

## Personnel

### Indigenous Participation and Development

#### Background

- 3.1 Defence delivers a range of programs for Indigenous people, individuals and communities including: implementation of initiatives and strategies arising from the *Defence Reconciliation Action Plan 2010-14* , and the whole-of-Government targets set under the Closing the Gap on Indigenous Disadvantage agenda. Funding for these strategies is provided under the Defence White Paper 2009.<sup>1</sup>
- 3.2 The White Paper funded two lines of activity aimed at increasing Indigenous participation in the workforce: assisting Defence to build a diversified workforce and *Force 2030*; and meeting Government commitments to a range of whole-of-Government Closing the Gap economic participation outcomes. The *Defence Reconciliation Action Plan 2010-14* outlines most of the activities being undertaken by Defence to meet these outcomes. Overlaying this is the newer Council of Australian Governments agreed target for all Commonwealth and State entities to achieve a minimum Indigenous representation of 2.7 per cent of the total workforce numbers by 2015.<sup>2</sup>

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1 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

2 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

- 3.3 The 2010-11 year saw a modest increase in the number of Indigenous Defence employees. The ADF and APS Defence Indigenous Employment Strategies encompass initiatives to attract and recruit more Indigenous people from remote, regional and urban communities throughout Australia. Both strategies are being reviewed. Significant work has been done to develop a Defence Indigenous Recruitment strategy. The strategy is currently being considered by Defence.<sup>3</sup>
- 3.4 The Defence Indigenous Development Program is now in its third year, with courses again underway in Katherine and Cairns. This program provides the opportunity for Indigenous Australians from remote communities to acquire skills which are transferable back into their communities and enhances the participants' ADF enlistment opportunities. Of the two Programs completed in December 2010, 16 graduates commenced ADF recruitment processes and eight enlisted in the ADF. All graduates completed a range of vocational training and skills development, and most gained full time employment post the program. Programs for 2011 commenced in March with 72 individuals screened and 52 participants selected. As the Defence Indigenous Development Programs are now in the third year, a review of the direction and outcomes of the program will be undertaken and the results used for planning future courses.<sup>4</sup>

## Current Status

- 3.5 Defence advised that there is some concern about achieving the target Indigenous participation rates. Defence advised:
- We allocated in this financial year \$11.8 million to the Indigenous program. The Defence records currently indicate that Indigenous people represent about 0.89 per cent of the total Defence workforce. It is a little higher in the ADF – 0.96 per cent. So it is just under one per cent in the ADF. It is 0.53 per cent in the APS. Despite being committed to Indigenous programs, Defence is not making any long-term progress in that area.<sup>5</sup>
- 3.6 Defence discussed that one issue is the recording of Indigenous numbers within the Department. Where individuals self-report, the numbers are less than when other reporting, such as a non-attributable census, is

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3 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

4 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

5 Mr D Lewis, Department of Defence, *Transcript*, 16 March 2012, p. 20.

undertaken. Therefore, Defence is also focusing on emphasising reporting so that the Indigenous participation numbers are accurately recorded.<sup>6</sup>

- 3.7 Defence continues to conduct programs to increase Indigenous involvement. This includes the Defence Indigenous Development program, run out of Katherine and Cairns in partnership with other Government agencies. Each program has about 30 participants and, while not all graduates of those programs join the ADF, many are successful at gaining employment either in the ADF or other areas. Consequently, such programs assist young Indigenous Australians to gain employment.<sup>7</sup>
- 3.8 Additionally, Defence runs a number of Indigenous pre-recruit courses throughout the country, aimed at improving performance in the recruiting success of Indigenous personnel. There are also a number of familiarisation courses run across the country, targeted at Indigenous personnel who express an interest in joining the ADF. There are Indigenous student study tours, and 49 Indigenous graduates will be engaged in the Defence APS through various graduate programs, cadetships and traineeships in the next year.<sup>8</sup>
- 3.9 The Committee asked how much involvement current members of the North-West Mobile Force (NORFORCE) have in the recruitment of Indigenous personnel into the ADF.
- 3.10 Defence advised that the NORFORCE system works very well. Individuals come from a community, participate in a military environment, then go back to their community as trained individuals. Defence observed such individuals:
- . . . become role models and then they attract other members of their community to want to come and enjoy the same experience. So we have found that to be a self-sustaining way of improving our recruiting performance in the regional force surveillance units. We have used these members to go back to their community to help us pull people into those programs . . . the Defence Indigenous Development Program and the pre-recruitment courses for full-time service in the ADF.<sup>9</sup>
- 3.11 Defence noted that the NORFORCE program has been developed over a number of years through engagement at a personal level with tribal elders

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6 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 21.

