



Australian Government

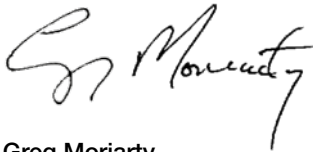
Department of Defence

**2020-24 DEFENCE
CORPORATE PLAN**



STATEMENT OF PREPARATION

I, as the accountable authority of Defence, present the 2020–24 Defence Corporate Plan as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.



Greg Moriarty
Secretary of Defence
14 August 2020

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Introduction

The *2020–24 Defence Corporate Plan* sets out Defence's purpose and key activities to be achieved covering the period 2020-24 in alignment with the requirements under the *Public Governance, Performance and Accountability Act 2013*¹.

Defence's purpose is to: ***Defend and protect Australia and advance its strategic interests.***

Underpinning this purpose are two outcome statements through which we focus our portfolio resourcing and delivery for Government, these are:

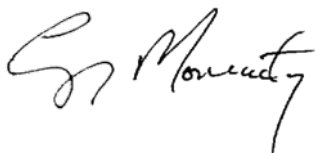
- Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction; and
- Protect and advance Australia's strategic interests through the provision of strategic policy; 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 2020–24, 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.

The *2020-24 Defence Corporate Plan* includes recent announcement on the *2020 Defence Strategic Update* and *2020 Defence Force Structure Plan* and a commitment to ongoing organisational reform. Performance against the *2020-24 Defence Corporate Plan* will be reported through annual performance statements, to be included in Defence Annual Reports.

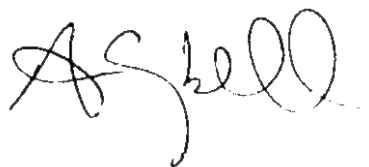
The Defence Corporate Plan is a living document and will be updated at least annually to reflect changes in our operating environment, refresh organisational priorities and ensure Defence delivers against its purpose.

Together, we are pleased to present the *2020–24 Defence Corporate Plan*.



Greg Moriarty
Secretary of Defence

14 August 2020



Angus J Campbell AO DSC
General
Chief of the Defence Force

17 August 2020

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

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 is constituted through the *Defence Act 1903*.

In addition to the Department of Defence and the Australian Defence Force, 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.

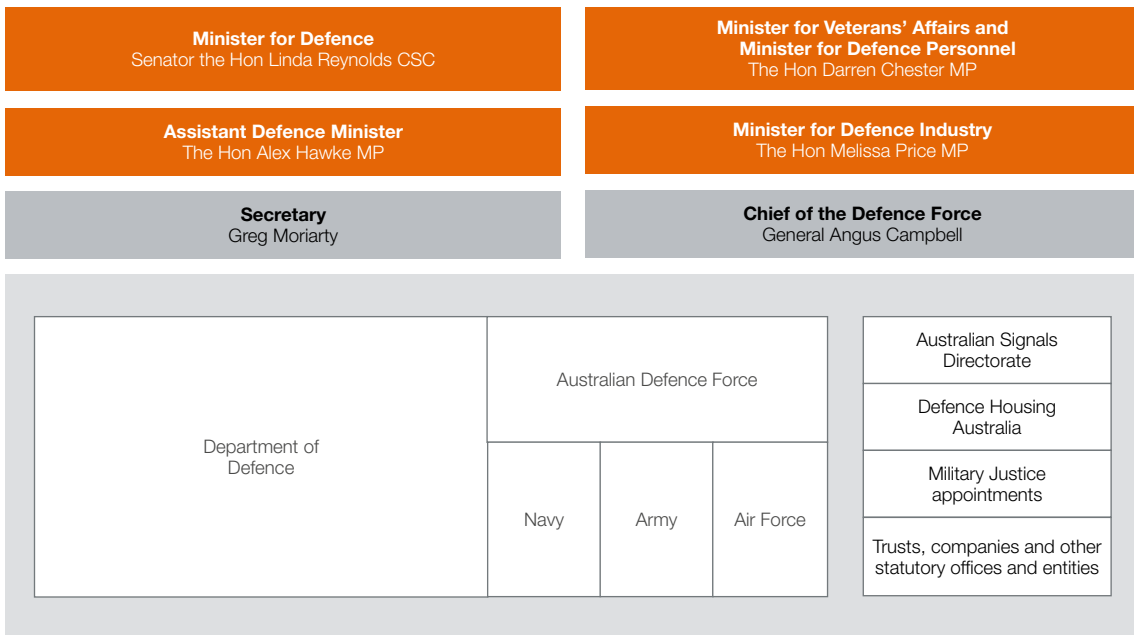


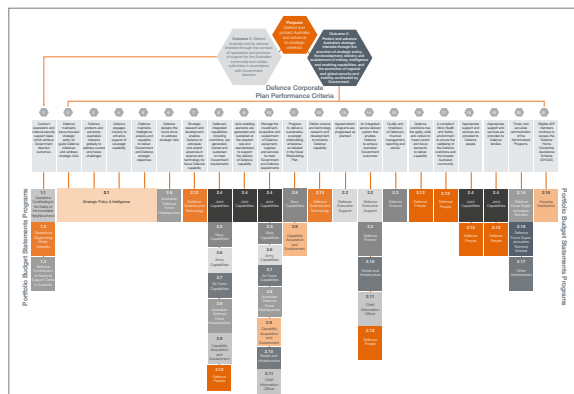
Figure 1: Defence portfolio structure as at 6 February 2020. Note the Department of Veterans' Affairs is not included in the figure.

Defence has strong partnerships with other agencies, in particular the Australian Signals Directorate, Department of Foreign Affairs and Trade, Department of Prime Minister and Cabinet, and the Department of Home Affairs. These agencies work together to deliver outcomes for Defence and whole of Australian Government.

The scope of the *2020-24 Defence Corporate Plan* includes priorities for Defence (Department of Defence and Australian Defence Force components). The Department of Veterans' Affairs, Australian Signals Directorate and Defence Housing Australia have developed their own corporate plans.

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

Figure 7 on page 33 provides a clear line of sight between Defence's Purpose, Outcome Statements, Performance Criteria and Portfolio Budget Statements Programs.





Defence Organisation

Our Purpose: 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 has two Outcomes:

1. *Portfolio Budget Statement 2020–21* Outcome Statement 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.
2. *Portfolio Budget Statement 2020–21* 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 and stability 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 *2020 Defence Strategic Update*.

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. Defence continues building the new levels of capability required by Government and described in the *2020 Defence Strategic Update* and the *2020 Force Structure Plan*. Major investments will enhance Australian Defence Force capability to shape Australia's strategic environment, to deter actions against Australia's interests, and to respond with credible military force, when required.

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.

Defence is committed to remaining an exemplar in the Government's response to COVID-19 and will contribute to the national effort wherever the need arises throughout 2020-21.

The One Defence Structure

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 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 <http://www.defence.gov.au>.

Figure 2 below illustrates the One Defence Business Model and reflects how core functions within Defence operate together.

