DILP
Research
Paper

Bridging the Gap Between Support Programs & Industry Engagement.

Building a sustainable workforce pipeline for the future
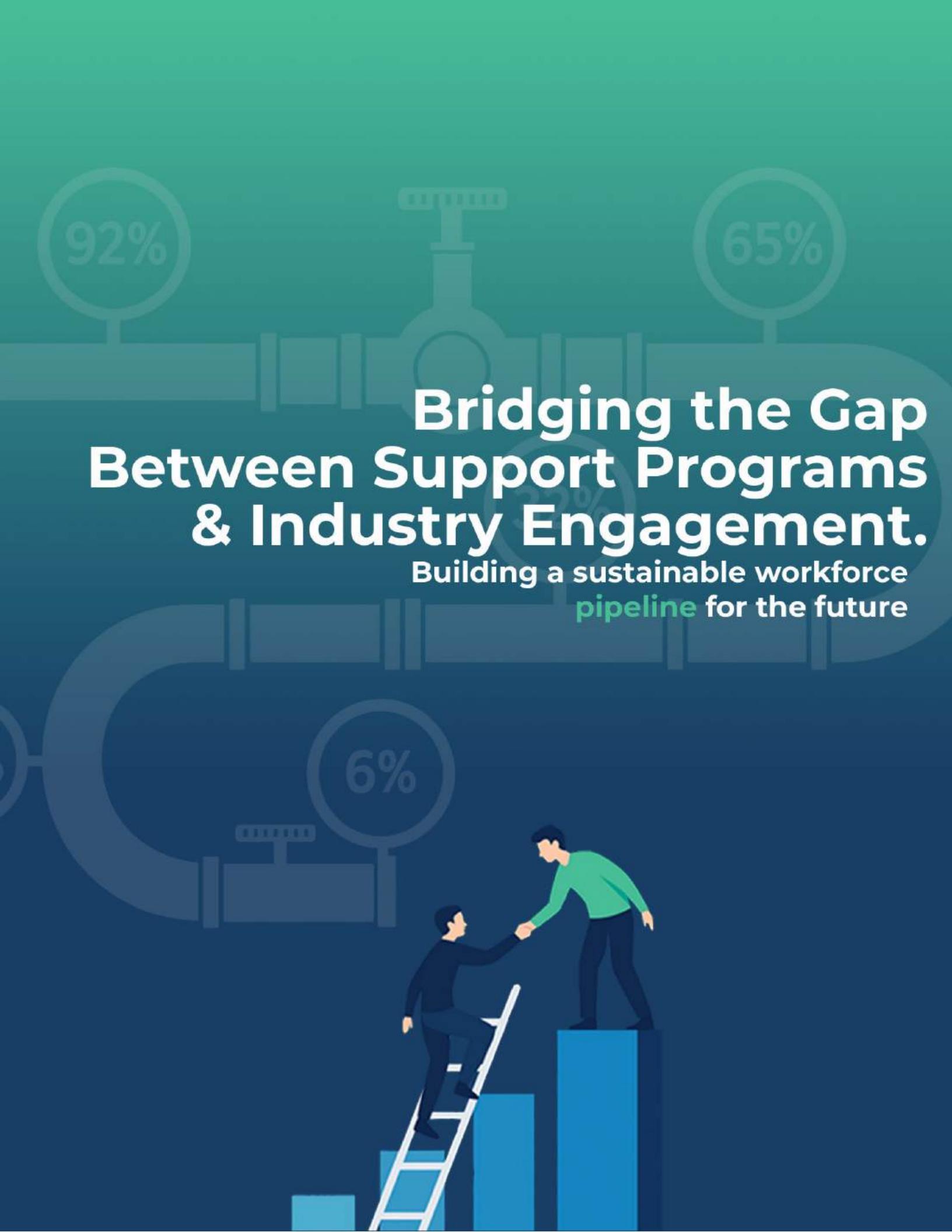
Bridging the Gap Between Support Programs & Industry Engagement.

Building a sustainable workforce pipeline for the future

Version History

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Acceptance

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Acknowledgement & Disclaimer

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The authors would like to thank their employers for providing the opportunity to participate in the DILP.

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Disclaimer

The contents of this research report are the opinions and conclusions of the authors and do not necessarily represent the views of the authors' organisations, the contributors, the contributors' organisations, the Defence Industry Leadership Program (DILP) or the Defence Teaming Centre (DTC).

The insights, perspectives, and opinions gathered through interviews and other stakeholder engagement activities reflect the personal views of individual participants and do not necessarily represent the official position of their employers or affiliated organisations. To preserve confidentiality and reduce any potential inference of organisational endorsement or attribution, specific names and organisations have been anonymised. Findings are presented thematically to capture collective sentiment rather than attribute individual viewpoints.

Executive Summary

Australia's defence industry is entering a period of unprecedented workforce demand with more than 20,000 skilled workers required over the next 20 years to meet the demands of the National Defence Strategy, Defence Strategic Review and AUKUS commitments. This is compounded by persistent skills shortages across STEM and trades, an ageing workforce, and strong competition for talent from adjacent sectors. At the same time, uncertainty in procurement pipelines and "peaks and troughs" in major programs make Small to Medium Enterprises (SMEs) reluctant to invest in training or long-term workforce growth.

Governments at state and federal levels, alongside industry providers, have launched a wide range of support programs, however, industry feedback points to fragmentation, structural barriers, and difficulty navigating the system; resulting in a gap between intent and impact, leaving the pipeline fragile. While this research did not limit its scope solely to government-funded initiatives, the majority of programs referenced align with, or are underpinned by Commonwealth and state funding mechanisms. The term 'support programs' is therefore used broadly to encompass the full spectrum of workforce, skilling, and industry engagement initiatives identified through the research.

Within this study, small to medium businesses (encompassing micro, small, and medium enterprises) were examined as a key segment of the defence industry. While differences in scale and capacity were acknowledged, the findings have been aggregated to reflect the collective experiences and perspectives of this broader SME cohort.

This report examines the gap between existing support programs and industry's engagement with those programs by exploring the question "*How can the gap between support programs and industry engagement be bridged to build a sustainable workforce pipeline, and what specific role should SMEs play in thi*s *process? What strategies can be implemented to enhance SME involvement and foster long-term industry engagement?*"

Through structured interviews and an industry survey, four key meta themes were identified around the factors limiting SME participation in these programs:

- Awareness, Navigation and Accessibility
- SME barriers to engagement
- Defence Structural Constraints; and
- Entry Pathways vs Retention and Endurance

Collectively, these factors hinder engagement and reduce the effectiveness of workforce support programs.

Through analysis of the data, individual synthesis and collaborative triangulation, a series of evidence-based recommendations have been developed. The six recommendations are:

1. Establish a central hub "front door" for workforce support program information
2. Embed Co-design in Program Development
3. Provide Dedicated SME Navigation Support Through Neutral Intermediaries
4. Deliver Enhanced Defence Work Forecasting Briefings

5. Establish a Security Clearance Pipeline for Workforce Program Participants
6. Develop a Defence Industry Secondment Program

The recommendations presented form a complementary suite of actions designed to address these barriers. Their implementation would support enhanced SME engagement in workforce support programs and play an important role in helping to ensure Australia is equipped with the skilled workforce needed to meet current and future strategic defence challenges.

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Acronym	Full Form	Acronym	Full Form
ADF	Australian Defence Force	DSR	Defence Strategic Review
AGO	Australian Geospatial-Intelligence Organisation	DTB	Defence Trailblazer
AIC	Australian Industry Capability	DTC	Defence Teaming Centre
AIDN	Australian Industry & Defence Network	GWEO	Guided Weapons and Explosive Ordnance
AGSVA	Australian Government Security Vetting Agency	ICT	Information and Communications Technology
ASCA	Advanced Strategic Capabilities Accelerator	IIP	Integrated Investment Program
AUKUS	Australia, United Kingdom, United States Security Partnership	JSFIS	Joint Strike Fighter Industry Support
APS	Australian Public Service	NDS	National Defence Strategy
ADTA	Australian Defence Technologies Academy	ODIS	Office of Defence Industry Strategy
CASG	Capability Acquisition and Sustainment Group	OPV	Offshore Patrol Vessel
CSIRO	Commonwealth Scientific and Industrial Research Organisation	RDTI	Research and Development Tax Incentive
DIDS	Defence Industry Development Strategy	SADI	Skilling Australia's Defence Industry
DIDG	Defence Industry Development Group	SADIWS	South Australian Defence Industry Workforce and Skills
DIDGP	Defence Industry Development and Grants Program	SME	Small and Medium Enterprise
DIIP	Defence Industry Internship Program	STEM	Science, Technology, Engineering and Mathematics
DILP	Defence Industry Leadership Program	TDA	Technology Development and Acceleration
DIPP	Defence Industry Pathways Program	WIL	Work Integrated Learning
DISP	Defence Industry Security Program	WYWM	WithYouWithMe
DSR	Defence Strategic Review		

Problem Statement and Scope

Australia's defence industry is undergoing a generational expansion in capability, driven by major strategic reforms and investment commitments outlined in the National Defence Strategy (2024),[1] Integrated Investment Program (2024)[2] and the Defence Industry Development Strategy (2024).[3] These initiatives call for a substantial uplift in the sovereign industrial base and a skilled workforce capable of delivering and sustaining complex Defence capabilities over the coming decades.

The priorities outlined in the National Defence Strategy (NDS) and Defence Industry Development Strategy (DIDS) highlight the need for a significant increase in a local, skilled workforce that is imperative to the delivery of future capabilities. It is estimated that Australia will require 20,000 new skilled workers within defence industry to facilitate the AUKUS nuclear-powered submarine project alone.[4] Subsequently, to address the gap between current and future workforce demand there must be a collaborative approach, between governments (federal and state), defence industry and the education and training sector.

Over the past decade, governments at both federal and state level have launched a range of initiatives to attract, upskill and retain defence-relevant talent, including the *Skilling Australia's Defence Industry (SADI)* program,[5] the *Defence Industry Pathways Program (DIPP)*[6] and *Defence Trailblazer (DTB)*.[7] Support programs such as these are intended to encourage the growth of the local skilled workforce, however workforce challenges and gaps remain critical issues facing defence industry;[8] these issues need to be addressed if Australia is to establish a sustainable workforce pipeline.

Bridging the Gap

"How can the gap between support programs and industry engagement be bridged to build a sustainable workforce pipeline, and what specific role should SMEs play in this process?

What strategies can be implemented to enhance SME involvement and foster long-term industry engagement?"

Australia's defence industry is entering a period of unprecedented workforce demand. The cadence of the NDS and Defence Strategic Review (DSR), combined with the tempo of AUKUS commitments, means capability delivery timelines are accelerating while industry capacity lags. This is compounded by persistent skills shortages across Science, Technology, Engineering and Mathematics (STEM) and trades, an ageing workforce, and strong competition for talent from adjacent sectors. At the same time, uncertainty in procurement pipelines and 'peaks and troughs' in

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[1] Australian Government, *NDS*.
[2] Australian Government, *IIP*.
[3] Australian Government, *DIDS*.
[4] Manufacturing Industry Skills Alliance, "Skills Demand for Defence."
[5] Commonwealth of Australia, "Skilling Australia's Defence Industry Grants Program."
[6] PEER, "DIPP."
[7] Defence Trailblazer, "DTB."
[8] Australian Industry Group, "Election 2025: Defence Industry Policy."

major programs make Small to Medium Enterprises (SMEs) reluctant to invest in training or long-term workforce growth. Although governments at state and federal levels have launched a wide range of support programs, industry feedback points to fragmentation, structural barriers and difficulty navigating the system.

The result is a gap between intent and impact; programs exist, but their connection to industry, especially SMEs, is inconsistent, leaving the pipeline fragile. This report explores the gap between existing support programs and industry's engagement with those programs; a challenge that has direct implications for developing a sustainable workforce pipeline. SMEs in particular often struggle to access, benefit from, or contribute to such programs, despite being intended beneficiaries of these initiatives and being recognised as critical to sovereign industrial capability.

Objectives

The objectives of this report are to:

- Capture the current industry sentiment through qualitative and quantitative methods.
- Identify gaps in the support ecosystem by analysing insights informed by the lived experience and commercial realities of SMEs.
- Consider how support programs influence workforce retention, including whether they contribute to long-term sustainability and continuity across the employee lifecycle.
- Provide recommendations, informed by stakeholder interviews and survey data, to improve SME and broader industry engagement in workforce-related support programs.

Figure 1: Stakeholder Onion Matrix
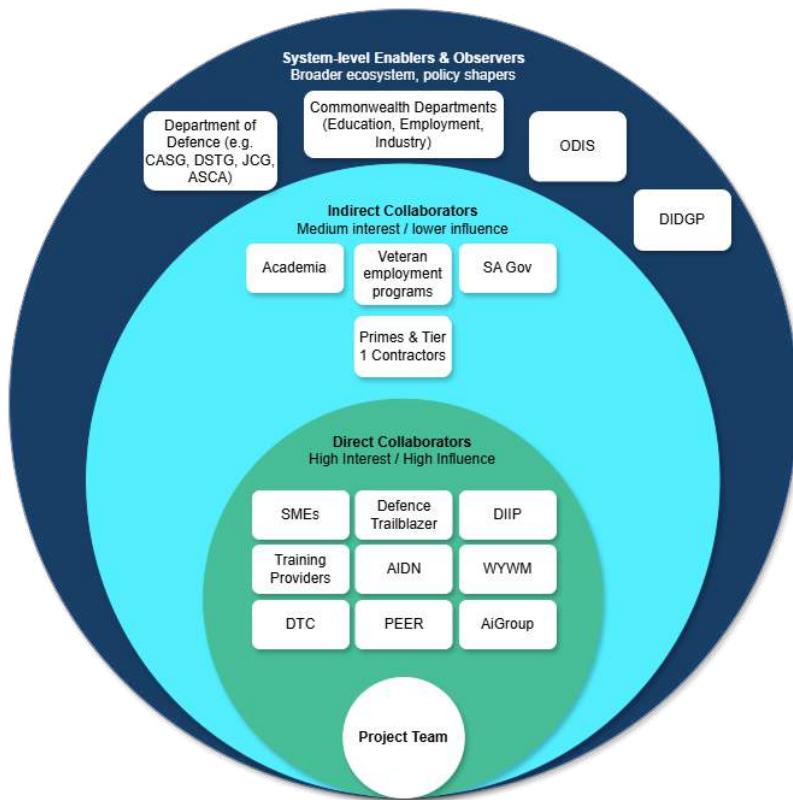
Stakeholders

As part of this study, stakeholders were identified, assessed, and mapped using a concentric (onion) stakeholder matrix (above), indicating their proximity and influence relative to the project's core objectives. The matrix was treated as a living tool, updated iteratively throughout the project to capture shifts in stakeholder engagement, influence, and relevance.

Definitions

To ensure clarity and consistency throughout this report, the following section provides definitions of key terminology used in this research.

- **Support programs**: Structured initiatives intended to develop, sustain, or enhance the workforce capacity and capability of Australia's defence industry. While many programs are directly aimed at workforce development, others are primarily focused on accelerating technological capability, innovation or industry participation, with workforce uplift occurring as a clear, albeit secondary benefit. Support programs may be fully or partially government funded or led by industry and/or academia. These programs may include:
    - Workforce development initiatives
    - Capability uplift and skilling strategies
    - Veteran transition and employment support
    - SME enablement and engagement support
    - Academia–industry collaboration programs
    - Innovation and technology acceleration programs

- **Sustainable workforce pipeline**: A sustainable workforce pipeline refers to the systems and conditions that enable a steady, reliable supply of skilled personnel to meet the evolving needs of the defence industry over time. From an industry and SME perspective, a sustainable workforce pipeline is characterised by:
    - Timely access to talent with the right skills to meet current and future project demands
    - Future-readiness, with training and upskilling aligned to emerging technologies
    - Strong retention strategies, resulting in stability and continuity of workforce supply
    - Scalable mechanisms that allow for rapid adjustment to workforce needs.

- **Small to Medium Businesses (SMEs):** For the purposes of this research, small to medium businesses encompass micro, small, and medium enterprises that collectively form a critical segment of Australia's defence industry supply chain. These categories are consistent with Australian Bureau of Statistics and defence industry definitions:
    - Micro enterprises: fewer than 5 employees
    - Small enterprises: 5–19 employees
    - Medium enterprises: 20–199 employees

  While differences in scale, capacity, and resource availability were acknowledged during analysis, findings presented in this report are aggregated to reflect the collective experiences and perspectives of the broader SME cohort.

Background

Defence Strategic Context

The environment within which we will be analysing a sustainable workforce pipeline is framed by the 2023 DSR and its recommendation that Australia adopt a posture of *National Defence*; in essence, a coordinated national response to changes in Australia's strategic environment.[9] This was followed in 2024 by the Albanese Government's first standalone NDS and accompanying Integrated Investment Program (IIP), which together seek to implement the new posture. Workforce resilience was presented as a critical facet of Australia's ability to deter regional threats,[10] and for building an industrial base capable of supporting our AUKUS partners during a protracted conflict.[11] In 2024 the government also released the DIDS, which highlighted the role SMEs play within Australia's sovereign defence industrial base, and thus their contribution to delivering the recommendations outlined within the DSR.[12] The establishment of a sustainable and inclusive workforce pipeline that encompasses the breadth of SMEs within the defence industry has emerged as a vital enabler of national security.

Included within the recommendations of the DSR was the need for an immediate investment in "the growth and retention of a highly-skilled Defence workforce"[13] to address "severe workforce pressures."[14] The workforce related to Navy was of particular concern, specifically regarding transitioning new technology into service[15] and the sustainment, maintenance and upgrade of fleets.[16] Other workforce gaps called out by the DSR were space,[17] cyber,[18] Guided Weapons and Explosive Ordnance (GWEO),[19] logistics and health,[20] and senior Information Communications Technology (ICT) staff.[21]

The DIDS acknowledges that the defence industry *"is primarily driven by government procurement"*,[22] a dynamic that significantly shapes workforce planning and capability development. To support a sustainable pipeline of skilled workers, the strategy calls for *"new or enhanced engagement, educational and upskilling programs."*[23] As the strategy notes, *"For Defence,*

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[9] Australian Government, *DSR*, 31–32.

[10] Australian Government, *DSR*, 38.

[11] Australian Government, *DSR*, 72; Australian Government, *NDS*, 29.

[12] Australian Government, *DIDS*, 10–11; Australian Government, *IIP*, 17.

[13] Australian Government, *DSR*, 7.

[14] Australian Government, *DSR*, 20; see also Australian Government, *NDS*, 33 which estimates the ADF is currently 4,400 personnel under strength.

[15] Australian Government, *DSR*, 57.

[16] Australian Government, *DSR*, 78–79.

[17] Australian Government, *DSR*, 62.

[18] Australian Government, *DSR*, 64.

[19] Australian Government, *DSR*, 68.

[20] Australian Government, *DSR*, 81.

[21] Australian Government, *DSR*, 82.

[22] Australian Government, *DIDS*, 9.

[23] Australian Government, *DIDS*, 65.

successful industrial prioritisation means Defence can access the industrial capabilities it needs to deploy a Defence capability if, when and how the Government directs."[24]

This workforce challenge is compounded by the following pressures facing Defence and industry:

- **A competitive labour market.** The Defence sector faces strong competition for talent, particularly in engineering, digital, and manufacturing fields. Wage inflation driven by demand makes it difficult for SMEs to compete with larger firms and non-Defence industries.
- **Aging defence industry workforce and knowledge transfer.** A significant portion of the current defence industry workforce is aging, which will inevitably lead to a loss of critical expertise and institutional knowledge unless proactive measures are taken to ensure effective knowledge transfer, succession planning, and workforce renewal strategies.
- **Public perception and community engagement.** The defence industry must reshape public perceptions of defence industry careers. Outreach in schools and university partnerships can raise awareness of career opportunities, while addressing ethical concerns around weapons manufacturing is key to maintaining a positive image.

Workforce challenges are especially pronounced in South Australia, where defence industry job growth is accelerating. In response, the South Australian and Federal Governments have launched the Defence Industry Workforce and Skills Action Plan, outlining 22 targeted initiatives to build the skilled workforce needed to meet strategic Defence priorities.[25]

Extant Support Programs

A range of programs and initiatives exist to help Australian businesses engage with Defence. Within the context of this project, these fall broadly into three categories based on their objective:

- Direct Workforce Development
- Capability Development and Innovation
- Security and Compliance

Direct Workforce Development

Programs are explicitly designed to grow, sustain and enhance the workforce capacity within Australia's defence industry. They directly target immediate and long-term skills shortages and aim to cultivate technical, professional and leadership talent across the sector, as well as position the industry as an attractive destination for talent.

The South Australian Defence Industry Workforce and Skills Action Plan (SADIWS) highlights 22 key initiatives, and an initial budget of $58 million (co-investment by the South Australian and Federal Governments). The SADIWS Action Plan 2024 Update identified investment has grown to over $300 million – including $208 million in South Australian Government funding to establish five Technical

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[24] Australian Government, *DIDS*, 17.

[25] Australian Government and Government of South Australia, *SADI Workforce and Skills Action Plan*.

Colleges, and $35 million in Australian Government funding for 1,030 AUKUS aligned university places.[26]

Examples of direct workforce development programs and organisations are:

- Defence Trailblazer Workforce Skilling & Attraction Programs[27]
- Defence Industry Leadership Program (DILP)[28]
- Micro-credentials, such as Defence Trailblazer Combat Systems Engineering (CSE)[29]
- Engineers Australia/Defence Teaming Centre Graduate Learning Program[30]
- Defence Industry Pathways Program (DIPP)[31]
- Skilling Stream of the Defence Industry Development Grants Program (DIDGP)[32]
- Defence Industry Internship Program (DIIP)[33]

Capability Development and Innovation

Programs that ensure Australia's armed forces have reliable access to the advanced technologies, products and services critical for operational effectiveness. These include funding, incubators and accelerator programs that enable rapid advancement of critical technologies through collaboration between businesses and research institutions. These programs have strong secondary benefits for workforce development.

Examples of capability development and innovation programs are:

- Australian Industry Capability (AIC) Programs[34]
- Sovereign Industrial Priorities Stream of the DIDGP[35]
- Defence Trailblazer Technology Development and Acceleration (TDA)[36] and DINAMIC programs[37]
- Advanced Strategic Capabilities Accelerator (ASCA) Missions[38] and Innovation Incubation Program[39]
- Defence CRC Grants[40]

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[26] Australian Government and Government of South Australia, *South Australian Defence Industry Workforce and Skills Action Plan: 2024 Update*, 5.
[27] Defence Trailblazer, "DTB."
[28] Defence Teaming Centre, "DILP."
[29] Defence Trailblazer, "Combat Systems Engineering."
[30] Engineering Education Australia, "EA / DTC Grad Program."
[31] PEER, "DIPP."
[32] Australian Government Business, "DIDG."
[33] DIIP, "Defence Industry Internship Program."
[34] Commonwealth of Australia, "Australian Industry Capability Program."
[35] Australian Government Business, "DIDG."
[36] Defence Trailblazer, "Technology Development and Acceleration (TDA) Program."
[37] Defence Trailblazer, "DINAMIC Innovation Program."
[38] Advanced Strategic Capabilities Accelerator, "Missions."
[39] Advanced Strategic Capabilities Accelerator, "Innovation Incubation Program."
[40] CSIRO, "Defence CRC Grants."

- JSF Industry Support Program[41]
- Research & Development Tax Incentive (RDTI)[42] (not specifically defence)
- Australian Geospatial-Intelligence Organisation (AGO) Analytics Lab Program[43]

Security & Compliance

Programs that protect sensitive technologies, intellectual property and national secrets by enabling companies to meet stringent Defence requirements. They support sustained industry participation in high-security projects upskilling the workforce to recognise and counter cyber and physical threats.

Examples of security and compliance programs are:

- Defence Industry Security Program (DISP)[44]
- Security Stream of the DIDGP[45]

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[41] Australian Government, "Joint Strike Fighter Industry Support Program Grants."
[42] Commonwealth of Australia, "Research and Development Tax Incentive."
[43] FrontierSI, "AGO Analytics Labs."
[44] Commonwealth of Australia, "Defence Industry Security Program."
[45] Australian Government Business, "DIDG."

Research Methodology

Research Design & Approach

This project adopted a multi-phase, mixed-methods research design, deliberately structured to balance depth of insight with breadth of validation. The phases were designed to be overlapping rather than linear, with each phase informing the design and focus of the next. Planning and foundation activities (*Phase 1*) established the tools, definitions and platforms required for data collection, which enabled the discovery and landscape mapping phase (*Phase 2*) through semi-structured interviews and a desktop scan of relevant literature, existing programs and policy documents. These exploratory insights informed the design of the industry-wide stakeholder survey (*Phase 3*), which substantiated and tested emerging themes across a broader cross-section of participants. The synthesis stage (*Phase 4*) integrated findings across all phases to identify validated themes, systemic challenges and priority issues, before *Phase 5* refined these into a set of evidence-based insights and recommendations delivered through the final report and presentation.

