



Australian Government
Department of Defence

2016-2017

Defence Corporate Plan



Statement of Preparation

I, as the accountable authority of Defence, present the 2016-17 Defence Corporate Plan, which covers the periods of 2016-20, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*.



Dennis Richardson AO
Secretary of Defence
23 August 2016

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Introduction

The 2016-17 Defence Corporate Plan sets out Defence's role, objectives and functions, referred to as Purposes in the PGPA Act,¹ and describes how we will measure our performance in achieving our Purposes. Performance against the Corporate Plan will be reported through Annual Performance Statements, to be included in the 2016-17 Defence Annual Report. The Corporate Plan is a living document and will be updated at least annually to reflect changes in our operating environment and to meet the requirements of the PGPA Act.

The Defence Purposes have been revised from the ten described in the 2015-16 Defence Corporate Plan to focus on the three core outcomes we deliver to Government:

- Provide advice to Government;
- Deliver and sustain Defence capability and conduct operations; and
- Develop the future capability Defence needs to conduct operations.

Our Purposes and Activities centre on delivering an effective defence capability for Government.² Over the life of this plan, we will continue to build capability to support our national security interests and promote them in a region that is growing more complex and dynamic, as described in the 2016 Defence White Paper.

In 2016-17 we will begin implementation of the new force structure and capabilities identified in the 2016 Defence White Paper. These changes are essential if we are to transform Defence into an organisation that can effectively deliver on our primary role: to protect and advance Australia's strategic interests through the provision of military capabilities, the promotion of security and stability, and to provide support for the Australian community and civilian authorities as directed by Government.

In delivering Defence capability to Government, Defence will continue to undertake significant organisational change resulting from the First Principles Review, *Creating One Defence*, while continuing to build on and deliver our cultural reform program, *Pathway to Change*. It is essential we continue to build our organisational capability and culture if we are to achieve our Purposes both now and into the future.

We are pleased to present the 2016-17 Defence Corporate Plan.



Dennis Richardson AO

Secretary of Defence

23 August 2016



Mark Binskin AC

Air Chief Marshal

Chief of the Defence Force

23 August 2016

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

2 Defence Capability is the power to achieve a desired operational effect in a nominated environment within a specified time and to sustain that effect for a designated period. In a military context, capability is achieved by developing a force structure appropriately prepared for a range of military operations. Australian Defence Doctrine Publication 00.2, 'Executive Series: Preparedness and Mobilisation', 2013.

Purposes

The Defence mission is to defend Australia and its national interests.

Defence's primary role is to protect and advance Australia's strategic interests through the provision of military capabilities, the promotion of security and stability, and to provide support for the Australian community and civilian authorities as directed by Government.³ In fulfilling its mission, Defence has three Purposes:

- 1. Provide advice to Government**
- 2. Deliver and sustain Defence capability and conduct operations**
- 3. Develop the future capability Defence needs to conduct operations**

Programs described in the Defence Portfolio Budget Statements 2016-17 contribute to the Defence Purposes, as shown in Table 1.

Defence Portfolio Budget Statements 2016-17 Programs	Defence Purposes		
	1. Provide advice to Government ⁴	2. Deliver and sustain Defence capability and conduct operations	3. Develop the future capability Defence needs to conduct operations
1.1 Strategic Policy and Intelligence	•	•	•
1.2 Navy Capabilities		•	•
1.3 Army Capabilities		•	•
1.4 Air Force Capabilities		•	•
1.5 Joint Operations Command		•	
1.6 Vice Chief of the Defence Force	•	•	•
1.7 Capability Acquisition and Sustainment		•	•
1.8 Defence Executive Support	•	•	
1.9 Estate and Infrastructure		•	
1.10 Chief Information Officer		•	
1.11 Defence People		•	•
1.12 Defence Science and Technology		•	•
1.13 Chief Finance Officer	•		
1.14 Defence Force Superannuation Benefits		•	
1.15 Defence Force Superannuation Nominal Interest		•	
1.16 Housing Assistance		•	
1.17 Other Administered		•	
2.1 Operations Contributing to the Security of the Immediate neighbourhood		•	
2.2 Operations Supporting Wider Interests		•	
3.1 Defence Contribution to National Support Tasks in Australia		•	

Table 1. Defence Portfolio Budget Statement Programs mapped to Purposes

³ This statement is drawn from the outcome statements in the Defence Portfolio Budget Statements.

