

## Personnel matters

3.1 The Committee considered the following personnel matters:

- Critical categories of employment;
- Project Suakin and Reserve Policy;
- Recruitment and employment of women;
- Cultural reform and SeMPRO; and
- Military justice.

### Critical categories of employment

3.2 Critical categories of employment are areas in which Defence has a workforce shortage that is negatively affecting capability outcomes.

3.3 Defence informed the Committee that it has 13 critical categories of employment for the ADF, representing 3.5 per cent of the ADF workforce. This is down from a peak of 37 critical categories in 2008. All the current critical categories are within Navy in the engineering, technical, warfare operator and health workforces. Defence is 'conducting a review of the submariner employment offer in order to reduce the number of critical categories in that particular capability'.<sup>1</sup>

3.4 Defence advised that the process of identifying Australian Public Service (APS) critical categories commenced in 2014. Ten APS occupations were initially identified as critical and this has been reduced to nine. Defence APS critical occupations are in engineering and technical, intelligence and security, health and project management.<sup>2</sup>

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1 Department of Defence, *Question on Notice No. 3*, 5 June 2015.

2 Department of Defence, *Question on Notice No. 3*, 5 June 2015.

- 3.5 Defence works 'deliberately differentiated offers', which include financial incentives, to attract and retain people in critical categories. Defence has also remediated workforce shortfalls by revising workforce structures and training to allow an adequate supply of trained people.<sup>3</sup>
- 3.6 Defence reported that within Navy the number of critical categories has so far declined from 17 to 13, with gaps in most of the remaining critical capabilities also trending down.<sup>4</sup>
- 3.7 The Returned & Services League (RSL) noted that it supports deliberately differentiated offers, in particular financial incentives, to retain people in critical categories. It offered the proposal of providing further financial offsets for critical trades by reducing the senior ADF leadership group, noting that 'the size of the ADF leadership group appears to be out of all proportion to the numerical size of the ADF'.<sup>5</sup>
- 3.8 Defence is also using a 'job families' approach to monitor APS gaps in critical capabilities.<sup>6</sup> The Job Families Project developed content for the Defence APS Classification of Occupation (DAPSCO) codes. This developed 2,100 occupation profiles that each contains an occupation description, duty statement, selection criteria and suggested learning and development pathway. The profiles aim to provide clarity on Defence's work and future career paths for APS employees.<sup>7</sup>
- 3.9 The Committee questioned whether the Job Families Project is adequate for delivering people with the right skills to successfully undertake certain jobs and noted that there was a shortfall in people with task-specific competence.
- 3.10 Defence made the following response:

It is important for us to define the skills required for specialist positions, to understand what those specialist positions are and to separate them from the more generic requirements you might have for being a senior leader or middle manager, where those skills and experiences are also very important. Part of our job family work is about meshing that with work-level standards to say that, as a middle manager, you are required to have these sorts of middle-management skills, but if you are a middle manager who is a medical specialist then you have also be required to have

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3 Ms Rebecca Skinner, Deputy Secretary Defence People, Department of Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 16; *Defence Annual Report 2013-14*, p. 54.

4 Vice Admiral Barrett, Defence, *Committee Hansard*, Canberra, 5 June 2015, pp. 16, 23.

5 Returned Services League of Australia, *Submission No. 1*, pp. 3-4.

6 Ms Skinner, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 17.

7 *Defence Annual Report 2013-14*, p. 139.

this. You would not be able to win a role if you do not have the necessary and particular technical expertise for a particular role.<sup>8</sup>

- 3.11 The Defence Annual Report 2013-14 states that Project Suakin will also result in a reduction in turnover in critical trades.<sup>9</sup>

## Project Suakin and Reserve policy

- 3.12 Project Suakin commenced in November 2013<sup>10</sup> and is intended to provide a contemporary service model with a range of full-time, part-time, and casual service options. These options are designed to enable ADF members to continue to serve as their circumstance change across their working life.<sup>11</sup>
- 3.13 Defence's Total Workforce Model, which is a part of Project Suakin, comprises of a range of flexible service options; running from permanent members rendering continuous full time service to reserve members who do not render service and have no service obligation but are liable for call out.<sup>12</sup>
- 3.14 The Chief of Defence Force told the Committee that under then current legislation, the only option is full-time ADF service; there is no allowance for part-time or casual options. The ADF has been operating with a part-time leave without pay mechanism to allow service members some flexibility in their working arrangements. Project Suakin seeks to bring policy and legislation together to allow a spectrum of service categories, starting from full-time and going to part-time reserve. CDF stated that this 'will give us greater flexibility in how capability can be produced with the people of a unit, so I see there are great capability benefits in that'.<sup>13</sup>
- 3.15 The Chief of Defence Force said Project Suakin 'is pushing bounds. There is no doubt about it. It is pushing organisational and legislative bounds'.<sup>14</sup>

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8 Ms Skinner, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 18.

