



The Defence First Principal's Review & Program Sponsorship

The Key to Better Capability Management

CDRE Rob Elliott CSC, RAN – Surface Combatants & Aviation Program Sponsor



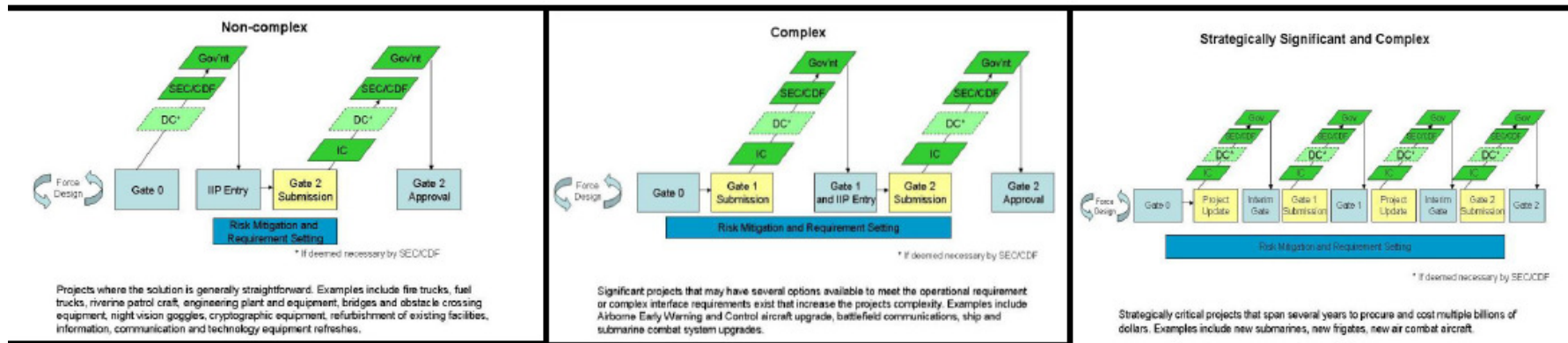
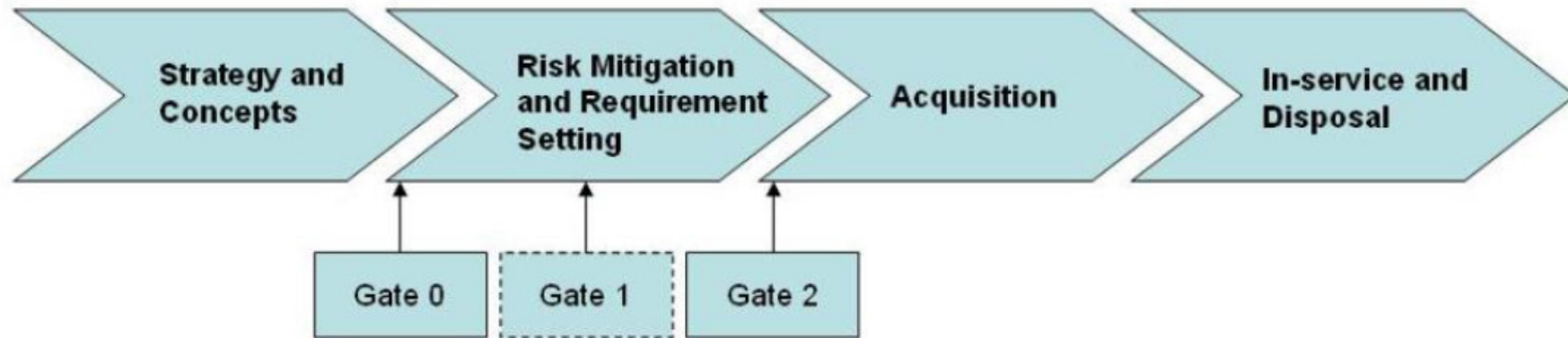
HONOUR, HONESTY, COURAGE, INTEGRITY, LOYALTY

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The Capability Life Cycle

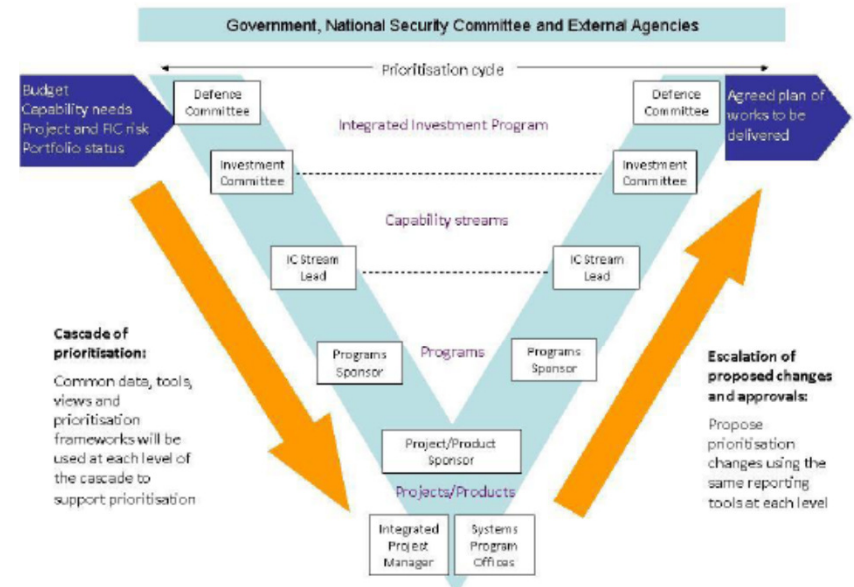
- *CLC Process (driving better management)*
 - clear accountabilities.
 - Relationships.
 - Smart Buyer.
 - Not a “re-badge” job.
- *Contestability (continuous)*
 - improving decisions, not making them.
 - embrace it.
 - key to establishing and maintaining trust.

The Capability Life Cycle



Example Project Approval Pathways

CLC – Portfolio Management Approach



Taking a portfolio management approach to maintaining the integrity of the Integrated Investment Program



