

CHAPTER 7

THE WAY AHEAD

Introduction

7.1 The ADF is now facing some of its greatest challenges since the end of the Second World War. These challenges are both strategic and operational. At the strategic level the ADF is adapting itself to meet those objectives outlined in *Defence 2000 - Our Future Defence Force*. At the operational level, the ADF is responding to the many demands of multinational coalition operations, regional peacekeeping and domestic security. All of these challenges are being negotiated amidst a growing deficit of qualified and experienced personnel.

7.2 The purpose of this inquiry was to assess whether the current recruitment and retention strategies of the ADF are meeting the organisation's requirements. In this final chapter, the Committee will make its final assessment and indicate the way ahead. In making its assessment, the Committee returned to the original terms of reference and tested them using the fundamental themes outlined in Chapter 1. In essence the Committee has judged the ability of the Department of Defence to recognise the reasons people enlist, the uniqueness of military service and the sanctity of the 'psychological contract' in recruitment and retention strategies.

Whether the current recruiting system is meeting and will continue to meet the needs of the ADF

7.3 Although general enlistments are increasing, according to pure statistical data, the current recruiting system is not meeting ADF recruiting targets. It has been assessed that the ADF will not be able to meet a target force of 53,555 by 2010. The first step to restoring the recruiting system must be the implementation of improvements to the recruiting organisation and process already identified by the Defence Force Recruiting Organisation. This step must be supported by the development of a strategic marketing and advertising plan that appeals to the real reasons for enlistment and is focussed particularly on critical trades and wider demographic groups.

The impact of the Defence Reform Program on retention levels and recruiting

7.4 The heart of the recruitment and retention problem lies in the fact that, during the 1990s, Defence initiated a number of efficiency and rationalisation measures in order to enhance the ADF's operational capability. These measures were neither well communicated nor well implemented. They reduced the ADF's strength by 27 per cent and established a workplace environment that undermined the principal values of

service in the ADF. The Department of Defence must now reassess those reform measures that reduced the number of personnel in recruiting, removed respite postings for ADF combat personnel and reduced the quality of base support. In the interests of recruiting and retaining ADF personnel, a new balance must be restored between efficiency and effectiveness.

The impact of changes to ADF conditions of service, pay and allowances on retention and recruitment of personnel

7.5 The Department of Defence has failed to recognise the unique nature of military service and preserve its ‘psychological contract’ with ADF personnel. Broad adjustments to pay and allowances and bold adjustments to fringe benefits and superannuation benefits are necessary to attract and retain ADF personnel. Such adjustments must be combined with an improved strategic communication plan to convey policy measures and provide support to Defence families. The Government is invited to support these adjustments, particularly in the area of nationalising education standards. These measures are necessary to restore the belief that soldiers, sailors, airmen and airwomen are valued employees of their Government and nation.

The impact of current career management practices on retention of personnel

7.6 Poorly implemented reform measures and increasing shortages of personnel have compounded to create reactive rather than pro-active career management practices in the ADF. Again, these practices have undermined the ‘psychological contract’ the Department of Defence maintains with its personnel. The ADF’s Defence People Plan goes some way to addressing this issue. However, a strategic framework must be established to manage personnel issues. This framework would include placing DPE in the strategic decision making process and establishing a career stream for human resource managers. This framework would also include the development of a new ADF personnel model characterised by fixed terms of engagement, incremental incentives and recognition of service, and formal discharge packages for all ranks and trades. Measures such as these will restore the pro-active nature of career management.

Other issues which arose in the course of the Inquiry –The Reserves

7.7 It appears the ADF is on the verge of addressing one of its most elusive structural issues. By confirming roles and tasks, the outcomes of Project Army 2003 will set the agenda for the most suitable structure, manning, equipment and training for the Army Reserve. This is a key opportunity for the ADF to examine the issues of direct-to-unit recruiting, CIT and ‘hollowness’ that have shattered Army Reserve recruitment and retention. At the same time, the introduction of a system of incentive-based Army Reserve service following full-time service will go some way to the retention of experienced personnel in the ADF.

Retention is the key

7.8 Chapter 1 determined that an inquiry of this nature must understand the fundamental linkages between recruitment and retention. It may be argued that

retention of current personnel is more important than recruiting new personnel. The pillar of this argument is that ‘the better the retention, the fewer the requirements there are for recruiting’.¹ But the more important argument is that initiatives to improve retention have a wider impact than initiatives to improve recruiting. Improving career management and conditions of service will not only retain current personnel, but also attract people to enlist in the ADF. Therefore, the broad thrust of all ADF personnel planning and management strategy must be retention minded.

7.9 The evidence gathered by the Committee during this inquiry was wide ranging. The picture of recruitment and retention gleaned from this evidence **depressed** the Committee. Unfortunately, the cold fact is that many of the conclusions from previous reports (as early as the Hamilton Report) remain valid.

It is an excuse for doing nothing; it is paralysis by analysis. All of the inquiries come up with essentially the same thrust. The most recent recommendations of the Defence Action Plan for People were little different to the Cross inquiry’s recommendations.²

7.10 Everything the Committee discovered during the inquiry was already known to Defence. The evidence had been in front of them for quite some time. The conclusions and recommendations of previous reports have either been ignored or poorly implemented. Given recent national and international events, there is no longer time for procrastination. The Rubicon must be crossed now and not put off again as have decisions on crucial recruitment and retention issues for some 15 years, at great cost in personnel terms and expense to the ADF. The Department of Defence must develop and maintain strategies to recruit and retain qualified and experienced people to ensure our national security today and tomorrow.

7.11 **The time for action is now!**

John Hogg
Chair

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

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

