



Australian Government



DEFENCE INDUSTRY &
INNOVATION



NSW Collaboration for Defence

Benjamin Hayes – Assistant Secretary Defence Capability & Innovation

15 February 2017

Developing the industry we need to achieve our strategic and capability goals

The Defence Industry Policy Statement (DIPS) **reset** the Defence industry partnership and **set out the initiatives** key to success.

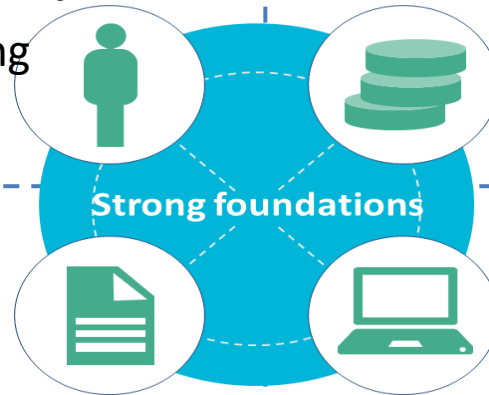
Four principles

- Opportunities for Australian industry capability programs will be maximised.
- Australian industry must **competitively** meet our capability needs.
- Defence will **collaborate** with industry, academia, states and territories to strategically plan and develop Australia's industrial base
- Australian industry formally recognised as a ***fundamental input to capability.***

Strong foundations – in partnership with you

We are open for business ...

- Appointment of Minister for Defence Industry
- Centre for Defence Industry Capability and Innovation Hub open 5 December 2016
- New Australian Industry Capability Plan template and management (including indigenous procurement)



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Resourcing and funded plans ...

- \$195 billion in IIP
- Continuous Shipbuilding/Submarines
 - JSF Global Supply Chain
 - Land 400 – Armoured vehicles
- \$1.6 billion DIPS funded programs



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Ease of doing business ...

- One front door through CDIC
- Building one innovation system
- New IP Strategy and Innovation Contracts



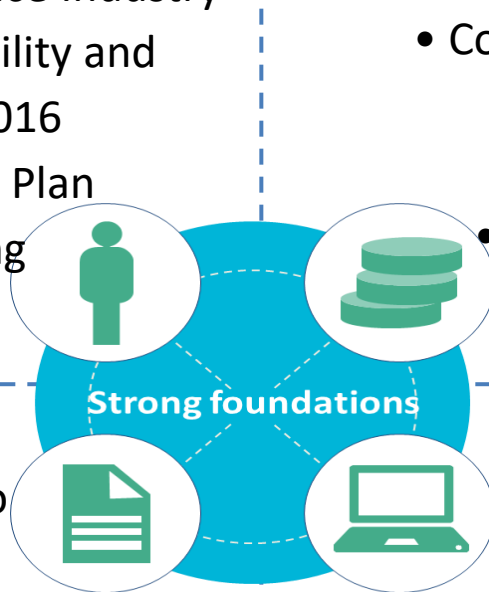
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Planning for sector outcomes ...

- Industry as a Fundamental Input to Capability
- Sovereign industrial capabilities and Defence Industry Capability Plan
- Export Strategy
- Skilling and STEM Strategy



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Our long term vision...



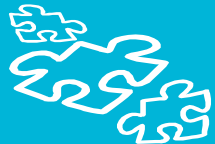
Australian industry delivering to warfighter as a fully embedded fundamental input to capability



Defence Industrial Capability Plan and Sovereign Industrial Capabilities delivering certainty for Defence and industry



- CDIC high performing organisation building our SME sector
- Highly skilled workforce



- Flourishing and vibrant innovation system delivering capability edge



- Export strategy fully implemented
- Many niche global capabilities
- Measuring performance