Figure 2: Research Approach Diagram
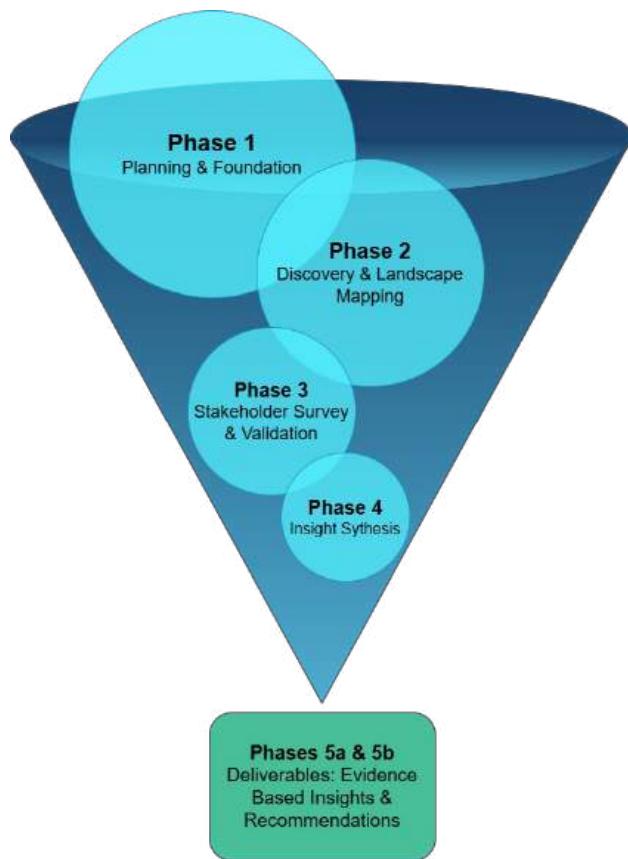
This approach can be conceptualised as a funnel as demonstrated in *Figure 2:* beginning with broad discovery to capture the diversity of perspectives, progressively narrowing through validation and testing, and ultimately converging into evidence-based insights and recommendations. This sequencing ensured that findings were grounded in real-world experience, while also tested for broader resonance across the sector.

This research design was selected for two principal reasons. Firstly, the research question addresses a complex, multi-actor system in which SMEs, prime contractors, government agencies, academia and program providers all interact. Recent government strategy highlights the need for reforms to strengthen how Defence engages across these groups,[46] while industry roundtable findings emphasise that stakeholders often diverge in their priorities, incentives and perspectives.[47] Capturing this diversity required a methodological approach capable of accommodating competing viewpoints and systemic interdependencies.

Second, the challenge of sustaining the defence industry workforce is shaped not only by policy frameworks but also by organisational perceptions and lived experiences. A purely quantitative design would have risked overlooking these qualitative nuances, while a purely qualitative design would have constrained the generalisability of findings. A mixed-methods approach was therefore adopted to enable both the exploration of perspectives and the validation of patterns across a broader industry cross-section, ensuring the identification of both convergence and divergence in stakeholder experiences.

It is also important to acknowledge that the research question is inherently assumptive, presuming the existence of a gap between workforce support programs and industry engagement. Phases 1 and 2 were consequently structured as exploratory inquiries, intended to orient the research rather than confirm predefined propositions. These phases sought to elicit open-ended perspectives and uncover stakeholder insights into what is working, what is not and why. This discovery-driven orientation reduced the risk of reinforcing untested assumptions and ensured that the subsequent survey instrument in Phase 3 was grounded in the realities of how industry actors experience the support ecosystem.

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[46] Australian Government, *DIDS*, 33–46.
[47] *Report on Series 2: The Defence Strategic Review and the Defence Industry Development Statement*.

Phase Descriptions

Phase	Purpose	Activities	Outputs
Phase 1: Planning & Foundations	Establish tools, scope, and governance for the project	Develop interview protocols, survey question banks, research repositories, stakeholder register, and tracking platforms	Tools finalised; stakeholder register initiated; governance and project plan in place
Phase 2: Discovery & Landscape Mapping	Build foundational understanding of the support program ecosystem	Semi-structured interviews across SMEs, primes, program providers, academia, government; desktop scan of policies, strategies, and program documentation	Stakeholder insights derived from 15 interviews (what's working / not working / why); preliminary thematic areas
Phase 3: Industry Stakeholder Survey	Validate and extend qualitative insights with broader input	Online survey with Likert, multiple-choice, ranking and open-text questions; distributed via industry bodies, networks, and associations	Dataset of 32 responses (61% SMEs); quantitative substantiation of Phase 2 themes
Phase 4: Insight Synthesis	Integrate findings and identify validated themes	Comparative analysis of interviews, survey data, and document scan; triangulation to identify convergence and divergence	Meta-themes (Awareness & Navigation, SME Constraints); cross-validated evidence base
Phase 5: Deliverables	Translate findings into outputs for the DILP panel and industry	Drafting, internal reviews, sponsor feedback, presentation development	Final report and presentation with evidence-based recommendations

Data Collection Methods

The project utilised three complementary data collection methods: semi-structured interviews, an industry-wide survey, and a document/desktop scan. Together these provided a layered evidence base that combined lived experience, quantitative validation and policy context.

Stakeholder Interviews

Tailored question sets were developed for each stakeholder type (SMEs, primes, program providers, academia and government). While questions were open-ended, they were designed to uncover comparable insights across topics such as awareness of support programs, barriers to engagement and perceptions of effectiveness. Interview guides were deployed via Microsoft Forms, enabling interviewers to capture responses, quotes, sentiment and insights directly against corresponding questions. This process allowed for consistent qualitative data capture and straightforward export for synthesis. Interview data was then thematically coded to establish common patterns, identify outlier perspectives and build an initial map of what is working, what is not and why.

Figure 3: Phase 2 Interviewee Demographics by Organisation Type

Phase 2 Interviewee Demographics by Organisation Type

- Government
- Academia
- Industry Association
- Support Program Delivery
- Prime Contractor
- SME
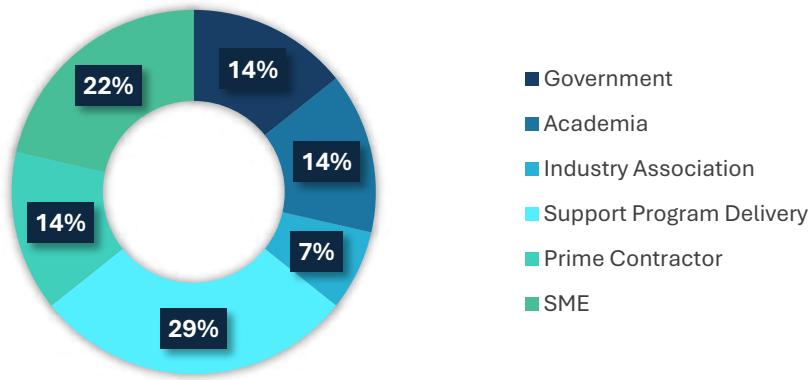
Industry Survey

To extend and validate findings across a broader cross-section of industry, an online survey was developed. Multiple platforms were trialled, with SurveyMonkey ultimately endorsed as the preferred medium due to its visually engaging user interface, device-responsive functionality, data analytics capability and compatibility with dissemination channels. The survey instrument combined Likert-scale, multiple-choice, ranking and open-text items, enabling both quantitative substantiation and qualitative elaboration.

An independent Phase 3 outreach and distribution strategy was developed to maximise reach and diversity of responses. The survey was disseminated through targeted and networked channels, including direct outreach to organisations listed in the stakeholder register, promotion at industry

networking events, and circulation via LinkedIn. In total, 32 responses were received, with strong representation from SMEs (68%) alongside primes, academia, government and program providers.

Figure 4: Industry Survey, Respondent Demographic Data by Organisation Type (multiple responses permitted)

Phase 3 Respondent Demographics by Organisation Type

- Small to Medium Enterprise (SME) or Tier 2/3 Supplier
- Prime or Tier 1 Contractor
- Support Program Provider (e.g., AiGroup, PEER, Defence Trailblazer)
- Government Department / Policy Agency
- Academia or Training Provider (e.g., University, TAFE, RTO)
- Industry Association or Peak Body (e.g., AIDN, DTC)
- Other (please specify)
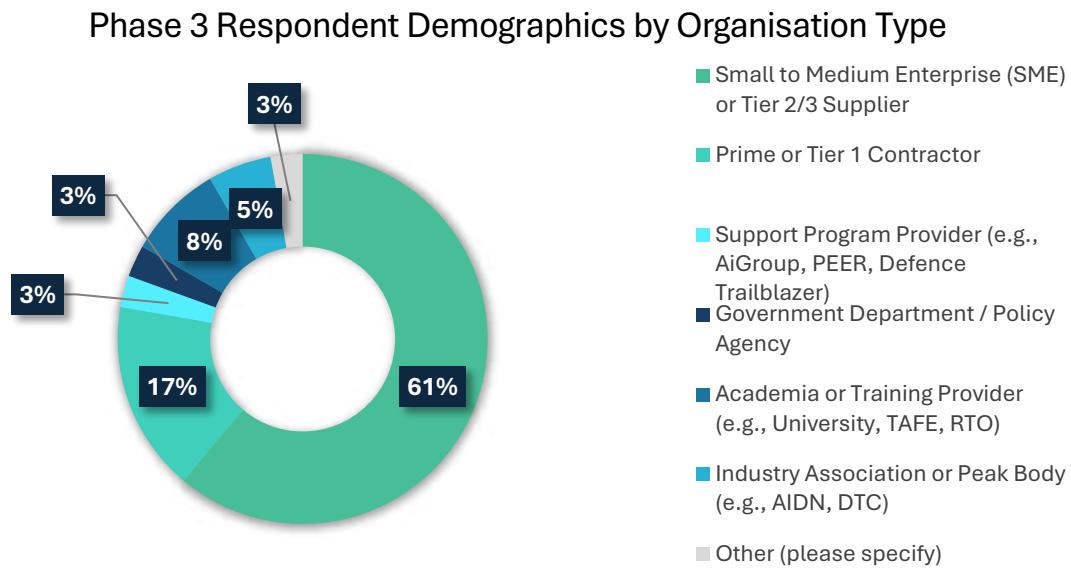
Data from the Industry Survey is available in Annex A: Phase 3 Industry Survey Data.

Document and Desktop Scan

A structured desktop review was undertaken to situate industry perspectives within the wider policy and program context. A literature review matrix was developed in excel to capture key themes and program details from sources including the DSR (2023), DIDS (2024) and workforce program documentation (e.g., Defence Industry Internship Program, Defence Industry Pathways Program, Defence Industry Development Grant Program). This matrix provided a consolidated reference base to compare stated policy objectives with industry feedback and informed the framing of interview and survey instruments.

Data Analysis & Triangulation

Data analysis was designed to progressively narrow insights, moving from broad qualitative discovery to validated, cross-checked findings. This ensured that conclusions were grounded in multiple forms of evidence rather than drawn from any single dataset.

Qualitative Analysis

Interview data captured was exported and collated in an insight tracker. Responses, quotes, and sentiment were thematically coded to identify recurring issues, outlier perspectives and language differences across stakeholder groups. The aim was not exhaustive coding but thematic saturation; the point at which recurring patterns emerged consistently. Insights were initially clustered into categories such as awareness, access, capacity constraints and retention challenges.

Quantitative Analysis

Survey data from SurveyMonkey was analysed using descriptive statistics (e.g., proportions of respondents by organisation type), frequency distributions (e.g., how often each Likert-scale response occurred), and cross-tabulation (e.g., comparing SME vs prime responses). Open-text survey responses were also coded thematically to complement and contextualise the quantitative results.

Independent Synthesis

To minimise bias and reduce the risk of groupthink, Phase 2 interview themes and Phase 3 survey insights were first reviewed and synthesised independently by individual team members. Each analyst developed their own interpretation of the prominent themes before the team convened to compare, challenge and refine these perspectives through structured discussion.

Collaborative Triangulation

Two in-person synthesis workshops were held to integrate insights across all phases. During these sessions, the team collectively reviewed convergences and divergences between interview, survey and literature review findings. A process of deliberate critical review was applied, with team members encouraged to test and challenge draft themes to ensure their robustness. Innovation techniques such as structured brainwriting techniques[48] were employed in which team members first provided anonymised, written insights and recommendations before these were collectively workshopped. This approach encouraged equal participation, reduced the influence of dominant voices, and enabled a wider range of perspectives to surface, strengthening the quality and diversity of the final recommendations.

Outcome

Through this process, the project team consolidated findings into a set of validated meta-themes, each underpinned by multiple sub-themes. Validation was achieved by cross-referencing evidence from at least two independent sources, with each meta-theme and sub-theme supported by both qualitative insights from Phase 2 interviews and quantitative data from the Phase 3 survey. This multi-stage synthesis provided a strong foundation for the development of evidence-based recommendations, ensuring that proposed actions were grounded in lived industry experience as well as broader sector-wide sentiment.

Ethical Considerations

The research process was guided by principles of ethical practice, with an emphasis on voluntary participation, confidentiality and respectful treatment of all stakeholders.

- **Voluntary participation:** All participants were invited to contribute on a voluntary basis and were informed of the purpose and scope of the project. Participation was not tied to any incentives or obligations.

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[48] Van Gundy, *Techniques of Structured Problem Solving*; Paul B Paulus and Huei-Chuan Yang, "Idea Generation in Groups: A Basis for Creativity in Organizations."

- **Confidentiality, anonymity and attribution:** The default position for all data collection was anonymisation in reporting, with findings presented at an aggregate level. While survey respondents were asked to provide their name to avoid duplication, individual responses were not reported or linked to organisations, ensuring that data could not be attributed back to participants. In Phase 2 interviews, participants were additionally given the option to determine how their contributions would be cited (e.g., fully anonymised, attributed, or attributed upon approval). This choice was built into the Microsoft Forms template as a mandatory question.

- **Data Handling:** Phase 2 interview data was captured in Microsoft Forms and stored within a secure Microsoft environment operated by a DISP-accredited organisation. Phase 3 Survey Data was collected via SurveyMonkey, which was selected in part due to its US-based hosting and adherence to relevant privacy and data handling standards. In both cases, outputs were stored securely within project repositories and accessible only to project team members.

- **Use of findings:** Data was collected solely for the purpose of informing this DILP research project. Insights were synthesised for thematic analysis rather than case study attribution.

Limitations

While the research design was structured to balance depth and breadth, several limitations should be acknowledged:

- **Sample size:** The survey achieved 32 responses. While sufficient to validate interview insights, the dataset is not statistically representative of the full defence industry.

- **Representation:** Specifically, within the Phase 3 Industry Survey, SME perspectives were strongly represented (61% of respondents), but some stakeholder groups such as support program providers, government and academia were underrepresented, which may limit the diversity of perspectives captured.

- **Timeframe:** The project operated within compressed timelines, limiting the scope for extended consultation or iterative validation of emerging findings.

- **Interpretive boundaries:** Interview insights reflect the perspectives of participants at a point in time and should be understood as indicative rather than exhaustive.

- **Nature of evidence:** The research was designed to capture stakeholder sentiment and perspectives across industry. While rigorous efforts were made to validate findings across multiple data sources, some claims, including but not limited to those relating to support program design and Commonwealth procurement processes, remain expressions of participant opinion, with limited authoritative citation readily available.

- **Survey response patterns:** A relatively high proportion of neutral responses in the survey limited the strength of some quantitative inferences, though these patterns themselves are informative about industry sentiment.

Research Findings

Meta-Theme 1: Awareness, Navigation and Accessibility

Building a sustainable talent pipeline is one of the greatest challenges to meeting the demands of future Defence and AUKUS-related projects. To address this need, state and federal governments, industry as well as university-based and independent program providers have launched initiatives to expand education and training opportunities aligned to defence industry careers.

The success of these programs hinges on strong engagement from SMEs. However, this research reveals three key areas under the theme of 'Awareness, navigation and accessibility' that are hindering SME participation in workforce support programs: Visibility and Communication, Program Capacity and Oversubscription and Eligibility and Process Complexity.

Visibility and Communication

A recurring concern across stakeholder interviews and the industry survey, was limited awareness among SMEs of available support programs. Despite the acknowledged good intentions of workforce initiatives, many SMEs remain unaware of what programs are available, how to locate them, or how to engage effectively.

Stakeholders repeatedly emphasised that programs are poorly promoted or insufficiently visible. One industry association representative interviewed noted "*SMEs aren't aware of what is on offer or how to access it.*" Another commented, "*no one knows what is available and where they are located.*" Awareness often relies on incidental encounters at events or through personal networks, resulting in smaller firms being excluded or simply unaware of program opportunities.

Program providers interviewed echoed similar concerns, describing industry engagement as largely reactive. A Commonwealth program manager observed that "*success depends heavily on proactive outreach*", yet inbound interest remains minimal. Fragmentation across the ecosystem further compounds the issue, with siloed initiatives and a lack of central oversight creating confusion. The same program representative summarised "*there are a lot of programs and subsequently it is confusing for industry to understand what is what and who is who.*"

Competition between program delivery organisations was also cited as a barrier to effective communication across the support program ecosystem. Some interviewees noted that rivalry or a perceived conflict of interest discourages referrals and cross-promotion, while another provider commented how communication could be improved if programs worked together. They remarked, "*everyone's running around, putting far more effort in than they need to… because we're not doing it together.*" It was suggested that that the absence of a neutral co-ordinating body has left a gap in centralised, consistent communication – a gap that was previously filled by direct government outreach to SMEs.

Survey data outlined in Figure 5 and Figure 6 (below) reinforced findings that SMEs face significant challenges in locating and interpreting information available on workforce support programs:

- 73% of SME respondents identified lack of awareness as a top three barrier to program access.

- Only 18% agreed that information was easy to find (Figure 7 below)
- Less than a third (27%) received information directly from program providers, and only 18% from government channels.

Figure 5: Industry Survey, Question 9, SME Respondents

## What are the top 3 barriers organisations face in accessing workforce support programs?
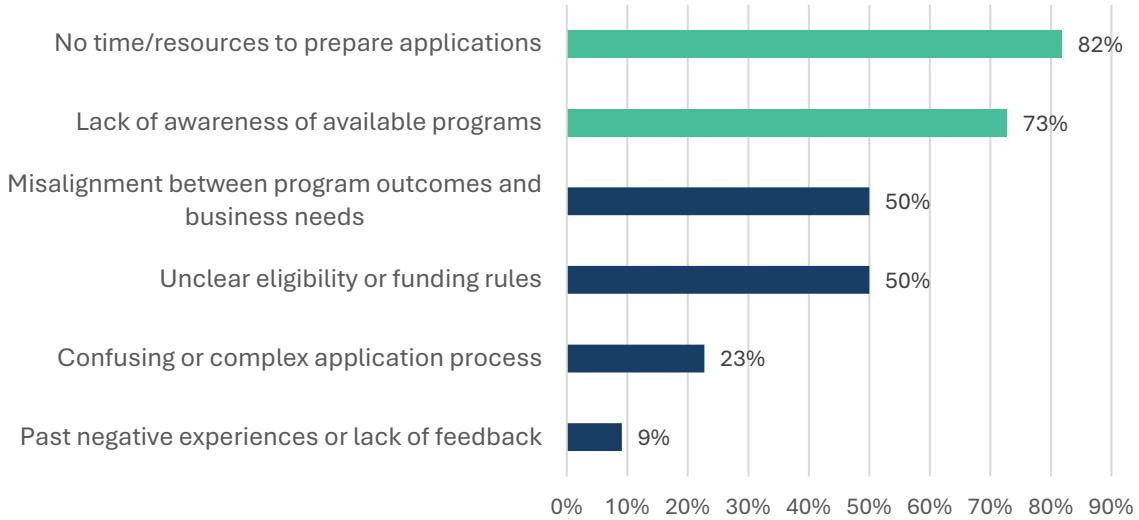
Figure 6: Industry Survey, Question 7, SME Respondents

How do you primarily find out about workforce-related support programs?
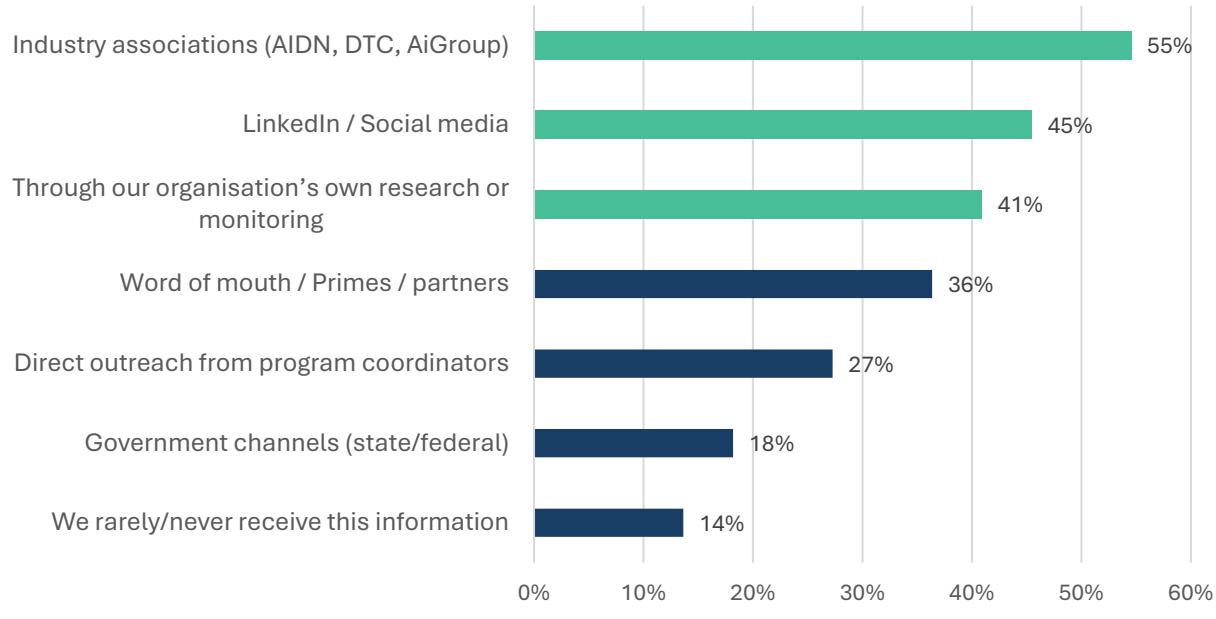
With regard to channels used by SMEs to find out information about workforce support programs, Figure 6 outlines that more than half of SME respondents (55%) indicated that their primary source of awareness is through industry associations such as Australian Industry and Defence Network (AIDN)[49] or Defence Teaming Centre (DTC).[50] Secondary channels included social media (45%), through a company's own proactive research (41%), and word of mouth from industry partners (36%). By contrast, only 27% of SMEs reported receiving information directly from program providers, and just 18% nominated government channels as a source.

This indicates that communications from program providers are not effectively reaching SMEs. It has also created a system where trusted information flows through neutral intermediaries, such as AIDN and DTC, as well as peer networks. This presents an opportunity for governments at both state and federal levels, who already engage with industry directly, to play a larger role in improving program awareness.

Together, these perspectives suggest that lack of awareness is a challenge recognised across the ecosystem. The evidence indicates that limited visibility, fragmented communication and perceptions of competition reduce the effectiveness of support programs and place a disproportionate burden on SMEs to identify and pursue opportunities. A key takeaway from this data is that even well-designed programs are underutilised – not due to lack of interest, but because of ineffective communication and program visibility.

The research further indicates that discovery remains labour-intensive for SMEs. As outlined in Figure 7 (below), 87% of respondents indicated that SMEs do not have the time or resources to assess and prepare applications. Additionally, Figure 7 also details that while 50% of SME respondents reported that they actively monitor opportunities, only 18% agreed that information about support programs is easy to find.

Further to this, only 18% of SME respondents to the survey agree that providers take a proactive approach to reaching out to SMEs; in contrast, 55% disagree. This indicates a perception that there is a lack of outreach to SMEs from program providers, reflecting a persistent gap in communications. Essentially, interest exists but outreach is not landing widely enough, leaving SMEs to shoulder the effort of discovery.

This aligns with broader concerns about fragmentation in the ecosystem as illustrated in Figure 8. Across the total sample, over 77% of respondents agreed that the defence workforce ecosystem is too fragmented, with programs competing rather than collaborating. Additionally, ~65% agreed that there are too many disconnected initiatives, making it difficult to know which are relevant. This indicates a perception across those surveyed that there isn't a united approach to building a sustainable workforce pipeline.

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[49] Australian Industry & Defence Network, "AIDN."
[50] Defence Teaming Centre, "About."

Figure 7: Industry Survey, Question 8, SME Respondents, Neutral Responses Omitted

How well do these statements reflect your organisation's experience with workforce support programs?

SMEs have enough internal resources (time, staff, knowledge) to identify, assess, and apply for relevant programs. — 14% | 73%

Our organisation actively monitors opportunities and information on workforce support programs. — 5% | 23% | 45% | 5%

Programs take a proactive approach in reaching SMEs (rather than expecting industry to find them). — 5% | 50% | 18%

Information about workforce support programs is easy to find and well-communicated. — 36% | 18%

Legend: ■ Strongly Disagree ■ Disagree ■ Agree ■ Strongly Agree
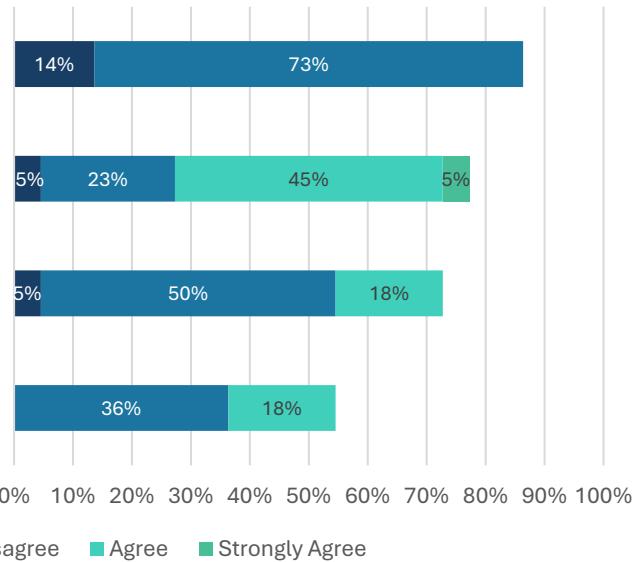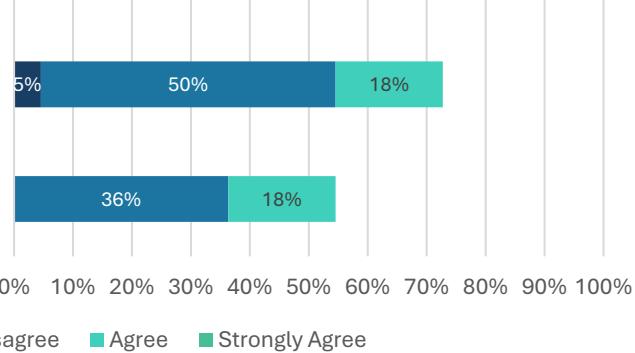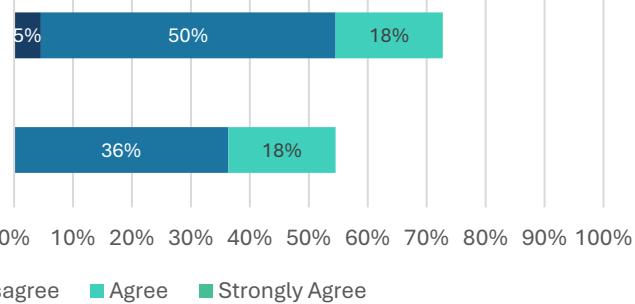
Figure 8: Industry Survey, Question 14, Statements 2 &3

"The defence workforce ecosystem is too fragmented, with programs and initiatives competing rather than collaborating."

