

# CHAPTER 1

## 2008-09 OVERVIEW

### FOREWORD BY THE SECRETARY OF DEFENCE & THE CHIEF OF THE DEFENCE FORCE

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2008-09 was another busy year for Defence. The Australian Defence Force (ADF) was engaged in 18 operations around the world with a peak contribution of 3,500 personnel. The Government released the 2009 White Paper, the most comprehensive ever compiled, which sets out a clear plan for the future size and shape of the ADF. Closely linked to the *White Paper* is the Strategic Reform Program, an ambitious program that will reform the way Defence does business in order to increase efficiency and effectiveness, and provide savings which will be reinvested to fund Force 2030.

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In 2008-09 Defence continued to perform very well in a wide range of operations. This year, Defence was engaged in operations in East Timor, Solomon Islands, Papua New Guinea and the Northern Indian Ocean, and maritime security operations in the South China Sea in support of regional security. In the Middle East, Defence contributed to coalition efforts in order to deny Afghanistan as a safe haven for terrorist groups and also supported the



Multinational Force effort to develop a stable and secure environment in Iraq. In Africa, the Middle East, Iraq, Afghanistan, and East Timor, Defence also supported United Nations Missions and our forces operated in the Gulf region and the Horn of Africa to counter the threat of piracy. Here at home, Defence assisted the civil authorities' response to the devastating Victorian bushfires and floods in Queensland and New South Wales. Defence also provided personnel to support the Government's intervention to assist indigenous communities. Finally, Defence played a central role in protecting Australia's borders and offshore maritime assets.

We are very proud of the efforts of our deployed personnel and the way in which they are conducting themselves. They are fine ambassadors for Australia and are furthering our reputation with our allies as a reliable, professional and skilled fighting force. In January, Trooper Mark Donaldson was recognised for his exceptional skill and bravery when he was awarded the Victoria Cross, the first Australian in almost forty years to be honoured in this way. Trooper Donaldson was deployed to Afghanistan as part of the

Special Operations Task Group when he displayed exceptional courage in circumstances of great peril. His actions were of the highest accord and in the finest traditions of the Australian Defence Force. His bravery should be an example to us all.

This year saw the release of a new Defence White Paper that provides a basis for the further development of our Defence capability. Force 2030 provides a formidable set of military capabilities that will keep our country secure into the future in an evolving strategic environment. The White Paper was the result of over twelve months of comprehensive internal and external reviews, audits and scrutiny. The Force prescribed in the White Paper, Force 2030, will deliver a modern and innovative ADF, which is balanced, networked and deployable. Force 2030 will be staffed by dedicated and professional people, both military and civilian, who operate within a culture of adaptability, and excel at joint, interagency and coalition operations.

Over the past 12 months the ADF has continued its evolution towards becoming an increasingly innovative and adaptive force. Each of the three Services embarked on improvement initiatives supporting the Strategic Reform Program. Navy also implemented measures to evolve to a more positive, progressive, and people focused organisation through the 'New Generation Navy' initiative. The 'Adaptive Army' initiative set in place improvements to command and control, force generation and force preparation. Air Force continued with its 'Air Force: One Team' cultural approach in order to reaffirm our Air Force as a values based, inclusive workforce focused on professional mastery.

2008-09 also signalled the start of significant, deep and holistic reform in every part of Defence.

The Strategic Reform Program is the most far reaching reform ever undertaken by Defence. It involves improvements to many areas of Defence, from the way we plan and develop strategy to the way we procure goods and services. The Strategic Reform Program is a long-term program, a decade long campaign, that will change Defence culture and deliver sustainable improvements in the way Defence conducts business. This program will be challenging, but we are confident that the men and women of Defence will be able to achieve this program of reform. Together we will produce a more efficient and effective organisation.

As a result of the Strategic Reform Program Defence will deliver gross savings from efficiencies and cost reductions over the coming decade of around \$20 billion. This money will be reinvested to deliver Force 2030. Without it, we will not be able to deliver Force 2030. That is why, after operations, there is no higher priority in Defence than the Strategic Reform Program. We, along with our leadership colleagues, are personally committed to delivering the savings, and reforms, for Government.

In implementing the Strategic Reform Program, we have drawn on the lessons from previous reform programs in Defence, including the need for strong internal and external governance. A key development in the area of transparency and accountability is regular progress reporting to Government, and the formation of the external Defence Strategic Reform Advisory Board.

In addition to seeking deep reform, Defence worked hard to improve its transparency and accountability mechanisms this year. Defence achieved unqualified financial statements, and established a new Freedom of Information and Records Management Branch to ensure that we are well positioned to implement a pro-disclosure culture.

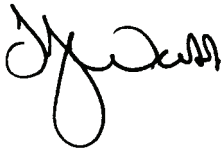
Sadly, this year we lost five fine young men who were killed on operations in Afghanistan. Our thoughts are with the families and friends of these brave soldiers as they cope with their terrible loss. In addition to those we lost, a number of our people were also wounded on operations-some with significant and permanent wounds-and continue to undergo rehabilitation. As they embark upon their long path of recovery, we wish them well as they heal and make decisions about their future.

Of course, none of what we achieve would be possible without the assistance of Defence families. Life in Defence offers its members challenging and rewarding careers. However, in addition to offering many opportunities, the military lifestyle can also be demanding, not only for the ADF member, but also for their families. So we also thank Defence families, military and civilian, for their ongoing love and support.

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Finally, we would like to thank all members of Defence for their contribution over the past year. We would also like to thank the previous Secretary, Mr Nick Warner, who leaves an important legacy, including the 2009 *White Paper* and the Strategic Reform Program, and improved governance and financial frameworks.

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I J Watt AO  
Secretary  
Department of Defence

A G Houston AC, AFC  
Air Chief Marshal  
Chief of the Defence Force