

CHAPTER FIVE

GROUP CONTRIBUTIONS

This chapter describes the contribution and key achievements in 2004-05 of the Defence Groups that:

- Provide the equipment, infrastructure and other support that help to deliver Defence outputs.
- Advise and support the Government and Defence to ensure the efficient and effective operation of Defence and the development of future capabilities.



Capability Development Group
Chief Finance Officer Group
Corporate Services and Infrastructure Group
Defence Science and Technology Organisation
Intelligence and Security Group (Defence Security Authority)
Vice Chief of Defence Force Group
Chief Information Officer Group
Defence Personnel Executive
Inspector-General
Coordination and Public Affairs Division

Capability Development Group

Overview

The role of the Capability Development Group is to develop and gain Government approval for future defence capabilities. The Capability Development Group has a close relationship with the Defence Materiel Organisation and oversees the implementation of a number of the Defence Procurement Review recommendations.

The Capability Development Group consists of:

- **Capability Systems Division**, which manages the development of future capability options to assist government decision making on investment in major capital equipment for the ADF;
- **Capability, Investment and Resources Division**, which provides independent analysis and review of capability issues including the balance of investment in capability (current and future), the future structure of the ADF, major investment proposals, preparedness and priorities;
- **Capability and Plans Branch**, which seeks to ensure that current and future capabilities align with the Government's strategic priorities. The branch oversees issues relating to capability guidance, preparedness management, mobilisation and network centric warfare implementation;
- **the Directorate of Trials**, which supports Capability Development Group staff in defining the test and evaluation concepts that will inform capability development, acceptance and utilisation decisions. The directorate also coordinates joint test and evaluation policy and conducts Defence trials that cross Service, Defence and international boundaries;
- **the Australian Defence Simulation Office**, which develops and oversees the implementation of Defence simulation policy and the Defence Simulation Plan providing guidance on, and sponsorship of, simulation projects to enhance capabilities, save resources and reduce risk across the Defence organisation; and
- **the Office of Interoperability**, which oversees interoperability issues concerning capability development. The office is also responsive to the Chief of Joint Operations for interoperability issues with an operations perspective, and to the Strategy Group for consideration of current and emerging strategic affecting interoperability.

Resources

The Group's total spend for 2004-05 was \$39.5m, consisting of \$2.8m capital budget and \$36.7m operating budget (of which \$3.7m was managed on behalf of the portfolio).

As at 30 June 2005, the Capability Development Group had 147 military personnel and 111 Australian Public Service staff¹.

Key Achievements for 2004-05

The following significant projects progressed for Government decision included:

¹ Further information on Defence's people can be found in Chapter Three – People.

- acquisition of an additional squadron of 12 trooplift helicopters together with associated training and support equipment and facilities (AIR 9000 Phase 2);
- the upgrade of the F/A-18 aircraft's electro-optic imaging weapons system (AIR 5376 Phase 2.4);
- the upgrade of the area air defence missile system in four of the Adelaide-class guided missile frigates and the acquisition of stock to outfit the ships (SEA 1390 Phase 4B);
- acquisition of equipment to improve healthcare in future deployments, including disease prevention and diagnosis, casualty treatment and casualty evacuation (JP 2060 Phase 2B);
- first pass approval for a number of major projects including Australia's new air warfare destroyers, the provision of funding to undertake platform systems design and the Aegis combat system design and the selection of a ship builder (SEA 4000 Phases 1C, 1D and 2); and
- rapid acquisition to equip the AP-3C Orion maritime patrol aircraft with electronic warfare self protection systems to protect the aircraft and the crew against threats caused by surface-to-air missiles (AIR 5276 Phase 4).

Other initiatives in support of capability development included the:

- completion of the first Defence Capability Strategy in April 2005, which clearly links strategy to capability decisions;
- development of Materiel Acquisition Agreements with the Defence Materiel Organisation for 194 legacy acquisition projects, as well as improved arrangements for project and financial reporting;
- establishment of the Network Centric Warfare Program Office to oversee capability integration by fostering consistent architectures and standards;
- establishment of the Rapid Prototyping, Development and Evaluation Program to accelerate the ability of the ADF to conduct Network Centric Warfare. This unique program aims to rapidly resolve operational problems through a number of specialised teams recruited from a broad cross-section of industry; and
- establishment of the Joint Combined Training Centre Project, which aims to enhance existing bilateral training in order to increase and measure operational capability and preparedness, improve interoperability and facilitate capability development.

