

Australian
National
University

NATIONAL SECURITY
COLLEGE

New Approaches to Accelerate Delivery of Defence Capability in a Threat Based World Order



Yvonne Butler
Senior Research Fellow, National Security College





- Current State
- The Project
- Portfolio Management
- Call to Action



Current State

The Project

Portfolio Management

Call to Action

Our world today





Defence Strategic Review 2023

- The Government undertook this defence review against the backdrop of what Minister for Defence minister Richard Marles characterised as “the toughest strategic environment Australia has encountered in over 70 years”
- Review begins with a sober assessment of the ADF’s preparedness: the force is “not fully fit for purpose

- 10-year warning horizon for a major regional conflict - the bedrock of our defence posture - has evaporated
- Impactful projection - ADF must augment its self-reliance to deploy and deliver combat power through impactful materiel and enhanced strike capability over longer distances



Defence Industry Development Strategy 2024

- A plan that is stated to 'define the strategic rationale for a sovereign defence industrial base and sets out pathways for maximising support for Australian industry and its critical contribution to national security.'
- *"The framework is based on a new definition of sovereignty... Only in limited circumstances is Australian ownership critical to sovereignty, but does not define what those circumstances are or could be." Michael Shoebridge Strategic Analysis Australia*

DEFENCE INDUSTRY DEVELOPMENT STRATEGY



Speed to Capability

Defence and industry experience on a daily basis the problems that Defence's current approaches cause in limiting the ability to deliver capability to the warfighter at speed...





“Effective integration of all of our capabilities to deliver the effect we require is critical...we need a more integrated and focussed defence which includes ADF, APS, Industry and Academia delivering at speed” LTGEN John Frewen JCG, MilCIS 2023





Australian
National
University

NATIONAL SECURITY COLLEGE
Crawford School of Public Policy
ANU College of Asia & the Pacific

“New Approaches to Accelerate Delivery of Defence Capability in a Threat Based World Order”

As a joint initiative between the Commonwealth Government and The Australian National University, the National Security College is unique, serving as a meeting place for policy, academia, industry and the wider community, with special arrangements of trust, access and security cleared engagement with the Australian Government.



Australian Government



Australian
National
University

NATIONAL SECURITY
COI | FGF



Project
Supporters

Who am I to do this?



KING & WOOD
MALLESONS

Allens > <
Linklaters



Palladium
Executing Strategy



Governance
Institute
of Australia



Australian Institute of
Company Directors



Capability Acceleration

1. **WHY:** How does the acceleration of Defence capability delivery contribute to national security?
2. **HOW:** What could contemporary governance look like in order to accelerate the delivery of Defence capability by considering:
 - a. Organisational systems and behaviours
 - b. Ability of Defence to appropriately articulate its capability to Industry in a demand signal driven manner which will elicit a commercially realistic response from sovereign industry to fulfill capability
 - c. How can Defence and Industry balance the inherent contradiction of current probity arrangements and processes with speed to capability



Australian
National
University

NATIONAL SECURITY
COLLEGE

Capability Acceleration

3. **TO IMPROVE:** The problematic nexus between the challenges of leadership, capability delivery and increasing operational tempo (such as traditional Defence hierarchical leadership, governance and culture of risk avoidance)