7 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 21.

8 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 21.

9 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 22.

and Indigenous communities. Consequently, it is also fragile as it is based around personal relationships. The positive aspect of the Regional Force Surveillance Units, based partly in home locations, has been that they enable individuals to remain involved with their community. However, attracting individuals to service in the Regular Army, where they have to travel to Kapooka or Duntroon for military training, has been more challenging. While the Indigenous Pre-Recruitment Course has assuaged some concerns for those individuals who undertake them, the take up rate of these programs has been less than hoped.<sup>10</sup>

- 3.12 The Committee queried whether Defence liaises with local Indigenous leaders or directly with young individuals to discuss joining the ADF.
- 3.13 Defence responded that the initiatives within the Indigenous recruitment strategy have been developed by a reference group that includes Indigenous elders from across the country.<sup>11</sup>
- 3.14 The Committee sought an update on the Indigenous cadet program, particularly the success of using Indigenous liaison officers to support the program.
- 3.15 Defence advised the Indigenous Participation Program (IPP) was overseen by the Directorate of Defence Force Cadets, then Cadet Policy Branch, until 2008 when it was transferred to Defence's Fairness and Resolution Branch.<sup>12</sup>
- 3.16 The IPP consisted of cadet units established and maintained in remote Indigenous communities in the Northern Territory and North Queensland. This was mainly carried out by Army, who established cadet units in Daly River (Northern Territory), Tiwi Islands (Northern Territory), Wadeye (Northern Territory) and Bamaga (Queensland). Army also established a cadet unit at Marrara Christian College in suburban Darwin, a school with a large number of Indigenous Boarders. Additionally, two full-time APS Level 5 Indigenous Liaison Officer positions were established to support the Service cadet programs, one position in Darwin and one in Townsville.<sup>13</sup>
- 3.17 Defence informed the Committee that community interest and support in these cadet units has been inconsistent and Indigenous participation has declined. The unit at Bamaga has been suspended and is likely to be

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10 Lt Gen. Morrison, Department of Defence, *Transcript*, 16 March 2012, p. 23.

11 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 23.

12 Department of Defence, *Submission 20*.

13 Department of Defence, *Submission 20*.

closed in 2012 mainly due to the lack of local adults volunteering to be cadet staff.<sup>14</sup>

- 3.18 Defence further noted that, across the five Remote and Indigenous Army Cadet units, strength has fallen from 122 in 2006 to 72 in 2011. The lack of dedicated Indigenous Liaison Officer support has contributed to this decline.<sup>15</sup>
- 3.19 A 2008 Cadet Review undertaken by Lieutenant General F.J. Hickling AO, CSC, concluded that smaller communities had limited capacity to support a number of youth organisations. Consequently, Defence is focussing its efforts on youth engagement with Indigenous personnel through the Indigenous Youth Connections Program. This program aims to engage school aged Indigenous youth early enough to positively influence their view of Defence as a career path.<sup>16</sup>
- 3.20 Defence noted that this program has been successful to date and the Defence Reconciliation Action Plan 2010-2014 reaffirms Defence's commitment to engage with young Indigenous personnel.<sup>17</sup>
- 3.21 The Committee enquired as to whether the plan, under the Reconciliation Action Plan and Indigenous Program, to incorporate 'Welcome to Country' in all speeches had been implemented.
- 3.22 Defence stated that this had not yet been officially implemented, but this issue would be reviewed as soon as possible.<sup>18</sup>

## Multicultural Diversity

- 3.23 The Committee asked for an update on the progress of increasing multicultural diversity in the ADF.<sup>19</sup>
- 3.24 Defence advised that there is a recruiting strategy in place to attempt to increase diversity in the ADF so that it is representative of the community it serves. Numbers are increasing, but not at the preferred rate. Consequently, the Director General of Defence Force Recruiting is reinvigorating this strategy, including engaging with community leaders to improve access to less traditional recruiting areas.<sup>20</sup>

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14 Department of Defence, *Submission 20*.

