



**Australian Government**

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**Defence**

**The Joint Standing Committee on Foreign Affairs,  
Defence and Trade (JSCFADT) – Defence  
Subcommittee**

**Inquiry into the Department of Defence Annual Report  
2021–22**

**Department of Defence  
Submission**

**March 2023**

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## Workforce Recruiting and Retention

### Introduction

1. Defence personnel are the greatest capability for the defence of Australia and its national interests. Defence is committed to delivering the required workforce and supporting Defence personnel, veterans and families.
2. Underpinning the development of a new strategic posture for our nation will be having the people and other resources to realise the vision. Our strategic circumstances have necessitated a greater investment in Defence and a substantial increase in the number of people working across the Defence enterprise.
3. As we develop our defence capabilities for the future, Government has directed Defence to grow its workforce. Immediate action is required to stabilise the current workforce and set the conditions for growth to achieve the required capability outcomes.
4. To address workforce growth, Defence's next review of force structure will include decisions made since the 2020 Force Structure Plan, including those associated with the trilateral security partnership between Australia, the United Kingdom, and the United States (AUKUS) and new enhanced capabilities. This review will align with the Defence Strategic Review (DSR) outcomes.
5. The DSR will consider the priority of investment in Defence capabilities and assess the ADF's structure, posture and preparedness to meet the nation's security challenges over the decade and beyond. The DSR will ensure that Defence's capability and force structure is fit for purpose, affordable, and delivers the greatest return on investment. The Government's decision on DSR recommendations will guide Defence investments in capability into the future.

### Current Workforce Profile

6. Since releasing the Defence Annual Report 2021-22, the Defence workforce profile has continued to evolve. As at 1 March 2023, Defence consists of 117,767 personnel, including 57,444 permanent ADF members, 41,860 ADF Reservists (including both Active and Inactive), 722 Gap Year participants, and 17,741 APS personnel. The total permanent ADF consists of 14,754 Navy personnel, 27,972 Army personnel, and 14,718 Air Force personnel.
7. Defence utilises an integrated workforce of ADF, APS and industry providers, each bringing specialised skills and expertise. The external workforce provides capacity, particularly when Defence is required to surge, and critical skills in emerging capabilities such as space, cyber and guided weapons.
8. Defence also champions and supports workplace diversity. Defence's efforts to increase women's participation in the workforce, build strong diversity and inclusion links across a diverse workforce, and embrace a broader cultural understanding to be recognised and celebrated in the workplace have continued to yield positive results since publication of the Defence Annual Report 2021-22.
9. Over the last five years, Defence has generally seen an increase in workplace diversity participation - across Indigenous, female, and Culturally and Linguistically Diverse – in the ADF and APS, as described in Tables 1 and 2 below.

**Table 1. ADF Workplace Diversity Participation**

	Jan 2018 Headcount	Jan 2018 % Workforce	Mar 2023 Headcount	Mar 2023 % workforce	Change (Percentage Points)
<b>Indigenous/First Nations</b>	2,314	2.5%	3,327	3.6%	↑ 1.1 pp
<b>CALD</b>	25,122	24.5%	27,898	26.8%	↑ 2.3pp
<b>Women</b>	16,623	17.5%	19,177	20.3%	↑ 2.8 pp

**Table 2. APS Workplace Diversity Participation**

	Jan 2018 Headcount	Jan 2018 % Workforce	Mar 2023 Headcount	Mar 2023 % workforce	% Change (Percentage Points)
<b>Indigenous/First Nations</b>	431	2.2%	384	2.2%	- 0.0 pp
<b>CALD</b>	6,051	32.4%	6,227	35.0%	↑ 2.6 pp
<b>Women</b>	7,727	42.1%	8,470	47.6%	↑ 5.5 pp

10. First Nations people represent 3.6 per cent of the permanent ADF workforce, and 2.2 per cent of the ongoing APS workforce. For the ADF, Defence has increased First Nations participation by 1.1 percentage points over the last five years.
11. Women represent 20.3 per cent of the permanent ADF workforce and 47.6 per cent of the APS workforce. For the ADF, women’s participation has increased by 2.8 percentage points over the last five years.
12. The Defence workforce with Culturally and Linguistically Diverse backgrounds represent 26.8 per cent of the permanent ADF workforce and 35.0 percent of the APS workforce. The ADF has seen an increase of 2.3 percentage points over the last five years.
13. The opportunity to further increase diversity by recruiting and retaining more people from these diversity groups will assist Defence grow its workforce, develop new capabilities and be responsive to the changing strategic environment.

