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MATERIEL REFORM

This chapter outlines the six key strategic themes that make up the reform initiatives adopted to make the DMO more business-like and outcome-driven.

4.1 DRIVING CHANGE – SIX KEY THEMES

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PROFESSIONALISE OUR WORKFORCE

REPRIORITISE OUR WORK

STANDARDISE CORPORATE SYSTEMS AND WORK PRACTICES

BENCHMARK THE DMO

IMPROVE INDUSTRY RELATIONS

LEAD REFORM IN DEFENCE

DRIVING CHANGE— SIX KEY THEMES

The DMO has advanced a number of specific initiatives under the six themes of its 'change program'. The major outcomes of 2005–06 are detailed below.

PROFESSIONALISE OUR WORKFORCE

The DMO Professionalisation Program is in place to upskill and professionalise the DMO workforce. Since the commencement of this program in 2004, 1,093 people have enrolled in certification and chartering programs, and 479 have met the requirements of the Australian Institute of Project Management, Engineers Australia, CPA Australia and various State law societies.

An interim certification framework for project managers was established in mid-2005. By December 2005, 238 project directors and managers were certified to an interim standard. The full Certified Professional Project Manager Certification Framework commenced in July 2006.

The DMO Business Acumen Training Program continues to be delivered and provides an insight into the way defence industry operates and the business drivers that influence industry. Since its commencement in August 2005, 633 staff members have participated in the training with an expected total of 3,000 staff to be trained by the end of 2008.

The DMO Leadership Training Programs commenced in August 2005, and sought to deepen the succession pool of officers at the senior executive level. To date, 230 DMO staff



members have participated in the programs which are based on the DMO Leadership Capability Framework.

REPRIORITISE WORK

DMO workforce planning is an ongoing process and during 2005–06 the DMO developed workforce and people plans for systems and corporate divisions, and signed Military Workforce Agreements between the CEO DMO and the Service Chiefs, which govern the employment of military personnel in the DMO. The DMO-wide Workforce and People Plans for the next ten years will be released in late 2006.

Monthly reporting on the acquisition and sustainment projects to the Minister for Defence and Defence Committee continues. As of March 2006, the reports are provided to the Prime Minister and central agencies monthly, instead of bi-annually.

STANDARDISE CORPORATE SYSTEMS AND WORK PRACTICES

The DMO communication framework continues to be enhanced to achieve best practice. Communication products have been improved through the adoption of corporate branding, the release of a style guide, revamp of the internet site and continued updates of the online newsletter for industry groups. The DMO continues to use the Defence and Industry Conference and regional briefings to deliver its briefings to local industries.

DMO procurement and contracting documentation has undergone changes under the Procurement Improvement Program. A thorough review and strategic development of a new draft suite of templates is nearing completion. A training plan is under development to accompany the release of the new templates.

BENCHMARK THE DMO

Recruitment approaches have been enhanced through the 'DMO Careers' internet site, block advertising, and establishing scholarship and trainee programs. A new program of administrative trainees was implemented in 2006, which has been successful in targeting recruits at the lower administrative level who may be trained and developed for future technical roles.

Various benchmarking and comparative analysis activities were conducted during 2005–06. Most activities sought to establish benchmarks or used recognised standards and external professional bodies for guidance and validation. As an example, industry performance was measured using Company ScoreCard and profit analyses. Benchmarking provided specific indicators against productivity, skill sets, employee functions and numbers.

IMPROVE INDUSTRY RELATIONS

In April 2006, 56 participants completed the first revitalised Defence and Industry Study Course. The course combines an unique national program of seminars and visits that is aimed at enhancing the mutual understanding between Defence, government agencies and the business community. The course seeks to maintain business and personal networks that can be used in times of rapid ADF expansion or mobilisation. The second course began in June 2006.

Agreements under Skilling Australia's Defence Industry program have now been signed with eight companies. These are ADI, ASC, Austal, BAE Systems, Boeing, Saab, Tenix, and Thales Underwater Systems. The agreements provide additional training programs covering skills shortages in trades, technical and professional areas, from welding, integrated logistics support, and project management to systems integration. Recognition by industry of the risk to the on-time and on-budget delivery of defence capabilities from skills shortages is reflected in the level of investment companies are making in the additional training—about three times the Skilling Australia's Defence Industry program investment. Agreements with other companies are under development.

The DMO has developed the Company ScoreCard program to monitor, assess and report on the performance of our suppliers. The 360-degree-view ScoreCard program offers prime contractors an opportunity to assess and report on DMO performance as contract and project managers.

The Head of Industry Services is leading a review into defence industry policy.

LEAD REFORM IN DEFENCE

The DMO provides up to 40 Australian Public Service or military staff, such as skilled project managers and schedulers, into 'new project' teams located within Head Capability Systems, and Capability Development Group. The teams are formed prior to first pass and will progress the new project through the approval process. DMO personnel will be accountable to the Chief Executive Officer of DMO and responsive to the Head of Capability Systems. Aerospace, Maritime and Electronic and Weapon Systems, and Chief Operating Officer Divisions all have cells functioning in the Capability Development Group.

During 2005–06, 19 Australian Workplace Agreements were effected within the DMO for non-senior executive staff. All Senior Executive Service staff are on Australian Workplace Agreements. Australian Workplace Agreements are used as an attraction, retention and reward mechanism. Australian Workplace Agreements offer higher salaries than those offered in the Defence collective agreement.

For more information on performance pay and Australian Workplace Agreements, see Chapter Five—People.