statements 2001-02* as commencing in 1995.

Table 2.5: ADF Surveillance and Regional Operations

Operation	Objective and Current Status
Beachcomber Dormant <u>Forces</u> ADF	Objective: To collect beach information in Australia for operational planning. Current Status: The operation was dormant during 2000-01 and is expected to recommence once naval assets become available.
Mencari Dormant <u>Forces</u> ADF	Objective: To patrol the Timor Gap Zone of Cooperation. Current Status: This operation is dormant pending cease order.
Estes 1980 – Continuing <u>Forces</u> ADF	Objective: To conduct surface patrols in Bass Strait. Current Status: ADF surface patrols continue.
Gateway 1981 – Continuing <u>Forces</u> ADF	Objective: To contribute to the Northern Indian Ocean and South China Sea patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.
Mistral 1998 – Continuing <u>Forces</u> ADF	Objective: To support Australian sovereign rights and fisheries law enforcement in the Southern Ocean by contributing to Southern Ocean fisheries patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.
Solania 1988 – Continuing <u>Forces</u> ADF	Objective: To contribute to South West Pacific patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.
Burbage 1995 – Continuing <u>Forces</u> ADF	Objective: To contribute to Indian Ocean patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.

Operation	Objective and Current Status
Osteal 1995 – Continuing <u>Forces</u> ADF	Objective: To contribute to Coral Sea patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.
Mellin 1995 – Continuing <u>Forces</u> ADF	Objective: To contribute to Torres Strait and Timor Gap patrols. Current Status: This operation is ongoing and cyclical and ADF contributions continue.
Prowler 1996 – Continuing <u>Forces</u> ADF	Objective: The collection of military geographic information in northern Australia. Current Status: ADF military geographic information collection continues.
Cranberry 1997 – Continuing <u>Forces</u> ADF	Objective: To conduct surveillance in northern Australia. Current Status: The ADF continues to contribute to the civil surveillance program and to conduct military surveillance in northern Australia.
Concord 1999 – Continuing <u>Forces</u> ADF	Objective: To provide effective logistic support for Australian operations in East Timor. Current Status: Logistic support continues.
Plumbob 2000 – Completed <u>Forces</u> ADF	Objective: To evacuate Australian nationals from the Solomon Islands. Current Status: The Defence contribution included RAN and RAAF transport assets and Defence augmentation to the Australian mission in Honiara. This operation has ceased.
Orbit/Dorsal 2000 – Completed <u>Forces</u> ADF	Objective: To contribute to the Solomon Islands peace process by supporting peace talks in both the Solomon Islands and Townsville. Current Status: These operations have ceased.
Maxwell 2000 – Ceased <u>Forces</u> ADF	Objective: To enforce Australian sovereignty in the Heard Island – Macdonald Island Exclusive Economic Zone. Current Status: The operation was ceased due to equipment failure.
Highway 2000 – Ceased <u>Forces</u> ADF	Objective: To assist in the repatriation of Papua New Guinea Defence Force personnel and families. Current Status: This operation has ceased.
Highway II 2001 – Not conducted <u>Forces</u> ADF	Objective: ADF support to the repatriation of Papua New Guinea Defence Force personnel. Current Status: This operation was not conducted.

Operation	Objective and Current Status
Abseil 2001 – Ceased <u>Forces</u> ADF	Objective: To support the peace process in Bougainville. This operation was the ADF contribution to supporting Papua New Guinea Government and Bougainville delegates that participated in talks conducted at RAAF Townsville as part of the ongoing peace process in Bougainville. Current Status: This operation has ceased.
Teebone 2001 – Completed <u>Forces</u> ADF	Objective: To assist the Australian Fisheries Management Authority to recover the foreign fishing vessel <i>South Tomi</i> and its crew in order to effect a prosecution within Australia. Current Status: The operation was completed successfully with apprehension of the vessel and crew. The ADF contributed a boarding party and a security element, and was assisted by the South African Defence Force.
Shinbone 2001 – Not conducted <u>Forces</u> ADF	Objective: This operation was the planned ADF support to the Australian Fisheries Management Authority in the Heard Island – Macdonald Island Exclusive Economic Zone. Current Status: The operation was not conducted, but the equipment issue identified in Operation Maxwell (a similar operation) was remediated.

AUSTRALIAN DEFENCE FORCE EXERCISES

Table 2.6: Joint Exercises involving at least two of the Navy, Army and Air Force

Exercise	Forces	Performance
Vital Prospect July 2000	Navy, Army, Air Force	Objective: To practise deployable joint force headquarters staff and formation headquarters staff in the methods, procedures and conduct of planning, operations, offensive support and targeting, information operations and intelligence in a command post exercise.
		Result: Achieved. Successfully integrated staff within the joint headquarters environment.
Arnhem 1/00 July 2000	Army, Air Force	Objective: A field training exercise to validate the parachute company group's capability to meet preparedness requirements.
		Result: Achieved. Readiness was confirmed.

Exercise	Forces	Performance
Dusk Series 00 (Includes Pegasus Dusk, Oprex Dusk, Flash Dusk) November 2000	Army, Air Force	Objective: To practise state and territory authorities in crisis management procedures involving callout procedures and coordination arrangements for ADF counter-terrorist units utilising helicopters.
		Result: Achieved. Counter-terrorist callout procedures for an ADF response were effectively tested.
Swift Canopy 00 November 2000	Army, Air Force	Objective: A field training exercise to validate the parachute battalion group's capability to meet preparedness requirements.
		Result: Partially achieved due to reduced aircraft availability; however, readiness levels were confirmed and preparedness requirements validated.
Day Anchor January 2001	Navy, Army	Objective: To practise ADF counter-terrorist units in maritime special recovery techniques involving ships at anchor.
		Result: Achieved. Special recovery techniques were successfully practised.
Northern Trilogy February 2001	Army, HQNORCOM	Objective: To practise Headquarters Northern Command in the planning and conduct of operations in northern Australia, in a command post exercise.
		Result: Cancelled. Exercise not required in view of current commitment to operations in northern Australia.
Sea Eagle March 2001	Navy, Army	Objective: To practise amphibious boarding techniques for a 3 Brigade battalion group (2RAR), involving embarkation in Townsville and amphibious lodgement at Cowley Beach training area, prior to Brigade combined arms training.
		Result: Cancelled. The exercise objectives were met in Exercise Tandem Thrust.
Platypus Moon March 2001 (rescheduled to July 2001)	Navy, Army, Air Force	Objective: To develop submarine insertion, extraction and rendezvous techniques with Special Forces using rubber boats and multi-swimmer release techniques.
		Result: Achieved. Familiarisation training and other techniques were refined.
Emu Moon East March 2001	Army, Air Force	Objective: To exercise Special Forces in parachute and airborne insertion and extraction techniques, and RAAF C130 aircrew in special operations.
		Result: Achieved. The exercise provided a useful forum to increase joint capabilities.
Silicon Safari March 2001	Navy, Army, Air Force	Objective: To practise deployable joint force headquarters staff and formation headquarters staff in procedures in a command post exercise.
		Result: Cancelled and replaced by Exercise Vital Prospect.

Exercise	Forces	Performance
Vital Prospect April 2001	Navy, Army, Air Force	<p>Objective: To practise deployable joint force headquarters staff and formation headquarters staff in the methods, procedures and conduct of planning operations, offensive support and targeting, information operations and intelligence operations, as a combined staff in a command post exercise.</p> <p>Result: Achieved. Successfully integrated staffs into a combined task force headquarters.</p>
Emu Moon West April 2001	Army, Air Force	<p>Objective: To exercise Special Forces in parachute and airborne insertion and extraction techniques, and RAAF C130 aircrew in special operations.</p> <p>Result: Achieved.</p>
Pegasus Moon May 2001	Army, Air Force	<p>Objective: To confirm currency of Special Forces parachute insertion methods.</p> <p>Result: Cancelled. Exercise objectives were met in the Emu Moon Exercises.</p>

Table 2.7: Combined Exercises Involving the ADF and the Defence Forces of Other Countries

Exercise	Forces	Objective
Rimpac 00 ⁽¹⁾ May-July 2000	<u>Australia</u> Navy, Air Force	Objective: To enhance the interoperability and proficiency of maritime and air forces to operate in coalition arrangements centred on realistic short-warning littoral operations.
	<u>Other Countries</u> United States (US), Canada, South Korea, Chile, Japan	Result: Achieved. Was assessed to have provided a challenging training environment with excellent results.
Churinga/Flying Fish June-July 2000	<u>Australia</u> Navy, Air Force ⁽²⁾	Objective: A combined Five Power Defence Arrangements maritime and air defence exercise, to conduct combined/joint operations in a multi-threat, limited conflict scenario.
	<u>Other Countries</u> Malaysia, New Zealand (NZ), United Kingdom (UK), Singapore	Result: Substantially achieved. Objectives were met although testing of capability for afloat support was limited.
Gold Eagle 00 ⁽³⁾ June-July 2000	<u>Australia</u> Army	Objective: To further develop interoperability between the Australian Army and the US Marine Corps, in combined operations.
	<u>Other Countries</u> US	Result: Achieved. Mutual understanding was enhanced and opportunities for increased interoperability identified.
Pacific Bond 00 ⁽³⁾ June-July 2000	<u>Australia</u> Army	Objective: To further enhance interoperability between the Australian Army and the US Army by conducting a field training exercise.
	<u>Other Countries</u> US	Result: Achieved. Interoperability was further developed with the US.
Paradise 00 July 2000	<u>Australia</u> Navy, Air Force	Objective: To improve interoperability by conducting an annual maritime surveillance exercise with the PNG Defence Force and RAN patrol boat elements.
	<u>Other Countries</u> Papua New Guinea (PNG)	Result: Not achieved. Cancelled due to non-availability of PNG Defence Force.
Penguin 00 July 2000	<u>Australia</u> Navy, Air Force	Objective: To enhance patrol boat and maritime patrol aircraft interoperability with the Royal Brunei Navy in a combined maritime training exercise.
	<u>Other Countries</u> Brunei	Result: Achieved. Continued the effective relationship with the Royal Brunei Navy. Inclusion of Mine Hunter Coastal vessels provided an opportunity to demonstrate that additional capability.
Haringaroo 00-1 July 2000, May 2001, June 2001	<u>Australia</u> Army	Objective: To practise combined operations requiring interoperability at a tactical level with elements of the Malaysian Army.
	<u>Other Countries</u> Malaysia	Result: Substantially achieved. Exercise shortened due to environmental conditions.

Exercise	Forces	Objective
Lungfish 00 July-August 2000	<u>Australia</u> Navy, Air Force <u>Other Countries</u> US, Canada	Objective: To practise anti-submarine warfare with joint and independent maritime patrol aircraft cooperation, and to practise and develop combined RAN/US Navy submarine operations.
		Result: Achieved. The exercise provided consolidated training and developed overall maritime interoperability with both nuclear and conventional submarines that is seldom available in the Australian region.
Pacific Reserve 00-2 July-August 2000	<u>Australia</u> Army <u>Other Countries</u> US	Objective: To further develop interoperability between the Australian Army Reserve and the US Army Reserve by undertaking a field training exercise.
		Result: Achieved. Interoperability and increased understanding were achieved.
Pitch Black 2000⁽³⁾ July-August 2000	<u>Australia</u> Air Force, Army <u>Other countries</u> US, UK, Singapore	Objective: To validate operational and tactical air defence procedures in a large-scale air defence exercise and to exercise aircrews in large force employment missions.
		Result: Achieved. RAAF aircrew and air defence controllers derived highly beneficial training in the planning and conduct of combined large force air defence operations. Interoperability and increased understanding were achieved.
Singas Exchange July 2000-March 2001	<u>Australia</u> Army <u>Other Countries</u> Singapore	Objective: To broaden the military experience and knowledge of selected personnel and promote cooperation between the two countries.
		Result: Achieved. Familiarisation training in the capabilities and equipment not available in Australia was valuable, and a working knowledge of operational, logistic and administrative procedures was gained.
Fleet Concentration Period August 2000	<u>Australia</u> Navy, Air Force <u>Other countries</u> NZ	Objective: To conduct advanced warfare and maritime skills training and develop interoperability through training in a joint/combined maritime environment with multiple units.
		Result: Achieved. Training enhanced interoperability with the RAN, RNZN, RAAF and RNZAF. Combined maritime operations with the RAN and RNZN were successfully exercised and capabilities were further developed.

