



THE HON. JASON CLARE MP MINISTER FOR DEFENCE MATERIEL

Defence skills plan to meet the challenges ahead

5 September 2011

Minister for Defence Materiel Jason Clare today announced he has asked Skills Australia to work with Defence and the Defence industry develop a plan to ensure Australian industry has the skills to meet the needs of the Australian Defence Force over the next decade and beyond.

Mr Clare made the announcement at the 7th Annual Defence Skilling Summit in Brisbane.

Over the next 15 years the Australian Defence Force will replace or upgrade up to 85 per cent of its equipment.

“This is a big challenge. It is important we get it right. A key part of this is making sure we have the skills we need to do the job,” Mr Clare said.

In the next decade we will spend around \$150 billion on Defence equipment. A lot of that will be spent here in Australia.

The amount of Defence work done in Australia is expected to grow from \$5.5 billion per annum now to \$7.5 billion per annum over the next 10 years (in today’s dollars).

“To do this work well, we will have to build up the skills of Australian industry,” Mr Clare said.

“The biggest mountain we will have to climb is the Future Submarine project – potentially the biggest and most complex Defence project ever.

“It will involve hundreds of companies and thousands of workers – and a lot of skills that currently do not exist in sufficient numbers in Australia.”

The Minister has asked Skills Australia to work with Defence and the Defence industry to map out the range and breadth of skills we will need and the best way to build them.

Skills Australia will report by mid next year.

This will build on the work currently underway to boost skills in Defence and the Defence industry.

Skilling Australia’s Defence Industry (SADI)

This includes the Skilling Australia’s Defence Industry Program which will invest \$138 million over a decade to boost skills and improve training in the Defence industry.

Since 2005 the program has funded more than 24,000 training places, including more than 2,200 apprentices.

Last week, Mr Clare announced the allocation of almost \$14 million to 109 companies for more than 4,000 training places to boost the skills of the Defence industry workforce this financial year.

This includes up to \$1.4 million to support approximately 250 apprentices in trades like aerospace skills, engineering fabrication and electro technology.

Priority Industry Capability Innovation Program (PICs)

At the Summit Mr Clare also announced the first \$9.2 million in funding for the Priority Industry Capability Innovation Program.

This is a \$45 million program to help ensure we build and sustain Australia's Priority Industry Capabilities (PICs).

Applications for the \$9.2 million available this year will open on 24 October and close on 6 January 2012. Program guidelines are now available at www.defence.gov.au/dmo/id/picjp

Companies can apply for up to \$4 million in matched funding for innovative projects that will improve or enhance a Priority Industry Capability (PIC).

This funding delivers on a commitment made in the 2010 Defence Industry statement.

The program will be overseen by the Defence Innovation and Industry Board.

Recipients of the first \$9.2 million will be announced in the first quarter of next year.

Priority Industry Capability Health Checks

Mr Clare also released the results of the first two Priority Industry Capability health checks at the Summit – the Ship Dry Docking and Common User Facilities PIC and the Infantry Weapons PIC.

In February this year the Minister instructed Defence to conduct a health check of all PICs to provide a comprehensive picture of the ability of these sectors to meet the needs of the Australian Defence Force.

The results of the first two health checks are positive.

The Infantry Weapons report indicates that base-level support can be undertaken by a number of companies in Australia and the factory rebuild capability is delivering a good service to Defence.

The Ship Dry Docking report indicates that Captain Cook Graving Dock in Sydney has spare capacity and that Australia has enough suitable docks to meet naval needs.

A copy of these reports is available at www.defence.gov.au/dmo/dmo/function.cfm?function_id=10

Health checks into the other PICs are still underway and are expected to be released later this year and early next year.

Defence Engineering Internship Program

Mr Clare also announced the Defence Engineering Internship Program which will begin in 2012.

The aim of the program is to encourage outstanding engineering students to take up a career in the Defence industry after they graduate.

This \$1.4 million program will allow third year engineering students to complete a twelve week Defence industry placement in a small to medium sized company as part of the practical component of their studies.

Students will be paid \$700 per week while working in the program, while the company that hosts them will receive \$500 per week.

Applications for the program will open in time for the start of the 2012 academic year, with between 20 and 25 positions on offer each year.

Media contact: Korena Flanagan – 02 6277 7620