



## Overseeing the DMO's brave new world

Come the beginning of July the Defence Materiel Organisation (DMO) becomes a prescribed agency under the Financial Management Act (previously the Audit Act) rather than just an administrative organ of the Department of Defence. Given its role, responsibilities and budget it is easily the Commonwealth Government's biggest agency intimately working with private industry on a daily basis.

The organisation's inaugural Chief Executive Officer, Dr Stephen Gumley, has made great strides in remodelling bureaucratic structures into the corporate ones now needed. He has also worked hard, but perhaps with more mixed results, at tackling the institutional culture change required. It will be some years before we know whether the DMO experiment is a success, but the optimists in defence industry and in the Department of Finance appear to be in the ascendant.

The impending minor ministerial reshuffle is the time to match the DMO's bureaucratic and legal evolution with commensurate changes in day-to-day ministerial oversight of this important agency, its semi-independent function and its highly-paid chief.

No-one really argues that the ministerial buck for the DMO will and always should ultimately reside with the Minister for Defence. But there is also widespread recognition that even without the current high operational tempo this senior portfolio is seriously over-burdened – and to the extent it is now a threat to the physical (and political) health of any one minister. As recent history has shown, we also need to face the reality that not all ministers can or will work as hard as the incumbent. Nor should they necessarily be expected to without adequate help.

Since the promotion of Mal Brough to Assistant Treasurer, junior ministers in the Defence portfolio have not been given effective responsibility for helping the Minister for Defence with ministerial supervision of the DMO.

Now is surely the time for a second junior minister in the Defence portfolio specifically to ease the significant and growing burden of ministerial oversight now falling on too few shoulders. After all, the Minister for Human Services was created to oversee the grouped social security agencies for similar reasons.

The creation of a Minister for Defence Science and Procurement would also better groom capable junior ministers for eventual promotion to more senior responsibilities, including but not limited to being Minister for Defence. The size and importance of the Defence portfolio means ad hoc career streaming of ministers should be avoided whenever possible.

Finally, such a step would also allow the other junior minister in the Defence portfolio to concentrate on the many personnel issues affecting defence force efficiency, not least the people parts of the troubled military justice system. It would also mean this ministerial portfolio could help the Portfolio Minister look

ahead by assuming some responsibility for other day-to-day defence force matters, just as the (junior) Minister of State for the Armed Forces does in the United Kingdom.

Moreover, the British Ministry of Defence has four ministers and an equal number of parliamentary secretary equivalents. They oversee a defence force three times larger in numbers. But it is nowhere near that much different in overall complexity and functional span, especially given our continental and regional obligations and our overall geo-strategic situation. Three ministers in Australia is hardly excessive, especially as the Morshead Committee of Inquiry into Defence Reorganisation recommended this (for a unified Department of Defence) as long ago as 1957.●

## Forging ahead in the Smithy

As predicted previously in *Defence Brief* the Government is looking to extend the term of the Secretary of the Department of Defence, Mr Ric Smith. With the mid-year changeovers of CDF, VCDF and two of the three Service Chiefs, and the separation of the DMO from its parent, it was always going to be a significant problem if the Secretary left in early November as originally planned – even if a capable replacement could be found.

This is the type of job that weighs hard on the incumbent. The over-centralised and overly politicised structure of Defence increasingly risks killing its leaders through overwork – at least in the case of the motivated ones. That a replacement for the current Secretary is not immediately obvious across the Commonwealth bureaucracy shows the extent and depth of the problem. There is no viable successor within Defence or among the ranks of past deputy secretaries in the department. One earlier possibility with a good financial and administrative background became Commonwealth Auditor-General instead. Other future possibilities are not yet senior enough, with this pack probably led by DFAT deputy secretary Nick Warner, who has worked very successfully on the ground with the ADF in Namibia, the Solomon Islands and Iraq.

When Ric Smith was appointed in late 2002 there were many who feared that it was perhaps a case of the right man but at the wrong time. After the many tensions, troubles and even calamities of the previous diarchy, and the breakdown in relations between an earlier Secretary and Minister, Defence clearly needed an experienced and tactful administrator with considerable financial nous, rather than someone from a background predominantly in diplomacy and policy making.

As Secretary, and while not neglecting policy, Smith has instead rightly concentrated on the large and key task of licking Defence's financial accounts and processes into shape. He has also worked to dampen institutionalised tensions between the civilian bureaucracy and the defence force, although more does need to be done to remove the departmental culture and structures that cause and exacerbate this professionally soul destroying plaque. Both activities have attracted some muttering in the department from traditionalist 'policy wonks' keen to try and reassert their control over all defence policy development.

Both the departing CDF and the Secretary have done much to heal the wounds created by their respective predecessors. If Smith wishes to stay on and his health is up to it, extending him seems a good option.●

### Highlights:

- The new DMO needs dedicated Ministerial oversight
- Extending Ric Smith as Secretary makes sense
- Changing of the guard at ASIO
- Bogus arguments about counter-terrorism legislation
- Chinese defections reinforce more old lessons
- Preparing for future hostages to fortune

## Leading and leaving ASIO

The departing Director-General of Security, Dennis Richardson, leaves ASIO in as good a shape as is possible in the circumstances. After somewhat of a steep learning curve at the start, the capable Richardson's nearly nine years in charge has been an impressive record in one of the Commonwealth's most difficult operational positions.

