



Australian Government
Department of Defence

**2019–20 DEFENCE
CORPORATE PLAN**

COVERING THE PERIOD OF 2019-23

STATEMENT OF PREPARATION

I, as the accountable authority of Defence, present the *2019–20 Defence Corporate Plan*, which covers the periods of 2019–23, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.



Greg Moriarty
Secretary of Defence
13 July 2019

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Introduction

The *2019–20 Defence Corporate Plan* sets out Defence's purpose, intended results and key activities to be achieved covering the period 2019–23. In line with the requirements under the *Public Governance, Performance and Accountability Act 2013*¹ (PGPA Act), this plan describes the expected performance required to achieve Defence's purpose over the life of the Corporate Plan.

Defence's purpose is to:

Defend and protect Australia and advance its strategic interests.

Underpinning this purpose are two outcome statements² through which we focus our portfolio resourcing and delivery of intended results for Government. These are:

- Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction; and
- Protect and advance Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security and stability as directed by Government.

In 2019–20, we will continue to deliver significant outcomes for the Australian Government and the Australian people, including the conduct of operations and national support tasks, enhanced defence capability, strong partnerships with Defence industry and effective international engagement.

Performance against the Corporate Plan will be reported through annual performance statements, to be included in the Defence Annual Report for 2019–20.

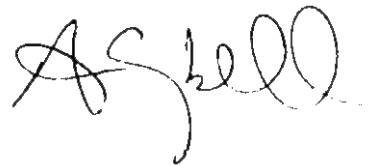
The Corporate Plan is a living document and will be updated at least annually to reflect changes in our operating environment, refresh organisational priorities and ensure Defence delivers against its purpose.

Together, we are pleased to present the *2019–20 Defence Corporate Plan*.



Greg Moriarty
Secretary of Defence

13 July 2019



Angus Campbell, AO, DSC
General
Chief of the Defence Force

10 July 2019

¹ Purposes are defined by Part 1, Division 2–8 of the *Public Governance, Performance and Accountability Act 2013* as 'the objectives, functions or role' of an entity.

² The Defence outcomes statements are published in the Portfolio Budget Statements.

Defence Portfolio

Defence is established as a Department of State under the Administrative Arrangements Order. Operating as one Defence entity under a diarchy, the Department of Defence operates under the *Public Service Act 1999*; and the Australian Defence Force (ADF) is constituted through the *Defence Act 1903*.

In addition to the Department of Defence and the ADF, the Defence portfolio comprises other entities including the Australian Signals Directorate, Defence Housing Australia, the Australian Defence Force Cadets, and a number of trusts, companies and other statutory offices and entities. The portfolio also contains the Department of Veterans' Affairs and associated bodies as designated in the Administrative Arrangements Order.



Figure 1: Defence portfolio structure as at 30 June 2019. Note the Department of Veterans' Affairs is not included in the figure.

Defence's annual Portfolio Budget Statements detail the program structures against outcomes and purpose for Defence.

Purpose	Outcome Statements	Budget Programs
Defend and protect Australia and advance its strategic interests	Outcome 1: Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction	Operational Programs 1.1 – 1.3
	Outcome 2: Protect and advance Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global stability as directed by Government	Departmental Programs 2.1 – 2.13
		Administered Programs 2.14 – 2.17

The scope of the *2019-20 Defence Corporate Plan* includes priorities for Defence (Department of Defence and ADF components). The Department of Veterans' Affairs, Australian Signals Directorate and Defence Housing Australia have developed their own corporate plans.

Operating Environment

Defence organisation

Defence's purpose is to defend and protect Australia and advance its strategic interests.

Defence protects and advances Australia's strategic interests through the provision of military capabilities, to promote security and stability and to provide support for the Australian community and civilian authorities, as directed by the Government.

Defence is administered by a diarchy, which is the term used to describe the joint leadership of Defence by the Secretary of Defence and the Chief of the Defence Force under the general control of the Minister for Defence. The diarchy, which is supported by legislative and administrative arrangements, encompasses the individual and joint responsibilities and accountabilities of the Secretary and the Chief of the Defence Force, to ensure Defence operates cohesively as one organisation, working together to meet Australian Government requirements and achieves its purpose.

The organisational structure of Defence includes capability and enabling functions structured under Defence Groups and Australian Defence Force Services. The Defence organisational chart can be found at www.defence.gov.au.

The One Defence Business Model below reflects the way the core functions within Defence operate together.

