2018–19
Defence Corporate Plan
STATEMENT OF PREPARATION

I, as the accountable authority of Defence, present the 2018–19 Defence Corporate Plan, which covers the periods of 2018–22, as required under paragraph 35(1)(b) of the Public Governance, Performance and Accountability Act 2013.

Greg Moriarty
Secretary of Defence
28 June 2018
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>2</td>
</tr>
<tr>
<td>Purposes</td>
<td>3</td>
</tr>
<tr>
<td>Environment</td>
<td>6</td>
</tr>
<tr>
<td>Defence Capability</td>
<td>9</td>
</tr>
<tr>
<td>Risk Oversight and Management</td>
<td>12</td>
</tr>
<tr>
<td>Planned Performance</td>
<td>14</td>
</tr>
</tbody>
</table>
Introduction

The 2018–19 Defence Corporate Plan sets out Defence’s role, objectives and functions, referred to as Purposes in the Public Governance, Performance and Accountability Act 2013¹ (PGPA Act), 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 Defence Annual Report for 2018–19. 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 Australian Defence Force (ADF) is constituted under the Defence Act 1903. Its mission is to defend Australia and its national interests. In fulfilling this mission, Defence serves the Government of the day and is accountable to the Commonwealth Parliament which represents the Australian people to efficiently and effectively carry out the Government’s defence policy.

The Defence Corporate Plan focuses on the two outcomes we deliver for Government²:

- 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 2018–19, we will continue to build a single integrated Defence organisation working towards a common goal, whilst embedding change and driving reform in Defence.

We will undertake activities to deliver an effective defence capability³ for Government. Over the life of this plan, we will build capability to support our national security interests and promote them in our complex and challenging security environment. In delivering this capability for Government, Defence will work to mature significant organisational change that resulted from the First Principles Review, Creating One Defence, while continuing to deliver cultural reform, through our Pathway to Change program.

This reform aims to build our organisational capability and culture that enables achievement of our Purposes both now and into the future.

We are pleased to present the 2018–19 Defence Corporate Plan.

Greg Moriarty
Secretary of Defence
28 June 2018

Mark Binskin AC
Air Chief Marshal
Chief of the Defence Force
28 June 2018

¹ Purposes are defined by Part 1, Division 2–8 of the Public Governance, Performance and Accountability Act 2013 as ‘the objectives, functions or role’ of an entity.
² The Defence Outcomes are published in the Portfolio Budget Statements.
³ 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 promotion of security and stability, the provision of military capabilities to defend Australia and its national interests, and the provision of support for the Australian community and civilian authorities as directed by Government.

Programs that contribute to the achievement of the Defence Purposes and Defence Outcomes are shown in Table 1.

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Outcome Statement</th>
<th>Budget Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose 1: Defend Australia and its national interests</td>
<td>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.</td>
<td>1.1 Operations Contributing to the Safety of the Immediate Neighbourhood</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.2 Operations Supporting Wider Interests</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3 Defence Contribution to National Support Tasks in Australia</td>
</tr>
<tr>
<td>Purpose 2: Protect and advance Australia’s strategic interests</td>
<td>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.</td>
<td>Departmental</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.1 Strategic Policy and Intelligence</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.2 Defence Executive Support</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.3 Chief Finance Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.4 Joint Capabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.5 Navy Capabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.6 Army Capabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.7 Air Force Capabilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.8 ADF Headquarters</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.9 Capability Acquisition and Sustainment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.10 Estate and Infrastructure</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.11 Chief Information Officer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.12 Defence People</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.13 Defence Science and Technology</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administered</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.14 Defence Force Superannuation Benefits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.15 Defence Force Superannuation Nominal Interest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.16 Housing Assistance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.17 Other Administered</td>
</tr>
</tbody>
</table>

Table 1. Portfolio Budget Statement programs mapped to Defence Purposes and Outcomes for 2018–19. This table reflects the information as per the 2018–19 Portfolio Budget Statements.
DEFENCE CORPORATE PLAN
2018-19 AT A GLANCE

OUTCOME ONE
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.

How we will achieve this:
• Defence operational capability is able to be deployed to support Government policy objectives.
  Activity 1.1a – Immediate Neighbourhood
  Activity 1.1b – Wider Interests

• Defence contributions to National Support Tasks in Australia are provided in accordance with Government direction.
  Activity 1.2a – National Support

OUTCOME TWO
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.