Capability Stream Approach

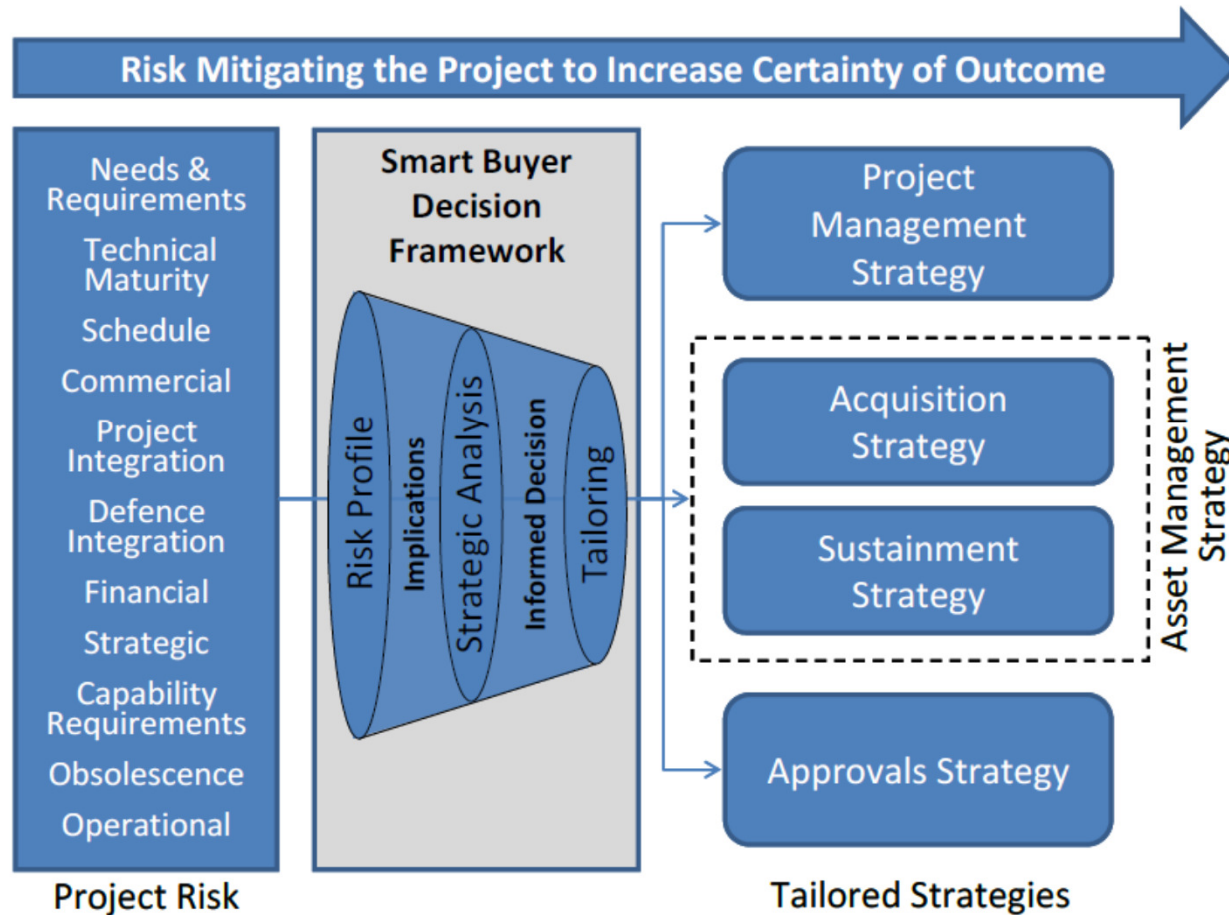
Supported by a strengthened Program Level

Capability Streams: Prioritisation						
	ISREW, Space and Cyber Vice Chief Defence Force	Air & Sea Lift Chief of Air Force	Land Combat & Amphib Warfare Chief of Army	Strike & Air Combat Chief of Air Force	Maritime & Anti-Sub Warfare Chief of Navy	Key Enablers Vice Chief Defence Associate Secretary
Capability Manager Domains	Joint Integration Vice Chief Defence Force	CI and Joint Battle Management Systems Joint ISR and EW Warfighting Innovation (inc Cyber) Asymmetric Response				Health Services Fuel Explosive Ordnance Training Support and Simulation
	Maritime Chief of Navy	Maritime Tactical C4I	Sea Lift	Amphibious Combat	Major Surface Combatants Submarines Naval Aviation Maritime Logistics Minor Combatants Maritime Military Geospatial Information	Maritime Infrastructure and Range
	Land Chief of Army	Land ISREW Land C3	Battlefield Aviation	Combat Vehicles Soldier Systems Non-combat Vehicles Combat Support Special Operations		Combat Service Support Systems
	Air & Space Chief of Air Force	Air and Space Awareness	Air Mobility		Airborne Electronic Attack Integrated Air and Missile Defence Air Combat	Maritime Patrol and Response Base Operations Aircraft Training
	Intelligence & Cyber Deputy Secretary Strategic Policy and Intelligence	Strategic Intelligence Strategic Cyber				

Smart Buyer – Better Management Through Better Choices



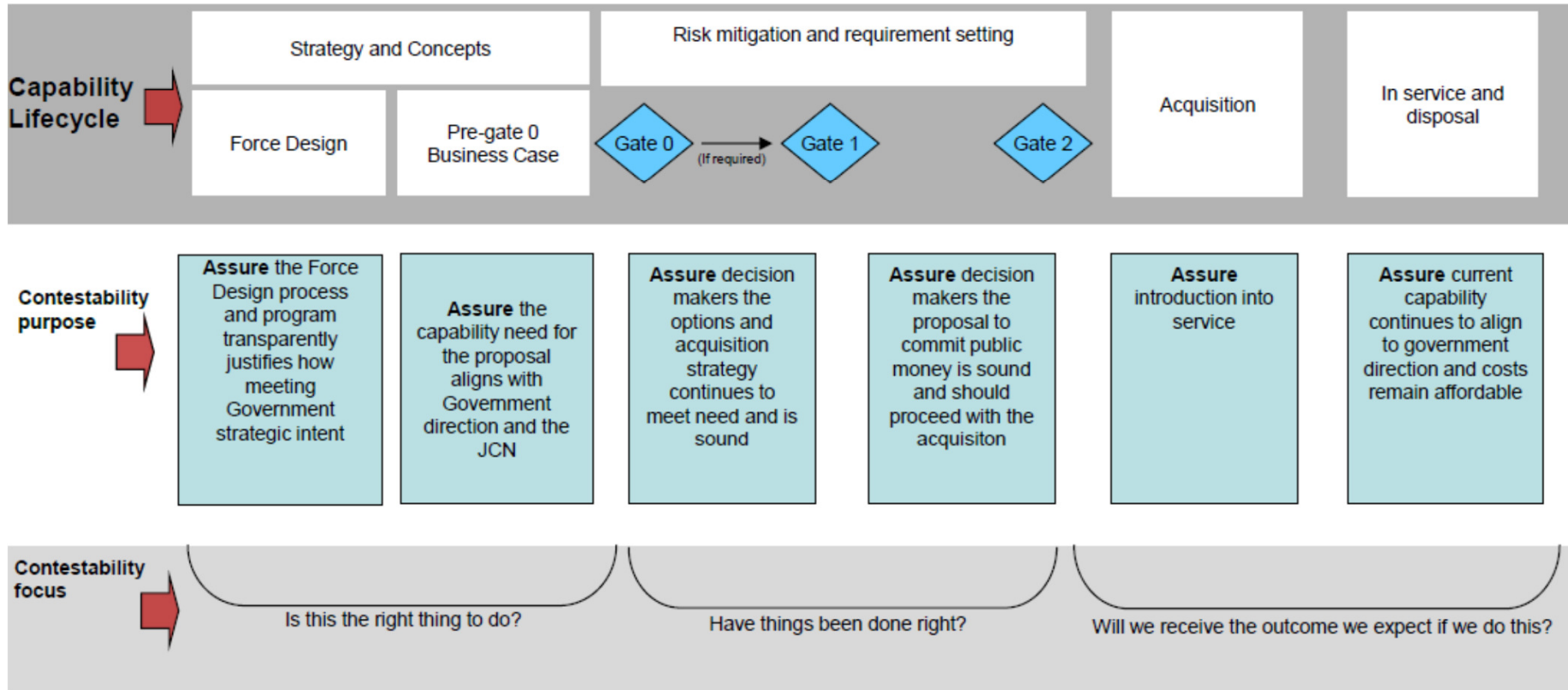
Integral to the CLC is the smart buyer decision making framework



Contestability Is Critical to Project/Program Success



Contestability weave – underpinned by open, transparent and collaborative relationships



