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# PRIME MINISTER

FOR MEDIA

THURSDAY, 7 MAY 1981

Joint Statement by the Prime Minister and Minister  
for Defence

## Defence Review

Mr John Utz, Chairman and Chief Executive of Wormald International Limited, will chair the major Review of Defence organisation, announced by the Prime Minister as being part of the Review of Commonwealth Functions. The other members of the Review committee will be General Sir Arthur MacDonald, former Chief of the Defence Force Staff, now retired; Sir Frederick Wheeler, company director, former Head of the Treasury and former Chairman of the Public Service Board; and Mr Eric Neal, Chief Executive and Director of Boral Ltd.

The Government is very pleased that these distinguished people are able to give their time to this important task, and have so readily and willingly agreed to participate.

The Review will assess the suitability of the higher defence organisation to propose and implement policy for the achievement of government defence objectives.

When the Royal Commission of Australian Government Administration reported in 1976, it noted that its enquiries had not touched on the defence area because at that time the amalgamation of what had previously been five separate departments into the present single defence organisation was still under way. The Royal Commission recommended that, after a few years experience of the present pattern of defence administration, an independent body should be appointed to undertake a thorough study of the effectiveness of the structural arrangements and their possible relevance to other fields of Government responsibility.

It is the Government's view that this is now an appropriate time to stand back and consider whether further improvements might be made, and in what respects.

As already indicated in the Parliament, the terms of reference provided for the Review are:-

- To review the organisation of the higher Defence machinery in the light of experience since the Defence reorganisation of 9 February 1976, with particular reference to:-

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- the suitability of the organisation to propose and implement policy for the achievement of governmental defence objectives, including development of:
  - capability for independent defence of our national security interests;
  - national defence preparedness;
  - defence cooperation with allies and regional friends;
  - increased self-reliance in the national infrastructure supporting Defence.
- the scope for further rationalisation and economy in managerial arrangements for defence-related activities of the Government now conducted outside the Defence Organisation;
- the suitability of the organisation for a defence emergency or war;
- the distribution of responsibilities within the higher Defence machinery as laid down in Defence and other relevant statutes and in the Directives issued by the Minister for Defence;
- the organisation and functions of the senior Defence Committees.

The Review body is expected to report in 1982.