

Dissenting report by the Australian Greens

JSF: Too big, too failed

Only an alert and knowledgeable citizenry can compel the proper meshing of huge industrial and military machinery of defence with our peaceful methods and goals, so that security and liberty may prosper together.

President Dwight D. Eisenhower, Farewell Address, 17 January 1961

The F35 program 'is actually not on a path toward success, but instead on a path toward failing to deliver the full Block 3F capabilities for which the Department is paying almost \$400 billion.'

Michael Gilmore, US Defence Department's Director of Operational Testing August 2016

1.1 Defence procurement is often characterised by large numbers and opaque decision making. Even by these standards, Australia's planned acquisition of 72 F35A Joint Strike Fighters (JSFs) stands out for its cost and time overruns and lack of a fall-back plan. When even US testing authorities are uncertain whether the aircraft will be fit for service, the basis for the enthusiasm shown by Australian Defence officials documented in this report deserves greater scrutiny.

1.2 **The Greens cannot support the majority recommendations in this report:** it seems entirely likely that Australia will eventually be forced to follow Canada's lead, leave the JSF program and reassess its options rather than simply insisting that there is no plan B.

1.3 The report makes for compelling reading. In particular, Chapter 3 sets out the setbacks and challenges that have beset the JSF since its inception, bringing to light important new breakdowns and challenges in software integration and information security.

1.4 There are meant to be systems in place to prevent debacles such as this from occurring.

1.5 In an episode of ABC Radio National's Background Briefing aired in March 2016, retired Air Commodore Garry Bates explains how the objective procurement process to acquire new aircraft was railroaded:

Garry Bates: Well, at the end of 2001 we'd just reached the stage of putting out our requests for expressions of interest from the major aircraft manufacturers around the world. Those letters were signed off by me in I believe it was November.

Sarah Dingle: Seven expressions of interest in providing the next fighter jet for Australia came back, and they were locked away unread until the

submission period finished at the end of January 2002. Garry Bates had left the DMO one month before, but he says those expressions of interest were never analysed.

Garry Bates: There was no comparative analysis of the expressions of interest.

Sarah Dingle: How do you know there was no comparative analysis done of all those responses you received?

Garry Bates: Because I asked and I was told by some of my former colleagues that no, that did not occur.¹

1.6 In parallel to this tender process, the United States asked Australia to sign up to the System Development and Demonstration Phase of the JSF. The Department of Defence's Capability and Investment Committee considered this offer and recommended that Australia not join up to the JSF program.

1.7 But, despite a live expression of interest process, and despite an internal recommendation to the contrary, six months later Australia got in at the ground level with the JSF in 2002.

1.8 The JSF has since been plagued by a litany of serious problems. The uncovering of these problems, including by the United States' own Government Accountability Office, precipitated the Australian Greens moving for the JSF to be referred for inquiry.

1.9 These issues were covered at length during the course of this inquiry and are detailed in Chapter 3 of the Chair's report. There is a lot of conjecture about the seriousness and intransience of these problems, particularly given the highly technical nature of this issue and the secrecy surrounding the development of the aircraft. As such, the Chair's report rightly concludes that it 'cannot draw definitive conclusions' on the performance capability of the aircraft.

1.10 It is therefore baffling that the Chair's report goes on to state that it is "satisfied" that the JSF will suit Australia's needs. Given the operational capability of the aircraft remains unproven, it is simply impossible to reach this conclusion.

1.11 Inevitably, the problems facing the JSF program have led to delays and cost-overruns. Defence explains this away with the Orwellian term 're-baselining' as a substitute for the more cumbersome 'massive cost overruns, delays, fires, accidents and total loss of confidence.'

1.12 This underscores the fundamental problem with Australia's participation in the JSF Program. The JSF is 'too big to fail' and the Australian Government has steadfastly refused to entertain the idea that the aircraft may never be fit for service. Lockheed Martin profits from the moral hazard and the public will foot the bill.

1 ABC Radio National, 'Is the Joint Strike Fighter the right plane for Australia?', *Background Briefing*, <http://www.abc.net.au/radionational/programs/backgroundbriefing/2016-03-06/7224562#transcript>, accessed 12 October 2016.

1.13 The original target date for the first replacement plane to be operational was 2012. The expected date for the first operational JSF is now set for 2020. Australia has already acquired 12 new Boeing EA-18G Growlers to fill the capability gap. Recommendation 1 of the Chair's report acknowledges that Australia still faces a capability gap given the problems with the JSF. Within the paradigm of an obsequious culture, this recommendation is worth acknowledging for its implicit criticism of Defence and the JSF program.

1.14 However, the fundamental problem remains. Australia should follow the example set by the Canadian Government and make preparations to withdraw from the JSF and begin anew a rigorous and objective analysis of the best aircraft suited to Australia's needs.

Recommendation 1

1.15 The Australian Government cancel its contract to acquire the JSF and restart an open tender process to acquire new aircraft.

Senator Scott Ludlam