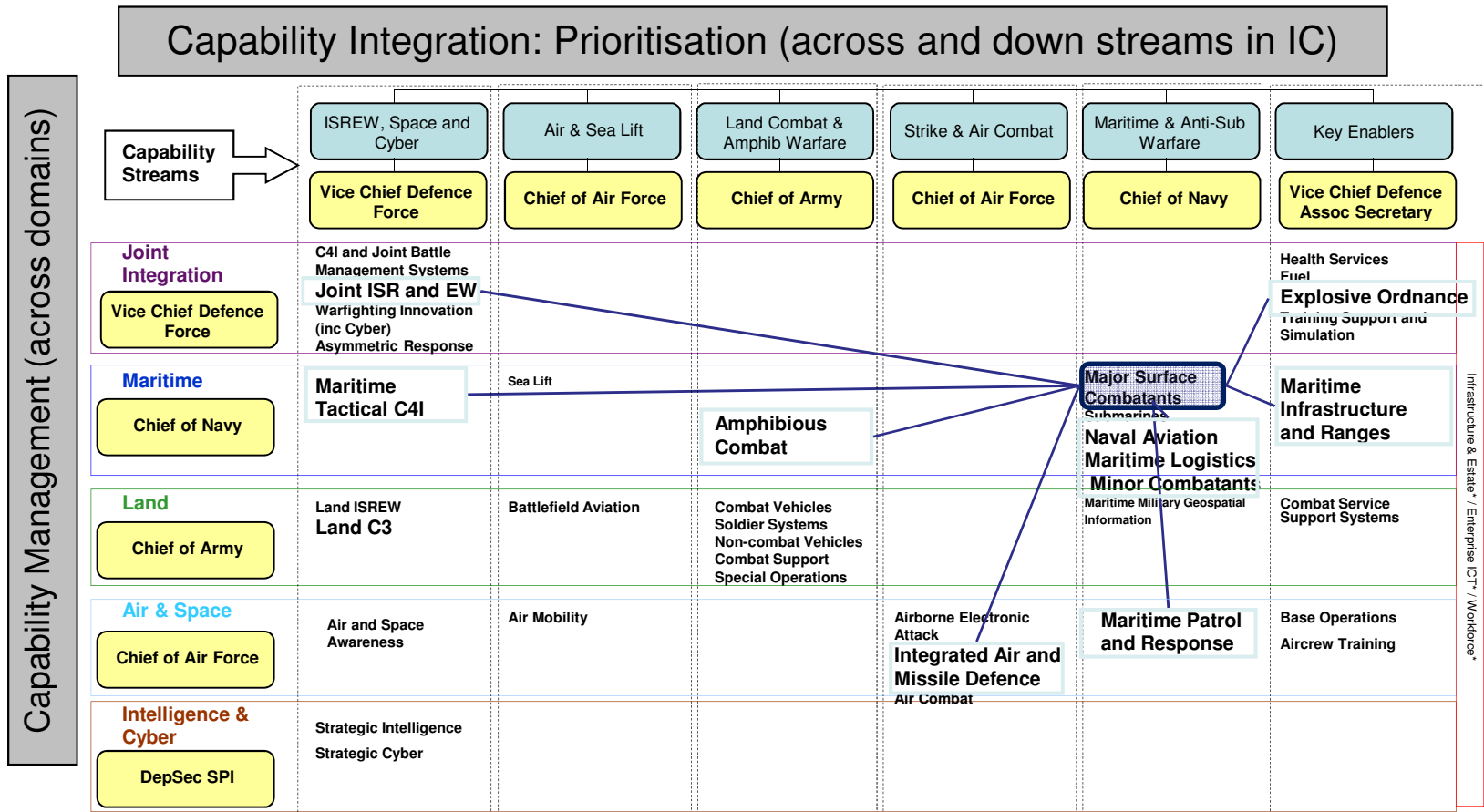
IIP – A Single Portfolio Plan



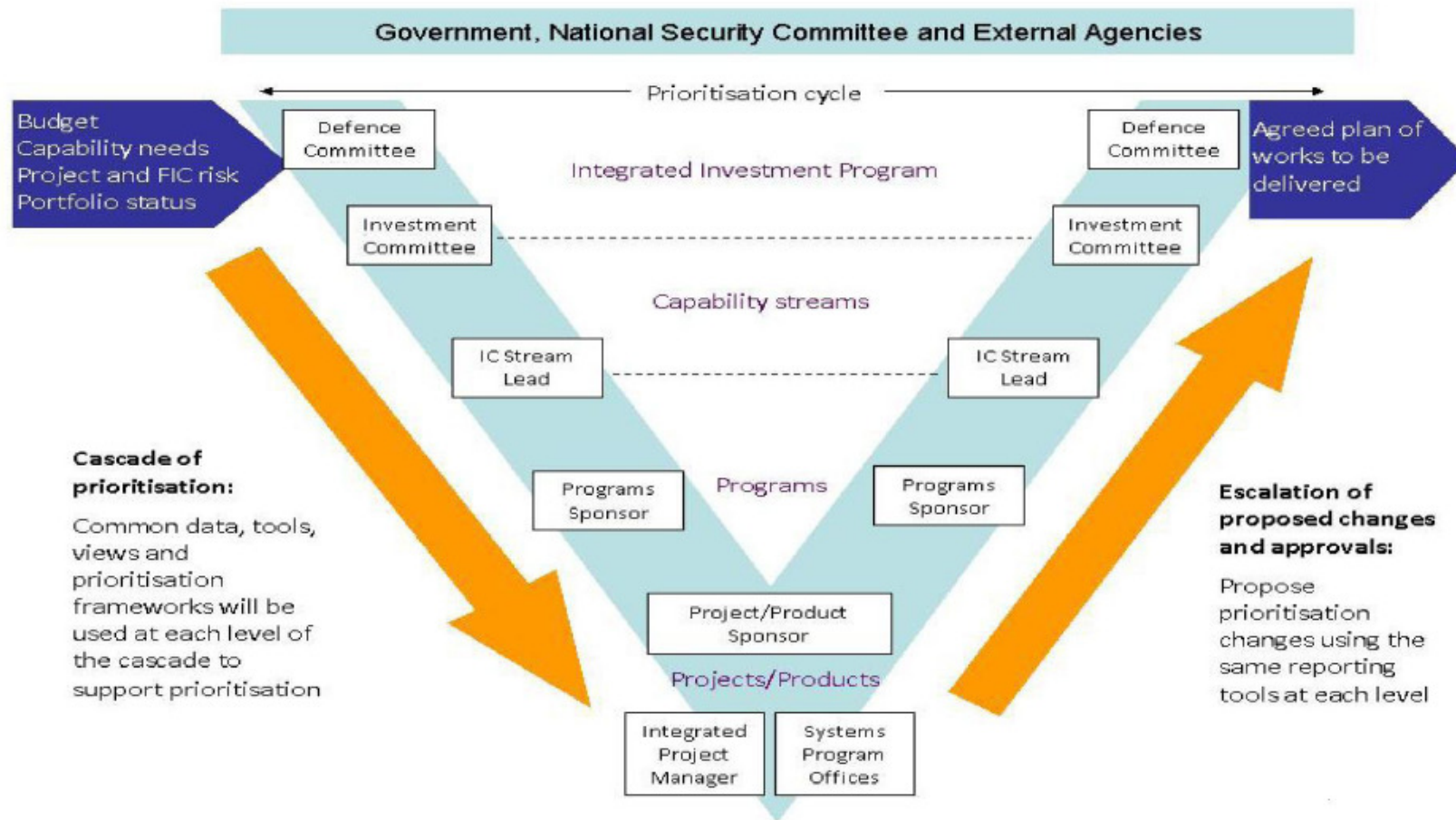
- The **Integrated Investment Program (IIP)**:
 - is a **ten year expenditure plan** covering all capital and related investments that have been approved by Government for Defence to undertake.
 - **combines** the previously separate Defence Capability Plan, ICT Investment Plan and Major Capital Facility Plan in to a **single construct managed by VCDF**.
- Is **approved by Government on an annual basis** as part of the Defence Budget, with progress and performance reported to the Defence Minister twice a year.
- Is managed through the **Investment Committee** and **Defence Committee**.



