Thank you for this opportunity to put in writing my long term concern and challenge on the Australian Defence Organisation. My issue is whether the financial fiduciary duty to the Australian Parliament that is placed on the ADO can be relied upon?

“Defence: ‘in’ and ‘of’ the community” should be tempered by the Defence Force Charter, in that

Is it?

(Other points of opinion taken from your discussion paper will also be addressed.)

Probity
As a Defence Reservist, citizen and tax payer, I have been ‘sent to Coventry’ so many times that I have lost count, but thanks to Hansard I have been able to bounce back and now be in a position via this submission to ask questions, that I have the answers for, and you, by your own resources should be able to verify and if not resolve to reach a point of plausibility.

1. Defence Budget – 1994 through 2013 – in excess of $300bn
2. Detected Fraud – 1994 through 2013 – something less than $25m
3. Recovered Funds – 1994 through 2013 – something less than $3.5m
4. Defence breached public service financial rules by being non-compliant 22% in 2012-2013
5. The only probity check of the completed Defence Annual Report is the Senate under their Standing Orders 25(20).
6. According to the Auditor General’s financial statement in 2005, it was reported that Defence had breached s48 of the Financial Management and Accountability Act. (Reported in the order of $8bn)
7. When asked about Public Sector Fraud and financial error, the Department of Finance responded, “The nature of the information collected does not enable an overall figure for fraud to be determined.”

With all of the points 1 to 7 taken into consideration, what confidence can the taxpayer have in the dollar spend of the Australian Defence Organisation covered by the forthcoming White Paper?
This is the equivalent of about one dollar in every 14 spent by the federal Government, the fourth highest discrete sector of Government spending behind social security and welfare, health, and education.

The latest Defence Capability Plan contains 111 projects, or phases of projects, worth around $153 billion, taking into account projected inflation rates.

- The real challenge for White Papers is to make the tough choices between capability options – a dollar can only be spent once.

“Lies don’t fit snugly into disguises. Eventually the cloak falls off and you’re left staring at the naked truth which is always an uncomfortable situation.” — Richelle E. Goodrich

“I personally am not satisfied that the framework within which we go about our investigation and our reporting is sufficiently robust for the circumstance we find ourselves in.”  — Duncan Lewis

“Every Defence dollar is sacred!” — Senator David Feeney

"A million here, a million there, pretty soon, you're talking real money." — Senator Everett Dirksen (US)

Australian Public Service (APS) personnel are employed in an array of critical positions in Defence, Australia-wide. They make a direct contribution to policy and intelligence outputs and they enable our three Services, Navy, Army and Air Force. APS personnel design, build and provide the equipment ADF personnel use, manage Defence’s finances and undertake administration and other support roles.

On the 26th of June 2014, the Legal and Constitutional Affairs Committee of the Senate referred ‘Work undertaken by the Australian Federal Police’s Oil for Food Taskforce’ for public input.

As some members of the ADF had had referring roles at the time as Legal and Intelligence Officers, I used my experiences with reporting a serious notifiable incident as an example in parallel.

Mr Michael Wunderlich [PDF 75 KB]
1.1 Supplementary to submission 1 [PDF 67 KB]

It was submitted there to highlight deficiencies in the interaction between entities of the Australian Government and in my case the Defence Diarchy.

- What enabling capabilities are critical to support ADF operations and to eliminate hollowness in the force?

Where is, and where has the Inspector General Defence’s presence and reporting been when we have progressed through the CSP (Commercial Support Program) of the 90’s and the outsourcing of tasks in the new millennium?

Where were his critical reports from within Defence of events that could have forecast this current predicament of ‘hollowness’?
Reference IG-Defence should be made to:  

Supplementary Budget Estimates Hearing – 20 November 2013  

Question On Notice No. Q47 – Fraud control and investigation

Reference IG-ADF should be made to: 
with time stamp from 02:52:11 through to 03:41:10 - IG-ADF

• How should Defence invest in its people, and how should it continue to enhance its culture?

'You are still a citizen of Australia and must always obey the laws governing you as a citizen. Indeed as a soldier, you have the further responsibility of ensuring that by your behaviour and bearing, you set a good example'.

It is of note that a current copy of both the  
1. Defence Force Charter\(^\text{11}\), and  
2. Charter of Public Service in a Culturally Diverse Society\(^\text{11b}\)  
cannot be found either by internet search engine or by following links on departmental web pages.

While Australians typically have a high opinion of the professionalism of the armed forces, such support can’t be taken for granted. Widely reported instances of poor behaviour by some ADF members have undermined some of the goodwill enjoyed by the military, with the by-product of reducing the appeal of a military career for some potential recruits. The Government and the leadership of the ADF recognise the need for a zero tolerance approach to unacceptable behaviour and to ensure that community standards are reflected in everything the ADF does—and communicate that to the wider population.

What a whole lot of incidences have shown, from Kovco to Skype and from RANAD Newington to HMAS Westralia that there is a tendency for Defence not to want to air its dirty laundry in public.

A century of mythology cannot be trashed easily, but oh it can be so easily tarnished by a few, especially when the attributes of ‘delay’, ‘defer’ and ‘deter’ are applied.

Assertions emanating to and from the Defence Abuse Response Taskforce that service documentation have been altered and / or falsified continue to give concern!