9 *Defence Annual Report 2013-14*, p. 130.

10 Assistant Minister for Defence, 'Launch of Project Suakin by Stuart Robert at HMAS Harman', *Media Release*, 26 November 2013, <<http://www.minister.defence.gov.au/2013/11/26/launch-of-project-suakin-by-assistant-minister-for-defence-stuart-robert-at-hmas-harman/>> viewed 4 November 2015.

11 *Defence Annual Report 2013-14*, p. 130.

12 Department of Defence, 'Project Suakin: Total Workforce Model', <<http://www.defence.gov.au/suakin/>> viewed 29 July 2015.

13 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 23.

14 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 23.

The Chief of Defence Force also added that Suakin gives individuals more flexibility and employment options.<sup>15</sup>

- 3.16 On 25 June 2015, the Assistant Minister for Defence introduced a package of three Bills to establish new ADF superannuation arrangements. As part of this, the consequential Bill intended to introduce the ADF's new workforce model 'by providing permanent members of the Australian Defence Force access to flexible service options.'<sup>16</sup> The new superannuation scheme Bill intended to allow members on flexible service arrangements to 'have consistent comparative benefits to other ADF members, including access to death and invalidity and superannuation benefits'.<sup>17</sup> The superannuation scheme forms 'an important part of the Government's plan to provide flexible working conditions for all ADF members under Project Suakin'.<sup>18</sup> All three Bills were passed by both Houses on 20 August 2015.<sup>19</sup>

## Recruitment and employment of women

- 3.17 The *Review into the Treatment of Women in the ADF - Phase 2 Report, 2012* recommended Defence publish a *Women in the ADF report* as a supplement to the Defence annual report. This report was to include information in the areas of women's participation, women's experience, access to flexible work, and sexual harassment and abuse. To this end Defence published *Women in the ADF Report 2013-14: Supplement to the Defence Annual Report 2013-14*.<sup>20</sup>
- 3.18 At a public hearing, Defence stated that women make up 15.3 per cent of the Defence Force. In the individual services, women make up 18.9 per cent of Navy, 12 per cent of Army, and 18.7 per cent of Air Force. Defence highlighted that these figures for Army are in the context of opening up of

15 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 23.

16 House of Representatives, *Defence Legislation Amendment (Superannuation and ADF Cover) Bill 2015*, Explanatory Memorandum, p. 2.

17 House of Representatives, *Australian Defence Force Superannuation Bill 2015*, Explanatory Memorandum, p. 17.

18 Minister for Finance and Minister for Defence, 'New military superannuation scheme arrangements', *Media Release*, 13 May 2014, <<http://www.minister.defence.gov.au/2014/05/13/minister-for-finance-and-minister-for-defence-new-military-superannuation-scheme-arrangements/>> viewed 21 October 2015.

19 *Journals of the Senate*, No. 110 – Item 26, 20 August 2015, p. 3017; Assistant Minister for Defence, 'Landmark reforms to ADF conditions of service', *Media Release*, 25 June 2015, <<http://www.minister.defence.gov.au/2015/06/25/assistant-minister-for-defence-landmark-reforms-to-adf-conditions-of-service-25-june-2015/>> viewed 23 September 2015.

20 *Women in the ADF Report 2013-14: Supplement to the Defence Annual Report 2013-14*, p. 6.

some of the combat arms to women in a phased approach, starting in September 2011.<sup>21</sup>

