



TRANSCRIPT OF PROCEEDINGS

SECRETARY ADDRESS – DENNIS RICHARDSON AO

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Dennis Richardson: Thanks very much, Gordon. I don't really have an address, I have a few words and then afterwards very happy to take questions on anything that I've covered or haven't covered. I particularly want to acknowledge wonder woman sitting in front of me. Those of you with real knowledge will know the meaning of that, otherwise known as Glenys Beauchamp. I just thought I'd say a few words. I wrote something down: small, and big. When I started up in ASIO, in 1996, there were just over 500 people in ASIO at that time. When I started up in DFAT in 2010, including everyone through DFAT overseas, A Based and locally engaged about 4000, in Defence. Defence is an enterprise providing employment to over 100,000 Australians. 58,000 permanent members of the ADF. Obviously, I don't command them, that is the ADF. 22,000 are members of the reserve, who work in both civilian roles as well as ADF. About 17-18,000 public servants and about 17,000 service providers. I've worked in both pretty small and pretty big organizations.

What are the differences and what are some of the similarities in small and big organizations? The differences, I think, are fairly self-evident. That comes with size. Obviously, engagement with staff. When I first joined ASIO in 1996, I made a point of personally meeting everyone in the organization. I actually personally met everyone who worked in ASIO and then for some time afterwards, I met everyone joining ASIO and I met everyone leaving ASIO. Obviously, by the end of my time there, that was not possible. With that, you can engage far more personally with staff in a smaller organization than in a bigger one. That gives rise to how do you communication and I still haven't discovered how you do effective communication in a large organization. I prefer not to use social media, not because I'm technologically incompetent, which I am, but because I know quite a few people in very large organizations who use social media and they very often have other people do it for them. I think that is not being authentic. However, it does raise a real conundrum. In ASIO, I used to have a meeting with all staff in Canberra once every 6 months. The next day, I would address all staff in Sydney and then in Melbourne, so over a 2 day period I could address the vast majority of staff in ASIO.

In DFAT, had to do it differently. Started a monthly forum in DFAT, where any member of DFAT could come along. I would give a presentation, they could then ask whatever question they wished and then what would go to overseas etc. People overseas with nothing better to do and if you're in some places we have overseas, a highlight of the month might be watching the secretary, which says a lot about some of the difficulties in some of our overseas posts. In Defence, you can't do that. In defence, I have a monthly forum with the SES. That's voluntary, not all the SES take advantage of that, but I have a monthly forum with all the SES and I do at least one town hall meeting somewhere in Defence, at least once a month. For instance, I had 2 town hall meetings in Melbourne on Friday. I've probably done them the 4 years I've been in defence. I've probably done 90-100 town hall meetings in that time. But that doesn't effectively enable you to reach a lot of people all at once and it is inadequate, but I have yet to discover an effective way of doing it.

With size also comes a sense of oneness. In ASIO, while there were differences in culture, there was a strong sense of common purpose. DFAT was similar, although DFAT had its challenges following the amalgamation of Foreign Affairs and Trade in the late 80s, and of

course a couple of years ago, it brought in AusAid. DFAT would be grappling with some of that, but I think they've done it pretty well. In Defence, that sense of oneness isn't always there. There is a broad sense of common purpose, but there's an enormous diversity in the workforce in Defence. Defence employs blue collar through to white collar. It employs unskilled through to people with 2 or more PhDs.

The Defence, Science and Technology Group employs more PhDs than any other organization in Australia, outside of the CSIRO. Defence public servants do policy work, they are social workers, they are psychologists. Over 20% of Defence public servants are engineers in technical. Over 10% of Defence public servants work in the intelligence agencies. We have public servants who manage a property portfolio with a replacement value of over 60 billion dollars. We have public servants managing enormously large projects. We have public servants insuring that the pay is done effectively and if you get the pay wrong of the ADF, you know about it in the media very quickly. You are managing conditions across a range of services quite complex. You are managing a budget of people managing a budget, of over 32 billion dollars. There's enormous diversity in that workforce and there are multiple cultures. That's not unusual in any organization which is geographically dispersed and with such a diversity of workforce, of the kind we have.

People often think in terms of the ADF and public servants. It's far more complex than that. Try telling an SAS person in Campbell barracks, in Western Australia, that they belong to the army. Try telling a fighter pilot that he or she is the same as an engineer or a navigator. Try telling a submariner that they're the same as someone up above, forget it. There are multiple cultures in Defence, perfectly understandable. Defence has been on a journey for 40 years, bring an enormously large disparate organization together. A bit over 40 years ago, what is now Defence consisted of 5 separate departments of state. The last 40 years has been the journey of seeking to bring that together, hence the big review we had in 2014, 15, called the, "First Principles Review", had as its title, 1 Defence. As a result of that First Principles Review, we deliberately got rid of any titles in Defence which had organization in them, with the exception of the intelligence community. The Defence Material Organization became the Capability Acquisition and Sustainment Group. The Defence, Science and Technology Organization ceased being called an organization, and became a group.

