
Capability-Based Planning for Australia's National Security

Leung Chim, Rick Nunes-Vaz and Robert Prandolini

The National Security Statement aims to improve whole-of-government strategic planning and policy coordination, leading to a more integrated national security community. This work argues that these objectives would be substantially assisted by taking a capability-based approach to planning and coordination. The use of Capability-Based Planning (CBP) in the defence community and the US homeland security domain is reviewed. Drawing from these applications, the article identifies key concepts and enablers of CBP, suggests an implementation that would assist Australia's national security development, and proposes the principle steps involved in the process of maturing Australian national security capability management.¹

Australia's first National Security Statement (NSS), delivered to Parliament by the Prime Minister Kevin Rudd in December 2008, outlines the Government's overarching national security policy framework.² Much of the reform set out in the NSS was stimulated by findings of the Smith Review,³ which recommended that existing national security departments, agencies and their capabilities needed better coordination.⁴ The Smith Review argued that a "cohesive national security community culture" is important in enabling

the Government to make strategic judgements across a wide range of hazards, including the allocation of resources, and to ensure that the agencies benefit from access to each others' skills, experience and capabilities.⁵

In addition, the Smith Review highlighted that the "departments and agencies concerned must be well connected and networked, and cultural, technical and other barriers minimised."⁵

The Government's response to these recommendations was to establish a new level of leadership for the central coordination of national security policy and to ensure that participating agencies are properly 'joined-up'. The Government's initiatives included the appointment of a National Security

¹ The authors would like to thank Drs John Percival and Wayne Hobbs for providing valuable comments on the draft manuscript. We benefited from insightful discussions with Drs Martin Burke, Jolanta Ciuk, Terry Moon, Greg Newbold, Duncan Tailby and Justin Beck.

² Prime Minister Kevin Rudd, 'National Security Statement', 4 December 2008, < <http://pmr Rudd.archive.dpmc.gov.au/node/5424> > [Accessed 2 July 2010].

³ Ric Smith, 'Summary and Conclusions—Report of the Review of Homeland and Border Security', 27 June 2008.

⁴ Rudd, 'National Security Statement', Para 116.

⁵ Smith, 'Summary and Conclusions—Report of the Review of Homeland and Border Security', Para 5.

Advisor (NSA) to provide “central policy coordination” focused on “optimising and refining mechanisms for strategic planning and coordination.”⁶ The NSA is charged with developing a strategic policy framework to “guide and coordinate effort across the national security community by setting priorities, allocating resources and evaluating performance.”⁷ A key and challenging policy activity for the NSA, therefore, is the definition and prioritisation of national security capabilities, and the allocation of resources to acquire and enhance those capabilities.

The Capability-Based Planning (CBP) method will be shown to be capable of defining what capabilities are needed for government, industry and societal responses to a broad range of contingencies. It is this ability that differentiates CBP from other strategic planning approaches that tend to have a narrower organisational focus (e.g. threat-based planning, scenario-based planning, Strengths, Weaknesses, Opportunities, and Threats analysis).⁸ Threat-based planning, for example, focuses on one or a small number of fundamental threats, and the response system is designed to best match those contingencies associated with the threats. This philosophy is appropriate for traditional military campaign and organisational strategic planning, where the threats and the theatre of conflict are substantially understood. Note however, that the Smith Review recommended expanding national security from counter-terrorism to include all-hazards,⁹ such as industrial accidents and natural disasters, and that the NSS recognises that the list of non-traditional threats and new security challenges continues to grow and evolve.¹⁰ Threat-based planning is not practicable for the institutional agility required by Government under this evolving, dynamic, all-hazards environment. In many ways, the all-hazard national security threat environment is similar to, and arguably larger than, the scope of the threat environment in traditional national defence capability planning.

This article argues that developing a shared understanding and a common framework for national security capability is foundational to the NSA’s Whole-of-Government (WoG) strategic policy coordination objective. This builds on an earlier proposal of Yates¹¹ that a formal capability development process should provide the Government with a structured approach for responding to non-traditional security threats. An example of such an approach is CBP, which has evolved and matured primarily within the

⁶ Rudd, ‘National Security Statement’, Para 118.

⁷ Ibid., Para 124.

⁸ NATO, ‘Handbook on Long Term Defence Planning,’ *Research and Technology Organisation Technical Report* RTO-TR-069, AC/323(SAS-025)TP/41, April 2003.

⁹ Ric Smith, ‘Summary and Conclusions—Report of the Review of Homeland and Border Security’, Para 14.

¹⁰ Rudd, ‘National Security Statement’, Para. 18.

¹¹ Athol Yates, ‘Shifting National Security Capability Development Towards Non-traditional Security Threats’, *Australian Defence Business Review*, vol. 26, no. 10 (October 2007), p. 4.

defence organisations of several nations.¹² While the model should not be transferred unmodified to the national security context, in an adapted form it has much to offer.¹³ This article examines how CBP might be implemented under the new national security arrangements.

The Use of Capability in Strategic Planning

It should be emphasised that this article focuses primarily on a methodology for strategic-level planning rather than operational response planning. CBP, as described by RAND's Paul Davis, is an approach to high-level planning in complex organisations facing uncertain operating environments.¹⁴ Uncertainty and variability are dealt with using a hedging strategy that calls for a range of capabilities to be developed. These capabilities should be able to deal effectively, not just with the currently obvious problems, but with a host of potential challenges and circumstances.¹⁵ The reality of fiscal and resource constraints means that it is generally impractical to prepare for all possible futures, so wise choices must be made with regard to investments. CBP represents a mature and proven approach to inform such planning decisions.