#### Current Workforce Health

14. Defence is currently facing significant challenges to recruit, retain and grow its ADF and APS workforce. The ADF is approximately 3,300 below its Average Funded Strength guidance. Defence APS staffing is almost 600 below Average Staffing Level guidance but growing, and continued growth is forecast throughout 2023.
15. Throughout 2022 and into 2023, the ADF encountered a high tempo environment with domestic disaster response that has created concurrency and tempo pressures on the workforce. This matched with long-term workforce shortages in the middle ranks has created sustainability pressures with growing the ADF workforce. The middle ranks of the ADF play critical roles with recruiting, training and leading the workforce; retention of this element of the workforce is therefore essential in an environment of workforce growth.
16. These shortages have been compounded by lower than planned recruiting achievement. Defence forecasts it will achieve 72.8 per cent of the 2022-23 ADF enlistment target. Combined with other avenues of entry, Defence expects approximately 5700 new entrants into the permanent ADF this Financial Year. This is significantly lower than what is required to offset the separation rates; the ADF separation rate is 11.3 per cent (equating to around 6600 personnel). The APS separation rate is 12.8 per cent.
17. Staff shortages are predominantly across ADF middle management, caused by cumulative low recruitment and high separation rates in the junior ranks over time. Offering a range of retention options to junior ranks

nearing middle management will support ADF members progressing through to supervisor and manager levels, extending service to 7-10 years, and reducing separation where at greatest risk.

18. High total employment and low unemployment have resulted in challenging market conditions for Defence recruitment and retention. Strong forecast demand in engineering, science, programming, mathematics, and statistics occupations is expected to increase workforce shortages in occupations utilising these skills. Immediate action is required to retain ADF workforce in order to address lean structures, fill hollow medium ranks, and enable workforce growth.
19. For 2023, Defence classified 42 workforce categories and occupations as critical, an increase of 18 from 2022. Of the 42, 25 are ADF categories and 17 are APS occupations. A critical classification identifies that workforce risk could limit options available to achieve the Defence mission. The identification of critical categories and occupations allows focused effort to remediate those areas of the ADF and APS deemed most critical to Defence.
20. Defence's future workforce growth will see an increase in skills across employment fields of aviation, communications and cyber, health, intelligence, engineering and maintenance workforces. These workforce requirements are predominately science, technology, engineering and mathematics (STEM) based. There is a focus on growing and skilling the intelligence, space and cyber security workforce segments to support significant transformation of Defence's capabilities.
21. Defence regularly seeks feedback from the Defence workforce, via surveys and engagement, to identify a range of demographic and attitudinal measures that inform the top recruiting and retention challenges. Recent survey results have shown that Defence personnel have a sense of purpose, with the majority reporting high morale. Within the ADF, surveys indicate that the main organisational climate factors influencing dissatisfaction relate to: leadership, career progression, wellbeing and work life balance. Reported intention to leave is increasing across the workforce. Recognition, reward, and resources are emerging issues to be considered in the context of recruiting and retention measures.
22. On 12 April 2022, the Secretary and CDF established the Recruiting and Retention Tiger Team (Team) to identify ways to respond to these challenges, including the provision of costed initiatives for consideration. Building on survey insights and consultation through the Recruiting and Retention Team found there to be an underlying theme of the rigid application and lack of flexibility of policy to meet individual's needs. Other top themes relevant to career considerations include housing, remuneration and allowances, and career management. The top themes for APS separations are career development, study bank, and remuneration.
23. ADF members who have served between eight and 16 years (a key retention point) report leaving Defence because they desire more time with family, to make a career change while young, to seek better career prospects in civilian life, and to a lesser extent to seek a more attractive salary package.
24. The Recruiting and Retention Team identified five contributing factors to Defence recruiting and retention challenges, including: (a) slow and cumbersome APS and ADF recruiting processes; (b) stressed workforce driven by workforce shortages and sustained high tempo; (c) unfulfilled needs and expectations of a changing demographic; (d) poorly communicated employee value propositions; and (e) a complex workforce system that lacks the resources, agility and flexibility to keep pace with a more dynamic and competitive labour market.
25. This consolidated feedback from the Defence workforce has led to efforts to deliver targeted recruiting and retention initiatives and interventions.