The Structure of the Investment Portfolio



Prioritisation of the Integrated Investment Program



Better Engagement with Government



- ***Standardised and cyclical updates***
 - Annual IIP approval as part of the Budget.
 - Bi-annual IIP performance updates to the Minister.
- ***Continuous engagement with Central Agencies and Minister's Office***
 - Government forward work plan (Inc. DoF, PMC+ reps at the IC).
 - Risks and issues.
 - WoG considerations.
- ***Individual project and program engagement***
 - Supported by Contestability and the Investment Portfolio Management Branch.
 - Focused on timely and transparent information.
 - Two-way engagement.
 - Program views being provided to Government vice individual projects – Submarines already started.

Portfolio Management

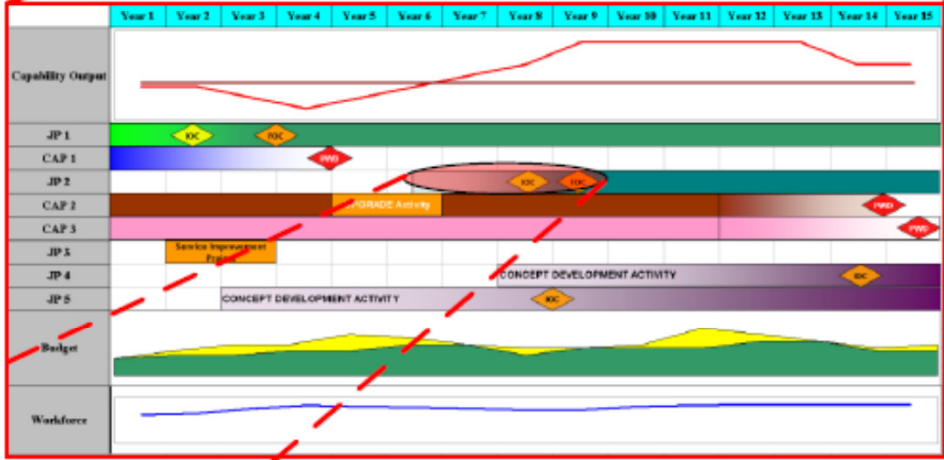
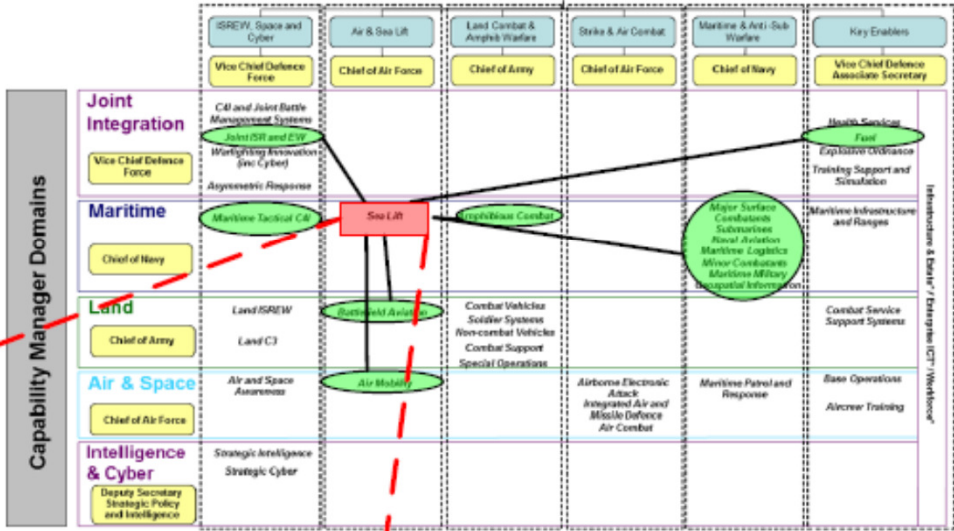


- ***Management of the Investment Portfolio***
 - IIP maintenance and updates.
 - Investment Committee throughput.
 - Government approvals throughput.
- ***Portfolio Performance Measurement***
 - Standardised CLC Tools and Systems.
 - Aggregated Portfolio and IIP reporting.
- ***Portfolio Governance***
 - CLC policy and guidance (inc. CLC Manual).
 - Agreements and Directives.
 - CLC centralised training.
- **Dedicated Investment Portfolio Management Branch – Works with the PMO!**

IIP Program Management

- Grouping of related Projects, Products, and activities that are managed in a coordinated way to optimise capability outcome within allocated resource.

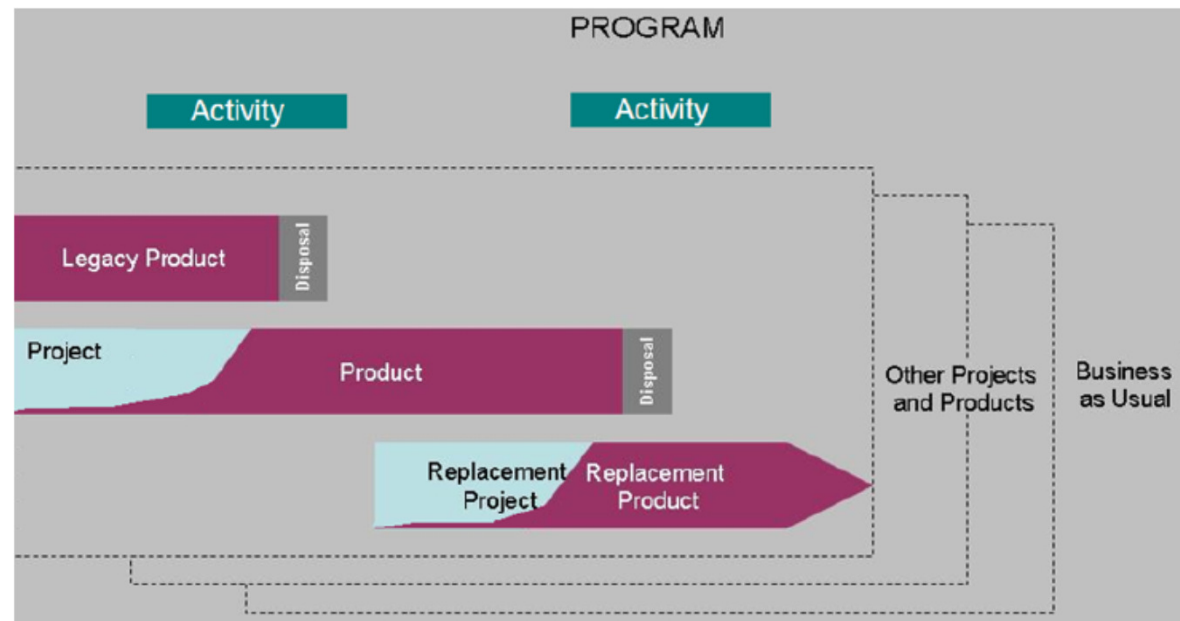
Capability Streams: Prioritisation



Program Principles



- Prioritisation.
- Benefits and Efficiencies.
- Joint and integrated approach.
- Relationships and Behaviours.
- Accountability.
- Decision Making.