Exercise	Forces	Objective
Singaroo August 2000, April 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> Singapore	Objective: To strengthen the relationship and improve the interoperability of the ADF and the Republic of Singapore Forces in combined maritime procedures and tactics.
		Result: Achieved. The exercise demonstrated a strengthened relationship and enhanced mutual understanding between the participants.
Austhai September 2000	<u>Australia</u> Navy, Air Force <u>Other Countries</u> Thailand	Objective: To enhance the relationship between the RAN and the Royal Thai Navy in order to develop a sufficient level of interoperability for the conduct of joint/combined operations.
		Result: Achieved. The level of skills that support a basic level of interoperability improved and the exercise provided a good forum for mutual understanding.
Lumbas September 2000	<u>Australia</u> Navy, Air Force <u>Other Countries</u> Philippines	Objective: To enhance the relationship between the RAN and the Philippines Navy through the conduct of a maritime surveillance and exclusive economic zone activity based exercise.
		Result: Achieved. All objectives were achieved in a basic level exercise and the results were considerably higher than the previous LUMBAS in 1998.
Extendex Series⁽⁴⁾ June–July 2000	<u>Australia</u> Air Force <u>Other Countries</u> US	Objective: To confirm capability for the conduct of anti-submarine warfare and training with a US Navy submarine.
		Result: Achieved. Valuable anti-submarine warfare training was gained, and interoperability with the US Navy was enhanced.
Ocean Protector 01⁽³⁾ February 2001	<u>Australia</u> Navy <u>Other Countries</u> NZ, France	Objective: To improve operational effectiveness and interoperability with other regional defence forces.
		Result: Achieved. The integration of French forces into the ANZAC force was effective and a high level of interoperability between the three nations' maritime forces was achieved.
Gunrunner⁽³⁾ March 2001	<u>Australia</u> Air Force <u>Other Countries</u> NZ	Objective: To practise land strike, weapons effect planning and tactical reconnaissance with the Royal New Zealand Air Force.
		Result: Achieved. The training was extremely well received by the Royal New Zealand Air Force squadrons.
Fincastle March 2001	<u>Australia</u> Air Force <u>Other Countries</u> Canada, UK, NZ	Objective: To practise anti-submarine warfare tactics and procedures with the NZ, UK and Canadian Air Forces.
		Result: Achieved. Tactics and procedures were successfully practised against a conventional submarine.

Exercise	Forces	Objective
TAA NOK IN SII October 2000 April 2001	<u>Australia</u> Air Force	Objective: To progressively develop Royal Thai Navy maritime air surveillance capability and, at the same time, combined Royal Thai Navy-RAAF surveillance procedures.
	<u>Other Countries</u> Thailand	Result: Achieved. Thai maritime air surveillance capability was enhanced and a high level of interaction between the Air Force and the Royal Thai Navy personnel was achieved.
Computex Series ⁽⁵⁾ October- November 2000	<u>Australia</u> Air Force	Objective: Combined maritime warfare exercise with US Pacific Fleet forces, with an anti-submarine focus. RAAF maritime patrol aircraft forces participated to test preparedness levels.
	<u>Other Countries</u> US	Result: Achieved. Interoperability with the US Navy was enhanced and the exercise confirmed preparedness levels.
Goodwillex October 2000	<u>Australia</u> Navy, Air Force	Objective: This exercise is a goodwill activity with the Japanese Maritime Self-Defence Force during which basic procedural maritime exercises are conducted.
	<u>Other Countries</u> Japan	Result: Achieved. The activity provided a rare opportunity to enhance bilateral relationships and establish personal friendships with the Japanese Maritime Self-Defence Force personnel.
Night Fox October 2000	<u>Australia</u> Army	Objective: To practise deployment and develop interoperability at a tactical level with elements of the UK Special Forces.
	<u>Other Countries</u> UK	Result: Achieved. Interoperability was enhanced and cross training encouraged mutual understanding.
Matilda October- November 2000	<u>Australia</u> Army	Objective: To enhance regional relations by the provision of observers in Singapore Armed Forces unilateral training at Shoalwater Bay training area.
	<u>Other Countries</u> Singapore	Result: Achieved.
Pacific Kukri October- December 2000	<u>Australia</u> Army	Objective: To enhance regional relations by hosting UK Ghurkha unilateral training at high range training area.
	<u>Other Countries</u> UK	Result: Achieved.
Croix Du Sud November 2000	<u>Australia</u> Navy	Objective: To participate in the annual French Armed Forces–New Caledonia joint exercise to improve interoperability in evacuation operations.
	<u>Other Countries</u> France	Result: Achieved. Effective as a basis for continued international engagement with possible advantages for future ADF integration.
Minor War Vessel Fleet Concentration Period ⁽³⁾ November 2000	<u>Australia</u> Navy	Objective: To increase mariner and war fighting skills of the Patrol Boat Force Element Group, while contributing to international relations.
	<u>Other Countries</u> France	Result: Achieved, despite losing patrol boats to civil surveillance commitments.

Exercise	Forces	Objective
Shortscope 00 November 2000	<u>Australia</u> Navy	Objective: To enhance interoperability between Australian and US personnel through a mine counter-measures vessels training exercise.
	<u>Other Countries</u> US	Result: Not achieved. This activity was reprogrammed to occur in November 2001.
Suman Warrior November 2000	<u>Australia</u> Army	Objective: To exercise the armies of the Five Power Defence Arrangements in combined operations by conducting a brigade to unit-level command post exercise.
	<u>Other Countries</u> Malaysia, UK, NZ, Singapore	Result: Achieved. Interoperability was developed and knowledge of each other's procedures, organisations, equipment and capabilities was enhanced. Better relationships and mutual understanding amongst the Five Power Defence Arrangement countries were fostered.
Night Leopard November 2000	<u>Australia</u> Army	Objective: To practise deployment and to develop interoperability at a tactical level with elements of the Brunei Special Forces.
	<u>Other Countries</u> Brunei	Result: Achieved. The mutual exchange of ideas and developments in special operations techniques and equipment during the exercise, facilitated a development of understanding and some interoperability with the Brunei Special Forces.
ASWEX December 2000	<u>Australia</u> Navy, Air Force	Objective: To develop overall interoperability through training in a joint maritime environment with multiple units.
	<u>Other Countries</u> NZ	Result: Achieved. Comprehensive post-exercise analysis confirmed achievement of improved skill levels.
Tempest Express December 2000	<u>Australia</u> Air Force, Navy	Objective: To exercise the planning of combined operations through participation in crisis action planning simulation.
	<u>Other Countries</u> US ⁽⁶⁾	Result: Achieved. Joint and combined interoperability were enhanced and the appropriate level of standardisation with US forces was achieved.
JTFEX/FLEETEX ⁽⁷⁾ January-February 2001	<u>Australia</u> Air Force	Objective: To practise anti-submarine-warfare and anti-surface-warfare skills with the US Navy and enhance interoperability.
	<u>Other Countries</u> US, Canada	Result: Achieved. Deployability and interoperability with the US Navy was thoroughly exercised and enhanced.

Exercise	Forces	Objective
Tasmanex 2001 March 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> NZ, France ⁽⁸⁾	Objective: To further develop interoperability between Australian, NZ and French naval/maritime air units.
		Result: Partially achieved. Good integration between Australian, NZ and French naval and air units was achieved but there were limited opportunities to exercise submarine and afloat support capabilities.
Computex Series February-March 2001	<u>Australia</u> Air Force <u>Other countries</u> US	Objective: Combined maritime warfare exercise with US Pacific Fleet forces, with an anti-submarine focus. RAAF maritime patrol aircraft forces participated to test preparedness levels.
		Result: Interoperability with the US Navy was enhanced and the exercise confirmed preparedness levels.
Flaming Arrow February-March 2001	<u>Australia</u> Army <u>Other Countries</u> Singapore	Objective: To practise combined operations with the Australian and Singaporean Armies to foster knowledge, understanding, cooperation and interoperability.
		Result: Achieved. The exercise enhanced knowledge and understanding with a successful live-fire battalion attack.
Anzac Series February-April 2001	<u>Australia</u> Army <u>Other Countries</u> NZ	Objective: To broaden the military experience and knowledge of selected personnel and promote cooperation between the two countries.
		Result: Achieved. A working knowledge of operational, logistic and administrative procedures was gained.
Gold Eagle March 2001	<u>Australia</u> Army <u>Other Countries</u> US	Objective: To conduct a field training and amphibious exercise to enhance interoperability with the US Marine Corps.
		Result: Achieved. Familiarisation and knowledge of the US Marine Corps were facilitated through this exercise.
Opalex ⁽³⁾ March 2001	<u>Australia</u> Navy, Air Force <u>Other Countries</u> France	Objective: Conduct work-up training and operation readiness evaluation for two RAN submarines safely and realistically, in conjunction with a visit by a French Navy submarine.
		Result: Achieved. Confirmed RAN units' capability levels.
Wantok Warrior March 2001	<u>Australia</u> Army <u>Other Countries</u> PNG	Objective: To develop PNG military skills to facilitate interoperability at the tactical level.
		Result: Not achieved. Cancelled due to non-availability of the PNG Defence Force.
Tasman Exchange March 2001	<u>Australia</u> Army <u>Other Countries</u> NZ	Objective: To practise a field training exercise, enhancing interoperability with the NZ Army.
		Result: Achieved. Familiarisation and interoperability were enhanced during this exercise.

Exercise	Forces	Objective
Kernel Blitz 01 ⁽³⁾ March-April 2001	<u>Australia</u> Navy	Objective: To conduct brigade-level amphibious operations in a mined environment and develop tri-lateral standard operating procedures for very shallow water mine counter measures.
	<u>Other Countries</u> US, UK	Result: Achieved. The exercise also highlighted shortfalls in current RAN equipment utilised for very shallow water mine counter measures.
Night Kiwi March-May 2001	<u>Australia</u> Army	Objective: To practise deployment and develop interoperability at a tactical level with elements of the NZ Special Forces.
	<u>Other Countries</u> NZ	Result: Not achieved due to manpower and asset constraints/limitations.
IADS ADEX 01-2 April-May 2001	<u>Australia</u> Navy, Air Force	Objective: To practise and develop operational procedures and tactics with Five Power Defence Arrangements' units in a joint/combined maritime and air defence exercise.
	<u>Other Countries</u> Malaysia, Singapore, NZ, UK	Result: Partially achieved. In a complex maritime air defence environment, problems in areas of communications planning, frequency management and timely passage of information have been identified for future correction. Air defence objectives were achieved.
Tempo Brave April 2001	<u>Australia</u> Army	Objective: To participate in a US command post exercise designed to practise staff in methods, procedures and conduct of planning, operations, offensive support and targeting, information operations and intelligence.
	<u>Other Countries</u> US	Result: Not achieved. Exercise was cancelled.
Bell Buoy 01 ⁽³⁾ April-May 2001	<u>Australia</u> Navy	Objective: To practise participating forces in naval control and protection of shipping techniques and develop operational procedures in a combined maritime exercise.
	<u>Other Countries</u> US, UK, Canada, Republic of Korea, Chile	Result: Achieved. Exercise reinforced knowledge and skills in an international environment and provided exposure to the broad range of theory and practise overseas.
Tricrab 01 April-May 2001	<u>Australia</u> Navy, Air Force	Objective: To test and evaluate RAN, RAAF, US Navy and Royal Singapore Navy interoperability in diving and explosive ordnance disposal operations.
	<u>Other Countries</u> US, Singapore	Result: Achieved. A high level of interoperability in tactical level activities.
Flash Action April-May 2001	<u>Australia</u> Army	Objective: To develop and maintain interoperability between the Australian Special Forces and the US Special Forces.
	<u>Other Countries</u> US	Result: Achieved. Stronger relations with the US Special Forces were developed.

Exercise	Forces	Objective
Day Cougar April-June 2001	<u>Australia</u> Army <u>Other Countries</u> US	Objective: To develop and maintain interoperability between Australian Special Forces and US Special Forces conducting combined special recovery US operations.
		Result: Not achieved. Rescheduled to September 2001.
Tandem Thrust 01 May 2001	<u>Australia</u> Navy, Army, Air Force <u>Other Countries</u> US, Canada	Objective: To exercise participants in a short warning, power projection operation as a command post exercise and a field training exercise. Specific objectives included opposed passage of fleet units, mine counter measures, amphibious landing and live firing activities.
		Result: Achieved. Specific goals for each phase of Exercise Tandem Thrust were identified and evaluated.
Tri-Sling ⁽³⁾ May 2001	<u>Australian</u> Air Force <u>Other Countries</u> US, Singapore	Objective: To conduct trilateral training with the Royal Singaporean Air Force and US Air Force fighter aircraft.
		Result: Achieved. Training was successfully conducted.
Dawn Tiger May 2001	<u>Australia</u> Army <u>Other Countries</u> Malaysia	Objective: To conduct training to develop Malaysian Special Forces counter-hijack capability.
		Result: Not Achieved. Exercise was cancelled.
Maple Flag ⁽³⁾ June 2001	<u>Australia</u> Air Force <u>Other Countries</u> US, Canada	Objective: To participate in a long-range deployment of aircraft to participate in a multi-national large-force employment training exercise.
		Result: Achieved. The exercise provided an excellent opportunity to assess the performance of Australian aircraft in a multi-national (coalition) exercise.
Regional MCMX June 2001	<u>Australia</u> Navy <u>Other Countries</u> Singapore, US, Malaysia	Objective: To develop and evaluate interoperability in mine hunting, mine sweeping and diving operations under a multi-lateral mine countermeasures tasking authority.
		Result: Achieved. Primarily an engagement activity and the first of this type.
Night Panther 01 June 2001	<u>Australia</u> Army <u>Other Countries</u> Thailand	Objective: To practise deployment and develop interoperability at a tactical level with elements of the Thai Special Forces.
		Result: Achieved. Closer defence relations and personal contacts were developed and knowledge and familiarity with the Royal Thai Army was extended.