15 Department of Defence, *Submission 20*.

16 Department of Defence, *Submission 20*.

17 Department of Defence, *Submission 20*.

18 Gen. Hurley, Department of Defence, *Transcript*, 16 March 2012, p. 37.

19 Department of Defence, *Submission 20*.

20 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 26.

- 3.25 Defence reiterated the difficulties of accurately gauging diversity in the ADF where individuals self-report their backgrounds, as, when a non-attributable census is run, diversity within Defence is higher than when self-reporting is conducted.<sup>21</sup>

## People with a disability

### Background

- 3.26 The *Defence Disability Action Plan 2008* is structured around the recommendations of the Management Advisory Committee's 2006 report *Employment of People with Disability in the APS*. Deputy Secretary People Strategies and Policy is the Defence Diversity champion and, as part of Defence's ongoing commitment to whole-of-government initiatives, is participating in a Defence wide Committee that will drive the employment of people with a disability more broadly across the APS.<sup>22</sup>
- 3.27 The implementation of the action plan has focused on removing barriers to employment and supporting existing employees with a disability. To support retention of people with a disability in the workplace, Defence maintains an online network to review and improve the reasonable adjustment policy. The process for the delivery of assistive technology has been revised and delivery times improved. Additionally, training and resources have been provided to supervisors of employees with disability.<sup>23</sup>

### Current Status

- 3.28 Defence confirmed that the Department compares favourably in terms of the employment of People with a Disability across the APS. In a recent survey, 14.4 per cent of the Defence Organisation APS workforce identified themselves as having a disability. Therefore, Defence is very close to the APS wide number of 14.8 per cent of personnel having a disability.<sup>24</sup>

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21 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 26.

22 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

23 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 256.

24 Mr D Lewis, Department of Defence, *Transcript*, 16 March 2012, p. 22.

- 3.29 The Committee queried whether these statistics include ADF personnel who have been injured.
- 3.30 Defence advised that ADF personnel are managed under a separate program – the Support to Wounded, Injured and Ill Program:
- The ADF in particular has done significant work in the last three years to revisit its policies to provide much better focus on rehabilitation for members who acquire injuries or illness or a disability and seek to retrain them and keep them in the ADF as opposed to what we would have done five years ago, which was give them a year's notice to try to rehabilitate to a particular standard and, if they did not reach that standard, to separate them from the ADF. Now we would have a period of up to five years and progressive reviews and focused rehabilitation throughout that period. If, at the two year mark, it looked like the individual would not be able to rehabilitate to a standard where they could be retained in the Australian Defence Force, we would focus, with the Department of Veterans' Affairs, on vocational training so that they could be positioned for success outside the ADF.<sup>25</sup>
- 3.31 The Committee asked about the Support to Wounded, Injured and Ill (SWIIP) program.
- 3.32 Defence detailed that the program incorporated advice from consultants who conducted a review of the process for managing ADF personnel who are injured or become ill. While the consultants found there was already a successful return to work program, they did note there were individuals who were 'falling through the gaps', particularly in terms of engagement with the Department of Veterans' Affairs. Consequently, Defence has developed a closer relationship with the Department of Veterans' Affairs and is working to engage earlier in the process to ensure all individuals who are injured are managed effectively.<sup>26</sup>
- 3.33 Defence further advised that it has been very successful at retaining as many people as possible in uniform. Part of this success has been due to a change in philosophy where more discretion is able to be applied to the issue of deployability. More discretion is now able to be applied to individuals, and consideration is able to be given to their rank and skill sets when reviewing their deployability and employability within Defence.<sup>27</sup>

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25 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 21.

26 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 21.

27 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, pp. 21-22.

- 3.34 The Committee asked for information on the number of ADF personnel injured who are able to be retained in Service, for both injuries on operations and injuries on non-operational Service.
- 3.35 Defence provided a series of tables for Financial Years 2008-2009, 2009-2010, and 2010-2011 outlining data sourced from the Australian Defence Force Rehabilitation Program (ADFRP) database. Defence advised that this data relates to those ADF members who were referred to the ADFRP for an occupational rehabilitation assessment and had their case closed in the past three financial years. Defence noted this data does not include all ADF personnel who were injured on Service and retained in Service during each time period.

**Table 3.1 ADF Personnel referred to ADFRP in Financial Year 2008-2009**

Outcome for Injured Individual?	Injury Service Related?		TOTAL
	Yes	No	
<i>Retained in Service</i>	1480	793	2273
<i>Medically Discharged</i>	129	34	163
<i>Discharged at Own Request</i>	41	9	50
<b>TOTAL</b>	1650	836	2486

Source Department of Defence, Submission 24, 30 May 12.