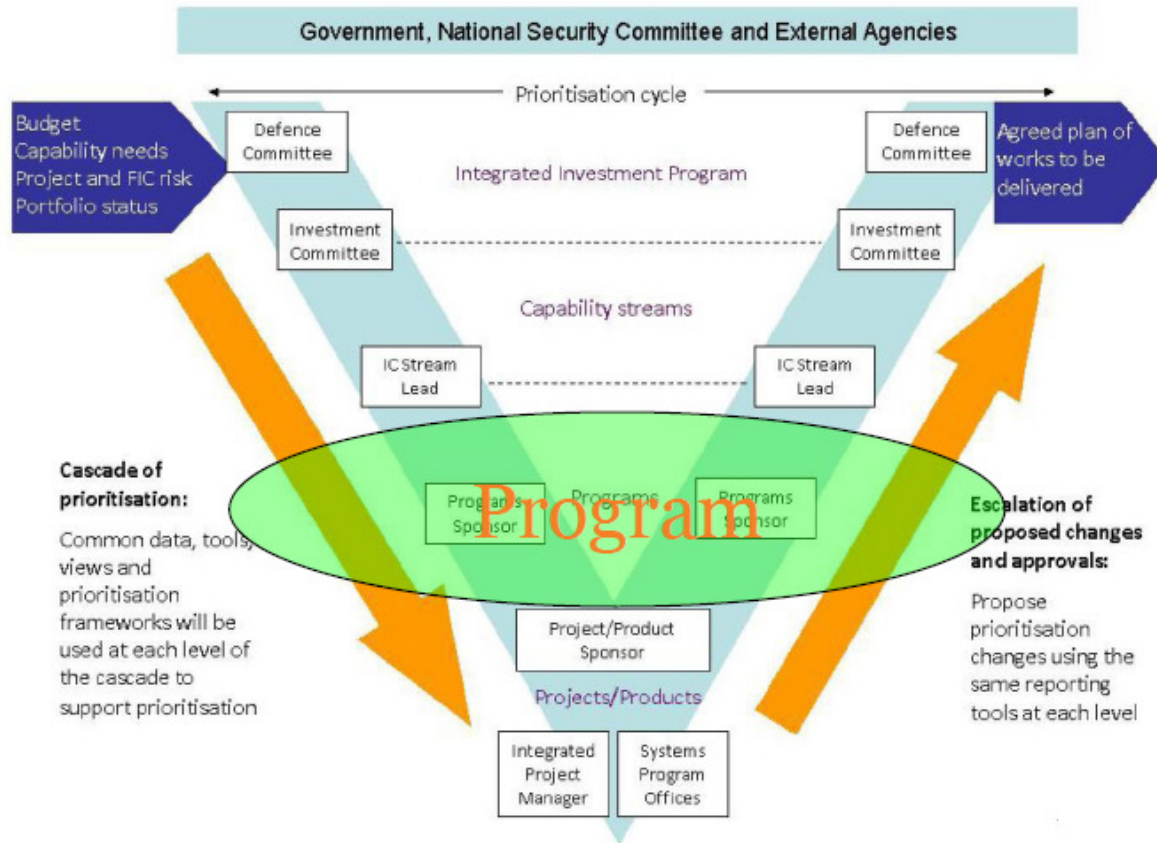


Program Approach



- Consistent across portfolio.
- Assist in Portfolio **prioritisation** (Top down).
- Realise **benefits** and **efficiencies** across groups of similar products and projects (Bottom up).

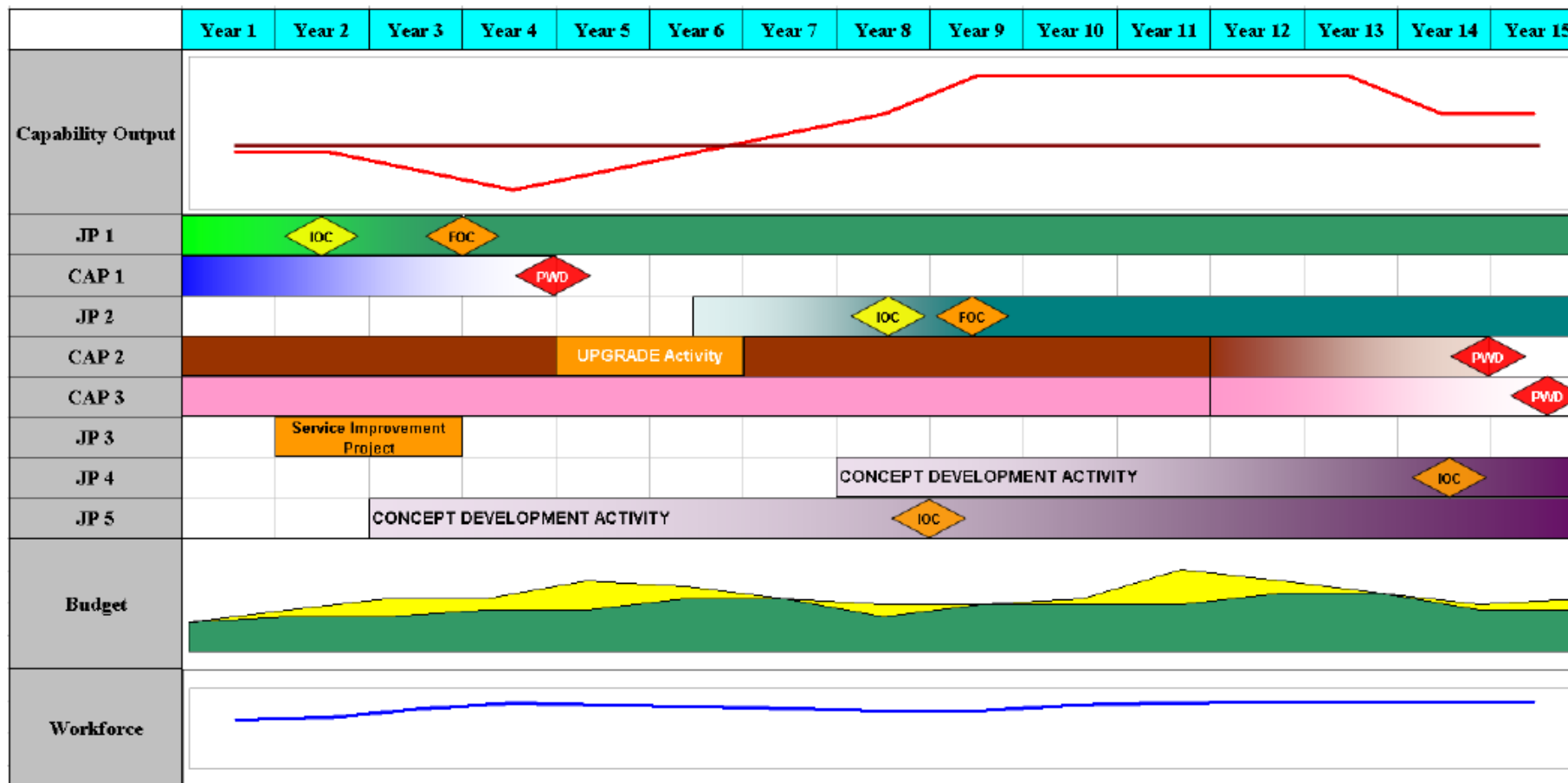
Program Prioritisation



Balance (trade-off) and prioritise:

- government direction against budget, resources & industry capacity.
- military preparedness.
- capability outcomes.

