

CHAPTER FOUR

ENABLING BUSINESS PROCESSES

IMPROVEMENT INITIATIVES

COMMERCIAL SUPPORT PROGRAM

**DEFENCE MATERIEL REFORM (INCLUDING
PURCHASING)**

DELIVERING INTERNAL SERVICES

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**CONTRACTS EXEMPT FROM PUBLICATION IN
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ADVERTISING AND MARKET RESEARCH

IMPROVEMENT INITIATIVES

COMMERCIAL SUPPORT PROGRAM

The Commercial Support Program is Defence's primary mechanism for undertaking competitive tendering and contracting. The program, which began in 1991, aims to ensure that support services are provided to Defence in the most cost-effective manner. Services are contracted out when it is operationally feasible, a viable market exists and industry can demonstrate better value for money.

The Commercial Support Program includes activities that were carried over from the Defence Reform Program, which officially closed on 30 June 2000. Examples are the Defence Integrated Distribution System and ADF Health Services activities.

The *Defence Employees Certified Agreement 2002-2003* facilitates the application of the Commercial Support Program in Defence. The agreement covers all market testing and any other competitive tendering or equivalent processes that may result in the contracting out of a Defence civilian activity.

TABLE 4.1: STATUS OF THE COMMERCIAL SUPPORT PROGRAM AS AT 30 JUNE 2003

CSP evaluation decisions made	120	
Commercial contracts	81	(68%)
In-house options	32	(27%)
Status quo retained	7	(6%)
Number of positions tested	15,935	
Mean projected annual savings⁽¹⁾	31%	
Total value of Commercial Contracts and In-house Options⁽²⁾	\$5,935.4m	

NOTES

1. Savings, values and positions tested are based on information provided at the time of decision announcement.
2. Total value of contracts covers the full term of the contracts.

TABLE 4.2: ACTIVITIES UNDER WAY

ACTIVITY NAME	STATUS
Defence Integrated Distribution System	Preferred contractor announced on 30 July 2003, contract negotiation is continuing
ADF Health Services in Victoria	Contract negotiations ⁽¹⁾
ADF Health Services in Australian Capital Territory and Southern New South Wales	The Commercial Support Program tender evaluation did not recommend a single tenderer, alternative contracting options are being considered to achieve efficiency savings

NOTE

1. Contractor subsequently withdrew from negotiations.

TABLE 4.3: ACTIVITIES TO BE PROGRESSED OR CONSIDERED

ACTIVITY NAME	STATUS
ADF Health Services in Northern Territory	Activity and rationalisation review to be carried out
ADF Health Services in Queensland	Activity and rationalisation review to be carried out
ADF Health Services in South Australia	Activity and rationalisation review to be carried out
ADF Health Services in Sydney/New South Wales Region	Draft activity rationalisation review report pending approval
ADF Health Services in Tasmania	Activity and rationalisation review to be carried out
ADF Health Services in Western Australia	Activity and rationalisation review to be carried out
ADF Rotary Wing Flying Training	Scope under assessment
Anzac Ships - Fully Contracted Integrated Materiel Support	Scope under assessment
FFG Ships - Fully Contracted Integrated Materiel Support	Draft statement of requirement being developed
Information Technology Infrastructure Support Services - Central Office - Deakin ACT	Draft statement of requirement being developed
Navy Technical Training Services	Scope under assessment
Personnel Services (Corporate Services and Infrastructure Group)	Functions being rationalised/restructured
Routine Pathology Services	Scope to be assessed

TABLE 4.4: ACTIVITIES NOT PROCEEDING UNDER THE COMMERCIAL SUPPORT PROGRAM

ACTIVITY NAME	REASON
Army Marine Commercial Support Project	Insufficient generation of savings
Catering and Accommodation Services - Anglesea Barracks Hobart	Activity contracted out on 14 December 2000; too small for commercial support program
Royal Military College Transport Unit	To be included with other garrison support functions when they are reviewed
Amphibious Ships - Fully Contracted Integrated Materiel Support	Aggregation of existing contracts

DEFENCE MATERIEL REFORM

The Defence Materiel Organisation reform plan encompassed three fundamental types - organisational, process and people reforms.

- Organisational reforms, which are well advanced, include the integration of the acquisition and support elements of Defence and improved corporate governance.
- Process reforms, including identifying and adopting best acquisition and asset management practice, including commercial practices where these are appropriate to Defence, and developing strategic relationships with industry.
- People reforms, aimed at creating an environment in which staff are suitably trained, valued and motivated to do their best in a complex work environment that requires an innovative work ethic.

Significant reform was achieved during 2002-03, with further reform options expected to result from the review into Defence acquisition and management in Defence conducted by Mr Malcolm Kinnaird¹.

ORGANISATIONAL REFORMS

WHOLE-OF-LIFE COST-EFFECTIVE MEASURES FOR CAPABILITY OWNERSHIP

The Defence Materiel Organisation now manages capability on a through-life basis. Where appropriate, systems program offices are collocated with Force Element Groups and industry. This is a significant achievement that has resulted in better support to the ADF. The creation and collocation of about 50 system program offices with Force Element Groups and industry is complete and is now a standard business practice of the Defence Materiel Organisation. The report of the recent Senate inquiry into Defence materiel acquisition and management and the Kinnaird review supported the system program office structure.

EFFECTIVE CORPORATE GOVERNANCE

Ten project governance boards provide an assurance mechanism to the Under Secretary Defence Materiel.

IMPROVED QUALITY OF ADVICE

The status of the top 20 projects, as well as projects of concern, are reported on a monthly basis to the Minister and the Defence Committee. The top ten projects, and other significant projects, are reported to the Government every six months.

INQUIRY INTO MATERIEL ACQUISITION AND MANAGEMENT

On 27 March 2003, the Senate Foreign Affairs, Defence and Trade References Committee tabled its report into materiel acquisition and management in Defence. The

¹ The Government announced on 18 September 2003 that it had agreed to broadly accept the recommendations of the Kinnaird review.

committee acknowledged the positive progress that has been made to date and was “broadly confident that the organisational, structural and process reforms being implemented by the Defence Materiel Organisation are providing the disciplined basis necessary to deliver project outcomes on time and within budget”. The committee indicated that further improvements could be made within Defence to improve procurement and Defence industry outcomes.

REVIEW OF MATERIEL ACQUISITION AND MANAGEMENT IN DEFENCE

A separate review of Defence acquisition and management was initiated by the Government to identify further improvements in Defence project management. The review team, led by Mr Malcolm Kinnaird, was to report to the Government early in 2003-04.

PROCESS REFORMS

ENGAGING INDUSTRY SO THAT IT CAN DELIVER CAPABILITY TO THE ADF

The fifth and sixth rounds of company ScoreCards and the second round of 360-degree view ScoreCards were conducted in 2002-03. These scorecards enable the Defence Materiel Organisation and industry to discuss schedule, budget and project management performance in a constructive way.

In June 2003, Defence established the Defence Unsolicited Proposals Gateway as a central point for the receipt and management of unsolicited proposals. Unsolicited innovative proposals are evaluated under the Defence Unsolicited Innovative Proposals Scheme.

The Australian Naval Shipbuilding and Repair Sector Strategic Plan was released by Defence in September 2002 for comment. The Australian Aerospace Sector Strategic Plan and Electronics Systems Sector Plan were released by Defence for consultation in June 2003. The Land and Weapons Systems Sector Strategic Plan is due to be issued by Defence for consultation in 2003-04.

IMPROVING PROCUREMENT AND CONTRACTING

A number of strategies were implemented to reduce the cost of tendering for industry. These included one-on-one consultations, early notification to unsuccessful bidders, and improved function and performance specifications.

Alliance contracting for Defence Materiel Organisation projects continues to be evaluated using the Djimindi alliance and the Anzac ship alliance. The Djimindi alliance involves the acquisition and installation of the MU90 lightweight torpedo into five platforms operated by the ADF. The Anzac ship alliance is a long-term arrangement responsible for managing and delivering changes to the Anzac ships.

New contracting templates were developed. The Strategic Materiel handbook was completed and a sole-source template was released to facilitate complex and strategic sole-source procurements by streamlining the tendering process and reducing the costs of tendering for both Defence and industry.

A new version of the Defence Procurement Policy Manual was released in June 2003 and an interim centralised register for Defence contracts was implemented.

ADOPTING BEST COMMERCIAL PRACTICES CONSISTENT WITH PUBLIC SECTOR ACCOUNTABILITIES

The materiel acquisition and sustainment framework, which provides an integrated set of policies and processes covering project management, performance measurement, systems engineering, software acquisition, logistics support and engineering, was released in May 2003. Further detail on the processes and guidance will be developed and promulgated over the next two years.

The improved project schedule and status reporting project continues to be implemented in systems program offices. It strengthens Defence's project planning, cost and schedule controls.

Risk, safety and software management tools that improve project management continue to be trialled and tested. These tools include practical software and systems measurement, the Capability Maturity Model Integrated (CMMI) and the Australian-sponsored CMMI component (CMMI+Safe). In late 2002, the United States Department of Defense recognised the Defence Materiel Organisation's progress in improving software process and practice by the award of the practical software and systems measurement transition organisation of the year.

Activity-based costing was piloted in 2002. The pilot was discontinued as other initiatives were considered to be more effective. These include the roll-out of the improved project schedule and status reporting project, which has an activity-based costing element, and the Chief Finance Officer's decision-support costing tool project, which establishes the corporate framework for costing the force elements across Defence.

RELIABLY DELIVERING QUALITY SUPPORT TO ADF OPERATIONS AND OUTPUT MANAGERS

The Defence Materiel Organisation successfully supported the ADF in operations in Iraq and Afghanistan. The success was partly due to improvements in the Standard Defence Supply System and rapid acquisition processes, and an update of the joint logistics doctrine.

The Financial Statements Improvement Plan has resulted in improved financial reporting of inventory and assets on the Standard Defence Supply System. It has also generated better business processes for accounting for assets under construction. As part of the plan, additional financial management and accrual accounting training has been conducted and technical standards for financial management competencies promulgated. The plan for 2002-03 has facilitated the transfer of responsibility for the financial reporting of all Defence specialist military equipment to the Defence Materiel Organisation from the three Services. This has enabled improved accounting for these assets as the reporting for each platform is now undertaken in a single location, rather than split across several groups.

Customer service agreements with Corporate Services and Infrastructure Group, the Navy and the Air Force were signed in September 2002, April and July 2003

respectively. Work on an agreement with the Army is in progress. Service-level agreements were negotiated between systems program offices and Force Element Groups.

PEOPLE REFORMS

IMPROVING OUR PEOPLE MANAGEMENT

A suite of career and development guides was released to assist staff in managing their careers. These include the 'People' and 'Individual Skills and Commercial Job Family' guides. The project managers' development program commenced its fifth year and ninety staff participated in 'Quantum', the Defence Materiel Organisation's leadership program.

