

Introduction

- 1.1 During the 2011-2012 financial year, Defence continued to engage in military operations around the world, and to assist with disaster relief.
- 1.2 The Australian Defence Force (ADF) worked towards ceasing operations in Solomon Islands and East Timor, and began the formal process of transitioning security responsibility to the Afghan National Security Forces in Afghanistan.¹
- 1.3 In addition to these operations, the ADF was also active in providing support to communities affected by natural disaster in Australia, as well as assisting in the protection of Australia's borders.²
- 1.4 In 2011-2012, Defence claimed to have generated more than \$1 billion in savings through its Strategic Reform Program (SRP), now in its third year. This included reform of the way in which Defence managed and formulated its capital equipment budgets, and a number of important reforms to project management and accountability have been implemented.³
- 1.5 Defence culture received considerable attention in 2011-2012, with a range of comprehensive reviews being completed on a number of issues within the Defence organisation, including sexual and other abuse, the treatment of women, the use of alcohol and the use of social media. As a result of these reviews, Defence has produced a strategy called *Pathways to Change*, which will form the basis for Defence's addressing of the issues raised in the various reviews.

1 *Defence Annual Report 2011-2012*, p. 3.

2 *Defence Annual Report 2011-2012*, p. 3.

3 *Defence Annual Report 2011-2012*, p. 4.

Annual Report review objectives and scope

- 1.6 The review of the *Defence Annual Report* is an important task and 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. The Sub-Committee takes this responsibility very seriously.

Focus areas

- 1.7 The Sub-Committee decided to focus on five main areas for its review of the *Defence Annual Report 2011-2012*. These issues and their chapters are:
- The drawdown and transition in Afghanistan – covered in Chapter Two;
 - Defence budget – covered in Chapter Three;
 - Force protection – covered in Chapter Four;
 - Reviews of Defence culture – covered in Chapter Five; and
 - The Strategic Reform Program – covered in Chapter Six.
- 1.8 In its review of the *Defence Annual Report 2010-2011*, the Sub-Committee resolved to maintain a focus on the Joint Strike Fighter (JSF) project, with a view to ensuring that it provides the ADF with the necessary capabilities. As such, the Sub-Committee also gives a brief update on the progress of the JSF project with a particular focus on the issues of cost, schedule and capability in Chapter Seven, along with an account of the other issues that arose during the course of this review.

Conduct of the review

- 1.9 The Review was announced via media release on 29 November 2012.
- 1.10 The Sub-Committee received five submissions; one from Mr James Brown and four from Defence answering questions on notice. These submissions were published on the Committee's website, and are listed at Appendix A.
- 1.11 The Sub-Committee held two public hearings and took evidence from the following witnesses:
- Senior Defence officials – 15 March 2013; and
 - Mr James Brown and Defence officials involved in the JSF project – 16 May 2013.

- 1.12 The proceedings of these hearings were webcast through the Parliament's website, allowing interested parties to follow the proceedings as they occurred.