Program Benefits & Efficiencies

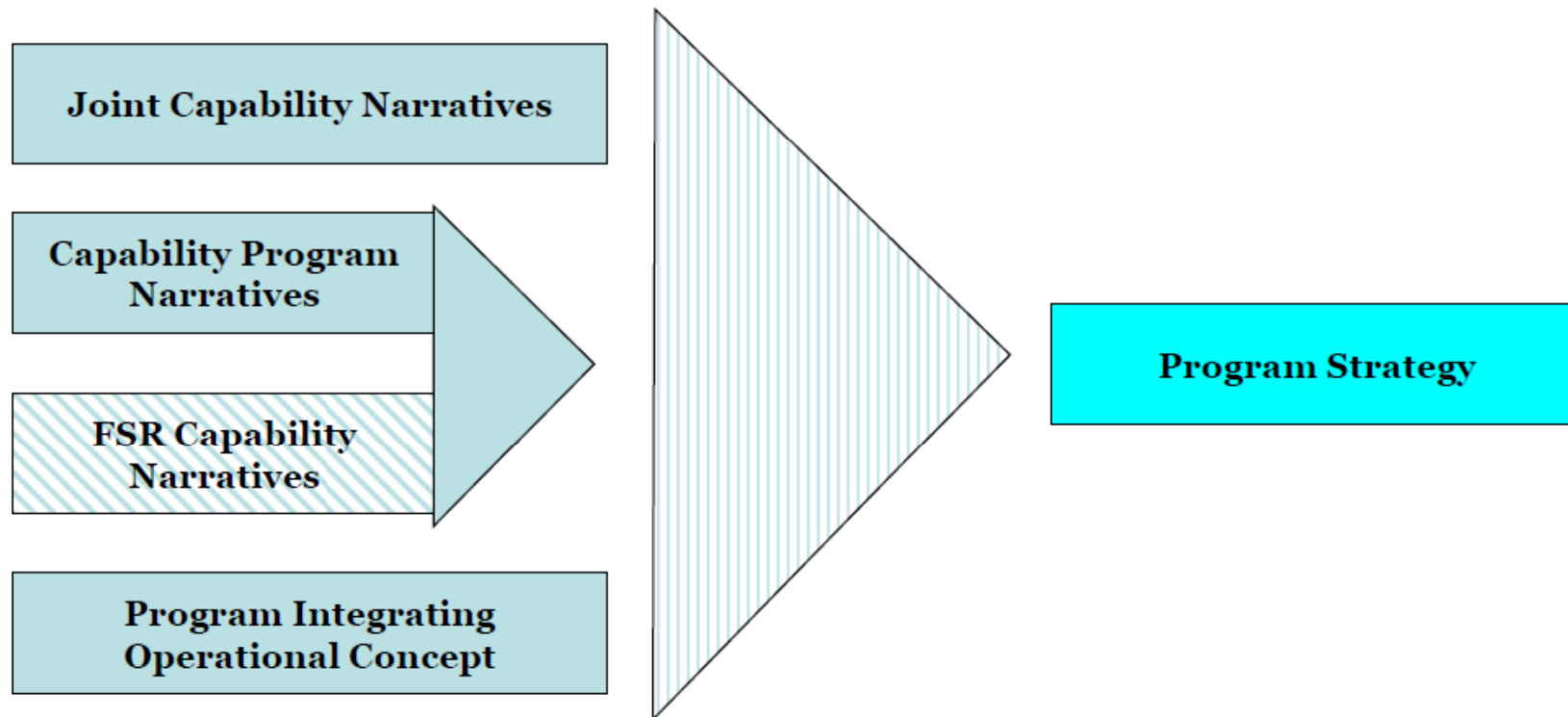


Program Strategy



What and Why

How




- Program Statement Example





*In conjunction with Key Stakeholders maximise the **through life availability, sustainability and capability effectiveness** of the Surface Combatant & Aviation Forces.*

Version 1.0 | 2017



Surface Combatants & Aviation Capability Program Strategy



SCA Branch, Capability Division, Navy Strategic Command

Long Term Plan on a Page – Available to all Stakeholders



Mission

To maximise the through life availability and capability effectiveness of the Surface Combatant and Aviation forces within the Navy.

Vision

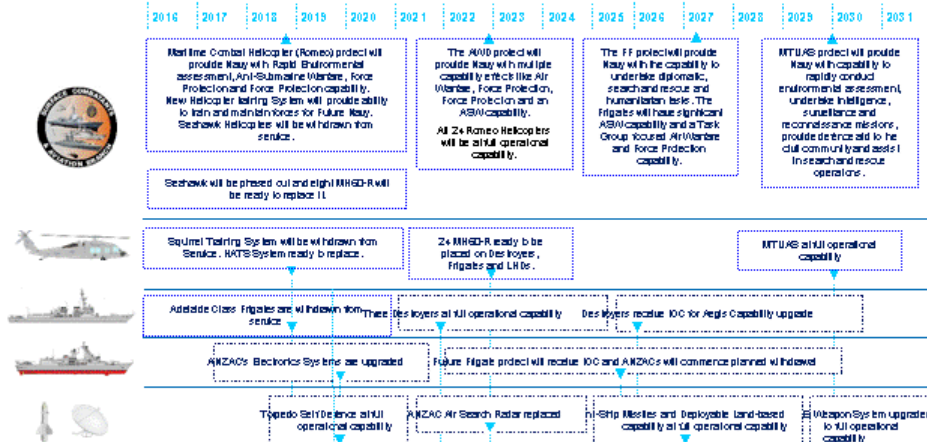
The SCA Branch will provide Navy with 'whole-of-life' sponsorship, from concept to disposal, of Surface Combatants and Aviation capabilities to maximise their availability and capability effectiveness. SCA Branch will support Chief of Navy in delivering to Government a well-defined and managed SCA Program, by building relationships and partnering with other Navy programs, the wider Defence organisation and Industry.

Benefits

- Maximise the synergy between Major Surface Combatants and Naval Aviation projects.
- Early integration and adoption of common systems across sub-programs.
- Ability to manage risks and issues across Programs to deliver optimum outcome for the Navy and Defence.

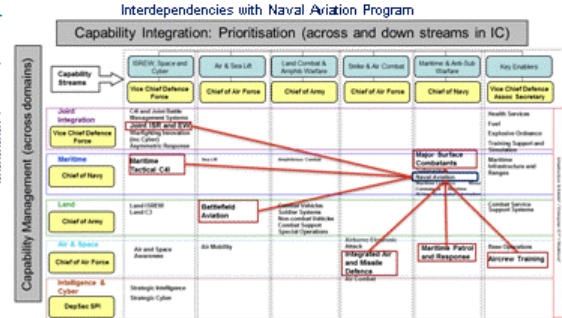
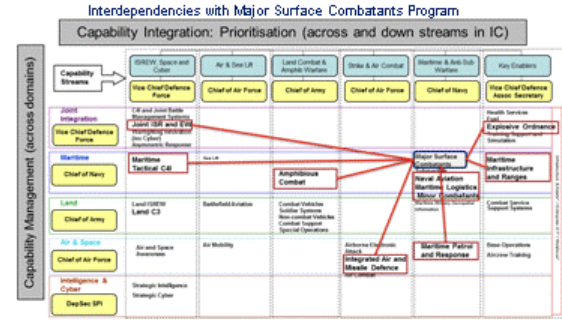
Surface Combatants and Aviation Program

Communicate. Collaborate. Cooperate.



