

***SUBMISSION TO THE***  
***JOINT COMMITTEE,***  
***PUBLIC ACCOUNTS AND AUDIT***  
***INQUIRY INTO THE FINDINGS OF THE***  
***AUSTRALIAN NATIONAL AUDIT OFFICE REPORT***  
***INTO***  
***THE DEFENCE CAPABILITY DEVELOPMENT***  
***GROUP***

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## **The Conflict Between Military Values And Management, And Public Service Administration And Culture**

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### **Executive Summary**

While the Joint Committee Public Accounts and Audit (JCPAA) will be focussing upon the findings of the Australian National Audit Office (ANAO) report into the Defence Capability Development Group (DCDG), the ANAO report identified well a number of symptoms, but failed to identify the causal chain that led to those symptoms. The JCPAA inquiry may thus be tempted to focus upon those symptoms rather than the real cause unless its focus is broadened.

In this regard, it may be recalled that the Foreign Affairs, Defence and Trade (FADT) References Committee (FADT) Final Report into procurement procedures for Defence capital projects (Aug 2012) indicated that it had to go well beyond the Defence Materiel Organisation (DMO) in its search for the causal chain. As a result, it identified a number of management deficiencies within Defence that led to and perpetuated the problems that have plagued the DMO. The JCPAA will thus need to go well beyond the ANAO Report and the DCDG if it is to identify the causal chain that has led to the situation reported by the ANAO.

Most importantly, the 'reform lag' seen within the DCDG is not isolated, but may be seen within Defence, the DMO and the Defence Scientific and Technical Organisation (DSTO). As the JCPAA notes, some of the factors identified relate to a recurring lack of appropriate skills, transparency and accountability, but the causal chain may be traced back to a lack of even basic management systems and competencies relevant to Australia's military capabilities – their analysis, development, specification, acquisition and sustainment, a deficiency aggravated by the imposition of a wholly inappropriate cultural change program upon the three Services. The latter has persistently eroded the military values upon which Australia has depended since the Services were formed, replacing them with an Australian Public Service (APS) compliance and conformance culture with diffused accountabilities and replacing management with a profusion of administrative processes.

The effects of Defence's cultural change program may be measured by the widespread abuses detailed in Vol 2 of the DLA Piper Report. However, these are now in the process of being buried by the Defence Abuse Response Taskforce (DART) to shield the guilty. In effect, "abuses" have now been redefined, supposedly at government direction, as only those occupational health and safety transgressions that have occurred within Defence. The case studies contained in Vol 2 also identify in detail the institutional breakdown of Defence's internal, and Parliaments' and Governments' external, governance oversight organisations, all of which should have identified every one of the abuses reported to DLA Piper when they happened, and instituted immediate and lasting corrective action.

In the end, the inquiry will need to review the breakdown of the governance systems at the Parliamentary, Government and Executive levels. Parliament has been unable to hold government to account, and Governments have been unable to hold their Departmental bureaucracies to account, leaving a large accountability void at all levels of governance.

This paper traces the causal chain behind Defence's widespread problems that became entrenched and have increased since the imposition of the Tange organisational changes introduced during the early 1970s. It also establishes the serious implications of the current status in regard to Australia's military capabilities and the national security, and highlights the need for urgent structural reform of Defence and repair of governance organisations at all levels.

## 1. Summary of Analysis

Since the reorganisation of the Defence Group of Departments in December 1972, the centralised organisation that evolved has undergone some 39 years of constant change, but no review has been conducted to determine whether the benefits sought have been achieved or not. However, continual inquiries into a wide range of functional areas have indicated that serious problems exist that require fundamental change, but these have resulted only in more administrative process, increased complexity and confusion, and ever higher levels of oversight. A major focus for Defence has been its Cultural Change Program, aimed at embedding conformance and compliance throughout the Organisation, while replacing Australia's highly professional military values with the populist ideological philosophies that have been allowed to become the primary focus of the Australian Public Service.

Furthermore, a number of organisational diseases were inherent in the APS administrative and procurement processes that were applied throughout the Defence Organisation, diseases that were reinforced by the gross de-skilling that took place throughout the entire Defence Organisation over the period 1999-2002. Together, these formed the major causal chain behind almost all of the failures seen in Defence, including its capability development, acquisition and sustainment activities, as well as the diversity of abuses that have surfaced throughout the Defence Organisation. While the ADF has been made the focus for blame for "unacceptable behaviours", this has been only a smokescreen behind which those at the highest level of the Defence Executive, both civilian and Service, have escaped their accountability for these and many of the 'other abuses' reported. Defence has, in response, only been able to propose yet another round of cultural changes as the solution. The fact that the perceived 'unacceptable behaviours' were the result of poor management, not culture, was not identified.

Moreover, analysis of the ADO's APS-driven, Cultural Change Program has revealed a far deeper and more important problem. When traced over time, this Program has shifted the loyalty of Australia's Military from Parliament and the People of Australia, firstly to the Diarchy (the Secretary and Chief of Defence Force), later broadened to include "Whole of Government initiatives, including 'Jointery' and integration", and finally, under the Orme Review, to the Military becoming "Servants of the State". These changes to Australia's constitutional Military loyalty have seemingly been waved through, without any review by the Secretary, the CDF, the Minister, or successive Parliaments and Governments.

That Service loyalties should now rest outside the control of Parliament and the People of Australia, and reside with unelected civilians, presumably seeing themselves as acting as the 'Sole Agent of the State' is constitutionally alarming, and reminiscent of how military and other security organisations have become tools of "The State" in many nations, rather than protectors of their Peoples.

*"Civil control of the Military is a constitutional function limited to ministers alone (representing Parliament) and not one to be shared with, or abrogated by, public servants or civilians generally. Australia's tried and tested Westminster constitutional model has long removed the gun from politics and the party politics from the institutional culture and operations of Australia's Military". (Australian Defence Association).*

Defence's Cultural Change Program has now reversed this arrangement.

The time is now well overdue for a serious review of where our Defence organisation and military capabilities have been driven over the past 39 years, and how to bring them back on course under proper constitutional control, and managed by those having the required skills and competencies.

However, while the Defence Executive must be held directly accountable for the widespread functional problems and abuses that have been identified throughout the Defence Organisation, the institutional breakdown of the governance organisations at the Parliamentary and Government levels created the environment within which Defence's breaches of good governance were allowed to become established and grow.

## **2. Organisational Diseases In the Defence Organisation**

### **2.1 Introduction**

Over the past two decades or more, those monitoring the performance of Australia's Department of Defence have identified several characteristics that explain why it has been unable to provide the required level of efficient, effective, timely and economic management of Australia's military capabilities. While the characteristics identified are common to most organisations, in Defence they have been allowed, through a lack of sound governance and management, to go unchecked to the extent that the Defence Organisation at all levels has become dysfunctional and unable to regulate itself. Not being organised functionally, and not having the skills and competencies needed to manage military operational and technical matters effectively, Defence has adopted the standard Australian Public Service culture, and associated administrative and procurement processes.

The key elements of organisational behaviour discussed below, and identified in Australia's Defence Organisation, are mostly based upon research and case studies by Heffernan (Heffernan, 2012)<sup>1</sup>.

### **2.2 Groupthink**

Much of our ideology is defined by what we believe, and we actively seek confirmation of those beliefs. Actually, it goes even further: our brain treats differently any information that might challenge our closely held beliefs. Freud identified this '*motivated reasoning*' as a defensive mechanism: the process by which people adjust what they know so as to avoid bad feelings like anxiety and guilt, leading to a '*wilful blindness*' to anything that conflicts with their beliefs, especially facts that could tell them that they were wrong.

People faced with conflicting, i.e. entirely incompatible, beliefs suffer a cognitive dissonance which is eliminated when they blind themselves to contradicting propositions, and are prepared to pay a very high price to preserve their beliefs. Again, the brain handles information that we like differently from the way it handles information that distresses us.

<sup>1</sup>

Subjects are keyed to the relevant chapter of this text.

Within groupthink-ridden organisations, many people may know that serious problems exist, but do not speak up; they either realise that they would make no difference, or worse, be seen as a trouble maker and be moved on or out of the group (Janis, 1982).

In specialist - dependent organisations, it is often the case that speaking out will be thought useless "*because management is clueless*". To many, just following orders and ignoring the consequences is the best course if you want to stay and seek promotion. Such people then lose their moral sense as their primary focus shifts to how well they are living up to the expectations that the organisation has of them. In many cases, a '*moral disengagement*' may also take place, explaining why good people may do bad things, as noted by Bandura (Bandura, 1999).

Groupthink is common in most groups and organisations, both public and private, but it is more of a problem in public organisations which are not subject to the constraints imposed on private organisations that have to report to a board, be able to compete and turn a profit, and comply with governance requirements imposed by regulatory authorities. Nevertheless, private organisations do run into major problems, especially when they are constrained to cut costs in enterprises that are dependent upon specialist knowledge. In such cases, management will too frequently focus upon cost cutting, and may often possess little if any relevant specialist skills and competencies at the decision level, so will cut personnel below a safe working level and lose core competencies in the process. In those areas that manage technology, this usually leads to an excessive span of control and a need to work excessive hours. The inevitable result is that they may be able to keep costs down and do the form-filling, but not the required engineering monitoring or maintenance tasks, as and when they need to be done.

At the extreme, the results may be seen in the Texas Oil Refinery disaster, and the oil platform explosion and subsequent environmental disaster in the US Gulf. In both cases, company management failed to respond to the clear warnings being given by their engineers and maintenance people. Top management repeatedly *turned a blind eye* - refusing to accept facts that conflicted with their comfortable (but false) view of the Company that was being reported up the chain by resource, workplace safety, and other non-technical managers. This luxury of blindness was, of course, not available to those engineers who faced the realities of technology every minute of every day, and who knew too well what must eventually happen, but were unable to get anyone to listen. Such disasters identify enterprises that are both dysfunctional in organisation, lacking in necessary expertise, and are blinded by groupthink. Case studies are common (Heffernan, 2012).