#### **Next steps – workforce initiatives**

26. With historically low national unemployment, a competitive labour market, and the demands on the workforce for concurrent domestic and overseas commitments, Defence must create a compelling employee value proposition to attract new personnel and retain existing personnel. A step change is required if we are to respond to the pace and change of our strategic and domestic environments.
27. The new Adecco recruiting services contract and the ADF Employment Offer Modernisation Program have, and will, bolster recruiting and retention efforts. The Recruiting and Retention Tiger Team Final Report, delivered to the Secretary and CDF in September 2022, provides a range of enterprise initiatives for consideration. Detail on these initiatives is outlined further in this submission. These initiatives are being

further developed, and when ready, will be considered in the context of current budget pressures and priorities. Any initiatives progressed may need to be adjusted to reflect the Government's consideration of the Defence Strategic Review recommendations.

28. Each service has its own initiatives that contribute to Defence's overall recruiting and retention efforts. These initiatives vary in size, scope and are designed to meet specific Defence workforce segments. Defence is also working with the Department for Defence Veterans' Affairs to develop the *Defence and Veterans Family Support Strategy*, the *Defence Mental Health and Wellbeing Strategy*, and the *Joint Transition Strategy*. Wider system reform to the ADF personnel system is already occurring and progress is underway to support an enterprise-level cultural strategy.
29. Defence recognises that when a person serves in the ADF, their family serves alongside them, hence the importance of investing in the wellbeing of the whole family. They are central to supporting Defence members and therefore enabling Defence capability. Defence will pursue various retention efforts to optimise family support and develop programs that offer service unique benefits that make service life a positive point of differentiation in comparison to employment offerings.
30. Underpinning the success of all recruiting and retention initiatives is the ability to manage current tempo across the ADF. ADF members are supported by Respite Policy referenced in the Military Personnel Policy Manual (Part 7, Chapter 11). Under this policy, ADF members are to be provided with an adequate respite period between deployments to recuperate, re-establish relationships, participate in training, and maintain overall mental health and fitness, when the strategic situation allows. The policy is to remain contemporary within a dynamic, strategic environment to deliver workforce capability in international and domestic settings.
31. All recruiting and retention initiatives will be underpinned by an enterprise-level Employee Value Proposition Framework. The Framework will help Defence personnel realise the value they receive for their service to the nation, with guidance provided to Defence personnel on pay and financial benefits, work purpose, workplace experience, ways of working, career and personal development, and wellbeing and family support.
32. All recruiting and retention efforts underway in Defence contribute to modernising the Defence workforce and increasing diversity participation. They recognise that in order to achieve workforce growth and retain the existing workforce, Defence is required to: (a) broaden recruitment markets; (b) increase the value exchange and work satisfaction for the total workforce; (c) create flexibility in the system to cater for individual needs and life stages; and (d) build a culture that promotes positive workplace.
33. All efforts include elements to increase women's participation in the workforce, build strong diversity and inclusion links across our diverse workforce (i.e. CALD, First Nations) and embrace a broader cultural understanding to be recognised and celebrated in the workplace.

### **Recruitment initiatives**

34. Defence is implementing immediate actions to raise recruiting target achievement. These actions include: (a) boosting candidate care and contact through the recruiting process; and (b) developing better targeted recruiting advertising to demonstrate how Defence's employment offer will address the contemporary needs of young Australians.
35. Defence has also increased the number of Defence Force Recruiting led events and engagements, particularly in schools. Defence is maintaining the virtual engagements and processes that were effective through COVID-19 to expand the pool of prospective recruits.
36. High school, university and TAFE engagements are a key part of promoting ADF careers to cultivate relationships with key school-based influencers, such as teachers, career advisors and guidance officers. In October 2022, Defence held the ADF Experience Expo, a Sydney first, which provided students with the opportunity to see a range of Defence capability while learning about the more than 200 roles on offer across the three Services. These engagements are conducted in order to promote ADF careers to audiences in key decision-making years.
37. The ADF recruiting approaches also recognise the need to promote diversity through targeted marketing campaigns. For example, Defence continues to market directly to First Nations and female candidates with specific media campaign materials, including the recently successful 'Do What You Love' campaign to attract female candidates. In order to succeed at promoting diversity, the Defence Force Recruitment operates under

two national teams: the Specialist Recruiting team – Women and Specialist Recruiting Team – Indigenous, which target and directly support the recruitment of these two groups.