How we will achieve this:
• Defence develops strategic policy that guides the design, development, integration and preparedness of Defence capability as directed by Government.
  Activity 2.1a – Strategic Risk
  Activity 2.1b – Policy Advice
  Activity 2.1c – 2016 White Paper

• The generation and sustainment of Defence capabilities achieve the objectives of Government.
  Activity 2.2a – Future Force
  Activity 2.2b – Interagency Operations
  Activity 2.2c – Preparedness
  Activity 2.2d – Raise, Train and Sustain
  Activity 2.2e – Intelligence Services
  Activity 2.2f – Infrastructure Delivery
  Activity 2.2g – Infrastructure Enablers
  Activity 2.2h – Materiel Acquisition
  Activity 2.2i – Materiel Delivery
  Activity 2.2j – Workforce
  Activity 2.2k – ICT

• Defence delivers on the objectives of its enterprise reform program as agreed by Government.
  Activity 2.3a – Reform
  Activity 2.3b – Enabling Services
  Activity 2.3c – ADF Total Workforce Model
  Activity 2.3d – Cultural Reform
  Activity 2.3e – Resourcing

• Defence’s capability and capacity is enabled by supporting engagement and innovation with Australian industry.
  Activity 2.4a – Defence Industry
  Activity 2.4b – Research

• Australia’s reputation as a strategic partner is enhanced by international engagement.
  Activity 2.5a – International Engagement

• Defence provides appropriate health and welfare services.
  Activity 2.6a – Health Support
  Activity 2.6b – Welfare Services
  Activity 2.6c – Welfare Delivery Reform
DEFENCE’S MISSION:
DEFEND AUSTRALIA AND ITS NATIONAL INTERESTS.

A secure, resilient Australia, with secure northern approaches and proximate sea lines of communication.

A secure nearer region, encompassing maritime South East Asia and South Pacific (comprising Papua New Guinea, Timor-Leste and Pacific Island countries).

A stable Indo-Pacific region and a rules-based global order.

OUR STRATEGIC DEFENCE INTERESTS ARE:

OPERATIONS

The Government deploys ADF personnel to operations overseas and within Australia to protect Australia and its national interests. ADF members are actively protecting Australia’s borders and offshore maritime interests.

ENVIRONMENT

The Government’s Defence policy, articulated in the 2016 Defence White Paper, is to align Australia’s defence strategy with capability and resources, grow our international defence partnerships and invest in the Defence–industry partnership to develop and deliver innovative, cutting-edge capabilities. Inherent in this policy is a greater focus on seizing opportunities while managing strategic risks. This will be achieved through developing Defence's ability to take a more active role in shaping regional affairs and to respond to developments that threaten our interests. This is designed to ensure the ADF is better prepared to respond to complex emerging strategic risks by providing Government with greater options and flexibility.

RISK

Risks to the achievement of the Defence mission are managed by risk stewards in accordance with the Defence Risk Management Framework. Management of enterprise risks is overseen by the Enterprise Business Committee, with significant issues escalated internally for Defence Committee consideration. The risks are reviewed and updated at least annually, or when there are changes in Defence’s operating environment.

CAPABILITY

Defence has one of the largest capital investment programs in the Commonwealth, consisting primarily of acquisition, sustainment and support of Defence materiel. The Integrated Investment Program includes all capital and related investments (such as materiel, estate and facilities, workforce and information and communications technology). The Integrated Investment Program is supported by a contestability function that informs the development of the risk assessment and decision support framework to ensure that acquisitions are aligned with strategy and resources.
Environment

The Strategic Centre

The Strategic Centre sets the direction for Defence, strengthens accountability and makes top-level decisions. The strategic centre is responsible for setting priorities, managing resources and steering the organisation to implement the Government’s defence policies. Defence’s strategic centre is based around its primary decision-making committee – the Defence Committee – which includes the Secretary, the Chief of the Defence Force, the Associate Secretary, the Vice Chief of the Defence Force, the Deputy Secretary Strategic Policy and Intelligence and the Chief Finance Officer.

Initiatives underway to improve the strategic centre include:

- Streamlining the top-level management structure, ensuring that it is aligned to the One Defence business model;
- Clarifying, documenting and promulgating the accountabilities of the Secretary and the Chief of the Defence Force;
- Strengthening the role of the Vice Chief of the Defence Force as the integrator of the future force;
- Strengthening the role of the Associate Secretary as an integrator of enterprise functions and as the central authority to deliver centre-led enterprise planning and performance monitoring;
- Ensuring the Defence Committee is focused on strategic issues and is supported by two subordinate committees, the Enterprise Business Committee chaired by the Associate Secretary and the Investment Committee chaired by the Vice Chief of the Defence Force;
- Building a strong and credible internal contestability function;
- Strengthening centre-led, enterprise-wide planning and performance-monitoring processes; and
- Improving enterprise planning, risk and organisational performance management.

Operations

The Government deploys Australian Defence Force (ADF) personnel to operations overseas and within Australia to protect Australia and its national interests. ADF members actively protect Australia’s borders and offshore maritime interests.

