



Australian Government  
Department of Defence

# The CASG Business Framework

*Working together to deliver Defence capability to our customers*



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## *Message from the Deputy Secretary, Kim Gillis*

The Capability Acquisition and Sustainment Group (CASG) is part of the [Department of Defence](#). Our Group exists to meet the Australian Defence Force's military equipment and supply requirements as identified by Defence and approved by Government.

Our role is important to the nation's security and presents unique challenges. To perform it well we must be innovative and respond quickly to the dynamic needs of our customers - the Navy, the Army, the Air Force and other Defence Groups - and deliver and sustain the capability they need to do their jobs. We must manage the acquisition and sustainment of systems and equipment to meet urgent operational requirements, be that the routine purchase of simple commodities or the rapid acquisition of complex systems.

The CASG Business Framework (the Framework) plays a key role in aligning our organisation to the Defence Capability Life Cycle and ensuring we deliver safe products and services to our customers efficiently and effectively. The Framework is a living repository that describes the roles and responsibilities of different parts of the organisation and explains their accountabilities. It contains policies and processes designed to help us do our job. These documents capture many years of experience and a myriad of lessons learned in different environments. We must use them to our advantage while refining and improving them.

The Framework also sets out how we work with our Industry partners, Suppliers and other Stakeholders, including Government and business, to deliver successful capability outcomes. It describes how we measure and report our performance, and the governance and assurance measures designed to keep our people and customers safe and meet our legal, regulatory and commercial obligations.

Effective capability acquisition and sustainment is a priority for, and a clear expectation of, the Government, our customers and the public. We must meet our commitments on time and on budget. We must respond to this complex responsibility by adopting new and innovative methods that complement our governance obligations and deliver members of the Australian Defence Force the best capability to perform their role confidently and safely.

Most importantly, our embedded leadership behaviours, adherence to Defence values and improvement-focussed culture provide us with clear guidance on how we undertake our roles within CASG.



**Kim Gillis**  
Deputy Secretary  
Capability Acquisition and Sustainment Group

# 1 Our Business Environment

CASG is part of the Department of Defence. We exist, in partnership with Industry, to meet the Australian Defence Force's military equipment and supply requirements as identified by Defence and approved by Government.

## 1.1 Capability Life Cycle

The Defence Capability Life Cycle describes how Defence defines, acquires, sustains and disposes of capabilities. It defines the roles and responsibilities of the different Government and Defence organisations involved in capability management, and has four phases as shown below:



Figure 1. The Defence Capability Life Cycle

CASG is involved at each Gate of the Capability Life Cycle:

- Gate 0: initiates each project where the initial business case is developed, proposing an approval strategy from the start of the project to delivery of final operating capability
- Gate 1: is the point where complex and high-risk projects are progressed or when a Government decision is required to narrow the field of options. The Capability Manager is responsible for producing the Gate 1 business case
- Gate 2: at this point, a high-quality business case is presented to obtain Government approval to acquire a new capability

Key areas where we provide support are:

- Strategy and Concepts
  - supporting needs development, especially technical and commercial factors
  - developing initial project risk profiles and project execution strategies
  - coordinating early Industry involvement
- Risk Mitigation and Requirement Setting
  - developing an executable, affordable Integrated Project Management Plan
  - identifying and managing risks to the plan
  - planning for sustainment and disposal
  - coordinating Industry engagement
  - working with the Capability Manager to develop requirements from their needs
  - managing tendering and tender evaluation
  - supporting the development of business cases by Capability Managers
- Acquisition
  - placing and managing contracts with Industry
  - executing the Integrated Project Management Plan and managing risks
  - coordinating delivery of all Fundamental Inputs to Capability

- supporting transition and acceptance into service
- establishing sustainment arrangements
- In Service and Disposal
  - placing and managing contracts with Industry
  - sustaining capability and advising the Capability Manager on risks and obsolescence
  - planning and managing disposal

## 1.2 Contestability

The principle of ‘*Contestability*’ supports key investment decisions within the Capability Life Cycle. Contestability examines strategic alignment, technical feasibility and affordability and applies from capability concept through to disposal to ensure we meet the Government’s policy objectives and strategic needs. Contestability is an independent function set up in the Strategic Policy and Intelligence Group to provide a credible, arm’s-length assessment of capability and investment proposals. The fundamental purpose of contestability is to ensure Defence makes the best decisions, especially those involving major investments.

## 1.3 Key Principles of our Business Framework

The Framework describes ‘*how we do business in CASG*’ and is consistent with the intent of the *Public Governance, Performance and Accountability (PGPA) Act 2013*.

The Framework (Figure 2) sets out roles, responsibilities and accountabilities; performance management and reporting; and governance and assurance. It also provides the policies, procedures and tools we need to perform our role efficiently and effectively.

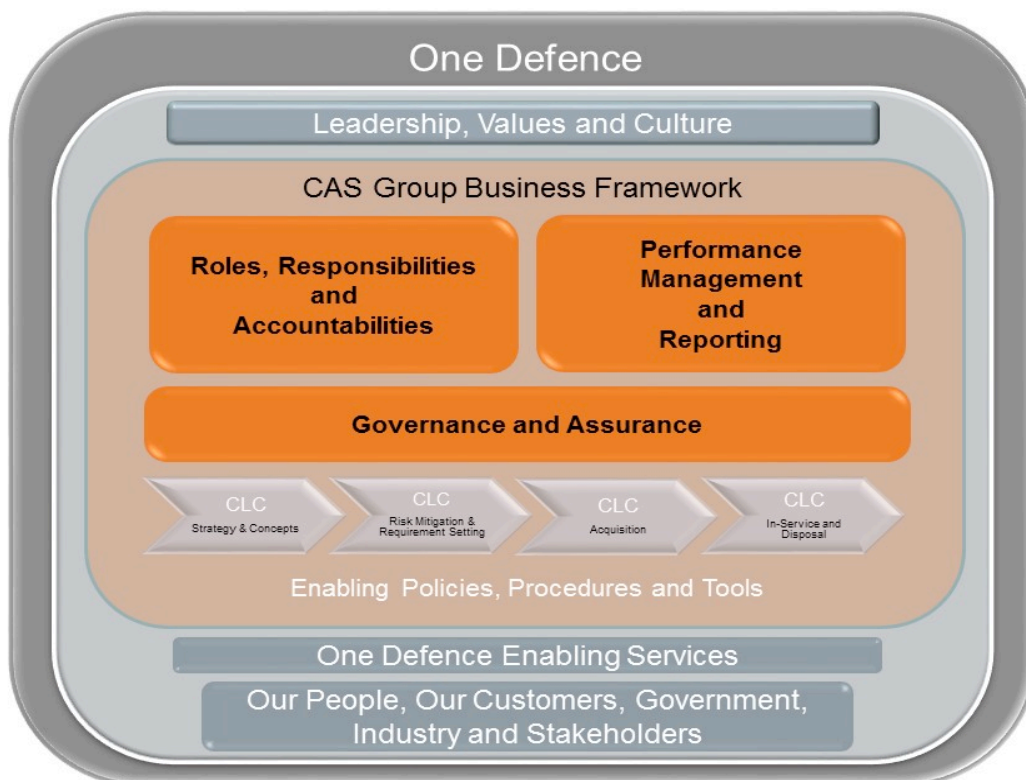


Figure 2. The CASG Business Framework

The Framework is enduring but not static, and we seek to improve every aspect of it. Where a policy, process or tool is inefficient or does not add value, we all have an obligation to notify the relevant owner and suggest changes or improvements. The *functional owners*, Centres of Expertise, have a responsibility to respond to requests and suggestions for improvement.