Exercise	Forces	Objective
Long Look June-September 2001	<u>Australia</u>	Objective: To broaden the military experience and knowledge of selected personnel and promote cooperation between the two countries.
	Army <u>Other Countries</u> UK	
		Result: Commenced and is currently successful.

Notes

1. This exercise was erroneously reported as 'Rimpac 01' in the 2000-01 Portfolio Budget Statements (PBS), and was not amended in the 2000-01 Portfolio Additional Estimates Statements (PAES). 'Rimpac 00' is the correct title.
2. Army was erroneously added as a participating force in the PAES. Army did not participate in this exercise.
3. This exercise was not reported in either the PBS or the PAES.
4. This exercise was erroneously reported as occurring from July 2000-June 2001 in the PBS.
5. This exercise was erroneously reported as occurring during September-October 2000, November-December 2000, and February-March 2001 in the PBS.
6. The US was erroneously replaced with NZ in the PAES. The US was the only international participant in this exercise.
7. This exercise was erroneously reported as occurring from February-March 2001 in the PBS.
8. France was erroneously omitted as a participating international force in the PBS.

OUTPUT TWO: NAVY CAPABILITIES

OVERVIEW

Defence contributed to the achievement of the Government's desired outcome through the provision of capabilities for maritime operations. Navy capabilities are: surface combatant operations; naval aviation operations; patrol boat operations; submarine operations; afloat support operations; mine warfare operations; and amphibious lift operations.

The past year has seen the Navy achieve many significant goals, substantially achieving the preparedness and operational requirements placed upon it. Two Collins-class submarines (HMA Submarines *Dechaineux* and *Sheean*) were provisionally accepted into service and a robust plan is in place to address class deficiencies. Additionally, one Anzac-class ship (HMAS *Warramunga*), one Landing Platform Amphibious (HMAS *Kanimbla*) and two Huon-class minehunter coastal vessels (HMA Ships *Norman* and *Gascoyne*) were delivered during this year – a significant overall achievement.

Operations saw the Navy involved in East Timor, the Persian Gulf, the Solomon Islands, and the Heard and Macdonald Islands areas. There was a high level of Navy operations in support of other government agencies to deal with unlawful boat arrivals, illegal fishing and drug importation. The Navy also provided effective support for the Sydney Olympic and Paralympic games and met all requirements for these events.

These major achievements were balanced by some shortfalls. Three Super Seasprite helicopters for the Anzac-class ships were not delivered due to aircraft software development problems. Personnel shortfalls across the majority of Navy categories have reduced the Navy's ability to fully achieve some performance targets, particularly in naval aviation, patrol boat operations and the mine warfare force. The net loss of personnel, although undesirable, was much lower than for 1999-2000, suggesting that personnel management initiatives are delivering results. The continuing decline in personnel numbers was arrested during the year with recruiting strategies yielding improved results, but recovery to target strength will take some years.

CAPABILITY PERFORMANCE INFORMATION

PERFORMANCE TARGETS

Major Surface Combatant Force

Entails the provision of the major surface combatant force at levels of capability to:

- assert sea control;
- conduct surveillance;
- conduct maritime patrol and response operations;
- collect intelligence;
- conduct counter-insurgency operations;
- protect shipping, offshore territories and assets; and
- conduct operations other than war in support of Government.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Achieved. 100% preparedness levels in accordance with CDF/Commander Australian Theatre (COMAST) preparedness directives were achieved. • Substantially Achieved. In conjunction with the Fleet Activity Schedule training opportunities, the major surface combatant force participated in the following exercises - ASWEX 00, Ocean Protector 01, Rimpac 00, Flying Fish 00, Singaroo 00, Austhai 00, Goodwill 00, Tasmanex 01, Opalex, IADS Adex and Tandem Thrust 01. Limitations exist for anti-air warfare proficiency core skills due to unreliability of the FFG missile launcher and limitations with the Kalkara targets, fast jet availability and problems encountered with onboard systems in recording analysis.
<p>Quantity:</p> <ul style="list-style-type: none"> • 6 FFG–1,762 MLOC days⁽¹⁾⁽²⁾⁽³⁾ 	<ul style="list-style-type: none"> • 6 FFG – 1,599 MLOC days. HMA Ships <i>Adelaide</i>, <i>Melbourne</i> and <i>Sydney</i> underwent extended refit periods, requiring operational readiness evaluations to regain MLOC status.
<ul style="list-style-type: none"> • 1 DDG–365 MLOC days. 	<ul style="list-style-type: none"> • 1 DDG - 292 MLOC days. MLOC target was not achieved due to unscheduled maintenance, defects and lead times to repair.
<ul style="list-style-type: none"> • 2 FFH–730 MLOC days. 	<ul style="list-style-type: none"> • 2 FFH - 552 MLOC days. HMA Ships <i>Anzac</i> and <i>Arunta</i> underwent extended refit periods, limiting the MLOC level achieved.

Notes

1. Time at Minimum Level of Capability (MLOC) is the unit of performance measurement for individual warfare capabilities, ie the capability to conduct anti-surface operations, anti-submarine operations, anti-air operations and the capability to conduct maritime support operations. As the range and depth of capability varies between classes of ship due to their design, MLOC results are aggregated to provide performance information at the Force Element Group level. Breakdowns of MLOC performance information below this level are classified.
2. The MLOC assessment process for Navy capabilities includes objective assessments of equipment, equipment condition, personnel, collective training and readiness notice to achieve the operational level of capability required in accordance with operational readiness directives. Ship days at MLOC is an aggregate measure which encompasses numerous lower-level quantity and quality measures. The performance target is the theoretical maximum for all ships to be at MLOC when not conducting deep depot-level maintenance or conducting workup to MLOC.

Naval Aviation Force

To provide the organic aviation capabilities required to:

- support the assertion of sea control and the conduct of surveillance;
- conduct maritime patrol and response operations;
- collect intelligence;
- conduct counter-insurgency operations;
- protect shipping, offshore territories and assets; and
- conduct military support operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Achieved. 100% preparedness levels in accordance with CDF/COMAST preparedness directives were achieved. • Achieved. In conjunction with the Fleet Activity Schedule and aviation squadron training opportunities, the naval aviation force participated in exercises ASWEX 00, Ocean Protector 01, Rimpac 00, Flying Fish, Tandem Thrust 01 and Goodwill 00. All objectives were achieved.
<p>Quantity:</p> <ul style="list-style-type: none"> • 5 Bell 206B - 234 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 0 Bell 206B. All five aircraft were transferred to the Army in October 2000 (listed as 'Kiowa' in the Army's performance information tables). 234 hours were achieved.
<ul style="list-style-type: none"> • 12 AS350BA Squirrel, including six aircraft transferred from the Army in October 2000. - 3,000 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 11 AS350BA Squirrel. One aircraft was provisionally written off, awaiting an economic repair assessment. 2,592 hours achieved. The shortfall occurred due to a larger than expected induction process with the aircraft which were transferred from Army, and intake of fewer students than originally planned.
<ul style="list-style-type: none"> • 7 SK50/50A Sea King - 2,000 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 7 SK50/50A Sea King. 1,803 hours achieved. Actual tasking during Operation Gold and Exercise Tandem Thrust 01 was less than planned.
<ul style="list-style-type: none"> • 16 S-70B-2 Seahawk. - 4,450 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 16 S-70B-2 Seahawk. Two of the sixteen aircraft remain in attrition/reserve; these will be brought into the pool by December 2001. 3,261 hours achieved. Personnel shortages, particularly aircrew, resulted in only 66 per cent staffing of all ships' flights. In addition, there were insufficient instructors and trainees to conduct the required amount of training.

Performance Targets	Performance
<ul style="list-style-type: none"> • 3 Super Seasprite SH-2G(A) - - 400 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 0 Super Seasprite SH-2G(A). The Anzac ship helicopter project experienced schedule slippage due to integrated software development problems. The revised delivery schedule will be advised by the contractor later in 2001. 0 hours were achieved due to non-delivery.
<ul style="list-style-type: none"> • 18 Kalkara 	<ul style="list-style-type: none"> • 16 Kalkara. Kalkara is an unmanned aerial target system with an expected attrition rate of two per year. As reported in the <i>Portfolio Additional Estimates Statements 2000-01</i>, two were destroyed during operational activities thereby reducing availability from 20 to 18. A further two were lost due to incidents in September 2000 and April 2001.
<ul style="list-style-type: none"> - 39 launches (revised estimate). 	<ul style="list-style-type: none"> 21 launches were achieved. Fewer launches occurred due to technical problems associated with acceptance into naval service. There was also a two-month suspension of flying while awaiting results of the April 2001 accident investigation.
<ul style="list-style-type: none"> • Support for the Sydney Olympics and Paralympics of up to 3 SK50 Sea Kings and up to 2 S-70B-2 Seahawks. 	<ul style="list-style-type: none"> • Achieved. 816 and 817 squadrons were tasked; staffing requirements and outcomes were fully met.

Patrol Boat Force

Entails the provision of the patrol boat force at levels of capability to conduct:

- peacetime surveillance;
- maritime patrol and response operations within coastal waters; and
- operations other than war in support of the Government.

Performance Targets	Performance
<p><i>Quality:</i></p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. 	<ul style="list-style-type: none"> • Partially Achieved. Shortages of key personnel were experienced during the last quarter of the period.
<ul style="list-style-type: none"> • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Achieved. In conjunction with the Fleet Activity Schedule training opportunities, the patrol boat force participated in the following exercises: Penguin 00, Lumbas 00, Minor War Vessel Fleet Concentration Period, and Croix Du Sud. Limited personnel resources threaten to degrade these standards.

<p>Quantity:</p> <ul style="list-style-type: none"> 15 Patrol Boats – 4,334 MLOC days 	<ul style="list-style-type: none"> 15 Patrol Boats – 4,469 MLOC days. The patrol boat force conducted 243 foreign fishing vessel boardings and 76 apprehensions, and 54 suspected illegal entry vessel apprehensions.
<ul style="list-style-type: none"> Provide 1,800 patrol boat days for surveillance of the Australian Fishing Zone and provide at least 33 ship visits for patrol of the Bass Strait oil rigs. May be achieved by RAN vessels other than patrol boats. 	<ul style="list-style-type: none"> 1,688 patrol boat days and in excess of 33 ship visits were achieved for patrol of the Bass Strait oil rigs as part of Operation Estes. A number of patrol boat days were lost due to unscheduled maintenance (in particular relating to hull defects) and short notice changes in priority from civil surveillance to supporting other activities.

Submarine Force

Entails the provision of the submarine force at levels of capability to conduct:

- covert surveillance and reconnaissance;
- offensive operations against warships, submarines and merchant shipping; and
- mining and support to special operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. 	<ul style="list-style-type: none"> Partially Achieved. Performance was affected by training, equipment and sustainability deficiencies and the current limited capability of the force. One submarine was unable to meet MLOC requirements for a period of 16 days.
<ul style="list-style-type: none"> Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> Substantially Achieved. Within current hardware and software system constraints associated with the limited capability of the force, and in conjunction with the Fleet Activity Schedule training opportunities, significant submarine interaction and training was achieved in exercises Singaroo 00, Tandem Thrust 01 and Fincastle. HMAS <i>Waller</i> withdrew from Tasmanex 01, due to defect maintenance.
<p>Quantity:</p> <ul style="list-style-type: none"> 3 Collins – 450 MLOC days 1 Oberon – 90 days notice for operations (<i>until end of 2000</i>) 	<ul style="list-style-type: none"> 3 Collins – 435 MLOC days. The submarine force fell only marginally short of its target. Programming variance, corrective maintenance and combat system augmentation upgrades affected the MLOC achievement figures. 1 Oberon – 90 days notice for operations.

