



Inquiry into the Department of Defence Annual Report 2023-24

Submission to the Joint Standing
Committee on Foreign Affairs Defence
and Trade

October 2025

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Introduction

Serco welcomes the opportunity to contribute to the Joint Standing Committee on Foreign Affairs Defence and Trade's inquiry into the Department of Defence Annual Report 2023-24. As a long-standing partner to the Australian Government, delivering complex and mission-critical services across Defence and national security, Serco is committed to supporting Australia's strategic objectives.

We recognise the importance of the Committee's examination of Defence's progress and welcome the opportunity to provide contributions on areas where greater focus can strengthen resilience, accelerate capability and ultimately, ensure Defence is able to deter, shape and respond to threats against Australia's national interests.

Serco's experience across Australia and allied nations gives us insight into the systemic challenges Defence faces and the opportunities available to address them. Our work highlights three areas that are central to Defence's future readiness: the resilience and efficiency of the Defence estate, the workforce frameworks required to deliver on AUKUS, and the integration of uncrewed and autonomous systems into the joint force.

In addition, Serco is proud to operate and maintain the RSV Nuyina, Australia's state of the art icebreaker and scientific vessel on behalf of the Australian Antarctic Division and the Australian Government. As the nation's lifeline to Antarctica, Nuyina enables vital scientific, environmental, and logistical missions that underpin Australia's enduring presence in the Southern Ocean and on the continent. In this context, we are keenly aware of the increasing geostrategic competition in this critical domain.

These areas align directly with the themes of the Committee's inquiry:

- Defence Estate, Security and Resilience
- AUKUS
- Uncrewed/Autonomous Systems and their integration into the Joint Force
- Australian international defence cooperation and competition.

This submission provides analysis and recommendations in these areas, aimed at helping Defence overcome current barriers and build long-term sovereign capability.

This submission is offered in the spirit of evidence-based policy contribution. It draws on our practical experience and international insights, not to advocate for any specific commercial outcome, but to support Government and Parliament in shaping the frameworks, processes and investments that will ensure Defence is best placed to deliver on its mission for all Australians.

Executive Summary

Australia's strategic circumstances are marked by increasing competition, greater technological disruption, and heightened pressure on sovereign capability. The Department of Defence Annual Report 2023-24 rightly highlights progress made under the National Defence Strategy 2024 and Defence Industry Development Strategy 2024.

However, it also exposes challenges in three key areas:

1. Defence Estate, Security and Resilience – Infrastructure is not keeping pace with capability needs, leaving Defence exposed to cost, delay, and survivability risks.
2. AUKUS – Workforce capacity as one of the largest risks to timely delivery of the nuclear-powered submarine program and broader trilateral initiatives.
3. Uncrewed and Autonomous Systems – Defence has accelerated investment but still lacks the sovereign capacity, policy and integration frameworks to scale autonomous capabilities.
4. Antarctic Domain Awareness and Preparedness – The Defence Annual Report gives limited attention to Australia's southern flank, despite increasing dual-use activity and grey-zone competition in the Antarctic and Southern Ocean. Greater coordination between Defence, Science and Foreign Affairs initiatives is needed to ensure Australia can sustain and increase its research presence while preparing for, deterring and responding to emerging contingencies.

This submission offers contributions and recommendations in each of these domains. It contends that:

1. Scalable, sovereign and standardised approaches to Defence estate renewal are essential to enable future force development, sustainment and ultimately projection in contested environments.
2. AUKUS workforce mobility and exchange provisions should be championed and operationalised to deliver the Optimal Pathway for Pillar 1 as well as broader AUKUS objectives.
3. Autonomous maritime systems represent a necessary operational paradigm shift, enabling Defence to extend presence, reconcile competing demands on crewed platforms, and sustain operations while reserving uniformed personnel for complex, high-value tasks.
4. Strengthening Australia's Antarctic logistics, research and surveillance capabilities will reinforce national resilience and contribute to an integrated Defence posture that safeguards the southern approaches, supports scientific cooperation and ensures preparedness against grey-zone or dual-use competition.