Support Defence capability outcomes and preparedness

Flourishing industry and innovation ecosystem

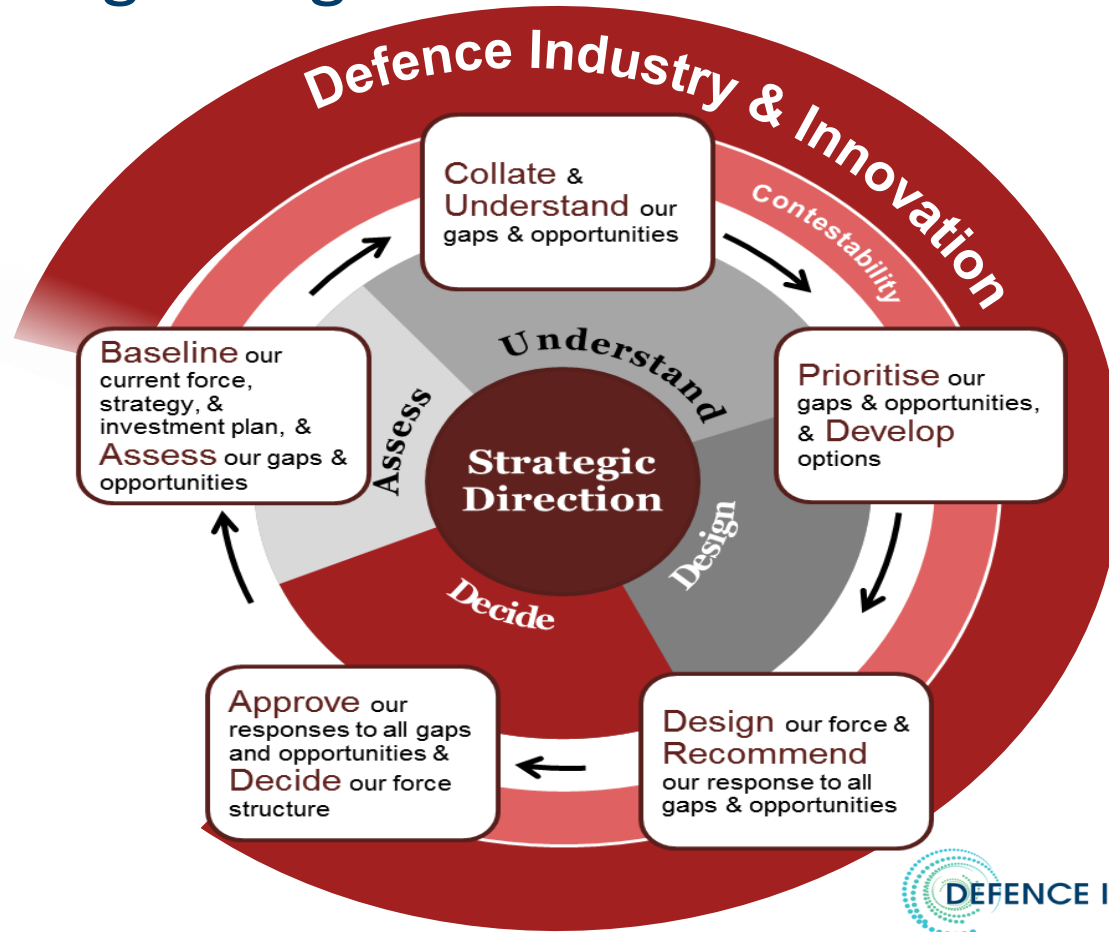


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Australian Industry as a Fundamental Input to Capability (FIC)

- Australian Industry as a FIC is being institutionalised across the capability life cycle and broader defence policy and planning.
- Industry as a FIC is the explicit recognition by Government and Defence of the contribution that Defence industry makes to Defence capability.
- Early engagement with Australian Industry will be a normal part of the force design and capability life cycle phases.

