

CHAPTER 4

THE CURRENT CAREER PATH

Introduction

4.1 Chapter 1 included a discussion on the reasons people join the ADF. The Committee recognised the fact that many people join the ADF for a secure career. Indeed, Australian and other western Defence Forces advertise job security and career benefits in their recruiting campaigns. Naturally, ADF personnel expect their career to be managed with appropriate training, education and promotion milestones available along a career path. In this chapter, the Committee will examine the retention issues associated with the current career path available to ADF personnel.

Strategic personnel management

Background

4.2 The Defence Personnel Executive (DPE) is the strategic-level personnel management agency for the ADF. This agency is responsible for the development and maintenance of personnel policies and plans. The Committee found that some of the ADF's retention problems are embedded at this strategic level.

Strategic influence

4.3 The Committee noted that, while DPE retained the responsibility for strategic personnel planning, it had no representation on strategic ADF decision-making committees. The Head of DPE, Rear Admiral Shalders, explained that:

In terms of the role of the Defence Personnel Executive within Defence, it is correct to say that we have no direct say on the Defence Committee, which is the peak defence executive committee, but there are some nuances to that that I should explain. The first nuance is that I do attend the Chiefs of Staff Committee and I report on a monthly basis on personnel issues to that committee, so there is a very close focus on personnel issues at that level. I am not a member of the Defence Committee, but in terms of personnel issues I have a channel through to that committee through one of the deputy secretaries who is the chairman of the Defence People Committee, one of the subordinate committees below the Defence Committee. As for personnel issues that need to be taken to the Defence Committee, they do invite people to attend and present those issues. In fact, two have been conducted since I have been in the job and I have attended that committee.¹

1 *Committee Hansard*, 21 September 2001, p. 746

4.4 The Committee believes that, if ‘people are the key to capability’, then DPE should be part of the strategic decision-making process. Moreover, the recent personnel crisis in the ADF strengthens the need for the Head of DPE to be a member of the Defence Committee. It is not enough for ADF personnel matters to be handled in that Committee by surrogates, including by non-uniform members. It is essential that, in future, when decision are taken on other major matters, the ramifications for personnel are fully considered.

Recommendation 8

The Committee recommends that the Head of Defence personnel Executive be made a member of the Defence Committee.

Strategic communications

4.5 The Committee developed the clear impression, having considered the issues raised in hearings and submissions, and the facts presented by the Department of Defence, that many of the grievances voiced by ADF personnel are due to misunderstanding of policies and poor communication. Successive Defence reforms have caused some personnel policies and procedures to change several times in a short period. ADF policy on technical trade civil accreditation is a case in point. Indeed, the Committee itself experienced difficulty in confirming the latest information on many policies. Different information is provided between the Internet, Service manuals and Service newspapers. For these reasons, the Committee believes it would be prudent for the Department to develop a clearer strategic plan to communicate career management and personnel policies to ADF members.

Human resource specialists

4.6 The ADF develops its strategic level managers under a ‘generalist’ philosophy. This means that officers are regularly posted and given a wide variety of different appointments to provide them with a general understanding of different facets of the ADF. They are eventually promoted to a strategic management position, often with minimal specialist experience for that appointment. It should be noted that three people have occupied the position of Head of DPE in little more than 12 months.

4.7 It might be argued that this ‘generalist’ approach prevents the development of intellectual capital in strategic areas such as DPE. Accordingly, some submissions to the Committee have recommended the development of ‘specialist’ officer streams in strategic areas to facilitate better management.² Such officers would be specifically trained and posted to the area of their strategic speciality from the middle part of their career onwards. If this approach were to be adopted in Human Resource (HR) management, then it is likely that more intellectual capital would be developed in

2 Dr Nick Jans, *Committee Hansard*, 20 September 2001, p. 693

agencies such as DPE. The Committee notes that Army has begun this process of ‘career streaming’ as a result of its Project OPERA study.³

Conclusion

4.8 The first step to rectifying personnel retention problems is the establishment of the correct strategic framework for addressing such problems. Currently, this framework lacks strategic muscle and intellectual capital. The inclusion of Head DPE in the Defence Committee and the development of a human resource (HR) management career stream would go some way towards improving this strategic framework.