Product/Projects	Description	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
CNS/AIR 500-8	Maritime Combat Helicopter (MCH)																
CND1	Adelaide Class Frigate																
CND2	ANZAC Class Frigate (FFH)																
CND3	S-70B-2 SEAHAWK																
CND5	Squirrel Training System																
CND8	Navy Guided Weapons																
CND/SEA 4000-3	Horizon Class Destroyer (DDG)																
CND/AV 9000-7	Helicopter Aircrew Training System (HATS)																
N241	Guided Weapons Maintenance Facilities																
N265	Future Frigate Infrastructure																
SEA 129-5	Maritime Tactical Unmanned Aerial System (MTUAS)																
SEA 132-1	Upgrade & life cycle replacement of Buoyed Sea Sparrow Missile (BESSM)																
SEA 132-1	Maritime Extended Range Air Defence: Destroyer Program - Area Air Defence Weapon																
SEA 1408-2	Torpedo Self Defence																
SEA 1408-3	Torpedo Self Defence																
SEA 1448-4A	ANZAC Class Frigate: Electronic Support System Improvement																
SEA 1448-4B	ANZAC Air Search and Radar Response																
SEA 4000-3	Air War Operational Testbed																
SEA 4000-6	AWMD Aegis Capability Upgrade: Destroyer Program - Combat System																
SEA 4000-7	DDG CAP System																
SEA 4001	Maritime Strike: Maritime Air-Sea Missiles and Deployable Land-based Capability																
SEA 5000-1	Future Frigate Program - Ballistic, Desbu & Confrontation																
SEA 5000-2	Future Frigate Program - Weapons																
SEA 5001-1	Maritime Area Air Defence Weapon Program																
SEA 5002-1	Replanning SEA 132-1																
SEA 5000-1	ARSA Development																
SEA 5001-1	ANZAC Capability																
SEA 5500-1	MH-ROR Capability Assistance Program																

D: Yes/Decide/No/In the Operational Capability/Continuity Sustainment/Finite Operational Capability/Finite Sustainment/Unsure/Phase Withdrawal Date



Risks and Issues

- Lack of financial resources:** Destroyer Directorate has identified a lack of 1.3 billion dollars over 30 years in their project. Further analysis is needed to identify if the due to a cost forecasting error or if budget is allocated elsewhere.
- Interface between organisations:** As the SCA Branch is newly formed, there is a lack of integration with other Defence organisation groups. The lack of integration poses a risk to project execution and can cause re-work to occur in later stages in the CLC. The lack of integration/communication between organisations can lead to negative impact on the program. Various organisations (e.g. CASO, CIOG and others) need guidance on how the new interface is going to function.
- Lack of communication:** As the SCA Branch is newly formed, team members are yet to establish open communication and information sharing practices. Stakeholders outside of the SCA Branch is looking for information from the Branch to align their activities with it. If there is lack of communication with SCA Branch or outside, there is risk of information not being shared and checked for validity.
- Inability to execute the developed strategy:** SCA Branch is going through significant amount of its change and is establishing a new BAU rhythm. They are currently focused on executing projects using CLC methodology. The program strategy introduces further change and SCA Branch is at a risk of not executing the strategy using a good action plan.
- Accountability: succession plans are not in place:** SCA Branch members have not developed any succession plans. So, there is currently no personnel plan / accountability success plan on the projects (entry, duration, exit dates). There is a possibility of losing personnel before key milestones on the projects. New personnel taking up the project may be faced to complete an extremely challenging task and could be set up to fail.

Key Behaviours: Relationships, Accountability & Decision Making



Accountability Model Project Delivery

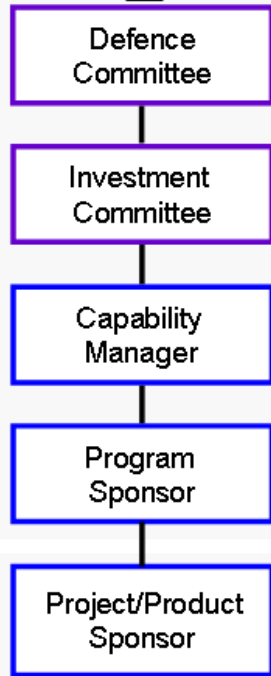
Accountability

- Variation to approved budget, scope and schedule
- Requirements and Scope setting
- Decide project pathway and risk tolerance
- Resolving prioritisation conflicts between projects

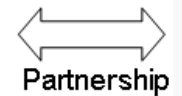
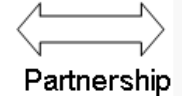
Integrated Project Team

Example team members

Government

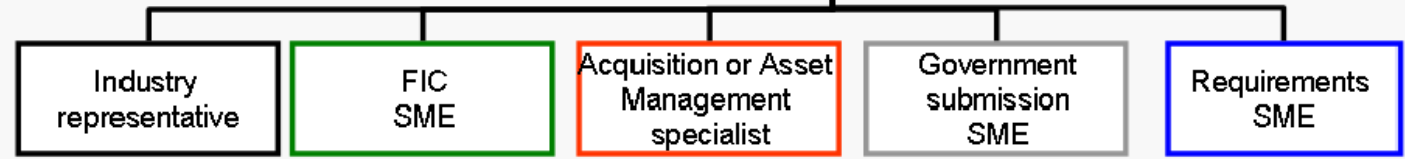
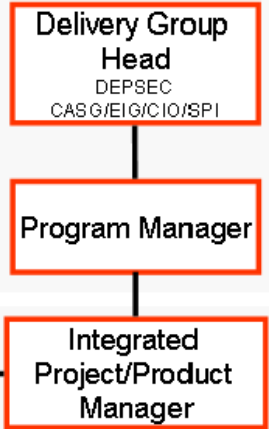