- 3.36 Defence noted that a breakdown of injuries related to operational Service was not available for Financial Year 2008-2009.

**Table 3.2 ADF Personnel referred to ADFRP in Financial Year 2009-2010**

Outcome for Injured Individual?	Injury Service Related?		TOTAL
	Yes	No	
<i>Retained in Service</i>	2231	1140	3371
<i>Medically Discharged</i>	384	110	494
<i>Discharged at Own Request</i>	66	28	94
<b>TOTAL</b>	2681	1278	3959

Source Department of Defence, Submission 24, 30 May 12.

- 3.37 Defence stated that, of the 2681 injury cases identified as being Service related in Financial Year 2009-2010, 310 were reported as being associated with operational Service.



Table 3.3 ADF Personnel referred to ADFRP in Financial Year 2010-2011

Outcome for Injured Individual?	Injury Service Related?		TOTAL
	Yes	No	
<i>Retained in Service</i>	2397	1186	3583
<i>Medically Discharged</i>	389	101	490
<i>Discharged at Own Request</i>	86	39	125
<b>TOTAL</b>	2872	1326	4198

Source Department of Defence, Submission 24, 30 May 12.

- 3.38 Defence stated that, of the 2872 injury cases identified as being Service related in Financial Year 2010-2011, 335 were reported as being associated with operational Service.

## Gender

### Background

- 3.39 The Chief of Defence Force Reference Group on Women facilitated the development of an action plan aimed at increasing the number of women enlisting in the ADF while focusing on retention and the creation of a workplace culture that offers flexibility and innovation.<sup>28</sup>
- 3.40 Endorsed by the Chiefs of Service Committee in 2009, *The Chief of the Defence Force Action Plan for the Recruitment and Retention of Women* targets six priority action areas to improve the participation of women in the ADF.<sup>29</sup>
- 3.41 The Action Plan builds on achievements and initiatives already in place and introduces new measures to increase the options and appeal of an ADF career. Through career flexibility and improved support, this program of cultural change makes careers in the ADF more attractive to women.<sup>30</sup>
- 3.42 The Action Plan allocates the highest priority to increasing the number of women enlisting into the ADF. The remaining five action areas, Flexibility, Career Management, Accountability, Mentoring and Communication are

28 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 255.

29 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 255.

30 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 255.

focused on retention of women in the ADF and the creation of a workplace culture that offers choice and innovation.<sup>31</sup>

## Current Status

- 3.43 Defence advised that the female participation rates within the ADF had remained around 13.6 to 13.8 per cent for some time.<sup>32</sup>
- 3.44 In September 2011, the Government announced that the remaining seven per cent of trades which remained closed to women in the ADF would now be opened to women. However, it is not anticipated that this will directly cause a significant increase in women joining the ADF as the experience of many allies has been that there is only a 3 to 4 per cent female participation rate in those combat trades.<sup>33</sup>
- 3.45 The Committee questioned when the physical employment standards study into the biometrics, fitness levels and standards for all ADF personnel would be provided to the military and the Government.
- 3.46 Defence responded that there had been a change in focus from the original planned study to enable the review into the combat related trades to be completed. Now that this has been completed, other trades will be reviewed over the course of the next three years. Defence noted that there are still some outstanding matters in the review of the combat trades, related to testing, which will be trialled over the next 12 months.<sup>34</sup>
- 3.47 The Committee asked what impact this work will have on Projects SUAKIN and Beersheba.
- 3.48 Defence advised that this work will be beneficial to both these projects, which are about:

. . . trying to be a more efficient and more effective workforce. The message that I have spoken continually about in Army is that a diverse and culturally rich workforce is, in fact, a capability enhancer. I have to say that my interaction with the soldiers of the Army over the last two months has seen very positive feedback in that regard. I do not sense at all any resistance to the types of changes that are actually caught up in the *Pathway to Change*. It has

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31 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 255.

32 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 27.

33 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 27.

