

Secretary's Opening Statement: Senate Estimates

Chair and Senators,

Since the last Estimates, our international environment has worsened.

Driven by ongoing conflicts in the Middle East and Ukraine; increasing tensions on the Korean Peninsula; and North Korea's support to Russia's illegal war against Ukraine, in direct violation of United Nations Security Council Resolutions.

These factors highlight the strategic interdependencies of the world today, and underline the judgement in the 2024 National Defence Strategy that Defence is operating in a deteriorating strategic environment, one marked by elevated risks over the next decade.

Given this context, the Defence enterprise remains focused on the defence of Australia, as well as contributing, in coordination with partners, to preventing any broader regional contingencies that would be disastrous for Australia's national security.

Most important to these efforts will be delivering the National Defence Strategy and Integrated Investment Program, at pace.

We have reached some significant milestones to achieving both.

Last month, the Government announced its plans to establish a consolidated Commonwealth-owned Defence precinct at Western Australia's Henderson shipyard.

This is an essential step in delivering the enhanced lethality surface combatant fleet for Navy announced by the Government in February.

It also represents a milestone in the delivery of the AUKUS optimal pathway, as the government has determined that the Defence Precinct at Henderson will be the home of depot-level maintenance and contingency docking for Australia's future conventionally-armed, nuclear-powered submarines.

The National Defence Strategy identifies the Guided Weapons and Explosive Ordnance enterprise as a Capability Investment Priority.

Since the last Estimates, the Government has announced the acquisition of new missiles, including a \$7 billion acquisition of the Standard Missile 2 Block III C, Standard Missile 6 and the accelerated acquisition of Joint Strike Missiles.

The Government has also announced significant investments in the defence industrial base to support Australian manufacturing, including up to \$850 million in partnership with Kongsberg Defence Australia to manufacture and service

missiles at Williamstown and an initial investment of \$22 million over the next three years in a sovereign rocket motor program.

The Domestic manufacture of guided weapons, explosive ordnance and munitions is one of the seven Sovereign Defence Industrial Priorities (SDIPs) identified in the Defence Industry Development Strategy.

Lines of effort have been established across Defence to deliver the SDIPs, including the Australian Guided Weapons and Explosive Ordnance Plan released last month by the Minister for Defence Industry and Capability Delivery.

The Plan sets out the pathway to Australian manufacture and maintenance of guided missiles and explosive ordnance and the associated uplift in Australia's defence industrial capabilities.

At the same time, we are working with the US to ensure our disclosure policies are fit for purpose to enable more integrated supply chains. This work will not only enable GWEO, but will support other priorities such as AUKUS.

The Government has also released the 2024 Defence Digital Strategy and Roadmap, which sets out Defence's approach to delivering information and communications technologies.

Defence is working with industry and academia to implement the Strategy.

The National Defence Strategy requires Defence to fundamentally transform our recruitment, retention and skilling initiatives.

A significant body of work has gone into the 2024 Defence Workforce Plan, released by the Government yesterday, to

meet this requirement, invest in our people and grow the workforce to meet Government directed priorities.

The Workforce Plan includes actions to improve the culture, mental health and wellbeing of our Defence personnel that will further support Royal Commission outcomes.

Since the last Estimates, Defence has supported a program of international travel by the Deputy Prime Minister and the Minister for Defence Industry and Capability Delivery to engage with our allies and partners.

This included travel by the Deputy Prime Minister to Indonesia in August, where he signed the Australia-Indonesia Defence Cooperation Agreement with then President-elect Prabowo Subianto.

The Agreement will expand the scope of our security cooperation and, in time, make it easier for our militaries to conduct joint exercises and training.

The DPM strengthened regional cooperation, including through initiatives that enable Pacific-led responses to Pacific security challenges, such as the Pacific Response Group.

At this year's Australia-US Ministerial Meeting in Annapolis in August, Ministers agreed to tangible steps to operationalise Australia's Alliance with the United States through US Force Posture activities and investments. They also agreed to accelerate scientific, technological and industrial cooperation to maximise the industrial power of the Alliance, improve supply chain resilience and bolster innovation. Our US engagement priorities for the next year include: enhancing US Force Posture activities and investments in Australia; accelerating collaboration on a flexible GWEO production capability in Australia; bedding-down legislation to enable seamless

technology transfer; advancing the AUKUS Optimal Pathway and its underpinning frameworks; and increasing our coordination and investment in partnerships across the Indo-Pacific to meaningfully uphold security in our region.

Finally, our support for Ukraine remains steadfast. Last month, the Deputy Prime Minister and Minister for Defence Industry announced the gifting of 49 M1A1 Abrams tanks to the Armed Forces of Ukraine to support their fight against Russia's illegal and immoral invasion. This announcement takes Australia's overall commitment of support to Ukraine to more than \$1.5 billion.

I thank the Committee for its indulgence and look forward to answering your questions. I now pass over to the CDF.

[ENDS]