

Kim Beazley's Plan for Defence Personnel

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Overview

One of the primary obligations of any Federal Government is to secure and defend Australia, its people and its economic and political interests. While a range of policies combine to contribute to a nation's security, a well-equipped and properly trained Defence Force is a fundamental requirement.

Labor recognises that the Australian Defence Force's (ADF's) most valuable asset is its people. To sustain and improve that people capability, Defence must be able to compete with the private sector to recruit and retain well educated, highly skilled and strongly motivated men and women. To do this, Defence needs an integrated long-term personnel policy that addresses the special nature of military service. Increasingly this involves a greater proportion of our Defence Force being located well away from major capital cities, such as Sydney and Melbourne, and relatively frequent overseas deployments.

The unique skills and disposition of highly trained Regular Defence personnel needs to be complemented by a revitalised Reserve Force. The object should be to have the full time and reserve elements better combined into a total force structure where the differing roles of all components is properly understood and valued.

It must be recognised that the well being and morale of service personnel and their families is integral to the efficiency and effectiveness of the Defence Force. Pay and other conditions of service, health and safety programs, and training measures must be developed with these considerations in mind. It is also important that our Defence Force strives to be representative of the community that it serves.

The Howard Government's Failures

Since 1996, the size of both the full time Defence Force and of the Defence Reserves has shrunk under the pressure of the Howard Government's policies. This was the same Government that had earlier criticised our Defence Force as being too small. The Government has treated Defence as just another business. Morale has declined as conditions of service have been eroded, and as large numbers of positions have been outsourced to the private sector.

RECRUITMENT AND RETENTION

When the Coalition was elected to government, the full time Defence Force stood at 58,000 personnel. At the time it claimed that the ADF was undermanned. By August 2001 the full time force had fallen to 49,900 as a result of Howard Government cuts and poor recruitment and retention outcomes. A recent Senate Inquiry found that the Defence Force had recently experienced a net loss of 1,500 personnel a year and had failed to reach its recruitment target every year since 1997/98. Even the Government's own Defence White Paper acknowledged last year that the ADF would be 12,000 below strength in 2010 if current separation and recruitment rates continued.

The September 2000 report of the White Paper Community Consultation Team, chaired by former Liberal Leader Andrew Peacock, reported that the majority of serving members saw themselves in an increasingly marginalised organisation. Outsourcing, lack of training opportunities and conditions of service were seen as the major contributors to poor morale. These findings were reinforced by the Department of Defence's own attitude surveys, which revealed that more than three in every ten serving personnel were actively considering leaving the Defence Force.

While vacancies in key specialist positions increased, the Coalition closed all its ineffective retention bonus schemes without putting in place alternative retention measures. Career management practices within the ADF are widely considered to be ineffectual and systemic problems in the recruitment system persist, despite massively increased spending on advertising.

CONDITIONS OF SERVICE

The Coalition promised in 1996 that it would provide service personnel with appropriate recognition and rewarding career structures. In Government it has undermined long-standing conditions of service, even classifying many entitlements as reportable fringe benefits. It has begun phasing out the Isolated Establishment Allowance and reduced the value of the Remote Locality Leave Travel offset provision. It has commissioned so-called reviews of several other key allowances, travel entitlements and other conditions of service.

THE RESERVES

The Coalition has repeatedly stated that our Reserve Forces will be expected to shoulder a greater proportion of our national Defence effort. Despite this, it has presided over a drastic reduction in the number of serving reservists. The latest data shows there are now only 19,000 active reservists, compared to over 27,000 when Labor left office. The Army Reserve has been particularly hard hit. Major contributors to this situation have been the Coalition's disastrous experiment with Common Induction Training and its abolition of Defence leave as an allowable industrial award matter. Having promised in 1996 to accelerate legislation to

protect the civilian employment rights of reservists, the Howard Government had to be shamed into doing so five years later - long after Labor had put its own private member's bill before the Parliament with the support of the Reserve community and the ACTU.