Strategic Context and Defence Capability Needs

Australia faces its most challenging security environment in decades, marked by rising geopolitical tension, rapid military modernisation in the Indo-Pacific, and contested maritime domains. The 2023 Defence Strategic Review confirmed a narrowing warning time for conflict and the need for greater national resilience. In 2025, that warning time has narrowed even further.

Regional competitors are expanding long-range strike, naval power, and unmanned systems, prompting Australia to rebalance toward a more integrated, forward-deployed force with enhanced denial and deterrence. This includes a generational uplift in capability through AUKUS, new sovereign industrial investments, and a shift toward distributed and asymmetric force structures.

In addition, while Defence has increasingly focused on our northern and maritime approaches, the Antarctic and Southern Ocean remain under-examined in both the

Defence Annual Report and broader policy frameworks. The region's environmental and scientific importance is clear, but it also carries growing geostrategic implications. States such as China and Russia continue to expand dual-use infrastructure, logistics, and communications networks in the Antarctic, testing the boundaries of scientific cooperation and strategic competition. Bolstering Australia's capability for access, supply, and contingency capability in the Southern Ocean is essential not only for research, but for maintaining sovereign reach, presence, and credibility under emerging "grey-zone" dynamics.

Australia has a proud history in the Antarctic. We are one of the 12 founding signatories to the Antarctic Treaty in 1959, designating Antarctica as a "natural reserve, devoted to peace and science." The Hawke Labor government played a leading role in the development of the 1991 Madrid protocol, which imposed a 50-year ban on mining, prospecting and exploration in Antarctica.

Since the 2022 election, we acknowledge and support the Albanese Government's investment of \$1.4 billion in new funding for the Australian Antarctic Program, supporting vital projects like building a new research station on Macquarie Island, construction of a new, fit-for-purpose Macquarie Wharf 6 in the Port of Hobart and additional funding the RSV Nuyina to undertake an additional 60 days at sea each year across the next two years.

These are important, practical investments that will strengthen our presence in the Antarctic, but realising our bigger ambitions will require more than investment in platforms. Defence must adapt operating concepts to move beyond personnel-heavy models, embrace innovation, and adopt autonomous systems to extend endurance and offset workforce pressures. Strategic workforce development and modernised estate infrastructure are critical enablers, ensuring Australia can project and sustain combat-ready forces.

The Defence Industry Development Strategy (2024) reinforces this need by calling for deeper industry partnerships, streamlined procurement, and infrastructure that embeds sustainment as a strategic capability from day one. Extending these principles southward – through coordinated Antarctic logistics, research and domain awareness – would strengthen national resilience and ensure a truly comprehensive approach to defence preparedness.

Inquiry Key Themes

Defence Estate, Security and Resilience

Australia's Defence estate is a strategic enabler of national capability. Spanning more than 70 major bases and over 2.5 million hectares, it is both a critical military asset and a latent driver of national productivity. Yet the 2023 Defence Strategic Review made clear that much of this infrastructure is poorly aligned with the accelerated posture, platform delivery, and deterrence requirements now shaping Australia's security environment.

The Department of Defence Annual Report 2023-24 highlights that delivery of estate projects remains challenging and costly. Many facilities were built decades ago, are dispersed, and are not designed to withstand modern threats such as precision strike, cyber disruption, or sabotage.

The scale, age, and dispersion of the estate create vulnerabilities not only for Defence operations but also for industry efficiency, workforce mobilisation and national resilience.

Our experience supporting Defence estate in Australia and allied nations suggests several common systemic challenges.

- Fragmented delivery – estate planning is managed in siloes, with projects run in isolation rather than as part of a coordinated national approach.
- Productivity loss – bespoke design and procurement processes increase cost, slow delivery, and make replication across sites difficult.
- Capability mismatch – infrastructure upgrades often lag behind accelerated capability timelines, creating bottlenecks in force projection and sustainment.

