



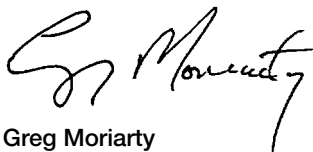
Australian Government
Department of Defence

**2021–25 DEFENCE
CORPORATE PLAN**



STATEMENT OF PREPARATION

I, as the accountable authority of Defence, present the *2021–25 Defence Corporate Plan* as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.



Greg Moriarty
Secretary of Defence
24 August 2021

© Commonwealth of Australia 2021

ISSN 2205-5282 (online)

ISBN 978-1-925890-45-7

This publication is available for your use under a [Creative Commons BY Attribution 3.0 Australia](http://creativecommons.org/licenses/by/3.0/au/legalcode) licence, with the exception of the Commonwealth Coat of Arms and the Department of Defence logo, signatures and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of the Department of Defence's material under a [Creative Commons BY Attribution 3.0 Australia](http://creativecommons.org/licenses/by/3.0/au/legalcode) licence requires you to attribute the work (but not in any way that suggests that the Department of Defence endorses you or your use of the work).

Department of Defence material used 'as supplied'

Provided you have not modified or transformed the Department of Defence material in any way including, for example, by changing the Department of Defence text, the Department of Defence prefers the following attribution:

Source: *The Australian Government Department of Defence*

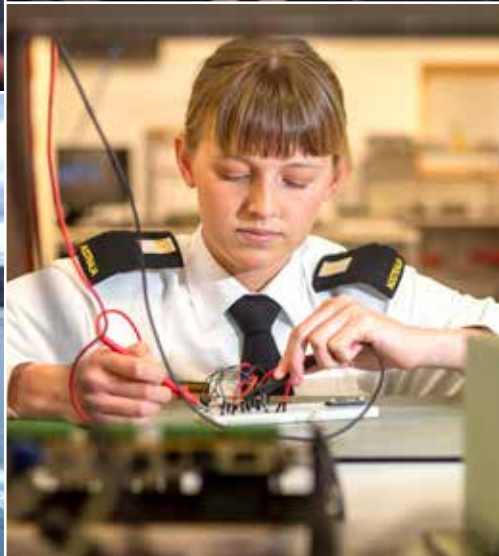
Derivative material

If you have modified or transformed the Department of Defence's material, or derived new material from those of the Department of Defence in any way, then the Department of Defence prefers the following attribution:

Based on the Australian Government Department of Defence's data.

Contents

Introduction.....	5
Defence Portfolio	6
Defence Organisation	7
Our Purpose and Mission.....	7
One Defence Approach	8
IGADF Afghanistan Inquiry.....	9
Royal Commission into Defence and Veteran Suicide	9
Sovereign Guided Weapons and Explosive Ordnance Enterprise	9
Achieving Defence's Purpose and Mission.....	11
Outcome 1	11
Operations.....	11
National Security Support Tasks.....	12
Outcome 2	13
Setting Strategic Direction	13
International Engagement and Cooperation.....	15
Defence Industry	16
Defence Intelligence.....	17
Designing Defence Capability	18
Innovation, Science and Technology	19
Delivering and Sustaining Capability	20
Acquiring Capability	22
Enhancing Capability	24
A High Performing One Defence Enterprise	25
Enterprise Governance	33
Assurance and Controls.....	34
Defence's Legal Framework	34
Enterprise Risk Management	35
Defence Subsidiaries.....	36
Changes to the Defence Corporate Plan since January 2021 version	36



Introduction

The *2021–25 Defence Corporate Plan* sets out Defence's purpose and key activities to be achieved covering the period 2021–25 in alignment with the requirements of the *Public Governance, Performance and Accountability Act 2013*.

Defence's purpose and mission is: ***To defend Australia and its national interests in order to advance Australia's security and prosperity.***

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

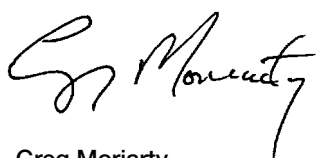
- Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction; and
- Protect and advance Australia's strategic interests through the provision of strategic policy; 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 2021–25, 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 *2021–25 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 *2021–25 Defence Corporate Plan*.



Greg Moriarty
Secretary of Defence

24 August 2021



Angus J Campbell AO DSC
General
Chief of the Defence Force

24 August 2021

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 and a number of trusts, companies and other statutory offices. The portfolio also contains the Department of Veterans' Affairs and associated bodies as designated in the Administrative Arrangements Order. The Department of Veterans' Affairs is administered separately to Defence, and information related to the department can be found in its Portfolio Budget Statements and Corporate Plan.

