THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA

JOINT COMMITTEE OF PUBLIC ACCOUNTS

219TH REPORT

FINANCE MINUTE ON THE COMMITTEE'S 189TH REPORT -

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JOINT COMMITTEE OF PUBLIC ACCOUNTS

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DR A.C. THEOPHANOUS, M.P.

P.N.D. WHITE, M.C., M.P.

*Ex-officio member being Chairman, House of Representatives Standing Committee on Expenditure

DUTIES OF THE COMMITTEE

Section 8.(1) of the Public Accounts Committee Act 1951 reads as follows:

Subject to sub-section (2), the duties of the Committee

- (a) to examine the accounts of the receipts and expenditure of the Commonwealth including the financial statements transmitted to the Auditor-General under sub-section (4) of section 50 of the Audit Act 1901;
- (aa) to examine the financial affairs of authorities or the Commonwealth to which this Act applies and of intergovernmental bodies to which this Act applies;
- (ab) to examine all reports of the Auditor-General (including reports of the results of efficiency audits) copies of which have been laid before the Houses of the Parliament;
- (b) to report to both Houses of the Parliament, with such comment as it thinks fit, any items or matters in those accounts, statements and reports, or any circumstances connected with them, to which the Committee is of the opinion that the attention of the Parliament should be directed:
- (c) to report to both Houses of the Parliament any alteration which the Committee thinks desirable in the form of the public accounts or in the method or keeping them, or in the mode of receipt, control, issue or payment of public moneys; and
- (d) to inquire into any question in connexion with the public accounts which is referred to it by either House of the Parliament, and to report to that House upon that question,

and include such other duties as are assigned to the Committee by Joint Standing Orders approved by both Houses of the Parliament.

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PREFACE

Following the creation of the Department of Finance in 1976, it was agreed that the 'Treasury Minute' arrangements for ensuring that appropriate action is taken in response to Committee recommendations, should continue. These procedures then became known as the 'Department of Finance Minute'.

Although these arrangements are periodically reviewed, they have been in operation, in more or less their current form, since 1952, when the Public Accounts Committee was re-established.

The Finance Minute procedures, as they now stand, are as follows:

- The Report of the Committee is tabled in both Houses of the Parliament and motions are moved in both places that the Report be printed as a Parliamentary Paper.
- The Chairman of the Committee thereafter forwards a copy of the Report to the responsible Minister and to the Minister for Finance with a request that he give the Report his consideration and inform the Chairman of the action taken to deal with the Committee's conclusions.

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- 3. The reply which is in the form of a Department of Finance Minute, is then examined by the Committee and, together with the conclusions of the Report to which it relates, is submitted as soon as possible as a Report to the Parliament.
- 4. Should the Committee find during its examination of a Department of Finance Minute that certain recommendations are not fully dealt with or are subject to a further Minute, it holds an exploratory discussion with officers of the Department of Finance prior to the submission of the Minute to the Parliament.
- 5. In reporting a Minute to the Parliament, the Committee, except in special cases does not usually make any comment other than to note recommendations not fully dealt with or subject to a further Minute.

- When the Committee next examines the Department concerned the Department of Pinance Minute is considered by the Committee if applicable.
- 7. The Department of Finance furnishes the Committee with a half-yearly report on outstanding Minutes, indicating the progress made in dealing with the Committee's comments.

In accordance with the procedures outlined above, this report documents the Department of Finance Minute which was submitted in response to the Committee's 189th Report.

For and on behalf of the Committee.

Senator G. Georges

Chairman

Secretary

Joint Parliamentary Committee of Public Accounts

Parliament House

Canberra

7 December 1983

CHAPTER 1

INTRODUCTION

- The Committee's 189th Report which examined the purchasing procedures of the Department of Transport (now aviation) for Airport Fire Tenders was tabled in Parliament on 27 October 1981. A summary of the report appears in Chapter 2. The recommendations and conclusions, together with the response in the form of a Department of Finance Minute, appear in Chapter 3. the Finance Minute was transmitted to the Committee by the Minister for Finance on 19 May 1983. Further information on the operational performance of the fire tenders was sought on 11 November 1983.
- The Committee is not satisfied with the response of the Department of Aviation (formerly the Department of Transport) which did not accept many of its conclusions. In light of the Department's responses contained in the Finance Minute the Committee wishes to draw the Parliament's attention to a number of responses to conclusions and recommendations of its 189th Report.

Purchasing Procedures

- The purchasing procedures of the then Department of Transport in relation to the contract with the Walter Motor Truck Company for airport fire tenders were a major concern of the Committee, as expressed in the 189th Report. In particular, the Committee considered that there was a need for a two-phase contract covering prototype and production (Recommendation 6.27). The Department's response was that a two-phase contract was unhecessary as the power divider concept was not new and was in wide use by other manufacturers. The Committee points out that this opinion is contrary to that of the President of the Walter Motor Truck Company who stated that 'Because of the advancement in the state of the art that it (the fire tender) represents, there is nothing like it operating right now. I The Committee feels that the history of the vehicles, as outlined in its report, provided ample evidence that the power divider in the Walter trucks was not of proven design or performance.
- The Department has refused to accept the Committee's conclusion that its specifications for these fire tenders amounted to the development of a prototype for which international standards had not yet been developed. The Department claims that the specifications were in accordance with the 1969 and 1974 International Civil Aviation Organisation (ICAO) recommendations for Airport Fire Vehicles. However, the ICAO specifications, attached in Appendix 1, do not detail Power Take-Offs or Dividers. It was the design of the power divider in the vehicles supplied by the Walter Motor Truck Company which was

Joint Parliamentary Committee of Public Accounts, Inquiry into Auditor-Generals Report, Department of 1 Transport, 1978-79 Minutes of Evidence p. 276.

considered an advancement in design thus necessitating the need for a two phase contract. The power divider was also the major cause of operational problems after the vehicles were delivered.

1.5 The Department stated in response to Conclusion 5 that:

...it is possible that the pattern of service usage in Australia with its emphasis on regular, practical training, contributed to the relatively high defect rate experienced in the fire tenders' early service.