"There are too many disconnected workforce programs, making it difficult to know which ones are relevant."

Chart 1 values: 3.2%, 19.3%, 58%, 19.3%
Legend: ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree

Chart 2 values: 3.2%, 32.2%, 51.6%, 12.9%
Legend: ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree
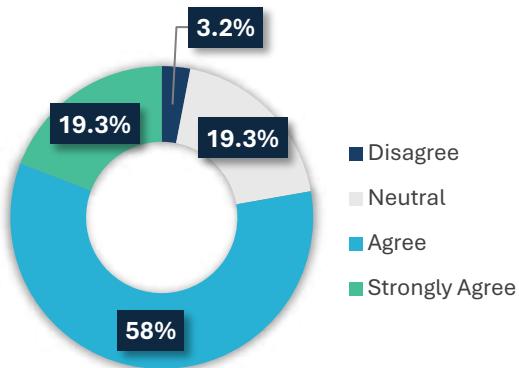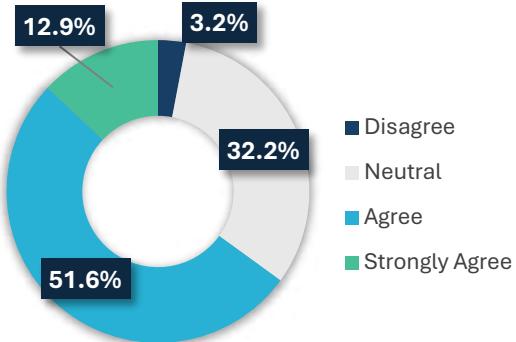
When asked what tools would make access easier, 76% of SMEs supported a centralised program directory or "one-stop" website covering all initiatives, grants and pathways as demonstrated in Figure 9 below.

Qualitative responses to the survey also supported this view. Comments consistently called for a single portal or hub that would coordinate and consolidate all available programs, provide plain-English eligibility guidance and map federal and state initiatives together.

Together, these findings confirm that discovery is less a marketing issue and more of a coordination problem. SMEs need a single, authoritative source of truth that provides information on programs available, clarity on eligibility and clear timelines.

Figure 9: Industry Survey, Question 10, SME Respondents

Which tools or approaches would make it easier for your organisation to access and understand workforce support programs? Please select up to 3 that would have the greatest impact.

| Option	%
A centralised program directory or 'one-stop' website (covering all available workforce initiatives, grants, and pathways).	76.2%
Industry association-driven information sessions (e.g., AIDN, DTC acting as 'navigators')	47.6%
One-on-one advisory support (e.g., a dedicated program liaison or SME engagement officer)	42.9%
Workforce planning tools (e.g., program-mapping templates that show how initiatives link to skills and roles).	28.6%
Case studies or success stories (to illustrate how other organisations have successfully used programs)	28.6%
Simplified application guides or templates (step-by-step instructions tailored to SMEs)	28.6%
AI-powered tools (e.g., chatbots) to query program eligibility and allowable spending	23.8%
Regular email updates or newsletters summarising all current workforce program opportunities.	19.1%
Webinars, info sessions, or roadshows to explain available programs	14.3%

Program Capacity and Oversubscription

While inadequate communication and visibility was strongly supported as a key barrier to SME engagement in workforce support programs, interview feedback also pointed to a conflicting constraint.

Several program providers interviewed reported that their programs are often oversubscribed, with funding pools exhausted quickly and application windows closing before many SMEs can prepare submissions. As a result, this constraint restricts the perceived positive impact of improved visibility and proactive outreach.

For example, a representative from Australian Industry Group, responsible for the Defence Industry Connection Program (DICP), a South Australian Government funded initiative designed to help SMEs meet workforce needs through scholarship-based internships, explained that engagement in the program is strong, with KPIs being met and demand projected to exceed funding availability. The representative shared that the $3.9 million grant supports a four-year program targeting the placement of 300 students across SMEs and primes, and in its first year delivered 75 intern placements across 19 host organisations.

To overcome this challenge, sustained or increased government funding was identified as essential. These comments highlight that even where awareness is achieved and industry interest is high, program resources restrict the ability to meet industry engagement demands.

Other program providers raised comparable concerns. A representative from The Career Network, which delivers the Defence Industry Internship Program (DIIP) on behalf of the Commonwealth, explained that if thousands of SMEs applied for the 120 internship placements available, the vast majority would be turned away. It was their view, that continuing to manage expectations around project applications carefully is critically important to ensure industry relationships continue to grow and advocacy for the initiative also strengthens given the broader benefit to the sector. Given the specific number of internships available it was described as an important relationship to balance.

Collectively, these perspectives underscore a tension that while more effective outreach could strengthen awareness and generate strong signals to the Commonwealth for additional funding, oversubscription also risks damaging the reputation of program providers with industry and eroding trust if industry participants are left disappointed.

In summary, oversubscription not only limits access but also discourages future engagement by SMEs. While this observation was highlighted by providers of more well-known and successful Commonwealth-funded programs, it supports a view that awareness-raising alone will not solve accessibility challenges.

The mismatch between program demand and available resources suggests a need for program design adjustments that could include better forecasting, expanded and longer-term funding commitments, or staggered intake models to improve accessibility, equity and deliver more sustainable program engagement.

Insufficient collaboration between SMEs, workforce program providers and primes to address workforce needs also emerged as a key concern. As outlined in Figure 10, only 6.4% of survey respondents agreed that collaboration was sufficient.

To improve collaboration, respondents were highly supportive of a centralised communication hub for all workforce programs. This type of initiative was supported by more than 54% of respondents. Government-led SME engagement officers also ranked in the top three initiatives to improve collaboration, with more than 51% choosing this type of role as one that would have the greatest impact.

*Figure 10: Industry Survey, Question 14, Statement 1*

"There is sufficient collaboration between SMEs, workforce program providers, and primes to address workforce needs."

6.4% **6.4%**

32.2%

54.8%

- Strongly Disagree
- Disagree
- Neutral
- Agree
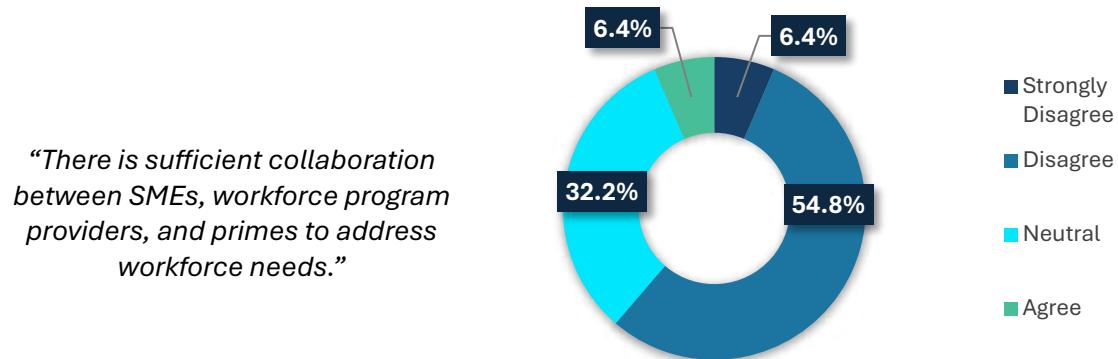
Figure 11: Industry Survey, Question 15

What initiatives would most improve collaboration?

Initiative	Percentage
Early defence contract demand forecasting sessions for SMEs	58.1%
Centralised communication hub for all workforce programs	54.8%
Government-led SME engagement officers	51.6%
Facilitated introductions and partnerships (via ODIS, DefenceSA, AIDN, DTC,)	25.8%
Cross-promotion and collaboration between support program providers	25.8%
Co-design of workforce programs	25.8%
Shared industry directory or portal	25.8%
Other (please specify)	12.9%
Joint training/mentorship initiatives	12.9%
More networking events/forums	12.9%

Eligibility and Process Complexity

Another concern flagged by SMEs through the Phase 2 interview process, were barriers related to complex eligibility rules and burdensome grant processes.

Interview participants described difficulties in interpreting eligible versus ineligible expenditure, with one industry body representative noting, "*eligible versus ineligible expenditure is a major pain point, especially for SMEs without dedicated resources to assess and apply*". Another commented that, "*there is confusion over program eligibility, funding rules and what is covered*".

The common 'see if you qualify' process was characterised as a "mirage" because of caveats and unclear criteria that make self-assessment unreliable. SMEs also recounted unsuccessful attempts to access multiple DIDGP streams despite meeting high-level eligibility criteria, reinforcing perceptions of bureaucracy and wasted effort.

This concern was further supported by survey data, with 50% of SME respondents listing 'unclear eligibility or funding rules' as one of the top three barriers to accessing workforce support programs (see Figure 5), supporting the need for greater clarity from program providers.

Some participants contrasted these challenges with earlier workforce-focused programs such as the Skilling Australia's Defence Industry (SADI) scheme. While not without limitations, SADI was generally seen as more transparent and easier to navigate, with clearer treatment of eligible expenditure and lower administrative burden for SMEs.

Overall, the research suggests a systemic issue: the challenge is not a lack of programs, but a lack of clarity. Interview feedback indicates that SMEs are willing to engage, but disproportionate time and resources are required from SMEs to discover what is available, interpret eligibility and navigate bureaucracy. The result is that the benefits of programs are diluted, with only the most persistent or well-resourced firms able to access support programs.

There is a clear need to reduce the disproportionate burden on small companies, and simplifying the application process would help reduce SME challenges. A centralised program directory or 'one-stop' website garnered the strongest support (77%), with various other tools supported by respondents to help simplify the challenges for SMEs. This includes:

- Workforce planning tools (41%)
- Simplified application guides or templates (35%)
- Case studies or success stories (29%)
- AI powered tools to query program eligibility and allowable spending (29%)

The above features could assist industry in identifying how different workforce support programs link to skills needs, provide step-by-step instructions on completing applications, provide exemplars of previous successful case studies and utilise AI tools such as chatbots, to search and decipher program eligibility. These types of tools would reduce the time and administrative burden for applicants to identify and apply for suitable workforce support programs, unlocking opportunities for broader SME participation.

Figure 12 (below) outlines tools that would make it easier for organisations to access and understand workforce support programs.

A centralised program directory or 'one-stop' website garnered the strongest support (77%), with various other tools supported by respondents to help simplify the challenges for SMEs. This includes:

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Figure 12: Industry Survey, Question 10

Which tools or approaches would make it easier for your organisation to access and understand workforce support programs? Please select up to 3 that would have the greatest impact.

Tool or approach	Percentage
A centralised program directory or 'one-stop' website (covering all available workforce initiatives, grants, and…	77.4%
Workforce planning tools (e.g., program-mapping templates that show how initiatives link to skills and roles).	41.9%
Industry association-driven information sessions (e.g., AIDN, DTC acting as 'navigators')	41.9%
One-on-one advisory support (e.g., a dedicated program liaison or SME engagement officer)	41.9%
Simplified application guides or templates (step-by-step instructions tailored to SMEs)	35.5%
AI-powered tools (e.g., chatbots) to query program eligibility and allowable spending	29.0%
Case studies or success stories (to illustrate how other organisations have successfully used programs)	29.0%
Regular email updates or newsletters summarising all current workforce program opportunities.	19.4%
Webinars, info sessions, or roadshows to explain available programs	16.1%

Meta-Theme 2: SME Barriers to Engagement

While awareness and access challenges affect initial engagement, stakeholder interviews highlighted that SMEs face additional structural barriers once opportunities are identified. These barriers stem from the commercial realities of SME operations; limited resources, disproportionate costs and uncertain demand environments, which constrain their ability to participate in or derive sustained benefit from workforce programs. The frequency and consistency of commentary across interviews indicates that these are not isolated issues, but systemic misalignments between the design of workforce initiatives and the operating conditions of SMEs. The key sub-themes identified are: Administrative and Resource Constraints, Demand Uncertainty and Short Funding Horizons, and Program Design and Continuity Risks.

When aggregated, these sub-themes illustrate that while the mechanisms differ; short funding horizons, milestone-based disbursements and opaque procurement cycles, the outcome converges on the same point. SMEs face an environment where demand is intermittent, unpredictable and high-risk, making it commercially unviable to sustain investment in workforce capacity beyond subsidised periods. The effect is a recurring 'funding-cliff' dynamic: whether caused by program design or systemic procurement practices, the absence of continuity and certainty prevents smaller firms from engaging in long-term workforce planning.

Administrative and Resource Constraints

Across Phase 2 interviews, SME stakeholders consistently emphasised that limited internal capacity is a barrier to program participation. As one SME/industry association interviewee explained: "*SMEs are often too small to dedicate resources for grant identification, assessment and application. Grant processes can be time-consuming and complex, deterring engagement.*" The same stakeholder further reflected that "*SMEs often lack the resources to meaningfully engage. The grants process can be overly complex and bureaucratic, especially concerning eligible/ineligible expenditure.*"

For one SME interviewee, the effort required outweighed the benefits altogether. They described situations where the application process, associated paperwork and subsequent reporting obligations created a disincentive to participate, suggesting that by the time the requirements were completed, "*we've already lost the hours we would have gained from the program.*".

This finding was reinforced by the survey results shown in Figure 13, with 81% of respondents identifying a lack of time and resources as a barrier to engaging with workforce support programs.

Figure 13: Industry Survey, Question 8, Statement 4, Neutral responses omitted

"SMEs have enough internal resources (time, staff, knowledge) to identify, assess, and apply for relevant programs."
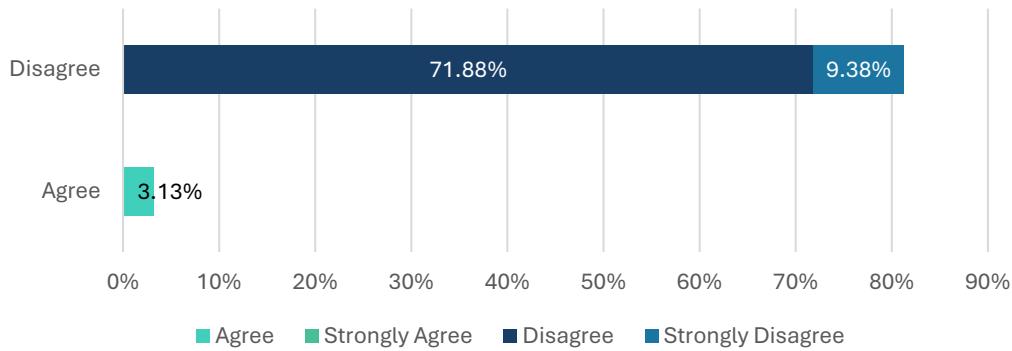

A senior industry engagement representative from a prime contractor observed that "capacity and ability to respond to applications is a major barrier to accessing programs" and that federal requirements are "more stringent and harder for SMEs to apply for effectively." It is important to note that the same interviewee also recognised that while larger organisations typically have the in-house skills and resources to manage applications, they are often less likely to receive funding because of their available resources.

Interviewees also highlighted mentoring expectations and requirements as a particular challenge for SMEs. Supervising interns or early-career staff necessitates senior employees to divert time from project delivery, creating both a resource and financial strain. For smaller firms, the limited capacity to provide meaningful mentoring often becomes a barrier to participation in programs designed around work-integrated learning or graduate pathways.

Support program providers reinforced this point, noting structural design issues. One provider described a key challenge: *"Most workforce programs are designed around early-career entry points, such as graduate schemes or apprenticeships. While this model makes sense for larger organisations, it is not commercially viable for a micro-business with 5–10 employees."* In practice, pulling an existing staff member from billable work to manage trainees is often cost-prohibitive. Another provider similarly highlighted that *"resource constraints in SMEs, such as lack of time or people to supervise apprentices, limit their ability to engage."* This challenge was also strongly reflected in the survey findings. As demonstrated in Figure 14, while only 3% of respondents indicated that mentoring and supervisory capacity was not a challenge, almost two-thirds (62%) rated it as either a moderate or major challenge, with more than 40% placing it in the major challenge category. These results reinforce interview insights that resource and supervisory constraints could be a binding barrier to SME participation in early-career programs.

Figure 14: Industry Survey, Question 12, Statement 8

Limited capacity for mentoring or supervising early-career staff.

3.1%

34.3%

40.6%

21.8%

- Not a Challenge
- Minor Challenge
- Moderate Challenge
- Major Challenge
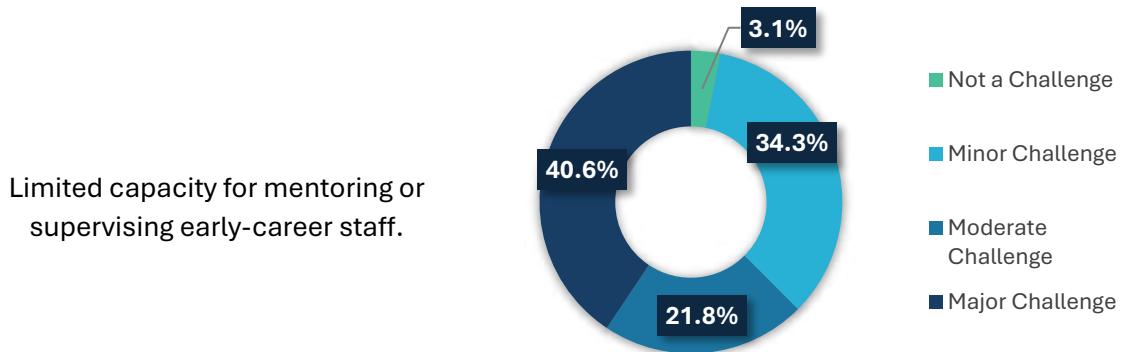
The effectiveness of the Defence Industry Pathways Program (DIIP) illustrates this point. Frequently cited by interviewees as an exemplar model, its success lies not only in exposing participants to both primes and SMEs, but in providing the mentoring and administrative support that SMEs would otherwise struggle to resource. As one participant observed: "*The Defence Industry Pathways Program gives participants broad exposure across primes and SMEs, but it's the mentoring and administrative support that makes it effective. SMEs don't have to carry the whole burden themselves, which is why it works*."

This may also help explain why, despite evidence that early-career pathways are functioning, industry stakeholders do not consistently recognise them as effective; a point examined further in *Meta-Theme 4: Entry Pathways vs. Retention and Endurance*.

Demand Uncertainty and Short Funding Horizons

Across interviews, stakeholders emphasised that workforce programs cannot deliver durable outcomes without predictable demand, continuity of funding, and alignment with Defence procurement cycles. The core issue raised was not a lack of interest from SMEs, but an operating environment characterised by short horizons, opaque pipelines, and intermittent work. It was reiterated often that these conditions make long-term workforce investment high-risk.

Both SME and support program provider interviewees described a recurring "funding-cliff" effect: programs generate short-term uplift, such as interns placed, staff upskilled, or compliance capacity expanded, but when funding windows close or follow-on work does not materialise, businesses are potentially unable to carry the additional costs. This was further reinforced through the survey in which 64.5% of respondents identified this funding cliff as a moderate or major challenge for workforce in the defence industry.

Funding cliff (difficulty sustaining hires once subsidies or funding end).
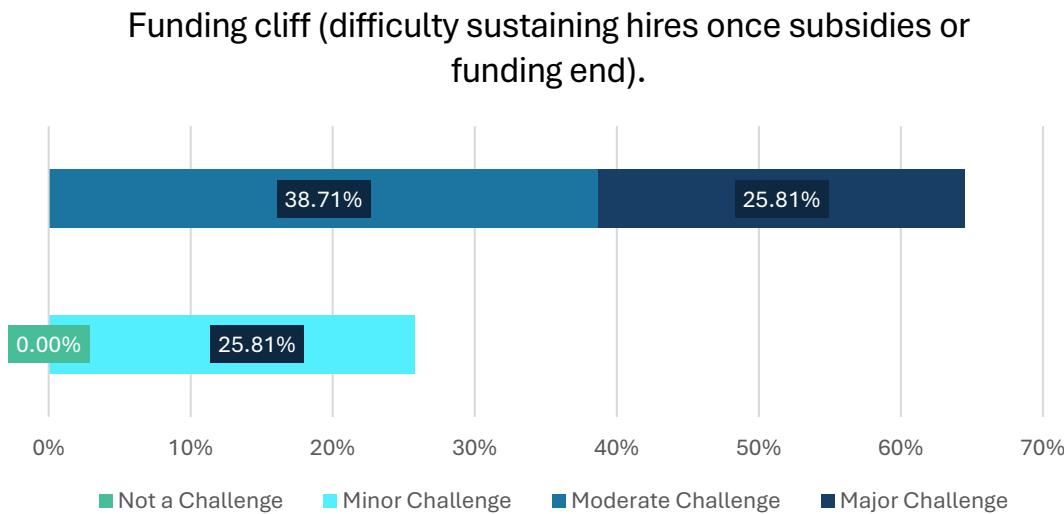
One program delivery representative explained the consequence starkly: *"Once these programs finish, the SMEs have nothing... you're setting them backwards."* Other participants echoed this concern, warning that funding structures often build momentum only to risk collapse when support is withdrawn. Several stakeholders linked this directly to one-year reassessments and short contract horizons, which they argued undermine any ability to plan workforce growth with confidence. Interviewees cautioned that this "funding-cliff" dynamic is not merely inconvenient but can trigger redundancies, financial strain, or even business exits – eroding the very workforce gains the programs were intended to deliver.

A recurring theme across interviews was that procurement practices and opaque demand signals undermine workforce planning at all levels of industry. For SMEs, this manifests as intermittent revenue streams, annual contract reassessments, and limited confidence to invest in staff ahead of confirmed work. Participants described this as a structural misalignment: Defence expects industry to build workforce capacity in advance, yet the release of contracts often occurs too late or too intermittently for smaller firms to do so without excessive risk. As one senior industry association representative explained, "*A sustainable workforce pipeline is not achievable without actual revenue and long-term contracts. SMEs require certainty in workload - contract reassessments every 12 months make workforce planning very difficult and SMEs are limited in strategic growth plans.*"

Prime stakeholders echoed the need for earlier and clearer signals. From their perspective, a sustainable pipeline requires funded work packages released with enough lead time to allow graduate recruitment, internships, and internal skilling. Without this, firms hesitate to commit beyond subsidised placements, leading to stalled career pathways and attrition.

Multiple respondents suggested that the effects of this issue are most severe further down the supply chain. A representative from a program provider explained that smaller SMEs are effectively "*dying in the supply chain whilst waiting for work,*" due to insufficient line-of-sight and certainty around forward contracts. They emphasised that predictable demand is essential to justify investment in workforce programs and skilling initiatives.

This interviewee suggested that if government had the ability to share forecasting data or indicative work packages (potentially based on similar previous projects locally or internationally, or through digital twins), even at a high level, it would provide SMEs with enough information to begin workforce planning. They further emphasised that earlier awarding of work, even if only partially defined, could have significant downstream benefits for workforce development and therefore industry's ability to engage effectively with programs.

The same interviewee also reflected on a resulting misconception in policy circles, noting that *"[there is] a belief that the problem is a shortage of talent. In reality, the issue is more nuanced. Smaller players can't invest ahead of work, and without predictable demand, they simply can't engage in long-term workforce planning."* This sentiment was strongly reflected in the Phase 3 industry survey as demonstrated in Figure 16.

Figure 16: Industry Survey, Question 12, Statement 9.

Uncertainty of contract awards or future work visibility.

■ Not a Challenge ■ Minor Challenge ■ Unsure ■ Moderate Challenge ■ Major Challenge
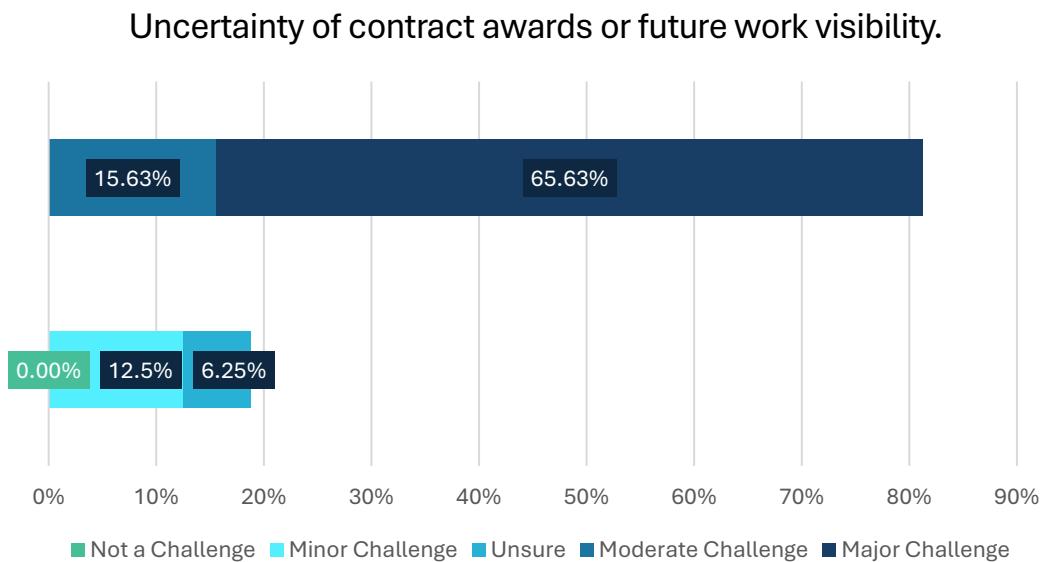
When asked to rate the significance of workforce challenges, more than four out of five respondents (81%) identified uncertainty of contract awards or future work visibility as either a moderate or major challenge. Of these, nearly two-thirds (65.6%) rated it a major challenge, underscoring the extent to which opaque demand signals constrain workforce planning and limit industry's willingness to invest ahead of confirmed work. Notably, no respondents indicated that this issue was 'not a challenge', suggesting universal recognition of its impact across industry.

