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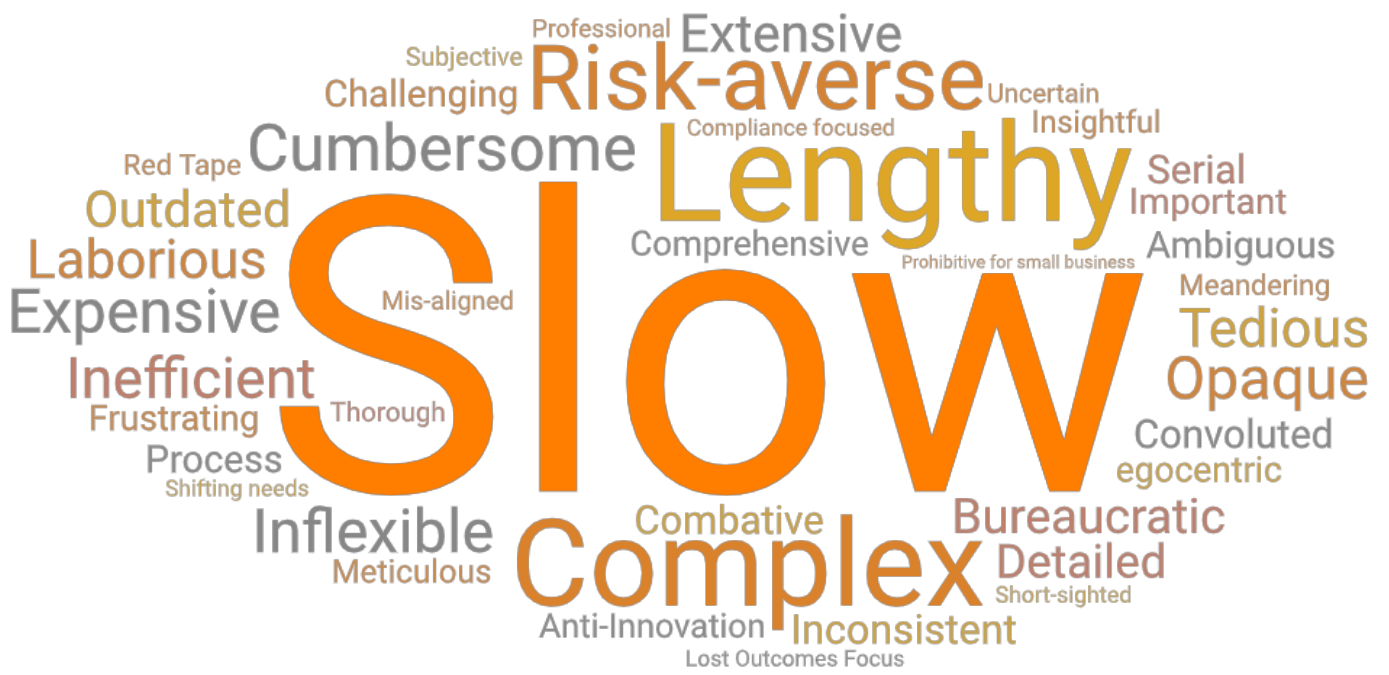
Paper

Need for Speed

A study in Accelerated Defence Capability Acquisition.

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NEED FOR SPEED

A STUDY IN ACCELERATED DEFENCE
CAPABILITY ACQUISITION





Defence Industry Leadership Program

**Prepared for the Defence Teaming Centre in support of the
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Disclaimer

The contents of this research report are the opinions and conclusions of the authors and do not necessarily represent the views of the author's organisations, the contributors, the contributors' organisations, the Defence Industry Leadership Program (DILP) or the Defence Teaming Centre (DTC).

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The way Defence engages industry, the structure, processes, approvals; all take time.

Is there a way to facilitate getting Capability into the hands of the warfighter more rapidly?

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2 Executive Summary

The procurement methods and systems to deliver capability and delivery of technology to the war fighter is currently not fit for purpose.

Australia is facing the worst geopolitical environment in our region since the Second World War and is potentially outgunned, outnumbered, and under prepared for a likely conflict in our time. This report investigates strategies for increasing the speed of capability delivery and acceleration of technology into the hands of the warfighter, which will increase the effectiveness, resilience, and responsiveness of our war fighters, as they prepare to respond to Australia's strategic threats.

Engagement with over 40 respondents from Defence and Defence industry was used to generate insights into the procurement system and seek input on ways to accelerate capability delivery.

This report has found several specific delay drivers are creating delays and frustrations within Defence industry and impacting the way national security is assured. Delay drivers are associated with the approach to market, capability definition, project execution (including documentation), Australian Industry Capability (AIC) and resourcing and supply chains.

Key findings highlight the need for a culture shift within the Department of Defence and organisational transformation to provide greater empowerment and autonomy, reduce risk aversion and improve collaboration with industry more broadly.

The research underpinning this report includes assessments of Australia's AUKUS allies and partners who were found to be facing similar problems and have been conducting reviews, making recommendations and taking action.

The recommendations contained within this report implore Australia's Department of Defence to act and implement the following:

1. Increase the speed of definition of the capability requirement and decision making more generally.
2. Tailor the RFX documentation and process by which capability is procured; and
3. Increase industry engagement and leverage market solutions rather than requesting bespoke equipment or solutions.

There is a need for speed, and the time to act is now.

3 Status Quo – Problem Statement

Australia is facing the worst geopolitical environment in our region since the Second World War (Bassi, J, 2023); outgunned, outnumbered, and under-prepared for a likely conflict in our time. Increasing the speed of Defence procurement and capability delivery, will increase the effectiveness, resilience, and responsiveness of Australia’s warfighters - as they prepare to respond to Australia’s strategic threats. The current status quo of glacial Defence procurement is no longer fit for purpose.

As has been emphasised formally through the 2023 Defence Strategic Review (DSR) (Department of Defence, 2023) and even back in the 2020 Strategic Update (Department of Defence, 2020), Australia finds itself staring down the barrel of Great Power competition without the luxury of a decade-long strategic warning time for potential conflict. Political tensions within the region and abroad continue to increase, international relationships and alliances are being tested, and the Australian Defence force is undergoing what could be called a generational shift in focus and preparedness (ABC, 2023).

Unfortunately, as stated in the Australian National Audit Office (ANAO) Major Project Report (ANAO, 2022), an annual review of the Department of Defence’s major Defence equipment acquisitions over the past four years, the current state of Defence procurement and capability in Australia is an increasing trend of delay to delivery, and a decrease of confidence in meeting delivery objectives as outlined in Table 1 below.

Table 1 Summary longitudinal analysis 2019-20 to 2021-22 (ANAO, 2022)

	2019–20 MPR	2020–21 MPR	2021–22 MPR
Number of Projects	25	21	21
Total Approved Budget at 30 June	\$78.7 bn	\$58.0 bn	\$59.0 bn
Total Approved Budget at final Second Pass Approval	\$68.9 bn	\$54.2 bn	\$56.8 bn
Total Expenditure Against Total Approved Budget	\$38.9 bn (49.4%)	\$28.1 bn (48.4%)	\$34.6 bn (58.7%)
Total In-year Expenditure Against In-year Budget	\$5.7 bn (92.5%)	\$6.1 bn (98.4%)	\$5.7 bn (96.2%)
Total Budget Variation since initial Second Pass Approval ²	\$24.2 bn (30.7%)	\$18.3 bn (31.5%)	\$17.5 bn (29.7%)
Total Budget Variation since final Second Pass Approval ³	\$9.8 bn (12.5%)	\$3.8 bn (6.7%)	\$2.2 bn (3.9%)
In-year Approved Budget Variation	\$0.1 bn (0.1%)	-\$1.0 bn (-1.7%)	-\$0.7 bn (-1.2%)
Total Schedule Slippage ⁴	507 months (21%)	405 months (22%)	● ⁵
Average Schedule Slippage across Projects	22 months	23 months	● ⁵
In-year Schedule Slippage	68 months (3%)	73 months (4%)	● ⁵
Total Reported Risks and Issues ^{6, 7}	142	119	114
Expected Capability/scope (Defence Reporting) ^{8, 9}			
• High level of confidence of delivery (Green)	98%	97%	87%
• Under threat, considered manageable (Amber)	2%	2%	10%
• Unlikely to be met or removed from scope (Red)	0% ¹⁰	1%	3%
• Added to scope (Blue)	– ¹¹	– ¹¹	0 ¹²

Based on ANAO’s independent review, utilising the Department of Defence’s own data, the longitudinal analysis in Table 1 articulates 23 months of average schedule slippage across all major projects, with 73 months of collective schedule slip incurred in the 2020-21 period, alone. Furthermore, there are significant decreases in confidence to meet Final Operational Capability (FOC) scope obligations, with 3% of expected capability/scope from all major projects being recognised as “unlikely to be met”.

The findings of the DSR and ANAO Major Project Reports are supported by a similar perception from within Industry. As part of this research, a survey was conducted with more than 30 respondents across the Defence Industry. This survey found that over 70% of respondents, predominantly across Defence Primes and Small/Medium Enterprises (SMEs) believed that Australia cannot deliver capability in the necessary timeframes to meet the evolving geopolitical threat (Figure 1).

Delays to procurement and delivery are not constrained to the “in-execution” or delivery phase of Defence acquisition programs. The Department’s First Principles review of 2014 (Department of Defence, 2014) articulated a 46-month average timeframe for Government first to second pass approvals. This was complemented with the ANAO Major Project Report of 2020/21 that also highlighted a 23% increase to schedule after Government second pass approval (ANAO, 2022). Based on the aforementioned, both pre-contract and in-execution phases of acquisition are contributing to delay of procurement and capability delivery for the warfighter.

Adversaries are developing warfighting capability at an increasing rate and maturity (Department of Defense (US), 2023), and should Australia be involved in major conflict, there is a risk of being in a position where Australia’s warfighters are inefficient, ineffective, and outmatched. Should the glacial acquisition of ever more complex, and strategically important capabilities continue, it will reinforce Australia and its national interests, as a “soft target” (ABC, 2020) with limited deterrence, and limited capabilities to project sovereign power and control into the region. Acceleration of Defence capability acquisition and delivery to the warfighter has never been more important. [OBJ]

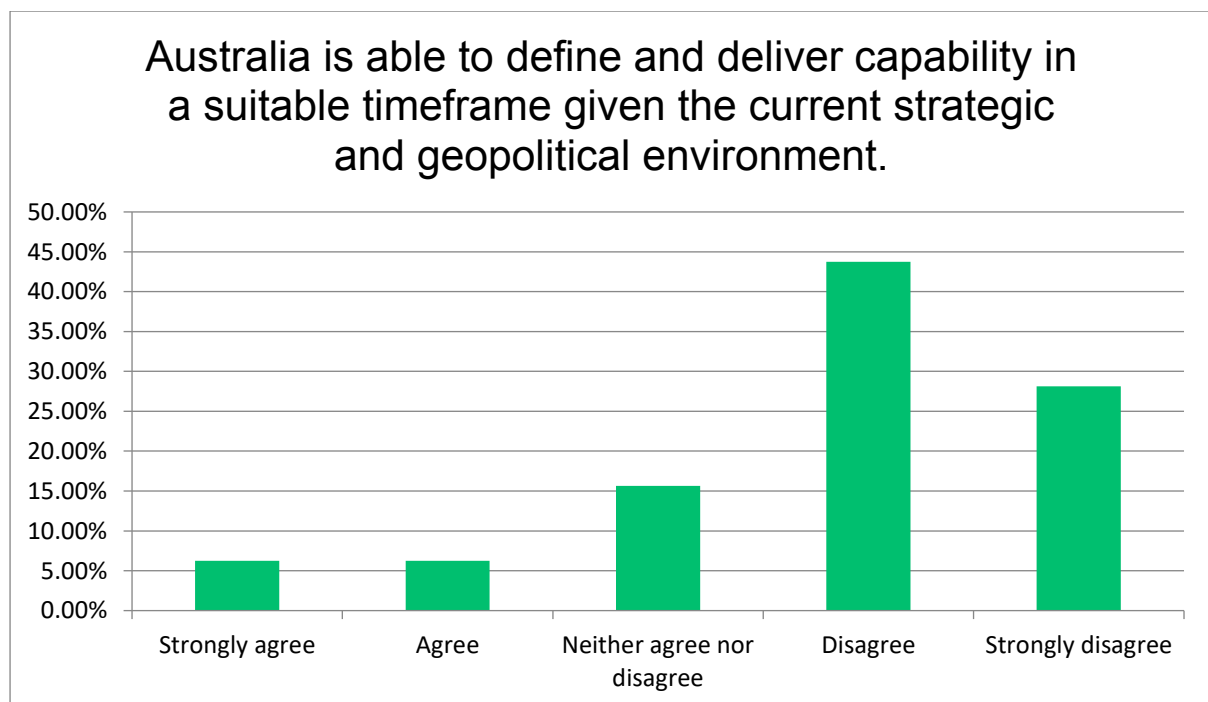


Figure 1 Over 70% of survey respondents do not believe Australia can meet the speed of the threat

4 Scope and Research Methodology

Questions and statements which prompt discussion around the speed to capability delivery are ones that are often well asked, but not well answered. The difficulty in approaching a question like this is due to the many different possible solutions (and combinations thereof) which may exist. As such, it can be inherently overwhelming to ensure that all are meaningfully considered.

To navigate this challenge, a phased approach to research was developed and utilised. This approach was also established to help consolidate research and findings into meaningful recommendations as outputs from this Research Paper.

By way of summary, the approach to Research was broken down into three discrete phases, visualised in Figure 2. A detailed account of each Phase is discussed further below. Overall, this approach to research enabled preparation of some specific recommendations, but it is acknowledged that these are limited in scope by the specific areas of focus. As such, it should not be considered an exhaustive list and that there are many opportunities to conduct more detailed research into other discrete aspects of the speed to capability discussion.

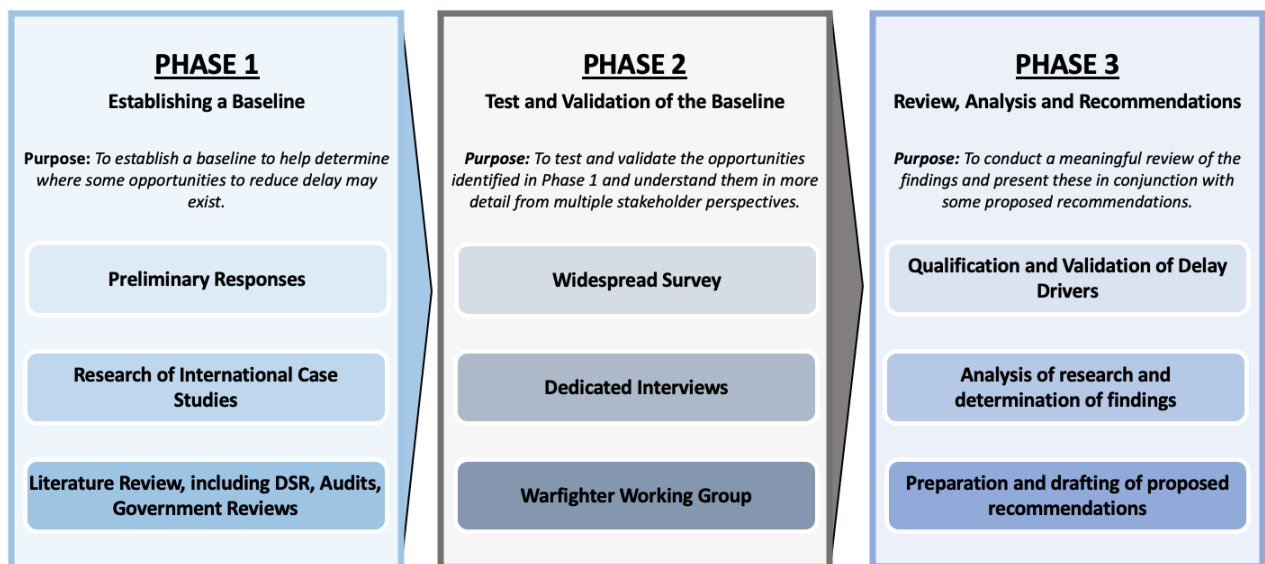


Figure 2 Phased approach to Research

4.1 Phase 1: Establishing a Baseline

The purpose of the first phase was to establish a baseline that would enable identification of where potential opportunities to reduce delay may exist. Broadly, this was done by:

- Sourcing preliminary responses from senior leaders and directors of Industry Primes;
- Reviewing a series of international case studies; and
- Conducting a literature review of publicly available, historic Government reports/reviews and the associated recommendations.

The aggregation of this information created a more informed posture leading into Phase 2 and enabled development of more discrete and targeted research.

Preliminary Responses: The research question was put forward to 23 senior leaders and directors of Industry Prime organisations. The result of this activity generated an

understanding of the general themes and areas that appeared to be creating delay from the perspective of Industry. These responses highlighted that there could be opportunities to improve the speed to capability both in the environment leading to contract signature and during delivery itself. The following list is representative of the perceived points of delay from these responses:

- Unclear and/or ambiguous requirements being sought;
- The amount and/or type of requirements is generally excessive compared to what is required to field the capability;
- Defence Approach to Market documentation and Industry Responses;
- Timeframes associated with Defence review of bid/response documentation;
- Unclear priorities/importance of Australian Industry Capability;
- Timelines associated with decision making within Defence;
- Defence and Industry appetite for Risk and an ingrained culture averse to risk taking;
- Not appropriately selecting and tailoring the most suitable ASDEFCON template for each context;
- Contract Data Requirements List (CDRL) deliverables required throughout the program;
- Systems Integration;
- Misalignment between Industry, Capability Acquisition and Sustainment Group (CASG) and the End-User; and,
- Production timelines.

International Case Studies: It was considered important for the completeness of research to not only understand the position within Australia; but to understand whether this challenge is unique to Australia; and if not, how other nations such as Australia's AUKUS partners have proposed to address this topic.

Literature Review: A literature review was conducted, which consisted of a review of publicly available historic Government reports/reviews and the associated recommendations. This contributed to the research baseline by indicating those themes/areas in which a level of detailed review/research had already been conducted; and also those recommendations which have already been proposed within Defence and Industry.

4.2 Phase 2: Test and Validation of the Baseline

The purpose of this phase was to test and validate (or otherwise) the opportunities that were identified in Phase 1 and to understand these in more detail from multiple stakeholder perspectives. This was achieved through:

- Developing and issuing a survey to representatives from both Defence and Industry;
- Conducting seven dedicated interviews with prominent individuals from Defence and Industry, with a mixture of backgrounds in Defence, Industry, Government, Active and public service; and
- Facilitating a 'Warfighter' Working Group with current representatives of Army.

Survey: A survey was prepared and circulated among representatives of Industry bodies, Primes, SMEs, Government, Defence acquisition and serving personnel. In total, 32

responses were received. The survey had a range of questions asking for impressions of current Defence positioning and acquisition process, exploring specific potential issues, and asking for details of relevant experiences. The lower-level questions were based on the themes extracted in Phase 1. Results from the survey are presented as an Annex to this paper (Section 11).