Within Government Departments, groupthink may often be far more widespread, pernicious and parasitic (Kopp, 2013). With those heading and staffing departments almost invariably not having an adequate professional understanding of the enterprise they administer, such organisations have resorted to establishing at the top of the enterprise being administered a mirror image of itself; an administrative structure that forms part of, and drives, the functional enterprise, not to meet the needs of the enterprise, but to meet the objectives of the Departmental bureaucracy. This layer speaks the same language as the Department, speaks with the authority of the Department, but accepts no accountability for any of the problems and costs it creates. The administrative overheads, both in staff and the increasingly onerous reporting processes involved, fall to the enterprise. This arrangement may be seen in practically all Government Departments, both Federal and State, but is most evident in the Health, Education and Defence Departments.

Groupthink is identified readily by certain organisational characteristics, mainly (Janis, 1982):

- The Group typically imagines itself invulnerable, and develops individual and group narcissism.
- It rationalises warnings out of existence.

- It believes passionately in its moral superiority.
- Enemies and outsiders tend to be demonised, and dissenters are subject to immense pressure to conform and comply or depart.

Despite the potential for the Group to cause a horrible deterioration in the moral fabric of people, the group is structured such that no one feels personal responsibility.

## 2.3 The Cult of Cultures

The problems associated with groupthink have become even more complex in organisations where people are constrained to identify primarily with a common, 'higher' organisational good. However, *"When we agree to submit to authority in order to pursue a larger good, we exchange an individual self (with responsibility for our own conscience) for a social self that is responsible to the whole"* (Heffernan, 2012).

The difficulty here is that it is not possible to have both aspects of a person functioning in harmony to achieve this; the cognitive dissonance cannot be resolved, and so the person must act either as a responsible individual, or as a good, conforming, complying and unquestioning member of the higher organisation, supposedly working in support of some "higher 'good'". However, as Nietzsche reminds us, *"Madness is the exception in individuals, but the rule in groups"* (Nietzsche, 1966).

At the State level, the 'Higher Good' is more likely to be captured to the detriment of both the State and its people, and where Military Services are called to identify with such a 'higher good', the potential for disaster is even greater.

In this regard, it should be noted that *"Military training is about a coded, ethical way of behaving"*. In the Military, obedience to a 'higher good' simply involves complying with the orders of a formal authority. For example, when a commission was conferred upon a member of the RAAF (Royal Australian Air Force), the Governor-General did *"Charge and command you to discharge your duty faithfully and to observe and execute all such orders and instructions as you may receive from your superior officers"*.

Milgram distinguished between obedience and conformity, stating: *"whereas obedience involves complying with the orders of a formal authority, conformity is the action of someone who adopts the habits, routines and language of his peers who have no special right to direct his behaviours"* (Milgram, 1970). The conflicts between these demands upon military personnel working in a complying and conforming Defence Organisation, or civilians working in an obedient military organisation, are clear.

Milgram then goes on to look at the "Team Concept", to which Defence, together with its call for increased diversity, is so culturally wedded (Orme, 2011):

Milgram notes that modern management philosophy emphasises competitiveness *"because they think that, somehow, it will bring about the best in people. And they put employees into teams because a diverse group of individuals is thought to be more likely to make a better decision than one person alone."* However, much of this promise disappears when individuals influence each other, which invariably they do. As a result, some individuals report a loss of all morals and ethics, in the interest of remaining a part of the group. Conformity had cost them everything. *"The carrot of belonging and the stick of exclusion are powerful enough to blind us to the consequences of our actions. Instead of the group benefiting from the collective wisdom of many, in fact what it got was reduced thoughtfulness from each one"* (Heffernan, 2012).

## 2.4 The Dunning Kruger Effect

While groupthink is the most common of management illness, this condition is complicated and made more serious with the spread of the Dunning-Kruger Effect (DKE), which is particularly damaging in enterprises that are highly technology – dependent (Kruger and Dunning, 1999), (Ehrlinger et al., 2008). DKE has been defined as follows (Wikipedia, 2013):

*"The Dunning-Kruger Effect is a cognitive bias in which unskilled individuals suffer from illusory superiority, mistakenly rating their ability much higher than average. The bias is attributed to a metacognitive inability of the unskilled to recognise their mistakes. Conversely, actual competence may weaken self-confidence, as competent individuals may falsely assume that others have an equivalent understanding".*

## 3. The Development of Diseases in the Defence Organisation

While Groupthink has been entrenched in Defence from around 1995, the DKE was entrenched firstly throughout Australia's three Services, when they were downsized and de-skilled following the loss of their functional organisations and their professional branches, especially their Engineering organisations, with their organic engineering and maintenance facilities, and their Support Commands, following the Defence Reform and Commercial Support Programs. DKE then spread quickly and was formalised as a de facto *modus operandi* throughout the Defence Organisation, that is, the Defence Executive, the Defence Materiel Organisation (DMO), and the Defence Scientific and Technology Organisation (DSTO), from 1999 to about 2002.

Neither Groupthink nor The Dunning-Kruger Effect happened by accident or neglect; both were as a result of two conscious and deliberate policy decisions taken by the Defence executive:

Firstly, an APS culture was reinforced as the predominant culture in Defence in 1995, when Mr R.C. Smith, Deputy Secretary, Strategy and Intelligence (later Secretary for Defence) stated (Smith, 1995):

*"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 and expectations are also, inevitably, different and so of course are conditions of service and expectations from the service of which they are members,"*

Just how the Services were expected to perform professionally in an organisation that accepts vague, tolerant, unclear lines of command and divided authority, as well as open-ended guidance and ambiguous instructions was not explained. The imposition of an APS culture upon the Military continued throughout the 1990s, becoming more intrusive over time.

The policy that led to the embedding of DKE throughout the Defence Organisation may be traced to a statement made by Dr Allan Hawke, Secretary for Defence, 1999-2002:

*"In order to meet the wishes of the Minister for a conforming and compliant Defence organisation, some 40 percent, if not more, of the Senior leadership group, mostly on the Military side, will have to be changed out or shed."*

It seems that neither the Minister nor Secretary Hawke understood, or ignored, the fact that compliance and conformity do not equal competency.

1999-2002 also happened to be the period over which competent civilians and Service officers were purged and replaced by incompetent, but conforming and complying civilian and military people. Many abuses of trust and justice have been reported over this period, and feature in the DLA Piper Report under "*other abuses*", but these are now in danger of being swept aside – cases that Defence is trying to ensure do not see the light of day (Rumble et al., 2011).

The scene was thus set for the already well-established, adverse effects of groupthink to be reinforced dangerously by the DKE; dangerously because Defence now carries responsibility for all aspects of Australia's strategic military thinking and planning, its force structure, capability acquisition and sustainment, as well as Defence Industry support. In fact, Australia's national security is wholly in the hands of the Department of Defence. However, its groupthink condemns it to wilful blindness, while the DKE condemns it to not understanding what it is doing.

Danger also arises from Defence not understanding that the technology that has consistently baffled it can never be made subservient to its ill-informed, public sector perceptions of '*management*' through its Administrative/Defence Business Model and processes. Technology will always be driven by and respond only to the laws of physics and rules of mathematics, so must be managed by people having firm, professional, operational and engineering competencies in the technology being managed, and employ only proven project and engineering management systems.

## **4. Symptoms of Diseases Within The Australian Defence Organisation**

The continued failure of Defence's flawed organisational structure, its lack of critical functional management, operational and engineering skills and competencies, its over-reliance upon administrative process with its complexity and confusion and its lack of accountability, and its failure to learn from its mistakes, have been laid bare in:

- The evidence put before, and the Final Report of, the Senate Foreign Affairs, Defence and Trade References Committee Inquiry into Procurement Procedures for Defence Capital Projects (2011-Aug 2012).
- Continuing, critical Australian National Audit Office Reports into Defence/DMO activities.
- Submissions put before the Joint Committee, Public Accounts and Audit (JCPAA) in regard to the Defence Materiel Organisation Major Projects Reports over the past five years.
- Continuing Reports that have been raised into Defence problems over the past two decades or longer, such as the recent Rizzo and Coles Reports into major Naval capability management failures.

<sup>2</sup> Unpublished discussion between Peter Goon and Allen Hawke, circa 2002.



The response to all these by Defence has, not surprisingly, been driven by groupthink and DKE; essentially silence (*turning a blind eye*), obfuscation, "shooting the messenger", blaming someone else, more process and higher review bodies, but above all, a persistent avoidance of real accountability. The Department has also studiously avoided speaking about management, and persists in seeing the solution to all its problems as being enforced cultural change, particularly in the Services.

Examples of wilful blindness within the Defence Organisation may be identified in the misleading and often deceptive representations made by senior Defence executives in submissions and evidence put before the Parliamentary Oversight Committees over the past decade or more (Criss, 2007), (Bushell et al., 2009), (Bushell, 2013).

However, wilful blindness was nowhere more public than in Defence's pronouncements in regard to the widely publicised RAN's Supply Ship debacle, followed by the final phase of the Collins Submarine Fleet trashing that followed (Bushell, 2011).

When Navy was unable to provide a supply ship to support of Cyclone Yasi relief in February 2011, the media reported "*Smith slams Navy over seaworthiness issues*", while some newspapers joined in, calling for the head of the Chief of Navy. The Minister's broadside, which was based upon a "*frank appraisal*" of the matter by the Secretary and CDF (the Diarchy), was blatantly misleading and aimed at anchoring blame, quite incorrectly, on Navy. The "*frank appraisal*", which turned a blind eye to the root cause for the situation, however, shielded carefully the Government, the Minister, the Diarchy, the Defence Executive and the DMO from any blame (Staff, 2011).