PURCHASING

CONTRACT REPORTING

Defence reports on contracts in three complementary locations:

- in accordance with Australian Government requirements, eligible Defence contracts valued at \$2,000 or more (including orders placed against standing offers, standing offers that have an expected value of \$2,000 or more and amendments to contracts that are valued at \$2,000 or more) are published on the Gazettal Publishing System;
- in response to the Senate Order for Departmental and Agency Contracts (as amended in June 2003), Defence makes available on its internet website (under the Industry, Business and Contracting link www.defence.gov.au/dmo/id/cic_contracts/cic_contracts.cfm) a list of contracts valued at \$100,000 or over that meet certain criteria; and
- the 'Buying Australia Home Page' (www.defence.gov.au/dmo/buying/) provides a searchable database that enables users to access details on certain contracts entered into by the Defence Materiel Organisation. The database is focused primarily on issues associated with Australian and New Zealand content.

SMALL TO MEDIUM SIZED ENTERPRISES

In 2001-02², Defence reported via the Gazette Publishing System over 87,000 purchase orders valued at \$9b. Over 50,000 purchase orders, valued at \$1.6b (17.7 per cent), were placed with small to medium sized Australian enterprises. The figures do not include purchase orders under \$2,000 or work let to subcontractors. There is no identification of non-Australian small-to-medium size enterprises. It is likely that the information is conservative given the potential for the flow-down of subcontract work to small-to-medium sized enterprises from overseas enterprises and local large enterprises.

² The allocation of gazetted procurements to small-to-medium sized enterprises is conducted annually by the National Office of Information Economy. The office does not expect to have the figures for 2002-03 available until early 2004.

AUSTRALIAN INDUSTRY INVOLVEMENT

The Australian Industry Involvement Program is the major program through which Defence leverages its procurement activity to give effect to Government policy on Australian industry. An Australian National Audit Office audit of the program, released in June in 2003, found it ran well in practice but made recommendations relating to reporting more useful performance information. Defence accepted all six of the Auditor-General's recommendations.

DELIVERING INTERNAL SERVICES

Corporate Services and Infrastructure Group plays a key role supporting Defence capability and Defence people where they work, train and live. With representatives on almost every Defence site around the country, the Group provides necessary products and services to more than 70,000 personnel every day.

The Group is systematically reforming its structure and business processes to economise on resources, while maintaining effective service to the Group's customers.

STRATEGIC PLANNING

A strategic planning capability was established in 2002-03 to deliver strategic planning guidance for the whole Group. This has required a high level of involvement with the higher Defence committee process, ensuring that strategic planning for Group functions occurs against broader Defence capability objectives. The Defence Infrastructure Sub-committee, the Defence Information Environment Committee and the Corporate Services and Infrastructure Group/Service Groups Business Partnering Forum provide key linkages to other Defence Groups, as well as strategic guidance on robust governance processes and assurance mechanisms.

INFRASTRUCTURE

A clear linkage has now been developed between Defence's strategic planning, capital facilities investment and property acquisition and disposal activity.

A key area of process reform in 2002-03 was the capital facilities 'two pass' system planning process. The new process allows more accurate estimates between initial capital facilities project cost estimates, the revised cost estimates, which form the basis of Joint Standing Committee on Public Works approval, and the actual project cost.

Innovations have also been realised through the introduction of business practices to support the funding of new facilities, such as private financing initiatives and the acceleration of the realisation of revenue through the property disposal program.

RISK MANAGEMENT

New governance arrangements were implemented during 2002-03, including the roll-out of a risk management regime across the Infrastructure Division. All activities, including investment, disposal and leasing, are required to have both risk and environmental assessments and management plans.

PROJECT NEXT STEPS

Following the 2001 review of the Corporate Services and Infrastructure Group Business Model, Project Next Steps was created to investigate ways of improving the Group's business processes and organisational arrangements to provide a fully integrated, service delivery organisation focused on the Group's customers.

Through Project Next Steps, the Group has worked towards service integration, with the establishment of twelve regional management positions and single-base management structures. These structures lay the foundations for an integrated 'one-stop shop' service culture at bases, where a significant proportion of the Group's services are delivered.

PRODUCTS AND SERVICES

Product lines are grouped into product categories to promote consistent delivery across all regions. This has enhanced best practice and increased efficiency in providing customer services. Products typically delivered at the national level are being delivered at the regional level to ensure alignment with this model. For example, the Defence Publishing Service was regionalised on 1 July 2003.

INFORMATION SYSTEMS

The Information Systems Division has been restructured, to take effect from 1 July 2003, to emphasise reliability, innovation and to improve customer service. As part of this new restructure developed during 2002-03, the Information Services Branch will deliver all direct information technology services and products, focusing on sustained and reliable service levels. The Development Branch will plan and deliver the future capability, which is operated and managed within the Information Services Branch. The Strategy Branch now incorporates a dedicated customer office, as well as contracting, planning, policy and management cells, which are necessary to ensure sound corporate governance.

The new structure improves integration within the Group, offers a single point of engagement for customers, and ensures a clear delineation between production and development. A strong emphasis on sound business principles ensures cost reductions can be harvested for redeployment to areas of emerging need.

BUSINESS RULES

The Group reviewed its activities conducted in support of the Defence outcome and, as a result, produced the *Corporate Services and Infrastructure Group Product Compendium*. Technical guidance on the delivery of these products and services is provided through business rules. The purpose of these business rules is to ensure transparent and accountable business processes and consistency of delivery. Business rules play a large part in clarifying when delivery staff need to closely follow national guidelines and the direction of national office managers, and when they can exercise discretion and flexibility in delivering products and services.

LEGAL SERVICES

A review of the Defence Legal Service assessed in-house services provided by the Defence Legal Service. The review produced a broad range of recommendations in

2002-03 that will be implemented in 2003-04. These include the establishment of the Defence Legal Service as a single branch, with a specialist legal cell, General Counsel, to clarify accountabilities and introduce a more comprehensive management framework.

TRAVEL

A Defence travel procedures manual was developed in March 2003, followed by subsequent business rules. The manual defines and standardises travel business processes for the whole of Defence, in order to maximise potential benefits and minimise overall costs in the management of Defence's travel contracts.

A further review was completed in June 2003, recommending a number of cost savings initiatives for Defence travel, including the introduction of travel cards and the streamlining of business practices to avoid duplicating some procedures.

TRAINING AREA MANAGEMENT

The Group is continually reviewing its management of training areas, to ensure they will be able to meet future training requirements and that their natural and cultural environmental value is also conserved.

RECORDS MANAGEMENT

The Group continued the implementation of the Defence Records Management System project over 2002-03. The system has been delivered to targeted areas for the creation, storage, retrieval, collaboration, communication and management of corporate information. The Defence Records Management System tracks information independently of its media and manages information about physical and electronic records in all compatible formats.

INDUSTRY ENGAGEMENT

A large proportion of the products and services that Corporate Services and Infrastructure Group provides were delivered by industry, with more than \$1.9b under contract in 2002-03. The large contracts and key providers are shown in Table 4.5, with the contracts' approximate value during 2002-03.

TABLE 4.5: CORPORATE SERVICES AND INFRASTRUCTURE GROUP CONTRACTS FOR 2002-03

SERVICE	VALUE \$M	KEY PROVIDERS
Air travel	140	Qantas
Enterprise commercial off-the-shelf software	25	Microsoft, Oracle, IBM Lotus, Cognos, Veritas
Facilities operations	295	Asset Services, Resolve, Transfield and Defence Maintenance Management
Garrison support	345	Serco Sodexho, Transfield, Eures, BAe, United KG and Tenix
Housing services	340	Defence Housing Authority
Infrastructure investment	353	Walter Construction, Transfield Construction, Thiess, St Hilliers, Multiplex Constructions, Leighton Contractors, John Holland, Hansen Yuncken, Coombs and Barei, Bovis Lend Lease, Baulderstone Hornibrook, Barclay Mowlem and ABI Group
IT&T services	290	Telstra, Hughes and Optus
Property leases	67	United KFPW
Utilities	95	Various electricity and gas suppliers
Vehicle hire	12	Europcar and National Car Rental

DEFENCE INFORMATION ENVIRONMENT

In the Defence White Paper, the Government directed Defence to harness advances in information technology and ensure information capabilities receive proper attention. To meet the Government's requirements, the Chief Information Officer was appointed as the coordinating capability manager for the Defence information environment. The Defence Committee decided that the role of the Chief Information Officer is to establish the strategic direction, governance arrangements and coordinating processes for the development, operation and management of the Defence information environment.

The Defence information environment is a single entity that encompasses intelligence, surveillance, reconnaissance, communications, information warfare, electronic warfare (including self-protection), command and headquarters systems, and management (logistics and business) systems. It involves the aggregation of information, individuals and the systems in Defence that create, collect, process, protect, disseminate or deny this information. The environment also includes interoperability with allies, industry and other government agencies.

In addition to the activities described below, the Chief Information Officer coordinated a wide range of Defence information environment development activities conducted by the Groups and Services. These included improvements in the financial management and reporting system, supply systems, information systems skills training, network centric warfare, and information systems security.

PERFORMANCE SUMMARY

Improvements for 2002-03 focused on business processes and practices, accountability and management arrangements, strategic direction, improving governance and coordination arrangements for the development, operation and management of information environment capabilities, the development of improved systems functionality to overcome current deficiencies and the development of a network-enabled warfare capability.

MITIGATION OF KEY RISKS

The creation of the Office of the Chief Information Officer and the Information Capability Development Branch within Capability Systems Division mitigates the risk that Defence could fail to align the development of its information systems with its enterprise requirements as described by Government.

PERFORMANCE TARGETS

In late November 2002, after the portfolio additional estimates statements were finalised, the Defence Committee agreed new administrative arrangements for the Office of the Chief Information Officer. These were designed to bring greater coherence to capability management of the Defence information environment. In line

with this direction, revised performance targets were set. These revised targets are reported on below.

DEVELOP A COHERENT VISION, STRATEGY AND ARCHITECTURE FOR THE DEFENCE INFORMATION ENVIRONMENT

Substantially Achieved

A coherent vision and strategy for developing the Defence information environment and its components in line with the overall direction set by Government, the Secretary and the Chief of the Defence Force was articulated through the 2003-04 Defence information environment plan. The plan and its supporting processes are maturing incrementally with each release.

A primary vehicle for coordination is the Defence architecture framework. Development of this framework progressed and initial architecture implementations for the Air Force, Policy Guidance and Analysis Division and for the information domain of network centric warfare began.

COORDINATE THE INFORMATION DIRECTION OF THE GROUPS AND SERVICES

Substantially Achieved

Groups and Services are developing supporting plans for the development of their respective information systems. Planning is also under way for the management of specialist areas. For example, the Defence simulation plan was completed and drafting of the Defence spectrum strategic plan is underway.

A corporate information facility is being developed to improve decision support capabilities, particularly in the reporting, analysis and modelling of financial, personnel and materiel data. It aims to provide senior decision-makers in Defence with a tool that will enhance strategic decision making in Defence by developing a central point of access to 'corporate information' that is trusted, authoritative and repeatable. The Chief Information Officer endorsed the corporate information policy in May 2003. A prototype was demonstrated and is being developed.

Planning commenced to improve competencies in the Defence information environment workforce, including the attraction, retention and training of personnel with relevant skills. Ongoing involvement with the development of the Defence workforce plan will ensure that information skill requirements are represented.

The Defence information environment plan was developed by coordinating information on known activities occurring across the Defence information environment. A strategic approach has yet to be taken. A Defence information environment strategy will be developed in 2003-04 and will be used as the basis for future planning.