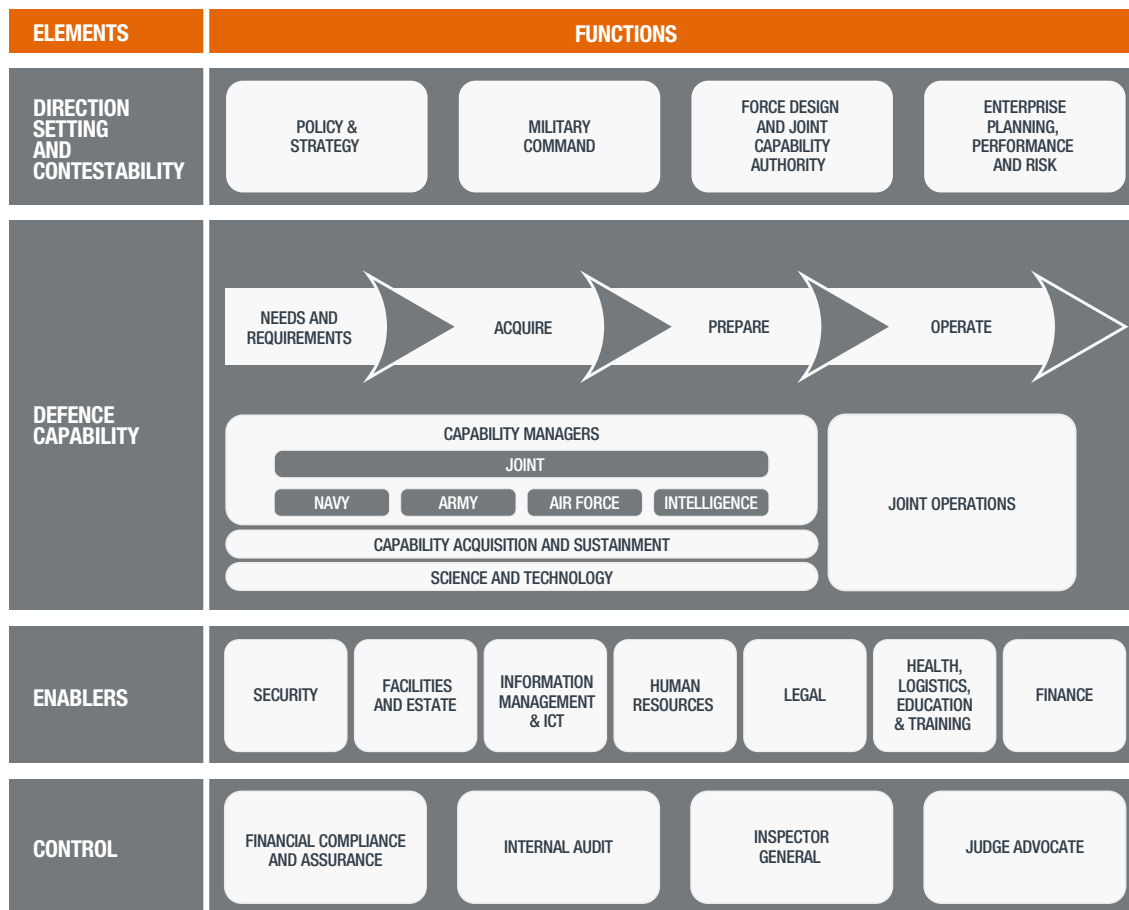


Figure 2: One Defence Business Model

Achieving Defence's Purpose

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.

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 Australian Defence Force operations as at 1 July 2020.

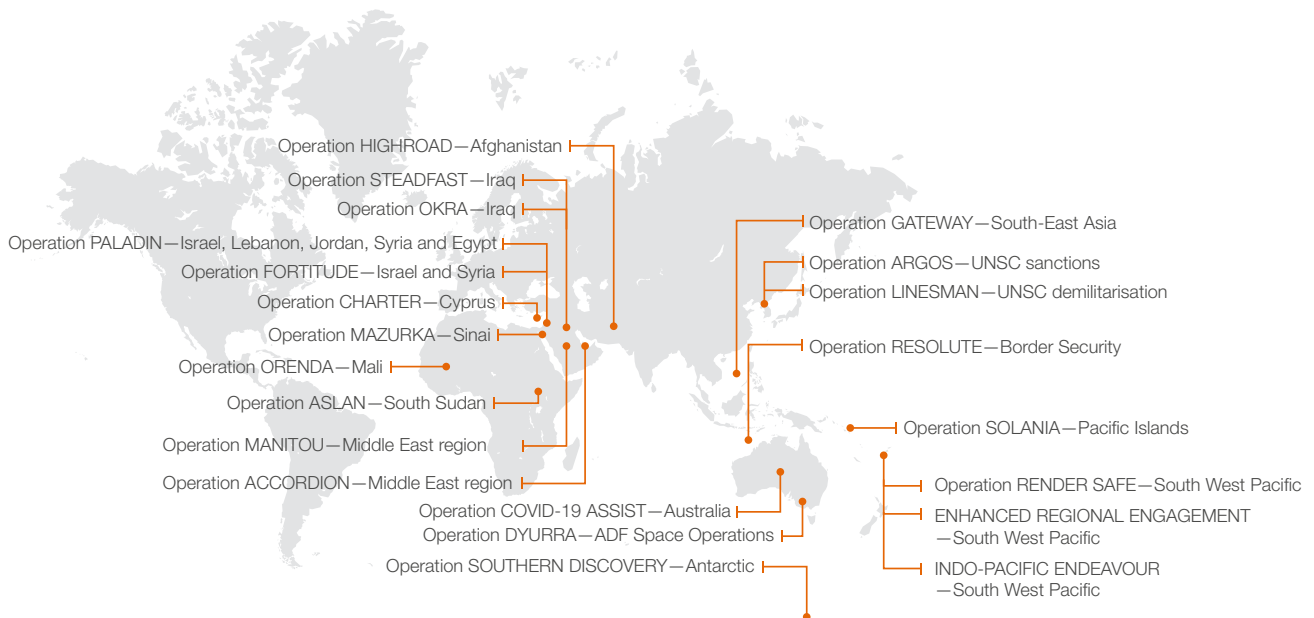


Figure 3: Australian Defence Force operations as at 1 July 2020

National Security Support Tasks

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

During the 2019-20 reporting period, there was a shift in Government and public expectations for Defence to respond to significant domestic crises. This became particularly evident during Operation BUSHFIRE ASSIST. Defence has identified a number of lessons from Operation BUSHFIRE ASSIST, in addition to those derived from other responses to extreme weather events in 2019, which it will implement for future High Risk Weather Seasons. Defence will also support Commonwealth and State inquiries into the bushfires.

For the remainder of 2020, Defence will provide support to the Australian Government's response to COVID-19. Border protection remains a high priority for Defence, in support of the Department of Home Affairs. Throughout 2020-21 Defence will also support State and Territory readiness to respond to domestic events of violence through various counter-terrorism activities.

1. Performance Criterion	Conduct operations and national security support tasks which achieve Government-directed outcomes	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> All Government-directed outcomes are met and expected outcomes achieved 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Performance of Defence operations will be measured by assessing the outcomes of completed operations against the intended outcomes of each operation Trained joint force capable of operating within a joint, inter-agency and multi-national environment Number of operations meet stated objectives (Target: 100% achieved) National Security and support tasks/outcomes are achieved (Target: 100% achieved) 	✓	✓	✓	✓
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence Assistance to Civil Community program tasking Internal systems that are designed to ensure planning, resourcing, prioritisation, and delivery is aligned with Government direction and the Secretary and the Chief of the Defence Force's strategic priorities Operation activity reports Parliamentary reporting tools Activity reports 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood Program 1.2 Operations Supporting Wider Interests Program 1.3 Defence Contribution to National Support Tasks in Australia 				

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 security and stability as directed by Government.