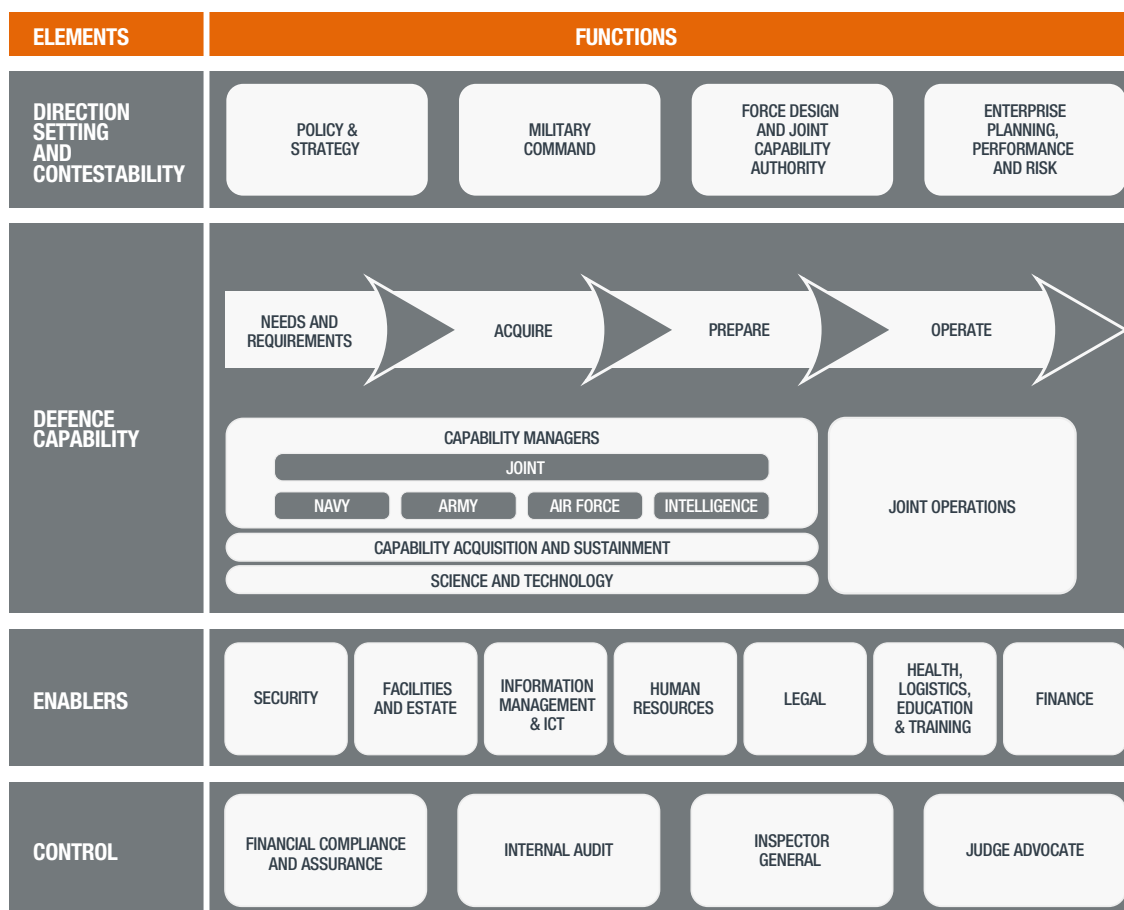


Figure 2: One Defence Business Model

To deliver our purpose, Defence must be a diverse and inclusive employer of choice; respectful, trusted and proven to deliver. To maximise our capability, sustain the trust of Government, the Australian community and each other, we must take the best in our culture forward and hold to account those that do not meet our standards. Our cultural objectives for 2019-20 are: leadership accountability; capability through inclusion, ethics and workplace behaviours; health, wellness and safety; workplace agility and flexibility; and leading and developing integrated teams. We will build on the progress we have made over the past several years to foster a more inclusive culture, to be representative of the community we serve, and to drive high-performance at all levels.

Defence values provide a common and unifying thread for all people working in Defence. These values are:

- Professionalism—striving for excellence in everything we do
- Loyalty—commitment to each other and Defence
- Integrity—doing what is right
- Courage—the strength of character to honour our convictions (moral courage) and bravery in the face of personal harm (physical courage)
- Innovation—actively looking for better ways of doing our business
- Teamwork—working together with respect, trust and a sense of collective purpose.

The Secretary and the Chief of the Defence Force lead Defence’s workforce, which include Australian Defence Force members of the Navy, Army and Air Force, and Australian Public Service employees. Defence works in partnership across the Australian Government, with international counterparts, industry and academia.

Operations

The Government deploys Defence personnel to operations overseas and within Australia to protect Australia and advance its strategic interests. Defence is also called upon to provide support to the Australian community and civil authorities within Australia as directed by Government. National security is a whole-of-government commitment, requiring Defence to work with other security agencies, both across Government and internationally, to ensure strategic objectives are achieved.

The Government expects Defence to be able to defend Australia, play an active role in contributing to regional security and stability, and contribute to coalition operations around the world where our interests are engaged. Figure 3 identifies ADF operations as at 1 July 2019.