- 1.6 This statement places the adequacy of the specifications supplied by the Department in question. The Committee considers that if the Department prepares its own specifications they should be designed to meet Australian conditions, demanding as they may be. The Department's response highlights the need for a two-phase contract and adequate first hand experience in testing the vehicle prior to placement of an order. The Committee believes that this response illustrates poor management on the part of the Department in its purchase of the airport fire tenders and also brings into question the professional abilities of those officers responsible for developing the specifications:
- 1.7 Despite the Department's rejection of the need for a prototype the Committee notes that the Department of Aviation has reviewed its tender assessment procedures to ensure that new developments are identified at an early stage and that the need for prototype contracts is carefully considered in those cases where developmental equipment is involved. The Committee considers that the new procedures should be closely monitored to further ensure that contracts for prototypes are used where necessary.
- 1.8 The Department accepted Recommendation 6.26, that where practicable, first hand experience of a product should be sought before a contract for production units is placed but claims that this could result in lengthy time delays and increased costs. The Committee accepts the Department's qualification but points out that in the case examined, first hand experience may have alerted the Department to potential problems in the vehicles supplied and thus reduced time delays and costs associated with the repairs and modifications which were necessary before the vehicles could be put into service. The Committee also points out that if the type of power divider used in the vehicles was not a prototype and was in wide use, as stated by the Department, reports of first hand experience could have been readily obtained. The response does not indicate that the Department intends to seek more first hand experience in future contracts.
- 1.9 The Committee rejects the Department's statement in response to Conclusion 17, '...the inference appears to be that Mr Harris in some way influenced the specification to the

advantage of the Walter Motor Truck Company'. The Committee considers this a distortion of its conclusion, which specifically stated that allegations were not substantiated. However, the Committee reaffirms its conclusion that the Department's management of the tender was inadequate and believes that this reflects poorly on the standard of management within the Department.

Evaluation Criteria

- 1.10 Another major concern expressed in the 189th Report was the Department's view that Australian manufacturers were unable to meet its technical specifications. The Committee heard contrary evidence and noted that some Australian manufacturers appeared to have a healthy record of export of fire tenders.
- 1.11 The Department's response to Conclusion 8 states that tenders by Australian manufacturers were rejected on the grounds of price and non-compliance with specification. The Committee points out that additional costs were incurred in the Walter trucks which may have affected the relative competitiveness of the tenders. Also, the relevance of the specifications is questionable in light of the Department's statement that a possible reason for the high cost of repairs was that the vehicles were not capable of complying with the pattern of service usage in Australia.
- 1.12 In response to Recommendation 6.16 on the assessment of tenders the Department advised that it complied with the then current provisions of the DAS Purchasing Manual (see appendix 2). It is not clear to the Committee, however, that the Department sought adequate advice of the relevant authorities regarding the financial standing of the Walter Motor Truck Company. The Department simply states that because it had no reason to doubt the company's viability, exhaustive financial checks were not undertaken. The Committee questions the basis on which the Department reached this decision.
- 1.13 The Committee notes that the Department has instituted changes to its evaluation and acceptance procedures in relation to tenders submitted by overseas suppliers. Information will now be sought from a number of sources including the Trade Commissioner Service and Dun and Bradstreet and will be referred to the Department's Cost Investigation Section which already undertakes similar financial assessments of local tenders. The Committee wishes to stress the need for the Department to closely monitor its new procedures to ensure that adequate checks are undertaken.
- 1.14 It is also not clear to the Committee that the Department made sufficient use of appropriate personnel at overseas posts. The Committee does not accept the Department's assumption in its response to Conclusion 16 that officials based

in New York and Washington have neither the time nor the technical qualifications required to adequately monitor quality control of the Walter factory. It is part of the duties of these officials to perform such tasks and while thay may not have specific technical qualifications, they can act under instruction from the Department.

Management Objectives.

- 1.15 The Department's response to Recommendation 3.45, that it examine the relationship between its management objectives in the processing and evaluation of tenders, states only that the Department's broad objectives were reaffirmed and no details of the review are given. The relationship is therefore still in question. It appeared to the Committee that in the case of the airport fire tenders, the broader objectives of achieving the most economically and technically suitable outcome were sacrificed for the urgency of delivery.
- 1.16 The Department's response to Conclusion 10 raises the question of whether the earlier contracts for fire tenders which were subsequently cancelled, were adequately examined and whether proper checks were carried out.
- 1.17 As noted in its report the Committee is satisfied that improvements have been made to the vehicles and they are now proving succussful in service. Rowever, the Committee wishes to emphasise that costs have been incurred which may have been avoided had the Department's management practices in the tender process been more satisfactory. The Committee also draws the Department's attention to the possibility that the evaluation of the relative competitiveness of tenders may have been distorted. The Committee believes that the Department should re-assess its purchasing procedures paying particular attention to the Committee's comments.
- 1.18 The Committee notes that the Department is a member of the Interdepartmental Committee (IDC), created as a result of the House of Representatives Standing Committee on Expenditure Report on Commonwealth Government Purchasing. The Purpose of this IDC is to direct the development of a standardised purchasing manual. The Committee suggests that the Department of Aviation's re-examination of its own management objectives and their relationship to the processing and evaluation of tenders is essential for its useful participation in the IDC.
- 1.19 With regard to the revised procedures the Committee is concerned that the Department considered Conclusion 1 to be a misunderstanding on the part of the Committee. The Committee wishes to reaffirm its conclusion that the Department's initial submission was inadequate for its purposes. The Department's initial submission contained little other than confirmation of the Auditor-General's findings. The Committee suggests that the revised procedures should be specifically directed at avoiding a repetition of such practices in the future.

1.20 The Committee also wishes to direct the same comments in respect of the Department's responses to Conclusions 2 and 3. The Committee considers it obvious that the information regarding the earlier cancelled contracts and the seventeen questions on notice in Parliament was of interest to the Committee. A 'background statement' could be reasonably expected to include such information.

Further Information Requested by the Committee

- 1.21 On 11 November 1983 the Committee requested further information from the Department to be supplied by the close of business on 22 November 1983. In particular, the Committee sought information on the number of vehicles currently in service and a summary of defects and maintenance carried out.
- 1.22 As the information had not been supplied on 2 December 1983 the Committee invited Mr. Freeland, Secretary of the Department of Aviation to appear before it, in public forum, on 6 December 1983. The requested information was provided on that day and appears at Appendix 3.
- 1.23 The Committee accepts the statements by Departmental representatives that the 'significant' defects listed in Appendix 3, were faults which occurred in fire trucks generally and that the serviceability of the Walter Fire Trucks is comparable with other vehicles which the Department has in service.

