

Chief of the Defence Force and Secretary

- 5.1 The Chief of the Defence Force (CDF) and the Secretary of Defence appeared at the concluding session of the public hearing in which a range of generic issues were raised.
- 5.2 The key issues raised during the concluding session focused on personnel, Defence's involvement in whole-of-government domestic security initiatives and advice to Government and the Parliament.

Australian Defence Organisation personnel

- 5.3 The size of the Australian Defence Organisation (ADO - the combined uniform and civilian elements of the Department) has been slowly growing in the last three years. In 2003-04, however, both Army and Air Force failed to achieve their funded strength by small margins and all services report shortages in critical trades. Army reported a shortfall of 177 personnel and was required to enlist a further 328 Army Reserve personnel onto full-time service to meet urgent requirements. Air Force reported a smaller shortfall of 26 personnel with 113 reserve personnel taken onto full-time service.¹ On the other hand the total civilian component of the ADO grew to 20,181 when 'Professional Service Providers' were included alongside Public Service personnel.² On this basis the civilian component of Defence is second only to Army in size.

1 Department of Defence, *Defence Annual Report 2003-04*, November 2004, p. 261.

2 Department of Defence, *Defence Annual Report 2003-04*, November 2004, p. 263.

- 5.4 The total number of separations from the permanent force also increased slightly from the low in January 2004 of 9.5%.³ In February 2005 the 12-month rolling separation rate had risen to 10.9%.⁴ Individual service separation rates were as follows:
- Navy – 10%;
 - Army – 11%; and
 - Air Force – 7%.⁵
- 5.5 Defence stated however that the separation rate remained below the historic rate of 11.8%.⁶ In light of this slow climb, Defence advised that it will again examine retention and recruiting. Some conditions of service were also being examined, such as:
- a \$1 billion defence housing replacement program with child care improvements;
 - the reduction of forced discharges through a better occupational health and safety program;
 - increases or improvements in the military rehabilitation and compensation scheme; and
 - a new structure in locality allowance to try to more correctly recognise people in remote localities.⁷
- 5.6 Defence also stated that there will be a 2% increase in remuneration in June 2005 and 1.5% payable in March 2006.⁸

Permanent force recruiting

- 5.7 Between 2002-03 and 2003-04 there has been a significant difference in the number of formal applications to join the ADF and the number of applicants enlisted. Specifically, while applications decreased by 1,685 between the two periods of review, the number of recruits increased by 425 (see Table 5.1). This change is of particular interest in relation to the shortage of trained personnel in the ADF, especially in the critical trades.

3 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 80.

4 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 80.

5 Department of Defence, *Defence Annual Report 2003-04*, November 2004, p. 274.

6 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 80.

7 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 80.

8 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 80.

Table 5.1 ADF Permanent force Recruiting Activity 2002-03 and 2003-04

	Navy	Army	Air Force	ADF
2002-03				
Total inquiries ⁽¹⁾	14,780	41,954	28,414	85,312
Formal applications	4,560	7,185	5,897	17,642
Applicants enlisted	1,556	1,842	924	4,322
Target	1,842	2,342	980	5,164
Percentage achieved	84	79	94	84
2003-04				
Total inquiries	9,575	29,043	20,342	83,968⁽²⁾
Formal applications	4,160	7,689	4,108	15,957
Applicants enlisted ⁽³⁾	1,515	2,418	814	4,747
Target	1,760	2,862	908	5,530
Percentage achieved	86	84	90	86

- Notes
1. This figure includes 166 full-time tri-Service inquiries that relate to inquiries who were undecided on which Service they wished to pursue full-time.
 2. Of this figure, 25,008 general inquiries, for permanent and reserve service in the ADF, were received via a tri-Service Internet portal that was introduced in 2003-04.
 3. These figures only include *ab initio* enlistees.