Chief Finance Officer Group

Overview

The role of the Chief Finance Officer Group is to deliver a financial strategy that enables Defence to achieve the results specified by the Government. The financial strategy includes a ten-year Defence Management and Financial Plan, in-year budget management and reporting of Defence's financial accounts.

The major functions of the Group are to:

- advise on key resourcing issues within the guidance provided by the Defence Committee;
- deliver a finance strategy to ensure it delivers the results specified by the Government, by providing financial advice and management to support Defence as a whole;
- assist the Secretary in exercising his statutory responsibilities and authority, particularly under the *Public Service Act 1999* and the *Financial Management and Accountability Act 1997*; and
- provide independent financial analysis and review of capability and investment issues.

The Group consists of:

- **the Budgets and Financial Planning Division**, providing a whole-of-Defence focus to the planning, management, monitoring and reporting of key deliverables, including Defence's outputs, to the Government;
- **the Financial Services Division**, delivering a range of financial services including the development and provision of financial management and accounting policies, and the management of the accounting business systems and treasury and tax management functions;
- **the Financial Controls Framework Branch**, managing the implementation of a comprehensive Financial Controls Framework across Defence to draw together, in a structured and integrated fashion, all of the components necessary to build a best practice financial management environment for Defence; and
- **the Financial Statements Remediation Program Office**, overseeing the Audit Remediation Plans and assisting groups in longer term activities to resolve adverse audit findings.

Resources

The Group's total spend for 2004-05 was \$324.5m, consisting of \$6.9m capital budget and \$317.6m operating budget (of which \$281.0m was managed on behalf of the portfolio).

As at 30 June 2005, the Chief Finance Officer Group had 265 Australian Public Service staff¹.

Key Achievements

In the *Defence Annual Report 2003-04*, the Secretary and the Chief Finance Officer reported that they could not form the opinion that Defence's 2003-04 Financial Statements gave a

¹ Further information on Defence's people can be found in Chapter Three – People.

true and fair view of the organisation's financial position. The Australian National Audit Office identified 95 audit findings requiring resolution.

The Group's achievements in 2004-05 related to the remediation of these findings include:

- the establishment of dedicated program offices in the Chief Finance Group and the Defence Materiel Organisation to drive Defence's remediation and financial controls framework reforms;
- a financial controls framework for all Groups and a 'three-on-one' reporting process where Group Heads will report to the Secretary, Chief of the Defence Force and the Chief Finance Officer on their progress under the framework;
- specific accountability for four of the 16 remediation plans; and
- a series of Senior Leadership Team Finance courses commencing in June 2005 with plans to introduce a series of Executive Level Two courses early in the 2005-06 financial year.

Other key achievements during 2004-05 include the:

- provision of financial policy and resource advice to the Ministers, Secretary, Chief of the Defence Force and other senior executives in Defence;
- management of the 2004-05 Budget to optimise Defence's Outcomes, including the management of additional funding for a range of operational commitments;
- development of the 2005-15 Defence Management and Finance Plan including the resource strategies proposed for the Senior Ministers' Review process;
- management of the 2005-06 Defence Budget process for consideration by the Government in March 2005;
- delivery of the second tranche of the \$200m Program of Administrative Savings in accordance with the agreed Government schedule;
- development of the funding and business model to support the Defence Materiel Organisation as a prescribed agency from 1 July 2005, including the separation of budgets and balance sheets;
- ongoing improvement to Defence's budgeting and reporting systems including implementation of revised whole-of-government reporting arrangements;
- clearance of the financial aspects of all Cabinet and Ministerial Submissions;
- improvement of working relationships with the Australian National Audit Office and the Department of Finance and Administration;
- development of accounting policy relating to audit remediation and the transition to the Australian Equivalent of International Financial Reporting Standards;
- obtaining of Government approval to upgrade the Defence financial management system (ROMAN) to current software release and improved functionality. JP 2080 Phase 2B-1 was ready for first pass approval in June 2005;
- establishment of the Budget and Output Reporting Information System as a corporate budgeting and reporting tool with full financial variance reporting available to all Groups and Services; and
- release of the revised Defence Accounting Policy Manual (Defence Reference Book 48).

Corporate Services and Infrastructure Group

Overview

The Corporate Services and Infrastructure Group supports Defence capability by creating and sustaining the working, training and living environments for more than 90,000 ADF personnel, Defence civilians and contracted service providers.

