

Joint Standing Committee on Foreign Affairs, Defence and Trade

Review of the Defence Annual Report 2015-16 –17 February 2017

ANSWER TO QUESTION ON NOTICE

Department of Defence

Topic: Defence Force Design Process

Question reference number: 10

Senator: Reynolds

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Question:

CHAIR: In relation to that, with the Defence Force design process, it is quite clear for that, which comes under your responsibility, Admiral Griggs. For your responsibilities and Ms Skinner's responsibilities, have you got a process map? Presumably your work as you have just described it is not a cyclical four-year process cycle. It is a different process.

Mr Sargeant: In relation to force design the way the process works—we can share this—is that policy is developed and that is really a matter of what the government wants Defence to do to fulfil its purposes and to achieve government objectives. Then that is translated into how Defence organises and builds capabilities to do that. Primarily, in terms of policy and design, that is the Vice Chief's job. I see my role in that aspect as ensuring that the enabling systems support the capacity of the ADF and Defence as a whole to do what the government wants. We can run you through that process.

CHAIR: Again, I do not want to cause some poor staff officer endless hours of trying to develop new processes. I am just belabouring this because I think it is important for this committee to understand the frameworks you are operating in. you that.

Mr Sargeant: We have it on a page. We can show you that.

Answer:

THE FORCE DESIGN PROCESS

Force Design Cycle

1. The new Force Design process in Defence is conducted through the Force Design Cycle, depicted at Figure 1 below. The Force Design Cycle is the methodology by which Defence will deliver evidence-based capability investment and force structure options. The cycle consists of four phases: Assess, Understand, Design, and Decide.

- a. **Assess.** Defence baselines the Force-In-Being and Planned Force, program strategies, and investment plan; and then assesses capability gaps¹ and opportunities² through Capability Manager led analysis.
- b. **Understand.** Defence, through the Vice Chief of the Defence Force, collates the gaps and opportunities, and seeks to examine and clarify them through a variety of forms of analysis, including experimentation. Gaps and opportunities are assessed against strategic direction provided by the Strategic Policy and Intelligence Group. These gaps and opportunities are then prioritised within the Capability Stream construct and treated where possible. The six Capability Streams and their Stream Leads are: Intelligence, Surveillance and Reconnaissance, Electronic Warfare, Space and Cyber (Vice Chief of the Defence Force), Air and Sea Lift (Chief of Air Force); Land Combat and Amphibious Warfare (Chief of Army); Strike and Air Combat (Chief of Air Force); Maritime Surface and Sub-Surface Warfare (Chief of Navy); Enablers (Vice Chief of the Defence Force and the Associate Secretary).
- c. **Design.** Where they cannot be treated within Streams, the gaps and opportunities are prioritised across the Joint Force, and appropriate force options are developed in response to the higher priority gaps and opportunities.
- d. **Decide.** Defence then agrees a recommended approach to optimally address the emerging capability gaps and opportunities, and submits this to the Government for agreement as a part of the biannual updates to the Integrated Investment Program.

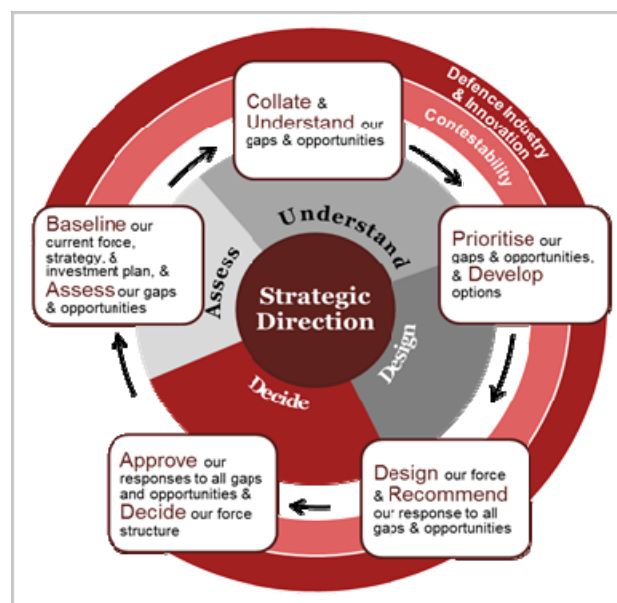


Figure 1: The Force Design Cycle

Linkages to the Strategic Centre

2. The Force Design Cycle relies upon three key linkages to the Strategic Centre:

¹ Gap – A gap is an identified inability to perform task (s) that is/are essential to fulfilling a mission (s) at the operational and/or strategic level.

² Opportunity – An opportunity seeks to take advantage of industry capability and innovation to provide a technology edge and/or cost benefit to Defence capability.