Industry & innovation are embedded in the new Force Design Program



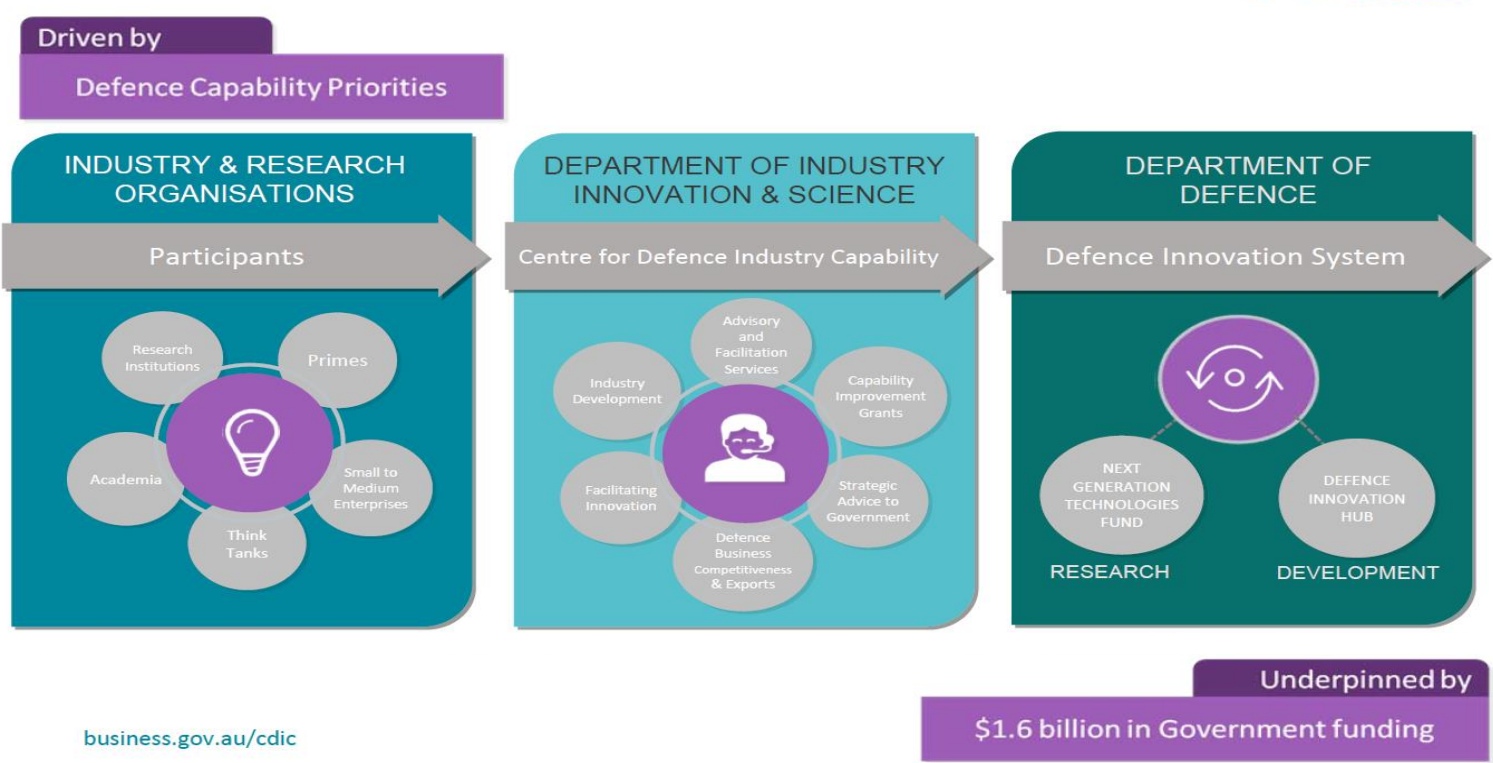
Sovereign Industrial Capability Assessment Framework & Defence Industrial Capability Plan

Developing a **10 year strategic plan** through the Defence Industrial Capability Plan:

- baselining defence industry capability
- growing and developing Australian industry to deliver the **Integrated Investment Program**
- coordinated investment in skilling and **STEM** programs.

Identifying the **sovereign industrial capabilities** critical to Australia's **war fighting** advantage. Investing in those capabilities to maintain health and capacity.

\$1.6b investment in growing our industry and innovation sector



Centre for Defence Industry Capability

- Centre for Defence Industry Capability (CDIC) is working with industry and innovators to **drive strategic partnerships with Defence**, building a strong industrial base in Australia.
- The CDIC's partnership with AusIndustry will provide a **whole of industry perspective** and enable the CDIC to introduce industry and researchers to broader government innovation initiatives.

