

Senate Economics References Committee  
ANSWERS TO QUESTIONS ON NOTICE  
Department of Industry, Science, Energy and Resources  
Inquiry into Australia's sovereign naval shipbuilding capability  
13 November 2020

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

**TOPIC:** Review of CDIC by the Office of the Chief Economist and Consultancies

**REFERENCE:** Question on Notice (Hansard, 13 November 2020, Page 14)

**QUESTION No.: 1**

Senator PATRICK: Okay. There have been three prior reviews of CDIC. There was an initial evaluation undertaken by the Office of the Chief Economist, the workforce planning project review by deliberatedge and the 2019 governance review. Are they public?

Mr McIntyre: I believe that the evaluation review is a public review. The other two reviews you refer to I wouldn't describe as reviews. I'd describe them as internal management consultancies that were done to assist management to assess and improve the way in which operations within the organisation were managed.

Senator PATRICK: Can you provide the committee with the first review, the one that you say was a review, and perhaps the indexes for the other two, so I can get a feel for what was in them before perhaps making a further call for those.

Mr McIntyre: Yes, certainly. I'll take it on notice to get you appropriate information about those reviews.

**ANSWER**

The department has conducted three evaluations on the effectiveness of aspects of the CDIC, all of which were internal documents. The evaluations were designed to help Executives understand the organisational health of the CDIC and any improvement opportunities.

All three evaluations were included as inputs and considered in the recent Review of the CDIC that was commissioned by the Minister for Defence Industry, the Hon Melissa Price MP, in December 2019 and publicly released on 15 September 2020.

See: <https://www.minister.defence.gov.au/minister/melissa-price/media-releases/more-support-business-following-cdic-review>

**Centre for Defence Industry Capability (CDIC) Workforce Planning Project**

The CDIC Workforce Planning Project was conducted by the consultancy deliberatedge, and the department received the final report in June 2018. This report was an internal document. The purpose of the Project was to examine how the CDIC workforce was structured to deliver on its strategic objectives and consider how it could be optimised. The Project also considered the CDIC's service delivery model. The Project advocated for the use of a centralised service delivery model in which work is triaged based on the business maturity and attributes of the customer, including the client's level of experience in the defence industry and the nature of their service offering.

### **Centre for Defence Industry Capability Initial Evaluation**

The Centre for Defence Industry Capability Initial Evaluation was undertaken by the Office of the Chief Economist in the then Department of Industry, Innovation and Science. The Office finalised its report in September 2018. This report was an internal document. The purpose of the Evaluation was to conduct an initial, post-commencement evaluation of the CDIC. The Evaluation assessed the CDIC's design, governance and operations in reference to governance documents, including the CDIC's governing Memorandum of Understanding, to identify any areas for future improvement.

### **The CDIC Governance Review**

An internal CDIC Governance Review was conducted by the consultancy Yardstick, and the department received the final report on 1 June 2020. This report was an internal document. The purpose of this Review was to undertake a routine, three yearly examination of the CDIC's governing Memorandum of Understanding (as specified should happen per the CDIC's Memorandum of Understanding with the Department of Defence). The Review was framed to provide recommendations for improvements based on better practice principles outlined in the *Public Governance, Performance and Accountability Act 2013* and the ANAO Better Practice Guide for Public Service Governance.