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17th November 2008

The Hon Arch Bevis, MP
Chair, Defence Sub-Committee, JSCFADT
Parliament House
CANBERRA ACT 2600

Dear Mr Chairman,

SUBMISSION TO JSCFADT REVIEW OF DEFENCE ANNUAL REPORT 2007-2008

Please find attached my submission to your review of the Defence Annual Report
2007-2008. The submission attached follows on from my submission to the DAR
2006-2007 review. I do hope that it will be of some value in determining some of the
core matters associated with the problems seen with Defence management.

My wishes go to you and your committee for a successful review.

Kind Regards,

(Air Cdre, Ret'd)

Attachment: Ethos and Ethics – The Military and the Bureaucracy.

ETHOS AND ETHICS

THE MILITARY AND THE BUREAUCRACY

E.J. Bushell, Air Cdre (Ret'd)

EXECUTIVE SUMMARY

Since the defence reorganisation, Australia has witnessed an increasing stream of criticism from the media and the dwindling number of those who have a professional grasp of the military and its needs, but all to no avail.

The Military Justice System, which was not, pre-reform, a significant problem area, has been reviewed several times, but without improvement. Despite statements that all is well, there still remain a number of quite justifiable complaints that have been locked up in Defence/DMO Legal Offices for a decade or more. As with other reviews, the results have been either nil, or an increase in the bureaucracy and its functions.

There have been continued reports of DMO's endless failures in its management of system procurement and support requirements and its associated contracting practices, which have cost the tax payer some billions of dollars and left the military without needed capabilities.

The result of all this has been to drive a wedge between the people of Australia and their leaders. Where harmony should exist, there is now a feeling of distrust and of being let down. This has inevitably spilt over to weaken the feeling of trust and confidence that the Australian people had traditionally in the leadership of their military forces.

Australia's military, once clearly apolitical, is now effectively under the command and leadership of the Diarchy, which is simply the front office of an instrument of centralised Public Service power over the Military.

In short, the moral influence which is critical to military success has been weakened and this process will continue so long as the current higher Defence organisation exists. The military virtue of Australia's military forces has also been compromised by bureaucratic interference and repeated government failures to exercise proper guidance and control. The path ahead for Australia has already been trodden by others, with results that should not be ignored by government. It is wise to use the experience of others.

The Australian Defence Organisation is now clearly in total disarray. Strict functions for all and channels of direction do not function, so that all parts do not act as a whole. We have now a dysfunctional maze of interfacing and overlapping organisational, functional, administrative, and financial fiefdoms that will most surely fail under pressure. Our armament is neither appropriate nor superior. Our knowledge of ourselves and others is poor and our intelligence equally poor. Our procurement and support systems are as dysfunctional as our Defence organisation.

Without considerable reform, Australia can look forward only to more of what has developed over the past 10 years or so – essentially a burgeoning bureaucracy, a hollow military deficient in professional mastery of core skills, and governments unwilling or unable to reassert control.

WAR AND THE STATE

Today, we are reminded often of the military ethos of the Anzac period, the message usually carrying a political and public assumption that the ethos of that time still forms the core of our military ethos of today. However, before looking into the reality or the myth behind this assumption, a brief review of the history of the State and its use of military force should be undertaken to provide some philosophical background.

Many have pondered the relationship of the State and the Military over the centuries, but it is probably the Chinese who have developed the most coherent, plausible, and time resistant philosophy of war and its role in the affairs of State, a philosophy that dates back to the period of Sun Tsu (about 500BC). From this period, three principles can be drawn, each having five fundamental factors, which are as relevant today as they were when they were written. Coming from the depths of Chinese history and experience, these should be of special interest today as we enter a prolonged period of resurgence in Chinese world power and influence[i].

How to Settle a Dispute.

The traditional approach taken by the Chinese to the settlement of disputes was a graduated one, comprising:

Diplomacy.   Normally conducted at a level of considered good manners and mutual respect, diplomacy demanded patience and a very deep understanding of one's own culture, capabilities, and objectives, as well as a similar, deep understanding of the culture, capabilities, and objectives of others.

"If you know the enemy and know yourself, you need not fear for the result of a hundred battles. If you know yourself, but not the enemy, for every victory gained you will also suffer a defeat. If you know neither the enemy nor yourself, you will succumb in every battle". (Sun Tsu, Chap 3, (18))

The best diplomatic solution was the one that left both sides feeling that their objectives had been satisfied without loss of 'face'. Today, diplomacy seems far less successful than it should be as we have far too many wars. Expectations are often too ambitious, with those involved being less skilled, and having less understanding of the matters involved, or just too impatient for results. The world media, with its constant probing and insatiable demand for detail by the minute does not help, nor does the political, public relations driven, focus on the daily media cycle.

There is much evidence today that Australia has lost sight of this principle, both locally and globally.

Dirty Tricks. Dirty tricks are still popular, often made the more effective by a voracious media keen to participate, but the success of dirty tricks will always depend upon accurate and timely intelligence. Dirty tricks used against one's own lead to unnecessary disruption and weakness.

Manoeuvre.   This remains a multi-faceted activity, well exampled politically throughout the Middle East since 1948 which, unfortunately, has met with only

ephemeral results. Military manoeuvring lessons seem to have been forgotten under the pressure of terrorist tactics.

Fight a Battle. The Falklands War and Desert Storm are good examples of fighting a battle to settle matters, unfortunately, the latter victory was allowed to escape; Afghanistan and Iraq, however, are recent poor examples that beg expert and honest analysis.

