

## **The real battle is far from the battlefield**

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The Australian Defence Force is by far the most complex organisation in the country. It doesn't just provide armed force. It does everything from social work and brass-band music to rocket science and signals intelligence. To do all this, Defence employs more people than any other organisation in the country except Coles-Myer. But unlike Coles-Myer, many of Defence's people are doing the most dangerous and stressful jobs in Australia.

No wonder things are always going wrong. Doing so many difficult and dangerous things, and so many different things, makes Defence inherently hard to manage. There will always be a stream of mistakes and misfortunes, many of them distressing because they touch deeply the lives of service people and their families.

But there is a difference between these routine, if painful, administrative bungles and much bigger systemic problems. Defence does face deep systemic problems which put Australia at risk by allowing bad decisions about the kinds of capabilities we give to the Defence Force. The question for the Defence Minister, Brendan Nelson, is which does he focus on: the distressing bungles or the deep systemic problems?

The recent signs are a little discouraging. When things went wrong again in Defence last week, after Derryn Hinch got hold of the report into the bungled repatriation of Private Jacob Kovco's body, Nelson had a choice. He could have rebuked Hinch, and put the problem in perspective as a distressing but minor error. Instead he followed Hinch, by inflating the significance of the problem, and then looked on while an honourable officer accepted responsibility for something that was no more his fault than it was Nelson's.

That was a mistake, and not just because it made the minister look bad. Siding with Hinch against his Chief of the Defence Force, Air Chief Marshal Angus Houston, will make it harder for Nelson to fix the very real problems he faces in his new portfolio. To see why, we need to look at the sources of those problems.

Last week Nelson announced a new management review to tell him what the problems are. I can tell him right now: no one is in charge.

Nelson's management review can check this by asking a few simple questions. Who is responsible for the army not meeting its recruiting targets, and who is in charge of fixing the problem? Who is responsible for suddenly deciding to spend \$2.2 billion on four giant C-17 transport aircraft, or \$700 million on new tanks? Who is responsible for making sure that the new warship project does not turn into another giant disaster like the Seasprite helicopters? Who is responsible for fixing military justice? The reviewers will get no clear answers.

Managing a big organisation isn't rocket science. There are a few really basic rules: make sure that everyone knows exactly who is responsible for what; make sure the person responsible for any task has the authority to make decisions, and make them stick; keep people in the job long enough to deliver; set real deadlines; reward those who succeed and punish those who fail.

These are the rules that Defence breaks every day. The reason is, in a way, rather surprising. Defence has a chronic, systemic leadership deficit. You might expect that an organisation

infused with military culture would be, if nothing else, strongly led. The reality is just the opposite. Once you get off the battlefield, no one in Defence has the authority to decide anything important, so no one can take responsibility.

Some claim that the problem starts with the "diarchy" - the strange arrangement under which the Secretary of the Defence Force and the Chief of the Defence Force share the top job. That's only half correct. The diarchy is odd, but it is probably the least cumbersome way of bringing together the huge array of skills needed to run the organisation. The incumbents - two very talented men - can certainly make it work.

The problem is that the Defence chief and the secretary lack the authority to really manage the organisation - to take responsibility themselves and allocate responsibility to others. In a very simple sense, they are not in charge of the organisation they are meant to run.

Why is this? Because successive defence ministers have not given them that responsibility, and have not supported them in the exercise of their authority. For many years the relationships between the leaders of Defence and their ministers has been dysfunctional. Watching Nelson stand by scowling last week while Houston apologised was an uncomfortable reminder of a lot of other similarly bad events over recent years.

Defence ministers have repeatedly thought it was more important to shift the blame for some minor but newsworthy problem onto someone else's shoulders than to build a strong, productive and trusting relationship with the people they have to rely on to make Defence work. That is not what leaders do.

So what is needed to fix Defence? A minister who is prepared to empower his chief and secretary, which means not carpeting them in public every time things go wrong. A minister who is prepared to support the diarchy in setting goals, allocating responsibilities and demanding results. A minister who gives his two chief advisers full authority to provide him advice on the big strategic issues for Defence, so they can take responsibility for making sure that advice is right.

In short, a minister who is prepared to lead Defence, not merely preside over it. The leadership deficit starts at the top. With luck, Nelson might be the minister to fix it.

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