Afloat Support Force

Entails the provision of the afloat support force at levels of capability required to provide:

- under-way replenishment of fuel, water, stores and ammunition; and
- strategic bulk fuel transport.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. 	<ul style="list-style-type: none"> • Substantially Achieved. On one occasion preparedness levels were unable to be met due to HMAS <i>Westralia</i> undergoing refit early. This resulted in increased notice for sea levels not being met which had minimal impact.
<ul style="list-style-type: none"> • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Substantially Achieved. In conjunction with the Fleet Activity Schedule training opportunities, the afloat support force participated in exercises Ocean Protector 01, Rimpac 00, Flying Fish 00, Goodwill 00 and Tandem Thrust 01. HMAS <i>Westralia</i> was withdrawn from Flying Fish 00 and HMAS <i>Success</i> was withdrawn from Tasmanex 01 due to defect maintenance.
<p>Quantity:</p> <ul style="list-style-type: none"> • 1 AOR – 345 MLOC days • 1 AO – 270 MLOC days. 	<ul style="list-style-type: none"> • 1 AOR – 337 MLOC days. After re-programming of HMAS <i>Success's</i> refit, a potential three-week loss of MLOC following cracks to a fuel injector pump was reduced to eight days. • 1 AO – 263 MLOC days. HMAS <i>Westralia</i> commenced refit early, reducing its ability to achieve the target.

Mine Warfare Force

Entails the provision of the mine countermeasures force at levels of capability to conduct:

- mine clearance from beaches, shallow and deep water; and
- route-survey and lead-through operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Partially Achieved. Reduced underwater explosive ordnance disposal capability relating to equipment issues affected the clearance diving team's preparedness level • Substantially Achieved. In conjunction with the Fleet Activity Schedule training opportunities (and delays in the Mine Hunter Coastal work-up program), the mine warfare force participated in exercises Ocean Protector 01, Penguin 00, Minor War Vessel FCP, Tasmanex 01, Kernel Blitz 01, Tricrab 01, Western Pacific MCMX and DIVEX 01.
<p>Quantity:</p> <ul style="list-style-type: none"> • 2 MHC – 630 MLOC days • 2 MHI – 60 MLOC days • 2 Clearance Diving Teams – 630 MLOC days – provided security support to the Olympics and Paralympics 	<ul style="list-style-type: none"> • 2 MHC – 543 MLOC days. Staffing levels and programming difficulties in conducting work-up and operational readiness evaluation largely contributed to the reduced achievement. • 2 MHI – 0 MLOC days. Mine Hunter Inshore vessels failed to reach planned MLOC because of materiel defects throughout 2000-01. Both vessels were decommissioned in August 2001. • 2 Clearance Diving Teams – 630 MLOC days – provided 95 personnel to Operation Gold, with no safety incidents.

Amphibious Lift Force

Entails the provision of the amphibious lift force at levels of capability to:

- conduct amphibious operations;
- support land operations from sea;
- provide strategic, operational, tactical and administrative sea transport; and
- provide support to beach intelligence gathering.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Achieved. 100% preparedness levels in accordance with CDF/COMAST preparedness directives were achieved. The amphibious lift force participated in Operations Trek, Belisi and Tanager. • Achieved. In conjunction with the Fleet Activity Schedule training opportunities, the amphibious lift force participated in exercises Ocean Protector 01, Croix Du Sud and Kernel Blitz 01. All objectives were achieved.
<p>Quantity:</p> <ul style="list-style-type: none"> • 1 LSH – 260 MLOC days • 2 LPA – 445 MLOC days • 6 LCH – 1735 MLOC days • 1 AKR – 320 MLOC days 	<ul style="list-style-type: none"> • 1 LSH – 256 MLOC days. HMAS <i>Tobruk</i> commenced refit early. • 2 LPA – 424 MLOC days. HMAS <i>Kanimbla</i> delivery was delayed, and the ship also experienced problems with its main propulsion diesel engines. • 6 LCH – 1,678 MLOC days. MLOC days were lost due to a combination of delays in life-of-type extension progression and problems experienced with the main propulsion diesel engines. All Landing Craft Heavy vessels are programmed to undergo life-of-type extension, which is scheduled for completion in late 2002. Three vessels underwent life-of-type extension during 2000-01. • 1 AKR – 315 MLOC days. Minor shortfalls occurred due to the fast catamaran HMAS <i>Jervis Bay</i> having to undergo essential maintenance. The lease on HMAS <i>Jervis Bay</i> expired in May 2001.

COST OF OUTPUT

Table 2.8: Cost of Output Two - Navy Capabilities

Departmental Expenses	2000-01 Budget Estimate \$m	2000-01 Revised Estimate \$m	2000-01 Actual \$m	Variation \$m
Expenses				
Employees - Military	878.7	921.8	1021.8	100.0
Employees - Civilian	239.4	254.1	223.1	-31.0
Sub-Total Employees	1118.1	1175.8	1244.8	69.0
Suppliers - Non-Inventory	894.7	986.1	827.7	-158.4
Suppliers - Inventory Consumption	269.0	179.1	135.4	-43.8
Sub-Total Suppliers	1163.7	1165.2	963.1	-202.1
Depreciation and Amortisation	738.3	708.6	755.9	47.3
Write-Down of Assets	0.0	83.2	160.2	76.9
Other Expenses - including Interest and Grants	13.4	48.9	42.5	-6.4
Expensed Assets Under Construction	26.9	81.0	33.8	-47.2
Loss on sale of Assets	0.0	0.0	0.9	0.9
Total Expenses	3060.4	3262.8	3201.2	-61.7
Capital Use Charge	1728.1	1982.7	2014.7	32.0
Total Cost of Output Two	4788.5	5245.5	5215.9	-29.6

Explanation

The actual cost for Navy capabilities was 0.6 per cent less than that estimated for 2000-01. Key performance issues related to the price variation are explained below.

- There was a reduced need for suppliers (both non-inventory and inventory consumption) due to the reduced availability of several platforms.
- HMA Ships *Dechaineux* and *Sheehan* were budgeted to be provisionally accepted in January and February 2001. These vessels were provisionally accepted in December 2000, making the associated in-service costs of these submarines slightly higher than planned.

OUTPUT THREE: ARMY CAPABILITIES

OVERVIEW

Defence contributes to the achievement of the Government's desired outcome through the Army's provision of capabilities for land operations. These capabilities are special force operations, mechanised operations, light infantry operations, army aviation operations, combat support to land operations, motorised infantry operations and protective operations.

2000-01 saw a continuation of high levels of operational activity. The Army's continued success in East Timor demonstrated the high standards of training, skills and capability inherent in the Army. The Army made substantial contributions to peacekeeping operations in the region and further afield, as well as to the Sydney Olympic and Paralympic Games.

The Army's ability to achieve the full range of directed preparedness requirements was constrained by the ongoing commitment to East Timor, the ongoing support requirements of meeting other overseas commitments, such as those to Papua New Guinea (Op Belisi), and the limitations imposed by equipment shortfalls and personnel shortages in critical trades.

Supply and equipment issues are being addressed through initiatives such as the Army ammunition study and pursuing commercial off-the-shelf solutions to help address deficiencies within capabilities.

The Army's personnel strength remains below target, with continued high separation rates. As with the other Services, there was a strong focus on recruitment and retention within the Army during the year to sustain its capabilities and workforce at a realistic cost.

The Army's personnel strength has been affected by pressures arising from increased operational commitments over a long period, continued high work rates to sustain these and other preparedness tasks, and high training rates to meet higher recruiting targets caused by higher separations.

Recruitment and retention initiatives both across Defence and within the Army are in progress to address the deficiencies. Some initiatives, such as regional recruitment, have already made an improvement. Other key initiatives to address the shortage of personnel include the *Stay Army* website which is a tool to encourage soldiers to transfer to another trade rather than to discharge, and a trial of a reduced initial period of service. The latter offers a reduced employment contract (from four years to two years) and is aimed at attracting personnel to critical trades.

The Government, through the White Paper, has transformed the role of the ADF Reserves from a focus on mobilisation and expansion to one which requires the Reserve to contribute to the support and sustainment of contemporary ADF operations. The Chief of Army is charged with developing a re-rolled and re-tasked Army Reserve Force. Reserve units will be allocated their new roles and tasks and will be structured accordingly by December 2003.

During the past year, the Reserves increasingly were provided with a more important and challenging role in direct support of deployed forces. Some 2,500 Reservists supported the recent Olympic Games. Army Reservists currently serve in operations in Bougainville, East Timor, Butterworth in Malaysia and in support of other ADF operations.

2000-01 saw the implementation of the regional training centre capability with the establishment of the Headquarters, Regional Training Centre located at Canungra. This headquarters commands the various regional training centres, which are multi-use, flexible learning centres employing advanced technologies to provide Regular and Reserve soldiers with access to a significant portion of the command's training. In fulfilling this role, the centres make a solid contribution to bringing to fruition the 'one Army' concept, by enhancing opportunities for the Army's part-time members to acquire the same competencies as their full-time counterparts.

A number of initiatives were implemented during the year for the Army's *Plan For A Fair Go*. The plan aims to eliminate unacceptable behaviour, particularly bullying and harassment, as well as encourage equity and diversity generally within the Army. A hotline was established in March 2001 and is to remain operational until, at least, the end of December 2001.

CAPABILITY PERFORMANCE INFORMATION

PERFORMANCE TARGETS

Special Forces

This capability is focused on the Army Special Operations Group. These forces cover a range of special operations tasks, such as counter terrorism, strategic strike, special recovery, and long-range reconnaissance, beyond the range and capabilities of other ADF force elements.

The special forces capability is designed to:

- exploit deception and surprise; and
- employ techniques which are discreet, non-escalatory, avoid collateral damage and which span the continuum of elite conventional to unconventional operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> • Achieved. The special forces capability met all preparedness directed tasks. • Achieved. All training requirements were met.
<p>Quantity:</p> <ul style="list-style-type: none"> • Special Operations Group, Comprising: Headquarters Special Operations; Special Air Service Regiment; 4 Battalion Royal Australian Regiment (Cdo); Commando Regiment; and 126 Commando Signals Squadron. 	<ul style="list-style-type: none"> • Achieved. Personnel availability for units in this sub-output were sufficient to meet preparedness levels.

Mechanised Operations

This capability is focused on 1 Brigade. It provides high levels of organic mobility and firepower capable of conducting peacekeeping, peace enforcement and combat operations.

The mechanised force is designed to:

- exploit mobility, protection, inherent command, control, communications, computing, intelligence, surveillance and reconnaissance, and firepower; and
- achieve surprise, offensive action, concentration of force and rapidity of execution, all of which arise from the employment of the combined arms team.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas 	<ul style="list-style-type: none"> • Partially Achieved. Equipment shortfalls and personnel deficiencies in critical trades and sustainability issues affected the achievement of preparedness levels for some directed military response options. Even so, a reduced yet credible level of capability was available. • Partially Achieved. Personnel deficiencies, such as critical trade deficiencies, affected the achievement of some collective training requirements.

Performance Targets	Performance
<p>Quantity:</p> <ul style="list-style-type: none"> 1 Brigade, comprising: a headquarters; a mechanised infantry battalion; a reconnaissance regiment; an armoured regiment; and combat and logistic support units. 	<ul style="list-style-type: none"> Partially Achieved. Personnel availability for units in this sub- output were at sub optimal levels, however a reduced yet credible level of preparedness was achieved.

Light Infantry Operations

This capability is focused on 3 Brigade and the Parachute Battalion Group. It provides an air transportable capability to conduct a range of military support and combat operations.

The light infantry force is designed to:

- exploit strategic, operational and tactical mobility;
- exploit flexibility, adaptability and utility across the full spectrum of conflict; and
- achieve surprise, rapidity of execution and the capacity to seize and hold ground.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. Achieve a level of training that maintains core skills and professional standards across all warfare areas. 	<ul style="list-style-type: none"> Substantially Achieved: The light infantry capability was capable of meeting the military response option tasks as directed by the CDF. Levels of preparedness as directed by the CDF were achieved within the limitations imposed by the commitment to East Timor, and its impact upon this capability. Achieved. Training requirements were met.
<p>Quantity:</p> <ul style="list-style-type: none"> 3 Brigade, comprising: a headquarters; 2 infantry battalions; armoured mobility for 2 infantry companies; and combat and logistic support units. The Parachute Battalion Group, Comprising: a parachute infantry battalion combat support units 	<ul style="list-style-type: none"> Substantially Achieved. Personnel availability for units in the sub-output were sufficient to meet preparedness levels within the limitations imposed by the commitment to East Timor.

Army Aviation Operations

This capability is focused on the Aviation Support Group and 1 and 5 Aviation Regiments. It provides integral air mobility, medium lift, reconnaissance,

surveillance and aerial fire support to military support, combat and special operations.