38. The Services have also introduced Indigenous pathway programs that aim to further promote ADF workplace diversity. For example, the Army/Navy Indigenous Development Program is a five month residential development course where First Nation participants can obtain a qualification, while undergoing personal development to prepare for General Entry Roles. Defence also hosts an Indigenous Pre-Recruit Program, held over six weeks, which build personal development in areas such a physical fitness, team building, building confidence and resilience, and military site visits and role exposure.
39. The new Recruiting Services Contract with Adecco Australia enables Defence to fully update and refresh the current ADF recruiting system in order to achieve current and future workforce demand from the Navy, Army and Air Force. This is particularly important to meet future growth for workforce transformation previously outlined in the 2020 Force Structure Plan, the 2020 Defence Strategic Update, and any potential adjustments arising from the Defence Strategic Review.
40. Adecco has developed a solution that is data driven and focused on efficiencies that will modernise the Defence recruiting system. The new arrangements provide an opportunity to develop a system that can deliver 100 per cent of recruiting targets in 100 days (from application to letter of offer). They will also be supported by candidate-centric behaviours to deliver volume, velocity and a positive candidate experience.
41. Contract transition has commenced with the new contract becoming operative on 01 July 2023.

#### **ADF Employment Offer Modernisation Program**

42. In October 2019, the ADF Employment Offer Modernisation Program commenced to modernise and simplify the ADF employment offer. The ADF employment offer is being reviewed across three work streams: allowances, housing and member categorisation.
43. Through these work streams, numerous initiatives have been implemented, including:
  - a. *Home flexibility*: Improvements to housing flexibility and choice for ADF members with additional housing options now available.
  - b. The option of a flexible home location for members posted to sea; more housing choices in metropolitan areas; a flexible housing trial to support diverse family needs; and an extension to the time to access a removal post transition.
  - c. *Leave flexibility*: Improvements to help support members and their families with additional and more flexible access to parental leave, easier access to carers leave, and more flexibility in how members access their Long Service Leave.
  - d. *Combining allowances*: The introduction of Military Salary, which combined four allowances—Service, Reserve, Trainee and Uniform Allowances - into members' base salary.
44. Significant reform of the ADF employment offer is planned for implementation over the next twelve months:
  - a. *Streamlining allowances*: A new, streamlined ADF allowance Military Factor framework for salary-related allowances – responds to unique Service conditions, improves allowance administration, and reduces complexity.
  - b. *Family and Transition Support*: From 1 July 2023, the introduction of the new Categorisation and Location Frameworks will provide additional flexibility to recognise contemporary family structures and provide additional support for members transitioning to civilian life over the next twelve months.
  - c. *Additional Leave*: The new Leave Framework will enable flexibility as to how members can manage their leave, simplify leave types and increase members' basic recreation leave from 20 to 25 days accrued per year. Critical elements of the leave framework will be implemented from mid-2023.

#### **Recruiting and Retention (R2T) Implementation initiatives**

45. The Recruiting and Retention Tiger Team final report was delivered to the Secretary and CDF in September 2022. The final report breaks the recruiting and retention initiatives into three categories: Quick Wins (agreed for implementation), High Priority (provide fundamental reform to improve recruitment and retention), and Other (provide a large-scale impact on recruiting and retention effect).

### *Quick Win Initiatives*

46. In October 2022, the Secretary and CDF agreed to implement six ‘Quick Win’ initiatives that provide further support to APS and ADF serving members, including:
- DASS/Study bank: Expanding the Defence Assisted Study Scheme and Study Bank programs to improve and increase access to education opportunities. This initiative will also ensure that ADF members in transition are equipped with appropriate recognition of skills and experience, while aligned for suitable civilian employment. Defence staff will realise this benefit when commencing the new academic year in 2023.
  - ADF Family Health Benefit: Expanding the ADF Family Health Benefit to ensure that ADF families can maintain a healthy lifestyle. Phase 1 has progressed to expand the eligibility from specified medical and allied health services to include broader services and health measures, such as pharmaceutical reimbursement, ambulance cover, improving vaccination coverage and reducing tobacco use and nicotine addiction. Phase 1 came into effect on 15 December 2022, with ADF personnel realising the benefits from January 2023 onward.
  - Remote Locality Leave Travel: Increasing the allocation of Remote Locality Leave Travel by one trip per year to recognise those who work in Defence’s most remote locations. Some ADF members will realise the benefits immediately. Further ADF members will realise benefits on their next posting cycle.
  - ADF Higher Duties Allowance: Revising the current ADF Higher Duties Allowance policy to adequately compensate ADF members when they conduct higher duties. The policy took effect on 2 February 2023.
  - Travel Policy revision: Revising the travel policy to make it easier to conduct official travel by having greater ease in how budgeted travel allowances are accessed. The new system was implemented in November 2022.
  - EVP Framework: Developing and communicating a clear APS and ADF Employee Value Proposition framework to enable everyone to easily understand the value of working for Defence.
  - With the EVP framework endorsed by Defence senior leadership in December 2022, Defence personnel will be able to realise the benefits of the EVP framework shortly, with a toolkit and communications to be delivered in the first half of 2023.

