

# **SENATE FOREIGN AFFAIRS, DEFENCE AND TRADE COMMITTEE**

## **INQUIRY INTO MATERIEL ACQUISITION AND MANAGEMENT IN DEFENCE**

### **SUBMISSION BY J.M.ELLIOTT**

#### **INTRODUCTION**

The parlous state of the defence forces requires blunt comment. The East Timor Operation provided a warning signal to the government and Australian people of the poor state of the equipment and systems available to the Australian Defence Forces. It is praiseworthy that the military personnel of all services were able to so successfully operate with the scarce and low quality equipment available to them. This event should provide the background to this Senate Inquiry.

It is suggested that the essence of this inquiry is contained in the three aspects of:

1. Funds available for defence procurement
2. Appropriate selection people
3. Appropriate selection policies

It is further suggested that defence procurement and management should be examined for:

- A. Performance up to the present
- B. Future policies.

#### **A. PERFORMANCE UP TO THE PRESENT**

##### **A.1 Funds Available**

The Defence Budget has to share funds for:

- (i) Equipment purchase, maintenance and operation, as well as expendable stores.
- (ii) Pay to and maintenance of military personnel.
- (iii) Pay to and maintenance of civilian personnel.

From the personnel figures available it appears that civilian personnel in the Defence Materiel Organisation (DMO) alone are about 14% of the military personnel in all three services. This disproportionately large number of civilian personnel, as against military personnel, results in a large portion of the Defence Budget being swallowed up by civilian personnel costs. This raises the question of who are all these civilian employees? By almost any industry standard, this disproportion would be labelled "feather-bedding". One could ask; "what do these people do all day?" Are they useful; are they neutral; are they obstructive? Can they justify the funds diverted from real military personnel and purposes?

## A.2 Appropriate Selection People

It has become obvious that the civilians in DMO have had too much input into the selection of equipment of all kinds. The fashionable management theory cant that places the inexpert, inexperienced and even unsympathetic, over the expert, experienced and personally involved end-user cannot be further justified by the results. There have been too many disastrous choices of equipment, which have acted against the best interests of the military users. These range from small in detail to major items. A selection of current examples of these are:

### (i) Army

- Synthetic fibre in the standard field clothing, which endanger the wearer with severe burns. Personnel are not even permitted to fight bushfires in this clothing. The boots on issue are of a lower standard than the GP Boot issued from the 1960's.
- Small arms presently on issue have perceived severe defects. These defects have been: safety; reliability, ability to penetrate even light foliage without deflection; overheating; etc. These perceptions affect efficiency and morale and should be investigated openly.
- The artillery is in disarray:  
The standard field gun, the Hamel gun, cannot be unlimbered unless it is: jacked up; a wheel removed; the barrel rotated; wheel replaced; gun lowered; gun mounted on baseplate. The most inefficient procedure in whole history of the Australian artillery. The gun has a low performance barrel and is provided with low performance ammunition, so that its range is the same as the 1930 vintage gun it replaced.  
The 155 mm Medium Gun is the worst choice of the three that were on the short list for selection. Its range is only 3/4 that of the best on the short list. The argument of cost is weak as the civilian selectors allowed only the purchase of about 13 guns. This cost saving was insisted on by the civilians of DMO who number approximately 7500 people!  
Other necessary guns, including anti-aircraft/anti-tank guns, which have many uses have been discarded in favour of guided rockets. Guided rockets are single purpose, expensive and of dubious reliability.

### (ii) Navy

- Synthetic fibre clothing issued to seamen. As far back as the Falklands War the British Navy found this type of clothing to be dangerous to the wearer.
- The latest ships are vulnerable, slow and poorly armed. The Anzac Frigate is a class of ship designed in Germany for third-world navies. The German Navy has none. A class of ship without defensive armour and a top speed of 27 knots is hardly a warship. Almost any modern freighter could carry the electronics and light armaments, move faster, be just as safe and be cheaper.

- The amphibious support ships Kanimbla and Manoora were another poorly planned acquisition. The rush to purchase overlooked the expensive modifications required to make them sea-worthy and to be suitable as helicopter carriers. The decision to block-off the forward landing doors now render them unsuitable for effective amphibious support. Second-hand container ships would have matched the performance of these ships.

(iii) Air Force

While air superiority is addressed by the FA18 the ground attack role has been neglected. Helicopters have too short a range and are vulnerable to ground fire. However the air force seems to have fared best out of the present acquisition policies.

A.3 Appropriate Selection Policies

- Military personnel are rotated through the DMO at too fast a rate. Thus the military end-user cannot follow any purchasing process from beginning to end. Thus, by default, the civilians are the only ones that know the full story and thus become the real decision makers.
- Following on the above is the question:  
"Why does any expenditure decision take so long in study and involve so many people?"  
Surely the needs of the user could be detailed fairly quickly, the options available need not take long to evaluate, and the choice made before obsolescence sets in. Industry does not use so much time and resources to make even very large decisions. The demonstrated results do not justify these policies.
- It is essential that most, if not all, military equipment and supplies be sourced locally. We do not have a navy of sufficient size and strength that could guarantee the obtaining of supplies from overseas in time of conflict. Political considerations may prevent foreign manufacturers from supplying during a conflict. This occurred during the Vietnam War. Current events reveal that conflict, if not war, can occur very quickly. This allows insufficient time to build an armaments industry from scratch. It is also noted that there is a perceived bias against Australian manufacturers and suppliers. Why is this so?

**B. FUTURE POLICIES**

There is a need for discussion and planning for a more viable structure for defence materiel acquisition and management for the ADF. This process should be more open and must be freed from the obfuscation of fashionable management jargon. The discussion must be widened so that a better use can be made of the expertise and experience that is in the whole community. If the policy is one of disarmament by stealth, then in a democratic country, such as Australia, the electorate must be apprised of this and allowed to judge for itself.

It is not known to the author what new policies are, or will be, proposed by DMO. There are strong rumours that there is a proposition being formulated that would effectively give all decision-making and materiel control to the civilian bureaucrats in the DMO. It is understood that this proposed would involve the civilian arm (the self-styled "4<sup>th</sup> Service") in:

- (i) Acquiring and owning all of the equipment of the ADF.
- (ii) Leasing the equipment to the military.
- (iii) Maintaining the equipment in service.

This would effectively give the civilian bureaucrats total control over:

- (a) What equipment is to be acquired.
- (b) What quantity of equipment.
- (c) Consequently the size and establishment of the ADF.

This policy would give full control to those whose current meddling has produced such scandalously poor results. It is a direct threat to the effectiveness and morale of the ADF. It attacks the very professionalism of the military personnel of the ADF and invites political interference and dissention into the ADF. No other profession would tolerate such unwarranted interference and dictation by the untrained, inexperienced and unsympathetic.

The civilian bureaucrats in DMO are already too many in number and growing; have too much influence in technical decisions and wish to capture all control. This must not only be resisted, but the present trend reversed.