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Opening Statement

Budget Estimates: 30 May 2011

Good Morning Chair and members of the Committee.

I will begin today with my customary operations updates before touching on some other topical issues that I know are of interest to the Committee.

## OPERATIONS

### OP SLIPPER

I will begin my update on Afghanistan with broad ISAF progress, before commenting on ADF progress, the way ahead for the coalition and the upcoming commencement of the transition process.

At the outset, on behalf of the entire ADF, I offer my condolences to the wife, Mrs Elvi Wood, and the parents, of Sergeant Brett Wood, who was killed by an improvised explosive device in Afghanistan last week.

Brett was a magnificent commando—a very experienced and highly respected member of 2<sup>nd</sup> Commando Regiment.

This afternoon, a ramp ceremony will mark the end of his final journey home from battle for this courageous warrior. We will honour Sergeant Brett Wood and recognise his outstanding service to our nation.

I also thank the Committee for excusing Chief of Army and myself from this hearing this afternoon to allow us to attend the Ramp Ceremony for SGT Wood.

The Vice Chief of the Defence Force and Deputy Chief of Army will be our respective representatives during the time we are absent.

## ISAF progress

Turning now to ISAF progress in Afghanistan, I can report to the Committee that ISAF and the Afghan National Security Forces have had a good winter campaign.

Due to sustained offensive operations, the Taliban's momentum has been halted and its access to support infrastructure—such as safe houses, caches, medical support and IED making facilities—has been significantly impeded.

However, we will still face a very tough fighting season this year.

Additionally, over the past year there has been a significant surge in the number of Afghan National Security Forces.

Last year, the Afghan National Security Forces grew by 79,000 to a total of 270,000.

And ISAF remains ahead of schedule for its next target of 305,600 by October this year.

ISAF is now widening its focus from growing the size of the Afghan National Army to also improving the quality and the specialist capabilities of the Afghan forces.

A key example is the Combined Arms Artillery School in Kabul, where Australia is leading the training effort.

### Australia's progress

Australia continues to make a substantial and enduring contribution to Afghanistan.

I am pleased to report that my United States, United Kingdom and NATO counterparts remain very

complimentary of Australia's commitment to the Coalition effort in Afghanistan.

We make a much-appreciated contribution in Uruzgan, as well as the broader ISAF campaign across the South.

We have made solid progress in training the Afghan National Army 4<sup>th</sup> Brigade to a level where it will be able to takeover the security lead in Uruzgan—our primary military focus.

The 4<sup>th</sup> Brigade is increasingly capable of conducting operations and is now maintaining patrol bases without Australian support.

With our support, the Afghan National Army has continued to build new patrol bases to consolidate gains and its presence in Uruzgan, from the Tarin Kot bowl to the Mirabad Valley in the east, Khas Uruzgan in the north east, Deh Rawud in the west, and north through the Baluchi Valley into Chora.

The work of our Special Forces complements our MTF. SF operations maintain pressure on Taliban leaders and facilitators in and around Uruzgan, thereby enhancing the security environment in which the MTF and its ANA colleagues operate.

## Way Ahead

Now, as to the way ahead more broadly—the ISAF military leadership remains cautiously optimistic about prospects in Afghanistan.

The 2011 fighting season is underway and we expect the insurgency will seek to regain the lost initiative.

We can therefore expect violence levels to increase as we pressure the insurgency and restrict its activity.

We can also anticipate high profile attacks, with the Taliban seeking to gain quick propaganda victories aimed at undermining Afghan and international commitment.

But the insurgents face a more imposing battlefield than they have faced before, with greater numbers of Afghan and coalition forces in the field and their safe havens in Afghanistan continually under pressure.

The 2011 summer fighting season will be tough, but ISAF and its Afghan partners are well postured to implement its campaign plan.

## Transition

In terms of transition, the Committee would be aware that the first tranche of provinces are scheduled to begin the transition process in July this year.

This process sees our Afghan partners progressively take the lead security role across Afghanistan, with full transition set to occur by the end of 2014.

In Uruzgan, we assess that conditions will be right to transition lead security responsibility to the ANSF in the 2012-2014 timeframe, and our mentoring efforts with the 4<sup>th</sup> Brigade are building the capacity and capability to achieve this.

Senators, important progress has been made, but I stress that this progress remains fragile and reversible.

The Minister has made clear that he does not expect any significant drawdown of Australia's contribution prior to transition occurring, although resources may be reprioritised or reinvested as required.