In addition, a number of Groups and Services continue to develop their plans, which will be necessary to achieve this key performance target.

ENSURE BALANCED INVESTMENT IN THE DEFENCE INFORMATION ENVIRONMENT

Substantially Achieved

Work on improving the acquisition and through-life management of information capabilities centered on corporate enterprise management applications. A study was completed to detail the costs of significant Defence enterprise applications and work is under way to explore mechanisms for funding the investment required for maintaining currency and sustainability.

The Defence information environment plan is developing as a tool for prioritising information capabilities and measuring progress in development.

As identified above, maturity of Defence information environment planning will deliver a more holistic view of investment in the Defence information environment and will enable identification of future investment needed

DEVELOP THE DEFENCE INFORMATION ENVIRONMENT AS A CRITICAL COMPONENT OF FUTURE WAR FIGHTING

Substantially Achieved

Significant effort was expended to assure necessary access to the electromagnetic spectrum, which is a strategic resource for Defence. The development of electronic business capabilities continues. There continue to be improvements in information systems that support enterprise business processes for the management of people, finances, logistics and records.

Significant improvements in coordination have been achieved regarding command support systems development, tactical data links and intelligence support capabilities.

IMPROVE JOINT OPERATIONAL CONCEPTS AND DOCTRINE

Substantially Achieved

The Office of the Chief Information Officer represented Defence in forums which take a national approach to information management issues, such as the National Office of the Information Economy and the Government's Information Management Strategy Committee and its Chief Information Officers' Committee.

Defence continued to maintain and improve critical solutions and relationships for information exchange with allies and partners through involvement in forums and exercises, such as the Joint Warrior Interoperability Demonstration and the Australian and United States Ministerial Interoperability Review Team.

In a related achievement, guiding principles for developing network-centric warfare were issued in April 2003. It summarised the network-centric warfare capstone doctrine, addressing the nature of conflict in the information age, how the ADF can exploit the information domain through network-centric warfare, the implications of that warfare and the pathways for development.

SUPPORT TO OPERATIONAL PLANNING

Substantially Achieved

The Defence information environment working group was established to consider Defence information environment issues affecting operations and the Defence information environment operation risk register was created to collect and assist in treating risk issues affecting operations. Resources were provided to Strategic Operations Division to establish operations-related web sites, particularly in support of Operation Falconer.

ESTABLISH ROBUST GOVERNANCE PROCESSES FOR THE DEFENCE INFORMATION ENVIRONMENT

Substantially Achieved

Implementation began on a governance framework for information management, by establishing agreements with key enterprise business process owners. These owners will improve information assurance by addressing the availability, confidentiality, integrity and accuracy of data.

The enterprise business process owner agreements will be extended to include document records management in 2003-04. An evaluation of the existing Defence information environment governance arrangements will be undertaken in the first half of 2003-04 and implementation of recommendations coming from that review will commence in 2003-04.

The Defence Committee also agreed to the restructuring of the current system of Defence instructions and a recommended implementation process. Documents that support the delegation of authority for the restructure are being developed.

The new system of Defence instructions is expected to be implemented by the end of 2003.

EXTERNAL CONSULTANTS

External consultants investigate assigned problems under limited direction or supervision and provide recommendations or options for improvement. External consultants assist Defence management in decision-making, but do not implement those decisions. Defence contracts consultants for one of the following reasons:

- The specialised skills or service required are not available in Defence.
- The specialised skills or service are not available in Defence in the time frame in which they are required.
- The technology is not available within Defence.

When contracting for a consultant, value for money considerations relate not only to cost, but to the experience and demonstrated capabilities of the consultant; the location of the consultant and the associated travelling costs; the capacity of the consultant's locally-based resources to provide continuing services at levels likely to be required during the course of the engagement; and the consultant's professional standing and reputation.

The table below summarises Defence use of consultants, on a Group basis.

TABLE 4.6: DEFENCE USE OF CONSULTANTS

GROUP	NUMBER OF CONSULTANTS		EXPENDITURE	
	2002-03	2001-02	2002-03	2001-02
Headquarters Australian Theatre	3	3	35,101	60,088
Navy	20	10	1,534,796	660,308
Army	10	2	252,150	29,028
Air Force	8	7	298,210	288,934
Strategic Policy	3	4	234,077	238,527
Intelligence	14	3	268,022	31,238
Vice Chief of the Defence Force	10	4	320,329	298,136
Chief Finance Officer ⁽¹⁾	6	5	148,152	159,358
Defence Science and Technology Organisation	36	9	303,288	130,419
Defence Personnel Executive	42	31	5,358,567	2,175,762
Public Affairs and Corporate Communication ⁽²⁾	2	2	71,921	124,000
Defence Materiel Organisation	89	24	4,295,444	2,536,238
Corporate Services and Infrastructure ⁽³⁾	38	23	1,415,417	791,039
Total	282	127	14,535,474	7,523,075⁽⁴⁾

NOTES

1. Chief Finance Officer Group includes data relating to the Secretary and the Chief of the Defence Force.
2. One consultancy, for \$30,000, was erroneously omitted from this table in the *Defence Annual Report 2001-02*. Corrections to last year's report are detailed at the front of the report.
3. Corporate Services and Infrastructure Group includes data relating to the Inspector General's Division, Defence Improvement Division and Chief Information Officer Group.
4. An error was made in summing the total published in Table 4.9 on page 268 of the *Defence Annual Report 2001-02*. The total should have been \$7,493,075.

TABLE 4.7: BREAKDOWN OF 'CONSULTANTS AND PROFESSIONAL SERVICES' CATEGORY IN NOTE 4B TO THE FINANCIAL STATEMENTS

	CONSULTANTS	PROFESSIONAL SERVICES	OTHER SERVICES	TOTAL
	\$M	\$M	\$M	\$M
2001-02 Financial Statements	7.5	222.5	28	258 ⁽¹⁾
2002-03 Financial Statements	14.5	198.5	48.1	261.1

NOTES

1. The Finance Minister's Orders for 2002-03 require separate disclosure for legal compensation expenses. Accordingly, legal compensation expenses for 2001-02 have also been shown separately resulting in a decrease for the total Consultants and Professional Services category from \$280.2m reported in the 2001-02 financial statements to \$257.9m in the comparative year in the 2002-03 financial statements.

Revised definitions for external service providers – consultants, professional service providers and contractors – will apply from 1 July 2003. In summary, they are as follows:

Consultants are deemed to be organisations or individuals contracted to provide independent advice on an agreed subject.

Professional Service Providers are deemed to be individuals with specialist skills contracted to fill a line position.

Contractors are deemed to be individuals or organisations contracted to deliver goods and services.

These definitions, together with a refined reporting framework, will help ensure accurate, consistent and quality information on Defence's industry workforce and better meet the requirements for statutory reporting, the needs of stakeholders and internal workforce planning and management.

BREAKDOWN OF DEFENCE USE OF CONSULTANTS IN 2002-03

Table 4.9 provides detail on all consultancy services utilised by Defence Groups during 2002-03.

TABLE 4.8: KEY TO PARTICULARS OF CONSULTANCY CONTRACTS

JUSTIFICATION

1. Specialised skills or service required not available within Defence
2. Specialised skills or service required not available within time frame
3. Technology not available within Defence

TABLE 4.9: PARTICULARS OF CONSULTANCY CONTRACTS

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Headquarters Australian Theatre			
HLA Envirosciences	Provide advice and recommendations regarding the environmental impact of conducting Exercise Crocodile 03.	18,350	1
Meyrick Webster Group	Provide advice and recommendations on accounting policies based on value based management and advanced costing systems.	2,905	3
URS Australia	Provide advice and recommendations regarding the environmental impact of conducting Exercise Crocodile 03.	13,846	1
Navy			
Accounts Pty Ltd	Provide advice and recommendations on Navy industry engagement and contracting, and business management system statement of requirement and procedures.	472	1
Acumen Alliance	Provide advice and recommendations on financial management of trust fund and special public money fund and ongoing quality assurance support.	6,175	2
Amog Consulting	Develop requirements document for fire safety studies for Navy surface ships.	54,874	1
Business Associates	Provided advice on development of mine warfare and clearance diving group integrated management system.	32,000	2
David Miers & Associates	Provide advice and recommendations on the development of a standard materiel requirements document for Navy surface ship replenishment at sea.	88,000	2
Fabbro Pty Ltd	Provide advice and recommendations on the future options for Young Endeavour Youth Scheme.	27,272	1
Gashler & Associates	Provide advice to project northern advance – transition from the Fremantle-class patrol boat to the Armidale-class.	96,246	2
Gerald E Fitzgerald	Provide senior legal and corporate advice on the Chief of Navy's legal accountability arising from relevant Defence legislation and charters and the Defence management structure.	3,116	1
Geoff Smith	Provide advice and recommendations for the way ahead of the Young Endeavour Youth Scheme.	1,625	2