Source Department of Defence, *Defence Annual Report 2003-04, November 2004, p. 272.*

- 5.8 Defence considered the change in 'turning X number of applications into a greater number of enlistments' to have resulted from improvements in process and follow-up.⁹ Defence also acknowledged the success in 'being clearer in the first layer of advertising and information to applicants, so that somebody who walks in the door is rather more orientated towards what it is they are seeking to do.'¹⁰ Therefore, Defence stated that as they are able to increase the number of applications, enlistments will also proportionately improve.¹¹
- 5.9 Recruiting activity also reflects the state of the national job market and in the current period of high employment, Defence is 'struggling with competition.'¹² However, Defence reported it was 'happy with the progress made by our refinement of process' together with the civilian recruiting company, Manpower.¹³

9 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

10 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

11 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

12 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

13 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

Critical trades

5.10 Defence also shares Australia's shortage in the number of people entering the trades, and considers that the 'things that can be done to improve that' situation in Australia will help Defence as well.¹⁴

5.11 The categories by service where recruitment is low or lower than what is needed by Defence are listed below:

Navy

- Marine Engineer Officer;
- Weapons Electrical Engineer Officer;
- Pilot;
- Observer;
- Medical Officer;
- Seaman Officer;
- Electronics Technician;
- Marine Technician;
- Combat Systems Operators;
- Electronic Warfare Linguist;
- Naval Police Coxswain; and
- Communications and Information Systems.

Army

- Captain;
- Major;
- RAAMC - Doctors;
- Linguist Special Duties;
- Analyst Intelligence;
- Operator Petroleum; and
- Technician Telecommunications Systems.

Air Force

- Air Traffic Control Officer; and
- Environmental Health Surveyor.¹⁵

14 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 81.

15 Department of Defence, *Critical trades / categories*.

Conclusion

5.12 The process by which Defence addresses these deficiencies in critical trades is of significant interest to the committee. It is likely, given the pressure on skilled labour in the wider community, that Defence will need to develop its own solutions to these deficiencies.

Recommendation 6

5.13 **The Committee recommends that Defence continue to invest heavily in training in critical trade areas, including reconsideration of technical trade apprenticeships for school leavers.**

Defence involvement in whole of government domestic security initiatives

5.14 In a little over three years since the attacks of 11 September 2001, Defence has adjusted to the changed circumstances in Australia's strategic environment, developing structures to respond quickly to emerging crises and build greater versatility and flexibility into ADF force structure.

5.15 Defence reports that counter-terrorist capabilities have been strengthened and successfully exercised and that Special Operations Command Headquarters has achieved full strength and capability. The Incident Response Regiment is now operationally capable and will reach full maturity by December 2005.

5.16 Additional commando capabilities and the special aviation element continue to be developed. On 22 July 2002 the east coast counter-terrorist team was raised and shortly afterwards a direct recruiting scheme commenced to fill an additional 334 positions. Defence is currently 'deeply involved in a recruitment effort' to bring the Tactical Assault Group (TAG) East, the east coast counterterrorist capacity, and the commando battalion that surrounds that, up to a viable strength.¹⁶ Defence stated:

When candidates passed through the aptitude barriers at recruiting and seemed to have the aptitude and desire, they were directed towards a position within 4th Battalion Royal Australian Regiment as commandos, even before they had started military training. They had passed through recruit training as a cohort. In fact, a platoon of these young people went through and graduated

16 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 83.

from Kapooka just the other day and are now at the infantry centre where they will be trained as commandos under the Special Forces Training Centre. Having passed all those very hard tests, they will go into the unit directly without the need to go into some halfway house employment, say, within the infantry corps or in another corps.¹⁷

