

WORKING PAPER NO. 59

**REFORM OF THE DEFENCE
MANAGEMENT PARADIGM:
A FRESH VIEW**



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Reform of the Defence Management Paradigm

A Fresh View

Lieutenant Colonel Neil James

The acknowledged problems in the Department of Defence highlighted by its own new Secretary contrast starkly with recent ADF professionalism in East Timor and generally. However, there is a long history in Australia of inexperience at the politico-military interface translating into flawed higher defence management structures and deficient defence policies and strategies. Furthermore, the perennial debate over civil control of the military in Australia being bureaucratic rather than political, as it should be, has also generally obscured how such bureaucratic control has seriously hindered both effective ministerial supervision of the Department of Defence, and the evolution of a joint-Service approach to strategy, capability development and operations.

This paper summarises the historical background to this situation, discusses reform of the flawed philosophy, structures and institutional culture resulting, suggests the need for a whole-of-government approach, and briefly examines the prospects for real reform being achieved from within the department or being imposed from without. The paper proposes that the basis for Australian defence management and planning should be three complementary maxims. First, the absolute need for overall civil political control of the military (as opposed to Australia's long history of civilian bureaucratic control). Second, that within that overall political control, military professionals best manage military professional matters. Finally, a joint-Service approach is best achieved by synergising the complementary but distinct professional specialisations of the three single-Services — not by perpetuating or institutionalising the potential for rivalry.

They [the civilian bureaucrats] appear to assume ... that every senior military ... officer is a bone-headed warrior, a simple-minded and largely illiterate Blimp, but one in whose breast there beats the heart of a jack-booted dictator. Such instincts must be restrained by the civil bureaucracy who are of course shrewder, more intelligent, and (most importantly) longer lasting.

Professor T. B. Millar¹

INTRODUCTION

As the Secretary of the Department of Defence, Dr Allan Hawke, has publicly noted,² the higher management of Australia's defence is in trouble again. In many ways the problems involved have become progressively worse over the last generation.³ However, contrary to the reminiscences of some, there has never been a golden age of defence management, either before the 1974 reorganisation of the defence group of departments or in the more distant past. There is in fact a long history in Australia of inexperience at the politico-military interface translating into acceptance of flawed higher defence management structures and resulting in deficient defence policies and strategies.

Modern management principles require organisations to focus on their core business and their customers. An examination of current Department of Defence attitudes and practices leads to the conclusion that departmental core business is often simply regarded as the production of policy focused on the capital investment program, especially the replacement of weapon platforms. This is wrong and a danger to Australia's security. A more appropriate focus for the department is surely the efficient delivery of effective military strategies and capabilities in support of government requirements. This has generally not occurred over the past twenty-five years, culminating in the mid to late 1990s with much criticism of the Department of Defence's inability to deliver to government effective and relevant combat capability.

This paper discusses higher defence management in particular and defence planning in general using three complementary and well-accepted maxims. First, the absolute need for overall civil political control of the military (as opposed to civilian bureaucratic control). Second, that within that overall political control, military professionals best manage military

professional matters. Finally, a joint-Service approach is best achieved by synergising the complementary but distinct professional specialisations of the three single-Services⁴ — not by perpetuating or institutionalising the potential for rivalry.

Global Context

Debates on higher defence management are not arcane and should not just be concerned with peacetime administrative or fiscal efficiency. There are two significant twentieth-century examples of breakdowns in a democracy's politico-military interface leading to crushing military defeat. In Germany, prior to and during World War I, the parliamentarians conceded responsibility to the military.⁵ In the USA during the 1960s, the politicians and military conceded too much responsibility to civilian managerialists (the 'McNamara whizzkids'). This greatly contributed to the US defeat in Vietnam,⁶ and led to the flawed capability development processes and doctrinal confusion that bedevilled the USA in the 1970s and early 1980s.

The essential need in Australia's case is to enhance the politico-military interface and resolve the acknowledged problems with higher defence management — especially regarding the formulation of relevant strategic guidance and its translation into effective and relevant capability development — before we too suffer crushing military defeat or other strategic humiliation. Australian Defence Force (ADF) professionalism and fortuitous circumstances carried us through in East Timor; we might not be so fortunate the next time we have to exercise military power in our national interest. The 1997 Defence Efficiency Review (DER) recommendation — organised for war and adapted for peace⁷ — must be turned into reality.

Focus

The paper begins with a summary of key statements from the recent public debate on higher defence management, and then goes on to discuss:

- the historical background;
- the resulting flawed paradigms;
- reform of the Department of Defence's flawed structures;
- reform of the department's flawed institutional culture;

- the need for a whole-of-government approach;
- the prospects for real reform from within the department; and
- the prospects for effective reform being successfully imposed from without.

This paper is also written from an unashamedly enthusiastic joint-Service viewpoint. The paper assumes that continued full command of the ADF by the Chief of Defence Force (CDF) is an absolute criterion, and that further progress in joint-Service doctrine, structures, capability development and operations is essential. The paper is also based on the last twenty-five years of ADF experience clearly showing that joint-Service development is enhanced, not weakened, by the complementary but distinct specialist professional strengths that the Navy, Army and Air Force bring to the joint table. This basis is reflected in the paper's use of the term 'military' in the wider sense of an integrated joint-Service approach rather than any of the single-Service approaches of yesteryear.

For reasons of space this working paper cannot be definitive in every aspect or explore every nuance of the problems discussed. Some summarisation of historical detail and complex argument has also been necessary. In line with common practice, the term 'Defence Organisation' is used when referring to both the Australian Defence Force (ADF) and the Department of Defence. The term ADF is used to collectively refer to all three Services, even for the period before the term came into general or official use.

Indignation Health Warning

Some words of caution and explanation are appropriate at this juncture. This paper is certainly not intended to belittle or impugn the loyal and professional efforts of the many able public servants in the Department of Defence. Indeed, several civilian staff were among the many enthusiastic contributors to the paper.⁸ However, the paper addresses matters that many civilian public servants, and some military personnel, in the Defence Organisation profess to find too sensitive to discuss. In examining the roots of the department's acknowledged higher management problems, the paper questions the assumptions underlying civilian *management* of, but not necessarily *participation* in, several defence functions. The paper also discusses

options for root and branch reform to philosophical, structural and cultural paradigms with which a whole generation of civilian and military staff (and academic and press commentators) has grown comfortable. It may therefore cause initial discomfort among some readers.

The Latest Burst of Chaff on the Radar Screen

In the broader sense, most of the public debate on higher defence management, sparked off by the recent address by the new Secretary of the Department of Defence, Dr Allan Hawke,⁹ has missed the point. The debate has lacked a longer-term perspective, and has not been grounded in adequate knowledge of the constitutional and professional first principles involved.

Furthermore, the extensive press reporting of Dr Hawke's remarks as being 'criticism of Defence Chiefs' would be misunderstood by much of the general public. To the average Australian, this term is unfortunately equated only with admirals and generals, not civilian public servants or the mixed civilian-military diarchy of the Department of Defence itself.

There is obviously a stark contrast between the continued higher defence management inefficiency recently highlighted by Dr Hawke and, as East Timor shows, considerable ADF professionalism in the field and in the myriad supporting military units within Australia. Dr Hawke noted this professionalism in his address but his praise was not well reported.¹⁰ It is to be hoped that Admiral Chris Barrie's subsequent comment that 'departmental processes need to catch up to the ADF's operational performance in East Timor'¹¹ will address the considerable anguish felt throughout the ADF following press coverage of Dr Hawke's remarks.

Dr Hawke's somewhat ambiguous remark during his address that the 'role of the Service Chiefs must be clarified' also engendered some heat but not light into the debate on higher defence management problems.¹² Many military and civilian participants in the debate consider that re-empowering the Service Chiefs is a vital element in the departmental management rejuvenation required, and essential to the continued forging of a greater joint-Service approach through focused professional synergy.¹³ It is probable that Dr Hawke broadly shares this view.¹⁴

In a recent column, Paul Kelly, the International Editor of the *Australian* contributed an opinion piece on the current defence management debate.¹⁵ One of Mr Kelly's ambiguous comments in that article, that '... more civilian authority is required over the ADF in strategic decision-making', reinforces the need for all participants to understand the first principles underlying the defence debate. This comment would be valid if he were referring to increased governmental involvement. It would, however, be quite invalid if he were referring to further civilian bureaucratic control. The very ambiguity of his comment, and the confusion and frustration it generated, holds the key to grasping why higher defence management remains the quagmire that it is.

THE HISTORICAL BACKGROUND TO HIGHER DEFENCE MANAGEMENT IN AUSTRALIA

All such representation should be with the submission and acquiescence of the soldiers to the will of Parliament.

Oliver Cromwell¹⁶

To understand the present, and implement reforms for the future, we must first examine the past. For reasons of space, this section of the paper is confined to a summary of more detailed analysis.

The Seed of the Current Problems

Before federation, Australia relied almost totally on British Empire mechanisms for strategic guidance and force structuring. A measure of Australian strategic decision-making and force structuring occurred over the next decade. The creation of a national army in 1901 and a quasi-independent navy in 1911 generated comprehensive debate as to their purpose and control between the 'imperial defence' and 'home defence' camps.¹⁷

The World War I experience, especially Australia's wish to articulate a position at Versailles in 1919, introduced the Australian Government to a further measure of strategic decision-making. However, in the final analysis, Australia's continuing and ultimate strategic dependence on British seapower remained unchanged until 1941.

In the 1920s and 1930s Australian governments mismanaged the politico-military interface. Governments were generally ignorant of strategy,

insufficiently critical of British strategic decision-making, and obsessed with cost cutting; they were also cultural prisoners of the 'militia myth' — that all Australians are natural soldiers and no regular forces or full-time professional commanders were necessary. Unfortunately this combination of factors resulted in Australia placing its entire emphasis on a single defence strategy of questionable validity — the 'Singapore strategy', with virtually no attention paid to the need for strategic flexibility and versatility or to alternative or back-up strategies. In turn, the resulting force-structuring caused significant over-investment in warships rather than investment in a force balanced for the range of combat subsequently encountered in the Middle East and Greece during 1940–1941 in general, and in the Sea-Land-Air gap to Australia's north during 1941–1943 in particular.¹⁸ This faulty investment particularly hindered the development of aircraft and land force mechanisation and firepower throughout the inter-war period. The mismanagement of the politico-military interface also helped to hinder the development of any effective joint-Service command and control.

At the national level, the mismanagement of the politico-military interface resulted in an unhealthy reliance on the advice of civilian advisers,¹⁹ rather than the Government's principal military advisers, the Chiefs of Staff and the Army, Naval and Air Boards.²⁰ This bureaucratisation of the politico-military interface in Australia did not occur at all, or to anywhere the same degree, in comparable countries facing the same strategic crises. It resulted in large part from the influence, bureaucratic intrigues and personality of Sir Frederick Shedden, Permanent Head of the Defence Department from late 1937 to late 1956 and Secretary of the War Cabinet for all of World War II.²¹

The resultant disaster of the 'Singapore strategy' resulted in 18,067 dead, wounded and captured Australians.²² This disaster would probably have been avoided, or not have occurred to anywhere the same degree, had our governments listened to expert military advice from 1920 onwards, such as the Chauvel Report, which pointed out the numerous flaws in concentrating on one vulnerable defence strategy.²³ General Lavarack's term as CGS was not extended in 1939, largely because he had so accurately highlighted the disastrous flaws in our almost total reliance on the Singapore strategy and naval spending.²⁴ As late as 1938, the 'she'll be right' approach prevailed at the political and bureaucratic levels. Even then this attitude

changed only when there was a change in the British Government's attitude, not through any real perceptual change in the Australian bureaucracy or political class.²⁵

The Root of the Current Problems

The basis of the current defence management malaise took firm root during World War II. For most of the war, especially the critical parts, the Prime Minister and Minister for Defence,²⁶ John Curtin, was a man with no military experience, no real grasp of strategy²⁷ and no previous ministerial experience.²⁸ He was not alone in this regard in most wartime cabinets and all of Australia's five wartime prime ministers lacked military or strategic experience.²⁹ Curtin and his compatriots therefore relied unduly on the strategic advice of a foreign Supreme Commander (General Douglas MacArthur),³⁰ and a senior bureaucrat with no real military expertise (Shedden).³¹ This psychological, functional and moral dependence was largely caused by the overall lack of depth in Australia's political leadership in general, and Curtin's lifelong quasi-pacifism and battles with alcoholism and probable manic depression³² in particular.³³ Curtin himself admitted he was no democratic warlord in the Churchill or Roosevelt mould.³⁴

An unfortunate combination of more general factors, influences and government decisions also prevailed, ten of which stand out:

- The war-weariness that followed World War I, and the fear of future war, made governments reluctant to contemplate defence matters (especially to the extent they should have) in the inter-war period. The political class were therefore professionally and psychologically unprepared for the politico-military interface required for them to fight World War II efficiently.
- During the inter-war period, 'generals' were popular scapegoats for the high casualties of trench warfare. Governments were keen to support this convenient belief. The alternative was admitting, or otherwise confronting, the commensurate failings of governments in their responsibility for the strategies underlying such warfare.³⁵ Governments were thus more easily able to ignore or discount contrary strategic advice from military professionals. This

practice carried over into their conduct of World War II, especially the earlier years.

- Until 1941, there was virtually no history of Australian governments ever having to grapple seriously with problems of higher defence strategy (especially when they could not necessarily rely on British advice). The Defence Department was tiny and the Services quite small. There were virtually no strategic intelligence staffs. The Department of External (foreign) Affairs was not created until 1935.
- Australia lacked any form of the joint-Service, strategic-level military structure required to focus defence efforts and make professional decisions concerning priorities for the development of complementary or potentially competing Service-based capabilities. By default, bureaucratic intrigue and ego this role devolved to the Secretary of the Department of Defence. As Sir Frederick Shedden noted, somewhat disingenuously, in a Minute to Prime Minister Curtin:

It has been the traditional attitude of successive generations of Chiefs of Staff for them to fail to agree to any adjustments in the strength of the Forces where they result in reductions of the strength of their own particular Service. This is, of course, understandable. The differences can only be resolved by the Minister of Defence, after considering the advice of the Permanent Head of his Department.³⁶

The alternative solution of a joint-Service, strategic-level military structure to advise the minister was not recommended by Shedden. The absence of such a joint structure was a deficiency in degree rather than an absolute one, as even the UK and US structures were nascent at that time. However, even after the war and the joint-Service impetus the war created internationally, the Department of Defence actively discouraged such joint-Service developments. This is discussed further below.

- The country was seriously caught out by the Japanese thrust in 1941–42, when virtually all our strategic eggs were in the one basket. The subsequent battle for national survival in early 1942 diverted attention from adequate consideration of what structural and cultural

problems had locked Australia into such grossly inadequate force structuring and such a disastrous strategy. Some introspection did occur later in the war but it became politicised, as with the 'Brisbane Line' controversy,³⁷ and never sufficiently addressed the real issues.

- Australia was not skilled in maximising its position in coalition warfare. It tended to trust its major allies too much, did not demand enough consultation, and often failed to clarify or articulate its national interests, even to itself. (Many would claim that not much has changed today).
- The Australian Government had sidelined those professional military critics, such as Lavarack, that had foreseen the disasters of 1941–42 (often in some detail), and warned against whole-hearted persistence with a single, potentially deeply flawed, strategy.³⁸
- The Chiefs of the Royal Australian Navy (RAN) and Royal Australian Air Force (RAAF) were British for critical periods of the war and themselves recognised the potential for conflicts of interest in their provision of advice.³⁹ This was an issue that sometimes appeared to elude the government of the day.
- The Chief of the General Staff (CGS), Brudenell White, had been recalled from retirement in March 1940 but was then killed in a plane crash in August. In March 1942, the Government unfortunately (even if only in retrospect)⁴⁰ adopted a unique 'Commander in Chief' model for command of (only) the Army.⁴¹ This model of command, which effectively sidelined the CGS (Sturdee and later Northcott),⁴² reduced formal ministerial interaction with a broad range of senior Service officers and blurred the distinction between the strategic and operational levels of war. These problems were compounded by the appointment of the personally compromised Blamey to this office,⁴³ and this became a serious problem from mid 1944 onwards.⁴⁴ The underlying causes are beyond the scope of this paper. In summary, they largely arose from the persistence of the 'militia myth'; political inexperience with, and suspicion of, 'regular

officers'; and a refusal to face up to why the political class had ignored professional military advice throughout the 1920s and 1930s.

- Finally, when a Prime Minister's War Conference, superior to the War Cabinet, was organised in April 1942, Shedden and Macarthur were full members but, amazingly by any international standard or practice, Blamey and the RAN and RAAF Chiefs of Staff were excluded.⁴⁵ As Professor David Horner has noted:

Thus the whole structure of strategic decision-making was revised. Whereas previously, the Chiefs of Staff had been the government's principal advisers on strategy, they were now replaced by a foreign general. Furthermore, the Chiefs had previously been responsible for the operations in the defence of Australia. This responsibility now rested with Macarthur. It is true that Curtin was still able to receive advice from the Australian Chiefs of Staff, particularly Blamey, but the Prime Minister, supported by Shedden, looked to Macarthur as the main source of advice.⁴⁶

All these factors contrived to prevent wartime Australian governments and Australian politicians generally, unlike their allied counterparts, from effectively interacting with the military in the formulation of strategy and with the structuring and sustainment of forces to carry out such strategy. This institutionalised governmental inexperience with the politico-military interface, and an inappropriate higher defence management model and culture, has unfortunately resonated through the years to the current day.