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Greenbank Consultants	Provide advice and recommendations on the operational review of Young Endeavour Youth Scheme.	3,000	1
Innovative Process Group	Review and advise on quality management systems maintenance.	3,000	1
Keystone Corporate Positioning	Review and advise on the design and content of 'Brand Navy' communications system.	15,381	1
Keystone Corporate Positioning	Provide advice and recommendations to management regarding development of documentation and specifications for 'Brand Navy'.	73,500	1
Keystone Corporate Positioning	Advise on the plan on page design and copywrite for Mine Clearance Diving Force Element Group.	900	1
Nisbet & Associates Pty Ltd ⁽¹⁾	Provide advice and recommendations on the Surface Combatant Force Element Group structure and processes.	11,160	1
PK Walsh Associates	Give advice and make recommendations on the development of specialised performance measurement training programs.	1,769	1
Sereima Pty Ltd	Review and advise on the organisational design of Navy warfare systems centre.	102,700	1
The Frame Group	Provide advice and recommendations on methodologies for change management and business process management. Provide advice and recommendations on the development of policy for communications and business process rationalisation. Provide advice and recommendations on the development of a training plan for Personnel Management Key Solution in the Navy.	889,567	1
The Phillips Group	Advise on the return of HMAS <i>Adelaide</i> to Fleet Base West.	32,978	3
Zeal Consulting Pty Ltd	Provide advice and recommendations on the assessment of current Royal Australian Navy Safety Culture and prepare a plan for the development of a strong organisational safety culture within the Royal Australian Navy.	91,061	2
Army			
Air Services Australia	Investigate, review and evaluate the safety case for airspace procedures for the movement of 1 st Aviation Regiment to Darwin.	11,635	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
David W Horner	Review manuscripts for Army history series and make recommendations.	6,000	1
Earthworks Environment Service	Investigate environmental issues for Aboriginal and Torres Strait Islander Commission Army Community Assistance Program at Palm Island (Qld).	3,000	1
GHD Surveys Pty Ltd	Study and recommend water supply upgrade options.	16,978	1
JERA Consulting	Army ammunition study and report with recommendations.	145,454	1
M Hurqitz	Expert witness appearing before a Board of Inquiry.	2,000	1
Markjap Pty Ltd	Advise on surveying issues for Aboriginal and Torres Strait Islander Army Community Assistance Program at Dampier Peninsula, (WA).	4,729	1,2
McConnell Consulting Pty Ltd	Soil assessment and investigation for Aboriginal and Torres Strait Islander Army Community Assistance Program at Palm Island, (Qld).	5,800	1
Peddle Thorp Architects	Advise on architectural guidance – housing design report.	54,554	1
Victorian Institute of Forensics	Expert witness appearing before a Board of Inquiry.	2,000	3
Air Force			
Alexander Tomlinson	Advise on the 10 year ADF aeronautical information service strategy.	139,370	1
Ball Services Solutions	Review and advise on Hornet maintenance workforce requirements.	64,419	2
Centre for ASIA Pacific Aviation	Market research and advice on pilot sustainability.	33,300	1
Cistech Solutions	Review and advise on the concept of operations and network architecture documents for the deployable communications and information system.	24,000	2
Netimpact Online Publishing	Consultant report toward Jane's airborne aircraft electronic library project.	4,458	1
Ocean Internet (Consultant)	Provide expert opinion on the enhancement of Defence International Training Centre database.	8,450	1
SAI Global Asset Service	Review and advise on the air movement training and development unit.	1,948	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Schneider Australia Consulting	Advise on the human resource strategy for Defence International Training Centre.	22,265	1
Strategic Policy			
Paul Dibb & Associates Pty Ltd	Provide advice on strategic policy and Defence planning issues.	33,637	1
Robert W Lowry	Adviser to the national security adviser in East Timor.	200,000	1
Ross Thomas and Associates	Provide strategic policy advice to Strategic and International Policy Division.	440	1
Intelligence			
Acumen Alliance	Administrative process review and recommendations on efficiency.	65,036	1
Alastair Rylatt Consulting	Project management structure review and recommendation.	9,419	1
Answerz Pty Ltd	Project management process review and report.	6,175	1
Asset Services	Survey and report relating to facilities viability.	27,000	1
Codarra Advanced Systems Pty Ltd	Investigation and requirement analysis of desktop communication upgrade options.	74,639	1
Distillery Pty Ltd	Analysis of technology, specialist advice and report.	6,818	1
GK&A Comsec Pty Ltd	Costing studies relating to organisation relocation.	13,500	1
GK&A Comsec Pty Ltd	Data redundancy and backup review and recommendations for efficient data storage.	4,500	2
Gutteridge Haskins & Davey Pty Ltd	Engineering advice/surveys	1,625	1
Impulse Engineering	Advice relating to calibration and measurement techniques for test equipment.	1,730	1
RMIT Pty Ltd	Project management process review and report.	990	1
SSL Asset Services	Costing study on relocations.	49,100	1
T4 Protective Security	Security review and report.	4,545	1
Tagara Builders Pty Ltd	Scoping paper for building works associated with refurbishment.	2,945	2
Vice Chief of the Defence Force			
ADI Ltd ⁽¹⁾	Review and advise on the coalition theatre logistics advanced concept technology demonstrator.	79,200	1
Analytical Software Development	Review and advise on the selection of the specialised software for capability technology demonstrator.	19,235	1
BAE Systems	Study and advice on the New Skies Satellite for modifications.	28,954	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Codarra Advanced Systems	Review and advise on the operational concept document for deployable psychological operations capability.	7,272	1
Noetic Solutions	Evaluate and advise on the performance of the Strategic Command level of the ADF in the current operations.	43,500	1
Rolls Royce	Scoping study for new lithium iron batteries for submarines.	40,853	1
Saft Australia	Scoping study for new lithium iron batteries for submarines.	31,818	1
Tailored HR Solutions	Review and advise on the scopes for several cadet enhancement projects.	9,045	1
Topley & Associates Pty Ltd	Review and advice for ADF Cadet external overview team.	35,426	1
Unisys	Review and advise on a prototype matrix to demonstrate the matrices use as a decision support tool.	25,026	1
Chief Finance Officer⁽²⁾			
Australian Government Solicitor	Advice on legal matters.	280	1
Deloitte Touche Tohmatsu	Advice on financial transformation project initiative.	27,500	1
Noetic Solutions Pty Ltd	Advice on operations.	34,500	1
Price Waterhouse Coopers	Advice on commercial support program.	31,818	1
Uniquet Ltd	Review of the Australian Defence Force Academy.	4,133	1
Walter & Turnbull Pty Ltd	Advice on budget development.	49,920	1
Defence Science and Technology Organisation			
Advance Consulting and Evaluation	Input to discussion paper on the value of external distribution of DSTO corporate information.	2,300	1
Agent Orientated Software Pty Ltd	Provide advice on building an infrastructure for command agents (applications that decompose high level commands into executable tasks).	8,014	1
Aspect Computing Pty Ltd	Review the active directory project.	5,200	2
Blue Vision Management Pty Ltd	Undertake accommodation study at DSTO Pyrmont site and provide recommendations.	7,272	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Business Educational Services	Provision of academic services and advice on cultural aspects of decision making.	10,656	1
DesignInc Melbourne Ltd	Review of canteen/conference centre interface, DSTO Fishermans Bend.	2,920	1
Dr Drew Dawson	Provide advice on submarine sleep analysis.	2,727	1
DUUS Family Trust	Examine the scope of the current Air Force (AIR6000) and Navy (SEA4000) studies.	14,125	1
Explosion Protection Technology	Conduct a technical review and provide recommendations on the draft code of practice for electrical equipment for hazardous areas, explosives.	2,352	1
First Intervention Pty Ltd	Review of first aid response to incident at Fishermans Bend.	540	1
Fran Wyer Consultant-Macquarie ADF	Conduct review and provide recommendations on security standing order.	6,900	1
Fujitsu Australia Ltd	Provision of advice and documentation on a new file server.	5,000	2
Jacobs Sverdrup Australia	Provide advice to the rapid route area mine neutralisation system capability and technology demonstrator project executive on the direction of the program to meet its goals.	1,067	1
John Evans	Provide advice on the development of the multi-pulse motor technology demonstrator for propulsions systems technology group.	18,000	2
Jointcare Pty Ltd	Worksite review by an exercise physiologist and recommendations on a graduated exercise program for a staff member.	157	1
Jointcare Pty Ltd	Strategic planning consultation for DSTO wellbeing initiative.	420	1
Kay Rollison	Independent investigation of equity issue.	1,590	1
Kaz Technology Services Pty Ltd	Assess the feasibility of developing a value priority modelling investment analysis capability.	455	1
Kol Bryce and Associates	Review high voltage reticulation system and work up technical solutions for electrical loads.	9,765	1
Mann Judd Consulting	Undertake market assessments of two DSTO technologies - distribution simulation infrastructure library interposer and littoral battleship toolshed - and provide recommendations based on the results.	3,000	2