They're only word changes, but what sits below those word changes is a very strong philosophy to make Defence more of a unitary state rather than a federation, and a loose federation at that. We deliberately kept the intelligence community, the Australian Signals Directorate, the Australian Geo-spatial Intelligence Organization and the Defence Intelligence Organization as organizations, because they also operate under the Intelligence Services Act, not only the Public Service Act, and I thought it was appropriate for them to be so recognized. From that diversity of workforce and the principle of One Defence, arises what is one of the big challenges in Defence and that is the overhead of coordination in Defence. So much emotional energy in Defence is taken up, is directed, coordinating within. That was not the case in ASIO, that was not the case in DFAT. It is in Defence. After I'd been there 6 months, Betty said to me, "Your program is very different in Defence to in DFAT." I said, "What do you mean?" She said, "In Defence, your program is taken up with

meeting people inside Defence. Your program in Foreign Affairs and Trade was primarily meeting people outside of DFAT." Therein lies a big difference between a big, big organization and what was a relatively small organization, and a medium size organization.

Once you align Defence internally, you have the issue of engagement with the rest of the government. Defence talks about itself internally, unlike other organizations I've worked in. Very often, you hear discussions in Defence about Defence and government, as though we're separate to government. It's interesting language that you get and that highlights one of the challenges. Flowing on from that, flowing on from the diversity, flowing on from the emotional energy taken up in internal coordination, flows the next big difference between small and big. That is, in big, you have to develop an appetite for a certain kind of sandwich. You get a regular diet of them and they are an acquired taste, but over time you simply accept it as part of the daily diet. They're some of the obvious differences, but I think what's interesting is that when you think about it, there's far more in common between small and big than what there are differences. The differences are largely mechanical and they're functional, and they're understandable. However, what they have in common is whether you're small or big, you've got to engage with ministers and government the right way.

You've got to provide timely and accurate advice, and you've got to be very conscious of accountability, integrity, and your responsibilities. Simple because you're in a big, big organization doesn't mean you carry more responsibility than being in a much smaller organization. Some of our smallest organizations in government have very intrusive powers that have to be managed very carefully. They can intrude on the lives of our fellow citizens, therefore they have to be managed in accordance with the law and carefully. That is a big responsibility, that doesn't come with size. That comes with the authority, the accountability, and the responsibility that you carry. Whether you're a small organization or a big organization, you have issues relating to workforce. We have a big challenge in Defence, in terms of gender in the workforce.

Overwhelmingly, women are represented at more junior levels, less represented at more senior levels. We've had after 4 years of virtually no promotions because of downsizing and the like, we've had promotions this year, and a quite reasonable percentage of women have been promoted through that process. For the first time, there are 2 women at the top table in Defence. Rebekah Skinner, who was head of the People group, has just moved to the Strategic Policy and Intelligence Group. She's the first woman to occupy that space in the national security community. She's the first woman to occupy that job. Her and Roxanne Kelly, whose replaced Rebekah Skinner in People Group. Roxanne's here tonight. The first time that they've had female company at the top table in Defence. We've got a way to go.

Indigenous representation in the last 2 years, we've grown the indigenous representation in the Defence APS from .8% of the workforce to 1.8% of the workforce. We've grown that very significantly. Easy to grow, hard to retain. Our challenge is in retention and our challenge is insuring that indigenous Australians are also properly represented at middle and senior levels. Overwhelmingly at junior levels in Defence at the moment. Also in terms

of indigenous employment I should say that you'll be aware of the special provisions in government procurement, which enable you to provide contracts to indigenous owned companies provided they meet certain criteria. Last financial year, of the 200 million dollars in contrast provided to indigenous owned companies, 140 million of it was represented by Defence and the contracts we gave out. We encourage people in strategic areas to go on the Jawun program and I'm sure there are many people here who are familiar with the Jawun program. If you get the right people in the right part of your organization going to Jawun, they will come back with a difference attitude. They will come back with quite a determination and you see real results in that.

Disabilities, again, whether you're a small organization or whether you're a big organization, we have responsibilities there. I think Defence has more responsibilities than most. I take a very simple view: we spend over 32 billion of the taxpayer's money a year and we provide employment one way or the other, directly, or indirectly, to over 100,000 people across Australia. An organization of our size has a responsibility to engage across the community and the ADF has done that very effectively for a long time. In Defence, 18 months ago, 2 years ago, we decided to replicate a program we've had in Canberra for over 20 years with Koomari. We decided to form partnerships with local community groups to employ people with intellectual disabilities. It's called the Defence Administrative Assistance Program.

