## **People<sup>iN</sup>**

# **PeopleIN** submission

Joint Standing Committee on Foreign Affairs, Defence and Trade inquiry into the Department of Defence Annual Report 2023-24

## PeopleiN

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## **Executive Summary**

PeopleIN welcomes the opportunity to provide a submission to the Joint Standing Committee on Foreign Affairs, Defence and Trade to inform its inquiry into the Department of Defence Annual Report 2023-24.

Our submission responds to, and makes recommendations relating to, focus area six listed in the inquiry's Terms of Reference – *Australian international defence cooperation and competition*. In this context, our submission focuses on a key opportunity for the Australian Government to enhance Australia's international defence cooperation and strategic integration with our closest security partners – Pacific Island nations. This opportunity centres on expanding Australian Defence Force (ADF) recruitment eligibility to Pacific Islanders, building off the Australian Government's decision to open ADF recruitment to non-citizens from New Zealand and Five Eyes countries as of 1 July 2024 and 1 January 2025 respectively. Reflecting our commitment to this focus area, in July 2024 our Group Managing Director, Ross Thompson, published an article in the Australian Strategic Policy Institute's *Strategist* titled 'The ADF should recruit in PNG, and here's how to do it'.<sup>1</sup>

To that same end, the recently released *Defence Workforce Plan<sup>2</sup>* acknowledges the Australian Government's desire to expand the pool of eligible ADF candidates to Pacific Island citizens and develop new ways of engaging Pacific Islanders in Defence Force work.<sup>3</sup> In supporting this commitment by the Australian Government, we have sought in this submission to provide the Committee with a pathway case study on how this commitment can be realised, while simultaneously addressing the challenges and risks that are inherent in this new undertaking by Defence. In doing so, the pathway case study outlines the means by which the non-citizen recruitment model can be sustainably executed, with support and enthusiasm from Pacific partner countries, and leveraging established sovereign expertise, processes, infrastructure and networks.

Currently, Australia is an outlier among our AUKUS partners on foreign and Pacific recruitment. The growing strategic competition in our region and ongoing shortfalls in ADF recruitment numbers reinforce the benefits of this initiative, which would help to meet recruitment targets across relevant ADF employment categories and enhance strategic integration and defence cooperation with our Pacific neighbours – building both ADF and regional capability and capacity amid heightening strategic competition.

Through our experience as Australia's leading employment provider under the Australian Government's Pacific Australia Labour Mobility (PALM) scheme and our Australian and international defence experience as a veteran-led organisation, PeopleIN believes a Pacific ADF recruitment program is, with the right expertise, fully feasible. Further to this, and despite its challenges, many of the enablers for the relevant recruitment pathways already exist and are currently utilised by Australian Government programs like PALM and the Australia Pacific Training Coalition.

If you have any questions about the content of our submission, please contact Ross Thompson, Group Managing Director, PeopleIN

https://www.defence.gov.au/about/strategic-planning/defence-workforce-plan.

<sup>&</sup>lt;sup>1</sup> Thompson, Ross. "The ADF Should Recruit in PNG, and Here's How to Do It" *The Strategist*, 1 July 2024. <u>https://www.aspistrategist.org.au/the-adf-should-recruit-in-png-and-heres-how-to-do-it/</u>. <sup>2</sup> Australian Government. *Defence Workforce Plan*, 5 November 2024.

<sup>&</sup>lt;sup>3</sup> Ibid., Action 2.4, p. 21.

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# About PeopleIN

PeopleIN is a Queensland-based ASX-listed company and the largest sovereign provider of workforce solutions in Australia. We provide employment for over 15,000 people weekly across the industrial, professional services, health and aged care, community services and government sectors. Over our 27-year history, we have grown to encompass 17 workforce brands with a strong metropolitan, rural and remote presence.

We are the largest participant in the Australian Government's PALM scheme, supporting over 5,000 Pacific Island citizens to access work opportunities in Australia. PeopleIN is proud to be at the forefront of the PALM scheme, which is a critical policy initiative that strengthens Australia's relationships and people-to-people links with our Pacific neighbours across all levels of government and industry, while providing significant economic benefits to participating countries through remittances and skills transfers.