The Group consists of three divisions - Infrastructure, National Operations, and Defence Legal (established in July 2004). The Group provides garrison and base support services (including catering, cleaning, grounds maintenance, access control, training range management and airfield support services); personnel administration and pay; business services (including travel, insurance and finance); and legal services. The Group is also largely responsible for the management of the Defence estate (which comprises land, buildings and infrastructure valued at \$15.6 billion) including acquisitions and disposals, leases, facilities development and maintenance, and environment and heritage matters.

Resources

The Group's total spend for 2004-05 was \$3.1 billion, consisting of \$0.4 billion capital budget and \$2.7 billion operating budget (of which \$0.8 billion was managed on behalf of the portfolio).

The Corporate Services and Infrastructure Group provides services through an integrated Australian Public Service, ADF and contractor workforce and has representatives working at every major Defence establishment in 12 regions across Australia. As at 30 June 2005, 1,262¹ ADF and 4,116 Australian Public Service personnel worked in the Group².

Key Achievements for 2004-05

During 2004-05, the Corporate Services and Infrastructure Group:

- provided training areas, ranges, environment and garrison services to the Australia-United States Exercise Talisman Sabre 05 and the Singaporean Exercise Wallaby 04;
- delivered more than 600 individual estate upkeep and facilities maintenance works, fully expending the supplemented budget in 2004-05. These works were prioritised in accordance with the *Australian/New Zealand Standard for Risk Management (AS/NZS 4360:2004)*;
- delivered upgraded safety control communications at 24 major Defence training areas in Australia;
- achieved the gazettal of the Bradshaw Field Training Area as a Defence Practice Area. This achievement included the successful negotiation of a landmark Indigenous Land Use Agreement between the Commonwealth, traditional owners and the Northern Land Council. Bradshaw will now be developed to become the principal manoeuvre and live firing training facility for the Army's mechanised force;
- implemented two significant business improvement reforms; the Defence Travel Card and the Invoice Scanning and Imaging System. The new travel card provides

¹ Inclusive of personnel posted to pool positions in the Corporate Services and Infrastructure Group.

² Further information on Defence's people can be found in Chapter Three – People.

travellers with increased flexibility in arranging and paying for business travel, ensures prompt payments to suppliers and enables the recovery of the GST not previously achievable. The Invoice Scanning and Imaging System utilises optical character recognition technology to automate the payment of accounts resulting in the more timely payment of invoices. This has enabled centralisation of the payment function into two business centres in regional Victoria and South Australia, which has reduced the overall number of staff required to process payments but has created additional employment in these two regions;

- finalised a new removals brokerage contract with Toll Transitions in June 2005, providing removals, storage, vehicle relocation and unpacking services. The new contract provides for an improved relocation service for around 21,000 Defence personnel who relocate each year. The contract also provides for increased utilisation of computer-based systems to complete removal requirements in a quicker time frame. The contract is based on specific performance criteria, includes a risk/reward regime and encourages Defence and industry innovation;
- commenced the re-tendering process for the provision of garrison support and comprehensive maintenance services across Defence bases, to be completed in 2007. Two of 11 regions have transitioned to new contracts, with a third soon to commence transition. The contracts in these three regions represent an annual value of about \$140m and provide for a level of small and medium enterprise involvement with benefits to the economies of several regional communities;
- managed and oversaw around 50 environmental impact assessments for military equipment, exercises and infrastructure developments, approximately 35 contamination investigations and six collaborative research projects with the Centre for Environmental Risk and Remediation;
- signed, in April 2005, the Land Development Cooperation Agreement between Defence and the South Australian Land Management Corporation for the sale of approximately 500 hectares of former Defence land at Edinburgh, South Australia. The land is being developed in cooperation with the three tiers of Government over the next 10-20 years;
- completed a number of Capital Facilities Projects including the:
 - Canberra Intelligence Facilities Russell Offices, Australian Capital Territory (\$16m);
 - RAAF Townsville Redevelopment Stage 2, Queensland (\$72m);
 - Oakey Base Redevelopment, Queensland (\$80m);
 - RAAF Edinburgh – Redevelopment Stage 1, South Australia (\$41m);
 - RAAF Darwin – Base Redevelopment Stage 1, Northern Territory (\$13m); and
 - Canberra Multi-User Depot, Australian Capital Territory (\$13m);
- progressed the tender process for the construction of the Headquarters Joint Operations Command facility following the approval of the Joint Standing Committee on Public Works' Report into the project by the Parliament on 12 August 2004. Land for the facility, and the primary access road, were acquired by the Commonwealth on 22 March 2005. Tenders for the private financing components of the project have been received and are under evaluation. It is anticipated that the successful tenderer will be announced in early 2006.