Dedicated Interviews: A series of dedicated interviews were conducted. These provided an opportunity for prominent representatives from both Defence and Industry to validate and/or challenge the findings from Phase 1; and to share additional thoughts on the topic from their perspective. An overview of each interviewee and a summary of the key discussion points shared are provided below, noting that interviewee responses have been incorporated into the data collected and recommendations:

- Business Unit Director – Prime
 - Key driver was the lack of tailoring of both process (approach to market and in-execution) and documentation from the Commonwealth for delay to capability delivery to the war fighter.
- Future Business & Strategy Director – Medium Enterprise
 - Key driver was tailoring of process/documentation and requirement definition, including the lack of roadmaps for specific capabilities at a higher level than offered in the Defence Integrated Investment Plans (IIPs).
- Director of International Business – Prime (US)
 - Spoke to the US process and the Adaptive Acquisition Framework (AAF), provided examples of the benefits of war fighter involvement in Cross Functional Teams (CFTs) and the use of Agile methodologies to that drive involvement.
- Owner – SME Manufacturing Business
 - Key driver was slow decision making, cancellation of contracts and lack of roadmap to promote investment and preparedness.
- Project Director – UK Ministry of Defence
 - Project Director responsible for delivering large scale infrastructure projects to support submarine capability. Noted delays were associated with slow decision making and lack of depth in Defence team capability.
- RAAF Veteran - Consultant
 - Key driver was the need to increase financial transparency and collaboration (trust) between Industry and Defence. Recommendation to study the Black Hawk case demonstrating that when it is urgent, it does happen.
- Defence Lead - SME Manufacturing Business
 - Key driver was the delays on major projects coupled with continual changes in scope and requirement threatening the immediate continuity of capability and the ongoing development of capability for the future.

Warfighter Working Group: While the research thoroughly considers a variety of stakeholders from both Defence and Industry, it is arguably of the most importance that it considers the views of the warfighter. To do this, a working group was held which was generously supported by six representatives of Army, the ranking of these being:

- COL
- LTCOL
- MAJ (x2)
- CAPT
- WO2

This forum raised many different discussion points and shared personal views and observations on each. For the purposes of this research paper, these have been summarised below:

- **The Influence of an Operational Imperative and Public Outcry:** It seems that the fastest delivery of capability is seen at the battlefield after an urgent operational imperative, or when there is a public outcry; for example, when lives are in danger and/or there has been a death of a warfighter. However, while the delivery of capability is accelerated in these cases, it inherently creates a risk to the warfighter. In addition to the danger exposure that brings about the urgency, there are additional risks incurred from the subsequent acceleration. Compromises within the technical processes (including certification) and quality processes may be made, which create unknown dangers during operation. This needs to be considered against the operational risk of not having the capability at all. While the appetite for these types of risk is higher during times of crisis, these should not be the areas first looked to in non-tactical acquisitions to accelerate the delivery of capability.
- **Sunk-Cost Decision Making:** It has generally been observed that decision makers within Defence are frequently challenged by the sunk-cost fallacy. This being, that decision makers are generally reluctant to abandon a strategy or course of action because they have invested heavily in it, even when it is clear that abandonment would be more beneficial. It could be argued that this is a contrast to the decision making process of Special Operations Command (SOCOMD), which effectively teaches their decision makers to make quick decisions in the best interest of the future. An observation was made that perhaps there is a real opportunity to introduce this type of decision making training to capability officers to avoid instances where ongoing decisions are made purely to defend a previous plan or strategy which is no longer representative of the best course of action. This would also require a culture shift to support these behaviours.
- **An 'Over-Engineering' Culture:** It has been observed that there appears to be a culture of 'over-engineering' within Defence. As part of this working group, it was thought that this culture could result from many things, but possibly because Defence appears to be:
 - Including Requirements into Specifications which are not essential for the operation (or non-essential to field the capability in the first instance);
 - Seeking to make too many modifications to existing Commercial Off The Shelf (COTS) or Military Off The Shelf (MOTS) equipment (also resulting in a significant integration effort because of this; and a significant integration effort between different products in some instances). It is concurrently acknowledged that this level of effort could be considered acceptable where there is a genuine and meaningful opportunity to integrate an Australian product; and
 - Requesting a significant amount of documentation from Industry, which in some cases is considered to be obsolete prior to, or at the completion of a program; or are not seen to be value for money/effort in the first instance (noting that this puts a significant strain on both Defence and Industry).
- **Current Landscape of the Australian Public Service (APS) Workforce:** There has been an observed change in the composition of the APS workforce, namely

that it has been heavily reduced in native size and capability. Capacity and skills deficiencies are resolved with contractors. While this is acknowledged to be an effective means to bridge a short term resource deficit, the effects of this approach being the solution for all resourcing needs has become apparent. There is an observed skills shortage and know-how/why that is sovereign to the APS. This challenge has been recognised by the Government and will take at least a decade to see improvement. It was discussed that perhaps the APS could be more competitive amid the current Defence/Industry resourcing shortage by introducing defined career pathways (i.e. demonstrating that there are genuine career pathways rather than a single opportunity).

- **The Involvement of the Warfighter in Defence Procurements:** It was discussed that some of the best examples of accelerated Defence Procurements have been where Industry, Defence and the warfighter have been integrated and 'share-the-vision'. The representatives of the warfighter in this Working Group resoundingly shared these views and most notably discussed that this approach would likely prevent Industry and/or CASG from pursuing requirements (or 'wants') which did not make operational sense. In addition, the working group frequently cited the LAND 19 Phase 7B Program (Short Range Ground Based Air Defence Capability) as being an excellent example of where 'warfighters' have been successfully utilised by CASG in this way. Interestingly, it was thought by the working group that the reason why warfighters have not been utilised in this way on other programs was because they undervalued themselves and did not see what they could meaningfully contribute to the process. In other words, the lack of warfighter presence within a Delivery and/or Enabling Group may not be driven by those who would best benefit.

4.3 Phase 3: Review, Analysis and Recommendations

The purpose of this phase was to conduct a meaningful review of the findings and to present these with some proposed recommendations for action. The outcomes of this Phase are included at Section 8 of this document.

5 Delay Drivers

The themes from the preliminary research were collated into five categories identified as the “delay drivers”, forming the foundations of the in-depth research. These are:

1. The procurement approach, including tender documentation sets,
2. Defining the capability being sought,
3. Resourcing and supply chain,
4. Documentation and technical processes in execution; and,
5. Australian Industry Capability (AIC).

The first two of these are primarily encountered prior to or during the process of entering into contract. Contract entry follows the process defined for the approach to market; a series of steps within the existing framework to ensure thorough and ethical procurement practices. Understanding the capability being acquired is a fundamental piece of the current acquisition framework; defining capability adequately to pursue a purchase can be time-consuming.

The next two delays largely occur during execution of programs. Resourcing includes the skills and capacity of the human resource pool within the relevant market environment required to complete the program. Physical supplies may be limited by domestic or international markets due to supply shortages or difficulties in transporting goods. The technical work and associated documentation are also completed throughout the program execution. This is typically quite time-consuming, particularly for the significant projects considered within the scope of this study. Issues and eventuated risks may further delay project completion.

AIC dictates the need to include sovereign capability in acquisitions, with the goals of building increased sovereign skills and capacity, and fuelling both short and long term gains in jobs and the Australian economy. As such, it has impacts through both the pre-contract and in-execution phases; requiring planning, industry consultations and ongoing skills development to meet mandated goals.

Participants of the survey were asked to rank the most significant drivers of delay in their direct experience. The resulting rankings chart is shown in the full survey results in Section 11.5. This showed that the two greatest perceived sources of delay were the procurement approach and the enabling activity of defining the capability being sought.

5.1 Approach to Market Activities (Direct Commercial Sales)

For the purposes of this Research Paper, ‘approach to market activities’ are bound by the period commencing upon the planning, development and drafting of RFx documentation; i.e. Request For: Information (RFI), Quotation (RFQ), Proposal (RFP) and Tender (RFT) by CASG; and concluding at the time where CASG has concluded the formal evaluation of the selected offering and agreed a contract.

The Initial Response results suggest that there are opportunities to review the ways in which Defence conducts its Direct Commercial Sales (DCS) approach to market activities. The goal is to introduce more efficiency (and therefore, speed) into the sequence of events which ultimately lead to contract signature.

More specifically, the Initial Responses that were collected cited multiple instances where:

- The suite of information that had been requested by Defence (i.e. the ‘Proposal Data Requirements List’) had not been meaningfully tailored – both, in terms of the artefacts to be provided; and the content required by those artefacts for a respondent to be considered as having provided a ‘compliant’ response;
- The approach to market activities perceivably lacked the consideration, review and/or inputs of an End-User representative; and
- There was a perceivably short timeframe for Industry to meaningfully respond to Defence RFX documentation (and a perceivably ill-proportionate timeframe for Defence to initially draft and subsequently review and evaluation of responses);

While these examples are perceived to individually introduce delays into the procurement process, it has also been shared that the compounding effect of these is what truly generates the unrecoverable delays that are subsequently inherited by the post contract signature environment.

Targeted and dedicated research was conducted in an effort to validate (or otherwise) this as a true hurt point; and whether recommendations would enable a genuine improvement in the overall speed of capability delivery to the warfighter.

5.1.1 The suite of information requested by Defence/CASG and the timeline for Industry responses

Further to the Initial Responses collected, the responses collected by way of Survey and Targeted Interviews tended to validate the views that, generally, the appropriate tailoring considerations are not made by CASG prior to the release of RFX documentation to Industry. For clarity, these views were shared both in the context of technical and commercial documentation; however, this section will only focus on the commercial components of RFX documentation (i.e. those components coloured in green in Figure 3).

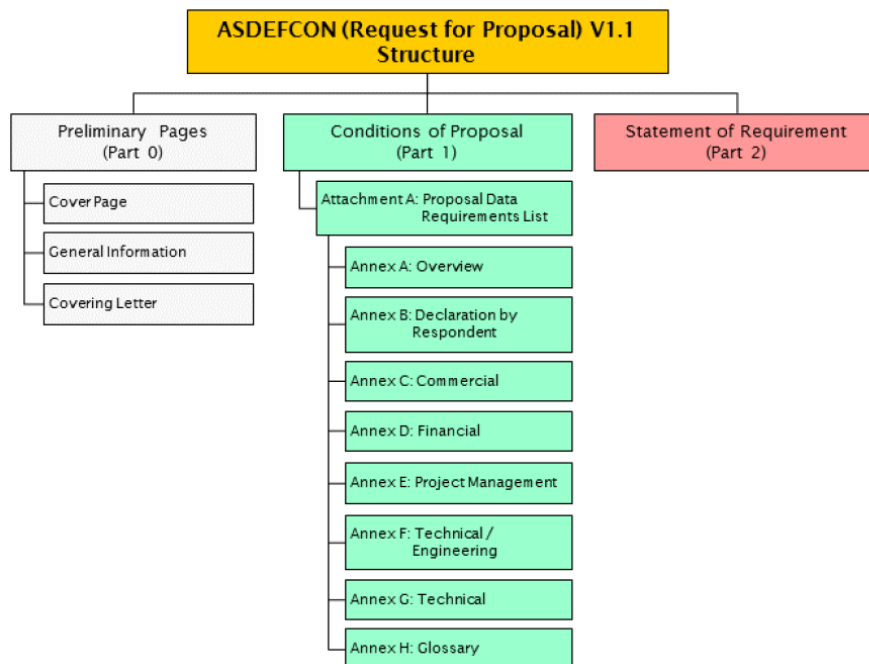


Figure 3 ASDEFCON (Request for Proposal) - (Incorporating Conditions of Proposal and Statement of Requirement) . (2015). Australian Government (Department of Defence).

To support these views, Industry representatives elaborated that RFX documentation often requests artefacts and/or information that:

- is perceived by Industry as being ‘irrelevant’, either in general; or for the purposes of the specific procurement;
- could be presented or provided by Industry in a more efficient format;
- results in the duplication of information among response documentation; and,
- in some instances, does not request information that could/would be useful for CASG (or perhaps, even critical to support their decision making).

In turn, it is seen by Industry that each of these factors (and others that are perhaps more salient which have not emerged in the research) are contributing to the time it takes to prepare a compliant response. In addition, these are also seen as contributing to the need for multiple rounds of clarifications/response updates post-submission, which in turn drives delay to the commencement and completion of the formal evaluation.

It should be noted that these views were shared by representatives of Prime organisations engaged during research (i.e. those who presumably have a dedicated level of resourcing to develop responses). As such, the inference could be made that second tier and/or SMEs (who presumably do not have the same level of dedicated resourcing to develop responses) would share this same view in a way that results in even more detrimental business impacts.

While the scope of this Research Paper did not also pursue an investigation into the causation of these emerging issues, the following list reflects some possibilities which were often cited among responses and interviews:

- It may be the case that there is a general lack of appetite to tailor ASDEFCON templates (i.e. including RFX documentation templates) due to a risk-averse culture within Defence;
- In some experiences, the CASG commercial recourses are relatively junior and do not have the level of experience/exposure (and, in turn, confidence or authority) to support changes to template approaches;
- There is an observed resource shortage throughout Defence and Industry. Therefore, it may be the case that CASG do not currently have sufficient resources to support workshop of RFX documentation before it is released;
- It may be the case that there is a lack of clarity or understanding as to the scope of the procurement (and/or the scope of the evaluation), which means it is difficult to make an informed decision about what RFX information should/shouldn’t be requested of Industry; and
- It may well be the case that the information being sought by Defence is required. However, the ‘why’ behind this request is not understood properly by Industry.

While ‘appropriate tailoring’ can be interpreted as a broad theme, the perceived issues that have generally emerged from the research suggest that there are opportunities to target the following components of RFX documentation:

- **Proposal Data Requirements List (PDRL)** (or equivalent); and

- **Supporting Annexes to the Proposal Data Requirements List** (or equivalent).

More specifically, the following list of encouraged 'tailoring opportunities' has been prepared for consideration prior to the finalisation and release of RFx documentation to Industry:

- **Is there an opportunity to reduce the quantity of PDRL artefacts required?**
 - Encourage a review the PDRL in the context of the proposed scope (and the proposed scope of evaluation) to determine whether any information being requested is unnecessary;
- **Is there an opportunity to reduce the amount and/or type of information required from a given PDRL?**
 - Encourage the review of each PDRL Annex to determine whether there are opportunities to amend the amount of information that may be required for each type of Proposal Volume; and
 - Encourage the consideration of whether the information required could be satisfied by artefacts which are already generally existing within organisations.
- **Is there a credible risk that information will be materially duplicated among PDRL artefacts?**
 - Encourage the investigation of opportunities to merge two (or more) PDRL requirements into a single artefact.

While it is generally acknowledged that target timelines and schedules are fundamentally driven by the need for capability, the timelines that are allocated for Industry to develop and finalise a formal response are perceived by Industry stakeholders as being too short. While a proposal to increase response timeframes allocated to Industry may seem counter intuitive to this discussion, it has been resoundingly shared that in doing so, there would be a very likely reduction of those delays that commonly arise, both in the pre-contract; and delivery environments, which are directly traceable to a lack of clarity and understanding of rushed RFx responses.

While there is ambiguity associated with this commentary, additional voiceover acknowledges that there is not a 'one-size-fits-all' solution in terms of timeframes. It is more so the case that Industry seem to be seeking a reasonable timeline commensurate to the requested response documentation. It is also acknowledged that, given the changing environment and the associated complexity, it is not always possible to incorporate these considerations into decision making. However, the findings from this research prompt Defence to consider how the process could become more dynamic in these instances to alleviate pressures on both Defence and Industry. For example, Defence could consider a phased delivery of response documentation such that the evaluation process could commence concurrently with the finalization of response delivery.

These factors are also important to consider from a long term perspective. More specifically, the current resourcing challenges that are being experienced across Defence and Industry has resulted in a reduced number of personnel teams to prepare and respond to bids. To prevent or mitigate a prolonged period of Industry burnout, which would inevitably create widespread delays across Defence, it will be important to be mindful of this and ongoing opportunities to optimize the approach to market process.

5.1.2 Utilisation of the 'warfighter'

Industry commentary has suggested that some of the best examples of rapid acquisitions and accelerated procurements have been where 'warfighters and the procurement agencies have been integrated and 'share-the-vision'. In particular, the commentary stated that US procurement agencies were a good example of 'never forgetting what they are there to do'; in comparison to Australia; where some respondents viewed this mindset 'as not being as instinctual'.

It has been shared through multiple responses that a reason this approach yielded a greater speed of procurement was likely to be because there was a greater alignment between Industry, CASG and the End-User (being, the stakeholders). This alignment was seen to be achieved because an environment was created which:

- Enabled the stakeholders to engage in free-flowing discussion on all aspects of the procurement (i.e. enabled/promoted the sharing of information which may have ordinarily been overlooked);
- Provided an authoritative source of information from first-hand users to reduce contention in discussing specifics;
- Had a reduced risk of miscommunication and/or misunderstanding between the stakeholders; and
- Ensured that the stakeholders who were ultimately responsible for Delivery and Acceptance (i.e. from Industry to CASG; and then from CASG to the End-User) were suitably informed throughout the entire delivery process.

Collectively, this was (and still is) seen to have enabled all of the stakeholders to be suitably and reasonably informed throughout the procurement process (albeit tailored and non-traditional processes in some cases). By being suitably informed and having an appreciation for/exposure to the broader context, the stakeholders are seen to have had/have the ability to make decisions quickly; and on a 'best for program' basis.

While it can be argued that this is addressed by virtue of the role of the Capability Manager (and their organisation); the research suggests embedding warfighter representatives within a Delivery and/or Enabling Group (i.e. such as CASG delivery team) would introduce greater efficiency into the procurement process by effectively ensuring that an operational and tactical lens is considered in all of the discrete aspects of the program lifecycle. This not only applies to the technical aspects of program execution, but also introducing involvement as early as the development of RFX documentation to ensure that the 'ask' accurately reflects the 'need' (i.e. to save for re-work throughout delivery). It has also been suggested that utilising 'warfighters' in this way could encourage:

- greater alignment and cohesion between the Capability Manager's Organisation and the Delivery and Enabling Groups, which in turn would reduce any delays caused by a disconnection or misalignment between these stakeholders; and
- better decision making by Delivery and/or Enabling Groups on the assumption that they would be made on a more informed basis.

5.2 Capability Definition

The second-most significant perceived driver of delay from the survey (Section 11.5) was the definition of the capability being sought. This has a strong impact on the timeliness of delivery by specifying and enforcing the level of complexity and the burden of verification for a given acquisition. The responses from the survey strongly support the position that the level of capability definition has a significant impact on delivery timeframes (Section 11.15).