Capabilities describe the ability or wherewithal for completing tasks and achieving desired outcomes without necessarily specifying the resources that may be involved. The use of capability as a primary currency supports a functional approach to the articulation of broad requirements. There are several reasons for using a functional description in strategic planning. Firstly, by developing generic capabilities that may be combined suitably to meet future functional needs, planners are able to emphasise flexibility, adaptability, interoperability and robustness as core intentions of the approach. Secondly, a capability-based functional description enables clear linkage between strategies, mission objectives and high-level requirements (derived from response planning exercises), without prematurely identifying or prescribing the use of specific resources. Finally, these linkages focus the strategic planning efforts onto the achievement of goals and end-states. With the initial analysis on high-level requirements, planners concentrate on what the organisation needs to do, rather than what resources are available to achieve these ends.¹⁶ This less constrained planning provides

¹² The Technical Cooperation Program (TTCP), *TTCP technical report: Guide to capability-based planning*, October 2004, <<http://www.dtic.mil/ttcp/JSA-TP-3-CBP-Paper-Final.doc>> [Accessed January 2009].

¹³ Sharon L. Caudle, 'Homeland Security Capabilities-Based Planning: Lessons from the Defense Community', *Homeland Security Affairs*, vol. 1, no. 2 (Fall 2005), <www.hsaj.org>; Dan W. McGowan, 'Improving the Current DHS Capabilities Framework', September 2008, <<http://www.dtic.mil/dtic/search/tr/>> [Accessed July 2009].

¹⁴ Paul K. Davis, *Analytical architecture for capabilities-based planning, mission-system analysis, and transformation* (Santa Monica, CA: RAND, 2002).

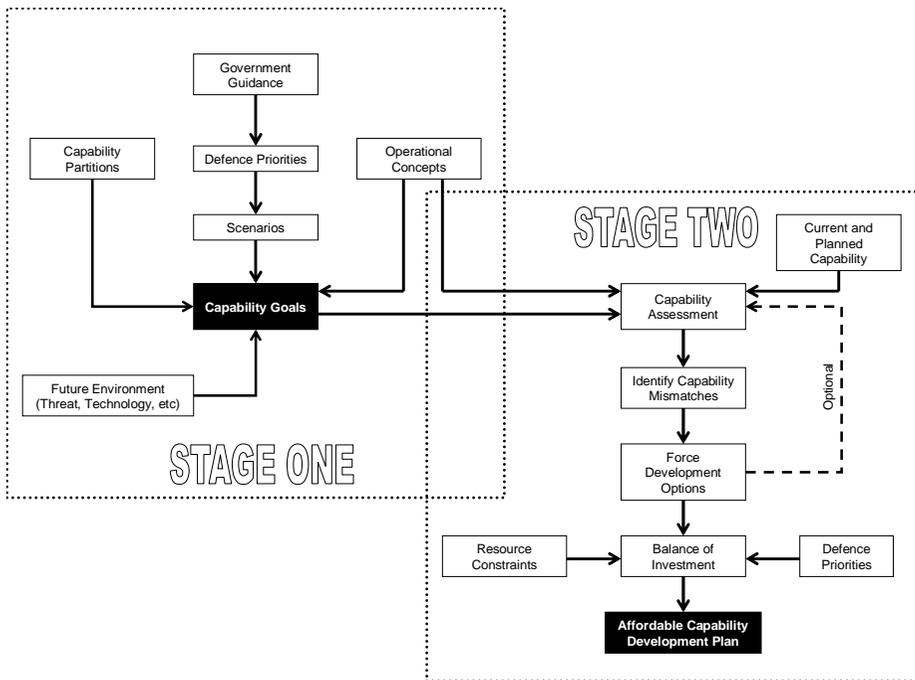
¹⁵ *Ibid.*, p. 2.

¹⁶ TTCP, *TTCP technical report: Guide to capability-based planning*, p. 4.

opportunities to consider innovative approaches.¹⁷ In this manner, capabilities provide a common framework for relating and integrating the role of disparate elements within an organisation.

THE GENERIC CBP PROCESS FOR DEFENCE

Figure 1: Generic Process Chart of CBP



Source: Adopted from: The Technical Cooperation Program (TTCP), *TTCP technical report: Guide to capability-based planning*, October 2004, <<http://www.dtic.mil/ttcp/JSA-TP-3-CBP-Paper-Final.doc>> [Accessed January 2009].

The philosophy of CBP should be considered mature, with different nations adopting variants of the model for their planning.¹⁸ The Technical Cooperation Program (TTCP)—a collaboration between five nations¹⁹ for defence scientific and technical information exchange—summarised the common features used by the TTCP nations in its Guide to CBP,²⁰ and

¹⁷ Ibid., pp. 1-2.

¹⁸ A sample of different approaches can be found on the MORS capabilities-Based Planning website <<http://www.mors.org/events/06cbp.aspx>>.

¹⁹ The TTCP nations are the US, UK, Australia, Canada and NZ.

²⁰ TTCP, *TTCP technical report: Guide to capability-based planning*.

provided a generic process chart for implementing CBP,²¹ reproduced here as Figure 1. For later convenience CBP is interpreted here as a two stage process.

The first stage of the CBP process takes an outward-looking, strategic, 'top-down' perspective in understanding the demands of the operating environment, the expectations of government, and the way the defence force should operate²² and apply its capabilities. Note the use here in CBP of scenarios to elicit capability goals, as well as other planning techniques such as strategic environment forecasting.