Lay Siege.   Nowadays, this stratagem more often takes the form of economic or other sanctions against recalcitrant countries, but often with very limited success, and may sometimes be counter-productive. Sanctions are too frequently left to drift over time, and are often seen as an end in themselves, their effects and effectiveness left unmonitored.

The Best Wars.

At times, differences had to be settled by warfare. Traditionally, wars were declared by states, each believing that its cause was just and that it would win. Today, wars can be quite one sided affairs and not even declared. Often third parties become involved to further complicate the real motives behind the conflict. However, the five Chinese concepts of war remain a lesson for today:

- *The best war is the one never fought.*
- *The next is the one avoided.*
- *The next is the one won without bloodshed.*
- *The next is the one involving heavy loss of life.*
- *The last is the one that has to be fought time after time.*

The world today, including Australia, seems to be too bogged down in fighting the ultimate and penultimate wars to seek skilfully the alternatives.

Warfare Factors

Finally, if war becomes necessary, preparedness must be appraised in terms of five fundamental factors:

- *Moral Influence.*   That is, through the harmony that must exist between the people and their leaders, to generate in turn the mutual confidence needed to ensure success.
- *Military Virtue.*   A fighting capability grounded in strict discipline.
- *Organisation.*   To be arranged such that strict functions fall to all involved, including all supporting specialists. Channels of direction must function so that all parts act as a whole to face ever-changing challenges.
- *Armament.*   Must be appropriate and superior.
- *Supply.*   Must be adequate and timely.

The whole must then be focussed upon achieving extreme flexibility so as to take advantage of fleeting opportunities. In all activities, from diplomacy to warfare, the Chinese also emphasised the critical role played by sound intelligence.

Sun Tzu reminds us that *"The art of war teaches us to rely not on the likelihood of the enemy not coming, but on our own readiness to receive him, not on the chance of his not attacking, but rather on the fact that we have made our position unassailable."*

He also saw several ways in which a ruler (government) can bring misfortune upon his army, especially: *"By attempting to govern his army in the same way as he administers a kingdom, being ignorant of the conditions which obtain in an army. This causes restlessness in the soldier's minds". (Sun Tzu, Chap 3, (12), (13-2))*

The following review of the direction that successive governments, indeed parliaments, have allowed Australia's defence forces to be driven since about 1974 will be reviewed against these five fundamental principles governing warfare and the State. However, emphasis will be given to the two high technology Services, especially the RAAF, as without decisive control of the air the projection of military power becomes largely impossible.

CORE MILITARY CHARACTERISTICS

"A superb physicist, musician, or scientist could still be a horrible person, but a good soldier had to be a good man – one that other people had to trust under enormous pressure in horrible circumstances." (Gen Sir John Hackett in a BBC interview).

Soldiers and other servicemen fighting in Iraq and Afghanistan will know exactly what these words mean. The bureaucrat, eschewing military professionalism, can only be left wondering what they mean.

Military Ethos

Military organisations, to be effective, depend upon a set of characteristics that are unique to them – a military ethos that stresses the trust and loyalty that must exist between peers and their subordinates, and the mutual respect that must exist between peers. Discipline and tradition then provide the environment within which newcomers can not only develop their trust, but also gain the respect of the organisation that they seek.

The worth of any military leader is measured by his sense of responsibility and loyalty to his peers and subordinates – all other concerns must take second place. Hence, the leader who places career before leadership weakens the ethos of his Service because his motives become immediately suspect. Those leaders who avoid personal responsibility and place appearance before substance display an obvious lack of military professionalism, and so also undermine the ethos of their Service. It is incumbent upon the State to ensure that the ethos of its military is not degraded, for any reason, to the extent that its services become less than effective during time of need.

It may not be palatable to the State, but no matter how closely its military is called upon to mirror society, it must always remain an illiberal institution if it is to retain its ethos and be competent to fight wars on behalf of the State.

THE WORLD EXPERIENCE WITH CHANGE

From about the mid-1970s, most Western military forces have been caught up in revolutionary changes, aimed generally at bringing service values and practices more into line with those of modern society. Impetus for change has also been driven by a perception that technology was now a factor common to both military and civilian enterprises, and so the distinction between military and civilian skills was blurred, especially at the upper levels of the defence bureaucracy. The main problem with this is that technology is not the same thing as the organic military operational and technological professional expertise necessary to ensure the effective, efficient, timely, and economic military application of that technology. The important factor ignored is thus the specialised application of that technology.

Regrettably, in Australia, revolutionary change was driven by a newly-created Defence bureaucracy, implementing policies on the basis of what was best for best for it, rather than what was best for its military forces, the Nation, and the Defence Industry Base upon which Australia must rely to resist current and future threats. Even the traditional, central roles of government and parliamentary oversight were elbowed aside in the rush to build up, at the expense of Service and Defence Industry capabilities, a bloated, top-heavy, public service controlled Department with a stranglehold on all defence matters; an organisation totally disproportionate in numbers relative to the small size and limited capabilities of Australia's military forces, and lacking almost entirely the skills needed to discharge its ubiquitous responsibilities.

Similar revolutions occurred within other Western nations, particularly the USA, the UK, and Canada, each of which has found the results to have fallen far short of the advantages promised. These 'revolutions' have been responsible directly for a marked weakening of Western military deterrence throughout the world. Those nations that have resisted liberal intrusion into their services have fared much better.