CHAPTER 2

SUMMARY OF THE COMMITTEE'S 189TH REPORT

- 2.1 The Committee's Inquiry focussed on the purchasing procedures and practices used by the then Department of Transport in acquiring a fleet of twenty-five ultra large fire tenders for use by its full-time fire service at airports throughout Australia.
- 2.2 Three contracts were signed with an overseas manufacturer, the Walter Motor Truck Company of Voorheesville, New York, USA. It went into liquidation on 31 October 1980, leaving a contract for nine vehicles incomplete. This contract was subsequently re-negotiated with the Australian sub-contractor, Wormald International (Aust) Ltd, which at the conclusion of the Inquiry was late in its delivery.
- 2.3 The first ten machines delivered required significant repairs and modifications before they were fully serviceable and reliable in operation. The expenditure involved in these repairs was an extraordinary additional cost to the original contract.
- 2.4. The Committee's major concern was that a prototype vehicle had not been developed and tested in response to the Department of Transport's specifications before production units were ordered. The subsequent history of the vehicles provided ample evidence that the power divider in the Walter trucks was not of proven design or performance.
- 2.5 Consequently, the Committee reaffirmed the principle that in Commonwealth contracts with a development content, similar to this one, production of a prototype unit should be required. The prototype should be subjected to exhaustive testing to prove that the unit is fully capable of performing the tasks for which the units are being procured, before authority is given for the rest of the production to proceed.
- 2.6 In its report the Committee also criticised many aspects of the specification development, tendering and contracting procedures, including:
 - Australian industry participation was less of a consideration than speed of delivery for the Department of Transport;
 - the Department of Transport had not checked the credit worthiness and financial viability of the short listed or successful tenderers;
 - inadequate use was made by the Department of Transport of the overseas representatives in USA, especially its own counsellor in Washington, DC;

- there was no provision made for quality control monitoring by the Department of Transport;
- some costs associated with the purchases and additional to the contract price were separately accounted for, obscuring the final cost per item;
- the need for the Department to develop its own specification, exceeding both existing standards and recommended international standards, was not established:
- no pre-contract assessment of the existing range of ultra large fire tenders or comparison trials were conducted by the Department of Transport.
- 2.7 The Committee noted that modifications and repairs having been completed, the twenty-five Walter vehicles were proving successful in operation but expressed reservations over the total cost involved.

CHAPTER 3

DEPARTMENT OF FINANCE HINUTE

3.1 In this chapter each of the Committee's conclusions and recommendations is reproduced in turn and is followed by the response, as provided in the Department of Finance Minute sent to the Committee on 19 May 1983. The number of each recommendation refers to the paragraph in which it appeared in the 189th Report of the Committee.

RECOMMENDATION 3.45

The Committee noted with concern that excessive delays in placing an order affects the reputation of the Department of Transport (now Aviation) as a purchaser. It recommends that the Department examine its management objectives in the processing and evaluation of tenders with this in mind.

Response

- 3.2 The Department of Aviation has stated that while the time spent in the evaluation process may have seemed excessive, it was a particularly complex tender and it was therefore necessary to devote considerable care and attention to checking details of offers by Australian and overseas tenderers. This included clarification, both orally and in writing, of many aspects of the submissions. In addition, Government policy relating to offsets and preference to Australian manufactured goods involved lengthy negotiations with the Commonwealth authorities concerned.
- 3.3 The Department has reviewed its management objectives in purchasing and reaffirms that these are to achieve the most economic and technically suitable outcome, while maintaining the highest standards of integrity and professional competence.
- 3.4 The Department has stated that it is mindful of the need to keep abreast of current developments in both public and private sector purchasing matters and to introduce and encourage appropriate initiatives and procedures to derive the maximum benefits from such developments.

RECOMMENDATION 3.46

It was: alleged that unsuccessful tenderers for specification WSFE 7500 were not advised of the contract awarded to the Walter Motor Truck Company. The Committee recommends that in the interest of improving public relations, the

Department individually advises all tenderers concurrently of the outcome of the tender, a practice the Committee would consider normal and courteous practice.

Response

3.5 The Department of Aviation has stated that it is unaware of the source of this allegation but assures the Committee that all the unsuccessful tenderers were advised that their offers had been declined. They were also advised that details of the successful tenderer would appear in the Australian Government Gazette. That notice appeared in Gazette No. G29 dated 20 July 1977.

RECOMMENDATION 4.22

The Committee was concerned that associated costs such as travel were apparently not regarded by Departmental officers as adding to the total cost of that contract. The Committee, recommends that such costs be clearly and separately identified as part of the total cost.

Response

- 3.6 The Department is in agreement with the Committee that travel and accommodation costs for officers to test the first vehicle in the United States of America could have been estimated and included in the comparative price of the Walter offer. However, in this particular case, Walter's was the lowest price tender to meet the specifications and the non-inclusion of these costs did not in any way affect the outcome of the tender evaluation.
- 3.7 The Department will adopt the recommendation of the Committee when evaluating future tenders.

RECOMMENDATION 6.16

The Committee expects Departments to carry out normal commercial investigations before contracts are signed as an improved protection of government expenditure.

Response.

3.8 The Department of Aviation has advised that it complied with the then current provisions of the Department of Administrative Services Purchasing Manual when the Walter 9100 litre tender was accepted (a copy of the relevant provisions of the Purchasing Manual appears at Appendix 2). Because the Department had no reason to doubt the Company's viability, exhaustive financial checks were not undertaken.

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RECOMMENDATION 6.26

The Committee again draws attention to the findings of its 137th and 157th reports (refer Chapter 2 paragraphs 1-3 of the 189th Report) and recommends that in addition to formal and detailed assessment of available equipment, first hand experience of the operation of the equipment be required, where practicable, before a decision is made about a contract for production unit

Response

3.9 The Department of Aviation believes that adoption of this particular recommendation could result in lengthy delays and increased costs. While they agree that first hand experience is highly desirable and should be obtained where practicable before a decision is made to order production equipment, they consider that the exercise of professional judgement is an essential ingredient in fire engineering as elsewhere.

RECOMMENDATION 6.27

The Committee reaffirms the desirability of two contracts separating the development of a prototype from that for production units which meet specifications and performance requirements.

Response

3.10 The Department of Aviation has stated that on the basis of information available at the time it was not necessary to undertake a two-phase contract (prototype and production). While with hindsight it is clear that the power divider manufactured by Walter had deficiencies, the concept was not new and was in wide use by other manufacturers.

RECOMMENDATION 6.33

In relation to the Walter contracts and the operational problems of the vehicle, the (Fire Fighters') Union suggested that better records of faults and costs should be kept so that information about apparent faults occurring in all vehicles can be communicated more quickly. It recommended that vehicles of unproven design be avoided.

Response

3.11 The existing costing information system does not permit separation of costs of repairs, modifications and routine servicing of vehicles. The need for separation was not foreseen when the system was developed, the main requirement being the need to provide accurate costing for cost recovery purposes. However, the Department intends to maintain separate records to facilitate the identification of such costs in future.