- 5.17 The Special Forces Direct Recruitment Program (SFDRP) training takes about 33 weeks to complete. The initial planning by Defence was for a throughput of 144 candidates per year, which equates to about three platoons per year for 2004-05, 2005-06 and 2006-07. This was subsequently revised downwards to fit in better with the commando reinforcement cycle of training. Defence advised that it 'suits the unit to have the lesser number'.¹⁸
- 5.18 At the time of the public hearing, Defence had put five platoons of special forces into training, with a total of 232 people enlisted as part of the direct recruiting program since January 2004. Of the 232 personnel recruited into the program, 60 special forces soldiers were produced by the end of 2004. This return is consistent with the success rates for traditional recruitment from within Army and it should be noted that the majority of those candidates who were unsuccessful in achieving special forces selection have accepted general entry into the wider Army.¹⁹
- 5.19 Defence stated in relation to SFDRP that 'We believe even now, before we have reached our end target, that this is successful.'²⁰ Moreover:
- In summary, it is a winner. We are going to keep going with it and, by offering direct recruitment to people off the street, we have some marvellous young men.²¹
- 5.20 Defence also advised that the attrition rate from the special forces was not occurring at a rate that was of concern, despite the competition from the private sector security firms operating in Iraq and Afghanistan. In the last 24 months, 31 soldiers left the Special Air Services Regiment for private sector industry.²² Defence is concerned in so far as:
- ...each one of these soldiers who leaves is somebody we would vastly prefer to keep. And, of course, to replace that soldier takes time and money. When you look at the mind-boggling sums that

17 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 83.

18 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, pp. 83-4.

19 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 84.

20 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 84.

21 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 84.

22 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 85.

are being dangled in front of these young men, you understand that we simply cannot pay that much. That is not government money. The taxpayer would not want us to be paying those amounts of money to try to keep soldiers.²³

- 5.21 Defence stated its current ADF policy concerning members of the special forces who decide to join private sector firms operating in Iraq and Afghanistan:

About all we can do is to tug at their heartstrings, which we do by saying: 'Look, we cannot let you go on leave and do this. You have to make the break with no guarantee that you will be able to rejoin the family when you have had your fill of big bucks and a different lifestyle.'...They go, and we wish them farewell with all the best wishes, but we make them make a clean break so that they have to think, 'What does this mean if I want to come back in the future?' Nothing else would be sensible for us as employers.²⁴

Conclusion

- 5.22 The committee endorses the value Defence places on each highly trained member of the Special Forces. The committee accepts the need for a policy that deters members from seeking to pursue private employment as part of the growing private security industry. On the other hand, the committee considers that it may be beneficial to examine an alternative approach in which members who had departed the ADF to work in reputable companies, supporting Australia's national interests, could be made welcome back into the ADF with a minimum of disruption. The enabling of re-enlistment for those members who wish to return to the ADF could result in a number of benefits. Such advantages may include the retention of the time and money invested in training, and the skills and experiences gained in an emerging military support industry.

Advice to Government and the Parliament

- 5.23 In their *Year in Review* section in the Defence Annual Report the CDF and Secretary reported that 'issues related to the handling of detainees in Iraq by Coalition forces exposed shortcomings in information flows within Defence and between the Departments and Ministers'.²⁵

23 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 84.

24 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 84.

25 Department of Defence, *Defence Annual Report 2003-04*, November 2004, p. 21.

- 5.24 Measures taken by Defence to improve performance in this area relate to the dynamic between speed and accuracy and include the following:
- reinforcement with Department personnel for the need to remain sensitive to issues of potential policy interest;
 - reinforcement of the need to pay close attention to the standards of accuracy and timeliness in the Department's advice to Government and Parliament; and
 - internal Defence reorganisation relating to management, coordination and public affairs.
- 5.25 In this regard, significant improvements have resulted from the slight flattening of the chain of command to speed up the flow of information, and the creation of a Chief of Staff position in the Australian Defence Headquarters to manage the directorates orientated towards Parliament.²⁶ Defence stated:

One of the things we have learned over the last year or so is that a combination of the operational tempo out in the field with the number of activities our ADF personnel are involved in, on the one hand, and the speed and ease of communication, on the other, can easily create a situation in which the general and I do not have as much visibility of things as we would like. To help us manage that flow of information, this chief of staff position...I would say it has helped us greatly in that.²⁷

26 General Peter Cosgrove, Chief of the Defence Force, Department of Defence, *Transcript*, p. 86.

27 Mr Richard Smith, Secretary, Department of Defence, *Transcript*, p. 86.