- a. **Strategic Direction.** At the centre of the cycle is Strategic Direction, which sets the strategic requirements for Defence based on government policy. These strategic requirements are then translated into plans for action by relevant parts of Defence through the Enterprise Performance Management system. The high-level architecture of that system is depicted at Figure 2. Force Design analysis and outcomes are at all times nested with strategic policy in order to deliver force structure and military capabilities that enable Defence to achieve the missions set by government.

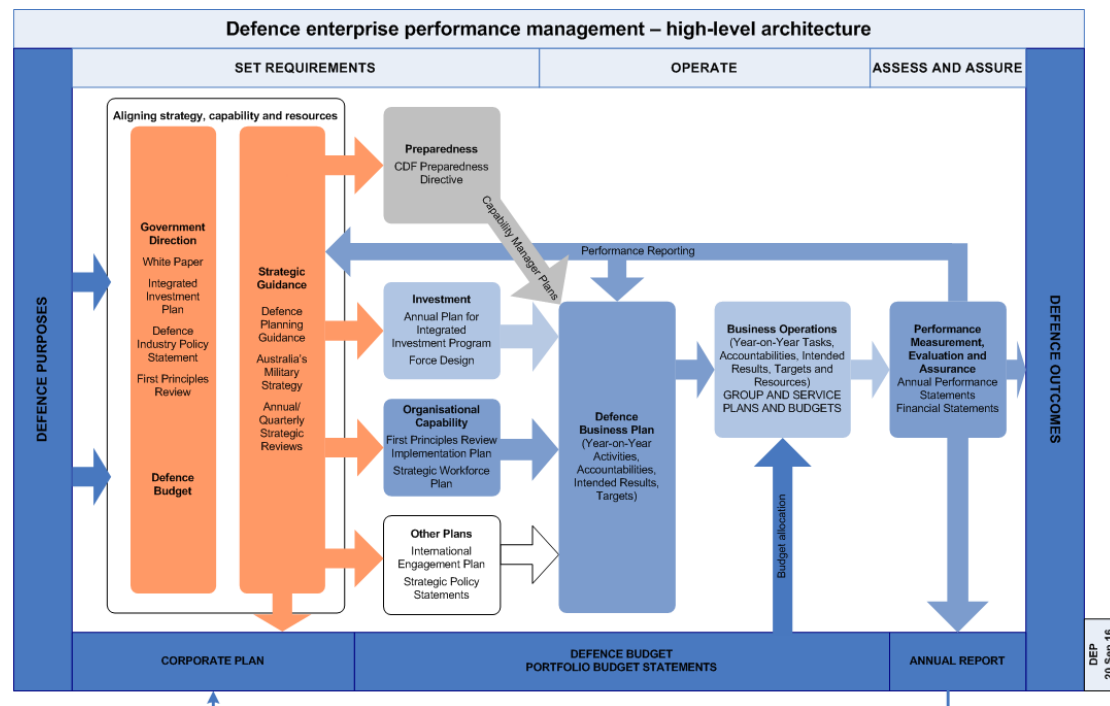


Figure 2: Defence Enterprise Performance Management System

- b. **Defence Industry and Innovation.** Close linkage to Defence Industry and Innovation is throughout the Force Design Cycle. Gaps and opportunities are fed into the cycle during the ‘assess’ phase. Gaps or opportunities that are judged to be best understood through exposure to Defence Industry will be identified during the ‘understand’ phase. Options developed by Industry and other innovation partners will be considered by Force Design during the ‘design’ phase. Importantly, annual Innovation Hub priorities will be informed through the gaps and opportunity analysis process.
- c. **Contestability.** The Force Design Cycle is founded on ensuring a transparent and evidence-based process. Contestability Division, therefore, also plays a critical role throughout the cycle to ensure that Force Design is aligned with strategic requirements by asking two fundamental questions; ‘is this the right thing to do’, and ‘are we doing things right’? Force structure and capability options resulting from the Force Design Cycle will be contested throughout the process.

Application of the Force Design Cycle

3. The Force Design Cycle is underpinned by the Defence Capability Assessment Program. The Defence Capability Assessment Program is the program of activities by which Defence will deliver the Force Design Cycle. The Defence Capability Assessment Program has three modes of operation to address different time and scope imperatives:

- a. **Agile:** The agile mode would be used for rapid assessment of specific gaps and opportunities requiring resolution inside the annual cycle. For example, this would apply to an agreed urgent operational requirement, and in response to specific Government direction.
- b. **Annual:** The annual mode is conducted routinely each year, and the outputs of this Defence Capability Assessment Program cycle align with Ministerial Biannual Updates. This will provide iterative adjustments to the Integrated Investment Program over time.
- c. **Fundamental (Four Yearly):** This mode will be conducted (approximately) every four years as the basis of the Force Design Update, and will assess and address future force gaps and opportunities in depth across all key strategic requirements and operating environments.