Two key principles underpin the CASG Business Framework: the matrix operation of CASG and the Smart Buyer decision framework. Both of these principles are integral to our Defence acquisition and sustainment reform agenda.

### 1.4 Operating with a Matrix Structure

We execute our role through a matrix structure where our Domains work closely with our customers and partners to deliver capability. The Domains receive delivery support from our Centres of Expertise, which lead the professional development of our people, maintain our policies, keep our processes current and assure compliance with these processes. The purpose of this arrangement is to unlock the full potential of our people.

Within the matrix structure, the Centres of Expertise work closely with a project or sustainment team to ensure efficient and effective outcomes. Project and sustainment teams remain fully accountable for execution but Centres of Expertise are responsible for ensuring that the project and product managers have suitably trained and skilled personnel as well as the processes and tools needed to be successful. Project and product managers are responsible for *'the what and the when'* and the Centres of Expertise provide *'the who and the how'*.

The matrix structure enables CASG to strengthen skills and to share best practice and lessons learned between teams. It also allows us to manage resources to meet the Integrated Investment Program and to respond with agility to contingencies or changes in Defence priorities.

Figure 3 is a high-level illustration of the matrix structure in CASG.

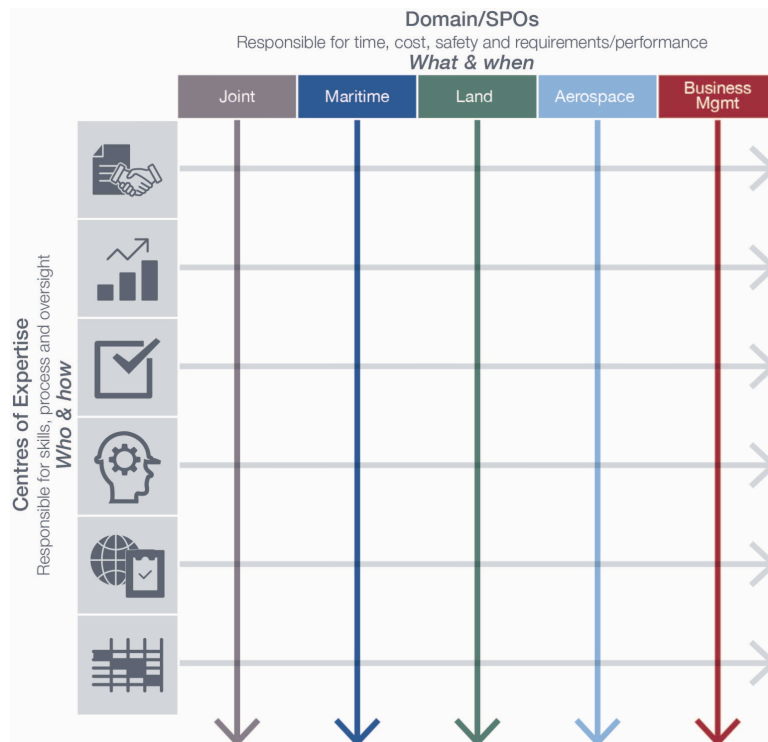


Figure 3. CASG Matrix Organisation



## 1.5 Smart Buyer Framework

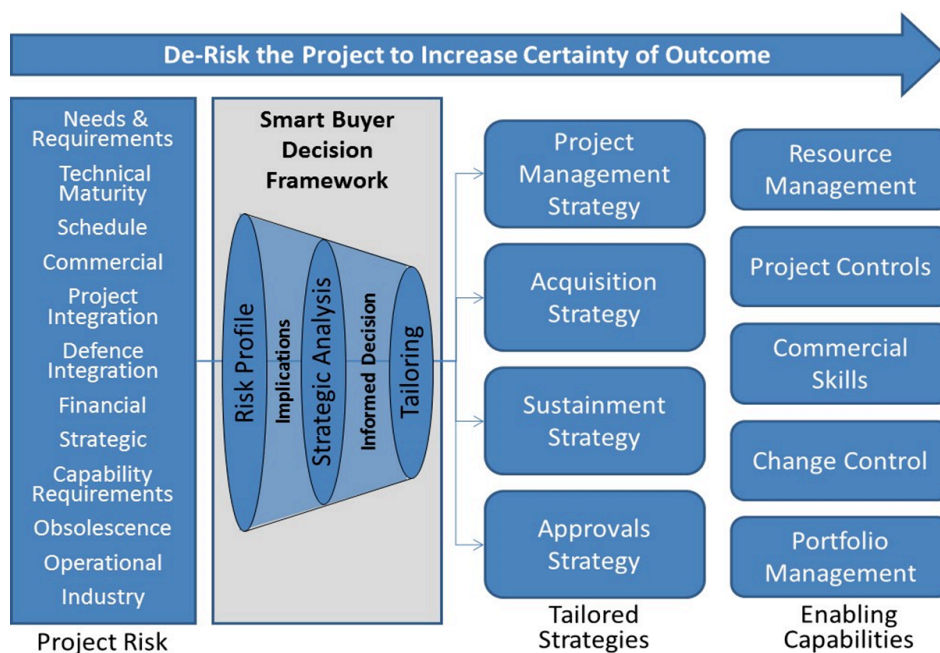
The *Smart Buyer Framework* supports the Defence Capability Life Cycle and enables us to tailor execution strategies based on risk. As Smart Buyers, we:

- achieve good outcomes for our customers
- enable appropriate financial return for our Industry partners
- undertake the roles that Government must perform and outsource other functions when that is the smart thing to do
- have the organisation, skills, and suitable decision frameworks to make timely decisions on the optimum procurement, project management and approvals strategies for each acquisition or sustainment program, based on its critical risk features; and have the agility to refine those strategies as new information becomes available
- use recognised best practice tools and techniques to execute projects throughout the Capability Life Cycle, in a way that strikes the optimum balance between performance, time and cost

Smart Buyer is a principles-based process using sound judgement and experience to make smart decisions and ensure that we ask the right questions at the early stages of a program or project.