‘On 7 March 2012, the Minister for Defence, Secretary of Defence and the Chief of the Defence Force jointly announced a strategy for cultural change and reinforcement in Defence and the Australian Defence Force.’

The one glaring applicable omission to this appears to be the Inspector General – Australian Defence Force publication - Review of the Management of Incidents and Complaints

There appeared and appears to be an ongoing failure to manage a redress of grievance allegation against Australian Defence Organisation members up to and including Senior Executive Level.

There is an impression that some are above question, when really they are not. It is a matter of confidence in their individual integrity!
Where was the effective use of the Service Police in financial investigations?

Where are the two Inspector General’s when it comes to the question of financial probity?

Where are the Australian Federal Police when and if they are called upon? 

ie. Operation Majorca et al12a

RANAD Newington – Busuttil Report 12b

HMAS Westralia 12c

Has the ‘Re-thinking Systems of Inquiry, Investigation, Review and Audit in Defence’ project been completed? 13

- What is the optimum use for reserve forces? Defence reserves have always been an important element of overall ADF capability. Reserves (and the Cadet forces which are an important ADF recruitment base) are also an important link between the ADF and the wider community. The White Paper will need to ensure that an appropriate set of roles and missions is defined for reserve forces that these roles and missions are achievable given levels of reserve training and that forces are adequately equipped in a cost effective way.

What cross-training do current members of the ADF need?

General Baker: “civil militia” mentality has to be restored. 14

- How should Defence develop capabilities to address modern elements of warfare, including in the cyber domain?

How should cyber-related issues be incorporated into training for incoming personnel?

Defence and the ADF will also need to understand cyber issues as they support defence enabling capabilities, such as research and development, procurement, and workforce and strategic planning.

To fight effectively the ADF needs to be supported by intelligence collection and analysis, good quality policy advice, logistic backup, information and communications technology support, defence equipment procurement and sustainment and a first rate training infrastructure.

The changing nature of society, particularly where job mobility is concerned, makes attracting and keeping skilled personnel challenging.

With Australia’s changing demographics, can the ADF continue to recruit the right people and meet the expectations of Australia’s youth and the community as a whole?

Within the Defence Force Discipline Act 1982, there is an unused and untested description of Reserve Member,

“(b) a member of the Reserves is taken to be on duty while acting, or purporting to act, in his or her capacity as a member of the Reserves.”

In today’s environment everybody is time poor, and unit (Reserve) effectiveness would be an ongoing concern to Defence management.

I would contend that after two years service with a Reserve unit some people would have outgrown their enthusiasm and ability to be in uniform and attend parade nights and weekends.
Also, the unit would have identified who they would like to keep within their Corps as a valuable asset for future use and promotion.

Next to weapons proficiency, local language proficiency and cyber skills are what are needed for deployment in today’s environment to assist command decisions.

My suggestion is that the use of Non-Corps postings be offered where selected personnel can be channelled to learn and skill in a language that would of use to the Australian Defence Force should the Government of the day deem a Defence presence necessary.

There are already pay increments within Defence for language skills. 15

Secondly the same model could be used for cyber skills training.

The place of parade would not necessarily be a Defence establishment, but rather an education establishment for either tuition and or ‘sprint’. 16

They would still however return to their unit for their annual two week camp and/or major exercise deployment to maintain proficiency in their military skills.

Again, thank you for this opportunity to contribute.

**Observation on the content of the Defence website directed toward the public.**

I personally, have lost count of how many documents that I have relied upon in this and other references where Defence has recently changed their URL structure. It does not forebode well for transparency of this portfolio and the accountability that is publicly professed by the ADO.
References:

1. Defence Budget – 1994 through 2013


3. Senate Additional Estimates - 26 February 2014 - Q35 2009-2013 $0,899,000
   Senate Budget Estimates 31 May - 1 June 2010 - W7 2001-2009 $1,367,000
   1994-2000 $1,157,000


5. 170 PM&C Requirements for Annual Reports Written (PDF 13KB) 11/7/14

   Picture below refers to Reference 6.


7. Senate Budget Estimates, June 2014 Written Finance Q. F147

8. [http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees%2Festimate%2Face1ff7c-bbef-477a-8d6a-835c0b03c2cc%2F0001%22](http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22committees%2Festimate%2Face1ff7c-bbef-477a-8d6a-835c0b03c2cc%2F0001%22)


11. a. Defence - [http://www.defence.gov.au/AnnualReports/02-03/01_08charter.htm](http://www.defence.gov.au/AnnualReports/02-03/01_08charter.htm)
   The Defence Service Charter is available electronically
gives a “404 Page Not Found!!!”

   Charter of Public Service in a Culturally Diverse Society
gives a “Page Not Found”


b. Budget Estimates Hearing 2014

c. Budget Estimates Hearing 2014
   Q72 (Page 227 of 434) – HMAS Westralia – Defence Contract Procurement probity

13. ‘Re-thinking Systems of Inquiry, Investigation, Review and Audit in Defence’
   Senate Budget Estimates- 3-4 June 2013 – Q110: Secretary’s views on investigative framework
   Page 213 of 233

14. The Adelaide Advertiser – Tuesday 09 January 1996

15. Language Proficiency Allowance

16. ‘Sprint’ – A sprint is a get-together of people involved in a project to give a focused development on the project. Sprints are typically from one week up to three weeks. Sprints have become popular events among some open source projects.
Political satire from a time past. (The attached may be subject to copyright)