The US Experience.

In the US there is now a loudly-voiced perception that the 'Defense fish is rotting from the head down' due to protracted, ineffective leadership at the Secretary and Chief of Staff level. Strategy documents have become only statements of good intentions, unsupported by effective capability, procurement, and budgetary plans, and lack any effectiveness measures. Importantly, the US has not yet resolved the strategic conflict inherent in its total focus upon 'jointery' and the global war on terror as opposed to the need to ensure that its services are updated and equipped to maintain the US's global military advantage, i.e. 'recapitalised'. The US's continued failure to manage its new equipment programmes also created what is now referred to as a 'liar's contest' between contending manufacturers, which in turn has led the Department of Defense to cap costs in order to contain them. This, however, has only resulted in a reduced number of weapons able to be funded, at a higher unit cost.

As a result, the US now faces the prospect of losing its military supremacy throughout the world, particularly in the critical area of air supremacy. The US political system, the Defense bureaucracy, the military, and the weapons manufacturers and their lobbyists have together bound up the Nation's defence capability planning and implementation processes. Consequently, the US has no coherent planning in place for the widespread capability upgrades needed to replace its increasingly obsolete and un-competitive military capabilities. Many in the US link this situation to bureaucratic structural changes similar to those that have been introduced in Australia, coupled with the inevitable weakening of its professional military expertise, largely as a result of an over-emphasis on 'jointery' rather than on Service capabilities able to act jointly when required.

The implications of this for Australia are serious and widespread, but they do not seem to be even recognised, let alone considered, in any current Defence plans and programmes.

The UK Experience.

The UK's position was well put by General Sir Michael Rose, former head of the SAS, ex-commander of the UN forces in Bosnia, and formerly in charge of standards in the British Army as Adjutant-General. He believes that the UK has witnessed the most catastrophic collapse of British military ethos in recent history. He sees the main causes as being the politicisation of the military, coupled with the resulting breakdown of the military chain of command, as senior officers look to their careers within the bureaucracy rather than their Service and so become no longer trusted by their men.

Rose sees this as resulting generally from the impacts of 'politically correct' legislation coming from Brussels, but particularly from the effects of the war in Iraq. This war has, he maintains, broken the military chain of command, causing generals to lose the trust of their men, disorientating soldiers and destroying the trust that existed traditionally between British society and the armed forces.

His remedy sees a clean-out of those 'top brass' who kowtow to Whitehall and the distancing of military decisions from politics wherever it emanates[ii].

The Canadian Experience [iii].

Canada has experienced an even longer trend towards an increasingly incompetent bureaucratic and military leadership, resulting from the politicisation/bureaucratisation of its services which has led to an undermining of the ethos of the Canadian military. The military ethos is not understood within the Canadian Parliament, or by the media, and the intelligentsia refuses to even acknowledge that it exists.

Critics see the ethos of the Canadian military as warped and at times perverted, indicative of a failing leadership, even at junior ranks; a situation that has evolved as a result of the organisation rewarding conformity over capability, so allowing the slow rise of petty authoritarians into positions of control.

John Thompson, President of The Mackenzie Institute of Canada, sees *"The institutions, customs and traditions that sustain the military ethos cannot be readily created overnight. They have to be carefully preserved against the time they are needed in earnest, and yet must remain vital and vibrant – for a military must be a mirror of the society from which it is drawn. Balancing these two necessities is a real challenge too, but it is one that Canada is failing badly."*[iv]

THE AUSTRALIAN EXPERIENCE WITH CHANGE

The problems faced by the Australian professional military officer were well analysed by Air Cdre R.G. Funnell (later to become Air Marshal, Chief of Air Force) in his research article that appeared in Defence Force Journal No 23, Jul/Aug 80, titled '*The Professional Military Officer in Australia – A Direction for the Future*'.

His analysis centred upon the competing views that the military professional was faced with the sole alternatives of having to develop political and bureaucratic skills similar to those of the senior public service, or concentrate on maintaining and cultivating strictly professional military skills and orientations. His conclusion was in favour of a pragmatic military professionalism in which greater stress should be placed on political and bureaucratic skills. An added complication he saw was that, through a slide in reasoning, civil control of the military had come to mean, for many, Public Service control.

However, since 1980, there have been revolutionary changes in the role and structure of the Service Offices, as well as those of the higher Defence machinery, and the manner in which the Services are supported. Furthermore, Australia's traditional focus upon strategic Force capabilities has given way to a single-minded focus on joint operations to meet the Global War on Terror, thereby following the US, with much the same damaging consequences.

However, some of the factors that influenced changes in defence in 1980, deserve revisiting:

Technology. *'Technologically, the (military) profession is on a treadmill where, it seems, no matter how hard you try you never get ahead. Equipment is evaluated, purchased, introduced and becomes obsolescent in a very short time and without ever being used for its primary purpose.'* In principle, this has been the case since the beginning of military air power. Aircraft, in particular, have always been at the forefront of technology, demanding progressively more advanced technological skills to keep them operational. The operational staff, in turn, had to determine new strategies and tactics, but it required a very close working relationship between operational and technical staffs, at all levels and at all times, to take full advantage of the new technology. Within the RAAF, technical support of aircraft and supporting systems were managed by a professional engineering group under a Technical Services Branch Head who answered directly to the Chief of Air Force. For a small to medium sized Service, with very limited demands upon available resources, the RAAF gained and maintained a well-earned respect for its operational and technical professionalism internationally.