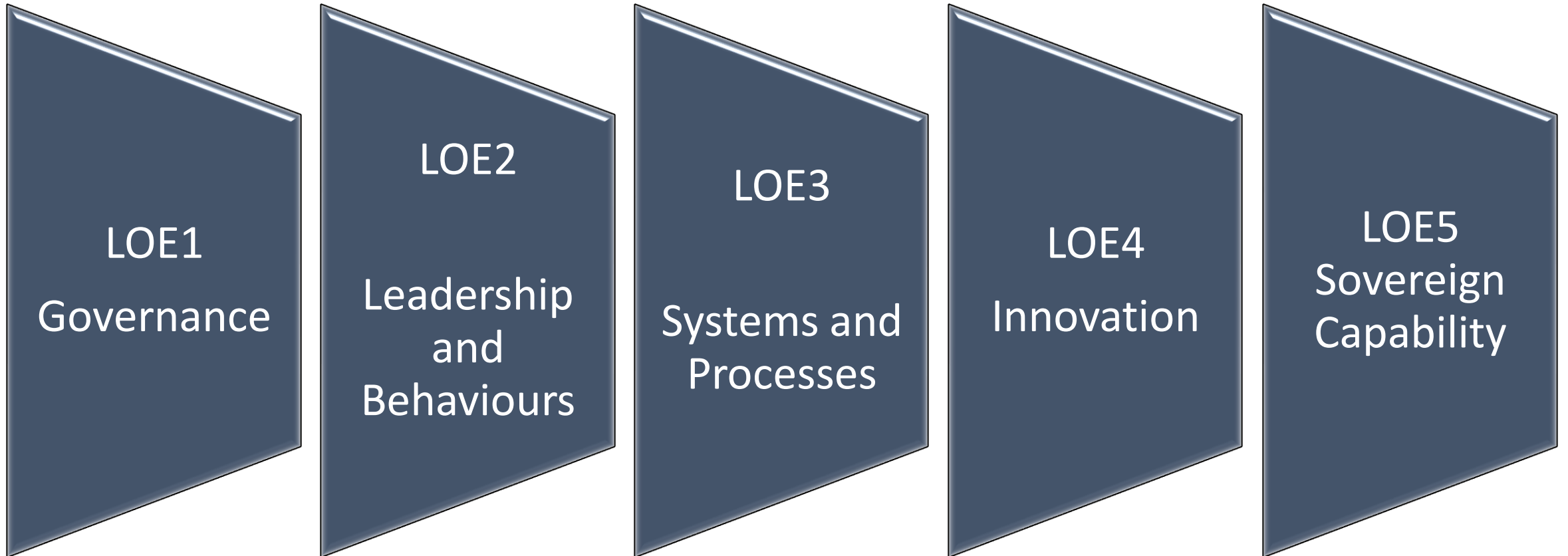
4. **IMPACT:** What are the potential consequences of not taking action?



Australian
National
University

NATIONAL SECURITY
COLLEGE

Capability Acceleration Lines of Effort



All constituents in the Defence Capability Ecosystem have committed to supporting this project

Research Partners



APPROACH

MEANS

WAYS

ENDS

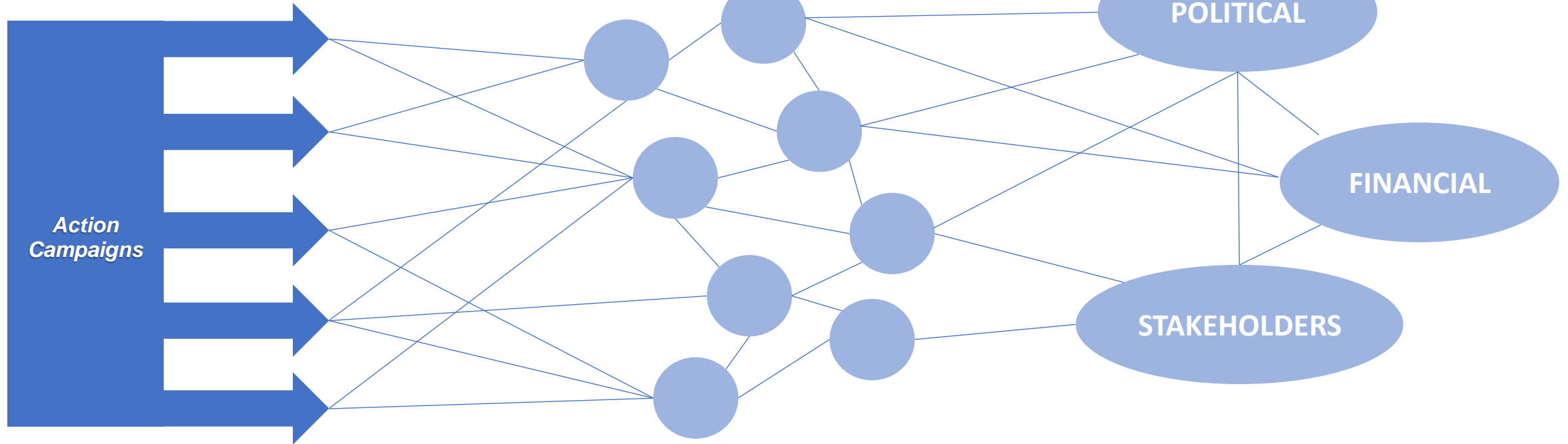
COLLABORATION



COORDINATION



CONCENTRATION



2024

Interactions

Target Audiences

2025



○ Current State

○ The Project

○ Portfolio Management

○ Call to Action

The missing link...





