



**GENERAL D.J. HURLEY, AC, DSC
CHIEF OF THE DEFENCE FORCE**

**Opening Statement
2012-13 Budget Estimates Hearing**

28 May 2012

Good morning Chair and Senators. Thank you for the opportunity to address the Committee. This morning I will discuss the outcomes from the recent NATO Chicago Summit and will also provide you with an operational update.

To begin, I would like to add to the Secretary's comments about the Defence Budget. As the Secretary has stated, we recognise Defence has an obligation to contribute to the Government's overall Budget savings. The Secretary, the Service Chiefs and I were engaged in determining the recommendations to Government regarding how Defence might make that contribution and I support the decisions that have been made.

My highest priority as the Chief of the Defence Force is our people followed closely by support to operations. I am committed to ensuring that reduced Defence spending does not impact on our current operations including in the provision of equipment for our deployed forces. That is not negotiable and our stance on this matter is evident in the preservation of the principle of 'no win, no loss' for the funding of operations.

Secondly we were extremely conscious of not repeating the past by creating a hollow organisation that is incapable of supporting the ADF as it does its business at war and peace. There will however be changes to our current capability.

From next month Army will begin reducing the scale of our mechanised capability. A number of Abrams tanks and approximately 100 armoured personnel carriers will be placed in storage. Army will maintain a reduced mechanised capability within the 1st Brigade. This may cause some aspects of PLAN BEERSHEBA, the reorganisation of Army's combat capability, to be advanced. Within Air Force, we have decided to bring forward action to phase out the remaining C130Hs. Strategic and tactical airlift tasks will be borne by the C17 and C130J fleets until the arrival of the C-27J aircraft. With regard to Navy, the Secretary and I recommended that approximately \$1 billion be allocated across the Forward Estimates to addressing the recommendations from the Rizzo Report into Navy maintenance and to improving the sustainment of the Collins Class submarines.

Reductions have been made in the operating budget that will affect current activity levels and I have asked the Vice Chief of the Defence Force, the Chief of Joint Operations and the Service Chiefs to examine further the impact of these reductions on our exercise program and international engagement plans. We have taken steps to

preserve the size of the ADF to ensure we retain the military capacity to do the work we are required to do.

That brings me to our current operations in Afghanistan. The next major milestone will be in mid 2013 when Afghan National Security Forces have lead responsibility for security across the entire country.

The men and women of the ADF have played a key role in preparing Uruzgan province to transition to Afghan-led security responsibility in Tranche 3 and in building the Afghan National Army 4th Brigade's capacity to assume security responsibility.

From my recent discussions with our commanders in Uruzgan, and with the Afghan provincial government and military leadership, I believe we are well positioned for transition. In particular, our main partners, the 4th Brigade of the 205th Corps has made good progress over the past 12 months. This year the Brigade has initiated, planned and executed two complex unit size activities with good results, and now leads the planning, preparation and execution of all major operations in Uruzgan province.

That does not mean our job is done. The ADF must ensure that the 4th Brigade's capability continues to improve as the transition proceeds over the next 12 - 18 months. It does mean we will need to adjust our posture from Tactical Support to one of Operational Support providing increasing weight of effort to advising and partnering Afghan command and combat support functions. The result will be a shift from a focus on combat to a focus on security assistance.

Although Afghanistan will be responsible for its own security from 2015, the international community recognises the need for ongoing assistance and the Chicago Summit reached an agreement to work toward a NATO led training and advisory mission to continue to assist the Afghan National Security Forces post transition. Australia's contribution to this new mission will centre on providing people and practical support to Afghan training institutions.

There has also been a great deal of discussion about the role of Australian Special Forces after 2014. As the Prime Minister said there may be a need for an ongoing counterterrorism capability and Australia is considering a Special Forces contribution under the right mandate.

That said, the enormity of the challenges that face Afghanistan and Coalition forces should not be understated. However in my conversations with the senior ISAF and Afghanistan leadership I am comforted that the difficult issues are not being ignored – they are clearly articulated, the need for hard work is acknowledged, and that work is underway.

Chair and Senators, if I could turn now to other ADF operations, I am pleased to advise the Committee that both Presidential election rounds in East Timor were conducted successfully and peacefully. Although there were some minor security incidents, East Timor's domestic security forces dealt with these incidents.

Australia's military contribution to the International Security Force remains around 390 personnel. We do not anticipate any significant change to the level and force

structure until the 2012 Parliamentary elections are finalised. Any review of Defence commitment, including changes to force structure, will occur in close consultation with the Government of East Timor, the United Nations and our International Security Force partner, New Zealand.

In Solomon Islands, the Australian Government has agreed to maintain the ADF's existing commitment to the Regional Assistance Mission to Solomon Islands or RAMSI until at least mid 2013. The Combined Task Force currently comprises of a Task Force Headquarters and three infantry platoons consisting of personnel from Australia, New Zealand, Tonga and Papua New Guinea. The planned withdrawal of the Combined Task Force is a positive development that demonstrates the increasing stability and security in the Solomon Islands. The Combined Task Force is one aspect of RAMSI which covers justice, law, security, government and economic growth. Other elements of RAMSI are working to their own timelines. Defence is now working with our RAMSI partners to develop a drawdown strategy commensurate with the security conditions and RAMSI's transitions plans.

In Papua New Guinea, Australia is providing practical support to assist with the conduct of the 2012 national election. The ADF is working at the request of the Papua New Guinea Government to provide support for the election, including transporting personnel, ballot boxes and election materials to Papua New Guinea's many remote locations. Through our Defence Cooperation Program, Defence has also leased three helicopters for the Papua New Guinea Defence Force to assist in the conduct of the election. These helicopters are leased for a total of two years and will also form the basis of a longer term rebuilding of the Papua New Guinea Defence Force's aviation capability.

This is the ADF's day to day work.

Chair, Senators, that concludes my statement.