The fact that aircraft, or any other weapon, may not have to be used for their primary purpose does not acknowledge the role and importance of strategic deterrence, which represents military success without the need for conflict – a solution high on list of ancient Chinese priorities. The deterrent force has, of course, to be credible in that it must be demonstrably capable of inflicting unacceptable losses on any potential aggressor.

Military and Civilian Skills. 'The men who perform such technical tasks have direct civilian equivalents – engineers, machine maintenance specialists, health service specialists, logistic and personnel technicians". Unfortunately, sweeping perceptions such as these were allowed to drive the reorganisation and Commercial Support Programmes, reflecting little, if any, understanding of the need, particularly in a small service, to maintain tight control and integration of its supporting specialists, particularly those charged with the management of its technology. Unfortunately, the unique management requirements of the technologies operated and supported by the three Services were considered to be less important to operational effectiveness than overstated, perceived economies and ill-considered commercial support objectives.

As it turned out, neither economies nor advantages resulted for either the Services or Australia's Defence Industry capabilities. The RAAF lost its professional engineering corps and its highly skilled and competent deeper level support capabilities, and Australia lost all of its prime defence contractors. In both cases, the work and the associated skills base will migrate to overseas contractors answering to their overseas management. The result has been a move from a robust, professionally managed, organic support base to a hollow military capability having a large number of single-point failure nodes in its chain of commercial support contracts.

The Professional Officer. Many references have been made to "*The Professional Military Officer*", a vague concept that needs fleshing out. People do not seek to join the Australian Defence Force. Indeed, the very term 'ADF' conjures up nothing, but denigrates the three Services that Australia has come to know, understand, and trust. They seek to join one or other of the three Military Services because they feel attracted to life in that Service as a calling, but they are also drawn to a specialist function within their chosen service – operator, engineer, personnel manager, supply manager, and so on, and it is within their chosen specialist area that their specialist professionalism is established and developed through training, education, and experience. Furthermore, with the delegation of disciplinary powers down through the specialist organisations, the professional specialists also became the principle means of inculcating Service tradition as well as applying the disciplinary code, the 'stiffening' of any service. The total ethos and morale within a Service came thus from a combination of a general Service ethos and the professional pride and sense of ethics associated with their professional specialist role.

However, the RAAF was forced to disband the professional branch structures that managed the specialist functions in depth on a force-wide basis. The RAAF is no longer organised or managed as a coherent force, but only as a number of shallow and largely independent Force Element Groups that act principally as service providers to joint operations. There is little wonder that the RAAF's Service-wide ethos has been difficult to maintain, and that the RAAF's traditional professional competence and

ethical standards have largely been lost. Similarly, there can be little wonder that the RAAF has lost sight of its wider responsibilities as the supplier of Air Power.

These changes ignore what Sun Tzu saw as the need for ***"strict functions must fall to all involved, including all supporting specialists"*** and ***"channels of direction must function so that all parts act as a whole to face ever changing challenges".***

The General List. Finally, the introduction of a General List for officers promoted beyond Wing Commander cut the cord of professionalism throughout the RAAF at that level, and so reduced the level of its professional expertise, especially the pool of experienced and competent professional officers needed to manage at the higher levels.

The consequences of the changes in RAAF organisation, the downsizing and de-skilling of it professional services corps, coupled with the introduction of the General List, are reflected in the poor professional advice that has been injected into Service and Defence planning and DMO projects since about 1999/2000.

The RAN.

The RAN, as the most senior high technology Service, saw the need for an Engineer Branch headed by a Chief of Naval Technical Services (CNTS) to ensure the seaworthiness of its vessels and the engineering and maintenance standards of its operational systems and its wide range of supporting technical equipment. Since the loss of this Branch as a result of the Sanderson Review, Navy has faced several disasters which can be sheeted home to dispersed and incoherent force management and fragmented technical support. Some examples include the '*Westralia'* incident, which resulted from a simple configuration management failure, and the maintenance standards leading to the Sea King crash in Indonesia, almost followed by another of similar magnitude[v].

More recently, the Director-General Navy Systems Branch felt compelled on 18 April 2008 to send a minute to all senior Navy engineers chastising them for their lack of leadership. The points raised by him covered real and important problems throughout Navy, but these are unlikely to be rectified by tasking the unled to demonstrate leadership. The lesson that leadership comes from above and does not well up from below seems to have been forgotten.

Navy engineers have simply now lost the professional engineering focus, unity of direction, and professional discipline that they had under their CNTS. In short, as with the RAAF, the Navy's ethos appears damaged and damaged badly through the loss of its professional specialist organisation. Given a lack of ethos and professionalism at the working level, it should not be surprising to find deficiencies at the higher level, particularly in the planning areas of force structure and requirements, capability development, and system evaluation, procurement and sustainment. The Armidale class patrol boat problems, plus the botched upgrade of the Navy's four guided missile frigates, and the failure of the Sea Sprite project provide only a few examples of inadequate professional Navy operational and engineering input. The Air Warfare Destroyer project is also waiting to fall into the 'failed' category given its present management structure.

At a still higher level, Navy doctrine and key operational concepts now rely heavily upon Network Centric Warfare (NCW) and Effects Based Operations (EBO) concepts[vi].