As a leading and trusted PALM employment provider, we have built close working relationships with Pacific Island governments, meeting with ministers and officials regularly in Australia and around the Pacific to provide insights and expertise on Australian labour and industry requirements, skilling and skills transfers, worker support, and processes for transitioning workers between Australia and the Pacific. We also possess a range of unique in-country capabilities, networks and infrastructure across the Pacific, which supports our partnership approach with local officials to market, recruit, train and transition Pacific workers for jobs in Australia.

In addition to our specialised workforce management and PALM credentials, PeopleIN is a veteranled organisation, with deep expertise in designing and deploying defence workforce recruitment and planning solutions. A number of our own workforce have served in the Australian Defence Force, including in recruitment and workforce management roles, as well as supporting ADF operations in the Pacific region. Our Group Managing Director, Ross Thompson, also served as an officer in the Queen's Gurkha Engineers in the British Armed Forces, where he developed deep expertise in bestpractice non-citizen military recruitment.

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## Recommendations

PeopleIN recommends that:

**Recommendation 1:** The Committee acknowledge the benefits and importance of Pacific recruitment into the ADF as a way of both supporting recruitment targets and building closer, more strategically integrated partnerships with Pacific Island countries.

**Recommendation 2**: The Committee recommend that the Australian Government continue its engagement with Pacific Island governments to co-design Pacific recruitment pathways into the ADF, which appropriately addresses the requirements and concerns of Pacific Island governments, to ensure their support for this initiative.

**Recommendation 3:** The Committee recommends that the Australian Government, through the Department of Defence, undertake a co-design activity with the Department of Foreign Affairs and Trade and potential industry partners with specialist expertise in the Pacific and defence recruitment, such as PeopleIN, to design and refine suitable Pacific ADF recruitment pathways that consider the following:

- a) Delivery of a limited Pilot Program initially focused on one Pacific partner country, Papua New Guinea, with an enlistment target of 50 persons.
- b) Conducting benchmark research on the whole of United Kingdom's Commonwealth recruitment scheme, to identify any best-practice learnings.

**Recommendation 4:** The Committee recommend that the Australian Government develop a business case and forward plan in early 2025, in partnership with Defence and other Australian Government and industry partners, based on the co-design outcomes of Recommendation 2, including the development of an implementation plan, costings and timings for the pilot program.

**Recommendation 5:** The Committee recommend that, based on the outcome of Recommendation 4, the Australian Government work towards a pilot intake of Pacific recruits enlisted into the ADF before December 2025.

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# Submission

# Australian international defence cooperation and competition: Boosting ADF recruitment with Pacific Islanders

### The strategic context

Australia and our Pacific neighbours have a long and abiding interest in the sovereignty, stability, security and prosperity of our Pacific region. In the context of promoting these interests, and in acknowledging the growing strategic competition in Australia's region, the Australian Government is undertaking a series of initiatives to further deepen our relationships and engagement with the Pacific. These initiatives seek to strengthen our strategic integration with Pacific partners to build a region that is strategically secure, economically stable and politically sovereign.

The recently released *Defence Workforce Plan*<sup>4</sup> reinforces the importance of mobilising foreign recruitment policies with the Pacific to bolster ADF workforce numbers and enhance ADF capability. As outlined in research conducted by the Parliamentary Library in *Non-citizen recruitment in the ADF: international comparisons*,<sup>5</sup> recruitment models that leverage the recruitment of foreign citizens – particularly Pacific Islanders, where there are natural and close strategic ties – have been successful in a number of countries, both stabilising recruitment rates and improving long-term military service outcomes.

Australia has historically been an outlier among our AUKUS partners with regard to foreign and Pacific military recruitment. Similar models to that proposed in this submission are also in use among other Five Eyes countries. With the ongoing shortfall in ADF recruitment numbers and Australia's desire to build closer, more strategically integrated partnerships with our Pacific neighbours, we have developed a proposed Pacific recruitment workforce model for the ADF to deliver a strong and sustainable pipeline of recruits, while being universally recognised by Australia's defence partners as an ADF capability-building strategy.

