

8 August 2010

RODUM Review Submissions
Secretariat
R1-GF-C044
Russell Offices
Department of Defence
CANBERRA ACT 2600



Dear Sir,

Thank you, on behalf of our member companies, for the opportunity to comment on the Reporting on Defects with ADF Personal Equipment and Combat Clothing Review.

As an introduction, the Australian Business Defence Industry Unit (ABDIU) is a national membership-based industry organisation, located in Canberra since 1998. With full-time staff focused on providing member services, the ABDIU ensures that the sector's views are represented to the Department of Defence and Federal Government. Our 200 member companies nationally, include all tiers of industry as well as Government Affiliate members.

The ABDIU would like to make the following comments for consideration:

1. Much of the impetus leading up to this review was the result of media attention on alleged concerns with the Report on Defective or Unsatisfactory Materiel (RODUM) regime, in particular citing concern amongst industry relating to the use and suitability of industry-sourced equipment and how these concerns were being addressed.
2. While the ABDIU cannot comment on aspects of the RODUM regime within the Department of Defence, it is our view that there are two sides to any RODUM input – one being the serving member/unit and one being the industry supplier. From the aspect of the industry supplier, it is often easy for serving members to identify the equipment supplier and, where they feel it necessary or beneficial, to provide comment to that supplier. By the nature of the Defence and industry relationship, suppliers regularly interact with serving members and units that they support and through this path, also receive significant feedback on materiel. In the personal equipment and combat clothing space where there are after-market relationships direct to individual serving members, this interaction can be greater than other areas of materiel procurement.
3. Therefore, it is our view that an improved or alternative materiel reporting system should also include mechanisms for formal industry reporting, in much the same way that serving members are able to report on materiel.
4. This would enable suppliers to constructively report user feedback, as a third and interested party, which may capture comment from serving members who otherwise might not use a formal reporting system. It may also capture, early in the process, supplier feedback and comment. Suppliers, particularly in the field of personal equipment and combat clothing, are often closely connected with their products and the end user by the very nature of the 'personal' aspect of this materiel. They are often former serving personnel or subject matter experts in their field, thus the early involvement of them in addressing materiel defects or potential improvements can aid Defence to source improvements or alternate products in a timely and

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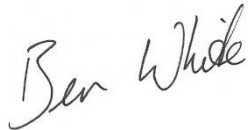
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cost-effective manner.

5. A final comment is that the current RODUM system, by its title, appears to focus on 'defects' rather than promoting a culture of continuous improvement that is common within industry. This may result in an adversarial relationship between various stakeholders whereas a commitment to continuous improvement by both Defence and the suppliers could provide confidence to the end user that their needs and comments are valued. Such a culture may need a greater use of industry in the developmental aspects of personal equipment as well as an ongoing Defence and industry engagement outside of the current purchase order/contracted relationships such as in product development and improvement. Industry, particularly some of the small to medium enterprises in the personal equipment and combat clothing space, have much innovation and experience (such as that gained supplying internationally where these companies can help Australia leverage from the experience of other users) to offer through greater engagement, established feedback loops and the use of industry in establishing a culture of continuous improvement.

Thank you for your time and I am available to expand on these comments either by telephone (0418372972), email (ben.white@australianbusiness.com.au) or in person due to our location in Canberra.

Yours faithfully,



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