What the CDIC delivers

The CDIC delivers services across 3 streams.



Industry Development

Defence capability needs

Industry capability mapping

Training & sector-based skilling

Defence Business Competitiveness and Exports

Global supply chain

Export advice and facilitation

Coordination of trade missions

Facilitating Innovation

Innovation Portal

Commercialisation advice

Connect with researchers

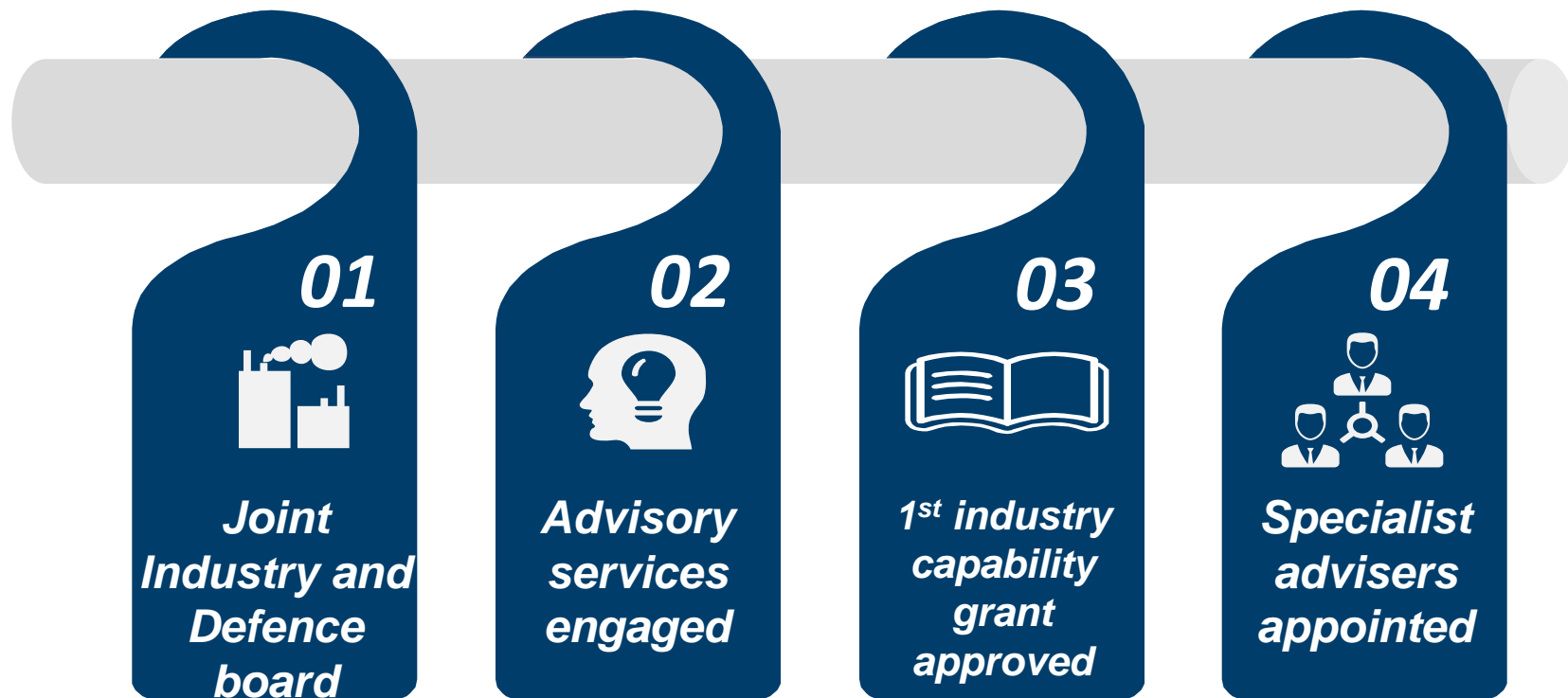
Sample services



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Strong foundations – Centre for Defence Industry up and running since 5 December 2016