Poor capability definition can result in:

- extended timeframes for tenders (to achieve complex, compliant solutions),
- ambiguity (resulting in significant work to resolve particularly across an extended acquisition timeframe that may see much personnel turnover)
- complexity in execution (requiring longer in development which may not achieve value for money or value for duration),
- complexity in documentation (taking longer to complete as well as review and accept),
- inappropriate solutions (not achieving value for money and potentially excluding more-readily available solutions); and,
- delays in decision making due to all the above, particularly where these have cost impacts and require elevated authority of approval.

A suggestion for improving efficiencies and effectiveness of capability definition in complex acquisition is to enhance usage of the Systems Engineering process. This intends to first define the question being answered or gap being filled, to identify and better understand the 'problem space'. It then seeks to develop requirements to fill the need and explore the 'solution space'. By first developing the problem space, the true needs are better understood, and more appropriate solutions can be developed.

Concept of Operations (CONOPS) and Operational Concept Documents (OCDs) are often used to formally capture these thought processes. A CONOPS describes how people and technology are expected to interact to achieve the business or capability objectives. It describes how the system of interest will help in meeting the 'big picture' need. An OCD relates directly to the system of interest and how it will be utilised by its intended users. It does this within the defined confines of the operational environment, and engagement of all identifiable stakeholders.

Early stages should define the solution in relatively abstract terms; for example defining an operational need to perform covert surveillance of military surface vessels, reconnaissance and patrols of distant and remote waters, and the ability to remain in operation for extended periods without interruption for refuelling. The description relates to the capability needed; this allows the market to propose the solution. In this example, a nuclear powered submarine seems suitable; however, an aerial reconnaissance drone that could operate from onboard solar alone may also fill the need. If this is made available, it may provide advantages or market competition to improve overall capability and value for money. Initial activities should explore the solution space without complete constraint by 'solutionising'.

A set of Function and Performance Specifications (FPS) would ideally be quite similar; describing essential functions of the system being sought, and the level of performance of such. However, as has been seen and was discussed in interviews with Medium and SME industry, often a specification is written to describe the product envisioned as filling the capability gap. This results in several problems. Firstly, it confines the solution space and reduces Industry's ability to meet the need in ways that CASG have not considered.

Secondly, intentionally or unintentionally, it will tie the product delivered into the initial specification, reducing genuine market competition or resulting in an offering failing to comply with all requirements, whether or not they hold true importance. Finally, if overly prescriptive, it drives an excess burden in development and in verification that does not provide value.

Given the nuances to achieve an appropriate balance, development of a good FPS can take a long time in and of itself. This can contribute to delay even before Industry is approached to make an offering. Many of these layers are relied upon to protect individuals from blame or reputational damage in the event of subsequent issues with programs. This comes from a fearful culture centred on risk-aversion.

Especially for operationally critical capabilities, requirements should be defined with a focus on the fundamental need. This may be considered in terms of the Minimum Viable Product (MVP). This is a concept focusing on the smallest set of features required to achieve some success in a fielded solution. The aim is to see operational usage in the fastest time to achieve rapid feedback and avoid developing down unfruitful paths. It was noted within the DSR that an MVP focus and utilising COTS/MOTS where possible would help reduce time to delivery. This was supported in the research. As has been done in other examples of rapid acquisition (refer to the case studies for a small sample, Section 7), once the core functionality is in service, the secondary needs may start to be met in development within sustainment. An approach is using truly agile development. Agile methodologies such as the spiral development model are a process of iterative development. They use a feature-prioritising and risk-driven approach to rapidly prototype a system, by defining and developing core features that can be tested and used, then revisit the requirements for the next phase. A new contracting model would be required to achieve this, such as those of the US DoD Adaptive Acquisition Framework (AAF) (Section 6.1).

The constraints of a thorough FPS are sometimes seen as providing a 'level playing field' during the tendering process, as was identified in the market survey. This reduction in complexity in comparing solution offerings comes at the expense of market freedoms and an increase in work to prepare the tender requests and responses. Expecting (close to) full compliance with tender requirement sets may prevent offerings of COTS/MOTS products that may satisfy the core needs for significant cost and time savings. Having the skills within Defence and Government to adequately assess less-constrained solutions and assess impacts of non-fully compliant responses would enable looser product definitions and more market-led solutions.

Existing contract structures utilise strict requirement sets as a mechanism to sign off on completion of activities. This is obviously a good thing for unambiguous verification and acceptance of milestones; however it comes at the upfront cost of a constrained solution and an ongoing burden of comprehensive verification and certification activities. Another worthwhile note is the inflexibility of contracts leveraging a strict set of requirements. As these are used for a core, contractual function from the start, any changes to requirements have high costs and impacts to schedule. A theme of a number of the interviews conducted and the literature reviewed both here and from allied partners was a need to minimise changes during development. These include formal engineering change and contract change processes, which cost both sides time and money. They are also prone to protracted discussion and delays in reviews and approvals, particularly when cost is impacted. Some examples of these are shown in Figure 4.

Project name	Approved budget (\$m)	Budget variation* (\$m)	Delay in schedule** (months)
F-35A Joint Strike Fighter	16,631.3	+2366.6	0 (FOC)
Battlefield Command System	969.7	+32.3	37 (FOC)
Protected Mobility Vehicle – Light (Hawkei)	1,987.5	+7.9	13 (FOC)
ADF Identification Friend or Foe and ADS Broadcast	436	-	27 (FOC)
Defence Satellite Comms Capability Phase 5A – Indian Ocean UHF SATCOM	422.1	-39.7	44 (FOC)
Wideband Transportable Land Terminals	206.9	-	46 (FOC)
Combined Communications Gateway Geraldton	42.0	-	34 (FOC)
Satellite Ground Station – East and Wideband SATCOM Network Management	235.4	-	39 (FOC)
Airborne Early Warning and Control Interoperability Compliance Upgrade	1,191.0	-	38 (FOC)
Deployable Defence Air Traffic Management and Control System	95.0	-	59 (IOC)
Civil Military Air Traffic Management System (CMATS)	975.6	+243.1	61 (IOC)
Maritime Operational Support Capability – Replacement Replenishment Ships	1,084.7	+78.0	0 (FOC)
Collins Class Submarine Reliability and Sustainability	445.8	+373.8	108 (IOC)
Battlespace Communications System Phase 2B	947.1	+26.5	36 (FOC)
Fixed Defence Air Traffic Control Surveillance Sensors	202.0	-	55 (IOC)
Jindalee Operational Radar Network mid-life upgrade	1,118.0	+10.7	36 (FOC)
MQ-4C Triton Remotely Piloted Aircraft	1,311.4	-	66 (FOC)
Battlefield Airlift – Caribou Replacement (C-27J Spartan)	1,439.3	+269.6	54 (FOC)
Future Frigate – Design and Construction (Hunter Class Frigates)	6,291.9	-	48 (cut steel)
Multi-Role Helicopter	3,773.9	+247.2	123 (FOC)
Submarine Escape and Rescue System	377.1	-	48 (FOC)

* Budget variation since second pass approval (\$m) [real, indexation and exchange rate variations]

** Delays in schedule milestones from original approved milestone (months)

IOC: Initial Operational Capability; FOC: Final Operational Capability

SOURCE: AUSTRALIAN GOVERNMENT

Figure 4 Examples of schedule delays and cost blowouts (Australian Financial Review, 2022)

In summary, following an appropriate Systems Engineering approach and maintaining solution-agnosticism in defining complex needs will allow more freedom in providing solutions to Defence's needs. Where there are time-sensitive operational needs or the solution space is not well known, agile development can reduce timeframes to an MVP delivery. Alternatively, where the solution space is well understood and market options exist, procuring COTS/MOTS that achieve core needs provide value for money and value for effort. To enable this requires upskilling within the APS, CASG and Defence workforces to perform this work at an appropriate level, as well as to assess technical validity of less-constrained and potentially disparate solution offerings. This will need to be supported by alternate contract constructs and backed by a change in culture to assess and proceed with acceptable levels of risk.

5.3 Australian Industry Capability

AIC was not seen in and of itself as a significant delay driver among industry. One minor contribution to potential inefficiency is a limitation of market choices and providers, due to the need to support local Industry. This prevents full exploitation of global markets. It also strains an already stretched local pool of skilled workers and manufacturing capabilities.

There is a case to be made for AIC to reduce procurement timeframes in the long term, establishing readily available, sovereign capability. This was exemplified in an example from an interview with a local SME. Parts in advance of the (now cancelled) Attack-class submarine were manufactured locally due to early engagement within local industry and a desire to establish long-term manufacturing capability for the program.

To ensure Industry is positioning itself to support the national strategy, the above example should become the archetypal engagement pattern. A clear and concise roadmap should be circulated to clearly identify the areas in which Australia seeks sovereign capability. This allows Industry to begin positioning in advance of the critical need. Despite the relatively short political cycles, the strategy should remain constant and form the basis of the AIC plans and offerings for the foreseeable future. This is necessary to give the market the business confidence to chase the inherent opportunities it provides. Such stability requires bipartisan support and political action in a common understanding of national interest; a must in such uncertain and unstable times.

What is ultimately needed is a conscious trade-off by decision makers all the way at the start between the immediacy of satisfying the need against future national capability and positioning. This supports the previous discussion around procuring COTS/MOTS and seeking the MVP. Where the time can be spared, and the capability is within the strategic interests of Australia, AIC can be prioritised. Where this is not the case, AIC requirements may need to be put aside for the immediate capability delivery needs.

5.4 Resourcing & Supply Chain

Despite the industry and media hype of recent years (Isidore, 2022), the bottlenecks on supply chain have reduced somewhat at present (Conerly, 2023). Of course, this is still a recognised risk, and future international positioning may again return this towards the top of the list of concerns.

It was noted by Australian Strategic Policy Institute (ASPI) that to support industry's capacity to meet these demands, it's crucial for Defence to share and adhere to its infrastructure timeframes, empowering industry to prepare and deliver on time. Defence should also be prepared to manage unexpected risks—as demonstrated in the past four years with the impact of the global pandemic on the construction industry through labour shortages, international supply chain disruptions and, in some cases, liquidations (Lockhorst, 2023).

An article on Securing Australia's Defence Supply Chain noted that a comprehensive picture is not available to Defence industry participants and stakeholders. A consistent approach or methodology for mapping supply chains, which is mutually agreed between Defence and Defence industry, also does not exist (AiGroup Defence Council, 2022)

CASG is at the nexus of the Defence sector skilling ecosystem. It now can leverage its buying power to change the way that the sector develops the skilled workforce that it needs. The research has shown that senior leaders of large Defence sector employers understand the nature of the workforce challenge, but it is the leaders at the coalface who must have

clear-eyed awareness of the challenge, the resources to tackle it, and the courage to do something differently. (The Strategist, 2021)

To ensure the Australian Defence Force is future-ready, it must overcome the engineering skills supply and demand challenge facing the country, which even before COVID-19, was impacting Defence and the private sector. (Engineers Australia, 2022)

The DSR acknowledges that the workforce situation is deteriorating. “Navy faces the most significant workforce challenges of the three services,” the DSR reads.

“Assuring an adequate workforce to sustainably meet enterprise priorities and transformation, government-directed tasking, readiness for future contingencies, and transitioning new and technologically advanced capabilities into service is Navy’s biggest challenge.” (Garman, 2023)

5.5 Documentation, Processes in Execution

Although designing, building, testing and delivering products takes time, the survey identified that this was seen as productive and not considered a “delay”. What was seen as causing delay was excessive documentation burden, borne out of risk-averse contracts. It should come as no surprise to those in the delivery arm of Defence acquisition programs that Contract Data Requirement Lists (CDRLs) and the delivery of Data Items are a continuing accordion effect as artefacts are developed, reviewed, and approved for submission to the customer, who in turn reviews and potential approves. When considering this routine for submission and factoring in a traditional acquisition schedule with Mandatory System Reviews (MSR)s requiring multiple Data Items to be delivered at the same time, and customer review or approval periods – justifies the negative attitudes towards CDRLs across industry, expressed in survey results and interviews.

Similar to the arguments outlined in Section 4.1 above regarding PDRLs, the research related to in-execution documentation suggested the following:

- A Commonwealth reticence to adequately tailor ASDEFCON CDRLs, resulting in irrelevant data items being contained and required for delivery throughout execution.
- Lack of understanding or willingness to accept risk when requesting non-traditional delivery options (i.e. Agile) that no longer follow or require traditional planning and execution methodologies.
- Senior executives from both Prime and Medium Defence Industry organisations, suggested that in-execution work was the largest driver of delay – in part due to the required documentation and process for delivery and action periods.

Interestingly, from those surveyed, those who were employed by Defence Industry Primes viewed CDRLs as being particularly less responsible for driving delay to capability delivery, however those employed by the Commonwealth or Small Medium Enterprises responded more strongly to documentation (CDRLs) causing delay to capability delivery.

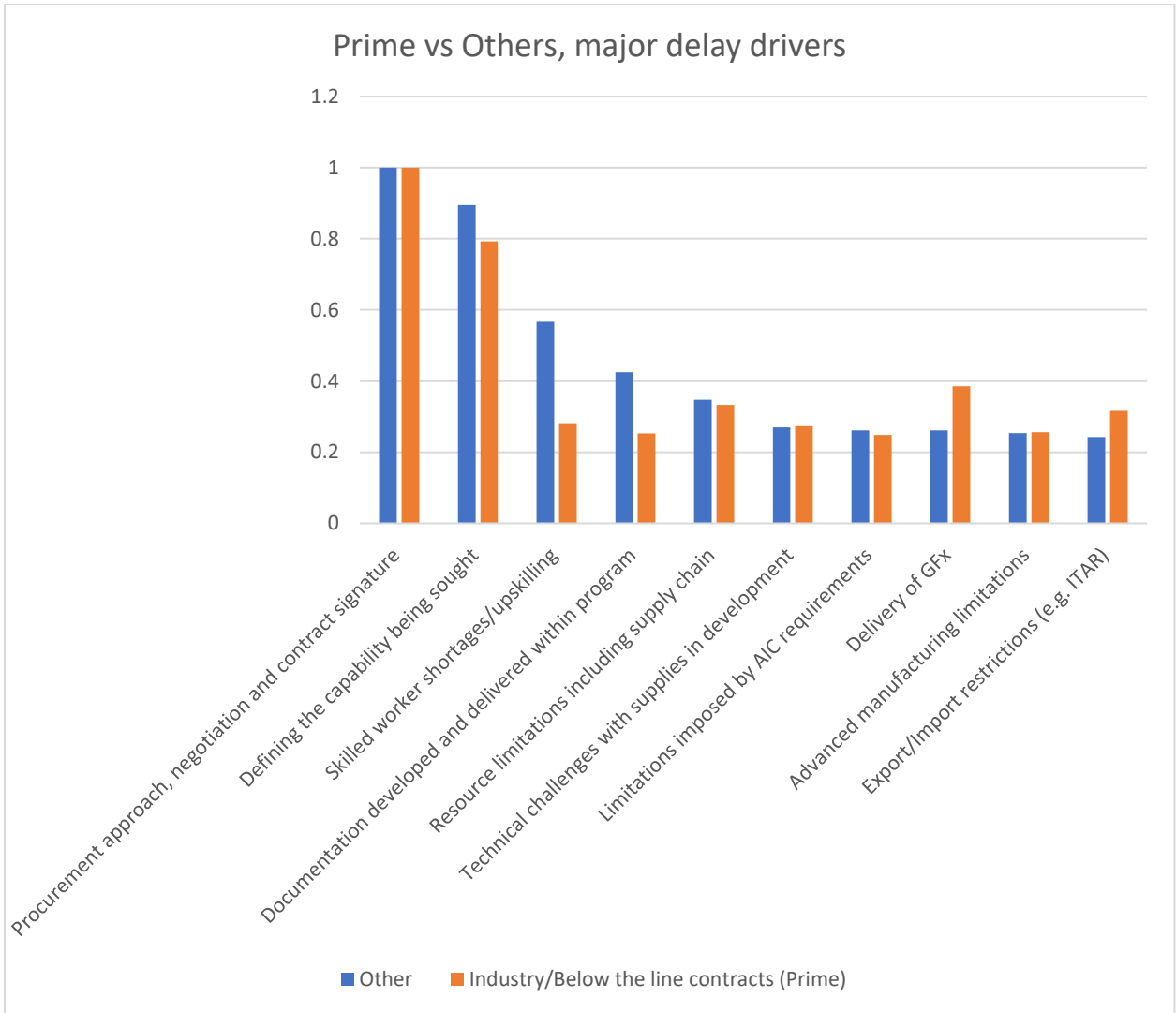


Figure 5 Survey responses ranking delay drivers, resolved to Primes vs Others results

To reduce delay caused by documentation and processes during the execution phase of Defence acquisition programs, the following recommendations were put forward from the research team based on feedback in interviews and survey responses:

1. Enable and Empower Commonwealth officials to appropriately tailor RfX and in-execution documentation requirements for Industry.
2. Apply a Systems Engineering approach to requirements

6 International Comparisons

6.1 USA

A 2021 Government Accountability Office (GAO, 2021) report into Department of Defense Acquisition Reform found that 84 major Defense acquisition programs had accumulated 52 percent in total cost growth since program start, and during the same period, the time required to deliver initial capabilities increased by about 35 percent, resulting in an average delay of more than 2 years for each program.

To combat the cost growth and delays – the US commenced the process of implementing the Adaptive Acquisition Framework. Rather than requiring programs to use only one acquisition process; the AAF allows program managers to use/tailor one (or more) of six acquisition pathways. Each pathway is governed by separate policies for milestones; cost and schedule goals; and reporting as outlined in Figure 6 below (OUSD AS, 2022).