Application of the Smart Buyer framework is key to developing, robust, executable Project Execution Strategies. It is imperative that CASG executives are engaged in the Smart Buyer framework and take ownership of execution strategy development for each of their projects.

Figure 4 illustrates the decision framework.



**Figure 4. The Defence Two Stage Contestability Decision Framework**

## 1.6 Working with Industry

The [Defence Industry Policy Statement 2016](#) sets out the Government's objectives for Defence Industry, which includes sustaining an internationally competitive and innovative Australian Defence industrial base. The Capability Life Cycle includes the outputs of Defence Industry as a Fundamental Input to Capability.

CASG draws on Industry expertise in managing projects through the phases of the Capability Life Cycle. We engage with Industry early on the Capability Life Cycle when we consider technology options and conceive delivery plans. The Smart Buyer framework allows us to establish longer-term strategic relationships with Industry to deliver better capability outcomes. Open collaborative relationships with Industry are therefore essential while adhering to our legal, ethical and commercial obligations.

## 2 Roles, Responsibilities and Accountabilities

CASG's role is to partner with Industry to deliver Defence capability. We are accountable to:

- the Australian Government through the Defence Ministers (our owner)
- the Secretary of Defence and Chief of the Defence Force (our senior executive)
- the women and men of the Australian Defence Force through the Capability Managers (our customers)
- Defence Industry (our partners)

### 2.1 Leadership Behaviours

As part of the Defence organisation we are committed to adhering to Defence Leadership behaviours. Whilst the work we undertake may differ from other parts of the organisation, Defence's leadership behaviours remain relevant due to our shared and interdependent goals. Leaders at all levels within our Group must display the behaviours set out below to succeed within the organisation and work effectively with our customers, Industry and stakeholders. As Defence Leaders, CASG leaders:

- are focussed on achieving Defence outcomes and ensuring their teams understand how their work contributes to these outcomes
- build teams by managing performance honestly and respectfully
- seek out and accept the diverse perspectives of others in exploring opportunities and solving problems; trust they will offer good ideas and will challenge in a constructive and respectful way
- take calculated risks by making judgements about what risks are necessary and acceptable to deliver the outcome
- are accountable for their actions and how they respond to the actions of those around them
- learn and reflect on their performance and that of their team
- adapt and seek to innovate

### 2.2 Values and Culture

Common Defence values underpin our culture and the CASG Business Framework:

- **Professionalism** - *striving for excellence in everything we do*. We work hard to deliver high quality results, do our job to the best of our ability and take pride in our achievements. We are sensitive to changes in our working environment and are ready to respond. We provide impartial, comprehensive, timely and accurate advice. We constantly seek to improve our work performance
- **Loyalty** - *being committed to each other and to Defence*. We serve the government of the day and support our leaders and colleagues to undertake tasks and achieve results in line with government direction. We treat everyone at all levels with respect, care and compassion. We work to uphold the best interests of the Australian people
- **Integrity** - *doing what is right*. We behave honestly and ethically, and demonstrate the highest standards of probity in our personal conduct. We act fairly and accept personal responsibility for our decisions and actions. We build trust through productive working relationships. We do not allow mateship to be misused to cover up bad behaviour or bring the organisation into disrepute. Our actions clearly match our words
- **Courage** - *the strength of character to honour our convictions (moral courage) and bravery in the face of personal harm (physical courage)*. We stand up for what we believe is right and we speak out robustly and openly against what is wrong. We have the courage to

accept valid criticism, admit to errors, learn lessons and improve. We give honest feedback on work performance

- **Innovation** - *actively looking for better ways of doing our business. We are open to new ideas and strive to identify and implement better ways of doing business. We are clever and make best use of the resources that we have to do our job. We encourage sensible risk taking, and strive to identify opportunities to eliminate inefficiency and waste*
- **Teamwork** - *working together with respect, trust and a sense of collective purpose. We cultivate teamwork through strong, positive leadership and attention to the needs of team members. Teamwork is integral to everything we do, and characterises our working relationships inside Defence and across the whole of government. We foster collaborative workplaces, communicate openly and solve problems in a collegiate manner, share ideas and take advantage of the diversity of our knowledge and experience*

The [APS Values and Code of Conduct in Practice](#) provides further guidance on conduct for public servants. The [Defence Force Discipline Act 1982](#) provides guidance for military members working as part of CASG.

*Ethics Matters in Defence Resource Management* identifies ethical standards and practices we follow in resources management.

The [Pathway to Change](#) articulates Defence's cultural intent. Through Pathway to Change CASG is seeking to develop a more diverse workforce that reflects the Australian community and culture. Building diversity is part of the CASG's broader package of people capability strategies designed to strengthen CASG's leadership group, improve the CASG's performance, develop the skills of our people and embed a culture that promotes equality and respect.

## 2.3 CASG Executive Team

The CASG Executive team create the conditions for the Group's success. They provide strategic direction to the Group and oversee execution of the CASG Business Plan. The Domain Heads and DEPSEC CASG meet monthly to review progress and remove barriers that affect performance.

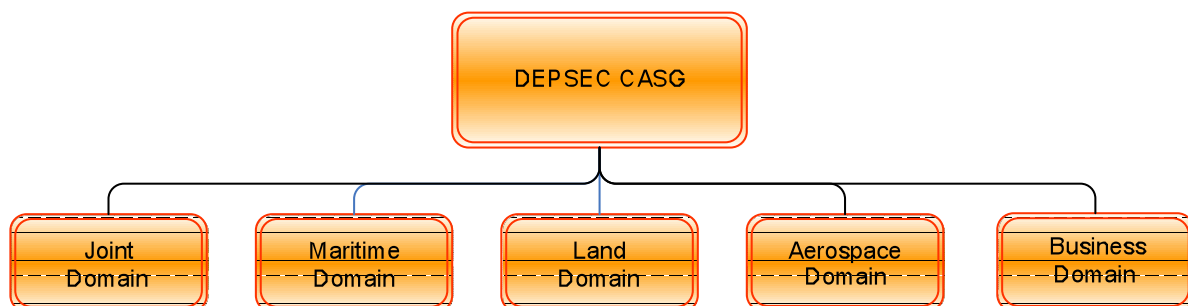


Figure 5. CASG Executive Team Structure Chart

## 2.4 Deputy Secretary CASG

DEPSEC CASG is part of the Defence Executive and is accountable for leading and managing the Group. This includes establishing the strategic direction and environment for CASG, delivering acquisition and sustainment services within agreed scope, schedule and budget parameters, providing sound advice to Government, developing and maintaining strategic relationships with Industry managing the Group's workforce, resources, and reviews strategy at least six monthly.

