

## Whistleblowing: Is there a problem?

Brian Martin – Whistleblowers  
Australia

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Australia

## Whistleblowing disaster 1

- May 1973, Fremantle: Bill Toomer orders fumigation of a ship; his order is overturned by superiors
- 1973-1980: charges, demotions, transfers, voluntary retirement
- 1973-1993: 11 inquiries into the affair
- 2002: attempts continue to obtain redress

## Whistleblowing disaster 2

- January 2001: Ted Steele makes allegations to the media about upgrading of marks at University of Wollongong
- February 2001: Steele dismissed
- 2001-2002: Federal court twice rules against university administration
- July 2002: settlement between Steele and university

## Whistleblower disaster 3

- Conscientious employee Chris reports a problem to the boss
- Chris is ostracised and reprimanded
- Chris leaves, takes no further action and never does any similar work again

## Costs of disclosure failure

- End of career of a valuable employee
- Massive expense
- Bad publicity
- Reduced morale
- Original problem remains

## Recommendation to an employee who knows about a problem:

- Report the problem to a manager or appropriate authority
- Trust the system!

## What I actually recommend

- Don't speak out!  
(Internal disclosures are very risky.)
- Don't rely on watchdog bodies.  
(They seldom work.)
- Protect yourself: collect documents, investigate options, get another job, disclose anonymously
- Talk to other whistleblowers
- Mobilise support: co-workers, unions, activist groups, general public

## Organisational problems: scenarios

- Good design prevents problems
- Managers deal with the problem
- Employees expose the problem
- Others (consumers, suppliers, media) expose the problem
- Watchdogs deal with the problem
- Organisation fails

## Avenues for addressing organisational problems

- Organisational design
- Managers
- Employees
- Consumers, suppliers, media, etc.
- Watchdogs
- Organisational failure

## Top-down options

- Set standards for organisational design
- Require managers to do ethics training
- Improve internal disclosure mechanisms
- Improve avenues for third-party scrutiny/action
- Improve watchdogs
- Increase penalties for corruption

## Empowerment options

- Involve employees in organisational design
- Improve organisational skills of managers and employees
- Improve understanding and skills of all citizens