
Secretary's Opening Statement: Senate Estimates 5 June

Chair and Senators,

Since the last Estimates hearing, the Government has released the inaugural National Defence Strategy, the rebuilt Integrated Investment Program and the Defence Industry Development Strategy.

These are reforms of profound significance for the future of Australia's defence. Every group and service of the Defence enterprise is engaged in delivering on this agenda.

The Government has established a priority-driven approach to shift the Australian Defence Force to an integrated, focused force, with a strategy of denial as its cornerstone.

We are committed to prioritising the acquisition of key capabilities to bolster our deterrence, grow our sovereign defence industrial base and strengthen our international partnerships.

To deliver this urgent transformation, the Government has allocated in the 2024-25 Budget an additional \$5.7 billion to Defence over the forward estimates, and committed an additional \$50.3 billion dollars over the next decade.

The additional funding includes:

\$38.2 billion over the next decade to fund the rebuilt Integrated Investment Program, accelerate, and sustain priority capabilities;

\$11.1 billion over the next decade to accelerate the delivery of Navy's surface combatant fleet and expand Australia's shipbuilding industry; and

\$1 billion over the next four years to accelerate ADF preparedness, including for long-range strike, targeting and autonomous systems.

Defence has provided \$272 million of savings toward consolidated revenue by reducing external labour costs in-line with the whole-of-government measure on Savings from External Labour.

Defence remains committed to the Government's policy direction to re-build the Australian Public Service and reduce our usage of external contractors.

We are committed to a reduction of 2,000 contractors by December this year and have so far reduced the number of contractors by 948. However, more work is required. It will take time to change our resourcing approach especially in our tight labour market, but I believe we are on the right path.

As we seek to recruit, retain and grow our workforce, we are implementing the cultural change that is essential to ensuring that Defence is an organisation that people want to join and where they want to stay.

Supporting the work of the Royal Commission into Defence and Veteran Suicide remains a central focus, as is the welfare of our current and former ADF personnel.

Defence is prioritising programs to prevent suicide and positioning to respond to the agreed recommendations of the Royal Commission. The CDF will provide further detail on how Defence is supporting the Royal Commission's important work.

Culture remains fundamental to delivering the Defence mission and implementing the 2024 National Defence Strategy.

Defence will continue to implement the Defence Culture Strategy and focus on addressing cultural challenges, while promoting a positive, inclusive and psychologically safe workplace.

In a complex and changing strategic environment, Defence continues to be deeply engaged in strengthening our diplomatic and defence partnerships.

Importantly, Australia continues to support Ukraine. The Deputy Prime Minister recently visited Ukraine and announced a new military assistance package, bringing Australia's total military assistance to Ukraine to approximately \$880 million.

And over the weekend, the Deputy Prime Minister met with his counterpart from Ukraine, Rustem Umerov, in the margins of the Shangri-La Dialogue in Singapore on 2 June.

I also want to highlight the transformative work on defence industry that has occurred in the past months. This has included once-in-a-generation legislative work on the Defence Trade Controls Amendment Bill 2024, which will build an export licence free environment for defence trade between Australia, the US, and UK. This work is critical to supporting the Minister for Defence Industry's broader vision for a domestic defence industry that is strong, sovereign, and sustainable.

Before I conclude, I note that this will be the CDF's last Estimates hearing before his term ends.

As members of this Committee know, the leadership of Defence is a diarchy, and I'd like to take this opportunity to thank the CDF for his friendship and partnership, but more importantly for his immense integrity and courage that he has shown in service of one of Australia's finest institutions, the Australian Defence Force.

I thank the Committee for its indulgence and I welcome your questions.

[ENDS]