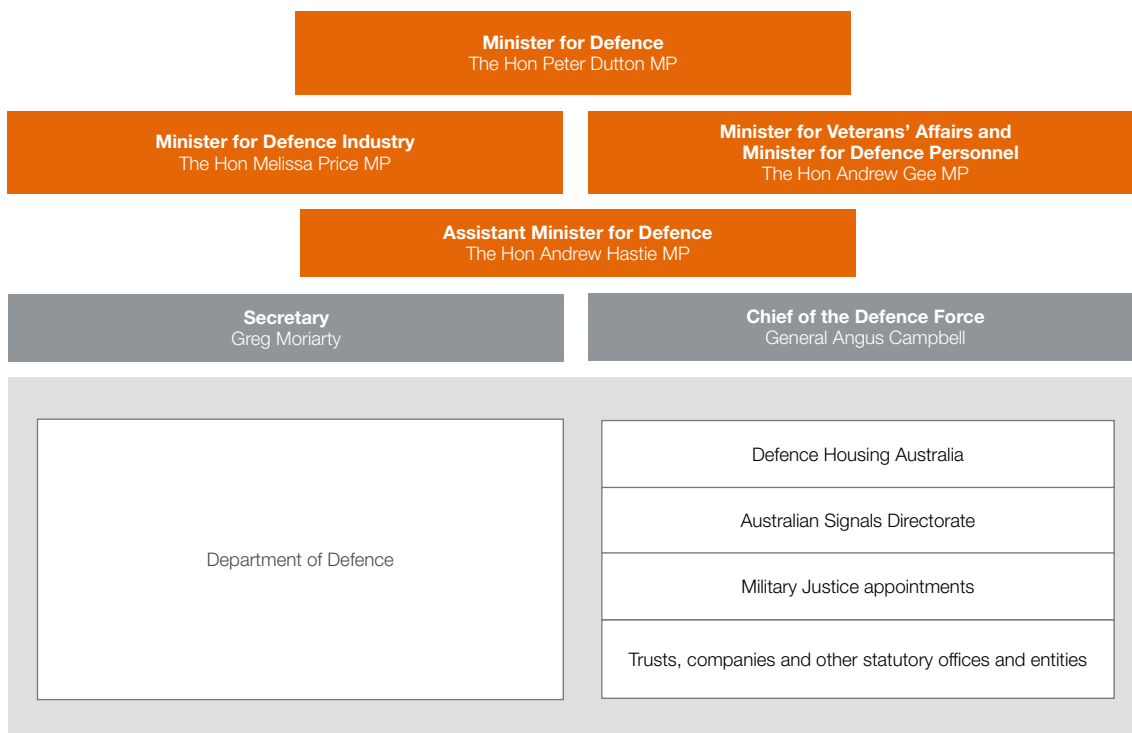


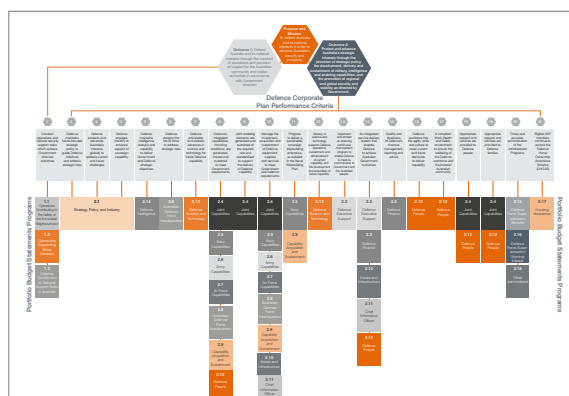
Figure 1: **Defence portfolio structure as at 30 March 2021. Note the Department of Veterans' Affairs is not included in the figure.**

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

The scope of the 2021-25 *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 for Defence.

Figure 5 on page 37 provides a clear line of sight between Defence's Purpose and Mission, Outcome Statements, Performance Criteria and Portfolio Budget Statements Programs.





Defence Organisation

Our Purpose and Mission: To defend Australia and its national interests in order to advance Australia's security and prosperity

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 2021-22 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 2021-22 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.*

Government has directed that, in order to achieve the Defence Mission, Defence's strategic objectives are to **shape** Australia's strategic environment, **deter** actions against our interests and, when required, **respond** with credible force.

Delivery of these objectives is supported by a Defence focus on three key priorities – **strategy, capability** and **reform**. These priorities are the pillars that support, guide and ensure agility and adaptability in Defence culture and thinking, strategic performance, and organisational structure.

The *2020 Defence Strategic Update* addresses strategy by explaining the government's response to the challenges Australia faces and sets out adjustments to Defence planning. The *2020 Force Structure Plan* addresses capability by detailing the government's new and adjusted capability initiatives. Reform – the third priority – is addressed by the *Lead the Way: Defence Transformation Strategy*.

Lead the Way: Defence Transformation Strategy, released in November 2020, provides the vision and framework for long-term, enterprise-wide transformation to ensure Defence is organisationally fit to implement its strategic and capability priorities and deliver on its commitments. Continuous transformation will enhance Defence's capacity to continually adapt as strategic circumstances change.

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 continue to contribute to the national effort wherever the need arises.

One Defence Approach

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 achieve its purpose.

Adopting a single enterprise approach – One Defence – that recognises Defence's interdependencies with other organisations and communities, strengthens Defence's ability to work effectively in support of broader national goals.

The *2015 First Principles Review: Creating One Defence* introduced a number of key foundational concepts and recommendations that set the conditions and vision for how a high-performing and trusted Defence organisation should operate.

Defence has made substantial changes and improvements since 2015 to its structure, governance arrangements, accountabilities, processes and systems across the enterprise. The *Lead the Way: Defence Transformation Strategy* builds on the strong foundations of the First Principles Review, but also refocuses efforts to ensure that the One Defence concept is fundamentally embedded throughout the entire enterprise. The One Defence concept is:

"One Defence" means a unified and adaptive organisation that is driven by its strategy, clearly led by its centre, and empowers its people through a culture that exemplifies the Defence Values and a strong sense of shared purpose.

Through our work as an integrated One Defence team, we each contribute to the evolution of our strategic posture, our capabilities, and delivery of the Defence strategic objectives to Shape, Deter, and Respond.

The Defence enterprise encompasses all of the Groups and Services within the Department of Defence, and their associated people, functions and outputs. The shared outcome generated is the achievement of the Defence Mission through the Defence strategic objectives (Shape, Deter, Respond), and the generation of the strategic effects outlined in the classified *Defence Planning Guidance*.

IGADF Afghanistan Inquiry

The Inspector-General of the Australian Defence Force conducted an inquiry into allegations relating to possible breaches of the Law of Armed Conflict by members of Australia's Special Operations Task Group in Afghanistan over the period 2005 to 2016 (the Afghanistan Inquiry). The Afghanistan Inquiry concluded on 6 November 2020 with the delivery of the report to the Chief of the Defence Force. The Afghanistan Inquiry Reform Plan was approved by the Minister for Defence on 26 May 2021. It sets out the Defence strategy for responding to the Afghanistan Inquiry and establishes the Afghanistan Inquiry Reform Program, which has two objectives: address the past; and prevent recurrence.

Royal Commission into Defence and Veteran Suicide

On 8 July 2021, the Governor-General issued Letters Patent which established the Royal Commission into Defence and Veteran Suicide (the Royal Commission). Mr Nick Kaldas APM (Chair), The Hon James Douglas QC and Dr Peggy Brown AO were appointed as Commissioners. Defence has established a Taskforce that will support Defence's contribution to the work of the Royal Commission. The Royal Commission is required to produce an interim report by 11 August 2022 and a final report by 15 June 2023. Defence will cooperate fully with the Royal Commission and is working closely with the Department of Veterans' Affairs on the shared goal of preventing suicide among current and former serving members of the Australian Defence Force. The National Commissioner for Defence and Veteran Suicide Prevention Bill, will be amended to ensure that the National Commissioner will be well placed to perform its forward-looking role and support the prevention of future deaths by suicide, following the conclusion of the Royal Commission or as recommended by the Royal Commission.

Sovereign Guided Weapons and Explosive Ordnance Enterprise

On 31 March 2021 the Prime Minister, the Minister for Defence, the Minister for Defence Industry and the Minister for Industry Science and Technology announced the Australian Government will accelerate the creation of a Sovereign Guided Weapons and Explosive Ordnance Enterprise.

The Sovereign Guided Weapons and Explosive Ordnance Enterprise is the enabling ecosystem necessary to deliver Guided Weapons and Explosive Ordnance preparedness and improve supply chain resilience. The Sovereign Guided Weapons and Explosive Ordnance Enterprise will be a dynamic organisational construct that spans Government, Defence, Industry and academia and will be a strategic enabler of Sovereign Guided Weapon and Explosive Ordnance capability.

Defence is undertaking a program of work to expand relationships with allied governments and understand the capacity and capability of Australian Industry and academia to develop and operate an integrated Sovereign Guided Weapons and Explosive Ordnance Enterprise.



Achieving Defence's Purpose and Mission

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 expects Defence to be a proactive force for stability, security and sovereignty in our immediate region. It also expects Defence to deploy military power to achieve Defence's strategic objectives of shaping Australia's strategic environment, deterring actions against our interests and, when required, responding with credible military force. Defence will achieve this by strengthening existing and building new partnerships, conducting cooperation activities, and where our interests are engaged contributing to coalition operations around the world.