Setting Strategic Direction

The *2020 Defence Strategic Update* and *2020 Force Structure Plan*, released on 1 July 2020, outline a new strategy for Defence and the capability investments to deliver it.

The Strategic Update sets out the challenges in Australia's strategic environment and their implications for Defence planning. This Strategic Update sets out the Government's new strategic Defence policy framework, which provides clearly identified geographical, operational and capability priorities. This framework is intended to provide a tight focus for planning, and alignment with broader Government initiatives such as the Pacific Step-up and efforts to build a secure, prosperous and inclusive Indo-Pacific of independent, sovereign and resilient states.

The implementation of the *2016 Defence White Paper* has seen substantial progress in building a more potent, capable and agile Australian Defence Force. Because of this, Defence is much better positioned to defend Australia and its interests. However, important adjustments to defence policy are set out in the *2020 Defence Strategic Update* to respond to the rapid changes in the strategic environment. The Strategic Update replaces the Strategic Defence Framework set out in the *2016 Defence White Paper* with three new strategic objectives:

- to shape Australia's strategic environment;
- to deter actions against Australia's interests; and
- to respond with credible military force, when required.

The Government has decided that defence planning will focus on Australia's immediate region: ranging from the north-eastern Indian Ocean, through maritime and mainland South East Asia to Papua New Guinea and the South West Pacific.

The *2020 Force Structure Plan* details the Government's intentions for new and adjusted Australian Defence Force capability investments to implement the new strategic objectives. These new objectives will guide all aspects of Defence's planning including force structure planning, force generation, international engagement and operations. To implement the new objectives, Defence will:

- prioritise our immediate region (the north-eastern Indian Ocean, through maritime and mainland South East Asia to Papua New Guinea and the South West Pacific) for the Australian Defence Force's geographical focus;
- grow the Australian Defence Force's self-reliance for delivering deterrent effects;
- expand Defence's capability to respond to grey-zone activities, working closely with other arms of Government;
- enhance the lethality of the Australian Defence Force for the sorts of high-intensity operations that are the most likely and highest priority in relation to Australia's security;
- maintain the Australian Defence Force's ability to deploy forces globally where the Government chooses to do so, including in the context of US-led coalitions; and
- enhance Defence's capacity to support civil authorities in response to natural disasters and crises.

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 *2020 Defence Strategic Update*. 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 and technological dynamics. A more proactive posture for Defence is desirable to strengthen our relationships with countries across the region to address security challenges; and proactively preventing security challenges from escalating by shaping the regional environment.

Australia's defence policy must be agile and adaptive to be responsive to the evolving strategic environment. Defence undertakes a strategic risk review cycle that continuously scans the strategic environment to inform risk mitigation including through the Department's highest level classified planning document, the *Defence Planning Guidance*. The risk review cycle ensures Defence can respond to identified strategic risks and keep our strategic guidance agile in a rapidly changing environment.

The *Defence Planning Guidance* provides the classified guidance and direction to Defence to implement the Government's direction. It informs strategy, policy, direction, business plans and strategic workforce plans. It also informs the implementation of the Integrated Investment Program and Defence Industry Policy Statement, and is a key input to contingency planning. The Defence Strategic Policy Committee endorses the *Defence Planning Guidance* annually.

The strategic, complex and multi-layered nature of planning within Defence is demonstrated by Figure 4. 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 4: Enterprise planning hierarchy in Defence

2. Performance Criterion	Defence maintains future-focused strategic policy to guide Defence initiatives and address strategic risks	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Strategic policy reflects the evolving geostrategic environment and aligns with and shapes Government objectives 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Defence strategic policy and risk review informs decision making to ensure strategy, capability and resources are aligned to Government priorities Defence Planning Guidance annual updates guides Defence planning and is consistent with Government objectives Positive feedback from Ministers 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence Planning Guidance Strategic risk reviews Strategic policy statements Feedback from stakeholders is captured 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.1 Strategic Policy and Intelligence 				

International Engagement and Cooperation

Cooperation with international partners is crucial for Defence to defend and protect Australia and its national interests. The hard and soft power that gives us influence internationally are key to navigating Australia's increasingly complex strategic environment. Australia will rely on well-developed international defence partnerships with our allies and other key partners to complement whole-of-government efforts to shape our region so it supports our security and prosperity. Defence international engagement, an integrated core function across the entire Defence portfolio, will help reduce the risk of military confrontation, build interoperability with key partners and improve the coordination of responses to shared international challenges including terrorism, humanitarian assistance and disaster relief.

3. Performance Criterion	Defence protects and advances Australia's interests globally to address current and future challenges	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Defence international engagement priorities are met 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Australia's strategic position is enhanced through international engagement by Defence All policy advice is assessed by stakeholders to be of high quality and timely (Target: >90% meet time deadlines and meet stakeholder requirements) 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Feedback mechanisms to assess stakeholder satisfaction of timely and quality advice Analysis against policy objectives 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.1 Strategic Policy and Intelligence 				

Defence Industry

Defence is continuing to deliver on the Government's commitment to develop a robust, resilient and internationally competitive Australian defence industry base that is better able to support defence capability requirements. Through the Australian Industry Capability Program, Defence is maximising Australian industry participation in Defence capability planning and procurement. This supports more effective delivery of defence capability and strengthens Australia's industrial base.

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. The Sovereign Industrial Capability Priorities continue to guide Defence procurement to build and strengthen the critical capabilities required of Australia's defence industry to achieve our strategic objectives. Implementation and Industry Plans for the initial ten priorities will be released in 2020. Defence will regularly assess new and emerging capabilities through a rigorous assessment framework to ensure the Priorities capture future strategic opportunities and threats, and continue to support Australia's sovereign defence industry moving forward.

A strong exporting defence industry supports the sustainment and growth of our sovereign industry, increases Australia's economic prosperity and strengthens Australia's influences on the world stage.

4. Performance Criterion	Defence engages industry to enhance support of sovereign capability	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Defence Industry Policy Statement 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Number of significant Defence industry interactions Number of Australian companies involved in Defence procurement Value of contracts awarded to Australian companies 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence industry engagement meets requirements of the Defence Industry Policy Statement Annual Defence Industry and Innovation Program reports to provide assessment on outputs, efficiencies and effectiveness of activities The Centre for Defence Industry Capability measures defence industry engagement through; the Sovereign Industrial Capability Priorities Implementation Plans, grants, and other funding support to industry Defence Industrial Capability Plan Annual updates Contract data 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.1 Strategic Policy and Intelligence 				

Defence Intelligence

Defence intelligence delivers high-quality and timely intelligence services that achieve Government intelligence priorities.

To ensure Defence intelligence functions as an enterprise; is optimised to support the breadth of Defence activities; and is able to take advantage of the emergence of advanced and disruptive technologies, Defence is bringing together its intelligence enterprise capabilities under a new Chief of Defence Intelligence and a Defence Intelligence Group.