Direction Setting

Since the release of the 2016 Defence White Paper, some strategic trends have accelerated – arguably faster than was anticipated. Defence will pay close attention to these trends and their impact on Australian interests as they develop, through a revised and more agile Strategy Framework released across the Department in 2018. The Strategy Framework reinforces the importance of alignment between strategy, capability, and resources. Importantly, it also gives effect to the recommendations in the First Principles Review for a strong strategic centre.

Internal review has confirmed that the strategic and capability ambitions outlined in the 2016 Defence White Paper remain relevant and appropriate in the face of these trends. In response to a more contested and competitive environment, where established rules and norms of behaviour are under challenge, the White Paper ushered in a proactive posture for Defence, aimed at strengthening our relationships with countries across the region, developing a shared capacity to work together to address security challenges, buttressing regional and global norms, and preferably preventing, when possible, security challenges from escalating rather than simply responding when they do. To meet this ambition, the White Paper funded and prioritised, for the first time, international engagement as core Defence business.

This more proactive strategy is backed up by significant investment in credible hard power, including regeneration of our maritime capability. Investment in Defence is on track to meet the Government’s target of 2 per cent of GDP by 2020-21. And with it, the ADF will become more capable of operations to deter and defeat threats to Australia, operate.
Defence is enacting this new Framework through rolling review of strategic planning and direction-setting. The Annual Strategic Review identifies risks in the strategic environment that Defence needs to be aware of, with significant issues escalated internally for Defence Committee consideration. This risk assessment informs the Department’s highest level classified planning document, the Defence Planning Guidance, which includes specific direction on what Defence needs to do, and measures of success that are subject to rolling review to track progress against strategic ambition and lessons learned along the way. This will flow through into similarly regular reviews of Defence capability, the Defence budget, our preparedness settings, and Defence international engagement and the Defence Intelligence Enterprise, among others. The identification of individual accountable officers to drive integration across Defence missions, services, systems and capabilities forms a central element of our ongoing reform agenda. This will be particularly important during 2018-19 within the Defence Intelligence Enterprise, given the scale and pace of change within the national intelligence system.

Through these changes, we have strengthened our strategic management capability to set direction for the organisation, monitor and manage the performance of Defence, support the national security community, and provide assurance to Government that its outcomes are being delivered effectively and efficiently.

This framework identified three Strategic Defence Interests linked to three equally weighted Strategic Defence Objectives:

1. A secure, resilient Australia, with secure northern approaches and proximate sea lines of communication.

   The **Strategic Defence Objective** for this interest is: Deter, deny and defeat attacks on or threats to Australia and its national interests, and northern approaches. This objective relates to Defence Purpose 1.

2. A secure nearer region, encompassing maritime South East Asia and South Pacific (comprising Papua New Guinea, Timor–Leste and Pacific Island Countries).

   The **Strategic Defence Objective** for this interest is: Make effective military contributions to support the security of maritime South East Asia and support the governments of Papua New Guinea, Timor–Leste and of Pacific Island Countries to build and strengthen their security. This objective relates to Defence Purpose 2.

3. A stable Indo-Pacific region and a rules-based global order.

   The **Strategic Defence Objective** for this interest is: Contribute military capabilities to coalition operations that support Australia’s interests in a rules-based global order. This objective relates to Defence Purpose 2.

**Enterprise challenges**

Defence has made significant progress in recent years implementing the First Principles Review and the 2016 Defence White Paper. However, challenges still remain. Defence must continue to embed reforms and ensure that they are adopted across the organisation. During 2018-19, Defence will focus on improving the capability life cycle, capability acquisition and sustainment reforms, service delivery, cyber security, information and communications technology and behaviours.

There are challenges associated with the recapitalisation of Defence as outlined in the 2016 Defence White Paper. This is particularly true for shipbuilding, where Defence is leading a significant national enterprise. Collective effort is required from other Commonwealth departments, state and territory governments and industry to be successful. Relationships will be coordinated and harmonised through a detailed governance structure, to maintain clarity of communication and decision making.
More broadly, the Government’s new agenda around defence industry is also a priority. The Australian defence industry employs around 25,000 people, with over 3,000 small-to-medium enterprises. Defence’s ability to deliver capability relies on a stronger relationship with Australian defence industry, and future defence procurement will be underpinned by a strategic contracting approach through collaborative relationships with industry.

Defence will also focus on cultural reform, building an environment where leaders are accountable for a positive culture that is collegiate and mutually respectful of people’s skills. Defence will focus on embedding expected behaviours across the organisation but with a particular focus on our senior leaders.

Implementation of the Defence Strategic Workforce Plan 2016-2026 will continue, addressing workforce challenges for the Defence Australian Public Service, the ADF and defence industry. This plan is the key Defence workforce management document and gives Defence a whole-of-organisation view of our workforce needs.

