

## Defence Portfolio

# INQUIRY QUESTION

(Question No. 4)

Senator the Hon Linda Reynolds asked the Department of Defence the following question, upon notice, on 20 November 2023:

*[Are you the accountable official? If something goes through tomorrow to the secretary and the CDF and then to the minister that hasn't gone through the proper assurance process, who is actually accountable for that happening? The capability manager is accountable. The person whose signature is on the advice to the minister is the officer accountable for ensuring the advice is fulsome and correct. I'm administering the process—] Mr Yannopoulos...perhaps you can take on notice, once you've turned your mind to it, the issue of accountability framework and some sort of measure of success and how you would actually measure and report and hold the right people accountable. Could you take that on notice?*

The Department of Defence has provided the following answer to Senator Reynolds' question:

1. Through the delivery of Defence's Transformation Strategy, Defence undertook significant work to evolve and improve the department's accountability framework.
2. Defence has, historically, encountered specific challenges to defining accountability, including:
  - a. A lack of clarity around accountabilities, especially shared accountabilities;
  - b. A lack of single points of accountability for strategic outcomes;
  - c. Accountabilities not being explicitly linked to planning or performance; and
  - d. An immature 'accountability culture' within Defence.
3. In November 2021, in response to the *Defence Transformation Strategy Initiative 1.2, Evolve the Defence Accountability Framework*, a baseline review was completed, identifying the following factors that contributed to these challenges:
  - a. The scale and complexity of the Defence organisation;
  - b. The wide range of documents across Defence which create, assign and identify accountabilities;
  - c. Ambiguity in decision-making thresholds across the organisation; and
  - d. The fact that the interpretation of 'accountability' differs across the organisation depending on a person's role and experience.

4. The measures taken to address the challenges resulted in the December 2022 *Strategic Accountabilities Table – Groups Heads and Service Chiefs*, clarifying accountabilities to officers at the highest levels in Defence, and the July 2023 *Instrument of Appointment*. The specific actions undertaken to support the development of the Table and Instrument were:
  - a. Creation of a single document identifying the strategic accountabilities of Defence’s senior leaders;
  - b. Removal of ‘shared accountabilities’;
  - c. Incorporation of accountability in enterprise planning and performance, and an emphasis on ‘accountability culture’ in Defence culture initiatives; and
  - d. The development of the ‘*How One Defence Works*’ document which provides a cohesive, strategic narrative of how the organisation works toward a shared purpose and describes the integration points for the organisation’s enablers.
  
5. There are also several assessment mechanisms to monitor the effectiveness of these measures, including:
  - a. The Senior Leadership performance framework, providing a focus on achieving an accountable, capable and unified workforce with a strong performance culture at its core;
  - b. Enterprise Performance Frameworks, by which Accountable Officers report on progress against the measures and targets published in the Defence Corporate Plan; and
  - c. The Enterprise Committees Framework which ensures transparency and alignment of accountabilities in decision making to deliver against Defence’s priorities.

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# INQUIRY QUESTION

(Question No. 7)

Senator the Hon Linda Reynolds asked the Department of Defence the following question, upon notice, on 20 November 2023:

*[But in terms of being more transparent with the minister of the day, and also with the parliament, and this might lead into our next discussion on the major projects review because we all think there are a lot of changes that could be made to 'mutual benefit', clearly variations have to occur, but should there be a more standardised approach to it ... need to go to ministers and say, 'Look, there is a proposed scope change,'... It's a matter of how you define it: is it a cost and schedule impact or is it a design hours impact, and of course that also flows into cost.*

*It does, but providing that literacy to ministers and ministerial staff and then making that more apparent could take bit of pain away from Defence as well, because it's much clearer as to why there are costs variations...work is underway in the department around how we better make visible scope change, but also the level of sign-off for the approval]. Can you perhaps take that on notice and provide us with a precis of what you're thinking about what the process will be to deliver that?*

The Department of Defence has provided the following answer to Senator Reynolds' question:

Defence is committed to providing the appropriate level of information and transparency to the public and industry while preserving Defence's commercial position and safeguarding national security.

Defence has governance structures and processes in place to manage contract risks. These ensure that changes to schedule, cost and the scope of contracted work, aligned to sound project management principles, are in place. This includes regular reports to Government on a substantial number of projects across the Defence enterprise.

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# INQUIRY QUESTION

(Question No. 8)

Mr Julian Hill MP asked the Department of Defence the following question, upon notice, on 20 November 2023:

CHAIR: I've just been reflecting on that last acknowledgement, Secretary, that you wouldn't have characterised this as a mature design, which was a key tender criterion. Is that something which you've gone back and examined, why this was categorised as a mature design when it clearly wasn't mature?

Mr Moriarty: Yes.

CHAIR: When there was no ship?

Ms Rush: That has been considered internally, yes.

CHAIR: And what was the conclusion of that consideration?

Ms Rush: I'll have to take that particular question on notice. It was really detailed in part of the review we've undertaken.

The Department of Defence has provided the following answer to Mr Hill's question:

Throughout the course of the procurement assessments were made by experts within Defence and recognised international experts. One principle against which the designs were considered was whether the design was a mature design. Based on advice from the United Kingdom at the time, and the fact that the Type 26 was derived from the Type 23 vessel, the Type 26 design was assessed as meeting that criteria.