These gaps mean that without a decisive shift in how estate is planned and delivered, new capability investments risk being ‘stranded platforms’, arriving without adequate basing, sustainment or force protection. This is particularly acute for northern bases and sustainment hubs, which face both geographic exposure and growing strategic importance.

The Defence Industry Development Strategy 2024 recognises that sovereign capability and national productivity are intertwined. It calls for deeper private sector partnerships, innovative financing, and modernised procurement models to accelerate infrastructure delivery and embed sustainment from the outset. This aligns with the National Defence Strategy’s call for a whole-of-nation approach to national defence.

Recommendations:

- Adopt standardised, replicable estate models that can be delivered at scale across multiple sites, reducing bespoke design costs and accelerating delivery.
- Embed resilience and survivability in design, ensuring facilities are hardened against emerging asymmetric threats and capable of supporting rapid force projection.
- Use estate renewal as a productivity lever, anchoring regional economies, supporting sovereign supply chains, providing training opportunities and building workforce pipelines in strategically significant regions.

A coordinated national framework for Defence infrastructure, built around standardisation, speed, and sovereign control, is essential to close current capability gaps, reduce duplication, and maximise return on public funding.

AUKUS

Australia’s commitment to AUKUS represents a generational uplift in Defence capability, but the Annual Report emphasizes what has been consistently identified by the Government, the Australian Submarine Agency, and independent analysts: workforce capacity remains a significant greatest risk to delivery.

All three partners—the United States, the United Kingdom, and Australia—face acute shortfalls in submarine production and sustainment. Australia begins from a smaller base, with no civil nuclear industry and limited existing submarine workforce capacity. Shortages span across engineering, nuclear stewardship, specialist trades, sustainment supervisors, and supply chain professionals. Without accelerated measures, these gaps risk delaying milestones under the Optimal Pathway and limiting Australia's ability to contribute to allied efforts in the region.

The Government recently took an important step forward by advancing the Nuclear-Powered Submarine Partnership and Collaboration Agreement (NPSPCA). While this treaty sets the framework for cooperation, its provisions need to be operationalised into practical mechanisms that remove barriers, enable workforce exchange, and ensure Australia develops the skilled personnel required for AUKUS.

Across Australia the UK and US we observe several barriers:

- Visa and Immigration – Current visa pathways are not designed for rapid movement of highly specialised defence roles. Even when personnel are available, processing delays and restrictions on work duration can limit timely contribution.
- Security Clearances – Clearances are not mutually recognised across AUKUS partners, resulting in duplication and lengthy vetting, even for allied civilian experts who already hold equivalent credentials.
- Credential Recognition Gaps – Engineering and trade qualifications, and certifications, are not consistently portable across borders. Differences even within Australia's state systems exacerbate the problem.
- Fragmented Coordination – Responsibility for workforce generation and planning is dispersed across multiple agencies and stakeholders. Practical arrangements for coordination, assignment, and governance remain underdeveloped.

Delivering against the AUKUS objectives requires both government enablement and practical industry-led exchange. Serco provides some options for consideration to address these challenges.

A Government-Led Workforce Mobility Framework

- Establishment of a dedicated AUKUS Skills Visa with expedited processing for submarine-related roles.
- Our proposed approach is consistent with the position of Deputy Prime Minister and Defence Minister, the Honourable Richard Marles, who has said “we need to be looking at ways in which we can have an easier facilitated movement of people between our three countries who are working on this program.”
- Creation of a trilateral mechanism for security clearance recognition, supported by a digital record of vetting and qualifications.
- Implementation of credential equivalency pathways for allied engineering and trade certifications, reducing duplication of training.

- Standing up a Workforce Mobility Taskforce within Defence, Home Affairs or the ASA to coordinate visas, credentialing and clearances.

Public-Private Workforce Exchange Program

- Establishment of a structured program to embed allied experts into ASA, the RAN, and industry projects, providing immediate capability uplift and mentoring for Australian staff.
- Deploying Australians to US and UK shipyards and program offices, gaining direct experience in mature submarine enterprises and seeding expertise back into Australia.
- Building connective tissue across the alliance by structuring exchanges to align with the Optimal Pathway, ensuring phased, targeted growth of skills in nuclear stewardship, sustainment, and supply chain resilience.