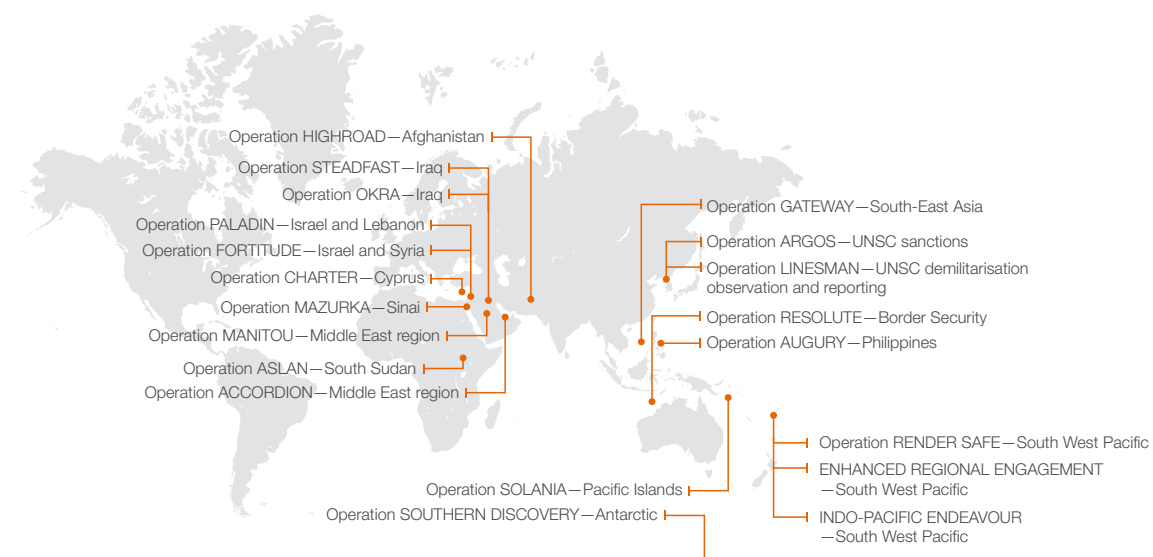


Figure 3: ADF operations as at 1 July 2019

Defence Capability

The *2016 Defence White Paper* identified Australia's strategic defence interests as: a secure and resilient Australia; a secure near region, encompassing maritime South-East Asia and the South Pacific; a stable Indo-Pacific region; and a rules-based global order that supports our interests.

Since the release of the *2016 Defence White Paper*, some strategic trends have accelerated faster than initially anticipated. Defence strategic and capability ambitions remain relevant and appropriate in the face of these international trends. A more proactive posture for Defence is desirable to strengthen our relationships with countries across the region to address security challenges; regional and global norms; and preventing, when possible, security challenges from escalating rather than simply responding when they do.

The Challenge	Defence's response
A secure, resilient Australia, with secure northern approaches and proximate sea lines of communication.	Deter, deny and defeat attacks on or threats to Australia and its national interests, and northern approaches.
A secure nearer region, encompassing maritime South East Asia and South Pacific (comprising Papua New Guinea, Timor-Leste and Pacific Island Countries).	Make effective military contributions to support the security of maritime South East Asia and support the governments of Papua New Guinea, Timor-Leste and of Pacific Island Countries to build and strengthen their security.
A stable Indo-Pacific region and a rules-based global order.	Contribute military capabilities to coalition operations that support Australia's interests in a rules-based global order.

Figure 4: **Strategic Defence Objectives**

The Defence Corporate Plan is Defence's principal public planning document to assure Government and the Australian people that strategy, capability and resources are aligned to the highest priorities in achieving Defence's purpose and the strategic objectives within the *2016 Defence White Paper*. A defence force that can meet the challenges of the future requires the generation, integration and sustainment of Defence capability across multiple decades. This is balanced with the need to be agile and responsive to Government direction to address emerging threats within changing environments and evolving geopolitical dynamics.

Defence's Strategic Framework supports planning and direction-setting, and risk assessments to understand the strategic environment. These risk assessments inform the Department's highest level classified planning document, the Defence Planning Guidance.

Figure 5 demonstrates the strategic, complex and multi-layered nature of planning within Defence. It should be noted that this does not include all documents and that there are classified environments and systems in place designed to ensure planning, resourcing, prioritisation, risk management and delivery is aligned with Government direction and the Secretary and the Chief of the Defence Force's strategic priorities.



Figure 5: **Enterprise planning hierarchy in Defence**

Defence has one of the largest capital investment programs in the Commonwealth, consisting primarily of acquisition, sustainment and support of Defence capabilities. Introduced at the same time as the 2016 *Defence White Paper*, the Integrated Investment Program includes all capital and related investments (such as materiel, estate and facilities, workforce and information and communications technology).

The Integrated Investment Program is supported by a contestability function that informs the development of the risk assessment and decision support framework to ensure that investment proposals are aligned with strategy and resources. Upgrading Defence bases and logistics systems, including fuel and explosive ordnance facilities in accordance with 2016 *Defence White Paper* requirements, remains a priority.

The National Naval Shipbuilding Enterprise will continue to build capacity and Defence will strive to achieve the planned milestones with the *Naval Shipbuilding Plan* to establish a sovereign industrial capability. Work on the development and implementation of the Sovereign Industrial Capability Priority Plans has commenced, providing information to Defence industry on the focus and requirements of Defence for sovereign industrial capabilities to support the Australian Defence Force. Collective effort is required from other Commonwealth departments, state and territory governments and industry to be successful. Relationships will be coordinated and harmonised through a detailed governance structure to maintain clarity of communication and decision making.