34 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 37.

great support at the grassroots level, and that is a terrific thing for all of us.<sup>35</sup>

3.49 The Committee requested for an update on the Defence Women's Action Plan.

3.50 Defence informed the Committee that the Action Plan had a number of different objectives, including recruiting more women. In terms of this, Defence has found that the gap year has been a very successful program for attracting females. In fact, the gap year had a 50 per cent participation rate of females. Anecdotal evidence is that this occurred because females only have to commit for one 12 month period up front. Consequently, Defence is reviewing initial engagement periods to see if these can be reduced to attract more women.<sup>36</sup>

3.51 Another area of the Action Plan is to retain women once they join. Defence advised:

. . . the retention rate for women in our organisation is actually now as good or better than that for men – which it was not before the action plan started.<sup>37</sup>

3.52 Defence advised that the current Action Plan for Women was groundbreaking and has driven Defence a long way. However, the current program has run its course, a point which has been confirmed by recent reviews by Ms Broderick and Ms McGregor as part of the suite of Defence cultural reviews. Consequently, the Action Plan will be reframed. The current women's reference group will be closed and a new Secretary/CDF gender equality board will be established. This board will have significant external representation to take the organisation to the next step.<sup>38</sup>

3.53 Defence further observed that this issue is not just gender specific:

. . . when we talk to our women we do get pushback to say, 'If it's good enough for me it's good enough for all of us.' Certainly within the ADF there are three generations of women serving, and each of those generations have different needs and different views of career progression. So we are sensitive to the need for change . . . we are certainly engaged with the people who will help us drive this forward.<sup>39</sup>

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35 Lt Gen. Morrison, Department of Defence, *Transcript*, 16 March 2012, pp. 37-38.

36 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 27.

37 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 27.

38 Gen. Hurley, Department of Defence, *Transcript*, 16 March 2012, p. 27.

39 Gen. Hurley, Department of Defence, *Transcript*, 16 March 2012, p. 27.

- 3.54 The Committee sought an update on the element of the Women's Action Plan relating to part-time work, particularly for women who had just had children.
- 3.55 Defence confirmed it is continuing to work on utilising its workforce in a better way, including considering the full-time, part-time, and casual elements of the workforce and the ability to move between these elements. As part of this work, Defence has conducted a broad review of how it employs APS and ADF personnel across several streams through Plan SUAKIN. This plan will be considered at senior levels in Defence and is a different way of looking at how people are employed in the organisation. This relates to both genders in the Defence Force.<sup>40</sup>
- 3.56 The Committee queried the attrition rate for women in the ADF after they have their first child.
- 3.57 Defence commented that the majority of women are returning to work after the birth of their first child, and Defence attributes this to the Women's Action Plan and associated policy adjustments.<sup>41</sup>
- 3.58 In Financial Year 2009-2010, 75 per cent of ADF women who took maternity leave returned to service. In terms of the individual Services, this was further broken down as 70 per cent of Navy women, 78 per cent of Army women, and 78 per cent of Air Force women returning to service after Maternity Leave. Defence noted that Financial Year 2009-2010 data was used for these figures to ensure women who took extended periods of leave associated with their maternity leave were included.<sup>42</sup>

## Recruitment and Retention

### Background

- 3.59 In the context of high operational tempo and skills shortages, and against a backdrop of an uncertain economic outlook, the attraction, recruitment and retention of staff continued to be a high priority for Defence in 2010-2011. For the ADF, this has been achieved through recruitment and the effect of lower than expected separation rates compared to long term averages. Similarly, Defence's APS workforce targets have largely been

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40 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 28.

41 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 28.

42 Department of Defence, *Submission 20*.

achieved. However, an increasing external labour market demand will likely lead to a rise in military separation rates, presenting recruiting and retention challenges in the near future.<sup>43</sup>

- 3.60 Despite a healthy overall situation for personnel numbers in the ADF, Defence still faces challenges in retaining skilled and experienced personnel in the senior Non-Commissioned Officer/middle officer ranks. The ADF Reserve has demonstrated its capacity over the year to absorb some of the impact of specialist vacancies in the ADF workforce and will remain central to meeting these requirements. The SRP Reserves Reform Stream will continue investigating ways to enhance the use of Reserves.<sup>44</sup>
- 3.61 The Average Funded Strength achievement is above the budgeted figure due to historically low levels of separation resulting from the combination of the success of Retention and Recruitment initiatives and the impacts of the Global Financial Crisis (GFC).<sup>45</sup>

