

Personnel

Introduction

- 7.1 Chapter 6 concluded that the Army force structure, based on current Army funding, should consist of a force-in-being of four brigades. The force structure, in particular Training Command, also needs to be modified to permit expansion of the force-in-being. The expansion capability sought is from four to a total of twelve trained and capable brigades within two years of warning.
- 7.2 This chapter examines the suitability of Army's personnel management and training system for achieving these force structure and preparedness objectives. The chapter will begin by an examination of personnel issues impacting on both the Australian Regular Army (ARA) and the General Reserve (GRes). The major areas examined will include recruiting, retention and training. These issues will then be summarised and their consequences for the suitability of the Army discussed. This discussion will include the presentation of an alternate and more suitable personnel model for the Army. The chapter will conclude by examining the suitability of the personnel system in terms of force credibility, scalability, sustainability and efficiency.
- 7.3 The structure of this chapter has been broken up as follows:
- The One Army Concept
 - The Australian Regular Army
 - The Army Reserve

- Discussion – Aligning Personnel with Force Structure Objectives
- Conclusion

The ‘One Army’ Concept

- 7.4 The Army pursues a policy known as the ‘One Army’ Concept. Dr T B Millar propounded this concept of a total force in his 1974 report on the reserves.¹ The intent behind the concept was to make full use of the total personnel asset available to the Army. Since that time a number of initiatives have been undertaken to create a more integrated force. Most notable has been the creation of mixed ARA and GRes units, known as integrated units, and the recent standardisation of training for ARA and GRes.
- 7.5 Pursuit of the One Army Concept has not been without criticisms. The concept requires concessions from both full-time and part-time personnel. A recent example of this has been the contraction of the ARA recruit course from thirteen to six weeks. At the same time the GRes recruit course expanded from two weeks to six.
- 7.6 A number of issues remain to be worked through and addressed with the One Army Concept. However, the overall concept of a total force appears to be the only efficient way to develop an Army that is scalable and sustainable. We agreed with the concept although we were concerned about aspects of its implementation.

Australian Regular Army (ARA)

Introduction

- 7.7 Chapter 2 provides some discussion on the origins and employment of the ARA. As an element of the Army, the ARA has now existed for 40 years. Due to its full-time nature and size it absorbs the bulk of Army’s personnel investment. In terms of total numbers it accounts for approximately one half of the Army’s actual personnel strength.

1 Department of Defence: *Report of the Committee of Inquiry into the Citizens Military Forces*, Australian Government Publishing Service, Canberra, March 1974, Chapter 4 (The Millar Report).

7.8 This section discusses with the following issues relating to the ARA:

- The Current Asset
- The Role of the ARA
- Recruiting
- Retention and Conditions of Service
- Training

Current Assets

7.9 The size of the ARA in 1999 was 23,906² of these 13, 795, or 57 per cent, were assigned to combat forces.³ The two largest combat force groupings of ARA were assigned to only two brigades. These were 1 Brigade, located in Darwin, and 3 Brigade, located in Townsville. As part of the Defence Reform Program the total number of ARA staff within the combat force was intended to be 15,000 within a total force ceiling of 23,000.⁴ This arrangement was reviewed as a consequence of the Army's commitments to East Timor.

7.10 The Government approved, in November 1999, an increase to the ARA of 3,000 personnel.⁵ This increase would be re-examined within the Defence White Paper scheduled for release in late 2000. In June 2000 the Government announced an overall reduction of 2000 military personnel across the three Services. The exact impact of both these announcements on the Army's force structure and capabilities was still uncertain at the inquiry's conclusion.

The Role of the ARA

7.11 Under the One Army Concept there is no distinct role for the ARA. The capabilities supported by the ARA do not differ in kind from those supported by the GRes. The main determinant of whether a capability is staffed by ARA or GRes appears to be driven by readiness requirements. At the time of the inquiry the Ready Force was predominantly staffed with ARA.

2 Department of Defence, *Defence Annual Report 1998–99*, Defence Publishing Service, Canberra, 19 October 1999, p. 162.

3 *ibid.* p. 206.

4 *ibid.* p. 207.

5 *Minister for Defence Press Release 340/99*, 23 November 1999, 'Government Boosts Army and Air Force Strength'.

- 7.12 The ARA also staffed the majority of administrative, training and planning positions necessary for the day to day running of the Army. The migration of ARA to readily deployable units can create the impression that they have a distinct role to the GRes.

Recruitment

- 7.13 In financial year 1998 / 1999, the ARA enlisted 1,999⁶ personnel. Overall recruiting for full time personnel within the Australian Defence Forces achieved only 80 per cent of the assigned target for 1998 / 1999. The reasons for the performance included:
- The gradual shrinkage of the primary target group of 17 to 24 year olds
 - Changes in career perceptions and lifestyle expectations
 - Increased competition in the market place for quality applicants
 - The high rate of job availability in the community⁷
- 7.14 Although overall Army recruitment was down, there were a number of areas of particular concern. These included doctors, communications personnel, missile operators and drivers.⁸
- 7.15 Defence was in the process of attempting new recruitment strategies driven by market research. These strategies were focused on addressing misconceptions about the ADF lifestyle that were proving a barrier to recruiting.⁹ Of concern to the Committee was the absence of any follow-up research by which Defence could monitor the performance of its recruiting strategies.¹⁰

Retention and Conditions of Service

- 7.16 The separation rate of personnel from the services, in 1999, was running at about 14 per cent. This was a higher than normal separation rate but must be compared to similar sized organisations in the commercial sector that run at about 16 per cent.¹¹ The Audit Office, in its April 2000 report on

6 *ibid.* p. 163.