Preparing the Future Force

As part of the *2016 Defence White Paper*, the Government is delivering a more capable, agile and potent ADF that can respond in support of Australia's interests. While the *2016 White Paper* identified the key geopolitical factors driving changes in Defence's strategic environment, the rate of change has accelerated across the Indo-Pacific region beyond projections made as recently as three years ago.

Defence, as a key element of national power and influence, must be agile and responsive to deliver the priorities of the government of the day. Defence capabilities are increasingly part of a whole-of-government strategic effect, which also includes academia, defence industry and international partners in the delivery of national security outcomes.

A joint force that is capable, agile and potent in achieving the Strategic Defence Objectives directed by the Government requires a flexible and scalable force design process. Informed through analysis of Government strategic guidance, the development of military strategy, and Defence planning guidance; Defence assesses emerging gaps and opportunities; develops and tests operating concepts; and proposes force structures and capability options that enhance and enable the joint force.

In 2019-20, Defence will continue to design, develop and integrate capability to provide the Government with options to mitigate strategic national security risks. This includes Defence's ability to respond and conduct military operations and provide civil aid and humanitarian assistance in multiple domains as a joint force, bringing together land, air, sea, intelligence, electronic warfare, space, information (including cyber) and personnel capability. Defence is working to integrate the technical, organisational and cultural aspects of our business to deliver cohesive military effects across a joint warfighting domain.

Enabling and delivering capability requirements

The Chief of Defence Force's Preparedness Directive (CPD) articulates the preparedness requirements of the joint force, including the required fundamental inputs to capability. The Capability Managers in Defence are responsible for managing component capabilities in accordance with the CPD to deliver leading edge defence capabilities that provide strategic advantage and avoid strategic surprise, supported by delivery and enabler Groups. These are integrated into the current and future joint force.

Working closely with partners across the Defence organisation, defence industry and Coalition Forces; Defence capabilities are introduced into service, sustained with agreed enhancements, and removed from service via retirement or replacement, as part of the Capability Life Cycle.

The identification of individual accountable officers to drive integration across Defence systems and capabilities is a One Defence initiative and forms a central element of Defence's ongoing reform agenda. Defence will continue to strengthen its strategic management capability to set direction for the organisation, monitor and manage organisational performance, and provide assurance to Government that its outcomes are being delivered effectively and efficiently.



Figure 6: Enabling and delivering defence capability. The figure provides an overview of the elements that contribute through the Capability Life Cycle and achieve One Defence outcomes.

Reform, Governance and Risk Oversight

Defence 2022: Embedding One Defence Reform

Defence must be efficient, agile and responsive to deliver the priorities of the government in a dynamic strategic environment. Defence has reformed significantly in recent years, through the implementation of the First Principles Review, which has delivered a fundamental leap in Defence's efficiency and effectiveness as an organisation, and provided an enduring foundation for operating into the future.

Defence is now challenging itself to move beyond the First Principles Review to drive a continuous reform and improvement journey. There are significant reforms underway that build upon the strong foundation provided by the First Principles Review, including workforce skills and flexibility, transforming business processes, integrating delivery of corporate and enabling services, and increasing the ability to work with Defence industry. These initiatives will be under the central oversight and control of the Defence Committee, reporting to the Minister for Defence.

Building on the First Principles Review. The purpose of the First Principles Review was to make sure Defence is outcomes-orientated, agile and responsive to Government priorities. Defence remains committed to the principles at the heart of the review, implementing a One Defence approach and embedding the One Defence Leadership Behaviours.

Workforce reform. Defence is transforming its workforce to meet rapidly evolving national security challenges. It faces issues attracting, recruiting, training, professionalising and upskilling its workforce, both generally and in specific workforce areas such as shipbuilding, cyber and ICT. A concentrated effort is underway to attract, recruit, retrain and retain the right people. This includes ensuring Defence's employment offer is competitive, implementing programs and pathways to foster specialised skillsets, modernising recruitment practices, and creating a work environment that makes Defence an employer of choice. Defence is collaborating and partnering with industry and academia to build skills, noting building skills of defence industry yields better results for Defence capability.

Business process transformation. Defence is changing the way it conducts its business by enhancing integration and connectivity across the organisation. This will significantly increase efficiency. Key to this process are Defence's enterprise information management (EIM) and enterprise resource planning (ERP) projects. These projects are very ambitious and the largest such initiatives ever undertaken by the Australian Government. Successful implementation will fundamentally improve the administration of the entire Defence enterprise. Further improvements are also being implemented to Defence's estate and supply chain management.

Integrated service delivery. Defence is introducing a more strategic and customer-focused integrated service delivery system. This will reduce the time needed to navigate Defence systems and processes, enabling the Defence workforce to remain focussed on its core business. Defence's fiscal stewardship is being enhanced by the transition to a contemporary financial management approach.

Defence industry. Defence is continuing to improve its relationship with sovereign defence industry. This supports more effective delivery of defence capability and strengthens Australia's industrial base.

Having a strong sovereign defence industrial base is an expression of our national power and supports our agility to meet the challenges of the changing strategic environment. A strong exporting defence industry also gives us influence on the world stage.