Recommendation 9

The Committee recommends the Department of Defence review its strategic framework for personnel management to include:

- **a clear strategic communication plan to convey information on career management and personnel policy, and**
- **career streaming for ADF officers in HR management.**

Technical and non-technical trade training and education

Background

4.9 Following recruit training, a member of the ADF attends specific technical or trade training (also referred to as Initial Employment Training). The length of this training varies according to the type of trade or specialist skill sought. By way of example, initial trade training for an Army plumber is conducted over a 14 month period at the Army Logistic Training Centre, Bonegilla Victoria.⁴ Alternatively, a non-technical trade Airforce cook undertakes an ADF Initial Cooks Course for 19 weeks at the ADF School of Catering, HMAS Cerberus, Victoria.⁵ Clearly, the conduct of technical and trade training is the first opportunity for the ADF to honour its ‘psychological contract’ with personnel by providing appropriate training and qualifications.

3 Australian Army (2000) *The Australian Army Officer Corps of the Future*, 12 October 2000, p. 17

4 Defence Service Centre (2001) Recruiting Brochure, General Entry Technical Trade—Plumber (Army) 12 June 2001, p. 3

5 Defence Service Centre (2001) Recruiting Brochure, General Entry Non-Technical Trades—Cook (Air Force) 1 June 2001, p. 3

Civil accreditation

4.10 The Committee developed an understanding of retention issues associated with technical and non-technical trade training from its visits to training establishments, such as HMAS Cerberus and RAAF Wagga Wagga. One of the most prominent issues raised on technical and non-technical trade training was the availability of civil accreditation for ADF training. Numerous personnel argued that they were electing discharge because their trade training in the ADF was not recognised for civil employment purposes. One witness explained:

We do not get a trade but we do get qualifications towards a trade. If I were to leave the Navy today after nearly 3½ years I would be qualified as a third year apprentice electrician. As far as retention goes, if the Navy were still offering proper trades, not just trade qualifications, it would attract a lot more people. To get an A grade electricians licence I would have to do about five or six more TAFE modules—that is probably around 100 hours of study - 500 hours working for an electrician.⁶

4.11 The Committee notes that the Department of Defence has developed a policy for civil accreditation. According to Mr Brendan Sargeant, Deputy Head of DPE:

Our policy is that all defence training, unless there is a really compelling operational reason otherwise, ought to be accredited in the national system, and we have a work program that is designed to ensure that integration. Our policy aim is that when people undertaking training in Defence the qualifications and recognition that they get is portable nationally, so that when they leave the defence work force they are employable. What is happening is that that policy has been made and the services are moving towards it, but it represents a big fundamental and strategic shift in our policy direction.⁷

4.12 While Defence has an official policy of providing civil accreditation, the practical application of this policy has fallen short in some areas. The Director-General Personnel for Air Force argued that:

For aviation trades Defence, accreditation does not meet the full licensing requirements of the civil sector but individuals can complete the qualifications on an individual basis. During restructuring of the aircraft trades in the mid-1990s, Air Force arranged for one-off bridging training and encouraged members to participate. However, a number ignored this opportunity such that they now lack accreditation. This was a matter of

6 Witness 16, *Committee Hansard*, 19 July 2001, p. 99

7 Mr Brendan Sargeant, Director-General, Personnel Policy and Employment Conditions, Australian Defence Organisation, *Committee Hansard*, 27 August 2001, pp. 684–685

individual choice and there is little that the Air Force can do for these individuals.⁸

4.13 The Committee notes that this bridging training is no longer offered to technical trade personnel originally affected by the rationalisation and therefore causing experienced technical members to leave the ADF. The Committee understands the frustration of Air Force that some technicians did not avail themselves of the earlier bridging course. However, as this may be a retention issue, it would be advisable for Air Force to reconsider its stand and arrange bridging training to assist those personnel still affected by technical trade rationalisation.