3.12 The Department does not accept the Committee's conclusion that the specifications exceeded internationally accepted standards and embodied an advancement in design. It claims that the specifications were in accordance with the 1969 and 1974 ICAO recommendations for airport fire vehicles (refer Appendix 1).

RECOMMENDATION 6.38

The Committee recommends that Departments and Authorities covered by the Public Accounts Committee Act 1951 examine their potential for working closely with it to improve public accountability and, where relevant, public administration and management.

Response

3.13 Revised procedures and guidelines are being developed by the Department of Aviation for the guidance of officers from that Department who are called upon to provide information to, and appear before, future Joint Committee of Public Accounts inquiries.

RESPONSES TO CONCLUSIONS CONTAINED IN THE COMMITTEE'S REPORT

3.14 The Department of Aviation has also provided the following comments with respect to a number of the Committee's conclusions.

CONCLUSION 1

3.15 The Committee found that:

The initial submission from the Department of Transport in response to the matters raised in the Auditor-General's 1978-79 Report was lacking detail and inadequate for its purposes.

Response

3.16 The Department of Aviation considers that this conclusion reflects misunderstanding on the part of the Committee in regard to the actions and intentions of the Department. The inquiry by the Joint Committee of Public Accounts was specifically directed to matters raised in the Auditor-General's Report 1978/79. It was not until the first public hearing of the Joint Committee of Public Accounts that the Chairman indicated that the inquiry would 'cover the whole

range of tendering arrangements' in addition to problems with the vehicles. The Department of Aviation therefore considers that its initial submission of 7 November 1979 was an appropriate response to the specific request of the Committee.

3.17 However, in view of the Committee's comments, the Department of Aviation has implemented procedures for the co-ordination and critical review of future submissions to the Committee to ensure that consideration is given to all aspects that may be canvassed.

CONCLUSION 2

In the more detailed background statement provided for the public inquiry into the purchase of twenty-five Walter fire trucks, the Department of Transport (now Aviation) appeared to have withheld relevant information on an earlier contract with Deveson Jahn (Australasia) Pty Ltd which was an independent contractor dealing with Henry R. Jahn Inc. of New York who was then the Export Distributor for Walter Motor Truck Company. Nor did the background statement provide information on the cancelled contract with Chubb (UK) for twelve Rapid Intervention Vehicles which undoubtedly added to the urgency of the Walter contract.

Response

3.18 The Department of Aviation does not agree with the Committee that it withheld information relevant to the Committee's examination. As already noted in respect of the conclusion at paragraph 1.3.1 above, the terms of the inquiry were in fact wider than the Department was initially led to believe. The Department stresses that during the initial public inquiry, Departmental witnesses volunteered information with regard to the two contracts mentioned by the Committee.

CONCLUSION 3

In the same statement it did not fully inform the Committee on matters relating to the Walter contracts which had been the subject of seventeen questions on notice in Perliament as well as about twenty critical articles in the press since February 1979. Criticism related to the specification, identify of unsuccessful tenders, defects, costs of modification, repair and maintenance, out of service period for each vehicle, location and origin of spare parts and identification of officers involved with the drawing up of the specification and evalution of tenders received.

Response

3.19 As mentioned in response to the above two conclusions, the Department of Aviation limited its background statements largely to matters raised in the Auditor-General's report which was done on the basis of initial advice from the Committee's Secretariat.

CONCLUSION 4

Purchasing procedures in the Department of Transport needed to be reviewed, an action precipitated in 1981 by this Committee's Inquiry and the Review of Commonwealth Functions

Response

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- 3.20 The Department of Aviation has stated that the review of purchasing procedures mentioned by the Joint Committee of Public Accounts as a 'positive outcome of its Inquiry' had already been initiated by the Department prior to the public hearing in March 1980. The decision to review purchasing procedures was not necessarily due to this particular inquiry but part of the Department's cyclical review of commercial and other activities within the Department.
- 3.21 As a consequence of that review, the Department is undertaking a major reorganisation of its Central Office Supply area. One outcome will be the creation of a new Major Contracts Cell to deal with more complex and sensitive contracts and to oversight the Department's purchasing procedures.
- 3.22 In addition the Department has engaged a private management consultant to examine and recommend improvements to the Department's Supply operations.
- 3.23 The Department is also a member of an Interdepartmental Committee (IDC) Created in response to a recommendation made by the House of Representatives Standing Committee on Expenditure in its Report of May 1981 on Commonwealth Government Purchasing. The Committee recommended that the IDC direct the development, by the Department of Administrative Services, of a standardised purchasing manual. When introduced, the manual will provide guidelines for all aspects of purchasing in the Commonwealth and consequently will introduce uniform standards for all departments and non-trading authorities.

CONCLUSION 5

On the grounds that

- (a) the original contract was awarded before the Department of Administrative Services issued its Circular 77/4 on 'Specifications for inspection and quality assurance',
- (b) the specification was not developmental or for a prototype,

the Department of Transport (now Aviation) said it did not feel bound to undertake a two-phase contract, separating the design and development of a prototype from the manufacture, supply and delivery of production quantities. In the light of evidence heard it appeared to the Committee that it should have.

Response

- 3.24 The Department of Aviation does not accept that it should have undertaken a two-phase contract (prototype and production) on the basis of information available to it at the time. While with hindsight it is clear that the power divider manufactured by Walter had deficiencies, the concept was not new and was in wide use by other manufacturers. Walter had been assessed by the Department as possessing an adequate level of competence in mechanical design and it was believed that this competence would extend to the design of the power divider systems which, as stated, were not new technology.
- 3.25 The Department considers it is possible that the pattern of service usage in Australia, with its emphasis on regular, practical training, contributed to the relatively high defect rate exoperienced in the fire tenders! early service.
- 3.26 The additional costs incurred in overcoming the initial problems with this aspect of the Walter 6800 litre vehicles were probably considerably less than those likely to have been involved had the original order been split into prototype and production contracts. For example, production of a prototype in the most recent fire tender (R.I.V.) contract would have involved an additional cost of some \$650,000 and would have extended delivery by 22 months.
- 3.27 Notwithstanding the above comments however, the Department of Aviation has reviewed its tender assessment procedures to ensure that new developments are identified at that stage and that the need for prototype contracts is carefully considered in those cases where developmental equipment is involved.

CONCLUSION 6

The Department of Transport (now Aviation) chose to develop a specification for Ultra Large Fire Tenders in the full knowledge that it exceeded both existing standards and recommended international standards for fire tenders and embodied an advancement in the design of such vehicles. It repeatedly denied that it had engaged in the development of a prototype, a position the Committee found contradictory.