Progress

AUKUS
ASCA
Defence Industry Development Strategy

Still to come:

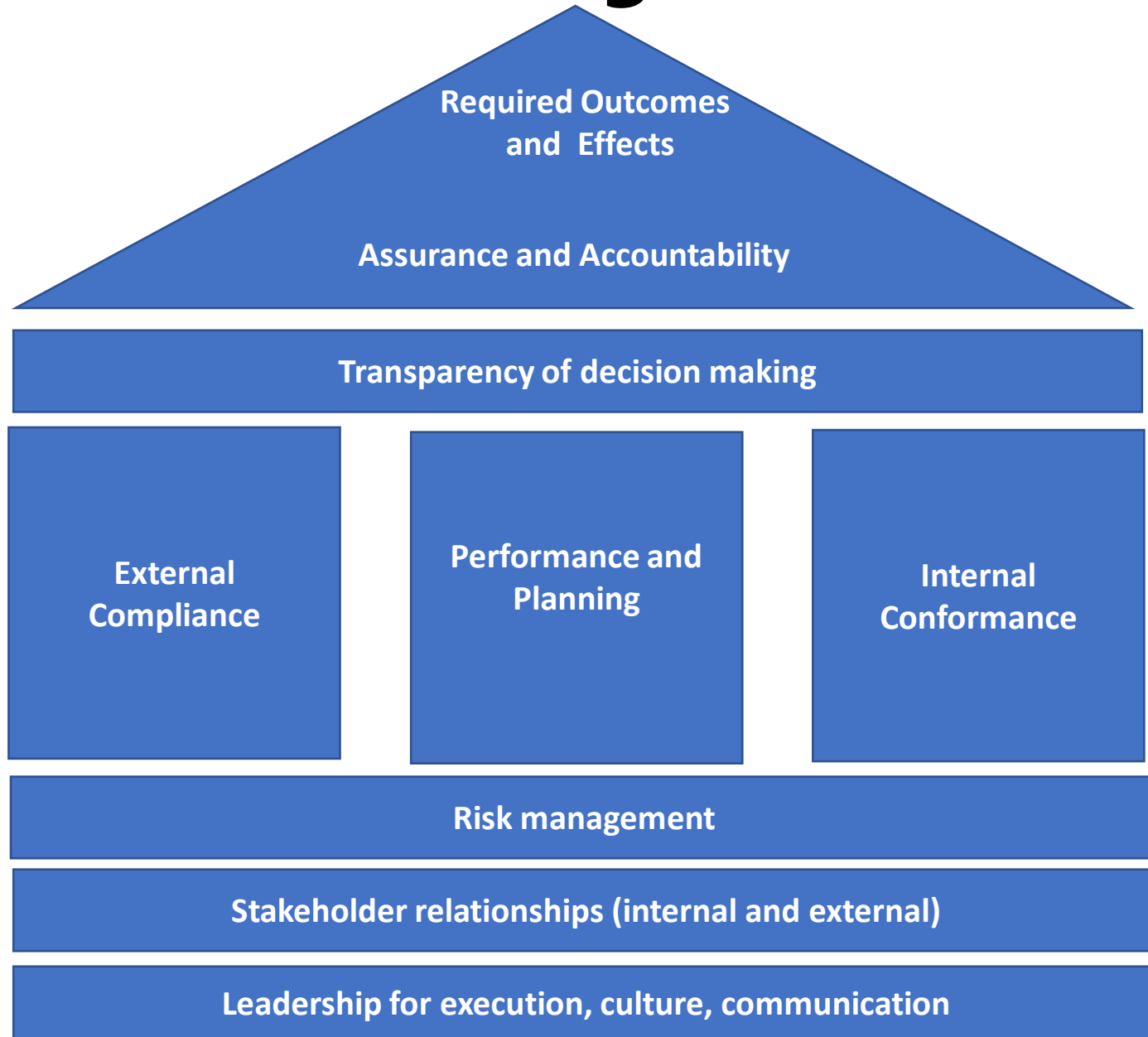
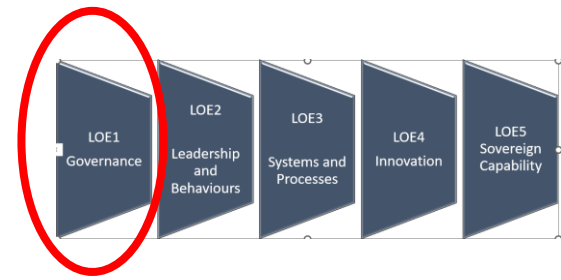
CASG 2.0
Federal Budget May 2024
New Integrated Investment Program 2024
National Defence Strategy 2024?