HOUSING

The Federal Government has a particular responsibility to provide Defence personnel and their families with secure, affordable and appropriate rental housing. A stark example of the Coalition's lack of understanding of the unique nature of military service was its action in commissioning a Cabinet review of the possible privatisation of the Defence Housing Authority. More recently, the Coalition's secretive *Review of Australian Defence Force Remuneration 2001* proposed a completely market-driven approach to Defence housing. Despite its 1996 election promise to give special attention to the standard of on-base accommodation for single personnel, it took the Government five and a half years to face up to the situation. In the meantime, its own statistics revealed that more than 60% of singles accommodation was below the acceptable community standards set by Defence.

DEFENCE FAMILIES

The Coalition has failed to properly build on Labor's programs to assist Defence families. It even managed to massively underspend the budget allocation for its Spouse Employment Assistance Program. Repeated approaches about the particular circumstances of serving personnel who are non-custodial parents have fallen on deaf ears.

MILITARY JUSTICE SYSTEM

Coalition neglect and inaction has created a crisis of confidence in the fairness, efficiency and transparency of our military justice system. Despite the findings of a bipartisan parliamentary inquiry in 1999, and serious allegations being raised with Ministers' offices and the media, the Government continued to insist that there was nothing to worry about. The commencement of a further Parliamentary Inquiry forced the Government to establish a Military Justice Audit, which received a substantial number of complaints. Despite this history the Coalition's recent Defence Personnel policy does not even mention the military justice system.

DEFENCE HEALTH SERVICES

The continuing ability of Defence to provide serving personnel with comprehensive medical, hospital and dental treatment has been undermined by staff shortages, the Government's failure to deliver on a promised new salary and career structure for medical officers and protracted on-again off-again market testing exercises.

INDIVIDUAL READINESS

Tougher fitness and individual readiness requirements introduced by the Coalition have had a devastating effect on many long serving personnel and their families. At the same time, a major review by the Auditor General questioned whether the entire system was appropriate and achievable.

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FRINGE BENEFITS REPORTING EXEMPTION

As part of the Coalition's New Tax System, the Government introduced legislation in 1998 to make certain employer-funded fringe benefits reportable on the group certificates of individual employees with effect from 1 April 1999. Reportable fringe benefits impact in turn on an individual's possible child support liabilities, eligibility for family payments, HECS repayment obligations, the superannuation and Medicare levy surcharges and certain superannuation rebates and deductions.

Service men and women were shocked to learn that the Coalition had failed to exempt them from the FBT reporting requirements. They pointed out that the service benefits that they receive compensate them for the inherent hardships of military life, such as being compulsorily posted away from their home city. They were insulted that the Government implied that such measures were simply perks or examples of tax minimisation.

From the outset, Labor went into bat for service men and women in their campaign to be exempted from the reporting system. In response, the Government has announced a series of piecemeal exemptions over the past two years. Its announcements have created confusion, further anomalies and considerable compliance costs. Thus ADF-funded education assistance for the children of serving members is reportable for some years of schooling and not for others. Interest rate subsidies for home loans are reportable if the serving member occupies the house but not if they rent out the property. The list goes on and on. Defence says up to 15% of serving personnel still have reportable fringe benefits.

Labor will exempt all remaining ADF-provided personnel entitlements from the FBT reporting system. This will not impact directly on Defence budget outlays. There will be negligible impact on spending on family payments. The estimated reduction in tax revenues resulting from the further exemptions is estimated to be \$5 million a year.

REMOTE LOCALITY LEAVE TRAVEL OFFSET PROVISIONS

Defence personnel posted to a remote locality bases are entitled to taxpayer-funded leave travel to the nearest capital city to access proper medical, dental, shopping and other facilities. For personnel posted to the North Territory, Adelaide is accepted as being the nearest capital city.