- 3.19 The *Women in the ADF Report 2013-14* states that each service has set a recruitment growth target for women. Both Navy and Air Force have set a target of increasing the participation of women to 25 per cent by 2023, while Army has set a target of 15 per cent by 2023.<sup>22</sup>
- 3.20 The Chief of Navy emphasised that Navy's approach to women is just as much about recruitment as it is about retention; this 'has allowed us to keep separation rates for our female officers and sailors at a lower level'.<sup>23</sup>
- 3.21 Navy described some of the measures aimed at retaining women:  
Some of those measures range from increasing flexible workplace arrangements where we can ... I have a strategic adviser on women, which allows us to focus on the things that currently are perceived to be barriers to retention. ... we are bringing together groups of women and men to understand what more can be done to remove some of the inhibitors to people wanting to remain for a career choice rather than just a short-term job aspiration. So the emphasis has been on retention measures.<sup>24</sup>
- 3.22 Similarly, the Chief of Army noted that a comparable effort is underway in Army. This includes reconsidering recruitment pathways and flexible options for career progression, addressing potential unconscious bias against women in the judgements of merit, changing advertising to promote the opportunities for women, and holding regular focus group sessions on the appropriateness of arrangements in Army units.<sup>25</sup>
- 3.23 The Committee sought information regarding the role of Ms Julie McKay as the gender advisor the Chief of the Defence Force. Ms McKay is Executive Director of the National Committee for UN Women.
- 3.24 The Chief of the Defence Force advised the Committee:  
She is a key member on the Gender Equality Advisory Board, which has external members. I am using her and her expertise to look at the organisation and at where we can do better.  
Recruitment is a particular area she is looking at ... we think we are trying to recruit women with our advertising, but from a

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21 Air Chief Marshal Binskin, Defence, *Committee Hansard*, 5 June 2015, pp. 18–19.

22 *Women in the ADF Report 2013-14: Supplement to the Defence Annual Report 2013-14*, pp. 52–53.

23 Vice Admiral Barrett, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 19.

24 Vice Admiral Barrett, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 19.

25 Lieutenant General Angus Campbell, Chief of Army, Department of Defence, *Committee Hansard, Transcript*, Canberra, 5 June 2015, p. 19.

female perspective we are not even getting close. ... I use her quite broadly across the organisation – she brings a great skill set to it.<sup>26</sup>

3.25 The Committee questioned whether physical employment standards had been reduced in order to open up certain positions. The Committee particularly questioned the physical employment standards of the Special Air Service Regiment.

3.26 Defence described the physical employment standards:

The physical employment standards have been developed in relation to opening up ADF employment and positions so that there is no initial bias taken in what the person needs to be to fill that position. It takes away the need to view a person by their gender or any other perspective so that they are matched to a position or prior to a position on their ability to fill it.<sup>27</sup>

3.27 In response to the Committee's concerns about physical employment standards, the Chief of Army commented that:

It has resulted in a focus of the necessary physical standards. There has been no reduction. I am very confident that there has been no reduction, but there has been a focus on what the necessary physical standards for land combat operations are ...<sup>28</sup>

3.28 On the Special Air Service Regiment, Lieutenant General Campbell stated:

... it has always been, as a general point, acknowledged that it is not large muscles that make our Special Forces soldiers special. You need to be fit and tough, mentally and physically resilient, and for a range of roles you need to be strong in terms of weights and distances and so forth.<sup>29</sup>

3.29 On women in the Defence APS, Defence reported that around 41 per cent workforce is women, compared to slightly over 50 per cent for the APS generally, while about 27 or 28 per cent of the Defence Senior Executive Service (SES) are women. Defence said there are a variety of reasons for this but suggested one of them was because over 20 per cent of the Defence APS workforce are former ADF, who are 'overwhelmingly are male and slightly older'. On the proportion of women in the Defence APS, Defence stated 'we are still well short in where we would like to be'.<sup>30</sup>

3.30 The Committee enquired into the recruitment of female graduates, particularly in the areas of science and engineering. The Secretary of

26 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 18.

27 Air Vice Marshal Tony Needham, Head of People Capability, Department of Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 21.

28 Lieutenant General Campbell, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 21.

29 Lieutenant General Campbell, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 21.

30 Mr Richardson, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 18.

Defence responded that in 2014 they had set a target of 40 per cent APS graduate recruits but had fallen just short at 39 per cent. Mr Richardson observed:

Recruiting more women into the engineering space is a little more difficult for the obvious reasons that the percentage of women in those schools at universities is less than you would want, but we do have an active program of engaging with the universities and the relevant faculties.<sup>31</sup>