DEPSEC CASG is a member of the Enterprise Business Committee that provides advice to the Defence Committee and the Investment Committee that focuses on the establishment of the future joint force.

## 2.5 Domain Heads

Domain Heads lead the teams that deliver to our customers. Specific responsibilities include:

- delivering acquisition and sustainment capability for Capability Managers
- managing relationships with the Vice Chief of the Defence Force, Service Chiefs and other Defence executives
- working with the Group Business Manager to manage workforce and resource allocation
- developing and maintaining mutually beneficial relationships with leaders in Industry and resolution/escalation of key contractual matters

## 2.6 Group Business Manager

The Group Business Manager is deputy to the DEPSEC CASG and manages the activities of the Centres of Expertise to support other Defence Groups and CASG Domains. The Group Business Manager works closely with Domain Heads and providers of Defence enabling services to determine priorities and resolve resource conflicts. The Group Business Manager also provides specialist functions to support the execution of Group Business.

## 2.7 Centres of Expertise

The Centres of Expertise exist to provide a workforce with the right skill sets, functional support and governance to Domains and projects to enable them to perform their roles. Centres of Expertise are responsible for working with customers to identify current and future requirements for skills, resources, processes and tools to meet those needs. They also provide the policy framework for functional activities and provide subject matter expertise where required.

CASG has six Centres of Expertise responsible for the following functional areas:

- Program Management – provides support to both acquisition and sustainment, including coordinating Fundamental Inputs to Capability (FIC), independent assurance, project control services and establishing a standardised approach to program management.
- Engineering & Technical – supports activities across the engineering lifecycle from planning, requirements analysis and definition through to acceptance and certification including specialty engineering, regulatory compliance and control to enable acquisition and sustainment of capability that is fit for purpose and safe.
- Materiel Logistics – provides an appropriate logistics framework to support acquisition, sustainment and disposal of capability and to deliver the right items, in the right quantity, to the right place at the right time, for the right price.
- Commercial - provides general and specialist contracting services across the capability and procurement lifecycle (including early Industry engagement), commercial policy and practice, and supplier analysis and engagement services, and post-award contract management services.
- Decision Support – manages reporting of acquisition, sustainment and corporate performance, provides stewardship of management support systems and decision-making tools, guidance, governance and oversight of information management within the Group.
- Corporate Performance - provides standardised governance and management of corporate functions including governance, administration, Work, Health and Safety, and professionalisation and capacity management.

Individual Roles and Responsibilities include:

- Centre of Expertise Lead (Function Owner) - is responsible for providing functional support and governance to Domains and projects to enable them to perform their roles and in doing so provides leadership and management of the Centre of Expertise to delivery the primary objectives of:
  - Service Delivery
  - Professionalisation
  - Assurance and Compliance

- Policy and Practice

The Centre of Expertise Lead is also the Functional Owner of their policy environment, and as such the authority for changes to policy and process in relation to the functions delivered by the Centre of Expertise.

- Functional Authorities - appointed by their Centres of Expertise Lead and are subject matter experts on key areas (disciplines) within each function. A discipline is a subset of a Function with specialised skills or purpose. Functional Authorities represent the Centres of Expertise as the subject matter expert in the specific discipline (managing that particular function) and maintain standardisation and streamlining of policy, process and compliance.
- Domain Functional Lead - Domain Functional Leads are the point of contact for the Centres of Expertise within the Domains. They collaborate with the Centres of Expertise and Project/Product Managers to allocate suitably skilled and experienced people to activities. They also ensure the effective deployment of policies, processes and tools, and support assurance activities to monitor compliance.

## **2.8 Supporting the Defence Integrated Investment Program**

The Defence Integrated Investment Program presents CASG with a view of the future projects enabling us to plan the work take-on over the coming years.

Centralising CASG Work Take-On provides a forward program at the Group level allowing the Domains and Centres of Expertise to plan the effective prioritisation of our workforce. This includes the requirement to meet current needs, forecast future skills demand, advise industry of future workforce requirements and to propose the most appropriate workforce management approach.

## 3 Performance Management and Reporting

CASG manages its performance and reporting in the context of the broader Defence planning process that flows down to the Group's annual business planning cycle through the following documents:

### The Defence Corporate Plan

The Defence Corporate Plan is a public document that sets out planned performance for the financial year and describes how Defence will achieve its purposes over the forward estimates period. It also details the intended results of activities, explains how performance will be measured and describes the management of enterprise risks.

### The Defence Business Plan

The *Defence Business Plan* provides guidance to Group Heads and Service Chiefs on the implementation of activities identified in the Defence Corporate Plan. The Defence Business Plan is an internal classified document and not published in the public domain. It sets out the priorities of the Secretary of Defence and the Chief of the Defence Force for the coming year.

### CASG Business Plan

The CASG Business Plan sets out the goals, activities and priorities in delivering responsibilities assigned to our Group under the Defence Business Plan.

The CASG Business Plan provides a clear line of sight from Defence level to Group level planning. Domain plans cascade strategic and operational objectives and priorities through to Branch level plans that then inform individual performance agreements including their Key Expected Results.

CASG uses its Business Plan to establish goals and priority activities over the coming year ensuring that all proposed activities link to objectives in the Defence Business Plan. The DEPSEC CASG allocates resources and budgets to support delivery of the Business Plan.

The CASG planning cycle aligns with the Defence financial planning cycle to ensure that approved budget inputs are in place before the new financial year. The CASG Business Plan assigns individuals to lead activities and sets expected results. Individuals assigned to such tasks must manage within defined resources, monitor and report progress and escalate risks to the CASG Executive when required.

## 3.1 Performance Management

Defence uses an Enterprise Performance Management approach to integrate separate plans and reports into a cohesive whole-of-Defence system. This covers both compliance and performance. Our performance and reporting framework is consistent with the *Defence Performance Framework*.

## 3.2 Defence Committees

Defence Committees monitor and manage performance, set priorities, provide assistance, and provide advice to Government on whether Defence is meeting Government objectives and making the most effective and efficient use of resources.