Growth of the Current Problems

In terms of the current intention for the Defence Organisation to be 'organised for war and adapted for peace', it is well worthwhile noting the expert views of Field Marshal Lord Alanbrooke on the Australian situation. Alanbrooke was Chief of the Imperial General Staff, probably the greatest allied strategist of World War II, and by far the military practitioner most experienced in managing an appropriate politico-military interface in a Westminster system in difficult circumstances.⁴⁷ For most of World War II Alanbrooke had been Chairman of the British Chiefs of Staff Committee and principal British spokesman on the

Combined Chiefs of Staff (with the USA). More to the point he had been Churchill's principal military adviser and this proved an extremely challenging task, which exhausted both of them. It did, however, provide Alanbrooke with profound insights into how Westminster model democracies could and should manage the politico-military interface.⁴⁸

Alanbrooke strongly believed that some serious constitutional, professional and practical aberrations in the politico-military interface and higher defence management had developed in Australia during the 1930s, and especially during World War II. In April 1946, for example, Alanbrooke noted that the Australian COSC were completely, and most improperly, subservient to Shedden who had acquired too much power.⁴⁹ He was particularly horrified at Shedden's presumption and abuse of power and propriety in advising the government and answering international cables on clearly military matters without even consulting the Australian COSC.⁵⁰ Alanbrooke also lamented 'the puny restricted clerical outlook of Shedden and its detrimental effect'.⁵¹

By the end of World War II Shedden had effectively assumed a quasi-joint chief role. At first glance this could have been because he simply filled the vacuum resulting from no joint-Service, strategic level mechanism to focus and coordinate the three Services. The deeper reason is that Shedden believed such a mechanism was unnecessary because he thought himself fully capable of assuming such a role, no matter how constitutionally or professionally inappropriate.⁵² The extent of Shedden's power, ego and presumption should not be underestimated — nor the long-term damage caused to the politico-military interface and joint-Service evolution in Australia. As but one example of this almost untrammelled abuse of power and propriety, in October 1946 Admiral Sir Louis Hamilton, RN, on loan as the Australian Chief of Naval Staff 1945–48, wrote to a British colleague:

I have made a start with Shedden and hope that I shall be able to work him round into an ally. My method of approach is quite simple — simply to feed out of his hand.⁵³

Australia muddled through the late 1940s, 1950s and 1960s and the problems with the politico-military interface and higher defence management were not really addressed or resolved.⁵⁴ This was especially so regarding an increasingly destructive symbiosis between four trends:

- a slow deterioration in the quality and exercise of ministerial oversight (made worse by the defence group of departments remaining based in Melbourne until the early 1960s);⁵⁵
- excessive civilian bureaucratic control of many defence matters, particularly those falling well outside civilian bureaucratic expertise and well inside military professional matters;
- a joint-Service, strategic-level vacuum (with strong civilian bureaucratic opposition to a joint-Service, strategic-level structure);⁵⁶ and
- inter-Service competition for scant resources leading to perceived and actual professional rivalry.

The key point to this unhealthy, destructive and growing symbiosis was that the existence of the first and second trends, and the vacuum in the third, actually encouraged the fourth, especially through the departmental bureaucracy's conscious and subconscious 'divide and rule' philosophy in regard to the three Services.⁵⁷

By September 1955 Shedden was strongly criticised in parliament for becoming 'the virtual strategic chief of the Australian armed services' and for improperly using the Minister for Defence to impose Shedden's decisions on the Service Chiefs, even though Shedden was not the 'best adviser on matters of high strategic policy'.⁵⁸ In April 1956, a newspaper article by the respected Canberra-based political journalist, Alan Reid, commented:

That power—real power—is passing from the Parliament and the Ministers to the public service, or at least to those individuals within the public service who are having it thrust upon them by the inertia or ineptitude of firstly, ministers, and secondly parliamentarians. . . . But the Ministry (though some of its members privately confess that 'something should be done') never do anything about the defence set-up. They concede it is 'ludicrous' and leave it go at that. . . . It would appear that in the absence of any firm control, Sir Frederick Shedden has merely filled what would be a vacuum. But in filling that vacuum he has become a very real power.⁵⁹

The Morshead Committee of Inquiry into Defence reorganisation in 1957 did not lead to substantial change or reform to many of the existing improper practices.⁶⁰ This was largely because membership of the committee of inquiry was heavily rigged in favour of civilian bureaucratic managerialism.⁶¹ In particular,

and completely ignoring several well-argued proposals from Australian and allied military sources from at least 1950 onwards,⁶² the committee did not recommend any adequate joint-Service strategic-level structure to properly focus Australia's defence.⁶³ Furthermore, the Minister for Defence and the *Department of Defence* (effectively meaning the Secretary in everyday terms) were given complete authority in 'defence policy' and 'by authority, if persuasion fails, to secure the elimination of overlapping between the [defence group of] departments'.⁶⁴

This control over 'defence policy' (which can and has subsequently been interpreted broadly to cover almost anything) and over all interdepartmental matters, was a marked consolidation of civilian bureaucratic control. This is especially so as the terms 'defence policy' and 'defence strategy' are often misused interchangeably. These authorities are two of the three legs of the triad of responsibilities that form the legal and cultural bases of the Secretary's contemporary power in comparison with the CDF — even in the diarchy now pertaining.⁶⁵ The third leg is the Secretary's responsibilities under the Financial Management and Accountability Act.⁶⁶

However the civilian managerialists did not get all the further control they sought when the government implemented the report in March 1958. In particular, the Menzies government rejected the idea of amalgamating the Service departments and the Department of Defence. This was mainly because the government acknowledged that the world of 1958 was far more complex, and warfare much more technological, than the last time there had been a single department in 1939; and because the government considered such an amalgamation would reduce or dilute civil political control by ministers. The government noted:

further consideration has convinced us [the government] that the proposed scheme would not work if parliamentary control is to be preserved and administrative efficiency retained [and that] the task of overall defence political administration and responsibility is far too great for one Minister. We cannot go back to 1938.⁶⁷

Furthermore, against the wishes of the Secretary of the Department of Defence,⁶⁸ and probably in some acknowledgment of Shedden's excesses, the government created the position of Chairman of the COSC as an independent senior officer at the joint strategic level (but with virtually no staff and with no command authority over the ADF).⁶⁹ Australia finally

but tentatively *began* to catch up to the rest of the world in this regard. However, as a compromise to bureaucratic interests (and again uniquely by international standards), the advice of the COSC was still to be channelled through the Secretary of the Department of Defence or through the inter-departmental Defence Committee. The Chairman was accorded the right of approach to the minister or prime minister in some circumstances.

Prime Minister Menzies did note, however, the importance of limiting civilian bureaucratic (and political) influence in military professional matters and stated:

In addition to this, the Chiefs of Staff though they have much contact, have probably not been called upon sufficiently to meet as such without civilian intervention, for the expression of a purely professional view on purely military matters. They have as a rule formed members of larger committees in which important non-professional considerations, either political or financial, have also been taken into account.

It is of course right that when a government gives a decision, all factors, military and non-military, should be in its mind; but it is in our judgment, vital that the Chiefs of Staff should make their military appreciations and constantly bring them up to date independently of non-military considerations, so that when subsequent meetings occur, the military view may be clearly understood, though it may and will in practice have to give way in some particulars to considerations of political policy or finance.

We have, therefore, decided that the Chiefs of Staff will in future, in addition to sitting in the other committees, meet regularly for the formulation of purely military views. In such meetings they will have at call the defence scientific advisers and others whom they may need. This should in itself produce a greater integration of military judgment than has hitherto been obtained.⁷⁰

Higher defence management therefore remained an uneasy compromise between bureaucratic and political control throughout the 1960s; with joint-Service development still hamstrung by the absence of an adequate strategic-level military structure. The election of a Labor government in late 1972, following a very long period in opposition since 1949, (and through no real fault of the Labor Party) further exacerbated the flaws underlying the politico-military interface and higher defence management.

The very late 1960s and early 1970s had seen considerable political antipathy on defence issues, especially the policy of forward defence in general and

participation in the defence of South Vietnam in particular. The new Whitlam government was also not well-equipped with ministers or backbenchers possessing defence expertise,⁷¹ although this situation was much better than the previous Labor administration. The general political, social and strategic background also led to disharmony, especially as most Labor politicians did not appear to realise, or were not prepared to acknowledge, that the military were only implementing government policy in prosecuting the war in Vietnam. The growing political opposition to Australian participation in South Vietnam and the lack of governmental or Service experience of virtually all Labor politicians produced a situation that still rankles with most of the Service personnel involved.⁷² During this period there was much misdirected and virulent Labor criticism of the military rather than the government. This was coupled with what most servicemen regarded as despicable acts and omissions, such as a refusal to condemn Australian political extremists who collected money for organisations fighting Australian troops, and industrial action to prevent ammunition and supplies reaching ADF elements fighting in Vietnam.

A potent mix of governmental inexperience generally, and marked mutual distrust between the Labor Party and the military in particular, held sway. This mutual distrust was then combined with and magnified by two other important factors:

- the general ideological belief of the Labor Party at that time that an effective and 'humanist' foreign policy would eliminate or significantly reduce the need for future military action in the national interest; and
- the impatience of the Whitlam government after the Labor Party's long sojourn in opposition, coupled with some concern that they might not be in office long, and therefore a general inclination for swift action rather than pausing for more considered thought.

All these circumstances and imperatives were not ones that resulted in the new Whitlam government developing or exercising much, if any, scepticism of civilian bureaucratic power: both generally and in defence matters.

The stage was therefore set for the reorganisation of the defence group of departments along the lines that many civilian bureaucrats had especially sought since

the Menzies government rejected several findings of the Morshead Committee report in 1958. The ensuing reorganisation was based solely on a report by the then Secretary of the Department of Defence, Sir Arthur Tange.⁷³ Largely because of the report's singular provenance, comparatively narrow perspective and obvious subjectivity, the changes did not, and were not designed to, reform the basic problems that had bedevilled the Australian politico-military interface and higher defence management arrangements since the 1930s. In fact, they severely worsened them.

Despite many contemporary warnings, the 1974 changes nourished the already thriving roots of the current defence management malaise.⁷⁴ There were two other important and immediate problems with the 1974 changes. First, it was agreed, relatively unwillingly on the Services' part, that no review of the changes would be conducted for seven years. Second, Sir Arthur Tange continued to occupy the position of Secretary of the Department of Defence for five years after the reorganisation, and no real criticism or objective review was permitted.⁷⁵

The 1974 changes also introduced or exacerbated two large and long-term problems. First, the changes, whatever the intention might have been, tended to enshrine budgetary considerations as the prime force structure determinant,⁷⁶ rather than basing decisions on comprehensive strategic assessments and risk management. Second, the changes continued the trend of working against the evolution of further joint-Service development, at the strategic level and in general. Both aspects have resulted in many contemporary negative consequences.

While the defence management situation before 1974 had many interdepartmental or inter-Service coordination problems, in the final analysis these were mainly to do with an inadequate joint-Service, strategic-level military structure to draw the single-Service efforts together and plan and manage Australia's defence effectively. This inadequacy particularly exacerbated the 'cart before the horse' problem of finance driving capability rather than strategic need. The real and enduring tragedy of the 1974 reorganisation, however, was that it constituted a marked pendulum-swing from inadequate inter-Service (and inter-departmental) coordination to overcentralised but narrowly-experienced bureaucratic power. It was also a pendulum-swing that created a functional and cultural vacuum in the middle. Not only

did the 1974 changes fail to create or encourage the joint-Service, strategic-level military structure required to effectively focus defence efforts but, by effect and perhaps design, the changes actually blocked and delayed the natural evolution towards such a joint-Service structure and culture.

Tellingly, in every other comparable country the creation of a joint chiefs of staff and/or joint-Service, strategic-level headquarters *preceded* the unification of the defence group of departments or ministries. Only Australia combined the separate Defence, Navy, Army, Air and Supply Departments first (in 1974) and, *after a long delay*, created a joint-Service, strategic-level military headquarters (from 1984 to 1989).⁷⁷ This long period of a joint-Service structural vacuum was effectively used to entrench ponderous civilian bureaucratic power.⁷⁸ Despite the eventual creation of Headquarters Australian Defence Force (HQADF), and its subsequent evolution, this vacuum has had long-lasting and significant detrimental effects to the present day.

Since the end of the Tange reign we have had at least seven major official reviews of higher defence organisation and ADF command and control: Utz (1982), Cross (1984), Cross (1987), Baker (1988), Sanderson (1991), Baker (1995: ADF only) and the DER in 1997.⁷⁹ Several more official studies touched on such matters to varying degrees, for example, Dibb, Force Structure Review (FSR), Cooksey, Wrigley, Defence Regional Support Review (DRSR) and McIntosh. None has ever adequately tackled the fundamental problem or had its terms of reference based on the key principles outlined on page one.⁸⁰ The simple fact that it has been necessary to commission so many official reviews and studies, but still not achieve an effective result, is in itself indicative of the serious and fundamental problems created or magnified by the 1974 reorganisation.

Finally, many of the Tange-inspired initiatives also aped the application of civilian business management practices to defence and strategic management pioneered by US Defense Secretary Robert McNamara in the early 1960s. Ironically, the subsequent US defeat in the Vietnam War to which these practices greatly contributed occurred at the same time as the Tange reorganisation. Furthermore, while there is nothing wrong with a systems analysis approach in general it does require credible expertise, objective focus and suitably sceptical tasking and management. This

largely did not occur and caused considerable frustration among many Service officers, especially those with combat experience. As a retired senior ADF officer has noted:

To give some credibility to the bureaucracy highly qualified civilian academics were recruited. Few contributed other than acrimony to defence debates because they could offer only hypotheses, free from the taint of actual success in combat ... [Furthermore] [a]lthough DSTO was apparently neutral in the inter-Service struggles it naturally tended to support arguments for advanced technology equipment, particularly in areas where its scientists were working, or hoped to work.⁸¹

Summary of the Antecedents of the Current Problems

Key points to grasp at this stage of the discussion are:

- Australia's imperial and wartime experiences institutionalised a seriously limited politico-military interface, and a more bureaucratised and civilian controlled higher defence management machinery, than that found in virtually all comparable countries.
- In particular, this led to Australia being unique in its creation of a unified and powerful civilian defence bureaucracy well before the establishment of a counter balancing joint-Service, strategic-level headquarters.
- The 1974 amalgamation of the defence group of departments made sense in principle but because it was not objectively planned it was achieved only at a serious cost in ministerial oversight. The amalgamation significantly increased the responsibilities of the Minister of Defence but severely reduced the control the one minister could practically exert. Coupled with the complete absence of an adequate joint-Service, strategic-level headquarters, this marked diminution of civil political control resulted in even further domination of the Defence Organisation by civilian bureaucratic power and influence.
- Inter-Service rivalry in the past was a serious concern, however it was often exaggerated and was not just the Services' fault anyway. Australian governments (advised by the civil bureaucracy) were also greatly responsible. In particular, governments failed to institute the

effective joint-Service, strategic-level military structure needed to coordinate the three Services appropriately, and initiate and sustain an overall joint approach.

- Underlying the 1974 changes, and much of the argument underlying subsequent defence management fashions, is the claim that a strong civilian bureaucracy is required to knit the three Services together and override their somewhat single-minded, and too-often competing, approaches *some of the time*. The extent of inter-Service rivalry was, however, often exaggerated and its professional nature generally misunderstood.
- Ironically, this belief actually delayed, diverted and obstructed the evolution of the three single-Services towards the very joint-Service approach to strategy, operations and capability development that Tange and others professed to be seeking.
- Furthermore, to defend the Tange philosophy and its subsequent mutations, it is necessary to perpetuate the well outdated belief that the single-Services still cannot cooperate and ignore all evidence to the contrary. It is also necessary to perpetuate the claim that the Services are still allegedly locked into an early to mid twentieth-century timewarp. This in turn means ignoring clear evidence of the giant strides taken towards a joint-Service approach since 1984, following the decade-long joint-Service vacuum created by the 1974 changes. It also means ignoring or denying the great efforts needed to overcome the obstacles to 'jointery' set by the Tange model.
- The Secretary's responsibility for fiduciary matters is undisputed, but historical aberrations and trends in other matters continue to have detrimental effects. Despite the eventual creation and strengthening of the position of CDF in the 1984–2000 period, the long joint-Service, strategic-level vacuum from the 1940s to the 1980s resulted in the position of Secretary assuming and retaining responsibilities that limit an appropriate politico-military interface, inhibit civil political control (to varying extents) and intrude into military professional matters. In particular, the Secretary's responsibilities for

(elastically defined) 'defence policy' and interdepartmental liaison, have tended to result in structural, functional and cultural imbalances between the Secretary and the CDF rather than in a balanced diarchy. These imbalances have also often led to inadequate distinctions between mainly public service administrative and 'policy' matters on one hand, and military professional matters on the other. These inadequate distinctions, in turn, cause perpetual tensions between military and civilian staff in particular, and in many departmental processes in general. These matters are addressed at length below.

- Many, probably most, of the politicians, bureaucrats, academics and service personnel involved over the past two generations have known no other philosophical or experiential basis for the politico-military interface and higher defence management. They therefore do not, usually through no or little fault of their own, even recognise or understand the flawed concepts and structures underlying the current serious problems in higher defence management.

THE LEGACY OF THE FLAWED PARADIGMS

One of the chief differences between ourselves and the ancients lies not (unfortunately) in human nature, but rather in the proliferation of our skills, and our institutions, and therefore in the number of niches in which the incompetent can now install themselves as persons of consequence.

Charles Fair ⁸²

The Poverty of Debate

Both public and internal debates on defence issues in Australia are often pointless or unresolved. Furthermore, academic and pseudo-academic contributions are mostly confined to, or heavily influenced by, a relatively small group of professed civilian academic experts who are ex-defence bureaucrats and/or depend on the Department of Defence for consultancies, research access or future employment. The academic independence and objectivity of such comment is therefore often suspect. This is an intellectually unhealthy, and at times even intellectually incestuous, situation.

The poverty of defence debate is a direct product of, and is perpetuated by, the flawed paradigms that

Australia uses to manage higher defence matters. This problem does not occur to the same degree or in the same manner in any comparable country. This situation is especially so regarding debate on the formulation of defence (and wider national security) strategy and the development of combat capability to assist in executing such strategy.

The Ten Great Myths

It is important to recognise that no other comparable defence department (for example, British, Canadian, NZ and US) is configured as ours is. No other country has ever adopted the flawed structural and cultural paradigms of higher defence management we use. Our flawed paradigms are based on ten entrenched bureaucratic attitudes and beliefs that have assumed mythical proportions:

- The internationally well-accepted democratic principle of civil control of the military means, (uniquely) in the Australian context, civilian bureaucratic control not civil ministerial control.⁸³
- The size and complexity of the Department of Defence, and a history of often indifferent or inexperienced Ministers for Defence, means that the minister's perceived ability to 'interfere', must be 'constrained' by a variety of bureaucratic structural and process mechanisms.
- Inter-Service professional rivalry was always the fault of the Services and is still solely their fault. Such rivalry is not perpetuated and institutionalised by the structure and culture of the Department of Defence.
- The joint-structured and focused modern ADF is really no different in reality and outlook to the three relatively uncoordinated single-Services of the early to mid-twentieth century. Even in this day and age senior military officers in particular, and the three Services in general, cannot be trusted to co-operate without significant civilian bureaucratic supervision.
- Despite both Australian and overseas experiences demonstrating that a joint-Service approach is best achieved through focused synergy of the single-Service specialisations, any intellectual and professional competition

or debate between the Services is always bad (even when synergistic in means and joint and efficient in outcome).