⁴ Advice will be provided through the Strategic Center.

Environment

Security

Australia's security environment is changing. The role of Defence is to protect and advance Australia's strategic interests through the provision of military capabilities, the promotion of security and stability, and to provide support for the Australian community and civilian authorities as requested by Government. Defence does this through the strategies described in the 2016 Defence White Paper. Defence must be prepared to undertake a diverse range of possible operational requirements as directed by Government.

Defence has the most extensive land and property holdings in Australia, including large training areas and bases close to the coastline. Recognising the challenges posed by climate change, Defence is undertaking studies to determine the level of risk and implementing mitigation strategies to reduce the impact to bases and training areas.⁵

Organisational Capability

The First Principles Review: *Creating One Defence*, requires that Defence become a more integrated organisation, with clear accountabilities and streamlined decision-making processes. Successful implementation of the recommendations of the First Principles Review will ensure that Defence has the organisational capability it needs to deliver the 2016 Defence White Paper and to respond to a wide range of operational requirements both now and into the future.

The PGPA Act requires all entities to take a deliberate approach to corporate planning and performance management, supported by a stronger risk management framework that aligns to the Commonwealth Risk Management Policy. Improved corporate risk management, business planning and performance management will enable Defence to focus all activities on achieving Government-directed outcomes.

Risks to the achievement of the Defence mission are managed by risk stewards in accordance with the Defence Enterprise Risk Management Framework, which is described in the Risk Oversight and Management section. The risks are reviewed and updated at least annually, or when there are changes in Defence's operating environment.

Diversity

Diversity and inclusion in Defence is a critical capability issue. We must harness the broadest talents if we are to remain prepared to defend Australia. The Defence Diversity and Inclusion Strategy 2012-2017 outlines five strategic goals which will underpin successful diversity and inclusion in Defence:

1. Defence is a flexible, adaptable and agile organisation that is able to accommodate the diverse needs of people as they move through various life and career stages.
2. Defence utilises creative, targeted human resource solutions to achieve the numerous strategic capability benefits that diversity brings to all levels of the organisation.
3. Defence recognises and understands that true inclusiveness does not mean treating everyone exactly the same way, all the time.
4. Defence is viewed by all as an organisation committed to diversity and inclusion.
5. Defence has strategies in place to support the employment of identified diverse groups that require immediate priority attention.

⁵ Department of Environment 2015, National Climate Resilience and Adaptation Strategy p. 31, Canberra, Viewed 02 March 2016 < <http://www.environment.gov.au/system/files/resources/3b44e21e-2a78-4809-87c7-a1386e350c29/files/national-climate-resilience-and-adaptation-strategy.pdf> >

The Australian National Action Plan on Women, Peace and Security 2012-2018 is a whole-of-Government policy to implement the United Nations Security Council Resolution 1325 (UNSCR 1325) and other United Nations (UN) Security Council resolutions related to Women, Peace and Security. The Women, Peace and Security agenda is central to Defence's operational effectiveness and success and will be an essential component of future planning and conduct of operations.

Performance

Purpose 1. Provide advice to Government

Defence must provide high-quality, coherent and timely policy advice to Government on Defence strategy, capability and resourcing. As part of First Principles Review implementation, Defence has brought strategic policy functions together in order to improve the quality of advice provided to Government.

The Government expects Defence to be able to defend Australia and its national interests, to play an active role in contributing to regional security and stability, and to contribute to coalition operations across 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 will strengthen its engagement with partners to support shared responses to shared challenges.

The **One Defence** business model recommended by the First Principles Review requires strong alignment between strategy, funding and capability. Effective corporate planning and performance monitoring are vital to ensure the direction set in the strategic centre is effectively cascaded through the organisation and that leaders are held to account for their performance. As required by the PGPA Act, Defence continues to improve the way it plans, prioritises and manages resources to achieve Government-directed outcomes.