CASG supports and participates, where required, across the senior Defence Committees in the process of delivering capability to their customers. The key committees are:

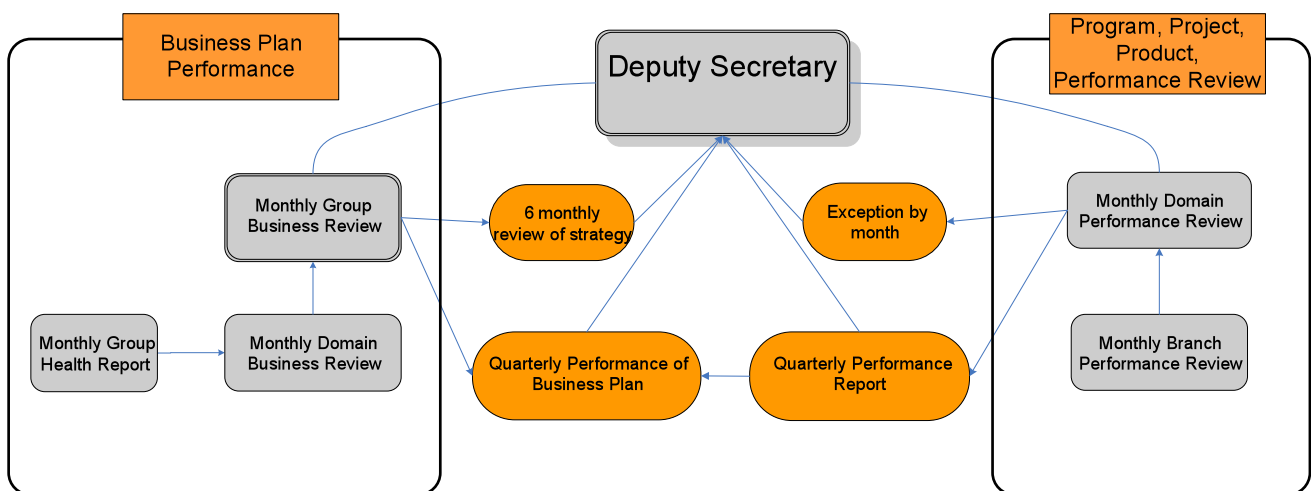
- The Defence Committee is the primary decision-making committee in the Department of Defence. Its focus is on major capability and resource trade-offs and the shared accountabilities of the Secretary and the Chief of the Defence Force.
- The *Enterprise Business Committee* is a subsidiary of the Defence Committee. It is responsible for ensuring the effective running of the Defence organisation including corporate planning, performance monitoring and reporting, enterprise risk management, information management and service delivery reform.

- The *Investment Committee* is also a subsidiary of the Defence Committee responsible for overseeing the management and delivery of the Defence Investment Portfolio. Its focus is on bringing the future force and supporting enablers into being.

The Defence Committee and the Enterprise Business Committee monitor performance against the Defence Business Plan three times a year (November, March and July), including CASG performance. Information provided through this process becomes an input to the Defence Annual Report.

### 3.3 CASG Performance

CASG uses a formal performance reporting cycle to measure its progress against the Business Plan and delivery of services to our customers. Regular monitoring and reporting enables us to detect problems early and take corrective action when necessary. Shown below is the CASG review cycle.



Note: Normally the Monthly Group Business Review and the Monthly Group Performance Review are held consecutively on the same day by the Executive Advisory Committee

Figure 6. The CASG Review Cycle

### 3.4 Monthly Business Reviews

The purpose of the Monthly Business Review (undertaken at both Group and Domain levels) is to monitor and control actual performance compared to our Business Plan as well as in-year budget commitments to our customers and other key stakeholders. Meeting attendees include the relevant Group, Domain and Branch executives and may include Capability Managers. **Annex A** provides further detail.

### 3.5 Monthly Performance Reviews

Monthly performance reviews undertaken by Branches at the Program, Project and Product level roll into Domain level reviews. **Annex B** provides further detail on the content of each review.

#### Program, Project or Product Performance Review

The monthly Program, Project and Product performance reviews assess performance against the Materiel Acquisition Agreement or Materiel Sustainment Agreement (or Product Delivery Agreements where they exist) using a standard set of performance information.

#### Branch Performance Review

The Branch performance review assesses progress monthly for each program, project or product within their structure with a greater focus on overall business performance. The Branch performance reviews inform the Domain performance reviews.



## Domain Performance Review

Domain Performance Reviews monitor performance compared to plans. The focus is similar to the Branch performance review but only includes Programs, Projects and Products by exception, based on the Domain executive assessment of their importance to Domain outcomes. A quarterly review focus includes all major projects and products within the Domain.

## 3.6 Six Monthly Strategy Reviews

Outputs from the Group Business Review inform the content of the Biannual Strategy Review and quarterly performance against the Business Plan. The Biannual Strategy Review is a review of CASG's progress against its strategic goals contained in the CASG Business Plan. The Strategy Review leads to the annual refresh and update of the CASG Business Plan with a particular focus on emerging opportunities and risks. Quarterly Performance of our Business Plan is integrated across Defence to measure performance against the Defence Business Plan.

## 3.7 CASG Committees

CASG has four committees to monitor and align the Group's business operations:

- *CASG Executive Advisory Committee* provides strategic management and performance monitoring of CASG to deliver the CASG Business Plan.
- *CASG Health Safety and Environment Advisory Committee* assists DEPSEC CASG and the senior leadership team to fulfil their environmental and WHS responsibilities.
- *CASG Performance Advisory Committee* reviews Group performance to identify opportunities for improvement and share lessons learned. It also examines systemic problems that inhibit efficient and effective performance and recommends improvements.
- *CASG Risk Advisory Committee* provides independent advice and assurance to DEPSEC CASG on risks, risk management and adequacy of internal controls to fulfil the obligations in the Secretary and CDF's *Joint Directive on Management of Risk in Defence*.

## 3.8 Performance of Our People

We develop and monitor individual performance and development by assigning Key Expected Results (KERs) to individuals and conducting regular performance discussions. KERs support activities in the CASG Business Plan as they apply to the areas where we work. Leaders at all levels must recognise and reward higher than required performance and address any under performance in a timely and fair manner.

We use three approaches to address the requirements of different agreements:

- SES and Star-ranked performance and development reflects individual performance agreements. Mandatory KERs include people management and leadership behaviour. The SES Performance – Appraisals and Reports provides detailed information.
- APS personnel use the Performance Feedback Assessment and Development Scheme. Individual performance agreements include KERs agreed as part of each performance cycle.
- Service members in CASG use the tri-service *Performance Appraisal Reporting (PAR)*.

We recognise and reward the performance of our people for their contribution to deliver the best outcomes for the Australian Defence Force. This is particularly significant when our people exceed expectations, as individuals or as a team and it is important to recognise their efforts as soon as practicable.

The *Defence Performance Management* framework provides detail on the types of recognition for our people including *Reward and Recognition* resources.

It is up to you to promote and recognise our efforts.

## 4 Governance and Assurance

We rely on a range of tailored governance and assurance mechanisms to deliver capability to our customers consistently and safely, to adhere to government and Defence policy and to meet our legal and regulatory obligations. The CASG governance and assurance regime aims to manage risk in business operations while preserving accountability for performance. Timely analysis of information and provision of advice based on sound judgement is key to sound decision-making, provides a conduit for sharing lessons learned and helps identify opportunities for improvement.