An individual's remote locality leave travel (RLLT) entitlement can be offset, or cashed out, by personnel who opt to instead travel to an alternative destination or to drive themselves. In consultations for the ADF Enterprise Productivity Arrangement 1999-2002, personnel posted to the Northern Territory strongly opposed any changes to the arrangements covering RLLT. They were dismayed to learn that the dollar value of their RLLT offset entitlement was significantly reduced as an unintended outcome of the March 2000 Defence travel contract with QANTAS. The report of the White Paper Community Consultation Team confirmed that this change had generated considerable resentment amongst personnel in the Northern Territory. The repeated refusal of Minister Scott to even accept that there was a legitimate grievance, only added to the discontent of service men and women in the Territory.

Labor will set aside \$7 million to restore the value of the RLLT offset to the normal departmental liability that applied prior to March 2000. This measure will take effect from 1 January 2002 and will apply until the expiry of the current ADF Enterprise

Productivity Arrangement. Arrangements beyond that date will be finalised as part of the next Enterprise Productivity Arrangement.

REBUILDING THE DEFENCE RESERVES

The Reserve is a critical component of Australia's Defence capability. The unique skills and disposition of highly trained Regular Defence personnel need to be complemented by a well trained and equipped Reserve Force. Defence Reserves have an increased role to play in Australia's national Defence effort.

Reservists form the basis of the Australian Defence Force's ability to support and sustain its operations. Australia's commitment to East Timor highlighted how important the Reserve is in Australia being able to sustain military operations.

The Australian Defence Force needs Reservists who can contribute to any sort of operation in which Australia might participate. They play an important part in providing specialists, for example medical practitioners, for military operations and for the day-to-day business of Defence. The objective for the future must be to have the full time and reserve elements better combined into a total force structure where the differing roles of all components is properly understood, valued and utilised.

With the reduction in full-time personnel numbers, the Defence Reserves are likely to shoulder an increased proportion of Australia's national Defence effort. Despite acknowledging this requirement, the Coalition has allowed the number of reservists to decline significantly and has been unable to effectively define the roles and tasks expected of the Reserves as part of an overall force structure. The Government's abolition of defence leave as an allowable industrial award matter, its destruction of Labor's Ready Reserve, its introduction of Common Induction Training (CIT) for the Army and its changes to recruitment arrangements are all acknowledged to have impacted negatively on recruitment and morale in the Reserves.

It took Labor's leadership on the issue of civilian employment protection legislation to shame the Government into taking belated action. At the same time, Labor supported changes to the call out provisions covering reservists, the introduction of the Employer Support Payment (ESP) and action on civil accreditation of Reserve training.

Unlike the Government, we recognise that much more needs to be done to rebuild the Reserves. To do this, Labor will implement an eight-point plan for which we will provide additional funding of \$8.9 million a year.

Reserves Tasking Plan

The Coalition's White Paper failed to clarify the expected roles and tasks of the Reserves in the years ahead. Labor will address this deficiency by developing a Reserves tasking plan that would properly define the expected role of the Reserve Forces. This plan will include consideration of the circumstances in which both formed Reserve units and individual reservists might be required for temporary full-time duty.

High Readiness Reservists

Since the Coalition abolished Labor's Ready Reserves scheme there has been no mechanism by which Army reservists can sign up for more intensive service involving an increased training commitment. To provide such an option Labor will fund 1,000 high readiness Army Reserve positions in designated sub-units. 15,000

extra training days a year will be allocated for this purpose. Unlike the former Ready Reserve scheme, high readiness sub-units will be in place across Australia.

As well as receiving the benefit of these extra training days, high readiness reservists will receive a tax-free commitment bonus of \$1,500 a year. An extra \$2.8 million a year will be allocated for this measure. This funding will cover the extra training days and the commitment bonus, with the cost of the base places being funded out of existing resources.