Performance measures

i. Government has confidence in the relevance and quality of Defence advice.		2016–2020
Measured and reported	Measured bi-annually. Reported annually.	
Methodology	Bi-annual survey of the relevant Ministers and the central agencies.	
ii. Government is assured that Defence advice has been appropriately contested.		2016–2020
Measured and reported	Measured bi-annually. Reported annually.	
Methodology	Bi-annual survey of the relevant Ministers and the central agencies.	

Activities

Activities	Intended Results	Performance Criteria	When
Defence provides clear, accurate and timely advice to Government.	The Minister receives policy advice that supports effective decision-making.	Measure: Government has confidence in the relevance and quality of Defence advice. Target: Minister expresses high to very high confidence in Defence advice.	Ongoing
Defence ensures that the policy development process incorporates inputs from relevant stakeholders through processes that include contestability.	Defence strengthens its engagement on policy development with other national security participants and other relevant parties.	Measure: Decision-makers understand Australian defence and national security policy issues Target: Stakeholders express high confidence in Defence engagement.	Ongoing
Use data and information to support risk-informed decision-making by Defence's senior leaders.	Appropriate risk appetite is actively exercised based on all available information. Assured data is available to support the design of good performance measures. Managers across Defence have a view of performance within their work area that is based on true information, enabling them to make more robust resource decisions.	Measure: Performance information uses validated information to support decision-making. Target: All performance information is supported by a reliable and validated data source.	Ongoing

Purpose 2. Deliver and sustain Defence capability and conduct operations

Defence advances Australia's strategic interests by planning for, and developing and maintaining the capability to deter and defeat armed attacks on Australia or on Australian interests. This includes planning for, conducting, controlling and evaluating Defence and/or coalition contributions to Government-directed operations.

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

The joint force is the standing, prepared force that provides options to Government for future joint force operations. This includes the current disposition of the ADF, force structure and posture, as well as including all elements of the fundamental inputs to capability.

As required in the 2016 Defence White Paper, Defence will increase the level of preparedness over time to meet Government-directed outcomes.

Performance measures

i. Required preparedness levels are achieved.		2016–2020
Measured and reported	Measured tri-annually. Reported annually.	
Methodology	Assessment of preparedness against the Chief of the Defence Force Preparedness Directive.	
ii. Operational outcomes meet the requirements of Government policy.		2016–2020
Measured and reported	Measured tri-annually. Reported annually.	
Methodology	Assessment of operational deployments against operational outcomes agreed with Government.	
iii. The capability delivery process maintains the integrity of the Integrated Investment Program and delivers the required capability for the force-in-being.		2016–2020
Measured and reported	Measured tri-annually. Reported annually for each year of the corporate plan.	
Methodology	Assessment of delivery against the Integrated Investment Program.	
iv. Military capability is sustained consistent with Government requirements.		2016–2020
Measured and reported	Measured tri-annually. Reported annually for each year of the corporate plan.	
Methodology	Assessment of sustainment against capability manager requirements.	

Activities

Activities	Intended Results	Performance Criteria	When
Ensure Defence's operational capabilities are available to meet Government direction.	Government is able to deploy defence capability to support Government policy objectives.	Measure: Chief of the Defence Force preparedness levels meet Government requirements. Target: Chief of the Defence Force preparedness levels are achieved as agreed with Government.	Ongoing
Conduct joint, combined and interagency operations as directed by Government.	Joint forces are able to be deployed and sustained efficiently and effectively, and in accordance with Government timeframes.	Measure: Operational outcomes meet the requirements of Government policy. Target: All operational requirements are met.	Ongoing
Deliver intelligence services.	Defence intelligence services enable efficient operations across national security agencies.	Measure: Defence intelligence outputs align with Government intelligence priorities. Target: Whole-of-Government and Australian Defence Force intelligence requirements are met.	Ongoing
Deliver health and welfare services to meet the requirements of the Australian Defence Force.	Effective and efficient health support and welfare services are provided.	Measure: Quality of health and welfare services delivered to Australian Defence Force members and families. Target: Delivery meets agreed standards.	Ongoing
Implement the First Principles Review plan.	Defence develops organisational capability that ensures it can achieve Government-directed outcomes.	Measure: Implementation of the First Principles Review recommendations. Target: Implementation is achieved by 30 June 2017.	2016-17