To that end the Government deploys Defence personnel to operations overseas and within Australia to protect Australia and advance its strategic interests. The Defence enterprise 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, which requires Defence to work with other security agencies, both across government and internationally, to ensure strategic objectives are achieved. Regional capacity building and protection of Australia's borders and offshore maritime interests remains a high priority for Defence. In particular, supporting State readiness to respond to natural disasters and domestic events of violence through various counter-terrorism activities. Figure 2 identifies Australian Defence Force operations as at 1 June 2021.

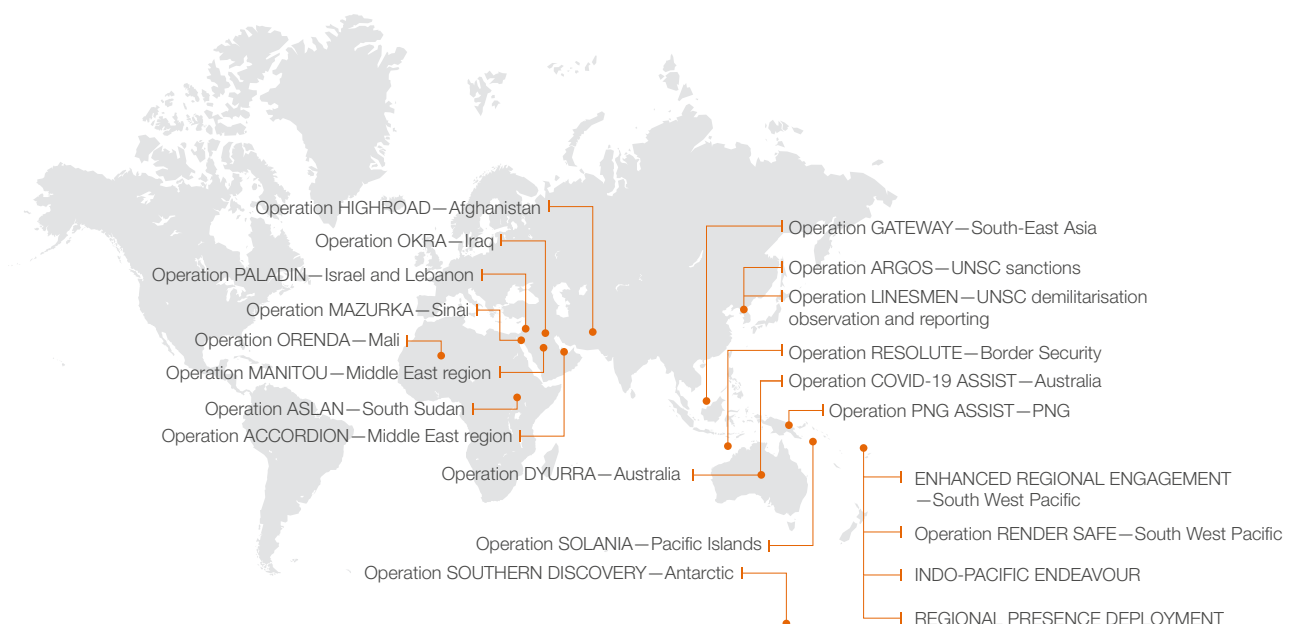


Figure 2: Australian Defence Force operations as at 1 June 2021

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 Government.

The Government and the Australian public expect Defence to respond to significant domestic crises. This expectation will continue over the life of this Corporate Plan, particularly in the context of ongoing and uncertain impacts of COVID-19.

The lessons learned from recent national security support tasks such as Operation BUSHFIRE ASSIST 2019-2020 and Operation COVID-19 ASSIST will be implemented to ensure that Defence strengthens and supports the interdependencies with other Commonwealth, State and Territory authorities, industry and international security agencies. These developments will better enable Defence to work in an engaged, agile, adaptive and aligned manner to achieve broader national goals that support national resilience and deliver maximum value to the nation.

1. Performance Criterion	Conduct operations and national security support tasks which achieve Government-directed outcomes	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 *2020 Defence Strategic Update* sets out the challenges in Australia's rapidly evolving strategic environment and their implications for Defence planning. It sets out the Government's new strategic Defence policy framework, which clearly identifies geographical, operational and capability priorities and provides 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 *2020 Defence Strategic Update* replaces the Strategic Defence Framework set out in the *2016 Defence White Paper* with three new strategic objectives which will guide all aspects of Defence's planning including force structure planning, force generation, international engagement and operations. These new objectives are:

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

The *2020 Force Structure Plan* details the Government's intentions for new and adjusted Australian Defence Force capability investments to implement the *2020 Defence Strategic Update*'s 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. That requirement 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.

To remain agile and adaptive 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 *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 3. 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 3: Enterprise planning hierarchy in Defence

2. Performance Criterion	Defence maintains future-focused strategic policy to guide Defence initiatives and address strategic risks	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 Defence meets its regulatory reporting requirements 				
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 Strategy, Policy, and Industry 				

International Engagement and Cooperation

Cooperation with international partners is crucial for Defence to meet our strategic objectives. The hard and soft power that give us influence internationally are key to navigating Australia's increasingly complex strategic environment. Australia benefits from 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, reduces the risk of military confrontation, builds interoperability with key partners and improves 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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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) Defence meets its regulatory reporting 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 Strategy, Policy, and Industry 				

Defence Industry

A strong sovereign defence industrial base is an expression of our national power and supports our ability to meet the challenges of the changing strategic environment. Defence continues 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.

The Australian Industry Capability Program is maximising opportunities for Australian industry participation in Defence capability planning and procurement. A strong exporting defence industry and enhanced technology and industrial base collaboration with likeminded partners supports the sustainment and growth of our sovereign industry, increases Australia's economic prosperity and strengthens Australia's influence on the world stage.

The Sovereign Industrial Capability Priorities 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 eight of the initial ten Priorities were released in 2020, with the remaining two to be released in 2021. Defence regularly assesses new and emerging capabilities through a rigorous assessment framework to ensure the Priorities capture future strategic opportunities and threats, and continue to support progress in Australia's sovereign defence industry.

Through the Defence Innovation Hub, Defence is continuing to harness the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities for Defence. This is helping expand the capability and capacity of Australia's defence industrial base.

4. Performance Criterion	Defence engages industry to enhance support of sovereign capability	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 Strategy, Policy, and Industry 				

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 has brought together its intelligence enterprise capabilities under a new Chief of Defence Intelligence and Defence Intelligence Group.

The Defence Intelligence Group includes 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 former Strategic Policy and Intelligence Group, and Joint Capabilities Group. Chief Defence Intelligence also has a number of 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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 2.14 Defence Intelligence 				

Designing Defence Capability

Preparing the Future Force

The *2020 Force Structure Plan* is an enterprise level activity for Defence. The *2020 Force Structure Plan* outlines the intention for new and adjusted Australian Defence Force capability investments to implement the strategic objectives of the *2020 Defence Strategic Update*. This is achieved through consideration of the planned investment profile in the context of changes in the evolving strategic environment and emergent technologies. The objective of the *2020 Force Structure Plan* is to set the direction of the Australian Defence Force's force structure to ensure it is capable of undertaking the tasks Government expects out to 2040.