We launched our first program at Enoggera Barracks about 18 months ago. We have since replicated it in other parts of Queensland, New South Wales, Victoria, South Australia, Western Australia. We'll replicate it in the Northern Territory before March of next year and we hope also down the track to replicate it in Tasmania. That's no big deal, we're only providing employment through that program to about 130 people with intellectual disabilities. But, if you get shown by someone what they've bought with their first pay packet, if you have someone talking to you about how they're getting public transport independently for the first time in their lives. Parents are dropping off kids at work and for the first time in their lives, they don't have carer responsibilities, this is worth doing and all government departments should have a little program like that depending upon the size. Obviously not everyone and we've deliberately done it modestly. We have not tried to overreach, our concern being that if we sought to overreach and tried to do too much we would fail. We've done it as a business proposition, being very tough-minded about this and it's amazing.

We'd launched the program in Melbourne on Friday and normally it starts off pretty slow, but within about 6 weeks the group of people employed with supervisors from the community organization had more work than what they could handle. They're doing work that we're meant to do but have dropped off the back of truck because of downsizing and it's a business proposition. We're actually get quality work that needs to be done, that we're not doing. It's not a bad deal, I would encourage everyone to think about that. The last thing I would mention, common across whether it's small, medium size or big, leadership is a common element across all organizations. 3 lessons in leadership that I've personally experienced stand out for me. One was in 1970, when the then head of mission I had in Nairobi disappeared because there was attempted coup in Uganda. At that point,

believe it or not, there were a lot of Australians in Uganda. He got me into his office after he came back and he said, "Look, Dennis. In a crisis, you always go to it. Never stand back." Always go to the point, always go to the source of the trouble. Don't hold back and skirt around the edges.

At the end of May 1991, I was Chief of Staff to Bob Hawke and Paul Keating came around and challenged him. Prime Minister Hawke was then in his office from about 6 o'clock one evening through to about 1:30 the next morning with some senior ministers and all, making telephone calls and doing the things you do when you're under challenge. At 1:30 in the morning, he asked for his papers for the premiers conference, now called COAG. That was commencing at 9AM the next day. He had someone walk into his office the previous evening, say that look, I'm going to challenge you for your job." He spent 7 and a half hours working on that. He had the intellectual discipline to move from that to the premiers conference COAG meeting the next morning. I said to him, "PM, you're on top of the job. Why don't you go home and get some rest?" "No," he said, "I want to prepare for the meeting." He took great pride in never going into a meeting unless he was totally prepared for it. He had the most discipline capacity I've ever met in my life, to be able to move from one issue to another and give it complete focus without being distracted by what'd come before.

In October of 2009, I was in Washington and I went to Afghanistan with the then Chief of the Defence Force, Angus Houston, and the then national security advisor, Duncan Lewis. We went to Tarin Kowt in Urozgan Province. I had a meeting with the usual and afterwards, Angus was having a meeting with junior and middle ranking officers. To my surprise, he invited myself and Duncan to take part in that. Duncan, of course, had been in the ADF himself, head of special ops. Whereas I'd never been in the ADF and Angus and I, we are good mates but we haven't always agreed. That surprised me anyway. This meeting took place, and it was all about the protective security being provided to the soldiers. That's probably the most sensitive issue you can get when you're on deployment. The tension between providing appropriate protection against mobility, etc. There was a very, very frank discussion about that and the lesson out of that is the capacity as a leader to create an environment where people feel able to raise the most sensitive things with you. I thought the way I saw that done was really very impressive.

My most frustrating challenge, you've always got to finish off with a challenge. My most frustrating challenge is that I do wish that we could overcome the temptation to assume that you can regulate your way to perfection. It is not possible to regulate your way to perfection. More often than not when things go wrong, it is a result of human error rather than systemic failure. More often than not, not always, but more often than not. All too often, we confuse poor individual judgement with a systemic failure and we had more process. You simply can't regulate your way to perfection. Finally, I do hope other people are having as much fun with fair pricing as I am. Most of you probably don't know what fair pricing is, but we, for the first time this year, have to provide a fair price for 54 Defence platforms of 1.5 million separate assets. No one has yet been able to explain to us why we have to do it and the purpose of it. However, we're doing it. It was a requirement of the Standards Board of Australia. However, it is optional in the private sector. It is compulsory

in the public sector. I spent an hour with the 7 people in Melbourne on Friday, who've devoted 5 to 6 months of their life doing nothing but that. They still don't know why they had to do it, but anyway, I gave them a cup of tea and said "look, it goes on."

That's all I wanted to say by way of intro, very happy to take any questions on anything that anyone wishes to raise. Thank you.

END OF TRANSCRIPT