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CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Noel Svensson	Advice on mechanical analysis of material by specialised expert.	1,500	1
Paul Main	Investigating the utility of the geographic construct of our military strategy and its impact on future capability.	8,704	1
Professor Peter N Joubert	Provision of advice on hydrodynamics and supervision of PhD program.	27,600	1
Ramjet Software Pty Ltd	Provide recommendations on the way forward in using insights from linguistics in the knowledge engineering of agent systems.	7,200	1
RFI Industries Pty Ltd	Undertake testing of Garmin global positioning system receiver to military standards.	3,100	1
RISK-E	Facility risk assessment of DSTO's low speed wind tunnel, transonic wind tunnel and hydrodynamics laboratory.	7,187	1
RMIT University	Contract with a professor to examine the business of network centric warfare and the creation of a prototype tool.	15,000	1
RMIT University	Investigate the needs of science and technology staff in post-graduate education and a survey of university courses and programs.	30,000	1
SAI Global Assurance Services	External compliance audit by Standards Australia International, Global.	1,000	1
Scot Allison & Associates Pty Ltd	Develop a proposal for a mission system research centre.	3,000	2
Scot Allison & Associates Pty Ltd	Support to development of information systems laboratory long range research program.	18,000	3
Shimmie Pty Ltd	Investigation of enterprise computing market.	5,500	1
The Cosmic Holding Company	Review of DSTO's application of systems representation analysis.	11,389	3
The Leadership Factor	Perform a review of a survey of DSTO's senior clients.	500	1
University of Melbourne	Analysis of a data set on Defence organisational and operational networks for DSTO's organisational networks study, including advice on how these networks could be used to help DSTO support wider Defence requirements.	44,000	1
Welsearch Pty Ltd	Conduct interviews with senior managers in DSTO industries and draft a paper on change management for the Chief Defence Scientist.	17,148	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Defence Personnel Executive			
Adept Associates Pty Ltd	Evaluate and provide proposals to improve the application of merit in employment decisions in Defence.	53,606	2
Aerosafe Risk Management Pty Ltd	Provide safety risk management advice and reports for the Australian Defence Organisation.	214,099	2
Australian Government Solicitor	Provide legal advice on Project Sandstone - to re-negotiate the agreement between the Commonwealth and the University of NSW for the provision of educational services at Australian Defence Force Academy.	41,141	1
Australian Government Solicitor	Provide legal advice on request for tender for consultancy panel.	11,664	2
Calm Consulting	Provide advice on developing a strategic intent for the Defence Community Organisation.	3,185	1
Changedrivers Pty Ltd	Provide advice on workshops to be carried out with regard to the study of health outcomes in aircraft maintenance personnel.	3,062	1
Cogent Business Solutions Pty Ltd ⁽¹⁾	Provide advice and recommendations regarding contract negotiations for ADF health services in Victoria.	351,556	2
Cogent Business Solutions Pty Ltd ⁽¹⁾	Provide advice to assist with the statement of requirement for optometry services to the ADF.	31,534	1
Cogent Business Solutions Pty Ltd ⁽¹⁾	Provide cost analysis advice for explosive ordnance project - a study into the feasibility of explosive ordnance training.	62,305	1
Conservation Works Pty Ltd	Provide conservation assessment on the Australian Command and Staff College memorabilia collection at the Australian Defence College.	4,147	1
Deloitte Touche Tohmatsu	Evaluate the performance of Manpower Defence Recruiting in providing recruiting services to the ADF.	504,630	1
Deloitte Touche Tohmatsu	Evaluate the Department of Employment and Workplace Relations and ADF recruiting assistance pilot.	62,485	1
Department of Veterans' Affairs	Research the effects of the F-111 fuel tank deseal/ reseal on workers.	2,670,590	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Department of Veterans' Affairs	Undertake a study of ADF members in receipt of long term compensation payments to examine the quality of decision making and administrative processes.	19,150	1
Edith Cowan University	Research retention in the ADF and the impact on family health and wellbeing.	2,272	1
Emitch Pty Ltd ⁽¹⁾	Develop a strategy for the Defence Force Recruiting Organisation internet recruitment activities.	120,000	1
Emitch Pty Ltd ⁽³⁾	Conduct market research on the usage of Defence Force Recruiting's internet site.	11,550	1
Gordon Consulting	Assess feasibility of a 'Structured Workplace Learning' program in Defence.	876	1
Hewitt Associates Pty Ltd	Examine employment practices within Defence as compared to 'Best Employers', completing a gap analysis and providing recommendations for future people practices.	8,086	1
Horizon Research K&GM Pty Ltd ⁽³⁾	Market research - Defence Force Recruiting recruitment strategies and production plans.	389,938	1
I & SK Pauza	Competency analysis for the clerical administration project (rationalisation of the Defence and civilian clerical trades).	15,000	1
Ian Johnston & Associates ⁽¹⁾	Evaluate centralised Australian Defence Force Academy selection board process as part of revised recruitment strategy.	7,500	1
Innovative Process Group	Review base-line business processes and advise on improvements to work processes.	107,965	1
International Industry Consultants ⁽¹⁾	Provide advice on the tender evaluation of health services consultancy standing offer panel - tender responses.	23,071	2
Jacobs Sverdrup Australia Pty Ltd	Provide consultancy services relating to the F88 Steyr safety case which occurred during March-April 2003.	2,660	2
John C Grant-Thomson	Provide biomedical engineering consultancy advice.	55,684	2
John S Baker AC DSM	Provide advice and input regarding functional activity definitions for the strategic workforce planning review.	9,090	1
Keatsdale Pty Ltd ⁽¹⁾	Review the health services provided to ADF personnel in Sydney and surrounding regions.	97,994	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Michael Forwood Consulting Pty Ltd ⁽¹⁾	Provide consultancy advice for contract negotiations for market testing of ADF health facilities in Victoria.	116,698	1
Mitchell And Partners Australia Pty Ltd ⁽³⁾	Provide market research - proposal for recruitment opportunities at V8 Supercar events.	6,000	1
National Association of Testing	Provide advice on accreditation of area health service laboratories.	10,170	1
National Centre for Epidemiology & Population Health	Consultancy study - medical causes for unsuccessful recruiting applications.	4,545	2
PSI Consulting Pty Ltd	Project Sandstone - Provide advice to assist with the negotiation of contract between Commonwealth and University of New South Wales for the provision of educational services at Australian Defence Force Academy.	67,368	1
Riverina Institute of TAFE	Review and advise on occupational health and safety training.	29,181	2
RTK Corporate Human Resources	Report on governance of safety in Defence.	2,579	2
SMS Management & Technology	Consultancy services oversight and provision of advice on issues arising from the study of health outcomes in aircraft maintenance personnel.	46,891	2
Softlaw Corporation Pty Ltd	Provide quality assurance review of the draft military compensation scheme.	60,426	1
Tanner James Management	Assess and offer advice, options and recommendations in the implementation of the Prince2 methodology for the Defcare program.	1,800	1
The Big Picture ⁽¹⁾	Provide advice to Defence Force Recruiting for ministerial committee for government communications meeting.	1,187	1
Worthington Di Marzio ⁽³⁾	Provide market research to evaluate the effectiveness of Defence Force Recruiting communications strategy.	107,857	1
Young & Rubicam Mattingly ⁽³⁾	Provide market research to aid the development of recruiting strategies to the Australian Defence Force Academy.	19,025	1
Public Affairs and Corporate Communication			
Allen Consulting Group	Conduct internal communication review in support of overarching strategy.	51,399	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
New Focus Pty Ltd ⁽³⁾	Below the Line - recruitment strategy evaluation and recommendations.	20,522	2
Defence Materiel Organisation			
Aerostructures Australia	Engineering advice – F-111 aeronautical services.	248,943	2
Allen Consulting Group	Review - assistance to Aerospace Industry Capability Branch with sector planning.	69,349	1
Amog Consulting	Amphibious watercraft project independent assessment and assurance.	18,150	1
Aon Risk Services Australia Ltd	Lightweight torpedo risk and insurance advice.	17,802	1
Aperium Pty Ltd	IT advice on e-procurement Phase 1 in relationship to the Standard Defence Supply System upgrade project.	72,966	2
APT Business Solutions Pty Ltd	Review - computer aided maintenance management 2 upgrade contract deliverable requirement list and provide recommendations.	36,600	2
Australian Marine & Offshore Group	Independent assessment of design review of pontoon.	61,818	1
Australian Marine Technologies Ltd	Review and recommend options to the amphibious deployment and sustainment capability function and performance specification.	36,857	2
Ball Aerospace Australia – Canberra	Review ADF aircraft crash data recorder program and advise recommendations.	68,367	1
Ball Services Solutions - Barton	Review and recommend options for Submarine Branch staffing.	44,727	1
Ball Services Solutions - Barton	Review and recommend options for the integrated logistics support requirements for the Black Hawk helicopter.	9,912	2
Ball Services Solutions - South Yarra	Advice on the artillery orientation system project.	34,500	2
Ball Services Solutions – Williamstown	Review the F/A-18 Hornet technical publications and give recommendations.	25,769	3
Bernard G Rewick (WA) Pty Ltd	Review, evaluate and report on convolute hose welding process.	1,170	2
Bevington Consulting Pty Ltd	Investigation, independent review and advice on maritime patrol decision making processes.	176,300	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Bevington Consulting Pty Ltd	Review Phase 1 quality management system data collection process and provide addition options.	143,157	3
Bevington Consulting Pty Ltd	Review maritime patrol systems program office pilot program processes and give recommendations.	518,181	2
Boeing Australia Ltd - Brisbane	Boeing power supply investigation of submarine.	38,309	2
Briar Maritime Service Pty Ltd	Review of environmental aspects of amphibious deployment and sustainment capability project functional and performance specification and give options.	15,200	1
Capability by Design	Review - FFG planned maintenance system rationalisation and give recommendations.	42,636	1
Codarra Advanced Systems Pty Ltd - Jamison ⁽¹⁾	Review and give options on the preliminary survey on Defence project plans.	107,596	1
Compucraft	Review and advise on business analysis report and to write a standing offer database.	5,090	1
Coleman Holdings	Independent review of project and supply options to the Project Governance Board.	1,500	1
Costmaster - Ian D Maclean Pty Ltd	Review and give recommendations on the electronic authoring performance management system.	1,771	1
Covars Pty Ltd	Review and recommend options on the submarine design authority.	6,250	1
Covars Pty Ltd	Review the maintenance processes for the Collins-class submarines and give recommendations.	43,816	1
CSC Australia Pty Ltd - NSW	Software database adviser for Seahawk project and give recommendations.	13,900	3
Deloitte Touche Tohmatsu	Independent review of project and supply options to the Project Governance Board.	11,362	2
Det Norske Veritas	Review of finite element analysis for amphibious deployment and sustainment capability project.	19,876	1
Duexperts Pty Ltd	Technical advice and recommendations on reconnaissance, intelligence and information warfare systems for Land Engineering Agency.	9,720	1
Foxboro Australia Pty Ltd	Review and give options for the mine warfare command support system safety case.	13,398	1

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CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Gains Resources Asia-Pacific Pty Ltd	Review and give recommendations on the Aerospace Systems Division repairable items management issues.	157,500	2
Gains Resources Asia-Pacific Pty Ltd	Review advanced inventory management system - repairable item induction report.	3,900	1
Geoff Williams Consultancy Services	Review and advise on Jindalee systems engineering and technical advice verification.	148,538	3
Gibson Crest Pty Ltd	Independent review of project and supply options to the Project Governance Board.	11,992	1
Gulf Consulting Ltd - New Zealand	Review Airspace Systems Division quality management systems transition plan.	800	1
Health Services Int	Advice on occupational health and safety for Land Engineering Agency.	1,454	2
HLA-Envirosciences	Advice on asbestos removal at Orchard Hills.	1,100	1
HRM Consulting Pty	Advice on career stream workshop package.	110,032	2
Invensys Engery Systems Pty Ltd	Review and give recommendations on the calibration laboratory refit energy subcontract.	657	1
ISDE Pty Ltd	Advise on organisational design in Management Information System Division and information management in the Defence Materiel Organisation.	116,108	2
K.N. Rosenbaum	Review and give options on the in-service support for wheeled manoeuvre system program office.	913	2
Kelloggs, Brown & Root Pty Ltd	Review - assistance to Aerospace Industry Capability Branch with sector planning.	21,840	1
Kelloggs, Brown & Root Pty Ltd	Review and give recommendations on the quality assurance manager for Headquarters Australian Theatre project.	19,090	1
Lindebergs - Sweden	Cost investigation of tender evaluation for short range air defence capability project.	31,318	2
Logstic Solutions Australasia	Review - analysis of technical documentation for Land Engineering Agency.	9,296	1
Logstic Solutions Australasia	Review and give recommendations on the Defence Materiel Organisation plan and document project activities.	27,840	3
Management & Risks	Advice - Maritime Systems Branch generic business model financial procedures workshop.	1,400	2
Massingham Consulting	Review and give recommendations on the Defence Materiel Organisation knowledge management plan.	22,560	3

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Meyrick Webster	Financial advice on applying costing within an output/outcome environment within Defence.	20,000	3
Michael Pike Consulting Pty Ltd	Review management strategy business pre-activity and risk management strategy.	45,357	2
Mr W M Collins	Independent review of project and supply options to the Project Governance Board.	274	3
Ms Angela B Tuffley	Technical advice and options for the software acquisition reform implementation project.	201	3
Pacific Noise & Vibration Pty Ltd	Review, assess and give options on the survey motor launches.	21,614	3
Palm Management	Independent review of project and supply options to the Project Governance Board.	25,408	3
Peter Purcell	Independent review of project and supply options to the Project Governance Board.	16,666	1
Project Outcomes Pty Ltd	Review and recommend options on the in-service support plan.	90,923	2
Property Concept & Management	Review and advise on the risk/reward aspects of the Djimindi alliance agreement for lightweight torpedoes project.	5,600	2
Puntimai Associates	Independent review of project and supply options to the Project Governance Board.	23,604	1
Purcell Consultants	Independent review of project and supply options to the Project Governance Board.	1,666	1
R & E Beckmann & Associates Pty Ltd	Review - external evaluation of the current people management and development program.	14,300	1
R W Henley	Independent review of project and supply options to the Project Governance Board.	6,370	1
Risk-E	Review and recommend options for the engines business unit health safety and environment management system.	8,000	3
RKEJ Pty Ltd	Review and recommend options for the engines business unit health safety and environment management system.	7,900	1
Robson Huntley & Associates Pty Ltd	Review and recommend options on Submarine Branch staffing.	56,099	1
Rolls Royce Industrial Power	Independent assessment and survey of Collins-class submarine insurance claim.	42,633	2
Savant Pty Ltd	Independent investigation into the Trinity project existing mains power, uninterrupted power supply and alternating current to determine status and possible redundancies.	19,028	3