Recommendations

- Australia should operationalise the workforce frameworks agreed under AUKUS (and bilateral agreements like the NPSPCA). By combining government-led mobility settings with industry-enabled workforce exchange, Australia can close near-term gaps, reduce long-term risks, and ensure it contributes fully as both a beneficiary and a contributing AUKUS partner.

Uncrewed and Autonomous Systems

Defence's Annual Report reflects accelerating investment in uncrewed and autonomous systems across maritime, aerial and land domains. These are no longer niche experiments—they are central to how the ADF can sustain presence, project force, and manage competing demands across vast geographies with constrained human resources.

Australia's operational environment demands reach and endurance across thousands of kilometres of ocean and airspace. Traditional personnel-heavy models of capability are increasingly difficult to scale given recruitment, training and sustainment challenges. At the same time, regional competitors are deploying autonomous systems at scale, pairing them with advanced strike and ISR capabilities.

Uncrewed systems offer Australia a way to offset these pressures while enhancing deterrence. By enabling "manned-unmanned teaming", they expand operational footprints, reduce risk to personnel, and introduce flexibility into force projection. The Defence Strategic Review 2023 identified scalable autonomous systems as a key enabler of "impactful projection", particularly in the northern approaches.

Serco notes some key benefits of these platforms:

- Persistent Endurance – Uncrewed maritime and aerial systems can operate for extended periods without resupply, providing continuous surveillance, patrol and deterrence.
- Workforce Relief – Automation reduces demand on scarce skilled personnel, freeing human operators for higher-value tasks.

- Cost Efficiency – Platforms without crew life-support needs are cheaper to build, sustain and scale, allowing broader coverage across contested domains.
- Risk Reduction – Systems can operate in denied or high-threat areas without exposing personnel.
- Scalable Deployment – Uncrewed systems can be fielded in numbers, increasing sensor density and operational resilience.

The benefits will only be realised if Defence addresses barriers beyond procurement. These include:

- Policy and Regulation – Current frameworks for testing, certifying, and deploying autonomous systems are underdeveloped.
- Doctrine and Concepts of Operations – Uncrewed systems must be integrated into joint force planning as complementary assets, not bolt-on extras.
- Technology and Industry Development – Sustained partnerships with domestic industry are needed to embed autonomy, AI, and digital sustainment into Australia's sovereign defence base.

Uncrewed and autonomous systems represent more than technological upgrades, they signal an operational paradigm shift. By embracing a hybrid model, where uncrewed platforms extend reach and endurance while freeing up high-value crewed assets, Defence can balance its competing requirements of presence, deterrence and workforce sustainability.

Recommendations:

- Accelerate Policy and Regulatory Frameworks – Establish clear pathways for trial, testing and certification of uncrewed systems to shorten the gap between experimentation and operational deployment.
- Mainstream Autonomous Platforms in Force Structure Planning – Treat uncrewed systems as core complementary assets, enabling a hybrid fleet model that integrates them with crewed platforms.
- Expand Sovereign Partnerships in Autonomy and AI – Co-develop digital sustainment, autonomy integration and AI-enabled mission systems with Australian industry and research institutions.

Australian international defence cooperation and competition - Antarctic Domain Awareness and Preparedness

The Antarctic and Southern Ocean represent a vital yet under-recognised dimension of Australia's strategic environment. While traditionally defined by scientific cooperation and environmental protection, the region is increasingly shaped by dual-use infrastructure, advanced logistics capabilities, and "grey-zone" competition that tests the limits of the Antarctic Treaty framework.

The August 2024 Joint Statement on Australia-U.S. Ministerial Consultations (AUSMIN) welcomed our joint efforts to support The Antarctic Treaty System and continued collaboration in science and logistics. America and Australia committed to continue the protection of Antarctica's environment, and peaceful and scientific use, including by jointly advocating for a representative system of marine protected areas in the Antarctic region.

