

The Big Defence Beast

Graeme Dobell

All Australian governments come to office with a deep admiration for the military and some apprehension about the Department of Defence.

Politicians embrace the uniform but worry about the organisation. After some time in office, the mystique of the slouch hat is confirmed; the men and women who salute are as impressive as their reputation.

The Defence Department, though, is a big beast that doesn't become more lovable by close association. Apprehension shifts towards frustration and even anger.

The big beast is tasked with doing many things that are expensive, tough and complex. The high degree of difficulty is matched by the huge dump of dollars.

Ministers are in the power game; they're in it to make things happen, not have things happen to them—or happen extremely slowly, if at all. Ministers push and pull at the beast and coax and cajole, yet not much seems to shift.

Another dimension of this is that Defence's mission is to see that catastrophic things don't happen. The beast gets fed huge amounts of cash, to what result? No war on our shores. Tick. National security. Tick.

Trouble is, Australian voters tend to see defence as a given—a core mission that's a minimum competency. Defence is what any government is expected to deliver while voters get on with their lives.

If Defence does its job, nothing happens. And governments know they don't get much credit from voters for what doesn't happen. Ministers have to tend and feed the beast, but fret about what they get in return.

The politics of this is delicate. Cabinet can't be seen to be mean to Defence for fear of accusations about mistreating the military and risking national security. The slouch hat is a potent symbol that provides much bureaucratic cover.

Mostly, the beastly frustrations are muted. When a minister does roar (usually after leaving office), the steam and smoke can be impressive. A notable vent was by Australia's longest serving treasurer, Peter Costello,

who was in office from 1996 to 2007. All those years feeding dollars to the beast gave Costello an intimate knowledge of its foibles and temperament. He was not impressed.

Costello devotes a page of his memoirs to denouncing Defence as the despair of Cabinet's expenditure review committee. Costello recalls that Defence planners had such a poor grip on their budget submissions they could not explain the details to their own ministers.

"When I first became Treasurer, Defence would not even itemise its Budget submissions or state where the funds were being spent. It used to insist on a global budget which, if the Government agreed to it, would enable the department to allocate funds between projects as it saw fit."¹

In listing projects for capital acquisition, he says, Defence never allowed for depreciation or, in some cases, for repairs. The problem was compounded by the five defence ministers who served during the Howard era. "They did not have time to really get on top of all the ins and outs." The shuffles at the top mirrored the military custom of having officers change chairs every couple of years.

"There is a high turnover of people in the various Defence hierarchies. All the services protect their own areas. Every step in achieving more efficiency involved a tussle over whether or not the central Government was entitled to a line-by-line disclosure of how Defence spent its budget."²

Costello writes that his longevity as Treasurer meant that he had a better recall of the history of some acquisitions than those who turned up to make submissions.

"Defence is now making disclosures on a scale it has never done previously. After eleven and a half years I had a handle on all this simply because I had been involved in these decisions for longer than any of the Defence chiefs. I could actually remember the reasons why we had decided on certain acquisitions. They had to rely on the oral traditions passed down the chain of command. I was able to remind the Defence chiefs of previous undertakings they had given about containing costs."³

Usually, as Costello notes, it's governments and ministers that don't remember past problems and solutions. The big beast is supposed to have the advantage of a long memory.

A few things have shifted, but beasts are slow to change their nature, much less their spots. Consider the simple question of whether Defence has even evolved to be one beast, or is still just a herd of them. This is a Canberra

¹ Peter Costello with Peter Coleman, *The Costello Memoirs: The Age of Prosperity* (Carlton, Vic.: Melbourne University Press, 2008), p. 99.

² Ibid., p. 100.

³ Ibid., p. 99.

conundrum that's galloped around the parliamentary triangle for decades: Is Australia's Department of Defence one big beast or a herd of beasts? Is the Oz military a single tribe or a bunch of tribes?

The questions matter in many ways, not least because the nature of the instrument says much about the purposes it can be used for. The means you create express the ends you intend.

The Old Testament view of Australian defence dealt in plurality. The New Testament seeks singularity. The New and Old Testament understandings both contend and combine.

The Old Testament prophet of Australian defence presided over a herd. An alliance—expeditionary culture meant different service tribes could be sent off individually to work with allied forces under foreign command.