- The Australian way of higher defence management is not unique.⁸⁴ Sir Arthur Tange did not have a narrow and anti joint-Service perspective and got it totally right in 1974. All we have to do is tinker a bit — just a little bit — more and everything will be perfect, forever.
- Any criticism of the basis and results of the 1974 reorganisation is simply an attempt to wind the clock back to the pre-1974 situation. *All* critics are just malcontents, anachronistic or naive.
- The Chiefs of the Navy, Army and Air Force command principal institutions of the state after a lifetime of service and the accrual of substantial professional expertise across a wide range of duties and responsibilities.⁸⁵ However, they are only the equivalent, and often nominally at that, of civilian deputy secretaries with much less experience, much narrower backgrounds and far fewer and more limited responsibilities.
- Civilian bureaucrats (and academics) *always* know *more* about *all* defence matters than the professional experts of the ADF do.
- Tension between the government's civilian and military advisers is creative or otherwise beneficial.⁸⁶

This last myth has been a longstanding point of contention and cause of disaster. Even the 1986 Dibb Report, written by a man many service personnel regard as the archetypical civilian bureaucrat, noted that:

too much energy is directed towards jurisdictional battles involving civilian and military central staffs and single-Service staffs. These conflicts are neither creative nor productive.⁸⁷

As well as the general problems arising from all the above historical circumstances and the resulting ten great myths, the flawed structural and cultural paradigms that have resulted ignore or discount two simple checks and balances used in comparable countries. These checks and balances are aimed at

melding a joint-Service approach, and forging a Defence organisation focused on developing and supporting effective armed forces:

- Empower the professional experts in the Services. They have a real sense of 'getting it right' because the bottom line is simply that their own lives and the lives of their comrades could be threatened if they do not. Civilian bureaucrats usually have a different set of priorities and a different work culture. This cultural difference underlies much of the tension between civilian public servants and military personnel in Australian Defence Headquarters (ADHQ). Tellingly, it is not at all common elsewhere in the department and the ADF (as the DER noted).⁸⁸
- Make the Service end-user of combat equipment an empowered customer. That is, one who controls or has an effective say in controlling the purse strings within a defined budget clearly derived from relevant strategic guidance. Service Chiefs, for example, would then be encouraged to spend their budgets very wisely and decisions as to the prioritising of capabilities would be significantly enhanced. During his recent visit to Australia the British Chief of Defence Procurement highlighted this empowerment as the UK's single greatest higher defence management reform of the last generation.⁸⁹

Recent Developments

The post-DER merger of HQADF and many of the central functions of the Department of Defence to create ADHQ, including its incorporation of the three Service headquarters as 'component headquarters' in early 1998, were part of the latest attempt to overcome the serious underlying problems (without really admitting their existence) and to reduce the ensuing tensions and jurisdictional obstacles. The merger has had some success, especially in improved consultation with (and between) the Service Chiefs, but it has also resulted in or perpetuated several serious problems:

- There is confusion between military command and control and departmental higher management mechanisms to the benefit of neither (even in a diarchy). In particular, the creation of the Defence Executive (by the DER and as a reaction to changed financial

management responsibilities) has caused confusion with the COSC and a marked diminution in the effectiveness (and perception) of the latter body.

- The military chain of command and staff responsibility from the CDF through ADHQ to the ADF has been compromised. Unsatisfactory and potentially dangerous compromises have also been made between tried and tested ADF operational staff procedures and departmental bureaucratic methods and processes.
- The diarchy (shared control and responsibility by the CDF and Secretary) has effectively been pushed down several levels, and the lines between military operational and other departmental functions have become even more blurred. In this structure of diffused responsibility it is also not possible to be certain that the constitutional, legislative and practical distinctions between the minister's general control of the Defence Organisation and the CDF's command of the ADF are preserved. The minister, or any civilian official representing the minister, has no legal or moral authority to give orders to a member of the ADF (but must do so through the CDF and the military chain of command). This is not just a legal nicety but an important concept underlying the principles of civil control of the military, and an apolitical military, in a Westminster system.
- The structure and culture is not 'organised for war and adapted for peace' as the DER intended. Unity of command is fast becoming a forgotten principle. When the East Timor crisis occurred in late 1999, several ad hoc working groups were established in ad hoc locations. There were numerous overlaps between divisions, functions and responsibilities, no clear idea of what were military professional responsibilities, and an even more blurred line between policy, strategy and operations. There was also no clear system or ability to reinforce understaffed functions with suitably experienced or qualified personnel. The strongly held philosophy espoused by a previous long-serving Secretary, Tony Ayers, that departmental officials must step back during wars and defence crises so as

to let the CDF command,⁹⁰ has been diminished or ignored (however unconsciously).

- The DER acknowledged the continuing need for the three Service headquarters⁹¹ but imposed an essentially arbitrary 100-person staff ceiling on them. The Service Chiefs and their staffs (who also have to lead and manage a complex Service) now struggle to keep up with the flow of policy and meetings emanating from the departmental central staffs (which largely have no other responsibilities). More importantly, there is clear evidence that senior officers within the Service headquarters are now overtaxed, in that there are too few of them to cope with all the policy, committee and working group processes involved. In the case of the Service Chiefs and their deputies, this is especially so when their onerous command responsibilities and duties for the rest of their Service are taken into account.
- In stark contrast, many of the central policy functions have seen significant growth in their staffs post-DER. This significant difference in relative staff capacity is accentuated by the unwillingness of many senior civilian staff to embrace the component structure introduced by the DER, and acknowledge the two-way consultation and support model now involved.⁹² In many cases there has even been an unwillingness to acknowledge the very existence of the component structure. This is borne out by major policy documents requiring consultation, agreement or participation across the whole of ADHQ still being written in virtual seclusion by small, often narrowly experienced or narrowly focused, civilian staffs rather than by integrated teams including representatives from the three Service headquarters. Related problems include: comment on drafts often being required at too short a notice (such as eighteen to forty-eight hours);⁹³ unrealistic restrictions on physical duplication and access being imposed; or the eventual circulation of such a draft for comment being so late in the document's development that major effort is then required to refocus and correct it. Furthermore, whatever the reality, the widespread perception in the Service headquarters and elsewhere is that this is a

common civilian bureaucratic tactic to minimise Service participation but preserve the illusion that the Services have been involved.⁹⁴

- Despite the changes proposed by the DER being supposedly logical and well-considered, the department has been in a state of considerable organisational and cultural flux ever since the report was implemented during mid to late 1997. The rate and degree of change has even been such that no comprehensive departmental telephone book has been produced since mid 1998 and even the computerised database directories are continually well out of date. The degree and rate of post-DER change surely indicates continuing structural flaws in the underlying philosophy and basis.
- Senior military officers are not having sufficient time, when posted in key central policy areas, to gain the situational and 'networking' experience needed to match that accrued by civilian subordinates and peers. Most military officers make up for this with their generally better and usually broader qualifications and experience. However, the comparative lack of such broader experience in many civilian staff is often hidden by their superficial but more noticeable situational knowledge, and by the corporate continuity they contribute through simple longevity.

All these problems are interwoven with the underlying, but usually unacknowledged, functional, professional, cultural and often personal tensions between the department's civilian and military staff. Over the last twenty-five years successive CDF and departmental secretaries have kept assuring everybody that such tensions are 'now well in the past'. The reality, however, is that they generally keep getting worse, or more sublimated, because in the lower echelons of the Defence Organisation the tension, in both directions, is inherent in the everyday detail. The sublimation mainly occurs through seven tendencies:

- First, is denial, where the problem is simply denied outright or described as an 'ancient' one that has been solved. Propagators of this belief invariably have great difficulty demonstrating when and how the problem was actually solved, and in explaining away its continuing metamorphoses.

- Second, is ‘groupthink’, where the pursuit of departmental consensus is elevated to an end in itself, or ‘not rocking the boat’ is carried to the extent of forgetting why we have the boat in the first place.
- Third, the operational, doctrinal and cultural processes involved with a joint-Service approach to ADF command, control, operations and training have often tended to divert the professional and intellectual energies of Service personnel. This was especially so during the 1989–1995 catch-up phase caused by the obstacles to effective ADF strategic command resulting from the 1974 changes. To an extent, this diversion has been conscious in that many Service personnel have deliberately applied their efforts to strategic-level, joint-Service reforms that they could achieve with minimal civilian bureaucratic interference.
- Fourth, is the tendency for military officers, consciously or subconsciously, to redirect their energies to professionalism at the tactical and operational levels, where it is much freer from direct civilian bureaucratic interference and they can still achieve progress.
- Fifth, is the tendency of some military officers to ‘go native’ and meekly accept civilian bureaucratic control. In some cases this is purely for selfish careerist purposes or because they are so used to such control that they have stopped consciously noticing. In other cases, it is due to a genuine (but usually mistaken) belief that a short-term benefit for the ADF will be achieved by a wider acquiescence. In still further cases, it is because they believe (usually in a triumph of hope over experience) that real reform of the system can be achieved from within.
- Sixth, is the increasing tendency to resignation, where hope of reforming the system has given way to despair after the litany of the last twenty-five years of failed ‘reforms’. This often stems from a perception that it is hopeless to continue advocating reform when so much merit in so much argument has been undermined or ignored because of so much bureaucratic and political inertia. In at least some cases there is

also an acknowledgment of the lack of experienced politicians that recognise the need for change, know what changes are really needed and have the political will to force real change.

- Finally, there is the informal suppression, exile or retirement of critics (both military and civilian). A variant of this tendency is to describe any critic as a malcontent, ‘not a team player’, or naive.

Key Points for Debate

As long as the underlying basis of departmental management — diarchic control of, and civilian bureaucratic intrusion into, military professional matters — goes undebated and unreformed, civilian–Service relationships will never get better and the department’s flawed strategic guidance and capability development mechanisms cannot be fixed. There is, in effect, a perpetual and institutionalised struggle for control of various processes, agendas and accesses. Both civilian and military staff have tended to take their eye away from the ball (combat capability based on robustly derived strategic guidance) and the goal posts (the best defence for the money available) as a result.

A measure of diarchy itself is not necessarily unworkable although no other comparable country has one or configures one like ours. If a diarchy is used, the two key questions involved are whether the diarchy should ever be pushed below the topmost level: that of Secretary and CDF; and what are the management and other functions requiring strictly professional military expertise, other expertise or a mix of both? With regard to this last question, four further issues or questions must be addressed:

- What is military professional expertise?
- The need to avoid the dangerous assumptions that either all or no functions require military professional expertise.
- Whether the numerous and confusing overlaps between primarily civilian management and support functions, and primarily military professional functions, increase or decrease ADF operational effectiveness and departmental administrative efficiency.

- The need to avoid compromising the Secretary's fiduciary responsibilities, but also the need to avoid the baseless notion that such responsibilities are incompatible with any structures and processes other than the current ones.

One of the key problems with the Department of Defence at present is an unwillingness to recognise the long history involved, acknowledge Australia's unique system of higher defence management; and entertain debate on issues such as the diarchy or civilian–military tensions generally. Too often the choice is made to avoid debate by simple repetition of the mantra that all such problems are in the past.

It could well be argued that, in an ideal world, the appropriate public-service role is 'best practice' business management and to fulfil only those defence management and wider defence functions, such as finance,⁹⁵ that professional military advisers cannot or should not assume. The military role is to provide military professional advice; command, control, strategic leadership; and the vision and warfighting expertise required for effective and strategically relevant capability development. This approach is based on a holistic model of Service professionalism and the concept of a through-career professional continuum.⁹⁶ As Wavell noted in his famous Lees-Knowles Lectures at Cambridge in 1939:

A knowledge of the mechanics of war, not [just] the principles of strategy, is what distinguishes a good leader from a bad one.⁹⁷

The department's new Secretary has described the Defence Department as requiring 'fundamental renewal', of having 'no coherent ongoing corporate performance assessment' and as possessing elements of a 'culture of learned helplessness'.⁹⁸ Any reform of higher defence management must surely include a fresh examination of these underlying tensions and demarcation disputes.

Some critics have argued that the Defence Organisation could be reorganised on a customer–supplier model (similar to the UK), where the ADF is the customer and the department the supplier (or contract manager). Other proposed (and related) models stem from the suggestion that some type of functional firewall between the strategic military headquarters and the department is required (similar to NZ and, to some

extent, the USA). The purpose of this paper is not necessarily to recommend any particular model for higher defence organisation. However, in an ideal world, all such models and any reform of the department need to be firmly based on the first principles outlined on page one, and a genuine willingness to entertain all reform proposals.

Unfortunately we do not appear to live in an ideal world. Even more unfortunately, we appear to have largely stopped striving for one in the general acceptance, however grudgingly, of the current underlying philosophical basis for configuring responsibilities within the Department of Defence. One of the principal reasons for this apparent failure is forgetfulness or conscious disregard of the first principles involved, such as the correct meaning of civil control of the military, letting military professionals manage military professional matters and achieving real 'jointness' through focused single-Service synergy.

This is borne out by one of the often-criticised key philosophical, structural and functional problems in the Department of Defence: the institutionalised civilian bureaucratic dominance of most of the key committees and processes in the department's often convoluted business-management mechanisms. There has been recent and long overdue reform in this regard, especially in the change to an advisory rather than an executive role for the key combat-capability development committee. However, the essential fallacy of civilian bureaucratic control is exemplified by the Defence Capability Committee (DCC), which is concerned with key decisions on warfighting capability, being comprised of three civilian members and only one military member, the Vice Chief of the Defence Force (VCDF), with the professional heads of all three Services formally excluded.⁹⁹ Although the Service Chiefs can attend by invitation, the perception of their professional exclusion is just as harmful as the reality in terms of civilian bureaucratic–military relations.

Recent reforms vested the VCDF with responsibility for 'determining policy direction to guide the development and management of current and future Defence capability'.¹⁰⁰ The previous civilian-dominated and insufficiently joint-Service process had resulted in controversial projects such as the Collins Class submarines, over-the-horizon-radar, and the many weapon platforms 'fitted for but not with' weapons and equipment that are then of limited or no utility in sudden crises. These are just a few examples

of the department's apparent longstanding inability to formulate effective strategic guidance and then efficiently deliver relevant combat capabilities in general, and without potentially endangering ADF lives in particular.

Furthermore, in the public mind (with its limited knowledge of defence procurement processes and responsibilities), seemingly disastrous defence procurement decisions are always attributed to apparently incompetent admirals, generals and air marshals. Many of the civilian staff involved appear to expend no energy in correcting this flawed perception, and some appear to even deliberately cultivate it when the press or politicians take an interest.

Civilian bureaucratic control of the capability development process, which can involve decisions on the literal lifeblood of ADF personnel, is surely insupportable on a range of moral, philosophical, professional and operational grounds. Even on financial grounds, the Secretary's role does not require or otherwise justify such control. There are far better mechanisms to satisfy both ADF operational effectiveness and the Secretary's fiduciary responsibilities. The UK model in particular has achieved both as well as cutting costs.

REFORMING THE FLAWED INSTITUTIONAL STRUCTURE

One requirement of military organisation is a clear subordination of the military services to duly constituted civilian authority. This control must be real, not merely on the surface.

Sir Robert Menzies (quoting President Eisenhower)¹⁰¹

Maximising the Value of Military Professional Expertise

Reform of the department's flawed structures must combine historical analysis, experience, common sense and lateral thinking. One important step is to reduce the number of higher management fora — and rationalise them on command and control, functional effectiveness and accountability grounds.¹⁰² For example, even in a diarchy, why is it necessary to have all the following:

- Defence Council (Ministers, CDF, Secretary and Service Chiefs) which rarely meets;

- COSC (CDF, VCDF and Service Chiefs, with a permanent invitation to the Secretary and invitations to the Under-Secretary, deputy secretaries and CDS when pertinent matters are to be discussed); and
- Defence Executive (CDF, Secretary, Under-Secretary, Service Chiefs, Commander Support Australia, CDS, Deputy Secretary–Strategy, and Deputy Secretary–Resources and Management)?

This is related to a key problem with the current structure, the belief by the Services (and many external observers) that the spectators have invaded the pitch. If you accept the commonly used business management analogy that the ADF is the customer and the Department of Defence the supplier, there are clear dangers and contradictions in the current arrangements and some confusion about who is actually deciding the orders: the customer or the supplier. The risk Australia now faces is that instead of supplying the product (capability) needed (by our strategic circumstances) the tendency, however unconsciously, is to only ask for what the customer thinks it can get rather than what the customer might need.

Some lateral thinking is called for, especially as the Defence Executive — a relatively new phenomenon — appears to often try to function as a quasi-COSC. More to the point, the COSC already considers many key defence issues and embodies the senior professional military experience in the country.¹⁰³ The COSC is also an important control mechanism in the CDF's full command of the ADF.¹⁰⁴ Why not, therefore, entrust the COSC with making or testing all the department's key specialist decisions on Australia's defence and warfighting capabilities, either collectively or through a subcommittee structure that might also effectively harness relevant civilian expertise?¹⁰⁵ The COSC could also have the final responsibility for providing collective advice on such matters to the CDF and minister (and Secretary in some circumstances).

Under the overall command and direction of the CDF, COSC members already have individual and collective moral and statutory responsibilities, both to their subordinates and to the country as a whole, to prepare their subordinates for potential combat as effectively as possible. Furthermore, they are entrusted with such responsibilities and exercise them in a way that no civilian bureaucrat is likewise entrusted or so does.

This stark contrast in individual moral and professional responsibility cuts to the heart of the debate about how to ensure accountability and transparency within the Department of Defence.