Within CASG, we are subject to the governance and assurance measures that apply across Defence. All members of the Group must understand and meet their obligations under these measures. CASG has policy and process developed by the Centres of Expertise to help people understand and comply with their obligations under applicable Laws and Regulations.

### 4.1 Laws and Regulations

We are accountable for complying with the legislation and regulations applicable to our roles. The Centres of Expertise are responsible for ensuring that the policies, processes and tools they provide satisfy those requirements. The following laws govern CASG general activities. Annex C provides further explanation of their scope and applicability.

[Public Governance Performance & Accountability Act \(PGPA\) 2013](#)

[Public Service Act 1999](#)

[Defence Force Discipline Act 1982](#)

[Work Health and Safety Act 2011](#)

[Crimes Act 1914](#)

[Defence Act 1903](#)

[Freedom of Information Act 1982](#)

[Fair Work Act 2009](#)

[Archives Act 1983](#)

[Public Interest Disclosure Act 2013](#)

[Copyright Act 1968](#)

[Defence Trade Controls Act 2012](#)

[Environment Protection and Biodiversity Conservation Act 1999](#)

### 4.2 Procurement Policy and Rules

Procurement is a major activity within CASG. Procurement activities are subject to close public scrutiny and governed by both Commonwealth and Defence policies and regulations. The following key documents explain how we manage procurement:

- [Commonwealth Procurement Rules](#) have effect under the *PGPA Act 2013* and detail the mandatory rules that apply to procurement. Achieving value for money is the core rule of the Commonwealth Procurement Rules.
- [Procurement Connected Policies](#) are policies of the Commonwealth where procurement is the means of delivery.
- Defence Procurement Policy Manual (DPPM) provides Defence wide policy and guidance for performing procurement.

## 4.3 Delegations, Authorisations and Approvals

The Framework empowers all members of CASG to exercise their experience, judgment and initiative as they perform their roles, and aims to encourage delegation and decision making at the lowest suitable level. The Framework also defines formal delegations, authorisations and approvals to cover cases where a formal instrument is required by law, regulation or policy. There are many sources of these within CASG and across Defence.

*FINMAN 2 Delegation and Authorisation* identifies the financial delegations and authorisations within Defence and specific financial delegations that apply in CASG. Accountable Authority Instructions (AAI) and Defence Instructions also detail certain financial delegations.

Within the Group there is a need to ensure that policy, process and key plans, documents and reports developed in support of service delivery are authorised/approved at the appropriate level. The following general guidelines apply:

- CASG policy and process approved by Centres of Expertise Leads or Functional Authorities are applicable to CASG and where appropriate the broader Defence environment.
- Acquisition project and sustainment program plans and documentation should be authorised at an appropriate level consistent with the ACAT and MSCAT Frameworks. These two frameworks provide the methodology for categorising Defence acquisition projects and sustainment programs according to commercial, technical and operational complexity, and by cost.

Each of the Centres of Expertise is responsible for determining the categories of the various plans, documents and reports that relate to their functional areas, and maintaining an up to date list of the required approvals available within the Framework.

## 4.4 Defence Audit and Fraud Control

The *Defence Audit and Fraud Control* function, based on the [Commonwealth Fraud Control Policy](#), helps drive organisational improvement and assurance within Defence by delivering independent audit, fraud control and governance advisory services.

### Defence Internal Audits

CASG is subject to internal audits conducted by Defence that provide DEPSEC CASG with assurance of Group performance using an external to CASG audit function.

### Australian National Audit Office (ANAO) Performance Audits

The Australian National Audit Office conducts separate performance audits across the Defence portfolio at its discretion. The annual [ANAO Major Projects Report](#) and performance audit improves transparency on selected major projects.

## 4.5 Risk Management

CASG must manage risk in its operations to ensure the achievement of Defence objectives supported by effective processes, structure and culture.

CASG's Risk Management Framework aligns with the *SEC/CDF Joint Directive on Management of Risk in Defence*, the One Defence Enterprise Risk framework and ISO 3100 – Risk Management as well as guidelines tailored to the CASG environment.

### Business Risk

Within CASG we identify and manage business risks that may affect achieving the goals of the annual Business Plan including the delivery of programs, projects and products to our customers. We work with our customers to identify systemic and interdependent risks that can affect Defence's objectives.

## **Program, Project and Product Risk Management**

The *Capability Life Cycle* capability development phases use *Smart Buyer* principles to establish a risk profile for a project that guides its execution and provides recommended pathways for approvals, project management, acquisition management, and sustainment management.

The policies, processes, methodologies and tool sets used to identify and manage Program, Project and Product risks captured in the Risk Framework are reviewed in the monthly Program, Project or Product Performance Review information pack (refer Section 3.5).

## **4.6 Technical Regulation**

Technical regulation provides confidence to Capability Managers about the safety and technical integrity of their systems and equipment. This includes fitness for service, safety and environmental compliance. The references below govern technical regulation within Defence and apply in conjunction with applicable laws and regulations.

### **Maritime Domain**

DI(N) LOG 47-3 - *Regulation of Technical Integrity of ADF Maritime Materiel*  
ABR 6492 - *Navy Technical Regulations Manual* (Vol 1 and Vol 2 are most relevant)

### **Land Domain**

DEFLOGMAN Part 2 Volume 11 Chapter 1 - *Regulation of the Technical Integrity of Land Materiel Manual*  
*Technical Regulation of ADF Materiel Manual - Land*

### **Aerospace Domain**

DI (G) OPS 02-02 - *Defence Aviation Safety Program*  
AAP7001.053 - *Technical Airworthiness Management Manual*  
Defence Aviation Safety Regulations

### **Explosive Ordnance**

DI (G) LOG 4-1-006 - *Safety of Explosive Ordnance*  
DEOP 101 - *Department of Defence Explosives Regulations*  
DEOP 102 - *Technical Integrity of Explosive Ordnance*

## **4.7 Standards**

CASG use international and Australian standards throughout the Group to guide the development and maintenance of our policies and procedures where applicable. When standards are mandated, all members of CASG must adhere to them.

## **4.8 Work Health and Safety (WHS) and Environment**

The Defence Corporate WHS Policy Statement is Defence's commitment to provide a safe and healthy working environment for all employees.

CASG's *Work Health and Safety Policy Statement* defines our specific expectations for managing health and safety obligations. The CASsafe Portal provides CASG staff with specific guidance on the responsibilities and actions they must take to comply with legislation.

The [Defence Environmental Policy and Strategic Plan](#) sets the context for implementation of Defence's environmental policy and related processes under the [Defence Environmental Management System \(EMS\)](#).

CASG's *Environmental Management Policy* defines our environmental obligations within Defence.

