

Another Spin of the Defence Management Merry-Go-Round

The defence management merry-go-round is off again with the acceptance by the Government of the report into defence equipment acquisitions by Adelaide industrialist Malcolm Kinnaird (assisted by Len Early and Bill Schofield).

After all it was only three or so years ago that we were assured, with the creation of the Defence Materiel Organisation (DMO), that once again all was finally well and the optimum management model had finally arrived. Only three years before that the 1997 Defence Efficiency Review (DER) had made similar bold promises.

Since the end of the seven-year moratorium on reform following the 1974 merger of the defence group of departments, these reviews and reports have come along at approximately 2–3 year intervals. We have had Utz in 1982, Cross in 1984, Cross again in 1987, Baker in 1988, Sanderson and the Force Structure Review (FSR) in 1991, Baker again in 1995 (mainly ADF only), the DER in 1997, and Mueller et al in 2000. These eight reviews have been supplemented by many other reviews that at least touched on higher defence management, including Dibb, Cooksey, Wrigley, the Defence Regional Support Review (DRSR) and McIntosh.

A common thread throughout all of them is that management nirvana would finally arrive in the Department of Defence when their recommendations were implemented. Other common threads have included inexorable growth in the Defence civilian bureaucracy and ever-increasing civilian bureaucratic interference in military professional matters. Overall civilian numbers fell in the early years only because defence-owned factories and shipyards were privatised. This is rarely admitted in public when figures are quoted. Indeed many tables purporting to show a decline in departmental civilian staffing are deliberately stretched out to include the years when Defence owned a large, blue-collar industrial workforce.

Over one in five public servants in the now mainly office-bound department are now a purported lieutenant colonel equivalent or higher. In Canberra alone there are about as many of these purported lieutenant colonel equivalents as there are commanders, lieutenant colonels and wing commanders in the entire ADF.

The large and complex Department of Defence that has resulted has frustrated successive ministers. It has also frustrated most members of the ADF tired of being regularly scapegoated for the resulting lack of accountability and ensuing bureaucratic failures. Even more insidiously, the correct relationship of the government to its principal military advisers has been progressively smothered in self-serving and self-perpetuating bureaucratic processes.

Well, now it appears the DMO might become the Defence Procurement Agency (DPA) or somesuch. If there is a name change at least the letterhead and business-card printers will be happy.

One wag has already suggested that with the new

agency to be financially autonomous from the Department of Defence we are almost back to the pre-1974 Department of Supply. But, like the curate's egg the Kinnaird Report is good in parts. The proposal for an eight-person advisory board with four private-sector members is a good measure, and similar to several ADA proposals over many years.

A new three-star position is also to be created within the Department of Defence to manage capability development. The 1997 DER, of course, was meant to have ensconced this responsibility with the VCDF. This new position could lead to appropriate reform if left in ADF hands but we remain skeptical. While ostensibly open to both military and public-service appointees, the clear trend in the department over many years is for such jobs to mutate to exclusively civilian incumbents.

The previous VCDF, the very capable Lieutenant General Des Mueller, ruefully noted as he left that the bureaucratic structure had prevented him from being able to achieve much. It is worth noting that he did not attribute his difficulties to the Service Chiefs, yet again they have been unfairly scapegoated for the capability development morass.

Sadly, another opportunity to restore equilibrium to the management of Australia's defence (and to let commanders command) would appear to have been lost. The merging of departmental central functions with the old HQADF has not worked and was never likely to because of the completely different institutional cultures and functional agendas involved. Several years ago the ADA suggested that one real option to resolve the problem was to de-merge them. We suggested a further option could be to have two VCDFs, with one leading capability development and the other managing strategy and operations. As well as restoring a military chain of command to military functions (a key fault in the current flawed structure), this would also have allowed abolition of the civilian position of Deputy Secretary for Strategy. Funny how the option was never entertained by the huge civilian bureaucracy.

Now we are apparently to have a new three-star equivalent quasi-VCDF for capability development but the position is to be open to civilian incumbents. We are also to retain the civilian Deputy Secretary for Strategy. One could ask what the VCDF will now do on a day to day basis, especially if he is also frozen out of supervising strategy and operations?

The real question for many years has not been what is wrong with the Department of Defence. A better question is to ask why we keep having to have so many reviews and re-organisations. Another good question is why they keep failing to achieve much.

What is really required is a return to first principles concerning civil political control of the military and the correct delineation between military professional and departmental administrative tasks. Even the diarchy should not be sacrosanct from review. After all, no other country has a Department of Defence structured like ours —and for a very good reason. ♦