In general, capability goals are statements, in specific and measurable terms, about the desired level of capability needed to meet defence priorities, and hence government objectives.²³ The TTCP guide advises that capability goals should be determined based on ensuring success (appropriately defined) in the most stressing task facing a particular capability in a specific scenario.²⁴ Scenarios are constructed to provide a conceptual framework for probing the breadth of possible contingencies. They are used to determine the factors that warrant consideration in planning, and provide the means to surface concerns. Scenarios must be realistic to ensure that capabilities are developed for events that may occur; but they must also be sufficiently stressful to reveal weaknesses.²⁵

Goal setting requires a combination of imagination and subject matter expertise to ensure that an appropriate range of inputs and factors are considered.²⁶ Capability partitioning is the appropriate division (for example, based along mission lines) to manage scope and to maintain focus on higher-level goals.²⁷ The successful implementation of stage one generates a clear and traceable linkage between strategy and capability goals.

The second stage of the CBP process, which takes an introspective or 'bottom-up' view, assesses the performance of the current system with respect to capability goals, to inform decisions for remedial action. There is a comprehensive identification of capability gaps, including both capability deficiencies and excesses. The final steps involve the generation of capability options to mitigate identified gaps, the assessment of each option in terms of cost, risk, schedule and other constraints, leading to capability

²¹ A mapping of the Australian Capability Development process to the generic process chart can be found in the presentation by Ben Taylor, 'Capability-Based Planning - Developing the Art', April 2006, < <http://www.mors.org/events/06cbp.aspx> > [Accessed July 2009].

²² This generally takes the form of top-level doctrine or some overarching operational concept.

²³ Tim McKenna, 'An Effects-Based Approach to Designing an Effective Networked Australian Defence Force', *SETE 2007*, Sydney, 26 September 2007.

<<http://www.sesa.org.au/downloads/systems-methodology/index.php>> [Accessed July 2009].

²⁴ TTCP, *TTCP technical report: Guide to capability-based planning*, p. 10.

²⁵ *Ibid.*, p. 9.

²⁶ *Ibid.*

²⁷ Issues arising in partition design are discussed in *ibid.*, pp. 7-8.

development decisions. The CBP process generates a capability development plan for the allocation of resources.²⁸

THE STRENGTHS OF CBP

CBP is intended to be a structured, transparent and flexible methodology for targeting investments to meet strategic priorities, based on performance goals, cost and risk.²⁹ The process encourages the systematic consideration of uncertainty, fiscal constraints and risk, in the face of defined scenarios, and generates a traceable trail of decisions. The quality of information available to decision-makers and capability developers is thus enhanced by the CBP process.³⁰

One of the strengths behind the CBP philosophy is that it encourages innovation by abstracting away from early determination of equipment solutions, and removes single-service stovepipe constraints.³¹ CBP promotes a joint focus that acknowledges the need to use systems and concepts from multiple sources to achieve each capability in the capability partition space, providing a means to compare different options for achieving the same capability. This joint focus encourages decision-makers to base judgements in the context of broad defence force goals. Thus a holistic viewpoint to planning is gained through CBP. It is the holistic and joint aspects of CBP that make it attractive for national security.³²

THE AUSTRALIAN CBP APPROACH IN DEFENCE

Australia has used CBP to plan and develop military capability since the 1970s.³³ As there is no dominating threat or overriding hazard to the country's security, strategic military planning considers a broad range of contingencies and threats. The nature of the response required from the Australian Defence Force is specified in a set of strategic tasks. The tasks identified from this approach are consistent with Australia's strategic outlook, and help identify credible and versatile capability options. It is only at a later stage of the CBP process that specific capability options to conduct a task are identified and a Defence service is (or services are) nominated as the capability manager. When deployed, the capability solutions are expected to

²⁸ There are examples where capability development programs have not been successful. Their discussion is out of scope for this article, but briefly there are three important possible causes: a) poor implementation practice of the CBP method, b) poor execution of the acquisition process (e.g. the quality of the capability documentation), and c) sometimes the known managed risks within a project are, unfortunately, realised.

²⁹ TTCP, *TTCP technical report: Guide to capability-based planning*, p. 2.

³⁰ *Ibid.*, p. 6.

³¹ *Ibid.*, p. 3.

³² The potential advantages of a holistic approach to national security are discussed by Andrew Davies in 'Putting the 'national' into national security: Australia's maritime surveillance capability', *ASPI Policy Analysis*, no. 66, July 2010, pp. 5-6.

³³ Terry Moon, *pers. comm.*, July 2009; Errol Lawson, 'The Australian Defence Environment', *Australian Defence Force Journal*, no. 179 (2009), pp 73-76.

work together to achieve unity of effort in accordance with the doctrine of joint operations.³⁴

While the Australian CBP approach for Defence may have undergone several iterations through the years, it is adopted largely unchanged in the current Defence Capability Development Process.³⁵ In parallel, the Australian strategic outlook has evolved through a series of white papers and updates. The recent NSS provided a national security context for the development of the 2009 Defence White Paper.³⁶ In response, the 2009 Defence White Paper describes Defence as

one element of our broader approach to national security, underpinning our capability to act in the world by providing options when Government contemplates the use of force.³⁷

Given some similarity between the sets of challenges faced by both Defence and national security, it is reasonable to give consideration to a CBP approach for national security planning.