If Navy engineers had not been decentralised and de-skilled, but remained part of a coherent professional organisation, they would have been sounding loud warnings about the nature and risks inherent in both NCW and EBO. NCW has a long way to go before its opportunities and risks can even be identified and scaled. In addition, adopting NCW opens a whole new world of counter-NCW tactics and technology. NCW can never be assumed to be a long-term, asymmetric advantage to Australia. A very high level of closely-knit, professional operational and engineering expertise will be needed if Navy and the other Services are to navigate through the operational and technological NCW minefields unscathed.

In seeing EBO becoming a significant driver of both current operations and future development, Navy should pause to review just how the concept has developed within the US services. EBO was a US DoD concept which, in implementation, was found to introduce sloppy thinking, confused terms, and incredibly complex and wrong-headed analysis notions, but it remained supported by the US Defense bureaucracy which continued with its obstinate, magical thinking and its insensitivity to criticism. This attitude tends to mirror that taken by Australia's Defence bureaucracy when defending the indefensible. After several years of the Services trying to satisfy the bureaucracy, the war in Afghanistan and Iraq finally settled the matter, with the Commander, US Forces Joint Command directing, on 14 August 2008:

__"Effective immediately, USFJCOM will no longer use, sponsor, or export the terms and concepts related to EBO, ONA, and SoSA in our training doctrine development, and support of JPME."__

This memorandum should be studied carefully, as it injects a breath of professional military realism through the fog of the imprecise bureaucratic thinking surrounding the concept[vii].

Concepts such a NCW and EBO cannot be taken simply on face value and published as key operational concepts for the Services. They have to be analysed fully and carefully for their implications and relevance to Australia's forces, and accepted, rejected, or tailored accordingly. The fact that this has not been done calls into question the current professional skills base of the Services, both operational and technical, as well as the role of the Defence bureaucracy and its lack of ability to conduct rigorous analytical processes.

The RAAF.

Following the imposition of the Commercial Support Program, the Defence Efficiency Review and Reform Programs, and the General List, the traditional ethos and professional integrity of the RAAF came under immediate stress. The leadership and management environment that has developed subsequently within the RAAF may be gauged by a message sent by Deputy Chief of Air Force (DCAF) to all Air Force Commanders on 22nd February 2008, titled '*Values Renewal Story Competition'*. The

message referred to the *Air Force Values Statement* that had been developed during 2001 in response to a feeling that Air Force had 'lost the plot'. The message stated:

"Today our Warrant Officers and Senior Officers sign up to their own behavioural 'compacts' that outlines how they will behave in order to lead and command in accordance with our values…The most effective way to understand and live the values is for all of us to talk about them. This means Commanders talking to their unit leaders and airmen about values in the workplace and the values that are important to them, SNCOs talking and mentoring their junior NCOs about how they see values playing a role and all of you talking to each other about why the ways are important to our everyday business."

The message then went on to seek *"..people to submit their own story about the Air Force values and the role or meaning the values have for them."*

So, the traditional ethos of the Service, that sense of trust, loyalty, and respect that once bound the Service together as a united force, and provided cohesion and unity of direction through peace and war, seems now to have been replaced by a collection of high-sounding words about which all must talk. The reader may judge whether this new approach will develop and maintain a force capable of taking and sustaining decisive military action.

At the higher level, where Air Force staffs overlap considerably the Defence/DMO bureaucracies, the impacts of imposed changes soon became apparent and remain to this day. Most importantly, deficiencies arose in the critical area of operational analysis and, with the loss of its Engineer Branch, RAAF soon encountered difficulties in managing the proper technical specification, evaluation, selection, procurement, and introduction and support of its new aircraft and other systems. The C-130J, which would normally have been a straight forward project for the RAAF, soon ran into major project management problems. Indeed, since then, every aircraft project, fixed wing or rotary, has been managed poorly, with systems having to be cancelled, or introduced late, vastly overpriced, and often lacking the capabilities required. The Wedgetail AEW&C project started out under sound control, but soon degenerated under Defence's non-rigorous processes to become years late, much more costly and, because of continuing technical risks, with unproven capabilities. The C-17 Project may be claimed as an exception, but an independent cost/effectiveness audit of the contract entered into for this aircraft has yet to be done. Certainly, the USAF found its C-17 contract to be far too expensive.

All of these problems can be traced to the loss of military professionalism across the RAAF, especially in the operational and technological areas, and to the inability of Defence to get the required skills sets from elsewhere. In fact, they need to come, in the main, from within the Service as it is here that detailed and current operational and technological expertise should reside. This situation has been aggravated by the decision within the DMO to dispense with traditional, rigorous, analytical techniques in favour of Manufacturers' proposals and promises. Then, in an attempt to mitigate the high levels of risk inherent in their faulty or absent processes, Defence/DMO introduced a 'risk mitigation' policy under which contracts called for both supply and long-term support of new capabilities. The aim was to shift risk from Defence to the Contractor, but this only comes at considerable cost and even greater risk to the

Services and the Nation. The adverse impact upon Australia's Defence Industry Base has been, and will continue to be, disastrous.

The Military/Bureaucratic Interface.

When Sir Arthur Tange reported to the Minister for Defence in November of 1973, the central question he faced was how Ministerial control of the Department's functions would be ensured. Tange's answer was a Diarchy comprising a Chief of Defence Force Staff with power of command over all three services, and a Secretary, Department of Defence, responsible for resource management and policy advice. He recommended that resource management and policy direction upwards, and policy direction downwards, be distributed among five organisations coming under the Secretary, with Military input provided for in his proposals for the functions of the five organisations.