Strategy Execution challenge: linking strategy to initiatives, process improvement and everyone's everyday actions



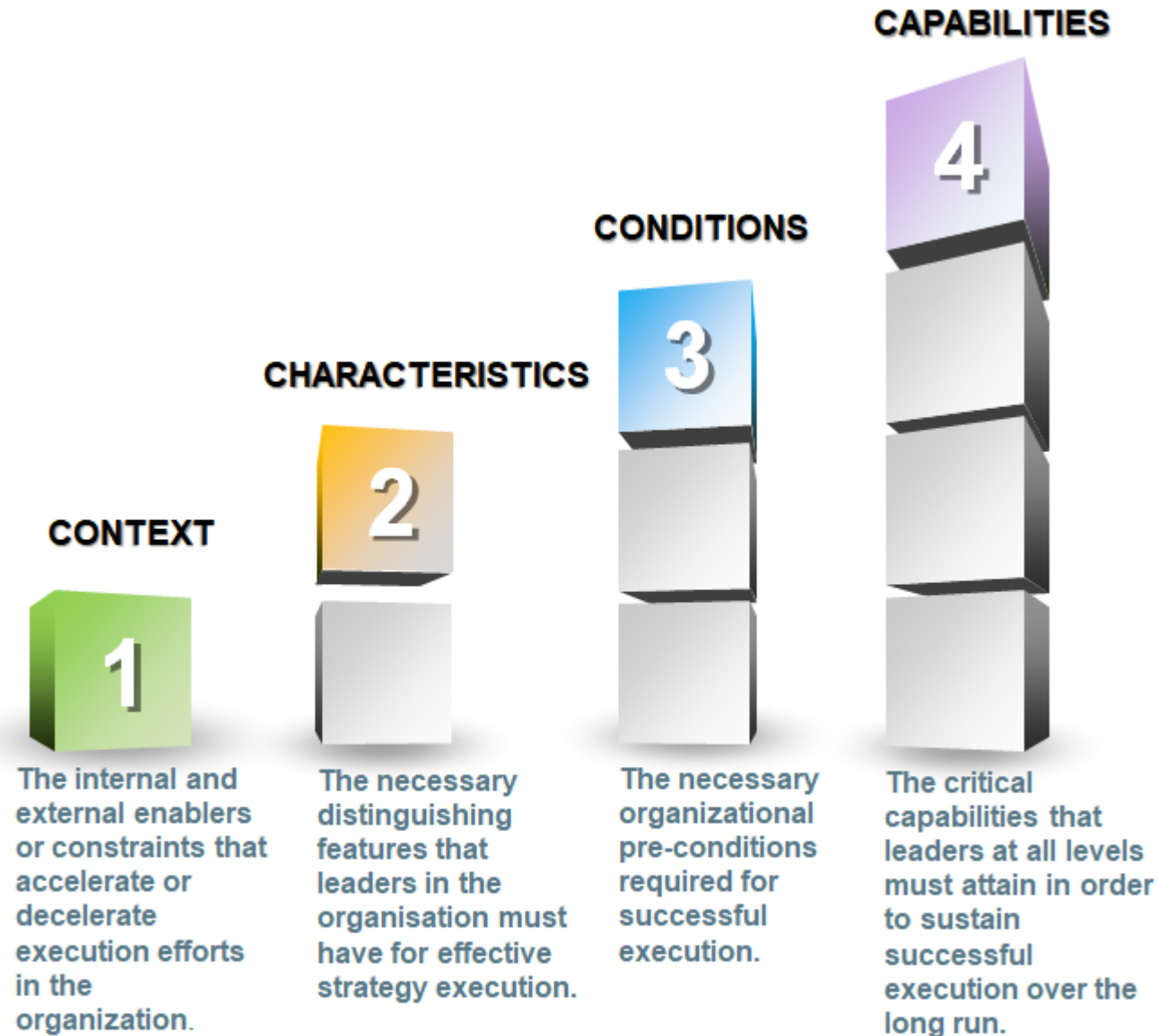
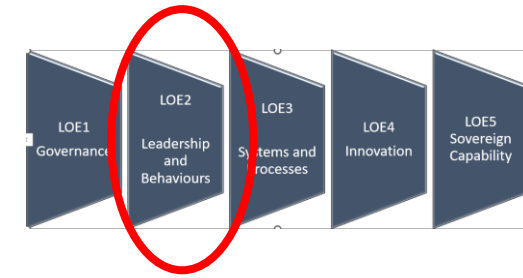
Portfolio Management Challenges