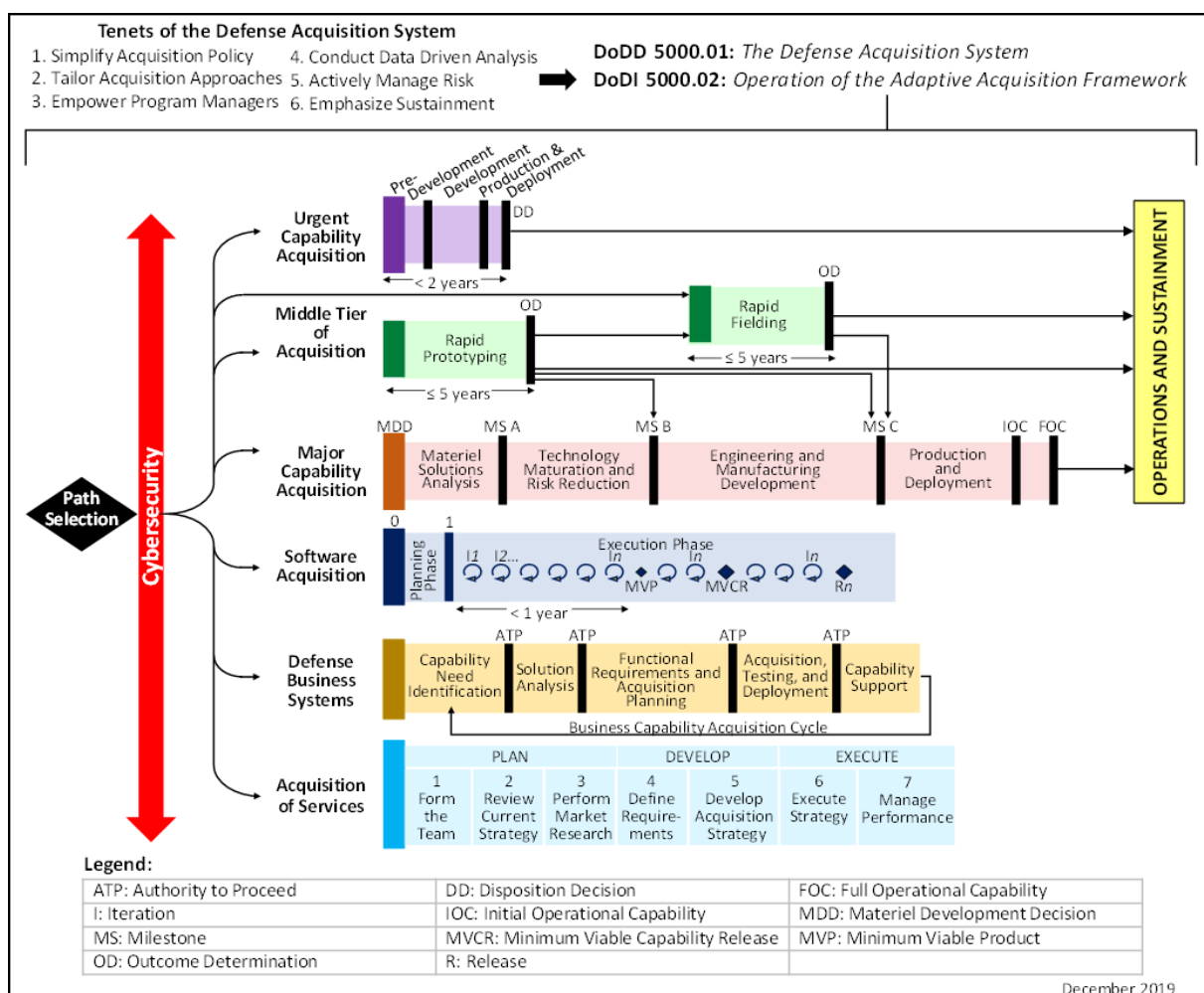


Figure 6 USA DoD Active Acquisition Framework pathways (OUSD AS, 2022)

The Government Accountability Office testimony to Congress (GAO, 2021) noted that, “DOD leadership has demonstrated significant commitment to implementing reforms to improve the ability of the Defense acquisition system to quickly deliver innovative capabilities to the war fighter”, and that “DOD’s challenge is to find the right balance between having an effective oversight process and managing the competing demands such a process places on program management.”

6.2 UK

The recent UK House of Commons Defence Committee review into the procurement system ultimately concluded that “It is broke – and it’s time to fix it”. (House of Commons, Defence Committee, 2023)

As part of the inquiry, the review had several key findings in how it described the UK procurement system including:

- Bureaucratic
- Overly stratified
- Far too ponderous
- Very poor accountability
- Culture averse to individual responsibility

These findings back-up those of the Australian environment and support the notion that this issue is not presently unique to Australia.

The review provided recommendations to improve accountability, align to responsibility and provide empowerment to those who need to deliver the change. It also noted the need for a system which places much greater value on time and promotes a sense of urgency and prevents endless ‘requirements creep’ by the military. One such recommendation is the use of Urgent Capability Requirements (UCRs) for procurement and as a mindset to deliver battle-winning equipment in a timely manner.

The recommendations also include increasing transparency on upcoming requirements, fostering critical skills and encouraging the development of the workforce of the future to overcome the current and predicted increase in skill shortages.

It’s not just the procurement of equipment that is of concern. Infrastructure delivery to support capability equally lacks the urgency and direction it needs with the addition of severe aversion to risk. Collaborative frameworks, incentives and tailored delivery models are required to accelerate delivery.

7 Case Studies

To underpin the research work, two case studies were conducted where rapid acquisition was recognised to have been achieved. First, the recent and well publicised rapid acquisition of Black Hawk helicopters in Australia. Second, the US acquisition of Mine Resistant Ambush Protected (MRAP) vehicles, widely regarded as the acquisition model to follow when rapidly fielding equipment to the warfighter (Judson, 2016).

7.1 LAND4507 Phase 1

LAND4507 Phase 1 is the project name for the acquisition of Black Hawk helicopters. Looking back to 2004, the then Howard Government opted to purchase MRH90 Taipan helicopters from AIRBUS. This went against Defence's recommendation for Black Hawk based on "strategic and other government considerations" (ANAO, 2014). It took almost 4 years for the MRH90 to enter service in 2008 with a planned duration of 30 years, taking it through to 2037. However, in 2011 the program was listed as a "project of concern", from which it has never been removed (Hurst, 2023).

The Taipan acquisition is a study of its own which will not be visited here, particularly in recognition of the recent tragedy and ongoing investigations. Suffice to say that following grounding of the MRH90's in June of 2021 the situation was considered dire (Watt & Brangwin, 2021).

It was in December 2021 that the then Morrison government announced it requesting advice from the US on the acquisition of up to 40 UH-60 Black Hawk helicopters to replace the Taipan. Thirteen months later and the now Albanese government announced confirmation of the purchase going ahead, amazing as a change in government is widely recognised as potentially initiating delay, a change in scope or even cancellation of a program.

It was only a further six months on and the first of the Black Hawks arrived in Australia with active service commencing as of September 2023. The result was a time frame for acquisition of 21 months from the initial enquiry. For comparison this equalled less than half of the time it took for the Taipan to be introduced previously from 2004 through to 2008.



Figure 7 Summary of timeline to Black Hawk acquisition

This was achieved through many key contributing actions. There were several underlying factors behind the speed of this acquisition which could be attributed to just good timing. The acquisition coincided with an increased sense of urgency from Government to lift Defence's

lethargic acquisition system to meet Australia's deteriorating strategic environment. Defence had also found itself rich in cash due to an increased budget, the cancelled Attack class submarine contract and under spending in preceding years though COVID (Hellyer, 2021). There were also the good relations between the Australian and US Governments which were on a high following on from the AUKUS announcement allowing for the US to provide us access to the extant Black Hawk production line as US Army were opting for the Bell V-280 product for their replacements (Bergmann, 2023).

But the key enablers for this rapid acquisition to be realised:

- Agreement and aligned leadership on the requirement to replace the Taipan resulting in fast decision making. Everyone was pulling from the same side.
- A tailored approach was able to be implemented due to a clear and concise definition of scope. This enabled agreement to skip first pass approval and go straight to second shaving one to two years off the schedule.
- The decision to buy the aircraft straight off the production line without modification saw production commence immediately resulting in unparalleled delivery.

7.2 Mine Resistant Protected (MRAP) Vehicles

It was during the 2007/2008 period of US combat operations within Iraq and Afghanistan that 75% of casualties were attributed to Improvised Explosive Devices (IED). To mitigate this threat the US Department of Defence initiated the Mine Resistant Ambush Protected vehicle program, affectionately known as 'MRAP'. This saw the introduction of a new armoured vehicle with a V-shaped hull able to deflect IED blasts and save lives, as opposed to the flat-bottomed Humvees (High Mobility Multipurpose Wheeled Vehicle) only using sandbags on the floor to try and protect themselves.

MRAP became the first US major military acquisition to go from a decision to buy through to production in less than a year since World War II. And upon fielding vehicles casualties dramatically decreased at an inverse ratio to the number of vehicles entering the field of operations.

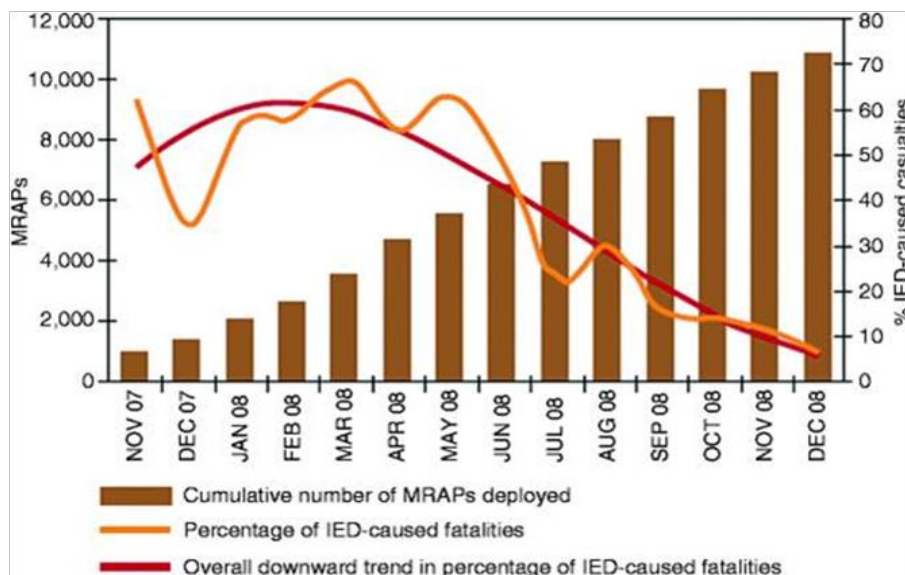



Figure 8 IED-caused fatalities and MRAP deployment (Lamb et al. 2009)

Again, there were factors not practically transferable to every program. In the case of the MRAP, it was declared as the DOD's highest priority acquisition above all other programs, and it had nearly unlimited funding through supplemental appropriations.



But the key enablers in achieving rapid acquisition remain consistent:

- It was due to the speed of decision making and actioning the purchase.
- The use of a tailored acquisition approach through a clear and concise minimal operational requirement.
- A reliance on only proven and commercially available technologies with a concurrent approach to produce, test and field vehicles across multiple suppliers.

(GAO-10-155T)

The MRAP program continues to re-emerge as a case study for new initiatives in rapid acquisition being the initiator of significant change. It serves as a constant reminder that Defence “can’t just wait for the perfect program to meet a set of requirements, especially when lives are at stake”.

When describing the pre-existing status, the then Defence Secretary Bob Gates wrote, "As usual in a huge bureaucracy, the villains were the largely nameless and faceless people — and their leaders — who were wed to their old plans, programs and thinking and refused to change their ways regardless of circumstances".

And the now retired Pentagon Comptroller Robert Hale said, "It is the only time in my 42 years in the industry that all bureaucratic silos in the government procurement process were broken down and there was a single-mindedness of purpose among all involved" (Judson, 2016).

8 Findings and Recommendations

As stated, Australia is currently in the midst of the worst geopolitical climate since the end of World War two and political tensions within the region are at an alarming high with posturing and positioning for a potential future conflict. The recent DSR acknowledged that Defence and Australia are out of time and the current procurement process is not fit for purpose.

Following the DSR, Australia must make changes quickly to avoid undermining Industry confidence and be ready to meet these challenges. Brent Clark, CEO of Australian Industry Defence Network (AIDN) noted 'The new review creates uncertainty, it creates nervousness, it creates stress, and it creates delay.' in relation to the recent Defence Strategic Review.

Increasing the speed of Defence procurement and capability delivery will increase the effectiveness, resilience, and responsiveness of our war fighters - as they prepare to respond to Australia's strategic threats. The recommendations contained within the following sections of this report will facilitate industry to deliver capability more rapidly and importantly accelerate the process of getting technology into the hands of the warfighter – those who day in, day out rely on technology not just to succeed but also survive.

Through the phased approach to research three recommendations are presented for implementation:

4. Increase the speed of definition of the capability requirement and decision making more generally.
5. Tailor the RFX documentation and process by which capability is procured; and
6. Increase industry engagement and leverage market solutions rather than requesting bespoke equipment or solutions.

8.1 Recommendation 1: Increase Speed of Definition and Decision Making

Underpinning this recommendation is the need to define the capability requirements quicker and get to market to acquire the capability. There is also a need to make ongoing decisions more efficiently so as not to delay the program lifecycle. This was evident in the case study of the UH60 helicopter program discussed earlier.

To support this recommendation the following actions should be implemented:

- Establish the minimum requirement to meet the capability early. Don't allow over development, gold plating or ongoing refinements to chase perfection rather chase the MVP as they did in the US with the MRAP program.
- Engage the warfighter early in the process and specifically embed them into projects from start to finish to give focus on the core need of the capability.
- The research indicated that warfighters are advocating for quick decisions, greater emphasis on MVP and greater interoperability between forces without modification.
- Finally, enable more autonomy in decision making within Defence agencies and hold staff accountable to sound application of good process in decision making at the time, rather than a retrospective blame culture. This will reduce risk aversion by individuals and drive faster outcomes.

8.2 Recommendation 2: Tailor the Contract and the Procurement Process

The research has shown that including all requirements does not reduce risk, save time in compilation, or remove the requirement for higher authority approvals when developing

requirements and procuring capability. It is constraining industry, placing greater burden than is necessary and in addition creating downstream delays throughout the procurement and delivery phases.

It is recommended that Defence:

- Continue to utilise standard contract suites and documents, however tailor them to the required capability and associated risk profile. Tailor the RFX requirements to respond to the need, make it easier for the market to respond and specifically target the functional requirements through a Systems Engineering approach to reduce the burden. In addition, align the required process to ensure industry can provide value in their response and deliverables not just volume. This may require a radical change in the contract suites or process rather than minor modifications to the surface.
- Implement a culture shift and organisation transformation within CASG to allow clearly assigned responsibilities and accountabilities which empower individuals to tailor the requirements thereby giving greater autonomy.
- An improved culture of informed risk taking through management process and acceptance of the impacts should a risk eventuate need to be developed throughout the organisation.
- Undertake a capability uplift in Defence and APS, bringing greater knowledge and understanding to enable development and assessment throughout the RFX process and a greater understanding of the benefits of the artefacts. This will bring an increased focus on value.

8.3 Recommendation 3: Leverage the Market and Increase Industry Engagement

The final recommendation builds on the first two identified above. That is to increase engagement with the industry to leverage their knowledge and skills and enable faster delivery through Commercial & Military Off the Shelf (COTS and MOTS) and economies of scale.

The recommendations require:

- Adjusting contracting models to reduce specification of requirements, tailoring of the RFX to focus on function and empowering decision makers to accept suitable deviations enabling off the shelf products. This will allow the industry to define the solution to meet the required functions in the quickest possible way.
- Next, limit modifications of existing products and capabilities. Australia does not need to continually tweak product specifications. Defence should limit modifications of existing products and capabilities, again like UH60 program.
- Again, this requires a capability uplift to understand the impact of change and enable improved value based decision making combined with greater insight and input from the warfighter.
- Finally, publish a capability roadmap to present industry with long-term strategy to assist industry positioning and preparedness to respond to the need as a show of collaboration.

This will enhance collaborative sharing of risk and reward between with industry which will require enhanced contracting models. Working closer with industry to understand their position and capability, and support development will also have the added benefit of promoting AIC through a deeper understanding of what is possible, quickly. This recommendation is aligned with those of our AUKUS partners who through their own reviews

have recognised a requirement to improve its relationships with industry and increase transparency about forthcoming requirements.

There is a need for speed, and the time to act is now.



9 Table of Acronyms

Acronym	Meaning
AAF	Adaptive Acquisition Framework
AIC	Australian Industry Capability
ANAO	Australian National Audit Office
APS	Australian Public Service
ASPI	Australian Strategic Policy Institute
AUKUS	Australia, United Kingdom, United States
CASG	Capability Acquisition and Sustainment Group
CDRL	Contract Data Requirements List
CONOPS	Concept of Operations
COTS	Commercial Off The Shelf
DCS	Direct Commercial Sales
DSR	Defence Strategic Review
FOC	Final Operational Capability
IED	Improvised Explosive Device
MOTS	Military Off The Shelf
MRAP	Mine Resistant Ambush Protected (vehicle)
MVP	Minimum Viable Product
OCD	Operational Concept Documents
PDRL	Proposal Data Requirements List
RFI	Request For Information
RFP	Request For Proposal
RFQ	Request For Quotation
RFT	Request For Tender
RFx	Request For x (catch-all)
SME	Small/Medium Enterprise
SOCOMD	Special Operations Command
UCR	Urgent Capability Requirement

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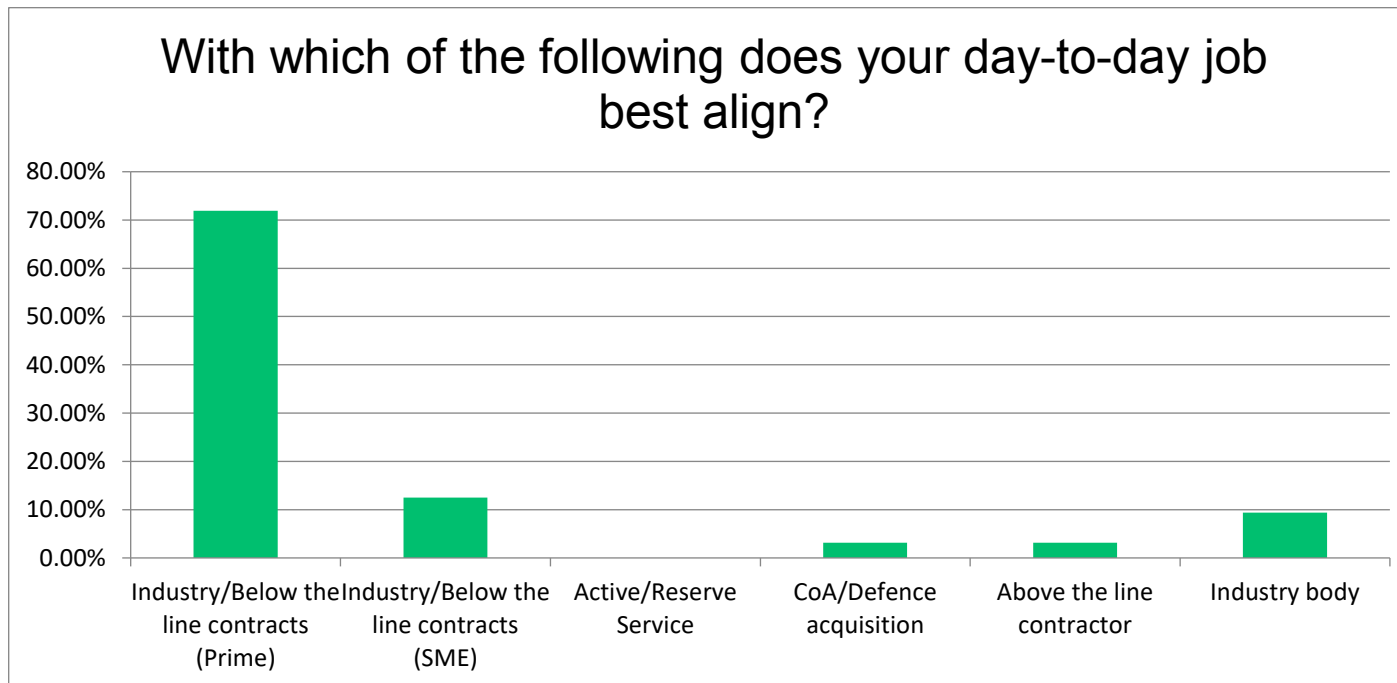
11 Survey Data

11.1 Question 1

Need for Speed, Defence Capability Acquisition

With which of the following does your day-to-day job best align?