Implementation of the Defence Estate Strategy 2016-36 will also continue during 2018-19. Defence has the most extensive land and property holdings in Australia, and the strategy provides enterprise-level direction on how Defence will manage this estate to ensure it is strategically aligned, safe, sustainable and affordable, and enables Defence capability and operations.

Defence will support the Australian Signals Directorate following its establishment as a statutory agency, so that it is able to meet current and future national intelligence challenges with appropriate resources and autonomy, while remaining in the Defence portfolio and continuing to closely support the ADF.
Defence Capability

The First Principles Review identified that organisational capability is derived from a strong workforce enabled by modern and effective security services, facilities and estate, information management, information and communications technology, people management systems, legal services, and health and logistics, supported by an integrated service delivery system. A service delivery framework was developed as part of First Principles Review implementation. The focus for the framework in 2018–19 involves standardising services, removing duplication of functions, professionalising the workforce and ensuring there are single, clear lines of ownership and accountability.

As part of the Defence White Paper, the Government will deliver a more capable, agile and potent ADF that can respond wherever Australia’s interests are engaged. Defence designs, develops and integrates capability to provide the Government with options to mitigate strategic national security risks and ensure Defence can respond to direction.

Defence maintains capabilities to conduct military operations and provide civil aid and assistance in multiple domains. Defence capability encompasses multiple warfighting domains: sea, land, air, cyber, information and space. Defence is working to deliver an organisation that is more integrated on technical, organisational and cultural levels to deliver cohesive military effects across a joint warfighting domain.

The provision of a joint force that is capable, agile and potent in achieving the Strategic Defence Objectives directed by the Government is enabled through a flexible and scalable force design process. Informed through analysis of Government strategic guidance, the development of military strategy, and Defence planning guidance; Defence assesses emerging gaps, risks, issues and opportunities; develops and tests operating concepts; and proposes force structures and capability options that enhance and enable the joint force. The result is the provision of balanced, costed, and prioritised future force structure proposals (nested with extant Integrated Investment Program guidance) that are consistent with the Government’s requirements of the ADF. This process draws on expertise and knowledge from across the Defence organisation as well as externally from other government agencies, industry, academia and our international partners.

The Service Chiefs, Chief of Joint Capabilities and Heads of enabling Groups are responsible for managing component capabilities, which are aggregated into the joint force. Working closely with partners across the Defence organisation, defence industry and Coalition forces; Defence capabilities are holistically introduced into service, sustained with agreed enhancements, and removed from service via retirement or replacement, as part of the Capability Life Cycle.

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

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

Over 2018–19, implementation of the Naval Shipbuilding Plan will continue in an environment where the successful tenderers for the major programs will be known. Naval Group Australia is progressing work on the Future Submarine (SEA1000), Luerssen Australia and its partners are progressing the Offshore Patrol Vessel (SEA1180), and a decision is expected on the Future Frigate (SEA5000) before the end of 2017-18. Work continues to implement enterprise-wide programs such as the Naval Shipbuilding College, the development of industrial bases to support sovereign shipbuilding, and the development and maintenance of whole-of-Government relationships necessary for the national shipbuilding endeavour. Defence will continue to implement policies to plan and guide development of the defence industry over the next decade to ensure that it can meet our capability needs and mature into an internationally competitive and sustainable industry.
In 2018–19, we will commence implementation of the Defence Industrial Capability Plan (DICP), the Defence Skilling and Science Technology Engineering and Mathematics strategy and the Defence Industry Participation Policy. This will include embedding the management of the Sovereign Industrial Capability Priorities, established as part of the DICP, across Defence.

By the end of the 2018-19 financial year Defence will have also significantly advanced the implementation of the major initiatives of the Defence Export Strategy, including consolidation of the internal and external presence of the recently established Australian Defence Export Office and the Australian Defence Export Advocate.

Enablers of Defence

Security

In 2018-19, we will implement a principles-based security policy. The Australian Government Security Vetting Agency (AGSVA) will concentrate on sustained achievement of its performance benchmarks with a continued focus on positive vetting backlog remediation. AGSVA will support and implement whole-of-Government personnel security reforms aimed at mitigating the insider threat.

Facilities and Estate

In 2018–19, we will continue to implement the Defence Estate Strategy 2016–36 to achieve a strategically aligned, affordable, safe and sustainable estate that enables Defence capability and operations. We will continue to optimise investment in renewal of the estate by delivering the facilities and infrastructure projects in the Integrated Investment Program. Delivery of an estate strategy, plan and profile, and fit-for-purpose facilities are key steps in ensuring that Defence’s estate footprint aligns with current and future needs.