### *High Priority and Other Initiatives*

47. The Recruiting and Retention Tiger Team final report identified six high priority initiatives aimed at setting the fundamental conditions to start building the Defence workforce, including: tempo and growth management; enhanced and accelerated ADF recruitment; enhanced and accelerated APS recruitment; accelerated review of ADF pay and allowances; accelerated review of APS remuneration; and significantly uplifted Defence public communications.
48. All high priority initiatives are complex, multi-faceted programs that require detailed design throughout 2023. All ‘High Priority’ initiatives vary in maturity; some initiatives are currently in progress, while others require resourcing prioritisation in order to commence detailed design.
49. A number of ‘Other initiatives’ were considered to be of high importance to grow and sustain the ADF and APS workforce out to 2040. These initiatives were determined on the top recruiting and retention themes captured as part of the Recruiting and Retention Tiger Team stakeholder engagement: professional and personal development, revised ADF employment conditions, enhanced career and talent management, housing opportunities, workforce growth incentives, and systemic changes that could be made to improve Defence workforce systems.
50. Detailed design is underway to determine the feasibility and prioritisation of ‘other initiatives’. Due to current workforce resourcing pressures, not all ‘other initiatives’ can continue for implementation simultaneously. Rather, these initiatives will need to be prioritised and considered for implementation, taking into account Defence workforce funding and resource availability.
51. Implementation and prioritisation of the remaining initiatives will be considered by the Secretary and CDF via the Enterprise Committee throughout 2023.



## Conclusion

52. Defence is actively monitoring its workforce profile and health. Stabilising the workforce through increased recruitment and retention will lay the foundation for growth and delivery of necessary capabilities.
53. Defence's next review of force structure will include decisions made since 2020 Force Structure Plan, including those associated with AUKUS and new advanced capabilities. The review will align with Defence Strategic Review outcomes.

## Defence Space Command Update

**Responsibilities.** Commander Defence Space Command is responsible for:

- Setting capability requirements for the Space Domain in response to directed preparedness, capability development and Joint Force integration and interoperability requirements.
- Exercising command to deliver the directed outcomes for the Space Domain.
- Recommending resource reprioritisation between assigned Capability programs in the Space Domain.
- Developing strategies for the Space Domain that include a Domain-level Program of actions and milestones.
- Providing advice on the Space Domain for Government.
- Providing technical advice for operational Defence space capabilities.

**Achievements.** Since its establishment on 18 January 2022, key achievements of Defence Space Command include:

- Release of Australia's Defence Space Strategy.
- Review of space capability projects.
- Development of the Defence Space Strategic Workforce Plan.
- Establishing of space engagement talks with the Republic of Korea and the United Kingdom.
- Design and establishment of the headquarters structure, roles and responsibilities.

The first Joint Space Unit, Number 1 Space Surveillance Unit, was established in January 2023. The new unit will co-exist with Number 1 Remote Sensor Unit until they reach a suitable level of capability maturity.

On 16 January 2023, the Defence Space Command workforce strength was 181 personnel, consisting of 100 ADF members, 13 Australian Public Service members, and 68 contractors.

Defence Space Command is currently in the first of three stages described in Australia's Defence Space Strategy.

**Stage 1.** Priority areas for the 'foundational' stage (2021-2023) are to continue to:

- Grow, educate and retain our space workforce.
- Develop our operational concepts and skills.
- Progress current and future projects, implement changes required by the Defence Strategic Review and delivering our space architecture and associated capability.

**Stage 2.** The 'evolve' stage (2024-2030) will be focussed on capability delivery and space architecture transformation.

**Stage 3.** The 'mature' stage (2031-2040) will see Defence Space Command mature its space capabilities through the implementation of a workforce model and consolidation of initiatives underway, including space architecture transformation.

### Relationship and interoperability with coalition partners

Defence is working closely with interagency partners, including the Australian Space Agency, to support sovereign space industry development where their unique capabilities complement those of our allies and partners.

Defence is also a participant of the Combined Space Operations initiative with Canada, Germany, France, the United Kingdom, New Zealand and the United States. Under a common vision, these nations have agreed upon guiding principles and lines of effort to improve combined military space operations, foster cooperation and coordination, and to collectively promote responsible behaviours in space. In April 2023, Defence Space Command will conduct inaugural Space Engagement Talks with the United States Space Force.