4.14 Air Force also did not provide any explanation as to why aviation trades are not accredited in the civil sector. It is unfortunate that the Committee did not have an opportunity to question Air Force about this situation. However, the Committee presumes that, if there were a compelling operational reason for not having aviation trades accredited in the civil sector, it would have been mentioned in the briefing paper. As there was none, the Committee can only assume that one did not exist.

4.15 In view of the fact that there may be some trade courses in the three Services that are not fully accredited in the civil sector, it is important that recruits be advised of that fact before embarking on one of those courses.

Recommendation 10

The Committee recommends that aviation trades be structured to enable accreditation in the civil sector.

Recommendation 11

The Committee recommends that, where recruits are due to undertake trade courses which lack civil accreditation, they be advised of the fact before commencing those courses and given the opportunity to transfer to an alternative course.

Continuation training and education

4.16 There is also an expectation among ADF personnel that Defence will provide continuation training and education to allow the performance of current and future tasks. The Committee accepts that the focus of this training and education should be to promote the needs of the Service. However, many respondents argued that the failure of the ADF to allow personnel to upgrade their trade or education standard caused them to seek employment elsewhere. One witness explained:

8 Air Commodore Jim Cole, Director-General, Personnel—Air Force, *Statement to Committee*, 17 September 2001, p. B-3

A lot of the concern leading to their getting out is because the Army falls way behind civilian technology. I am a diesel mechanic and the stuff I work on is fairly primitive compared to the electronic developments that are in civvy street. You have a choice of either staying in the Army for your whole career or get out after your six years trade.⁹

Conclusion

4.17 The Department of Defence has been addressing the civil accreditation issue since 1998. The level of criticism on technical and non-technical trade qualifications during hearings and in written submissions would suggest that the new policy is either not well communicated to ADF personnel or not meeting expectations. Also, it should be noted that this new policy would mainly benefit those technical trade personnel trained after 1998. Personnel who received their technical trade training before 1998 may not have civil accreditation under the new guidelines and may not benefit from current continuation training schemes. For these reasons, the Committee believes that the Department should review its policy for civil accreditation of technical and non-technical trade training and education.

Recommendation 12

The Committee recommends that the Department of Defence review technical and non-technical trade training policies in the ADF to ensure that:

- **technical and non-technical personnel receive nationally recognised civilian accredited qualification,**
- **technical trade specialists are certified and licensed within the national training authority framework, and**
- **technical trade specialists receive continuation training and education.**

Career management

Background

4.18 ADF personnel report for on-the-job training or full duty with their posted unit at the end of their technical or trade training. From this point, their career is managed at Service, trade and unit level. At the operational level, each Service has a Director-General of Personnel responsible for managing, developing and posting all ranks. Separate career management agencies manage other rank and officer trades within each Service. Commanders at unit level liaise with career management agencies regarding the management, development and posting of unit personnel. The Committee received considerable comment, some quite uncomplimentary, on career management issues during the inquiry.

9 Witness 10, *Committee Hansard*, 23 July 2001, pp. 221–222

General career management

4.19 Many respondents had the general perception that career management was non-existent in the ADF because individual needs were rarely considered above Service needs. The Committee developed the view that Service needs were taking a higher priority simply due to the fact that there was a shortage of ADF personnel and career management was therefore ‘reactive’ rather than ‘pro-active’. This was explained by the Director-General of Navy Personnel and Training:

The sea to shore ratios have reduced over the last two to three years because of the shortages of people overall throughout the Navy. That means we have fewer people available to send to sea. We have a policy of manning our ships to 100 per cent to meet operational requirements. The current figure for our shore positions overall for the Navy is 32 to 34 per cent undermanned—so we have a shortage ashore.¹⁰

4.20 Another contributing factor might be the ratio of career managers to ADF personnel. The ratio of career managers to Service personnel is outlined in Table 4.1. This is supported by one witness’s response to the Committee:

Career management is not happening because the posters - and believe me, they do work very hard; I know most of them personally - just do not have the time to properly career manage any individual.¹¹

Table 4.1 Ratio of career managers to ADF personnel

	Navy ¹²	Army ¹³	Airforce ¹⁴
Other Ranks	1:450	1:400	1:475
Officers	1:200	1:332	1:275

4.21 The ratios tell a story. It would be impossible for one person to manage, even just adequately, the 400 to 475 persons he or she is required to do in respect of other ranks. Yet those other ranks depend on those career managers for progressing their careers. Even the workload for officer career managers is daunting. Clearly,

10 Commodore Louis Rago, Director-General, Navy Personnel and Training, Department of Defence, *Committee Hansard*, 27 August 2001, p. 678

11 Witness 17, *Committee Hansard*, 26 July 2001, p. 375

12 Commodore Louis Rago, Director-General, Navy Personnel and Training, Department of Defence, *Committee Hansard*, 27 August 2001, p. 676

13 Brigadier Mark Evans, Director-General, Personnel-Navy, Department of Defence, *Committee Hansard*, 27 August 2001, pp. 691–692

14 Air Commodore James Cole, Director-General, Personnel-Air Force, Department of Defence, *Committee Hansard*, 27 August 2001, p. 692

additional career managers are required. If careers are not managed, personnel do and will leave out of sheer frustration.

4.22 The perception that medically down-graded ADF personnel were no longer fostered by their Service was a more serious issue associated with career management. As one witness explained:

Hand and hand with that, if a soldier gets injured, he expects to get looked after. If soldiers train hard and get busted and know they will get looked after, that will keep them in the Army. The soldiers do not believe they have that security if they get injured (at present).¹⁵

4.23 The current policy is inexplicable. The Committee is aware that all ADF members should be fit for operational duty. However, where ADF members injure themselves on duty or even while playing sport within or for the ADF, those injured members should, wherever practicable, be re-employed in a non-operational area. Throughout the inquiry, the Committee was informed of the serious manning shortages necessitating members working long hours to do the work of two or three people. Yet, the Committee understands that many members, although carrying disabilities in terms of operational fitness, would still be fit enough to carry out the duties in many vacant positions. The Committee cannot see the logic in discharging those members on medical grounds.

4.24 Moreover, there is a psychological factor involved in these medical discharges. It is being seen as though members are no longer part of the ADF 'family', which would be one less reason for a member to stay in the ADF. If the ADF does not appear to give loyalty to members in all circumstances, why give the ADF unstinting loyalty?

4.25 The Committee was also told that many ADF members have become more reluctant to undertake contact sport to avoid the occurrence of injury that might eventuate in discharge on medical grounds.

Specialist career management

4.26 Management of specialist personnel also received criticism during the inquiry. The Committee received several submissions from medical personnel, pilots and chaplains arguing that Defence failed to train, develop and manage specialist personnel. As an example, Dr Michael Seah submitted that:

the ADF does not give enough flexibility to doctors wishing to retain or develop their clinical skills. I have seen my colleagues leave the ADF, disgruntled by the lack of career options, the inability to pursue clinical training and increasing disparity between what they are paid compared to colleagues in the civilian world. Although there has been as a submission

15 Witness 3, *Committee Hansard*, 17 August 2001, p. 544

on a career structure review for Medical Officers, it has been two years since the original plan was to be implemented, no doubt caught up in bureaucracy and hierarchical concerns about the extra money doctors should be paid to make remaining in the ADF an attractive option. If the career structure review is not finalised and implemented soon, the ADF will continue to lose experienced military doctors, and face the increasing costs of employing contract civilian replacements.¹⁶

4.27 Also, chaplains pointed out the absence of a clear career path and absence of a ‘comprehensive and clearly structured approach to tri-service chaplaincy’ in their speciality area.¹⁷

Conclusion

4.28 It was clear, from the evidence received by the Committee, that dissatisfaction with career management was seriously reducing ADF morale and contributing significantly to personnel retention problems. Improved recruiting strategies will eventually address personnel shortages and allow ‘pro-active’ career management. However, to address problems with general career management the Department of Defence might improve the ratio of career managers to personnel and develop a career management policy for medically downgraded personnel. The Department should also develop fresh policies for the career management of specialist trades.