Answer Choices	Responses
Industry/Below the line contracts (Prime)	71.88% 23
Industry/Below the line contracts (SME)	12.50% 4
Active/Reserve Service	0.00% 0
CoA/Defence acquisition	3.13% 1
Above the line contractor	3.13% 1
Industry body	9.38% 3
Answered	32
Skipped	0

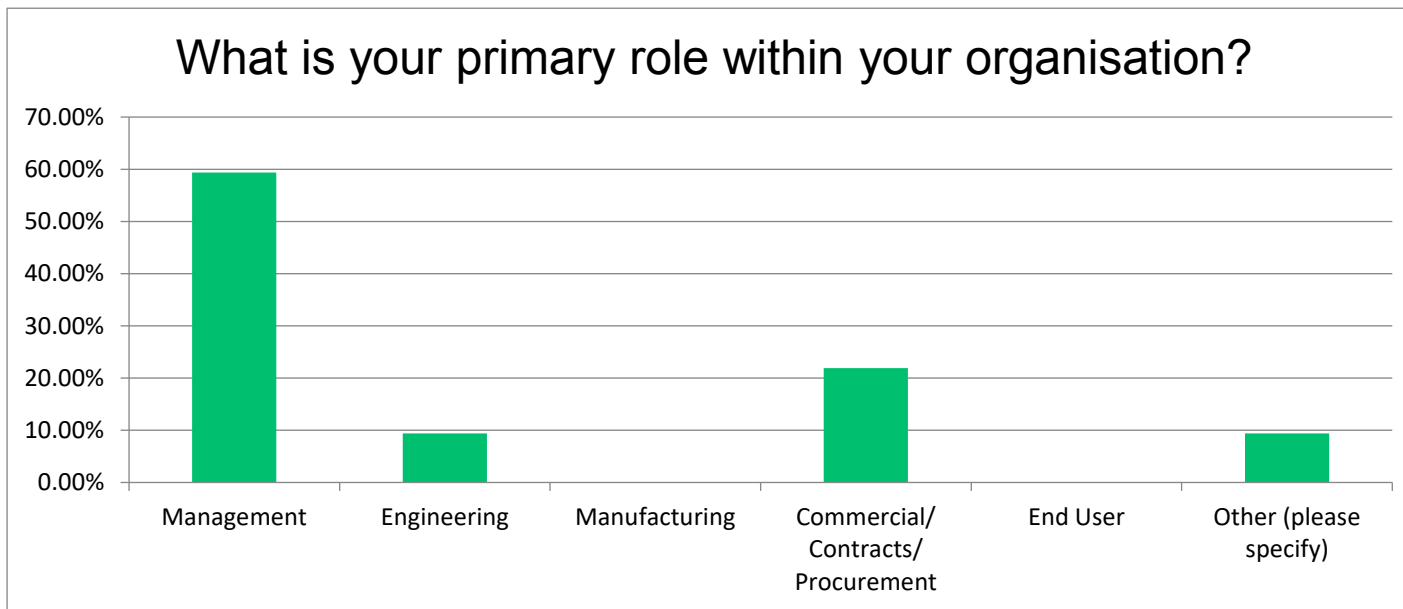


11.2 Question 2

Need for Speed, Defence Capability Acquisition

What is your primary role within your organisation?

Answer Choices	Responses	Other (please specify)
Management	59.38% 19	Project Manager
Engineering	9.38% 3	Global Trade
Manufacturing	0.00% 0	Business Development
Commercial/Contracts/Procurement	21.88% 7	
End User	0.00% 0	
Other (please specify)	9.38% 3	
	Answered 32	
	Skipped 0	



11.3 Question 3

Need for Speed, Defence Capability Acquisition

List three words that describe your impressions of the Defence acquisition process.

Answer Choices	Responses	
1:	100.00%	32
2:	100.00%	32
3:	100.00%	32
Answered		32
Skipped		0

1:	Tags	2:	Tags	3:	Tags
Cumbersome		One size fits all		Little industry engagement	
Slow		Complex		High Risk	
ambiguous		opaque		cumbersome	
Red Tape		Long time		Shifting needs	
Expensive		Complex		Slow	
Convolutd		Inconsistent		Inefficient	
Bureaucratic		Inflexible		Cumbersome	
Opaque		Protracted		Risk-averse	
Slow		Inefficient		Meticulous	
Cumbersome		Slow		Complex	
Slow		Inefficient		Expensive	
Frustrating		Mis-aligned		Combative	
risk averse		overly bureaucratic		lost outcomes focus	
Bureaucratic		Slow		Expensive	
Tedious		Risk Adverse		Anti-Innovation	
Slow		Subjective		Risk-adverse	
bureaucratic		outdated		egocentric	

Detailed	Important	Lengthy
Lengthy	Challenging	Insightful
Slow	Comprehensive	Compliance focused
Slow	Overly complicated	Process
mandraulic	rigid	prolonged
Complex	Lengthy	Inefficient
Slow	Complex	Prohibitive for small business
Cumbersome	Serial	Meandering
Inconsistent	Short-sighted	Cumbersome
Lengthy	Mandraulic	Thorough
Comprehensive	Extensive	Complex
Slow	Risk adverse	Reluctance to take decisions
Complicated	Long	Professional
Outdated	Rigid	Laborious
Uncertain	Extensive	Tedious

11.4 Question 4

Need for Speed, Defence Capability Acquisition

Australia is able to define and deliver capability in a suitable timeframe given the current strategic and geopolitical environment.

Answer Choices	Responses	
Strongly agree	6.25%	2
Agree	6.25%	2
Neither agree nor disagree	15.63%	5
Disagree	43.75%	14
Strongly disagree	28.13%	9
Comment		23
	Answered	32
	Skipped	0

Comment
Procurement strategies are not able to support the threat environment.
Australia has a highly politicised process balanced on a 3-year government rotation. There is little to no bipartisan alignment for the ADF direction.
Capability hasn't clearly enough been defined for industry. That makes it very difficult for defence (industry) to be clear about what to deliver.
Can define the capability, but can delay in delivering within a suitable timeframe due to short of appropriate staff knowledge/ skills.
The speed of acquisition has actually slowed over the last 20 years.
Australia's decision makers both within Government and within the Departments have immense power to rush through projects. I have no doubt that when significant pressure is applied (war), Australia would be able to achieve its capability outcomes. However I do have significant doubts about whether Australia's risk appetite outside of such an context would be sufficient to permit truncated capability definition and acquisition before such a context emerges, when it is too late.
Far too slow, far too dependent on US supply chain
Definition process is too slow. Tender process is overly long and expensive.
Acquisition contracts generally do not enable quick delivery of capability to end-users. They are overly long, expensive, and inefficient.

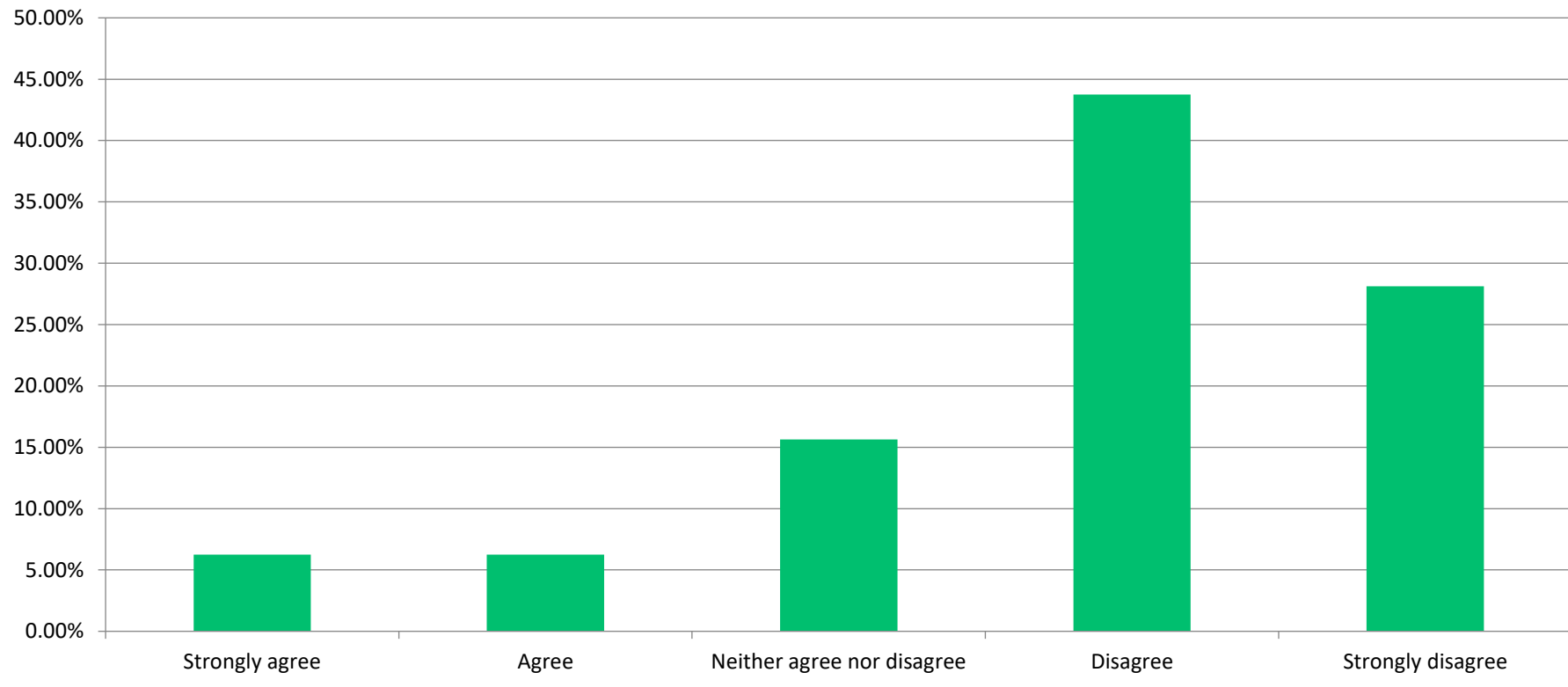
DSR not funded. Acquisition stalled waiting on IIP. No clarity on warfighting concepts
Defence' ability to succinctly document a capability requirement into an acquisition need is poor and overly driven by process inflexibility. ASDEFCON and rules to 'tailor by exception' - exacerbated by lessening expertise in the department - really hurt the process.
There currently appears to be only two options for capability acquisition...FMS resulting whatever capability the USG is able to provide off the shelf, or complex, expensive and slow first principles, requirements based competitive tendering and acquisition delivery which often results in suboptimal capability outcomes as industry is equally incentivised to deny best of bread capability if there is a competitive advantage and/or program delays caused by zealotry insistence on requirement verification rather than capability outcomes. The concept of Minimum Viable Capability has potential to improve outcomes however I'm extremely skeptical that the government and CASG bureaucracy will be able to deliver an effective contracting mechanism to bring this to reality and we'll fall back on MVC being a smokescreen to justify reliance on FMS procurement.
I think we can define it, but delivering remains a challenge.
Australia is able to define and deliver capability but there needs to be investment from CoA and certainty given to Defence Industry to develop new innovative solutions. Short-termism (election cycles) based decisions are stifling innovation and investment in manufacturing. Look at the GWEO Strategic partnership, more than two years after being announced, no new contracts to develop or manufacture guided weapons has been issued. Several contracts have been cancelled and the DSR rhetoric of accelerate capability has not eventuated. Continuing to invest in bespoke, gold-plated Australianised variants of US platforms is not helping Australia to deliver sovereign capability that is resilient and scalable.
Many of the large-scale acquisition programs are driven by political gain rather than true ADF strategic capability need. When the right capabilities are identified, they are bogged down in ridged and slow contracting frameworks that mean the warfighter ends up with yesterday's leftovers.
Answer is based on the current state (eg 6500, personal opinion) but Strongly Agree this should be possible/achievable and has occurred (C17 Globemaster buy) but not consistently.
Lots of talk in the SDR about moving quickly or accelerating capability and all that seems to have happened is paralysis. Defence still focussed on perfect outcomes and process rather than 80-90% solution that it could have much sooner.
The rigid process, combined with a Labor government that will continue to defer decisions makes it impossible
The short timeframes described recently by DSR require a robust MOTS approach. By robust I mean strictly limited modifications, which also require a very good selection of the original design. In many cases Defence has done exactly the opposite. There are significant cultural barriers that need to be overcome to move on from that.
Where capability is indigenous. If capability is to be sourced offshore, then suitable timeframes will be jeopardised. Already seeing this in the e-technology sector, with the long lead time for supplies impacting not only Defence but other industries - passenger vehicles being released with some e-features removed.
Through the initial tender release, to the prime's bid submission and then defence's ability to review the tender submissions and select a preferred prime and place the contract into service takes far too long to be able quickly deliver defence capabilities. The rigour in this process does not allow flexibility, nor a streamlined process to deliver such capabilities in a suitable timeframe.

Defence's core Engineering capability has been reduced to the extent that they struggle to define capability. Hired in consultants get paid more to find problem not to resolve problems.

There is clear evidence to suggest that Defence itself feels like it's not delivery the outcomes in the right timeline in line with the changing threat.

The removal of the threat window and the unknown timeframe means we are no longer prepared and ready, even to ramp up.

Australia is able to define and deliver capability in a suitable timeframe given the current strategic and geopolitical environment.



11.5 Question 5

Need for Speed, Defence Capability Acquisition

Rank the following delay drivers in order of your perception of their current negative impact to project delivery timeframes across Industry (with 1 as most impact).

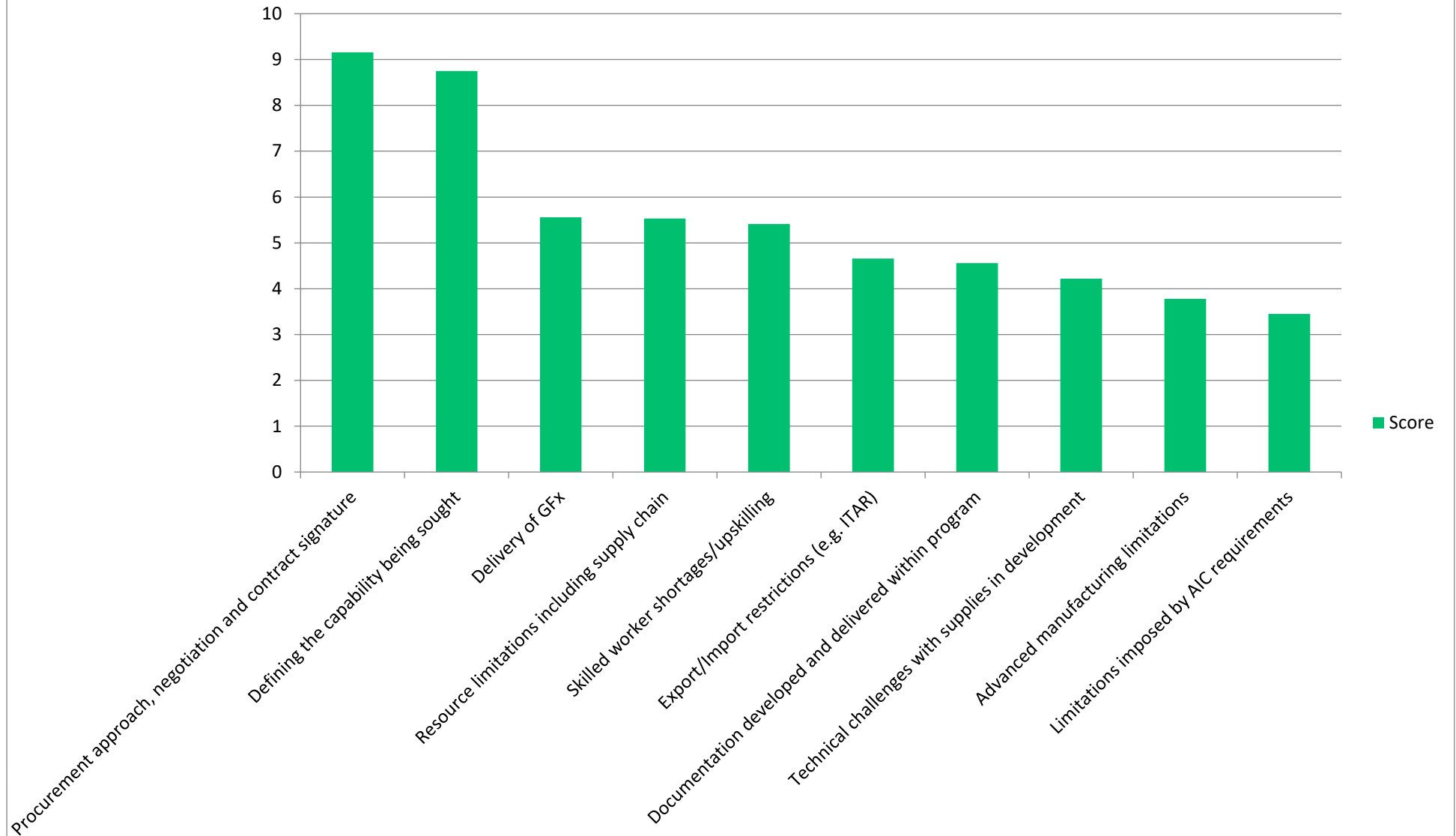
	1		2		3		4		5		6		7		8		9		10		Total	Score
Defining the capability being sought	46.88%	15	28.13%	9	9.38%	3	6.25%	2	0.00%	0	3.13%	1	0.00%	0	6.25%	2	0.00%	0	0.00%	0	32	8.75
Procurement approach, negotiation and contract signature	34.38%	11	46.88%	15	18.75%	6	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	32	9.16
Limitations imposed by AIC requirements	0.00%	0	0.00%	0	3.23%	1	6.45%	2	16.13%	5	6.45%	2	12.90%	4	6.45%	2	25.81%	8	22.58%	7	31	3.45
Delivery of GFx	6.25%	2	9.38%	3	9.38%	3	12.50%	4	9.38%	3	18.75%	6	9.38%	3	15.63%	5	3.13%	1	6.25%	2	32	5.56
Resource limitations including supply chain	0.00%	0	3.13%	1	18.75%	6	15.63%	5	15.63%	5	9.38%	3	21.88%	7	9.38%	3	3.13%	1	3.13%	1	32	5.53
Advanced manufacturing limitations	0.00%	0	3.13%	1	0.00%	0	6.25%	2	9.38%	3	18.75%	6	9.38%	3	21.88%	7	21.88%	7	9.38%	3	32	3.78
Skilled worker shortages/upskilling	3.13%	1	3.13%	1	15.63%	5	15.63%	5	18.75%	6	12.50%	4	6.25%	2	3.13%	1	15.63%	5	6.25%	2	32	5.41

Technical challenges with supplies in development	0.00%	0	0.00%	0	3.13%	1	18.75%	6	12.50%	4	12.50%	4	9.38%	3	15.63%	5	15.63%	5	12.50%	4	32	4.22
Documentation developed and delivered within program	3.13%	1	3.13%	1	18.75%	6	9.38%	3	3.13%	1	9.38%	3	12.50%	4	6.25%	2	12.50%	4	21.88%	7	32	4.56
Export/Import restrictions (e.g. ITAR)	6.25%	2	3.13%	1	3.13%	1	9.38%	3	15.63%	5	9.38%	3	18.75%	6	15.63%	5	3.13%	1	15.63%	5	32	4.66

Answered 32

Skipped 0

Rank the following delay drivers in order of your perception of their current negative impact to project delivery timeframes across Industry (with 1 as most impact).