Led by the CDF, the COSC should also be the senior professional body that assesses strategic decision-making and force-structuring, and advises the minister accordingly. Again led by the CDF, it should be the collective professional expertise of COSC that is also ultimately responsible for advising the Secretary's Committee on National Security (SCNS)¹⁰⁶ on the defence aspects of wider national security issues.¹⁰⁷ This is especially so now the SCNS appears to have replaced *de facto* the previous statutory interdepartmental Defence Committee, which had a similar public service membership at Secretary level but also, quite properly, included the three Service Chiefs as well as the CDF.¹⁰⁸ The removal of the Service Chiefs from SCNS–Defence Committee level deliberations should be urgently and actively re-examined as their inclusion bolsters, not hinders, the overall command responsibilities of the CDF. Finally, once again led by the CDF, it should also be the collective professional expertise of COSC that, for purely strategic (rather than broader security) issues, is directly provided to the National Security Committee of Cabinet (NSCC).¹⁰⁹

Another highly workable option would be to give all or most of these roles to the Defence Council and this option is discussed in detail below. The simple fact that the role, responsibilities and importance of the Service Chiefs and the COSC have been so downgraded since 1974, especially since the creation of the Defence Executive,¹¹⁰ is one of the biggest indictments of the current structure (and culture). That this overall downgrading of the COSC in particular has occurred over the same period that 'jointery' (inter-Service integration and coordination) has increased markedly is particularly ironic and nothing short of astounding to outside observers.

Maximising Civil Political Control

The other key problem to be solved is how ministers should actually be involved. This is not the same as how ministers are nominally involved or how they are actually excluded or circumscribed by bureaucratic structures and processes. In some ways, the organisation of the Services before 1974 had better

mechanisms for formally involving their respective ministers through ministerial membership (and often chairmanship) of the Service Boards,¹¹¹ which were used as statutory collective bodies to manage each Service. Since 1974, most of these powers have been vested solely in the (one) Minister for Defence and exercised in a completely different way.

There have been numerous advantages arising from this change, especially as two ministers are now required to do the work that five undertook prior to 1974. It is also worth noting that even the Morshead committee recommended three ministers in 1958. However, one key disadvantage of the 1974 changes is that they have effectively removed the minister from sufficient day-to-day contact with the issues and with his principal military professional advisers. This lack of contact has resulted in numerous consultation, briefing, direction and cultural difficulties at many levels, and in how the minister relates to the department and the department to the minister. This lack of contact has also hindered the development of mutual confidence at the politico-military interface.

These difficulties have generally been exploited in the bureaucracy's favour (both unconsciously and ruthlessly) with the resultant model also working to minimise or neutralise ministerial control and departmental transparency and accountability. The 1999 dispute between the Minister for Defence and the previous Secretary of the department appeared to revolve primarily around their respective perspectives concerning the fundamental issues of transparency, accountability and ministerial exclusion.

The department's current model has tended to divert the departmental focus away from both the operational effectiveness of the ADF, and accountability and proactivity in regard to the minister. It could also be argued that the current model has unnecessarily complicated good working relationships between the minister on the one hand, and the Secretary and CDF on the other, and between the minister and the ADF generally. Furthermore, while most recent Secretaries and CDF appear to have co-operated well, this has generally required great personal effort on their parts rather than being eased by clearly delineated and mutually supporting responsibilities.¹¹² The current model has also often caused difficult relations between the minister's political and departmental staffs.

Whatever the reality, and with only one commonly-quoted but often qualified exception,¹¹³ the perception of most service personnel and public servants (with a good understanding of the situation) is that no Minister for Defence since the 1974 unification of the defence group of departments has been as effective as they should have been. At least some of these ministers have performed adequately in other portfolios. The underlying reason for such apparent low regard in the defence context is surely twofold:

- Under the current structure the sheer size, span and complexity of the department are beyond the effective comprehension and supervision of any one minister, even if ably supported by the minister assisting and the parliamentary secretary.
- The department is not organised to maximise ministerial ‘grip’.¹¹⁴ In fact it could well be argued that the department is organised (and culturally acclimatised) to minimise such ‘grip’.

The three essential points concerning ministerial ‘grip’ are:

- Whatever the competence or enthusiasm of individual Ministers for Defence (and their ministers assisting and parliamentary secretaries), the current configuration of the department is effectively too complex, too rigid, isolates the minister and prevents the minister from being as closely involved as he or she should be in order to grasp key issues and provide effective direction and supervision. The structures must be reformed in detail in order to involve ministers, allow them to understand key issues and exert effective ministerial oversight and real ‘grip’.
- Whatever the reality concerning sufficient ministerial oversight, the *perception* anyway is that most, perhaps all, ministers lack a grasp of the issues and detail required to provide direction and supervision. This perceived lack of understanding and commensurate grip is corrosive to morale in the ADF and the department, and to good government overall.
- The current structural and cultural paradigms do not encourage the department and the ADF to be proactive in their interaction with the minister. If the minister were more closely

engaged, and this engagement were transparent, there would be fundamental advantages for the minister, the department and the ADF. In particular, there would be much greater accountability, more mutual confidence in ministerial oversight (no more ‘if only the Tsar knew’ style learned helplessness), and a greater facility for the minister to grip the options available, and not available, to government.

Maximising Civil Political Control and Military Professional Expertise Together

A good solution for appropriate management of the politico-military interface exists in the Defence Council laid down in both the Defence Act¹¹⁵ and in similar overseas models of higher defence management. The post-1974 structure of the Department of Defence continued to include a *statutory* Defence Council,¹¹⁶ which was originally intended to be the senior defence decision-making forum below Cabinet level. In practice, where such decision-making does occur, it is actually carried out *de facto* by the SCNS. A more junior interdepartmental body, the Strategic Policy Coordination Group (SPCG), is used for more frequent consultation.¹¹⁷ The Defence Council is now mainly a titular body with far narrower terms of reference, restricted to matters referred to it by the Minister for Defence regarding the control and administration of the ADF.

The purpose and role of the Defence Council should be actively and closely re-examined. It may be that the increased level of governmental direction required, and the increased direct involvement by the minister in professional and policy discussions many consider necessary, could best be implemented by reinvigorating the Defence Council. There is a strong argument that the Council should be used to manage the Defence Organisation in a similar manner to the way the old Service Boards managed their Services before 1974. The minister would retain his post-1974 powers and responsibilities but would be better served, advised and involved in his exercise of them. The minister, department and ADF would also be better organised to speak with one voice, without any loss of transparency or weakening of formal or informal internal dispute-resolution mechanisms. In short, real ‘grip’ would be possible.

Another advantage of using the Defence Council in this way is that, compared to the COSC for example,

it allows appropriate and formal participation by the Secretary in order to meet his numerous and onerous fiduciary responsibilities. Financial accountability across the Defence Organisation would also be assisted by adopting the commercial accountability practice of having ‘independent directors’ from outside the Defence Organisation and the wider public service. Such independent directors on the Defence Council, perhaps two in number, would have to be carefully chosen on security grounds and to exclude potential commercial conflicts of interest with suppliers of goods and services to the department and the ADF. They would also have to be *genuine individuals of considerable commercial eminence and experience* rather than retired politicians, retired public servants or other potentially questionable appointments.¹¹⁸ Given the fundamental importance of defence issues at a national level, these independent directors should be appointed by the Governor General in Council rather than be just ministerial appointments. All these checks and balances should be carefully detailed in the Defence Act.

To prevent inappropriate bureaucratic control of defence from re-exerting itself, however, membership of the council should otherwise continue to be confined by statute (and functional logic) to the ministers, CDF, VCDF, Service Chiefs, Secretary and also the new Under-Secretary for Acquisition. The fiction that departmental deputy secretaries have equivalent legal, functional and moral status, as well as analogous responsibilities, to the Service Chiefs should be dismissed once and for all.

In using the Defence Council in this way, the COSC could handle those matters of lesser importance not requiring direct ministerial attention. In terms of senior management structure reforms below Defence Council and COSC level, a large part of the solution lies in again reforming the departmental hierarchy using the first principles on page one. Three important specific steps would be to:

- re-empower the Service Chiefs (perhaps along similar lines to the UK model) to allow them to command each Service effectively, under the command of the CDF and the general collective control and joint focus of COSC (and the Defence Council);
- allow senior military officers to manage all military professional matters; and

- limit senior civilian management roles to the functions, such as finance, that cannot or should not be done by professional military officers.

As an example of the first step, the current integrated personnel career management and combat capability development processes could be returned to the primary control of Service Chiefs. No loss of uniform standards and procedures across the Services or loss of joint service synergy need be involved. As the British example previously noted shows, such a return would not only increase operational effectiveness but would significantly increase transparency and accountability. The British experience is that there was the additional benefit of a reduction in procurement costs.¹¹⁹

As an example of the latter two steps, why is the senior civilian appointment of Deputy Secretary–Strategy really required when the *management* of defence strategy and its associated matters at this level is clearly more a function requiring military professional, rather than civilian generalist, expertise? The assumption that this is a public service function is especially difficult to comprehend as the military have a formal through-career focus on education and training in, and nurturing and employing, strategic skills.¹²⁰ Why is it just assumed in the department and elsewhere that the senior strategy appointment in the Defence Organisation is always a civilian position, especially as most overseas counterparts, where they even exist, are not? After all, is this not just a historical carry-over from the era in Australia when (unfortunately) international defence policy drove defence strategy rather than (appropriately) the other way round?¹²¹ Is it not also somewhat of a lingering psychological remnant of the general international situation in the early days of the Cold War, when there was a tendency to rely on civilian nuclear warfare strategists before military specialists could be educated and trained in sufficient numbers?

It appears to be merely assumed in the department and elsewhere that no military officer is ever professionally or intellectually equipped for senior strategy positions. This is despite their through-career professional development in the building-block operational and tactical-level skills (Wavell’s ‘mechanics of war’) necessary to understand strategy in its full context—the continuums of peace and conflict. Why, therefore, is it so easily assumed that a civilian generalist can fulfil such duties when most civilian incumbents do

not appear to have had any through-career system of education, training and experience directed to such an end? Even if a distinction is drawn between the formulation of military and wider national security strategies, the same questioning of the status quo assumptions apply. The flawed assumption seems to have grown from unchallenged practice and custom rather than principle or tested operation. Even Sir Arthur Tange has noted with regard to strategy that:

public service advisers obviously should not be the sole source of advice to the Minister on these matters and still less be the final point of decision.¹²²

Could it simply be that the main imperative to place a civilian official in charge of defence strategy is based merely on habit, an unwarranted lack of confidence or trust in the military, or a belief (true or untrue) that civilian incumbents may be more pliable politically or bureaucratically? Could it also be based on Sir Arthur Tange's well known but somewhat arrogant and at least highly questionable view that 'strategic guidance should not be expected from politicians but in practice bubbled up from below'?¹²³ Whatever the underlying reasons, or their possible applicability in the distant past, their continuing validity in the early twenty-first century must be challenged. This is particularly so when the joint-Service structure and focus of the modern ADF is acknowledged. After all it is an established principle at both federal and state level that, under general ministerial control, we let police commissioners run modern police forces and fire commissioners run modern fire services without political or civilian bureaucratic interference in operational matters.

Furthermore, although highly inappropriate, the position of Deputy Secretary-Strategy is in practice more powerful than that of the VCDF or the Service Chiefs although it is meant to be, at the very most, only equal in status, authority and function. The essential point is that, even if the civilian incumbent were able to possess the strategic skills of Mahan, the staff skills of Von Moltke and the bureaucratic skills of Richelieu, the current structure invests too much functional responsibility and power in the one person; largely by accidental mutation rather than design and without apparent support from robust professional and cultural structures and practices.

Would it not, for example, make better sense instead in this day and age to have two Vice Chiefs of the

Defence Force: one with responsibilities for strategy and operations, and the other with responsibility for capability development? As well as the considerable internal and external logic involved, such a reform would have ten very useful consequences. It would:

- remove at a stroke a major cause of civilian-military tension;
- implement the basic principle of military professionals handling military professional responsibilities and functions;
- enable a better institutional and practical capacity to provide transparent and accountable advice to the ministerial level;
- carry the evolution of truly joint-Service command, control, development and operations a major step further;
- better broker professional solutions to inter-Service professional differences;
- allow the COSC and Defence Council membership to include all principal military professional functions in ADHQ;
- better spread the load among the senior military leadership of the ADF;
- reinforce the principle of unity of command (even in a diarchy);
- reinforce a fully military chain of command and staff support from the CDF through the VCDF—S&O to the (military) Head of Strategic Command Division and beyond; and
- increase the opportunity for tri-Service professional breadth at the apex of the ADF.¹²⁴

Bold reforms of this nature are difficult to implement no matter how necessary they may be. For example, despite the 1997 DER questioning the need for the position now described as Deputy Secretary-Resources and Management,¹²⁵ that position actually became more entrenched and more influential in the subsequent organisational changes implemented.

Another recent prime example of frustrated progress is that one of the few real reforms resulting from the

1997 DER was the creation of the position of Head of Strategic Policy and Plans (HSPP) and the decision that the skills and responsibility required were that of a two-star military officer. The position was subsequently abolished in July 1999, ostensibly because it was unnecessary, and the four one-star equivalent subordinates then answered directly to the Deputy Secretary–Strategy.¹²⁶ Most military and civilian observers have not seen this as a workable alternative, either in theory or practice.¹²⁷ The recent resurrection of the position of HSPP (without apparent explanation) as a civilian official is a significant step backwards, in both fact and functional development. It is also a giant leap backwards in the way it has renewed considerable military resentment at civilian *management* of (but not participation in) yet another essentially military professional function.¹²⁸ A similar step backwards has occurred with the appointment of a civilian with no military or intelligence-specialist experience as Director of the Defence Intelligence Organisation (DIO). Previous reforms had resulted in this becoming a military position following much criticism of DIO's longstanding unresponsiveness in supporting the ADF. Australia now has one of the few major *defence* intelligence agencies in the world, possibly the only one, headed by a civilian official in this way.¹²⁹

This is not to say that some civilian officials cannot do some management jobs in such functional areas some of the time. Indeed, both the public servants recently appointed to the two positions described above are experienced departmental officials. However, both international practice and Australian experience demonstrate that senior strategy and intelligence management positions usually require the professional military skills of a senior Service officer to be done to the optimum benefit of the ADF, department and country as a whole. This is particularly so for the topmost management position in such functions.

The other question that needs to be seriously examined and answered is whether many functions in the Department of Defence only exist to satisfy the bureaucratic processes of other departmental functions, rather than have any intrinsic value? Are many functions actually required to satisfy the core business of the department, especially ensuring the combat effectiveness of the ADF? This is a complex issue beyond the scope of this paper, although one facet of this line of debate—the size and seniority of the senior

civilian bureaucracy relative to the ADF leadership—is briefly discussed in the next section. It is a topic that must be extensively and urgently debated.

Finally, reorganisation of the department using the principles outlined on page one should be buttressed by rationalisation of the number of operational-level headquarters in the ADF.¹³⁰ The integration of Headquarters Australian Theatre (HQAST), and the consequent full incorporation of its maritime, land and air component headquarters, would dovetail neatly with the suggested commensurate reforms at the joint strategic level outlined above. Similarly, the integration of National Support Division in ADHQ, and the Defence Acquisition Organisation (DAO), into Support Command – Australia (SC-A) should be examined.¹³¹ Any concern that specialist single-Service professional interests might not be taken into account by such moves would be allayed by the individual and collective re-empowerment of the Chiefs of Staff described above.

REFORMING THE FLAWED INSTITUTIONAL CULTURE

Service Officers ... may well feel that they are the only real professionals in the business. They are tempted to believe that the cards are stacked against them, and they are bound to lose most of the contests with the civilians, but they have no alternative to battling away to ensure that slick and ignorant politicians, or obtuse and ill-informed public servants, do not destroy too quickly the nation's vital defences for the sake of a few votes at the poll or promotion to the next public service grade in whatever government department provides the opportunity.

Professor T.B. Millar¹³²

Acknowledging the Problem

The Department of Defence's flawed structures and perverted institutional culture continually exacerbate each other. There is also a middle ground where departmental problems are part structural and part cultural but the degrees of each vary over time or circumstance, or are hard to identify specifically or consistently as one or the other.

Reforming the structure alone will not reform the department. The institutional culture is inimical to reform and requires commensurate action. First up is the need to acknowledge the problem, accept that debate is required and recognise such debate as legitimate. Second is acceptance of the need to acknowledge and reward not punish or traduce

constructive critics. A close third is the need to acknowledge the power of perception when discussing institutional culture.

Reforging the Ethic

It is not the intention of this paper to decry the practice of integrated military and civilian staffs in many defence management functions. Far from it. The Department of Defence has many highly motivated and highly competent public servants. Moreover, many of them recognise that the civilian bureaucracy's structural and cultural dominance of the military is fundamentally unsound and works against effective civilian–military teamwork.

There can be little doubt that integrated military–civilian staffs will work better once respective professional roles are properly delineated and respected, and the underlying causes of friction and tension are removed. The solutions to much of the department's institutional culture problems really lie in deciding what functions are best *managed* by senior military professionals, and what balance of military professional and generalist (and specialist) civilian skills are required to support such managers.

The department's mix of structural flaws and perverted culture underlies the fact that no Service Chief has become CDF since General Peter Gratton in early 1987. The current departmental structure places the Service Chiefs in an invidious position in that it requires them to be somewhat Service-centric in their approach. If they do not effectively represent the specialist professional skills and capabilities of their Service, the structure of the department lacks any other expertise to do so. Furthermore, the culture of the department is such that there is often no interest elsewhere in doing so — except for the holistic approach of COSC and this may involve some perceived conflicts of interest. Finally, a Service Chief's very success at representing his Service as its professional head is often apparently used to exclude him from contention for future appointment as CDF.

Perception Can Cause as Much Damage as Reality

This situation is buttressed by the perceived (if not totally actual) power of the civilian bureaucracy to block the promotion or appointment of those senior ADF officers it perceives as threatening. There is a widespread belief that this exclusion is achieved through the civilian bureaucrats' formal influence and

by whispering campaigns to ministers. In the case of appointments to CDF, the actual excuse often floated in departmental discussions is that Service Chiefs are too closely associated with their particular single-Service to function objectively in a joint environment, where they would have to make decisions based on comparing their parent Service's needs with the others. The same argument is advanced against more junior Service officers in the case of other positions. While a perceived inability to be sufficiently objective may have been partially true a generation ago,¹³³ it is difficult to credit this as a serious or insurmountable problem in the joint-focused modern ADF. Furthermore, such objectivity would be especially reinforced, and inter-Service professional synergy maximised, if the COSC (perhaps by subcommittee) were the body eventually responsible and accountable for strategic decision-making and ADF capability development.