The Defence Intelligence Group will include Australian Defence Force and Australian Public Service functions, including the Defence Intelligence Organisation, the Australian Geospatial Intelligence Organisation, and other critical intelligence components from the Strategic Policy and Intelligence Group, and Joint Capabilities Group. Chief Defence Intelligence will also have a number other enterprise responsibilities including the training of intelligence professionals across the Defence workforce, and the management of intelligence capability projects.

As a result of these reforms, Defence intelligence will be positioned to effectively contribute to the national intelligence architecture; optimise Defence's future advanced capabilities to support Australian Defence Force operations and national intelligence roles; and provide effective, sustained intelligence support to current and future Australian Defence Force operations.

5. Performance Criterion	Defence maintains intelligence analysis and capability to deliver Government and Defence strategic objectives	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Intelligence service and capabilities are delivered according to Government priorities 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Intelligence is timely, relevant and meets Defence and national security stakeholder requirements Progress against the Defence Intelligence Enterprise Reform Implementation Plan 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Regular performance reporting through the intelligence community Tracking project performance to provide guidance/decisions on project/capability issues Feedback and outcomes from the Defence Intelligence Enterprise Committee Stakeholder feedback on the relevance and quality of intelligence products and assessments Defence Intelligence Enterprise Reform Implementation Plan milestones 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.1 Strategic Policy and Intelligence 				



Designing Defence Capability

Preparing the Future Force

As part of the *2020 Defence Strategic Update* and *2020 Force Structure Plan*, the Government made adjustments to Defence capability investment plans to ensure the Australian Defence Force can shape Australia's strategic environment, deliver credible deterrence and respond to challenges to our interests, when required.

Defence, as a key element of national power and influence, must be agile and responsive to deliver the priorities of government. 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.

The *2020 Force Structure Plan* is an enterprise level activity for the Department of Defence. The *2020 Force Structure Plan* considers the planned investment profile against changes in the evolving strategic environment and disruptive technologies. Therefore, the objective of the *2020 Force Structure Plan* is to review and propose changes to the Australian Defence Force's force structure to ensure it is capable of undertaking the tasks Government expects of it out to 2040.

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 *Defence Planning Guidance* and strategic risk review process, 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.

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, security and cultural aspects of our business to deliver cohesive military effects across a joint warfighting domain.

6. Performance Criterion	Defence designs the future force to address strategic risks	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Our future joint force is designed, integrated and developed through the analysis of strategic policy and risk 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Objectives in the <i>2020 Force Structure Plan</i> and relevant sections of the <i>2020 Defence Strategic Update</i> Defence strategy, capability requirements and force generation guidance are clearly aligned to support the joint force 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence uses a comprehensive suite of capability and preparedness management systems to monitor performance and risk Capability Development and Management Reporting Tool Environmental analysis tools Defence Preparedness Assessment Summary Defence financial reports Defence workforce data and reports Defence Strategic Workforce Plan 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.8 Australian Defence Force Headquarters 				

Defence science and technology plays a critical role in Australia's defence and national security by ensuring our forces maintain a capability edge. Defence's strategic research focuses on the development of leap-ahead capabilities for Defence, investigating emerging and future technologies and building the Department's science and technology capability. Research activities are aligned to Defence's future force requirements and are designed to drive the evolution of innovation pathways and harness the national science and technology enterprise for the delivery of Defence objectives. The primary strategic research mechanisms in Defence are the Next Generation Technologies Fund and the Science, Technology and Research Shots introduced as part of *More, together: Defence Science and Technology Strategy 2030*.

7. Performance Criterion	Strategic research and development enables Defence to anticipate and exploit advances in science and technology for future Defence capability	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Stakeholder satisfaction on delivering strategic research investments Achieve performance standards set out in the Government agreed impact framework for the Defence Innovation System 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Stakeholders are satisfied with support to their programs (Target: >80%) Annual performance targets met (Target: >80%) 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence Science and Technology Annual Client Satisfaction Survey Report Annual Defence Science and Technology Client Forum Defence Science and Technology Scientific Advisers Defence Science and Technology Program Office 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.13 Defence Science and Technology 				

Delivering and Sustaining Capability

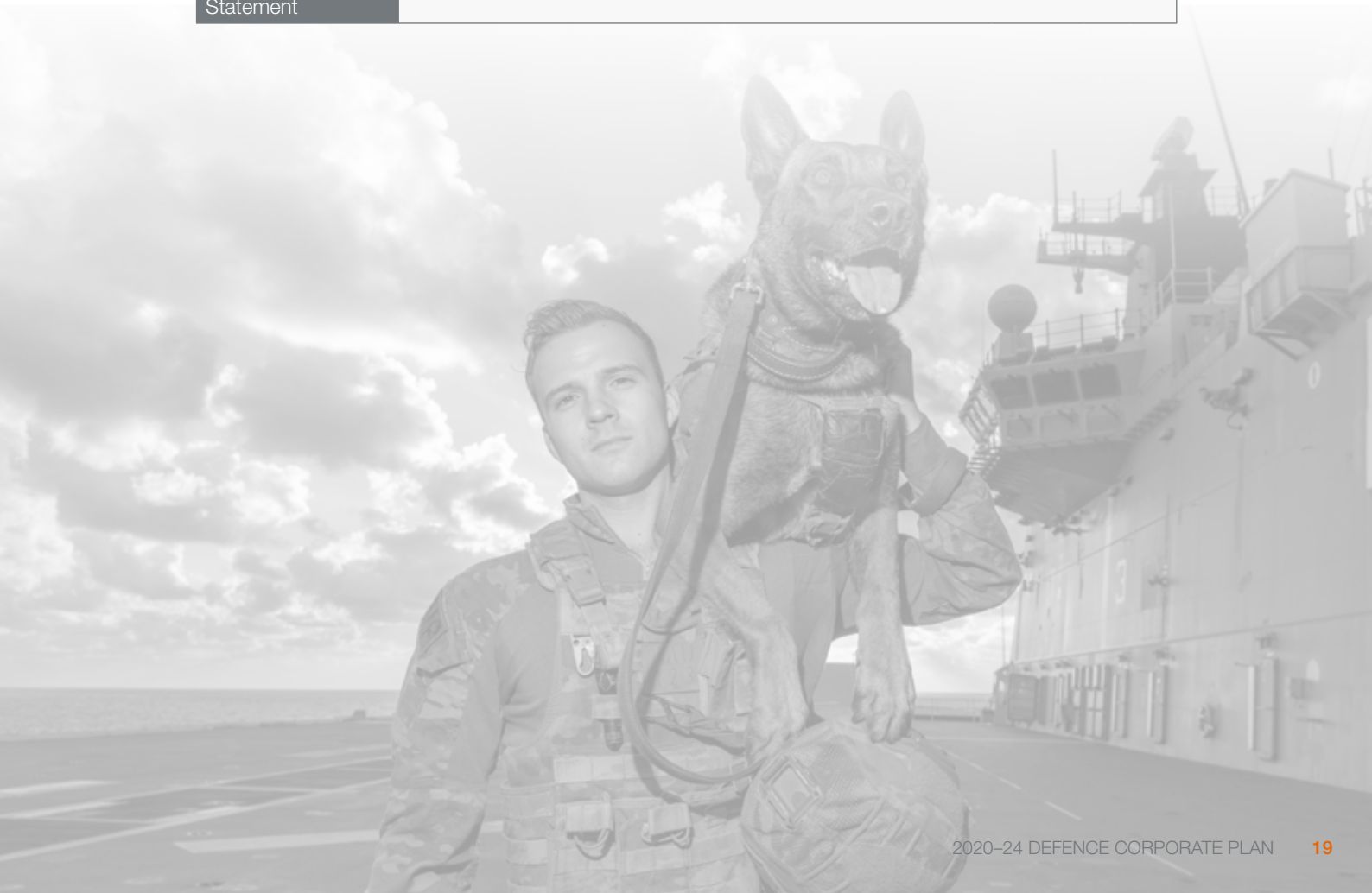
The *Chief of the Defence Force's Preparedness Directive* articulates the preparedness requirements of the joint force, including the required fundamental inputs to capability. The Capability Managers in Defence are responsible for managing component capabilities in accordance with the *Chief of the Defence Force's Preparedness Directive* 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.