11.6 Question 6

Need for Speed, Defence Capability Acquisition

To what degree have delays been avoidable or reducible, if at all?

Answered 27

Skipped 5

Responses
Generally avoidable
This depends on the phase of the project i.e. Land 400 - 5 years to award post RFT. Sea sprite - inability to set realistic requirements and changing scope from Defence. AIR7003 - government inability to commit program cancelled after 14 years with no outcome.
how long is a piece of string.....
working together ADF (end user) / contractors to share resources, to enable on time delivery
Lack of any Risk taking slows procurement throughout the life cycle.
A great deal of time and a considerable amount of money is spent and wasted by programs in convincing and aligning different groups that their idea is valid. When senior decision makers are involved earlier in the process, delays are reduced or avoided entirely.
TAA's need to be broad so as to ensure they don't need revision during the program.
Most delays are very avoidable. Particularly in the front end of the procurement process pre contract signature. The biggest challenge currently that is difficult to mitigate is the availability of skilled staff.
clearer definition of the requirement and early engagement of the supply chain.
I would say a large degree.
No comment
the tender process and ASDEFCON are the single largest impediment to accelerating capability delivery.
As an SME, we work on a range of projects with different levels of criticality and risk. It is frustrating that seemingly simple decisions on low risk, low criticality projects take so long, and arranging delivery of GFE is so difficult. I think part of the issue is the staged process where different people, with no background in the project, are required to approve or sign-off on things they don't understand. I often have to answer questions that have been answered many times before, typically by above-the-line contracted commercial people with no skin in the game and hence so motivation to get things done.

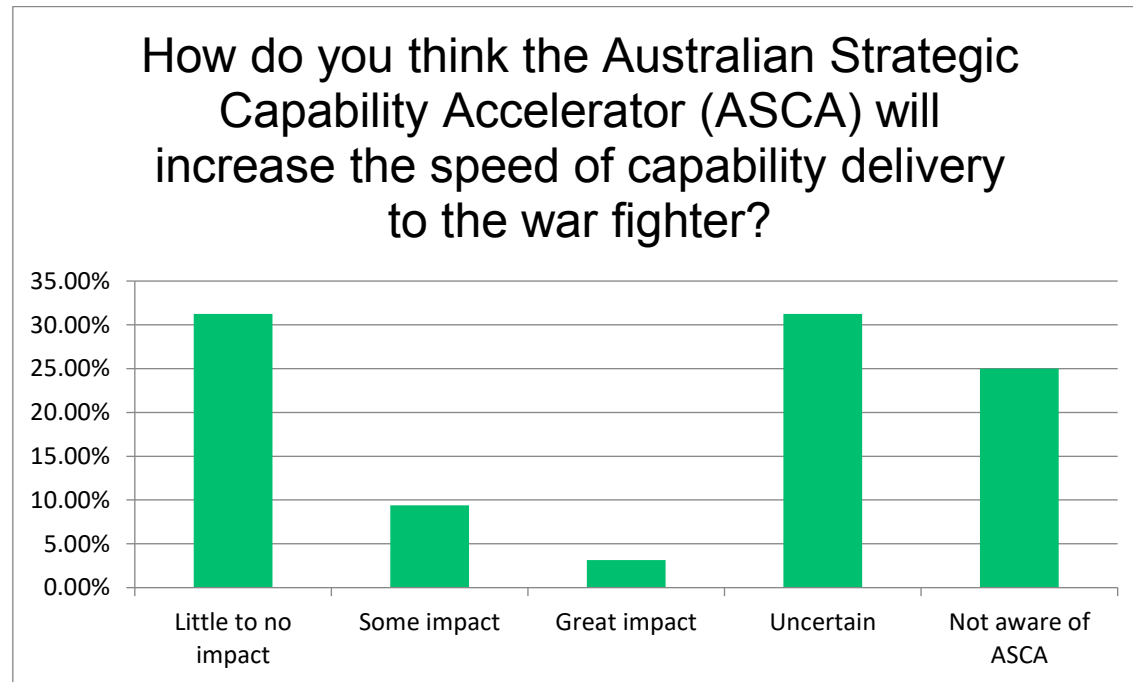
Tendering and evaluation process can be streamlined. Too much application of ASDEFCON template clauses without considering their need or benefit to the capability. Cost of responding to unnecessary ASDEFCON clauses presents a barrier to SMEs and reduces competition driving up costs to Industry which in part drives up prices paid by CoA as successful tenderers will seek to recoup costs.
Many delays can be reduced if there was a sound understanding by all parties of the objective for a capability (not just its function), and an open a frank conversation about reasonable compromise.
I think all steps taken are necessary, but perhaps the processes could be better executed to support agility and efficiency. Much of the delay I have seen is to do with paperwork/reviews being held up which makes sense as often it is Engineers needing to review, while also making time to do Engineering work. Perhaps there is a more streamlined process of ensuring the documentation reaches appropriate eyes without effecting such delays.
Engaging with OEMs and the relevant SPO early to obtain export authorisations.
Less CoA tech changes post Decision to Proceed or post Contract.
In contract, CoA and Industry need to work together and focus on making timely decisions (accepting complex project will by nature present issues), assess the best for project approach, and accept the decision made.
A lot of delays are process related which can be avoided by streamlining process and decision making. ITAR/GFM is also a big impact and could be avoided by the customer taking more proactive steps to get TPR/export approvals in place prior to decision making.
CoA understanding of the importance of GFM to the capability solution and the timeliness of the GFM in accordance with scheduled dates would greatly reduce delays to schedule
To a very significant degree: the approach to market, procurement process and decision making making process is unnecessarily lengthy. It can easily be benchmarked with other similar countries (size, economy, defence force).
Most challenges are recognisable in the early planning stages and as such are able to be planned for and the impact reduced. Question is whether the parties are willing / able to identify and initiate remediations for the challenges / risks.
Delays can definitely be avoided or at the very least reduced if CASG had the support/resourcing capabilities to analyse/respond to tenders in a timely manner - this includes their ability to provide GFX into service and as part of a programs deliverables.
Somewhat reducible - difficult to mitigate the impacts of these during execution (i.e. they are mostly stemming from systematic issues that require wholesale Defence and Industry approach to change)
Rigorous pursuit of total compliance to specification as opposed to acceptance when an improved capability is available for deployment creates enormous delays when dealing with local industry. These constraints are not applied to US sourced materials
Given I think policy has a role to play I suspect it's about an environment of psychological safety for people to feel empowered to make decisions.
Providing greater certainty to industry to invest and be prepared for what is coming.

11.7 Question 7

Need for Speed, Defence Capability Acquisition

How do you think the Australian Strategic Capability Accelerator (ASCA) will increase the speed of capability delivery to the war fighter?

Answer Choices	Responses	
Little to no impact	31.25%	10
Some impact	9.38%	3
Great impact	3.13%	1
Uncertain	31.25%	10
Not aware of ASCA	25.00%	8
Comment		15
Answered		32
Skipped		0



Comment
The design principles are similar to systems already in place
Looks like the RPDE program rebadged
I'm not convinced it is the right instrument to deliver innovation that defence talks about

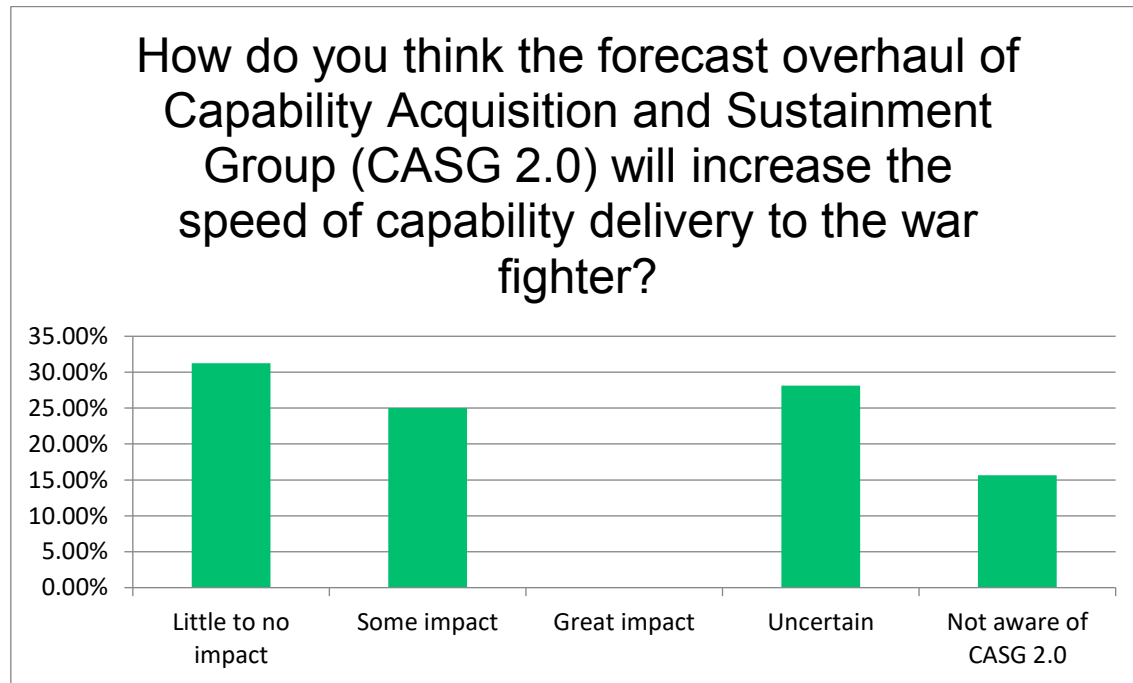
The whole approach struggles to align with the risk approach required to rapid acquisition.
Too much bureaucracy is built into the procurement agencies and processes. Too little capacity within Capability Management groups.
I don't have much faith
I can't see it being any different to DIH and NGTF. The issues I described in Q6 also occur on DIH and NGTF programs. 18months into an 'agile' DIH program and we're still waiting for a government report that 'can't' be released because the Office of the document 'owner' no longer exists, and no one in the Commonwealth is prepared to take responsibility.
Almost need to have regular open and bespoke demonstrations of low TRL tech to Capability Manager Representatives / Operator / End Users to assess capability potential and uses then invest in those that present best value by putting them through the ASCA.
Cynical view, such initiatives rarely have lasting impact.
I haven't found a clear, succinct answer on what ASCA will do. What are their actions? What authority do they have?
The ASCA sounds like something that acts on industry mainly. Unless the ASCA changes the capability acquisition approach, I doubt it can do much.
Yet to see the actual changes to the Capability lifecycle, from the ASCA
The budget available is too small to make much impact. Prior incarnations of this program have had poor uptake by ADF
A lot of expectation that it will solve things, but it's only one aspect of a wider change program needed.
Whilst it will drive innovation, am uncertain on how it will improve speed.

11.8 Question 8

Need for Speed, Defence Capability Acquisition

How do you think the forecast overhaul of Capability Acquisition and Sustainment Group (CASG 2.0) will increase the speed of capability delivery to the war fighter?

Answer Choices	Responses	Count
Little to no impact	31.25%	10
Some impact	25.00%	8
Great impact	0.00%	0
Uncertain	28.13%	9
Not aware of CASG 2.0	15.63%	5
Comment		17
Answered		32
Skipped		0



Comment
Deeble's issue will be the culture remains with the people in the Department and there will need to be significant change in the governing regulations
how is the overhaul of CASG 2.0 being measured? How transparent is the process they are using?

The approach calls for a reasonably radical change of mindset in CASG which I doubt can be achieved.
Changes within the group will take quite some time to take effect, but there is potential for improvement in the changes proposed.
Too much bureaucracy is built into the procurement agencies and processes. Successive plans to generate efficiencies have only added extra layers of process, not reduced them. CASG has too much reliance on external contractors (above the line), who have no incentive to accelerate capability delivery.
Maybe long term good. Not in the short term.
until the remit is understood, it's hard to say. It's also the cultural change needed in the department to empower, upskill and reduce the risk-averse nature.
Politics, financial constraints and public accountability are the biggest drivers, improvements within CASG, if successful, will have marginal impact. We need a whole of government approach that goes beyond the headline programs.
Unless outcomes are prioritised over process nothing will change.
CASG needs to eliminate above the line Contractors and replace them with Uniformed and Public Servant Personnel. Uniformed personnel bring Operational experience and pragmatism as well as being able to focus on what is important to the end users and what is gilding. Above the line contractors are not incentivised to act quickly particularly if they are remunerated on a LOE basis rather than deliverables.
No indication this overhaul will be any different to the last two
The DSR makes a call for this, but I'm not aware of any specific plans to do it. If it does not address the cultural issues currently presents (mainly lack of accountability), I'm not sure how it will provide any material improvements.
Forgive the cynicism, but I don't believe that any 'overhaul' will result in streamlining of the organisation or the tendering/contract process
Based on previous similar reviews and overhauls. Further CASG are a throughput organisation so any improvements in their delivery will be aligned to any wholistic changes in policy and processes.
Risk aversion is endemic to the senior public service and senior military officials. Procurement needs a business like approach to risk/reward.
As long as promises are delivered
Need to know more details

11.9 Question 9

Need for Speed, Defence Capability Acquisition
RFX documentation sets and ASDEFCON Contracts are appropriately tailored.

Answer Choices	Responses	
Nowhere near enough	40.63%	13
Not enough	25.00%	8
Appropriately	12.50%	4
Too much	9.38%	3
Far too much	3.13%	1
Unsure	9.38%	3
Comment		12
	Answered	32
	Skipped	0

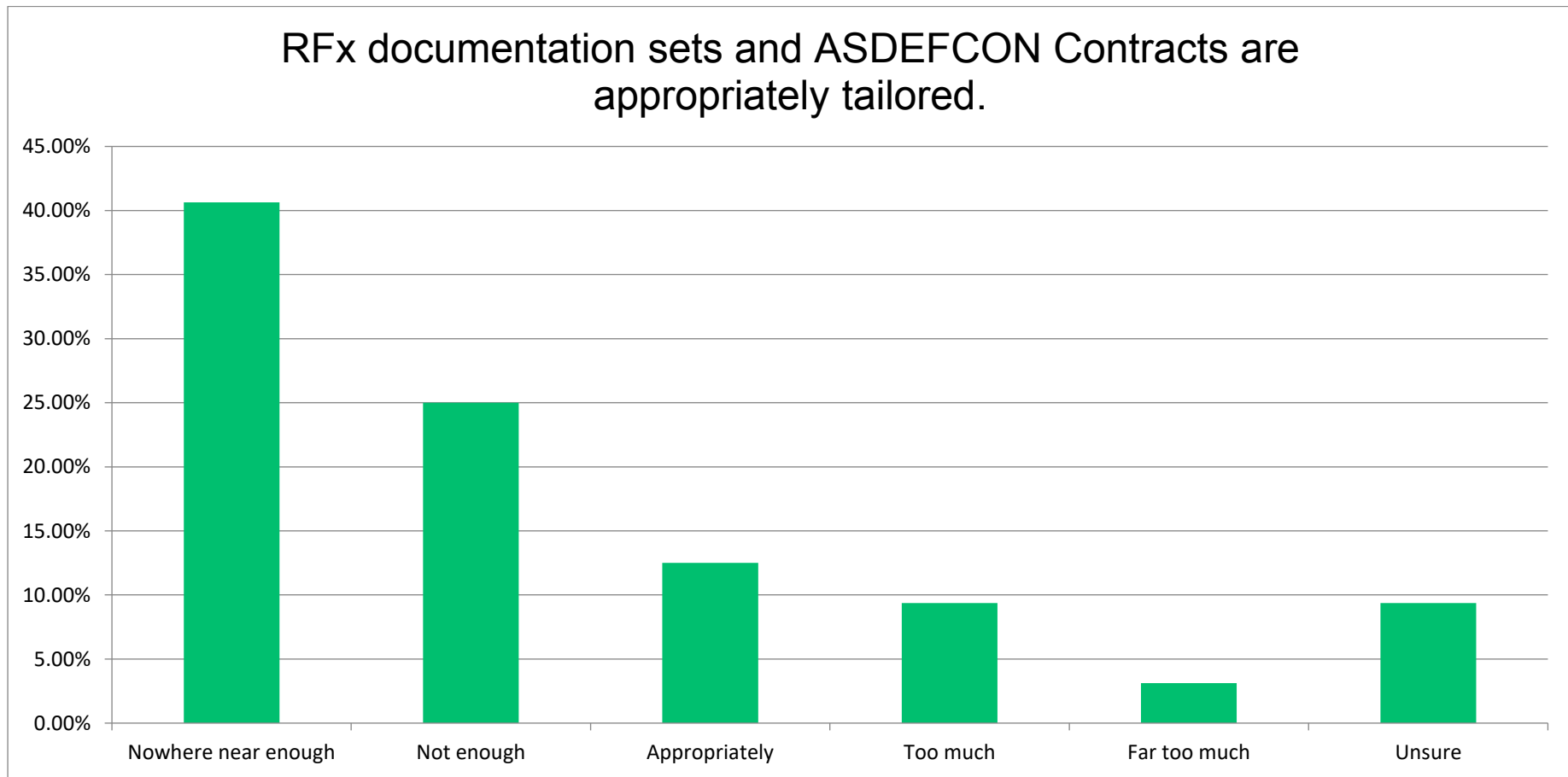
Comment
Very little tailoring is done as it appears authors are either not empowered or confident to do so.
Tailoring rarely occurs.
ASDEFCON provides a very robust framework, but is very 'heavy' in terms of effort to deliver against. Very limited tailoring to deliver efficient and timely capability delivery and support is evident.
rules where tailoring needs delegate approval significantly stymie the process.
Mixed - I have seen it done well and done poorly. Tailoring must be commensurate with criticality and risk profile of the project.
There are many clauses invoked that does not add value or mitigate risk and increases overhead. Embedding Uniformed personnel into the Contractor delivering capability will mitigate some perceived risk and allow reduction in unnecessary clauses.
Tailoring ASDEFCON is a balance, it is a common framework with which everyone is familiar, so over tailoring can be just as bad as under tailoring. However, more effort should applied to ensuring the key elements of the contract are aligned with the program objective.
RFX docs need to be tailored more to reduce the TDRLs, and only seek essential TDRLs upfront to progress rather than obtaining everything. Consistence in ASDEFCON templates in an RTx reduces Industry review during RFT, whereas over-tailoring will increase the review by Industry. However, a template is only 80% starting point . CoA need to be prepared to negotiate clauses specific to the project, and tailor the SOW tailored to the actual work. A Contract is only good if it describes the actual situation.