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CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Sinclair Knight Merz Pty Ltd - Brisbane	Engineering advice - F-111 cold proof load test facility.	4,000	1
Sinclair Knight Merz Pty Ltd - Melbourne	Technical advice and recommendations on configuration management for Land Engineering Agency.	2,198	2
Sinclair Knight Merz Pty Ltd - Melbourne	Investigation and report on B vehicle overhaul services at Bandiana, Victoria.	10,000	1
SMS Management & Technology	Independent review of the central catalogue replacement project.	9,144	3
Software Metrics Inc - USA	Independent evaluation of radar software development schedules for airborne early warning and control project.	81,818	1
SSL Asset Services	Advice - modification of internal working area in buildings L474 & 1007.	7,810	1
Substantial Contribution Pty Ltd	Occupational health and safety review and recommendations on manual handling processes at Greytown.	5,274	2
Sverdrup Technology Australia Ltd	Review and recommendations on submarine sustainment strategic business planning support and training.	36,679	2
Sverdrup Technology Australia Ltd	Review and supply options on training sequences for airlift simulator projects.	3,391	2
Sverdrup Technology Australia Ltd	Review and recommendations on the airborne early warning and control integrated logistics system and logistics management system plans.	5,700	1
Sverdrup Technology Australia Ltd	Review and recommendations on the F/A-18 Hornet management system.	2,154	2
Sverdrup Technology Australia Ltd	Review the Materiel People and Performance Branch and develop a branch business plan and model for the delivery of human resources services to the Defence Materiel Organisation.	89,753	3
Tailored HR Solutions	Review and give recommendations on the project management methodology for Global Hawk collaboration technology demonstration project.	79,656	1
Tanner James Management	Advice - Land Engineering Agency project management improvement project.	9,736	1
TCS Management Pty Ltd	Advice on fully contracted integrated materiel support.	525,375	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Total Logistics Main Management Pty Ltd	Review and give recommendations on the Maritime Systems Division human resource structure.	224,629	2
Total Logistics Main Management Pty Ltd	Review and analysis of hydrographic ships follow on support contract.	20,930	2
Total Logistics Main Management Pty Ltd	Review and give technical advice on the guide to the technical regulation of army materiel manual for Land Engineering Agency.	7,481	2
Total Logistics Main Management Pty Ltd	Review and give technical advice on the Anzac technical manuals.	14,400	3
Williamstown Technical Services	Review and give technical advice on preparing for the hyperbaric safety certification.	59,400	1
Wizdom Australia PT	Review and give advice on the Materiel People and Performance Branch activities.	19,327	2
Yellow Edge Pty Ltd	Review the Materiel People and Performance Branch activities.	69,616	1
Corporate Services and Infrastructure⁽⁴⁾			
Abraxa Management Consulting	Study of business process and organisational structure alignment with report and recommendations to Head Infrastructure Division.	71,400	1
Acumen Alliance	Costing and recommendations of civilian pay administration centre rationalisation.	7,406	1
Adrian Hughes Architect Pty Ltd	Investigation and development of options for the relocation of Corporate Service and Infrastructure, southern Victoria elements currently accommodated within Victoria Barracks.	9,860	1
Booz Allen & Hamilton Australia Pty	Simulation expertise study - analyse Defence's requirements for simulation expertise over the next 5-10 years and provide recommendations as to how that expertise requirement can be met.	53,208	1
Broadleaf Capital International	Review and recommend on Canunara redevelopment: risk management plan.	19,790	1
Changedrivers Pty Ltd	Review and recommend on Defence internal customer product requirements.	5,438	1
CMG IT Services Pty Ltd	To provide advice to the public key indicator policy board.	1,913	1
Colquhoun & Associates Pty Ltd	Consultant support to develop business plan for Corporate Services and Infrastructure, southern Queensland.	15,000	1

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CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Connell Wagner Pty Ltd	Advise on development of a Defence training area.	24,558	1
Connell Wagner Pty Ltd	Advise on training options for 1 st and 9 th Brigades and sustainable management of expanded Cultana training area.	2,823	1
David Miers & Associates	Study of option to outsource live-in accommodation management and maintenance.	4,250	1
GHD Surveys Pty Ltd	Review and recommend on Defence strategic framework on environment.	9,709	1
GHD Surveys Pty Ltd	Advise on Defence contaminated land management strategy.	6,974	1
Gordon Consulting	Civilian pay administration centre/ military pay administration centre process development.	9,660	1
Green Building Council of Australia	Green Building Council environmental milestone advice.	52,901	1
Grosvenor Management Consulting	Review and re-engineering of civilian pay administration centres progress claim 4.	19,023	1
Gutteridge Haskins & Davey Pty Ltd	Engineering services studies with recommendations for Headquarters Australian Theatre project.	41,655	1
Gutteridge Haskins & Davey Pty Ltd	Review and recommend on garrison support contract.	15,000	2
Gutteridge Haskins & Davey	Development of a recommended strategy for rationalisation of major Melbourne Defence properties.	10,815	1
IISM Group	Strategic review and recommendation on civilian pay administration centres.	83,022	1
Jane Harte Consulting Pty Ltd	Evaluation of southern Queensland and southern Victoria regional business models to determine if the new models are working in accordance with the business operating principles and the intention of Next Steps. This information will be utilised to inform future roll-outs of Next Steps in the remaining 10 regions.	78,000	1
Menabilly Consulting	Study of option to outsource live-in accommodation.	14,200	2

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Meta Group Australia Holdings Pty Ltd	Retainer advisory services for government strategies, enterprise planning and architecture strategies, global networking strategies, application delivery strategies, electronic business strategies, server infrastructure strategies, service management strategies, web and collaboration strategies.	199,417	1
Mincom Pty Ltd	Provide business and technical knowledge to assist project development work.	116,850	1
Niche Strategies Pty Ltd	Research and report on communications strategy options.	52,175	2
Phillips Fox Lawyers	Advice on due diligence audit.	44,404	1
Planning Workshop Australia	Study and report on the implications of the impact of state and territory legislation on construction projects - RAAF Williamtown used as basis of case study.	7,190	1
Power Initiatives	Investigate and report on requirement for contracted supply of government facilities for contractors to perform submarine maintenance.	6,592	1
PPK Environment & Infrastructure	Environmental impact assessment of underwater sonar operations.	19,920	1
Pricewaterhouse Coopers	To conduct an assessment of the economic impact that RAAF Richmond has on the surrounding region, and to examine potential options and strategies for attracting alternative aviation-related activities to the base.	42,074	1
PSI Consulting Pty Ltd	Scoping study of military pay and administration centres.	64,781	1
SAI Global	Advise on quality management system developed by Queensland clerical solutions.	1,010	2
Special Project Management Pty Ltd	Development of the estate capability proposal for specialist security works at RAAF Williamtown.	14,884	1
URS Australia Pty Ltd	Conduct environmental impact study and prepare statement of recommendations on new location for Headquarters Australian Theatre.	116,153	1
URS Australia Pty Ltd	Review and advise on environmental management plan for offshore exercise.	134,605	1
Walter & Turnbull Pty Ltd	Assist and recommend on the development of a pilot budget analysis for use throughout National Operations Division.	28,303	1

CONSULTANT NAME	PURPOSE	TOTAL AMOUNT PAID \$	JUSTIFICATION
Willis Australia Ltd	Specialist advice on market conditions for insurance matters and projects.	3,763	1
Woods Bagot	Study and report on strategy for Darwin area property utilisation.	6,691	2

NOTES

1. Consultancy was publicly advertised.
2. Chief Finance Officer Group includes data relating to the Secretary and the Chief of the Defence Force.
3. These items are also reported in Table 4.12 under Advertising and Market Research.
4. Corporate Services and Infrastructure Group includes data relating to the Inspector General's Division, Defence Improvement's Division and Chief Information Officer Group.

CONTRACTS EXEMPT FROM PUBLICATION IN THE PURCHASING AND DISPOSAL GAZETTE

Defence's commitment to efficient and effective competition requires that procurement is visible and accessible and that there is an opportunity for suppliers to do business with Defence. Defence's commitment to accountability requires that the Parliament and the public have the right to know the extent and type of goods and services needed to support Government programs, including the cost and who supplied it. This visibility is provided through the *Commonwealth Purchasing and Disposal Gazette*.

Defence must report in the Gazette details of any contract or standing offer arranged with a value of \$2,000 or more, including any purchase made against a Defence standing offer.

In the context of gazettal requirements, 'contract' means any agreement for the procurement of goods and services under which Defence is obliged to make payment of public money to a supplier and includes any purchase order, oral or written contract or lease or corporate credit card transaction. 'Contract' also covers agency agreements, that is, agreements for the procurement of goods and services under which an agency is obliged, or may become obliged, to make a payment of public money to another agency.

The *Commonwealth Procurement Guidelines* and *Best Practice Guidance* provides that if the Secretary of a department or officers delegated by the Secretary consider gazettal of procurement details to be exempt under the *Freedom of Information Act 1982*, the Secretary or the relevant delegate may direct, in writing, that these details are not to be published in the Gazette.

In 2002-03, Defence had a total of 386 contracts or standing offers, with a total value of \$38m, exempted from publication as it was determined that publication could cause damage to the national security, defence or international relations of the Commonwealth, in accordance with section 33(1)(a) of the *Freedom of Information Act 1982*. A breakdown by Group of the number of exemptions and total amounts is shown below.

TABLE 4.10: CONTRACT/STANDING OFFER EXEMPTIONS FROM PUBLICATION BY GROUP

GROUP	NUMBER OF EXEMPTIONS			\$
	2002-03	2001-02 ⁽¹⁾	2002-03	2001-02 ⁽¹⁾
Navy	-	28	-	4,598,096
Army	4	-	20,272	-
Intelligence and Security Group	36	37	23,879,186	19,478,874
Chief Finance Officer ⁽²⁾	13	1	239,956	5,527,498
Air Force	2	-	544,102	-
Defence Materiel Organisation	325	235	12,021,868	138,415,275
Corporate Services and Infrastructure	6	-	1,382,034	-
Total	386	301	38,087,418	168,019,743

NOTES

- Figures for 2001-02 have been corrected. See Corrections to the *Defence Annual Report 2001-02* at the front of the report for details.
- Chief Finance Officer data includes the Secretary and the Chief of the Defence Force data.

ADVERTISING AND MARKETING RESEARCH

Particulars of all amounts relating to advertising and market research paid by, or on behalf of, Defence during 2002-03 are shown in the tables below.

TABLE 4.11: TOTAL ADVERTISING AND MARKET RESEARCH EXPENDITURE BY TYPE OF AGENCY

TYPE OF AGENCY	EXPENDITURE IN 2002-03 \$	EXPENDITURE IN 2001-02 ⁽¹⁾ \$
Advertising agencies	7,256,125	5,760,249
Market research organisations	903,910	1,384,114 ⁽¹⁾
Polling organisations	56,004	0
Direct mail organisations	4,872	1,505
Media advertising organisations	18,190,176	32,612,533
Total	26,411,087	39,758,401

NOTE

1. Contracts with four market research organisations, totalling \$363,485, were erroneously omitted from the *Defence Annual Report 2001-02*. See the front of the report for details.

TABLE 4.12: TOTAL ADVERTISING AND MARKET RESEARCH EXPENDITURE BY GROUP

GROUP	EXPENDITURE IN 2002-03 \$	EXPENDITURE IN 2001-02 ⁽¹⁾ \$
Headquarters Australian Theatre	20,152	0
Navy	62,004	388,799
Army	168,779	194,318
Air Force	55,923	56,254
Strategic Policy	4,695	11,217
Intelligence and Security	359,738	379,711
Vice Chief of the Defence Force	204,964	1,411,439
Chief Finance Officer	4,954	35,123
Defence Science and Technology Organisation	287,488	893,987
Defence Personnel Executive	21,763,264	33,578,148
Public Affairs and Corporate Communication	422,999	1,250,959 ⁽¹⁾
Defence Materiel Organisation	645,186	610,192
Corporate Services and Infrastructure	2,410,941	948,254
Total	26,411,087	39,758,401

NOTE

1. Three professional service providers and one consultancy, totalling \$363,485, were erroneously omitted from the *Defence Annual Report 2001-02*. See the front of the report for details.

The following table lists payments, on a Group basis, made to relevant individuals and organisations for advertising and market research.