The supply ship problems that were exposed had all been embedded when the vessels were acquired by the DMO. Since then, a "*blind eye*" was turned throughout the whole Defence organisation. Navy failed to see them, as did the DMO, the CDF, the Secretary and the Minister, which amounted to a systemic management failure throughout the entire Defence Organisation.

Precisely the same pattern of "*wilful blindness*" preceded the long, drawn out deterioration of the Collins Submarine Fleet. The same appointments all turned a blind eye until it was too late and the condition of the Fleet was beyond hiding.

However, these case studies pale before the "*wilful blindness*" that has been demonstrated over the past decade or so with the Joint Strike Fighter Project. Here, misleading and incorrect statements and evidence have been put before Parliamentary Oversight Committees repeatedly, despite being clearly in conflict with the published facts and unwelcome independent analysis. The JSF project was included in the Air Combat Capability Review conducted by Minister Fitzgibbon in 2008, but that review has been revealed subsequently to have been a sham, deliberately misleading Parliament and the people of Australia (Darling, 2011).

The primary cause for this blindness may be traced firstly to the reorganisation and technological de-skilling that followed the Sanderson Report of 1989, leading to the disbandment of the Services' Technical Services Branches, and secondly to the de-skilling of the higher Defence/DMO/DSTO organisations during the purge of experience that took place over the 1999 to 2002 period, leaving only institutionalised Groupthink and DKE in their wake.

A measure of the lack of effective management within the Defence Organisation was also identified in the Final Report of the Senate Foreign Affairs, Defence and Trade References Committee Inquiry Into Procurement Procedures for Defence Capital Projects, which saw Defence as (Senate Standing Committee on Foreign Affairs, 2012):

- Having a flawed organisation.
- Facing problems largely of its own making.
- Unable to manage risk, and incapable of learning from its past mistakes.
- Presiding over a disconnect between strategic guidance and capability development.
- Having deeply embedded, confused and overlapping lines of responsibility and accountability.
- Lacking the required management, operational and technical skills and competencies base.
- Relying upon inappropriate administrative process and commercial, "business model", approaches that have led to an ever-expanding web of complexity and confusion.

The Department's response to this report from Australia's Parliamentary Oversight Level of Governance has been, in effect, to *turn a blind eye* to its management problems, and unleash a new wave of cultural changes, in the form of its *"Pathway to Change: Evolving Defence Culture - A Strategy for Cultural Change and Reinforcement"*. The causal chain that led to the Committee's findings was simply ignored (Defence, 2012).

A further measure of Defence's lack of effective management structure and skills has been evidenced by the way in which it faces problems that can no longer go ignored. Effective management structures embody a performance review function that checks continually that all elements of the organisation are functioning and performing as planned in support of the functional objectives of the organisation. In this way, the organisation can identify departures in time for them to be analysed and rectified before the organisation suffers harm. In effect, sound organisational and management structures will be found to be self-regulating and require minimum governance oversight.

Defence, to the contrary, continually encounters major problems that have been neither identified nor rectified from within the organisation before they have caused serious harm, and so have usually impacted Australia's security adversely. As Defence does not have a functional organisation or management systems able to identify and rectify its problems internally, it has to resort to having its problems reviewed by "external experts" (but carefully chosen and controlled) to identify what went wrong, why it went wrong, and how things may be fixed (but always within Defence's flawed organisation and administrative structure). Any changes that result usually lead only to new/amended administrative processes, or additional, higher, levels of administrative oversight. This situation is complicated by Defence's continued focus upon APS cultural values and administrative processes as the way to correct what are clearly management, structural and staff deskilling problems.

APS process, in particular, has not proven to be an effective means of administering military matters, as the Australian National Audit Office (ANAO) Report No 6, 2013-14, into the Defence Capability Group (DCG) pointed out (Auditor-General, 2013):

*"...the propensity to focus on process rather than substantive results...once a process has been put in place, the issue is considered to have been addressed, with insufficient attention being given to following up whether the desired outcome is actually and satisfactorily being achieved"*.

However, while the ANAO Report went a long way to identifying systemic problems in the DCG (and Defence as a whole), it did not conduct the analysis needed to identify the Root Cause and its causal chain, without which, the correct remedies could not be identified, scoped and introduced.

*Neither Defence, nor the ANAO, seem to understand that administrative process does not equate to substantive management.*

Another common symptom of a lack of proper management has been the widespread practice of avoiding problems that should have been managed summarily and promptly by those holding accountability, by transferring them to the Legal Departments in Defence and the DMO. Here, those with valid complaints have been "locked up" in legal manoeuvrings, usually until they give up, most being unable to suffer the legal costs or personal and family stresses involved in progressing their complaint. Very few ever received either a hearing or justice, as the evidence provided the DLA Piper Review attests (Rumble et al., 2011). The Department of Defence now ranks third in the amount expended on legal services amongst all FMA Agencies. How much of this has been spent on protecting the organisation against well grounded complaints is not disclosed.

## **5. The Evolution Of Cultural Change In the Defence Organisation**

### **5.1 Background**

Before the structural changes to the Defence Group of departments proposed by Sir Arthur Tange, and accepted by the Whitlam government in 1972, Australia's three Services were regarded most highly throughout the world for their military values and their operational professionalism, as well as for the highly effective operational and technological competencies which underpinned Australia's ability to keep relatively small capabilities operating at unusually high operational rates of effort and availability for extended periods. With the support of a well- tailored Defence Industry, Australia was also able to maintain a high level of capability and self-sufficiency.

To a large extent, this was achieved through the Services' professional, specialist branches, especially their organic engineering and maintenance skills, competencies and facilities, and their Support Commands, and by working into tight, functionally-focussed Service organisations. Until the Tange changes, the Services set and maintained, and evolved through experience, military values that did not see the persistent, '*unacceptable behaviours*', identified in the Orme Review, behaviours which "*amount to runaway or uncontrolled group narcissism*" (Fromm, 1992).

While transgressions did occur occasionally, they were dealt with promptly and usually at the lowest (summary disposal) level. This judgement is confirmed by the statistics contained in the DLA Piper Report (Page 34), as well as the author's personal experience over the period 1948 to 1983 (Rumble et al., 2011):

| Period    | Percentage of Abuses | Activity (Not Exhaustive)  |
|-----------|----------------------|--|
| Pre-1960s | 1%                   | Period pre-Tange. High Service activity levels.  |
| 1960s     | 8%                   | Period pre-Tange. High Service activity levels.  |
| 1970s     | 13%                  | Post Tange from 1972. High level of Service stress due to organisational changes and financial constraints.  |
| 1980-84   | 8%                   | Tange changes implemented.   |
| 1985-89   | 15%                  | Post Defence Force Discipline Act.<br>Transfer of Service administrative functions.<br>Loss of Service functional organisations and professional branches. (Sanderson Report)  |
| 1990s     | 18%                  | Change of Service organisation from functional (Service) to Defence "Business Plan". (FEG based).<br>Outsourcing of critical Service functions.<br>Service downsizing.<br>Start of purge of expertise throughout the Defence Organisation. Start of compliance and conformance policy. |
| 2000s     | 26%                  | Purge continued to 2002.<br>Loss of Service Support Commands.<br>Development of Cultural Change Program.   |

These statistics will need a root cause analysis to explain the increases in abuses that occurred, roughly in line with the imposition of Defence's Cultural Change Program. Furthermore, the constant '*civilianisation*' of the Australian Military Justice System, which has seen six inquiries since 1997, needs to be seen as a major factor contributing to the "*unacceptable behaviours*" in the ADF now under investigation.

The behaviours (labelled as 'culture') perceived in the Orme Review did not, and would not have been permitted to, arise in any of the Services pre-Tange. This begs the question as to how the widespread and unacceptable behaviours seen by Orme, were allowed to develop, and progress unchecked over more than a decade, until exposed by the mass media and reviewed by the DLA Piper inquiry.

The answer lies in the cumulative effects of the Defence organisation, policies and programs that accompanied the Defence Reform and Commercial Support Programs, and the numerous reviews and inquiries that have filled the past two decades or so - especially those 'cultural reforms' aimed at replacing military values with APS populist, ideological philosophies.

## 5.2 Management Versus Culture

As discussed above, the "cultural problems" now perceived in the Services are, in fact, manifestations of management deficiencies stemming from Defence's Cultural Change Program. Over time, this program has eroded Australia's traditional military values, especially in the areas of command and control, ethos, ethics, and disciplinary standards, in effect 'turning a blind eye' to the "*runaway and uncontrolled individual and group narcissism*" that has evolved.

As what is seen today was not a common characteristic of the Services pre-Tange, the

question that arises is: how did this come about, and why was it not identified and corrected at source?

### 5.3 Cultural Change in the Australian Public Service

Before tracing the impacts of Defence's cultural change program, it is important to look at the higher picture.

The persistent calls for cultural change within the Defence Organisation parallel the path of 'cultural reform' adopted for the Australian Public Service (APS). This is expressed in "*Ahead of the Game - Blueprint for the reform of Australian Government Administration, March 2010*", authored by the Advisory Group on Reform of Australian Government Administration. The Conclusion of the Blueprint starts with a quote from Submission 177, p.4, from the Community and Public Sector Union:

*"The creation of a new cohesive and collaborative APS will require cultural change: Practical measures to foster a single APS are of course important, but underlying these measures must be a genuine commitment by Government and employees of all levels in the APS to the (cultural) change process".*

The conclusions then go on to highlight:

- The nine reforms proposed that will provide a comprehensive strategy for sustainable change.
- The reforms will embed new forms of behaviour in the APS culture.
- The need for APS leadership practices to change and adopt new behaviours.
- The need for a number of accountability measures.
- The need for a data collection centre, **"given the lack of evidence on the performance of the APS and public services worldwide"**. (Author's emphasis).