4% Pay Increase

Despite introducing a subsidy for employers and increasing the advertising budget, the Coalition has failed to develop any measures to make Reserve service more rewarding financially. Labor will do so by increasing by 4% the tax-free training allowance that is paid to active reservists. This pay increase will also compensate reservists for the introduction of the GST, for which they received no direct compensation. This measure will cost an extra \$4.4 million a year.

Superannuation Guarantee

Under current legislation, training allowances payable to reservists do not qualify as eligible wages for purpose of the 8% Superannuation Guarantee Charge (SGC). This means that reservists do not receive any contribution from the ADF towards their future retirement income. Labor will legislate to incorporate reservists' training allowances into the SGC system. This will mean that the ADF will make an 8% employer superannuation contribution to those reservists whose training allowance income exceeds the SGC threshold of \$450 in a particular month. This will bring reservists into line with the system applying to the civilian workforce. The SGC contribution will be payable to an eligible fund nominated by the reservist. This measure will cost \$1.7 million a year.

Defence Leave to be Allowable in Awards

Labor will introduce legislation to restore defence leave for reservists as an allowable federal award matter. This was the situation that applied for many years prior to Minister Reith's introduction of the Government's *Workplace Relations Act*.

Replace Common Induction Training

The Coalition introduced a system of full-time Common Induction Training (CIT) for the Army, which requires reservist recruits to train full-time alongside Regular Army personnel. Whatever the theoretical appeal of the CIT system, it has proven incompatible with the demands of the contemporary civilian workforce and has acted as a major disincentive to new enlistments. Labor will replace the full-time CIT system with a modular induction system that is more suited to the special nature of Reserve service.

Minimum Annual Training Days

Labor will ensure that all Reserve units receive a guaranteed minimum annual allocation of training days for each active reservist who is meeting their training obligation.

Phantom Reservists

The true state of staffing in the Reserves will only be known when Reserve units are required to take prompt action to reactivate, or remove from their books, reservists who have ceased to meet their annual training obligations. Persistent reports of so-called 'phantom' reservists suggest that this is not occurring under the Coalition. Labor will instigate a clean up of the personnel rolls of Reserve unit to overcome this problem.

DEFENCE RENTAL HOUSING

Defence Families

The former Labor Government established the Defence Housing Authority (DHA) to significantly improve the quality of community or off-base rental housing for Defence families. We are committed to continue this long-term reform agenda.

Defence families are rightly suspicious of the Coalition's intentions towards the DHA. They recall that in 1997 the Government commissioned a cabinet paper on whether the DHA should be included in the Coalition's privatisation program. It was only the concerted campaign by Defence families, supported by Labor, which forced the Government to promise in June 1998 that the DHA would remain in government ownership for the time being. The timing of that announcement was clearly linked to the approach of the 1998 federal election.

More recently, the Coalition's secretive *Review of Australian Defence Force Remuneration 2001* (known as the Nunn report) again canvassed a totally market-driven approach to Defence housing. It recommended that serving personnel be provided with a Accommodation Assistance voucher that they could use to rent housing from either the DHA or from the private sector. Over time such an approach would inevitably mean that the ADF would have no direct control over the availability, quality or location of housing for Defence families. Equally the DHA would be naturally reluctant to invest in the purchase or long-term lease of new housing stock if it had no guarantee of the likely take up of the resulting housing. Defence families can be reassured that Labor totally rejects these regressive proposals.

Labor is aware that there is a clear anomaly regarding DHA managed housing in Darwin. Currently all DHA managed housing in Broome, Derby, Kununurra and Nhulunbuy is fully air-conditioned. Since May 1999, all new DHA houses built in Darwin have also been fully air conditioned, given the prevailing climatic conditions. However, many existing Defence homes in Darwin are only partially air-conditioned. Labor supports the recent DHA initiative to fully air condition all such homes by the end of 2001-02 at a cost of \$3 million.

