

Peter Goon

From: Peter Goon
Sent: 12 June 2012 14:51

Subject: SFADT Hearing into Defence Procurement: Day 2 - 13 June 2012: Dunning-Kruger

To: Chair and Members of the SFADT
Inquiry into Procurement Procedures for Defence Capital Projects

Dear Senators:

TESTING FOR THE DUNNING-KRUGER EFFECT AND IDENTIFYING THOSE IMBUED WITH THIS EFFECT

This submission builds on the testimony and submissions provided to yesterday's hearing of the 12th of June 2012 at which the results of the Root Cause Analysis (RCA) into what ails and is broken in Defence, today, were (again and as previously) presented as:

Root Cause:

Dunning-Kruger Effect institutionalised in the Canberra based elements of the Department of Defence by the Purge-in-Defence (PiD) of 1999-2002.

Leading to the pen-ultimate root causes of:

1. The Canberra based elements of the Department of Defence being imbued with institutionalised groupthink, as defined by Professor Irvin Janis; and,
2. The myopic adherence to a belief in "*a total indifference to what is real*", as described by Harry G Frankfurt, Emeritus Professor in Philosophy at Princeton University, in his academic monograph entitled "*On Bullshit!*".

One of the major and most damning consequences of this root cause and the two penultimate root causes can be seen in the fact that senior Defence Portfolio officials ignore the advice of Independent Domain Experts in Industry and Academia; often with extreme prejudice to those who seek what is right and what is best for the defence and security of Australia.

Today's Hearing provides the Committee with a unique opportunity to test the veracity of the Root Cause Analysis (RCA) from which these results have been derived.

According to today's program, some thirteen (13) senior Defence Portfolio officials along with key members of their staff are appearing before the Senate Committee.

An estimate of the cost to the Australian tax payer for these appearances, at the fully burdened man hour rates for these particular Defence capabilities, would be somewhat more than AU\$7,000.

Given the subject of the inquiry referred to the Committee – “*Procurement procedures for Defence capital projects*” – these senior Defence Portfolio officials will no doubt be called upon to provide evidence and input to the Committee on a specific range of subject matters, including:

- Engineering and Project Management, including ***Risk Management and Compliance***, RDT&E, Hardware and Software Engineering
- Governance, including ***Accountability and Responsibility*** and Structure
- Entrenched Attitudes and Behaviours in Defence, specifically those relating to ***Communication and Integration***
- Entrenched Attitudes and Behaviours in Defence, specifically those relating to ***Contestability and Independent Advice***
- Entrenched Attitudes and Behaviours in Defence, specifically those relating to ***Right People, Skills and Experience***
- ***Test and Evaluation in Defence***
- ***Defence’s Relationship with Industry***

These appearances provide the Committee the opportunity to test for the Dunning-Kruger Effect and to identify some of those imbued with this cognitive bias which, when institutionalised, becomes an organisational disease not dissimilar to what Professor Irvin Janis defined as the major characteristics and drivers of Groupthink.

The tests for the Dunning-Kruger Effect are straight forward and may be illustrated through the answers to a simple set of questions from the senior Defence Portfolio officials providing the evidence and input to the Committee on these matters.

For example, on the first set of matters – “Engineering and Project Management, including ***Risk Management and Compliance***, RDT&E, Hardware and Software Engineering” – the kinds of questions that could be asked include:

- (a) How many are qualified Professional Engineers?
- (b) Of these, how many have the demonstrated skills, knowledge and experience at a level that qualifies them as domain experts (e.g. Expert Witnesses in keeping with the Rules of Evidence applied in Australian Courts of Law) in the matters they are testifying on before the Committee?
- (c) Of these, how many have Industry experience specific to and at the domain expert level in the matters they are testifying on before the Committee?
- (d) In relation to all the senior Defence Portfolio officials who speak to this matter, which have been involved at the senior management level or members of senior defence committees, in what capacity and when with respect to any of the capability development projects which are or have been on the Projects of Concern List, as well as any of the following and which ones:
 - SUPER SEA SPRITE HELICOPTER PROJECT (SEA 1411)
 - AEW&C PROJECT (AIR 5077)
 - NACC PROJECT (AIR 6000)
 - EUROPEAN HELICOPTER PROJECTS (AIR 9000)
 - AWD PROJECT (SEA 4000)
 - AMPHIBIOUS SHIPS SUSTAINMENT PROJECTS
 - COLLINS CLASS SUBMARINE PROJECT

- BYG-1 PROJECT (COLLINS)
- FFG UPGRADE PROJECT
- M113 UPGRADE PROJECT (LAND 106)
- LHD PROJECT (JP 2048)
- CARIBOU REPLACEMENT PROJECT (AIR 5190/AIR 8000)

Similarly, questions could be developed for each of the subject matters.

For example, in relation to entrenched attitudes and behaviours in Defence, as well as Defence's relationship with Industry:

Who in this group of senior Defence Portfolio officials agrees and abides by the attitude displayed in the following testimony before the Committee?

Mr Dunstall: Normally in Commonwealth negotiations it is the Commonwealth against the little guys.

Senator MARK BISHOP: The Commonwealth against?

Mr Dunstall: The little guys. There is the big Commonwealth and 'if you want to do deals with the Commonwealth you basically accept our terms and conditions or you do not do business'.

*Testimony of Mr Harry Dunstall, General Manager Commercial, DMO
Senate Inquiry into Defence Procurement Procedures
Hansard Transcript, 07 October 2011, Page 10*

Answers to these and similar questions on the other subject matters should go some way to enlighten the Committee further on the root cause of what ails and is broken in Defence, today.

In addition, a comparison based upon a cost/benefit analysis of the evidence provided on each of the two hearing days may also prove worthwhile.

Yours Sincerely,

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