The Defence Environmental Policy and 2016-2036 Defence Environmental Strategy will be delivered through the Defence Environmental Plan across Defence with a focus on enabling the Defence mission through compliance, trust, accountability and efficiency. Priority action areas for 2018-19 will focus on increased resilience and environmental stewardship across Defence, while ensuring stronger integration of environmental and sustainability considerations into the Capability Life Cycle.

Defence continues to respond comprehensively to perfluoroalkyl sulfonate (PFAS) contamination on and around Defence sites. Defence is conducting a national program of environmental investigations to understand the nature and extent of PFAS contamination at its sites and in the surrounding communities. To ensure a coordinated and evidence-based response, Defence works with its Federal counterparts in the Department of the Prime Minister and Cabinet-led PFAS Taskforce, Department of the Environment and Energy, the Department of Health and also with relevant state and territory agencies. Defence engages with affected communities by conducting walk-in sessions, providing local points of contact and transparently sharing investigation outcomes and fact sheets via the Defence website. Defence continues to work towards the effective monitoring and management of PFAS contamination at its sites and is committed to responsible environmental management of its estate.

Information

Information is a critical enabler for Defence. In the military environment, information must be managed to 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 systems, and links sensors and weapons platforms. It is crucial to offset the relatively small size of the ADF and enable a competitive war fighting advantage over Australia’s adversaries.

To enable this advantage, Defence will continue a period of change. As the organisation’s digital transformation progresses, the new enhanced capability will transform the ADF into a fifth generation force. As outlined in the Defence Information and Communications Technology Strategy 2016-20 and the Enterprise Information Management Strategy 2015-25, the ability to manage information at an enterprise level and to enhance system interoperability, are fundamental enablers to Australia’s future war fighting capability and central to this change.
Workforce

An integrated ADF, Australian Public Service (APS) and defence industry workforce is the foundation for delivering the organisational capability recommended by the First Principles Review. It is also necessary to ensure Defence is fit-for-purpose and able to deliver its long-term strategy as described in the 2016 Defence White Paper. To achieve its mission, Defence needs ADF personnel and APS who are committed, with the right skills, and in the right roles. The Defence workforce also extends to contractors, consultants and defence industry, who provide critical services that contribute to Defence being able to meet Government policy expectations.

A key focus for 2018-19 is the continued implementation of the 10-year Defence Strategic Workforce Plan that sets out the skills Defence needs and details how Defence will attract, retain and develop its people. The Strategic Workforce Plan provides workforce priorities, initiatives and resources for attracting, growing and retaining the people Defence needs.

Defence will continue its cultural reform through implementation of the next iteration of Pathway to Change. Pathway to Change: Evolving Defence Culture 2017-22 is an enterprise level strategy underpinned by a refreshed cultural intent statement and six cultural reform priorities: leadership accountability, capability through inclusion, ethics and workplace behaviours, health, wellness and safety, workplace agility and flexibility, and leading and developing integrated teams.

Building a diverse and inclusive workforce remains a key priority for the organisation. Attracting and retaining people that represent the Australian population in its diversity ensures that we are getting the best talent that Australia can provide. Gender equality and increasing female participation in our workforce and in senior leadership roles is fundamental to achieving Defence capability. In 2018-19, Defence will continue to implement strategies, such as the ADF Total Workforce Model, which enable us to build and maintain a diverse, motivated, engaged and talented workforce.

Health, Logistics, Education and Training

In 2018-19, the focus will remain on providing comprehensive health care to ADF members, delivering quality and safe health and wellbeing services and programs that are affordable and effective. Defence will continue to work closely with the Department of Veterans’ Affairs to enhance the transition process for serving and ex-serving members. Other health priorities in 2018-19 include the continued delivery of the improved mental health and wellbeing program through the Defence Mental Health and Wellbeing Strategy, the eHealth system and a newly contracted supply arrangement for ADF Health Services.

The continued delivery of a fully integrated Joint Logistics program to the ADF will be achieved through the integration of logistics functions, resources, capability and infrastructure across the Defence logistics enterprise. This will also be achieved in partnership with defence industry to deliver three essential capability outputs, logistics support to operations and readiness activities, strong strategic centre for Defence logistics and logistics support and advice throughout the Capability Life Cycle.