However, it was obvious that the Diarchy had been given a definite civilian slant, a slant that provided not for political control of the armed forces, but for control by the Public Service. In the end, just how Cabinet was to discharge its responsibilities for defence was not even discussed.

It could thus be said that the current Defence organisation grew from an inadequate baseline in regard to political control of Australia's defence forces, and accepted by an overly hasty and inexperienced government. This major fault line, which is central to all that is wrong structurally with Australia's defence management today, has been allowed to grow unquestioned and unchecked by government since Tange.

The vision seen by the Department of Defence was later espoused by Mr R.C. Smith, Deputy Secretary, Strategy and Intelligence (later Secretary for Defence) in 1995, a time of revolutionary change for the Services[viii].

 He seconded the remarks made by the Deputy CDF at the time, which lauded the coherent and marketable strength of current corporate planning processes, the close and effective working relationship that had developed between uniformed and civilian personnel, the progress made in the development of joint approaches to command of the ADF, the savings and efficiencies that had accrued, and the outstanding levels of competence and professionalism of the ADF. The DCDF's assessments sounded more like a Defence Press Release rather than a pragmatic, professional military assessment.

Mr Smith referred to the Diarchy as "***The 'one Organisation' headed by two persons of equal status, the Secretary and the CDF, with a top-management team comprised in addition of eight Program Heads, four civilian, four military".*** He then dwelt on the role of civilian and military personnel, particularly the extraordinary wide range of skills that the civilian side could provide. These included finance, force structure, capability requirements, science and technology, international policy, bureaucratic skills, strategic issues, military hardware and technology, engineering, providing alternative advice, and continuity in policy and administration. The impetus for change was given as the higher cost of servicemen as opposed to civilians, also a key element behind the CSP initiative. Nowhere were the needs of the Services recognised or considered properly, or was any real comparison between the total

cost/benefits between a serviceman and a civilian given or mentioned. It is clear now that neither the overly-optimistic promises of efficiency, nor the cost savings seen by the Wrigley Report, and sought by the CSP and other programs, have been forthcoming.

Mr Smith's *"Cultural" Differences* observations are of particular interest, and are reproduced below:

"It is self evident that the very different natures of military and civilian service produce different cultures, and it is important that those differences be recognised and understood if the two groups are to work together effectively. To mention just a few of these differences, civilians are, for instance, generally more readily able to tolerate, and even be comfortable with, unclear lines of command, divided authority, and open-ended guidance or ambiguous instructions. They also tend to be willing to offer judgements and opinions on the basis of less hard data than their uniformed colleagues, and to accept that outcomes can't always be readily predicted or easily influenced. Again, the question of 'ownership', so important to military commanders who very understandably want to 'own' or have command of the assets needed to do the tasks for which they are responsible, is much less important to civilians, who are generally more comfortable about being dependent on others to deliver results. Approaches to careers and service are also, inevitably, different and so of course are conditions of service and expectations from the service of which they are members."

Military professionals will see immediately the incompatibility between the characteristics of the military professional, who depends upon sharply-defined tasks, clear accountability, real measures of performance, and sound management of the resources needed to achieve them, and the civilian approach. How can the military exist or perform professionally in an organisation that accepts vague, tolerant, unclear lines of command and divided authority, and open-ended guidance and ambiguous instructions?

The military is about completing its tasks professionally and on time, with least risk, and accepting accountability for the results; the civilian is about diffusing tasks and avoiding accountability. The problem of lack of accountability within Defence was seen as a major problem by the Proust Review, but the practice is so entrenched throughout the Defence bureaucracy that it has remained, unable to be changed, and the department unable to change itself.

If these two conflicting characteristics are constrained to co-exist in controlling what are in the main military matters, then one or the other has to predominate. The bureaucracy will never adopt military approaches, despite these being precisely what is required when managing military capabilities. The bureaucracy will instead constrain all military personnel working in it to adopt civilian bureaucratic processes. If they do not, and attempt to act as military professionals, then they will be declared to be 'not good team members' and their careers will suffer. There have been a disturbing number of instances of this, with the bureaucracy seeing its role very much as 'keeping the Services in their place'. The adverse effect of this upon the military ethos and professionalism has been serious, but not acknowledged.

Importantly, the bureaucracy recommends to the Minister those who should be promoted and those who should not, and will select inevitably those senior officers who best fit the bureaucratic mould and can thus be expected to be comfortable with bureaucratic processes. This will require the officers selected to accept always the bureaucratic position even when it is not in the best interests of their Service. This in turn has an adverse, domino effect down through the higher levels of the Service, as officers must strive to become compliant bureaucrats within the Defence organisation if they are ambitious, rather than develop as professional military officers, as they should. That is, those seeking the higher appointments have to decide whether they will follow the professional military officer path or follow the military bureaucrat path. There is no middle way. The scene is thus set for the erosion of Service ethos and ethics from the top down. This is usually referred to as the 'politicisation of the military', but in fact it is the 'bureaucratisation of the military'.

The cultural differences seen by Mr Smith also led him to two concepts of how the civilian and ADF sides fit into the decision process:

"The first is a fairly simple one, namely, that the boundaries between those areas which were once regarded as the prerogatives of either civilians or uniformed personnel to advise upon have become increasingly blurred, and will continue to blur." *'Have been made'* would probably have been a more accurate expression than *'have become'*.