Defence is committed to sustaining capability through maintaining security, health, education and training programs to support exercises and operations.

8. Performance Criterion	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Forces meet all of Government requirements and are available for the conduct of operations and national support tasks 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Defence has generated prepared forces and met all Government outcomes as directed Defence preparedness requirements are met Defence is able to support the activities and operations the joint force conducts 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Preparedness and Concurrency ministerial advice Quarterly Defence Preparedness Assessment Summary Sustainment Performance Management System Reports Workforce plans identifying workforce requirements for Capability Managers, and Joint Force Sponsors Critical category and occupation reports and remediation plans 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.4 Joint Capabilities Program 2.5 Navy Capabilities Program 2.6 Army Capabilities Program 2.7 Air Force Capabilities Program 2.8 Australian Defence Force Headquarters Program 2.9 Capability Acquisition and Sustainment Program 2.12 Defence People 				

9. Performance Criterion	Joint enabling elements are generated and sustained at the required rate and standardised to support the delivery of Defence capability	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Joint Health Services are provided to Australian Defence Force personnel to enable Defence preparedness Joint Logistics capability that provides comprehensive and assured support to Australian Defence Force operations Delivery of military education and training programs that prepare Australian Defence Force personnel 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Joint Health Services meet agreed service levels as per the Service Level Charter Achievement of Defence Logistics Enterprise Strategy performance milestones Completion rates of training and education courses meet the directed training requirements 	✓	✓	✓	✓
Data sources and methodology for measurement	<ul style="list-style-type: none"> Analysis of service level performance indicators from the Performance Management Framework reported in the Joint Health Command Annual Review Analysis of the quarterly Defence Logistics Enterprise Strategy work stream reports Analysis of Australian Defence College training data and annual reports 	✓	✓	✓	✓
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.4 Joint Capabilities 				





Acquiring Capability

Defence has one of the largest capital investment programs in the Commonwealth, consisting primarily of acquisition, sustainment and support of Defence capabilities. 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 reviewed annually to address strategic changes and emerging technologies and priorities. Under the *2020 Force Structure Plan*, a comprehensive assessment of the Australian Defence Force's force structure and current and future Defence capability investments has been conducted. This assessment focussed on meeting the strategic guidance set out in this document, responding to new technologies and supporting ongoing modernisation of Defence over a 20 year timeframe.

The *2020 Force Structure Plan* makes adjustments to Defence capability investments set out in the 2016 Defence White Paper and the Integrated Investment Plan.

The *2020 Force Structure Plan* and 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.

The *2020 Force Structure Plan* and the Integrated Investment Program will continue to support the acquisition and sustainment of Defence capability to meet the challenges of the future operating environment.

		Timeline			
		2020-21	2021-22	2022-23	2023-24
10. Performance Criterion	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Deliver the <i>2020 Force Structure Plan</i> and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Assessment of investments, acquisition projects and sustainment products to meet Government and Defence requirements 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Project Performance Review Quarterly Performance Reports 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.4 Joint Capabilities Program 2.5 Navy Capabilities Program 2.6 Army Capabilities Program 2.7 Air Force Capabilities Program 2.8 Australian Defence Force Headquarters Program 2.9 Capability Acquisition and Sustainment Program 2.10 Estate and Infrastructure Program 2.11 Chief Information Officer 				

Progress continues to be made in building a strong and sustainable sovereign naval shipbuilding enterprise. This is a Defence-led but whole-of-government activity being implemented under the Government's 2017 *Naval Shipbuilding Plan*. The key elements of the enterprise are now in place with the *Attack-Class* submarine and *Hunter-Class* frigate programs established in their design phases and the *Arafura-Class* offshore patrol vessel and *Guardian-Class* patrol boat programs in build. New world class shipbuilding facilities at Osborne in South Australia and Henderson in Western Australia are now in place. The naval sustainment element of the enterprise continues to meet or exceed Navy's readiness requirements and is supporting significant upgrade programs across the *Hobart-*, *ANZAC-* and *Collins-Class* fleets. Defence industry continues to play a critical and growing part in delivering the enterprise which will be further emphasised in the release of the Sovereign Industrial Capability Priority Plans for Continuous Naval Shipbuilding and *Collins-Class* Sustainment Collective, together with an update to the Naval Shipbuilding Plan towards the end of 2020.

11. Performance Criterion	Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Deliver the naval shipbuilding enterprise in accordance with the Naval Shipbuilding Plan to schedule, budget and scope 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Meet project management plans and deliverables 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Naval Shipbuilding Plan Analysis and review of activity and project reports 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.5 Navy Capabilities Program 2.9 Capability Acquisition and Sustainment 				

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 Australian Defence Force and Defence capability that can meet future requirements. Key enablers of capability are prioritised in investment decisions.



Enhancing Capability

Science and technology contributes to the Defence mission through its capacity to reduce and mitigate strategic and operational risk, as well as helping to create and maintain a capability edge. This includes:

- supporting operational capability with science and technology expertise;
- providing support to Defence to sustain and enhance current capability;
- providing support throughout the genesis, development, acquisition and introduction to service of major capability projects; and
- investigating client-focused future concepts, contexts and capability.

Engaging across the national and international science and technology enterprise is also critical to building the scale of expertise and innovation needed to solve the complex problems facing Defence. Partnerships with industry and academia are crucial for transitioning research into innovative capability. University research networks provide the opportunity to contribute to basic research for defence applications, while international engagement increases the range of insight and technologies available to Defence.

12. Performance Criterion	Science and technology activities support Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability, enhanced by collaboration and strategic partnerships.	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> • The balance of investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities. • Collaboration and outreach activities support delivery of Defence capability in line with agreed Defence priorities 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> • Defence Capability Managers are satisfied with support to their programs (Target >80%) • Alignment of international partnerships to Defence science and technology priorities • Growth of collaboration agreements with industry and academic partners 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> • Program assurance carried out by the Defence Science and Technology Program Office • Annual Defence Science and Technology Client Forum • Analysis of feedback from Scientific Adviser network • Analysis of collaboration agreements with industry and academic partners • Outcomes from regular bilateral counterpart meetings and assessments made by in-country Science Counsellors • Defence Science and Technology Annual Client Satisfaction Survey Report 				
Portfolio Budget Statement	<ul style="list-style-type: none"> • Program 2.13 Defence Science and Technology 				

Enabling Capability

Enduring approach to Reform – maximising Defence capacity to deliver capability

Defence has reformed significantly in recent years, through the implementation of the *First Principles Review*, which has delivered a substantial uplift in Defence's efficiency and effectiveness as an organisation, and provided an enduring foundation for operating into the future.