That depends on the Program. The quality of CoA personnel in an specific Program Office (their experience, knowledge and their sense of ownership on the final outcome) influence this.

The ASDEFCON Templates are designed for 'tailoring in' specific requirements. Too often the ASDEFCON template is treated as being inflexible / untailorable / all encompassing

SPOs are not educated on how to effectively tailor.

I am no expert on these Contracts so unsure



11.10 Question 10

Need for Speed, Defence Capability Acquisition

I have worked with, or as, an end user/war fighter providing feedback to define a capability need, or assist in execution of delivery.

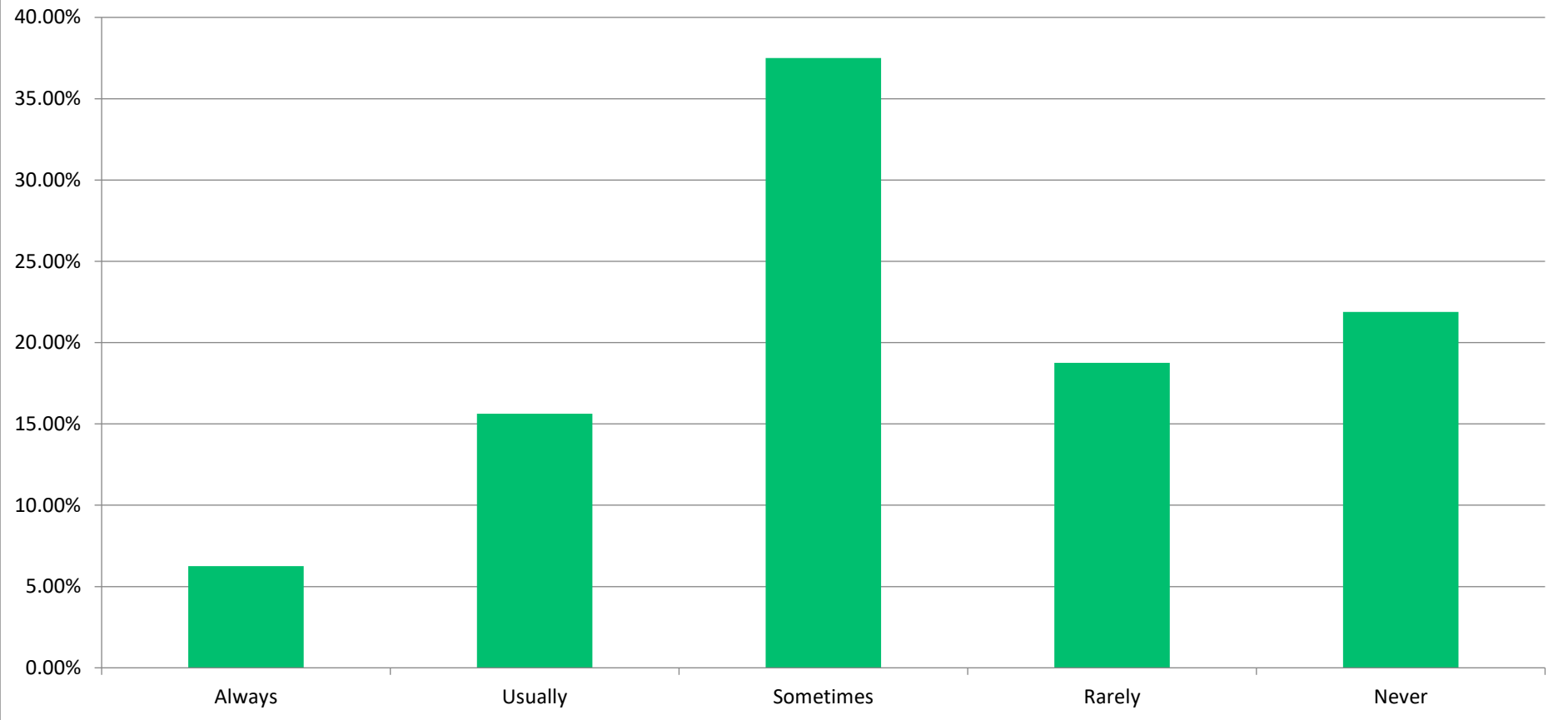
Answer Choices	Responses	
Always	6.25%	2
Usually	15.63%	5
Sometimes	37.50%	12
Rarely	18.75%	6
Never	21.88%	7
Comment		11
	Answered	32
	Skipped	0

Comment
this question doesn't apply to me
CASG embedded with the end user. However funding can determine execution of delivery when capability manager is not aware of end users needs.
My experience was that involving end-users in the capability acquisition process produced good results. During delivery, they can provide meaningful guidance on priorities and operational use to assist the technical development teams. External contractors (above the line) are rarely able to provide this level of value adding support.
I have had the opportunity to work in above-the-line situations where operational concepts, SOWs and requirements have been developed. But this is not a core part of my current or previous roles.
I worked in Capability Development and OT&E roles as well as an end user of capability
In my domain, the end user community is a little closed. Generally not seeking advice from outside.
I worked in CASG with end users for 15 years
There should be more of this. But on the question below, not sure if this affects the speed necessarily. I suppose it could under certain circumstances (providing pragmatism in complex issues, for example).
For Q11. Having Users in teh team or direct access is useful so long as the User is focussed on the agreed level of Capability to be delivered, and thus appreciating changes contemporary or otherwise is change in scope /cost / schedule....

It has been my experience that engagement with the end user is discouraged if not actively frustrated

Have not had the chance

I have worked with, or as, an end user/war fighter providing feedback to define a capability need, or assist in execution of delivery.

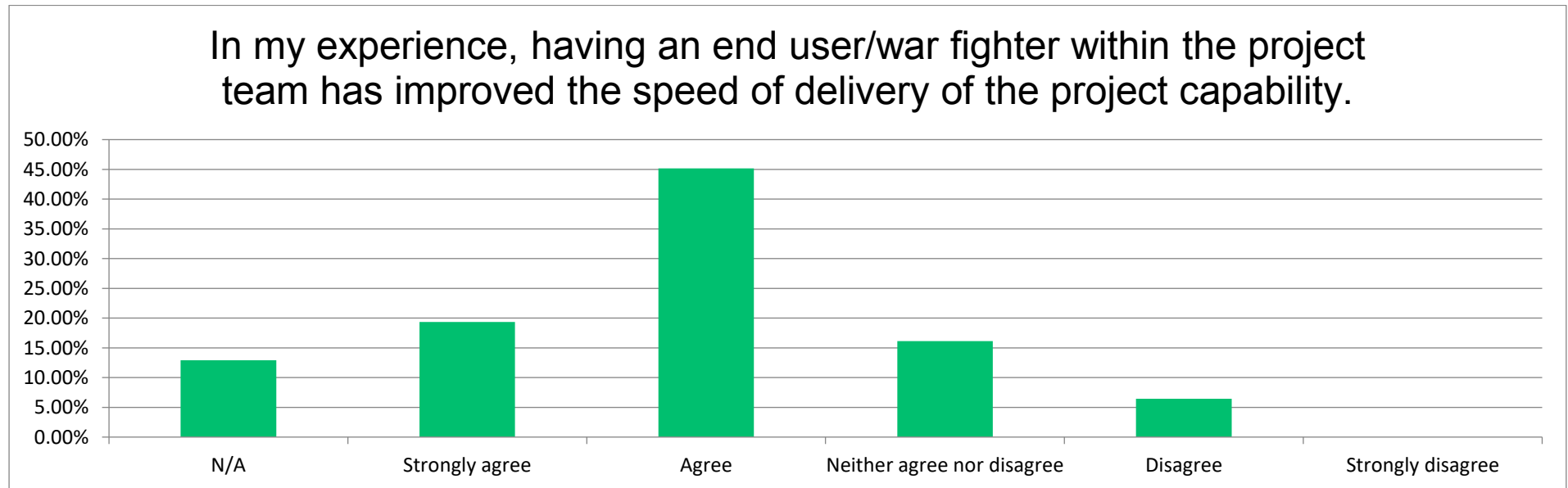


11.11 Question 11

Need for Speed, Defence Capability Acquisition

In my experience, having an end user/war fighter within the project team has improved the speed of delivery of the project capability.

Answer Choices	Responses	
N/A	12.90%	4
Strongly agree	19.35%	6
Agree	45.16%	14
Neither agree nor disagree	16.13%	5
Disagree	6.45%	2
Strongly disagree	0.00%	0
	Answered	31
	Skipped	1



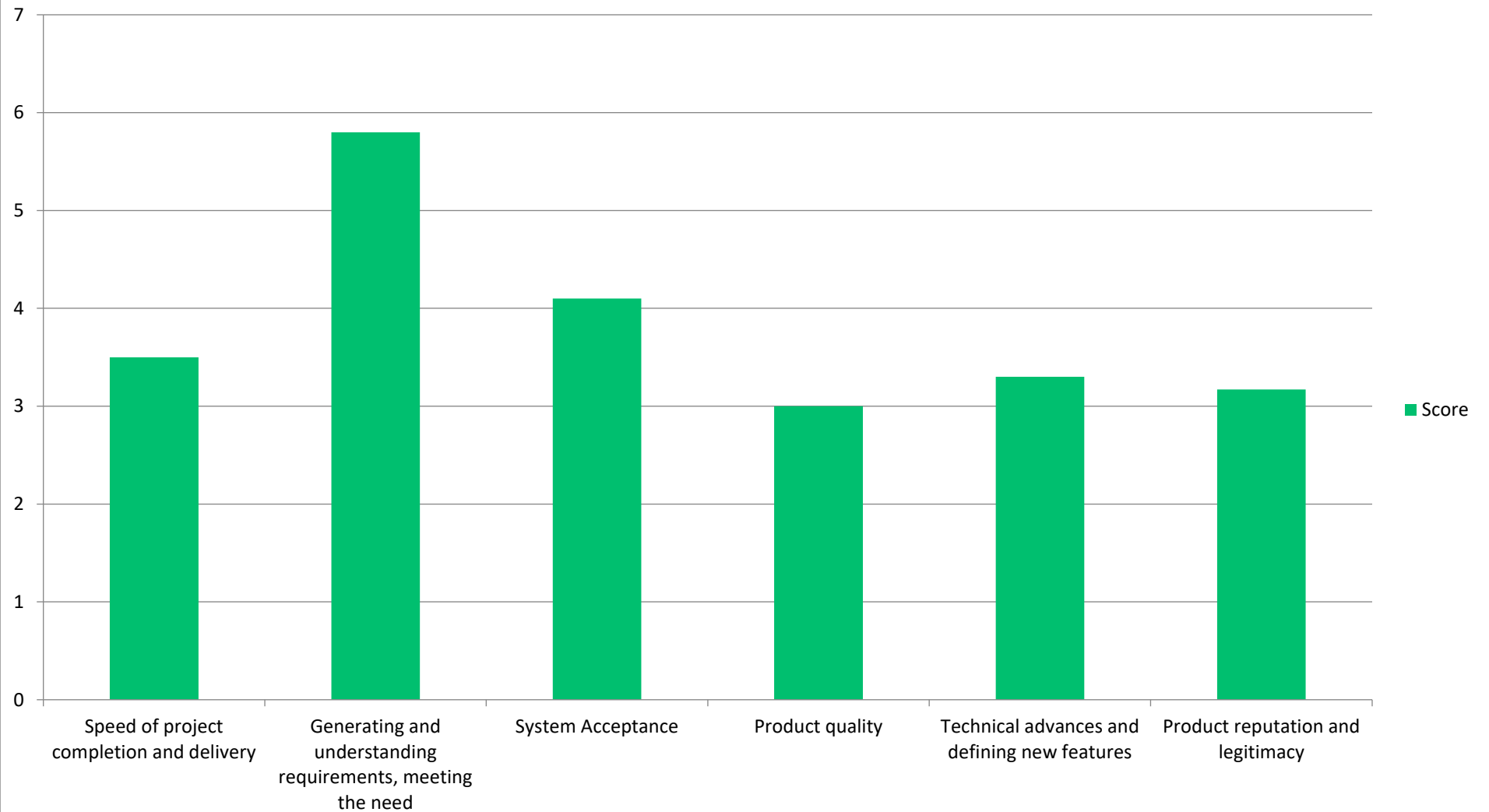
11.12 Question 12

Need for Speed, Defence Capability Acquisition

Rank the following benefits of end user engagement in project teams from most to least impact (1 for most).

	1		2		3		4		5		6		Total	Score
Speed of project completion and delivery	3.33%	1	20.00%	6	23.33%	7	30.00%	9	23.33%	7	0.00%	0	30	3.5
Generating and understanding requirements, meeting the need	90.00%	27	6.67%	2	0.00%	0	0.00%	0	3.33%	1	0.00%	0	30	5.8
System Acceptance	6.67%	2	33.33%	10	33.33%	10	16.67%	5	10.00%	3	0.00%	0	30	4.1
Product quality	0.00%	0	0.00%	0	0.00%	0	100.00%	2	0.00%	0	0.00%	0	2	3
Technical advances and defining new features	0.00%	0	20.00%	6	20.00%	6	30.00%	9	30.00%	9	0.00%	0	30	3.3
Product reputation and legitimacy	0.00%	0	20.00%	6	23.33%	7	16.67%	5	33.33%	10	6.67%	2	30	3.17
													Answered	30
													Skipped	2

Rank the following benefits of end user engagement in project teams from most to least impact (1 for most).



11.13 Question 13

Need for Speed, Defence Capability Acquisition

Are there any other benefits of end user engagement in project teams not listed in Q13?

Answered 21
Skipped 11

Responses
Expertise
Arbitrating and accepting tradeoffs between capability and delivery speed.
End user engagement helps clearly define the capability need and how to address it. It is most effective if done early on and endorsed by seniors.
Keeping the project team focused on what matters
Enhances communication across contract boundaries both with industry and across the MAA. This extends to communications and engagement with broader stakeholders such as regulators.
potentially ensures that what is being developed isn't something that the end user either doesn't want or can't use
Providing operational context for the capability; Prioritisation of functionality and capabilities
Acceptance of the user community
better understanding of the introduction into service scope and all stakeholders needed to be accounted for.
Building ongoing relationships with the user community is very effective for transition into service and ongoing support.
An experienced and engaged end user who will have follow-on posting in the end-user unit including introduction into service and training are most invested and likely to give advice on interpreting requirements and priorities if properly empowered by CM
Building a sense of purpose with the contracting organisation who is developing the solution.
provides first hand experience.
Typically, end-users can assess and describe how the end product will actually be used, and they are often more focussed on getting a product outcome. Whereas non-end users are usually well informed although only guessing how the product is used. However, there are disadvantages, as end users often push for more capability beyond those agreed in the scope. However, overall I think they provide an essential POV as part of a well rounded project team.
Build trust with the End User that we will deliver a product that will enhance their capabilities ensuring a smoother entry to service
Can't think of any.

Providing direct engagement with the Capability Manager who site outside CASG and underwrites / approves the CAPEX funding.
NA
N/A
The 'why'/sense of purpose. It tends to align project teams in the reasons why getting the capability is important.
N/A

11.14 Question 14

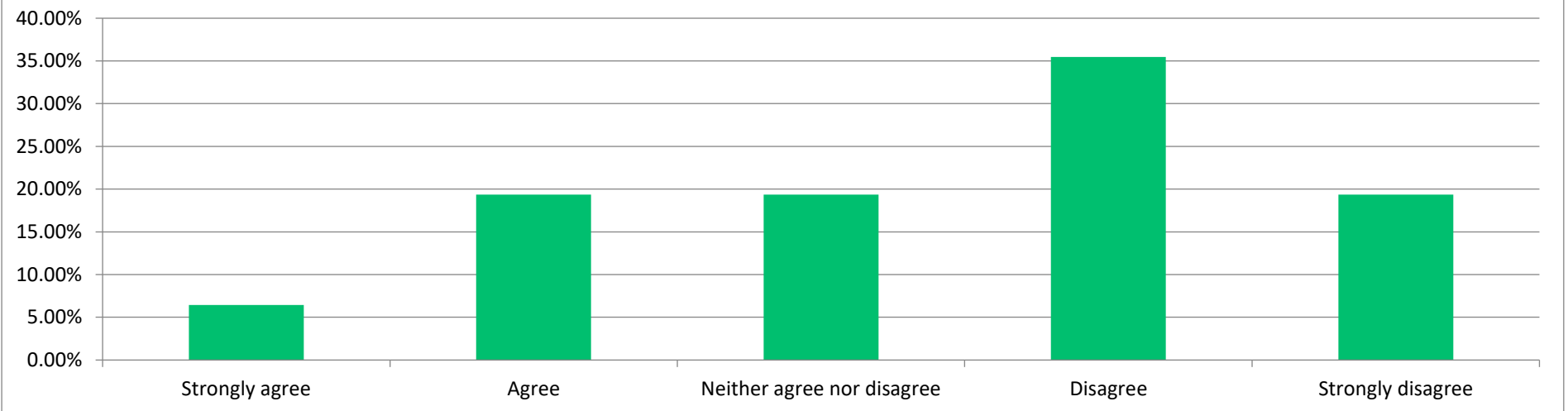
Need for Speed, Defence Capability Acquisition
Australia currently has the sovereign resources, Industry and capacity to support contemporary capability delivery speed required.

Answer Choices	Responses	
Strongly agree	6.45%	2
Agree	19.35%	6
Neither agree nor disagree	19.35%	6
Disagree	35.48%	11
Strongly disagree	19.35%	6
Comment		20
	Answered	31
	Skipped	1

Comment
If the government and Defence identify what they want in Sovereign capability
Depends on the capability being sought
Our industry base has been compromised through lack of consistent policy and support from governments of both major parties.
Getting there, but needs improvement - DSR has done a good job outlining what needs to improve here.
Australian industry has been gutted over the last 4-5 decades
Sovereign capability is not holding back speed to delivery. What's required is speed to capability definition and a subsequent change of mindset to take on more risk and to make the associated changes to procurement systems.
Especially with regard to nuclear propulsion element of AUKUS
We have the ability, but not the system, processes, or investment fully utilise our sovereign capabilities. Too much of our sovereign capacity and capabilities are wasted in the tender process.
where industry is allowed to get on with it, and where defence has selected a proven solution, this should be easily achieved....
Too many variables specific to the capability in question to provide generic answer to this question
Not enough incentive to avoid, or accountability consequences for, late decisions and non-decisions.