Single Personnel (Members Without Dependents)

As the standard of DHA housing has increased, the unsatisfactory state of on-base housing for single personnel (members without dependents) has become increasingly unacceptable. For the past two years the Opposition has consistently drawn attention to Defence's own data on this matter. This data revealed that more than 60% of single personnel were living in substandard on-base accommodation, despite the Coalition's 1996 election promise to address the issue as a matter of priority.

The Government has commissioned no less than three separate reviews of the singles housing issue. The most recent review was completed earlier this year but the review report has never been made public. On 5 October - the day the election was called - Minister Scott issued a media release announcing that single personnel with five years' service would in future be offered the choice of renting privately with access to full Rent Allowance, accepting DHA accommodation that was not needed by families or staying on base.

Minister Scott's announcement indicated that eligible single personnel would be eligible to access full Rent Assistance to rent privately as from 25 October 2001. It also stated that singles with less than five years' service who currently live in substandard on-base housing will be offered rent assistance to obtain shared accommodation in the community.

Labor regrets that the Government has chosen to withhold crucial information about the expected take up and cost of its singles housing announcement. This action flies in the face of the Government's stated commitment to a Charter of Budget Honesty. Equally, Labor does not wish to create difficulties for single personnel who may wish to take up the additional choices that were announced on 5 October. Notwithstanding the Government's failure to provide Labor with all relevant information, a Labor Government will ensure that the announced changes proceed as planned. Labor will ensure that the Parliament is provided with all necessary information on the measure no later than the next Budget Estimates round.

MILITARY COMPENSATION ENHANCEMENTS

The Australian community has a clear obligation to care for service personnel who suffer physical or psychological harm as a result of their military service. The Howard Government has been dragging the chain on action to address acknowledged problems with current military compensation arrangements. Labor will accept the responsibility to act on these matters.

New Peacetime Military Compensation Scheme

The Government has repeatedly promised to introduce a new Military Compensation Scheme covering all forms of peacetime military service. Despite the conduct of two separate reviews and extensive consultation with stakeholders groups, it has failed to honour this commitment. This is despite the fact that the relevant Departments jointly circulated in March 2000 an outline of a proposed new Military Compensation Scheme, having the following features:

- A single Defence-specific workers compensation scheme to cover all forms of Defence service short of declared war;
- The removal of dual eligibility under the *Veterans Entitlements Act* (VEA);
- Operating on a purely prospective basis, with existing entitlements protected;
- Providing regular payments for loss of income, capped at 75% of prior earnings after 45 weeks;
- Providing tax-free lump sum benefits for non-economic loss;
- Incorporating safety net arrangements for younger widows;
- Linked to the DVA treatment entitlement system, with Gold Card access for the severely injured, and for widows and orphans, and automatic treatment for all cases of cancer, post-traumatic stress disorder (PTSD) and tuberculosis;
- Using standard DVA pension assessment tools such as Guide to the Assessment of Rates of Veterans' Pensions (GARP) and the Statement of Principles adopted by the Repatriation Medical Authority for particular medical conditions; and
- In cases of operational service, a beneficial standard of proof would apply in favour of the claimant.

Labor has carefully considered this proposal and considers that it is broadly acceptable as the basis for a new Military Compensation Scheme. Given the Government's continued failure to introduce draft legislation as the basis for detailed consideration by a Senate Committee Inquiry, Labor will do so at the earliest possible opportunity. Labor will continue to consult with key stakeholder groups in the finalisation of the new scheme, which is designed to be cost neutral in its impact.

Assisting existing Military Compensation clients

The introduction of the new Scheme will be accompanied by two measures to assist existing clients of the Military Compensation and Rehabilitation Scheme (MCRS).

The first will be an annual client satisfaction survey, focused on ways in which the administration of the scheme and the flow of information to clients can be improved.

This will be accompanied by the establishment of a training program for community advocates willing to help claimants for compensation with assistance and advice. This program will be modelled on the successful TIP program for veterans' organisations and is expected to involve relevant community organisations. It will not attempt to replace the need for professional legal advice and assistance for service personnel who are involved in court action in relation to their claims. A total amount of \$500,000 a year will be provided for these two measures.