There is a remarkable similarity between the way 'cultural change' is seen in both the APS and Defence as the panacea for all ills. For example, the important "*practical measures*" referred to above, those functional tasks and competencies upon which getting the job done efficiently, effectively, timely and economically depend entirely, barely rate a mention. It is as if they are of such minor importance, that cultural changes alone will solve all problems; in short, that management principles have no place in either APS or Defence administration.

Furthermore, the APS Blueprint falls short in exactly the same ways as does Defence's Cultural Change Programs:

- It does not understand that poor culture (unacceptable behaviours) is only a manifestation of the poor attitudes permitted or ignored by poor management. The cure thus depends upon changes in management from the top down. Importantly, fixing what is wrong at the top reaps rewards in better functional organisational planning, management and performance. In addition, sound management ensures the establishment and maintenance of ethical attitudes at all levels, so developing a healthy and productive ethos ('culture'). In fact, 'culture' fades as a problem as ethos and morale take over.
- The APS, like Defence, also suffers the '*wilful blindness*' discussed above, as evidenced by its perceived "*lack of evidence on the performance of the APS.*" This statement implies that the APS has 'turned a blind eye' to the many Australian National Audit Office reports that have been critical of APS performance. The statement also reinforces the observation of the lack of any effective management system within the APS, as effective management is designed to detect problems and redress them before they do damage.

In short, the 'management' of the Defence Organisation would seem to be based more upon broad APS populist ideological philosophies and culture than military values and military functional management requirements.

## 6. The Defence Cultural Change Program

Defence's Cultural Change Program may be traced through three phases:

- **Phase 1:** Started with the centralisation of the three Services into a single Australian Defence Force, and the Charters developed for the three Service Chiefs.
- **Phase 2:** Covered a long period of organisational change, which was formalised by the issue of Defence's *"Pathway to Change: Evolving Defence Culture, 2012"*.
- **Phase 3:** Prompted by the DLA Piper Report and marked by the release of Defence's *"Beyond Compliance"*, the Orme Report.

### 6.1 Phase 1 - Centralisation of the Three Services

Pre-Tange, the Chiefs of the Services were first members of their Service Board, reporting to their individual ministers. The duties of the board members were delegated by the Minister. The duties of the Chief of Air Staff (CAS), for example, ran to five lines, and those of the other Air Board members ran from three to six lines. Those duty statements specified what each member had to do, NOT how to do it. This was hardly necessary, as only those considered to be professionally competent to carry those duties were selected for those positions. This structure had many advantages that were lost post-Tange (Bushell, 2008b).

Following the Defence reorganisation, the Service Chiefs were required to sign a Charter which attempts to say what they should do, *but also tries to detail how they should do it*.

Consider the position of the Chief of Air Force (CAF, formerly Chief of Air Staff). From being held solely accountable for Australia's air power capabilities, having the resources required to achieve this, and being held accountable directly to his Minister, the CAF and his Service have become a mere link in a complex and confusing web of bureaucratic process and shared responsibility. His constitutional accountability changed overnight from his Minister to the Diarchy (the Secretary and the CDF) within the Defence Executive, as follows:

Accountability.

*"Through us (the Diarchy), you are directed to achieve the results outlined in this Charter within the guidance principles set out below. You are accountable to us for your performance and the performance of those you authorise, or to whom you delegate authority, having regard to the statutory responsibilities of all parties. Your priorities will be reviewed, and set annually by us, in the form of an Organisational Performance Agreement (OPA). We will measure your performance and provide feedback against those priorities."*

Results

*"We expect you to set the standard in everything you do, and to:"*

*"You are to command the Royal Australian Air Force...Deliver force capability for the defence of Australia and its interests, including the delivery of aerospace capability, enhancing the Air Force's reputation and position the Air Force for the future".*

The Charter goes on to list a set of confused Results, before giving Guidance, which requires the CAF (amongst other things) to:

- Exercise effective leadership and management.
- Ensure that his actions are prudent, lawful and ethical, and in accordance with a raft of requirements from external organisations and executives, within which his actions must be consistent with Defence values, especially Defence Department frameworks, policies and standards.

In particular, the CAF was made responsible for "***Developing leadership and behaviours that advance and embed the Results Through People Leadership Philosophy***". (Author's emphasis). It is here that a direct conflict was embedded between the ethics, integrity, discipline and other values and accountabilities that were critical to the proper management of military capabilities, and those now required under his Charter.

The Charter, in effect, puts the 'rights' of the individual before the needs of the Service, allowing a culture of *Self Before Service* to develop, which has weakened the historical *Service Before Self* ethos that existed. However, if Service members are required to embrace the empowerment of the individual, the Military's *Service Before Self* ethos cannot exist beside it. The cognitive dissonance created cannot be resolved, and, as a result, service people must decide whether they will maintain the high standard of individual ethics demanded within a *Service Before Self* organisation, or trade off their personal integrity in the interests of being good, complying and conforming members of a group now seeing its allegiance as being to a "*higher good*" (the ADF) enshrined in the Diarchy.

The choice boiled down to: *Service Before Self*, or *Self Before Service*?<sup>3</sup>

The effects of the 'cultural' directive contained in the Charters of the Service Chiefs are exemplified in the message sent by the Deputy Chief of Air Force to all Air Force commanders on 22<sup>nd</sup> February 2008, titled: "*Values Renewal Story Competition*", which referred to an Air Force Values Statement of 2001, made in response to a feeling that Air Force "had lost the plot":

**"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."**(Author's emphasis).

The situation described would indicate that the traditional military values that supported the RAAF since its formation have been compromised by those designed for civilian (OH&S-compliant) workplaces. The underlying problem may be summarised more accurately as a complete loss of the moral and ethical compass across the Service.

While a self before service attitude emerged with the imposition of Defence's "*Results Through People Leadership Philosophy*", the seeds were also sown long ago at the Australian Defence Force Academy (ADFA), leading to the level of unacceptable behaviours that have persisted there, over time. Lt Col Northwood's investigation, for example, "*identified around 24 cases of rape at ADFA...in the late 1990s*" - highlighting yet another case of all levels of Service command and departmental oversight turning a blind eye to what was going on. However, ADFA was a symptom, not a cause. The question that should have been asked was: Why was this allowed to occur, and remain uncorrected for well over a decade?

3

This presents as a classical instance of the Prisoner's Dilemma game, insofar as personnel either "defect" to the "compliant camp", or are denied promotions if they remain in the "ethical camp", refer RAPOPORT, A. 1965. *Prisoner's dilemma: A study in conflict and cooperation*, University of Michigan Press.

As one female graduate noted recently:

*"When I joined up in 1983, every single piece of correspondence I received had on it the logo of Australia and the words "Sailors discovered, founded and protect Australia still!" The hymn of the Navy is Hearts of Oak. In the first verse it says "We call you to honour as free men not slaves". She then referred to the right hand side of the home page for ADFA: "It lists the 10 top reasons to go to ADFA. When you look at it you will see that in all the reasons there is no mention of Honour, Serving your country, (or) Protecting Australia. It's all about selfishness, not about service. I think that's the problem".*

There is also a disciplinary element that enters the equation. The ethos and ethics that once existed in the Services were based upon discipline. However, to many non-service people, discipline may be perceived as meaning 'a rigid obedience to orders', a characteristic seen more in countries under totalitarian authority where the rule of law has broken down completely, and "The State" rules supreme. Such States are fated to fail, but not before inflicting untold misery and destruction. Discipline, pre-Tange, referred to 'self - discipline' - which led to the development and maintenance of a strong sense of individual and group cohesion and ethics. Indeed, self - discipline was the keystone in developing integrity and maintaining strong ethical values, which in turn produced high ethos and moral. It was a strong, unifying force from the top to the bottom of Service management, ensuring unity of direction, and a strong backbone of integrity (Krulak, 2000).

The Charter, in effect, shifted the Services' historical allegiance from Queen/King and Country, embedded in the Governor General and Parliament, with a strong, apolitical focus, to the Diarchy, which, being part of the Defence Executive, put the Services under complete bureaucratic control, and so "in their place", as long sought by the APS Bureaucracy. The Services thus came effectively under *civilian* control rather than *civil*, completely overturning Australia's traditional management of the Military:

*"Civil control of the Military is a constitutional function limited to Ministers (representing parliament) alone, not one that can be or should somehow be shared with public servants or civilians generally. Our tried and tested Westminster constitutional model deliberately separates control and command. This has long removed the gun from politics and the party politics from the institutional culture and operations of our military" (James, 2011).*

The Charter also makes the Service Chiefs accountable for such functions as capability development, acquisition and sustainment, whereas Defence's matrix management and shared service provider, 'business' models make the Chiefs unable to discharge such responsibilities.

The main impacts of Phase 1 may be summarised as follows:

- The dis-empowering of the Service Chiefs, and the centralisation of resources in a central bureaucracy.
- Shifting accountability of the Service Chiefs from civil (governance) control through their ministers, to complete civilian (administrative) control under the Defence (APS) Executive.
- The imposition, through 'cultural change', of an APS, populist, ideological philosophy, without regard for the impact upon critical military values and capabilities.
- Sowing the seeds of cognitive dissonance between *Self Before Service* (individual rights) and *Service Before Self* (unifying ethics).



## 6.2 Phase 2 - A Long Period of Organisational Change

Phase 2 covered the implementation of the Defence Reform and Commercial Support Programs, together with the build up of a highly centralised Defence Executive, assuming control of critical functions previously managed well by the Services, including the required resources.