The New Testament prophet of Australian defence united the tribes and proclaimed them one. The herd would be transformed into a single big beast to defend the land of Oz.

The Old Testament prophet was Sir Frederick Shedden, who headed the Defence Department for nineteen years, from 1937 to 1956.

The New Testament prophet was Sir Arthur Tange, secretary of the Department of External Affairs from 1954 to 1965, and secretary of Defence from 1970 to 1979.

Shedden was a tough, shrewd operator who spent his whole career at Victoria barracks in Melbourne (refusing to move to Canberra). Shedden was described as a powerful personality who was "ruthless with those who crossed him and devastating with those ... who could not rise to his exceptional standards of performance".⁴ Exactly the same description applied to Tange. These prophets both had steel at their core, fine administrators always ready for a turf war.

As a superb bureaucrat, Shedden recorded his life on paper.⁵ Away from his desk, Shedden was adrift. John Edwards describes Shedden's ill humour when sailing with Prime Minister John Curtin to the United States in 1944:

⁴ David Horner, 'Shedden, Sir Frederick Geoffrey (1893–1971)', *Australian Dictionary of Biography*, National Centre of Biography, Australian National University, published first in hardcopy 2002, <adb.anu.edu.au/biography/shedden-sir-frederick-geoffrey-11670> [Accessed 22 January 2020].

⁵ David Horner wrote a biography based on Shedden's files (2,400 boxes of material) and the 2,400 typed pages of Shedden's unpublished history of Australian defence policy from 1901 to 1945. See David Horner, *Defence Supremo: Sir Fredrick Shedden and the Making of Australian Defence Policy* (St Leonards, NSW: Allen & Unwin, 2000).

The voyage across the Pacific to San Francisco took two weeks. Separated from his files, from his department, from his independence and authority as the bureaucratic overlord of the national war effort, Shedden was morose. Files were knowledge, and knowledge was power. A habitual note taker, he was suddenly bereft of content.⁶

As a fine example of his times, Shedden was a British Empire man. Dividing the Oz defence tribes wasn't merely a means for him to rule, but preparation for the dispatch of individual elements to serve under British command. Even after the turn to the United States in World War Two, Shedden's vision was to bring back the Brits—even resurrect a naval strategy based on Singapore.

By the end of Shedden's reign, as David Horner writes, Prime Minister Robert Menzies thought that the problem with Defence was "the dead hand of Fred Shedden".⁷

Arthur Tange overthrew much Shedden had made and carefully minuted. Tange's attack on the Old Testament was that it valued consistency above innovation, process above outcome: "In my discussions with Shedden over the years, I heard few opinions on Australia's strategic interests or priorities. He was more interested, it seemed, in procedures and respect for the Defence Committee".⁸

Tange killed off four separate beasts, the departments of Army, Navy, Air Force and Supply (each with a separate minister), and merged their functions into a single Defence department; he created the civilian-military leadership diarchy and resurrected the term Australian Defence Force (ADF).

Shedden's military world was the AIF (Australian Imperial Force). Tange brought forth the ADF, recalling:

I took the opportunity to employ symbolism to reflect the concept that a common purpose must govern the activities of the three Services. I restored to usage the compendious title 'Australian Defence Force' which the 1915 *Defence Act* had declared to be composed of 'three arms'. ... In due course (after my time) the commander had his title changed to the unambiguous 'Chief of the Defence Force'.⁹

⁶ John Edwards, *John Curtin's War. Volume II: Triumph and Decline* (Melbourne: Viking, 2018), p. 269.

⁷ Horner, 'Shedden, Sir Frederick Geoffrey'.

⁸ Sir Arthur Tange, *Defence Policy-Making, A Close-Up View, 1950-1980*, edited by Peter Edwards, Canberra Papers on Strategy and Defence, no. 169 (Canberra: ANU E Press, 2008), p. 8; <press.anu.edu.au/publications/series/sdsc/defence-policy-making> [Accessed xx month 20xx].

⁹ Tange, *Defence Policy-Making*, p. 58.

In criticising the three services, the word Tange used a couple of times was 'tribalism'. Shedden sought to control the tribes; Tange wanted to make them one.