HMAS Melbourne Litigation

Over many years, Defence has been engaged in protracted litigation in respect of the tragic collision between *HMAS Voyager* and *HMAS Melbourne* in 1964. A process of mediation has now settled all remaining *HMAS Voyager* cases. Expensive and time-consuming litigation continues in relation to some former *HMAS Melbourne* personnel.

To bring the matter to a timely end, and limit further legal expense, Labor will introduce a system of mediated settlements for *HMAS Melbourne* personnel who have a court-ordered extension of time to sue the Commonwealth as a result of the *Voyager* collision. \$3 million a year will be allocated for this purpose.

DEFENCE FAMILIES

Labor recognises that service life impose particular hardships on Defence Force families. In particular frequent posting changes make it harder for spouses to pursue career opportunities of their own. Children face constantly moving away from friends and extended family members and confront differences in State and Territory school education systems. Access to tertiary education can be difficult. Service life can contribute to family breakdown and, when this occurs, the posting system means that service personnel can face further difficulties in maintaining access to their children.

The former Labor Government introduced a range of special programs for Defence families both on social justice grounds and as a sensible investment in personnel retention. Labor will build on these programs to address the identified concerns of families.

Spouse Employment

Improving employment opportunities for spouses in areas where major Defence bases are located is a key concern of serving personnel. This is particularly true in regional centres. The Coalition's efforts in the spouse employment area have clearly been ineffectual. Labor will boost funding for the Spouse Employment Assistance Program (SEAP) by \$1.9 million a year. This means that under Labor the Defence Community Organisation will have access to total funding of \$2.5 million a year for spouse employment measures. This funding will be used for information provision and specialised job clubs for Defence spouses and for other employment related measures.

Labor recognises that Defence spouses who move from State to State as a result of ADF posting decisions can experience employment difficulties due to differing

State registration requirements for certain professional and technical positions. Labor will pursue with the States the need for mutual recognition arrangements or other suitable procedures to overcome this barrier to spouse employment opportunities.

Childcare and Family Support

The 2001-02 Budget provides for an expansion of the Defence Employer Sponsored Child Care Program, costing \$13.2 million over five years. It also funded the establishment of a Family Support (Loan) Fund to provide immediate welfare relief and support to the families of deployed personnel, and a *Welcome to the ADF Family* information program. Labor will proceed with the implementation of these announced measures.

Labor will also establish an Emergency Overnight Childcare Reimbursement Scheme. This scheme will apply to situations in which a serving member is required to be away from their family at short notice and their spouse or usual caregiver is not available to provide emergency childcare. Subject to reasonable time limits and other guidelines, reimbursement will be provided to the serving member for the cost of emergency care from a licensed childcare provider. Under Labor, a maximum of \$1 million a year will be provided for this purpose.

Non-Custodial Parents

The postings system means that at any point in time many of the 4,000 non-custodial parents serving in the ADF will be living in a different city or State to their children. This makes it difficult and very expensive for them to maintain contact with their children. Service personnel unaccompanied on a long term posting within Australia are entitled to be reunited with their dependants at public expense every three months. Labor will extend partial eligibility for reunion travel to non-custodial parents with children in a different locality by allowing them to be reunited at public expense once every 12 months. \$1.8 million a year will be provided for this measure.

NEW CAREER AND SALARY STRUCTURE FOR ADF MEDICAL OFFICERS

In recent years the ADF has experienced difficulties in recruiting and retaining sufficient uniformed medical personnel. One factor contributing to this situation is Defence's career and salary structure for specialist personnel, which has historically been driven by rank alone, without explicit regard to assessed professional competency. To address this problem a revised career and salary structure has been implemented for ADF legal officers, based on four levels of competency assessed against agreed military and formal on-the-job training requirements, overlaid by the military rank structure. Despite promising a similar competency-based career and salary structure in 1998, the Government has repeatedly failed to deliver on a new career and salary structure for ADF medical officers.