This phase saw the following major changes and effects:

| <b><i>Change</i></b>  | <b><i>Major Effects</i></b>  |
|---|--|
| <p>In the Services:</p> <ul style="list-style-type: none"> <li>❑ Downsizing and de-skilling, and the widespread outsourcing of Service functions.</li> <li>❑ Disbandment of the Services' professional branches and corps.</li> <li>❑ Establishment of 'generalist' senior officers.</li> <li>❑ Reorganisation of Service Units into small, Force Element Groups, with an emphasis on 'Jointery' over Service.</li> <li>❑ Shift of focus from Service before self to vested interest.</li> <li>❑ Disbandment of Service deeper-level maintenance units and facilities.</li> <li>❑ Absorption of Service Support Commands into the Defence Materiel Organisation (DMO).</li> <li>❑ The imposition of APS cultural standards and administrative processes.</li> </ul> | <p>Loss of critical operational and engineering skills and competencies. Effects especially adverse in capability development, analysis and planning, and all DMO activities.</p> <p>Loss of functional focus and professionalism, impacting Service identification, ethos, morale and especially discipline.</p> <p>Embedded operational and technical military DKE throughout the Defence Organisation.</p> <p>Increased overheads to no purpose. Destroyed the traditional concept of air/sea/land power, resulting in an over-narrowing of military vision and planning.</p> <p>Unacceptable behaviours.</p> <p>Reduced span and depth of service expertise. Reduced ability of Services to operate at higher rate of effort for longer periods.</p> <p>Loss of critical management systems and competencies, especially in new projects and the integration of capability acquisition and sustainment functions.</p> <p>Loss of critical military thinking and writing skills sets.</p> |
| <p>The Department:</p> <ul style="list-style-type: none"> <li>❑ Development of a large, centralised, bureaucratic structure with the intention of constructing a set of processes that would provide for the 'seamless' integration and administration of all Defence activities from the top to the bottom.</li> </ul>   | <p>The development of an administrative structure, divorced from military needs due to Groupthink and a lack of professional competencies (DKE). Focussed upon process and a service provider/shared responsibility model that have led to increasing complexity and confusion, and a systemic lack of</p>   |

|   |   |
|---|---|
|   | accountability.   |
| <input type="checkbox"/> Purge of professional Service skills and competencies in Defence and the DMO.<br><br><input type="checkbox"/> The evolution of a single procurement organisation (DMO) for all defence capability acquisition and sustainment programs.<br><br><input type="checkbox"/> Formation of a centralised Media / Information control organisation.<br><br><input type="checkbox"/> Continuation of Defence Cultural Change Programs. | <p>Poor strategic analysis, poor strategic planning, poor capability analysis, poor capability acquisition and sustainment.</p> <p>An organisation that cannot manage military technology using public sector principles as first principles, and a 'business' methodology wholly inappropriate for technology-dependent capabilities.</p> <p>Control and manipulation of information has now reached the level of a Propaganda Ministry.</p> <p>Detailed effects follow.</p> |
| <p>Defence Industry:</p> <p>Promise of work that would flow from the reorganisation of 'reformed' Service capabilities and facilities.</p>  | <p>Marked reduction in self sufficiency and major cost increases.</p> <p>Promises have not been fulfilled as DMO's 'system plus support' contracts see major overseas primes ship engineering, maintenance and supply support off-shore.</p>  |

Over the period covered above, a number of cultural reviews were conducted, many directed towards unacceptable 'cultural' behaviours in the Services and 'failures' in the Military Justice System. None of these, however, looked for the causal chain behind the perceived problems. In the main, the problems were classified simply as 'cultural', and thus the solutions were seen as 'cultural'. In reality, as discussed previously, all stemmed from faulty management or more likely a lack of proper management practice that allowed unacceptable attitudes to develop and persist.

There has been only one Defence Management Review - that conducted by Elizabeth Proust in 2007. Although greatly restricted by its Terms of Reference, that Review did find that (Proust, 2007):

- "...Defence has become unwieldy to manage...as the number of groups has grown - each with its own leadership, reporting and administrative overheads.
- The current structure is confusing, and
- While it might be disruptive in the short term to attempt another reorganisation of Defence, it is necessary to get the structure right, by which we mean that the structure should be aligned with accountabilities and responsibilities."

However, after six years, none of these problems has been faced.

Phase 2 ended with the release of Defence's "Pathway to Change - Evolving Defence Culture", which goes well beyond mere 'culture' to include structural changes, operational changes, and administrative changes.

The document is described as a "Statement of Cultural Intent" with its primary intent being to build upon the "Results Through People" leadership philosophy embedded in the Charters of the Service Chiefs. The document lists six classifications of recommendations - none of which relate to management. The real thrust of "Pathways" is revealed at Section 3, which describes how leadership and accountability are perceived to be enhanced by 'cultural change', for

example:

- *"The introduction of mechanisms that promote partnership and shared responsibility for delivery of outcomes".* That is, the retention and extension of divided responsibility and hence continued diffused accountability.
- *"...the successful implementation of an expanded Shared Services Model in Defence."* That is, extension of Defence's "one size fits all" APS philosophy, which fails to recognise the different operational and technology management needs of the three Services.

However, the key items in tracing Defence's Cultural Change Program and its effects were:

- *"We will reaffirm and make more transparent the current integrated approach to considering star and Senior Executive Service (SES) level promotions. In doing so, we will address the current misconception that these are managed through separate Service star plot and APS career management processes ...We will reaffirm to our Captain/Colonel/Group Captain Executive Level 2 levels and above that they must identify with Whole-of Defence objectives in addition representing their Service, Group or APS perspective."* and
- *"All senior Service officers must align their leadership behaviour with the 'Pathway to Change'...and must work with jointery and integration as their prime decision-making focus."*

Since the introduction of the Charters of the Service Chiefs, the Defence reorganisation, and the build up of the Defence Executive, Service officers approaching or at Group Captain/Colonel/Captain level saw that their advancement no longer resided within their Service, but within the Defence Executive. However, they also found that they would be selected, not upon their military professionalism, but rather on their ability to become complying and conforming military bureaucrats. The effect of this upon Australia's Services has been threefold:

- Senior officers were put in a position of conflict of professional interest, having to follow the Department's line rigidly in all matters, even when it may not be in the best interest of their Service or the Nation, or suffer the career consequences. Service and Nation before self was not an option.
- Their change in loyalty could not go unnoticed within their Service, as ambitious officers moving up the ranks sought advantage by adopting and demonstrating a civilian (APS) culture rather than military values.
- However, such changes were also noted down the ranks, giving rise to a general feeling that their officers may be focussed upon careers elsewhere, so they could no longer rely upon them, the chain of command, or their Service generally to guide them or protect their interests. Good role models, upon whom the Services depended heavily to mentor those under them, became increasingly scarce.

Furthermore, "Pathways" has added a new allegiance - to *"whole-of-Defence initiatives, including jointery and integration"*. The focus and allegiance of the Service Chiefs, and all senior officers, thus became broadened, more dispersed and more nebulous. Service people are increasingly employed across organisational boundaries over which the Service Chiefs have no effective visibility, command, control, or disciplinary authority. Their traditional ability to manage their Services to develop and maintain the Sea/Land/Air Power needs of Australia was thus destroyed.

The path being taken by Defence has been travelled before, especially by Canada, where the amalgamation of the Services (extreme "jointery") was undertaken. Experience there, however, shows (Bushell, 2008a):

- *"The military structures that foster and sustain the complex attitudes and behaviours amongst military members, which evolved over centuries and were certainly present in Canada , but have for some time been impacted by organisations that reward conformity over capability, allowing the slow rise of petty authoritarians into positions of control."*
- *"The Military should be turning out men accustomed to hardihood, ready to inflict and receive harm, accustomed to rewarding trust and respect while being trusted and respected in turn. This is not happening now."*
- *"If officers shun personal responsibility for the actions of those under their command, is this not seen also in so many other Canadian institutions?"*
- *"More than ever, Canadian soldiers are expected to be in conformity with Canada's increasingly twisted values."*

There are many lessons to be learned from Canada. The experience with similar cultural change programs in the UK is even more sobering.

In 'cultural' terms, Phase 2 saw:

- A continued imposition of an APS populist, ideological philosophy throughout the rapidly expanding Defence Bureaucracy and the downsizing Services. Within the Services, this eroded traditional military values, especially ethos, ethics and discipline, as people felt themselves to be more important than their Service. Unacceptable behaviours became more common at both the Executive and Service levels, but offences were hidden and not redressed.
- The accountability of the Service Chiefs drifted further from civil governance, to requiring them to focus primarily upon *"whole-of-Government initiatives, including 'Jointery' and integration"*, as seen by the Defence Executive.
- Throughout Phase 2, the pressure of unacceptable behaviours arising from the poor attitudes that thrived as a result of poor management built up to a point where they could no longer be ignored or suppressed, leading to Phase 3.

### **6.3 Phase 3 - The Release of Defence's "Beyond Compliance"**

Phase 3 comprised that period when unacceptable behaviours, particularly those of a sexual nature were being reported at the Australian Defence Force Academy (ADFA), and in Navy and Army, which prompted the Minister to undertake an inquiry. The DLA Piper Inquiry that followed, while initially focussing upon abuses in the Services, netted a large number of *"other abuses"* throughout the Defence Organisation; abuses of power, authority and trust, and the improper handling of complaints, extending over decades. As self interest over service interest became more common in the Services, individual and group vested self interest became a common characteristic within the Defence Executive.

Analysis of these two milestones follows.

#### **6.3.1 The DLA Piper Review**

DLA Piper was tasked *"to review the allegations of sexual and other forms of abuse that have been drawn to the attention of the Minister's Office, as well as to the Department of Defence and the Media."* As the review progressed, the reported abuses fell into two main categories:

- Sexual and physical abuse, which generally took place in the ADF and ADFA.
- *"Other abuses"*, generally being the misuse and abuse of power, authority and trust, usually within the Canberra-based elements of the Defence Organisation.

The latter forms of abuse represented a significant number of those reported, but many fell foul of "*out of scope*" decisions, or "*lost in the system*" responses, giving a strong impression that they were unwelcome.

Although many victims of abuse found the DLA Piper review process difficult, especially those finding themselves "*in scope*" one minute and "*out of scope*" the next, or their submissions "*lost*", the review proved to be a very thorough and well documented investigation.