## 4.9 Public Comment and Dissemination of Official Information

*Public Comment and Dissemination of Official Information by Defence Personnel (DI(G)-ADMIN 08-1)* sets out the obligations for all member of Defence when they are providing comment on official information to individuals or organisations outside Defence.

## 4.10 Assurance

We use Assurance mechanisms at all levels to ensure that CASG business operations meet the highest applicable management standards. Domains are key contributors to Assurance, however Centres of Expertise provide the main assurance mechanisms at the working level through policy, processes and competence standards and reviews.

### CASG Quality Management

The *CASG Quality Policy Statement* identifies CASG's quality objectives in establishing, managing and improving business processes across CASG and consolidating in a single centralised management system.

The *Functional Manual (CP) 001 – CASG Quality Management System* defines the policies of CASG for those aspects of its management and operations that impact on the quality of the products and services offered to customers.

Where a policy, process or tool is inefficient or does not add value, we all have an obligation to notify the relevant owner and suggest changes or improvements.

### Independent Assurance Reviews

Independent Assurance Reviews are the Group Level component of CASG's assurance framework. They provide reliable advice regarding the continuing viability of capability investment decisions as well as the health and outlook of programs, acquisition projects and sustainment products.

The Independent Assurance Review uses a specifically chartered Board with distinct skills and experience to examine the current state of a program, project or product. The Independent Assurance Review Chair makes recommendations to the relevant CASG Senior Executive and Capability Manager regarding the health and outlook of the activities reviewed and identifies actions to improve performance. Participation by the CASG Executive at all levels including the Independent Assurance Review Board meeting is essential to the effectiveness of the Independent Assurance Review.

Reviews occur in the lead up to key project milestones or annually. Sustainment reviews occur in the lead up to major events in the product life cycle, such as mid-life upgrades or periodically, one to three years.

Independent Assurance Reviews are also used to capture lessons learned that can be applied to improve our policy, process and tools.

### In-Depth Reviews

In-depth reviews provide stakeholders who have concerns about a program or project with a comprehensive assessment from an independent review team. The team may include Independent Assurance Review panel members as well as contestability and subject matter experts. Following an in-depth review, an action plan is developed with a report to the Investment Committee.

Independent Assurance Reviews and in-depth reviews also support performance monitoring and reporting undertaken by the Capability Manager.

The Schedule Compliance Risk Assessment Methodology (SCRAM) provides a framework for identifying and communicating the root causes of schedule slippage and recommendations for going forward to Program and Executive-level management. It is based on a repeatable process that uses a root cause analysis of schedule slippage model to locate factors that impact program schedule along with a "health check" of the documented schedule, assessing its preparation and probability of completion dates.

## Projects of Concern

The Projects of Concern process focuses the attention of the highest levels of Government, Defence and Industry to assist projects where the likelihood of achieving planned outcomes is in question unless remediation occurs.

## Business Assurance

The Group Business Review monitors the outcomes of assurance activities against CASG's Business Plan and identifies and sponsors any required corrective action.

The DEPSEC CASG confirms business assurance through the Quarterly Performance Report provided to the Minister, Secretary of Defence and Chief of the Defence Force.

## Process and Product Assurance

Process assurance confirms that the established Business Management System is meeting the needs of CASG and conforms to applicable quality management standards. This provides confidence that the policy and processes in place to deliver outcomes for CASG work effectively and that improvements in performance are systematically fed back into the system. Process assurance may be performed through quality, project or product audits, reviews, assessments, appraisals and evaluations and are conducted by the Centres of Expertise.

Product assurance provides confidence that the products and services acquired or delivered by CASG conform to applicable requirements, standards and regulations, for example fitness-for-purpose and legislative compliance. Product assurance activities include:

- systems engineering processes
- verification and validation activities
- product certification
- procurement and contract management policy and processes
- supplier quality assurance
- technical regulatory framework
- technical reviews.

Where faults are identified during such reviews, the root causes must be established and addressed.

## Business Continuity

The *Defence Business Continuity Policy (DI(G) –OPS 45-1)* defines CASG's obligations in planning for business continuity across the regions where it operates.

## 4.11 Records Management

Records provide evidence of the Group's operations, decisions, organisation, policies and procedures. Management of our records is built on a records management system that focuses on the maintenance of their integrity, authenticity and storage. Defence Records Management Policy Manual RECMAN provides guidance for the management of Defence records in accordance with the [Archives Act 1983](#). It also supports the transition of records to a digital environment under the Government's digital transition policy.

## 5 One Defence Enabling Services

One Defence enabling services provide integrated service delivery across Defence. These include:

- People Services delivers human resource services across the Defence employment cycle from strategy and policy development through to implementation and service delivery.
- Finance Services leads financial management across Defence delivering financial strategies, training and help.
- Information and Communication Technology Services ensures that Defence has a dependable, secure and integrated information environment to support Defence business and military operations.
- Base Services (infrastructure and facilities) is the consolidated service delivery organisation that supports the ADF and the other Defence Groups.
- Security Services the Defence Security and Vetting Service helps Defence Groups and the Services with protective security matters.
- Legal Services provides specialist in-house legal advice and other support services across Defence and to portfolio Ministers.

Additional services provided by other Groups include:

- Defence Travel assists Defence staff to arrange domestic and international travel for official purposes.
- Military Enabling maintains capability and preparedness allowing Defence to undertake operations as directed by Government.
- Defence Industry Policy Division, within the Strategic Policy and Intelligence Group, implements the Government's approach to Defence Industry and is responsible for a strategic program of Industry engagement and innovation.

## Annex A Management Reviews in CASG

Review	Purpose, focus and frequency
<p><b>Business Review</b></p>	<p>The purpose of the Monthly Business Review is to monitor and control our actual performance compared to our Business Plan and in-year budget commitments to our customers and other key stakeholders. Meeting attendees include the relevant Group/Domain and Branch executives, may include Capability Managers and are signed by the relevant chair of the review. The focus is on trends and tables with commentary limited to bullet points (not detailed written reports).</p> <p>The agenda covers:</p> <ul style="list-style-type: none"> <li>• Status of actions from previous meetings.</li> <li>• Health, safety &amp; environment: incident reports, analysis of Key Performance Indicators and trends, environmental issues.</li> <li>• Workforce analysis: charts covering headcount, leave, training, progress with diversity and inclusion and a one page summary of key issues/trends and recommendations for action.</li> <li>• A SOFT report: a chart covering Successes, Opportunities, Failure and Threats.</li> <li>• Key Issues: a one-page summary from the SOFT report. The issues highlighted are covered in more detail in the Business Review Pack.</li> <li>• Balanced Scorecard: key objectives tracked over three months using a Red, Amber and Green (RAG) status. The Group Business Review reviews this CASG Health Check.</li> <li>• Finance: Finance Group covers performance reporting against budget and end-of-year forecasts for acquisition, sustainment, operations, workforce expenses etc. Commentary is limited to one-page bullet points.</li> <li>• Business Plan Progress: a RAG report against the key strategic actions listed in the CASG Business Plan together with any specific complimentary actions identified by Domains and Branches. Progress on Business Improvement activities can be tabled.</li> <li>• Function Report: a one page report identifying key issues and recommendations for action from Project Management, Commercial and Engineering. It can also include progress with Centres of Expertise implementation.</li> <li>• Governance and Assurance: a RAG status over the last three months including progress on audit actions, ANAO recommendations, open Corrective Action reports. Targets and KPIs are set.</li> <li>• Risk and Opportunities: a table of the top ten risks and opportunities with mitigation actions and RAG status.</li> <li>• Other: covers matters specific to the Group, Domain or Branch. This could include Sustainment Performance Management System data, status of critical dependencies such as information technology, estate and other enablers.</li> </ul>