The First Principles Review provided Defence with a strong foundation. By embedding a continuous improvement culture and maintaining a disciplined focus on our reform priorities, Defence will continue to evolve and adapt to Australia's changing strategic circumstances.

Governance and Control

The strategic centre within Defence is responsible for setting priorities, managing resources and steering the organisation to implement the Government's defence policies and achieve Defence's purpose. Defence's strategic centre is based around its primary decision-making committee – the Defence Committee (Tier 1). The Defence Committee is focused on strategic issues and is supported by the Tier 1 Defence Audit and Risk Committee, and four Tier 2 subordinate committees: the Strategic Policy Committee, the Chiefs of Service Committee, the Enterprise Business Committee, and the Investment Committee.

The Defence Committee approved the Defence Enterprise Committee Governance Framework in December 2018. The Framework, through its supporting systems and processes, will:

- Clearly align with the Defence Business Cycle
- Show how the role, function and decision-making authority and accountability of the Tier 1 Committees connect and intersect with the Tier 2 and Tier 3 Committees
- Ensure strategic planning and prioritisation decisions are made by appropriate committees based on relevant information
- Focus on performance and assurance of Defence strategic intent
- Facilitate escalation of risk and issue management
- Provide formal guidance to communicate and drive effective committee processes.

The Framework aims to further enhance Recommendation 1.14 of the First Principles Review, *'that all other enterprise-wide committees be reviewed for their relevance and alignment with the One Defence business model with the aim of a substantial reduction in the number of committees'* and is expected to promote a performance orientation; clarify accountabilities and decision rights; encourage openness, transparency and integrity; and promote effective collaboration.

Under the Framework, the Defence Audit and Risk Committee's role is to review and provide written advice to the Secretary and CDF on the appropriateness of Defence's financial reporting, performance reporting, system of risk oversight and management, and the system of internal control.

In 2019–20, Defence will continue to mature its control functions – financial management, risk management, internal audit, inspector general and judge advocate – so that they can provide assurance to the Defence senior committees that Government-directed outcomes are being delivered in accordance with legislative and policy requirements.

Both the First Principles Review and the *2016 Defence White Paper* highlight the importance of maintaining a balance between Defence strategy, capability and resources.

Key accountable and responsible officers will work together to ensure that enterprise financial management, corporate planning and performance management are aligned to support the Defence senior leadership and comply with the *Public Governance, Performance Accountability Act 2013* (PGPA Act).

Effective financial management ensures Defence uses Government-allocated resources to deliver Government-directed outcomes in accordance with the PGPA Act. The Chief Finance Officer has responsibility for ensuring appropriate financial governance within Defence.

Defence's financial stewardship is being enhanced to deliver a robust and strategic finance function that transitions the Department towards a more contemporary financial management approach. This will provide focus on process improvement, automation of transactional services, and building financial management capability across Defence. It will better balance control and assurance activities with a client-focused business partnering approach to financial management. This integration will facilitate effective communication to understand and connect to internal and external stakeholder requirements; and provide integrated controls for managing risks, supporting continued success in achieving compliance obligations.

In accordance with the PGPA Act, and in support of the Commonwealth Fraud Control Framework, Defence has instituted the Defence Fraud and Corruption Control Plan, which describes the fraud control framework to prevent, detect and respond to fraud. A focus for 2019–20 will be to develop our capacity to identify and manage enterprise-wide vulnerabilities and risk factors within a diverse operating environment.

Defence's Legal Framework

The *Defence Act 1903* sets out the framework for the command and administration of Defence, including the role of the CDF to command the ADF.

The Secretary has all the rights, duties and powers of an agency head under the *Public Service Act 1999*, and is responsible for the Department and the ADF under the PGPA Act.

Head Defence Legal is accountable to the Secretary and the CDF for the provision, procurement and coordination of legal services across Defence, subject to the *Legal Services Directions 2017*, issued from time to time by the Attorney General, including:

- provision of effective and efficient legal service delivery
- establishment of standards and monitoring of service delivery performance for the legal services shared service function.

This ensures commanders and line managers receive the legal support they require to fulfil their accountabilities and deliver capability.

Risk Management

Risk management is an essential element in Defence's framework of good governance. Defence maintains a system of risk oversight and management to support its capability to achieve strategic objectives.

Defence recognises risk is inherent in its work and can present opportunities and threats to the achievement of its outcomes. Defence's risk management system aims to support the achievement of Defence's outcomes and ensure it is able to meet its risk management obligations in accordance with the *Public Governance, Performance and Accountability Act 2013* and the Commonwealth Risk Management Policy. All Defence personnel have a responsibility in managing risk, including complying with legislation, policies and delegations.

Risk appetite is the level of risk Defence is willing to accept to achieve its outcomes. Defence's risk appetite and tolerance is influenced by the nature of its activities, emerging priorities and changes in the environment. Defence generally prefers to accept low to medium levels of risk, so far as reasonably practical. However, due to its complex operating environment, Defence may need to manage higher levels of risk. Risk tolerance levels may also be reflected in Group and Service business plans.

An understanding of risks informs Defence's priorities, enables calculated risks to be taken when prudent to do so and allows Defence to identify and address issues that might otherwise jeopardise its capability and credibility. Effective risk management enables and supports innovation, the development of new ways of working and the proper use of public resources to achieve Defence outcomes.