The main problem with the review was that it did not identify the causal chain that led to the abuses. As a result, the appropriate corrective actions were not able to be identified within the report. Nevertheless, DLA Piper were able to assemble an impressive body of evidence that identified the wide range of abuses that had occurred over time, both sexual and "*other abuses*", how they happened, and those involved.

This body of evidence was passed to Defence in two volumes:

- Vol 1: Contained 23 issues, 29 findings and 10 recommendations. A Supplementary Report to Vol 1 was added which covered 190 people who raised matters that were determined to be entirely "*out of scope*". These were passed to Defence Legal to determine if any further action should be taken. However, as Defence Legal figured prominently in many of the accusations lodged under "*other abuses*", this appears to have been a blatant conflict of interest.
- Vol 2: Contained the individual allegations received by the Review, including recommendations for dealing with each allegation. It consisted of 23 parts covering 1100 specific allegations from 775 sources, as well as three other parts.

The Report was delivered to the Minister on 17<sup>th</sup> May 2012, but not received by the DART until 27<sup>th</sup> February 2013. Dr Rumble, who headed the review, indicated that he had several concerns regarding how Vol 2 had been distributed and Defence's responses to the Review's initial assessments and recommendations regarding individual allegations. In particular, he noted that arrangements had been made to provide a working version of Vol 2 – with appropriate redactions, but he was not given clearance to do so.

#### **6.3.1.1 The "*What*" and the "*Who*" of Abuses**

The body of evidence produced by the DLA Piper Review in Vol 2 required action at two levels in order to separate the "*What*" from the "*Who*", as corrective action resided in two very different areas. Producing a redacted version of Vol2 would have:

- Firstly, by concentrating on What happened, and conducting a robust Root Cause Analysis, the causal chain would be identified, and appropriate management solutions developed so as to prevent future occurrences. If done properly, it would not be over-optimistic to suggest that the monetary savings across the Defence Organisation would soon be in the order of billions of dollars.
- Secondly, this would allow the Who problem to be handled through the appropriate and established administrative, disciplinary and criminal authorities.

In summary, the DLA Piper Review was a highly professional and competent inquiry, which provided a sound basis for further action, but the Defence Organisation's response to date has been slow, secretive and defensive.

#### **6.3.2 The Defence Abuse Response Taskforce**

When the DLA Piper Review was passed to the the Defence Abuse Response Taskforce (DART),

the process immediately ran into severe difficulties. While DLA Piper reported thoroughly on '*allegations of sexual **and other forms of abuse***', Defence closed the door on the '***other forms of abuse***', limiting severely the DART's scope of activity<sup>4</sup>:

- "DART is not looking at all forms of Defence abuses. DART is constrained in what abuses and circumstances of abuse it is allowed to look at. Such constraints have been determined and directed by the Government" (identified previously as being the Defence Minister, the Attorney-General and the Prime Minister).
- "DART is looking at 'Blue on Blue' only and then only relative to the OH&S responsibilities of Defence."
- "DART has been directed to focus on sexual, physical and workplace related abuses as covered under OH&S requirements."

While accountability for the decision to exclude all abuses other than those workplace abuses that contravene Defence's OH&S responsibilities, has been sheeted home to "the Government", it remains questionable whether the decision was actually one taken by government, or was merely proposed by Defence, the Attorney-General and the PM's Department as being the best way to avoid embarrassing exposures. In effect, the critically important allegations of systemic "*other abuses*" identified in Vol 2, those that netted many in the Canberra-based Defence Organisation, where poor management and poor attitudes have led to the institutionalised, unacceptable behaviours identified, have all been excluded from the DART's scope.

The DART has also made (or been required to make) life very difficult for those who pursued their allegations, treating them as being the guilty, rather than the aggrieved. In effect, in blocking any further investigation into the "*Other Abuses*", the DART appears to be being used as Defence's tool to '*get the Genie back into the bottle*'. However, until these '*Other Abuses*' are faced transparently and fully, nothing of substance will come from either the DLA Piper or the DART. Defence still has not learned that:

*Cover-ups are the antithesis of good management.*

This perception has been reinforced by the lethargic pace of DART progress in all aspects, the show casing of ADF cases, with hollow apologies, and difficulty in getting a belittling compensation, the false insistence that the most senior rank involved has been Major, and the dogged refusal to look at the "*Other Abuses*" that involve very senior Defence Executive and Service staffs. The DART can only be assessed as an expensive and misleading travesty of justice.

Having failed to obtain recognition or support from Defence or the DART, and coupled with the failure of every internal and external governance organisation to take action, many of those who suffered from those "*other abuses*" resolved to continue the fight for elementary justice through an alliance known as *The Victims of Abuse in the ADF Association Inc.* However, the attitude of the DART to those who had suffered extreme abuse, and had their cases declared "out of scope", is exemplified in the brutal response by the Chair of the DART to Ms Jennifer Jacomb, the Secretary and Public Officer of the organisation.

Two fundamental questions arise here:

- Is this what government intended when it approved (assuming it did) the approach proposed by Defence, the Attorney-General, and the Department of the PM & Cabinet?
- Is Parliament, which is responsible for exercising Oversight Governance of the Government and its bureaucracy, on behalf of the people of Australia, content to have the blatant abuses identified in the DLA Piper Review Vol. 2 Report swept under the carpet with Defence and its broken internal and external governance mechanisms left free to perpetuate such abuses without restraint into the future?

<sup>4</sup> Unpublished, Transcript, Teleconference between DART and a victim, 14th June 2013.

### 6.3.3 The End of Phase 3

Phase 3 of Defence's Cultural Change Program ended with the Department's reaction to the abuses identified by the DLA Piper Review, which took the form defined in the report authored by Maj Gen C.W. Orme AM, CSC, entitled *"Beyond Compliance: Professionalism, Trust and Capability in the Australian Profession of Arms-Report of the Australian Defence Force Personal Conduct Review"*, 2011.

## 7 Analysis Of "Beyond Compliance"

### 7.3 Introduction

The Orme *"Review into aspects of Defence and Australian Defence Force Culture"* proceeds from certain assumptions made in regard to unacceptable behaviours within the Services that were identified by the Media and which became the subject of many of the complaints identified by the DLA Piper inquiry, now under review by the Defence Abuse Response Taskforce (DART). The Review then goes on to make a number of recommendations stemming from those assumptions.

Unfortunately, many of the Review's underlying assumptions are false. The Military values attributed to the Services are identified inadequately and not given their proper weight or priority, leading to recommendations that are inappropriate, harmful and bordering on becoming dangerous. In summary, the Review is yet another phase in Defence's long-running campaign of imposing cultural change across the Services aimed at replacing long-standing and well-proven Military values with the populist, ideological philosophies that have been adopted by the Australian Public Service. The Department of Defence is thus simply trying to force the Military into becoming conforming and complying 'service providers'. No thought has been given to the effects upon Australia's Military capabilities or the National security.

As a full analysis of the Review would require a document as lengthy as the Review itself, this analysis will be limited to selected major considerations.

### 7.4 Overview of Analysis of Review

#### 7.2.1 The Causal Chain Behind the Unacceptable Behaviours

The Review's perception that the (sole) cause of the perceived unacceptable behaviours in the ADF is due to cultural problems, and that these may be redressed through the imposition of widespread cultural change, is false. The culture that evolves in an organisation is a reflection of its management - poor management allows poor attitudes to develop and persist, enabling a poor 'culture' to take root and flourish, while good management ensures that its attitudes and hence its culture are healthy and remain so; any unacceptable behaviours being identified and rectified promptly by management action, not cultural change. This was the norm within the Services pre-Tange, but standards have deteriorated unacceptably since Defence changed to a centralised, APS-administered ADF. That is, when effective Service functional organisational and management structures which were under direct civil governance were replaced by public service administration by the Defence Bureaucracy.

The basic premise of the Review is thus in error. The primary cause is not an ADF cultural

problem, but a management problem, more exactly the lack of any effective functional organisation and management structure and the absence of even basic skills competencies throughout the whole Defence Organisation.

### 7.2.2 The Scope of the Problem

The Review states that *"On the face of it these unacceptable events **appear to suggest** that the ADF has a major problem with its culture and its behaviour at the individual and small group level".* (Author's emphasis). The Review seems to be far less definite here that a problem actually exists). However, based upon the known facts, none of which has surfaced in the Review, this statement is also demonstrably false. The cultural problems perceived are not limited to ADF individuals and small groups, but are systematic throughout the whole Defence organisation, and are particularly pernicious and damaging within the Canberra-based elements of the Defence Executive.

The Review fails to ask, or answer, the key question: *"Why those in the chain of 'accountability', from the bottom to the top of the Service and the Defence Executive, especially at the Secretary and the CDF level, turned a blind eye to these unacceptable behaviours for well over a decade?"*

It would have required only elementary research and analysis by the Review to realise that the behavioural problems it has identified pale into relative insignificance when compared with those problems that have been identified throughout the highest levels of Defence administration; failures that have led to the entrenchment of a culture of unacceptable behaviours that has been imposed downwards throughout the ADF, the DMO and the DSTO to cause the problems perceived by the Review. The key causal element in this process has been Defence's persistent APS - developed Cultural Change Program.

Gen Sir John Hackett in a BBC Interview reminded us that:

*"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."* This is the difference between military and non-military people; one that Defence, and this Review choose to ignore.

### 7.2.3 Perception of the Problem and its Solution

The Review (Page 3) concludes that the cultural problems perceived are limited to the ADF, and thus the changes proposed have been directed against what the Department sees as the ADF having a *"major problem with its culture and its behaviour at the individual and small group level"*, resulting in a need for the ADF to undergo cultural change so as to *"restore the trust and confidence of the Government and the Australian Community"*. Furthermore, the unacceptable behaviours demand *"strategic and systematic cultural change"*, while *"reflecting the unique nature of military service and the requirements of a professional and operations-focussed culture"*.