It is, however, a considerable pity at best that there is no internal candidate to succeed him from among the ranks of the career intelligence professionals within the organisation. The intelligence profession in general and public safeguards in a sensitive area in particular would be strengthened by a return to two time-tested practices. Every second ASIO head should come from within the career intelligence profession (not necessarily just within ASIO). The deputy director general should be such a professional, especially when the head is not.●

## Pussyfooting won't stamp out terrorism

Much of the criticism about recent counter-terrorism investigations by ASIO and the AFP has lacked balance, perspective or knowledge of the constitutional, legal and professional principles involved. Furthermore, much of the media reporting and subsequent comment on such matters has lacked critical judgement. This especially applies to coverage of the extravagant or subjective claims that the legislation authorising such investigations is somehow a major threat to civil liberties, or that the investigations are targeting individuals solely because of their ethnicity or general religious beliefs.

Despite the free speech embedded in our democratic, pluralist society there is also far too much tip toeing, to say the least, around issues that involve some of the more unacceptable facets of multiculturalism. All the Islamist terrorists and their sympathisers are Muslims so it should be no surprise to anyone that some members of the Islamic community might be subject to security intelligence and associated criminal investigations.

However, it is a simply a syllogistic argument at best to claim that all Muslims are being 'targeted'. Indeed such claims only serve to confuse the wider community about the important and real differences between mainstream Islam and the extremists. The Islamist terrorists and their minority apologists in the Muslim religious community are not truly representative of Islamic thought. The perverted and bigoted variant of Islam they follow should not be equated with mainstream moderate Islam. Indeed any attempt to do so should be treated with suspicion.

Certain self-styled 'Muslim community leaders' who claim that ASIO and the AFP are somehow picking on Muslims indiscriminately should be constantly challenged on a number of grounds, rather than being parroted in an unquestioning fashion. Basic questions, for example, should be asked about the size, representative nature and modes of governance of the communities they purport to lead. Further questioning may even be called for about the nature of their opinions or teachings concerning Islamist terrorism. At the very least, they should be asked how actively they are combatting the bigotry that nourishes the terrorism and which threatens tolerant Muslim-Non-Muslim relations in the wider Australian community.

Most importantly, numerous High Court decisions during both World Wars enunciated the principle that the defence and security powers vested in the Commonwealth Government by the constitution wax and wane depending on the threat. This is why we had comprehensive national security regulations during both World Wars on the one hand, and why the Communist Party Dissolution Bill was struck down in 1951 on the other.

Current legislation designed to stamp out terrorism by Islamist groups is not excessive in the circumstances, particularly as these laws are subject to numerous checks and balances. A sense of perspective, both contemporary and historical, needs to be applied when discussing Australia's counter-terrorism measures.●

## Crying, spilt milk and broken china

Australia continues to tiptoe unnecessarily around the competing but not necessarily mutually-exclusive economic, political, strategic and moral challenges of our growing relationship with China. Not least of these are that our geo-strategic, political, humanitarian and wider moral stances are generally the opposite of those espoused by the quasi-communist authoritarian regime currently in power in that country.

Against this background, the recent attempted defection by a Chinese consular official again reminds us of several old lessons from Intelligence 101. Defections are generally always messy, defectors usually try to sell themselves with some vigour and not a little imagination, and such matters are best handled swiftly and decisively before they escalate into contests of national pretence, international posturing and tit-for-tat retaliation.

Even at this juncture certain matters appear clear. The Department of Immigration, Multicultural and Indigenous Affairs bungled the initial approach and the follow-up. The man in question can never be sent back to China. The Chinese are putting some effort into spying on us but much of their activity is wastefully pre-occupied with attempts to counteract Chinese émigré groups. The best way to stand up to Chinese bluff and bullying is not by ducking the truth of the general and specific situations. Finally, short-sighted and excessive cutting back of ASIO's counter-espionage capacity as a so-called post-Cold War 'peace dividend' has again come back to bite us on the bum.●

## Wooden spoon feeding

It is a case of when, not if, when we consider the likelihood of further Australians being abducted in strife-torn countries such as Iraq. Media coverage of the rescue of Australian hostage Douglas Wood from his Iraqi captors, and especially uncontrolled speculation as to the circumstances and methods involved, is only making it much harder for the next Aussie captive in such a situation. Such speculation also unnecessarily risks complicating and imperilling our national diplomatic, military and other efforts to rescue them.

Commonsense needs to be applied on a national basis, particularly in an age where those hostile to our interests can easily monitor Australia's domestic goings on via the world-wide web. Australians are a practical people. They understand that it is usually not in their interests for sensitive national security matters to become international public knowledge. This is especially so when media interest in Wood's plight and rescue often appeared to be driven more by commercial imperatives rather than a quest to inform the electorate or protect the wider public interest.

A related point is also worth noting. The *Emergency Response Team* tag applied to the inter-departmental and inter-disciplinary group deployed to Iraq by Australia only served to fan the flames of popular and journalistic imagination. Perhaps future teams could be given a more prosaic title less likely to ignite journalistic fervour and popular curiosity.●

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