There have also been occasions where it appears quite clear that competent senior officers have been blocked from succeeding to the appointment of Chief of Service because of civilian perceptions that they may be too effective at articulating their Service's professional needs or in resisting civilian bureaucratic power. It is also widely believed in the ADF that some Chiefs of the Defence Force have been appointed, on the recommendation of senior civilian bureaucrats, because the civilians believe (however erroneously in individual cases) that such officers will offer no determined resistance to civilian bureaucratic power. Even if totally unfounded, and strong opinions are held either way,¹³⁴ the fact that such perceptions are so strongly and widely held demonstrates the perverted institutional culture of the department, and the *general background of bureaucratic abuse of power that so readily nurtures such beliefs*.

Whatever the actual reality, and again strong opinions are held either way,¹³⁵ the perception is deeply entrenched that Service officers that are adept at recognising and resisting bureaucratic power are often sidelined by an effective bureaucratic veto on promotions and appointments to and above one-star rank, and to colonel-equivalent rank in joint positions; and that this veto continues to be used to muzzle or divert criticism.¹³⁶ Lower down the hierarchy, whispering campaigns alleging unsound views or a supposed inability to work with public servants have been mounted against colonel and lieutenant colonel-

equivalent military officers perceived as effective critics of the cultural and structural status quo.

The essential absurdity of this situation is demonstrated by the simple fact that an inability by civilian staff to work with military officers is not generally regarded as a handicap in important parts of the civilian bureaucracy. With grim irony it often appears that, in at least some parts of the civilian bureaucracy, such an inability is regarded as a virtue and grounds for rapid promotion. This skewed civilian perception is, however, much less frequent and tolerated than it was in the 1970s, 1980s and early 1990s.¹³⁷

No corresponding military veto applies to civilian bureaucratic promotions and appointments at any level and no perception exists that one does. Neither form of veto, however formal or informal, should ever apply. If such a civilian veto exists, a commensurate one should be given to the CDF, VCDF and the Service Chiefs. The real solution is to remove the underlying causes of civilian–military tension that entrench such suspicions and fears about improper vetoes. The solution would also require ministers to not seek the views of senior civilian staff, however informally, and for senior civilian staff to refuse to provide such views whenever asked.

A related problem is the difficulty ADF personnel often face when retiring from the ADF and applying for civilian positions in the department. Again their ADF qualifications and experience are often heavily discounted on the spurious grounds that it is not relevant, or that the retired officer could not be objective when examining a case proposed by their previous Service. Furthermore, despite the often strongly held civilian belief in the equivalency of their gradings to military rank, there is also often a civilian staff belief that retired ADF personnel should drop one or more grades in purported equivalency on transferring to the public service; and that such reductions should occur irrespective of the individual circumstances in particular and the skewed equivalent gradings (in favour of the public service) in general.

There are obviously many civilian positions in the department where an incumbent with prior military experience would be an advantage for the department and the ADF. Because of public service selection guidelines such military qualifications or experience cannot normally be a factor in selection criteria or recruitment processes. This is understandable to some

extent but puzzling to many retired Service personnel when civilians with no apparent experience for a position are selected ahead of them. Again, whatever the reality, the widespread perception exists that retired military personnel are often and arbitrarily discriminated against when applying for civilian positions in the Department of Defence.

Reforging the Cultural Dynamics

A related, and ever-increasing, cultural and structural problem in the Defence organisation is the relative inexperience or narrow experience of many senior and middle-level civilian staff, and the rate at which these inadequacies appear to be increasing. In comparison with the broad range and depth of professional experience required for the promotion of military officers, and the largely merit-based promotion system involved, the promotion and appointment process for middle and higher-level civilian bureaucrats appears severely wanting. This is especially a serious problem when contenders from both streams are considered for the same position or function.

Furthermore, the military's emphasis on professional qualifications for ADHQ appointments — such as career technical courses and graduation from demanding professional, tertiary-level institutions such as staff college and the Australian Defence College (ADC)¹³⁸ — is not matched, respected or even much acknowledged by the civilian bureaucracy. It is not regarded as important, and rarely essential, for a civilian official to be a staff college or ADC graduate in order to hold a position or undertake a function for which military incumbents would or do require such qualifications. It may be that the military is too inflexible in this regard for some positions, but it is certainly true that the civilian structure is usually much too flexible.

At the very least, the civilian component of the department should have to address relevant and commensurate professional training in its career development and recruitment procedures. Civilian attendance at both ADF staff colleges and ADC should be increased and encouraged in general; and made compulsory for management positions graded Executive Level 2 and higher in areas requiring a good understanding of military professional matters, such as strategy and capability development.¹³⁹ The career management of senior civilian staff should also allow them to attend such courses without having to risk not

having a job to return to on completion and being declared surplus.¹⁴⁰

This problem is compounded by the skewed focus and overall subjectivity of many civilian advanced training courses, where they exist. The year-long Graduate Development Program (GDP) for new civilian graduate recruits to the department is generally well-structured and managed. The problem is that later or higher level entrants miss the grounding the GDP provides, and there is also a general lack of good advanced training for civilian staff. Limited places for civilian staff are also available but are difficult to fill, especially with volunteers from Canberra-based policy staffs, who are generally not encouraged to attend. Unfortunately, the loosely equivalent public-service courses to staff college,¹⁴¹ such as the now largely discredited Defence Senior Management Course (DSMC),¹⁴² are much shorter, much shallower, have a significantly lesser intellectual and academic atmosphere, are generally not as morally, professionally and intellectually robust, and are not essential for promotion anyway.

The Service staff colleges and ADC generally provide an in-depth and objective overview of the department, and are addressed by a wide range of civilian officials and senior military officers from across the ADF. In contrast, civilian-run courses, such as the DSMC, have often provided highly selective and subjective overviews, and have deliberately limited addresses to the course to senior civilian officials and a very few senior Service officers in joint appointments only. Wider perspectives, including the roles and views of the single-Services, have not been provided. On the DSMC in particular, some senior civilian officials have also abused Chatham House rules and openly described senior military officers, both individually and collectively, in pejorative and highly offensive terms. The fact that so few civilian staff notice this significant subjectivity in their training courses, or are even prepared to acknowledge it when it is drawn to their attention, demonstrates the serious degree to which the perverted institutional culture has permeated the department.

It is now a frequent occurrence for well-qualified and experienced colonel, lieutenant colonel and major-equivalent Service officers to have to work for much less qualified, and far less (and more narrowly) experienced, civilians. Executive Level One, the purported civilian equivalent grade to lieutenant colonel-equivalent ADF officers, appears to be

regarded nowadays as almost the entry level for civilian policy (as opposed to administrative) staff. Cases of graduate recruits rising to this classification within only a few years are now common. It generally takes ADF officers about fifteen years of broad, varied and frequently arduous experience to reach lieutenant colonel-equivalent rank. This marked disparity causes justifiable resentment. When the inexperienced civilian supervisors of experienced military officers are also much younger, even more natural resentment at the civilian's seemingly much easier and faster promotion system is generated.

This problem is further compounded by several related difficulties:

- The arbitrary standard that equates civilian gradings to purported equivalent military rank also causes serious friction, especially when interpreted insensitively by civilian officials (and senior military officers). For example, most civilians classified Executive Level Two (effectively Senior Officers Grade B in the old terms) are clearly, in experience, competence and capacity terms, the broad equivalent to a mid-term lieutenant colonel-equivalent ADF officer rather than a colonel-equivalent, as is often claimed.¹⁴³
- ADF officers at major and lieutenant colonel-equivalent level are generally entrusted with significant responsibilities and duties when appointed to command sub-units and units, or as senior staff officers on tactical and operational-level military headquarters. When they then move into Canberra-based departmental positions they are frequently placed in positions where their experience is ignored or discounted, their talents not utilised effectively and their responsibilities significantly circumscribed. Coupled with this is often a marked contrast in working conditions, such as moving from an individual office in a unit to a workstation in an open plan area in Canberra.
- The operational need to post Service officers to a range of positions and functions at each rank is often not understood by many public servants, despite this being a hallmark of professional armed forces internationally. This lack of understanding is especially so for public servants who experience the inconvenience that

the military posting cycle occasionally causes but who are not able to see the longer-term benefits for the ADF and the Department of Defence as a whole. Some public servants even use the disparaging term ‘churn’ to describe military posting cycles. The solution lies in better educating all staff about the need for such posting cycles, and with three to four year postings for two-star ADF officers in departmental positions. The standard three-year posting should be sufficient for most other military staff.

- Civilian staff performing some Canberra-based functions can bring an advantage of consistency and continuity through longevity alone. However, the greater breadth and depth of experience gained by military staff, especially when posted outside Canberra and to operational ADF units, generally provides them with a greater perspective and more flexibility in both outlook and employment. This imbalance in experience and perspectives can cause tension both directly and indirectly.
- Many civilian staff have a quite different cultural focus, and one that is generally alien to, and largely incompatible with, the core warfighting focus of their military counterparts. Mutual incomprehension can lead to mutual antagonism.
- The differences between the military professional concept of staff officers and bureaucratic policy officer models also cause perpetual tension. In particular, the military’s wartime tested approach to ‘staffing a problem’ is a concept often not fully understood by Canberra-based public servants. Inappropriate application of civilian matrix management methods to operational or operational support functions can also cause considerable tension.
- Finally, while some ‘military bureaucrats’ undoubtedly exist there is a widespread perception among professional ADF officers that careerism and patronage fuel the civilian appointment process to an unacceptable degree, both professionally and morally.¹⁴⁴

The combination of all these problems has produced marked cynicism and a major morale problem in ADF officer ranks. This is reflected in the separation rates for Service officers at, or on, the threshold of the military ranks requiring significant interaction with the civilian bureaucracy in Canberra.¹⁴⁵

In theory, a range of middle and senior-level ADHQ appointments are open to both civilian officials and Service officers and are filled by the best person available. In practice, especially at the more senior levels, this usually appears to work only one way, with civilians replacing Service officers. The apparent exclusion or discouragement of retired Service officers from filling such positions reinforces this point as longevity, the most frequently quoted objection to Service personnel, is obviously not a problem in such cases. Some crossover is probably beneficial from time to time for some positions, but the long-term and broad solution lies in more clearly delineating which senior management positions require military professional skills on a permanent basis. This problem requires radical rethinking and an emphasis on operational needs and departmental effectiveness. In the two recent examples already discussed, the positions of Director of the Defence Intelligence Organisation and Head of Strategic Policy and Plans, these types of position are naturally regarded as appointments requiring professional military expertise in virtually all comparable countries.¹⁴⁶ Why then are such functions managed by public servants in Australia and why is even the questioning of such anomalies treated as strange or unjustified?

The common civilian arguments that Service officers are unsuitable for many positions for reasons of posting longevity¹⁴⁷ — or because many lack qualifications, intellectual depth, or tact — are specious. For example, if the supposedly limited tenure of a military officer is such a problem, what about the opposite one: the extended and harmful tenures of some of the less competent civilian officials? The general absurdity of common arguments from public servants against military officers serving in many positions is best demonstrated by the simple fact that the same criteria appear never to be applied to senior civilian officials. Even if such arguments, or the other commonly-quoted advantage of public servants — their supposedly greater networking experience — were true, any long-term solution obviously lies in broadening the management positions open to Service officers, not limiting them.

Recognising the Extent of the Cultural Problem

Finally, for those still in denial about the institutional-culture problems of the Department of Defence, or who doubt the general extent of apparently unrestrained civilian managerialism, some statistics may be

illuminating. They are also interesting for those who think the ADF is particularly ‘officer heavy’ by either world standards or in comparison to any public service organisation.

In the Department of Defence a First Assistant Secretary (FAS) is regarded as the civilian equivalent of an ADF officer of major general-equivalent rank. The department has around twenty-eight civilian officials of this Senior Executive Service (SES) grade or higher,¹⁴⁸ virtually all of them in Canberra.¹⁴⁹ Even given the complexity of defence management issues, and the ever-increasing bureaucratic assumption of many military professional functions, the number of senior officials appears unduly large for a total of 16,560 civilian staff, with much fewer of them in Canberra. The ratio approximates 1:591 across the department. This low ratio is especially so when the department is compared with the ADF, which is much larger, has a much more complex structure, more varied roles and broader and more complex responsibilities.

The 80,000-strong ADF has only thirty-nine officers of major general-equivalent rank and above,¹⁵⁰ including four reservists,¹⁵¹ and two seconded to temporary United Nations command appointments.¹⁵² This is a ratio of 1:2051 across the ADF with most of them also located outside Canberra. At the next levels down:¹⁵³

- there are sixty-one assistant secretary level civilian officials¹⁵⁴ (a ratio of 1:271 across the department) but only eighty-three full-time brigadier-equivalent ADF officers (a ratio of 1:602 across the full-time ADF), and mostly located outside Canberra;
- the department’s 1209 Executive Level Two (EL2) civilian officials (at a ratio of 1:13.7) is an overwhelmingly larger number than the ADF’s 275 full-time colonel-equivalent officers (at a ratio of 1:181); and
- the department’s 1989 Executive Level One (EL1) civilian officials (at a ratio of 1:8.3)¹⁵⁵ is a significantly larger number than the ADF’s 1034 full-time lieutenant colonel-equivalent officers (at a ratio of 1:48.4).

In both the latter two cases, the large numbers of EL1 and EL2 in Canberra-based positions¹⁵⁶ make the comparative ADHQ ratios significantly smaller, and this is addressed in more detail later.¹⁵⁷ These

comparisons illustrate the extent of the civilian bureaucratic structure and the extent of the civilian assumption of professional military responsibilities.

It should also be noted that, while the DER substantially cut the number of senior Service officers, the number of senior civilian officials appears to have increased significantly. In part, this has been driven by the civilianisation of traditionally military middle-management positions, ostensibly in an attempt to cut costs but perhaps, however unconsciously, also to reinforce civilian dominance. This cost cutting has too often been undertaken with no concern for overall ADF and departmental operational effectiveness, both collectively in the short term, and in individual career development contributing to the greater organisational good over the long term. Furthermore, middle-level Service officers may at first glance cost more than civilian officials in overall salary costs. However, it can easily be argued that, for many defence functions, Service personnel are almost always more effective, and in the longer term almost invariably cheaper, when their broader background, greater employment flexibility and more holistic career professional skills are included in the equation.

Finally, about forty-one per cent of the annual defence budget is spent on personnel costs.¹⁵⁸ This is often referred to or implied in public as the costs of only the ADF. However, just under one in every four dollars of this sum is the cost of maintaining the department’s 16,560 civilian staff.¹⁵⁹ Even if, for argument’s sake, we allow the ‘apples and pears’ claim that civilian staff are generally as broadly employable as their ADF opposite numbers, the figures are still revealing. The ever-increasing rank creep in the classification of many civilian positions and functions, and the seemingly ever-increasing numbers of senior civilian positions overall, make a mockery of the supposed high individual costs of service personnel relative to civilian staff. One in five civilian staff (3287 out of 16,560)¹⁶⁰ are classified as EL1 or above. In comparison, only one in thirty-four full-time ADF personnel are ranked lieutenant colonel-equivalent or above.¹⁶¹ Even then, this figure includes many holding command and staff positions in the ADF’s 30,000-strong part-time component. This increases the overall ADF ratio substantially.

The simple point appears to be that, even if a civilian costs less per head, it appears that civilianisation of

middle management does not save money because the actual number of middle managers increases, apparently inexorably. The reasons for such increases are as much cultural as structural.

The seriousness of the rank creep problem in the civilian bureaucracy is demonstrated by the following comparative figures. Even if we assume, for argument's sake, that an EL1 is approximately the same as a lieutenant colonel-equivalent ADF officer, the figure of 1989 EL1 out of 16,560 civilians (twelve per cent) is significantly greater than that of 1034 full-time lieutenant colonel equivalents in the full-time ADF (under 2.1 per cent). Furthermore, the ADF figures include the very large number of officers serving throughout the ADF (that is, outside Canberra-based departmental functions), whereas just over half the civilian figure (1014) is concentrated in Canberra.¹⁶² The ratio in Canberra-based departmental management functions is approximately four EL1 to one purported ADF equivalent.¹⁶³ There are effectively as many Canberra-based EL1 (1014) as there are full-time lieutenant colonel-equivalent military officers in the entire ADF (1034).

Based on these figures, and with regard to the comparative cultural approaches discussed above, some tentative conclusions can be drawn. It would clearly appear that the ADF, through organisational design, training and culture, generally has a more efficient approach to management than the Department of Defence. Furthermore, across the board, the experience levels and broader focus of the ADF generally mean fewer middle and senior level ADF officers than public servants are required to manage (or service) a particular function. As the above figures illustrate, when ADF management functions are civilianised, the actual number of civilian managers supposedly required appears inevitably to increase. The size of the department's civilian senior-management component and the apparent escalating rank-creep problem involved are symptomatic of the department's flawed institutional culture.

It therefore appears obvious that at least part of the solution to reforming the department's flawed institutional culture is to rationalise and streamline the department's civilian component. It is worth noting that significant DER-inspired cuts in senior-officer ranks were ruthlessly enforced on the ADF but apparently completely ignored with respect to the department's senior civilian staff.

A WHOLE-OF-GOVERNMENT APPROACH TO NATIONAL SECURITY

Diplomacy without arms is like an orchestra without instruments.

Frederick the Great

Finally, restructuring the Department of Defence is not enough. Australia's security has also suffered from the perception that defence is somehow separate from the overall national interest, and that professional military officers are peripheral to higher defence management matters. It is not the intention of this paper to argue the case for a new wider and holistic national security architecture *per se*, however, the growing exclusion of professional military advice from all levels of government has helped to prevent recognition of the need for such architectural changes.

External Symptoms of the Defence Management Malaise

Different and often conflicting lines of policy are independently developed in Defence and the Department of Foreign Affairs and Trade, and to some extent in the Department of the Prime Minister and Cabinet, the Treasury and even the Office of National Assessments. The Secretary's Committee on National Security (SCNS) appears to do a reasonable job of coordinating cross-agency policies and activities, but is not really designed or structured to do so to the extent actually required. The SCNS is certainly not structured, equipped or tasked to provide an effective politico-military interface.

The current structures and processes have resulted in compartmentalisation of authority in strategic decision-making, the diffusion or exclusion of professional military advice, and inexperience at the politico-military interface. The diffusion or exclusion of professional military representation has often taken place on the mistaken assumption that uniformed personnel are too close to the topic, or otherwise not qualified, to play a major role in shaping national strategic thinking. This diffusion and exclusion has in turn greatly contributed to a virtual policy vacuum with regard to national security in the broadest sense.