Response

- 3.28 The Department of Aviation has prepared a comparison of the specification for the 6800 litre fire tenders with the 1969 and 1974 ICAO Recommendations for Airport Fire vehicles a copy of which appears at Appendix 1. The Department has stated that the comparison demonstrates that the specification was not at variance with the ICAO recommendations.
- 3.29 The Department does not accept the Committee's conclusion that the specification exceeded internationally accepted standards and embodied an advancement in design. The Department's intention was to obtain fire vehicles that met ICAO performance standards, were simple to operate and suitable for Australian conditions. However, the Department has acknowledged the difficulty of interpreting specification figures in the context of the complexities of design of modern fire fighting vehicles.

CONCLUSION 7

In its choice of the Walter single engined vehicle with a power divider, the Department of Transport (now Aviation) appeared to have bought a vehicle involving a technology not yet fully proven by that manufacturer. The power divider unit on the 6800 litre tender proved to be the major fault among sixteen fault types which required some upgrading of vehicle design on all vehicles.

3.30 The Walter Motor Truck Company in conjunction with the Department of Aviation developed improvements which have overcome the initial problems in the power divider. The 6800 litre vehicles are proving to be very satisfactory in service.

CONCLUSION 8

In the evaluation of twenty tenders received from eleven manufacturers by the Department of Transport (now Aviation), government preference arrangements for Australian purchases appeared not to feature highly. The Department subsequently had

the Walter Motor Truck Company released from any requirement for offset because it required urgent delivery of the vehicles.

Response

3.31 The Department of Aviation has stated that the then current government preference requirements were taken into account when the tenders were assessed. Tenders by Australian manufacturerers were rejected on the grounds of price and non-compliance with the specification. All required procedures in relation to offset requirements were followed and the Department subsequently obtained approval to waive those requirements in the case of the contract for the 6800 litre vehicles.

CONCLUSION 9

The Department of Transport (now Aviation) in assessing the total contract price for the Walter. 6800 litre tender, did not include travel and associated costs of \$9560 for the two officers who tested the first vehicle in the USA in January.—March 1978, Nor did it appear to consider the cost incurred by delays in commissioning, modifications and repairs of vehicles as a matter for concern. The Committee did.

Response

- 3.32 The Department of Aviation agrees that the costs of travel and accommodation for officers to test the first vehicle in the United States of America could have been estimated and included in the comparative price of the Walter offer. However, Walter's was the lowest priced tender to meet the specifications and non-inclusion of these costs did not in any way affect the outcome of the tender evaluation in this case.
- 3.33 The Department has indicated in its reponse to 'Recommendation 4.22' that it will include such costs in future evaluation of tenders.
- 3.34 The additional costs incurred in repairs and modifications were covered by the warranty provisions of the walter contract to the largest possible extent thus demonstrating the Department of Aviation's concern to achieve a satisfactory conclusion to the contract. Full recovery was not possible because of the eventual failure of the Walter Motor Truck Company following a 6 month strike by its employees.
- 3.35 The Department of Aviation was concerned about the delays in commissioning and the additional costs incurred as a consequence thereof. However, it should be recognized that a

the tender evaluation stage a Department is generally entitled to accept that there will be no delays in deliveries or in commissioning the finished product - unless, of course, to achieve the Department believes that such a lack of capacity was not evident in this case.

CONCLUSION 10

Urgent delivery of the ULFTs appeared to be a major factor in the selection of the successful tender. It was the view of the Committee that this situation reflected deficiencies in the management of the Department.

Response

- 3.36 The requirement for urgent delivery of the ULFTs was a factor taken into account in the selection of the successful tenderer. However, as previously stated the Walter tender was the lowest priced tender to meet the Department's specification and the delivery schedule offered was acceptable.
- 3.37 The cancellation of two earlier contracts did contribute to the urgency in the contract for the 6800 litre vehicles. However, the Department's management would have been justly criticised if it had proceeded with those contracts when, in one case, it was clear that the end product would be unacceptable, and, in the other, agreement to altered terms requested by the contractor after acceptance of the order, would have disadvantaged competing tenderers.
- 3.38 In these circumstances the Department of Aviation has stated that it is difficult to identify the basis for the Committee's conclusion that the urgency factor was an issue for censure of Departmental management.

CONCLUSION 11

The undertaking in the Walter contract awarded on 29 June 1977 to establish a qualified and competent Australian agent employing factory trained personnel and stocking adequate spare parts before the first vehicle arrived in Australia, was not met. The Committee did not accept the Department's argument that this condition of the contract was subsequently met in the contract for the 9100 litre ULFT let on 30 November 1978.

Response

3.39 The Department of Aviation agrees with the Committee that the Walter Motor Truck Company's failure to comply with the contract provision requiring the company to ensure that adequate spare parts and trained maintenance staff be available prior to delivery of the first unit was a matter for concern. However, the development of a serious situation was prevented by the fact that the Walter Company met requests for the 12 month warranty period.

3.40 When the contract for the ULFT MK4 was let on 30 November 1978, the Walter Company and Wormald International (Australia) Pty Ltd had established a joint venture whereby the latter would assemble vehicles in Australia. Accordingly, there was reason to expect that stocks of ULFT MK4 spare parts and trained personnel would have been available to Wormald before the first vehicle was completed. In addition Walter had already indicated that spare parts would be supplied by air freight if necessary.

3.41 The Department advises that some spare parts are now available through an Australian company.

CONCLUSION 12

The cost of essential repairs, maintenance and modifications required to make the new vehicles fully operational was reported as being almost \$200,000 up to November 1979, and a total of \$246,842 for labour and materials up to 30 January 1980. Maintenance costs aside, the Committee considered this to be an extraordinary additional cost to the original contract.

Response

- 3.42 The Department of Aviation agrees with the Committee that the additional cost incurred was an unfortunate aspect of the contract. However, it is noted, that the initial problems were overcome and the vehicles are now performing satisfactorily.
- 3.43 As acknowledged by the Committee, at least 40% of the labour expenditure of some \$216,589 incurred to 30 January 1980 was spent on normal wear and tear maintenance of the vehicles.

CONCLUSION 13

The further cost of modifications and repairs carried out by the Walter Motor Truck Company under warranty is not known. Its President failed to acknowledge or return the minutes of evidence sent to him, or to submit additional information he undertook to provide at the public hearings on 18 and 19 March 1979.

Response

- 3.44 The Department of Aviation notes that at the time when the minutes of evidence were sent to the President, the Walter Motor Truck Company was entering a serious strike situation. The business ceased to trade 6 months later.
- 3.45 The Department has also noted that the public hearings were held on the 18 and 19 March 1980, not 1979 as quoted in the Joint Committee of Public Accounts Report.