Activities	Intended Results	Performance Criteria	When
<p>Deliver corporate and military enabling services to enable Defence capability.</p>	<p>Defence has the corporate and military enabling services it needs to support preparedness and operational requirements.</p>	<p>Measure: Enabling services meet requirements.</p> <p>Target: Satisfaction with the service delivery system increases over time.</p>	<p>2016-17</p>
<p>Australian Government Security Vetting Agency to strengthen its ability to meet its Charter.</p> <p>Support Government capability through the provision of timely and quality security vetting services.</p>	<p>The Australian Government Security Vetting Agency delivers the required security vetting service.</p>	<p>Measure: Quality of Australian Government Security Vetting Agency services.</p> <p>Target: The Australian Government Security Vetting Agency meets its service charter.</p>	<p>2016-17</p>

Purpose 3. Develop the future capability Defence needs to conduct operations

The capability life cycle is a core business process that enables Defence to perform its mission of defending Australia and its national interests. Defence must procure capability efficiently and effectively. As part of First Principles Review implementation, Defence is establishing a single end-to-end capability development function, which creates fewer hand-over points, reduces risk and complexity, and promotes a closer relationship between customer and purchaser. This includes development of a stronger contestability function as part of the new investment approval process for the major capital programs.

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.

In 2016–17, Defence will continue building the new levels of capability required by Government and described in the 2016 Defence White Paper and the Integrated Investment Program. Major investments will enhance Australian Defence Force capability to conduct operations to deter and defeat threats to Australia, operate over longer distances to conduct independent combat operations in our region, and make more effective contributions to international coalitions.

Performance measures

i. The Integrated Investment Program is managed effectively and comprises all investment and sustainment inputs, incorporating the Fundamental Inputs to Capability.		2016–2020
Measured and reported	Measured bi-annually. Reported annually.	
Methodology	<ol style="list-style-type: none"> 1. Regular independent assurance of the Defence capability development process by the Defence Audit and Risk Committee. 2. Regular reviews of the Integrated Investment Program in consultation with the Minister and central agencies. 	
ii. Emerging capability and technology is used to support development of best value-for-money capability.		2016–2020
Measured and reported	Measured tri-annually. Reported annually.	
Methodology	Regular assessment of how Defence's strategic research builds understanding of future Defence capability.	

iii. Defence capability development leverages industry to promote innovation.		2016–2020
Measured and reported	Measured tri-annually. Reported annually.	
Methodology	Regular assessment of the value of Defence engagement with industry.	

Activities

Activities	Intended Results	Performance Criteria	When
Deliver the capability required by the 2016 Defence White Paper.	Defence develops the capability it needs to meet Government’s requirements now and into the future.	Measure: Effective implementation of the 2016 Defence White Paper. Target: The 2016 Defence White Paper implementation plan activities for 2016-20 are delivered as agreed with Government.	Ongoing
Establish the Centre for Defence Industry Capability and the Defence Innovation Hub to engage with industry to enhance and sustain Defence capability.	A competitive Australian industrial base is able to support defence capability.	Measure: The intent of the Defence Industry Statement 2016 is met. Target: The Centre for Defence Industry Capability and the Defence Innovation Hub operate in accordance with the Defence Industry Statement 2016.	Ongoing

Capability

The First Principles Review: *Creating One Defence*, found that Defence's existing organisational model and processes were complicated, slow and inefficient. Implementation of the recommendations of the Review will make changes to accountabilities, structures, systems and processes to build organisational capability.

Defence's corporate and military enabling functions are essential to the effective and efficient delivery of capability⁶ and to support operations. The enabling functions range from supporting the Australian Defence Force in the conduct of operations through information and communication technology services and logistics and health support, to building and remediating the Defence estate. Over the life of this plan, the priority is to continue to develop a service delivery system as set out in the First Principles Review. This will involve standardising services, removing duplication of functions, professionalising the workforce and ensuring there are single, clear lines of ownership and accountability.