Program Design and Continuity Risks

Phase 2 interviews revealed that many of the challenges associated with program continuity stem from their initial design. Multiple stakeholders emphasised that workforce support initiatives are too often developed in isolation from the SMEs they are intended to serve, resulting in programs that are misaligned with industry operating realities.

An industry association representative explained that: *"It is necessary to co-design programs with SMEs to ensure relevance and practicality. There is a need for genuine SME and Australian industrial*

base involvement at the design stage of support programs. Many current initiatives are perceived as being developed with minimal consultation from small-to-medium enterprises, resulting in programs that are misaligned with SME operational realities, capacity and constraints... Longer-term success and uptake of government-funded workforce initiatives would improve if SMEs were treated not only as end-users or recipients of support but as co-creators".

This sentiment was echoed by multiple program providers who noted that early consultation is often missing in the design process. One provider highlighted the need for "*a better understanding from the SME perspective as to what skills gaps they're trying to bridge, so that this can inform academia and support programs*, *resulting in more aligned courses and micro-credentials.*" Another reflected that there had been *"insufficient early consultation with industry; skills being delivered don't always align with demand,"* adding, *"I don't know that the right level of industry consultation took place in the initial stages of designing this program."*

The Defence Innovation Hub (DIH) was praised for being broader in scope and for offering meaningful support that advanced workforce development. By contrast, newer initiatives such as ASCA and programs perceived by stakeholders to follow innovation-based funding models, were described as more uncertain, with staged checkpoints for the release of funds creating risks for SMEs, who might invest in employees or capability upfront only to find later tranches delayed or withheld. A program delivery representative described this as "*creating a paradox of building momentum through funding, only to risk collapse when programs end".* As one SME explained, "*while [ASCA] offers early-phase funding, there's uncertainty around long-term continuation through later phases. It's seen as more of a gamble than DIH."*

From these insights it is apparent that program design is a significant concern to SMEs with perceptions of risk around support programs based on their funding models directly affecting industries willingness to engage (see Figure 10 and Figure 15)

From the survey, most respondents agreed that the workforce ecosystem was too fragmented with too many disconnected workforce programs and that Defence workforce strategy and policy is not translating into actions that support industry capability and growth.

This all speaks to a need to develop a more coherent, co-operative framework for the development of workforce that includes input from SMEs to ensure confidence to engage and compatibility with their business models, a sentiment that was echoed in the survey.

Figure 17: Industry Survey, Question 16, All Statements

The Role of SMEs in Defence Workforce Development

- The contribution of SMEs to Australia's defence workforce pipeline is under-recognised and under-utilised. — 56.67% / 30.00%
- SMEs should be actively engaged in shaping curriculum design, micro-credential development and skills frameworks. — 63.33% / 16.67%
- SMEs are well-placed to contribute to early career development (eg. through internships, mentoring, or targeted training programs) — 43.33% / 16.67%
- SMEs should play a more proactive role in the design and delivery of defence workforce support initiatives — 70.00% / 6.67%

Legend: ■ Agree ■ Strongly Agree

Meta-Theme 3: Defence Structural Constraints

While both the Government and the Department of Defence publicly acknowledge the critical role that SMEs play in building and sustaining a sovereign industrial base, industry feedback suggests a disconnect between this recognition and the practical realities of Defence project management. Survey responses and interview insights highlight that elements of government structure and bureaucratic processes; particularly within Defence, often hinder, rather than enable, meaningful SME participation. The key sub-themes identified are; Impact of Evolving Defence Strategic Direction on Industry Confidence, Influence of Government Workforce Strategies and Defence Contracting Processes Undermining SME Participation.

Impact of Evolving Defence Strategic Direction on Industry Confidence

The release of the DSR, and subsequently the NDS saw the reprioritisation of the IIP to align investment in Defence capabilities to meet emerging geopolitical concerns. Due to finite government financial resources, this resulted in the cancellation or reduction in existing programs and contracts to divert funding to more crucial programs of work.[51] The first round of reprioritisation of the Defence Integrated Investment Program was set to release $7.8 billion to the Defence budget.[52]

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[51] Australian Government, *IIP*, 9.
[52] Defence Media, "Investing in Australia's National Defence."

Figure 18: Industry Survey, Question 12, All Respondents.

Rate the significance of the following workforce challenges for defence industry

Legend
■ Major Challenge ■ Moderate Challenge ■ Minor Challenge ■ Not a Challenge

Labels (top to bottom):
- Competition with larger organisations for talent — 68.8%
- Uncertainty of contract awards or future work visibility. — 65.6%
- Lack of workforce pipeline visibility (unclear demand signals from government/defence). — 56.3%
- Retaining skilled staff — 46.9%
- Security clearance delays affecting hiring timelines. — 50.0%
- Competition from other industries (e.g., resources, tech).
- Funding cliff (difficulty sustaining hires once subsidies or funding end).
- Limited capacity for mentoring or supervising early-career staff.
- Attracting early-career talent (graduates, apprentices)
- Attracting interest in defence as a career pathway.
- Defence's expectations regarding qualifications and certifications for specific roles are…
- Skills mismatch between training and industry needs.
- Administrative burden (HR, compliance, funding processes).
- Access to training or micro-credentials aligned with defence needs.
- There are limited opportunities for veterans transitioning into the defence industry, with…

An exact list of cancelled or adjusted programs has not been released by Government, however adjustments such as the cancellation of JP9102 Military Satellite Communications,[53] reduction of SEA1180 the Arafura class offshore patrol vessel (OPV) acquisition by half[54] and a significant reduction to the LAND400 Phase III Army's Infantry Fighting Vehicle Program,[55] demonstrate the very real impact of changing government priorities. One survey respondent summarised the impact; "*The Government's demonstrated behaviour of delaying, cancelling projects, which in some cases have been in the tender process for years, or in delivery puts companies into financial risk, some of which do not recover. Certainty and cash flow are the two main risks to SME companies and their workforce.*" It seems other industry survey respondents agree, as indicated in Figure 18 above, with contract uncertainty (65%) and lack of pipeline visibility (56%) identified as two of the top three workforce challenges facing SMEs, with half of SME respondents (50%) uncertain in their ability to workforce plan for the 3-5 year horizon (see Figure 19).

Figure 19: Industry Survey, Question 13, Statement 2, SME Respondents

"Our organisation is confident in its workforce planning for the next 3–5years."

23%

50%

27%

- Disagree
- Neutral
- Agree
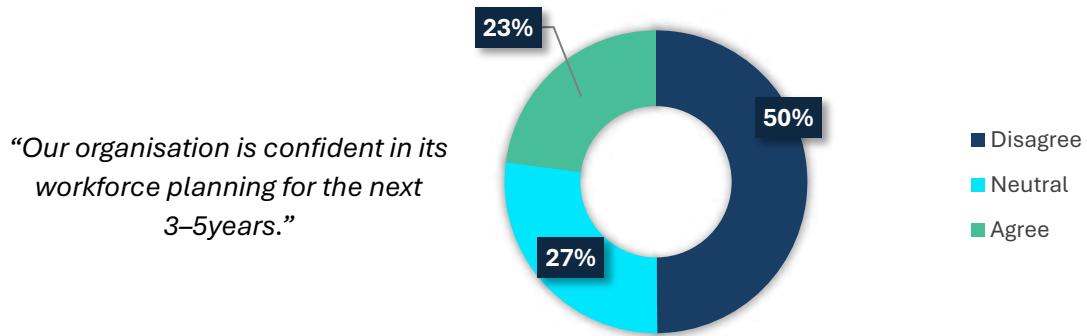
The agility required by Government and Defence to meet the fast-changing nature of technology advancements and escalating concern for global political stability highlights a structural power imbalance between government and industry, where industry remains highly dependent on – and often vulnerable to – shifts in government strategy and decision-making. When queried about the main barriers that affect engagement with support programs, one supplier-side stakeholder was blunt in their assessment: "*You have to peel back the onion... the root cause is Defence and procurement. What they say and what they do are two different things... [The industry] still doesn't get enough certainty.*" Another reiterated this point stating: "*At any point, if you're asking someone to plan their workforce - they can't do that if they don't know what they're planning for.*"

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[53] Andrew Greene, "$7 Billion Project to Create Australian Military Satellites Axed amid Defence Spending Review."
[54] The Auditor-General, *SEA1180 Phase 1*.
[55] Daniel Hurst, "Australia to Dramatically Scale Back Spending on Infantry Fighting Vehicles in Major Defence Overhaul."

While Defence provides industry briefings at major defence-run conferences, such as the Indo Pacific International Maritime Exposition, Land Forces International Land Defence Exposition, and the Avalon Australian International Airshow, and facilitates engagement through initiatives like the Land Environment Working Group (LEWG)[56] and Maritime Domain Industry Forum,[57] this project's research indicates that these efforts are not sufficiently addressing industry concerns. Despite these mechanisms, 84% of survey respondents reported Defence project uncertainty limits their participation in workforce programs as demonstrated in Figure 20. This highlights a persistent lack of confidence in Defence's project forecasting. The findings suggest that current communication channels are not translating into the clarity or assurance needed by industry to make informed workforce investments. To build trust and enable meaningful engagement, Defence must provide reliable, credible forecasting and demonstrate that the information shared will lead to stable, future work opportunities.

Figure 20: Industry Survey, Question 13, Statement 3

"Uncertainty in Defence project timelines or contract awards limits our ability to use workforce support programs effectively."

0%

10%

43.75%

40.63%

■ Disagree
■ Neutral
■ Agree
■ Strongly Agree
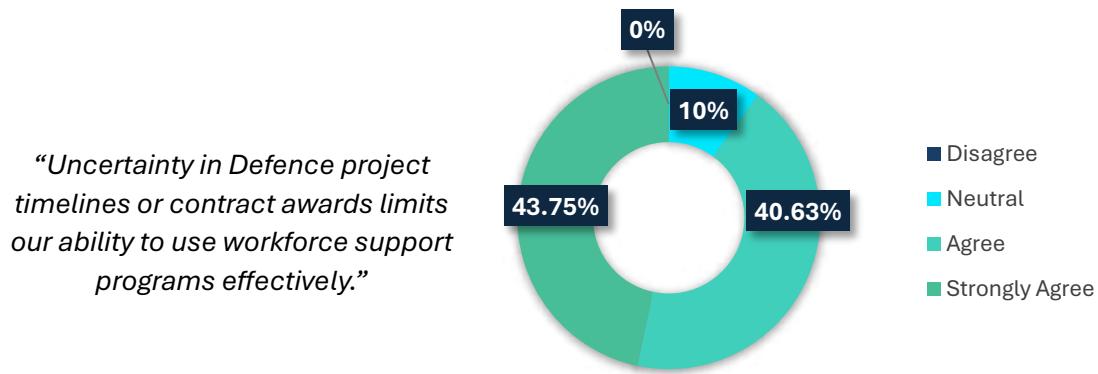
These results highlight a systemic issue where lack of clarity and consistency in Defence projects erodes industry confidence and their ability to plan and engage in development of workforce. This lack of confidence is a barrier to entry for SMEs engaging with industry workforce programs.

Influence of Government Workforce Policies on Industry Capability

Government has identified a need to upskill and grow the industrial base in Australia, resulting in the release of the DIDS. The strategy establishes the framework and principles for Australia's defence industry policy, including growing and developing the workforce required to deliver defence industrial capability.[58] However, does the strategy and focus deliver tangible action and outcomes for industry? A stark 58% of respondents disagree that government workforce strategy and policy translate into tangible actions that support industry capability and growth. This suggests that the policy and

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[56] Australian Army, "Land Environment Working Group 2025."
[57] Indo Pacific Expo, "Maritime Domain Industry Forum."
[58] Australian Government, *DIDS*, 65–76.

strategy do not align with the real workforce challenges for more than 50% of SMEs. For these businesses, funding and workforce programs alone cannot solve the problem – clarity and confidence in Government project pipeline, as discussed above (*Impact of Evolving Defence Strategic Direction on Industry Confidence*), and supporting Government policy and strategy are integral components.

Figure 21: Industry Survey, Question 14, Statement 4

Defence workforce strategy and policy effectively translates into tangible actions that support industry capability and growth.

Category	Value 1	Value 2
Disagree	38.71%	19.35%
Agree	9.68%	3.23%

Legend: ■ Agree ■ Strongly Agree ■ Disagree ■ Strongly Disagree
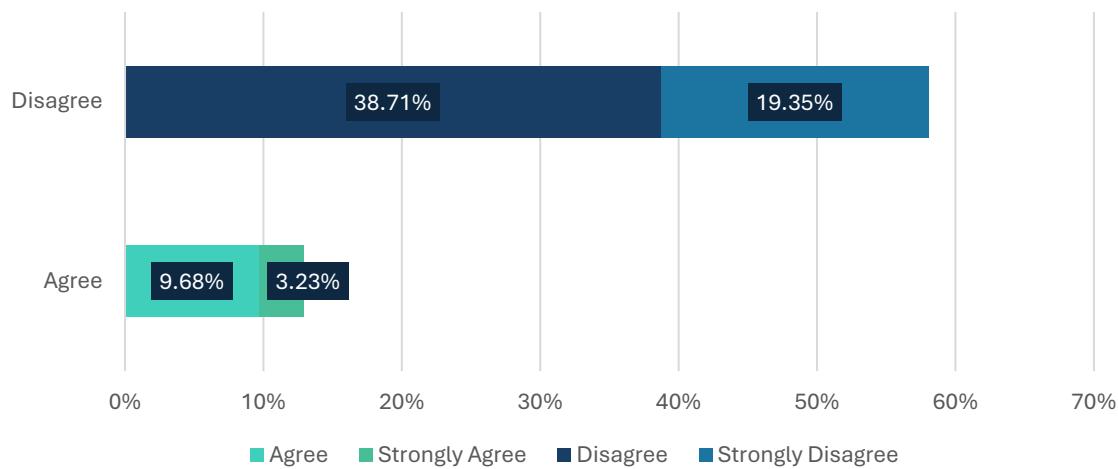
Both survey participants and industry interviews alike highlighted an example of divergence in Government workforce strategy – the Australian Public Service (APS)/Australian Defence Force (ADF) Moratorium. To achieve the IIP, Defence requires a robust industry workforce, but also a sustainable APS and ADF workforce. This creates competition for experienced and skilled resources in both industry and the public service. Workforce growth is an issue universally experienced across the Defence ecosystem.

The government is addressing critical industry workforce shortages while also prioritising the attraction, retention and development of a resilient and sustainable public sector workforce. The introduction of a 12-month moratorium on all recently separated APS and ADF staff, restricting employment by defence industry in 'above the line' capacities, attempts to retain core skills and experience. However, based on survey and interview feedback, there are suggestions this protectionist strategy has negatively impacted industry, disproportionately SMEs, with both an SME interviewee and survey respondent calling out the impact of the Moratorium on SMEs and suggesting policy changes. This aligns with previous comments from an AIDN representative to the Australian

Defence Magazine in 2023 when the Moratorium was imposed, where they commented that "SMEs are horribly affected by this."[59]

One interviewee from an SME identified experienced and skilled APS and ADF members are a core workforce pipeline for SMEs. As the cost and time to train and upskill is high, these ready-made resources support the agility required by SMEs to meet project requirements. The same interviewee also suggested that the moratorium has largely cut this supply, while simultaneously directing experienced Defence workforce looking for a change to potentially leave the industry.

To support the work of SMEs, businesses are now left carrying the time and money burden of training and upskilling, ultimately impacting their agility. One survey respondent highlighted that workforce programs engaged by SMEs often end with the resource moving across to Primes, therefore not offering long term benefit to SMEs who invest.

While not specifically related to workforce programs, this sub-theme shows the Defence workforce pipeline problem is not just an Industry problem, but a problem for the Defence ecosystem. Introduction of workforce strategy and policy cannot be implemented in isolation – it requires careful consideration of the impacts across the ecosystem.

Defence Contracting Challenges Undermining SME Participation

The way in which Defence procures capability and sustainment is a broad and varying topic, however at the centre is the ASDEFCON suite – a suite of contracting templates made to ensure consistent contracting mechanisms to reduce the administrative burden on contracting teams and improve procurement processes. This sits alongside the government delegation policies and regulations – to ensure procurements are made in an ethical and efficient way. However, due to the complexity involved in Defence projects and Commonwealth procurement, the procurement lifecycle brings challenges for industry, particularly SMEs, in the areas of initial engagement, contract mobilisation and governance. These challenges were identified by interviewees and survey respondents alike.

Engagement (pre-contract)

Both industry survey respondents and government interviewees recognised the current Defence contracting environment is dominated by Prime contract arrangements. This limits opportunities for SME participation. To reduce contract administrative burden, Capability Acquisition and Sustainment Group (CASG) has moved toward larger and fewer contracts. A government interviewee heavily involved in Defence procurement and contracting advised "*Defence do not have the ability to manage lots of contracts; they prefer to operate with a Prime contract which then has requirements to engage SMEs. However, this is a challenge commercially, as SME's may be hesitant to engage with Primes*". The result is fewer direct opportunities for SMEs to engage with Defence projects, with many

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[59] Nigel Pittaway, "Defence Imposes Moratorium on Industry Hirings."

relying on subcontracting arrangements under Defence Primes. This dependency can create challenges related to commercial priorities and strategic alignment.

Information Security practices are also impacting the tendering process. Early engagement and briefings with potential tenderers (prior to tender release) was highlighted by interviewees and survey respondents as both a weakness and opportunity. The lack of visibility of potential work pipeline limits SMEs from planning their workforce (Figure 16, Figure 19), however a government interviewee identified that while "*Defence need to demand signal...to run more industry days to inform SMEs of upcoming opportunities and profile the workforce*", CASG contract teams are often "*scared to talk to industry... to hold Classified and unclassified briefs*". They suggested "*a need to breakdown the perception that talking Defence always needs a security clearance.*" This indicates CASG has a requirement to balance information security needs with practical application to provide joint beneficial outcomes for both government and industry. However, industry consider these practices as limiting their certainty around future work pipeline and creating vague demand signals. This reduces their confidence in workforce planning and subsequent use of workforce support programs.

Workforce Mobilisation (on contract award)

Survey responses highlighted two key areas of Defence contracting impacting their ability to mobilise a workforce once awarded a contract. This includes security clearance delays and insufficient time within contracts to mobilise a workforce.

When asked to rate the significance of a set of workforce challenges for defence industry, security clearance approval timelines were highlighted by 50% of survey respondents as a major workforce challenge (see Figure 22 below). The need for workforce and academic programs to ensure that participating personnel are appropriately cleared to effectively participate in Defence work was perceived as crucial. If there are delays in clearances, this slows the workforce pipeline reducing agility. While an important and necessary requirement, there are opportunities to streamline and enable such programs to clear participating individuals. The Australian Defence Technologies Academy (ADTA),[60] operated by the newly merged Adelaide University (formed through the merger of the University of Adelaide and the University of South Australia), is an example of how security clearances are applied in academia, and a model that could be replicated for workforce programs. The University of Adelaide sponsors 350+ staff and student security clearances which are tied to research agreements. Opportunity exists for workforce programs to be enabled (via DISP membership or other approved mechanisms) to sponsor security clearances which will ensure program participants are ready and able to work in defence industry without delay. Organisations exist that also sponsor individual security clearances to enable their recruitment into the industry, for example WorkSec – is a company that "*initiates and sponsors personnel security clearances for eligible Australians wanting to enter the defence industry*".[61]

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[60] Lot Fourteen, "Australian Defence Technologies Academy."
[61] Trusted Workforce, "WorkSec."

Figure 22: Industry Survey, Question 12, Statement 12

Security clearance delays
affecting hiring timelines

- Not a Challenge: 3.1%
- Minor Challenge: 25%
- Moderate Challenge: 21.8%
- Major Challenge: 50%
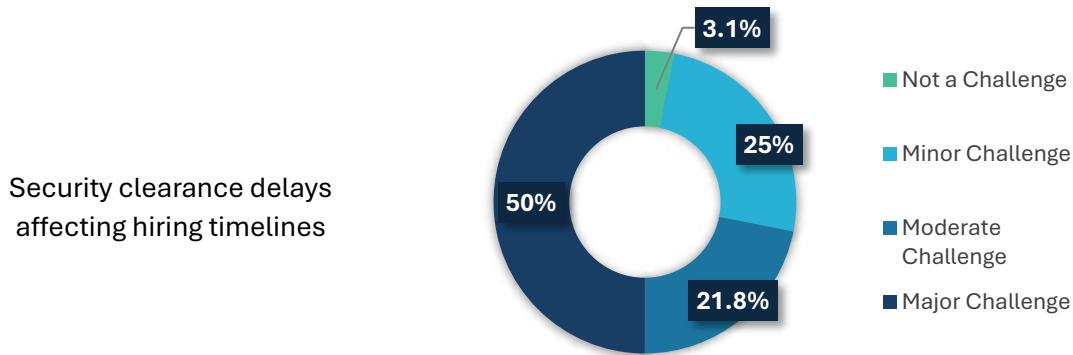
Approximately 75% of survey respondents also indicated that contract timelines were insufficient to enable timely workforce mobilisation (see Figure 23). This highlights a clear misalignment between Defence's expectations and the operational realities faced by SMEs and industry. As outlined in Theme 2 (Meta-Theme 2: SME Barriers to Engagement), SMEs face unique constraints that make rapid workforce mobilisation, whether through existing pipelines or in response to immediate demand, considerably more difficult than for Prime contractors. When contract timelines do not allow adequate lead time for SMEs to mobilise, it places the contract relationship at a disadvantage from the outset.

Figure 23: Industry Survey, Question 13, Statements 3 & 5

"Uncertainty in Defence project timelines or contract awards limits our ability to use workforce support programs effectively."

- Strongly Disagree: 6.2%
- Disagree: 9.3%
- Neutral: 40.6%
- Agree: 43.7%
- Strongly Agree
- N/A: 6.2%

"Defence contract timelines allow sufficient lead time for SMEs to establish and mobilise the workforce required to deliver on contract commencement expectations."

- Strongly Disagree: 21.8%
- Disagree: 53.1%
- Neutral: 9.3%
- Agree: 6.2%
- Strongly Agree: 3.1%
- N/A: 6.2%
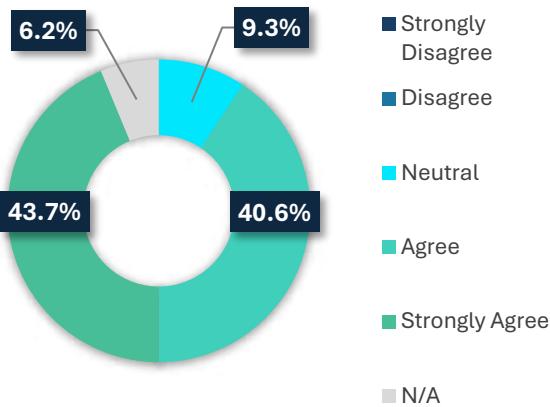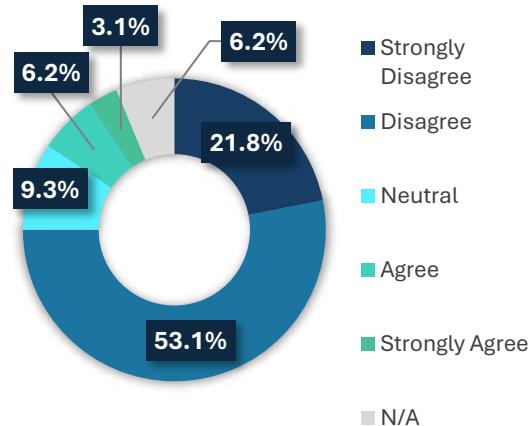
Contract Governance (contract execution)

Governance and enforcement of contractual protections for SMEs are under question. While CASG has policy to influence Australian Industry Capability and use of SMEs under Prime contracts, the governance and enforcement of such provisions and requirements was described as uncertain. A government interviewee suggested that Defence has a role to play when establishing Prime contracts, by *"identifying opportunities across programs and platforms and connecting SMEs and Primes to build collaborative relationships to address capability challenges, while driving volume"*. Further elaborating that such arrangements require *"enforcement of contractual requirements"*.

A 2025 ANAO report into '*Maximising Australian Industry Participation through Defence Contracting'* identified that across the audited projects there were significant gaps in the reporting of compliance against AIC requirements. One finding of the report concluded that, "*Defence has not maximised Australian industry participation through the administration of its contracts. Defence industry policy and contracting requirements were not applied to all relevant procurements, and – where supplier commitments have been contracted – Defence has not effectively monitored or ensured the delivery of those obligations."*[62] This suggests while Defence and CASG are very vocal in the desire to build Australian sovereign capability and support SMEs, Primes are not held accountable for doing so. This lack of accountability drives industry behaviours.

An employee of a peak national industry association also surmised that SMEs often perceive a "*discrepancy between prime contractor intent and government objectives"* in industry engagement programs. While these initiatives aim to build sovereign capability, SMEs fear they are "*performative or transactional",* with primes merely "*meeting minimum program requirements"* rather than fostering genuine, long-term partnerships.

The result is "*short-term uplift, long-term instability*"; SMEs invest heavily to comply, only to face redundancies, financial strain, or even business collapse when funding ends.