Defence Science and Technology Organisation

Overview

The Defence Science and Technology Organisation supports Australia's defence by:

- investigating future technologies for defence applications;
- ensuring Australia is a smart buyer of defence equipment;
- developing new defence capabilities; and
- enhancing existing capabilities by increasing operational effectiveness, improving safety, maximising availability and reducing the cost of ownership.

The Defence Science and Technology Organisation's capability also supports whole-of-government national security needs.

The Defence Science and Technology Organisation works closely with industry, university, government and other science and technology communities to support Australia's defence capabilities and to contribute to national wealth.

Resources

The Group's total spend for 2004-05 was \$319.2m, consisting of \$14.5m capital budget and \$304.7m operating budget (of which \$6.0m was managed on behalf of the portfolio).

As at 30 June 2005, the Organisation had 2,229 Australian Public Service staff and 18 military personnel¹.

Key Achievements for 2004-05

During 2004-05, the Defence Science and Technology Organisation:

- developed the technical risk assessment, including risk mitigation strategies, for the Air Warfare Destroyer project (SEA 4000) to facilitate its progression to the acquisition phase; and assisted in evaluating proposals for the ship builder and designer;
- identified acquisition options for unmanned combat aerial vehicles as part of the New Aerospace Combat Capability (AIR 6000) project;
- developed science and technology plans and operational concept documentation to support the acquisition of the Multi-mission Unmanned Aerial Vehicle and Maritime Patrol Aircraft Capability project (AIR 7000);
- supported emulated mission computer development for Seahawk helicopters as part of the risk mitigation activity for the Seahawk Mid-life Upgrade project (AIR 9000);
- further developed the soldier combat system test-bed to facilitate systems integration as part of the Soldier Combat System project (LAND 125);
- conducted the anti-tank missile test-firing program to assess and improve target identification as part of the Armed Reconnaissance Helicopters project (AIR 87);

¹ Further information on Defence's people can be found in Chapter Three – People.

- designed and conducted three exercises to develop tactical procedures as part of introducing into service the Airborne Early Warning and Control system;
- conducted a successful demonstration of the surveillance picture dissemination capabilities for networked unmanned aerial vehicles, and developed and demonstrated an unmanned-underwater-vehicle deployable undersea global-positioning-system navigation-system, both as part of the automation of the battlespace initiative to avoid attritional conflict and to reduce the cost of ADF operations;
- developed improved logistics models to reduce the cost of operations and ownership;
- completed a trial at the White Sands Missile Range to support developing Defence's ballistic missile detection capabilities as part of ongoing missile defence collaboration with the United States;
- conducted an experimentation program to assist decisions concerning future force structures for the Navy, Army, and Air Force;
- conducted studies and provided recommendations on improving Defence's counter-intelligence capabilities;
- maintained effective science and technology relationships via The Technical Cooperation Program and also other bilateral arrangements. Part of The Technical Cooperation Program's ongoing work is to harmonise research approaches to network centric warfare;
- implemented three major initiatives flowing from the Trenberth Review into the Defence Science and Technology Organisation's External Engagement and Contribution to Australia's Wealth⁽²⁾. The organisation established a Technology Transfer Advisory Group so that selected industry expertise could assist the organisation to evaluate and commercialise its Intellectual Property; established the Defence Science Access Network to enhance the bilateral information flow between the Defence Science and Technology Organisation and industry; and expanded the Capability Technology Demonstrator program;
- contributed to national research priorities, in particular, the 'Safeguarding Australia' priority⁽³⁾. The Defence Science and Technology Organisation demonstrated its commitment to the Government's promotion of collaboration on counter-terrorism research under that priority by joining the Publicly Funded Agencies' Collaborative Counter-Terrorism research program (launched in March 2005). This program brings together the Defence Science and Technology Organisation, the Commonwealth Scientific and Industrial Research Organisation, the Australian Nuclear Science and Technology Organisation and Geoscience Australia to work collaboratively on counter-terrorism research; and
- established a civilian counter-terrorism research program in response to Government policy. As part of this research program, studies were conducted to improve the Australian capability to respond to chemical, biological, nuclear and radiological attacks.