## Annex B Performance Reviews

Review	Purpose, focus and frequency
<b>Domain Review</b>	<p>Domain Performance Reviews monitor Domain performance compared to its plan.</p> <ul style="list-style-type: none"> <li>• Each month the focus is the same as the Branch PR, targeted at the Domain level, along with Programs, Projects and Products by exception, based on the Domain executive assessment of their importance to Domain outcomes.</li> <li>• Each quarter the focus shifts to include all major projects and products within the Domain</li> </ul>
<b>Branch Reviews</b>	<ul style="list-style-type: none"> <li>• The purpose of the Branch PR is to review progress of each Program, Project or Product monthly, with a greater focus on those that are 'material' to its business performance (80/20 principle).</li> <li>• At the close of the Branch PR meeting, the Branch Head endorses the PPR information packs confirming assurance that it represents an accurate assessment of the Project or Product status.</li> <li>• PPR guidelines support the Branch Head in exercising due diligence.</li> </ul>
<b>Project/Product Reviews</b>	<p>The purpose of the Project/Product performance review is to review the progress and status against the Materiel Acquisition Agreement/Materiel Sustainment Agreement (or the Product Delivery Agreement (PDA) where one exists).</p> <p>The purpose of the Product performance review is to review performance against key performance indicators as set out in the MAA/MSA (or PDA where it exists).</p> <ul style="list-style-type: none"> <li>• PPRs are conducted monthly by the Project Director, Program Manager or Product Manager using a standard set of performance information for monitoring and control. Each month for pre-Gate 2 emerging projects, the focus of the PPR information pack is on status against the approved baseline plan, resource, cost and timeline for progressing from Pre- Gate 0 through to the Gate 2 approval underpinned by Smart Buyer principles. Importantly, at Gate 2 this PPR also informs the Post Gate 2 PPR information pack enabling a flow of information along the Capability Life Cycle continuum.</li> <li>• The Integrated Project/Product Manager endorses each monthly PPR information pack providing assurance that it represents an accurate assessment of the Program, Project or Product status that can be relied upon by the senior leadership.</li> </ul>

## Annex C Key Legislation

Legislation	Applicability to CASG
<a href="#">Public Governance Performance &amp; Accountability Act (PGPA) 2013</a>	<p>The objectives of the <i>PGPA Act 2013</i> are:</p> <ul style="list-style-type: none"> <li>• A common framework that avoids unnecessary regulation</li> <li>• Government should operate as a coherent whole</li> <li>• A uniform set of duties should apply to all resources handled by Commonwealth entities</li> <li>• Performance of the public sector is more than financial, and</li> <li>• Engaging with risk is a necessary step in improving performance.</li> </ul> <p>This Act defines duties that apply to all public servants, Australian Defence Force and contractors:</p> <ul style="list-style-type: none"> <li>• Care and diligence of a reasonable person</li> <li>• Act in good faith and for proper purpose</li> <li>• Do not misuse position or information</li> <li>• Disclose material personal interests.</li> </ul>
<a href="#">Public Service Act 1999</a>	<p>The <i>Public Service Act 1999</i> establishes an apolitical public service that is effective and efficient in serving the Government, the Parliament and the Australian public. The Act provides a legal framework for effective and fair employment in the Australian Public Service.</p>
<a href="#">Defence Force Discipline Act 1982</a>	<p>The <i>Defence Force Discipline Act 1982</i> sets out obligations for disciplining Defence Force Personnel.</p>
<a href="#">Work Health and Safety Act 2011</a>	<p>The <i>Work Health and Safety Act 2011</i> defines duties and obligations for work health and safety in respect to workers and workplaces.</p>
<a href="#">Crimes Act 1914</a>	<p>The <i>Crimes Act 1914</i> sets out criminal sanctions that can be imposed for serious misuse of public resources by staff working in the public sector.</p>
<a href="#">Defence Act 1903</a>	<p>The <i>Defence Act 1903</i> details obligations in respect to provision of naval and military defence and the protection of Australia.</p>
<a href="#">Freedom of Information Act 1982</a>	<p>CASG complies with the <i>Freedom of Information Act 1982</i> by meeting its obligations in providing access to information when and where required.</p>
<a href="#">Fair Work Act 2009</a>	<p>The <i>Fair Work Act 2009</i> provides a balanced framework for cooperative and productive workplace relations.</p> <p>The <i>Defence Enterprise Agreement</i> sets out terms and conditions of employment for public servants and is supported by the <a href="#">Defence Workplace Relations Manual</a>.</p>
<a href="#">Archives Act 1983</a>	<p>The <i>Archives Act 1983</i> describes the recordkeeping obligations that all public sector agencies must comply with in respect of Commonwealth records.</p>
<a href="#">Public Interest Disclosure Act 2013</a>	<p>CASG is subject to the <i>Public Interest Disclosure Act 2013</i> that establishes a framework for the protection of whistle-blowers.</p>
<a href="#">Copyright Act 1968</a>	<p>The <i>Copyright Act 1968</i> provides legal protection for people who express ideas</p>

Legislation	Applicability to CASG
	and information in certain forms.
<a href="#">Defence Trade Controls Act 2012</a>	<p>This Act regulates dealings in items listed in the Defence and Strategic Goods List (DSGL) and in items covered by the Defense Trade Cooperation Treaty between Australia and the United States of America. It defines offences for supply of DSGL technology without a permit; or arranging for dealings relating to goods listed in the DSGL, or to DSGL technology, without a permit; or disseminating DSGL technology to the public.</p>
<a href="#">Environment Protection and Biodiversity Conservation Act 1999</a>	<p>DI(G) ADMIN 40-3 <i>Assessment and approval of Defence actions under the Environment Protection and Biodiversity Conservation Act 1999</i> identifies the Defence portfolio's obligations under this Act.</p>