Defence's contracting model which favours large Prime contracts, limits direct SME engagement and creates commercial misalignment. Information security constraints and vague demand signals hinder early planning, while delays in security clearances and short mobilisation timelines challenge SME workforce readiness. Inconsistent governance of SME-related obligations reduces Prime accountability and undermines long-term sustainability. These factors erode SME confidence and reduce the effective utilisation of workforce support programs designed to build sovereign capability.

Meta-Theme 4: Entry Pathways vs. Retention and Endurance

The interviews and survey responses revealed a perceived structural imbalance between subsidised entry pathway programs and sustained participation, with research participants highlighting a sentiment that there is a lack of program offerings focused on fostering mid-career professional

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[62] The Auditor-General, *Maximising Australian Industry Participation through Defence Contracting*, 8.

development and enduring retention. This section explores the research results using two subthemes; the first discusses early-career pathways and associated programs, which were found to be well regarded and resourced, and the second explores perceived challenges related to mid-career attraction from parallel industries, retention and professional development.

Early-Career Pathways are Functioning

Across Phase 2 interviews, stakeholders described early-career entry programs (e.g. internships, apprenticeships, work-integrated learning (WIL) and graduate schemes) as generally effective. Student interest in Defence placements was noted to be stronger than expected with one program provider reflecting that "*initial assumptions of low demand were disproven once advertising and outreach improved*," and adding that "*there are plenty of students available*" with recent government initiatives further increasing visibility and uptake. Evidence from the Career Network, reinforced this picture of strong engagement, with a representative sharing that the Defence Industry Internship Program (DIIP) had steadily expanded. The first round involved 55 SMEs, the second nearly 75, with coverage now extending across every state and territory, including remote areas. They observed that "*many host companies were willing to take multiple interns, which reflects satisfaction with outcomes*." This representative also reported ~50% conversion from internship to employment among those seeking work, with a further 26% choosing to continue their studies, indicating the effective conversion rate is higher than the raw figure suggests. This positive sentiment regarding DIIP as an exemplar was reiterated in the open comment section of the industry survey with multiple industry respondents citing DIIP as exemplar workforce support program that had been beneficial for their organisation and resulted in graduate hires post the initial subsidy period. Further, another program delivery stakeholder painted a similar picture when it came to early-career industry engagement, stating that advertised internships routinely attracted 30–60 applicants. This individual explained that initial assumptions of low interest were not supported by actual engagement levels, concluding that "*[there is] definitely the appetite; it's not that there aren't enough STEM students, it's that students and careers people don't understand defence industry, dual-use technologies, or the SME value proposition*".

Amongst Phase 2 interviews, the Defence Industry Pathways Program (DIPP) was also regularly cited as an exemplar workforce growth initiative, particularly within SME and Prime participants. "*DIPP gives participants broad exposure across primes and SMEs, but it's the mentoring and administrative support that makes it effective. SMEs don't have to carry the whole burden themselves, which is why it works.*" A representative from WithYouWithMe (WYWM),[63] the organisation responsible for the development and coordination of the Forge Your Future Program,[64] shared that 65% of program participants had not considered defence-related employment prior to engagement, further highlighting effective early-career engagement.

Though interviews provided strong evidence that early-career pathways are effective, the Phase 3 industry survey results indicate this is not necessarily recognised nor celebrated by industry. As demonstrated in Figure 24 below, when asked if current workforce support programs effectively

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[63] WithYouWithMe, "WithYouWithMe."
[64] WYWM, "Forge Your Future."

address attraction needs, only ~19% of Phase 3 respondents disagreed. However, nearly 44% remained neutral and 25% agreed. This suggests that attraction is not seen as a major weakness, but nor is it widely celebrated, aligning with the interview insight that the inflow of students exists, but industry is cautious in recognising its impact.

*Figure 24: Industry Survey, Question 11, Statement 1*

Current workforce support programs effectively address workforce attraction needs (e.g., internships, graduate pipelines).

- 12.5%
- 18.75%
- 25%
- 43.75%

Legend:
- Disagree
- Neutral
- Agree
- N/A
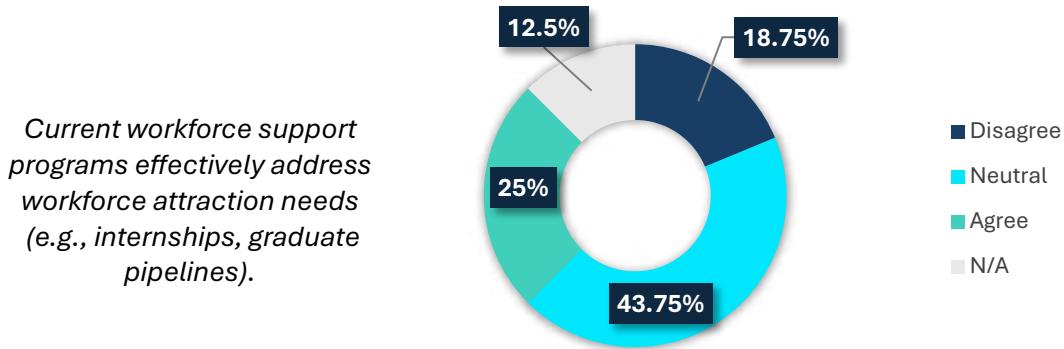
Figure 25: Industry Survey, Question 17

Rank the following areas in order of priority for future workforce initiatives (1 = highest priority)

Area	Value
Mid-career upskilling and retention (to prevent churn and develop leadership).	5.23
More certainty around defence procurement (longer contracts, earlier communication of requirements).	4.87
Attraction of early-career talent (graduates, apprentices, students).	4.77
Pathways for career-changers or mid-career professionals from other industries	4.1
SME-prime collaboration mechanisms (e.g., mentoring, workforce planning partnerships)	3.48
Veteran transition pathways into defence industry roles	3.19
Increasing participation and pathways for underrepresented groups (e.g., women, First Nations, neurodiverse candidates).	2.35

In contrast to the relatively non-committal perspective on early-career pathways as outlined in the data visualised above, a later survey question asked respondents to rate the significance of workforce challenges on a scale from 'not a challenge' to 'major challenge' (Figure 18). On weighted averages, attracting early-career talent (e.g., graduates, apprentices) fell below the median, ranking 9th of 15 workforce challenges, with the largest share of respondents rating it as only a *minor challenge*. It is important to note however, that respondents still also acknowledged the importance of maintaining a focus on early career pathways and the associated workforce pipeline from this segment. As exhibited in Figure 25 above, when asked to rank areas of priority for future workforce initiatives, respondents ranked attraction of early-career talent third; behind Mid-career upskilling and retention (1st) and more certainty around Defence procurement (2nd).

Gaps in Mid-Career Pathways and Cross-Industry Mobility

Across interviews, stakeholders consistently observed that while early-career pathways are relatively well established, there are far fewer funded initiatives to support the attraction and retention of mid-career professionals. This was described as a critical weakness, given defence industry's pressing need for experienced practitioners who can be deployed quickly into complex roles. Some stakeholders suggested that building mid-career pathways, particularly for candidates from adjacent industries, would not only diversify the talent pipeline but also provide greater endurance for SMEs unable to sustain purely early-career focused models.

The absence of equivalent pathways for mid-career or parallel-industry entrants was seen as a missed opportunity. Stakeholders noted that mature-age candidates and career-changers often bring highly transferable skills, yet they encounter few structured on-ramps into defence industry. As a program delivery representative observed during Phase 2 interviews, mature-age candidates and career-changers "*bring high value*" to the workforce but are frequently overlooked in program design. Another shared that it was important to *"address the disconnect between early talent attraction and long-term career development through more holistic programming."* When aggregated, sentiment amongst interviewees suggested that without targeted support, these individuals can be lost to other sectors with clearer or more flexible pathways.

Interviewees also linked this gap to retention challenges. They noted early-career recruits who enter through structured programs may leave after 12–24 months if firms cannot provide meaningful career progression or if demand signals remain uncertain. A representative from a university-industry initiative noted that while early-entry programs such as internships are heavily subscribed and effective in attracting graduates, the real challenge lies in "endurance"; retaining talent beyond the subsidised entry period and ensuring career development opportunities exist once initial placements end. This "back-end loss" was seen as equally damaging as the lack of mid-career capture, creating a system-level weakness in the workforce pipeline. By contrast, it was suggested that mid-career professionals are more likely to stay if roles are stable and aligned with their expertise. Several stakeholders advocated that building mid-career pathways, particularly for candidates from adjacent industries, would not only diversify the talent pipeline but also provide greater endurance for SMEs unable to sustain purely early-career focused models.

The Phase 3 industry survey responses supported these observations. As demonstrated in Figure 26, when asked if programs are equally focused on retention and mid-career development, over 62% of survey respondents disagreed. The perceived importance of this perspective was further compounded when respondents were asked about future priorities for workforce initiatives (see Figure 25 above), highlighting that mid-career upskilling and retention should be the highest priority, even more so than certainty around contracts and attraction of early-career talent.

Figure 26: Industry Survey, Question 11, Statement 2

"Programs are equally focused on retention and mid-career development, not just entry-level hiring"
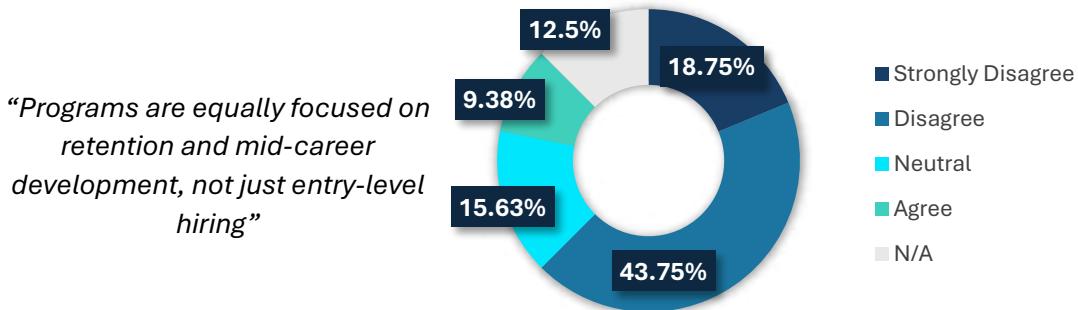
Overall, the interviews and survey results highlight the need for a shift in how workforce programs are conceived and delivered. As a representative from The Career Network suggested, the opportunity exists for the sector to "*move away from point-in-time transactions toward a continuous career lifecycle engagement model that supports talent needs dynamically at all career stages.*" In their view, workforce planning can be integrated with lifecycle approaches to ensure Defence SMEs build earlier and ongoing engagement across a large talent pool, so they can access and retain talent not just at entry level, but across the entirety of a career.

Recommendations

The following recommendations respond to the range of challenges identified through this research. Each recommendation has been derived from validated evidence gathered across interviews, survey data, and document analysis, and mapped to the four meta-themes identified.

To generate and refine these actions, the project team applied an innovative brainwriting workshop technique, ensuring equal input and minimising bias. The resulting concepts were clustered and tested for feasibility, producing a coherent suite of evidence-based recommendations.

While several of these recommendations are not novel, their development was informed by the repeated emergence of thematic barriers throughout stakeholder feedback, highlighting their ongoing relevance within the current industry context. The intent is not to propose new mechanisms purely for the sake of novelty. Rather, the project team sought to apply innovative thinking to strengthen and integrate existing initiatives, addressing persistent barriers through more coordinated and scalable approaches. In some cases, the proposed activities already occur informally or within isolated organisations. In these instances, the recommendations seek to formalise and extend them as consistent mechanisms across the broader defence industry.

Some recommendations also reflect hindsight; reviving or adapting elements of past initiatives that stakeholders viewed as effective but have since lapsed or been diminished. Together, they represent an integrated framework of practical actions to strengthen defence industry's workforce pipeline – balancing early-career attraction with mid-career development, SME participation, accessibility and sustained collaboration across government, primes and industry.

It is acknowledged that any operationalisation of these recommendations, whether in full or through iterative implementation, will require consideration of cost models and delivery frameworks. While it is not anticipated that all recommendations will require extensive new funding, some will necessitate coordinated investment or resource-sharing to be effective. In this context, the role of Prime contractors will also be an important future consideration. Primes play a pivotal role in enabling SME participation therefore implementation efforts should explore how Primes can be systematically engaged as delivery partners; helping to scale initiatives, distribute mentoring load and align supply-chain capability with Defence workforce objectives. These practical questions of "who pays" and "who delivers" sit beyond the scope of this research but are critical enablers for translating the recommendations that follow into sustained and actionable outcomes.

Based on the research undertaken, the following six recommendations have been put forward for development by the authors:

Central hub "front door" for support program information

Establish security clearance pipeline for program participants

Embed co-design in program development

Enhanced Defence work forecasting briefings

Dedicated SME engagement officers to support navigation

Defence industry secondment program

Establish a central hub "front door" for workforce support program information

SMEs struggle to navigate the fragmented landscape of workforce initiatives, grants and skilling programs. Information is dispersed across multiple websites and organisations, eligibility rules are unclear, and complex application processes consume scarce non-billable time or time that could otherwise be spent pursuing future work opportunities. Even when programs are well designed, uptake is diluted because SMEs lack the awareness of available programs due to the fragmented program environment and limited program capacity.

Throughout this research project, stakeholders consistently called for a centralised "front door" to workforce and industry support. The need extends beyond workforce programs alone, encompassing grants, skilling initiatives and resources that SMEs require to participate effectively. While the Office of Defence Industry Support (ODIS) already provides valuable guidance to SMEs on procurement pathways, supply chains and broader business engagement with Defence, industry feedback indicated that workforce-related programs and skilling initiatives can fall outside the areas SMEs most readily associate with ODIS support. Stakeholders therefore saw value in a complementary, neutral hub; developed collaboratively across government and industry, to consolidate information on workforce programs and improve navigation.

This report suggests that an online central directory should be developed and maintained by the ODIS, with an expanded mandate to integrate workforce support programs, Defence-related grants, Prime-supported skilling initiatives and relevant state and federal government initiatives. This online hub should extend beyond information collation to also deliver practical, interactive tools that directly reduce the time and resource burden on SMEs.

Core features of the central directory should include:

- Plain-English eligibility explanations and AI-enabled pre-check tools that quickly flag likely eligible and ineligible expenditures.
- Application templates, checklists and guides showing examples of both successful and unsuccessful SME applications, to demystify eligibility and reduce wasted effort.
- AI-powered search functionality, allowing SMEs to describe (in open text) what they are endeavouring to achieve, with the model recommending relevant programs and grants.

- A calendar with program application deadlines.
- Two-way feedback channels where SMEs can share their experiences with programs, generating a continuous improvement loop and providing government with transparent insights.
- Links to information sessions delivered by trusted intermediaries such as industry associations, ensuring targeted navigation support.

Embed Co-design in Program Development

Throughout the research phases, stakeholders shared the perspective that workforce support programs are often designed without meaningful SME involvement. As a result, initiatives are often misaligned with operational realities; eligibility rules don't reflect small business realities, skilling programs prioritise credentials over practical capability, and funding models assume administrative resources SMEs cannot spare. Existing consultation is largely seen as a box-ticking exercise, with SMEs invited to react after key decisions have already been made.

Research indicates SMEs want to be treated as co-creators, not just end-users. They bring unique insight into practical workforce needs and constraints, yet research participants suggested that input is rarely captured at the design stage. Industry emphasised that programs co-developed with SMEs are more targeted, relevant and enduring, while those designed without SME input require retroactive fixes or fail to gain traction. For co-design to be meaningful, it must move beyond token consultation to structured, resourced participation with shared accountability for outcomes.

It is recommended that Defence, government and program providers formalise SME co-design mechanisms at the program development stage. This could be operationalised through an existing state or federal standing panel or a new SME co-design panel that enables SMEs of varying sizes and sectors to be pre-qualified to participate. Members selected from this panel would resource advisory groups and co-design workshops, with Defence funding time commitments via the panel contract, provided the programs are endorsed by Defence. This approach ensures SME input is not only consistent and representative, but also valued, compensated and embedded in program governance.

Potential conflicts of interest should be managed through clear governance. While SMEs will ultimately benefit from better-designed programs, their participation should be framed as contributing to an industry-wide public good. Safeguards such as diverse representation across capability areas, transparent terms of reference, independent facilitation and arm's length decision-making by Defence will ensure co-design remains balanced. Funding SME time should be viewed not as a commercial benefit, but as necessary backfill support to enable smaller firms, who otherwise could not afford to participate, to contribute on equal footing.

Dedicated SME Engagement Officers to Support Navigation

SMEs face significant barriers in accessing Defence workforce and support programs due to fragmented communication, unclear eligibility rules and resource constraints. Research results indicate that general marketing activities by workforce support programs often fail to reach smaller firms, and that one-off information events are insufficient to sustain engagement. Without trusted, tailored guidance, many SMEs disengage before programs can deliver benefit.

SMEs place greater trust in neutral, industry-wide associations (e.g. AIDN, DTC, Australian Industry Group) than in competing program providers or fragmented government messaging. Industry feedback points to the value of both dedicated points of contact and accessible information sessions to reduce confusion, translate program requirements into SME language and ensure programs are straightforward to access, rather than burdensome.

It is recommended that Defence resource dedicated SME Engagement Officers in each state, hosted within neutral intermediaries or state government agencies to provide sustained navigation support. Their role would be complemented by a program of regular information sessions, ensuring a blend of personalised and scalable assistance. Core functions should include:

- One-on-one advisory sessions to assess SME needs and determine program fit, eligibility and application readiness.
- Group clinics/information sessions to address common SME questions and share lessons across the sector.
- Practical guidance aligned with tools accessible via the previously recommended central hub, including checklists and case studies.
- Feedback channels to capture SME experience and inform continuous program improvement.

Combining dedicated navigators with sessions delivered through trusted intermediaries, could create a consistent, accessible support network that lowers entry barriers, builds confidence and maximises SME participation in workforce initiatives.

Enhanced Defence Work Forecasting Briefings

SMEs cannot confidently invest in workforce growth or aligned workforce programs without visibility of future Defence demand. Industry sentiment captured through this research indicates that current procurement practices offer insufficient foresight, with contract announcements often too late for SMEs to plan hiring, training, or participation in workforce programs.

The uncertainty surrounding contract awards or future work pipelines was clearly identified by industry as a critical impediment to workforce planning and their subsequent engagement with support programs. This presents an opportunity for Defence to improve their approach to work forecasting briefings to overcome this barrier.

Workforce planning requires reliable forward signals. SMEs and industry associations emphasised that even indicative forecasts that include broad timing, scale and capability requirements would enable firms to plan training, retain staff through short-term gaps and engage with programs more effectively. Without these signals, SMEs face disproportionate risk.

Work forecasting briefings should be designed to deliver confidence, trust and certainty to industry. To build credibility, it also requires evidence of the translation of forecasts into confirmed contracts. While there are understandably limitations and sensitivities around classified or evolving programs which may require further exploration, efforts should be made to provide a more transparent program of forecasting briefings.

Key features of enhanced work forecasting briefings should include:

- **Broader promotion and accessibility:** Use the previously recommended 'central hub' and other broader communication channels to ensure SMEs are aware of and can access briefing opportunities.
- **Indicative demand signals:** Share reliable information on expected program timing, capability focus areas and clearance requirements to support early workforce planning.
- **Inclusive delivery formats:** Be accessible to all tiers of industry and provide recordings or summaries to ensure SMEs who cannot attend live sessions are not excluded.
- **Two-way engagement:** Include mechanisms for SMEs to provide feedback, flag readiness or raise risks early.
- **Collaborative delivery:** Partner with industry associations and/or state governments, to maximise reach across the supply chain.

By improving the quality, clarity and accessibility of work forecasting briefings, Defence can empower SMEs to invest in workforce development with greater confidence. This will improve engagement with workforce support programs, ultimately strengthening the agility and sustainability of the defence industry workforce pipeline.

Establish a Security Clearance Pipeline for Workforce Program Participants

Security clearances remain one of the most significant bottlenecks for defence industry workforce entry. Students, graduates, and mid-career changers often face clearance delays of six months or more before they can contribute to Defence projects. SMEs cannot afford to carry uncleared staff for prolonged periods, often resulting in attrition and talent loss to other industries. Moreover, without a clearance, interns and graduates are frequently restricted to peripheral or non-sensitive tasks. This diminishes the quality of their placement experience and risks creating the impression that defence industry work is inaccessible, uninspiring, or less rewarding than other sectors, undermining long-term attraction and retention goals.

Workforce entry points are predictable. University placements operate on fixed timelines, and graduate programs are advertised months in advance. This creates an opportunity to commence clearances much earlier. For example, students in Defence-relevant degrees could apply for a Defence-aligned WIL stream in their third year, triggering clearance initiation 12–18 months before final-year placements. Similarly, graduates and mid-career entrants should not have to wait until employment begins; clearance processing should start at program acceptance or through an opt-in pipeline.

Defence, in partnership with Australian Government Security Vetting Agency (AGSVA), universities and program providers should establish an early clearance pipeline supported by a Defence Industry Talent Pool Program:

- **Students**: Embed Defence-aligned WIL streams the third year of STEM degrees, with acceptance triggering clearance initiation well before final-year placements.
- **Graduates:** Ensure Defence-supported internships and graduate pathways automatically initiate clearance processes at program acceptance, not commencement.

- **Mid-Career Changers:** Develop a short defence industry familiarisation program that provides participants with insight into defence industry work. On completion, participants may opt into the clearance pipeline, allowing processing to run in parallel with upskilling or recruitment.
- **Talent Pool:** Manage candidates through a centralised pool, administered by DISP-accredited industry associations. SMEs could access cleared or in-progress-cleared candidates without bearing the cost of sponsoring clearances individually.

To support the cost accessibility and effectiveness of this approach, clearance costs should not be borne solely by SMEs or intermediaries. Mechanisms could include:

- Government subsidies for candidates entering through recognised programs, as part of workforce infrastructure investment.
- Candidate contributions, either upfront (similar to professional licensing) or deferred until employment is secured.
- Cost-sharing models, where universities, candidates and employers each cover a portion of the cost.
- Association-based levies or membership schemes, spreading clearance costs across industry users of the pool.
- A total deferred cost model, where intermediaries initiate clearances, but payment is only required once a candidate secures ongoing Defence employment. At which point, the employing organisation assumes sponsorship and reimburses clearance costs. This approach reduces risk for SMEs, removes barriers for candidates and ensures costs are only borne where defence capability benefit is realised.

Defence Industry Secondment Program

Defence workforce initiatives are disproportionately focused on entry-level attraction, with limited program pathways for mid-career professionals or career-changers. Separate to this, SMEs can struggle to justify the cost of reskilling or carrying staff during contract lulls and often cannot shoulder mentoring obligations on their own. This situation treats workforce capacity as the responsibility of individual firms, leading to fragmentation, inefficiency and talent loss to other industries.

A more resilient model would treat skilled personnel as a shared industry resource, even while they retain a substantive position with their home organisation. Instead of sitting idle during downturns, qualified and security cleared staff could be deployed onto short-term projects with organisations holding active Defence contracts, ensuring their skills continue to contribute directly to capability delivery for Defence projects. At the same time, these employees could access professional development opportunities or participate in mentoring pools, broadening their experience without severing the employment link. Such a model spreads the cost of retention, gives employees meaningful work and growth opportunities and strengthens workforce depth across the sector.

It is proposed that Defence should establish a Defence Industry Secondment Program to:

- Provide structured upskilling and reskilling pathways for mid-career professionals.

- Enable SMEs to second their staff to other defence industry organisations with active contracts, offsetting salary costs while ensuring personnel remain employed and engaged.
- Facilitate shared mentoring arrangements, distributing supervisory and knowledge-sharing responsibilities across the ecosystem.
- Make opportunities accessible via the central hub, giving SMEs visibility of secondment and development placements across the industry.

Conclusion

Australia faces a critical challenge in meeting the workforce demands of future Defence and AUKUS-related projects. A robust, secure and continuous pipeline of skilled workers is essential to sustaining national capability and workforce support programs will be integral to attracting, developing and retaining talent across the defence industry.

This research has identified key barriers limiting participation by both small and medium enterprises in these programs, including:

- Limited visibility and awareness of available programs
- SME barriers to engagement
- Structural constraints within Defence
- Gaps in early-career and mid-career attraction and retention initiatives.

Collectively, these factors hinder engagement and reduce the effectiveness of workforce support programs.

The recommendations presented in this paper form a complimentary suite of actions designed to address these barriers. While not all are novel, many build on proven initiatives or formalise practices already occurring at a smaller scale in pockets of industry. Together, they offer a more coordinated, accessible and scalable approach to workforce support that can drive meaningful change across the broader ecosystem.

By implementing these recommendations, SME engagement in workforce support programs can be enhanced, untapped talent across the sector can be unlocked and retention can be strengthened in defence industry careers. This will ensure Australia is equipped with the skilled workforce required to meet the strategic defence challenges of today and into the future.

Future Opportunities

While this project provides a foundation of evidence-based insights, limitations in scope, time and resources placed parameters on the depth in which some results could be explored. As such, several areas warrant deeper exploration through future research and industry collaboration. Areas for further research include but are not limited to:

- The role of prime contractors in assisting SMEs in engaging with support programs
- Strategies and funding models for implementation of the recommendations of this report
- Deeper engagement with program providers to provide further insights.

The open-source nature of the survey data, included in the annex, presents an opportunity for further analysis by future research teams, government, academia and industry to extend these findings, test them across additional regions and explore emerging themes not fully examined within the scope of this report.

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Annex A: Phase 3 Industry Survey Data.

Q5 Which state are you based in?