2. Further information is available at: <http://www.dsto.defence.gov.au/collaboration/page/3125/>

3. National research priorities are coordinated by the Department of Education, Science and Training. See: http://www.dest.gov.au/sectors/research_sector/policies_issues_reviews/key_issues/national_research_priorities/priority_goals/safeguarding_australia.htm

Intelligence and Security Group

The intelligence function of the Intelligence and Security Group is reported in Outcome Six in Chapter Four – Outcome Performance. Information about, and the achievements of, the Defence Security Authority are below.

Overview

The Defence Security Authority coordinates security across Defence by working with ADF commanders, civilian executives and Defence industry to protect Defence's people, information and assets. The Authority's central policy area in Canberra and seven state and territory offices across Australia are responsible for the development of security policy and provision of specialist security services, such as:

- security vetting of personnel;
- security intelligence – including domestic, Defence-specific threat assessments;
- negotiation of bilateral security instruments for the reciprocal protection of classified information;
- security training and awareness activities;
- assessing Defence's security performance against the requirements prescribed in security policy;
- technical counter-measures services; and
- security investigations into serious and complex incidents.

Resources

The total spend for the Defence Security Authority for 2004-05 was \$43.4m, consisting of \$0.2m capital budget and \$43.2m operating budget.

As at 30 June 2005, the Authority had seven military personnel and 362 Australian Public Service staff¹.

Key Achievements for 2004-05

During 2004-05, the Defence Security Authority:

- developed and provided security policy, procedures and practices that met the requirements of all Defence stakeholders including an updated Defence security manual which was released on 1 September 2005;
- continued to reduce the backlog of personnel security vetting requests. The Defence Security Authority is responsible for managing over 120,000 clearances – mainly for Defence, but also including Defence industry and senior personnel from other agencies. Priority is given to operational and short-notice deployments;

¹ Further information on Defence's people can be found in Chapter Three – People.

- delivered security training and awareness activities across Defence, to instill and promote a culture of security. The Defence Security Authority conducts security awareness training primarily for Defence civilians and ADF personnel in joint units and has developed new security awareness initiatives following the completion of a Defence-wide security awareness survey:
 - During 2004-05, the Defence Security Authority trained 911 Unit/Facility Security Officers and provided 223 security awareness presentations for a total of 9,566 personnel. In addition, technical counter-measures awareness sessions were given to some 826 personnel, and a redeveloped course for Information System Security Liaison Officers was piloted and established.
 - The results of the most recent Defence Attitude Survey were positive, but indicated the need for greater emphasis on security awareness training specifically for personnel in supervisory roles.
- provided security threat intelligence assessments (with input from the Australian Security Intelligence Organisation) to support Defence domestic security;
- improved Defence's counter-intelligence capability, including enhanced relationships with other Government agencies;
- completed 114 investigations into serious and complex security incidents;
- managed the Defence Industry Security Program to facilitate industry compliance with Defence security policy;
- managed the exchange of classified information with other countries to support Defence objectives;
- delivered information security support, including security advice on current technology and monitored the introduction of emergent technologies for security implications. The Defence Security Authority also provided security advice to facilitate the information and communications technology links to coalition and multinational networks; and
- maintained an effective technical counter-measures capability, and commenced an upgrade program to modernise this capability.

Vice Chief of the Defence Force Group

Overview

The Vice Chief of the Defence Force Group includes both the Joint Operations Command (which delivers Outcome 1 – Command of Operations) and a number of owner support functions. The performance of the Joint Operations Command is reported in Chapter Four – Outcome Performance.

The owner support functions include providing joint logistics support to capability development, ADF Reserve Policy, ADF Cadet Policy, the management of the ADF Parliamentary Program and the National Welfare Coordination Centre.

The Vice Chief of the Defence Force is both a Group Head and the Chief of Joint Operations. In this role, he commands ADF operations on behalf of the Chief of the Defence Force, and he acts as Chief of the Defence Force whenever the Chief of the Defence Force is absent from duty.