Applying CBP to National or Homeland Security

The US Department of Homeland Security (DHS) began its adaptation and application of CBP in 2004,³⁸ in response to presidential directive HSPD-8³⁹ to develop a national domestic all-hazards preparedness goal ('Goal') with mechanisms for improved delivery of Federal preparedness assistance to State and local governments. The Goal defines capability targets to address a plausible range of events or scenarios, and guides the preparedness programs at all levels of government.

The DHS CBP approach, depicted in Figure 2, is represented in two stages. For the first stage of the process (shaded), DHS developed three planning tools: a set of fifteen National Planning Scenarios covering a range of plausible major events including terrorist attacks and natural disasters; a Universal Task List, which is a comprehensive menu of tasks required to be performed by capability owners;⁴⁰ and a Target Capabilities List, which is

³⁴ Department of Defence, *The Australian Approach to Warfare* (Canberra: Australian Government, 2002).

³⁵ Department of Defence, *Defence Capability Development Manual* (Canberra: Australian Government, 2006).

³⁶ Department of Defence, *Defending Australia in the Asia Pacific Century: Force 2030* (Canberra: Australian Government, 2009).

³⁷ *Idib*, p. 20.

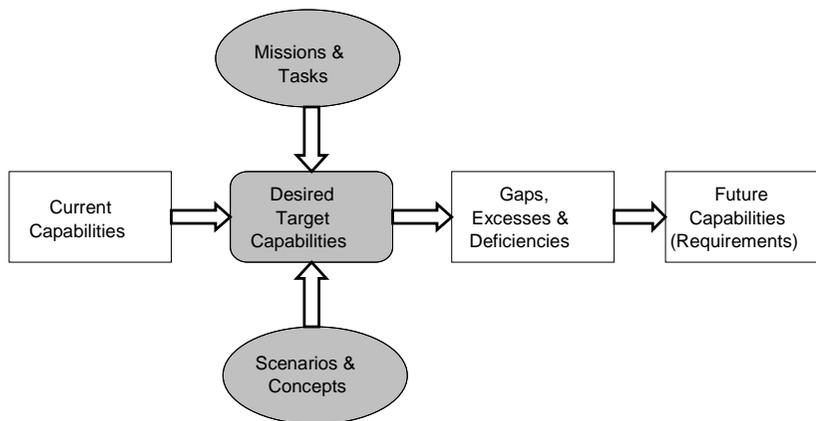
³⁸ Sharon L. Caudle, 'Homeland Security and Capabilities-Based Planning: Improving National Preparedness', Naval Postgraduate School, Monterey, September 2005, pp. 19-40.

³⁹ The White House, *Homeland Security Presidential Directive/HSPD-8* (Washington, DC: The White House, December 17, 2003). Available from < http://www.dhs.gov/xabout/laws/gc_1215444247124.shtm > [Accessed July 2010].

⁴⁰ However, Federal, State, local and tribal owners retain the choice of 'who' performs 'what', and 'how'.

partitioned into missions and provides guidance on the specific capabilities that entities are expected to develop and maintain (equivalent to the 'capability goals' of the TTCP generic CBP process).⁴¹

Figure 2: The DHS approach to CBP for developing its national domestic all-hazards preparedness goal



Source: Adapted from Corey Gruber, 'HSPD-8 National Preparedness'. Presentation to the National Homeland Security Consortium, Arlington, VA, 7 December 2004.

The three tools were intended to be used by entities at all levels of government as reference sources for defining entity roles and responsibilities, required capabilities and the means to access additional resources, if and when required.⁴² DHS recognised that no two jurisdictions possess identical capability needs⁴³ and those jurisdictional capability arrangements should reflect the different risks and needs across the nation. They also promoted the need to build consensus between homeland security partners in their approaches, recognising that defining common ground is one of the aims of the implementation of the national preparedness goal.⁴⁴

⁴¹ Department of Homeland Security, *Target Capabilities List: A Companion to the National Preparedness Guideline* (Washington, DC: Department of Homeland Security, September 2007).

⁴² US Department of Homeland Security, fact sheet, 'Strengthening National Preparedness: Capabilities-Based Planning'.

⁴³ US Department of Homeland Security, *National Preparedness Guidelines*, September 2007, p. 2.

⁴⁴ Sharon Caudle, 'The Balanced Scorecard: A Strategic Tool in Implementing Homeland Security Strategies', October 2008, *Homeland Security Affairs Journal*, No. 3, October 2008, p. 13. <http://www.hsaj.org/?fullarticle=4.3.2_p13> [Accessed July 2010].

In the second stage, implementation of CBP was intended to support agency determinations of capability development needs, while planning within a national context that encouraged flexibility and collaboration. To this end, the National Preparedness Guidelines⁴⁵ (released in 2007) detailed a step-by-step 'Capabilities-Based Preparedness Process'⁴⁶ to guide entities in managing their preparedness activities and programs, and to support investment planning, equipment acquisition and training. DHS is monitoring and evaluating the progress of these activities to identify opportunities for improvement. The distinction between this process and the generic CBP process of Figure 1 is that each entity produces an individual capability development plan, contextualised within a national coordination framework.