Governance

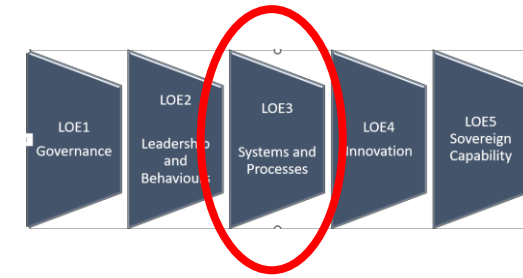
- Oversight
- Enablement

Portfolio Management Challenges



Leadership and Behaviours

Portfolio Management Challenges

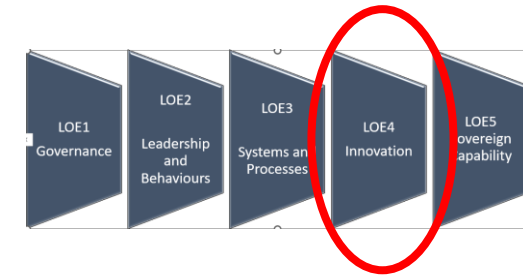


Systems and Processes

- Procurement
- Integration

Integrated Investment Plan	Strategic (Competitive Advantage)	Improve to levels of quality excellence	Maintain high quality levels
	Vital ('Hygiene')	Improve to minimum acceptable quality levels	Potential to cut back current investment
		Weak	Strong
		Minimum Viable Capability	

Portfolio Management Challenges



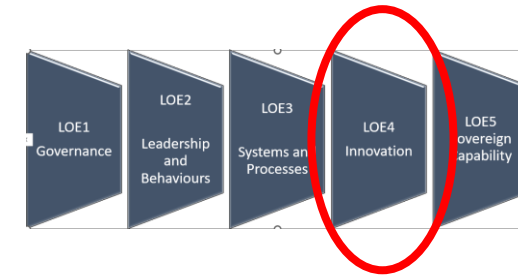
Priorities will be delivered through three programs:

Missions
Innovation Incubation
Emerging & Disruptive Technologies

Innovation

- Enterprise

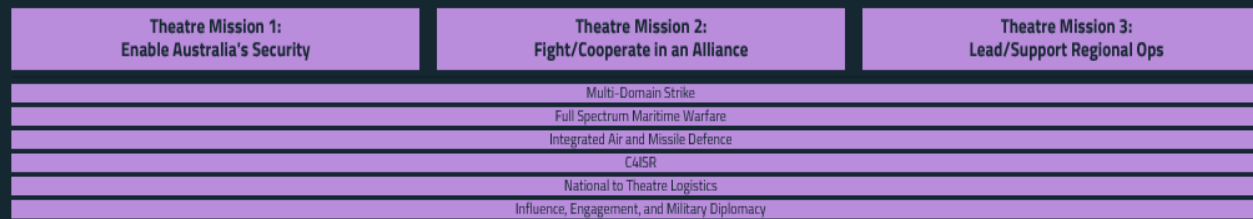
Portfolio Management Challenges



Land Domain Digital Twin

■ ADF constructs ■ Army deployment constructs ■ Army delivery constructs — Digital Twin boundary