The Vice Chief of the Defence Force Group comprises:

- **Joint Logistics Command** - responsible for strategic logistics by determining and harnessing Defence, domestic and international support, and through the operation of regional Joint Logistics units and through contractors;
- **Reserve Policy Division** - provides advice to the Chief of the Defence Force on matters concerning Reserve personnel, and assists with the coordination of single-service Reserve non-operational activities;
- **Cadet Policy Division** - works with ADF cadet organisations to assist them to become a source of potential recruits by presenting the ADF as an employer of choice through a series of projects designed to improve the cadet experience and removing the barriers to the recruiting process;
- **the ADF Parliamentary Program** - aims to provide parliamentarians with a rewarding, memorable and educational experience with the ADF, and so enable them to contribute to debate on Defence and national security issues in an informed and constructive manner; and
- **the National Welfare Coordination Centre** - provides welfare and family support to personnel deployed on, and in support of, specific operations who are away from their home location, including visitors and Defence civilians.

Resources

The Group's total spend for 2004-05 was \$278.2m, consisting of \$7.6m capital budget and \$270.6m operating budget (of which \$15.2m was managed on behalf of the portfolio).

As at 30 June 2005, the owner support function of the Vice Chief of the Defence Force Group had 357 military personnel and 705 Australian Public Service staff¹.

¹ Further information on Defence's people can be found in Chapter Three – People.

Key Achievements for 2004-2005

During 2004-05, the owner support elements of the Vice Chief of the Defence Force Group:

- progressively implemented the Defence Integrated Distribution Contract with TenixToll Defence Logistics;
- commenced the Stocktake Remediation Project to improve reporting of stocktaking;
- established a working group to review Reserve remuneration following the Government's 2004 election policy commitment to further enhance the contribution of Reserves to operations in the defence of Australia and its interests;
- developed a Government-approved plan to remove barriers to indigenous participation in ADF cadets;
- implemented the 'Pathways Project' which is designed to present the ADF as an employer of choice to ADF cadets; and
- provided welfare and family support assistance to 9,786 ADF families during the period. The centre also provided briefings to a number of commanders and members on the ADF welfare systems.

Chief Information Officer Group

Overview

The Chief Information Officer Group was formed in December 2004 following the amalgamation of the Office of the Chief Information Officer and the Information Systems Division of the Corporate Services and Infrastructure Group (see Chapter One – Organisational Changes). This structure will continue to be consolidated in 2005-06. The Group manages the Defence information environment, either through its own resources or through the governance of initiatives that contribute to, or depend on, the Defence information environment.

The Group comprises:

- **Information Capability Management Division** - responsible for Defence information environment capability planning and program management, managing the major Defence networks, and providing network support to military operations. The head of the division is the principal strategic adviser to the Chief of the Defence Force on information systems support to military operations;
- **Information Systems Division** - responsible for the development of major Defence networks and many of the enterprise applications that support Defence management processes; and
- **Business Management Branch** - provides business support services to the Group.

Resources

The Group's total spend for 2004-05 was \$506.0m, consisting of \$43.1m capital budget and \$462.9m operating budget (of which \$13.1m was managed on behalf of the portfolio).

As at 30 June 2005, the Chief Information Officer Group had 409 military personnel and 614 Australian Public Service staff¹.

Key Achievements for 2004-05

During 2004-05, the Chief Information Officer Group:

- was formed in accordance with the recommendations of an external study into the Defence information environment organisational arrangements. The focus for 2004-05 was on consolidating functions and processes and transferring enterprise application development functions and resources from other Defence Groups;
- introduced a framework to formalise the relationship between those areas of Defence responsible for business process definition and standardisation and the Chief Information Officer Group. As part of this framework, the Chief Information Officer Group has taken ownership of the information and records management processes for Defence;

¹ Further information on Defence's people can be found in Chapter Three – People.

- developed and published the strategic vision for the Defence information environment in support of Defence's future warfighting concept;
- developed and continues to implement integrated strategic planning and risk management processes which more transparently connect Defence information management investment with Defence plans and priorities;
- completed a baseline review of Defence expenditure on the information systems and capability. Defence systems are also being modified to provide the ability to routinely report on this aspect of Defence expenditure; and
- initiated a comprehensive program to implement the recommendations arising from the portfolio evaluation of corporate governance of the Defence information environment.

Defence Personnel Executive

Overview

The Defence Personnel Executive enables Defence capability by providing personnel planning, policies and services that attract, recruit, develop, retain and transition the right people. Defence's need for skilled personnel has never been greater and, as technology increases and Australia's demographics alter, this will not abate and Defence must compete with the private sector to be an employer of choice.