The relative inexperience at the politico-military interface is especially tragic as the current National Security Committee of Cabinet has taken the most interest in defence and national security matters seen for a generation.

An Integrated Cure

Until such time as Australia implements a whole-of-government approach to national security, and pays due heed to our highly professional uniformed experts, we are unlikely to lift ourselves out of this morass. Rather than subordinate the (military professional) specialists to the (mainly civilian) generalists in true ‘Yes Minister’ fashion, the military need to be given more of a voice. An appropriate politico-military interface is a vital component of any national security structure or mechanism.

The key problem with the current structures, where they exist, is that they do not effectively integrate ministerial control with expert professional advice. What Australia probably needs is a National Security Council to develop a coherent, multi-agency approach to national security, and have the clout to deliver it. The Council itself should be a small secretariat to the National Security Committee of Cabinet. The staff should be Service personnel, diplomats and other specialists, preferably on secondment only from their own departments and agencies, in order to avoid creating further compartmentalisation or another major bureaucratic stakeholder. A military officer should be the senior Department of Defence representative. Under such a structure, the requirement for the SCNS and SPCG would probably remain to some extent but not be as essential or frequent.

THE PROSPECTS FOR SUCCESSFUL DEFENCE REFORM

The easiest way to cross a chasm is with a single step

Proverb

Successful Defence Reform from Within?

Successful reform of the Department of Defence requires fundamental recognition and acknowledgment of the principles underlying an appropriate politico-military interface and higher defence management, fundamental structural reform and last, but not least, major changes to the department’s institutional culture.

On past experience the department appears largely incapable of reforming itself. Even the DER, which was externally driven to some extent, failed to recognise or overcome much of the bureaucratic inertia and cultural obstacles involved. Most of the department’s long-serving senior officials (both civilian

and often military) apparently see no need to go back to the first principles governing civil control of the military, and/or have grown up in the department’s incestuous and flawed institutional culture. Many of them actually appear not to recognise the scope and nature of the reforms required. In most cases they can hardly be blamed as the structural and cultural flaws are so longstanding that they know no other way of viewing and doing things.

A related difficulty is that many, perhaps most, of the department’s senior civilian officials, and the middle-level management they have groomed in their image, probably lack the internal and external credibility needed to achieve real reform.

Successful Defence Reform from Without?

If genuine reform does not occur from within it will be necessary to impose it from without. There are, however, serious risks involved with such externally imposed reform in the Australian context.

The US Defense Department had a measure of reform finally imposed from without through legislation (especially by the Gramm-Rudman Act). However, without commenting on the success or otherwise of such reforms, they were at least partly founded on sound knowledge by many legislators with military service experience supported by sound advice from retired military officers.

Unfortunately, for a variety of good and bad reasons, such a degree of external understanding does not apply in Australia. For example, only two out of 223 federal parliamentarians (Tim Fischer and Graham Edwards) are combat veterans, and only nineteen federal parliamentarians have peacetime defence-force experience.¹⁶⁴ More to the point, in thirteen of these cases this experience was only as reservists or national servicemen, generally a long time ago and/or in relatively junior ranks. None of the nineteen has held operational rank above squadron leader or served in even middle-level command or staff appointments.¹⁶⁵

This trend to less experience and understanding of defence matters among parliamentarians only reflects the wider Australian community. It is unlikely to ever improve to the standards experienced, and taken for granted by the defence community, in the 1945–70 period. The general decline in comparative defence spending over the last two generations simply reflects community complacency, and the decline in numbers

and influence of those Australians with personal experience of a direct military threat to their freedom and way of life.¹⁶⁶

There has also been a strand of resentment in Australian political history between those ‘who served’ (overseas in the world wars) and those ‘who did not serve’. This strand has had an enduring influence on how defence issues are managed politically. A contemporary variation is that many of the current crop of senior federal parliamentarians were of university age during the Vietnam War. Often, even if only subconsciously, they have views on defence issues influenced by their perception of that war rather than Australia’s contemporary strategic situation.

Another complication in the Australian case has been the often marked pendulum swings between bipartisanship and antipathy on defence issues. The antipathy, (such as that arising out of Australia’s Vietnam commitment) has had more profile; however, it has been the bipartisanship that has often had the more long-term insidious effects. For example, in the late 1980s the Coalition shadow spokesman for defence, Jim Carlton, was often heard to claim publicly that he could not lay a hand on the then Minister for Defence, Kim Beazley, because Carlton agreed with most of what Beazley was doing.¹⁶⁷ Such bipartisanship, particularly when seen as an end in itself, has at times resulted in insufficient opposition or parliamentary committee scrutiny of defence management, and a commensurate degree of governmental complacency in their supervision of the Department of Defence.

Another insidious effect of bipartisanship has been the often mindless pursuit of it in all defence matters, regardless of the degree of interest, morality, realism or relevance of individual policies or advocates. The simple overall truth is surely that if defence and strategic policy is developed from genuine and robustly derived strategic assessments, rather than being the result of perceived resource constraints or sectional influences, then genuine bipartisan and community support is likely and would be sustainable.

Furthermore, ministers in the Australian context are by nature nearly always generalists in any portfolio. It cannot be expected that they will come to the defence portfolio with a good background in defence or even general international matters.¹⁶⁸ The structure of the department must therefore support and assist control

by such generalists without infringing on their ministerial prerogatives. It does not do so at present. Furthermore, various internal bureaucratic influences and practices, and a range of external pressure groups, appear adept at exploiting such generalist ministers.

All these factors and influences have often resulted in Ministers for Defence effectively becoming the cultural prisoners of small groups of civilian advisers — a criticism often directed at Kim Beazley for example.¹⁶⁹ At other times, they have become prisoners of outside pressure groups, academic cliques or their own kitchen cabinets. In some cases all four types of cultural gaoler have succeeded. There is also a general political inclination to exploit defence equipment procurement for party-political advantage (porkbarrelling). The resulting lack of ministerial perspective, understanding and commensurate ‘grip’ has too often resulted in ministers making the bulk of their decisions based on the short-term party-political ramifications, or to appease sectional interests, rather than basing them on the long-term national interest — which is likely to be genuinely bipartisan.

Finally, any minister coming to a defence portfolio also suffers from the problem of great expectation. To many Service personnel (and indeed many civilian staff) in their frustration at what they perceive as longstanding civilian bureaucratic domination of military professional functions and responsibilities, each new minister provides hope. The hope is chiefly that he or she will be the ‘white knight’ who will cut the Gordian knot of higher defence management and reform the department. Consistent disappointment has not dampened such expectation, especially among middle and junior ranks.

When these factors and influences are combined with the Department of Defence’s somewhat chequered history of indifferent, inexperienced, overloaded or diffused ministerial supervision, it becomes obvious that the difficulties of reforming the department from without remain significant. They are not, however, insurmountable.

CONCLUSION

[H]ow deeply the phenomenon of folly is ingrained. Folly's appearance is independent of era or locality; it is timeless and universal, although the habits and beliefs of a particular time and place determine the form it takes. It is unrelated to type of regime: monarchy, oligarchy and democracy produce it equally. Nor is it peculiar to nation or class.

Barbara Tuchman¹⁷⁰

Achieving an Appropriate Politico-Military Interface

There is a long history in Australia of inexperience at the politico-military interface, translating into acceptance of flawed higher defence management structures. The higher management of Australia's defence was not a golden age before 1974, or in the more distant past, but it has certainly not been a golden age over the last twenty-five years.

The politico-military interface in Australia, the current configuration of the Department of Defence and relations between the military and the civilian bureaucracy are based on ten great myths. The most groundless, pervasive and destructive myth is that civil control of the military means civilian bureaucratic control, not civil political control.

As Australia's experiences over the past fifty years clearly show, civilian bureaucratic control of the defence force and most higher defence matters causes, not cures, inter-Service rivalry. Such control also, both consciously and unconsciously, tends to institutionalise, perpetuate and exaggerate inter-Service tensions in order to preserve itself as the self-appointed 'arbiter' allegedly needed.

Civilian bureaucratic control particularly works against the very development of a joint-Service approach to strategy, operations and capability development to which it purports to seek or ensure. This is especially ironical given the most common spurious defence mounted for such excessive civilian bureaucratic influence and control is that it is allegedly needed to 'ensure' inter-Service cooperation.

Effective civil political control of the defence forces requires firm and informed ministerial 'grip'. This in turn requires structural and cultural reform of the Department of Defence. This reform will be stoutly

resisted through ignorance of no other way of doing things than the current flawed processes and, in some cases, by bureaucratic calculation and individual careerist motivations.

Re-exerting Civil Political Control

The debate over civil control of the military has too often dwelled on the obvious detrimental effects of civilian bureaucratic domination of military professional functions. It has generally not given appropriate attention to how such civilian bureaucratic control has seriously hindered effective ministerial supervision of the Department of Defence overall. This is the greatest of the many tragedies involved and the prime cause of the current and acknowledged severe problems in higher defence management.

The structure of ministerial oversight needs to be re-examined as the size, span, complexity and culture of the department is defeating the intentions of even motivated and competent ministers. Two or more junior ministers may be part of the solution. Another part of the solution is to rationalise the provision of professional and informed advice to the minister and reduce the 'feudal barony effect' caused by the department's current structure. A good solution would be for the minister to use the Defence Council to formally and informally interact with the Defence Organisation.

Effective civil political control of the military, and an appropriate politico-military interface, require a clear delineation of respective responsibilities in the Defence Organisation. The Department of Defence should be restructured so that the military provide military professional advice, command, control, strategic leadership; and the vision and warfighting expertise required for effective, and strategically relevant, capability development. Public servants should provide 'best practice' business management and fulfil only those defence functions that the government's professional military advisers cannot or should not assume.

A National Security Council is required to assist Cabinet to direct a whole-of-government approach to national security. The council should be kept small and include professional military advisers. The senior Department of Defence representative should be a military officer.

Making the Defence Organisation Responsive and Accountable

However, further tinkering with the department's bureaucratic structures, processes and attitudes will not work. Root and branch reform is required.

Force-structuring and capability development should be driven by robustly assessed strategic need, not the Scylla of uncontextualised Service professional desires or civilian bureaucratic whim, or the Charybdis of the easily imposed (for political or bureaucratic reasons) financial constraint. Assessment of strategic need must be genuine and not captive to any particular political, Service, bureaucratic, industrial, financial or personal influence.

The Defence Council should be used as the board of directors for the Department of Defence and be responsible to the Minister for Defence (as the person responsible by statute) for all key management decisions and overall supervision. Use of the council in this way would significantly increase formal ministerial participation and oversight, enable detailed and transparent ministerial consultation, and substantially increase the department's capacity to be proactive in supporting the minister. It would also ensure the Secretary's numerous and onerous fiduciary functions and responsibilities are afforded appropriate prominence, and therefore improve transparency and accountability. To further assist in this regard, the Defence Council should include at least two 'independent directors', appointed by the Governor General in Council from among eminent leaders of commerce.

In any event the COSC, as the senior professional management organ subordinate to the Defence Council, should be the principal professional mechanism to direct and coordinate all significant strategic decision-making and capability development matters and processes within the Defence Organisation itself. The Defence Executive should be abolished and its responsibilities absorbed by the Defence Council and the COSC. The Defence Capability Committee should be a subcommittee of the COSC and continue to include civilian participation in order to provide appropriate financial expertise.

The COSC should also be the professional body responsible for directly advising the National Security Committee of Cabinet on all defence matters, unless the matter is one requiring the advice of the Defence

Council. If the Secretary's Committee on National Security (SCNS) has replaced the traditional inter-departmental Defence Committee the Service Chiefs should be reinstated as full members.¹⁷¹

If the diarchy is retained it should not be pushed below the level of CDF and Secretary; and both CDF and Secretary should equally share the responsibility for, and control of, Defence policy and inter-departmental matters.

Even in the joint-Service structured and focused modern ADF, the Services are and will necessarily remain major institutions of the state and should be managed and respected accordingly. The Service Chiefs should be re-empowered in function, practice and status so an overall joint-Service approach can harness the resultant professional synergy.

No derogation of the CDF's command prerogative or dilution of an overall joint approach would be lost by such re-empowerment. On the contrary, significantly improved inter-Service synergy and holistic ADF effectiveness are likely to result. No derogation of the Secretary's fiduciary responsibilities would be involved either. On the contrary, significantly greater accountability and transparency are likely results.

The Service end-users of combat capability should also be empowered customers, as in the UK model. Such re-empowerment would not affect the joint focus of the department's capability development and acquisition processes. It would, in fact, strengthen them — with probable lower costs.

Changing the Culture of Learned Helplessness

The structure and institutional culture of the Defence Organisation, especially the relationships between civilian and military staff, should be robust enough to handle personality clashes between senior individuals and culture clashes between ADF and public service viewpoints and attitudes. This has not been the case in the past and is not the case at present. The present structure often functions only through the goodwill, dedication and energy of individuals. A large part of the solution is to clearly delineate the respective responsibilities and tasks of military and civilian staff.

The institutional culture of the Department of Defence must be changed, not merely the structure. Such a change will probably require significant personnel changes at the top and in middle management. Too many civilians and Service officers in the current

structure have grown up within the department's hybrid and perverted culture, and appear unable to recognise the need for, or extent of, the reforms actually required. Too often, such personnel are part of the problem and not part of the solution. This said, however, many of the department's structural and cultural problems are of so longstanding a duration that many, probably most, current members of the Defence Organisation cannot be held personally at fault. Most have known no other way of viewing or doing things.

At least part of the solution to eradicating 'learned helplessness' (and solving gaps in accountability) is to align responsibilities closely with the moral, legal and professional imperatives of ADF command. The CDF, VCDF, Service Chiefs and their subordinates naturally have a direct professional interest in effective warfighting capabilities and the general interests, safety and survival of the men and women of the ADF. It is unethical and impractical to expect that these imperatives and interests will be held, especially to the same degree, by civilian staff.

Part of the solution to reforming the department's flawed institutional culture is the removal of any hint of formal and informal civilian bureaucratic influence from the promotion of Service officers. If this cannot be achieved, the CDF, VCDF and the Service Chiefs should be afforded a commensurate influence over the selection and promotion of senior public servants.

Another part of the solution is to rationalise and streamline the department's excessively large civilian component, in the same way the DER insisted on significant cuts in senior ADF officer numbers.

A Modern and Fresh View is Required

Many military and academic observers would contend that the Defence Department's higher management problems over the last twenty-five years can be directly traced to inflexible, and too-often arrogant, civilian bureaucratic control, especially of the strategy formulation and capability development processes. It is also often argued that the main impetus for the procurement of virtually all the costly and ultimately disastrous 'silver bullet' technological solutions over the last twenty-five years has been the narrow experience or views of sections of the civilian bureaucracy and/or outside pressure groups.

Some civilian bureaucrat and political observers on the other hand contend that the military are always

unrealistic and tend to misunderstand what combat capability the country can afford. All would probably agree that political pork barrelling, such as the decision to build submarines in economically depressed South Australia, has also played a prominent role. Wherever the ultimate responsibility for strategy formulation cul-de-sacs and capability development and procurement mistakes actually reside, Australia cannot continue to remain locked in to such a mutually antagonistic and backwards looking paradigm.

The real culprits are those who refuse to learn the lessons of such disasters, research their roots in history and reform the Defence Organisation accordingly.

One thing should be clear to all participants in the debate. The joint-focused, modern ADF is fundamentally different from the three relatively separate single Services of 1974 or the more distant past. The tired refrain that admirals, generals and air marshals 'only want the latest 'shiny toy' and therefore must be 'controlled' by civilian bureaucratic supervision has about as much applicability to the contemporary defence debate, and the modern ADF, as the theory of the divine right of kings. The continued circulation of this myth is, however, partly the fault of that minority of military officers who still conform to the outdated stereotype especially in their opposition to a truly joint-Service focused ADF employing truly joint combat capabilities.

Remembering Essential Truths

Under civil ministerial control we are generally comfortable to let police commissioners run modern police forces, and fire commissioners run modern fire services. We are, however, seemingly unable to recognise that professional soldiers, sailors and aviators are best placed to run and structure modern defence forces and advise governments on most defence matters. Without understanding Australian history, and especially the unique habits and practices underlying the current situation, we cannot hope to remedy this cultural, structural and political myopia.

This call for debate ends, as it started, with one key principle. Civil control of the military in a democracy is a political not a bureaucratic function. It is in the forgetting or obfuscation of that simple truth where most of the current problems with the politico-military interface, and consequently higher defence management, lie.

1 T. B. Millar, 'The Political—Military Relationship in Australia', in Desmond Ball (ed.), *Strategy & Defence: Australian Essays*, George Allen & Unwin, Sydney, 1982, p. 279.

2 Dr Allan Hawke, *What's the Matter: A Due Diligence Report* (An address to the Defence Watch Seminar at the National Press Club), 17 February 2000. An edited version of the address is at <http://www.defence.gov.au/media/2000/sec1.html>

3 The 1997 Defence Efficiency Review (DER) noted that: 'A pervasive view exists that the Defence Organisation is not functioning at its optimum level', *Future Directions for the Management of Australia's Defence: Report of the Defence Efficiency Review*, Commonwealth of Australia, 10 March 1997, p. E-1 (finding F6). Earlier official reviews made similar judgements and this is discussed in the paper.

4 True 'jointery' is not achieved by naïve unification or homogenisation of the three Services. Canada tried this in the late 1960s and 1970s and retreated from the attempt throughout the 1980s and 1990s to a position not dissimilar to the current ADF.

5 See for example, Barbara Tuchman, *The March of Folly: From Troy to Vietnam*, Abacus, London, 1985, pp. 29–34. There were, of course, many other contributing factors.

6 See for example, *Ibid.*, pp. 355–356, 359, 371, 374, 394 and 408.

7 *Future Directions for the Management of Australia's Defence*, *op. cit.*, p. E-2 (recommendation R1).

8 Several senior ADF officers, middle-level public servants and academics contributed to this paper. The author is very grateful for the advice and assistance given. For reasons that are discussed later in this paper most of these contributors unfortunately cannot be thanked, and therefore identified, by name. I would, however, particularly like to thank Mr Michael Hughes, my old company commander who, during a three-way discussion with Dr Graeme Cheeseman from the Australian Defence Force Academy, challenged me to write a paper on this topic.