Caudle reviewed the DHS adaptation of CBP and found that the approach has considerable merit and incorporates strong features which are expected to deliver homeland security results.⁴⁷ In particular, Caudle noted that the CBP approach captures elements found in well-known results management approaches, and thus is a viable framework for setting homeland security capabilities. These approaches include 1) traditional strategic planning to set goals, objectives, strategies, and measures, 2) a program logic model, 3) scenario-based planning, and 4) risk management.⁴⁸

Implementation challenges for CBP have, nevertheless, been identified.⁴⁹ Conversely, it is worth noting that Canada's 'Centre for Security Science'—a joint endeavour of the Public Safety Canada Department and the Defence Research & Development Canada organisation of the Department of National Defense—also uses a CBP approach in its capability development investments and programs.⁵⁰

Implementation issues commonly arise from the multi-agency nature of national security arrangements and the inherent limitations of organisational architectures and lines of responsibility. CBP works well in the various defence arrangements because these are essentially single, strongly hierarchical organisations. In contrast, the WoG arrangements of national security demands understanding, cooperation, partnership, unity of effort and interoperability between agencies that have evolved, until recently,

⁴⁵ US Department of Homeland Security, *National Preparedness Guidelines*.

⁴⁶ The Capabilities-Based Preparedness Process incorporated the second stage of CBP. *Ibid.*, pp. 32-38.

⁴⁷ Caudle, 'Homeland Security and Capabilities-Based Planning: Improving National Preparedness', pp. 19-40, 77, 85.

⁴⁸ *Ibid.*, p. 14.

⁴⁹ P. Chouinard, 'CBP within the Security Sector', presentation at CSS CA-AU symposium, 6th Feb 2007, slide 11-12; McGowan, 'Improving the Current DHS Capabilities Framework'; Caudle, 'Homeland Security Capabilities-Based Planning: Lessons from the Defense Community', p. 77.

⁵⁰ Paul Chouinard, *pers. comm.*, 2007. The Canadian approach started from a narrow focus on CBRN (Chemical, Biological, Radiological and Nuclear), but now covers critical infrastructure, surveillance and emergency management.

largely in isolation and even across jurisdictions.⁵¹ In Australia's context, the Smith Review recommended, and the NSS now requires, a more integrated national security structure without creating a single overarching department.⁵² Structural coherence, combined with the scope and complexity of, and uncertainty associated with, national security issues, makes national security a particularly demanding test for any strategic planning approach.

The broad scope of the CBP process requires the involvement of many stakeholders.⁵³ As its products have broad implications, it follows that a *consensual community* with clear understanding of the need for, and rationale of, CBP is crucial for its implementation.⁵⁴ This requires community ownership and support for the process which, in turn, will require robust business cases involving all relevant departments and agencies. Thus CBP would support the integration and development of a coherent national security community, particularly as the process is iterated over time and difficulties are incorporated within the national security community's organisational learning processes.

CBP in Australia's National Security Efforts

Before indicating how CBP might be modified for the multi-organisational planning environment, which is the context for the NSA, it is worth spending a moment describing the relatively new process in which WoG planning for national security in Australia takes place. Figure 3 is intended to provide a simple conceptual schematic of roles and relationships. The top level comprises the Cabinet-level National Security Committee, the Secretaries Committee on National Security and various supporting committees. Their central role is to pursue a strategic approach to national security and develop government policies to achieve the desired outcomes, within a framework of governance and fiscal management. This level generates policy frameworks and planning guidance, including national security policy principles, objectives and priorities for the various portfolios and programs.

Within the top level, the NSA coordinates the development of a coherent national security policy. However coordinating strategies and capability development across programs is complicated by the fact that the core roles of many agencies often lie outside the remit of national security, and thus the NSA must be sensitive to both national security and agency perspectives.

⁵¹ The National Counter-Terrorism Committee, under the Council of Australian Governments, is an example of national security capability planning across multiple jurisdictions.

⁵² Rudd, 'National Security Statement', para 111.

⁵³ The US preparedness Guidelines were developed through an extensive process that involved more than 1,500 Federal, State, and local officials and more than 120 national associations. US Department of Homeland Security, *National Preparedness Guidelines*, preface.

⁵⁴ Caudle, 'Homeland Security and Capabilities-Based Planning: Improving National Preparedness', p. 33.

Each department or agency⁵⁵ is directed to contribute towards national security outcomes, while retaining responsibility for managing their own policy and internal capability.

Note that NSA coordination of policy development includes policy for the allocation of fiscal resources to agencies for national security capabilities. It is a challenge for the NSA to develop an accountability framework for capabilities that span national security and other operational functions.⁵⁶ Thus making sense of the required national security capabilities, the existing capabilities, and their gaps, is a critical enabler for evidence-based policy decisions in national security capability investment and sustainment.

The maturity and sophistication of departmental capability development processes vary across the WoG. It is important to note that there is limited experience and knowledge with regard to managing capability, capability development, technology procurement and insertion. Further exacerbating this shortage is the priority that national security agencies place on operations and their operational supporting capabilities. These factors will tend to lead to shortfalls in the conduct of capability gap analysis, development and management.

The absence of a departmental structure in Australia's new national security arrangement, and the complexity of the multi-functioned multi-agency environment, calls for an approach to CBP implementation that is different from the Defence or DHS applications. It should recognise that Australia has taken a 'hands-off' approach with respect to the management of individual departments and agencies, and policy coherence is achieved through willing participation and cooperation.

In a perfect world, each department or agency would adopt a CBP paradigm in developing its own capabilities, including those that contribute to WoG national security outcomes. The agencies would themselves benefit from the rigour of a structured process; interactions between agencies would be strengthened by common understandings, with payoffs in greater interoperability, and the development of a public service with common transferable skills and experience. However, this ideal solution does not account for the autonomy of the agencies themselves; thus an incremental approach will be a more realistic and appropriate path.