TABLE 4.13: PARTICULARS OF PAYMENTS BY GROUP FOR ADVERTISING AND MARKET RESEARCH

PAYEE	AMOUNT \$	PURPOSE
Headquarters Australian Theatre		
<i>Advertising Agencies</i>		
Defence Publishing	1,731	Recruitment advertising - civilian
HMA Blaze Pty Ltd	5,236	Recruitment advertising - civilian
<i>Media Advertising Organisations</i>		
Starcom Worldwide (Australia) Pty Ltd	13,185	Recruitment advertising - civilian
Navy		
<i>Media Advertising Organisations</i>		
HMA Blaze Pty Ltd	24,941	Recruitment advertising - civilian
Keystone Corporate Positioning	1,276	Printing of flyers for Navy Week 2002 Production of hard-surface mouse pads to promote awareness of flight safety and contact details
Paula M Promotions	1,237	
Margaret Powell	4,368	Recruitment advertising - civilian
Starcom Worldwide (Australia) Pty Ltd	30,182	Recruitment advertising - civilian
Army		
<i>Advertising Agencies</i>		
Apex Models Co	2,784	Recruitment advertising - civilian
APN Newspapers Pty Ltd	6,874	Recruitment advertising - Army Reserve
Australia Post	12,065	Recruitment advertising - Army Reserve
Australian Retirement Press Ltd	24,000	Advertising of museums in South Australia, Tasmania, north Queensland and Queenscliff, Victoria
HMA Blaze Pty Ltd	3,230	Research grants advertisements
Northside Distributors and Finishers	2,501	Recruitment advertising - Army Reserve
Queensland Newspapers Pty Ltd	5,329	Recruitment advertising - Army Reserve
Starcom Worldwide (Australia) Pty Ltd	13,426	Recruitment advertising - Army Reserve
<i>Media Advertising Organisations</i>		
96 FM Southern Cross Radio	2,700	Recruitment advertising - Army Reserve
Australian Beef Cattle Exposition	1,530	Recruitment advertising - Army Reserve
Canberra FM Radio	3,166	FM104.7 and FM106.3 advertisements for Beat the Retreat parade
Community Newspaper Group	24,741	Recruitment advertising - Army Reserve
Nine Network Australia	4,080	Recruitment advertising - Army Reserve
Post Newspaper Pty Ltd	8,693	Recruitment advertising - Army Reserve
Prime TV Southern Pty Ltd	4,500	Prime television advertisement for Queen's Birthday and Beat the Retreat parade

Quest Newspaper Group	6,980	Recruitment advertising – Army Reserve
Sydney Morning Herald	5,326	Recruitment advertising – Army Reserve
Ten Capital	3,990	Advertisement for Queen's Birthday and Beat the Retreat parade
The Federal Capital Press of Australia	6,911	Advertisement for Queen's Birthday and Beat the Retreat parade
The Ten Group	7,892	Recruitment advertising – Army Reserve
Universal Productions	10,460	Recruitment advertising – Army Reserve
WIN Television	7,601	Reserve Recruiting and WIN television advertisement for Duntroon House Open Day. Advertisement for Queen's Birthday and Beat the Retreat parade
Air Force		
<i>Advertising Agencies</i>		
3AW Southern Cross Radio	4,530	Advertising for museum
Destination Melbourne Inc	3,150	Advertising for museum
Domestic OTV Pmt-RAAF Williams Supply Division	2,136	Advertising for museum
Fairfax Community Newspaper	5,036	Advertising for museum at RAAF Williamtown
HMA Blaze Pty Ltd (The Australian)	4,637	Recruiting – civilian
The Herald Weekly Times	1,559	Advertising for museum
Starcom Worldwide (Australia) Pty Ltd	27,851	Recruiting – civilian
Weekend Australian	7,024	Recruiting - civilian
Strategic Policy		
<i>Media Advertising Organisations</i>		
HMA Blaze Pty Ltd	1,586	Request for tender for Pacific patrol boat refits
Starcom Worldwide (Australia) Pty Ltd	3,109	Request for tender for Defence Cooperation Program Scholarship contract
Intelligence & Security		
<i>Advertising Agencies</i>		
HMA Blaze Pty Ltd	146,606	Recruitment advertising – civilian
Ideas and Directions	3,440	Artwork, production and management for advertising banner
Jaymac Promotional Advertising	5,410	Graduate recruitment
Starcom Worldwide (Australia) Pty Ltd	186,947	Recruitment advertising – civilian
The Good Guides Group	7,750	Graduate guide development
TVP Communications Pty Ltd	6,475	Security awareness posters
<i>Direct Mail Organisations</i>		
Monash Unicomm	3,110	Recruitment advertising – civilian

Vice Chief of the Defence Force**Media Advertising Organisations**

Artemis Publishing and Marketing	450	Advertising - Defence Reserve Support Council
Australasian Trade and Industry Periodicals Pty Ltd	1,895	Advertising - Office of Head Reserve Policy
Australian Events Pty Ltd	552	Advertising - Defence Reserve Support Council
Australian Human Resources Institute	2,360	Advertising - Reserve initiatives
Australian Institute of Company Directors	9,000	Advertising - Reserve initiatives
Australian Retailers Association Victoria	1,818	Advertising - Reserve initiatives
Business News	4,956	Advertising - Defence Reserve Support Council
C & G Advertising	1,895	Advertising - Office of Head Reserve Policy
Capricorn Coast Radio Centre	2,340	Advertising - Defence Reserve Support Council
Chevron Publishing Group	4,000	Advertising - Reserve initiatives
Colin Craig	272	Advertising - Reserve initiatives
Davies Brothers Ltd	590	Advertising - Defence Reserve Support Council
Fairfax Community Newspaper	2,830	Advertising - Reserve initiatives
Flight Publishing Pty Ltd	1,818	Advertising - Defence Reserve Support Council
Golden West Network Pty Ltd	500	Advertising - Defence Reserve Support Council
HMA Blaze Pty Ltd	9,602	Advertising - Cadets enhancement program
Image 7 Group Pty Ltd	10,000	Advertising - Defence Reserve Support Council
Jaymac Promotional Advertising Pty Ltd	6,581	Advertising - Defence Reserve Support Council
Jaymac Promotional Advertising Pty Ltd	2,501	Advertising - Reserve initiatives
John Brown Photography	300	Advertising - Reserve initiatives
Melbourne Gang Show	681	Advertising - Reserve initiatives
Mintu Wanta Club	500	Advertising - Defence Reserve Support Council
Multicultural Services Centre of WA	250	Advertising - Defence Reserve Support Council
Nationwide Facilities Management	1,533	Advertising - Reserve initiatives
Norforce News	1,363	Advertising - Defence Reserve Support Council
Northern Defence Magazine	4,363	Advertising - Reserve initiatives
Northern Defence Magazine	2,863	Advertising - Defence Reserve Support Council
Public Information Services	700	Advertising - Reserve initiatives

Rockhampton Careers Expo 2001- Central Qld University	72	Advertising - Defence Reserve Support Council
Showcase Publications	2,000	Advertising - Reserve initiatives
Starcom Worldwide (Australia) Pty Ltd	20,138	Advertising - Office of Head Reserve Policy
Starcom Worldwide (Australia) Pty Ltd	25,072	Advertising - Reserve Forces Day 2003
Starcom Worldwide (Australia) Pty Ltd	52,654	Advertising - Reserve initiatives
Starcom Worldwide (Australia) Pty Ltd	17,103	Advertising - Defence Reserve Support Council
Starcom Worldwide (Australia) Pty Ltd	5,487	Advertising - Cadets enhancement program
Victorian Automobile Chamber of Commerce	1,904	Advertising - Reserve initiatives
Win Television Qld Pty Ltd	4,021	Advertising - Defence Reserve Support Council
Chief Finance Officer		
<i>Media Advertising Organisations</i>		
HMA Blaze Pty Ltd	4,954	Standing offer for the provision of assistance in conducting commercial support activities
Defence Science and Technology Organisation		
<i>Direct Mail Organisations</i>		
University of Melbourne	1,762	Graduate recruitment advertising to final year chemistry students
<i>Media Advertising Organisations</i>		
Australian Defence Business Review	8,182	Advertising to promote technology expertise
Good Guides Group	7,750	Graduate recruitment program advertising
HMA Blaze Pty Ltd	20,204	Recruitment - civilian
Starcom Worldwide (Australia) Pty Ltd	225,243	Recruitment advertising - civilian
Starcom Worldwide (Australia) Pty Ltd	14,767	Advertising to promote technology expertise
Yaffa Publishing Group	9,580	Advertising to promote technology expertise
Defence Personnel Executive		
<i>Advertising Agencies</i>		
Emitch Pty Ltd	49,137	Recruitment advertising production - Internet employment sites
Future Train	47,010	Recruitment advertising production - Army Reserves
Future Train	16,732	Recruitment advertising production - local area advertising guide
Inkspott Production	1,670	Marketing Defence Equity Organisation promotional material

Inkspott Production	32,314	Promotional material for Graduate Development Program
National Capital Printers	1,688	Defence Community Organisation brochures
Northern Defence Magazine	2,182	Advertising Defence equity advice lines
Photographics International	9,060	Recruitment advertising production - RAAF officer entry
Piction Press	6,890	Maximising leadership brochures
Skyline Displays Australia Pty Ltd	2,140	Promotional display
Skyline Displays Australia Pty Ltd	2,999	Promotional material for e-learning
Sounds Goodwin	3,600	Recruitment advertising production - Navy general entry
Starcom Worldwide (Australia) Pty Ltd	33,029	Recruitment advertising - Graduate Development Program
The Good Guides Group	7,750	Advertising the Graduate Development Program
Unimail Pty Ltd	4,500	Advertising the Graduate Development Program
Young & Rubicam Mattingly	3,121,512	Advertising agent retainer creative advertising agency services
Young & Rubicam Mattingly	21,979	Recruitment advertising production - Navy officer entry
Young & Rubicam Mattingly	380,216	Recruitment advertising production - Army general entry
Young & Rubicam Mattingly	3,150	Recruitment advertising production - RAAF officer entry
Young & Rubicam Mattingly	25,921	Recruitment advertising production - RAAF general entry
Young & Rubicam Mattingly	139,556	Recruitment advertising production - ADFA
Young & Rubicam Mattingly	4,057	Recruitment advertising production - ADF aircrew
Young & Rubicam Mattingly	3,835	Recruitment advertising production - education features
Young & Rubicam Mattingly	337,574	Recruitment advertising production - direct entry officer/undergraduate entry
Young & Rubicam Mattingly	6,408	Production - regional advertising - national
Young & Rubicam Mattingly	3,480	Production - regional advertising - rural
Young & Rubicam Mattingly	5,644	Recruitment advertising production - new opportunities (all Tri-Service general entry)
Young & Rubicam Mattingly	56,414	Recruitment advertising production - ADF technical trades general entry
Market Research Organisation		
Emitch Pty Ltd ⁽¹⁾	11,550	Usage of ADF Recruiting's Internet site
Horizon Research K&GM Pty Ltd ⁽¹⁾	389,938	Recruitment strategies and production plans

