

# Chapter 1

## Introduction

### Referral of inquiry and terms of reference

1.1 On 20 August 2015, the Senate referred matters relating to the capability of Defence's physical science and engineering (PSE) workforce to the Foreign Affairs, Defence and Trade References Committee for inquiry and report by the last sitting day in March 2016.<sup>1</sup> On 15 March 2016, the Senate extended the reporting date of the inquiry to 1 April 2016.<sup>2</sup>

1.2 The terms of reference for the inquiry are as follows:

The capability of Defence's physical science and engineering (PSE) workforce, with particular reference to:

- (a) the importance of the PSE workforce to Defence projects;
- (b) the current PSE capability within Defence, the Defence Materiel Organisation (DMO) and the Defence Science and Technology Organisation (DSTO);
- (c) the potential risks of a skills shortage in the PSE workforce and a decline in Defence's PSE capability;
- (d) the ability of Defence to have relevant PSE capabilities to meet future technological needs;
- (e) the ability of new technologies discovered by the PSE workforce to be incorporated into Australia's defence capability planning;
- (f) the effect of project outsourcing on Defence's PSE capability;
- (g) the ability to attract and retain a highly skilled PSE workforce in Defence, DMO and DSTO; and
- (h) any other related matters.

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1 *Journals of the Senate*, 20 August 2015, p. 3009.

2 *Journals of the Senate*, 15 March 2016, p. 3944.

## Conduct of inquiry

1.3 The committee advertised its inquiry on its website and in *The Australian*, calling for submissions to be lodged by 16 October 2015. The committee also wrote directly to a range of people and organisations likely to have an interest in matters covered by the terms of reference, drawing their attention to the inquiry and inviting them to make written submissions.

1.4 The committee received 34 submissions to the inquiry. Submissions are listed at [Appendix 1](#) and are available on the committee's website at: [www.aph.gov.au/senate/fadt](http://www.aph.gov.au/senate/fadt). A few submissions from individuals, generally currently employed Defence officers, have been accepted as 'name withheld'.

1.5 The committee held public hearings for the inquiry at Parliament House in Canberra on 17 November 2015 and 5 February 2016. Responses to questions on notice from the public hearings are listed at [Appendix 2](#). The witnesses at those public hearings are listed at [Appendix 3](#).

## Structure of the report

1.6 The committee's report is in five chapters. Chapter 2 provides a background to the inquiry including relevant previous reviews and recent policy changes relevant to the Defence PSE workforce. Chapter 3 includes the issues raised during the inquiry regarding terms of reference (a), (b) and (c). It also deals with workforce planning issues. Chapter 4 discusses issues raised regarding the remaining terms of reference. Chapter 5 contains the committee's conclusion and recommendations.

## Definitions

1.7 Different contributors to the inquiry have used different definitions of Defence's PSE workforce. While the committee has received some evidence from those that have used broader definitions, it has focused on those roles encompassed by the non-SES work level standards of the Physical Science and Engineering stream within the Defence Classification Manual.<sup>3</sup>

1.8 The terms of reference of the inquiry refer to the Defence Materiel Organisation (DMO) and the Defence Science and Technology Organisation (DSTO). As a result of the departmental changes in 2015, the committee has focused on the successor parts of Defence, the Capability Acquisition and Sustainment Group (CASG) and the Defence Science and Technology Group (DSTG).

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3 Part 2 - Work level standards, Defence Classification Manual, 2012, available at: [http://www.defence.gov.au/dpe/pac/aps/DCM\\_chapt\\_two\\_pt2.pdf](http://www.defence.gov.au/dpe/pac/aps/DCM_chapt_two_pt2.pdf) (accessed 25 March 2016).

## **Acknowledgements**

1.9 The committee thanks all those who contributed to the inquiry by making submissions, providing additional information or appearing at the public hearings to give evidence.

## **Note on references**

1.10 References to the committee *Hansard* are to the proof *Hansard*. Page numbers may vary between the proof and the official *Hansard* transcripts.