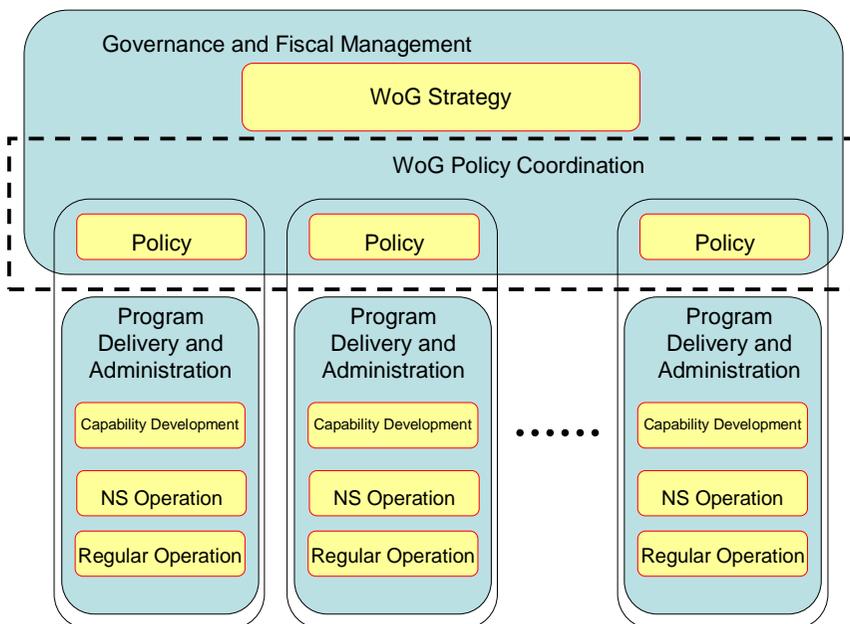
Figure 3 suggests a possible way forward involving the enhancement of the layer of coordination that connects the policy role of the NSA with the program delivery roles of the national security agencies. The coordination

⁵⁵ In this article the terms 'department' and 'agency' are henceforth used interchangeably.

⁵⁶ For example, a law enforcement operation is not within the purview of national security, unless it is at the level of fighting organised crime; and health issues only become of import to national security when threatening a large portion of society, such as occurs from a virulent pandemic.

layer is staffed within the NSA's group in the Department of the Prime Minister and Cabinet, and is organised along *mission domain* partitions that divide the broad national security scope into manageable segments.⁵⁷ The enhancement envisaged would be in the appointment of 'mission advisers' who would leverage from the various capability programs of agencies to deliver coherent capability at the national level, while supporting and facilitating the translation of strategic guidance into the various agency programs.

Figure 3: Whole-of-Government National Security Planning



Within the aspirational WoG approach described below, the main roles of the mission advisers are to support the NSA in developing the first stage of CBP, and to guide a 'soft' implementation of the second stage of the CBP process across participating agencies. This soft approach has the advantage of supporting agencies' individual planning within their capability management maturity level, whilst being broadly consistent with national needs and

⁵⁷ Current mission domains within the NSA's National Security and International Policy Group are: critical infrastructure protection, e-security, non-proliferation, counter-terrorism, law enforcement, border security, emergency management, defence, intelligence, international policy, national security information environment and science and innovation policy and programs. An example of (an alternative) missions partitioning could be found in Australian Homeland Security Research Centre, 'Australian Homeland Security Framework', *Australian Homeland Security Insight*, vol. 1, no. 2 (August 2004), p. 5.

standards. This would be achieved through collective dialogues, collaborative planning and the development of shared perceptions on the value of, for example, interoperability. Mission advisers would assist those agencies that are less mature in their capability development processes, for example in the development and articulation of requirement definitions. These mission advisers would eventually have mission capability manager counterparts employed within the delivery agencies. (Such a maturity level would be aspirational for a number of agencies at the present time.) These new mission adviser positions would be strategically led by the NSA to build and grow the public service skills-base in capability analysis and management, for the betterment of the wider national security community.⁵⁸

The mission advisers would also have a role in assisting the NSA to implement the first stage of CBP at the policy level, including the elicitation of mission objectives and concepts. This ensures that the capabilities developed by the agencies are not only interoperable, but they also contribute to the fulfilment of WoG national security goals, through the achievement of mission objectives. It should be noted that mission advisers carry no authority; they guide the participation of agencies in the process at the policy and program level, supporting improved articulation of the balance required between the national security priorities and those operational issues of the agencies concerned.

Consistent with the soft implementation of CBP, capability goals developed through the process should not be seen as directives—they are to be used as guidance to help capability owners and agencies plan their resources, and gain a shared understanding of individual and collective roles and responsibilities. Capability goals should be clear and include statements about the scope, scale and level of capabilities needed to achieve mission objectives. Requirements follow from the scenario description of 'what is to be done' coupled with the concept description of 'how it might be done'. The statement of requirement should be general and should not refer to specific entities. However, it may be appropriate to include geospatial and temporal (timing and duration) information. An illustrative example is given below in Table 1.

Because CBP provides a comprehensive methodology, it may take time for operational agencies to contribute to building the required components, and thus a longer-term strategy should be adopted with a view to developing key elements that will assist decision-making along the journey. For example, initial effort might focus on improving strategic level planning (stage one of Figure 1) with a longer-term goal to develop the community expertise in WoG planning (e.g. via training opportunities at the National Security College

⁵⁸ This objective could also be supported by the development of courses at the new National Security College.

or the Asia Pacific Civil Military Centre of Excellence⁵⁹). Key elements like scenarios, capability definitions and goals should be developed and socialised within the community to promote learning, consensus and constructive feedback, leading to a suitable prototype for implementing the CBP process. The aim is to engender ownership by agencies within a framework that respects their need for flexibility. The longer term goal is to introduce a common approach to collaborative WoG planning and development. Building in small and simple steps allows the program to grow iteratively to incorporate extant planning, standards, and programs into a coherent whole.