Tange made a new structure for a new strategy. In seeking to turn the herd into a single beast, Tange aimed to remake policy, as Peter Edwards notes:

He strongly endorsed, and possibly coined, "self reliance" as the concept to replace 'forward defence', and he supported the idea of defence focused on the continent and its approaches. But that didn't mean a wholesale rejection of the US alliance—an issue on which he sparred in his later years with his friend and admirer Malcolm Fraser. Tange's subtle balance between robust independence and alliance confused many.¹⁰

Tange remade structure, but elements of the Old Testament still pulse through the system. Heresy still happens.

The only man to have emulated Tange, in heading both Foreign Affairs and Defence is Dennis Richardson.¹¹ Four decades after Tange, Richardson confessed he was still waging the struggle to create a single beast and unite the tribes.

Richardson said he had "a very strong philosophy to make Defence more of a unitary state rather than a federation, and a loose federation at that".¹²

Unitary state versus loose federation! The testaments still contend.

The Tangle of Kit and Costs, Complexity and Strategy

'Strategy without money is not strategy.'

—Arthur Tange¹³

'Everything is very simple in war, but the simplest thing is difficult.'

—Carl von Clausewitz¹⁴

¹⁰ Peter Edwards, 'Sir Arthur Turns 100', *The Strategist*, Australian Strategic Policy Institute, 18 August 2014, <www.aspistrategist.org.au/sir-arthur-turns-100/> [Accessed xx month 20xx].

¹¹ Graeme Dobell, 'Dennis Richardson and Arthur Tange: Part 1', *The Strategist*, Australian Strategic Policy Institute, 22 April 2013, <www.aspistrategist.org.au/dennis-richardson-and-arthur-tange-part-one/>; and 'Dennis Richardson and Arthur Tange: Part 2', 24 April 2013, <www.aspistrategist.org.au/dennis-richardson-and-arthur-tange-part-ii/> [Accessed xx month 20xx].

¹² Dennis Richardson, 'Transcript of Proceedings', Secretary Address, Institute of Public Administration, National Portrait Gallery, Canberra, 21 November 2016, p. 3. <vs286790.blob.core.windows.net/docs/Event-Documents/IPAA%20Secretary%20Address%20-%20Dennis%20Richardson%20AO%20-%20Transcript%20-%202021%20November%202016.pdf> [Accessed xx month 20xx].

¹³ Paul Dibb, 'Defence Policymaking', in Peter Dean, Stephan Frühling and Brendan Taylor (eds), *Australia's Defence: Towards a New Era?* (Carlton, Vic.: Melbourne University Press, 2014), p. 166.

Australian governments are always trying to simplify defence and rein in costs.

In Canberra's world of inputs, outputs and deliverables, Defence is the big-bucks beast that eats much and always demands more. And what, exactly, does the beast deliver for a nation that has its own continent?

To put the question more formally: What is the optimal defence strategy of an affluent and stable country with no land borders that has never in its modern history experienced enemy soldiers setting foot on its land?

The conundrum was well presented fifty years ago in a wonderful Bruce Petty cartoon, headed 'The great defence shake-up'.

A senior Oz military officer is sitting at his desk, amid a clutter of paper and models of military kit, yelling in frustration: "For the 500th time can somebody tell me. It'd be a great help. In the light of current allied attitudes: WHO ARE WE TO DEFEND! AGAINST WHAT?"

A civilian bursts through the door and announces that it's time for streamlining and a basic restructure, declaring: "Defence planning must assume a new FLEXIBILITY. Our goal is a new dimension in departmental cooperation."

The maps and model planes and rockets are swept from the desk and the uniformed officer is plonked on top of the filing cabinet. The be-suited bureaucrat plugs in his electric kettle, organises the rubber bands, then sits at the newly cleared desk and announces to the officer: "Now all I want from you is: Who are we to defend against what?"

The civilian is booted out and the process begins all over again. It's a succinct rendering of what Paul Dibb later called "the lack of a real consensus in this country on what the Defence Force is defending us against".¹⁵

When Petty drew that cartoon, Australia was deeply involved with the United States in losing a war in Vietnam. Yet, even as Vietnam went from failure to tragedy, the visiting British strategist Michael Howard could observe: "The real defence problem of Australia is, in fact, that it does not have a defence

¹⁴ Carl von Clausewitz, *On War*, Book 1, Chapter 7: 'Friction in war', The Clausewitz Homepage, <clausewitz.com/readings/OnWar1873/BK1ch07.html> [Accessed xx month 20xx].