His second point referred to government becoming involved in all decision processes from the planning and preparation for all military operations through to how the military objectives will be pursued and for all the things that occur along the way. This, in effect, translates to mean total control of all military activities. However, it is not government that will do this, and almost invariably not the Minister, it is the Public Service controlled bureaucracy within the Department of Defence that will do it, as the Department provides all guidance and recommendations to the Minister, Government, and Parliament, and that guidance will be based solely upon internal, bureaucratic considerations and processes. The Minister, Government, and Parliament have almost invariably accepted the Department's position and recommendations on trust, even where irrefutable, independent evidence has indicated that those recommendations had been faulty, indeed blatantly misleading.

A good example of this is the Orme Review of Australia's New Air Combat Capability that followed the change of government. This review was provided with well researched facts and analyses that ran contrary to Defence's entrenched position, but these were not acknowledged, simply dismissed out of hand. The result of this review was to transfer ownership of the highly contentious decisions taken by the previous government, on Defence advice, to the new government via its Minister; the Department thus escaping any criticism. The Orme review demonstrates clearly how the Department controls the Services, the Minister, as well as the government and parliamentary oversight processes.

However, the Minister may now be facing an even more hazardous challenge. During an interview recorded in the Australian Defence Magazine of June 2008, in reply to a question as to how he found the Department, he stated that "*The thing that struck me was how busy it was. I could never have imagined the workload would be so*

heavy". For a minister whose major task should be the development of carefully considered higher defence policy and planning, the situation he described must be of concern. Prima face, he seems to be far too involved with matters that should be handled down the line, particularly by the Services. However, the current organisation floats everything up the line, which diffuses accountability.

The situation becomes of even greater concern when reading about *"The White Paper and the nine companion reviews that will go with that which will look at the whole defence organisation all the way from the management structure to IT".* The Minister added that these reviews will not be made public; that is, they will be based wholly upon departmental input and processes. This will inevitably ensure that the light from any independent or contrary views will be excluded.

The danger in this is that an overloaded minister, who has already taken ownership of the Department's past flawed Air Combat Capability decisions, will now be called upon to accept ownership of other past, current and future departmental policies, positions, and processes and their inevitable consequences. The Department will thus sail blithely through its past, present, and future mismanagement and can look to ministerial and government protection if it is called to account.

Finally, the Minister referred to *"Projects of Concern as we call them (examples) it goes on and on, but it is even worse than I expected. The budget was dysfunctional because it had basically failed to properly anticipate future costs, and that's the most important thing to get right."* The simple fact is that is that DMO is dysfunctional, not the budget. Since about 2000, when the last of the traditional, professional military officers passed through Defence/DMO, either to move ahead as military bureaucrats or have their careers shortened as military professionals, DMO became, and has remained, dysfunctional. Despite protestations of learning and changing, the organisation has not been able to demonstrate even basic project management competency or get to grips with fundamental risk management and Life Cycle Costing techniques. If the budget is to come under control, DMO must be changed dramatically, and part of that change must be a resurgence of professional military officers, particularly from the operational analysis and technical areas.

Defence attitudes and processes have led to a series of running sores which have been visited time and again by 'independent' reviews which have proven to be, in fact, substantially internal reviews, the Department controlling tightly the Terms of Reference, the selection of the 'experts' forming the review team, and generally the form and direction of the recommendations. Few recommendations from any review have been fully and properly implemented, as the very bureaucratic characteristics mentioned in this analysis dictate against this. That is, the Department is both unwilling and unable to rectify its own deficiencies and so must defend the indefensible to protect itself. This, in turn, has placed government and parliament in the position of having to defend the Department's position.

The Diarchy and Leadership.

The subject of the Diarchy and leadership was visited by the CDF at the time during November of 2004[ix]. After touching upon the challenges and complexities of the time, he outlined the division of responsibilities within the Diarchy, summarising the

structure *as "So if you had a Venn diagram, you would see a large lump in the middle, shared between the Secretary and me, and you would see at the side two particular areas of expertise and responsibility that we deal with separately. It is a leadership collaboration that works very well and is unique in the Australian Public Service".* It might also be seen as being even more unique when compared with the direct link between the Military and parliamentary oversight that existed previously. The 'lump' may also be seen in management terms as being a control mechanism through which the Public Service bureaucracy, not the civil authority, controls the Services. Its appropriateness and usefulness have never been analysed and tested, but the reflexive and unqualified defence of the Diarchy by both the Secretary and the CDF raise unease that there is more to it than appears. The Diarchy can hardly qualify as a leadership collaboration.

Equally importantly, the CDF saw an important difference between leadership, as seen in the Diarchy's leadership collaboration, and managing, as seen in the Services, with the manager not being considered able to 'cut the mustard' during times of operational stress. This concept is far from the professional values that have served the Services well during times far harsher than those faced today. Officers and NCOs who hold command appointments in any of the three Services have to be sound managers. That is, they have to be able to plan, organise, direct, and control their resources, human and otherwise, so as to achieve their objective(s) efficiently, effectively, and at least risk. Their skills base must include, in particular, sound discipline, a solid grasp of the technology operated, and strong man management abilities. Given that a Service's education, training, and promotion system produces such sound managers, it is then necessary to provide the opportunity for them to develop and display their leadership skills. Those who rate highly are advanced, while those with potential are developed further. Such professional military officers can be expected to maintain the ethos and ethics of their Service, those characteristics upon which military success will always depend.

Management skills and leadership skills must go hand in hand in any professional military organisation, but the results will be most unlikely to produce senior military officers who meet the bureaucratic requirements spelt out by Mr Smith. Hence, those military professionals who enter the bureaucracy will run inevitably into serious career problems. The motive behind the CDF's suggested decoupling of management and leadership is militarily and managerially confusing.