- High level of access – the Minister for Defence Industry has attended board meetings
- CDIC deeply engaged with Defence and capability managers



Innovation Programs

Defence Cooperative Research Centres

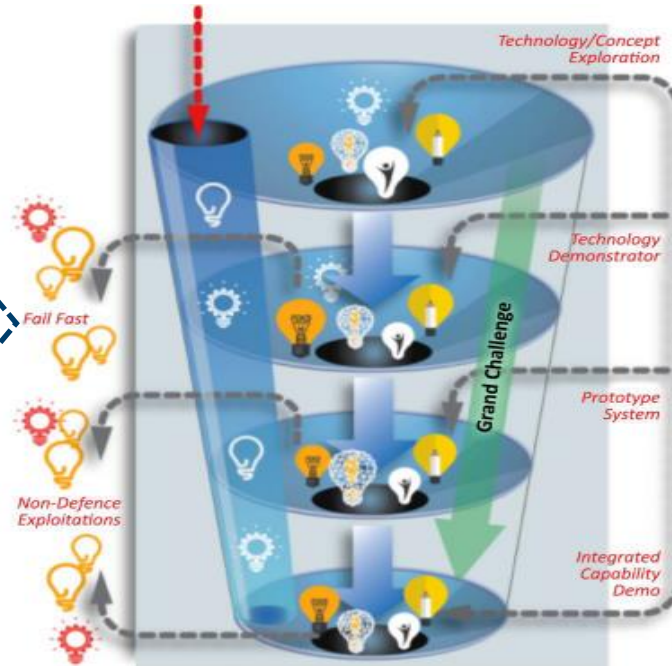
Next Generation Technologies Fund

Small Business Exploratory Research

Strategic Research Program

Grand Challenges

Defence Cooperative Research Centres



Defence Innovation Hub

Technology/Concept Exploration

Technology Demonstration

Prototype System

Integrated Capability Demonstration

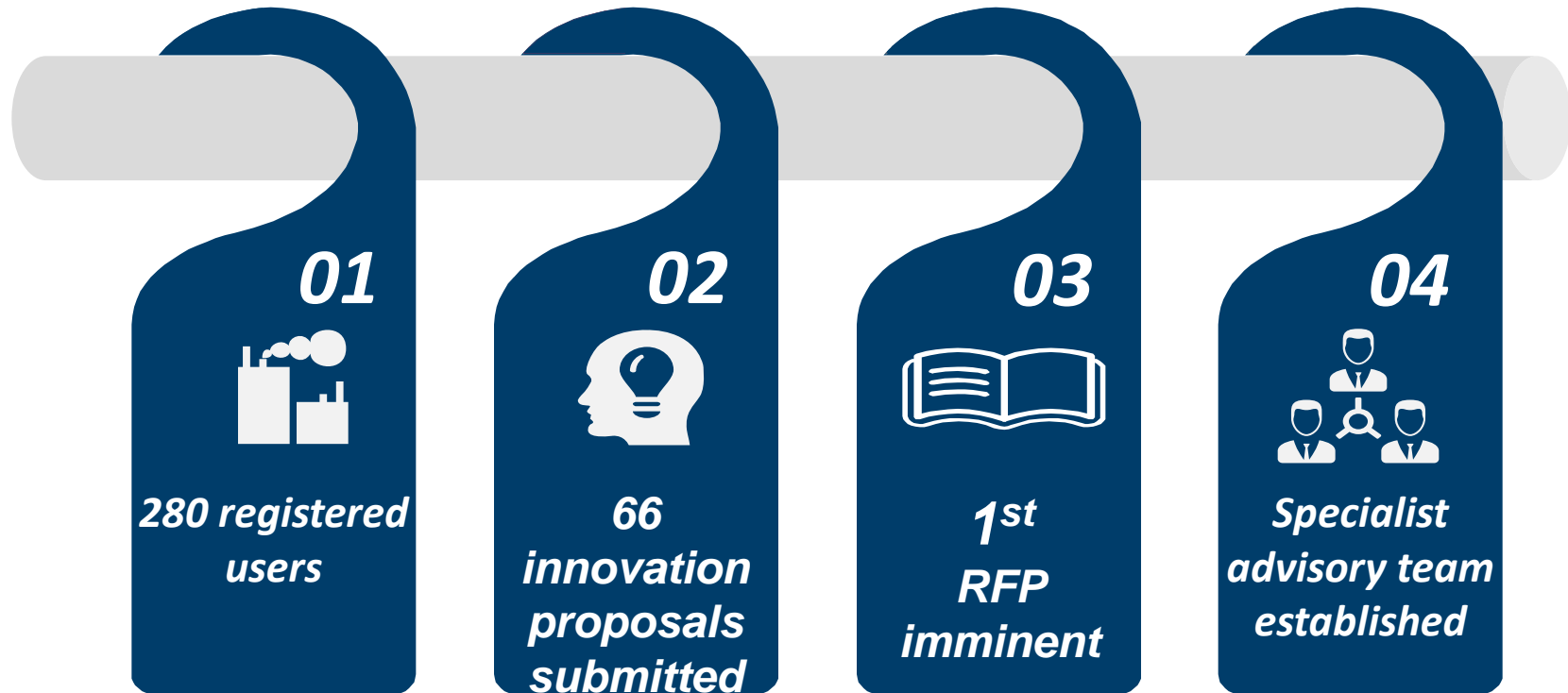
Defence-Industry Collaboration



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Strong foundations – Innovation Hub Up and Running since 5 December 2016

- Working hand in glove with Capability Managers
- Very positive feedback from Defence and industry stakeholders
- Engaging with risk and building on pioneering programs – CTD/RPDE



Defence Innovation Hub - Investment Priorities

Investment priorities are aligned with the six capability streams.

Top three priorities for FY 16/17:

1. Intelligence, Surveillance, Reconnaissance, Electronic Warfare, Space and Cyber
2. Key Enablers
3. Land Combat and Amphibious Warfare

In addition to funding proposals aligned with the capability streams:

- special notice solicitations will enable projects to seek innovation proposals for specific technologies
- we will also retain a portion of funding to consider proposals that do not neatly align with our investment priorities, but offer an opportunity to explore **unexpected or unforeseen technologies** or ideas.

Innovation proposals we are seeking

1	Concept/tech exploration	\$100 - \$250k	3 – 12 months
2	Capability/tech demonstration	\$1 - \$3m	1 – 3 years
3	Prototyping	\$3 - \$5m	1 – 3 years
4	Integrated capability demonstration & evaluation	\$5m	6 – 12 months