Enterprise Risks are risks to the implementation of government decisions and achievement of Defence's required outcomes. They concern the operations of the organisation and may have internal and external causes. Defence has identified ten categories of enterprise risks: Capability, Estate, Finance, Information, People, Preparedness, Reform, Security, Stakeholder Engagement, Work Health and Safety.

Group and Service business plans identify risks to the achievement of **Activities** outlined in the Corporate Plan.

Defence also assesses Australia's strategic environment to identify potential **strategic risks** that could impact Defence and may require changes to Defence policy, strategic guidance, or force posture. Strategic risks may be managed as shared risks with Australian Government, international and industry partners.

In 2019-20, Defence will update its **risk management policy**, which outlines enterprise risk management expectations, accountabilities and responsibilities in the organisation.

Performance

This section sets out the intended results and high-level activities that contribute to Defence's purpose, including indicators of performance over the next four years. These should be read in conjunction with the Portfolio Budget Statements 2019-20, the Portfolio Additional Estimate Statements 2019-20, and the Defence Annual Report 2019-20.

Defend and protect Australia and advance its strategic interests

Portfolio Budget Statement 2019–20 Outcome Statement 1: Defend Australia and its national interests through the conduct of operations and the provision of support for the Australian community and civilian authorities in accordance with Government direction.

Defence plans for, develops and maintains the capability to deter and defeat armed attacks on Australia or on Australian interests. This includes planning for, conducting, controlling and evaluating Defence and/or coalition contributions to Government-directed operations.

Defence also supports the Federal, State and Territory governments with emergency and non-emergency tasks, as well as supporting events of national significance when requested by the Australian Government.

Portfolio Budget Statement 2019–20 Outcome Statement 2: Protect and advance Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security as directed by Government.

Defence must provide high-quality, relevant and timely advice to Government on Defence strategy, capability and resourcing. Defence has implemented the 'strategic centre' model to ensure that all advice provided to Government is contested for alignment with Government strategic direction and to ensure the options being presented to Government support achievement of its Defence strategy, as described in the *2016 Defence White Paper*.

The Government expects Defence to play an active role in contributing to regional security and stability, and to coalition operations around the world where our interests are engaged. Delivering on these requirements will require Australia to build on its strong network of bilateral and multilateral relationships. Through regular dialogue and practical cooperation, Defence is strengthening its engagement with partners to support shared responses to shared challenges.

Capability delivery is a core business process that enables Defence to perform its mission of defending Australia and its national interests now and into the future. Defence must procure capability efficiently and effectively. In 2019-20, Defence will continue building the new levels of capability required by Government and described in the *2016 Defence White Paper* and the Integrated Investment Program. Major investments will enhance ADF capability to conduct operations to deter and defeat threats to Australia; operate over longer distances to conduct independent combat operations in our region; and make more effective contributions to multinational coalitions.

Australia's defence industry is a major partner in the Government's plans for current and future Defence capabilities. It is vital that Australia maintains a science and technology base and defence industry capable of supporting Defence's acquisition and sustainment requirements during peacetime and operations. A highly skilled and capable Australian defence industry is necessary for Defence to achieve its strategic objectives and deliver large-scale, complex projects and sustain military capability. Defence will work with industry to reflect a shared policy agenda that supports the growth and competitiveness of Australian businesses.

Intended Result 1. Defence meets operational capability requirements and supports the Australian community as directed.

Senior Committee Alignment: Chiefs of Service Committee

Steward: Vice Chief of the Defence Force

Defence plans for, develops and maintains the capability to deter and defeat armed attacks on Australia or against Australian interests. This includes planning for, conducting, controlling and evaluating Defence and/or coalition contributions to Government-directed operations.

Defence also supports the Commonwealth and State/Territory Governments with emergency and non-emergency tasks, as well as supporting events of national significance as directed by the Australian Government.

Defence will play an active role in contributing to regional security and stability, and to coalition operations around the world where our interests are engaged.

Activity	1.1 Conduct and sustain operations where our interests are engaged
Performance Criteria	Assessment of operations against directed outcomes agreed with Government
Target	All Government-directed outcomes are met
Timeframe	2019-23

Activity	1.2 Contribute to national security and support tasks
Performance Criteria	Assessment of Defence support provided to contribute to whole-of-Government outcomes.
Target	All Government-directed tasks are met
Timeframe	2019-23

Intended Result 2. Defence strategic, international and industry policy guides the design, development, integration and preparedness of Defence capability.

Senior Committee Alignment: Strategic Policy Committee

Steward: Deputy Secretary Strategic Policy and Intelligence

Defence provides high-quality, coherent and timely policy advice to Government on Defence strategy, capability and resourcing. Defence is expected to assist the building of strong networks of bilateral and multilateral relationships. Through regular dialogue and practical cooperation, Defence will strengthen its engagement with partners to support shared responses to shared challenges.