The Management of Mistakes.

One of the most obvious differences between the professional military officer and the bureaucrat is the manner in which mistakes are managed:

The Military. Within the Military, mistakes must be detected, analysed, and corrected openly and promptly. To do otherwise would leave the organisation vulnerable to risks that may vary from military inefficiencies or ineffectiveness at least to the loss of men and equipment or a battle at worst. The military thus has no option but to act promptly and decisively as a matter of survival.

The Bureaucracy. Within a bureaucracy, mistakes must be handled carefully so as to ensure that no criticism can be levelled at the Secretary, the bureaucracy, the Minister,

or government. The odium associated with a mistake, real or imagined, can travel quickly up the chain to land in the Minister's or the government's in tray, particularly within the current defence organisation. Control is also made difficult due to the glare of an often ill-informed media. Mistakes must therefore be considered to carry too much of a bureaucratic/political risk to be made public. So, to protect the bureaucracy, the minister and the government, mistakes must be controlled closely, using when necessary an arsenal of denial, spin, obfuscation, delay, or being buried in a legal graveyard. This could all be overcome if the unnecessary overlap between the Military and the bureaucracy did not exist.

CONCLUSIONS

Since the defence reorganisation, Australia has witnessed an increasing stream of criticism from the media and the dwindling number of those who have a professional grasp of the military and its needs, but all to no avail. Press coverage over the past few weeks alone have dwelt upon a long-standing 'Voyager disaster' claim and four service suicides. Defence has been criticised roundly for its handling of each case, particularly in the legal arena. The Military Justice System, which was not, pre-reform, a significant problem area, has been reviewed several times, but without improvement. Despite statements that all is well, there still remain a number of quite justifiable complaints that have been locked up in Defence/DMO Legal Offices for a decade or more. As with other reviews, the results have been either nil, or an increase in the bureaucracy and its functions. Finally, there have been continued reports of DMO's endless failures in its management of system procurement and support requirements and its associated contracting practices, which have cost the tax payer some billions of dollars and left the military without needed capabilities. The Gillian Marks Affair, though paltry in costs by comparison, typifies the failures in Defence management at the Executive, Departmental and Government levels.

The result of all this has been to drive a wedge between the people of Australia and their leaders. Where harmony should exist, there is now a feeling of distrust and of being let down. This has inevitably spilt over to weaken the feeling of trust and confidence that the Australian people had traditionally in the leadership of their military forces. Australia's military, once clearly apolitical, is now effectively under the command and leadership of the Diarchy, which is simply the front office of an instrument of centralised Public Service power over the Military. In short, the moral influence seen by Sun Tzu as being the most important warfare factor, and critical to military success, has been weakened and this process will continue so long as the current higher Defence organisation exists.

The military virtue of Australia's military forces has also been compromised by bureaucratic interference and government failure to exercise proper guidance and control. As Sun Tzu pointed out: '***By attempting to govern his army in the same way as he administers a kingdom, being ignorant of the conditions which obtain in an army. This causes restlessness in the soldier's minds".***

The path ahead for Australia has already been trodden by others, with results that should not be ignored by government. It is wise to use the experience of others.

The organisational imperatives seen by Sun Tzu are also clearly in total disarray. Strict functions for all and channels of direction do not function so that all parts do not act as a whole. We have now a dysfunctional maze of interfacing and overlapping organisational, functional, administrative, and financial fiefdoms that will most surely fail under pressure.

Our armament is neither appropriate nor superior. Our knowledge of ourselves and others is poor and our intelligence equally poor. Our procurement and support systems are as dysfunctional as our Defence organisation.

Without considerable reform, Australia can look forward only to more of what has developed over the past 34 years or so – essentially a burgeoning bureaucracy, a hollow military deficient in professional mastery of core skills, and governments unwilling or unable to reassert control.

Bushell

17th November 2008

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ENDNOTES:

[i] 'The Art of War – War and Military Thought', Martin Creveld, also 'The Art of War', Sun Tzu.

[ii] Reference: 'Washington's War' by Michael Rose, published by Weidenfeld and Nicholson.

[iii] The comments that follow are cited from Norman Dixon's highly respected study 'On the Psychology of Military Incompetence' as reported by John Thompson, President of the Mackenzie Institute of Canada, in his articles 'Sheep in Sheep's Clothing', Nuremburg and Bin Laden', and 'Micro Managing the Military', which may be found at www.mackenzieinstitute.com.

[iv] The situation in both Canada and the UK is also covered in more detail in '*Is this the Future for Australia's Military Capabilities?*' APA Analysis 2008-1.

[v] Refer *'The Never Ending Story of Airworthiness Versus Murphy's Law'*, APA Analysis 2007-04.

[vi] See *'Navy Contribution to Australia's Maritime Operations'* - The Navy Seapower Centre.

[vii] US DoD Memorandum for U.S. JOINT FORCES COMMAND – Assessment of Effects Based Operations, 14th August 2008.

[viii] Reference: *'Defence – One Organisation'* – Address to Senior Officer Study Period, Williamtown – 21 March 1995, which appeared in Defence Force Journal No 115, Nov/Dec 1995.

[ix] Address by General Peter Cosgrove AC, MC titled 'Leadership in an Interdependent World', 11th November 2004 which can be found at www.defence.gov.au/cdf/speeches/past/speech20041111.htm.