It provides the organic aviation capabilities required to conduct:

- surveillance and armed reconnaissance;
- tactical airlift;
- command and control support; and
- combat service support.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 36 Black Hawk - 7,784 flying hours (revised estimate). • 43 Kiowa. - 12,701 flying hours (revised estimate) • 6 Chinook. - 1,270 flying hours (revised estimate). 	<ul style="list-style-type: none"> • Substantially Achieved: The aviation operations capability was capable of achieving all directed military response options. Due to limitations imposed by the commitment to East Timor, a high level of operational activity and its impact upon this capability, some directed military response options required sustainability issues to be addressed. • Substantially Achieved. Concurrent activities, such as those in East Timor and Bougainville, affected the achievement of all training requirements. • 36 Black Hawk. 8,315 hours achieved. Achievement was greater than forecast due to higher than predicted usage on Operation Gold. Exercise Tandem Thrust provided a valuable opportunity to regain competence in some degraded skills. • 42 Kiowa (5 of the 43 aircraft were transferred from Navy and one aircraft was damaged in an accident and was not repairable). 11,380 hours achieved. The major area of under-utilisation was within Training Command. The low number of graduates from the ADF Basic Flying Training School and the ADF Helicopter School meant training rates were lower than normal. In addition, within 1 Aviation Regiment, squadrons were carrying low pilot numbers. The high level of operational activity led to a further reduction in pilot availability due to service leave entitlements associated with operational deployment. • 6 Chinook. 872 hours achieved. The rate of effort was less than forecast because of compounding factors such as servicability problems, a lower than forecast rate of effort on exercises, and pilot staffing.

Performance Targets	Performance
<ul style="list-style-type: none"> • 25 Iroquois. - 7,796 flying hours (revised estimate). • 17 Squirrel. - 2,520 flying hours (revised estimate). • 3 King Air. - 2,000 flying hours (revised estimate). • 2 Twin Otter. - 1,200 flying hours (revised estimate). 	<ul style="list-style-type: none"> • 25 Iroquois. 6,320 hours achieved. The rate of effort was not achieved because of high student failure rates at the aviation schools, reduced operational tasking for operation Belisi II, and operational rotations. • 11 Squirrel (6 aircraft transferred to the Navy in October 2000). These aircraft are awaiting disposal as a result of the ADF rotary wing flying training rationalisation study. 1,464 hours achieved. The low number of graduates from the ADF Basic Flying Training School and the ADF Helicopter School provided a reduced number of graduates who were available to fly. • 3 King Air. 1,928 hours achieved. • 2 Twin Otter. 1,159 hours achieved.

Support to Land Operations

Support to land operations incorporates ground-based air defence, combat support operations, and operational logistic support to land forces.

Ground-based air defence is focused on 16 Air Defence Regiment. It is an integral component of the ADF air defence system, and provides short-range point air defence for manoeuvre formations and area defence within low and medium threat scenarios. Elements of this capability are held at high readiness to support the Ready Deployment Force.

Ground-based air defence is characterised by flexible and rapid establishment of defended airspace in conjunction with other land and joint elements.

Combat support operations enhance the conduct of operations through important surveillance and specialist support, particularly in construction engineering, topographical support, electronic warfare, regional force surveillance units and intelligence support. Small elements of the capability are held at high readiness to support the Ready Deployment Force.

Operational logistic support to land forces is based on the Logistic Support Force and provides supply, transport, repair, health and other functions to military support and combat operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. <ul style="list-style-type: none"> • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • Logistic Support Force and its integral logistic support units • Direct command units of Land Command <ul style="list-style-type: none"> • 16 Air Defence Regiment 	<p>Ground-Based Air Defence</p> <ul style="list-style-type: none"> • Partially Achieved. Equipment and sustainability issues and personnel deficiencies in critical trades affected this capability's achievement of all of the directed military response options. A reduced yet credible level of capability was available. <p>Combat Support Operations</p> <ul style="list-style-type: none"> • Substantially Achieved. Levels of preparedness as directed by the CDF were achieved within the limitations imposed by the commitment in East Timor. Limitations due to equipment issues and personnel deficiencies in critical trades impacted on some military response options. <p>Operational Logistic Support</p> <ul style="list-style-type: none"> • Substantially Achieved. This component was capable of achieving all directed military response options. Due to limitations imposed by the commitment in East Timor, a high level of operational activity and personnel shortages, some directed military response options required sustainability issues to be addressed. • The ongoing requirement to sustain operations in East Timor and provide support to major exercises, as well as personnel shortages in critical trades, placed strain on the ability of the Logistical Support Force to achieve directed levels of preparedness. • Substantially Achieved. Concurrent operations and personnel deficiencies, such as critical trade deficiencies, affected the achievement of all training requirements. • Substantially Achieved. Personnel availability for units in this sub-output were sufficient to provide a reduced, yet credible level of preparedness. • Partially Achieved. Personnel availability for this unit were not sufficient to provide a credible level of preparedness. 16 Air Defence Regiment is now a separate sub- output within the Army.

Motorised Infantry Operations

Motorised infantry operations are based on 7 Brigade, an integrated formation of full-time and part-time personnel. It provides complementary and supplementary reinforcement to the Ready Deployment Force and, when

mobilised, a rotation force for the full range of warfighting and military response options tasks. It is capable of conducting motorised operations for defeating attacks against Australia. 7 Brigade is the best equipped of the Army's Reserve formations.

Motorised infantry operations are designed to:

- exploit mobility, protection, tactical sustainability, endurance, reconnaissance and surveillance;
- exploit flexibility, adaptability and utility using inherent command, control, communications, computing, intelligence, surveillance and reconnaissance systems; and
- achieve surprise, rapidity of concentration and execution.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 7 Brigade, comprising: a headquarters; 3 motorised battalions a regular motorised infantry battalion two reserve motorised infantry battalions 1 reconnaissance battalion; and combat and logistic support units. 	<ul style="list-style-type: none"> • Partially Achieved: The motorised infantry operations capability was not capable of achieving all directed military response options due to equipment shortfalls, personnel deficiencies in critical trades and sustainability issues. A reduced yet credible level of capability was available. • Partially Achieved. Operational commitments limited the ability of this capability to achieve the training requirements. <p>Regular Units</p> <ul style="list-style-type: none"> • Substantially Achieved. Regular units comprising of full-time personnel achieved the required staffing levels, providing a credible level of preparedness. <p>Reserve Units</p> <ul style="list-style-type: none"> • Partially Achieved. The Reserve units achieved lower than expected recruiting targets which affected the staffing of this capability.

Protective Operations

Protective operations are provided predominantly by the Reserve component of the Army. Operations are focused on providing surge and sustainment forces to the Ready Deployment Force.

Protective operations also assist the Australian community during civil emergencies.

Protective operation forces are designed to possess the capacity for subtlety, initiative and discrimination at the lower end of the spectrum of conflict.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 4, 5, 8, 9, 11 and 13 Brigades, each comprising of: a headquarters; two or three infantry battalions; an armoured reconnaissance unit; and combat and logistic support units. 	<ul style="list-style-type: none"> • Achieved. While the Army Reserve had no assigned preparedness notice in 2000-01, individuals and sub-units were available for reinforcement and rotation. Those Army Reserve units which had preparedness requirements of less than 360 days, such as medical support units and commando units, have been attributed directly to other Army capabilities. • Partially Achieved. Factors such as personnel numbers within the Army Reserve and the priority of effort towards operations affected the achievement of training within this capability. • Partially Achieved. Personnel availability for units in the sub-output were at sub optimal level. Personnel from this sub-output provided a reinforcement and rotation platform within the Land component of the Army.

COST OF OUTPUT

Table 2.9: Cost of Output Three – Army Capabilities

Departmental Expenses	2000-01 Budget Estimate \$m	2000-01 Revised Estimate \$m	2000-01 Actual \$m	Variation \$m
Expenses				
Employees – Military	1738.6	1734.9	1822.2	87.3
Employees – Civilian	247.5	254.1	269.1	15.0
Sub-Total Employees	1986.1	1989.0	2091.3	102.3
Suppliers – Non-Inventory	1196.8	1135.2	802.5	-332.7
Suppliers – Inventory Consumption	344.9	379.2	186.2	-193.0
Sub-Total Suppliers	1541.7	1514.4	988.6	-525.8
Depreciation and Amortisation	494.8	507.1	483.9	-23.2
Write-Down of Assets	0.0	65.3	186.3	121.0
Other Expenses – including Interest and Grants	35.7	15.0	15.5	0.5
Expensed Assets Under Construction	53.8	43.5	36.2	-7.2
Loss on Sale of Assets	0.0	0.0	8.2	8.2
Total Expenses	4112.1	4134.3	3810.0	-324.3
Capital Use Charge	1147.9	923.5	947.6	24.1
Total Cost of Output Three	5260.0	5057.9	4757.6	-300.2

Explanation

The employees expense result reflects principally expenses relating to an increased provision for military compensation arising from an actuarial review. Other variations are primarily a result of an over-estimate of inventory consumption and a range of technical accounting adjustments relating to assets.

OUTPUT FOUR: AIR FORCE CAPABILITIES

OVERVIEW

The Air Force provided combat forces that contributed to the ADF's capacity to defeat attacks against Australia, defend regional and global interests, shape the strategic environment and protect national interests. These capabilities encompass air strike and reconnaissance, tactical fighter operations, strategic surveillance, maritime patrol aircraft operations, airlift, and combat support of air operations.

The Air Force has undergone an unprecedented period of sustained operational activity coupled with high separation rates and recruitment and retention problems which have placed significant strain on Air Force personnel. As a consequence, recruitment and retention of Air Force personnel was a priority in 2000-01 with a range of initiatives developed aimed at retention of personnel in key areas such as engineering, air traffic control and aircrew. Recruitment and retention issues will continue to be a priority. Over the coming year, the Air Force will also focus on occupational health and safety issues, in particular those flowing from the current Board of Inquiry into the F-111 fuel tank deseal/reseal program.

The Air Force substantially completed a redevelopment of its capability-based management framework which is aimed at providing a means to direct, monitor and assess Air Force capability, especially preparedness. This included the development of tools to support a holistic assessment of Air Force capabilities by sub-output, capability element (force structure and preparedness) and capability functions (personnel, logistics, development, testing and evaluation). The new framework will provide clear links to military strategic objectives and response options and will also support the determination of Directed Level of Capability.

Personnel and logistic shortfalls, combined with reduced aircraft availability for a number of key platforms, adversely affected the sustainability of Air Force operations and resulted in a significant under-achievement of allocated flying hours during the year. The capability management framework detailed above was developed to allow prioritisation of Air Force resources, ensuring that remediation action was appropriately targeted.

A number of key Air Force platforms are experiencing a range of ageing aircraft issues, including fatigue, corrosion and spares availability. These issues resulted in an increased maintenance effort, reduced aircraft availability and increased costs during 2000-01. The recent decision to withdraw the B707 fleet from service progressively over the next two years, including the requirement for an interim

air-to-air refuelling capability, is indicative of the magnitude of the decisions that the Air Force faces in coming years.

The Air Force has aligned its capability management framework to the White Paper initiatives and updated Air Force capability plans and subordinate weapons system plans. Achieving the White Paper initiatives will be critical in alleviating many of the Air Force’s concerns and in maintaining the Air Force’s capability edge over the coming decade.

Despite all of these difficulties, Air Force personnel maintained a positive attitude and, through their dedication and professionalism, achieved excellent results in both operational deployments and exercises during the year. The Air Force’s flying safety culture and record showed positive trends and was again a testament to the calibre of its people.

CAPABILITY PERFORMANCE INFORMATION

PERFORMANCE TARGETS

Capability for Air Strike / Reconnaissance

Involves the provision of F-111 aircraft, crews and weapon systems at the level of capability required to perform land strike, maritime strike, offensive air support, counter air, and air reconnaissance.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 17 F-111C (excludes attrition aircraft) - 3,600 flying hours (revised estimate). • 4 RF-111C • 14 F-111G 	<ul style="list-style-type: none"> • Partially Achieved. Commitments to ongoing operations have been maintained although some demanding preparedness targets could not be met. Operational shortfalls have been caused by significantly reduced aircraft availability due to market testing, fuel tank deseal/reseal issues, ageing aircraft problems, and enhancement and modification projects. These pressures have been exacerbated by aircrew, engineer, and technical personnel shortfalls. • Partially Achieved. Operational shortfalls, particularly reduced aircraft availability, have affected the ability to maintain core skills across all operational roles. • 17 F-111C (excludes attrition aircraft) - 2,757 hours achieved. The rate of effort was affected by the same factors noted above. • 4 RF-111C • 12 F-111G (Two aircraft have been reallocated as breakdown spares, in line with the logistics support concept).