As we move through the different stages of innovation development our:



Technology readiness levels increase



Risk appetite decreases

These are indicative figures only.

New Innovation Contract Framework

Our new approach to contracting innovative ideas sits at the heart of everything, including a refreshed approach to **intellectual property**.

Our risk balance is **shifting** (a lot). Our new system is **light** and **modular**.



What happens to existing programs?

- Existing programs operating under the strategic guidance of the Defence Innovation Hub
- Transition plans are under development for full integration into the Hub in 2017
- DMTC funding for 3 years



Visit our new, easy to use, website

www.business.gov.au/cdic

[Home](#) > [Centre for Defence Industry Capability \(CDIC\)](#) > [Defence Innovation Portal](#)

Defence Innovation Portal

Last updated: 20 December 2016

Welcome to the entry point to Defence innovation

The Department of Defence welcomes your innovative ideas, no matter how big or small. You don't have to represent a multinational firm. If you have your own business, belong to a think-tank, or anything in-between, Defence wants to hear from you.



Are you ready to innovate with Defence?

Helpful information on what is required before you submit an innovation proposal to Defence.



What are Defence's Priority Innovation Needs?

Discover the Priority Innovation Needs – six capability streams and FY16-17 focus.



I'm ready to submit my innovation proposal

Submit your proposal against one of two categories.



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Thank you

Let's keep talking.

Register for updates on the CDIC,
➡ Innovation Portal and Hub

business.gov.au/cdic



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