The Defence Personnel Executive comprises:

- **Workforce Planning, Research and Retention** - provides an integrated strategic personnel planning capability, including development of the Defence Workforce Plan and the Defence People Plan;
- **Personnel Policy and Employment Conditions** - develops policies relating to salaries, allowances and conditions of employment for military and civilian personnel, including personnel management of civilian staff;
- **Career Management Policy** - provides a range of policies and services including the management of senior ADF and Australian Public Service staff, senior leadership development, honours and awards, equity and diversity, non-financial conditions of service and management of formal complaints;
- **Defence Force Recruiting** - responsible for ADF recruitment including advertising and market research, career counselling, applicant management and enlistment into the Services;
- **Defence Health Service** - provides a range of medical, dental and mental health care for ADF personnel before, during, and after, operational deployments, and, from a health perspective, is responsible for the preparedness of the ADF for operations;
- **Occupational Health, Safety & Compensation** - supports Defence's corporate occupational health and safety governance responsibilities and provides relevant products and services;
- **Defence Education, Training & Development** - provides non-operational education and training policies and services, including management of the Defence's eLearning environment;
- **Defence Community Organisation** - provides support services for ADF personnel and their families, particularly when personnel are deployed on operations. Programs include childcare, family education support (including families with special needs) and spouse employment assistance; and
- **Personnel Systems** - enables the implementation of a unified personnel management and pay system (PMKeyS) to support decision making in Defence.

Organisationally and administratively the Australian Defence College is part of the Defence Personnel Executive. The College is responsible for providing career education to military officers and other officials from Australia and overseas to promote the learning and development of leaders and managers. The College comprises three tri-service educational organisations; the Centre for Defence and Strategic Studies, the Australian Command and Staff College, and the Australian Defence Force Academy.

Resources

The Group's total spend for 2004-05 was \$549.2m, consisting of \$1.2m capital budget and \$548.0m operating budget (of which \$210.0m was managed on behalf of the portfolio).

As at 30 June 2005, the Defence Personnel Executive included 1,976 military personnel and 1,294 Australian Public Service staff ¹.

Key Achievements for 2004-05

During 2004-05, the Defence Personnel Executive:

- developed the *Defence Workforce Plan 2005-15*, which provides senior Defence decision makers with an annual high-level summary of the pressures facing the workforce over the coming decade;
- developed the *Defence People Plan 2005-15*, which sets out strategies to address workforce issues identified through the Defence Workforce Plan, in particular retention and recruitment;
- reformed the way in which ADF personnel access, understand, and apply their conditions of service, including the release of a revised *ADF Pay and Conditions Manual*;
- completed the *Defence Attitude Survey 2004*, which measured Defence's organisational climate, including supervisor leadership, Service life and career intentions;
- continued implementation of the *Defence Occupational Health and Safety Strategic Plan 2004-06*;
- completed a review into Defence Health Services and consequently established a new two-star permanent Head Defence Health Service, in line with the Government's election commitment, supported by a Reserve two-star Surgeon-General;
- completed a joint review, with the Ombudsman, into the ADF Redress of Grievance System;
- continued to implement e-learning across Defence, providing more than 30 online courses with over 80,000 enrolments. Defence was recognised in June 2005 for its implementation of eLearning, receiving the International Computerworld 21st Century Achievement Award for innovative use of information technology;
- negotiated a new contract for the provision of childcare services for Defence staff, which significantly improves access to childcare at Defence locations across Australia;
- issued over 50,000 medals to serving and ex-serving members and assessed the eligibility of some 5,000 ex-serving members for the Pinjat Jasa Malaysia Commemorative Medal; and
- arranged several concert tours for ADF members deployed to East Timor, the Middle East Area of Operations and the Solomon Islands.

Performance against the implementation of the People Matter Priorities, for which the Defence Personnel Executive is primarily responsible, can be found in Chapter Three – People.

¹ Further information on Defence's people can be found in Chapter Three – People

Inspector-General

Overview

The Inspector-General Group provides Defence with independent advice on the efficient, effective, and ethical use of Defence resources based on the findings of portfolio evaluations, internal audits, and investigations.

Resources

The Group's total spend in 2004-05 was \$9.5m, which is the operating budget (of which \$0.2m was managed on behalf of the portfolio).

As at 30 June 2005, the Inspector-General Group had three military personnel and 92 Australian Public Service staff¹.

Key Achievements for 2004-05

The key achievements of the Inspector-General's Group are reported in the Internal Audit and Risk Management Arrangements section in the Appendices and in the Defence Whistleblower Scheme section of Chapter Three – People.

¹ Further information on Defence's people can be found in Chapter Three – People.