CONCLUSION 1.4

The Department did not carry out what the Committee considers to be usual commercial credit checks on the financial viability of the overseas contractor whose company failed some three years after the first contract was let and before the second contract was completed.

Response

- 3.46 The Department of Aviation accepted the Walter 9100 little tender in compliance with the then current provisions of the Department of Administrative Services Purchasing Manual. Exhaustive financial checks were not undertaken as the Department had no reason to doubt the Company's viability. However, the Department has instituted changes to its evaluation and acceptance procedures in relation to tenders submitted by overseas suppliers. Information will now be sought from a number of sources including the Trade Commissioner Service and Dun and Bradstreet and will be referred to the Department's Cost Investigation Section, which already undertakes similar financial assessments of local tenders.
- 3.47 All the relevant information available to the Department indicates that the Walter Co. ceased to trade as the result of the 6 months strike by its employees. Prior to the strike the Walter Co. had completed its initial contract with the Department for the supply of sixteen 6800 litre fire tenders. Without demure it undertook all warranty claims and sent engineers and technical staff to Australia to assist the Department in fault assessment and corrections in respect of the first ten 6800 litre whiches.

CONCLUSION 15

The Department failed to consult the Trade Commissioner Service in New York, and appeared to have made inadequate use of its Transport Counsellor in Washington, DC.

Response

3.48 Department of Aviation refers the Joint Committee of Public Accounts to its comments in respect of the conclusion at Paragraph 1.3.14. The circumstances at the time were not seen to warrant consultation or the need to further involve the Transport Counsellor in the fire tender contracts in the United States of America.

CONCLUSION 16

Production of the vehicles in the USA was not monitored by Australian officials based in either New York or Washington. Quality control during manufacture was subsequently found to be inadequate and was a major factor contributing to the repairs and modifications of the vehicles before commissioning.

Response

3.49 The Department of Aviation suggests that Australian officials based in New York or Washington would have neither the time nor the technical qualifications required to adequately monitor quality control at the Walter factory. However, the desirability of appropriate arrangements to ensure quality control of the manufacture of high-cost specialised equipment cannot de disputed.

CONCLUSION 17

Department of Transport (now Aviation) consultation with Australian tenderers for ultra large fire tender contracts valued at \$A4.2m appeared to have been unsatisfactory. The Committee believes the Department needs to improve its professional and public relations with Australian industry and its co-operation with the Fire Fighters' Union on safety and other operational matters.

Response

3.50 The Department of Aviation could find no reference in the published evidence to support this conclusion and has stated that it appears the Committee reached this finding on the basis of submissions or evidence given 'in camera' by local suppliers. Details of this evidence have not been made available to the Department of Aviation. Witnesses from the Department of Transport (now Aviation) stressed, at all times, that every effort had been made to consult with Australian manufacturers during preparation of the specification and tender evaluation processes. In fact, consultations of this nature were held with

Australian tenderers. Despite the Department of Aviation's efforts in this regard, the Australian tenderers did not demonstrate the necessary engineering expertise to translate the requirements of the specification into a viable design.

CONCLUSION 18

The Committee believes that the evidence it heard and extracted from written submissions and correspondence brought into question the personal and professional integrity of some Departmental officers involved in the drawing up of specifications and the selection of the successful tenderer. While the substantiate these, it was generally not favourably impressed with the standard of management associated with the Department's efforts to purchase ultra large fire tenders since 1972.

Response

- 3.51 An investigation conducted by the Department of Aviation has revealed no evidence to support any allegations of impropriety on the part of Departmental officers.
- 3.52 It is noted that Departmental witnesses and the President of the Walter Motor Truck Company of the USA gave sworn evidence to the effect that they had no knowledge of any connection between the Walter Company and Mr W. Harris, the only person named in the Committee's report. The Committee admitted that it could not substantiate these allegations which were apparently made in private evidence given by unidentified persons and in written submissions and correspondence not available to the Department.
- 3.53 The Joint Committee of Public Accounts was informed in evidence that Mr Harris was involved in the preparation of the specification (USFE 7500) for the 6800 litre vehicles, but had retired when the tenders were being evaluated. The Department of Aviation believes that the inference appears to be that Mr Harris in some way influenced the specification to the advantage of the Walter Company. As it has been demonstrated that the specification was consistent in all respects with the ICAO recommendations the Department can find no basis for such an inference.
- 3.54 The Department of Aviation wishes to record its concern that the Joint Committee of Public Accounts has, on the basis of acknowledged unsubstantiated evidence to which the Department was not given access, seen fit to conclude that the personal and professional integrity of some Departmental officers has been brought into question.

3.55 The Department of Aviation has been unable to establish any link between these unsubstantiated allegations and the standard of management attributed to the Department as seems to have been inferred by the Committee in this conclusion.

CONCLUSION 19

Modifications and repairs having been completed under warranty, the sixteen Walter ULFTs are proving to be very successful in operation. Parts and support services are now available through an Australian agent, Abbey Engineering Pty Ltd from the Walter Motor Truck Company of Canada

Response

3.56 The Department of Aviation is pleased to note this conclusion and would simply add that this situation reflects, in no small measure, the efforts of all officers concerned.

APPENDIX 1

AIRPORT FIRE VEHICLE SPECIFICATIONS

COMPARISON OF WSFE 7500 AND ICAO RECOMMENDATIONS

| | ITEM | WSFE 7500 (Sept 1975) | ICAO (1969) | ICAO (1974) |
|-----|---|-----------------------|---|--|
| 1. | Water Capacity | 6800 litres | Appropriate to Airpo concerned | ort |
| 2. | Form Compound Capacity | 10% of water | See Note 1 | See Note 1 |
| 3• | Monitor Discharge Rate | Not less 3400L/min | Equivalent to or extends. output for partairport category | |
| 4. | Max Height | 3.65m) | Overall dimensions : be within practical | |
| 5. | Max Width | 3m). | having regard to lostandard highway pr | cal |
| 6. | Max Length | 9.5m ⁻) | width of gates and and weight restrict | any height |
| 7. | Max Turning Circle | 28.5m) | bridges and other 1 considerations. | |
| 8. | Min Ground Clearance | 0.33m | No recommendation | 0.35m |
| 9• | Min Inter-Axle Clearance | 12 ° | No recommendation | 120 |
| 10 | Min Fording Depth | 0.76m | No recommendation but see Item 18 | No recommendation - but see Item 18 |
| 11. | Min Overturn Angle | 250 | u u | * * |
| 12. | Min App/Dep Angle | 300 | 30° | 300 |
| 13. | Acceleration 0-80km/hr | within 45 sec. | within 45 sec | within 45 sec |
| 14. | Desirable Speed | Top-100km/hr | Cruising 80km/hr | Cruising 80km/hr Top 100km/hr |
| 15. | Min Gradeability | 40\$ | No recommendation but see Item 18 | No recommendation - but see Item 18 |
| 16. | Max Braking: 32km/hr to zero (fully laden) | 12m | 12m | 12m |
| 17. | Handbrake Holding | 40≴ GRADĖ | No recommendation | No recommendation |