While the decision around whether the recruitment of Pacific Islanders into the ADF is the right policy is a decision for the Australian Government, we are supportive of it and applaud the government for including this initiative in the *Defence Workforce Plan*.<sup>6</sup> It would be a strategic setback not to implement this initiative because the government or its stakeholders do not think it is feasible, or cannot develop viable pathways to successful execution.

Based on our experience, implementing this initiative is indeed possible, with many of the enablers for these pathways already existing and currently being utilised by Australian Government programs like the PALM scheme, the Australia Pacific Training Coalition and Pacific-Australia Skills Platform, including infrastructure, networks, processes, and a skilled workforce.

- <sup>4</sup> Australian Government. *Defence Workforce Plan*, 5 November 2024.
- https://www.defence.gov.au/about/strategic-planning/defence-workforce-plan.

<sup>&</sup>lt;sup>5</sup> George, Melissa. "Non-citizen recruitment in the ADF: international comparisons", Parliament of Australia (website), 22 July 2024.

https://www.aph.gov.au/About Parliament/Parliamentary departments/Parliamentary Library/Research/Flag Post/2024/July/NonCitizensInADF.

<sup>&</sup>lt;sup>6</sup> Australian Government, loc.cit., Action 2.4, p.21.



### **Recruitment and retention pathways for Pacific Island citizens**

With Defence needing to grow to 69,000 members by the early 2030s, as outlined in the *Defence Workforce Plan*,<sup>7</sup> there are a number of potential pathways that are available when considering Pacific recruitment options. These pathways must meet Australia's requirements, while also balancing scalability with sustainability for Pacific countries regarding their own labour force.

These pathways include:

- 1. **Pathway 1**: Recruitment of eligible permanent residents from the Pacific directly into the ADF, with the possibility of accelerated Australian citizenship being offered as an incentive.
- 2. **Pathway 2**: Lateral recruitment between partner militaries, with the ADF sponsoring skilled military applicants, while also acknowledging that our partners militaries face similar recruiting challenges.
- 3. **Pathway 3**: Opening up non-citizen recruitment into the ADF, leveraging proven models that retain members for fixed periods and provide a skills and economic dividend for the partner nation once a Pacific citizen's service obligation has been met.

Recognising the imperative to recruit and retain Defence personnel, the ideal solution is likely to be a combination of pathways. Where Pacific Island recruits want to extend their service beyond an initial fixed period, there should be an option for them to do so, so that the ADF can more fully recoup its investment in these recruits and retain the associated capability they contribute.

For example, this could see Pacific recruits commence their ADF service under Pathway 3, and then convert to Pathway 1 after their initial return of service period. Likewise, where Pathway 3 recruits have served their fixed period, they have the choice to return to their communities in the Pacific with greater levels of skills, training and financing to reinvest into building local businesses, skills and economies.

A recruitment approach that considers a combination of pathways provides the ADF with greater workforce retention options, while also recognising the concerns of Pacific governments around its potential impact on a Pacific 'brain drain'. One way to help mitigate this concern from Pacific Island governments would be to develop a series of Memorandum of Understanding (MOUs) between the ADF and Pacific defence forces that guarantee Pacific members in the ADF a position in their local militaries or security forces upon their return to their home country.

Whichever pathway, or combination of pathways is chosen, the 'culture and belonging' challenges of military non-citizens also need to be addressed by the ADF and industry partners who have deep expertise in managing and addressing labour mobility requirements, particularly in the Pacific.

<sup>&</sup>lt;sup>7</sup> Australian Government. *Defence Workforce Plan*, 5 November 2024. <u>https://www.defence.gov.au/about/strategic-planning/defence-workforce-plan</u>.



### Pathway 3 case study: A Papua New Guinea pilot program

#### Pathway 3 overview

There are a number of non-citizen recruitment schemes currently utilised in Australia, which deliver skilled and unskilled workers to multiple sectors of the Australian economy at scale. For example, the PALM scheme, in which PeopleIN is a leading partner and employer, currently facilitates the placement of over 30,000 temporary workers to various industries at an individual company rate of 5,000 workers per annum.

