

## **CDAF MEETING BRIEF**

### **SKILLING AUSTRALIA'S DEFENCE INDUSTRY PROGRAM**

#### **Background**

The SADI Program recognises that shortages in professional, technical and trades skills in Australian defence industry represent a large risk to the successful delivery of ADF capabilities on time and on budget.

#### **Progress**

SADI Program implementation is progressing and agreements are now in place with eight companies. Momentum has increased as industry gains a better understanding of the benefits of the program.

Interest in the program remains high. There are two to three new approaches regarding the program each week. Over forty companies have now been sent or have requested an invitation to participate. To date only three companies have formally notified they will not submit a proposal.

The first annual cycle of program invoicing and reporting ended on 30 June 2006. With few minor exceptions all companies required to report in this period achieved their projected intakes and expenditure for the period. Some of the exceptions marked an over achievement against program activity.

Four of the companies already in SADI Agreements are currently preparing submissions to increase their commitments under SADI by adding new initiatives to their Programs by the end of 2006.

#### **Results**

The SADI Program will invest a total of \$12.5 million over the life of the eight current Agreements. The companies themselves are investing almost three times this amount on agreed SADI initiatives.

#### **Intangible Benefits**

Several companies that normally compete commercially are collaborating to get best value for money results from participation in the SADI Program.

Anecdotally, as a result of preparing to join the SADI program, several companies upgraded and revitalised their internal people management practices and systems.

SADI has also prompted companies to invest resources in training and upskilling activities and programs that while highly desirable and beneficial to both the company and ultimately defence, are not always considered essential eg forming better relationships with education and training providers, additional program/project management training, and upgrading current programs.

#### **Next Steps**

A priority for the next few months is to work with the primes to ensure that ten of the top twenty primes have SADI agreements by the end of 2006. During 2007 the remainder of this group will be encouraged to enter agreements.

Government has approved a number of changes to the SADI Program parameters in order to create better for SMEs. Included is the option for a third party to act on behalf of groups or clusters of SMEs with similar upskilling and growth requirements.

The SADI team is reviewing and amending current guidance and documentation to ensure it is appropriate for use by smaller organisations or third parties.