Answered: 31   Skipped: 1
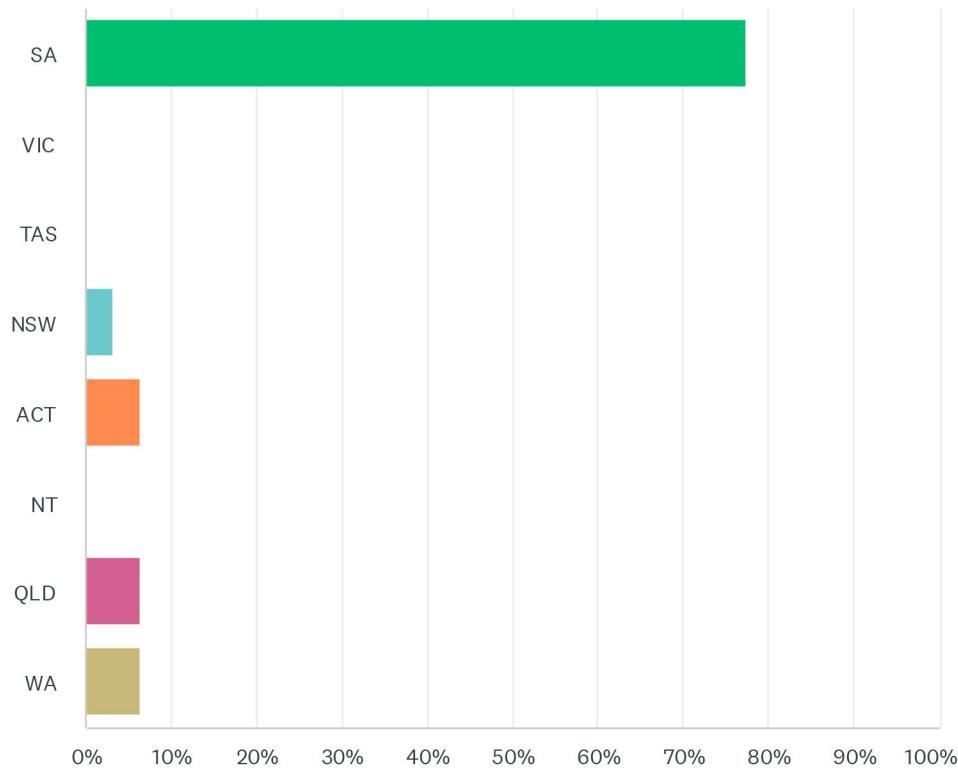
ANSWER CHOICES	RESPONSES	
SA	77.42%	24
VIC	0.00%	0
TAS	0.00%	0
NSW	3.23%	1
ACT	6.45%	2
NT	0.00%	0
QLD	6.45%	2
WA	6.45%	2
TOTAL		31

Q7 How do you primarily find out about workforce-related support programs? (Select all that apply)

Answered: 32   Skipped: 0
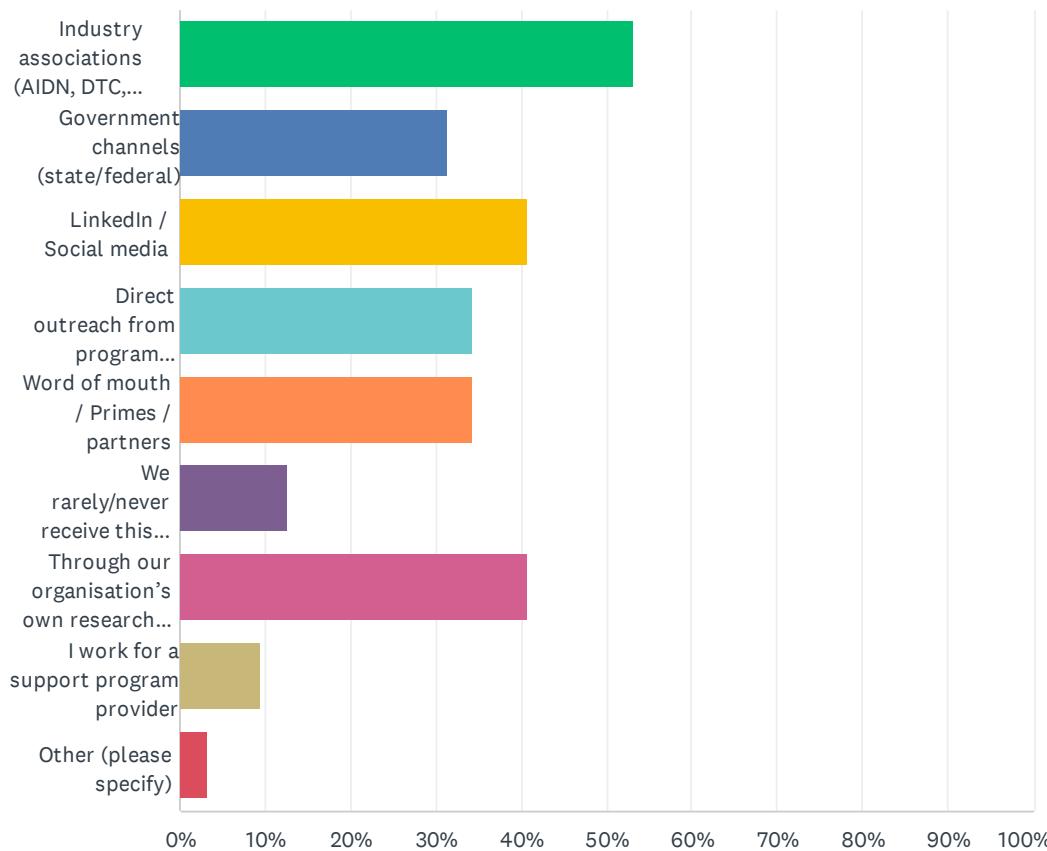
ANSWER CHOICES	RESPONSES	
Industry associations (AIDN, DTC, AiGroup)	53.13%	17
Government channels (state/federal)	31.25%	10
LinkedIn / Social media	40.63%	13
Direct outreach from program coordinators	34.38%	11
Word of mouth / Primes / partners	34.38%	11
We rarely/never receive this information	12.50%	4
Through our organisation's own research or monitoring (e.g., online searches, internal tracking).	40.63%	13
I work for a support program provider	9.38%	3
Other (please specify)	3.13%	1
Total Respondents: 32		

#	OTHER (PLEASE SPECIFY)	DATE
1	Our People & Culture team do a good job of tracking these things	9/1/2025 1:45 AM

Q8 How well do these statements reflect your organisation's experience with workforce support programs?

Answered: 32   Skipped: 0
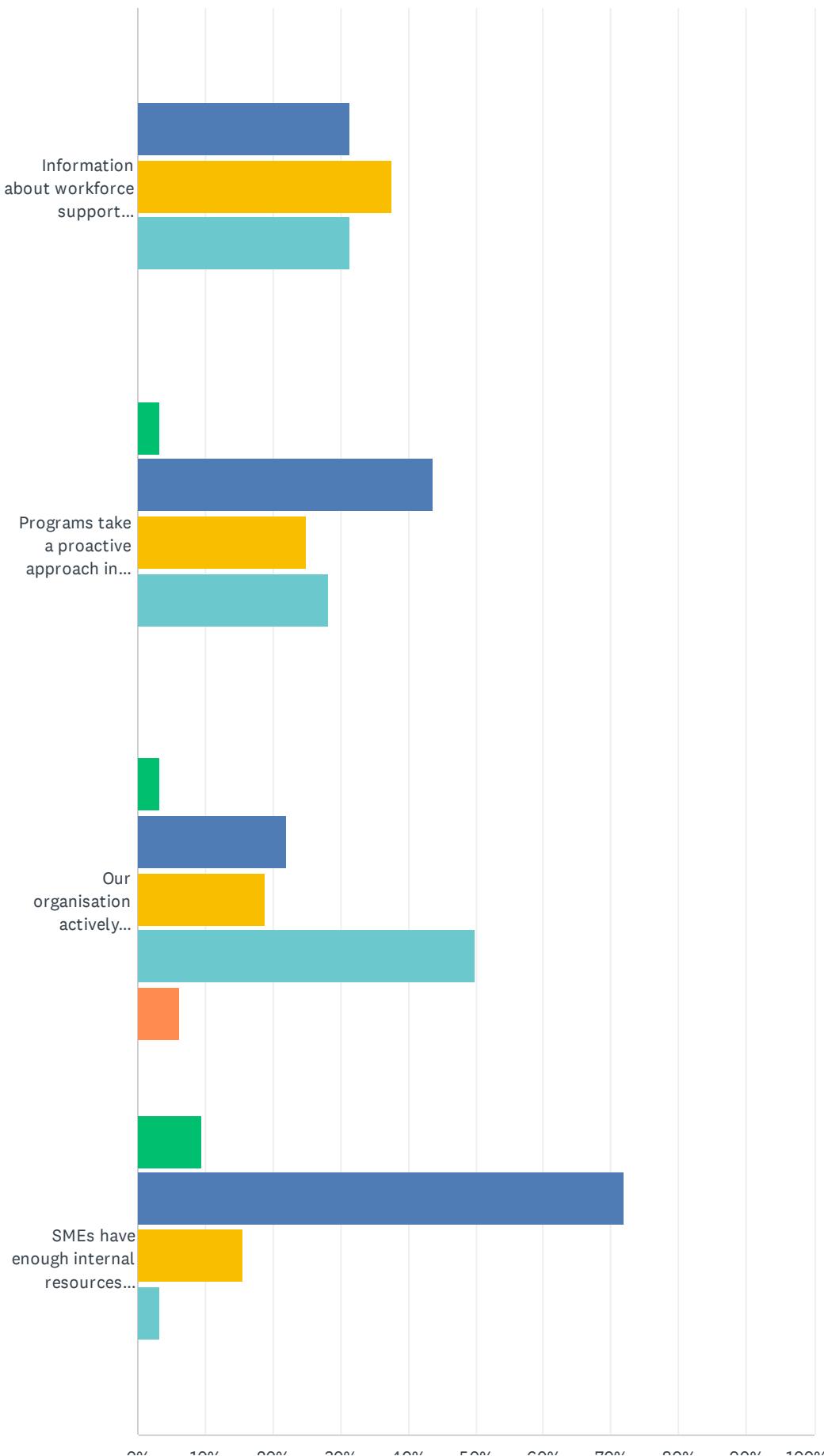
| | 0% | 10% | 20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100% |

🟩 Strongly Di...   🟦 Disagree   🟨 Neutral   🟩 Agree
🟧 Strongly Ag...

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
Information about workforce support programs is easy to find and well-communicated.	0.00% 0	31.25% 10	37.50% 12	31.25% 10	0.00% 0	32	3.00
Programs take a proactive approach in reaching SMEs (rather than expecting industry to find them).	3.13% 1	43.75% 14	25.00% 8	28.13% 9	0.00% 0	32	2.78
Our organisation actively monitors opportunities and information on workforce support programs.	3.13% 1	21.88% 7	18.75% 6	50.00% 16	6.25% 2	32	3.34
SMEs have enough internal resources (time, staff, knowledge) to identify, assess, and apply for relevant programs.	9.38% 3	71.88% 23	15.63% 5	3.13% 1	0.00% 0	32	2.13

Q9 What are the top 3 barriers organisations face in accessing workforce support programs?Select the top 3 barriers your organisation faces in accessing workforce support programs. Your response can be based on direct (lived) experience or on informed perception of challenges within the industry.

Answered: 32   Skipped: 0
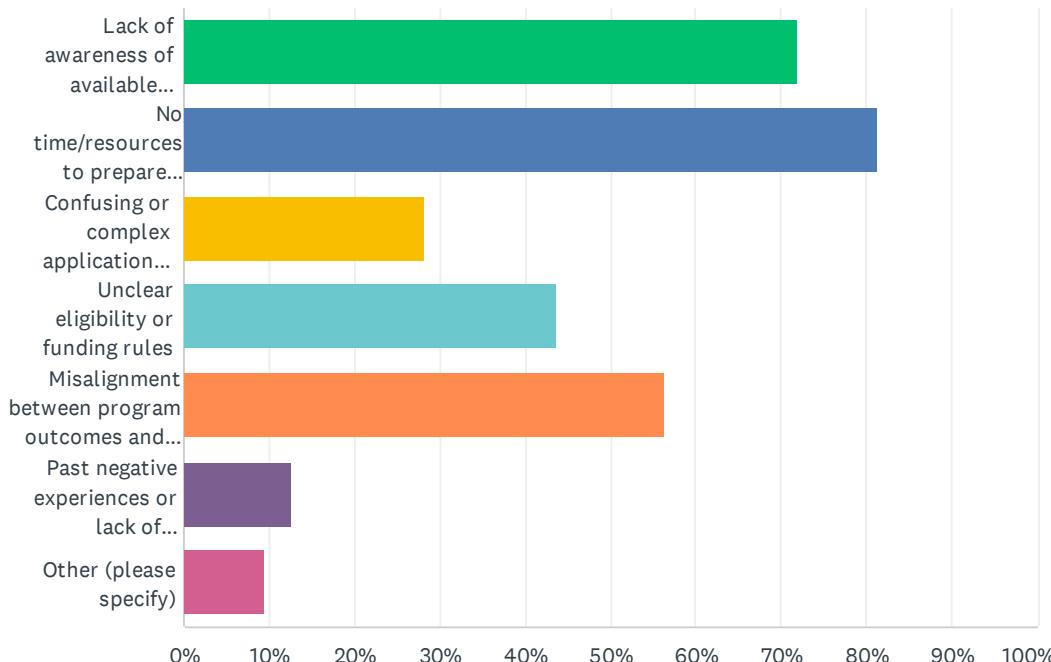
ANSWER CHOICES	RESPONSES	
Lack of awareness of available programs	71.88%	23
No time/resources to prepare applications	81.25%	26
Confusing or complex application process	28.13%	9
Unclear eligibility or funding rules	43.75%	14
Misalignment between program outcomes and business needs	56.25%	18
Past negative experiences or lack of feedback	12.50%	4
Other (please specify)	9.38%	3
Total Respondents: 32		

#	OTHER (PLEASE SPECIFY)	DATE
1	Don't know what these are	8/19/2025 7:55 PM
2	The Return on Investment is not worth the effort	8/15/2025 4:30 PM
3	Level of support and timing of support is also critical from SME's	8/13/2025 12:21 PM

Q10 Which tools or approaches would make it easier for your organisation to access and understand workforce support programs?Please select up to 3 that would have the greatest impact.

Answered: 31   Skipped: 1
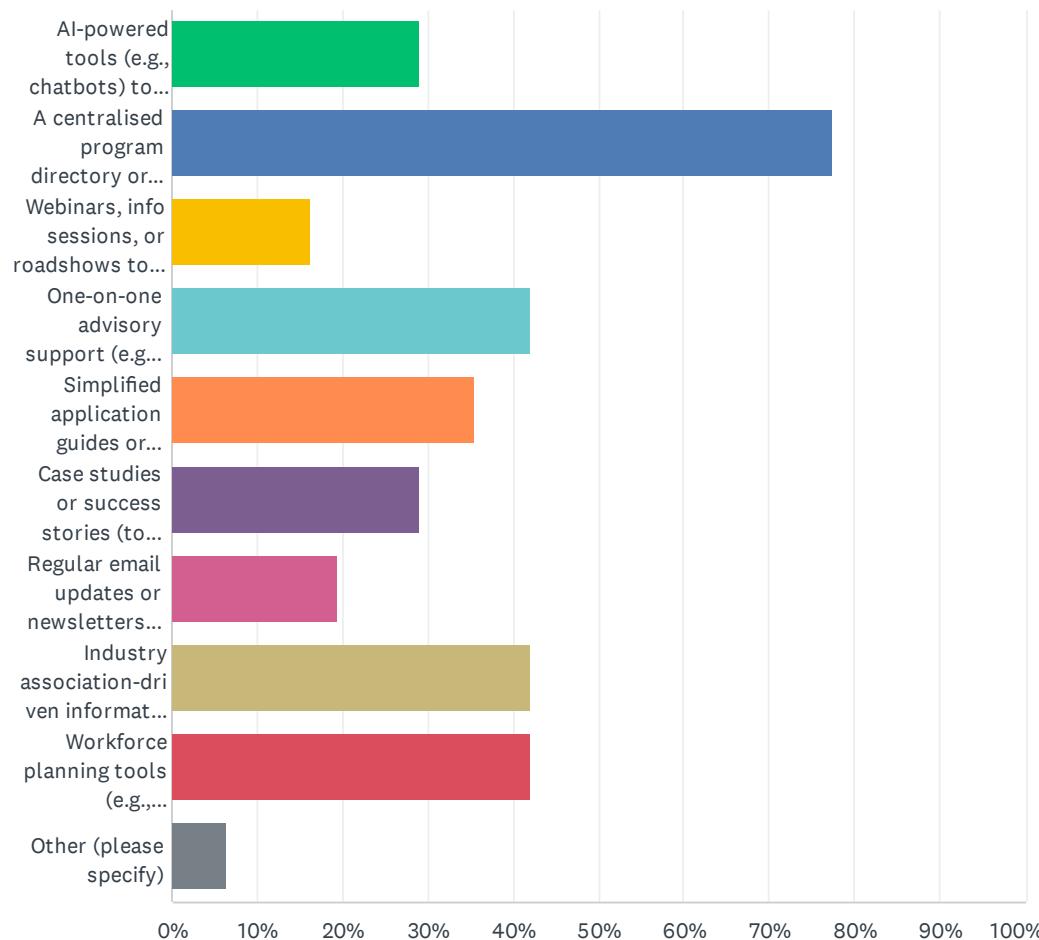
ANSWER CHOICES	RESPONSES	
AI-powered tools (e.g., chatbots) to query program eligibility and allowable spending	29.03%	9
A centralised program directory or 'one-stop' website (covering all available workforce initiatives, grants, and pathways).	77.42%	24
Webinars, info sessions, or roadshows to explain available programs	16.13%	5
One-on-one advisory support (e.g., a dedicated program liaison or SME engagement officer)	41.94%	13
Simplified application guides or templates (step-by-step instructions tailored to SMEs)	35.48%	11
Case studies or success stories (to illustrate how other organisations have successfully used programs)	29.03%	9
Regular email updates or newsletters summarising all current workforce program opportunities.	19.35%	6
Industry association-driven information sessions (e.g., AIDN, DTC acting as 'navigators')	41.94%	13
Workforce planning tools (e.g., program-mapping templates that show how initiatives link to skills and roles).	41.94%	13
Other (please specify)	6.45%	2
Total Respondents: 31		

#	OTHER (PLEASE SPECIFY)	DATE
1	General awareness of workforce support and such programs	8/19/2025 7:55 PM
2	I like the centralised program idea, but it also must include detailed explanations of how to	8/13/2025 10:36 AM

complete the forms, needs to be some additional support

Q11 How well do these statements reflect your experience/perception of program relevance and effectiveness?Using the scale Strongly Disagree to Strongly Agree, please rate the following statements. For statements relating to a recipient's experience of receiving or benefiting from programs - please select 'N/A' if your organisation's role is primarily in delivering or facilitating these programs rather than utilising them.

Answered: 32   Skipped: 0

support...

Programs align
with the actual
skills and...

Our
organisation
makes full u...

Workforce
support
programs hav...

Workforce support programs hav...

Workforce support programs cre...

Workforce support programs...

Strongly Di...   Disagree   Neutral   Agree
Strongly Ag...   N/A
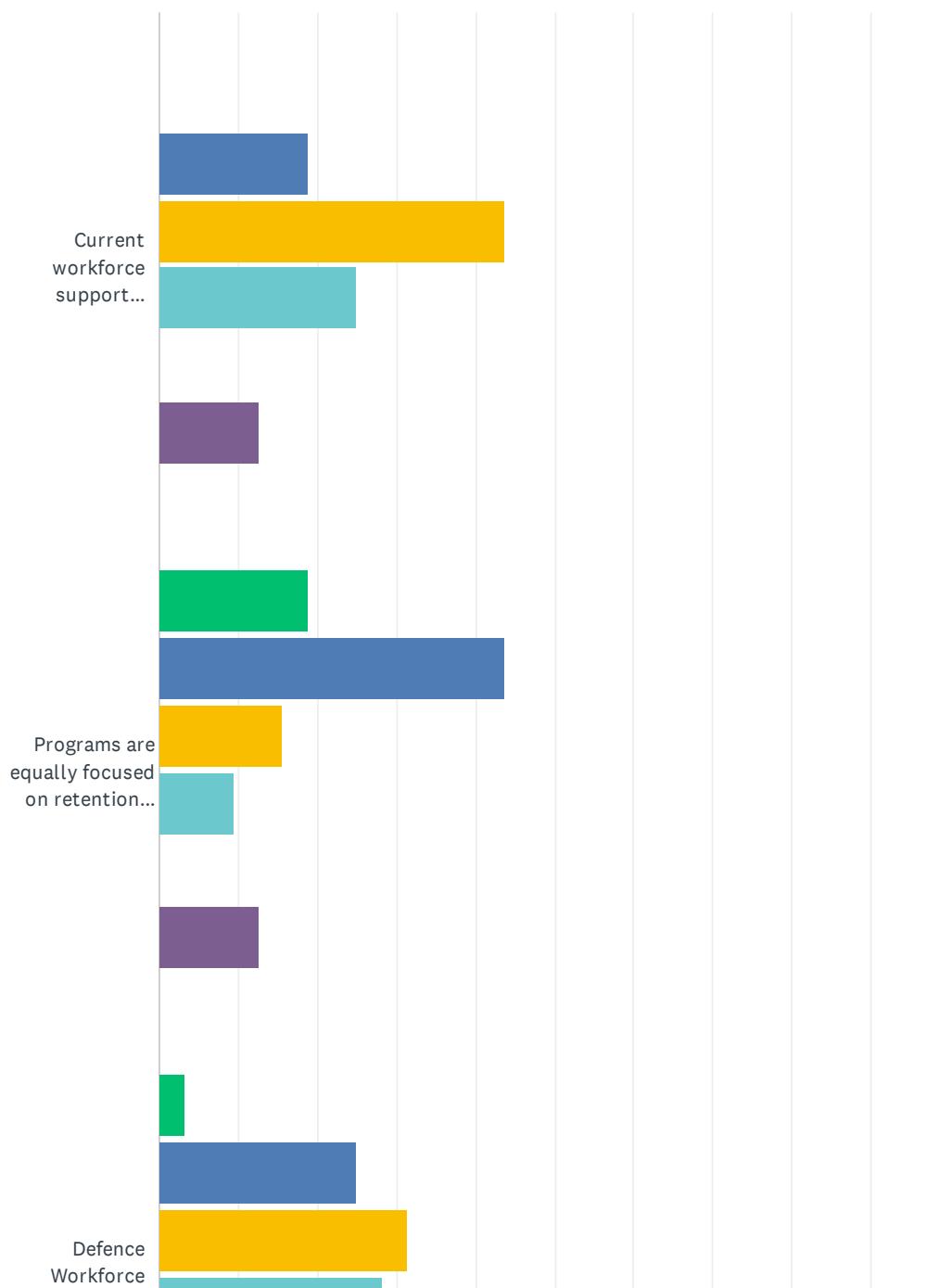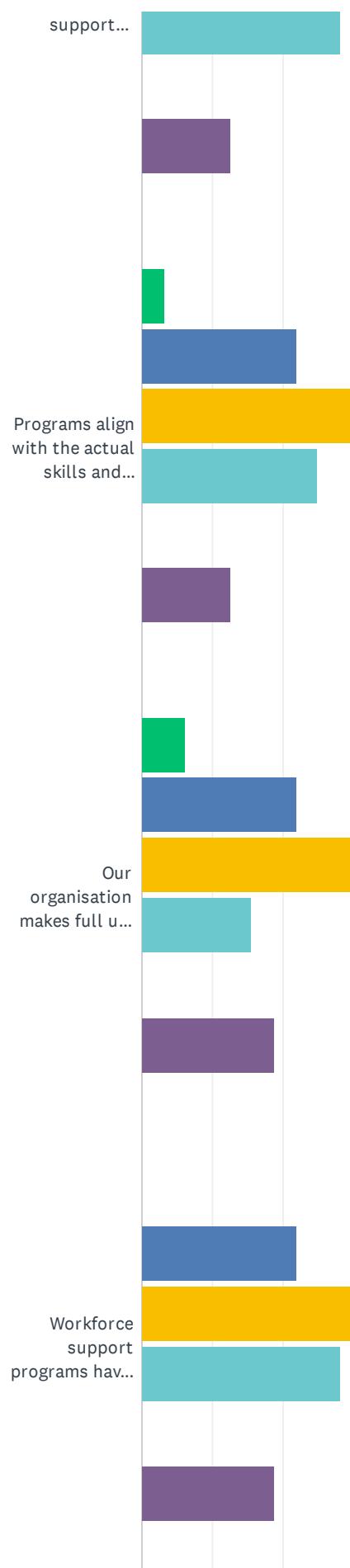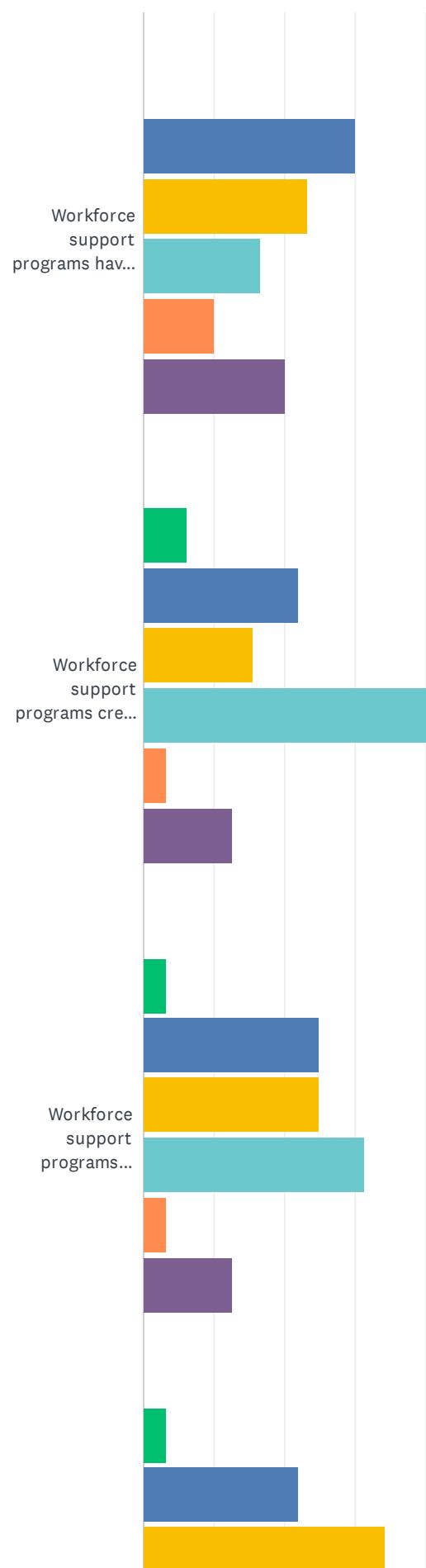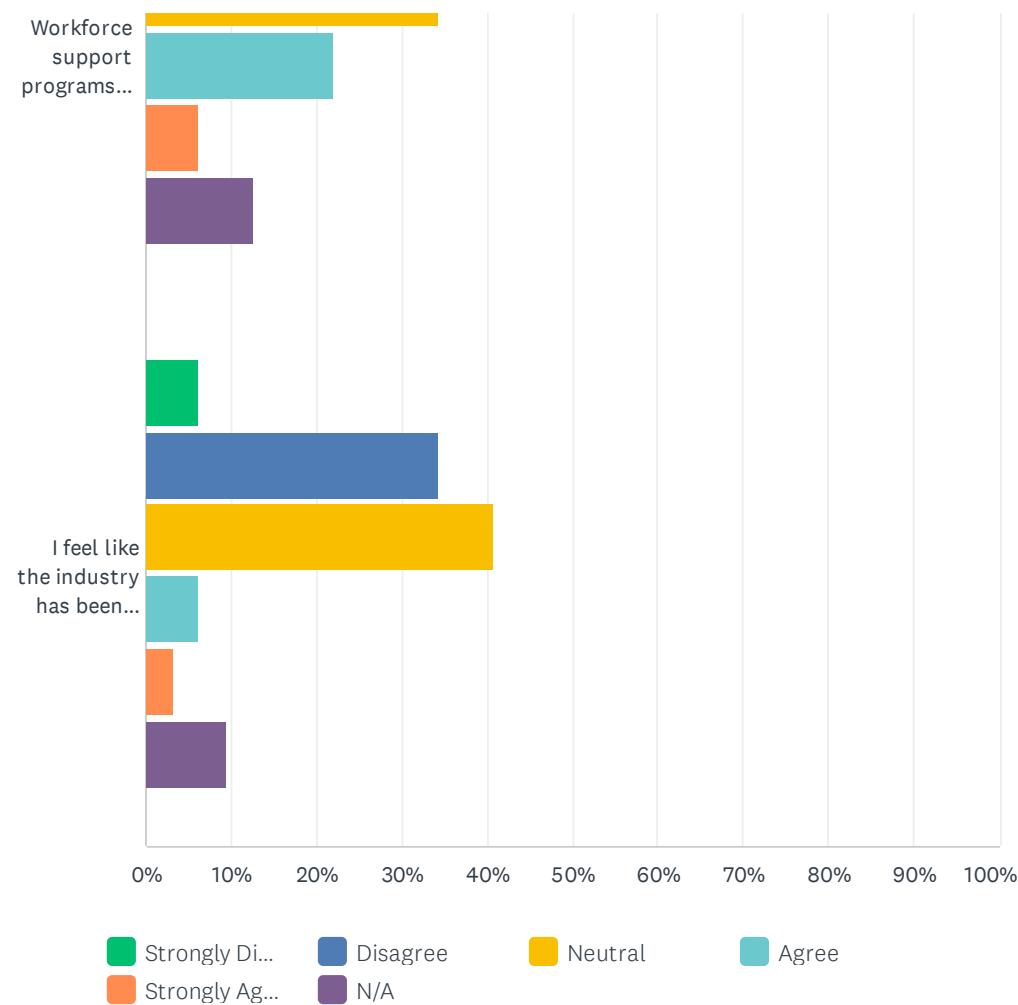
|	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	TOTAL	WEIGHTED AVERAGE
Current workforce support programs effectively address workforce attraction needs (e.g., internships, graduate pipelines).	0.00% 0	18.75% 6	43.75% 14	25.00% 8	0.00% 0	12.50% 4	32	3.07
Programs are equally focused on retention and mid-career development, not just entry-level hiring.	18.75% 6	43.75% 14	15.63% 5	9.38% 3	0.00% 0	12.50% 4	32	2.18
Defence Workforce support programs are tailored to the unique challenges and constraints of the defence industrial base	3.13% 1	25.00% 8	31.25% 10	28.13% 9	0.00% 0	12.50% 4	32	2.96
Programs align with the actual skills and workforce needs of the defence sector	3.13% 1	21.88% 7	37.50% 12	25.00% 8	0.00% 0	12.50% 4	32	2.96
Our organisation makes full use of the workforce support programs that are available.	6.25% 2	21.88% 7	37.50% 12	15.63% 5	0.00% 0	18.75% 6	32	2.77
Workforce support programs have improved the skills of our workforce.	0.00% 0	21.88% 7	31.25% 10	28.13% 9	0.00% 0	18.75% 6	32	3.08
Workforce support programs have improved our ability to recruit staff.	0.00% 0	30.00% 9	23.33% 7	16.67% 5	10.00% 3	20.00% 6	30	3.08
Workforce support programs create sustainable employment outcomes beyond the initial funding or subsidy period.	6.25% 2	21.88% 7	15.63% 5	40.63% 13	3.13% 1	12.50% 4	32	3.14
Workforce support programs effectively create pathways for veterans into the defence industry.	3.13% 1	25.00% 8	25.00% 8	31.25% 10	3.13% 1	12.50% 4	32	3.07
Workforce support programs actively promote opportunities for underrepresented groups (e.g., women, First Nations, neurodiverse candidates).	3.13% 1	21.88% 7	34.38% 11	21.88% 7	6.25% 2	12.50% 4	32	3.07
I feel like the industry has been consulted about what initiatives should be offered to build a sustainable workforce	6.25% 2	34.38% 11	40.63% 13	6.25% 2	3.13% 1	9.38% 3	32	2.62
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A		