While this submission is not advocating for the expansion of the PALM scheme into Defence, the ADF can learn from it, in combination with other non-citizen recruitment models. An example is the model used for Gurkha enlistment by the British Armed Forces, to develop and operationalise a non-citizen recruitment pathway that fits the current and future need.

Applicable learnings from such programs include:

- Leveraging the scale-benefits that come from the model, particularly when utilising other incountry networks and infrastructure (for example, technical VET (TVET)/TAFE and regional engagement mechanisms).
- The importance of generalising the recruitment program from metro to rural in Pacific Island countries, where there may be a large latent recruiting base.
- Establishing proactive tactics to retain candidates within the program for the full duration of their initial engagement and any subsequent extension of their program.
- Optimising candidate performance by delivering effective pastoral care and culturally informed orientation and support activities.
- Driving salary parity and finding ways to optimise the personal and family benefits from the salary remittance process that is common in other nations.
- Commitment to repatriating skills at the end of the employment lifecycle as a way of engendering partner-country support and mitigating 'brain drain' concerns from Pacific partners.

A well governed and customised non-citizen recruitment pathway in partnership with Pacific Island governments provides a proven and sustainable means by which the ADF can boost recruitment numbers by up to 1,000 personnel per annum, while protecting the sovereignty of Australia and the selected country partners, and ensuring recruits meet the same language, education, psychological and physical fitness requirements as Australian personnel.

While this case study has focused on one potential recruitment partner in the Pacific region – Papua New Guinea (PNG) – the model could be replicated throughout the Pacific for any number of partner countries, leveraging the same networks and infrastructure outlined in this example, as drawn on by other government programs like PALM.

In relation to timing, as this type of model is already well understood across the region, it could be adapted for ADF recruitment needs and employed by the Australian Government in the shorter (versus medium) term if it chose to.

For the purposes of this case study and a potential pilot program, PNG has been selected as it provides a rich ADF recruitment ground due to the strength of the bilateral relationship and the broad base of industries that engender a skills-base similar to that required by the ADF, principally:

- Mining and resources technical and mechanical trades.
- Building and major infrastructure projects technical and construction trades.
- Transport and telecommunications electronics and communications trades.

The Defence relationship between Australia and PNG is also strong and enduring. The enhanced Australia – Papua New Guinea Bilateral Security Agreement, which came into force in December 2024, now provides a legally binding framework for closer security relations. The Agreement builds on the Australia – Papua New Guinea Comprehensive Strategic and Economic Partnership, and elevates, broadens and modernises our longstanding security relationship, allowing us to work even more closely together to contribute to the region's security, and could facilitate the type of recruitment agreement outlined in this submission between our two governments.

Additionally, PNG has a long history of working with the ADF, with each ADF service training with PNG Defence Force (PNGDF) personnel on a continual basis. PNG is Australia's largest Defence Cooperation Program partner, PNGDF officers regularly undertake training courses in Australia, and have, in recent years, been nominated to serve in senior command positions with organisations such as the Australian Army's 3rd Brigade.<sup>8</sup>

### Implementation and resourcing for a Pathway 3 option

The proposed recruitment process has been developed by PeopleIN in consultation with PNG country specialists and includes lessons and processes that have been proven for Nepalese Gurkha recruitment by the British Armed Forces, as well as elements of remote location testing previously employed by the ADF for recruitment in Northern Australia and the Torres Strait. The process would be volume-based and multi-stage, with enlistment cycles managed to align with intakes for the Army, Navy and Air Force.

The recruitment process would be informed by a quarterly capability gap analysis and recruitment pipeline planning process, in partnership with Defence Force Recruitment and Defence's workforce planners, to understand and prioritise role requirements. This would shape the recruitment plan for each quarter and the year.

In addition to leveraging ADF recruitment marketing processes, the program has a unique opportunity to build a sustainable pre-qualified candidate pool by drawing on the existing TVET provider network in PNG, including the new Pacific-Australia Skills Platform incumbent who will be appointed in early 2025 under the Department of Foreign Affairs and Trade's PNG-Australia Partnership in TVET contract. The new incumbent, plus other TVET providers who service the 116 PNG hubs, have a rich database of students and alumni who may be eligible for ADF recruitment.