Capability for Tactical Fighter

Involves the provision of F/A-18 Hornet aircraft, crews and weapon systems at the level of capability required to perform counter air, offensive air support, maritime strike, and air reconnaissance.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 71 F/A-18. - 13,000 flying hours (revised estimate). • 27 Macchi (<i>to be withdrawn progressively commencing early 2001</i>) - 3,500 flying hours (revised estimate). • 8 Hawk (8 of 33 expected to be delivered by 30 June 2001). - 3,500 flying hours (revised estimate). • 4 PC9 (<i>forward air control role only</i>) - 23,326 flying hours (revised estimate). 	<ul style="list-style-type: none"> • Achieved. Commitments to ongoing operations have been maintained and preparedness targets met. Fast-jet pilot and equipment shortages have limited the ability to sustain and conduct concurrent operations. • Partially Achieved. Training levels to maintain core skills and professional standards were achieved. Ongoing delays in the delivery of the lead-in-fighter have limited fast-jet aircrew training throughput in the short term. • 71 F/A-18. 12,331 hours achieved. The rate of effort was reduced due to aircraft availability and fast-jet pilot shortages. All Macchi aircraft have been withdrawn from service. Disposal action will occur during 2001-02. 3,039 hours achieved. Withdrawal from operational service resulted in the shortfall. • 30 Hawk aircraft have been delivered. The three remaining aircraft will be delivered during 2001-02. Full functionality is 18 months behind schedule although all aircraft are operational in at least one of their roles. - 1,878 hours achieved. The rate of effort was reduced due to project delays. • 4 PC9 (<i>forward air control role only</i>). 17,540 hours achieved. The rate of effort was reduced due to maintenance issues, a lower than expected intake at both 2 Flying Training Squadron and the Central Flying School, and high failure rates on recent courses.

Capability for Strategic Surveillance

Involves the provision of sensors and battle management elements as support for wide-area aerospace surveillance, air defence, airspace control, and battlespace management.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. Achieve a level of training that maintains core skills and professional standards across all warfare areas <p>Quantity:</p> <ul style="list-style-type: none"> 11 air traffic control radars 3 tactical air defence radars JORN over-the-horizon radar at Laverton (WA) and Longreach (Qld) Jindalee Radar Facility (NT) 	<ul style="list-style-type: none"> Partially Achieved. Commitments to ongoing operations have been maintained although some of the more demanding preparedness targets could not be met. Shortfalls occurred due to delays in the upgrade of deployable command and control facilities and technical staff shortages. Partially Achieved, due to the lack of suitable training opportunities and the limited simulation capability. The Virtual Air Environment will help address these shortfalls. 9 air traffic control radars (two Australian Defence Air Traffic System radars are yet to be commissioned) 3 tactical air defence radars JORN over-the-horizon radar at Laverton (WA) and Longreach (Qld) Jindalee Radar Facility (NT)

Capability for Maritime Patrol

Involves the provision of P-3C aircraft, crews and weapon systems at the level of capability required to conduct maritime surveillance and reconnaissance, anti-submarine and anti-surface warfare, maritime strike, and search and survivor supply activities.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> 19 P-3C Orion - 8,800 flying hours (revised estimate). 3 TAP-3 Orion 	<ul style="list-style-type: none"> Achieved. Commitments to ongoing operations have been maintained and preparedness targets met. Delays to the AP-3C upgrade project have resulted in reduced aircraft availability and lowered training and experience in some roles. Substantially Achieved. Training levels to maintain core skills and professional standards were achieved. Transition to the AP-3C has resulted in a lowering of experience levels in some roles. 19 P-3C Orion 8,216 hours achieved. The rate of effort was reduced due to reductions in operational tasking and reduced aircraft availability due to delays to the AP-3C upgrade program. 3 TAP-3 Orion

Capability for Air Lift

Entails the provision of air lift aircraft, crews and weapon systems at the level of capability required to provide air logistics support, airborne operations, aeromedical evacuation, special operations, search and survivor assistance, VIP flights, air-to-air refueling, navigator training, and surveillance operations.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> • Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. • Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> • 14 Caribou - 5,080 flying hours (revised estimate). • 24 C-130 (following the C-130E to C-130J replacement) - 14,000 flying hours (revised estimate). • 5 B707. - 2,136 flying hours (revised estimate). • 5 Falcon. - 3,975 flying hours (revised estimate). 	<ul style="list-style-type: none"> • Partially Achieved. Commitments to ongoing operations have been maintained, although some of the more demanding preparedness targets have not been met. Delays in the introduction of the C-130J and low C-130H and Caribou aircraft availability have reduced airlift capacity and capability in some roles. • Partially Achieved. Operational shortfalls, in particular reduced aircraft availability, have impacted on the ability to maintain core skills across all operational roles. • 14 Caribou. 4,174 hours achieved. The rate of effort was less than forecast because of reduced availability due to ageing aircraft issues and delays in contracted scheduled maintenance. Contingency operations also reduced training opportunities. • 24 C-130. 10,054 hours achieved. The reduction in rate of effort was due to delays with the introduction into service of the C-130J, which was exacerbated by both aircrew and technical personnel shortages. Additionally, low C-130H availability due to modification projects and contracted scheduled maintenance delays further reduced the rate of effort. • 4 B707 (one aircraft has been withdrawn from service and written off). 1,955 hours achieved. The rate of effort was less than forecast because of reduced aircraft availability, ageing aircraft issues and experienced aircrew shortages. • 5 Falcon. 3,222 hours achieved. The rate of effort is driven primarily by VIP commitments.

Performance Targets	Performance
<ul style="list-style-type: none"> 6 HS748. - 2,950 flying hours (revised estimate). 4 B200 (leased) 	<ul style="list-style-type: none"> 6 HS748. 2,490 hours achieved. The rate of effort was less than forecast because of reduced navigator training, which was exacerbated by navigator instructor shortages. 4 B200 (leased and used on an 'as required' basis)

Capability for Combat Support of Air Operations

Involves the provision of combat support for air operations at the level of capability required to support main operating bases and forward operating bases within Australia or overseas.

Performance Targets	Performance
<p>Quality:</p> <ul style="list-style-type: none"> Achieve levels of preparedness directed by CDF for military response options with a warning time of less than 12 months. Achieve a level of training that maintains core skills and professional standards across all warfare areas. <p>Quantity:</p> <ul style="list-style-type: none"> 2 Combat Support Wings 1 Expeditionary Combat Support Wing 1 Combat Reserve Wing 1 Air Field Defence Wing 	<ul style="list-style-type: none"> Partially Achieved. Commitments to ongoing operations have been maintained, although some of the more demanding preparedness targets could not be met. Personnel and equipment shortfalls will limit the ability to meet both concurrent and sustained operations in the medium term. Partially Achieved. Some training commitments have not been met due to workforce availability issues, limited exercise opportunities and the developing state of the capability. Partially Achieved. Personnel shortfalls are being addressed.

COST OF OUTPUT

Table 2.10: Cost of Output Four - Air Force Capabilities

Departmental Expenses	2000-01 Budget Estimate \$m	2000-01 Revised Estimate \$m	2000-01 Actual \$m	Variation \$m
Expenses				
Employees – Military	896.9	914.4	877.8	-36.6
Employees – Civilian	176.8	206.5	216.1	9.6
Sub-Total Employees	1073.7	1120.9	1093.9	-27.0
Suppliers - Non-Inventory	791.7	891.3	1034.6	143.3
Suppliers – Inventory Consumption	308.1	235.3	198.5	-36.8
Sub-Total Suppliers	1099.8	1126.6	1233.1	106.5
Depreciation and Amortisation	595.4	856.9	864.1	7.2
Write-Down of Assets	0.0	77.9	332.3	254.4
Other Expenses - including Interest and Grants	13.5	13.0	8.3	-4.7
Expensed Assets Under Construction	65.9	61.4	356.1	294.7
Loss on Sale of Assets	0.0	0.0	1.1	1.1
Total Expenses	2848.4	3256.7	3889.0	632.3
Capital Use Charge	1486.9	1873.1	1787.2	-85.9
Total Cost of Output Four	4335.3	5129.8	5676.2	546.4

Explanation

A combination of workforce shortages, project slippages, and aging aircraft and maintenance problems resulted in lower than planned flying hours. This, together with an over-estimate of inventory consumption, contributed to lower than planned costs in some categories. This was more than offset by a range of technical accounting adjustments relating to assets.

OUTPUT FIVE: POLICY ADVICE

OVERVIEW

STRATEGIC POLICY AND DIRECTION

The Government's Defence White Paper was launched in December 2000 following an extensive public discussion process¹. Throughout its development, Defence provided the Government with advice on the strategic environment and on the capability priorities, enunciated in the Defence Capability Plan, to meet the strategic objectives set by the Government.

Advice on international defence policy contributed to the achievement of Australia's strategic objectives to foster regional stability. This included (most notably) the establishment of the East Timor Defence Force, success in re-engaging with India and maintaining dialogue with Indonesia. Advice to foster stability in the South Pacific region was also provided. This included the continued allocation of resources to assist Papua New Guinea in the reform of the Papua New Guinea Defence Force, responding to the coup crisis in Fiji and assisting the Solomon Islands peace process. Additional advice was provided on the employment of ADF forces in Bougainville and the Solomon Islands.

Work to improve the Defence preparedness management system has begun to align preparedness priorities with the Government's strategic objectives and to inform ADF sustainability planning. Useful progress was made on validating the ADF's force structure through options testing. This seeks to link strategic objectives and specific guidance on the range and balance of capabilities to be acquired for the ADF. This work has informed deliberations on the requirement for capabilities such as air-to-air refuelling and future helicopter requirements.

The national support agenda was developed to provide direction in enhancing the interactions between Defence and the broader community. This included establishing relationships with federal and state government agencies, industry and providers of civil infrastructure in support of military strategic and operational planning and capability life-cycle management.

Good progress was made in fostering public debate on defence policy issues and improving the pool of policy advice available to the Government through the White Paper public discussion process, and in the development of the Australian Strategic Policy Institute. The operating model and corporate structure for the institute was developed and approved by the Government and it will be operational in late 2001.

¹ See the Report on the operation of the *Defence Service Charter* in Chapter One of this report.

Strategic Intelligence

Strategic intelligence was delivered by the Defence Intelligence Group which provides intelligence to inform Defence and Government policy and planning and the conduct of operations. The Group develops and maintains a defence intelligence capability for use in times of crisis and conflict. It also provides a national communications and information security capability and services.

The White Paper noted that good intelligence remains critical to Australia's strategic posture in a complex and fluid international environment. The Defence Intelligence Group produced quality intelligence products to support ADF operations, to assist decision makers and advisers, and to provide integrated support for the development of ADF capabilities. Particular emphasis was placed on support for ADF operations in areas such as East Timor, the Solomon Islands and Bougainville. Extensive intelligence support was provided for the Olympic and Paralympic Games and development of the White Paper. Through close engagement with its customers, the Group received positive feedback on the relevance, timeliness and accuracy of its products.

The White Paper commented that new technologies offered the potential for intelligence to provide a war-winning edge to forces in the field, as well as giving decision makers a better understanding of the complex crises they need to manage. However, it noted that new technologies could also erode intelligence capabilities and recommended substantial and sustained investment in enhanced intelligence capabilities. The Group commenced detailed planning for the implementation of capability enhancements approved in the White Paper and the associated Defence Capability Plan, including improved capabilities:

- to comprehensively monitor several crises concurrently and to provide effective operational support to deployed forces; and
- for intelligence collection, processing and dissemination.

The Group also worked to strengthen its relationship with Australia's key ally, the United States, as well as its relationships with other key partners and regional countries.

CAPABILITY PERFORMANCE INFORMATION

PERFORMANCE TARGETS

Strategic Intelligence

Strategic Intelligence provides intelligence assessment and reporting, intelligence capability and support for the conduct of military operations

Performance

Quality:

Intelligence information will be accurate, relevant, timely, responsive, insightful and useful, and will be delivered cost effectively and efficiently.

Achieved. A wide range of intelligence products and services were provided to Defence and other customers.

The Defence intelligence capability will have appropriately developed people, infrastructure, systems, and processes to meet customer requirements, and be able to meet ADF and government needs in times of crisis or conflict.

Achieved. The Defence intelligence capability was sufficient to meet customer requirements.

Level of support for East Timor and other ADF overseas deployments.

Achieved. Support to ADF operations and deployments was supplied as required.

Quantity:

As required by customers.

Achieved.

Strategic Policy and Direction

Strategic Policy Group provides policy advice to the Government, and policy guidance and direction to Defence, on defence capabilities and strategic priorities to guide the development and use of Australia's armed forces.