9 Hawke, *op. cit.*

10 *Ibid.*

11 Admiral Chris Barrie, Address to the Australian Institute of Management, Tuesday, 22 February 2000. Reported in the *Canberra Times*, 23 February 2000, p. 3.

12 Hawke, *op. cit.*

13 This was a key finding of the Defence Efficiency Review, *Future Directions for the Management of Australia's Defence*, *op. cit.*, pp. 7-8, 10-11, 13 and E-1 (finding F8).

14 Hawke, *op. cit.*

15 Paul Kelly, 'All Quiet on the Spending Front', *Australian*, 23 February 2000, p. 15.

16 In a speech in the House of Commons following the stormy Council of the Army debates at the Church of St Mary the Virgin at Putney, 19 November 1647. See for example, Antonia Fraser, *Cromwell: Our Chief of Men*, Methuen, London, 1985, p. 224.

17 This debate continues today between the broadly defined 'defend Australia in the region and with the region' and the 'defend Australia only on the mainland' schools.

18 See, for example, the table of Defence Expenditure 1901–39 in T.B. Millar, *Australia's Defence*,

Melbourne University Press, Melbourne, 1965, p. 170. The over-investment in warships was relative rather than absolute in that naval funding was barely sufficient to sustain the navy during the period anyway. The essential fact is that the overall defence budget was clearly insufficient to develop or maintain all three services to the level required.

19 To some extent this was a legacy of British colonial practices before responsible government where the Governor was both a civilian and military official, and therefore was his own chief military adviser. Australia is not the only ex-British Empire country with this problem. It has been carried to absurd lengths in India, where there is no joint military staff and the Ministry of Defence is almost entirely run by civilian officials.

20 The Chiefs of Staff Committee (COSC) had its beginnings in the Defence Committee, founded at ministerial direction in May 1926, with its original members being the three Service Chiefs of Staff and the Financial Secretary of the Department of Defence. Its tasks were to advise the Minister on strategic matters and coordinate the three single-Service boards and the Munitions Supply Board. The COSC itself was formally constituted in September 1939. Paul Hasluck, *Australia in the War of 1939–1945*, Series 4, Volume I, *The Government and the People 1939–1941*, Australian War Memorial, Canberra, 1965, pp. 439–440.

21 This is discussed in the following footnotes. It is also addressed at length in the biography of Shedden by Professor David Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy*, Allen & Unwin, Sydney, 2000.

22 Lionel Wigmore, *Australia in the War of 1939–1945*, Series 1, Volume IV, *The Japanese Thrust*, Australian War Memorial, Canberra, 1957, p. 382. In regard to the fall of Singapore some observers have, somewhat cynically, noted that military disasters lead to the sacking of generals but the knighting of bureaucrats. Noted critics included General Sir Harry Chauvel (CGS 1923–30), Major General Sir Julius Bruce (CGS 1931–35), Major General (later Lieutenant General Sir) John Lavarack (CGS 1935–39), Colonel (later Lieutenant General) H.D. Wynter, Major (later Lieutenant General) H.C.H. Robertson, Air Vice Marshal (later Air Marshal Sir) Richard Williams and Group Captain (later Air Vice Marshal) S.J. Goble. Good accounts are provided in D.M. Horner, *High Command: Australia & Allied Strategy 1939–1945*, Australian War Memorial, Canberra, 1982, pp. 1–15; E.G. Keogh, *South West Pacific 1941–45*, Grayflower, Melbourne, pp. 33–55; and Hasluck, *op. cit.*, pp. 9–108.

24 See, for example, Brett Lodge, *Lavarack: Rival General*, Allen & Unwin, Sydney, 1998, pp. 37–81.

25 Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, pp. 13–15 and Hasluck, *op. cit.*, pp. 91–121.

26 In the preceding Fadden Ministry from 29 August to 7 October 1941 the Minister for Defence was the previous Prime Minister, R.G. Menzies. In the following Chifley Ministry from 13 July 1945 onwards J.A. Beasley was Minister for Defence. Hasluck, *op. cit.*, pp. 571–580.

27 D.M. Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, p. 437.

- 28 See, for example, David Day, *John Curtin: A Life*, Harper Collins, Sydney, 1999, pp. 375–376 and 398–399.
- 29 Menzies had served in a (militia) university regiment in his youth. Menzies, Fadden, Curtin, Forde and Chifley had all not served in World War I or in the militia between the wars. See Graham Fricke, *Profiles in Power: The Prime Ministers of Australia*, Houghton Mifflin, Melbourne, 1990. The Curtin and Chifley ministries were particularly bereft of members with military or strategic experience.
- 30 The Curtin Government was often strongly criticised for its reliance on bureaucratic advisers generally. Many also believe that Curtin’s reliance on Macarthur infringed Australian sovereignty and prevented or retarded an appropriate level of Australian control over strategic decision-making. See, for example, David Horner, *Inside the War Cabinet: Directing Australia’s War Effort 1939–45*, Allen & Unwin, Sydney, 1996, pp. 109–118; D.M. Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, p. 223; and David Day, *op. cit.*, pp. 548 and 581.
- 31 Shedden’s only military service was six months with the 1st AIF as a lieutenant in the Pay Corps. Although he attended the Imperial Defence College (with Lavarack) in 1928, he apparently lacked an appropriate basis of expertise to sustain critical judgement, and fell under the sway of Admiral Sir Herbert Richmond, Sir Maurice Hankey and other advocates of the ‘Singapore Strategy’. Shedden therefore tended to lack an effective appreciation of strategy and warfare in their wider contexts. See for example, D.M. Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, pp. 6–8, 17, 20–23, 142, 149, 187–192, 196, 249–251, 257, 265–267, 322, 432 and 437.
- 32 Believed to have been Bipolar Disorder, David Day, *op. cit.*, p. 123.
- 33 *Ibid.*, pp. 123, 145, 180, 184, 221–222, 302–303, 306–321, 331–333, 348, 365–366, 396–398, 456–458, 468, 479–480, and 565.
- 34 In a letter to a friend dated 19 September 1944, quoted in David Day, *op. cit.*, p. 552.
- 35 Clemenceau’s aphorism that ‘war is too important to be left to the generals’ must always be balanced with the cautionary rider that it is also too important to be left to the politicians. An appropriate politico-military interface is always essential.
- 36 Minute from Shedden to Curtin dated 23 March 1944, quoted in James Goldrick, ‘Carriers for the Commonwealth’, in T.R. Frame et al (ed.), *Reflections on the RAN*, Kangaroo Press, Sydney, 1991, p. 223.
- 37 Good accounts are provided in: Ivan Chapman, *Ivan G. Mackay: Citizen and Soldier*, Melway, Melbourne, 1975, pp. 283–290; D.M. Horner, ‘Lieutenant-General Sir Vernon Sturdee: The Chief of the General Staff as Commander’ in D.M. Horner (ed.), *The Commanders: Australian Military Leadership in the Twentieth Century*, George Allen & Unwin, Sydney, 1984, pp. 154–155; David Day, *op. cit.*, pp. 503–505; and Paul Hasluck, *Australia in the War of 1939–1945*, Series 4, Volume II, *The Government and the People 1942–1945*, Australian War Memorial, Canberra, 1970, pp. 711–717.
- 38 Lodge, *Lavarack: Rival General*, *op. cit.*, pp. 37–81.
- 39 The Chiefs of Naval Staff were Royal Navy officers for the entire war. The Chief of the Air Staff was a Royal Air Force officer from January 1940 to May 1942.
- 40 Most politicians, senior military officers and civilian bureaucrats were in favour at the time but often for different reasons.
- 41 The model was different in important respects to the British model where the Commander-in-Chief Home Forces was still subordinate to the Chief of the Imperial General Staff (CIGS).
- 42 The position of CGS was retained but subordinated to the position of Commander-in-Chief until after the end of the war. The Military Board was reconstituted in November 1945, against Blamey’s recommendation, in tacit recognition that the use of a Commander-in-Chief had probably not been the most appropriate means to direct a large part of Australia’s war effort. The whole tragedy is a classic example of not developing robust structures and processes that can easily transition from peace to war and war to peace. While the post-1984 position of CDF now provides for unified command of the ADF and, more importantly, appropriate military professional advice to Government, there are still many contemporary lessons for the organisation of the Department of Defence. The 1997 Defence Efficiency Review recommendation ‘organised for war and adapted for peace’ needs to become a reality.
- 43 See, for example, David Horner, *Blamey: The Commander-In-Chief*, Allen & Unwin, Sydney, 1998, pp. 75–103 and 289–509. Curtin and Shedden’s views are especially covered in pp. 448–449, 453–454 and 459.
- 44 *Ibid.*, pp. 459, 487–509 and 516–538.
- 45 Horner, *Inside the War Cabinet*, *op. cit.*, pp. 114–116; and Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, p. 196.
- 46 *Ibid.*, p. 116. Horner also records that the formation and activities of the conference are little known due to the bureaucratic machinations of Shedden; and notes, ‘The official history refers to some of the discussions between Curtin and Macarthur but remarkably makes no mention of the formation of the Prime Minister’s War Conference’.
- 47 Macarthur for example, considered Alanbrooke as ‘undoubtedly the greatest soldier that England has produced since Wellington’. The US Chiefs of Staff, and King in particular, had a profound respect for him. David Fraser, *Alanbrooke*, Harper Collins, London, 1982, pp. 497–511.
- 48 *Ibid.*, pp. 144, 172–173, 183–189, 229–236, 288–295, 358–364, 382–393, 413–417, 447–449 and 497–507.
- 49 D.M. Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, p. 432. Fraser, *Alanbrooke*, *op. cit.*, pp. 479–480. Alanbrooke also sensed a lack of realism in Australian cabinet ministers, Fraser, *loc. cit.*
- 50 Fraser, *loc. cit.*
- 51 Horner, *High Command: Australia & Allied Strategy 1939–1945*, *op. cit.*, p. 432.
- 52 Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy*, *op. cit.*, pp. 328–334.
- 53 Letter from Admiral Sir Louis Hamilton to Captain J.B. Foley dated 24 October 1946, quoted in Goldrick, *op. cit.*, p. 231.

- ⁵⁴ See, for example, David Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy*, *op. cit.*, pp. 236–339; and Harry Rayner, *Scherger: A Biography of Air Chief Marshal Sir Frederick Scherger, KBE, CB, DSO, AFC*, Australian War Memorial, Canberra, 1984, pp. 119–133, 144–146, 169–176. Scherger was Chairman of the COSC May 1961–May 1966.
- ⁵⁵ This would have been worse except that each Service having its own minister tended to delay the trend and ameliorate many of its worst manifestations. See, for example, Rayner, *op. cit.*, pp. 118–122 and 144–148.
- ⁵⁶ See in particular Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy*, *op. cit.*, pp. 328–334.
- ⁵⁷ A good general background to the tensions is given in Rayner, *op. cit.*, pp. 97–98, 118–125, 129, 132, 162–163 and 167–176.
- ⁵⁸ In a cogent speech by the respected William Charles Wentworth, a prominent but occasionally maverick government backbencher, *Commonwealth Parliamentary Debates* (House of Representatives), 29 September 1955, pp. 1142–1145.
- ⁵⁹ Alan Reid, ‘They Tips Their ’Ats To Sir Frederick’, *Sunday Telegraph* (Sydney), 8 April 1956, p. 43.
- ⁶⁰ There were six departments in the defence group: Defence, Navy, Army, Air, Supply and Defence Production. The inquiry recommended the amalgamation of the lot but the government accepted the amalgamation of only the latter two.
- ⁶¹ The inquiry was actually commissioned by cabinet in November 1957 with the preliminary report delivered in December and a supplementary report in February 1958. The committee was Chaired by Lieutenant General Sir Leslie Morshead, Retd, and the members were the Chairman of the Public Service Board, Sir William Dunk, the Secretary of the Department of Defence, E.R. (later Sir Edwin) Hicks, and the Assistant Secretary of the Prime Minister’s Department, E.J. (later Sir John) Bunting. No serving or retired regular officers from any of the three services were included.
- ⁶² Horner, *Defence Supremo: Sir Frederick Shedden and the Making of Australian Defence Policy*, *op. cit.*, pp. 328–332.
- ⁶³ Rayner, *op. cit.*, pp. 123–125 provides an excellent summary.
- ⁶⁴ Speech by Prime Minister Menzies in reply to the Morshead Committee Report, *Commonwealth Parliamentary Debates*, House of Representatives, 19 March 1958, p. 436.
- ⁶⁵ General Gratton noted that when he was CDF he did not hesitate to advise the minister on defence policy matters if he considered the circumstances warranted it; Discussions with General Peter Gratton, AC, OBE, on 14 April 2000. However it is not so much the CDF advising the minister on such matters that is the problem, as it is the Secretary having the formal responsibility (alone) for matters that are so broadly defined. The current demarcation appears to work because of goodwill and teamwork between the CDF and Secretary. This may not always be the case. The responsibility for ‘defence policy’ should, at the very least, be shared equally by the CDF and Secretary. Sound arguments can also be made for defining ‘defence policy’ to exclude military professional matters.
- ⁶⁶ Previously this was based in the Audit Act.
- ⁶⁷ *Ibid.*, pp. 433–434. It is worth noting the marked lack of substance in the reply by the leader of the Opposition, Dr Evatt, as it was indicative of the abysmal ignorance of defence, and especially military, matters in the ALP at that time. Evatt’s reply mainly concerns the matter of the constitutionality of ‘assistant ministers’ in the defence portfolio. It also includes criticism of a Chairman of COSC being appointed on the grounds that the three Service Chiefs were sufficient; and rehashed old debates about the defence situation the Curtin government allegedly inherited in 1941.
- ⁶⁸ Sir Edwin Hicks, the successor to Shedden had continued Shedden’s longstanding opposition to either the Defence Committee or the COSC having a military chairman. See Rayner, *op. cit.*, pp. 124–125 and *Commonwealth Parliamentary Debates*, 19 March 1958, *op. cit.*, pp. 436–437.
- ⁶⁹ The first Chairman of the COSC, Lieutenant General Sir Henry Wells was appointed to the position as a three-star officer. The second chairman, Air Chief Marshal Sir Frederick Scherger, was promoted to four-star rank on assuming the appointment but only on the proviso that his pay would not go up. All succeeding Chairmen of the COSC, Chiefs of the Defence Force Staff (CDFS) and CDF have been four-star officers. Rayner, *op. cit.*, pp. 125 and 170.
- ⁷⁰ *Commonwealth Parliamentary Debates*, 19 March 1958, *op. cit.*, p. 436.
- ⁷¹ Although many may have believed they understood defence matters, few had actually had personal experience in the Services.
- ⁷² Formal apologies by the Labor Party and Australian Council of Trade Unions (ACTU) have subsequently helped to heal the rift.
- ⁷³ Sir Arthur Tange, CBE, *Australian Defence: Report on the Reorganisation of the Defence Group of Departments*, Department of Defence, Canberra, 1973. It is not the intention, nor is it necessary, for this paper to examine the Tange changes in detail (see next footnote for the best examinations). The important aspect is simply their consistency with the existing flawed approach to the politico-military interface and higher defence management.
- ⁷⁴ The reorganisation began in 1974 but was only formalised (retrospectively) by the *Defence Re-organisation Act 1976*. The changes, which implemented most of the proposals of the Tange Report, went much further than comparable models of civil ministerial control such as in the USA and the UK. They vested the one Minister for Defence with most of the powers previously held by the individual Service Boards (which had separate ministerial membership), and with the sole responsibility for the development and implementation of defence policy. A good account is given by Dr Graeme Cheeseman in ‘The Military Profession and Defence Policy’, in Hugh Smith (ed.), *The Military Profession in Australia*, Australian Defence Studies Centre, Canberra, 1988, p. 10. Other good summaries are Brigadier P.J. Greville, ‘The Central Organisation for War’ in *United Service (NSW)*, Volume 27, Number 4, April 1974, pp. 2–14; and W.G. Wright, ‘Defence Reorganisation Proposals’ in *United Service (NSW)*, Volume 28, Number 2, October 1974, pp. 114–116.

