

Defence Strategic Review Hawker Britton Occasional Paper

On 3 August 2022, the Albanese Labor Government tasked Former ADF chief Sir Angus Houston and former defence minister Stephen Smith, to undertake a comprehensive Defence Strategic Review (the Review).

The full classified Review was handed to the Government on 14 February 2023, with a less detailed version released to the public on Monday 24 April.

The Albanese Government has agreed, or agreed in-principle with further work required, to the public Review recommendations, and has identified six priority areas for immediate action:

- **Acquisition of nuclear-powered submarines** through AUKUS to improve our deterrence capabilities;
- Developing the Australian Defence Force's (ADF) **ability to precisely strike targets at longer-range** and manufacture munitions in Australia;
- Improving the **ADF's ability to operate from Australia's northern bases**;
- Initiatives to improve the **growth and retention of a highly skilled Defence workforce**;
- Lifting our capacity to rapidly translate disruptive new technologies into ADF capability, in **close partnership with Australian industry**; and
- **Deepening of our diplomatic and defence partnerships** with key partners in the Indo-Pacific.

Key points:

The review asserts the need for a targeted approach to Defence sovereign capability commensurate with strategic competition in the Indo-Pacific.

Long awaited upgrades to Australia's northern network of bases, ports and barracks have not previously been implemented. The immediate hardening of infrastructure at critical air bases such as Curtin and Learmonth are a top priority that will now be managed by the Chief of Air Force.

Where existing systems and platforms meet most capability requirements, there should be an emphasis on **limiting design changes and modifications** before getting them into service. Procuring from multiple sources to meet 100% when 70% is appropriate is consuming too much time and resources to meet capability needs. Off-the-shelf acquisitions for low complexity projects should become best practice.

Australian industry content must be ready to go as timeliness and responsiveness to capability requirements become priority. Likewise, the burden of working with Defence must be



minimised, particularly for small and medium enterprises to guarantee sovereign defence industry capability into the future.

In **Information and Communications Technology**, the review found that the Department of Defence's Chief Information Officer Group (CIOG) has a smaller leadership team than Services Australia or the Australian Tax Office, which have much smaller ICT footprints. It also found that the CIOG is "too reliant on individual contractors and is already heavily outsourced". The review therefore recommends the appointment of two new senior officials in the CIOG be appointed, one for capability management, the other for the secret network. Additionally, the review recommends that the CIOG workforce should be rebalanced to a 60:40 APS- and ADF-to-contractor ratio.

Defence should also adopt an **open architecture approach** to hardware and software in ICT.

The introduction of an **Advanced Strategic Capabilities Accelerator**, outside of Defence, will enable Australian SMEs to deliver capability, and introduces acquisition processes that reduce the current burden of working with Defence.

The transition to 'National Defence' (whole of Government approach) includes an enhanced and expanded **alliance with the United States and Japan**. The Alliance will require a shift towards increased bilateral military planning, deterrence, joint exercises, and patrols in Australia.

Later this year, the Albanese Government will release a **Defence Industry Development Strategy** that will deliver the reforms and capabilities identified in the DSR:

- The strategic rationale for a sovereign defence industrial base;
- more targeted and detailed Sovereign Industrial Capability Priorities;
- a plan to grow industry's workforce to deliver a viable industrial base and increase Australia's defence exports;
- reforms to defence procurement to support the development of Australian defence industry and respond to the Review;
- mechanisms to improve security within defence businesses; and
- a detailed implementation plan.

Further information

For more information, please contact Hawker Britton's Director Emma Ramage on +61 430 811 929.

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