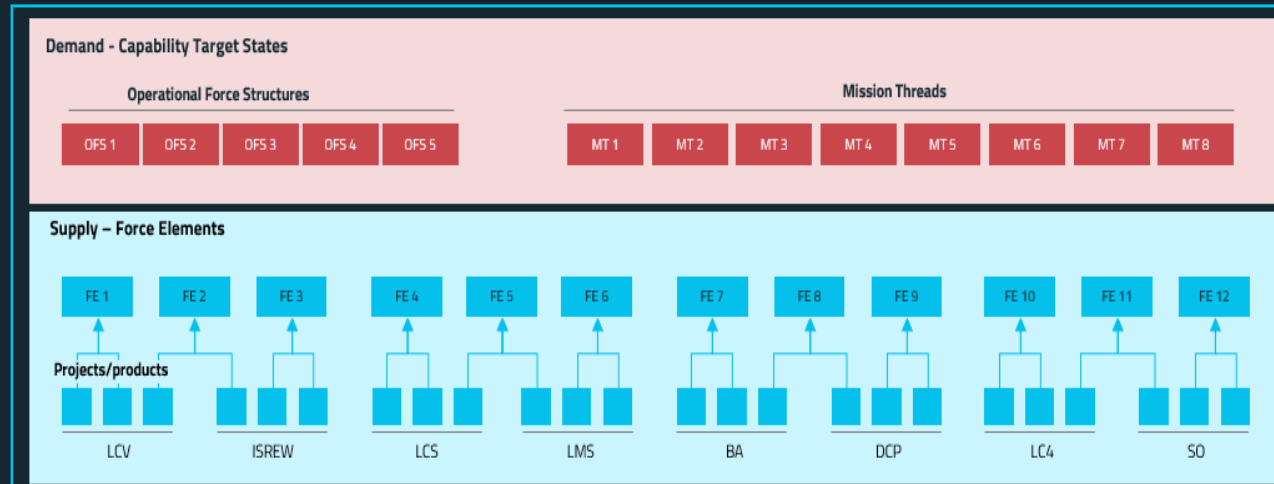
Capability concepts modelled in the Land Domain Digital Twin (LDDT)



Threat: Theatre missions remain outside of the Digital Twin boundary; these are instead reflected through Capability Target States

Demand: Digital Twin uses a machine-readable description of the Capability Target States required to achieve Theatre Missions, developed through experimentation

Supply: LDDT tracks current force elements (from ERP data) and how these are incremented through capability projects to identify gaps and opportunities in requirements

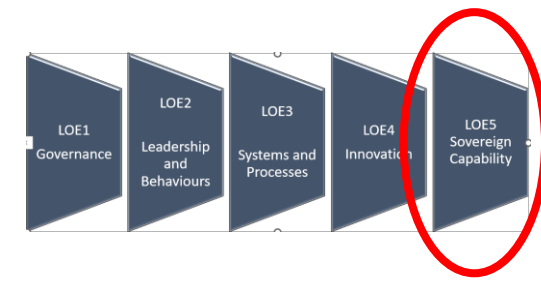


[Demo](#)

Innovation

- Operational

Portfolio Management Challenges



Creating a strong and resilient sovereign defence industrial base

A plan for a strong and resilient sovereign defence industrial base

This will be done by:

- ▶ \$183.8 million in grants to support Australian small and medium businesses.
- ▶ Simplifying procurement processes.
- ▶ Supporting the development and retention of a skilled workforce.
- ▶ Growing an internationally competitive industrial base through exports.
- ▶ Increasing the security posture of our industrial base.
- ▶ Where appropriate, mandating the use of critical

Australia's sovereign defence industrial base

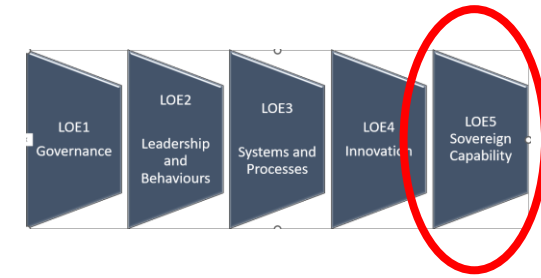
Australian defence industry is comprised of businesses with an Australian-based industrial capability and an Australian Business Number (ABN), providing products or services used in, or which can be adapted to be used in, the Australian Department of Defence supply chain and/or an international defence force supply chain.

This is Australia's sovereign defence industrial base. Only in limited circumstances is Australian ownership critical to sovereignty.