<sup>&</sup>lt;sup>8</sup> Evans, Captain Brittany. "Promotion reflects enduring relationship", Australian Department of Defence (website), 8 February 2024. <u>https://www.defence.gov.au/news-events/news/2024-02-08/promotion-reflects-enduring-</u>

relationship#:~:text=Colonel%20Boni%20Aruma%20has%20been,position%20in%20the%20Australian%20Arm y-



Recruitment and selection standards would be calibrated to achieving an optimal enlistment rate among all candidates, ensuring that Australian entry standards are met or exceeded. Based on our modelling of the PNG population, this could yield around 1,000 recruits annually from an initial candidate base of 25,000, with testing for ability and aptitude, physical fitness, psychological robustness and an ability to accept ADF rules and regulations.

Testing would filter applicants for combat and non-combat roles, including engineering, logistics and mechanical trades in all three services, and should consider all functions performed by the ADF, including Humanitarian Aid and Disaster Relief support.

In order to accommodate the unique opportunities and challenges of recruiting in the target country, each province or its equivalent should have its own selection centre and associated community facilitators, with final selection staged in the national capital. Our PALM experience indicates that the majority of regional/provincial governors are very supportive of labour mobility to Australia, this approach would encourage support across PNG.

Based on our PALM experience, we believe that a similar recruitment outcome to that achieved in PNG could be attained in other Pacific countries that do not have the population scale or infrastructure of PNG. In most cases (and certainly for Fiji, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu) similar infrastructure exists and would be leveraged in cooperation with local authorities and TVET-equivalent agencies.

Following enlistment, we would recommend that recruits would be subsequently dispersed across a range of units to learn and work among other soldiers (rather than being concentrated in a Pacific unit or sub-unit). By doing so, Australia could fill gaps broadly and quickly. This approach would equip PNG recruits with a greater breadth of experience, contacts, knowledge and skills for use in Australia and back in their home country.

Due to its flexible nature, the model would allow for PNG recruits to retain their PNG citizenship, perform four years' (or an alternative fixed period) of service in Australia, and then return home with new skills and experience that contribute to local economic development. Should the Australian Government also seek to provide a pathway to longer term service, then candidacy for citizenship could be considered as part of continuing to serve in the ADF in a full-time or part-time capacity. Drawing on our estimates of the PNG population and current employment rates, this contribution by PNG is feasible without detracting from its sovereign security capability or labour market capacity.

PeopleIN would welcome the opportunity to brief the Committee further on our proposed recruitment assessment and selection model, to ensure delivery of quality candidates with the right education levels, skills, physical fitness and medical standards. This would also include briefing on the established partnerships that provide capacity, flexibility and sustainability within the model, ensuring strong Defence ownership of the model and the ability to ensure effective and timely recruitment process outcomes.

### **Risks and considerations**

As with any foreign recruitment program, there are risks and complexities that must be addressed. No two countries are the same, nor are their needs, political ideals or existing military ties. Cultural requirements, pastoral care, well-being, education and training are some of the integration considerations that need to be addressed.

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Principal risks and considerations to be addressed when designing and operating the program include:

- Quality As with all strategically important recruitment programs, a focus on candidate quality will amplify the need for rigour when setting the bar for program entry and shortlisting for final enlistment. By setting a realistic aim to enlist 4% of total applicants, the program will be able to establish a premium final enlistee group, drawing on the best available candidates in-country. Setting high physical and educational entry standards will also help achieve this. Effective marketing to the candidate population in advance of program commencement, including emphasis on the elite nature of selection, will also contribute to addressing quality and retention requirements.
- Health screening There are some endemic health conditions (such as Tuberculosis, and HIV/AIDS) that are prevalent in some Pacific locations, and which are not prevalent in Australia. Medical assessments will need to include screening for such diseases and be delivered by partners with specialist skills in localised public health, at scale.
- Security vetting: Security clearance processes for foreign nationals may be complex. Baseline clearances will provide a sufficiently challenging component of the recruitment program, with added complexity where recruits require higher clearances due to the sensitivities of equipment and capabilities they will be using or supporting. For these reasons, a specialist vetting team should be established within the Australian Government Security and Vetting Agency to ensure that the required clearances can be processed at scale.
- Assessment centre logistics: Connectivity and technology usage standards differ between Pacific regions, hence the program would need to take the necessary steps to ensure accessibility for ADF candidates. Leveraging the existing TVET and education system infrastructure under guidance from local authorities will assist this. This provides an opportunity for additional partnering and infrastructure support to implement a pilot or program centred initially on PNG.
- ADF cohesion: While Pacific and Australian nationals have substantial experience working together in an ADF context, this has not recently occurred at scale. Cultural requirements and diversity considerations need to be addressed comprehensively, with the aim of full integration of Pacific personnel serving in the ADF at a technical, operational and cultural level at both unit and sub-unit level, deployable in all ADF locations.
- Cultural support: A significant focus should be placed on the delivery of culturally aligned pastoral care while Pacific candidates are employed under the program. This may extend beyond the boundaries normally addressed by Defence and include education delivery for junior leaders and connected peers. Considerations associated with long-term separation from family, where program members are unaccompanied for the entire term of their employment, will need to be addressed as a specific matter.
- Pacific 'brain drain': Civilian industrial workforce capacity, skills and knowledge 'brain drain' are concerns that have previously been raised in relation to similar programs, such as the PALM scheme. In order to ensure partner-country defence force capability and recruitment targets are not impacted by an ADF Pacific recruitment program particularly in countries with a small population and substantial operational commitments the right workforce reintegration program will need to be in place. This would include having clear boundaries around conditions of employment while in Australia. For the purposes of a pilot program, both the large size of the PNG population and existing wide-spread support for labour mobility to Australia will assist in mitigating risks associated with any perceived brain drain.

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To assist the PNG Government in meeting their own PNGDF recruitment targets, development of an ADF-PNGDF MOU that guarantees PNG citizens in the ADF a position in the PNGDF upon their return to PNG, may also greatly mitigate concerns within PNG about the loss of newly developed skills to other sectors.

There are also a number of factors clearly in favour of the Pathway 3 model, which make this a unique opportunity for both the Australian and Pacific governments. The PALM scheme is a proven program and the key industry partners, Australia Government departments and Pacific governments involved in its operation have deep experience that is relevant to the proposed model.

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# Author contacts

For further information on this submission and the 'Pathway 3: PNG Pilot Program', please contact either Ross Thompson (Managing Director, PeopleIN) or Drummond South (Group Operations Director, PeopleIN). PeopleIN would be happy to brief the Committee on some of the more sensitive elements of this submission and proposal in more detail at a confidential briefing or provide additional detail on the elements discussed in this submission during a future Committee hearing.

Ross Thompson Group Managing Director	Ross has led in corporate, sporting and military environments and built sustainable and profitable professional services operations in Australia and across Asia and Africa. He is currently the Managing Director of PeopleIN, which is Australia's largest sovereign workforce management business and the largest approved employer in the PALM scheme.
	With deep experience building strategic partnerships that have geopolitical influence, Ross led Cardno's International Development Assistance business with local operations in PNG and throughout the Pacific (now DT Global). He was honoured to be a Captain in the Queen's Gurkha Engineers, from whom he developed deep expertise in best-practice non-citizen recruitment.
Drummond South Group Operations Director	Drummond brings 20+ years corporate and military experience, including time served as an officer commanding in the Australian Army Psychology Corps where he worked extensively in defence force recruitment in both metro and remote settings. This included supervising remote location testing for recruitment in Northern Australia and the Torres Strait. He also brings in-country experience, having worked extensively with Op Bel-Isi members both in Australia and Bougainville.
	Since serving with the ADF, Drummond has held executive leadership roles in multiple ASX listed companies, specialising in workforce management, international service and product development, technology transformation and major program delivery. This includes leading large, distributed professional services and workforce management teams based in Australia, Canada and Asia.

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