Afghan and ISAF forces have not let up over the winter, continuing to take the fight to the Taliban, and we expect that the momentum gained from these successful operations will be maintained.

## OP PACIFIC ASSIST

Since we last convened in February, Defence initiated Operation PACIFIC ASSIST on the 1<sup>th</sup> of March in response to the 9.0 magnitude earthquake in the vicinity of Honshu, Japan and the resulting tsunami.

Three C-17 Globemasters and 38 ADF men and women were deployed over the course of the 19-day operation.

The ADF provided strategic airlift into Japan of an Australian civilian urban search and rescue team, two search dogs, eight pallets of equipment and a water cannon system.

And significantly, once the initial airlifts were completed, a C-17 remained in-country transporting Japanese Self Defence Force personnel, humanitarian provisions and disaster response equipment around Japan.

Significantly, along with the United States, we were one of the only two foreign nations to provide military airlift assistance internally within Japan in direct support to the crisis response.

The performance of our people on this short-notice task was magnificent and I know their responsiveness, professionalism and adaptability were widely appreciated.

In fact, both the Japanese Ambassador to Australia, His Excellency Kaz Sato, and my counterpart in the Japan Ground Self-Defense Force, General Oriki, have expressed to me their gratitude for the contribution made by Australia during the immediate aftermath of the disaster.

**FEB 12**

I will now update the Committee on progress with the decision of the Director of Military Prosecution (DMP) to prosecute three members of the ADF in relation to a civilian casualty incident on the 12th of February 2009.

Since I last updated the Committee, the Registrar of Military Justice convened a general court martial to hear the charges against the two soldiers.

Two pre-trial directions hearings in advance of the trial were held in Sydney during the weeks of 28 March and 16 May.

At the conclusion of these hearings, the Judge Advocate issued a ruling upholding the soldier's applications that the charges should be dismissed or permanently stayed.

The applications were upheld on the grounds that the charges did not disclose a service offence or were otherwise wrong-at-law.

The Judge Advocate adjourned the pre-trial directions hearings to allow the DMP time to consider his ruling and action that may be open to her.



The Judge Advocate indicated that he would refer the charges back to the DMP, unless the DMP initiates further action—which could include: seeking a review of the Judge Advocate's rulings in a superior civilian court; the reframing of the charges; or the preferring of new charges. However, if the DMP does not seek to initiate further action, the current trial proceedings would be dissolved. There will be no further developments until the DMP has reviewed the proceedings and provided advice to the Judge Advocate.

Today I must stress that the ruling of the Judge Advocate regarding the charges against the two soldiers has no affect on the general court martial to hear the charges against the third member.

The status of this case is as follows.

The Registrar of Military Justice is currently working through his case management process.

Formal Court Martial proceedings will follow and will include the appointment of the Judge Advocate, the President and members of the court martial panel, and the date and location of the trial.

Senators, as I have indicated to you previously, my highest priorities with this matter are: firstly, to ensure that the members receive a fair trial; secondly, to ensure that the accused members are in no doubt about the application of the presumption of innocence to them and receive all the necessary support they require; and thirdly, to ensure that the integrity, independence and process of the military justice system is preserved.

I believe each of these three priorities have been met thus far and will continue to be our focus as matters progress.

### Airborne Capability

I want to now make the Committee aware of a significant transition that is about to occur with Army's Airborne Insertion capability.

For those not familiar with this capability, the primary task for this unit is to go in to an area first and either seize, or assist in seizing, military access points for follow-on forces.

Through various initiatives such as the Hardened and Networked Army, Enhanced Land Force and Adaptive Army, Army has been looking at how this capability can be employed more efficiently and flexibly.

A key judgment of all reviews was that this can best be achieved by transferring the capability from the 3<sup>rd</sup> Battalion, The Royal Australian Regiment (3RAR) to Special Operations Command.

Earlier this month, this decision was endorsed by the Chiefs of Service Committee and Army is now developing a detailed transition plan for Special Operations Command to undertake a phased assumption of the airborne insertion capability, probably over the course of 2012.

Members of the Committee will be interested to know that though this was not a decision driven by budget constraints, it will generate savings estimated at approximately \$600,000 in the first year and followed by \$1.45 per annum.

However, most importantly, this transition will provide the ADF with greater flexibility in terms of rotations for current operations, force availability for contingencies and the development of the future ADF joint amphibious capability.