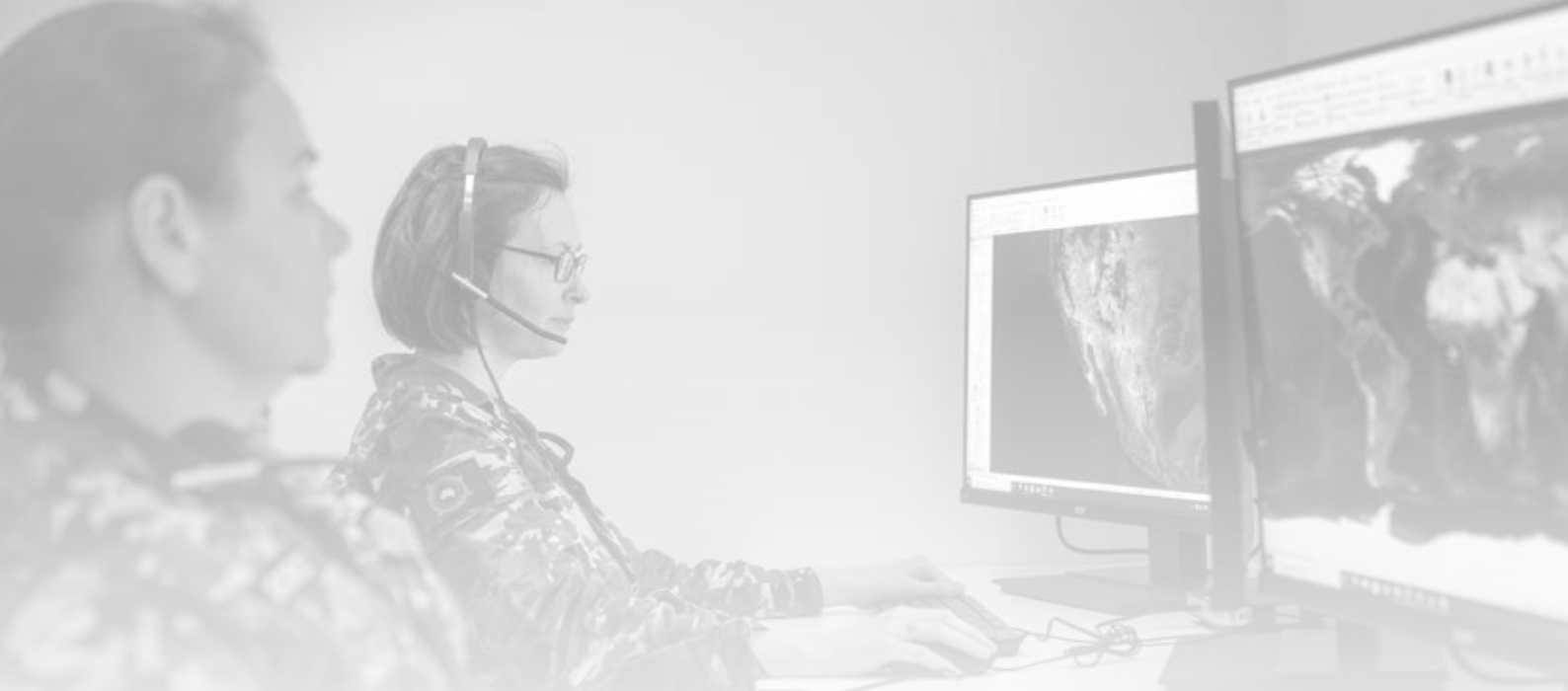
As part of the *2020 Defence Strategic Update* and *2020 Force Structure Plan*, the Government made adjustments to Defence capability investment plans to ensure the Australian Defence Force can **shape** Australia's strategic environment; **deter** actions against Australia's interests; and **respond** with credible military force, 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 an important 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, relevant 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. Defence capability is supported by an enduring partnership with the Australian defence industry to not only meet the Australian Defence Force's capability needs for today, but to also respond to changes in our future strategic environment. Developing an Australian industrial base with the capability, posture and resilience to meet future Defence capability needs remains a long-term endeavour and will remain a focus over the life of this and subsequent Corporate Plans.

6. Performance Criterion	Defence designs the future force to address strategic risks	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 CapabilityOne 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 				



Innovation, Science and Technology

Defence innovation, science and technology play a critical role in Australia's defence and national security by ensuring our forces maintain a capability edge. Defence's strategic research is aligned to future force requirements and focuses on the development of leap ahead capabilities for Defence and maximising the opportunities created by emerging and future technologies. Its primary strategic research mechanisms 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*.

To realise the benefits of innovation, science and technology, Defence is continuing to shape and lead the Defence Capability Innovation System, to drive the evolution of innovation pathways and harness the national enterprise for the achievement of Defence objectives. Through its leadership, Defence aims to provide clarity for current and future industry and research partners as to how they can contribute and deliver innovative capabilities into Defence. This includes facilitating a coordinated approach across the spectrum of potentially high payoff research through to relatively lower risk incremental innovation.

7. Performance Criterion	Defence anticipates and exploits advances in science and technology for future Defence capability	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
Target	• Stakeholders are satisfied with the balance of investment in strategic research	✓	✓	✓	✓
	• Strategic research delivers benefit for Defence capability	✓	✓	✓	✓
	• Pathways are established to enable Defence innovation	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> • Stakeholders are satisfied with strategic research support to their programs (Target: >80%) • The benefits management framework is applied to Defence innovation programs 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> • Investment Committee agreement to Science and Technology Portfolio investment balance. • Defence capability innovation program benefits (e.g. Next Generation, Technologies Fund, Defence Innovation Hub) reported to the Investment Committee. • Program reporting to sponsors. 				
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 preparedness requirements. 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 enterprise, 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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 Report 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 Integrated Investment Program Bi-annual Update 				
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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Joint Health Services are provided to Australian Defence Force personnel to enable Defence preparedness 	✓	✓	✓	✓
	<ul style="list-style-type: none"> Delivery of Joint Logistics capability that provides comprehensive and assured support to Australian Defence Force operations 	✓	✓	✓	✓
	<ul style="list-style-type: none"> Delivery of military education and training programs that prepare Australian Defence Force personnel 	✓	✓	✓	✓
	<ul style="list-style-type: none"> Delivery of joint military policing effects that protect the Australian Defence Force's people, resources, values and reputation 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Joint Health Services meet agreed service levels as per the Health Service Level Charter Achievement of agreed Joint Logistics service levels, assurance outcomes and milestones set through the Defence Logistics Committee Forward Work Plans Completion rates of training and education courses meet the directed training requirements Achievement of agreed Joint Military Police service levels as per the Service Level Charter 				
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 Joint Logistics performance indicators under the relevant contract Performance Management Frameworks, analysis of assurance findings, and Defence Logistics Committee minutes Analysis of Australian Defence College training data and annual reports Analysis of service level performance reports prepared under the Joint Military Police Governance Framework 				
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 the *2020 Defence Strategic Update*, responding to a changing strategic context, new technologies and supporting ongoing modernisation of Defence over a 20 year timeframe.