More recently Defence has proactively driven continuous improvement building upon the strong foundation provided by the First Principles Review, with a focus on workforce skills and flexibility, transforming business processes, integrating delivery of corporate and enabling services, and improving the ability to work with Defence industry.

It is increasingly important in our rapidly changing strategic environment that Defence has the capacity to respond to current and future challenges. This requires a more agile and responsive organisation to deliver the capability needed to shape Australia's strategic environment, deliver credible deterrence, and respond to challenges to our interests when required.

Continuous improvement is essential to deliver on our outcomes as we align strategy, capability and resources to deliver against Defence priorities. In 2020 Defence will update the Defence reform framework to ensure transformation across the enterprise is continued in a way that best supports all aspects of Defence planning and activity.



Figure 5: **Reform areas of focus**

Defence is also 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 and Enterprise Resource Planning 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 Organisation. Further improvements are also being implemented to Defence's estate and supply chain management.

13. Performance Criterion	Agreed reform programs are progressed as planned	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Reform program milestones are met and benefits realised 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Agreed milestones are met (Target: 90% with the remainder managed through effective remediation plans) 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Reform programs monitor outcomes and benefits realised Quarterly performance reports Defence Reform Advisory Board reports Databases and reports 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.2 Defence Executive Support 				

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.

Integrated Service Delivery

Defence is introducing a more strategic and customer-focused integrated service delivery system for enabling services such as estate and infrastructure, information and communications technology and people services. This will reduce the time needed to navigate Defence systems and processes, enabling the Defence workforce to remain focussed on its core business.

14. Performance Criterion	An integrated service delivery system that enables Defence to achieve Australian Government outcomes	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Service Delivery enables Defence to meet Government outcomes 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Implementation of Service Delivery Framework Assessment of service level key performance indicators are met Customer satisfaction (Target: year to year increase) Reduction of administrative burden (Target: 20% reduction in total process steps/time taken) Less than 5% estate service failures impact operational capability 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Project reporting against Service Delivery Framework initiatives Analysis of Customer Satisfaction Survey results Review of the Defence Preparedness Assessment Summary and other reporting tools to identify impacts to operational capability caused by failures in the Base Services Contract 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.2 Defence Executive Support Program 2.3 Defence Finance Program 2.10 Estate and Infrastructure Program 2.11 Chief Information Officer Program 2.12 Defence People 				

Financial Management

Effective financial management ensures Defence uses allocated resources to deliver Government-directed outcomes in accordance with the *Public Governance, Performance and Accountability Act 2013*. The Chief Finance Officer has responsibility for ensuring appropriate financial governance within Defence.

15. Performance Criterion	Quality and timeliness of Defence's financial management, reporting and advice	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Defence meets legislated financial requirements and timeframes Financial advice meets stakeholder needs 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Financial statements receive an unmodified opinion and audit findings addressed Accurate and timely submission of the budget and budget estimates in accordance with Commonwealth requirements Financial policy and guidance material is consolidated and streamlined Feedback from Groups and Services 	✓	✓	✓	✓
Data sources and methodology for measurement	<ul style="list-style-type: none"> Financial Reports, briefings and advice Financial systems and reports Customer Satisfaction Survey 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.3 Defence Finance 				

Workforce

To deliver on its purpose of having a workforce that is agile and with the skills to meet current requirements, Defence needs to continue training, professionalising and upskilling its current workforce. To meet future demands Defence is ensuring that its 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. This is being carried out in a time where the national security outlook evolves rapidly and Defence is meeting the challenges by:

- collaborating and partnering with industry;
- focussing on skills development in areas of future need such as cyber, shipbuilding and ICT; and
- modernising its employment frameworks and optimising and embedding its Total Workforce System.

The Total Workforce System enables different types of employment including full-time, part-time, a dual employment option where skills are shared between Defence and industry; and the use of contingent workforces providing new approaches to delivering capability.

Defence Culture

Defence's culture will be fundamental to achieving our mission. It will drive our attractiveness as an employer and our capacity to meet future demands. The One Defence behaviours will underpin our work as we embed our cultural objectives of:

- 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.

16. Performance Criterion	Defence workforce has the agility, skills and culture to meet current and future demands to deliver capability	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> • Key workforce effects outlined in the Defence Strategic Workforce Plan and Total Workforce System are achieved, including critical skillset levels • Cultural reform priorities are implemented as set out in Pathway to Change: Evolving Defence Culture 2017-22 • Embed the One Defence leadership behaviours 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> • Number of vacancies in critical categories and occupations decreased through retention of essential personnel and sustained achievement of recruiting performance against targets • Increase in number of Australian Defence Force members accessing flexible service career paths • Results on behaviours and service levels organisation surveys • Reduced reports of unacceptable behaviour 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> • Biannual Critical Category and Occupation Reports • Monthly Defence Workforce reports • Groups and Services culture plans • Total Workforce System Evaluation Report 2021 and 2023 • Annual Defence Climate Survey • Annual Workplace Behaviours Survey 				
Portfolio Budget Statement	<ul style="list-style-type: none"> • Program 2.12 Defence People 				

17. Performance Criterion	A compliant Work Health and Safety environment to ensure the wellbeing of the Defence workforce and the broader Australian community	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Minimise the exposure to unnecessary health, wellness and safety risk 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Mandatory work health and safety training compliance (Target: 100%) Number of notifiable incidents reduced Number of notifiable incidents reported to Comcare within required timeframes 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence Work Health and Safety Strategy Work Health and Safety awareness programs Defence Mental Health Strategy Sentinel Sexual Misconduct Prevention and Response (SeMPRO) Annual Report Defence Work Health and Safety Scorecard Joint Military Police Unit Incident Misconduct data 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.12 Defence People 				

18. Performance Criterion	Appropriate support and services are provided to Defence people, noting Defence has a responsibility to respect and support members of the Australian Defence Force having regard to their lifetime wellbeing	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> To transition Australian Defence Force personnel across the service spectrum with a focus on planning for their personal security 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Transition services are expanded across the total workforce service spectrum Decrease 'Looking for work' rates of full-time transitioned members at 12 months post-transition towards the official national unemployment rate Transition preparedness indicators improve between pre and at transition Assessment of service level key performance indicators are met (Target: 95%) Customer satisfaction (Target: year to year increase) 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Australian Defence Force Post Transition Surveys, includes customer satisfaction Monthly performance reports Independent performance reviews as required Implement an Australian Defence Force Reserve transition service design which improves preparedness as reservist member's move across the service spectrum, as well as those who transition out of reserve service Implement appropriate measures of transition preparedness to evaluate effectiveness of transition services to prepare Australian Defence Force members and their families to maintain or improve their personal security 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.4 Joint Capabilities Program 2.12 Defence People 				

19. Performance Criterion	Appropriate support and services are provided to Defence families	Timeline			
		2020-21	2021-22	2022-23	2023-24
Target	<ul style="list-style-type: none"> Australian Defence Force families are supported through the delivery of wellbeing and support services with a focus on planning for their personal security 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Improve Australian Defence Force member partners' preparedness to obtain employment or meaningful engagement by enhancing the Partner Employment Assistance Program to include employment support services (Target: Track employment/meaningful engagement outcome for 100% of participants) Develop and implement an Early Family Engagement Model for injured and ill members and their families (Target: Jun 21) Update the Defence Family and Domestic Violence Strategy (Target: 30 Jun 21) All calls and e-mails to the Defence Family Helpline and National Welfare Coordination Centre are addressed in a timely manner 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Partner Employment Assistance Program Database Australian Defence Force families survey Customer Satisfaction Survey 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.4 Joint Capabilities Program 2.12 Defence People 				



Administered Programs

Defence administers a range of payments including those on behalf of the Defence Force Superannuation Benefits, Defence Force Superannuation Nominal Interest, Housing Assistance and other administered programs in accordance with legislation.