The Review then emphasises the concept of *"Service to the Nation"*, requiring formal and



explicit "*codes of conduct that govern a professional military force*". The recent incidents of unacceptable behaviours are also perceived to have challenged the respect in which the Services have long been held, and hence the ADF must respond.

Media relations were then perceived as a key element in developing and maintaining a good (ADF) reputation, hence the need for "*a relationship with the media that is characterised by integrity, trust, transparency and respect*".

The Review then focuses upon a number of perceived ADF cultural characteristics that have led to unacceptable behaviour:

- A male-dominated cultural model.
- Social stratification.
- A division between "*insiders*" and "*outsiders*", the latter being "*cultural minorities, such as women, ethnic members and those with non-mainstream sexual persuasion*".

The Review then makes its case for widespread cultural changes needed to redress Defence's perceived unacceptable ADF behaviours at the individual and small group level. Finally, it proposes a framework for its proposed cultural changes which will provide an "*operations-focussed culture, ... a just culture, an inclusive culture, a reporting culture and a learning culture*", together with its reasons why all this should work.

The problem with this review is that its perceptions and assumptions are false, as are its conclusions and recommendations. The review is based wholly upon APS – driven populist, ideological philosophies, not military values.

## **7.3 Further Observations**

### **7.3.1 Scope of Abuses**

Despite the Orme Review's attempt to downplay the scope of its perceived abuses, unacceptable behaviours have been identified throughout the whole Defence organisation and those involved identified and named, mainly in:

- The many submissions made to the Minister, the Defence Executive, the DMO, the Defence Ombudsman, the Defence Inspector-General, and the Service Chiefs over the past decade or more, all to very little, if any, effect.
- The submissions put before the DLA Piper Inquiry, which are now being handled by the Defence Abuse Response Taskforce (DART), now striving to focus upon ADF abuses, and bury the 'other abuses' in Vol 2 of the DLA Piper Inquiry that involve those in the higher Defence Organisation.

The scope and nature of the abuses that have occurred increasingly since the Tange/Defence organisational changes have thus been ignored by both the DART and the Orme Review, probably for the same reasons.

### **7.3.2 Confronting the Issues**

The Review's reliance upon US studies into conduct during operations completely ignores Australia's Military History and those Military Values that have dictated the outcomes of combat over the centuries (Page 16, Para 27). The Review fails to understand the notions of ethics integrity and honesty, and the importance of having role models in the

Military. In all organisations, culture is grounded in professional values, not populist, ideological philosophies, and those values are absorbed by emulating others in the group rather than memorising a complex system of rules governing how to behave. The importance of the "archetypal" warrior role models was understood millennia ago in professional military cultures, and is expressed in the works of Homer, Virgil's Aeneid, the Chivalric genre, right through to all of the modern equivalents. Decorating warriors for acts of valour was not an arbitrary practice; it was always about making them role models for the group.

### 7.3.3 Diversity and Capability

Page 21, Para 43 gives a nodding acknowledgement to some military values, ignoring the key roles of morality, ethics, integrity and discipline in any successful military, and goes no further. Para 48 then goes on to lament a "*paucity of empirical research....on diversity...and operational success*", and calls upon "*compelling evidence from studies in business organisations..*", carrying the assumption that business and military organisations have the same values and considerations. The Review simply turns a blind eye to the body of research that exists. Any scholar of military history knows that monocultures are more susceptible in combat. The history of the Red Army during WWII has some well-documented case studies covering mixed gender units. Multi-ethnic forces with well-documented records of high combat effectiveness include the French Foreign Legion and, sadly, the German Waffen-SS, which by 1944 was dominated numerically by non-German troops (Bishop, 2005). The claim of paucity of research material reflects very poorly upon both the author(s) and reviewers. Perhaps this claim was made because the material available was written from a military values point of view, and not the APS populist, ideological philosophies that formed the focus of the Review.

The proposal that business organisations may be used as a benchmark for military functions is also seen in recent Defence Materiel Organisation Major Project Reports (DMO MPRs). Early DMO reports used the UK and USA Departments of Defence as benchmarks, but those organisations have so publicly failed that the latest MPR is benchmarked against the private sector, which has little of consequence in common with military organisations or capability management.

Furthermore, the appeal to the Nimrod Model is highly selective and misleading. The airworthiness problems that surfaced in all three Services in the UK were highlighted by the RAF Nimrod disaster, but they had absolutely nothing to do with culture. It was all to do with completely incompetent management of those operational and engineering factors that make up airworthiness. Furthermore, the 'cultural solution' that Haddon-Cave proposed was driven by the need to provide the UK MoD with a regulatory 'solution', but this will ultimately prove to be ineffective. Haddon-Cave did, however, identify some of the causal chain for the accident, as follows (Bushell, 2007):

- A shift from organisation along functional to project oriented lines.
- The loss of the RAF's Chief Engineer post with its airworthiness focus.
- The 'rolling up' of organisations to create larger and larger 'purple' (ie, joint) and 'through-life' management structures.
- Outsourcing to industry.

He summed it all up as "*A failure of leadership, culture and priorities*", but failed to note that poor culture is a direct by-product of poor management and a lack of required skills, not some independent, philosophical measure.

Nothing was done to rectify any of the root causes for the accident, so the UK's airworthiness risks remain, and it should be noted that all the factors involved apply also to Australia's

Defence reorganisation, standing witness to Defence's failure to look at the causal chain that led to its failures.

Finally, the proposals contained at Paras 48 and 49 are so hedged and unsupported that both author and reviewers have made no supportable or convincing case.

### 7.3.4 Getting the Balance Right

While the Review focuses upon shortcomings in the ADF's military culture (Page 20), it fails to recognise that the problems it perceives are aligned with an unacceptable civilian culture that Defence has embedded in the Services through its APS-driven, cultural change program, which is now surfacing as "*uncontrolled individual and group narcissism*". The Military traditionally controlled such unacceptable, civilian behaviours through their strict code of conduct and close supervision, but that capability has been eroded by the Defence-imposed shift in focus from *Service before Self* to *Self before Service*.

### 7.3.5 Improving Public Awareness

There is more to this than meets the eye (Page 29, especially Para 81). When seen in the light of Defence's Cultural Change program, the proposal becomes a grand opportunity for Defence to reconstruct military history to conform with its APS cultural objectives, and to prepare the ground for its remoulding of the ADF into an 'Instrument of the State'. The review goes on (Page 15, Para 20) to suggest that this will be done through a "*sophisticated public affairs campaign*"<sup>5</sup>:

*"It is imperative that the ADF and the Media establish a strong relationship that is characterised by integrity, trust, transparency and respect for the demands of each profession..."*

In reality, Defence's attitude to the Media has been consistently secretive and manipulative. Directives to all parts of the Organisation require centralised control of all announcements through Defence's large Media Unit. Throughout the Media, articles on Defence matters have been heavily dependent upon the "information drip" from Defence, and the advertising revenue from major suppliers, leading to informed, independent analyses on Defence matters becoming almost non-existent. The Orme Review's proposal really advocates the manipulative use of propaganda rather than a transparent public affairs campaign.

### 7.3.6 Roles of the Profession of Arms

These references require yet another demand on Service loyalty, now requiring Service people to be "*Servants of the State*", because they must "*be prepared to risk injury or death in pursuit of State – directed missions.*" (Pages 27 Para 72 (d), 63).

The word "*State*" and the Military's subjection to "*State – directed missions*" is reminiscent of many totalitarian (usually failed) States in which the military (and other security organisations) become a tool of the State, not under the control of the people and their parliament, but usually under some powerful political clique. This paragraph, like much else in this Review, could well have been taken from a doctrinal manual disseminated by the former Soviet propaganda ministry.

<sup>5</sup> This model bears great similarity to the Bernays philosophy of propaganda as a tool of policy and management, later embraced by the NSDAP in Germany, with catastrophic consequences.

Furthermore, the *Key Roles in the Profession of Arms* (Page 63) are simply a few relatively minor aspects of those necessary in any credible military organisation. In general, the 'higher' roles identified cannot be reconciled with those needed to establish and strengthen a credible military capability. In fact, critical military values have been totally ignored. A military organisation that relied upon these Key Roles to sustain it would be totally ineffective.

Most importantly, under this proposal, the Department of Defence will, in effect, reverse the Westminster principal which, pre-Tange:

***"Removed the gun from politics, and the party politics from the institutional culture and operations of our military"***

This proposed 'cultural change' should be viewed with great concern by Australia's Oversight Level of Governance, the Australian Parliament, as it places control of Military matters directly in the hands of Defence Executive civilians, matters that have always resided, and should continue to reside, within Parliament alone. A similar change has taken place in the US, where a tug-of-war has developed between the Congress and the Defense Executive, expressed as follows (Bushell et al., 2009):

*"The dogged and unsubstantiated stand taken by Secretary Gates and his departmental advisors has ignited a bitter division between Congress and the Defense Department Executive, and has now drawn the President into the mess".* One Senior House representative put it as follows:

*"It is not a Democrat or Republican thing at all, but a Congress versus the Executive in terms of who is in charge. The Defense Department is there to execute. We cannot allow the Executive to run roughshod over Congressional responsibility. They need to learn who is in charge. The Congress is."*

This situation has developed despite the US having declared in 1984 that its Defense Department and its acquisition organisation were broken and had to be fixed urgently. Unfortunately, the reforming Nunn-McCurdy Act of 1986 that followed has failed consistently to bring about the required changes (Bushell et al., 2009).

As identified, a key objective of the three phases of Defence's Cultural Change Program has been to shift from civil control of military matters by Parliament to civilian control by the Defence Department Executive.

Similarly, *"The Four Pillars of Operationally – Focussed Culture"* are entirely meaningless in the absence of an overarching and dominant set of military values – those values that alone will determine the outcome of any military conflict. These Pillars will never help to win wars, but they may well lose them<sup>6</sup>.