## Current Status

- 3.62 The Committee queried current retention in the ADF and whether ADF personnel are being lost to mining and resources sectors. The Committee further questioned whether any of those personnel lost to mining and resources areas had then returned to Defence.
- 3.63 Defence advised that the ADF went into 2010-2011 with the highest retention rates it had experienced. In May 2010, the separation rate for the ADF was 7.1 per cent. This was very low, particularly as the 10 year rolling average separation rate is around 10 per cent. At the end of Financial Year 2010-2011, the separation rate had started to increase and was 7.9 per cent. As of March 2012, the separation rate has increased to about 9.3 per cent and is expected to rise to 9.4 per cent by April 2012.<sup>46</sup>
- 3.64 Defence remarked that ADF separation rates are cyclical and tend to rise over a seven year period. For example, in 2005-2006, Defence was discussing a recruiting and retention crisis, now separation rates again appear to be increasing.<sup>47</sup>
- 3.65 Defence stated that there is no one reason why individuals depart the ADF. They are not all being drawn into the resources sector and those

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43 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 42.

44 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 42.

45 Department of Defence, *Defence Annual Report 2009-2010 Volume One*, p. 42.

46 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 22.

47 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 22.

who are leaving include a mix of technical and non-technical personnel. A number appear to be going into the construction industry, which is growing as a result of the resources boom. However, Defence advised that the current separation rates do not appear to be affecting Defence's ability to continue to operate.<sup>48</sup>

- 3.66 Notwithstanding, Defence advised it continues to monitor and implement strategies to address specific pressure areas such as medical specialists, dentists, and engineers, where, just as in the wider community, there are difficulties attracting and retaining individuals.<sup>49</sup>
- 3.67 The Committee enquired how specific specialist skill sets required to support Submarines, the Joint Strike Fighter, and other new procurement, such as the Armed Reconnaissance Helicopter (ARH), were being managed, particularly once the GFC ends.
- 3.68 Defence replied it is addressing and remediating critical categories, and the numbers of critical categories have been steadily reducing. This reduction has occurred as a result of remediation activities such as targeted recruiting teams, engagement with industry bodies, investing in scholarships at year 11 and 12 level, removing wastage in training by introducing mentoring programs or redesigning that training, and, finally, restructuring the work where possible. Additionally, a range of financial incentives have been used to anchor current personnel.<sup>50</sup>
- 3.69 Defence affirmed that it expects to move into a more difficult period over the next three to four years. Consequently, a broad suite of initiatives will be required to motivate ADF personnel to stay. Defence is reviewing how the tangible and intangible elements of employment can be managed:

We are increasingly looking at how we can differentiate the offer, to use that language. So we have a range of tangible and intangible components of our value proposition to our membership – everything from remuneration right through to the quality of the leadership they will be subjected to. We think the way to target these particular skill sets into the future, for which we know we are going to struggle, is to try to differentiate that offer – to be able to ramp components of it up and down to motivate individuals to stay with us or to attract people to those particular trades.<sup>51</sup>

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48 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 22.

49 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 22.

50 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 29.

51 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 29.

- 3.70 Defence advised it is continuing to review its policies, and will attempt to identify exactly what encourages particular segments of the workforce to remain in the organisation.<sup>52</sup>
- 3.71 The Committee asked whether Defence is reviewing strategic engagement with industry to facilitate movement between industry and Defence in a programmed, planned manner. The intent of such engagement would be to benefit Defence, the industry, and the individual. The Committee noted that this may increase understanding by Defence personnel in procurement areas of the commercial drivers and pressures experienced by industry. The Committee observed that Qantas exemplifies such an activity, where ex-ADF personnel have, on a regular basis, been allowed to take a period of time to return to Defence.
- 3.72 Defence responded that this had previously been considered, but had not been implemented in a systemic way. One of the many issues challenging implementation is controlling poaching of personnel into that industry after their secondment period. Defence advised they are continuing to review a range of options, and will examine this issue further.<sup>53</sup>

## Defence Housing and Infrastructure

- 3.73 The Committee asked about the provision of Defence Housing in the Northern Territory.
- 3.74 Defence informed the Committee that the majority of Defence housing is procured through the Defence Housing Authority, a separate agency within the overall Department of Defence.<sup>54</sup>
- 3.75 Defence observed that many Defence Houses on Defence establishments in the Northern Territory are quite old and it would not be economical to bring them up to modern Defence housing standards. However, where such houses could be made suitable for resale and relocation, this is being done. For example, some of the Defence houses at Larrakeyah Barracks were relocated offsite, and some have been offered for sale to the Northern Territory Government. The Defence Housing Authority will then construct new housing which meets the new Defence Housing Standards for 2017 onwards.<sup>55</sup>

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52 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 29.