Coordination and Public Affairs Division

Overview

The role of the Coordination and Public Affairs Division is to assist the Chief of Staff Australian Defence Headquarters/Head Coordination and Public Affairs in supporting the Secretary and the Chief of the Defence Force in the effective management of Defence.

The Head of the Coordination and Public Affairs Division is responsible for ensuring the provision of timely, accurate, coordinated and considered advice to the Ministers, the Parliamentary Secretary, the Government and the Parliament; working with the Services and Groups to improve coordination, communications, issues management and governance in Defence; actively managing and coordinating whole-of-Defence issues; providing public affairs support for the Defence Portfolio including for military operations; and progressing the organisational renewal program in Defence.

While the division is mainly located in Canberra, regional public affairs offices are located in Sydney, Brisbane, Townsville, Darwin, Perth, Adelaide and Melbourne.

Resources

The Group's total spend for 2004-05 was \$17.7m, consisting of \$0.2m capital budget and \$17.5m operating budget.

As at 30 June 2005, the Coordination and Public Affairs Division comprised 46 military personnel and 130 Australian Public Service staff.

Key Achievements for 2004-05

During 2004-05, Coordination and Public Affairs Division:

- established a comprehensive intranet site which provides Defence's people with advice on the provision of support to the Ministers and related processes. The Division has had very positive feedback from Defence staff and the Ministers;
- improved monitoring of Defence's progress in delivering key election commitments and other priorities as determined by the Government;
- supported dedicated staff information sessions and formal monthly ministerial writing courses to educate staff and raise awareness about accountability to the Government;
- established the Australian Defence Headquarters' network to improve the high-level coordination and flow of information between Services and Groups;
- provided deployed public affairs support to ADF operations in Iraq, tsunami assistance in Sumatra, Solomon Islands, Timor-Leste and 90th anniversary of the Gallipoli landings through the 1st Joint Public Affairs Unit. In addition, the unit provided tactical public affairs support to seven major ADF combined/joint exercises and events;
- undertook 1,706 imagery tasks, processing 35,000 new still images and digitally archiving 10,000 historic images. In addition, 38 hours of vision of Defence activities was processed, with 141 Defence video news releases, 54 compiles and 93 web videos being issued;

- fielded 8,666 media inquiries and issued 1,571 media releases and alerts in support of Government and departmental announcements, media launches, events and in response to emerging issues;
- conducted 32 formal public affairs training courses for 453 Defence participants and provided a total of eight media awareness training and media operations simulation sessions in support of Defence colleges, organisations and military units preparing to deploy for operations;
- received and processed 384 requests in support of commercial film and television productions/documentaries and applications of Commonwealth copyright material;
- continued to improve the useability and service delivery of the Defence Internet homepage. The defence.gov.au domain had 24.1 million pages viewed;
- produced 69 issues of the Navy, Army and Air Force newspapers, distributing a total of 1.5 million copies to Defence members and subscribers annually;
- established a re-vamped quality monthly Defence Magazine, which is a key internal communications tool that complements the Service newspapers; and
- consolidated the Results Through People philosophy, which seeks to create an organisational climate in which people can do their best, by delivering 47 workshops; and expanding the Results Through People network to encompass around 30 regional leaders at major Defence locations throughout Australia and Defence staff based at the Australian Embassy in Washington.

Responsiveness to Ministers

The Defence Committee continues to receive a monthly report on Defence's performance in meeting the provision of high quality, coordinated advice to the Ministers and Parliamentary Secretary.

Defence provided its Ministers and Parliamentary Secretary with 5,308 submissions or briefs during 2004-05.

Defence prepared and dispatched 5,869 responses to ministerial representations. Approximately 70 per cent of this correspondence was completed on time. Because of an increase in the number of letters requiring complex responses across Defence, the percentage of responses completed on time fell in 2004-05.

Types of Advice/Correspondence	2001-02	2002-03	2003-04	2004-05
Submissions and briefs	2,955	4,250	5,093	5,308
Responses to ministerial representations prepared and dispatched	8,777	12,564	11,240	5,869
Percentage of responses completed on time	76%	83%	77 %	70%

During the year, 36 Cabinet Submissions or memoranda were provided to Cabinet or its National Security Committee.

During 2004-05, Defence received 195 Parliamentary Questions on Notice, and submitted 137 responses to Hansard. In addition, five questions from the Senate were transferred to other portfolios. Defence also responded to 156 questions on notice through parliamentary committees.