Performance

Quality:

Services provided:

- *position the Government for the successful achievement of Australia's strategic objectives;*
- *represent unity of effort across Government and a common understanding of Australia's strategic objectives;*
- *represent unity of effort across Defence and a common understanding of Australia's strategic objectives; and*
- *display qualities of anticipation and initiative, enabling effective shaping of Australia's strategic security environment.*

Substantially Achieved. The White Paper outlined potential security threats to Australia and the nature of the forces appropriate to meet those threats. By providing strategic objectives for the focus of Australia's armed forces on the defence of Australia and its national interests, and a plan for how they will be met, the White Paper positions the Government for the achievement of Australia's strategic objectives. These are:

- ensuring the defence of Australia and its direct approaches,
- fostering the security of our immediate neighbourhood,
- promoting of stability and cooperation in South East Asia,
- supporting for strategic stability in the wider Asia Pacific region, and
- supporting for global security.

Defence contributed most significantly to the shaping of Australia's strategic security environment in its operations in East Timor, Bougainville and the Solomon Islands. In East Timor, the Australian contribution to the United Nations peacekeeping operation has helped create the necessary conditions for national elections and independence. On Bougainville, Defence support for the peace process, including the Peace Monitoring Group, has advanced the prospect of a resolution of the crisis. Similarly, in the Solomon Islands, Defence has assisted the peace process through provision of support to the International Peace Monitoring Team.

Ongoing bilateral defence relationships with regional states, and support for such regional institutions as the Five Power Defence Arrangements and the ASEAN Regional Forum, have supported stability and cooperation in South East Asia. Alliance relationships with the United States and New Zealand, broader bilateral defence relationships with such countries as China, Japan and Korea, support for United Nations objectives and activities, and contributions to such issues as international negotiations to prevent the spread of weapons of mass destruction, all have supported stability in the Asia Pacific region and globally.

The White Paper development process established unity of effort across government agencies and contributed to a common understanding of Australia's strategic objectives. Its development involved extensive high-level consideration and direction by the National Security Committee of Cabinet, supported by the Secretaries Committee on National Security and managed through intensive consultation and concurrence by key agencies in the White Paper Consultative Group. The White Paper also achieved a consistent and uniform appreciation of strategic objectives across Defence through detailed internal consultation and, subsequently, through the application of the guidance set out in the paper to subordinate defence plans and priority setting.

Responses to crises are rapid and effective.

Substantially Achieved. Defence provided the Government with prompt advice on the internal security crises in Papua New Guinea and Fiji. In both cases, the fundamental defence relationship was maintained despite the strains imposed by developments in each country.

Australia maintained its support for the PNG Government's commitment to PNG Defence Force reform in the face of mutinous behaviour by elements of that force. In Fiji, Australia retained its links with the Republic of Fiji Military Forces despite strains arising from civil unrest and divisions within the force.

Policy advice is relevant, responsive and of a high quality.

Achieved. The development of the White Paper was the most significant example in the past year of relevant, responsive and high-quality advice provided by Defence to the Government. Advice provided with regard to East Timor, Bougainville and the Solomon Islands has also met these criteria, as did advice on the broad range of less prominent issues addressed by Defence. These included such issues as defence relations with India and Indonesia, ADF support for UN operations in Africa and the Middle East, and the many bilateral defence relationships Australia maintains with other nations.

Management and governance is improved and resources are used more effectively and efficiently as the result of performance evaluation, audit, ethics awareness, fraud prevention, investigation and reporting.

Achieved. Details can be found in the Accountability Arrangements section in Chapter One of this report.

Appropriate security arrangements are in place for the protection of Defence personnel, information and assets.

Partially Achieved. At the start of the financial year, Defence had continuing problems with allegations of unauthorised disclosure of information. The Secretary and the Chief of the Defence Force introduced a comprehensive security briefing program for all Senior Executive Service and star ranking officers which paid particular attention to improving the protection of sensitive information.

International Defence Policy

High-quality policy advice on international defence relationships contributes to the Government's ability to achieve Australia's strategic objectives and enables effective shaping of Australia's strategic security environment. This is done by building and enhancing defence relationships with regional, allied and other countries through a comprehensive program of high-level dialogue and

cooperative activity. As well as participating in the development of a whole-of-government approach to security and strategic issues.

Performance

Quality:

Provide quality advice and support to the Government and to Defence in an effective and timely manner, to enable the successful achievement of Australia's strategic objectives.

Achieved. Defence dialogue with the United States during the past year provided the forum for Australia to monitor developments in US defence policy during the period of transition between the Clinton and Bush administrations. It allowed Australia to assess the impact of likely changes to US policy and present Australian views on issues of mutual interest and concern. In particular, Australian Defence officials outlined to their US counterparts Australia's strategic outlook and objectives as set out in the White Paper. Discussions were held on US plans to introduce a missile defence system. Australian officials were actively engaged in advising on the evolution of US Pacific Command's Asia Pacific Regional Initiative, which advanced Australia's policy objectives of sustained and effective US engagement with the Asia Pacific region.

Developments in New Zealand's defence policy and their implications for Australia's defence relationship with that country have received attention. Discussions between the Australian and New Zealand defence ministers in April 2001, and the meeting in May 2001 of the Australia-New Zealand Defence Coordination Group, provided opportunities for substantive high-level discussions on issues of strategic policy and capability development. Among the range of issues covered were both countries' defence white papers, future directions for defence, and interoperability.

The establishment of the East Timor Defence Force stands out as an international defence policy success over the past year. Timely policy advice was instrumental in the Government's decision for Australia to take the leading role in the establishment of the East Timor Defence Force and in building the infrastructure for its support.

Submissions to Ministers – many developed jointly with the Departments of Foreign Affairs and Trade and Prime Minister and Cabinet – on strategic and international defence policy in 2000-01 helped shape Government policy on a wide range of issues. Key results are presented in the paragraphs that follow.

The Government funded an assistance package for the PNG Defence Force and assistance to the Eminent Persons Group report on reform of that force.

Australia has made clear its continuing commitment to help the Government of PNG in this area.

The Government committed ADF resources to support the peace process in the Solomon Islands in two ways. Firstly, through facilitating the Townsville Peace Agreement and, secondly, through contributing to the deployment of and provision of support to, the International Peace Monitoring Team which has been set up under the agreement. Defence support remains critical to the difficult task of helping the Solomon Islands Government implement the peace agreement. The Government agreed to provide additional funding for the Pacific Patrol Boat project to ensure its continued viability over the next fifteen years.

Defence advised the Government on a range of extra-regional issues, including responding positively to requests for modest ADF peacekeeping contributions to Ethiopia/Eritrea, Sierra Leone and the Middle East, while declining other requests. The advice reflected recognition of the strains imposed on the ADF by the requirement to meet the demands of existing regional commitments.

The development of Defence's policy on peace operations has allowed Defence to give timely and appropriate advice to the Government in framing its response to the United Nations' proposed peace operations reforms (known as the Brahimi Report).

Conduct a comprehensive program of high-level dialogue, reciprocal visits by officials and cooperative defence activity with regional, allied and other defence organisations that contribute to the achievement of transparency in strategic perceptions, and enable the development of shared strategic interests.

Achieved. The defence relationship with the United States was marked in 2000-01 by the visit to Australia in July 2000 of the US Secretary of Defense, William Cohen, during which Secretary Cohen and Minister Moore signed a Statement of Principles on Enhanced Cooperation. Minister Reith undertook a reciprocal visit to the US in April/May 2001. Activities to celebrate the 50th anniversary of the signing of the Anzus treaty were also arranged, including the visit to Sydney of the aircraft carrier USS *Kittyhawk*.

Australia continued defence dialogue with Indonesia, despite an element of residual concern over East Timor. Defence relations were restored with India, involving the return of the Defence Adviser to New Delhi, senior-level talks and reciprocal attendance of military officers at courses in both countries.

A comprehensive program of talks and visits was maintained with China, Japan and Korea which contributed to the development of shared strategic interests with Australia. Highlights included a visit to China by the Minister for Defence in March 2001, and a visit to Australia in April 2001 by the Vice Chairman of China's Central Military Commission (China's most senior military officer).

Activities designed to achieve transparency and develop shared strategic interests with regional countries are detailed below.

- Enhanced dialogue and high-level reciprocal visits took place with Vietnam, Thailand, the Philippines, Malaysia and Korea.
- Extensive briefings were conducted on the White Paper.

- Assistance was provided to complete the Cambodian Defence White Paper.
- New combined special forces exercises in Thailand were undertaken.
- Combined simulation exercises were conducted in Singapore.
- The management of training activities of the Republic of Singapore Armed Forces at Shoalwater Bay and elsewhere in Australia continued.

A regional high-level defence seminar on globalisation, held in the Hunter Valley, was attended by regional 3-star officers from Japan, China, Korea, and members of ASEAN.

In the South Pacific, defence cooperation talks were held with a broad range of island states, covering issues of mutual security interest and practical Australian assistance in addressing the island states' primary security concerns, particularly in the area of maritime surveillance. These talks, and cooperative defence activities with New Zealand covering a wide range of issues, contributed to the achievement of transparency in strategic perceptions and shared strategic interests.

Security discussions and politico-military talks were also held with Russia, Germany and France. Senior defence officials from India, South Africa, Turkey and Britain visited Australia during the year, while the Chief of the Defence Force visited South Africa, Israel, Turkey and France.

Cooperative defence activity between the ADF and other forces included participation in the US-led Multinational Interception Force in the Middle East, with significant interoperability benefits for the ADF, and participation in Exercise Long Look with United Kingdom and New Zealand forces.

Conduct a program of educational and training activities and exchanges that allows the ADF to develop defence relationships with foreign defence counterparts, and provides opportunities to develop and enhance ADF capability, including interoperability with allies.

Achieved. Defence maintained a comprehensive program of military education and training activities to underpin Australia's defence relationships with foreign countries. Specific educational and training activities are shown below.

- Extensive training and education was provided to military officers from ASEAN, including postgraduate study, attendance at ADF courses and colleges, and English language training for officers in Vietnam, Brunei and Laos to allow effective participation in ADF courses.
- Mobile training teams visited the Philippines, to provide training in acquisitions, outsourcing reform, defence intelligence, research and analysis, and Vietnam, to provide training in the International Law of the Sea and watermanship skills.
- Specialist assistance, advice and in-country training was provided by about 70 ADF advisers for the security forces of Pacific Island states, and Pacific Island countries participated in a broad range of training opportunities and exchanges in Australia. See the Defence Cooperation section below for more details.
- A personnel exchange program with New Zealand and a comprehensive variety of annual military exercises and exchanges continued.
- Reciprocal educational and training exchanges were conducted with China and Japan, with Chinese and Japanese officers attending the Defence and Strategic Studies course in 2000 and 2001, and a Korean officer attending in 2001. Australian officers attended courses at Chinese and Japanese defence institutions.
- An ADF language study group visited China in August 2000, and students at the Australian Defence College undertook a study visit to China in September 2000.
- Students from the Australian Staff and Command College visited Indonesia in March 2001.
- A program of staff college exchanges was re-introduced in 2000-01 between India and Australia, with two Indian officers attending the Australian Defence College and one Australian officer studying at the Indian National Defence College.
- Students from the United Arab Emirates, Kuwait, Qatar and Oman attended the Australian Defence College in 2001.

Manage the expenditure of the Defence Cooperation program in accordance with legislative and departmental requirements, and in a way that maximises Defence's contribution to effective shaping of Australia's strategic security environment.

Partially Achieved. In April 2001, the Auditor General tabled Performance Audit No. 32 on the Defence Cooperation Program. The report identified the high value that participating countries placed on their involvement in the program and some important benefits that accrued to Australia. However, the report also identified areas where management of the program could be improved. These included planning and objective setting, public reporting, and financial and project management. Strategic and International Policy Division identified appropriate follow-up action to address the ANAO's recommendations and improve management of the cooperation program.

While significant activity remains for 2001-02, some progress was achieved by Strategy and International Policy Division in 2000-01. The Division, in conjunction with other Defence Groups, adopted an improved for targeting international engagement in support of the Government's White Paper. The strategic objectives in the White Paper formed the basis for a more specific set of subsidiary objectives to guide international engagement. These subsidiary objectives are the six Defence international engagement objectives outlined in the Defence International Engagement Strategic Plan which was approved by the Defence Committee. The plan will inform specific program and activity objectives to be contained in the Defence International Engagement Plan which will be developed for endorsement by the Defence Committee in 2001-02.

Quantity:

Briefings, speeches and submissions are provided as appropriate.

As required by the Ministers, Cabinet and other customers.

There were 2,361 submissions and 72 speeches provided to the Ministers and the Parliamentary Secretary. 9,657 items of Ministerial correspondence were handled and draft responses provided as appropriate. Defence also provided the Minister with 39 submissions for Cabinet consideration. In addition, 134 draft responses to parliamentary questions were provided (90 for the House of Representatives and 44 for the Senate).