20. Performance Criterion	Timely and accurate administration of the Administered Programs	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Administration meets agreed requirements 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Accounts are accurately reported in the financial statements in accordance with legislation 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Financial reports and systems 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.14 Defence Force Superannuation Benefits Program 2.15 Defence Force Superannuation Nominal Interest Program 2.17 Other Administered 				

21. Performance Criterion	Eligible Australian Defence Force members continue to access the Defence Home Ownership Assistance Scheme	Timeline			
		2020-21	2021-22	2022-23	2023-24
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> The scheme is consistently identified in surveys as a contributor to the retention of Australian Defence Force personnel 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Analysis of survey results and report data 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Department of Veterans Affairs monthly and annual reporting to Defence Analysis of survey data, applications and loan drawdowns to determine the effectiveness of Defence Home Ownership Assistance Scheme as a contributor to the retention of Australian Defence Force personnel Financial reports and systems 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.16 Housing Assistance 				

Enterprise Governance

The strategic centre within Defence is responsible for setting priorities, managing resources and steering the organisation to implement the Government’s policies and achieve Defence’s purpose.

The Defence Committee is the primary decision-making committee in Defence, responsible for setting top-level organisational goals and driving delivery of the Department’s commitments to Government and the community.

The Defence Committee is a Tier 1 committee in the *Enterprise Committee Governance Framework*. Its relationship with other enterprise committees is illustrated at Figure 6.

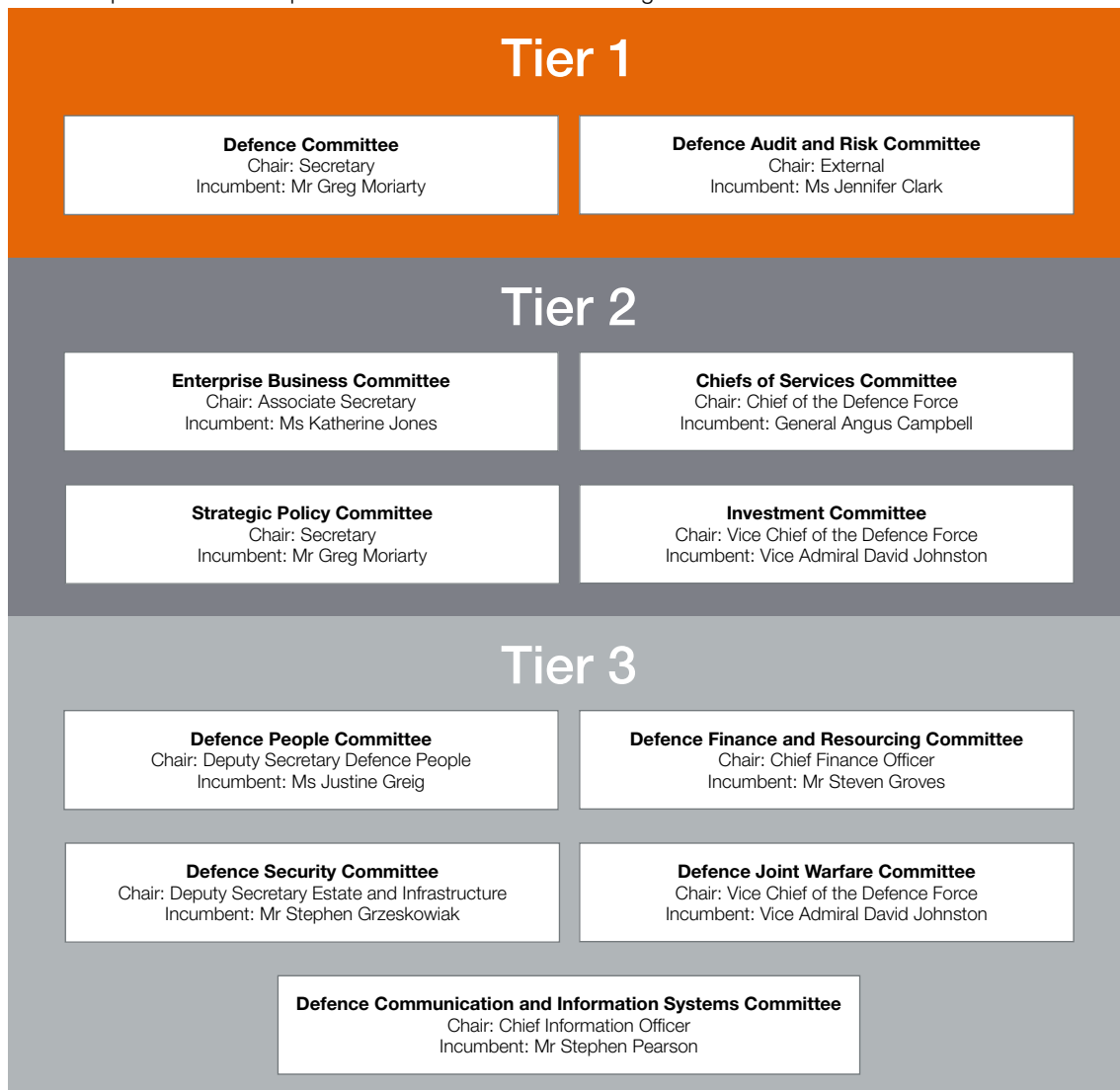


Figure 6: **The Enterprise Committee Governance Framework**

Please note: In October 2020, Defence will establish a new Tier 3 committee, the “Defence Intelligence Enterprise Committee”.

The *Enterprise Committee Governance Framework* promotes a performance orientation; clarifies accountabilities and decision rights; encourages openness, transparency and integrity; and promotes effective collaboration.

Assurance and Controls

Defence continues to mature its control functions (financial management, risk management, internal audit, inspector general and judge advocate), to provide assurance to Defence senior committees that Government-directed outcomes are being delivered in accordance with legislative and policy requirements.

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

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

Effective financial management ensures Defence uses Government-allocated resources to deliver Government-directed outcomes in accordance with the *Public Governance, Performance and Accountability Act 2013*. 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 *Public Governance, Performance and Accountability Act 2013*, 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 of the *Defence Fraud and Corruption Control Plan* is 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 Chief of the Defence Force to command the Australian Defence Force.

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 Australian Defence Force under the *Public Governance, Performance and Accountability Act 2013*.