Workforce

An integrated Australian Defence Force and Australian Public Service workforce is the foundation for delivering the organisational capability envisaged in the First Principles Review. It is also necessary to ensure Defence is fit for purpose and able to deliver its long-term strategy as outlined in the 2016 Defence White Paper. Defence needs Australian Defence Force personnel and Australian Public Servants who have the right attitude, the right skills, and are in the right roles to achieve the Defence mission.

A key focus for 2016-17 is the development of a 10-year Strategic Workforce Plan that will set out the skills Defence needs and detail how Defence will attract, retain and develop its people. The Strategic Workforce Plan will provide workforce priorities, practical initiatives and resources for attracting, growing and retaining the people Defence needs.

Integrated Investment Program

Defence has one of the largest capital investment programs in the Australian Government, consisting primarily of acquisition, sustainment and support of Defence materiel.

Through implementation of the First Principles Review, we will undertake regular reviews of the capital program in consultation with the Minister for Defence and central agencies. 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 will be supported by a contestability function to ensure that acquisitions are aligned with strategy and resources.

Information Management

Information management is a critical enabler for Defence. In the military environment, information management must provide the war fighter with common battlespace awareness and information superiority through integrated and interoperable information. It underpins the next generation of Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance (C4ISR) systems, and links sensors and weapons platforms. It is crucial to offset the relatively small size of the Australian Defence Force and enable a competitive war fighting advantage over Australia's adversaries.

6 In this context capability refers to the power to achieve a desired operational effect in a nominated environment within a specified time and to sustain that effect for a designated period. In a military context, capability is achieved by developing a force structure appropriately prepared for a range of military operations. Australian Defence Doctrine Publication 00.2, 'Executive Series: Preparedness and Mobilisation', 2013.

Information management must enable the organisation to make informed decisions, measure performance, provide timely, credible, traceable and relevant management information, and support enterprise-wide business processes. It must be underpinned by a trusted single source of enterprise-wide data, and to the extent possible, common and standardised applications and infrastructure.

Defence is undertaking a large-scale transformation program that will deliver a secure, integrated and easier to manage information and communication technology environment, and support improved information management. This will improve collaboration and productivity to support the integration of future technologies, and ensure the longevity of Defence information and communication technology capability.

Risk Oversight and Management

Risk management is undertaken in accordance with an overarching Defence Risk Management Framework which provides:

1. Transparency of risk management within the business units of Defence;
2. A structure to draw out accountabilities and responsibilities of shared risk of the business units across the Department; and
3. A collective frame that articulates accountabilities and responsibilities for risk shared with Commonwealth, industry and international partners.

Through this framework, Defence addresses risks at three levels:

- **Operating risks** – These are risks to Defence achieving efficient and effective operating intent. They are the inward focus of how Defence undertakes the activities in this Plan.
- **Enterprise-level risks** – These are events which may limit or compromise Defence's collective ability to meet the obligations and requirements set by Government. These risks may arise from four 'enterprise vulnerabilities', which are: integration across Defence; integration with key external partners; compliance with legislation and Government policy; and efficient and effective use of resources.
- **National security risks** – These are risks managed as shared risks with Commonwealth, international and industry partners. Understanding of the national security risk environment informs the risk tolerance for enterprise risks.

The Secretary and Chief of the Defence Force have set out their minimum expectations for risk management in Defence in the *Joint Directive on the Management of Risk in Defence*.

Defence senior management exercises high-level oversight and assurance of risk. A Defence enterprise risk profile report providing a picture of the performance of enterprise-level risks is produced annually for senior committees. The Defence Audit and Risk Committee provides the Secretary and Chief of the Defence Force with independent advice on all aspects of Defence Governance including implications arising from Australian National Audit Office audits and Joint Committee of Public Accounts and Audit reports.

The management and oversight of risk across Defence will continue to evolve as a key component within the planning, performance and governance functions.



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