| | ITEM | WSFE 7500 (Sept 1975) | ICAO (1969) | ICAO (1974) |
|-----|--|---|--|--|
| 18. | Weight (fully laden) | Equally distributed. Hanufacturer's wheel loadings not to be exceeded for heavy cross country work. | Compatible with and prejudice to require To be suitable for operation over all tracks, open and ro | ed performance. full load types of roads, |
| 19. | Chassis | Forward Control, All-Wheel Drive. | All Wheel Drive | All Wheel Drive |
| 20. | Engine Type | Diesel-preferably rear mounted. | No recommendation | No recommendation |
| 21. | Transmission | Automatic | No recommendation | No recommendation |
| 22. | Power Take Off | Heavy Duty, capable of full engine power for 30 mins. | See Note 1 | See Note 1 |
| 23. | Power Take Off Engagement | Up to 75% of max engine R.P.M. | See Note 1 | See Note 1 |
| 24. | Cabin View | 180° horizontal 12° upwards See ground at 6.2m | See Note 1 | See Note 1 |
| 25. | Steering | Power Assisted. | See Note 1 and Item 18 | See Note 1 and Item 18 |
| 26. | Tyres & Wheels | Single wheels, interchangeable. Tyres available in Australia. Refer Item 18 also. | Depends on terrain of individual airports, performance a primal consideration in selevenicle. | Off-road |
| 27. | Tyre Pressures | Normal 310 kPa Off-Road 200kPa. | Off-road 175kPa | Normal 300kPa Off-Road 200kPa |
| 28. | Foam System | To use AFFF | See Note 1 | See Note 1 |
| | Monitor Elevation Monitor Rotation Monitor Depression Monitor Throw | At least +45° + 60° To 12m ahead Not less 60m | See Note 1 Appropriate to longer using the airport. | At least +45 ⁰ ± 60° To 12m ahead est aircraft |
| 30. | Monitor Fatterns | Straight stream and diffused. | Straight stream and diffused. | Straight stream and diffused. |

| | ITEM | WSFE 7500 (Sept 1975) | ICAO (1969) | ICAO (1974) |
|-----|-------------------------|---|--|-----------------------|
| 31. | Discharge Controls | Power assisted and placed for ease of control. | Simplicity of operatimportant. Careful | |
| 32. | Water Pump | Not less than 4800L/min | See Note 1 | See Note 1 |
| 33. | Tanks | F.R.P. preferred, baffled. | No recommendation | No recommendation |
| 34. | Foam Proportioner | Pre-select - Automatic | See Note 1 | See Note 1 |
| 35. | Ancilliary Equipment | In accordance with Department of Transport RFF Service requirements. | Suggested range of ancilliary equipmen which the user make to suit local needs | t from s selection |
| 36. | Pump-Roll Mode | Full discharge when stationary or whilst moving at up to 8 km/hr. | Uninterruptable pum when the vehicle is | |

Note 1 - The ICAO recommendations do not specify certain design details, relying instead on the following paragraph to guide member States in developing their own particular needs:
"General major vehicle suggestions:
"General major vehicle suggestions:
No attempt is made to detail water pump capacities, pump inlet and outlet plumbing, power take-offs, foam proportioners and controls, the location of monitors and their operation, hose real location, hose sizes and length, cab and manpower carrying facilities and similar equipment details, although they are all items requiring careful engineering and design. Basically, such equipment is related to the extinguishing sedia used, the necessary discharge rates and the manpower available and needed to place the vehicle in full operation".

EXTRACT FROM CHAPTER 20 "REVIEW OF TENDERS RECEIVED" - DEPARTMENT OF ADMINSTRATIVE SERVICES PURCHASING MANUAL

- 14. REVIEW OF TENDERER'S CAPACITY, BONA FIDES AND PAST PERFORMANCE
- 14.1 Since one of the main objects in purchasing is to obtain best value for money, any factor which may affect this objective should be investigated. Consequently it should be determined, on the basis of previous contracts with the Commonwealth, whether there is any indication or other information regarding the tenderer's capacity, bona fides or past performance on previous contracts. Where necessary the contracting officer should seek advice of technical services officers, inspection authorities, demanding authorities; etc.
- 14.2 Advice regarding the financial standing of a tenderer should be sought from the Cost Investigation Section or, if necessary, through sources such as those provided by mercantile agencies to which the Department subscribes (eg Dun and Bradstreet).
- 14.3 Where goods are being obtained from overseas and the tenderer (whether agent or principal) is not known to the Department, inquiries should be made to the appropriate overseas post, eg Chief Purchasing Officer, London; Counsellor (Supply), Washington; Australian Government Trade Commissioner in the country of origin; etc.
- 14.4 Where the work to be performed is of a classified nature it should be determined whether the tenderer concerned (and proposed sub-contractors) have the necessary security clearances to undertake the task. If necessary advice should be sought from the Office of Industrial Security, Department of Defence.

APPENDIX 3

DEPARTMENT OF AN INCIDENT

Civic Permanent Centre Aliara Street Cancerra A.C.T

P.C. 80x 367 Canberra City, 2601 Telephone (062) 47 3333 Telex 62221

December 198

The Secretary
Joint Parliamentary Committee
of Public Accounts
Parliament House
CANBERRA ACT 2600

Central Office

in recty quote

FINANCE MINUTE ON THE COMMITTEE'S 189TH REPORT

- I refer to your memorandum of 11 November 1983 in which you advised that the Committee had requested additional information arising from its examination of the Department of Finance Minute on the Committee's 189th Report, 'Airport Fire Tenders'.
- I regret the delay in the provision of the information. However, as you have been advised by officers of this Department, the compilation of much of the information in the form in which it was soughe entailed a considerable manual effort involving a number of different disciplines and geographical localities.

The introduction into operational service of the sixteen Mark 3 6800 [itre capacity vehicles supplied by the Walter Motor Truck Company, and the nine Mark 4 9100 litre capacity vehicles from Wormald International (Aust) Pty Ltd, has been successfully completed. The vehicles provide faster response and a more effective fire fighting capability than earlier equipment.