Yes especially if focused on the simple, cheap and/or numerous capabilities such as attritable uncrewed systems where volume leads to long term investment by industry and longevity for spiral development to occur. Less so when applied to large, complex and few capabilities.
Whilst AIC is strongly emphasised in ASDEFCON, it is often applied in the wrong places or without enduring impacts.
Unsure
supply chain is not necessarily developed in Australia and require to reach back to overseas OEMs
The Australian Industry has been cold rolled by the Defence approach and would also need a bit of readjustment. The lack of accountability has in many cases transferred to some primes.
Absolutely not. The vast majority of our capability is from foreign entities and countries.
Severe reductions in workload and staffing in the 2007 to 2013 period have had a strong affect of depriving local industry of a cohort of leadership and experience reducing effectiveness
In some areas there is sufficient capability. In many others there is not.
Australia is a relatively small defence market and has a small ADF in comparison to allies. It should be more selective and prioritise the areas it really wants to be localised.

Australia currently has the sovereign resources, Industry and capacity to support contemporary capability delivery speed required.



11.15 Question 15

Need for Speed, Defence Capability Acquisition

Does the level of specification by Defence for capability in acquisition impact the timeframe for delivery to the war fighter?

Answer Choices	Responses	
A great deal	41.38%	12
A lot	44.83%	13
A moderate amount	10.34%	3
A little	0.00%	0
None at all	3.45%	1
Comment		13
	Answered	29
	Skipped	3

Comment
If defence can clearly articulate this will support speed to operation. Continual variations in scope and requirements does affect the ability to complete programs.
Specified needs speed up the selection of capability, but over-specification slows it down.
There are examples of both a lack of clarity in capability requirements and over specification causing delays in acquisition.
Specifications are generally very detailed and specific to a solution. They are rarely defined as operational outcomes.
especially for proven systems that are selected, ASDEFCON often forces a program to start from scratch again. Especially if the PMO is inexperience on Defence' side.
It's not the level of specification that drives delivery timeframe, it's the degree to which the specified requirements are critical to the mission and understanding the amount of development required to achieve and verify the specified requirement.
Validating requirements, that could have been written many years before contract award, is critical to ensure contractors are not spending effort to meet specifications that are of low stakeholder value.
Requirements should be effects or outcome focused and too often read like a specification for the "product" that key personnel want rather than what effect is required.
Although, it is less about the level of specification and more about the maturity and investment into that specification. This needs to be coupled with a willingness to have a dialogue about the requirements.

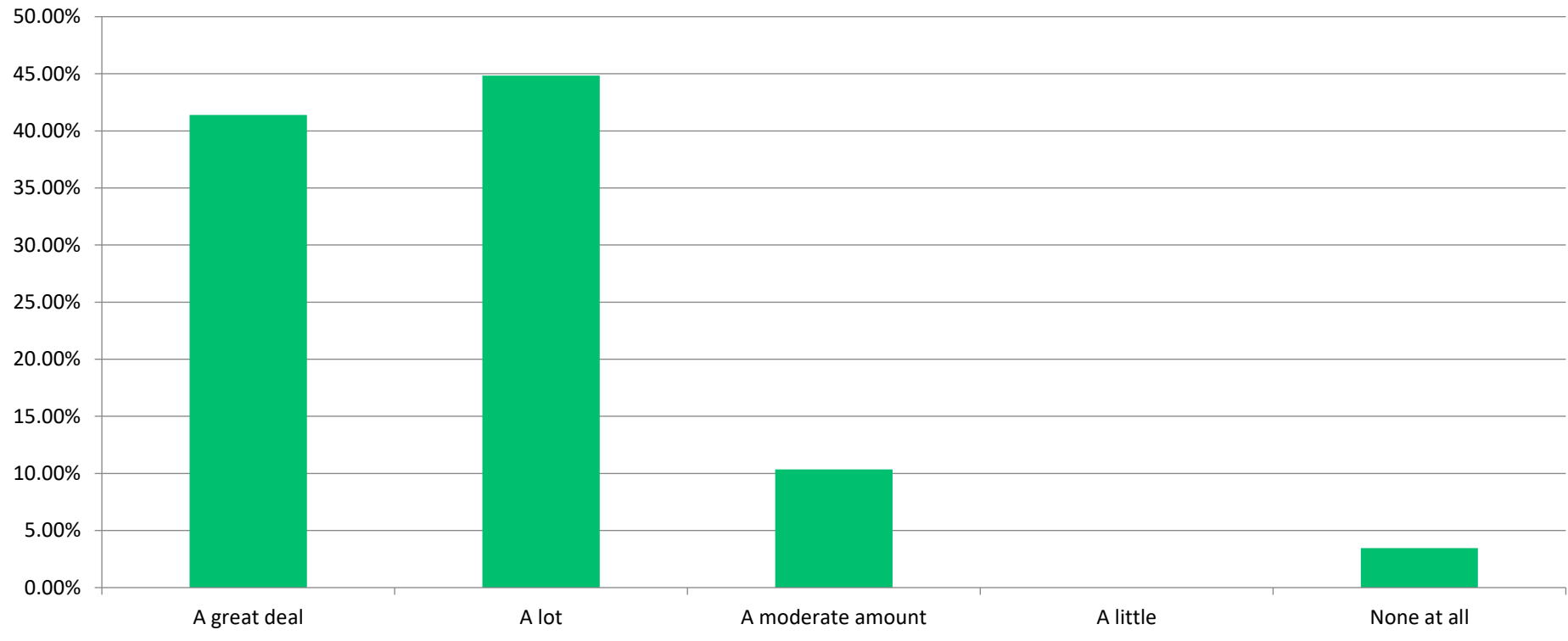
There is rarely apples-to-apples products available in the market. The Spec needs to describe the purpose, functions and standards in the first instance to go to market. It is impossible for a Defence to describe it 100% without going to market. Also, yet to understand why a full Spec is needed if buying low value off the shelf products, when a Product number or Product spec would do the same thing.

There is a significant underestimate of the impact that any design change has in a complex system like the ones being procured.

... where the specification is prescriptive and not descriptive - outcome / Capability focused

Current trends are away from a rigorous specification but contracting mechanisms are not adjusting quickly enough

Does the level of specification by Defence for capability in acquisition impact the timeframe for delivery to the war fighter?



11.16 Question 16

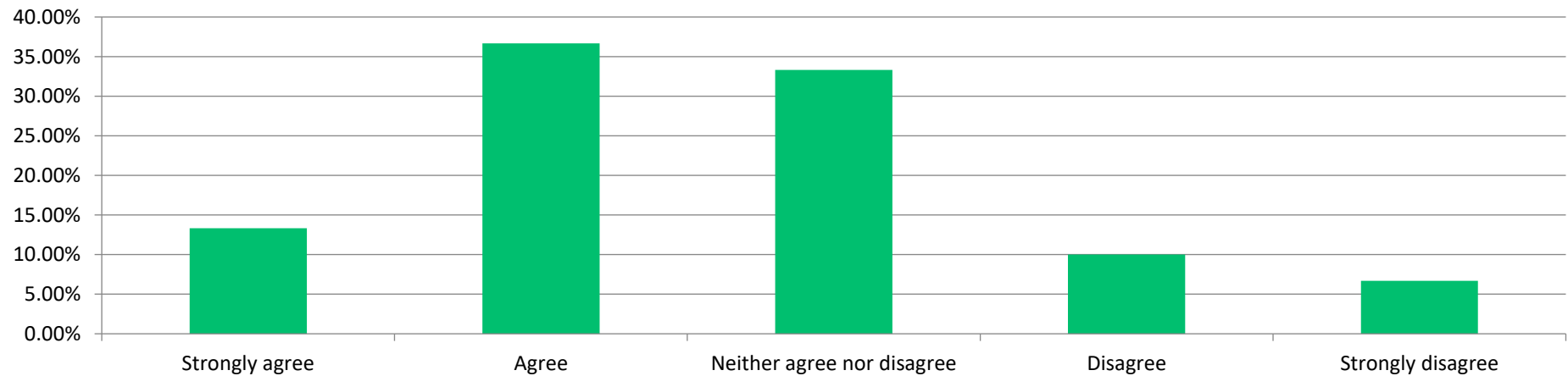
Need for Speed, Defence Capability Acquisition
Defence should acquire capability against an Operational Concept Document rather than a Functional Performance Specification or set of specific Requirements.

Answer Choices	Responses	
Strongly agree	13.33%	4
Agree	36.67%	11
Neither agree nor disagree	33.33%	10
Disagree	10.00%	3
Strongly disagree	6.67%	2
Comment		16
	Answered	30
	Skipped	2

Comment
Dependent on the capability being delivered.
The approach should be flexible.
I think it depends on the project, but really I believe the OCD and FPS go hand-in-hand and can be used to de-risk procurement.
Constraining the outcome to a detailed list of attributes at the start of the program, when the least is known about the solution, leads to focusing on the wrong things. Conversely, buying a defined product without an OCD (it happens!) leads to gaps in FIC. Using the OCD as the document against which capability is accepted is the best outcome.
The OCD does not provide enough definition to allow independent parties to evaluate options and come up with the same, correct solution.
Though FPS needs to be agreed from the OCD early in order to sell off completion
the FPS makes sense where developmental, but where an existing system exists, consider delivery against an actual product spec...
Agree that the FPS stage can be tailored out, however there needs to be a process whereby the capability being acquired is described in detail e.g. product specification (or for off the shelf capability demonstrated) and the user/capability owner confirms the OCD will be achieved.
Agree-ish. Leaning more towards Operational Concepts can foster innovation, but without some level of requirements specification it will be too difficult to evaluate tenders. Hard requirements should be limited, with more focus on targets. As part of their response, Tenderers should demonstrate how well their solution meets these targets.

However, the current ASDEFCON framework is strongly counter to this approach in many areas.
Unsure
The OCDs could be used for the RFX docs, but would be very hard to Contract to as they are typically very broad. But as commented above the FPS are typically overly prescriptive.
Acquiring against an OCD could provide an opportunity to provide an opportunity for more unconventional responses which can be constrained by an FPSy
That may work for simpler MOTS items. Most of the big programs from Defence require design and engineering and that cannot be done against OCDs.
... this assumes that the OCD provides the outcome / Capability description. Not always true, not all Acquisition Projects have an OCD. With OCD / FPS being throughput documents maybe the approach should be to a defined Project Management methodology that guides the right level of thought and governance for all parties. PMBOK, Prince 2 being previous attempts but suffered from becoming overly prescriptive, moving away from their intent.
Both is done; however, OCD is largely ignored during the actually delivery and teseting of outcomes.

Defence should acquire capability against an Operational Concept Document rather than a Functional Performance Specification or set of specific Requirements.



11.17 Question 17

Need for Speed, Defence Capability Acquisition

What are some good examples of Commonwealth/Defence and Industry engagement and where could this be improved to facilitate faster acquisition?

Answered 19

Skipped 13

Responses
Pre gate zero is a really important part of the industry engagement process
Unfortunately, these would be FMS programs where the scope is set by other countries.
Sadly, none come to mind.
Industry Incubators such as fisherman's bend and Jericho are good examples of solution-oriented capability development which have sped up capability acquisition. This model could be applied elsewhere...
Capability demonstrators - where industry and Commonwealth work together to identify and then develop a capability
Very few examples where Defence/CASG/Industry work together as a team to collectively deliver capability in a timely manner.
Haven't seen a good example after 10 yrs. Too many 3rd party consultants in the process
Land 19 SPH and smart buyer principles. This was a result of strong leadership within the PMO, focus on tailoring the procurement to reflect where the capability was an existing product, and a succesful RMA pre-contract.
In my experience, using Standing Offer Panels and avoiding contracting frameworks altogether is the fastest way to deliver. However, SOPs are mostly used for provision of services, and SOW based RFQs are pretty rare.
Uncrewed systems (air, land, sea, subsea)
Projects are delivered fastest when the contract is signed and then set to one side. Where the CoA and the contractor work truly collaboratively to achieve the outcome, driven by a desire to enable the warfighter rather than their own agendas.
We've had a good experience with Land 19Phase 7B. Both teams focused on achieving an outcome. Both teams accepting their role and actively perusing outcomes.
The AWD Alliance (during the last few years after Reform fixed the most significant dysfunctionality) delivered very good outcomes, despite all the vilification. It could be improved by ensuring that, from the outset, the risks are managed by the best placed stakeholder and that everyone has the right level of incentive to ensure a common objective. That was achieved only after a certain level of pain.
Defence R&D, Minor Rapids are processes where there is a focus on the outcome and as such have seen significant benefit to all parties involved - speed, cost, satisfaction

More frequent/in-depth lead-in reviews with primes during the tender process: allowing them to fully understand what CoA are really looking for/prioritising in the capability.

More resources/staff in CoA able to respond industry tenders/certifications/CDRLs/test events etc

Consistent engagement and open conversations with defence primes through the program lifecycle to ensure all organisations are on the same page and aligning to the same goals.

Utilising representatives of the end-user throughout the entire acquisition process. Allows for technical concepts to be reviewed through the lens of the warfighter and where concessions could be made in the interests of time (i.e. making more informed risks).

Collaboration on development of requirements/documents pertaining to Tenders (e.g.e P8 TLS)

Within Alliances ie DDG, WAMA with Navy. Continuous improvement should be front of mind if the culture of the team across both industry and defence is solid.

Can't think of good examples currently. Essentially there needs to be wider industry engagement and facilitated discussion on how best industry can come together to respond.

11.18 Question 18

Need for Speed, Defence Capability Acquisition

What change/s would you suggest to improve the speed of delivery of capability to the war fighter?

Answered

26

Skipped

6

Responses
involve industry much earlier in design concept
Identify what they want from the Australian industry so the industry can focus on those capabilities, CASG can understand that it is a government priority to select Australian-made.
Greater risk taking and transparency from the customer and suppliers. A focused effort to form a trusting relationship early in the acquisition cycle. Better use of a 'carrot and stick' reward system.
Look for great solutions, not the perfect solution.
Think about what we'd do if the enemy was approaching our shore and do that!
<ul style="list-style-type: none"> - Specify requirements to the level required for the capability gap and available options. - Don't compete solutions if there's only one viable solution - Greater tailoring of ASDEFCON for the capability being procured - Improve levels of technical and commercial experience within CASG - As per DSR, have the Capability Manager specify the requirement and then step back and allow CASG to deliver on that requirement. - Select lower risk solutions that are in operation and deliver the capability with changes / improvements to be made through evergreening.
Reduce the amount of deliverables that are required in the submission. If its not needed to assist in the decision making process or the value for money (VFM) process it may not be required. Don't run competitions for the sake of trying to justify VFM. Sometime if it was sole source it would accelerate delivery to the end user. You don't have to have a competition to justify VFM

<p>Fundamentally overhaul the tender process. Make tenders quick and relatively inexpensive. Put that effort into speed of delivery during acquisition/development. Change CASG paradigm from managing the acquisition process to achieving timely capability delivery and support outcomes.</p>
<p>Clear OCD. Agreed FPS. Rigorous test milestones. Removal of CASG engineering zealots. It either works or it doesn't.</p>
<p>achieving the intent of CASG 2.0, reduce defence reliance on MSPs/PSPs. this will sharpen the focus on outcomes vs process.</p>
<p>Where off the shelf solutions exist, procure to an agreed Product Specification and streamlined V&V process.</p> <p>Streamline the sole source acquisition process to remove unnecessary competition.</p> <p>Define MVC in a way that industry can understand the tradeoff between lead time and capability and how capability evolution will be decisions will be made, funded and risks managed.</p>
<p>More dialogue between user, buyer and contractor up front. Consider co-location of key members of these groups in the initial phases of the project. Transparency on technical requirements and risk appetite - contractor shouldn't have to guess which requirements are more important. Likewise, transparency on solution weaknesses and risks - customer shouldn't have to wait to latter phases to find out that the system never would have met requirement. Focus on outcomes not box ticking. Timely decision making, no hiding behind 'commercial' or 'legal' teams. Allow user groups early access to prototypes and demos to provide feedback, even if it needs to be non-binding to avoid contract issues. Faster clearances - consider providing free Baselines clearance to university students who wish to enter Defence. Faster Cybersecurity C&A for ICT systems - force Commonwealth agencies to work together, don't expect the contractor to herd the cats. Don't expect Australian industry to invest at its own risk for low quantity sales into ADF.</p>
<p>Invest in low TRL technologies that show potential whilst also accepting lower TRL system into service earlier in small numbers that can be rapidly updated based on trials and evolved where it shows it's effectiveness or discarded if better alternative technologies become available.</p>
<p>A restructuring to ASDEFCON to facilitate a more collaborative approach to capability definition and delivery, underpinned by a sound understanding of the capability objectives and an agility to course correct in what is fast becoming a very dynamic defence environment. A framework which rewards a focus on real capability delivery rather than box ticking.</p>
<p>Make a decision, and action it !</p> <p>Accept risk based decisions.</p> <p>CoA is an active participant in achieving the project outcome.</p> <p>Work together to achieve outcomes.</p> <p>Accept complex projects are just that, and will have issues to solve on the way.</p>

Quicker down selection, reduction in process for Off the shelf buys, actually buying MOTS rather than MOTS+Australianisation
Change the wage structure within CASG to enable them to attract higher calibre talent that are able to progress programs from the customer side in a timely manner
Changes to the process (approach to market, approvals required, approach to design changes, selection, real MOTS...) and changes to personnel and culture (experience, knowledge, higher accountability...)
Reducing the demand for bespoke designs and looking at MOTS products that can be easily modified, but may not meet all the requirements. Sticking to requirements and not requiring additions/scope creep/ luxuries. Interoperability.
In addition to the above move from a Services / Platform / Weapon System focus to managing by Service agnostic Systems approach. Thus creating and benefitting from the increased market advantage both locally and overseas.
Greater end-user engagement throughout the acquisition process - including embedding key members (management and execution staff) into the program to provide real-life context for the product.
In-country manufacturing.
Removal of ITAR restrictions between the US and AUS.
Review the approach to risk management and utilise the End-user in a way that allows Industry and CASG to make more informed decisions.
The contracting framework needs to balance fixed priced contracting against the need for quicker delivery
Set requirements clearly using modelling, simulation, test & evaluation where possible.
Move quickly before things change.
Fight scope creap, especially from end users.
Benchmarking against UK and US agile acquisition processes ie UORs, education of SPOs to best tailor procurement process and an evolution in the culture of CASG to empower greater decision making.
Currently there is a significant need to remove the uncertainty in the market on what is happening to existing programs and what is coming in the future. With the level of uncertainty the industry will not ramp up sufficiently to increase speed.