



WEAVING THE GOLDEN THREAD – AUSTRALIA’S DEFENCE STRATEGY FRAMEWORK

You’ve got to think about big things while you’re doing small things, so that all the small things go in the right direction.

Alvin Toffler, Writer and Futurist

In the past, there have been some tenuous links between Government Defence policy, on the one hand, and the capability and preparedness of the Australian Defence Force (ADF). The *First Principles Review* identified the need for Defence to be a strategy-led organisation. This recommendation is being implemented by the recent release of *Strategy Framework 2017*.

Strategy Framework 2017 satisfies Defence’s desire for doing business smarter. It describes how Government direction is delivered across the Defence enterprise, including in relation to military capability, preparedness, investment, organisational capability, international engagement and corporate planning. It is also a critical element of Defence enterprise performance management and supports Government decision-making in relation to strategic Defence policy.

The framework weaves together Government direction, classified Defence strategic policy guidance and military strategy. Within the framework, the highest-level documents are policy direction from Government including *Defence White Paper*, the *Integrated Investment Program*, the *Defence Industry Policy Statement*, the *First Principles Review* and the *Defence Budget*. Much of the work in the Strategic Policy and Intelligence Group is drawing a thread of logic

through these higher-level publications and enabling strategy to direct the operations, activities and actions of the Department.

At the next level of the framework is the *Defence Planning Guidance* (DPG) which is the seminal classified policy document for Defence. In essence, it details *what* Defence needs to be able to do out to 2035

and provides guidance on *how* we do those things. It describes the missions expected of the ADF and explains what strategic success looks like. The DPG informs *Australia’s Military Strategy*, *Defence International Engagement Policy*, *Chief of Defence Force Preparedness Directive* (CPD), *Australian Joint Operating Concept* (AJOC), the *Defence Corporate Plan*, *Defence Business Plan*, *Defence Budget* and ADF workforce plans. It also informs the implementation of the *Integrated Investment*



The strategy framework shows the relationship between Government policy and military strategy

Program and *Defence Industry Policy Statement*, and is a key input to contingency planning by Joint Operations Command. The Defence Strategic Policy Committee considers proposed updates to the DPG annually.

Australia’s Military Strategy (AMS) is a companion document to the DPG and provides understanding of the ‘ways and means’ by which Defence achieves the strategic ‘ends’ described in the DPG. It is a classified account of the military strategy that gives guidance

to inform force posture, force design and operational planning. This is achieved by providing further direction to the ADF on the Strategic Defence Objectives via documents such as *Capability Program Narratives* (CPN), *Military Strategic Estimates* (MSE) and *Theatre Operational Risk Plan* (TORP). Thus, the AMS examines the *ways* Defence will achieve the Strategic Defence Objectives, as well as guiding management of the *means*.

While the fundamentals of national security are enduring, security circumstances are subject to continual change at short notice. Therefore, Government can and does adjust policy to respond to dynamic circumstances. The Government can provide updated strategic direction to Defence through the decisions of the Prime Minister, the National Security Committee of Cabinet or Ministerial decisions. Updating Government guidance to Defence is routinely done quarterly and annually.

The *Quarterly Strategic Review* (QSR) provides advice on potential changes in Australia's strategic environment and strategic-level issues that might arise within the next 3–24 months. It aims to inform future demand on our force. The QSR examines whether a Defence response to these potential changes to our strategic environment is required, such as a change to force posture or readiness. As such, the QSR is used to provide 'early-course correction' for the DPG and fine-tune and set near-term priorities for preparedness. The QSR is presented to senior leadership for consideration with *Defence Preparedness Assessment Statement*, in a 'supply' and 'demand' relationship.

The first *Annual Strategic Review* (ASR) will be released in 2017. The purpose of the ASR is to provide advice on potential longer-term changes in Australia's strategic environment and strategic-level issues that might arise within the next two to five years. Similar to the QSR, the ASR also examines issues that may require a 'mid-course correction' or change to force posture or readiness, in response to an emerging or changing situation.

Strategic policy statements provide classified guidance to policy development on Australia's strategic interests and priorities on specific issues, such as geographic areas, capabilities and operations. They provide policy options, policy direction, or can be a discussion document covering a range of issues to inform whole-of-government, like-minded allies, or for internal Defence consideration. Strategic policy statements

are released by the Secretary after endorsement at the Defence Strategic Policy Committee.

Within Defence, the Strategic Centre is the senior management structure that sets priorities, manages resources and is responsible for steering Defence to implement the Government's Defence policies. The Strategic Centre has the authority to set direction for all of Defence's activities and will maintain close oversight of the delivery and the management of strategy, capability and resources to achieve Government-directed outcomes.

In 2017, Defence will measure its classified strategic policy performance for the first time. Strategic Policy and Intelligence (SP&I) Group will work with groups' and Services' leads to understand how Defence is tracking against its strategic objectives. It will assess what is working, what is not and what are the implications for strategy, planning and resourcing.

Australia's strategy is forward looking, but subject to review whenever Government may require, or emerging threats and changing strategic risk may necessitate. Within the strategy framework, Defence has the instruments it needs to articulate associated strategic risk and identify how this risk can be mitigated.

The launch of the *Strategy Framework 2017* has focused Defence on being strategy-led by a strong Strategic Centre. The framework details the relationship of Government policy to military strategy. This connects the *Defence White Paper* with a broad range of activities and outputs undertaken by Defence, including operational tasks and international engagement, through to concepts, design and preparedness. *Strategy Framework 2017* ensures the 'golden thread' of Government policy is weaved through classified strategic guidance to the outputs or means of Defence. It ensures strategy remains linked to and guides capability and resources.

Key points:

- *Defence is a strategy-led department.*
- *The Strategy Framework strengthens the links between strategy, capability and resources, while appreciating strategic risk.*
- *The seminal documents in the framework that implement Government direction are the Defence Planning Guidance and Australia's Military Strategy.*



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