This renewed, shared commitment and the Albanese Government's renewed investment in Antarctic science is very welcome and aligns with the spirit of international collaboration. However, ensuring the continuity of this research and Australia's free access requires Defence to plan for sustainment, contingency response, and domain awareness south of the continent. Other states are expanding their year-round presence and infrastructure with clear dual-use potential (runways, logistics and support infrastructure); Australia must remain proactive to protect its scientific leadership and national interests.

Recommendations:

- **Integrate Antarctic Preparedness into Defence Planning:** Incorporate Antarctic and Southern Ocean considerations into Defence estate and capability planning to ensure year-round logistic support, resilience and contingency readiness.
- **Enhance Dual-Use Infrastructure, Supply and Logistics:** Support infrastructure and supply-chain investments that serve both scientific and national resilience purposes – including fuel, cargo handling, and emergency response capability – to ensure assured access and sustainment in the Southern Ocean, while remaining fully compliant with the Antarctic Treaty System. **Dual-Use Infrastructure and Logistics:** Support infrastructure investments that serve both scientific and national resilience purposes, while remaining compliant with the Antarctic Treaty System.
- **Strengthen Domain Awareness:** Expand the use of space-based, uncrewed, and data-fused monitoring systems to detect activity across the Southern Ocean and Antarctic approaches.

This is consistent with Recommendation 3 from the *Joint Standing Committee on the National Capital and External Territories* February 2025 Australia's Antarctic Territory report, "The Committee recommends that the Australian Government increase the frequency of its inspections of other Antarctic Treaty Parties' Antarctic stations over 2025-26 and beyond. The Australian Government should consider other methods of inspection such as satellite imagery and drone use."

- **Whole-of-Government Coordination:** Establish a unified Antarctic strategy linking Defence, Science, Foreign Affairs, and Industry portfolios to manage research, logistics, and potential contingency responses coherently.

This is consistent with committee comment 3.75 from the *Joint Standing Committee on the National Capital and External Territories* report "Due to the nature and complexity of the ATS, the Committee is of the view that management of Australia's Antarctic affairs should adopt a whole-of-government approach, centrally coordinated by the Australian Antarctic Division (AAD). This approach will help manage Australia's multiple and often diverging interests on the continent."

- An integrated approach to Antarctic operations would reinforce Defence's ability to prepare for, deter, and respond to emerging contingencies, complementing the Committee's focus on building a more resilient, focused, and globally engaged Australian Defence Force.

Conclusion

The Department of Defence Annual Report 2023-24 reflects the scale of Australia's ambition and the Government's significant investment in building a more capable and resilient Defence Force. Progress is clear, but so too are the systemic risks that must be managed if this ambition is to be realised at speed and scale.

This inquiry provides a critical opportunity for the Parliament to ensure Defence has the frameworks, partnerships and oversight needed to deliver. In particular, the Committee's focus on the Defence estate, AUKUS workforce frameworks, and uncrewed/autonomous systems and Australia's Antarctic posture goes directly to the heart of future readiness goes directly to the heart of Australia's future readiness.

To sustain momentum, Serco respectfully recommends that the Committee consider:

- Defence Estate Renewal – Scalable, standardised and resilient infrastructure models that can support force projection and withstand modern threats.
- AUKUS Workforce Enablement – Operationalising mobility, credentialling and exchange frameworks to address the single largest risk to the submarine enterprise.
- Integration of Uncrewed Systems – Treating autonomous capabilities as core assets in force design to extend reach, offset workforce constraints, and enhance deterrence.
- Antarctic Preparedness and Resilience – Embedding Antarctic logistics, supply, and domain awareness in Defence planning to reinforce Australia's scientific leadership, ensure assured access, and safeguard national interests in an increasingly contested Southern Ocean.

Serco welcomes the Committee's examination of these issues and strongly supports this Government's commitment to a generational uplift in capability. With the right focus on estate, workforce and emerging technologies, Australia can ensure Defence remains credible, resilient and ready to meet the nation's most demanding security challenges and sovereignty in an increasingly contested Indo-Pacific region and Antarctic.