Recommendation 13

The Committee recommends that the Department of Defence review the manning of career management agencies to ensure a more equitable ratio of career managers to personnel and thereby improve career management procedures.

Recommendation 14

The Committee recommends that the Department of Defence develop an alternative career management policy for ADF personnel who are medically downgraded.

Recommendation 15

The Committee recommends that the Department of Defence review policies for the career management of specialist trades to enable:

- **the development of specialist career paths,**

16 Dr. Michael Seah, submission no. 89, p. 1

17 Name withheld, submission no. 24, p. A-1

- **continuation training to maintain equivalent civil qualifications eg medical clinical training, and**
- **a choice between specialist streaming and general streaming eg flying duties only/medical officer duties only without promotion.**

Promotion

4.29 One of the outcomes of career management is individual promotion according to experience, training and performance. The ADF rank structure demonstrates a clear path of promotion for all ranks. Like other forms of employment, promotion within the ADF provides the individual with greater responsibility in exchange for improved pay and (in some cases) conditions of service. Again, ADF personnel view the opportunity for promotion as another clause in their ‘psychological contract’ with the Department of Defence.

4.30 The Committee heard evidence that the outsourcing of non-core activities and rationalisation of Defence personnel positions had reduced the opportunity for promotion in some ranks and trades. This appeared most prevalent in the Sergeant to Warrant Officer rank stream. For example:

In the past, with CSP again, a lot of our positions have been cut and taken by public servants, so the higher positions are not there anymore. In the past two years I believe that our 14–16 warrant officers have been cut down to six, so our positions have gone there.¹⁸

4.31 Clearly, this issue is related to the implementation of reform. Therefore, the conclusions and recommendations discussed in Chapter 2 equally apply to this issue. However, the Committee believes that some form of alternative career promotion path should be provided to those ranks and trades most affected by Defence reform.

The ADF personnel model

Background

4.32 Unless a Return of Service Obligation (ROSO) applies, ADF personnel are enlisted for a Fixed Period of Service (FPS). Generally speaking, this will mean a period between four and six years for Other Ranks and a period between six and nine years for Officers. This FPS is generally open-ended. This means that there is no requirement for a person to select another FPS, merely a requirement to give warning of intention to separate from the ADF.

4.33 There are three incentives for a member to continue service. Firstly, there is the incentive of a continued career path with associated conditions of service. Secondly, personnel who attain a rank between Sergeant and Major (with some

18 Witness 40, *Committee Hansard*, 24 July 2001, p. 287

exceptions) are eligible for a Retention Benefit of a full year's salary after completion of 15 years' continuous service.¹⁹ Finally, there is a system of long service awards after 15 years continuous service. Outside of these incentives, the Committee could find no evidence of an ADF personnel model that offers progressive terms of service, recognition of service or incremental retention benefits.

Terms of service

4.34 The Committee is concerned that, despite increasing personnel recruiting and retention problems, the ADF has not developed terms of service aimed at retaining experienced personnel. Evidence presented to the Committee suggested that, under the existing terms of service, the ADF was losing personnel just as they developed a useful level of experience and knowledge.²⁰ This was also identified by one respondent who explained:

The (open ended enlistment) system of engagement does not allow the ADF to assess its manning levels and needs, as does a contract based system. It appears it is too easy for personnel to discharge in today's ADF.²¹

4.35 In its formal submission to this Inquiry the Department of Defence detailed several flexible employment initiatives designed to attract and retain personnel. These initiatives included:

- the development of new entry terms of service;
- a review of ROSOs; and
- extension of the limited tenure appointment and promotion schemes.²²

4.36 These initiatives are commendable and require urgent attention. With regards to the development of new entry terms of service, the Committee notes that Army has introduced a reduced initial period of service trial for critical trades.²³ Under this trial, gun numbers and supply operators will enlist for a two-year period rather than a four-year period. The Committee believes that this initiative should be very carefully monitored. The main concern of the Committee is giving the impression that members only stay in the ADF for a short space of time. This would be counter-productive and expensive in terms of recruiting and training if many members only served short enlistments. The Committee is aware of the drastic shortage of personnel in some critical trades and understands the ADF's apparent willingness to try almost anything to fill some of those positions.

