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Name: Adam Raymond Edward Miatke

Submission: Privatisation and Outsourcing/Contracting Out have been staples of the Australian Defence Force (ADF) and Defence Industry for many years, much as they have been in other modern Western militaries. However this trend seems to be pushed more from a neo-liberal economic perspective rather than one of what is right for the military, necessarily limiting the abilities of the ADF.

Perhaps the best most recent example of this is the deployment of the ADF to East Timor in 1999. The 2002 report by the Australian National Audit Office (ANAO) found many problems with the ADF deployment including the rapid depletion of ADF logistics personnel in the preceding years due to factors such as Outsourcing, which had a negative impact on the ability of the ADF to deploy and be supplied. Indeed the ADF Force Structure plan mentioned in the ANAO report noted that 'only a cadre of specialist tradesmen was necessary, on the assumption that they would not deploy off-shore and would be augmented from within the civilian support base'. Essentially then the idea was that civilians would be able to do the job of the military forces, which would save money for Defence. However this ANAO report notes that there are big difficulties in this approach, including being able to access this civilian reserve when needed, high rates of pay for these civilians, lack of military training, and a general unwillingness to be exposed to conflict zone conditions. The civilians in question cannot be blamed for this - they never agreed to be a part of the ADF and therefore have never assumed the risk of being sent to hostile environments. This same ANAO report also questioned whether INTERFET would have been possible had the outsourcing program been further advanced.

Other examples of the negative consequences of outsourcing include a lack of a general ADF knowledge base, with much aircraft maintenance work on F-111's for example being handled by QANTAS engineers rather than specially-trained ADF technicians. Complaints have also surfaced by ADF personnel unhappy about restrictions placed upon them due to this program, in one example this related to the inability of an NCO in the Army being unable to utilise the mess to hold a training dinner, because the contractors were contractually prohibited from allowing access. This slows down training processes and in my belief will result in a loss of morale in the ADF as some see this as a minimisation of the uniformed role as simple back-up to civilian contractors. Utilising the QANTAS example, we can now examine the ability to control quality in ADF work. If maintenance was performed by ADF personnel, these individuals are employed and directly overseen by the Government giving a great amount of flexibility and control. On the other hand when maintenance on ADF fast-jets is being performed by a company that sends its own aircraft overseas to be maintained, and is developing quite a troubling reputation for reliability and safety domestically, one must wonder about the quality of work being performed on the ADF's fast-jets and why this maintenance cannot be performed by ADF personnel.

Furthermore if these programs were achieved by the ADF rather than contractors, it gives the ADF not only a faster reaction time for deployments and greater operational flexibility but also greater inter-operability with multi-national forces - so, for example, sending ADF technicians to assist in maintaining allied aircraft in a warzone if the Australian Government is unwilling or unable to deploy assets such as the aircraft themselves. This would allow the ADF's skills base to join specialists such as Air Traffic Controllers, Intelligence Officers and others in this role. Furthermore in the current economic climate of a booming mining industry taking skilled labour away from the ADF, outsourcing these skilled roles will exacerbate the trend, not arrest it. After all, why work for the ADF and put yourself at risk when you can be paid better at a private company, doing much the same work, with little to no risk? Outsourcing will only encourage the lack of skills in the ADF because the option is then open, rather than skilled personnel having to make the decision of working on military equipment and serving the nation, versus working in the mines. This very problem has already put three Collins-class SSK's out of service and must be

rectified. The Prime Ministers plan of an enlarged submarine fleet will never come to fruition if the ADF cannot even crew three boats.

Privatisation of former Government assets is further folly, and again seems driven simply by neo-liberal economic ideals. Government should always have some control over the Defence sector simply because it is so essential to the state, but also because of the ramifications of lacking this control. It has been claimed that the main reason the United States (US) failed to purchase the ADI/Thales Bushmaster is because ADI is owned by a French company. Considering that the US Congress re-named 'French Fries' to 'Freedom Fries' out of anti-French sentiment, this does not seem too far fetched. Private-Public Partnerships should most definitely be encouraged however, with results such as the HK416 rifle, a huge improvement over the M-4 Carbine, resulting in a partnership similar to the DSTO/Metal Storm 'Advanced Individual Combat Weapon' (AICW). Government involvement is important in these programs though, allowing the Defence Industry to be shaped to the needs of the ADF, rather than the reverse, or even the Australian defence industry being shaped to support the needs of foreign militaries.

I urge the Government to consider the issues of Privatisation and Outsourcing in the ADF and Defence Industry as a matter of military necessity, and to leave out economic ideals from this process, lest they damage the ability of the ADF to perform its primary warfighting and peacekeeping functions.

I agree to my submission being published on the Defence website

I agree to my submission being quoted in the Community Consultation Report