Australia and France have signed a Space Declaration of Intent to increase space cooperation on earth observation, space surveillance and military satellite communication. Both nations have committed to developing a working

group to guide priorities and mechanisms for a collaborative approach by mid-2023. This effort is being led by Air Vice-Marshal Scheul, Head Air Defence and Space Systems Division, Capability Acquisition and Sustainment Group.

Defence Space Command will participate in major space-focused exercises and training activities during 2023, including the Schriever Wargame in the United States, the Commercial Sprint Advanced Concept Training series coordinated by the United States Space Force, Exercise Talisman Sabre in Australia, and AsterX in France.

### **Emerging capabilities including key milestones**

Defence Space Command is responsible for the delivery and management of space capability programs within the Integrated Investment Program portfolio—Space Services and Space Control.

- **Space Services.** Addresses satellite communication; Positioning, Navigation and Timing; and space-based Intelligence, Surveillance and Reconnaissance.
- **Space Control.** Addresses Defence Space Command ability to protect Australia's use of space. Foundational to space control is understanding the environment through space domain awareness—the ability to detect, track, identify and characterise activity in space.

The following is an overview of space capability projects being delivered by Defence Space Command as part of the Integrated Investment Program.

#### **JP9360 – Space Domain Awareness**

Space Domain Awareness is the ability to track, monitor, characterise and predict objects in space, which is achieved through a multi-technology, multi-layered sensor network and integrated command and control system capability. It is the foundational aspect in assuring access to space and identifying risks to space-based assets.

JP9360 Phase 1 will deliver a sovereign awareness capability through a command and control system, associated architecture, and access to space surveillance data. This capability will detect, track, identify and characterise the activities of spacecraft, and support the notification of debris (human and natural) and space weather events. JP9360 received Government approval in June 2020 for the amalgamation of six projects to deliver domain awareness capabilities.

The Space Surveillance Telescope, Exmouth, Western Australia, is a domain awareness capability under JP9360 and was declared operational in September 2022.

#### **JP9102 Phase 1 – Australian Defence Satellite Communication System**

JP9102 Phase 1 will deliver a resilient Australian Defence satellite communications. The first phase is pre-Second Pass, scoped to deliver an Australian sovereign controlled and operated geostationary satellite communication system in the Indo-Pacific region. The system will provide increased satellite communication capacity to support new Defence capabilities, with additional activities planned to increase the resilience of the system in an increasingly congested and contested space environment.

#### **JP9103 – Protected Satellite Communication Capability**

JP9103 provides Defence the space segment and ground infrastructure required to enable a protected military satellite communication capability. The project achieved Initial Operational Capability in Quarter Two 2022.

#### **JP2008 – Satellite Communication Capability**

JP2008 has multiple phases and the following milestones are notable:

- Phase 5A delivered Ultra High Frequency military satellite communication to the ADF. Phase 5A included ground and network infrastructure located at three Australian locations. Final Operational Capability was declared in March 2022.
- Phase 5B1.2A is a joint Australia/United States project delivering additional wideband satellite ground stations to extend the capability's operational life, while increasing Defence's space capacity in the Indo-Pacific region. Initial Operational Capability is scheduled for Quarter Two 2023.

- Phase 5B2 will increase satellite services for Defence operating in the Indo-Pacific region while increasing resilience with geographic redundancy and enhanced system planning and control. Initial Operational Capability is scheduled for Quarter Three 2023.

## Support to National Crisis

Defence's mission and purpose is to defend Australia and its national interests in order to advance Australia's security and prosperity; this is achieved through the conduct of operations, and provision of support for the Australian community and civilian authorities, in accordance with Government direction.<sup>1</sup> Defence notes that this Committee is specifically looking at the current policy and resourcing around Defence's support to national crisis, and the impact on the ADF's preparation, training, retention, and capability. Defence has also provided a submission to the Select Senate Committee on Australia's Disaster Resilience which touches on similar themes.

Defence policy and direction for Defence Assistance to the Civil Community (DACC) during disaster events is contained in the *Defence Assistance to the Civil Community Policy* and the *Defence Assistance to the Civil Community Manual*. DACC is divided into two classes of assistance, emergency and non-emergency. The ADF does not initiate DACC assistance, it is conducted in response to requests from federal, state, or civil agencies. These documents define the process, roles, and responsibilities for a Defence response to domestic disasters. Whole-of-government arrangements are outlined in the Australian Government Crisis Management Framework (AGCMF) and the Australian Government Disaster Response Plan (COMDISPLAN), led by the National Emergency Management Agency (NEMA). These documents define the process, roles, and responsibilities for a Defence response to domestic disasters. DACC is divided into two classes of assistance, emergency and non-emergency.