The growth of Australia's defence industry is a key component of the Government's plans for current and future Defence capabilities. Australia must maintain a science and technology base and defence industry capable of supporting Defence's acquisition and sustainment requirements during peacetime and operations. Success will be a highly skilled and capable Australian defence industry, allowing Defence to achieve its strategic objectives and deliver large-scale, complex projects and sustain military capability. Defence will work with industry to reflect a shared policy agenda that supports the growth and competitiveness of Australian businesses.

Activity	2.1 Defence maintains future-focused strategic policy to guide Defence initiatives and address strategic risks.
Performance Criteria	Our strategic policy is regularly reviewed and updated.
Target	Defence strategic policy and risk review informs decision making to ensure strategy, capability and resources are aligned to Government priorities.
Timeframe	2019-23

Activity	2.2 Defence protects and advances Australia's interests globally to address current and future challenges.
Performance Criteria	Defence international engagement meets Defence International Engagement Policy objectives.
Target	Australia's strategic position is enhanced through international engagement by Defence.
Timeframe	2019-23

Activity	2.3 Defence engages industry to enhance support of sovereign capability.
Performance Criteria	Defence industry engagement meets requirements of the Defence Industry Policy Statement.
Target	Defence capability is enabled through industry and innovation.
Timeframe	2019-23

Activity	2.4 Defence maintains intelligence analysis and capability to deliver Government and Defence strategic objectives.
Performance Criteria	Defence intelligence outputs align with Government intelligence priorities.
Target	Intelligence services and capabilities are delivered according to Government priorities.
Timeframe	2019-23

Intended Result 3. The generation and sustainment of Defence capabilities achieves strategic planning objectives and preparedness requirements.

Senior Committee Alignment: Investment Committee

Steward: Vice Chief of the Defence Force

Defence will bring together key elements of investment to deliver and sustain Australia's defence capabilities, including equipment, infrastructure, information and communications technology, science and technology, and workforce. The design of the future force will be aligned with defence strategy, capability and resources, resulting in an affordable and balanced plan for a highly capable, agile and potent ADF and Defence capability that can meet future requirements. Key enablers of capability will be accorded appropriate priority in investment decisions.

Activity	3.1 Defence designs the future force to address strategic risks.
Performance Criteria	Our Future Joint force is designed, integrated and developed through the analysis of the future operating environment, development of potential responses and Government direction.
Target	The force-in-being and future force are designed and developed in accordance with strategic policy and risk.
Timeframe	2019-23

Performance Criteria	Strategic research enables Defence to anticipate and exploit advances in science and technology for future Defence capability.
Target	Strategic research investments (including the Next Generation Technologies Fund) are creating disruptive scientific and technological opportunities for Defence.
Timeframe	2019-23

Activity	3.2 Raise, train and sustain Defence capabilities through the coordination of fundamental inputs to capability.
Performance Criteria	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet preparedness requirements.
Target	Forces meet preparedness requirements and are available for the conduct of operations and national support tasks.
Timeframe	2019-23

Performance Criteria	Joint enabling elements are generated and sustained at the required rate and standard to support the delivery of Defence capability.
Target	Joint enabling elements effectively support the delivery of Defence capability.
Timeframe	2019-23

Activity	3.3 Manage the investments required to realise the future force design through the Integrated Investment Program
Performance Criteria	Biannual Integrated Investment Program updates are agreed by Government.
Target	The Integrated Investment Program is delivered as agreed with Government.
Timeframe	2019-23

Activity	3.4 Manage the acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.
Performance Criteria	Assessment of acquisition projects delivery to meet Government and Defence requirements.
Target	Deliver Government approved acquisition projects to budget, schedule and agreed capability scope.
Timeframe	2019-23

Performance Criteria	Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan.
Target	The naval shipbuilding enterprise is designed and developed in accordance with the Naval Shipbuilding Plan and biannual updates to Government.
Timeframe	2019-23

Performance Criteria	Assessment of sustainment products delivery to meet Capability Manager requirements.
Target	Deliver sustainment products to meet Capability Manager requirements.
Timeframe	2019-23

Activity	3.5 Deliver science and technology research and development to enhance Defence capability.
Performance Criteria	Science and technology research supports Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability.
Target	The balance of investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities.
Timeframe	2019-23

Performance Criteria	Defence capability is enhanced by outreach and partnerships with the broader community, including publicly funded research agencies, academia, industry and allied international research agencies.
Target	Collaboration and outreach activities are delivering Defence capability in line with agreed Defence priorities.
Timeframe	2019-23

Intended Result 4: Strategy, capability, workforce and resources are balanced and aligned through One Defence systems, enabling Defence to anticipate, adapt and respond to changing priorities.

Senior Committee Alignment: Enterprise Business Committee

Steward: Associate Secretary

Defence will continue to develop a stronger and more strategic centre to provide clear direction and governance, better integrated and more customer-focussed corporate and enabling services, and a better planned, more professional workforce with a strong performance management culture. Defence has introduced a continuous improvement cycle to manage its ongoing reform journey, which is based around a central enterprise reform planning and reporting process.