Joint professional military education and training will be delivered and improved to enable excellence in joint warfighting and the mastery of the profession of arms. This will be achieved through the professional education and development of ADF officers, sailors, soldiers, airmen and airwomen, and Defence’s public servants. This goal will be supported by the comprehensive and continuous review of the Joint Professional Military Education continuum and curricula to sustain and evolve a unified approach to joint learning delivery and curriculum management across the Australian Defence College and the Defence learning domain. There will be enhanced linkages with the existing joint force design process to ensure education, training and research are complementary to joint modernisation. Additionally in 2018-19, the Centre for Defence Research program will be enhanced to further the Defence organisation’s mastery of the profession of arms.
Risk Oversight and Management

Enterprise Risks

Risk management is governed by the Commonwealth Risk Management Policy 2014 and is undertaken in accordance with an overarching Defence Risk Management Framework. Through this framework, Defence addresses risks at three levels:

- **Strategic risks** – These risks are described in the 2016 Defence White Paper and are managed as shared risks with Australian Government, international and industry partners. Understanding of the national security risk environment informs the risk context for enterprise-level risks.

- **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, effective, economical and ethical use of resources.

- **Delivery risks** – These are risks to Defence achieving efficient and effective operating intent. They are inwardly focused on how Defence undertakes the activities in support of this plan.

Risks to the achievement of the Defence mission are managed at all levels of the organisation through appropriate, risk-informed decision making. Enterprise risk management relies on the oversight and governance of risk communication to understand the capacity pressures being borne across Defence in managing these risks.

To do this the strategic centre looks at four ‘enterprise vulnerabilities’:

- **Integrate across Defence** – the integration of Defence’s major business processes
- **Integrate with key partners** – the cooperation between Defence and its external partners
- **Compliance** – assurance that Defence meets its legal obligations
- **Use of resources** – assuring the effective and efficient use of resources to meet Government’s objectives

Defence senior management exercises high-level oversight and provides assurance of risk mitigation to Government. A Defence enterprise risk assessment is produced for senior committees to support their collective management.

In 2018-19, Defence will increase the transparency of its internal control environment to better understand the impact of major business processes in protecting the business of Defence against its vulnerabilities. Focus will remain on embedding clear individual and collective decision rights around shared risk together with a compliance program which will support risk-informed decision making.

Control and Governance

In 2018-19, Defence will continue to mature its control functions – financial management, internal audit, inspectors-general and judge advocate – so that they can provide assurance to the Defence senior committees – the Defence Committee, the Enterprise Business Committee and the Investment Committee – that Government-directed outcomes are being delivered in accordance with legislative and policy requirements.

Both the First Principles Review and the 2016 Defence White Paper highlight the importance of maintaining a balance between Defence strategy, capability and resources. The Chief Finance Officer (CFO) will work closely with key accountable officers to ensure that enterprise financial management, corporate planning and performance management are aligned to support the Defence senior leadership in maintaining this balance and achieving compliance with the PGPA Act.
Effective financial management enables Defence to ensure Government-allocated resources are used to deliver Government-directed outcomes. The CFO has responsibility for ensuring appropriate financial governance within Defence.

The CFO will drive financial management improvement programs through uniform financial management approaches and a streamlined accountability structure for ensuring appropriate financial governance within Defence.

The Defence Audit and Risk Committee provides the Secretary and the Chief of the Defence Force with independent advice and assurance on the appropriateness of Defence’s financial reporting, performance reporting, system of risk oversight and management, and the system of internal control, in accordance with the PGPA Act and Public Governance, Performance and Accountability Rule 2014.

In accordance with the PGPA Act, and in support of the Commonwealth Fraud Control Framework, Defence has instituted Defence Fraud Control Plan No. 11, which describes the fraud control framework our organisation has implemented to prevent, detect and respond to fraud. A focus for 2018-19 will be to develop our capacity to identify and manage enterprise-wide vulnerabilities and risk factors within a diverse operating environment.

**Defence’s Legal Framework**

Defence Legal Division provides an in-house legal service and other legal support to all Services and Groups in Defence. As Defence operates in an increasingly complex legal and regulatory environment, the work by Defence Legal contributes to the effectiveness of the ADF and to the prudent management and administration of the Defence organisation as a whole.

A primary focus of Defence Legal's work is on operations and security law, including international humanitarian law and the laws of armed conflict. Other important fields of focus, particularly in peacetime, are administrative law and discipline law, together with international agreements and arrangements, non-materiel commercial projects and legal advice on a range of matters across Defence. In recent years there has been a focus on the proactive management of large-scale litigation associated with contamination as well as the resolution of historic civil compensation matters.
Planned Performance

This section sets out the intended results and high-level activities that contribute to Defence's purpose, including indicators of performance over the next four years. These should be read in conjunction with the Portfolio Budget Statements 2018-19, the Portfolio Additional Estimate Statements 2018-19, and the Defence Annual Report 2017-18.

Purpose 1: Defend Australia and its national interests

Defence defends 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.

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

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

Portfolio Budget Statement 2018-19 Outcome Statement 1: Defend Australia and its national interests through the conduct of operations and the provision of support for the Australian community and civilian authorities in accordance with Government direction.