Mitchell & Partners Australia Pty Ltd	6,000	Proposal for recruitment opportunities at V8 Supercar events
Worthington Di Marzio ⁽¹⁾	107,857	Evaluate effectiveness of ADF recruiting communications strategy
Young & Rubicam Mattingly ⁽¹⁾	19,025	To aid development of recruiting strategies to ADFA
Media Advertising Organisation		
Australian Medical Students Association Convention 2002 Inc	3,500	Recruitment advertising - direct entry officer/undergraduate entry
Armed Forces Federation of Australia	1,985	Recruitment advertising - direct entry officer/undergraduate entry
Australian Purchasing Resource Service	2,255	Recruitment advertising - Army Reserves
Australian Flag Company	6,338	Promotional material for Defence Community Organisation
Executive Media Pty Ltd	6,000	Advertising - ADF health promotion program
HMA Blaze Pty Ltd	61,922	Recruitment advertising - civilian
HMA Blaze Pty Ltd	38,619	Recruitment advertising - contract health professionals
HMA Blaze Pty Ltd	1,613	Advertising - request for tender
HMA Blaze Pty Ltd	5,232	Recruitment - ADF regional advertising - Brisbane
HMA Blaze Pty Ltd	75,734	Recruitment - ADF regional advertising - Sydney
HMA Blaze Pty Ltd	34,880	Recruitment - ADF regional advertising - Melbourne
HMA Blaze Pty Ltd	11,332	Recruitment - ADF regional advertising - Adelaide
HMA Blaze Pty Ltd	26,299	Recruitment - ADF regional advertising - Perth
Inprint Pty Ltd	4,548	Promotional material for Defence Community Organisation
Media Liaison Group Pty Ltd	6,327	Recruitment advertising - Army Reserves
Mitchell & Partners Australia Pty Ltd	57,000	Recruitment advertising - Navy officer entry
Mitchell & Partners Australia Pty Ltd	204,401	Recruitment advertising - Navy general entry
Mitchell & Partners Australia Pty Ltd	8,078	Recruitment advertising - Navy Reserve
Mitchell & Partners Australia Pty Ltd	81,381	Recruitment advertising - Army officer entry
Mitchell & Partners Australia Pty Ltd	750,681	Recruitment advertising - Army general entry
Mitchell & Partners Australia Pty Ltd	1,214,836	Recruitment advertising - Army Reserve
Mitchell & Partners Australia Pty Ltd	701,718	Recruitment advertising - RAAF officer entry

Mitchell & Partners Australia Pty Ltd	182,109	Recruitment advertising - RAAF general entry
Mitchell & Partners Australia Pty Ltd	23,823	Recruitment advertising - RAAF Ground Defence Reserve group
Mitchell & Partners Australia Pty Ltd	152,833	Recruitment advertising - ADFA
Mitchell & Partners Australia Pty Ltd	822,868	Recruitment advertising - ADF aircrew
Mitchell & Partners Australia Pty Ltd	87,100	Recruitment advertising - ADF - education features
Mitchell & Partners Australia Pty Ltd	678,806	Recruitment advertising - direct entry officer/undergraduate entry
Mitchell & Partners Australia Pty Ltd	1,498,503	Media sponsorships
Mitchell & Partners Australia Pty Ltd	392,118	Recruitment - ADF regional advertising - National
Mitchell & Partners Australia Pty Ltd	107,682	Recruitment - ADF regional advertising - rural
Mitchell & Partners Australia Pty Ltd	260,000	Recruitment advertising - Internet employment sites
Mitchell & Partners Australia Pty Ltd	11,895	Recruitment advertising - ADF technical trades general entry
National Promotions Australia	1,650	Promotional material for Defence Community Organisation
Nationwide News	1,930	Recruitment advertising - contract health professionals
Northern Territory News	2,381	Recruitment advertising - contract health professionals
Showcase Publications	5,950	Recruitment advertising - Navy general entry
Starcom Worldwide (Australia) Pty Ltd	59,428	Recruitment - ADF regional advertising - Brisbane
Starcom Worldwide (Australia) Pty Ltd	102,938	Recruitment - ADF regional advertising - Sydney
Starcom Worldwide (Australia) Pty Ltd	128,485	Recruitment - ADF regional advertising - Melbourne
Starcom Worldwide (Australia) Pty Ltd	49,038	Recruitment - ADF regional advertising - Adelaide
Starcom Worldwide (Australia) Pty Ltd	71,618	Recruitment - ADF regional advertising - Perth
Starcom Worldwide (Australia) Pty Ltd	2,008	Advertising - request for tender
Starcom Worldwide (Australia) Pty Ltd	202,913	Recruitment advertising - contract health professionals
Starcom Worldwide (Australia) Pty Ltd	1,889	Request for tender for the provision of an e-Learning solution for Defence
Starcom Worldwide (Australia) Pty Ltd	61,721	Recruitment advertising - civilian
Student Services Australia Pty Ltd	70,929	Recruitment advertising - Direct entry officer/undergraduate entry
The Australian	3,703	Recruitment advertising - civilian

The Border Mail	2,048	Recruitment advertising - contract health professionals
The Bulletin	2,500	Advertising - Centre for Defence and Strategic Studies conference
Trendsetting	1,527	Promotional material for Defence Community Organisation
Universal McCann	427,726	Recruitment advertising - Navy officer entry
Universal McCann	341,279	Recruitment advertising - Navy general entry
Universal McCann	3,343	Recruitment advertising - Army officer entry
Universal McCann	959,763	Recruitment advertising - Army general entry
Universal McCann	412,365	Recruitment advertising - Army Reserves
Universal McCann	474,496	Recruitment advertising - RAAF officer entry
Universal McCann	31,630	Recruitment advertising - RAAF general entry
Universal McCann	58,688	Recruitment advertising - RAAF Ground Defence Reserve group
Universal McCann	955,769	Recruitment advertising - ADFA
Universal McCann	1,608,097	Recruitment advertising - ADF aircrew
Universal McCann	100,947	Recruitment advertising - ADF - education features
Universal McCann	1,558,163	Recruitment advertising - direct entry officer/undergraduate entry
Universal McCann	7,956	Recruitment - ADF regional advertising - National Tri-Service general entry
Universal McCann	205,990	Recruitment - ADF regional advertising - National
Universal McCann	63,631	Recruitment - ADF regional advertising - rural
Universal McCann	65,503	Recruitment advertising - Internet employment sites
Universal McCann	1,274,558	Recruitment advertising - ADF technical trades general entry
Viewpoint Armed Forces Federation	1,985	Recruitment advertising - direct entry officer/undergraduate entry
Polling Organisation		
ECA International Pty Ltd	56,004	Global online membership and the purchase of statistical data on living conditions/costs around the world

Public Affairs and Corporate Communication

Advertising Agencies

Young & Rubicam Mattingly	2,250	Graphics design for exhibition display units
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Market Research Organisations

Mediascape Analytical & Research	116,237	Media tracking and analytical services
New Focus Pty Ltd ⁽¹⁾	20,522	'Below the line' recruitment communication study
Worthington Di Marzio	230,901	Community attitude research

Media Advertising Organisations

HMA Blaze Pty Ltd	1,101	Advertising for freedom of entry - HMAS Hawkesbury
HMA Blaze Pty Ltd	2,831	Advertising for HMAS Watson Open Day
HMA Blaze Pty Ltd	8,299	Advertising for Navy - Canberra Day and ship's visit to SA
HMA Blaze Pty Ltd	5,201	Armidale asbestos exposure public notice
Riverina Media Group	1,823	Advertising for RAAF Wagga Open Day
Starcom Worldwide (Australia) Pty Ltd	24,237	Advertising for NSW regional events
Starcom Worldwide (Australia) Pty Ltd	1,833	Advertising for SA regional events
Starcom Worldwide (Australia) Pty Ltd	7,764	Advertising for Vic/Tas regional events

Defence Materiel Organisation

Advertising Agencies

Canprint Communicate Pty Ltd	11,591	Printing of Public Service Gazettes
Hawkesbury Gazette and Courier	3,392	Recruiting advertisement - civilian
The Good Guides Group	7,750	Material for the graduate scheme

Market Research Organisations

In-site	1,881	Marketing display
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Media Advertising Organisations

HMA Blaze Pty Ltd	66,817	Recruitment and tender advertising - NSW
HMA Blaze Pty Ltd	64,500	Recruitment and tender advertising - ACT
Spherion Group Ltd	1,195	Recruitment advertising - civilian
Spherion recruitment	17,698	Recruitment advertising - civilian
Starcom Worldwide Australia Pty Ltd	6,772	Recruitment and tender advertising - SA
Starcom Worldwide Australia Pty Ltd	304,707	Recruitment and tender advertising - NSW
Starcom Worldwide Australia Pty Ltd	76,350	Recruitment and tender advertising - ACT
Starcom Worldwide Australia Pty Ltd	23,576	Recruitment and tender advertising - WA
Starcom Worldwide Australia Pty Ltd	32,959	Recruitment and tender advertising - Vic
Starcom Worldwide Australia Pty Ltd	16,995	Recruitment and tender advertising - Qld
Kellogg Brown & Root Pty Ltd	9,003	Recruitment advertising - civilian

Corporate Services and Infrastructure

Advertising Agencies

Adcorp Australia (Victoria) Ltd	59,746	Marketing sale of Defence property
Adcorp Australia Ltd	129,763	Marketing sale of Defence property
Byvan Pty Ltd	23,636	Marketing sale of Defence property
CB Richard Ellis	294,532	Marketing sale of Defence property

Chesterton International	36,357	Marketing sale of Defence property
Colliers Jardine (New South Wales) Pty Ltd	208,145	Marketing sale of Defence property
Degotardi Smith & Partners	2,200	Marketing sale of Defence property
FPD Savills	179,203	Marketing sale of Defence property
HMA Blaze Pty Ltd	1,660	Public notice for live firing
HMA Blaze Pty Ltd	114,279	Recruitment advertising – civilian
Jones Lang Lasalle	89,972	Marketing sale of Defence property
Kliger Wood	32,311	Marketing sale of Defence property
Knight Frank (New South Wales) Pty Ltd	72,129	Marketing sale of Defence property
LJ Hooker	64,642	Marketing sale of Defence property
Merit Protection & Review Agency	246,435	Recruitment advertising – civilian
Real Serve	5,000	Marketing sale of Defence property
Roberts Ltd	5,601	Marketing sale of Defence property
Samuel & Co	7,201	Marketing sale of Defence property
Seek Communications Ltd	1,620	Recruitment advertising – civilian
Starcom Worldwide (Australia) Pty Ltd	16,688	Recruitment advertising - graduate
Starcom Worldwide (Australia) Pty Ltd	2,440	Newspaper notice for live firing
Starcom Worldwide (Australia) Pty Ltd	755,840	Recruitment advertising – civilian
Starcom Worldwide (Australia) Pty Ltd	1,658	Tender advertisement
		Tender property services-task tracking information management production system
Starcom Worldwide (Australia) Pty Ltd	7,913	
Starcom Worldwide (Australia) Pty Ltd	6,797	Tender supply and printing business cards
Starcom Worldwide (Australia) Pty Ltd	32,510	Marketing sale of Defence property
Whelans Land Information	5,500	Marketing sale of Defence property
Zoo Instinctively Creative	7,163	Marketing strategy ‘Buy Right’ campaign

NOTE

1. These items are also reported in Table 4.9 under External Consultants.