COST OF OUTPUT

Table 2.11: Cost of Output Five - Policy Advice

Departmental Expenses	2000-01 Budget Estimate \$m	2000-01 Revised Estimate \$m	2000-01 Actual \$m	Variation \$m
Expenses				
Employees - Military	192.4	180.7	259.2	78.5
Employees - Civilian	136.4	142.8	139.8	-3.1
Sub-Total Employees	328.8	323.6	398.9	75.3
Suppliers - Non-Inventory	193.4	237.8	192.4	-45.4
Suppliers - Inventory Consumption	0.7	50.7	0.0	-50.7
Sub-Total Suppliers	194.1	288.5	192.4	-96.1
Depreciation and Amortisation	81.9	86.6	59.6	-27.0
Write-Down of Assets	0.0	0.0	1.8	1.8
Other Expenses - including Interest and Grants	4.1	1.5	2.5	1.0
Expensed Assets Under Construction	0.8	6.3	29.5	23.2
Loss on Sale of Assets	0.0	0.0	0.1	0.1
Total Expenses	609.7	706.5	684.8	-21.7
Capital Use Charge	69.2	34.5	34.4	0.1
Total Cost of Output Five	678.9	740.9	719.2	-21.7

Explanation

The actual cost for the Policy Advice output was 2.9% less than the revised estimate for 2000-01. The key performance issues related to the variation are explained below.

- There was a revision in the price of fuel purchases under the terms of agreement that the ADF has with the US. These fuel purchases are now shown under Output One.
- There has been an increase in the use of ADF military employees. The increase largely relates to Army and Air Force personnel employed under Output Five.

DEFENCE COOPERATION

OVERVIEW

Expenditure for the Defence Cooperation Program in 2000-01 was \$60.64m. During the year, a number of events, both within the region and as a result of Australian Government initiatives, necessitated the reallocation of funds within the overall budget. Funding for activities in Vietnam, Papua New Guinea and East Timor increased, while cooperation activities with the Philippines, Thailand, Indonesia and the Solomon Islands reduced. These results are reported in the tables for individual countries, while the table below summarises Defence cooperation activity according to regions.

Table 2.10: Defence Cooperation Summary Table

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 Actual \$'000	Variation \$'000
Papua New Guinea	8,988	18,788	15,368	-3420
South Pacific Region	19,026	13,659	16,823	3164
South East Asia and other Indochina	26,279	23,846	24,711	865
Other Regional Activities	5,552	3,552	3,730	178
Facilities for Training in Australia	103	103	12	-91
Total	59,948	59,948	60,644	696

PAPUA NEW GUINEA

In late 2000, the Government agreed to a short-term assistance package of up to \$10m to help stabilise the Papua New Guinea Defence Force. Final expenditure on the package, including support for the Commonwealth Eminent Persons Group's review of the force, was substantially less than the revised estimate due to continuing instability in the PNG Defence Force.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	1,283	1,283	1,257	-26
Personnel	2,555	2,555	3,695	1,140
Projects	584	10,384	5,975	-4,409
Exercises	0	0	0	0
Training and Study Visits	4,566	4,566	4,441	-125
Total	8,988	18,788	15,368	-3,420

SOUTH PACIFIC REGION

Vanuatu

Defence cooperation projects included Australian assistance to facilitate a second Vanuatu strategic review. This will continue in 2001-02.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	402	402	346	-56
Personnel	668	664	668	4
Projects	294	254	513	259
Exercises	100	100	100	0
Training and Study Visits	281	271	160	-111
Total	1,745	1,691	1,787	96

Solomon Islands

Since the coup in June 2000, Australia has maintained a defence relationship with the Royal Solomon Islands Police at a lower level than before the coup. While a Royal Australian Navy ship was provided off Honiara as a secure venue for dialogue between the parties to the peace process, and transport and logistical support was provided to facilitate dialogue and agreement between the parties at the Townsville Peace Talks in October 2000, these activities were not funded from the Defence Cooperation budget.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	465	205	157	-48
Personnel	832	432	132	-300
Projects	486	236	461	225
Exercises	105	55	0	-55
Training and Study Visits	266	11	10	-1
Total	2,154	939	760	-179

Tonga

Defence cooperation focused on maritime surveillance, the provision of ongoing maintenance and support for the Pacific patrol boat project and developing Tonga's capabilities. A program for the upgrade of Tonga Defence Services' facilities at Taliai Military Camp and Vilai Barracks continued. Australia also began assisting the development of a Tonga strategic review, which will continue in the second half of 2001-02.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	137	137	128	-9
Personnel	454	454	454	0
Projects	315	265	215	-50
Exercises	120	120	96	-24
Training and Study Visits	402	402	509	107
Total	1,428	1,378	1,402	24

Samoa

Defence cooperation focused on Pacific patrol boat assistance, training and infrastructure support.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	122	122	160	38
Personnel	226	226	226	0
Projects	60	60	47	-13
Exercises	75	75	70	-5
Training and Study Visits	53	53	32	-21
Total	536	536	535	-1

Cook Islands

Defence cooperation included an upgrade of the wharf in Avatiu Harbour to support the Pacific patrol boat. The upgrade will be completed in October 2001.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	56	56	32	-24
Personnel	104	104	104	0
Projects	40	40	0	-40
Exercises	100	100	50	-50
Training and Study Visits	73	73	40	-33
Total	373	373	226	-147

Fiji

The defence relationship with Fiji remains at a lower level than it was before the coup, although continuing support for the Pacific patrol boat project was provided. Dialogue and cooperation between the ADF and Republic of Fiji

Military Forces progressed through continuing joint participation in peace operations in East Timor and Bougainville.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	353	253	270	17
Personnel	692	242	376	134
Projects	128	118	0	-118
Exercises	20	20	0	-20
Training and Study Visits	1,494	554	472	-82
Total	2,687	1,187	1,118	-69

Marshall Islands

Defence cooperation focused on maritime surveillance and the provision of ongoing maintenance and support for the Pacific patrol boat project.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	180	180	101	-79
Personnel	440	440	440	0
Projects	20	20	0	-20
Exercises	0	0	0	0
Training and Study Visits	11	11	13	2
Total	651	651	554	-97

Federated States of Micronesia

Defence cooperation focused on maritime surveillance and the provision of ongoing maintenance and support for the Pacific patrol boat project. The increase in study visits for the Federated States of Micronesia was due to additional training for the crew operating the three Pacific patrol boats.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	183	183	320	137
Personnel	335	335	335	0
Projects	20	20	19	-1
Exercises	0	0	0	0
Training and Study Visits	123	75	130	55
Total	661	613	804	191

Tuvalu

Defence cooperation focused on Pacific patrol boat assistance, training and infrastructure support.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	100	100	102	2
Personnel	468	468	468	0
Projects	20	20	15	-5
Exercises	150	150	137	-13
Training and Study Visits	56	56	37	-19
Total	794	794	759	-35

Kiribati

Defence cooperation focused on Pacific patrol boat assistance, training and infrastructure support.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	136	136	124	-12
Personnel	416	416	416	0
Projects	30	30	0	-30
Exercises	150	150	150	0
Training and Study Visits	81	81	58	-23
Total	813	813	748	-65

Palau

Defence cooperation focused on maritime surveillance and the provision of ongoing maintenance and support for the Pacific patrol boat project.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	204	204	159	-45
Personnel	414	414	414	0
Projects	20	20	46	26
Exercises	0	0	0	0
Training and Study Visits	28	28	37	9
Total	666	666	656	-10

Multilateral General Assistance

Key activities included half-life refits for Pacific patrol boats *Kikau*, from Fiji, and *Teanoai*, from Tuvalu. In the 2000-01 additional estimates, some South Pacific initiatives were deferred in order to divert resources to higher priority activities with Papua New Guinea. When it became apparent that not all of these resources would be expended, funds were returned to General Assistance to bring forward the expenditure of items that had been cut from the South Pacific budget.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	0	0	0	0
Projects	3,639	1,639	5,355	3,716
Exercises	0	0	0	0
Training and Study Visits	2,879	2,379	2,117	-262
Total	6,518	4,018	7,472	3,454

SOUTH-EAST ASIA AND OTHER INDOCHINA

Singapore

A comprehensive program of activities was undertaken, including a tri-Service simulation seminar, combined operations modules and peacekeeping operations seminars.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	0	0	0	0
Projects	0	0	0	0
Exercises	0	0	0	0
Training and Study Visits	307	307	296	-11
Total	307	307	296	-11

Philippines

Defence cooperation activities principally comprised training initiatives, seminars, workshops, courses and formal education. Mobile training teams undertook acquisitions, outsourcing reform, defence intelligence and research and analysis training. Political instability in the Philippines and a change of government contributed to an increased level of operational activity for the

Armed Forces of the Philippines and precluded some training and visits taking place.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	200	200	200	0
Personnel	100	100	59	-41
Projects	0	0	0	0
Exercises	0	0	0	0
Training and Study Visits	5,417	5,000	3,292	-1,708
Total	5,717	5,300	3,551	-1,749

Thailand

Defence cooperation consisted of an extensive training program, exercises, logistics, science and materiel cooperation and the development of the new Special Forces exercise Wyvern Sun.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	240	240	227	-13
Projects	0	0	0	0
Exercises	260	260	38	-222
Training and Study Visits	4,819	4,819	4,610	-209
Total	5,319	5,319	4,875	-444

Malaysia

Defence cooperation included training and exercises, logistics, science and industry, and mobile training teams.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	700	700	518	-182
Personnel	1,751	1,701	622	-1,079
Projects	250	150	8	-142
Exercises	35	35	0	-35
Training and Study Visits	3,336	3,286	4,855	1,569
Total	6,072	5,872	6,003	131

Indonesia

Defence cooperation, although reduced in size and scope, continued with Indonesia. Cooperation activities included non-combat-related training, staff

college visits and exchanges, and senior-level consultations. The main cooperation project with the Indonesian armed forces was continued assistance in support of the Nomad aircraft.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	626	626	515	-111
Personnel	189	189	190	1
Projects	545	545	545	0
Exercises	502	299	1	-298
Training and Study Visits	5,432	2,135	2,104	-31
Total	7,294	3,794	3,355	-439

East Timor

The key cooperation activity in East Timor was the establishment of the East Timor Defence Force and the development of the force's training facility at Metinaro, including fitting out the facility and provision of communication and personal equipment.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	250	0	-250
Personnel	0	1,000	0	-1,000
Projects	0	0	4,365	4,365
Exercises	0	0	0	0
Training and Study Visits	0	750	205	-545
Total	0	2,000	4,570	2,570

Other Indochina

Defence cooperation with Cambodia included English language training, military infrastructure development, attendance at regional and Australian Defence seminars as well as assistance with the development and implementation of Cambodia's inaugural White Paper. Defence cooperation with Laos included English language training, attendance at Australian Defence seminars and White Paper assistance in the form of translating regional white papers.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	0	0	5	5
Projects	175	125	370	245
Exercises	0	0	0	0
Training and Study Visits	189	189	228	39
Total	364	314	603	289

Vietnam

Defence cooperation activities took the form of English language training, postgraduate scholarships, mobile training teams (international law of the sea and Army activities undertaken in rivers and estuaries), collaborative research on malaria, staff college attendance and participation at various regional and Defence seminars.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	190	190	16	-174
Personnel	100	100	15	-85
Projects	150	150	575	425
Exercises	0	0	0	0
Training and Study Visits	766	500	852	352
Total	1,206	940	1,458	518

OTHER REGIONAL ACTIVITIES

Key activities included centrally coordinated training programs and multilateral initiatives, including attendance by foreign officers at the Australian Defence College, the Defence Management Seminar, multilateral peacekeeping seminars and study visits.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	750	750	750	0
Projects	0	0	0	0
Exercises	0	0	0	0
Training and Study Visits	4,802	2,802	2,980	178
Total	5,552	3,552	3,730	178

FACILITIES FOR TRAINING

Spending against this category was less than planned, as an intended refurbishment for married quarters for foreign students attending Defence courses in Victoria. As a consequence, training and study visits had to be curtailed.

	2000-01 Budget Estimate \$'000	2000-01 Revised Estimate \$'000	2000-01 \$'000	Variation \$'000
Administration	0	0	0	0
Personnel	0	0	0	0
Projects	0	0	0	0
Exercises	0	0	0	0
Training and Study Visits	103	103	12	-91
Total	103	103	12	-91

PACIFIC PATROL BOAT PROJECT

Table 2.11: Pacific Patrol Boats By Country

Country	Pacific patrol boats
Cook Islands	1
Fiji	3
Federated States of Micronesia	3
Kiribati	1
Marshall Islands	1
Palau	1
Papa New Guinea	4
Tonga	3
Tuvalu	1
Samoa	1
Solomon Islands	2
Vanuatu	1
Total	22