Chief Counsel 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; and
- 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.

Enterprise 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.

Defence risk management policy outlines enterprise risk management expectations, accountabilities and responsibilities in the organisation.

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 concern the operations of the organisation and are risks to the implementation of government decisions and achievement of Defence's required outcomes. Defence has identified ten categories of enterprise risks to the achievement of the Defence Corporate Plan that are: *Capability, Estate, Finance, People, Preparedness, Reform, Security, Stakeholder Engagement and Work Health and Safety*.

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.

Defence Subsidiaries

Defence does not have any subsidiaries.

Changes to the Defence Corporate Plan since FY2019-20

Defence has continued to strengthen its planning and reporting to better meet *Public Governance, Performance and Accountability Act 2013* expectations and maintain clear connections between the Defence Corporate Plan, Portfolio Budget Statements and performance reporting. Defence has reviewed all performance criterion for clarity, reduced duplication and ensured appropriateness to its purpose. In improving performance measurement, Defence has focused on ensuring that methodologies and data sources are reliable and verifiable and that success will be measured with a mix of qualitative and quantitative metrics.

Updates to the *2020-24 Defence Corporate Plan* are driven by improvements identified in:

- amendments to the *Public Governance, Performance and Accountability Rule 2014*;
- feedback received from the Defence Audit and Risk Committee;
- results from a whole-of-cycle health assessment conducted by the Department of Finance; and
- feedback in the Australian National Audit Office cross agency performance audit *Commonwealth Resource Management Framework and the Clear Read Principle*.

This has resulted in the Intended Results and activities being removed and reducing the number of performance criterion from 28 to 21 in *2020-2024 Defence Corporate Plan*. Defence has also included how success will be measured, data sources and methodology for measurement to provide a clear understanding on how performance will be assessed. For the *2020-24 Defence Corporate Plan*, the Corporate Plan has been arranged to insert performance criteria within the main body of the plan to align performance with the narrative on activity and outcomes.

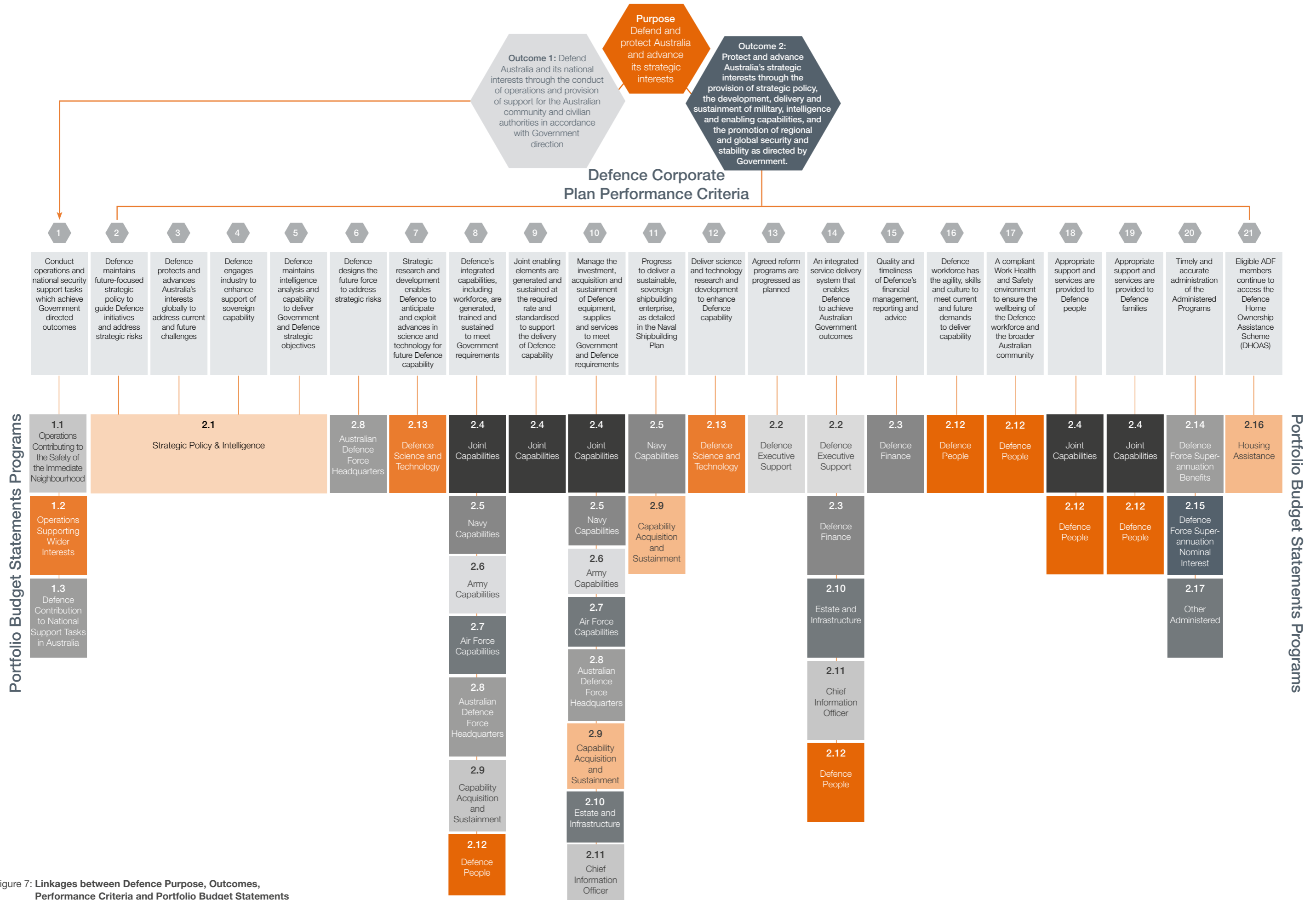


Figure 7: Linkages between Defence Purpose, Outcomes, Performance Criteria and Portfolio Budget Statements

Open to view Figure 7

Page 4 images:



Australian Army officer Captain Amy Power, in front of a 5th Aviation Regiment CH-47 Chinook helicopter during Operation Bushfire Assist.



Royal Australian Navy's Bungaree Dance Troupe dancer, Able Seaman Boatswains Mate Jorde Lenoy displays Indigenous dance moves at HMAS Creswell, in the lead up to a performance for NAIDOC week.



(L-R) Able Seaman Medic Rebecca Middleton, Seaman Medic Claudia Matthews, and Able Seaman Medic Celine Lang stand on the flight deck of HMAS Canberra during the Australia Day 2020 celebrations on Sydney Harbour.



Leading Aircraftwoman Bunyarra Jones maintains the parachute assembly on an ejection seat at Number 81 Wing Combined Work Shops.



Able Seaman Aviation Technician Aircraft Josh Orpwood conducting an engine inspection on an MRH-90 helicopter at HMAS Albatross, Nowra.



Australian Army Private Brenton Raubenheimer with Military Police Dog Bam, on board HMAS Canberra during exercise Talisman Sabre 2019



Dr Giuseppe (Joe) Fabrizio, a senior electrical engineer with the Defence Science and Technology Group, with the experimental phased array radar being developed at RAAF Base Edinburgh. In the background are Dr Joachim Trinkle (far right) and Dr Mayank Kaushik.



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