¹⁵ Paul Dibb, *Review of Australia's Defence Capabilities*, Report to the Minister for Defence (Canberra: AGPS, 1986), p. 176.

problem: that there is not at present a single cloud on the horizon that seriously threatens Australian security".¹⁶

Fifty years on, there's a growing cloud called China. Lots of other stuff, though, looks familiar. The continent is still secure. Now, as then, Australia worries about the United States withdrawing from Asia. Still we ponder the reliability of the alliance. As ever, Canberra grapples with the complexities of the defence beast.

The cash that Canberra throws at the beast has much to do with the cost of the military kit. The kit is costly and complicated because government and bureaucracy grapple with Clausewitz's truth (doing simple things in battle is hard) while confronting Augustine's laws.¹⁷ The laws are the aphoristic observations of Norman R. Augustine, an American aerospace engineer who did several stints in the Pentagon. Among my Augustine favourites:

- The last 10 per cent of performance generates one-third of the cost and two-thirds of the problems.
- The process of competitively selecting contractors to perform work is based on a system of rewards and penalties, all distributed randomly.
- The weaker the data available upon which to base one's conclusion, the greater the precision which should be quoted in order to give the data authenticity.
- Simple systems are not feasible because they require infinite testing.
- Hardware works best when it matters the least.

The most notorious law states that defence budgets grow linearly while the unit cost of new military aircraft grows exponentially. Canberra understands this law to the extent that we're not building fighter planes. Instead, we build submarines.

The tangle of kit, costs, complexity and strategy explain why the Department of Defence is the most inquiry-prone creature in Canberra. Defence has had fifty reviews since 1973, (thirty-five significant reviews and many more supplementary reviews).¹⁸

¹⁶ Michael Howard, broadcast as 'Guest of Honour', ABC, 3 October 1971, and printed as 'Australia in World Affairs: A British View', in David Pettit (ed.), *Selected Readings in Australian Foreign Policy*, 2nd edition (Toorak, Vic.: Sorrett Publishing, 1975), p. 63.

¹⁷ Norman Augustine, 'Augustine's Laws', Wikipedia, 4 May 2018, <en.wikipedia.org/wiki/Augustine%27s_laws> [Accessed xx month 20xx].

¹⁸ Department of Defence, *First Principles Review, Creating One Defence* (Canberra: Department of Defence, 2015), p. 13.,

The 1973 start point is when Arthur Tange brought forth the New Testament. Tange's act of creation and Petty's cartoon stand together five decades back, yet still today prime ministers puzzle, defence ministers struggle and treasurers rage.

For the political masters, admiration and appreciation still mingle with exasperation and frustration. The beast will never be tame. But how well can it be ridden?

The most recent major report on the defence organisation—the First Principles Review—noted in 2015: “The sheer frequency of reviews over the past decade has meant that many were short-lived or simply overtaken by the next review. Often the recommended changes were not allowed to bed in before another review began”.¹⁹

If any of the answers were simple or cheap, they'd have been implemented long ago. The beast shifts slowly as reviews come and go, pushing at the history, habits and habitat of Russell Hill. Tange's creation has a diarchic brain, with military and civilian sides; the creature spends a lot of energy just connecting its thoughts.

The First Principles review found that Defence's way of doing things was “complicated, slow and inefficient in an environment which requires simplicity, greater agility and timely delivery. Waste, inefficiency and rework are palpable. Defence is suffering from a proliferation of structures, processes and systems with unclear accountabilities”.²⁰

Savour that recurring lament of reviews through the decades.

Reviews happen for many reasons. Oppositions pledge to overhaul Defence as one of their promises to remake Canberra; and if they win power, a review is a promise that can be kept.

Governments usually order reviews to tackle a bothersome headache or damp a crisis. After some time in office, though, they often reach for an all-purpose shake-up to vent frustration, tighten the reins and sharpen the spurs.

Defence white papers and strategic reviews are a special genre, a form of self-analysis using a geopolitical crystal ball and an equipment wish list. The beast tries to explain itself to government (and itself) while looking out from Russell at what's happening in other parts of the jungle.