Labor commits to the introduction of a revised career and salary structure for ADF medical officers early in the next parliamentary term. This proposal will be the subject of a detailed examination, and determination, by the independent Defence Force Remuneration Tribunal, in conjunction with interested groups such as the AMA.

NEW FITNESS AND READINESS SYSTEM

Early in its first term, the Coalition introduced a uniform system of individual readiness for all RAAF and Army personnel. The fitness element of the new system has led to the involuntary discharge of hundreds of experienced Defence personnel. A detailed review of the Army's system by the Auditor General,

released in January 2000, found that there was no observable relationship between the proficiency and availability requirements that had been developed and the ADF's ability to actually deploy personnel with 30 days' notice. The Auditor General suggested that the current system be terminated and be replaced with a requirement for unit commanders to achieve readiness standards that are particular to the designated function of their unit. This is consistent with the approach to military readiness that has been adopted by the armed forces of our major allies. Labor will implement such policy. One benefit of this approach is that it will enable Defence to retain the skills and experience of personnel who are unlikely to be deployed in warlike conditions. The proposal will not impact on Defence personnel outlays.

MILITARY JUSTICE REFORMS

Over the past five years, there has been continuing negative publicity about the efficiency, transparency and fairness of Australia's military justice system. As far as possible the Government has sought to avoid responsibility for fixing these problems. Even when serious allegations were raised directly with Ministers' offices, it failed to take proper action.

Nor did the Howard Government act on the Abadee Report (*A study into the judicial system under the Defence Force Discipline Act*, August 1997), the Defence Force Ombudsman's report (*The ADF: own motion investigation into how the ADF responds to allegations of serious incidents and offences*, January 1998), or the bipartisan report of the Parliamentary Joint Standing Committee on Foreign Affairs, Defence and Trade (*Military justice procedures in the Australian Defence Force*, June 1999).

Only when Labor commissioned a further Parliamentary inquiry, following revelations about discipline issues in 3RAR, was the Coalition shamed into establishing a Military Justice Audit, under Justice Burchett. Even where the Government has publicly undertaken to make changes to the system, in response to some of the above reports, it has failed to introduce the necessary amending legislation.

The Coalition's recent Defence Personnel policy makes no reference at all to the matter.

Labor believes that continuing inaction on these matters is undermining confidence in our military justice system. In turn this impacts on morale, recruitment and retention.

To address this problem we will develop an action plan to implement the positive recommendations of Justice Burchett, the Parliamentary Joint Standing Committee in its two report, and of Brigadier Abadee and the Judge Advocate General.

As part of this agenda, we will take urgent action to establish an independent Director of Military Prosecutions and to implement improved procedures to protect Defence whistleblowers. This proposal does not impact on Defence budget outlays.

DEFENCE FORCE CADETS

Some 25,000 young people currently participate as cadets in over 400 Defence Force cadet units across Australia. The cadets program enables young Australians to experience personal challenges and growth, enhanced self-esteem and self-discipline, and adventure in a military setting.

The ADF supports cadet units with uniforms, access to training programs and camps, transport assistance, and experience of military-like activities. As with other youth programs, parents and unit committees are also expected to contribute to the cost of cadet activities.

Labor recognises that over 70% of cadet units are now community-based, being located on ADF premises or in the community. The remaining units are auspiced by private schools or, in some States, by the public school system.

Last year there was a far-reaching review of the cadet scheme by an independent consultant, Mr John Topley. The Topley report (*Cadets: the Future*) was very supportive of the scheme and recommended that it receive additional support from the ADF and the Government. Equally it drew attention to obvious deficiencies in the administration of the scheme and the need to address issues of health and safety, instructor skills and training, and the scheme's formal relationship with the ADF.