## **HMAS SUCCESS COI Implementation**

Senators, as it was a topic of great interest to you at the last estimates hearings, I now want to highlight the progress that has been made in regard to the HMAS Success Commission of Inquiry since February.

The implementation team headed by Rear Admiral Du Toit has, over recent weeks, completed a very extensive engagement program throughout the Navy conducting feedback sessions at the tactical leadership level—predominantly Petty Officers, Chief Petty Officers, Lieutenants and Lieutenant Commanders.

More than 1,000 people—which is about 25 per cent of the total number of all Navy's people at these rank levels—have participated in feedback sessions to discuss Mr Gyles' report and Navy's implementation of the recommendations.

Importantly, the feedback provided by these people is significantly influencing how we can best approach the implementation of the recommendations as well as shaping how we can best achieve the outcomes we seek.

A striking feature of the feedback received from these sessions has been the consistently very-high level of traction the New Generation Navy (NGN) cultural reform program is achieving among Navy people at the working leadership level.

There is widespread and strong support for what NGN is achieving and the vast majority of Navy's people are clearly and actively applying the NGN values and signature behaviours on a day-to-day basis.

I stress the support of NGN this morning because it provides Navy with a strong foundation for the best possible results from the implementation of Mr Gyles' recommendations.

We remain unequivocally committed to eradicating the unacceptable and inappropriate behaviours identified in Mr Gyles' report.

Rear Admiral Du Toit is present today and looks forward to the opportunity to provide more detail on this matter should you wish to raise this issue during proceedings.

Mr Gyles has advised me that he intends to deliver Part Two of his Report dealing with the subsequent 'management of the allegations and the personnel involved' post the Asian

deployment, which was the focus of Part One of his report,

later this week.

This will leave a third part of the Report, which is expected to be provided in the second half of 2011.

That part will include consideration of how we conduct administrative inquiries within the Australian Defence Force and possible improvements to our inquiry and related processes as an outcome of what general lessons can be learned from the HMAS Success Commission.

I understand that Senator Bishop wrote recently to Mr Gyles, drawing to his attention to concerns about the effectiveness of reforms to Australia's military justice system, and that Mr Gyles will include consideration of the matters raised by the Senator's letter within Part 3 of his report.

### **Culture Reviews**

Finally, I want to touch briefly on the suite of reviews that the Minister announced into aspects of the culture of Defence and the ADF.

I believe we have made considerable progress in recent years in improving ADF culture, but we cannot afford to lose focus as we seek to constantly improve.

The reviews will address a number of areas, including the treatment of women and the use of alcohol.

The review of the use and misuse of social media will be a significant contribution.

We need to better understand social media and also develop policies and other responses to assist our people's appreciation of the significant issues involved in the use of social media.

The separate, independent review of allegations of sexual and other forms of abuse that have emerged since the Skype incident at the Australian Defence Force Academy is particularly important.

We have a duty to respond to any such allegations, and if we haven't got some cases right, we need to know that, and act to make them right.

So I strongly support these reviews, and I have committed the ADF to cooperating closely to ensure that the review teams get the access they need to produce the best result.

I have also sent a clear message to all ranks that inappropriate and unlawful behaviour, towards anyone, including each other, has no place in the ADF.

We need to live our values, and make the Defence workplace safe and equitable for everybody.

That said, there is no question in my mind that, despite recent events and the adverse public commentary that followed, the ADF is a first class organisation.

Our achievements on operations around the world and here in Australia speak for themselves.

And the overwhelming majority of sailors, soldiers, airmen and airwomen consistently do the right thing.

I believe our workforce of approximately 79,000—both regular and reserve—is committed to stamping out this inappropriate and unacceptable behaviour that taints us all.

These reviews will demonstrate to the Australian community that we take our values and our reputation very seriously.

We'll take an open, honest look at what the review teams have to say, and we'll work hard to incorporate their recommendations into a holistic response to the issues that they raise.

I believe we've made some good progress in improving our culture in recent years.

But this isn't something that you can draw a line under and say "There, that's done".



We need to keep working at it to get to world's best practice and stay there.

The review teams are very experienced, very capable people who bring great depth and breadth of expertise to this work.

I am deeply appreciative they have dedicated their time, effort and expertise to assisting us.

With their help, we look forward to further strengthening the ADF's reputation as a principled, fair-minded organisation.

### Conclusion

Chair, members of the Committee, that concludes my opening statement.

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(2668 words = 24 minutes)