Contestability



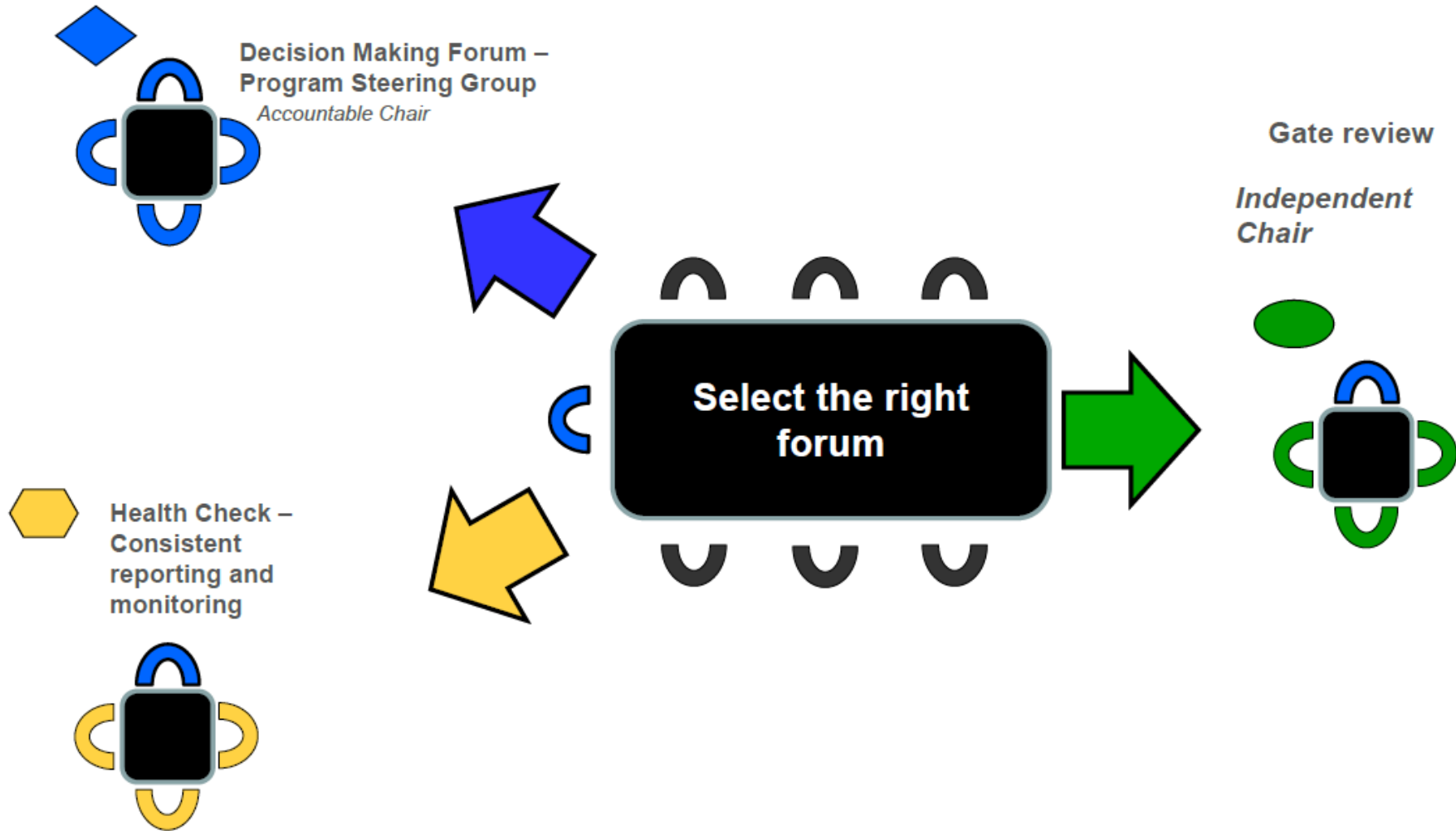
Accountability

- Delivery to agreed Scope, budget and schedule
- Internal progress reporting
- Allocate project manager and project resource

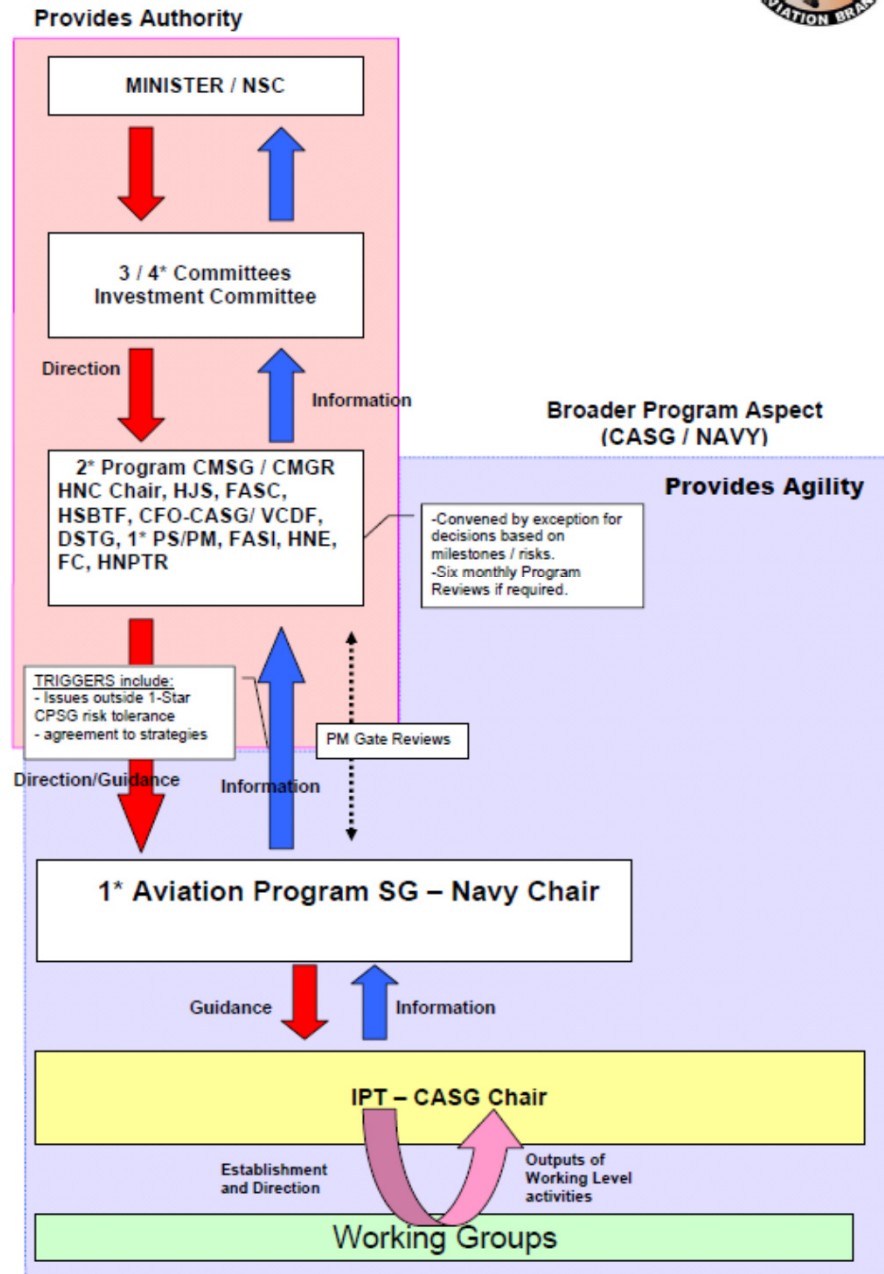


 Joint Team
 Sponsor
 Enablers
 Delivery Group
 Strategy Policy Intelligence
 FIC Fundamental Input to Capability
 SME Subject Matter Expert

Program Governance



AVIATION CAPABILITY PROGRAM GOVERNANCE STRUCTURE



In Summary



- ***Key Messages***

- Better definition of accountability between Program Sponsor and Manager.
- Better investment prioritisation.
- Improved decision making and risk management.
- Realised Efficiencies – Program approach to Government vice multiple projects.
- Still on the journey

- ***What's Different?***

- Collaborative Partnerships between Sponsor and Delivery Groups.
- Contestability is key to Government Assurance within Projects/Programs.
- More open comms with Industry.
- Capability Streams.

- ***What's Better?***

- Coherent Investment results across One Defence.
- Ability for Chiefs to manage the capability life cycle (funds).
- Delivering capability to our war-fighters.