Table 1: An illustrative example of capability goal as providing a benchmark for achieving mission objectives

Mission	Border security
Mission Objective	Safeguard Australia's border and maritime approaches
Capability	Interdiction defined as an active intervention to prevent, or halt the further development of, adverse consequences
Scenario	Mass migration caused by climate change
Capability Goal	The ability to intercept a stated percentage of illegal vessels or cap their rate of entering a defined zone, while operating under prescribed conditions, within an agreed period

In support of the process, it is important to develop the tools that will assist inter-agency awareness and partnerships including, for example, a common lexicon for describing capabilities, and systems to support joint decision making (analytical tools and collaboration support). A common framework for risk assessment and management in strategic planning may also be pursued consistent with the Government's principle of applying "a risk-based approach to assessing, prioritising and resourcing our national security policy".⁶⁰

A Way Ahead

The case was made above that CBP represents a comprehensive and holistic approach to strategic planning and coordination that may be usefully applied in Australia's national security arrangements. This section outlines a process that might be used to seed and institutionalise CBP into strategic planning and coordination, building on the soft implementation approach described in the previous section. *Institutionalising* is described in the TTCP

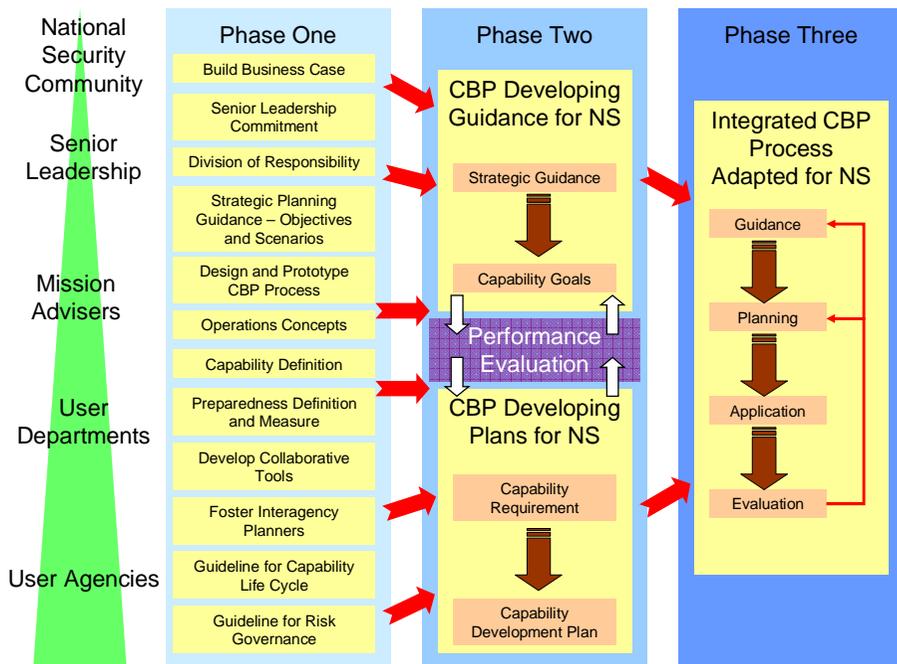
⁵⁹ Mike Kelly discussed the use of the Asia Pacific Civil Military Centre of Excellence for inter-agency cooperation and training on ABC radio, 'The Future of National Security', 19 March 2009, <<http://www.abc.net.au/rn/futuretense/stories/2009/2517647.htm>> [Accessed July 2009]

⁶⁰ Rudd, 'National Security Statement', para. 27.

Guide as achieving senior level commitment that enables an appropriate management structure and division of responsibility to be established.⁶¹

Figure 4 depicts the proposed implementation process, showing three sequential phases as the usage of CBP evolves and matures. The three phases are linked to the national security community, also shown on the left of the figure. The success of CBP relies on buy-in from all members of the community in order to integrate and coordinate their efforts. The following description of the process is meant to stimulate discussion and debate within the national security community; a more thorough consideration of issues relating to change management may be needed for implementation.

Figure 4: A proposal for the phased implementation of Capability-based Planning for Australian National Security



PHASE ONE: SETTING THE FOUNDATION

As discussed above, Phase One is intended to create a foundation for CBP within the national security community, by seeding and developing the components and enablers that underpin its implementation. This will involve

⁶¹ TTCP, *TTCP technical report: Guide to capability-based planning*, p. 5.

the management of national security community interactions leading to the design and prototyping of a suitable national security CBP process. This phase is primarily a learning phase in which the owners, users and stakeholders interact to shape a workable process. However, the process must also generate defined products, as discussed above, to serve as a platform for further phases, and to promote ownership within the national security community.

One step towards developing a multi-faceted measurement mechanism for agency performance may involve assessing agency contributions to the 'preparedness' of a capability. Where operational use rarely occurs, preparedness is a viable interim measurement and indication of agency performance. This assessment will include measures of an agency's ability to contribute to joint planning, and to work cooperatively within a WoG response.