- ⁷⁵ Sir Arthur Tange was Secretary from early March 1970 to mid-August 1979. The anger of senior and middle-level ADF officers of this period is still palpable today. Many civilian officials from this period now express ever-growing doubts about the principles and methods used. Both civilian and military interviewees have described the latter Tange period as the ‘Tange Dynasty’ and noted the general atmosphere of arrogant bureaucratic triumphalism that prevailed. An early criticism (before the Utz Review) was David Beveridge, ‘Structural Changes Towards a More Effective National Defence Force’ in *Australian Defence Force Journal*, Number 31, November–December 1981, pp. 18–27.
- ⁷⁶ This process actually tended to reverse what Project-Based Budgeting (PBB) had tried to introduce in the early 1970s. PBB sought to integrate strategic planning and defence budgeting so that budgetary considerations would follow strategic ones rather than the reverse.
- ⁷⁷ Although the 1974 defence re-organisation created the position of Chief of the Defence Force Staff (CDFS), his powers and responsibilities remained weak and ambiguous, and he had virtually no joint staff. The Utz Committee noted this as early as 1982, and the 1984 Cross Report and the 1986 Dibb Report also noted the need for further strengthening of the position. The position of Chief of the Defence Force (CDF) was created in October 1984 but still with no effective joint staff structure. The subsequent empowering of the CDF, and the creation of an effective Headquarters Australian Defence Force (HQADF), were not fully undertaken until the Baker Report was implemented in 1989. Even then, the CDF was still not responsible for advising the minister on ‘defence policy’ matters and the Secretary was responsible for all inter-departmental matters. Hence the serious practical imbalance in power and authority. See, for example, Cheeseman, *op. cit.*, p. 19.
- ⁷⁸ At the end of this period, for example, the industrialist Stanley Schaetzel described the department as, ‘... at least four times bigger than our conditions demand ... not because of any operational necessities, but mainly due to historical reasons and the machinations of ambitious public servants’, Stanley S. Schaetzel, *Fourteen Steps to Decision — Or, The Operations of the Defence Department*, SDSC Working Paper 198, Strategic and Defence Studies Centre (Australian National University), Canberra, 1989, p. 16.
- ⁷⁹ Again there is insufficient space to examine the detail of each review (but see the references cited in the preceding two footnotes). The key question is why so many reviews were necessary so regularly and with so little long-term result, and why they ignored the fundamental problems?
- ⁸⁰ The DER at times came close to tackling key problems but tended to shy off.
- ⁸¹ Letter to the author by Major General P.J. Day, AO, Retd, dated 15 March 2000. As a senior lieutenant colonel at Army Headquarters at the time he worked on the strategic basis papers in 1975 and 1976. He was Deputy Chief of the General Staff in 1985–86.
- ⁸² Charles Fair, *From the Jaws of Victory*, Simon and Schuster, New York, 1971, p. 22.
- ⁸³ It is not common nowadays to see this proposition advocated openly, especially in reputable academic or professional circles, but this has not always been the case and it has even been advanced in departmental publications. See, for example, Gary Brown, ‘The Management of Australia’s Defence’ in the *Australian Defence Force Journal*, Number 70, May–June 1988, pp. 5–14. His misinterpretation was refuted in a letter to a following edition, Number 73, November–December 1988, p. 6.
- ⁸⁴ Despite the 1997 DER virtually conceding this. *Future Directions for the Management of Australia’s Defence: Report of the Defence Efficiency Review*, *op. cit.*, p. 9.
- ⁸⁵ As the DER also noted, *Ibid.*, p. 13.
- ⁸⁶ The term ‘creative tension’ was first used by Malcolm Fraser when he was Minister for Defence in the early 1970s (before the 1974 reorganisation). Some politicians are attracted to creative tension as a tool for debating and deciding resource allocations in the absence of coherent direction from government. The problem is that, not only does such tension fail in doing so, the tension diverts or paralyses the department’s energies in most other areas.
- ⁸⁷ Paul Dibb, *Report to the Minister for Defence on the Review of Australia’s Defence Capabilities*, Australian Government Publishing Service, Canberra, 1986, p. 29. However the then Minister for Defence, K.C. Beazley, MHR, subsequently stated: ‘I would not want to see the creative tension in the present process removed ...’, Letter from the Minister for Defence to M.D. Cross MHR, Chairman of the Joint Parliamentary Committee on Foreign Affairs, Defence and Trade, dated 3 November 1987. p. 3.
- ⁸⁸ *Future Directions for the Management of Australia’s Defence*, *op. cit.*, pp. 8–9.
- ⁸⁹ Sir Robert Walmsley, KCB, *Materiel Issues Facing Medium Navies* (Address to the Maritime War 21 Conference), Sydney, 2 February 2000.
- ⁹⁰ In his regular addresses to the Service staff colleges and the Joint Service Staff College (JSSC).
- ⁹¹ *Future Directions for the Management of Australia’s Defence*, *op. cit.*, pp. 8, 13 and E-2.
- ⁹² *Ibid.*, pp. 13 and E-2 (findings F9 and F10 and recommendations R3 and R4).
- ⁹³ The major strategic guidance document *Australia’s Strategic Policy 1997* (ASP97), for example, was only issued to the Service Chiefs 18 hours before the deadline for comment and with very strict restrictions forbidding duplication and governing access. This did not contribute to effective consultation in either reality or perception. Better consultation occurred with regard to the Public Discussion Paper (PDP) to precede White Paper 2000, but still not to the extent the Services, and outside observers, believe necessary in a modern ADHQ.
- ⁹⁴ Major General Day noted this practice in 1975. P.J. Day, *op. cit.*, p. 2.
- ⁹⁵ In the broadest sense, including functions such as budgeting, audit, resources planning, financial estimates planning, capability program planning, acquisition finance, contracting policy, commercial support policy, etc.
- ⁹⁶ Such as the Army’s Officer Professional Effectiveness Strategy for enhancing operational and organisational effectiveness, based on a continuum of recruiting, socialisation, training and education,

developmental experiences, performance management and career management, and which is aligned with Army and ADF current and future capability requirements.

⁹⁷ General Sir Archibald Wavell, *Generals and Generalship*, Penguin, Harmondsworth, 1941, p. 59. The quote is from the third lecture entitled 'The Soldier and the Statesman'.

⁹⁸ Hawke, *op. cit.*

⁹⁹ As detailed in its charter, the DCC comprises only the VCDF (Chairman), Under Secretary for Acquisition, Deputy Secretary–Strategy and Deputy Secretary–Resources and Management as full members. The Service Chiefs and the Chief Defence Scientist (CDS) are invited members, generally only when an issue pertinent to their Service (or DSTO) is being considered. They have no vote in committee proceedings although, as the committee's current purpose is now only to advise the VCDF, it generally functions by consensus with few, if any, issues put to a formal vote. In previous iterations of the process, the VCDF was not entrusted with responsibility for capability development; the DCC was not an advisory committee; it was not chaired by the VCDF; and broad military participation was often actively excluded. The Defence Capability Subcommittee (DCSC), which now advises the VCDF on more minor matters, comprises two military and three civilian members. It too incorporates a range of invited members.

¹⁰⁰ As detailed in the Charter of the DCC. The vague and ambiguous wording of the VCDF's role is indicative of the department's approach. Furthermore, many military and civilian staff in the department believe that the VCDF has been handed a 'poisoned chalice' in this regard, and that the long-term ulterior intention is to reimpose civilian bureaucratic dominance of the capability development process.

¹⁰¹ *Commonwealth Parliamentary Debates*, House of Representatives, 19 March 1958, p. 435.

¹⁰² This was recommended by the DER and partially implemented through the diarchic prism. *Future Directions for the Management of Australia's Defence: Report of the Defence Efficiency Review*, *op. cit.*, p. 14.

¹⁰³ As even the DER conceded. *Future Directions for the Management of Australia's Defence: Report of the Defence Efficiency Review*, *op. cit.*, p. 13.

¹⁰⁴ Gration, *op. cit.*

¹⁰⁵ Senior civilian officials already attend COSC by invitation and would continue to do so. Some measure of advisory financial expertise would be essential to ensure the COSC remained cognisant of overall resource constraints. This is one reason why the Defence Council may be a more appropriate body than the COSC in this regard. This is discussed further below.

¹⁰⁶ The SCNS is chaired by the Secretary Department of the Prime Minister and Cabinet (PM&C) with a membership comprising CDF, Secretary Department of Defence, Secretary Department of Foreign Affairs and Trade (DFAT), Secretary Treasury, Secretary Attorney-General's, Director-General Office of National Assessments (ONA) and representatives from other departments as required.

¹⁰⁷ Such as trans-national economic, crime, migration and environmental issues.

¹⁰⁸ The Service Chiefs had been foundation members when the Defence Committee was created in 1926. The Secretary of the Department of Defence joined the committee in the late 1930s. At the time that it was apparently subsumed by the SCNS the Defence Committee was chaired by the Secretary, Department of Defence

¹⁰⁹ The NSCC is one of only two cabinet standing committees. It is chaired by the Prime Minister and normally comprises the Ministers for Defence and Foreign Affairs, the Attorney-General and the Treasurer. The Deputy Prime Minister is usually invited to attend. A recent NSCC meeting was attended by the CDF (as the sole ADF representative) and the Secretary, but was also attended by two deputy secretaries. Given the component command structure of ADHQ, it is surely unjustified to allow attendance by deputy secretaries but not the VCDF and the three Service Chiefs.

¹¹⁰ Many participants and observers would consider that the COSC under Generals Gration and Baker as CDF (before the creation of the Defence Executive) was evolving into an effective control mechanism for the whole Defence Organisation.

¹¹¹ This was acknowledged in the Menzies government's rejection of the Morshead committee's recommendations in this regard.

¹¹² For example, *Future Directions for the Management of Australia's Defence*, *op. cit.*, pp. 9–10 and E-2 (recommendation R2).

¹¹³ The only frequently noted exception quoted during informal polling was Senator Robert Ray, and in his case, he was also somewhat distracted by his onerous duties as leader of government business in the Senate and party faction leader. It could be that this was just a case of if you want something done well just give it to a busy person. Kim Beazley is mentioned by many academic commentators, probably because he was one of them originally and was most comfortable in their company. In contrast, many Service personnel regarded Beazley as just another prisoner of his civilian advisers. It should be noted that the CDF during Kim Beazley's period as Minister for Defence, General Peter Gration, does not share this latter assessment. Gration, *op. cit.*

¹¹⁴ 'Grip' is best defined as the minister understanding the issues himself, knowing what needs to be done, ensuring it is done, and accepting ultimate responsibility for delivering the combat capability specified and required by government.

¹¹⁵ Section 28.

¹¹⁶ The Minister for Defence chairs the Council, and its members are the Minister for Defence Science and Personnel, CDF, Chief of Navy (CN), Chief of Army (CA), Chief of Air Force (CAF) and Secretary. Presumably the new Under-Secretary for Acquisition will also be appointed to the Council.

¹¹⁷ Most inter-departmental liaison is conducted, as required, by the SPCG comprising deputy secretaries from Defence, PM&C, DFAT and other departments as necessary. The VCDF may be invited to attend. This practice is not effective because the inclusion of the ADF representative is not mandatory. Furthermore, the VCDF is often not the appropriate ADF representative if operational matters are to be discussed as his function is outside the ADF's operational chain of command. The system has often not been flexible enough to allow the Head of

- Strategic Command Division (a major general-equivalent ADF officer) to attend in such cases because he is not regarded as a 'deputy secretary-equivalent'. Lower-level working groups comprising representatives from the above departments and ADHQ usually conduct the detail of the interdepartmental co-operation required.
- 118 The use of independent external expertise would only work if they were truly independent and external in both reality and perception.
- 119 Walmsley, *op. cit.*
- 120 The University College, University of New South Wales (Australian Defence Force Academy) conducts several post graduate programs in strategy and defence studies. These programs are undertaken by a wide range of Service personnel, diplomats, public servants, academics and members of the general public. Interestingly, probably because of their greater understanding of the political and professional risks involved, Service participants in such academic discussions are often the least hawkish in their willingness to employ military power rather than another element of national power, especially early in the hypothetical crises discussed.
- 121 In the days of the department's old Strategic and International Policy (SIP) Division, military strategies were rarely given appropriate functional, cultural and bureaucratic prominence. It was not until the 1997 DER that all areas dealing with strategy were integrated under the one senior Service officer. Sadly, this was discontinued in mid-1999.
- 122 Sir Arthur Tange, CBE, *Role of the Department of Defence in Army Affairs* (Address to Army Staff College), Queenscliff, 19 September 1974, p. 17.
- 123 Letter from Major General P.J. Day, *op. cit.*
- 124 This is desirable but should never be institutionalised as requiring one from each Service. Selection at this level must always be absolutely on merit.
- 125 *Future Directions for the Management of Australia's Defence*, *op. cit.*, pp. 20 and E-3.
- 126 Two military brigadier-equivalent ADF officers and two civilian assistant secretaries.
- 127 A common complaint among the staff has been how difficult it is to get to interact appropriately with the Deputy Secretary-Strategy because he is already extremely busy.
- 128 Interestingly, many — perhaps even most — of the middle-level civilian staff involved have expressed strong criticism of the military to civilian transposition. It has been described to the author as an appalling and retrograde decision.
- 129 In the USA for example, both the Defence Intelligence Agency (DIA) and the National Security Agency (NSA) are headed by three-star military officers. In the UK, the Defence Intelligence Service (DIS) is also headed by a three-star military officer known as the Chief of Defence Intelligence. In some other countries retired military officers hold such positions as civilians.
- 130 As was recommended by the Defence Efficiency Review, *Future Directions for the Management of Australia's Defence*, *op. cit.*, p. E-3 (recommendation R10).
- 131 In the era of contract support and integrated logistics management, there is little distinction between the operational and strategic levels of logistic support. The proposal to merge SC-A and DAO is already being examined by commercial business management consultants.
- 132 T.B. Millar, *op. cit.*, p. 279. Professor Millar's quote is from 1982 and should be primarily read as an observation on the situation at that time.
- 133 *Commonwealth Parliamentary Debates*, 19 March 1958, *op. cit.*, pp. 436-437.
- 134 General Gration, for one, does not believe this has actually occurred and considers that the main problem is simply that there is a small field of choice at that level. Gration, *op. cit.*
- 135 General Gration does not believe an effective civilian veto existed in his time as CDF, although ministers may have sought views from senior civilian staff from time to time. *Ibid.*
- 136 See, for example, a recent letter to the *Canberra Times* on this issue, 'Govt Must Shoulder any Blame for Defence', 23 February 2000, p. 8.
- 137 In this era, an organisation called Force Development and Analysis (FDA) branch existed to play the devil's advocate role in capability development. This was due to a perception that there was a need to keep the Services honest in their development proposals through a capacity for independent and thorough analysis. However, instead of informed criticism being focused on capability development proposals early on in their development FDA action tended to be focused on later stages, particularly after the Services had invested considerable effort. The resultant marked acrimony with the Services resulted in FDA being nicknamed the 'Forces of Darkness and Anarchy'. Civilian staff in FDA were often proud of their 'spoiler' image and the nickname. No one involved benefited from such a structure or such confrontation and a more cooperative and efficient capability development process evolved through the 1990s. The fact that such confrontation was encouraged for so long underscores the long history of civilian-military tensions in the Defence Organisation.
- 138 This also includes the former the Joint Services Staff College (JSSC) until 1998 and, before the establishment of ADC, by sending senior Australian officers to overseas defence and war colleges.
- 139 Executive Level 1 or 2 should be the entry grade for ADF staff colleges. Executive Level 2 or SES1 should be the entry grade for ADC.
- 140 This was a major reason for the collapse of the Public Service's Executive Development Program for EL2 officials. A similar problem was common for EL1 officials attending the JSSC, and it is a major disincentive for prospective civilian attendees at the Service staff colleges.
- 141 The now defunct Defence Management Diploma Program (DMDP) was not really a staff college-equivalent course although it did include the DSMC. The DMDP is to be relaced in 2001 by civilian attendance at the new joint staff college at Weston Creek in Canberra.
- 142 Outside commercial consultants were eventually engaged to conduct a needs analysis for the course. Interestingly the terms of reference issued to the consultants only covered the 1998 and 1999 courses and did not include earlier courses, especially those the subject of formal complaints by military attendees detailing incidents of syllabus bias, inappropriate 'instruction' and staff insensitivity and arrogance when faced with legitimate criticism.

143 This was formerly recognised in many parts of the department where only the former Senior Officer Grade 'A' were regarded as so equivalent.

144 It is worth noting that all the proofreaders of this paper commented that careerism and patronage constituted a problem in the military as well. They differed only as to the severity of the problem.

145 The three Service career management elements confront this problem regularly. The problem also emerges in the ADF attitude surveys and attrition modelling conducted by the Directorate of Strategic Personnel Planning and Policy (and in surveys conducted by its predecessor units).

146 In some countries they are at times held by retired as well as serving military officers.

147 This issue is relatively easily dealt with by requiring a three to four-year incumbency in senior and specialist appointments.

148 *Canberra Times*, 25 February 2000, p. 2.

149 Defence Science and Technology Organisation (DSTO) facilities in Salisbury and Melbourne are the only other concentrations.

150 There were 35 full-time two-star and above officers as at 6 January 2000. The number varies slightly over time due to operational commitments and personnel administration reasons.

151 Surgeon-General, Judge Advocate General, Assistant Chief of the Defence Force – Reserves, and Commander 2nd Division.

152 Chief Military Observer UNTSO in the Middle East and Deputy Force Commander UNTAET in East Timor. Both positions are temporary and exist only for the current incumbent's secondment.

153 These comparisons use the 50,000-strong full-time component only, not the 80,000-strong ADF.

154 Senior Executive Service (SES) band one.

155 All totals were correct as at 6 January 2000.

156 About 501 of these EL2 are in Canberra and about another 570 in DSTO facilities in Salisbury and Melbourne. About 90 are in various elements in NSW. About 24 are overseas and the remaining small number is distributed in the other state capitals. About 1,014 EL1 are in Canberra. Other large concentrations of EL1 are DSTO facilities in Salisbury (about 340) and Melbourne (about 360). About 165 are in NSW, about 50–60 are overseas, and the rest are distributed in small numbers in the remaining states (Qld 27, NT 8, Tas 6 and WA 17).

157 Even if it is accepted that DSTO is effectively the fourth arm of Australia's defence effort, the numbers of EL1 and EL2 outside DSTO is still huge in comparison to the number of their purported ADF counterparts.

158 Directorate of Portfolio Reporting and Evaluation, *Portfolio Additional Estimates Statements 1999–2000: Defence Portfolio*, Canberra, November 1999, pp. 31 and 42.

159 *Ibid.*, pp. 13 and 42. This break-up includes salary and superannuation costs for both military and civilian staff, and the housing costs of military staff. *Ibid.*, p. 13.

160 1464 out of 50,000.

162 As at 8 March 2000.

163 For example, of the RAN's 275 commanders, 190 are employed throughout the Navy and only approximately 85 are employed in ADHQ and other departmental positions. The commensurate Army

lieutenant colonel figures are approximately 85 (out of 442). The RAAF wing commander figures are approximately 90 (out of 317). To put the total figure of 1034 in even more perspective it should also be noted that, particularly in the Army's case, this total includes officers serving in reserve headquarters and units (that is, across the full 80,000-strong ADF rather than just the 50,000-strong full-time component).

164 Eleven Liberal, three National, three ALP, one Australian Democrat (in the Rhodesian Air Force) and one Independent.

165 This does not count medical or legal specialist appointments.

166 Defence spending as a proportion of GDP is at its lowest since 1938. It has also declined from being the single greatest Commonwealth budgetary outlay to, at approximately 7.1 per cent, being only sixth. Education, health, welfare, payments to the States and public debt repayment are all greater.

167 At several academic conferences during this period.

168 There has not been a Minister for Defence with personal Service experience since Jim Killen (November 1975–May 1982). The last Ministers for Defence with extensive combat experience were David Fairbairn, DFC (August 1971–December 1972) and Sir John Gorton (March–August 1971).

169 Beazley tended to be quite popular among Australia's relatively small circle of defence academics and defence press commentators. He was reasonably popular among civilian staff, especially on a personal level. Among Service personnel he was well liked but often regarded as a disappointment because of his (perceived or actual) marked reliance on civilian advisers. This disappointment is probably due in large part to a greater manifestation than usual (given his background as a defence academic) of the 'white knight' phenomenon described below. It is also no doubt due to a lack of understanding about the significant political constraints within the Labor Party at that time, especially the party left wing's often simplistic views on disarmament, international relations and defence matters in a period when the Cold War was ending.

170 Barbara Tuchman, *The March of Folly: From Troy to Vietnam*, Abacus, London, 1985, p. 4.

171 As the Service Chiefs were on the Defence Committee.