The vehicles are distributed throughout Australia providing an appropriate mix of vehicle size and performance for the various categories of airports. These categories are determined by aircraft type and frequency of movements, and dictate the quantity and discharge rate of *extinguishant required.

Attached for the Committee's information are schedules which provide:

- a summary of significant defects (Attachment A);
- a disposition of the vehicles by State (Attachment B);
- the average total direct labour and materials costs for repairs and planned ongoing maintenance (Actachment C);

for the period 1 July 1980 to 30 June 1983.

The summary of significant defects at Attachment A does not include normal overhaul and maintenance work and the rectification of minor faults.

For comparative purposes the average direct labour and materials costs for repairs and maintenance for two other fire vehicle types currently in service have also been included in Attachment G. It will be noted that the average maintenance cost per 1,000 litre capacity of extinguishant for both the 6,800 litre (Mark 3) and 9,100 litre (Mark 4) compares favourably with the other vehicles in the Department's fleet.

Operationally, the important criterion is the availability of a rescue and fire fighting service of an appropriate category at a particular airport. This can be met through the normal and reserve vehicles, i.e. the category of the rescue and fire fighting service may not be reduced simply by the temporary unserviceability of one vehicle. The normal defect recording system for the Department is used to monitor systematic failures of components and sub-systems which require rectification. The Fault Performance Analysis System provides information on the period when vehicles were required for service but were unavailable due to maintenance or fault. For the period 1 July 1982 to 30 June 1983 the average number of days of unavailability for duty per vehicle is 6 for the 6,800 litre, and 7 for the 9,100 litre. This represents an availability of 98.3% and 98.0% respectively.

It has taken some time to obtain the total vehicle serviceability data requested by the Committee. Our best estimate at this time of the average number of days out of service per vehicle per year over the period 1 July 1980 to 30 June 1983 is 17.4 for the 6,800 litre (Mark 3) and 23 for the 9,100 litre (Mark 4). This represents a serviceability of 96% and 94% respectively.

With regard to the availability of spare parts, approximately 50% are available from two local suppliers in Victoria, while the remainder are readily available from Walter Support Services, Albany, USA. Accordingly, the Department is not experiencing any difficulty in providing sufficient maintenance support for the vehicles.

With regard to the cyclical reviews of its commercial and other activities, the Department has undertaken a number of initiatives foreshadowed in earlier evidence.

A comprehensive review of the Department's Supply System by consultants has been completed and is being progressively implemented. An establishment review has been undertaken which has resulted in the creation of a major contracts cell in Central Office Canberra to oversight and, where appropriate, initiate improvements to the Department's contracting and purchasing procedures. Other contracting activities which can be more effectively undertaken in the Regions have been devolved.

Recommendations by the consultant to computerise the Supply function are being implemented in the context of the enhancement of the Department's overall ADP systems. The first stage of this development involves utilization of a Gentral Office mini computer which is expected to be acquired in January 1984 and which will, incidentally, include provisioning of the bulk of maintenance spares for the fire vehicle fleet.

A further objective in the ADP enhancement program is the development of an upgraded costing system. The Department's aim is to introduce its enhanced general computing network by 1986 following a review of the Department's corporate information needs which is currently the subject of a separate consultancy.

The Department is also maintaining close liaison with the Department of Administrative Services pending the introduction by that Department of a uniform purchasing manual.

I trust this information will meet the Committee's requirements.

(K H TOAKLEY)
First Assistant Secretary
Resources Division

ATTACHMENT A

SUMMARY OF DEFECTS

A) MARK 3 VEHICLES

- (i) Significant defects identified since June 1980 on several vehicles.
 - cracking of frame supporting front of foam tank.
 - cracking of cabin frame and of rear cabin and supports

(ii) Isolated instances

- "sagging" of vehicle spings
- cracking of cross member supporting housing
- loosening of power divider clutch bolts
- power take off clutch plate cracks
- pitting corrosion of aluminium pipes at some locations where water quality is "poor"
- a front axle drive shaft length problem
- failure of foam agent pressure release valve

B) MARK 4 VEHICLES

- (i) Significant defects identified since delivery on several vehicles
 - "sagging" of vehicle springs
 - inadequate power steering assistance under certain low engine speed conditions .
 - cracking of front cross member attachment plate

(ii) Isolated instances

- bending of front axle.
- cracking of rear cabin mounts
- cracking of frame supporting front of foam tank
- a variety of isolated manufacturing and assembly faults.

DISPOSITION OF VEHICLES AS AT 30 NOVEMBER 1983

| | 6800 Litre (Mark 3) | 9100 Litre (Mark 4) |
|--------------------|------------------------|------------------------|
| New South Wales | 2 | 2 |
| Victoria | 2. | ż |
| Queensland | 5 | 2 |
| South Australia | 2 | - |
| Western Australia | - | 2 |
| Tasmania | 2 | - |
| Northern Territory | 3. | - |
| | 16 | - 9 |
| | | - |

| Vehicle Type | | 1980/81 | | | 1981/85 | , | | 1982/83 | |
|---------------------------------|---------|------------------|--------|---------------|---|----------------|--------|-----------|--------|
| | Labour | | Total | Labour | Materials Total Labour Materials Total Labour Materials | Total | Labour | Materials | Total |
| ULFV Mk 3 6,800 litre | 11,791 | 5,202 | 16,993 | 16,993 13,151 | 5,410 | 18,561 13,453 | 13,453 | 9,075 | 22,528 |
| ULFV HK 4 9,100 litre | (Not in | (Not in Service) | | 4,330 | 2,386 | 6,716** 19,051 | 19,051 | 7,332 | 26,383 |
| ULFT MK 1 & MK 2 5,400 litre | 14,189 | 8,443 | 22,632 | 22,632 16,683 | 26,231 | 42,914# 13,428 | 13,428 | 5,819 | 19,247 |
| LFT 3,600 litre | 7,264 | 3,801 | 11,065 | 11,065 9,236 | 3,850 | 13,086 10,099 | 10,099 | 3,933 | 14.032 |

Includes planned ongoing maintenance. Pre-commissioning maintenance on 4 vehicles; maintenance for part year only. Includes major overhaul costs.

THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALI

THE SENATE

1 5 DEC 1983

TABLED PAPER

Report of the Joint Committee on Foreign Affairs and

DEPARYMENT OF THE SEMATE PAPER NO. 15 DEC 1983

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THE PROVISION OF DEVELOPMENT ASSISTANCE AND HUMANITARIAN AID TO THE HORN OF AFRICA

(December 1983)



REPORT OF THE JOINT COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

THE PROVISION OF DEVELOPMENT ASSISTANCE AND HUMANITARIAN AID TO THE HORN OF AFRICA