Emergency assistance categories:

- Category 1 – local emergency assistance (DACC 1),
- Category 2 – significant crisis response or relief assistance (DACC 2), and
- Category 3 – significant recovery assistance (DACC 3).

Non-Emergency assistance categories:

- Category 4 – local non-emergency assistance of a minor nature (DACC 4),
- Category 5 – significant non-emergency assistance (DACC 5), and
- Category 6 – support to law enforcement (DACC 6).

Defence is tasked to be prepared to provide domestic disaster relief through the CDF Preparedness Directive (CPD). The CPD provides direction from CDF to the ADF and expectations of the wider Department of Defence on the preparedness requirements necessary to defend Australia and its national interests, and for support to the Australian community and civilian authorities, in accordance with Government direction. Defence maintains specific force generation<sup>2</sup> requirements for each directed task. In the event of domestic natural disasters, Defence provides an appropriate level of response in both emergency and non-emergency situations based on Australian Government direction within DACC arrangements. Although states and territories have primary responsibility for domestic disaster responses within their jurisdiction, the provision of Defence support to civilian agencies when requested in times of major disasters and emergencies has been a consistent policy of Australian Governments.<sup>3</sup> This assistance delivers an outcome or effect at a time when the state's or territory's own resources are unlikely to be sufficient or have been overwhelmed.

The provision of DACC is based on a number of factors and deliberate consideration is required to ensure Defence resources continue to be used to deliver the core business of Defence. Defence maintains the capacity to provide scaled domestic disaster relief responses over a defined duration. Defence is organised, postured and ready to respond to emergency requests from Commonwealth, and state and territory organisations through the NEMA.

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<sup>1</sup> [Defence mission | About | Defence](#)

<sup>2</sup> The process of providing suitably trained and equipped forces, and their means of deployment, recovery and sustainment to meet all current and potential future tasks, within required readiness and preparation times. (Australian Defence Glossary)

<sup>3</sup> Defence Assistance to the Civil Community Policy (Edition 2)

The Department of Home Affairs with support from other Government agencies, is considering options for creating additional capacity for the Commonwealth to support states and territories in responding to natural disasters. Defence is supporting this initiative.

As identified in the 2020 Royal Commission into National Natural Disaster Arrangements, the ADF has finite resources and is not the first responder to natural disasters or emergencies. The employment of ADF resources to conduct domestic disaster relief is increasingly in tension with the requirement to resource operations and activities to defend Australia and its national interests. The use of both full-time and part-time Defence personnel to support the Australian community since 2019 has been at an unprecedented scale, duration and frequency. This period has included support to the 2019 Bushfires (over 7,000 deployed), COVID-19 assistance (19,000 personnel for 26,000 deployments), assistance to the 2022 floods (over 9,000 deployed over three operations), and the recent 2023 floods (over 100 deployed as of 27 January 2023). In January 2020 the Governor General ordered the call out of over 2500 reservists<sup>4</sup> for the first time in history to support the bushfire operations. Since 2019 over 35,100 ADF personnel have deployed in domestic disaster relief operations, some multiple times. As at 30 November 2022, the ADF permanent workforce guidance is for a strength of approximately 62,000 with the actual strength less than this amount.<sup>5</sup> While the ADF is proactively postured to support the response to domestic disaster relief, the unprecedented scale, duration and frequency of support is unsustainable without accepting significant impacts to ADF preparedness for its primary defence of Australia role.

The enduring requirement for Defence in responding to more frequent and intense domestic natural disasters impacts its capacity to conduct specific training, exercises or deployments. For example, the new Supply Class Auxiliary Oiler Replenishment (AOR) ship HMAS Stalwart was withdrawn from Regional Presence Deployment 22-2 to allow provision of personnel to support flood assistance operations. The re-deployment of Stalwart's personnel to community assistance delayed Stalwart's training and also delayed the Supply Class AOR introduction into Navy service. While in this instance this delay did not limit options to execute Government direction, or preparation for other CPD tasks, future incidents in a complex and evolving strategic environment may not be without consequence. The opportunity cost on training, exercises or deployments has a resultant impact on capability to effectively respond to defence of Australia contingencies.