Q12 Rate the significance of the following workforce challenges for defence industry

Answered: 32   Skipped: 0

Administrative burden (HR, compliance,...

Lack of workforce pipeline...

There are limited opportunitie...

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Legend:
- Not a Chall...
- Minor Chall...
- Moderate C...
- Major Chall...
- Unsure
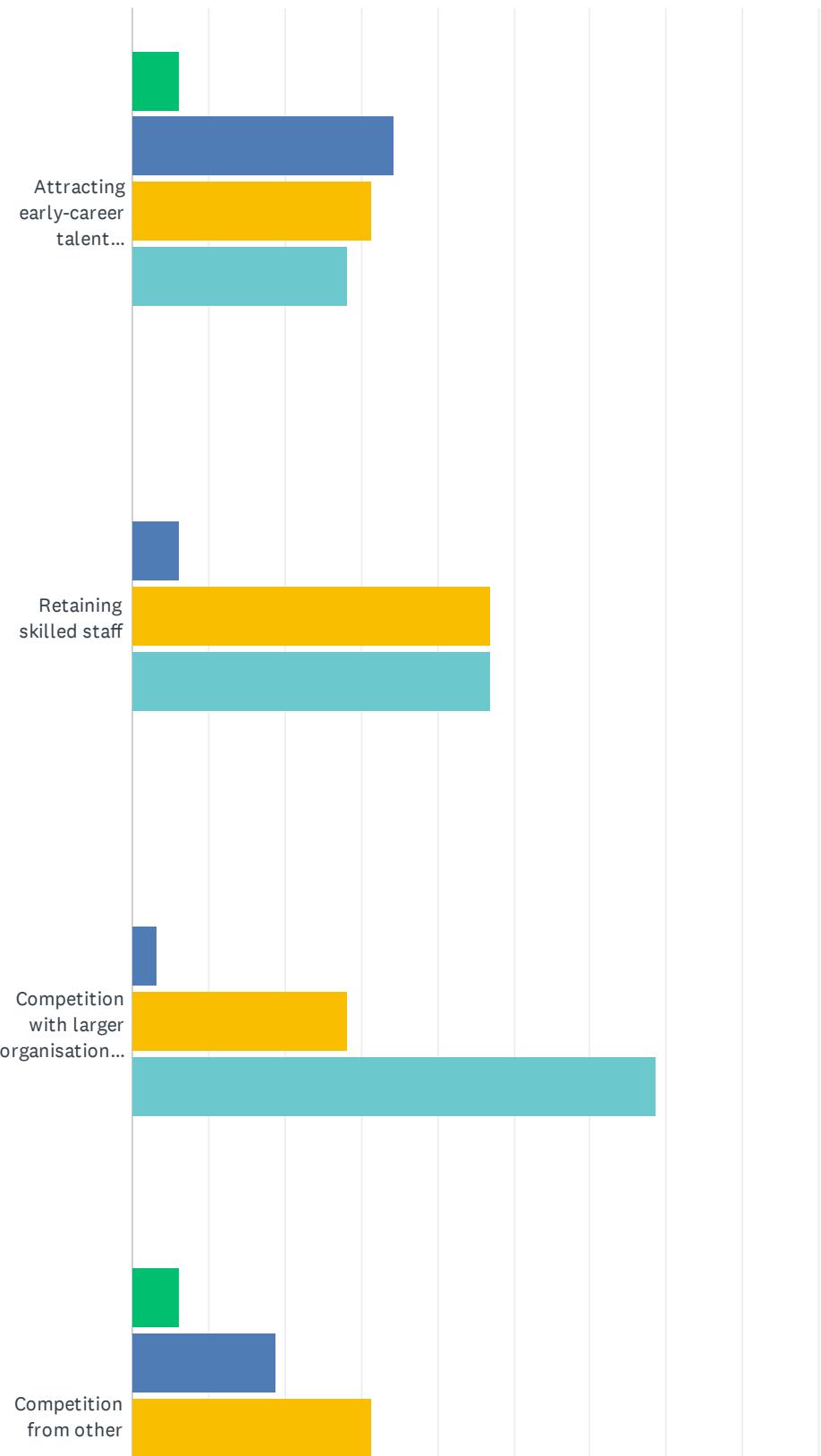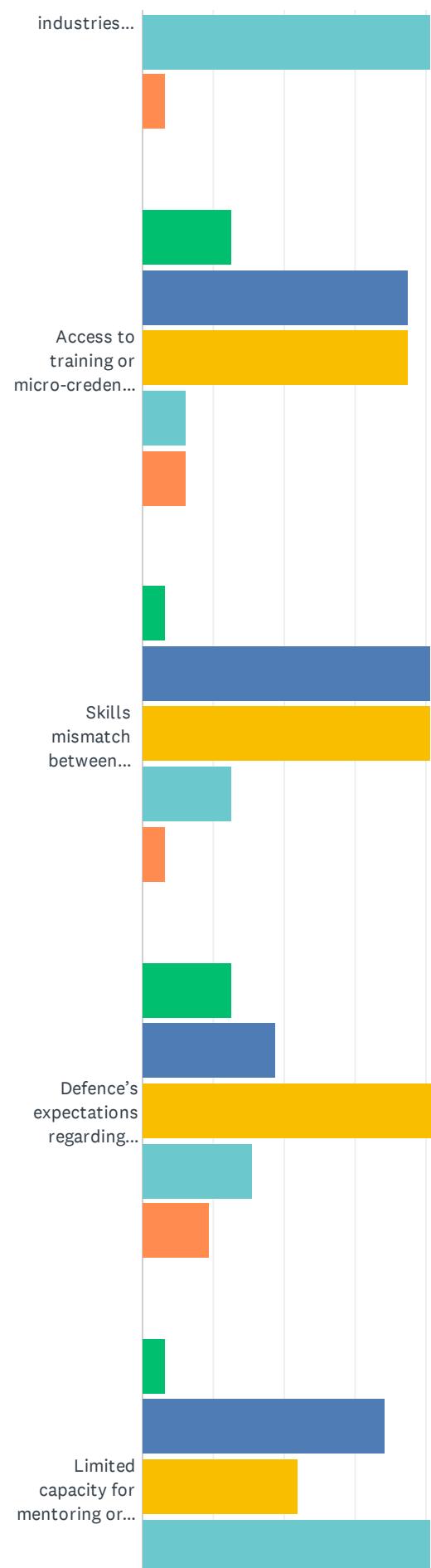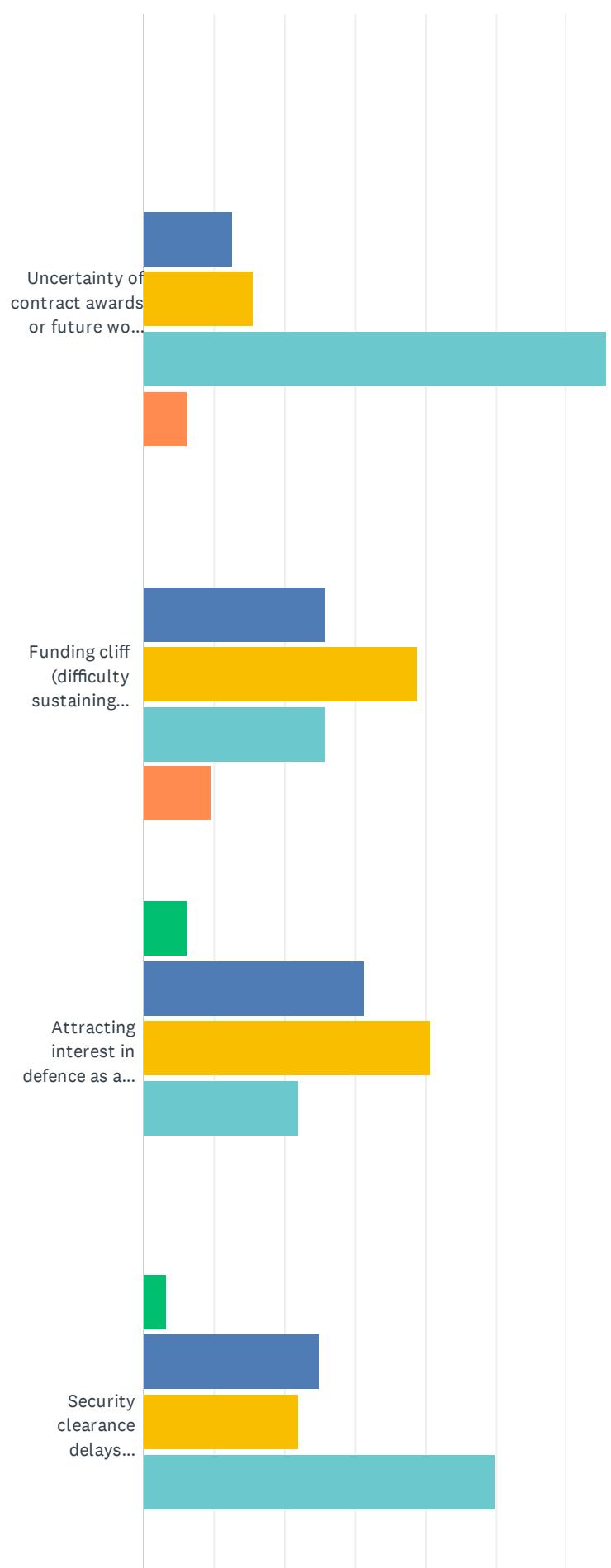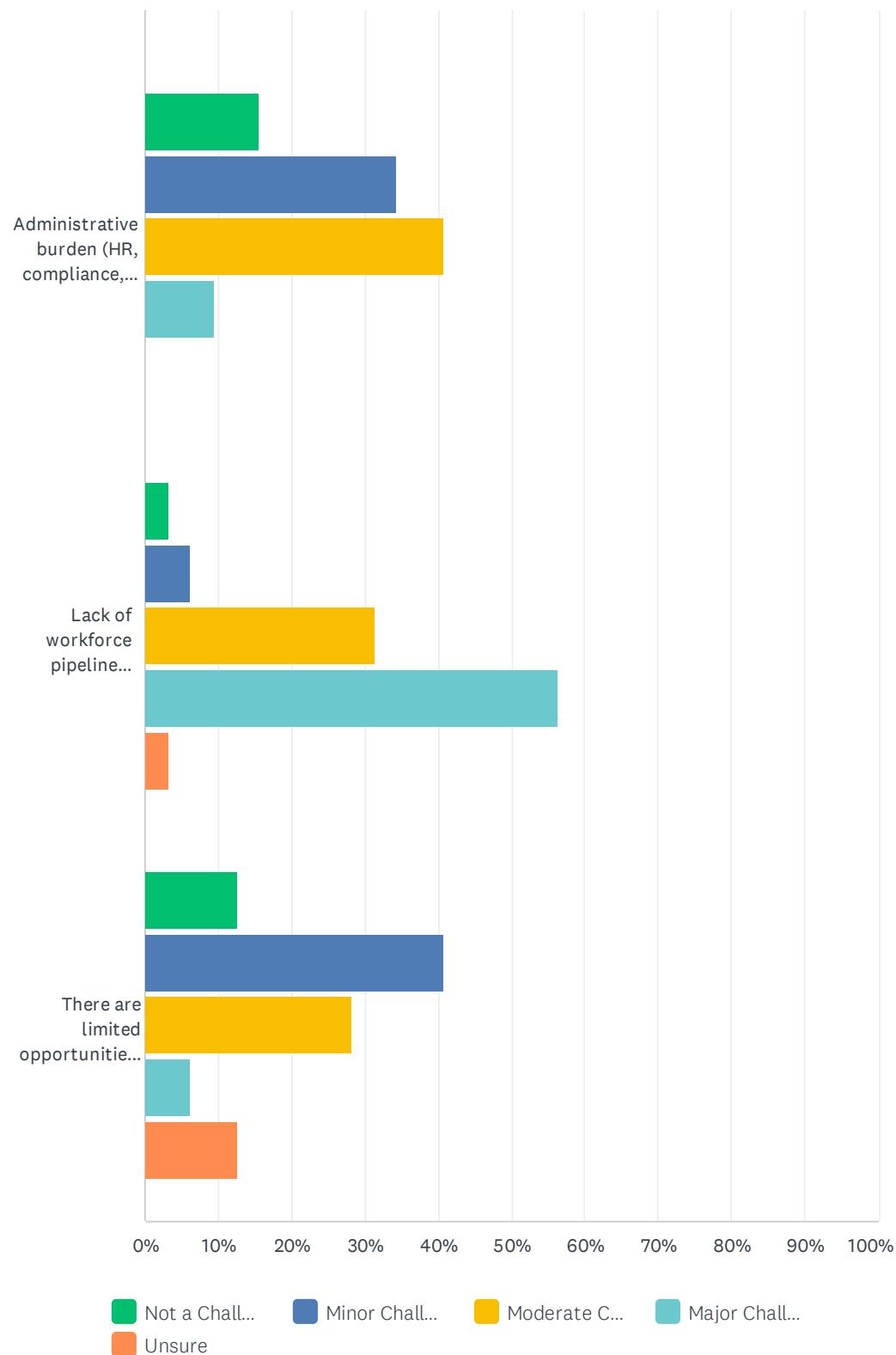
	NOT A CHALLENGE	MINOR CHALLENGE	MODERATE CHALLENGE	MAJOR CHALLENGE	UNSURE	TOTAL	WEIGHTED AVERAGE
Attracting early-career talent (graduates, apprentices)	6.25% 2	34.38% 11	31.25% 10	28.13% 9	0.00% 0	32	2.81
Retaining skilled staff	0.00% 0	6.25% 2	46.88% 15	46.88% 15	0.00% 0	32	3.41
Competition with larger organisations for talent	0.00% 0	3.13% 1	28.13% 9	68.75% 22	0.00% 0	32	3.66
Competition from other industries (e.g., resources, tech).	6.25% 2	18.75% 6	31.25% 10	40.63% 13	3.13% 1	32	3.10
Access to training or micro-credentials aligned with defence needs.	12.50% 4	37.50% 12	37.50% 12	6.25% 2	6.25% 2	32	2.40
Skills mismatch between training and industry needs.	3.13% 1	40.63% 13	40.63% 13	12.50% 4	3.13% 1	32	2.65
Defence's expectations regarding qualifications and certifications for specific roles are appropriate and aligned with industry standards.	12.50% 4	18.75% 6	43.75% 14	15.63% 5	9.38% 3	32	2.69
Limited capacity for mentoring or supervising early-career staff.	3.13% 1	34.38% 11	21.88% 7	40.63% 13	0.00% 0	32	3.00
Uncertainty of contract awards or future work visibility.	0.00% 0	12.50% 4	15.63% 5	65.63% 21	6.25% 2	32	3.57
Funding cliff (difficulty sustaining hires once subsidies or funding end).	0.00% 0	25.81% 8	38.71% 12	25.81% 8	9.68% 3	31	3.00
Attracting interest in defence as a career pathway.	6.25% 2	31.25% 10	40.63% 13	21.88% 7	0.00% 0	32	2.78
Security clearance delays affecting hiring timelines.	3.13% 1	25.00% 8	21.88% 7	50.00% 16	0.00% 0	32	3.19
Administrative burden (HR, compliance, funding processes).	15.63% 5	34.38% 11	40.63% 13	9.38% 3	0.00% 0	32	2.44
Lack of workforce pipeline visibility (unclear demand signals from government/defence).	3.13% 1	6.25% 2	31.25% 10	56.25% 18	3.13% 1	32	3.45
There are limited opportunities for veterans transitioning into the defence industry, with recognition of their skills and qualifications often being a barrier	12.50% 4	40.63% 13	28.13% 9	6.25% 2	12.50% 4	32	2.32

Q13 Organisational Capacity and Workforce PlanningUsing the scale Strongly Disagree to Strongly Agree, please rate the following statements. For statements relating to a recipient's experience of receiving or benefiting from programs, select "N/A" if your organisation's role is primarily in delivering or facilitating these programs rather than utilising them.