Defence will reform capability acquisition and sustainment by focusing on how acquisition projects and sustainment services are managed; improve information and communications technology, including enterprise information management and enterprise resource planning; enhance service delivery, including reducing duplication of services, consolidating service entry points, improving staff satisfaction with customer services; and embed behavioural and cultural change across the Defence workforce.

The service delivery framework was refreshed in December 2018. The focus for the framework in 2019–20 involves standardising services, removing duplication of functions, professionalising the workforce and ensuring there are single, clear lines of ownership and accountability.

Activity	4.1 Deliver integrated, secure and fit-for-purpose enabling services
Performance Criteria	The delivery of services by enabling Groups is progressively integrated.
Target	Services are delivered in accordance with agreed measures.
Timeframe	2019-23
Performance Criteria	The management and sustainment of the Estate meets the requirements of the Capability Managers.
Target	The Defence Estate Strategy implementation plan is delivered as agreed.
Timeframe	2019-23
Performance Criteria	Defence's strategic centre sets priorities, manages resources and steers the organisation to implement Government policy and legislative requirements.
Target	Defence senior committees and accountable officers undertake informed decision-making to ensure strategy, capability and resources are aligned to highest priorities.
Timeframe	2019-23
Performance Criteria	Quality and timeliness of financial advice to the Minister, the Secretary and Chief of the Defence Force.
Target	Financial advice meets the Minister, Secretary and Chief of the Defence Force's requirements.
Timeframe	2019-23
Performance Criteria	Production of Defence's Budget and annual Financial Statements.
Target	Defence meets legislated financial requirements and timeframes.
Timeframe	2019-23

Activity	4.2 Resource, implement and review Defence's reform programs
Performance Criteria	Agreed reform programs, including legal services, enterprise resource management, security services, information management and strategic communications, are progressed as planned.
Target	Reform implementation plan milestones are met.
Timeframe	2019-23

Performance Criteria	Implementation of the six key cultural priorities.
Target	Cultural reform priorities are implemented as set out in the Pathway to Change: Evolving Defence Culture 2017-22 strategy.
Timeframe	2019-23

Activity	4.3 Develop and support the Defence workforce to enable required capability.
Performance Criteria	Defence's workforce has the agility and skills to meet current and future demand to deliver capability.
Target	Milestones within the Defence Strategic Workforce Plan and Total Workforce Model are implemented and critical skillset levels achieved.
Timeframe	2019-23

Performance Criteria	The workforce is safe and supported.
Target	Defence is compliant with Work Health and Safety legislation, regulations and standards to ensure the wellbeing of its workforce and members of the broader Australian community.
Timeframe	2019-23

Performance Criteria	Appropriate support and services are provided to Defence people and their families.
Target	Delivery meets appropriate standards, including welfare support, transition services and health services.
Timeframe	2019-23

Activity	4.4 Deliver on the outcomes of its administered programs
Performance Criteria	Timely and accurate administration of the Administered Programs ³
Target	Administration meets agreed requirements.
Timeframe	2019-23

Performance Criteria	Eligible ADF members continue to access the scheme.
Target	The scheme is consistently identified in surveys as a contributor to the retention of ADF personnel.
Timeframe	2019-23

³ Administered Programs include 2.14 Defence Force Superannuation Benefits, 2.15 Defence Force Superannuation Nominal Interest, 2.16 House Assistance and 2.17 Other Administered

Performance reporting

In line with the Enhanced Commonwealth Performance Framework, Defence enterprise performance management aims to provide a clear line of sight between:

- Corporate Plan (purpose, activities and intended results)
- Portfolio Budget Statements (allocation of resources to Programs to achieve Government outcomes and a forecast of expected performance)
- Annual Report, which includes
 - Annual Performance Statements (actual performance results for the financial year against the Corporate Plan and the Portfolio Budget Statements)
 - Financial Statements (actual financial position for end of financial year against the Portfolio Budget Statements and Portfolio Additional Estimates Statements).

To enable this clear line of sight, the *2019-20 Defence Corporate Plan* informed the development of the Portfolio Budget Statements for 2019-20. Further alignment is pursued through internal Defence planning and performance management with Defence Groups and ADF Services under enterprise governance mechanisms, which support the operation of the One Defence Business Model.

Internal monitoring and reporting occurs at multiple levels to ensure appropriate management and alignment of resources to achieve intended results. This culminates in enterprise level reporting twice a year for Corporate Plan performance and risk monitoring and an end of financial year performance evaluation, which is reported both internally and externally via the Annual Performance Statements.

Internal assurance of performance is monitored by the Enterprise Business Committee. The Defence Audit and Risk Committee reviews the appropriateness of performance information included in the Portfolio Budget Statements, the Corporate Plan, and the Annual Performance Statements. Financial Statements are independently audited by the Australian National Audit Office. Defence aims to be transparent on its performance, however it should be noted that due to national security considerations, not all targets and performance information is available to be published.

The Defence Audit and Risk Committee provide written advice to the Secretary and the CDF on the appropriateness of the Defence's performance reporting as a whole, with reference to areas of concern or suggestions for improvement.

Defence's enterprise performance reporting is continuing to mature, to further enable improved performance and traceability in demonstrating the achievement of Defence's purpose in accordance with the requirements of the PGPA Act.



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