

Introduction

- 1.1 The 2012–13 financial year proved to be a significant time for Defence. Faced with tighter budget constraints, the Department continued to engage in military operations around the world whilst remaining committed to the long-term modernisation of the Australian Defence Force (ADF). These outcomes were achieved principally through reduction in the number of Australian Public Service (APS) and contracted personnel within the Department. Furthermore, cultural reforms in the areas of gender and personal accountability were also introduced. While the immediate effect of these measures has been positive, Defence is aware of the need to ensure these measures are efficiently maintained and complemented by innovation and improvement.¹
- 1.2 The ADF concluded two operations. Operation Astute in Timor Leste ceased in April 2013 – 13 years after Australia’s initial deployment under International Force East Timor. Australia’s decade long-commitment to the Regional Assistance Mission to Solomon Islands, known as Operation Anode, also concluded in September 2012.²
- 1.3 As part of Australia’s withdrawal from Afghanistan, a key milestone was achieved in October 2012 when the four Australian-mentored Afghan National Army (ANA) infantry Kandaks assumed the lead for independent operations in Uruzgan.³

1 *Defence Annual Report 2012–13*, p. 3.

2 *Defence Annual Report 2012–13*, p. 7.

3 *Defence Annual Report 2012–13*, p. 7.

Annual Report Review objectives and scope

- 1.4 The review of the *Defence Annual Report* is an important task as it provides an opportunity for the Defence Sub-Committee of the Joint Standing Committee on Foreign Affairs, Defence and Trade to inquire into a broad range of Defence issues as part of the process of accountability of Government agencies to Parliament.

Focus areas

- 1.5 The Sub-Committee decided to focus on five main areas for its review of the *Defence Annual Report 2012-13*. These issues and their chapters are:
- Asset management and Capital Investment Programs – addressed in Chapter Two;
 - Defence Cooperation Program – addressed in Chapter Three;
 - Navy combat capabilities – addressed in Chapter Four;
 - Defence Materiel Organisation and Capability Development Group, addressed in Chapter Five; and
 - Air combat capability – addressed in Chapter Six.

Conduct of the Review

- 1.6 The Review was announced via media release on 26 March 2014.
- 1.7 The Sub-Committee received submissions from the Australian Strategic Policy Institute (ASPI), Nova Systems and QinetiQ Australia. These submissions were published on the Committee's website, and are listed at Appendix A.
- 1.8 The Sub-Committee held a public hearing on 6 June 2014 and received evidence from the following witnesses:
- Senior Defence officials; and
 - Representatives from ASPI, Nova Systems and QinetiQ Australia.
- 1.9 The proceedings of these hearings were broadcast through the Parliament's website, providing interested parties with access to the proceedings as they occurred.