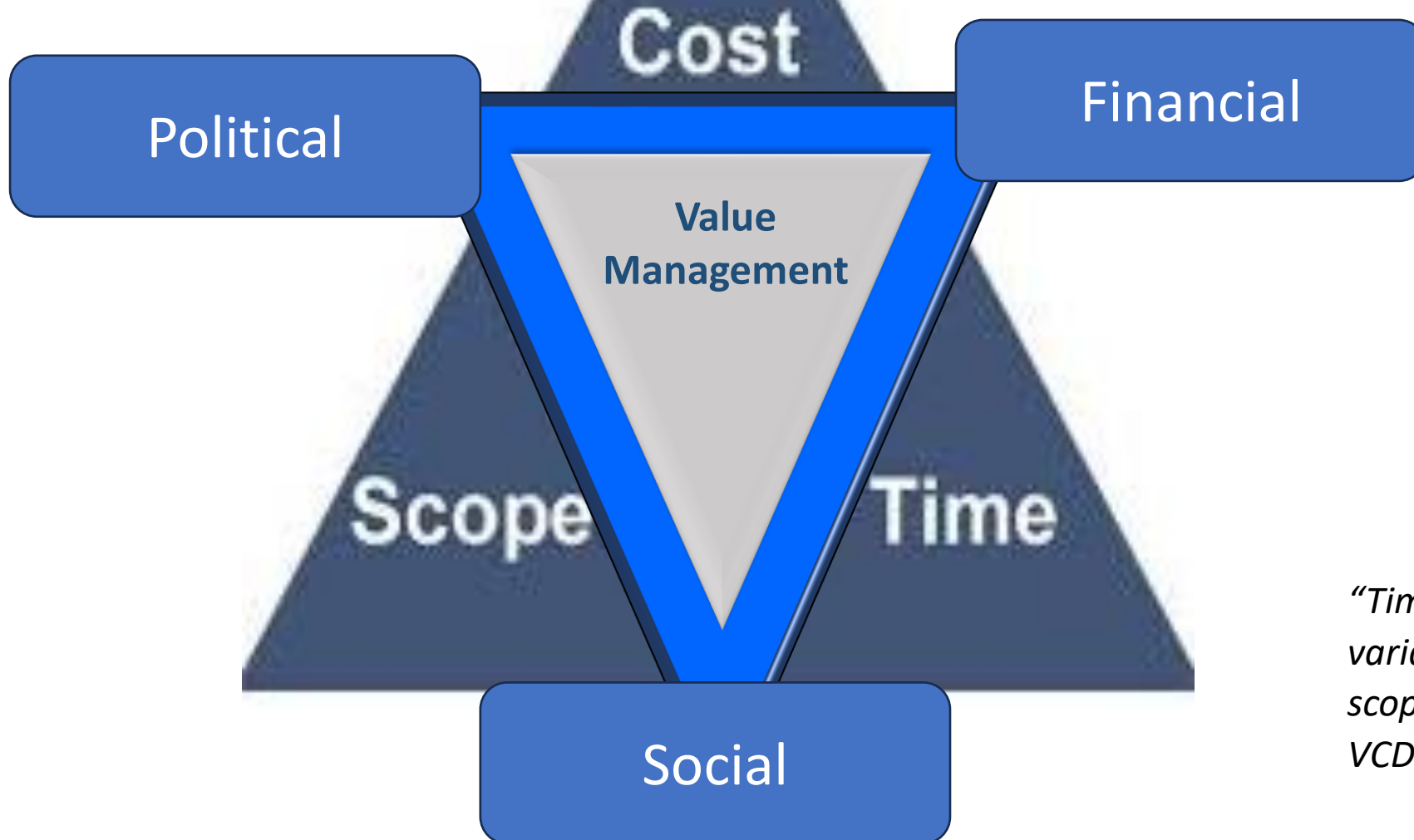
Sovereign Capability

- Resilience
- Sustainability
- Uniqueness
- Priorities

Portfolio Management Challenges



“Government is the ultimate owner of all decisions and can inject their own requirements at any time at any part of the system’ MAJGEN Tony Rawlins 2024



Sovereign Capability

- New Iron Triangle

*“Time has previously been the variable, but no longer. Cost and scope will now become variable”
VCDF 13 March 2024*



○ Current State

○ The Project

○ Portfolio Management

○ Call to Action

Who moved my
cheese?



yvonne.butler2@defence.gov.au

<https://www.linkedin.com/in/yvonne-butler/>



**THE POWER OF
NETWORK**