Intended Result 1.1: Defence operational capability is able to be deployed to support Government policy objectives.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1a Conduct and sustain operations contributing to the security and safety of the immediate neighbourhood in accordance with Government strategic direction.</td>
<td>Assessment of operational deployments against outcomes agreed with Government.</td>
<td>All Government directed tasks are met.</td>
<td>2018-22</td>
</tr>
<tr>
<td>1.1b Conduct and sustain operations supporting wider interests in accordance with Government strategic direction.</td>
<td>Assessment of operational deployments against outcomes agreed with Government.</td>
<td>All Government directed tasks are met.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>

Intended Result 1.2: Defence contributions to National Support Tasks in Australia are provided in accordance with Government direction.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2a Contribute to national security and support tasks as directed by Government.</td>
<td>Assessment of capacity and capability provided in support of whole-of-Government outcomes.</td>
<td>All Government directed tasks are met.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>
Purpose 2: Protect and advance Australia’s strategic interests

Defence protects and advances Australia’s strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security and stability as directed by Government.

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

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

Capability delivery is a core business process that enables Defence to perform its mission of defending Australia and its national interests now and into the future. Defence must procure capability efficiently and effectively. In 2018-19, Defence will continue building the new levels of capability required by Government and described in the 2016 Defence White Paper and the Integrated Investment Program. Major investments will enhance ADF capability to conduct operations to deter and defeat threats to Australia, operate over longer distances to conduct independent combat operations in our region, and make more effective contributions to multinational coalitions.

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

Portfolio Budget Statement 2018-19 Outcome Statement 2: Protect and advance Australia’s strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security as directed by Government.

Intended Result 2.1: Defence develops strategic policy that guides the design, development, integration and preparedness of Defence capability as directed by Government.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1a Undertake regular review of strategic risks and mitigations through Defence’s strategic-level documents.</td>
<td>Defence’s strategic policy is updated to reflect changes in Defence strategic risks.</td>
<td>Defence’s strategic review framework supports and manages risk through annual reviews.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.1b Provide Ministers with quality, relevant and timely strategic policy advice.</td>
<td>Quality, relevant and timely strategic policy advice is available for Government.</td>
<td>Ministers are able to make informed decisions in a timely fashion based on advice received.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>
### Intended Result 2.2: The generation and sustainment of Defence capabilities achieve the objectives of Government.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2a Design the future force through management of the capability lifecycle and the Integrated Investment Program.</td>
<td>The future force design is realised through resourcing delivered through the Integrated Investment Program.</td>
<td>Future force design development aligns to strategic policy.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2b Integrate and prepare capability elements, and plan for the effective conduct of joint, combined and interagency operations.</td>
<td>Defence’s maritime, land, air force and joint capabilities are generated and sustained to ensure forces are available to meet Government requirements.</td>
<td>Forces meet preparedness requirements to conduct joint, combined and interagency operations as directed by Government.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2c Monitor preparedness for Government-directed operations and national support tasks through the preparedness management system.</td>
<td>Chief of the Defence Force preparedness levels meet Government requirements.</td>
<td>Chief of the Defence Force preparedness levels are achieved as agreed with Government.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2d Conduct raise, train and sustain activities to ensure maritime, land and aerospace forces are available to meet Government direction.</td>
<td>Chief of the Defence Force preparedness levels meet Government requirements.</td>
<td>Chief of the Defence Force preparedness levels are achieved as agreed with Government.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2e Develop, deliver and sustain intelligence capability to meet Government, Defence and partner requirements.</td>
<td>Defence intelligence outputs align with Government intelligence priorities.</td>
<td>Government intelligence priorities are met.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2f Manage and sustain the Defence estate to meet Government and Defence requirements by developing and delivering major infrastructure, property and environmental programs.</td>
<td>The management and sustainment of the estate meets the requirements of the Capability Managers.</td>
<td>The Defence Estate Strategy implementation plan is delivered as agreed.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2g Deliver integrated estate and infrastructure services to enable Defence people, equipment and systems, including base support for the ADF.</td>
<td>Service delivery is aligned to capability outputs.</td>
<td>Less than 5% service failures impacting operational capability.</td>
<td>2018-22</td>
</tr>
<tr>
<td></td>
<td>Service delivery meets customer requirements.</td>
<td>An increase in the overall customer satisfaction rate.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2h Manage the acquisition and sustainment of Defence materiel equipment to meet Government and Defence requirements.</td>
<td>Capability proposals, once approved by Government, meet agreed schedule and are delivered within agreed costs and scope.</td>
<td>Deliver Government approved acquisition projects to budget, schedule and agreed capability scope.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2i Deliver agreed materiel equipment support to meet operational requirements.</td>
<td>Sustainment products are delivered consistent with Capability Manager requirements.</td>
<td>Deliver sustainment products to meet Capability Manager requirements.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>
### 2018–19 Defence Corporate Plan