53 Gen. Hurley, Department of Defence, *Transcript*, 16 March 2012, p. 30.

54 Mr S. Lewis, Department of Defence, *Transcript*, 16 March 2012, p. 19.

55 Mr S. Lewis, Department of Defence, *Transcript*, 16 March 2012, p. 26.

- 3.76 The Committee queried the age of housing stock demolished by the Defence Housing Authority in Eaton, where RAAF Base Darwin is located.
- 3.77 Defence stated that no housing stock had been demolished at RAAF Base Darwin at this time. However, Defence Housing Australia will shortly commence demolition of nine vacant properties located on RAAF Base Darwin. These houses were built in the 1960s.<sup>56</sup>
- 3.78 The Committee inquired whether the plans of the layout of Australian military bases had been available to the general public via the internet.
- 3.79 Defence replied that this is not the case, however, Defence noted that when capital development projects are above the Public Works Committee (PWC) threshold, evidence is supplied to the PWC and much of that evidence is made public. Defence noted that it carefully screens such information to ensure security is maintained, however, this means there is some material in relation to some bases available on public websites, particularly where there are major capital projects occurring in those locations.<sup>57</sup>

## **Financial Counselling Support for Deployed Personnel**

- 3.80 The Committee inquired whether financial counselling is provided for ADF personnel who are deploying to ensure that they appropriately spend the allowances earned on deployment.
- 3.81 Defence advised that all personnel involved in deployment receive mandatory financial counselling. This counselling is provided by personnel accredited and operated through the ADF Financial Services Consumer Council.<sup>58</sup>
- 3.82 The ADF Financial Services Consumer Council is chaired by an Air Force Reserve Officer, who is an eminent accountant. It includes an independent financial expert and representatives from the three services. The council draws on material from ASIC and ACCC and provides objective advice. It has won national awards for its programs. Through the ADF Financial Services Consumer Council, all ADF personnel are provided with a range

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56 Department of Defence, *Submission 16*.

57 Mr S. Lewis, Department of Defence, *Transcript*, 16 March 2012, p. 42.

58 Lt Gen. Morrison, Department of Defence, *Transcript*, 16 March 2012, p. 24.



of programs over their career with the specific objective of increasing the financial literacy of all ADF members.<sup>59</sup>

- 3.83 Defence noted the senior leadership of the ADF has observed increasing financial literacy amongst junior ADF personnel over time. However, Defence also observed that, while financial counselling may be mandatory, individuals still make their own financial decisions.<sup>60</sup>

## Transition Support

- 3.84 The Committee questioned the transition support provided for ADF personnel who only serve in the ADF for a short period of time.
- 3.85 Defence responded that there are a range of programs and activities that ADF personnel can access to assist them to prepare for transition out of the ADF. It was noted that access to such programs increases with the length of service, however, individuals who leave at the end of their initial minimum period of service have access to transition seminars aimed at assisting individuals to think about their transition and position themselves for success.<sup>61</sup>
- 3.86 Additionally, Army, which transitions more people due to its overall size, has developed Army personnel coordination detachments. These detachments provide direct guidance to Army personnel who are transitioning.<sup>62</sup>

## Conclusions

- 3.87 The Committee notes the following in respect of Defence personnel:
- Defence is continuing to work on a range of programs aimed at increasing the number of indigenous personnel in the ADF and the wider Defence department.
  - Defence is continuing to work on a range of strategies aimed at increasing multicultural representation in the ADF.

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59 Lt Gen. Morrison, Department of Defence, *Transcript*, 16 March 2012, p. 24.

60 Gen. Hurley, Department of Defence, *Transcript*, 16 March 2012, p. 24.

61 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 25.

62 Major Gen. Fogarty, Department of Defence, *Transcript*, 16 March 2012, p. 25.

- Defence is providing support to ADF personnel who are injured through the SWIIP Program.
- Defence will reframe the current CDF's Women's Action Plan and institute a Secretary/CDF Gender Equality Board.
- ADF separation rates are increasing, but this is not having an impact on the ability for the ADF to continue to operate effectively.
- Defence is continuing to monitor and attempt to remediate critical employment categories within the organisation.