The *2020 Force Structure Plan* makes necessary adjustments to Defence capability investments set out in the *2016 Defence White Paper* and the Integrated Investment Program to ensure capability, resources and strategy remain aligned.

Defence capability investment decision-making is supported by an arms-length contestability function that forms a core element of the Defence 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.

10. Performance Criterion	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 within agreed 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"> CapabilityOne Project Performance Review Sustainment Reviews Defence Project and Sustainment Reports Monthly Reporting Module Reports Independent Assurance Review outcomes IIP Bi-annual Update 				
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 in its design phase, Hunter class frigate commencing prototyping and the Arafura class offshore patrol vessel and Guardian class patrol boat programs in build. Six new evolved Cape class patrol boats, the first of the new programs described in the *2020 Force Structure Plan*, are also now under construction. New world class shipbuilding facilities at Osborne South in South Australia and Henderson in Western Australia are now in place. A new shipyard at Osborne North for the Attack class submarine build is under construction. 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 with an update to the Naval Shipbuilding and Sustainment Plan due out later in 2021.

11. Performance Criterion	Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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"> Assessment against Naval Shipbuilding Enterprise Performance Measurement Framework 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 Metrics within the Naval Shipbuilding Enterprise Performance Measurement Framework 				
Portfolio Budget Statement	<ul style="list-style-type: none"> Program 2.5 Navy Capabilities Program 2.9 Capability Acquisition and Sustainment 				



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.

12. Performance Criterion	Delivery of science and technology supports Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability.	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> • Investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities. 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> • Defence Capability Managers are satisfied with support to their programs (Target >80%) • Investment Committee agreement of the Defence Science and Technology Portfolio Plan 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> • Investment Committee agreement to the Science and Technology Portfolio investment balance • Advice from the Science and Technology Capability Program Steering Group • Advice from the Innovation Steering Group • Feedback from the Defence Science and Technology Scientific Advisers • Analysis by the Defence Science and Technology Portfolio Office 				
Portfolio Budget Statement	<ul style="list-style-type: none"> • Program 2.13 Defence Science and Technology 				

A High Performing One Defence Enterprise

Enterprise Transformation

Defence, as a matter of necessity, must continue to improve its ability to deliver on its current commitments while retaining the organisational capacity to anticipate and respond effectively to strategic challenges. Just as Defence raises, trains and sustains military capabilities and uniformed people, it must also ensure its enterprise can always adapt to a changing strategic environment. This requires a high-performing One Defence enterprise with a culture that embraces continuous improvement.

To achieve this, Defence must retain the ability to:

- Learn about its environment, risks, opportunities and performance.
- Evolve how it operates as an enterprise, supports and develops its people and deepens its partnerships.
- Align its priorities, processes, systems and communications.
- Deliver the Defence Mission and strategic effects through its capabilities, services and by clearly demonstrating value to the Nation.

Continuous transformation will enhance Defence's capacity to adapt as strategic circumstances change.

Lead the Way: Defence Transformation Strategy provides the vision and framework for long-term enterprise-wide transformation, with key activities updated annually through the Enterprise Priority Statement. The delivery and embedding of this framework is occurring through three sets of initiatives, with an implementation period to the end of 2022. These are:

1. A continuous improvement culture
2. An enduring transformation system
3. Priority reform areas of focus

A key initiative under a continuous improvement culture was the development of a whole-of-enterprise Data Strategy, in recognition that the effective use and management of data is critical to everything Defence does. On 4 August, the Assistant Minister for Defence, The Honourable Andrew Hastie MP launched the Defence Data Strategy 2021-2023. The Defence Data Strategy demonstrates the investment in data capability within the Defence workforce. Implementing the Strategy will fundamentally change the way Defence manages and works with data, building strong data literacy and analytic skillsets, in order to deliver strategic and operational advantage.

13. Performance Criterion*	Implement and embed an enduring transformation system to enable a high performing One Defence enterprise with a continuous improvement culture.	Timeline			
		2021-22	2022-23	2023-24	2024-25
Target	• Delivery and operation of the Defence Business Transformation Cycle.	✓	✓	✓	✓
	• Establishment and operation of the Defence Transformation Program.	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> • Transformation activities are effectively identified, prioritised, aligned, sequenced and resourced. • Transformation Program milestones are met and benefits realised. 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> • Defence Transformation Strategy Implementation Plan • Defence Transformation Program Master Schedule • Enterprise Business Committee Minutes and Outcomes • Defence Committee Minutes and Outcomes 				
Portfolio Budget Statement	<ul style="list-style-type: none"> • Program 2.2 Defence Executive Support 				

* Updated since the *Portfolio Budget Statements 2021-22* to reflect maturity of the Defence Transformation Program



Integrated Service Delivery

Defence is introducing a more strategic and customer-focused integrated service delivery system that drives forward Initiative 2.3 of the *Lead the Way: Defence Transformation Strategy* (DTS), ‘*Transform our Business Practices, Systems and Service Delivery*’. The Service Delivery Framework articulates the vision, mission and principles for growing the service delivery capability in Defence. To help guide the enabling Groups to progress service delivery reform, an Enterprise Service Delivery Future State will be developed that supports a common direction, shared outcomes and creates alignment to the *Lead the Way: Defence Transformation Strategy*.

14. Performance Criterion	An integrated service delivery system that enables Defence to achieve Australian Government outcomes	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
Target	<ul style="list-style-type: none"> Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching Defence Transformation Strategy Initiative 2.3. 	✓	✓	✓	✓
How will success be measured	<ul style="list-style-type: none"> Development of Enterprise Digital Service Delivery ‘Future State’. Endorsed Service Delivery Roadmap to mature integration across the Defence ecosystem. Customer satisfaction (Target: year to year increase). Increase in process and services that are digitalised across all enabling services. Improve and streamline processes by 5% across all enabling services. 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Defence Transformation Cycle calibration and reporting Achievement of Integrated Service Delivery targets identified in Group/ Divisional Business Plans Analysis of Customer Satisfaction Survey results Capture of Business Process in enterprise systems 				
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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
Target	• 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

Defence requires a highly skilled workforce to deliver the capabilities and investments outlined in the *2020 Force Structure Plan*. The workforce must also have the agility to respond to the needs of Government in ways that have been demonstrated recently during Operation BUSHFIRE ASSIST 2019-2020 and the COVID-19 pandemic response. Our people require well-developed cultural competencies to enhance our effectiveness when working with our allied partners, our regional neighbours and civilian populations. Underpinning all of this is the requirement for our people to demonstrate Defence's Values and Behaviours to create a high performing, diverse and inclusive workforce.

Linked to the *Lead the Way: Defence Transformation Strategy*, Defence will deliver a comprehensive reform of its Human Resources and Education and Training operating model to ensure that it better supports the *One Defence* operating model, the strong strategic centre, and the generation of joint capabilities. This reform of the Human Resources and Education and Training operating model will be informed by a refreshed Defence Strategic Workforce Plan (to be delivered in the second half of 2021) and the Defence Enterprise Learning Strategy, and will be closely tied to the delivery of the Enterprise Resource Planning program.