PHASE TWO: USING CBP TO GUIDE CAPABILITY DEVELOPMENT

Phase Two implementation includes both a top-down and a bottom-up process. At this juncture the community has developed a shared knowledge of capability and supports the implementation of an overarching CBP process. In the top-down process, capability goals are derived from strategic guidance using elements developed and refined earlier in Phase One, including mission objectives, national security scenarios, capability definitions and multi-agency operational concepts. In the bottom-up process, capability goals are used to guide the capability requirements that, in turn, drive the development of capability solutions at the departmental level. The oversight exercised by the mission advisers ensures that the outcome of collaborative planning is a collection of harmonised capability development plans, each complying with best practice in risk management⁶² and capability life-cycle.⁶³

The top-down and bottom-up processes are linked by the performance evaluation which assesses how capability development plans contribute to capability goals and operational objectives. Evaluation in Phase Two should be expanded beyond preparedness to include measures of multi-agency effectiveness via a range of testing mechanisms including operations, exercises, trials, experimentation and modelling. Evaluation of bottom-up processes provides opportunities to inform and influence top-down consideration, for example, allowing strategic guidance to be tailored to the strengths of particular national security capabilities.

⁶² International Organization for Standardization, *ISO 31000:2009—Risk Management—Principles and Guidelines* (Geneva: ISO, 2009).

⁶³ International Organization for Standardization, *ISO/IEC 15288:2008 - Systems and Software engineering—System life cycle processes* (Geneva: ISO, 2008).

PHASE THREE: AN INTEGRATED APPROACH

Phase Three builds on the earlier phases and envisions a national security community of the future that has a much larger degree of integration and coherence. This community is well integrated, both vertically and horizontally, and enjoys the benefits of a deliberate and unified CBP process, as described in the TTCP Guide. CBP in this phase might be similar to that in Defence, driving a comprehensive and holistic capability development system.

One (aspirational) example of an integrated arrangement is represented by the DHS Homeland Security Management System, described in the *National Strategy for Homeland Security*.⁶⁴ It is based on a cycle that includes the development of guidance, plans and requirements, operations and exercises, assessment and evaluation.

Conclusions

Government reforms outlined in the NSS seek to centralise policy coordination of national security organisation and function. This article argues for consideration of a capability-based approach for strategic planning and policy coordination. The case for adapting CBP is founded on three tenets. Firstly, Defence and national security share similar challenges in planning and providing appropriate response options. Secondly, CBP meets the Government's objective to focus on improving the mechanisms for strategic planning and coordination. Thirdly, CBP supports the notion of a national security community, and a shared approach to capability development. Moreover the CBP approach has been used successfully elsewhere in national security, for example, in the US by DHS.

Developing a shared view under the CBP paradigm helps the community to better understand its individual and collective roles and responsibilities in contributing to WoG outcomes. In this regard, CBP is intended to foster a joint approach. The use of CBP for defence capability is a mature exemplar of the generic CBP process. The strengths associated with CBP, as outlined in Section 3, lead to benefits that are consistent with the Government's objectives in the NSS.

DHS has applied CBP in developing its Preparedness Guideline. This demonstrates how the approach may be modified for application in the multi-jurisdictional multi-agency homeland or national security context. Drawing on the DHS experiences, this article considered the enablers and components of a CBP process that might be implemented for Australia's national security community. Enabling elements included community consensus and ownership, defined mission domains, and recognition of

⁶⁴ Homeland Security Council, *National Strategy for Homeland Security* (Washington, DC: Executive Office of the President, October 2007), pp. 42-45.

local-level flexibility. Early implementation may be progressed through small and simple steps, involving tools and techniques for enhancing collaboration and coherence. The initial efforts may be focused on producing planning products such as scenarios, capability definitions and goals.

A broader, longer-term view of CBP implementation for Australia's national security is proposed via an implementation process spread over three maturing phases. The process assumes that the strengths of the evolving CBP implementation will be built upon in successive phases. The longer-term view relies on the development of a consensus within the national security community on the strengths and values of CBP, as it evolves with the coherent national security community it supports.

Dr Leung Chim has a BSc(Hons) from the University of Sydney and a PhD in theoretical physics from Rutgers University. Since joining the Defence Science and Technology Organisation (DSTO) he has specialised in military operations research in support of Defence capability development. He is currently working in the field of risk analysis for national security. Leung.Chim@dsto.defence.gov.au.

Dr Rick Nunes-Vaz is the Head of Counter-Terrorism and Security Analysis at the Defence Science and Technology Organisation (DSTO), in Adelaide where he leads research using quantitative methods and other 'semi-rigorous' techniques such as risk analysis to inform strategic questions in national security. Prior to this appointment, he was developing and applying new approaches to military experimentation in DSTO and was a co-author of the five-nation (TTCP) Guide for Understanding and Implementing Defense Experimentation (GUIDEx, 2006). Prior to joining the Department of Defence, he enjoyed a successful academic career with an international reputation for his research in the physics of ocean mixing processes. Rick.Nunes-Vaz@dsto.defence.gov.au.

Dr Robert Prandolini graduated with honours in Bachelor of Engineering and then a PhD in Signal Processing from the Queensland University of Technology (QUT) in 1986 and 1996 respectively. He joined the Australian Federal Police (AFP) as an expert in forensic electronic recording in 1995. In 1999 he left the AFP to work on image coding and management with the Defence Science and Technology Organisation (DSTO). He was seconded to the National Security Science and Technology Branch of the Department of the Prime Minister and Cabinet from late 2008 to mid-2010. He presently works in the Project and Requirements Division of DSTO supporting the Technical Risk products produced by DSTO for Defence capability development processes. Robert.Prandolini@dsto.defence.gov.au.