Defence Reserves have not created significant additional capacity in supporting domestic disaster relief operations. While Army's 2nd Division (Reserve Division) has been restructured nationally to better coordinate Defence engagement with other Commonwealth, state and territory organisations, the high representation of first responders, Australian Public Servants and critical medical practitioners in the Reserves has often resulted in these Reservists remaining in their core employment as this best meets the needs of rendering domestic disaster relief. This impacts the quantity and duration of reserve based support. An example was during Defence's COVID-19 response where the reserve element of the medical workforce largely remained in their existing employment in the public or private health sector resulting in the Defence medical commitment being largely reliant on the small ADF permanent force medical capability. This placed significant pressure on this workforce and had wider impacts across the ADF due to the enabling capability that the medical capability provides. This takes the form of health support to the ADF workforce, particularly in deployed and remote training areas. This pressure was relieved in October 2022 when the Deputy Prime Minister ceased Defence medical support to the national COVID-19 response. The ADF medical capability is currently in a period of reconstitution. Again, while in this instance this commitment did not impact Defence's ability to provide options to execute Government direction, it did impact the ability to prepare for other potential crises. Future commitments of this scale and duration in a complex and evolving strategic environment may not be without consequence.

The increased frequency and duration of ADF full-time and part-time personnel commitments to domestic disaster relief is a significant contributor to increased operational tempo (the rate at which Defence force elements are

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<sup>4</sup> Using powers in the *Defence Act 1903*. Reserve service is usually voluntary. A callout mandates service. The callout was in force for the period 4 January – 7 February 2020. After 7 February Reserve support returned to the volunteer model.

<sup>5</sup> *Defence Monthly Workforce Report as at 1 December 2022*

committed to operational activity). Increased operational tempo introduces workforce concurrency pressure. Concurrency pressures (the capacity of the Defence to maintain preparedness requirements while simultaneously conducting other directed operations) are particularly evident in niche and specialist areas, where continued deployment has resulted in workforce unavailability, reduced readiness, and skills fade in core operational skills (due to reduced training rates). Increased commitment of personnel to domestic disaster relief responses, with greater frequency and for longer durations, has required the ADF to implement escalating concurrency management measures. These include cancelling or modifying collective and individual training, and also limiting activities or deployments. These management measures will have a cumulative effect on Defence capacity and capability to meet primary role requirements if the present rate of support to domestic disaster relief continues or increases further and becomes enduring. The preparedness management system enables Defence to actively manage these risks and communicate them to Government to inform prioritisation.

The Government has directed the Defence Strategic Review (DSR) to ‘assess the ADF’s structure, posture and preparedness in order to optimise Defence capability and posture to meet the nation's security challenges over the period 2023-24 to 2032-33 and beyond.’<sup>6</sup> The 2020 Royal Commission into National Natural Disaster Arrangements identified that the ADF has finite capacity and capability. Continued ADF support to domestic disaster relief operations at the scale and duration of previous commitments could have significant impact on Defence preparedness and its capacity to mobilise in the face of more extreme threats. The DSR focus on security challenges in the short to mid-term will need to be reconciled with the current tempo of Defence’s contribution to domestic disaster relief operations. The balance of Defence effort will likely need to be reviewed once the DSR outcomes are released by Government.

The strategic environment continues to evolve in ways that threaten the global rules based order. This increases the risk borne by Defence when supporting disaster relief operations due to skills fade in maintaining high end warfighting capabilities and by reducing the scale, duration and frequency of shaping operations in our region. This in turn may limit options to Government in times of crisis.

As a result of the increasing frequency of domestic natural disaster responses, the ADF workforce has experienced a shift from solely national defence to an increased focus on aid and disaster relief. The continued use of Defence personnel in domestic disaster relief operations is a contributing factor to workforce satisfaction. Defence is experiencing reduced retention and recruiting levels increasing pressure on ADF workforce availability. The ADF personnel separation rate has increased to 11.2% in Financial Year (FY) 21/22, up from 9.5% in FY 20/21. In addition, the ADF recruitment achievement rate decreased from 90% in FY 20/11 to 75% in FY 21/22. The Deputy Prime Minister stated in a speech in November 2022, “What is completely clear is that urgent action is required if we are to respond to our more challenging strategic environment, because right now we have a defence personnel crisis.” The ADF has heightened risk to its capacity to meet the full range of contingencies within its directed mission due to personnel availability, and this will continue if it is not addressed effectively. Retention and recruiting mitigation measures have been implemented but will take time to have an impact.

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<sup>6</sup> Defence Strategic Review, Terms of Reference for the Independent Leads of the Review, 3 August 2022