## Cultural reform and SeMPRO

- 3.31 The *Review into the Treatment of Women in the ADF - Phase 2 Report, 2012* recommended that Defence establish a dedicated Sexual Misconduct Prevention and Response Office (SeMPRO) to coordinate timely responses, victim support, education, policy, practice and reporting for any misconduct of a sexual nature, including sexual abuse in the ADF.<sup>32</sup>
- 3.32 SeMPRO commenced in July 2013 and is focused on providing services for both ADF members and Defence APS employees who have been affected by sexual misconduct. It also provides advice and guidance to commanders and supervisors on sexual misconduct matters as well as providing the single point of data collection, analysis and mapping of sexual misconduct within Defence. This data is intended to enable Defence to enhance strategies for prevention and response.<sup>33</sup>
- 3.33 The Committee praised the cultural reform program of Defence but questioned whether SeMPRO could be improved to further increase its efficacy. Defence responded that 'SeMPRO... [is] a developing capability. It is still fairly new and will take some time to really develop its full suite of capabilities'.<sup>34</sup>
- 3.34 On cultural reform and SeMPRO Defence stated:
- I think we are being held up around the world as best practice.
- ...
- Our aim is to continue to grow this, and we are not taking our eye off the ball on it at all.<sup>35</sup>

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31 Mr Richardson, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 18.

32 Department of Defence, 'About SeMPRO', <<http://www.defence.gov.au/sempro/about/default.asp>> viewed 29 July 2015.

33 *Defence Annual Report 2013-14*, p. 113.

34 Ms Skinner, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 22.

35 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 21.

- 3.35 The Committee enquired into the mechanisms for feedback on the function and ongoing development of SeMPRO. Defence responded by saying it does actively reach out to people who have been abused and have used SeMPRO in order to get feedback.<sup>36</sup>
- 3.36 Defence further stated that Ms Elizabeth Broderick and the Australian Human Rights Commission do external reviews, which include visits to bases and ADFA. Defence receives the feedback from these reviews and uses it to adjust and improve SeMPRO.<sup>37</sup>

## Military justice

- 3.37 The 2005 report of the Senate Foreign Affairs, Defence and Trade References Committee on the effectiveness of Australia's military justice system recommended the creation of a permanent military court, completely independent of the ADF chain of command, which would comply with the constitutional requirements for a federal court.<sup>38</sup> This was recommended to 'extend and protect a Service member's inherent rights and freedoms, leading to impartial, rigorous and fair outcomes'.<sup>39</sup>
- 3.38 The Australian Military Court (AMC) was created in 2007, however it was found unconstitutional by the High Court in *Lane v Morrison*.<sup>40</sup> The High Court ruled that the legislation creating the AMC was invalid as it required the AMC to exercise the judicial power of the Commonwealth, without being set up as a court established under Chapter III of the Constitution, in which the power to create the federal judiciary is contained.
- 3.39 In 2010 the then Government introduced the Military Court of Australia Bill to Parliament. This sought to create an independent and constitutionally valid military court. This legislation lapsed when Parliament was prorogued in 2010. It was reintroduced in 2012 but lapsed again when Parliament was prorogued in 2013.
- 3.40 The Returned & Services League of Australia (RSL) submitted that '[t]he current system of military justice may not be ideal but it is constitutionally safe. More to the point, trials by Courts Martial are well understood and

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36 Ms Skinner and Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 22.

37 Air Chief Marshal Binskin, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 22.

38 The Senate Foreign Affairs, Defence and Trade References Committee, *The effectiveness of Australia's military justice system*, June 2005, pp. liii – liv.

39 The Senate Foreign Affairs, Defence and Trade References Committee, *The effectiveness of Australia's military justice system*, June 2005, p. xxii.

40 (2009 239 CLR 230).



respected'. The RSL made the point that it continues to oppose the Military Court of Australia Bill.<sup>41</sup>

- 3.41 In a public hearing, the RSL stated: 'We believed that, had the legislation passed, it would once again have been overturned'. The RSL went onto state:

Any change away from the courts martial must ensure two things: (1) it must be as close to possible to the norms of justice in this country – in other words, must mirror the civil justice system as near as possible; (2) it must be safe in terms of the Constitution, and particularly section 80.<sup>42</sup>

## Committee comment

- 3.42 The Committee is pleased to see the gradual reduction in critical categories of employment. Although Defence claimed that '[y]ou would not be able to win a role if you do not have the necessary and particular technical expertise for a particular role'<sup>43</sup>, the Committee is not convinced that the Jobs Families Project will suffice in providing people with the right skills and knowledge for specialised jobs. Furthermore, the Committee notes Defence's claim is at odds with conclusions in the First Principles Review, which stated that:

As recently as 2013, Defence started classifying its enabling staff by job family and identifying their learning and development requirements. However, on the whole, efforts have been piecemeal, inconsistent and focused on the number of budgeted staff and roles, rather than the skills required today and in the future. The fact that Defence does not systematically collect, store and update comprehensive information on the skills of its enabling workforce is a major failing. As a consequence, Defence lacks the necessary skills to achieve its mission in some areas.<sup>44</sup>

Defence's claim that an employee would not be placed into a role without the necessary and particular technical expertise needs to be more than an aspiration – it must be achieved. To do this, Defence must make an accurate assessment of both qualifications and experience required to achieve task-specific competence for a given role. With more military off-

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41 Returned Services League of Australia, *Submission No. 1*, p. 4.