<www.defence.gov.au/Publications/Reviews/Firstprinciples/Docs/FirstPrinciplesReviewB.pdf>
[Accessed xx month 20xx].

¹⁹ Ibid., p. 13.

²⁰ Ibid., p. 13.

In line with the big beast metaphor, Peter Jennings channelled his inner naturalist to describe the life cycle of a defence review as though it were a Gnu or wildebeest roaming the grasslands. Under punny headlines 'Nothing Gnu Here' and 'No Gnus is Good News', he records the tough truth that few reviews survive long enough to be fully implemented: "Just as for Gnus in Africa, life is brutal and short on the policy veldt. Many reviews get trampled underfoot by newer processes".²¹

Life is hard for reviews because Defence's problems aren't just complex and costly; they reach beyond vital towards existential. As an example, consider Paul Dibb's account of why he was asked to report on Australia's defence capabilities in 1985 (one of the reviews that lived long enough to have a real impact).

Dibb was called in after twelve months of internal argument, when Defence couldn't "come to even a preliminary agreement on force structure priorities for the defence of Australia". Ponder that. Defence couldn't answer the question that's the heart of its existence: how do we defend Oz? The diarchic brain was in turmoil.

Dibb describes the entrenched differences between the senior military and civilian hierarchies:

The secretary and the chief of the defence force had got bogged down in exchanging 130 classified memos about the theology of defence policy on such concepts as defence warning time; low-level conflict; more substantial conflict; and whether Australia's unique geography should basically determine its force structure, as distinct from expeditionary forces for operations at great distance from Australia. Most of the ensuing debate was not constructive: it was hostile with little agreement on even basic principles for force structure priorities.²²

As the outsider, Dibb says his main policy aim was to get a "workable compromise between these bitterly held positions".²³

Workable compromise is the spur of choice for the beast.

Reviews always wail about fuzzy accountability and indirect responsibility. The critique was immortalised by Defence Department Secretary Allan Hawke, back in 2000, when he decried "a culture of learned helplessness

²¹ Peter Jennings, 'Defence Reviews: Nothing Gnu Here', *The Strategist*, Australian Strategic Policy Institute, 20 April 2015, <www.aspistrategist.org.au/defence-reviews-nothing-gnu-here/>; and 'Defence Reviews: No Gnus Is Good News', *The Strategist*, Australian Strategic Policy Institute, 21 April 2015, <www.aspistrategist.org.au/defence-reviews-no-gnus-is-good-news/> [Both accessed xx month 20xx].

²² Paul Dibb, 'Revisiting the North in the Defence of Australia', *The Strategist*, Australian Strategic Policy Institute, 27 June 2019, <www.aspistrategist.org.au/revisiting-the-north-in-the-defence-of-australia/> [Accessed xx month 20xx].

²³ Ibid.

among some Defence senior managers—both military and civilian. Their perspective is one of disempowerment”.²⁴

Hawke described the problem this way:

Putting the budget/financial situation to one side, the most significant organisational issue we face relates to leadership. Not to put too fine a point on it, too many of our people lack confidence in many of Defence's senior leaders. Justified or not, Defence's leadership is seen as lacking coherence, as failing to accept responsibility and as reactive. Issues such as visibility and caring arise.

Far too often, it seems that wherever one sits in the hierarchy, all the problems besetting the organisation in terms of its management and leadership come from higher up the ladder.²⁵

Defence had “been through massive change that is often not well appreciated”, Hawke said. His version of the department as a big beast was that it was “far too inwardly focussed”. Yet the beast had trouble understanding its own “mission, vision and values”. The rest of government, he noted, was equally puzzled:

The reality today ... is that there is widespread dissatisfaction with Defence's performance in Canberra—from ministers, central agencies within the public service, industry, and even from within the Defence organisation itself. In essence, we have a credibility problem.²⁶

Many reviews later, the newest ‘learned helplessness’ attack is in Hugh White’s *How to Defend Australia*. The book stirred so much controversy that not much attention was paid to his call for a ‘savage cut’ to the beast he once rode as a deputy secretary.