19 Commonwealth of Australia (2000) Summary of the Military Superannuation and Benefits Scheme, February 2001, p. 4

20 Witness 1, *Committee Hansard*, 19 July 2001, p. 80

21 Mr Brian Mason, submission no. 16

22 Department of Defence, submission no. 101, p. 39

23 Brigadier Mark Evans, Director-General Personnel Army, *Committee Hansard*, 21 September 2001, p 737

4.37 Similarly, the review of ROSOs could examine the option of full-time ADF personnel transferring to the Reserves at the completion of their term of service. This is discussed in more detail in Chapter 6.

Retention incentives

4.38 The issue of terms of service is closely linked to the issue of retention incentives. In the last 15 years, the ADF has utilised a number of retention and completion bonuses to retain key occupational groups, with varied success.²⁴ In addition, personnel qualify for specific conditions of service after certain periods of continuous service (for example the Defence Services Home Loan). Neither of these incentives is managed as a reward for past or future service. The overwhelming evidence from hearings and submissions was that a system of incremental retention incentives should be spread across each phase of a member's career. These incentives might be financial or conditional. For example:

Perhaps every time you signed on there could be a smaller retention benefit. It does not need to be one big retention benefit at 15 years, it could be paid in smaller amounts for shorter time spans along the way.²⁵

Discharge

4.39 The system for a person to separate from the ADF varies among the Services. Resettlement training is available but current personnel shortages make it difficult for individuals to attend this training. In some cases, personnel who notify an intention to discharge are treated as 'second class citizens' and denied training opportunities. This creates ill feeling and discourages ex-service personnel from recommending a career in the ADF to potential applicants. These problems might be eliminated if the ADF maintained graduated terms of service and a more positive discharge package that includes:

- compulsory resettlement training,
- formal recognition of service, and
- formal provision of a record of service/qualifications and employment reference.

4.40 The important consideration is that the person discharging is farewelled properly for the service given to the ADF. If a person is allowed to depart with some grace, that person is likely to remember the ADF with positive feelings rather than negative ones. If positive, the member may enlist in the future or enlist in the Reserves. Even if a discharging member never does either, a positive view of the ADF will likely encourage other people to join.

24 Department of Defence, submission no. 101, p. 38

25 Witness 17, *Committee Hansard*, 24 July 2001, p. 274

Conclusion

4.41 The existing broad ADF personnel model does not encourage service beyond initial engagement. While there is evidence to suggest that the ADF is reviewing employment conditions, there appears to be no graduated system for engagement or incremental retention incentives and recognition of service. Based upon evidence received in hearings and submissions, the Committee is of the view that a fresh broad personnel model should be developed. This model should include fixed terms of service. Each term of service should be packaged with an appropriate form of recognition and an incentive to continue either full-time or part-time service. For example, the initial term of three years service is concluded with the award of an 'ADF Three Year Service Badge' (to be worn on general duty dress) and the payment of a \$2000 lump sum. If the member agrees to another three-year term they qualify for a Defence Home Loan. If the member elects discharge then they receive resettlement training, formal record of service and employment reference. The Committee feels, from the evidence received, that such a graduated and incremental personnel model would attract and retain personnel for the ADF.

Recommendation 16

The Committee recommends that the Department of Defence investigate and develop a new ADF personnel model with the following characteristics:

- **fixed terms of engagement;**
- **incremental retention incentives;**
- **incremental recognition of service; and**
- **a formal discharge package.**