To meet the future workforce requirements Defence will:

- Continue to embed the Total Workforce System, which will allow Defence to access the full potential of the entire Australian Defence Force workforce through varying levels of full-time and part-time service, and access to a contingent workforce;
- Improve engagement and collaboration with industry, academia and other government agencies; and
- Invest in the education, training and continuous development of our people to deliver future capabilities and sustain an intellectual edge.

Defence Culture

Defence's culture is fundamental to achieving our mission. It drives our attractiveness as an employer and our capacity to meet future demands.

The *Lead the Way: Defence Transformation Strategy* adopts a single enterprise approach that recognises the importance of the Defence Values and Behaviours to lead the way on how the organisation continues to create a high performing, diverse and inclusive workforce, and meet the expectations of all Australians.

Successful implementation of the *Lead the Way: Defence Transformation Strategy* will require and reinforce a culture of continuous improvement in Defence. This will be delivered through three key elements:

- Defence Values and Behaviours;
- Clear Accountabilities; and
- Trusted Information.

Cultural reform within Defence has been ongoing through its commitment to *Pathway to Change: Evolving Defence Culture 2017-2022*. Defence, as a matter of necessity, must continue to enhance its culture to respond to its capability priorities and strategic challenges.

All Defence personnel are accountable for a more positive and inclusive culture, defined through a set of unifying Values and Behaviours.

The Values and Behaviours, launched in October 2020, are part of a series of objectives to drive the One Defence ethos.

The Values articulate Defence's character in achieving its mission. The Values are:

- Service – The selflessness of character to place the security and interests of our nation ahead of my own.
- Courage – The strength of character to say and do the right thing, always, especially in the face of adversity.
- Respect – The humanity of character to value others and treat them with dignity.
- Integrity – The consistency of character to align my thoughts, words and actions to do what is right.
- Excellence – The willingness of character to strive each day to be the best I can be, both professionally and personally.

The corresponding Behaviours to the Values have been developed to guide our people to actively improve and transform how we work and interact together to deliver authentic, sustainable organisational performance. The Behaviours are:

- I will act with purpose for Defence and the nation
- I will be adaptable, innovative and agile
- I will collaborate and be team-focused
- I will be accountable and trustworthy
- I will reflect, learn and improve
- I will be inclusive and value others.

16. Performance Criterion	Defence workforce has the agility, skills and culture to meet current and future demands to deliver capability	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 	✓	✓	✓	✓
	<ul style="list-style-type: none"> Cultural reform priorities are implemented as set out in Pathway to Change: Evolving Defence Culture 2017-22 	✓	✓	✓	✓
	<ul style="list-style-type: none"> All Groups and Services maintain culture plans 	✓	✓	✓	✓
	<ul style="list-style-type: none"> Embed the Defence Values and 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 All Groups and Services have up to date culture plans in place Reduced incidents 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 Annual review of 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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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			
		2021-22	2022-23	2023-24	2024-25
Target	<ul style="list-style-type: none"> To transition Australian Defence Force personnel across the service spectrum with a focus on transition preparedness across personal security factors (using the human security framework). 	✓	✓	✓	✓
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 upon 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 part-time member's move across the service spectrum, as well as those who cease part-time 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 using the human security framework Implement the Joint Transition Authority to integrate, synchronise and assure transition services. Provide annual report to Government 				
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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 using the human security framework 	✓	✓	✓	✓
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 Update the Defence Family and Domestic Violence Strategy All calls and e-mails to the Defence Family Helpline and National Welfare Coordination Centre are addressed in a timely manner Use of call metrics and Quality Assurance measures (including review of recorded calls and case notes) 				
Data sources and methodology for measurement	<ul style="list-style-type: none"> Partner Employment Assistance Program Post Engagement Survey Australian Defence Force families survey 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			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 2.15 Defence Force Superannuation Benefits Program 2.16 Defence Force Superannuation Nominal Interest Program 2.18 Other Administered 				

21. Performance Criterion	Eligible Australian Defence Force members continue to access the Defence Home Ownership Assistance Scheme	Timeline			
		2021-22	2022-23	2023-24	2024-25
		✓	✓	✓	✓
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 2.17 Housing Assistance 				

Enterprise Governance

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

The implementation of the *Lead the Way: Defence Transformation Strategy* will further strengthen the decision making and prioritisation activities of the strategic centre.

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 supported by subsidiary enterprise committees. The current Enterprise Committee structure is illustrated at Figure 4:

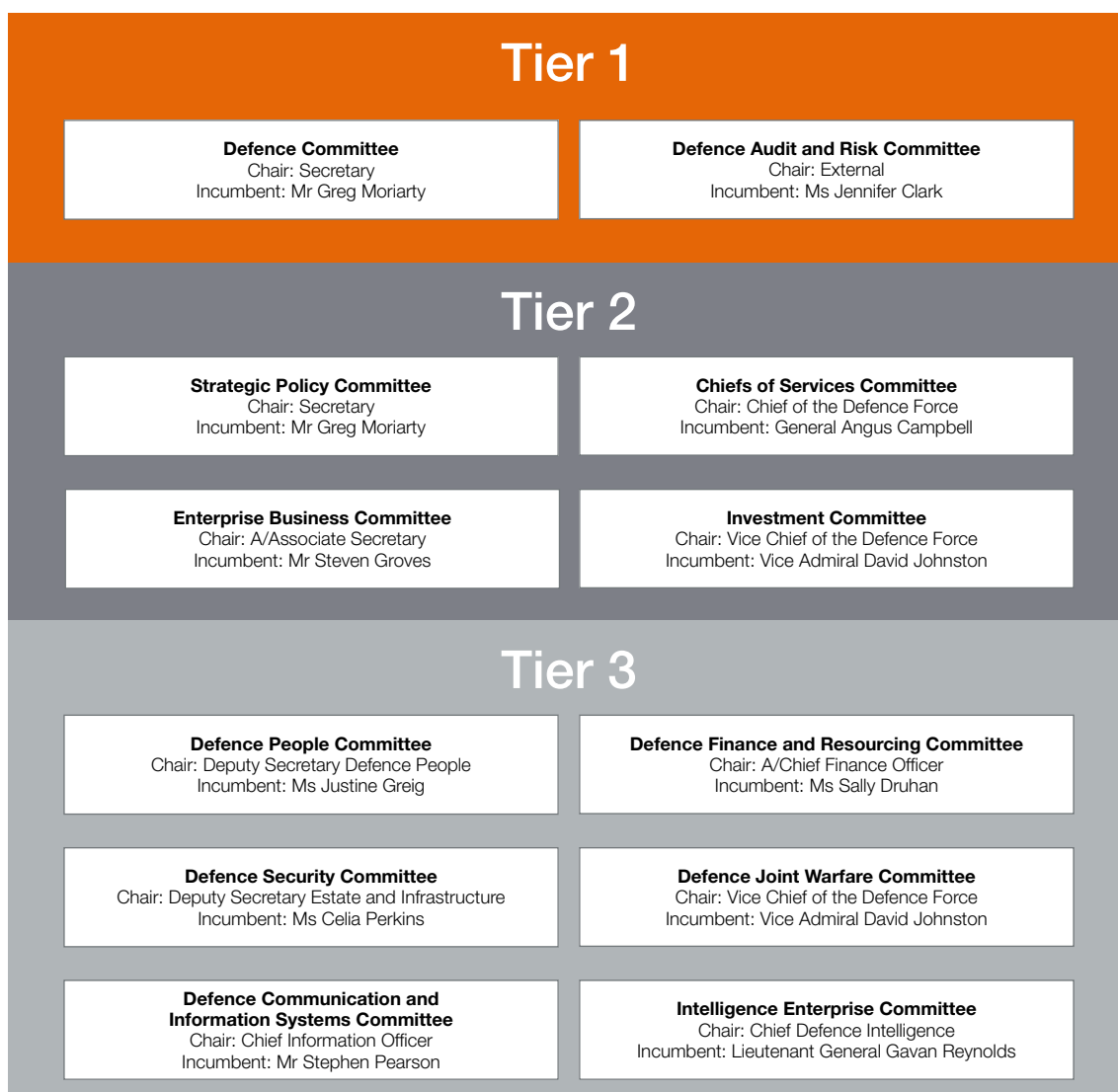


Figure 4: **The Enterprise Committee Governance Framework as at 2 August 2021**

In 2020, the Intelligence Enterprise Committee was established as an additional Tier 3 Enterprise Committee. The Intelligence Enterprise Committee is responsible for providing clear strategic direction on the activities, management and governance of the Defence Intelligence Enterprise.

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 Enterprise Committees that Government-directed outcomes are being delivered in accordance with legislative and policy requirements.

Key responsible and accountable 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 Defence 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

Defence Legal enables Defence to operate lawfully in its mission to defend Australia and its national interests. Defence Legal does this by providing legal services to the various Groups and Services in Defence, including through lawyers embedded in Defence areas.

Defence Legal is committed to continuous improvement in line with *Lead the Way: Defence Transformation Strategy* to support Defence's ability to be agile, proactive and effective. Defence Legal is scoping its legal framework to identify areas suitable for reform to ensure the organisation remains fit for purpose to deliver government priorities in Australia. Defence Legal is also evaluating its workforce structure to ensure effective and efficient delivery of legal services.

The *Defence Act 1903* sets out the framework for the command and administration of Defence. The Chief of the Defence Force commands the Australian Defence Force, while the Chief of the Defence Force and the Secretary have joint responsibility for administration of 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 accountable for the Department and the Australian Defence Force under the *Public Governance, Performance and Accountability Act 2013*.

The Chief Counsel is accountable to the Secretary and the Chief of the Defence Force 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:

- the provision of effective and efficient legal service delivery (including the required policy framework);
- the establishment of standards and monitoring of service delivery performance for the legal services shared service function;
- ensuring commanders and line managers receive the legal support they require to fulfil their accountabilities and deliver capability; and
- developing and maintaining a legal risk framework to assist commanders and line managers with the ongoing assessment and management of legal risks, and reporting to the Defence leadership and ministers in the Defence portfolio.

Enterprise Risk Management

Risk management is an essential element in Defence's framework of good governance and informs decisions at all levels of the organisation. 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.

Defence recognises that risk is inherent in its work and can present both opportunities and threats to the achievement of outcomes. Taking calculated risks when prudent to do so allows Defence to identify and address issues that might otherwise jeopardise capability and credibility.

Defence's risk appetite and tolerance is influenced by the nature of activities, emerging priorities and an evolving environment. Due to the nature and complexity of the operating environment, higher levels of risk may need to be managed.

The Defence risk management system ensures that we are able to meet risk management obligations in accordance with the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Risk Management Policy*.

Defence's principle based Risk Management Policy outlines our approach to managing risk, including Defence risk appetite, risk management expectations, accountabilities and responsibilities. All personnel are encouraged to engage positively and responsibly in managing risk, including complying with legislation, policies and delegations.

Defence strategic, enterprise, operational and specialist risks are monitored and managed by relevant business areas and significant risk is analysed and reported to inform risk-based decisions at the enterprise-level.

Defence assesses Australia's strategic environment to identify potential strategic risks that could impact Defence and may result in updates to Defence policy, strategic guidance, or force posture. Strategic risks may be managed as shared risks with other Commonwealth agencies/entities, international and industry partners.

Enterprise risks are concerned with the operations of the organisation and are risks to the implementation of government decisions and achievement of Defence's required outcomes. Defence groups its enterprise risks into ten categories of enterprise risk to the achievement of the Defence Corporate Plan (Table 1).

The Defence enterprise risk management approach and its effectiveness is overseen by the Enterprise Business Committee and the Defence Audit and Risk Committee, supported by Enterprise Risk Stewards.

Through the Strategy Framework, Defence regularly reviews its planning to ensure the alignment of strategy, capability and resources in ways that are responsive to enhanced understanding of the risks associated with the evolving strategic environment. Defence will continue to review and update its approach to how we assess, treat and report on Defence's risk management arrangements. In particular, Defence's enterprise risk management must harmonise with our strategic risk arrangements to ensure that we are allocating resources and effort in addressing Defence and Government's highest priorities.

Capability Defence is unable to develop, deliver and sustain military, intelligence and enabling capabilities as directed by Government.	Estate Defence's estate and infrastructure do not effectively support Defence's required outcomes.
Finance Defence's finance frameworks do not adequately respond to emerging budget pressures and support compliance with legislative obligations.	Information Defence's information systems do not enable the information required to conduct business, including decision-making, planning and operations.
People The Defence workforce does not have the capability and capacity to meet required outcomes.	Preparedness Defence is unable to 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.
Reform Defence does not adequately implement and embed the reforms and manage the change required to deliver efficient and effective outcomes.	Security Inadequate security threatens the defence and advancement of national and strategic interests.
Stakeholder engagement Defence does not adequately foster and maintain relationships that support effective stakeholder and international engagement.	Work health and safety Defence does not protect our people against harm to their health, safety and welfare so far as is reasonably practicable.

Table 1: **Enterprise risk categories**

Defence Subsidiaries

Defence does not have any subsidiaries.