Answered: 32   Skipped: 0
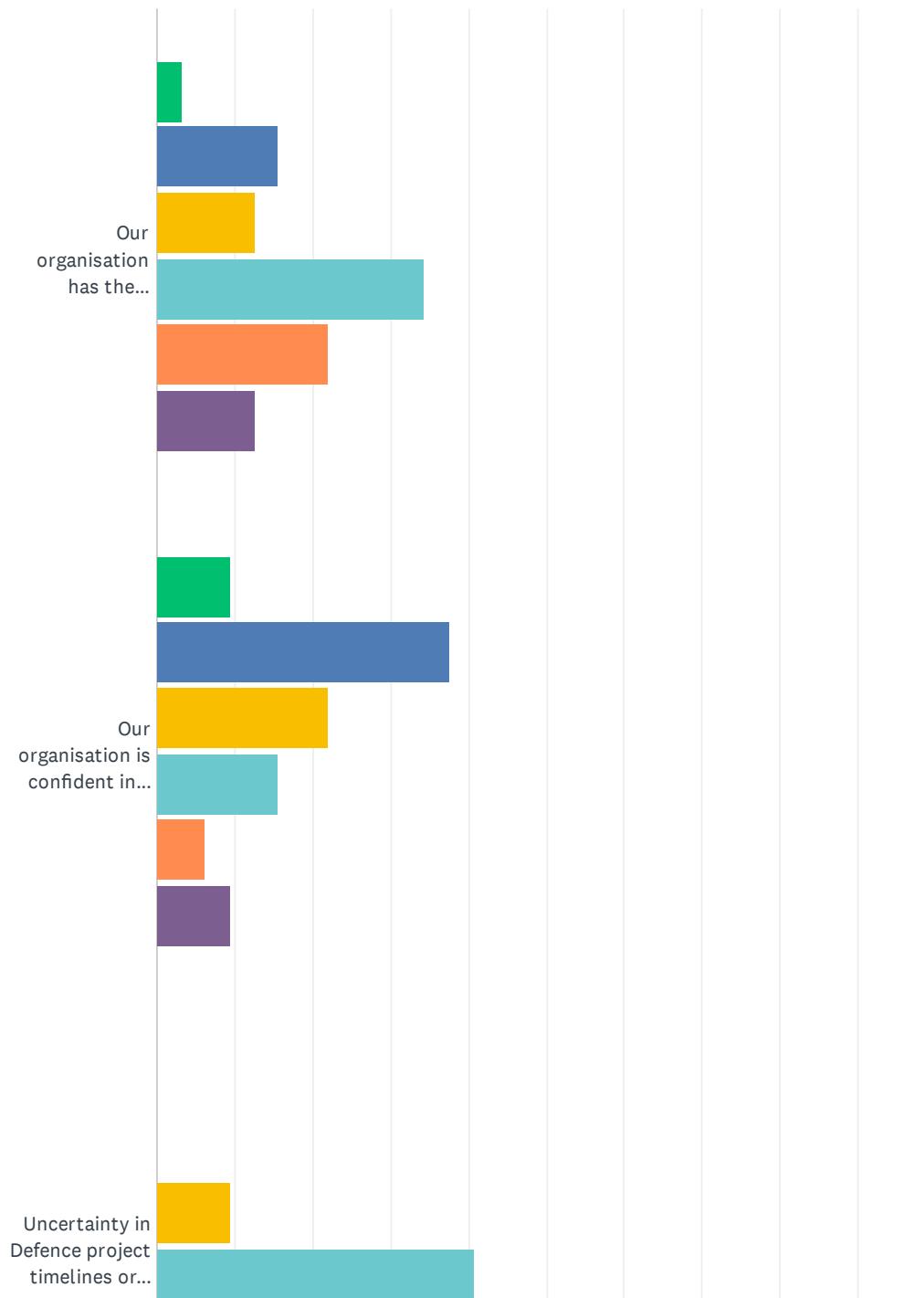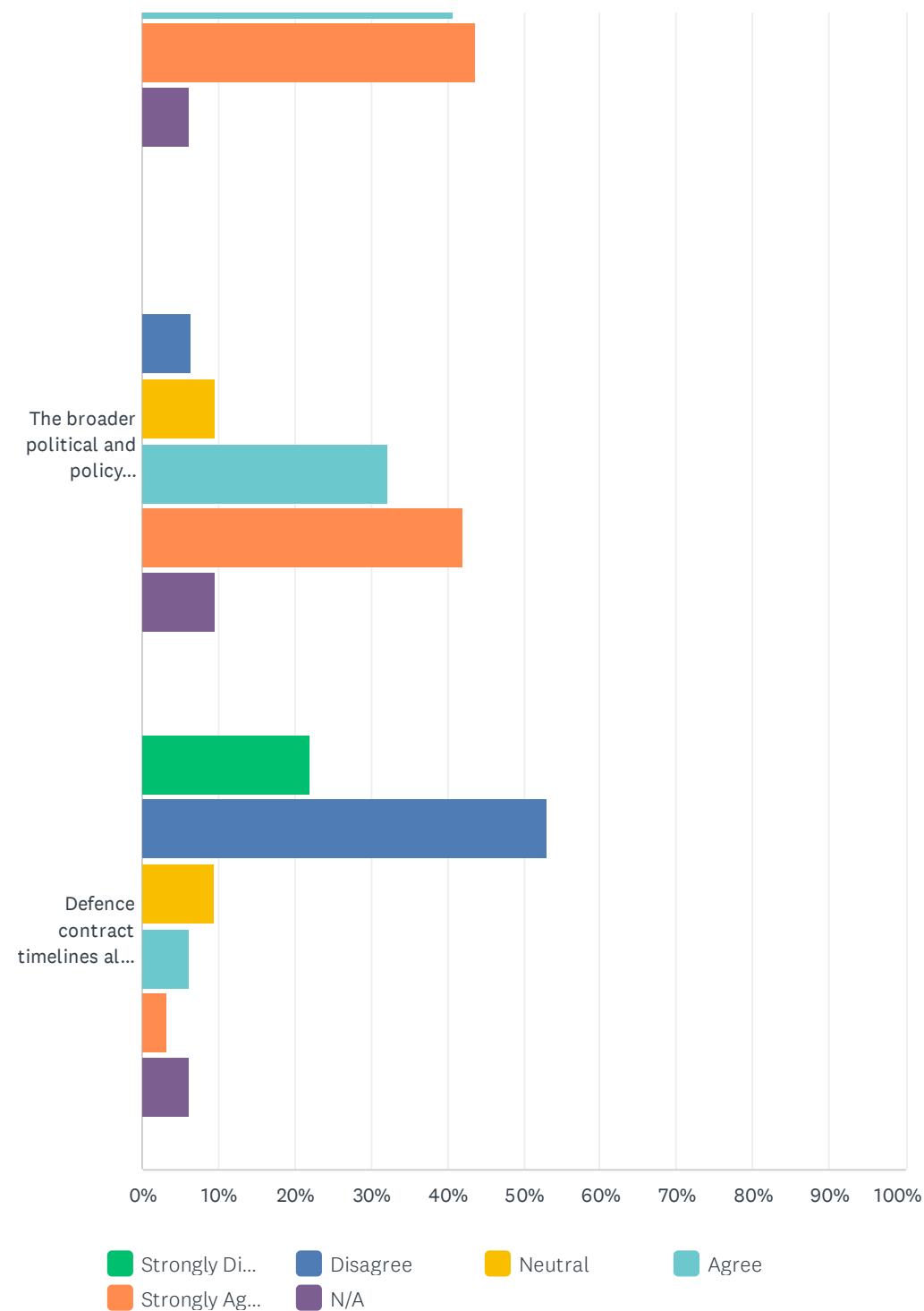
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	N/A	TOTAL	WEIGHTED AVERAGE
Our organisation has the capacity and capability (e.g., HR systems, mentoring, onboarding) to effectively integrate interns, graduates, or trainees from support programs.	3.13% 1	15.63% 5	12.50% 4	34.38% 11	21.88% 7	12.50% 4	32	3.64
Our organisation is confident in its workforce planning for the next 3–5 years.	9.38% 3	37.50% 12	21.88% 7	15.63% 5	6.25% 2	9.38% 3	32	2.69
Uncertainty in Defence project timelines or contract awards limits our ability to use workforce support programs effectively.	0.00% 0	0.00% 0	9.38% 3	40.63% 13	43.75% 14	6.25% 2	32	4.37
The broader political and policy environment directly impacts the stability and sustainability of the defence industry workforce.	0.00% 0	6.45% 2	9.68% 3	32.26% 10	41.94% 13	9.68% 3	31	4.21
Defence contract timelines allow sufficient lead time for SMEs to establish and mobilise the workforce required to deliver on contract commencement expectations.	21.88% 7	53.13% 17	9.38% 3	6.25% 2	3.13% 1	6.25% 2	32	2.10

Q14 Using the scale Strongly Disagree to Strongly Agree, please rate the following statements about collaboration and the overall defence ecosystem.

Answered: 31   Skipped: 1
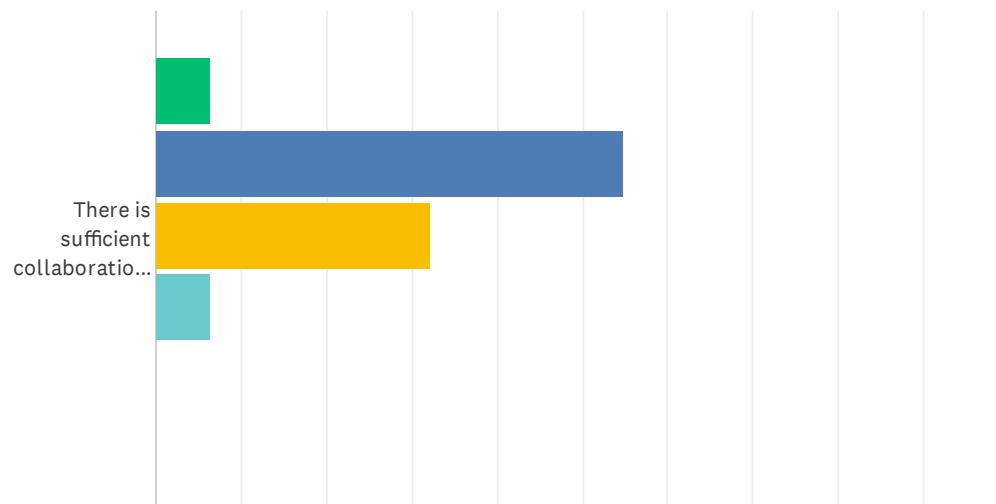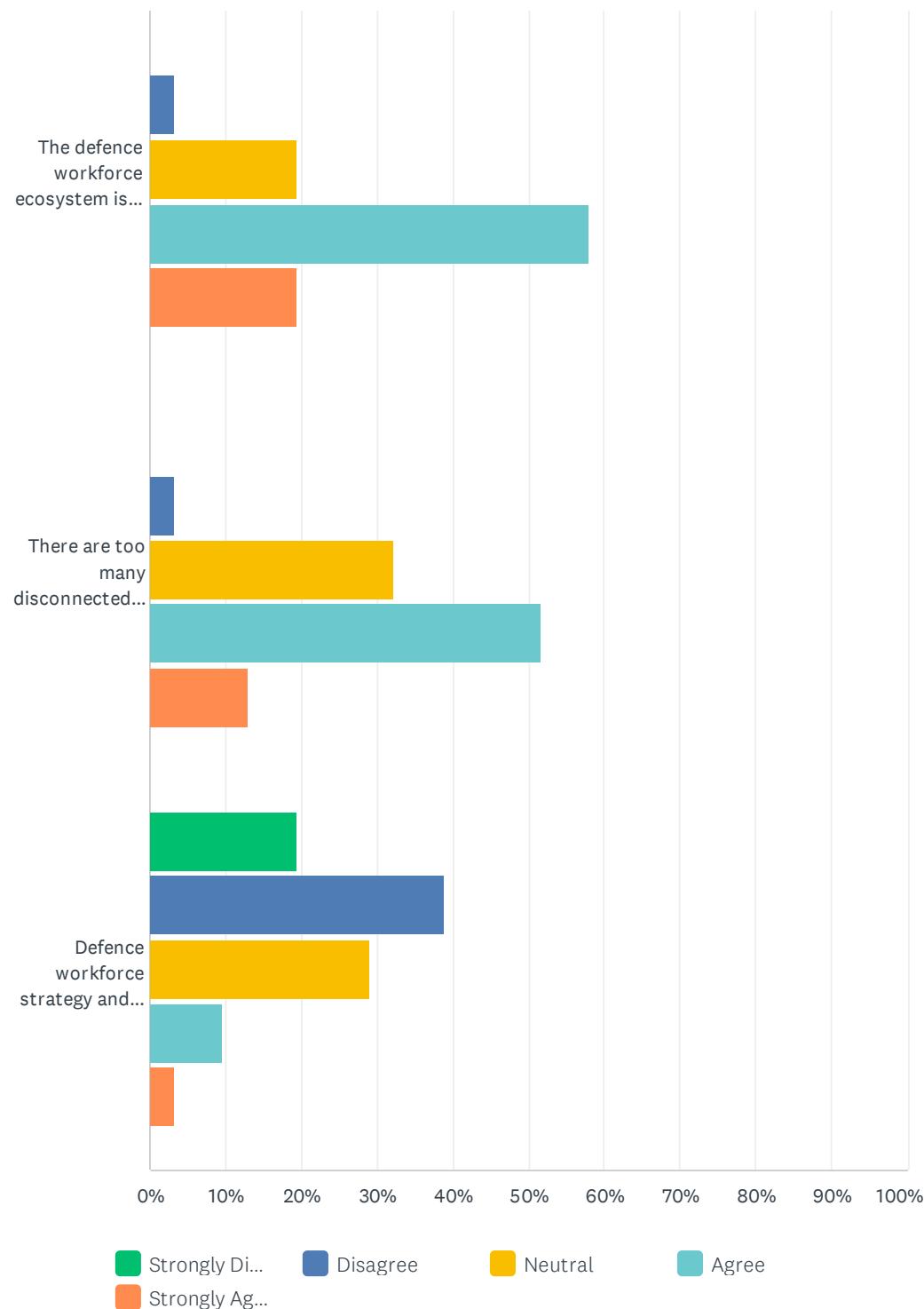
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
There is sufficient collaboration between SMEs, workforce program providers, and primes to address workforce needs.	6.45% 2	54.84% 17	32.26% 10	6.45% 2	0.00% 0	31	2.39
The defence workforce ecosystem is too fragmented, with programs and initiatives competing rather than collaborating.	0.00% 0	3.23% 1	19.35% 6	58.06% 18	19.35% 6	31	3.94
There are too many disconnected workforce programs, making it difficult to know which ones are relevant.	0.00% 0	3.23% 1	32.26% 10	51.61% 16	12.90% 4	31	3.74
Defence workforce strategy and policy effectively translates into tangible actions that support industry capability and growth.	19.35% 6	38.71% 12	29.03% 9	9.68% 3	3.23% 1	31	2.39

Q15 What initiatives would most improve collaboration?Select up to 3 initiatives you believe would have the greatest impact on improving collaboration and alignment across the defence workforce ecosystem.

Answered: 31   Skipped: 1

	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
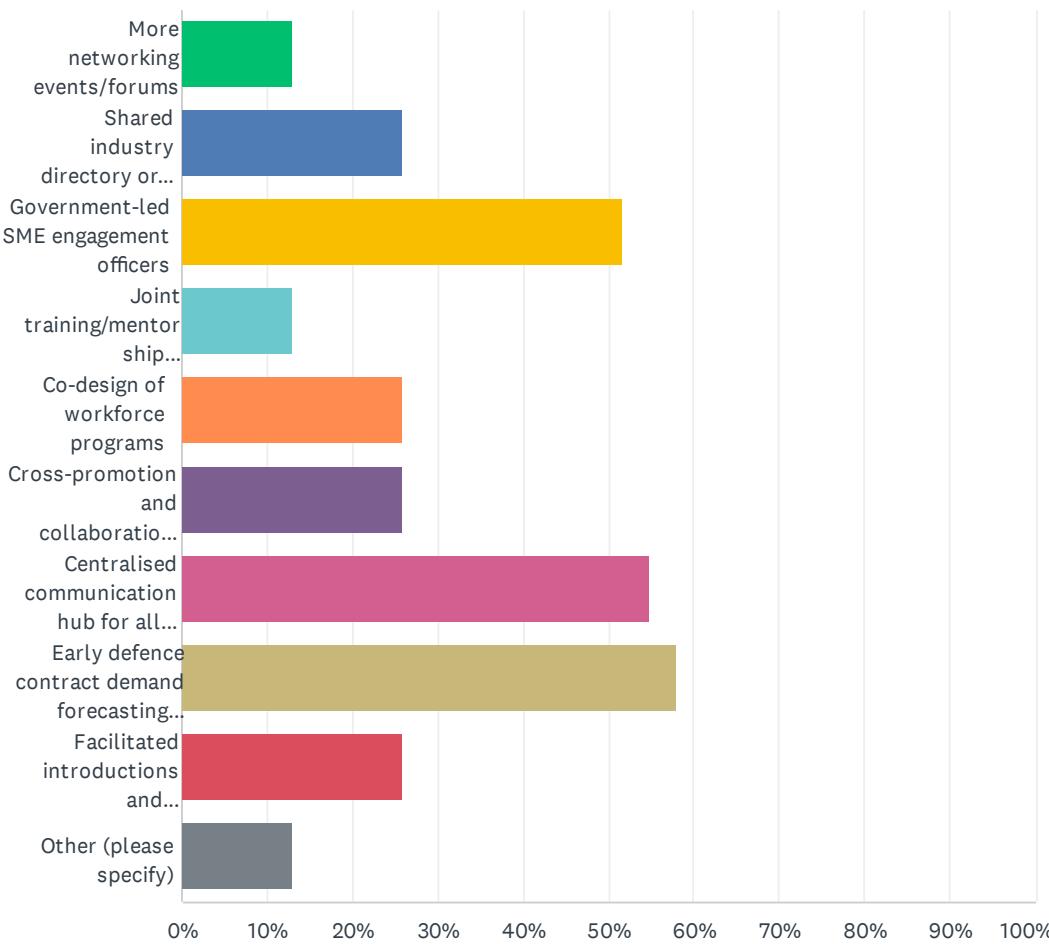
| ANSWER CHOICES	RESPONSES	
More networking events/forums	12.90%	4
Shared industry directory or portal	25.81%	8
Government-led SME engagement officers	51.61%	16
Joint training/mentorship initiatives	12.90%	4
Co-design of workforce programs	25.81%	8
Cross-promotion and collaboration between support program providers	25.81%	8
Centralised communication hub for all workforce programs	54.84%	17
Early defence contract demand forecasting sessions for SMEs	58.06%	18
Facilitated introductions and partnerships (via ODIS, DefenceSA, AIDN, DTC,)	25.81%	8
Other (please specify)	12.90%	4
Total Respondents: 31		

#	OTHER (PLEASE SPECIFY)	DATE
1	Defence to be clearer in what will actually be needed. They forecast a need that doesn't realise fast enough and underestimate the need for gruntwork.	8/19/2025 7:55 PM

2	More collaboration with SMEs from ADF Transition Support Team/Program with SMEs, especially those outside of Canberra	8/13/2025 5:11 PM
3	Integration of workforce and supplier uplift programs to build experience and well as educate	8/13/2025 11:57 AM
4	Holding the Primes accountable for collaboration with SMEs. At the moment is all talk and no action.	8/6/2025 5:11 PM

Q16 The Role of SMEs in Defence Workforce DevelopmentPlease indicate your level of agreement with the following statements.

Answered: 30   Skipped: 2
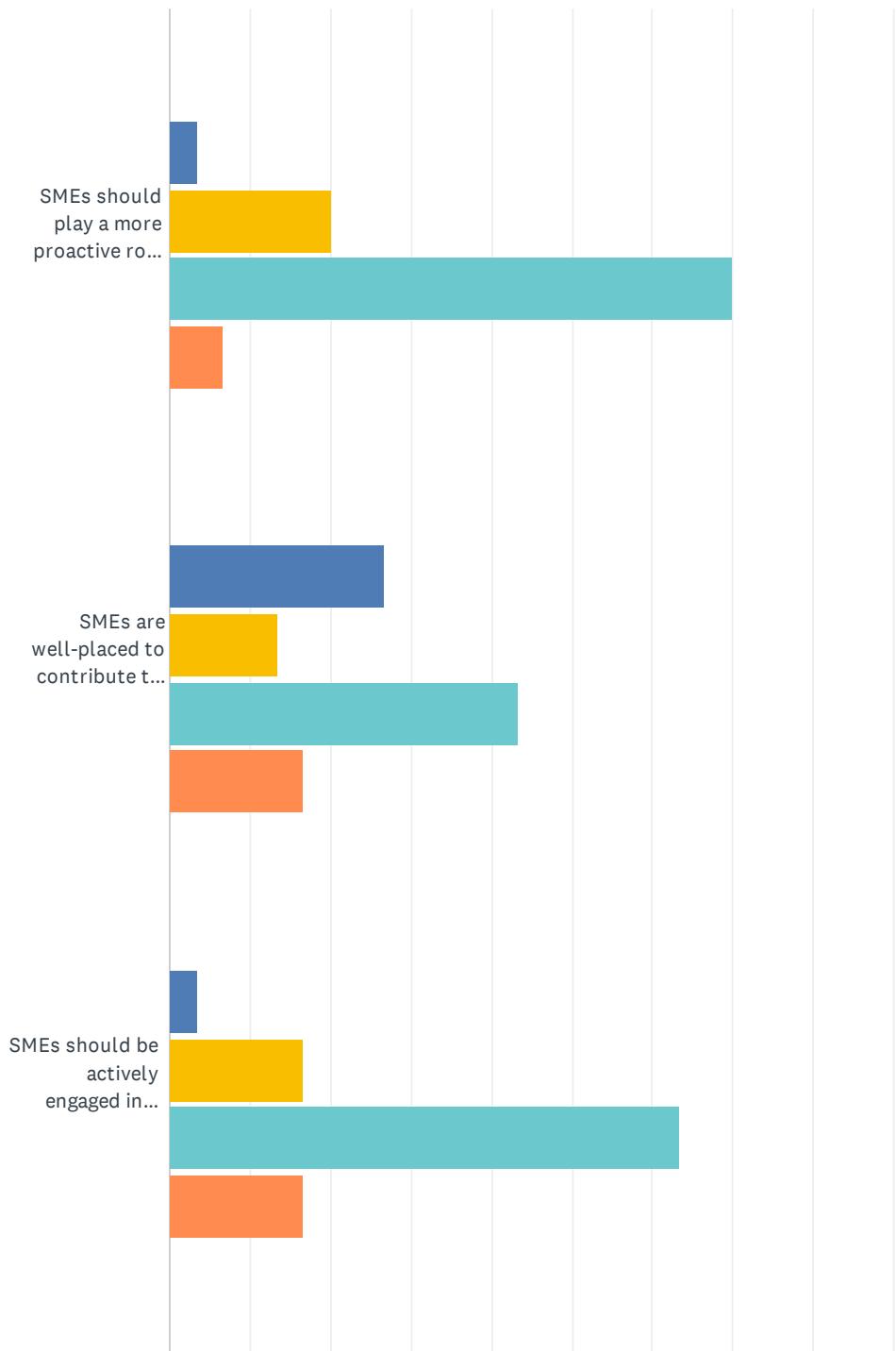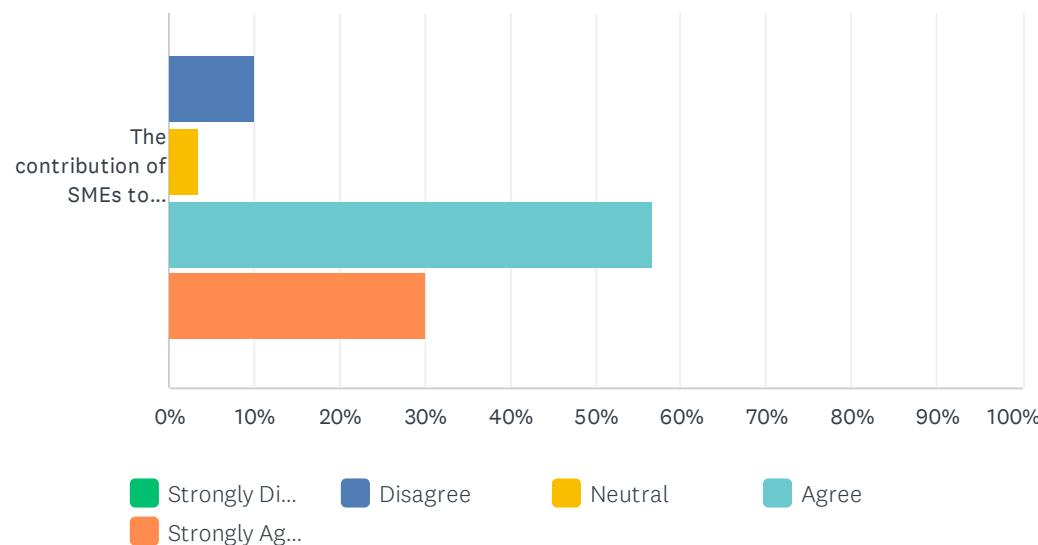
	STRONGLY DISAGREE	DISAGREE	NEUTRAL	AGREE	STRONGLY AGREE	TOTAL	WEIGHTED AVERAGE
SMEs should play a more proactive role in the design and delivery of defence workforce support initiatives.	0.00% 0	3.33% 1	20.00% 6	70.00% 21	6.67% 2	30	3.80
SMEs are well-placed to contribute to early career development (eg. through internships, mentoring, or targeted training programs)	0.00% 0	26.67% 8	13.33% 4	43.33% 13	16.67% 5	30	3.50
SMEs should be actively engaged in shaping curriculum design, micro-credential development and skills frameworks.	0.00% 0	3.33% 1	16.67% 5	63.33% 19	16.67% 5	30	3.93
The contribution of SMEs to Australia's defence workforce pipeline is under-recognised and under-utilised.	0.00% 0	10.00% 3	3.33% 1	56.67% 17	30.00% 9	30	4.07

Q17 Rank the following areas in order of priority for future workforce initiatives (1 = highest priority)

Answered: 31   Skipped: 1
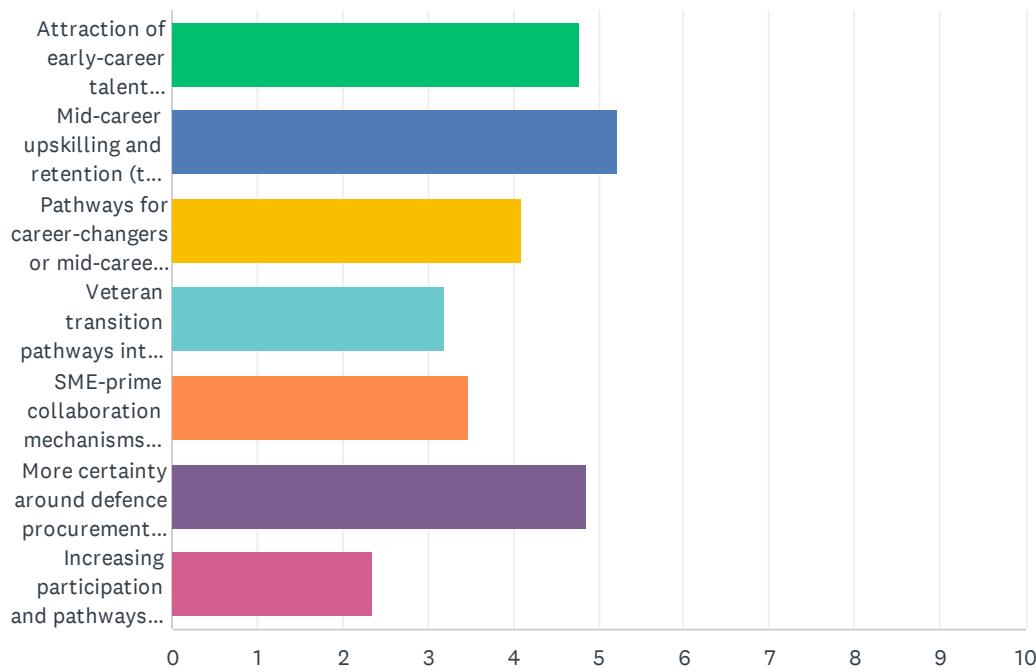
	1	2	3	4	5	6	7	TOTAL	SCORE
Attraction of early-career talent (graduates, apprentices, students).	25.81% 8	12.90% 4	19.35% 6	12.90% 4	16.13% 5	9.68% 3	3.23% 1	31	4.77
Mid-career upskilling and retention (to prevent churn and develop leadership).	29.03% 9	22.58% 7	16.13% 5	16.13% 5	9.68% 3	3.23% 1	3.23% 1	31	5.23
Pathways for career-changers or mid-career professionals from other industries	3.23% 1	19.35% 6	29.03% 9	16.13% 5	6.45% 2	16.13% 5	9.68% 3	31	4.10
Veteran transition pathways into defence industry roles	0.00% 0	6.45% 2	12.90% 4	19.35% 6	29.03% 9	19.35% 6	12.90% 4	31	3.19
SME-prime collaboration mechanisms (e.g., mentoring, workforce planning partnerships)	6.45% 2	16.13% 5	3.23% 1	22.58% 7	12.90% 4	22.58% 7	16.13% 5	31	3.48
More certainty around defence procurement (longer contracts, earlier communication of requirements).	35.48% 11	12.90% 4	9.68% 3	9.68% 3	16.13% 5	9.68% 3	6.45% 2	31	4.87
Increasing participation and pathways for underrepresented groups (e.g., women, First Nations, neurodiverse candidates).	0.00% 0	9.68% 3	9.68% 3	3.23% 1	9.68% 3	19.35% 6	48.39% 15	31	2.35