White sets up his assault with this aside: “It is a sobering reality that anyone attempting to understand defence management should start with the works of C. Northcote Parkinson, especially *Parkinson's Law*”.²⁷ The law states that “work expands so as to fill the time available for its completion”. The naval historian built his satirical analysis on two sublaws: the Law of Multiplication of Subordinates and the Law of Multiplication of Work. Later he added further edicts such as one on triviality, observing that organisations spend disproportionate time and effort on minor matters.

²⁴ Allan Hawke, ‘What’s the Matter? A Due Diligence Report’, Edited Address by Secretary, Department of Defence, to Defence Watch Seminar, National Press Club, Canberra, 17 February 2000, in *Australian Defence Force Journal*, no. 141 (March/April 2000), <www.defence.gov.au/adfj/Documents/issue_141/141_2000_Mar_Apr.pdf> [Accessed xx month 20xx].

²⁵ Ibid.

²⁶ Ibid.

²⁷ Hugh White, *How to Defend Australia* (La Trobe University Press with Black Inc., 2019), p. 309.

White judges that Australia has a record of failed defence reforms. Benchmarked against Singapore, Israel and France, he writes, Australia doesn't get value for money. The reviews "have not delivered big long-term savings and seem to have done nothing to redress the poor performance".²⁸

A key reason defence is less efficient, White argues, is complacency. Our leaders and the military and civilian hierarchies have assumed "that Australia does not really face serious strategic risks, because we can always rely on the Americans".²⁹

White wants to spend a lot more money bulking up the body of the beast, but make its head smaller:

One organisational reform which might make a real difference is a savage cut to the size of the civilian and military staffs in defence headquarters on Russell Hill ... [W]e would get better decisions faster if a lot fewer people were involved. The big benefit here is not that we need fewer people on the payroll; it's that we get better decisions about big strategic questions.³⁰

The beast has a fine record of discipline. Efficiency is tougher, not least because Defence lives in arcane and difficult places; that's why private-sector business-based answers can offer only partial answers.

Rigour in the thinking matters because in conflict even simple things are hard. And the diarchic brain has to decide not just the best strategy to guard an affluent and stable nation with its own continent, but to relate that thinking to all the forces surging across the Indo-Pacific. In an era of great-power contest, where the international system strains and sags, Canberra frets at "the most consequential changes in the global environment since WWII" pushing at the prosperity and stability of the Indo-Pacific.³¹

Australia needs the big beast to be strong and versatile, smart on strategy and ready with the best kit.

So, naturally, it's time for another review.

In October 2019, Defence Minister Linda Reynolds announced Defence will do a "hard-headed assessment" of the "changes and challenges" confronting

²⁸ Ibid., p. 277.

²⁹ Ibid., p. 280.

³⁰ Ibid., p. 279.

³¹ Eryk Bagshaw, 'Australia facing most significant global changes since WWII, DFAT warns ministers', *Sydney Morning Herald*, November 12, 2019. <https://www.smh.com.au/politics/federal/australia-facing-most-significant-global-changes-since-wwii-dfat-warns-ministers-20191112-p539ud.html>

the beast.³² Senator Reynolds said “to adapt to the reality of the changes around us”, Defence will ponder:

- What changes we need to make to our strategy;
- What changes we need to make to our capability [although Reynolds also said, ‘I do not envisage any changes to our major capability programs’]; and
- [H]ow we transform Defence into an organisation that can deliver on the national tasks for the decades ahead.

The speech had twelve mentions of ‘change’, ‘transformation’ made three appearances and ‘strategy’ was there eight times. The vision is of beast guided by strategy, not by habit and history. As Senator Reynolds put it:

The First Principles Review made Defence a far more strategy-led organisation. It succeeded, in my mind, in getting the Defence enterprise aligned at the starting line of on an ongoing transformation process. The next step is to define this new, more adaptive strategy framework, to ensure One Defence is agile in responding to current circumstances.³³

The times demand more of the beast. Time, again, to push the beast.

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³² Linda Reynolds, Speech at Royal Australian Navy Sea Power Conference, International Convention Centre, Sydney, 8 October 2019, <www.minister.defence.gov.au/minister/lreynolds/speeches/royal-australian-navy-sea-power-conference-international-convention> [Accessed xx month 2019].

³³ Ibid.