Changes to the Defence Corporate Plan since January 2021 version:

- Defence Purpose updated to align with Defence Mission
- Main narrative sections updated to reflect proposed activities for 2021-25 period
- The Hon Peter Dutton MP was sworn in as the Minister for Defence on 30 March 2021
- Minister for Defence Industry, The Hon Melissa Price MP and their portfolio were elevated to Cabinet on 30 March 2021
- The Hon Andrew Gee MP was appointed as the Minister for Veterans' Affairs and the Minister for Defence Personnel on 2 July 2021
- Updated Figure 2: **Australian Defence Force Operations** with current operations as at 1 June 2021
- Included acknowledgement of the Royal Commission into Defence and Veteran Suicide and Defence's contribution of a taskforce to support the work of the Royal Commission and the permanent National Commission
- Included acknowledgment of the Sovereign Guided Weapons and Explosive Ordnance Enterprise
- Performance measures are unchanged or only marginally changed to improve clarity of the performance information. Several measures have been revised to align with the implementation of *Lead the Way: Defence Transformation Strategy*
- Performance information is aligned with *Portfolio Budget Statements 2021-22*, with the exception of performance criterion 13 which has been revised since publication of *Portfolio Budget Statements 2021-22*
- A Tier 3 Intelligence Enterprise Committee has been established within the Enterprise Committee Governance Framework
- Enterprise Risk narrative was expanded to further explain Defence's approach to risk and to provide clear definitions for Enterprise Risk categories
- Updated Figure 5: **Linkages between the Defence Purpose and Mission, Outcomes, Performance Criteria and Portfolio Budget Statements** to include Defence Intelligence Program 2.14

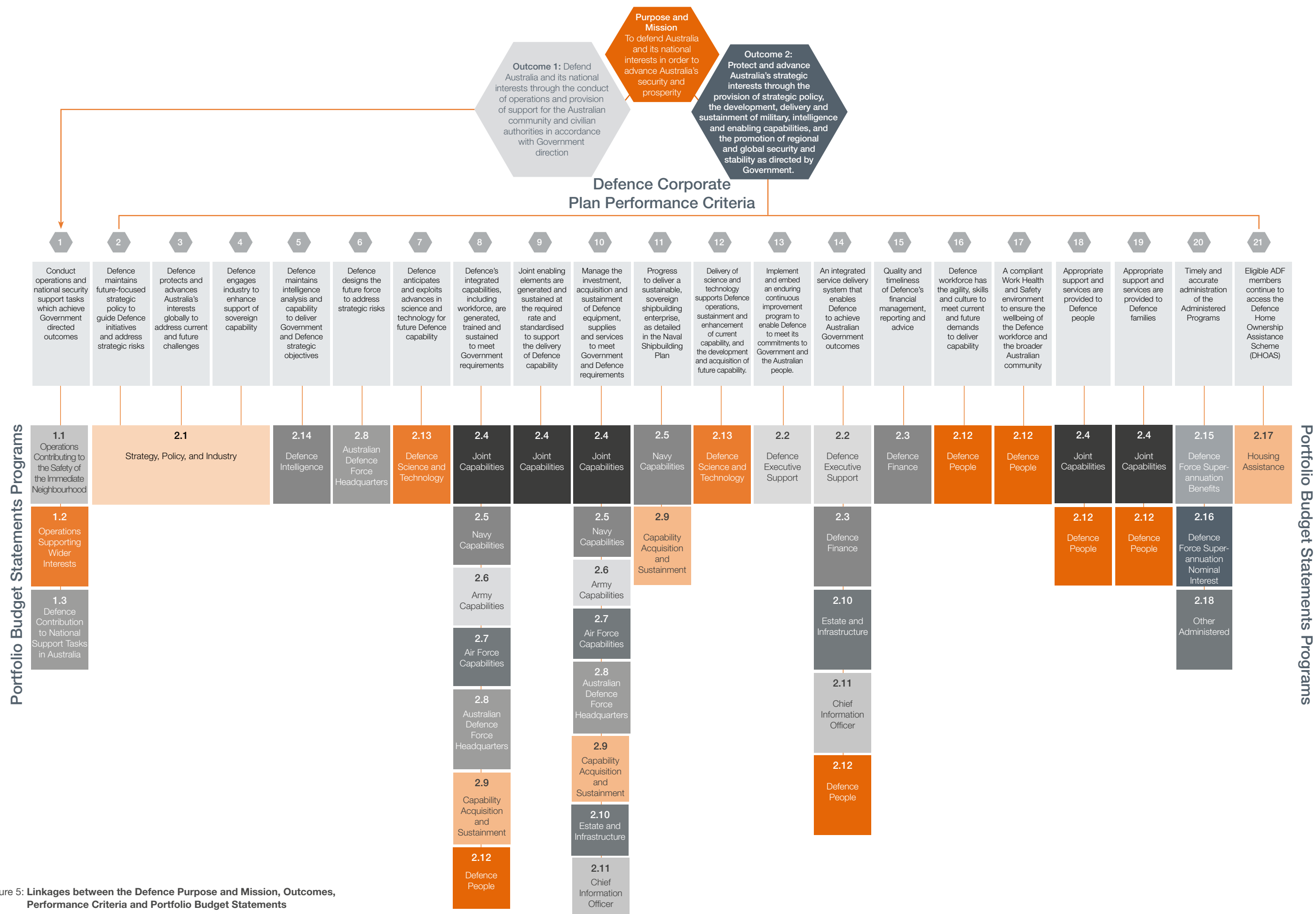


Figure 5: Linkages between the Defence Purpose and Mission, Outcomes, Performance Criteria and Portfolio Budget Statements

Page 4 images:



Royal Australian Air Force Military Working Dog Handler, Leading Aircraftwoman Tamara Thomas with her Military Working Dog, Xeren, patrol the outskirts of RAAF Base Pearce, Western Australia.



(l-r) Royal Australian Air Force Aircraftwoman Jody Bergman and Leading Aircraftwoman Bridget Scharvi work at Distributed Ground Station - Australia, in preparation for upcoming Exercise Coalition Virtual Flag.



HMAS Adelaide sails towards the island of Galoa, Fiji to provide Humanitarian Assistance and Disaster Relief to those affected by Cyclone Yasa.



Two soldiers from the 8th/7th Battalion, Royal Victoria Regiment, face outwards after completing a section attack serial as part of a battalion military skills competition at Puckapunyal Military Training Area.



Torres Strait Islander, Air Force Leading Aircraftman Pryce Mareko from No. 2 Security Forces Squadron views the island of Masig (Yorke), from the ramp of a No. 35 Squadron C-27J Spartan, during Exercise Christmas Hop.



Weapons Electrical Engineer in-training Midshipman Rebecca Gonchee tests electrical resistance using a multimeter on her self-built breadboard at the Australian Defence Force Academy, Canberra.



Officer of the Watch, Sub Lieutenant Jackson Breer, looks out for other vessels as HMAS Brisbane departs Sydney Harbour.



NUSHIP Supply arrives at her home port for the first time, at Fleet Base East, Sydney, New South Wales.



Australian Army soldier Private Jason Jackson from 4th Combat Service Support Battalion prepares to load stores into the back of a G-Wagon, during Operation COVID-19 ASSIST.



(L-R) Lieutenant Brittany Craig and HMAS Anzac Flight Commander, Lieutenant Commander Timothy Craig with their children (from left) Hunter and Harper at Oxley Wharf at Fleet Base West, Western Australia.



An ARH Tiger helicopter from the 1st Aviation Regiment takes off for a sortie during Exercise Vigilant Scimitar, Townsville Field Training Area, 18 November 2020.



Australian Public Service, Department of Defence staff (l-r) Contestability Division Mr Tom Murphy, Defence Industry Policy Division Ms Madeleine Banister, International Policy Division Mr Mark Bellchambers and Strategic Policy Division Ms Helen Thai.



To defend Australia and its national interests in
order to advance Australia's security and prosperity

www.defence.gov.au