Labor is committed to the Topley reform agenda and will maintain the modest \$6 million increase in annual funding for the cadets scheme that was outlined in last year's Defence White Paper.

ONLINE TRAINING AND VIRTUAL CAMPUS FOR DEFENCE PERSONNEL

Labor will develop a virtual Defence Studies campus and continuous learning policy for ADF personnel with a view to creating an online and multimedia environment in which ADF personnel can participate in continuous learning through external studies. Labor will utilise the existing Defence training and education institutions and facilities and the Defence Distance Education Centre.

Labor will also undertake a review of the role Australian Defence Force Academy and the appropriate intake procedures for the institution.

Labor believes that it is essential that appropriate training is available for ADF personnel to ensure well-educated and professional members of armed services. Labor's review will cover the relationship between ADFA and Defence Colleges and other Defence training institutions and explore whether ADFA is being utilised effectively as well identify any weaknesses in the ADF's overall Joint Education and Training program delivery.

The policy will be funded from within existing resources.

Costing¹

	01-02	02-03	03-04	04-05	Total
FBT reporting exemption ²	5.0	5.0	5.0	5.0	20.0
Remote locality leave travel offset	3.5	3.5	0	0	7.0
Reserves - tasking plan	0	0	0	0	0
Reserves – high readiness reservists	2.8	2.8	2.8	2.8	11.2
Reserves – 4% pay increase	4.4	4.4	4.4	4.4	17.6
Reserves – superannuation guarantee	1.7	1.7	1.7	1.7	6.8
Reserves – leave allowable in awards	0	0	0	0	0
Reserves – replace Common Induction Training	0	0	0	0	0
Reserves – minimum training days	0	0	0	0	0
Reserves – phantom reservists	0	0	0	0	0
Housing – retain DHA	0	0	0	0	0
Housing – Darwin air-conditioning	3.0	0	0	0	3.0
Housing options for single personnel ³	*	*	*	*	*
Military compensation – new scheme	0	0	0	0	0
Military compensation – existing clients	0.5	0.5	0.5	0.5	2.0
Military compensation – HMAS Melbourne litigation	3.0	3.0	3.0	3.0	12.00
Families – spouse employment	1.9	1.9	1.9	1.9	7.6
Families – childcare and family support	4.0	4.0	4.0	4.0	16.0
Families – non-custodial parents	1.8	1.8	1.8	1.8	7.2
ADF medical officers career structure	0	0	0	0	0
New fitness and readiness system	0	0	0	0	0
Military justice reforms	0	0	0	0	0
Defence Force cadets	6.0	6.0	6.0	6.0	24.0
On-line Training and Virtual Campus for Defence Personnel	0	0	0	0	0
TOTAL (millions)⁴	37.64	34.64	31.14	31.14	134.56

1. Following the November 2000 Defence White Paper, the 2001-02 Budget made provision for additional expenditure of \$400 million over four years on new measures for Defence personnel. Announced commitments by the Government for the Reserves, Cadets, superannuation and Defence families commit approximately \$151 million of these funds. The cost of the Coalition's singles housing measures has not been revealed. Labor's personnel proposals are to be funded from the remaining unallocated personnel Budget and do not involve an increase in the overall Defence Budget.
2. This measure does not directly impact on Defence outlays. The cost given is the estimated reduction in Commonwealth revenue receipts.
3. Labor will honour the changes announced by the Government on 5 October 2001. The Coalition refuses to provide costing details. The cost of the Coalition's singles housing measures has not been revealed. Labor's personnel proposals are to be funded from the remaining unallocated personnel Budget and are cash limited to that extent. There will not be an overall Budget impact.
4. The net budgetary impact of the above measures is (\$m):

01-02	02-03	03-04	04-05	Total
0	0	0	0	0

The cost of the Coalition's singles housing measures has not been revealed. Labor's personnel proposals are to be funded from the remaining unallocated personnel Budget and are cash limited to that extent. There will not be an overall Budget impact.