

Whole-of-government reform:

A practical first step

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At a political and public-service reform level there is a renewed and strong push for a whole-of-government approach to tackling the big economic, social and strategic issues that face us. With the increasing complexity of government and the fluid international situation, there is a great need to integrate policy making and implementation within and between various government departments and agencies. Such an approach would mean a paradigm shift for many. Reform is thus resisted in those parts of the Commonwealth bureaucracy prone to bureaucratic inertia—or where the professional or specialist skills required have cultivated a degree of organisational expertise and *esprit de corps*, but at the cost of an insular outlook.

One of the really big issues is national security and the Australia Defence Association has long advocated a whole-of-government approach to it. The Association believes, for example, that we should have one national security White Paper not separate defence and foreign affairs versions produced at different times. Similarly, the ADA believes we need a statutory national security council to improve information flows to the National Security Committee of Cabinet (NSCC) and provide a clear, accountable and robust chain of command for executive and public-service decisions. Such a council (with a deliberately tiny staff) would assist not replace the NSCC and would combine (some) executive, and co-ordination, functions. The council would comprise the Ministers on the NSCC, the Chief of Defence Force and Service Chiefs, the permanent heads of PM&C, Defence, DFAT, Treasury and Attorney-Generals, the AFP Commissioner, the heads of the intelligence and security agencies, and perhaps even the relevant state premier when required.

Such macro-level reforms require considerable inter-departmental reshuffling and legislation and will take time, vision and persistence by the government of the day. In the meantime, useful reforms further down the organisational food chain require only administrative changes and could be implemented very quickly and effectively. One such whole-of-government reform in the national-security field would be to reconstitute staffing in the Department of Defence's International Policy (IP) Division.

This division, set up in 1974, provides Defence with

internal policy advice on international developments affecting Australia's defence interests. The division also plans and manages Defence's international relationships, such as the procedural machinery of collective defence agreements with foreign states, foreign defence attachés and advisers in Australia and our reciprocal representatives posted overseas, and Australia's defence assistance programs to regional countries. The division obviously interacts closely with the Departments of Foreign Affairs and Trade (DFAT) and Prime Minister and Cabinet (PM&C).

There is no doubt that Defence needs to maintain such a function but the current form of the division is far from ideal. The evidence indicates that the existing IP Division is too insular and too small to constitute a self-sustaining professional organisation. There are continual problems with linking policy advice into broader whole-of-government perspectives. Just as importantly, from a national security perspective, there have long been marked problems with subordinating defence international policy support to overall national, and military, strategy considerations. These stem from longstanding problems with the retention of corporate knowledge and an insular and occasionally arrogant organisational culture. In addition, staff-experience levels within the division are largely inadequate, especially in the important aspects of understanding and dealing with foreign cultures.

There is little point to expanding the division in order to improve its ability to integrate advice and nurture corporate and individual expertise. Indeed there has long been criticism within Defence that it has already shown protracted tendencies for bureaucratic empire building, and has, at times, even developed 'personality cults'. There is, however, another logical alternative. Simply put, it is the outputs of the division and the authority to direct its work that are essential to Defence, not the ownership of the expertise required.

Current strategic uncertainty is spurring rationalisation across whole-of-government national-security arrangements. The current ineffective structure of IP Division should be reformed through a focus on outputs rather than their means of achievement. An obvious step would be for DFAT to provide the civilian side of the policy-making staff in the division, rather than Defence trying

unsuccessfully to maintain a sort of third-string, quasi-diplomatic capability. The day-to-day administrative and financial aspects of Australia's defence assistance to regional countries could remain in the hands of Defence civilian staff, much as Ausaid works with DFAT. The international policy-making aspects would, however, be in the hands of appropriate professionals from the diplomatic service and the more senior ranks of the defence force.

If the civilian policy-making positions in IP Division were routinely occupied by professional career diplomats rather than generalist public servants, often with limited tenure, several favourable benefits would accrue to both departments and to the national interest overall.

First, the diplomatic, trade and defence aspects of Australia's international relations would be much better integrated on a whole-of-government basis. This would have procedural benefits both domestically and overseas. The refining of policy advice, and its means of communication to Ministers, would also eventually assist the NSCC to take a better strategic overview of the myriad components required to formulate a true national strategy.

Second, there would be better day-to-day working relationships between DFAT and Defence, particularly those involving the defence force, which is currently too often isolated except at the most senior levels. Diplomats and ADF personnel tend to work together well overseas, both in conventional representational and exchange situations and in contingency situations such as peacekeeping, humanitarian assistance and security-assistance missions. This foundation should be built on. Closer integration of the respective back-room policy functions back home in Canberra would mean both departments would gain an enhanced understanding of their respective core businesses on a much broader basis, and in much more detail.

Third, DFAT and Defence staffs, particularly at the working level, would benefit from the opportunity for much closer interpersonal relationships. Diplomats at all levels of their career development would have a broader range of home postings. More importantly, they would be able to better develop their knowledge and practical experience of how the military and diplomatic facets of Australia's international relations interact and mutually contribute to Australia's national security. Defence-force officers at mid to senior levels, both at the strategic level and in the field or at sea, would substantially increase their exposure to the perspectives offered by professional diplomats. Steps would have to be taken, of course, to ensure that diplomats temporarily outposted to Defence represented a broad cross-section of diplomatic talent and ability. The interaction between the two departments would not be assisted if IP Division was used as a dumping ground for less able DFAT staff.

Fourth, there has long been a significant problem in the higher management of Australia's defence with career international policy bureaucrats trying to inappropriately

drive defence strategy (and then capability development) rather than, as in all comparable countries, the policy properly being a supporting subset of the strategy. This unfortunate phenomenon has also tended to greatly exacerbate professional and personal tensions between the civilian bureaucracy and the defence force. If DFAT staffed most civilian policy positions in IP Division both of these perpetual problems would disappear, or if they lingered could not possibly be worse than at present. The regular employment of diplomats in IP Division would also better groom such staff should they later be considered for deputy secretary positions in Defence. This, too, would reduce the recurring friction in Defence caused by senior career Defence bureaucrats seeking to exclude military staff from providing their professional input to policy making and advice to interdepartmental forums and to Ministers.

Fifth, IP Division has also tended to attract too many personalities who have wrongly perceived themselves to be quasi-diplomats, or academics attracted to the higher salaries offered in the bureaucracy, but who have little real professional interest in national security or rapport with the profession of arms. Often these individuals, while able after a fashion, have lacked the intellect, tact and broader perspectives expected of professional career diplomats. Some senior individuals have remained within IP Division for very long periods. In other cases, particularly at desk-officer level, the opposite has occurred through a short time in IP Division being regarded as just a ticket-punching exercise for bureaucratic careerists. Specific job tenure at the working level is too often measured in months, rather than the extended time necessary to establish a competent level of corporate knowledge; much less wisdom, in such a challenging and nuanced cross-cultural awareness environment. Both these extremes of tenure, and motivation, have not been conducive to effective policy-making, integrated corporate knowledge across the whole of government, and the long-term institutional health of the division.

Finally, the regular rotation of diplomats through home postings in IP Division would eradicate the twin problems experienced at present whereby senior staff become stale or over-confident through ultra-longevity, and junior staff lack experience and/or continuity because of their high turnover rates.

Accordingly, an appropriate Customer Service Agreement between DFAT and Defence should be instituted whereby DFAT provides all or most of the civilian policy-making staff in IP Division. Such a practical first step to whole-of-government reform in the national security field would set a great example for further, deeper reforms in this and other fields.



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