

Independent Review of the Centre for Defence Industry Capability (CDIC) – Terms of Reference

Purpose

The purpose of this review is to evaluate the framework of programs to support sustainable growth of Australian Sovereign Defence Industry and specifically review the functional performance of the Centre for Defence Industry Capability.

Terms of Reference

Context:

1. The review is to be conducted under the context of:
 - a. Australian Defence industry to equip and support the Australian Defence Force of the future with operational readiness and tasks as determined by the Australian Government.

The review is to consider:

2. the framework of programs to support sustainable growth of Australian Sovereign Defence Industry to meet current and future Defence requirements.
3. The functional performance of the CDIC and related defence industry support to:
 - a. remove impediments and increase ease of doing business with Defence;
 - b. support the sustainable growth of the defence industrial base both in terms of capability and capacity;
 - c. ensure Defence Sovereign Industrial Capabilities are afforded appropriate priority and focus for capability development and sustainment; and
 - d. maximise opportunities for competitive Australian businesses.
4. whether the current governance and operational model of the CDIC meets the Government's Defence Industry Policy and requirements of Defence major projects.
5. future CDIC operational models.
6. any other matter relevant to sustainable growth of the Australian Sovereign Defence Industry and the general operation of the CDIC.

In undertaking this review, regard should be given to:

1. the objectives and milestones of the CDIC in the context of the Defence Industry Policy Statement of 2016, as a "cornerstone of the Government's strategy for re-setting the Defence-industry partnership";
2. the experiences of private sector industry in engaging with the CDIC and related defence industry support mechanisms, with a further focus on the experiences of small businesses;
3. the performance of the CDIC and related defence industry support mechanisms against policy expectations, external benchmarks and the historical performance of previous defence industry support mechanisms such as the Defence Industry Innovation Centre;
4. the roles and responsibilities of the Department of Defence and the Department of Industry, Science, Energy and Resources in delivering a stronger Australian Industry Capability Program;
5. the role of the CDIC Advisory Board in governing and broadly representing the interests of defence industry;
6. the resourcing of the CDIC;
7. the role of the CDIC in alignment and leveraging of other Government industry programs;
8. the role of the CDIC in relation to Defence Industry Associations and Groups;

9. the role of the CDIC coordinating activities of Government, Defence, state and territory government Defence related bodies, to maximise export opportunities for Australian Defence industry; and
10. the findings of previous reviews, internal or otherwise into the operation and governance of the CDIC.

Within the scope of the review and given the timing of the delivery of the report and recommendations to the Minister, there should be targeted consultation with:

1. Australian private industry participants – including small businesses in metro and regional areas;
2. Commonwealth, state and territory government agencies with a role in developing defence industry;
3. Current and former serving members of the CDIC Advisory Board;
4. Defence industry advocacy bodies at a national and state level;
5. Department of Defence (CASG, Capability Managers, Industry Policy, DST Group);
6. Department of Industry, Science, Energy and Resources, CDIC and departmental executives; and
7. Ministers and officials from state and territory governments.

Timings

Monthly progress briefs are to be provided to the Minister for Defence Industry.

The review and accompanying report is to be completed by July 2020.

The review and accompanying report are not intended to be made public.

The Reviewers – Co-chairs

Ms Kate Carnell AO

Ms Carnell has been an advocate in the business sector for many years. Ms Carnell is currently the Australian Small Business and Family Enterprise Ombudsman (ASBFEO), where she works to influence legislation and regulation to help small businesses grow. She was previously Chief Executive of the Australian Chamber of Commerce and Industry and was Chief Minister of the ACT from 1995 to 2000. Ms Carnell is Co-Chair of the CDIC Advisory Board.

Mr Tony Fraser AO, CSC

Mr Fraser is the Deputy Secretary Capability Acquisition and Sustainment Group (CASG) in the Department of Defence. Mr Fraser brings extensive Defence and industry experience to the review. Mr Fraser has had a distinguished 34-year career as an Australian Army officer, culminating in his role as Head of the Helicopter Systems Division in the Defence Materiel Organisation. Prior to taking up his role in CASG he was Managing Director Airbus Australia Pacific. Mr Fraser is Co-Chair of the CDIC Advisory Board.

Support to the Reviewer

The Co-Chairs will be supported by two (independent of the Department of Industry, Innovation, Science and Resources and not Department of Defence officials) reviewers as well as a secretariat, domiciled in the Department of Defence, consisting of staff from ASBFEO, the Department of Industry, Science, Energy and Resources, and the Department of Defence.