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2j Implement the Defence Strategic Workforce Plan 2016-2026 to attract, recruit, develop and retain a highly skilled workforce.</td>
<td>Progress in the delivery of actions from the Defence Strategic Workforce Plan 2016-2026.</td>
<td>Implementation milestones are achieved.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.2k Deliver and sustain a dependable, secure and integrated ICT capability that ensures a secure and integrated information environment to support Defence business and military operations.</td>
<td>ICT services meet requirements.</td>
<td>ICT capabilities are delivered in accordance with the Integrated Investment Program as governed by the Investment Committee.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>

**Intended Result 2.3: Defence delivers on the objectives of its enterprise reform program as agreed by Government.**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3a Resource, implement and review Defence's enterprise reform program.</td>
<td>Business outcomes are improved as part of broader Defence reform.</td>
<td>Defence reform is achieved in accordance with Reform Implementation Plans.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.3b Integrate enabling services to deliver a single Defence enterprise.</td>
<td>The Service Delivery system enables ADF operations.</td>
<td>Enabling services are delivered in accordance with agreed requirements.</td>
<td>2018-22</td>
</tr>
<tr>
<td></td>
<td>Enterprise planning and performance monitoring processes are delivered in line with the One Defence Business Framework, supporting Defence capability.</td>
<td>Defence meets its non-financial performance management and risk management obligations.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.3c Implement the ADF Total Workforce Model to support individual and organisational flexibility.</td>
<td>All elements of the ADF Total Workforce Model, including Service Category 6 (mature) are implemented.</td>
<td>The Defence Workforce has the agility and skills required to meet current and future demand to support capability.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.3d Implement and evaluate Defence's cultural reform strategy, Pathway to Change: Evolving Defence Culture 2017-22.</td>
<td>Implementation of the six key cultural priorities through the regular enterprise performance reviews.</td>
<td>Cultural reform priorities are implemented as set out in the Pathway to Change strategy.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.3e Deliver enterprise resource planning and budget management in accordance with Commonwealth legislation and policy frameworks.</td>
<td>Produce Defence’s Budget, Financial Statements and the annual Defence Management and Finance Plan.</td>
<td>Produced in accordance within agreed statutory timeframes.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>
### Intended Result 2.4: Defence's capability and capacity is enabled by supporting engagement and innovation with Australian industry.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4b Conduct applied research focused on supporting Defence and national security operations, sustaining and enhancing current capability, and supporting the development and acquisition of future capability.</td>
<td>Defence’s strategic research builds understanding of future Design capability.</td>
<td>Strategic research activities are aligned with Integrated Investment Program priorities.</td>
<td>2018-22</td>
</tr>
<tr>
<td></td>
<td>Defence capability is enhanced by collaborative research partnerships with Publicly Funded Research Agencies, academia, industry, and international research agencies.</td>
<td>Collaborative activities with academia, industry, and allied defence research agencies are aligned to 2016 Defence White Paper and Defence Industry Policy Statement priorities.</td>
<td>2018-22</td>
</tr>
<tr>
<td></td>
<td>Science and technology research supports Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability.</td>
<td>Science and technology activities are balanced to support Defence operational and capability priorities in accordance with 2016 Defence White Paper.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>

### Intended Result 2.5: Australia's reputation as a strategic partner is enhanced by international engagement.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5a Conduct international engagement to enhance Australia’s strategic position as directed by Government in accordance with the 2016 Defence White Paper.</td>
<td>Defence has met its commitments to Government and the intention of the Defence International Engagement Policy.</td>
<td>Short-term (2018-2022) government objectives are met including those outlined in the Defence International Engagement Policy</td>
<td>2018-22</td>
</tr>
</tbody>
</table>

### Intended Result 2.6: Defence provides appropriate health and welfare services.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Performance Criteria</th>
<th>Target</th>
<th>Timeframe</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.6a Deliver health support to meet the requirements of the ADF.</td>
<td>Quality of health services delivered to ADF members and families.</td>
<td>Delivery of health services meets standards.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.6b Deliver welfare services to agreed standards to meet the requirements of the ADF.</td>
<td>Quality of welfare services delivered to Defence personnel and families.</td>
<td>Delivery of welfare services meets standards.</td>
<td>2018-22</td>
</tr>
<tr>
<td>2.6c Deliver initiatives to improve the delivery of welfare services to current and former members of the ADF.</td>
<td>ADF members and families are supported through the delivery of welfare services and support services.</td>
<td>Support is delivered in a timely and professional manner.</td>
<td>2018-22</td>
</tr>
</tbody>
</table>