42 Rear Admiral Ken Doolan (Ret'd), National President, Returned Services League of Australia, *Committee Hansard*, Canberra, 5 June 2015, p. 3.

43 Ms Skinner, Defence, *Committee Hansard*, Canberra, 5 June 2015, p. 18.

44 David Peever, 'First Principles Review: Creating One Defence', April 2015, p. 56.

- the-shelf and commercial off-the-shelf contracts being entered into, the opportunities for Defence and industry personnel to obtain relevant experience must be actively created.
- 3.43 The Committee appreciates that the aim of Project Suakin is to provide flexible service options for ADF personnel. The Committee looks forward to its aims being realised and having a practical effect for personnel. As the relevant legislation has now been passed and the project is further implemented, the Committee recommends that the effect of Project Suakin be quantified. For example, the Committee believes it would be valuable for statistics to be generated on the breakdown of personnel in each service category as well as measurements of the effect on retention.
- 3.44 The Committee supports the general focus on retention measures in addition to recruitment. While targeted recruitment has a role to play, retention measures will provide benefits in reducing training costs and preventing experience drain. It is important that Defence continues to encourage re-engagement and reward experience gained outside Defence, and address issues that cause personnel to leave the services. The Committee recognises that Project Suakin will be central to this through increased flexibility and service options to those in the ADF.
- 3.45 The Committee notes the progress Defence has made on personnel matters. In particular, the Committee notes the respective Service Chief's intent to support and encourage wider diversity in their ranks. The Committee sees this as preferable to targeting specific groups as broader diversity throughout will have positive benefits for both culture and capability.
- 3.46 The Committee is mindful that there has been minimal progress on the issue of military justice in this term of parliament and notes that the issues identified by the previous Senate Foreign Affairs, Defence and Trade References Committee remain extant.
- 3.47 Noting the ongoing critical shortages in engineering, technical and health fields, there needs to be a focus on attracting necessary talent to the services to address these deficiencies. Defence should begin fostering an interest in these fields at the secondary school year 10 level with visits, placements and work experience, followed up in later years with innovative programs like the ADF Gap Year and Defence University Sponsorship. The ADF Gap Year should be expanded to include science and engineering disciplines, with a focus on retention through a transfer to tertiary education either in the Australian Defence Force Academy or through Defence University Sponsorship.
- 3.48 The Committee recognises that a baseline physical standard is necessary in the specialist categories, including Special Air Services Regiment. However, Defence needs to continue to ensure that the physical standard

is relevant to the capability outcome sought. There needs to be a pragmatic approach to physical requirements, ensuring that achievement of capability outcomes meet the expectations of a soldier working in a team on a battlefield.

## Recommendations

### Recommendation 1

The Committee recommends that the Jobs Families Project be further developed to incorporate accurate assessments of both qualifications and experience that are required for a given role. The Committee further recommends that, in its implementation of the First Principles Review, the Department of Defence develop its strategic planning and appointment process to ensure employees have task-specific competence for their role, and that opportunities are actively created for personnel to obtain this relevant experience.

### Recommendation 2

The Committee recommends that the Department of Defence collate and periodically publish figures on the effect of Project Suakin, including statistics on:

- The breakdown of personnel in each service category;
- ADF critical categories;
- Re-engagement by service and sector including assessment of industry skills captured; and
- Quantification of the benefits of personnel retention.

**Recommendation 3**

The Committee recommends that the Department of Defence develop more innovative ways to recruit, especially in the science, technology and engineering fields. The Committee further recommends that the Department, together with the Service Chiefs, utilise the following initiatives to better attract people with science, engineering and technical skills:

- Engagement with secondary schools at the year 10 level such as visits, placements and work experience;
- The ADF Gap Year; and
- Defence University Sponsorship.

**Recommendation 4**

The Committee recommends that, whilst maintaining physical standards, the Department of Defence ensure the standards are fit for purpose and exercise flexibility on a case-by-case basis.