In short, the Orme Review is a self-serving Defence bureaucracy document, further ingraining APS-driven populist, ideological philosophies into the Department and the Services, without the slightest regard for those military values and organisational and functional management structures that have proven to be successful over centuries in all effective military organisations.

<sup>6</sup> Muth has studied this type of dysfunction carefully, in his work "Command Culture: Officer Education in the U.S. Army and the German Armed Forces, 1901-1940, and the Consequences for World War II", summarised in his recent essay MUTH, J. 2014. *A Crisis in Command and the Roots of the Problem* [Online]. San Francisco, USA: The Obvious Corporation DBA Medium. Available: <https://medium.com/the-bridge/80dfcfd7fd49> [Accessed 20/02/2014 2014].

## 7.4 Phase 3 in Summary

In summary, Phase 3 saw:

- The continued imposition of an APS - driven, administrative and cultural philosophy throughout the Defence Organisation, with particular attention being given to replacing Military values with APS – defined, populist, ideological philosophies, under Defence's Cultural Change Program.
- Defence's focus upon the ADF as being responsible for the abuses detailed in the DLA Piper Reports, aimed at drawing attention away from those more serious "*other abuses*" committed by senior civilians and service personnel within the Defence Executive, the DMO and DSTO.
- The abrogation of Parliamentary (civil) control of Australia's Military by the Defence Executive, by reversing Australia's Westminster constitutional model, which had long removed the gun from politics, and the party politics from the institutional culture and operations of Australia's Military.

## 8. Tracing the Causal Chain

While this paper has concentrated upon the causal chain that has led to a significant shift and marked decline in the military ethics and culture that have served Australia so well before the Tange structural changes were implemented by the Defence Bureaucracy, it is important that the conditions that permitted those causes to become entrenched throughout Defence also be identified if effective and lasting remedies are to be applied. These will now be identified in broad terms only.

### 8.1 Within the Defence Bureaucracy

The Prisoner's Dilemma, and its role in Service members having to choose between *service before self* or *self before service*, and the unacceptable behaviours that have resulted, have been identified, but the Defence Organisation as a whole was also been faced with a Prisoner's Dilemma, but one having an added dimension. With the Bureaucracy demanding conformance and compliance before competency, and then demanding that the Department have "One Defence View", the individual moral and ethical standards central to sound management and good governance were swept aside, leaving the way open for individual and group vested self interest to take root and flourish. The choices available were limited: either accept the moral and ethical price and become complying and conforming members speaking only with the 'one Defence voice', but able to look forward to acceptance and promotion, or, for those who were not prepared to pay the price, either leave the organisation, or be "out-placed", or purged.

However, amongst the Defence organisations impacted directly by these bureaucratic decisions were those critical to the proper governance of the Department, for example, the Offices of the Defence Inspector-General and the Ombudsman, as well as many other external governance organisations. Many of the failures in governance that followed resulted from those organisations having to be responsive primarily to the 'one Defence view', not for good governance. The way was also opened for the Defence and DMO Legal Offices to be used improperly to shield the bureaucracy against its poor administrative decisions. The resulting abuses of power, authority and trust that followed have been recorded in detail in Vol 2 of the DLA Piper Review.

With the executive level governance mechanism turned off, the Bureaucracy has been free to mould Australia's military capabilities to satisfy its own objectives rather than those of Parliament, the Australian people and the national interest. In short, the Defence Bureaucracy has embedded a culture that is the very antithesis of that proven necessary over the centuries in any effective military organisation, a culture lacking in critical moral and ethical standards and ethos. The danger is that the Defence Bureaucracy will drive Australia down the path of appeasement as the only way of surviving in a world where the increasing level of help required from our allies to protect our interests may not be forthcoming when needed. That is, we will have lost all self-reliance.

## 8.2 Within the Political Arena

While the Defence Executive must be held directly accountable for the widespread functional problems and abuses that have been identified throughout the Defence Organisation, the institutional breakdown of the governance organisations at the Parliamentary and Government levels created the environment within which Defence's breaches of governance were allowed to develop and grow unchecked.

The causal chain at the political level reveals two points of weakness:

- Firstly, there was the 'reform' of the Australian Public Service (APS), which moved it from an organisation having tenure in return for being non-political and neutral, giving "frank and fearless" advice, and acting in the best interests of the Public, to become contracted providers of services to government. This was followed by placing it under the Department of the Prime Minister and Cabinet, thereby politicising the function, and allowing it to neglect its responsibility to ensure good governance throughout the APS, and to control the parasitism that had already infested the organisation.
- Secondly, there has been reluctance within the Parliamentary Committee System to enforce good governance through disciplining errant politicians and bureaucrats, the Committees not seeing their role as jailing people who mislead parliament on the ground that it was not politically acceptable (Waring, 2010). As a result, the Defence Bureaucracy felt safe in providing evidence that varied from obfuscation to downright falsehoods, and the politicians became far too willing to forgive the Departments their transgressions. Whether this was a result of the Dunning-Kruger Effect, plain naivety or 'learned helplessness', remains to be determined. The traps in giving too much forgiveness, which have been analysed in the scientific research on the Prisoner's Dilemma, indicates that beyond a certain threshold there will be an abrupt collapse in the system (Brumley, 2013)<sup>7</sup>.

<sup>7</sup> The cardinal point made by Brumley, building on the works of Axelrod, in Chapter 8 "Misperception and the Iterated Prisoner's Dilemma", is that where bad behaviour is forgiven too frequently, the community will adapt and evolve to the extent that the majority of members will become bad, since there are perceived short term selfish advantages in being bad versus being good, even if the overall survival and fitness of the community suffers.

There is thus a need to keep the APS at arm's length from political pressure and restore its focus upon the public good and its governance responsibilities, while ensuring that the Parliamentary Committee System has the teeth and the will to demand the moral and ethical standards upon which good governance depends.

### **8.3.Conclusion**

At this point in determining the causal chain behind Defence's ills, there is sufficient evidence to suggest that the problems that have evolved and become entrenched, within the Defence Organisation have arisen primarily because the Defence Bureaucracy, which had a clear choice between moral and ethical behaviour, or immoral and unethical behaviour, chose to exploit the weaknesses in parliamentary governance to gain individual and group personal advantage – a textbook case of parasitism (Kopp, 2013). In the medical corollary, the remedy to such an infestation is either to use medication to kill the parasites or boost the immune response, the latter providing the most effective long-term response.

So, the problem boils down to a lack of ethical standards in those holding senior appointments in the Defence Organisation, and the ineffectiveness of its internal governance mechanisms. At present, both have been hopelessly compromised because bad behaviour is rewarded while good behaviour is punished – the very antithesis of what one should find in any competent military organisation.

However, effective and permanent action will also require the institutional breakdown in Parliamentary and Government oversight organisations to be repaired to create a general environment where bad governance will be identified promptly and corrected promptly.

## **9. Summary and Conclusions**

Since the reorganisation of the Defence Group of Departments in 1972, followed by the Defence Reform and Commercial Support Programs over the 1980s and 1990s, there has been a continual stream of reviews aimed at improving Defence management and performance, but to little real effect. This trend accelerated from the 1999-2002 period when the DMO took up responsibility for capability planning, acquisition and sustainment, within an almost completely de-skilled Defence Executive, ADF, DMO and DSTO.

A primary cause for the continued decline in the management of Defence functions may be traced to the organisational diseases inherited by Defence from the Australian Public Service, principally Groupthink, Organisational Parasitism, and the "Cult of Cultures". The impact of these diseases were then amplified by replacing competent people throughout the Defence Organisation (the Defence Executive, the DMO and DSTO) with incompetent people whose main attributes were a required conformity and compliance with the Department's position on all matters, thus embedding the Dunning Kruger Effect. The problem was further reinforced by Defence's Cultural Change Program, which in particular, required the replacement of traditional Military values with APS-driven, politically correct and populist liberal philosophies.

These initiatives, in the absence of a sound, functional organisation and management structure throughout Defence, led directly to the abuses that have affected the entire Defence Organisation over the past two decades or more. While these widespread abuses were well identified in the DLA Piper Reports, the DART and Defence have focussed only upon very carefully selected "*unacceptable behaviours*" that have been reported within the Services, shielding those within the Defence Executive, the DMO and DSTO named in regard to far more

serious "other abuses" from scrutiny and accountability. The DART, which was to ensure that all of the DLA Piper abuses were dealt with fully and justly, has itself become compliant and conforming in ensuring that the perpetrators of those other abuses are not pursued. Throughout the DLA Piper / DART deliberations, Defence has persisted with its Cultural Change Program as a primary focus for achieving its objectives through the Orme Review, not recognising that its perceived problems have nothing to do with culture, but are mainly the result of poor management.

More importantly, Defence's Cultural Change Program has seen Parliamentary (civil) control of Australia's Military abrogated by the civilian Defence Executive, thus reversing Australia's Westminster constitutional model, which has long removed the gun from politics and the party politics from the institutional culture and operations of Australia's Military.

The problems that have evolved and become entrenched within the Defence Organisation have arisen primarily because the Defence Bureaucracy chose to exploit the weakness that now exists in parliamentary governance and within the Parliamentary Committee System to gain individual and group personal advantage. This opened the door to the individual and group vested self interest that now characterises Defence administration, and represents the cause of a large number of the complaints contained in Vol 2 of the DLA Piper Review.

The time is now well overdue for a serious review of where our Defence organisation and capabilities have been driven over the past 39 years, and how to bring them back on course under proper constitutional control, and managed by those having the required skills and competencies.

The JCPAA Inquiry into Defence reform lag in regard to the Defence Capability Development Group will find their answers in the causal chain traced in this paper and its references, as well as in analyses of Defence's DMO Major Projects Reports submitted by the author to the JCPAA over the past five years, without any apparent result.



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