7 *ibid.* p. 247. This issue is further discussed in Department of Defence Submission 73, pp. 1102-1103.

8 Australian Army, Submission 61, p. 916.

9 *Defence Annual Report 1998–99*, p. 248.

10 Audit General, Audit Report No. 35, 1999–2000, Department of Defence: *Retention of Military Personnel*, AGPS, Canberra, p. 58.

11 *ibid.* p. 14.

military personnel retention, noted the following factors as possibly contributing to separation rates:

- inadequate career progression—officers and other ranks believed that there was no overall strategic plan to help them achieve their specific career goals in the military and, unless they have an effective mentor, members basically were required to look after their own career interests;
- a detrimental effect on families—many members would discharge when their children were reaching their teens because of disruption to education that can result from posting cycles and can lead to behavioural difficulties;
- a negative effect on spouse career—resulting from frequent and/or irregular postings;
- an increasing emphasis on efficiency—members consider that many of the savings reported in Defence reform have been made only because they work longer hours and make do with reduced resourcing levels;
- perceived Defence indifference to the effect that continuous change has had on ADF members;
- a decline in military ethos—general dissatisfaction with the way the military is changing to be more like the private sector, taking away many of the reasons for being in the military; and
- poor job satisfaction—a lack of variety in what members do from day to day and a perceived lack of real worth in what is actually done.¹²

7.17 We were aware of the potential for a negative impact on soldiers and their families when conditions of service are changed. During private discussions we were made aware of changes having been made to service conditions without consultation with soldiers. We consider changes to employment conditions without consultation to be a serious matter. Consequently, we intend to consider this matter in more detail during our review of the Annual Report of the Department of Defence.

7.18 Against these negative perceptions, the Audit Office noted that ADF personnel thought that there had been improvements in areas such as housing. The views expressed on service life tended to be mirrored within the Canadian Defence Force.¹³ Concern was also expressed about the

12 *ibid.* p. 15.

13 *ibid.* p. 26.

movement of a substantial number ARA to northern Australia. This move has located many families away from their home support base and may eventually impact on retention.¹⁴

- 7.19 It is necessary for the Defence Forces to have a certain level of separation to ensure a healthy through put of personnel.¹⁵ **We accepted this view but we were concerned that the Department did not have a firm view on what was a healthy rate of separation.** The point was made by the Audit Office that defence spent considerable sums training staff but did not appreciate the costs involved if this person could not be retained.
- 7.20 The cost of training an Army Officer to initial employment could be between 177,000 dollars and 275,000 dollars or more, depending on the Corps. If the officer is a graduate of the Defence Force Academy the cost may exceed 500,000 dollars.¹⁶ For a soldier, costs could be in the order of 50,000 dollars or more.¹⁷ **Accordingly, Defence should be clear about when it is more cost effective to work on retention strategies rather than recruiting afresh. Currently, these issues do not appear to have been worked out.**¹⁸
- 7.21 On a positive note moves were being taken within Defence and the Army to address societal changes that appeared to be impacting on recruitment and retention. Some of the initiatives being looked at include:
- Flexible postings across Services.
 - Relief staffing pools to fill critical vacancies.
 - Secondments to industry.
 - Lateral recruitment.
 - No detriment re-entry into the ADF.
 - Seamless transfer between permanent and Reserve forces.¹⁹

14 Audit General, Audit Report No. 27 1996–1997, *Department of Defence: Army Presence in the North*, AGPS, Canberra, p. xviii.

15 This view was previously expressed to the Committee that the rolling ten-year average for separations was acceptable. (See *Personnel Wastage in the Australian Defence Force – Report and Recommendations*, 1988, pp. 12–13). At no point during the Army inquiry was the ADF's preferred separation rate identified or discussed.

16 Australia, Parliament 1995, *Officer Education: The Military After Next*, Report of the Joint Standing Committee on Foreign Affairs, Defence and Trade, October 1995, AGPS, Canberra, p. 177. (NB: The figure of \$500,000 was arrived at by combining the costs provided by the Army in Submission 61 and the cost estimates in the 1995 Committee Report).

17 Estimates derived from Australian Army, Submission 61, p. 917.

18 See Brigadier R Brown, Transcript, p. 310, and *Retention of Military Personnel*.

19 Department of Defence, Submission 73, p. 1108.

- 7.22 These measures if enacted may make the Army more appealing to both current personnel and future recruits. Greater relief staffing pools may facilitate personnel undertaking service in private enterprise. Already Defence conducts a limited number of secondments for officers to gain experience from industry. Relief staffing pools could allow this process to be extended without creating staff vacancies in key Army staff positions. The common skills sets required in a number of Army, Navy and Air Force postings suggests there should be greater flexibility in posting officers and tradespersons between the Services. Also, many personnel who have left the Army or currently serve in the Reserve have valued skills and experience. The process for absorbing these people into the ARA should be simple. It should also minimise the financial and promotional detriment that may occur when ARA personnel attempt to re-enter permanent service.

Training

- 7.23 Training within the ARA and GRes is based on standardised competency based training.²⁰ The performance of soldiers in deployments over the preceding decade has indicated that training standards are very high. This view was summed up by the Officer Commanding the Army's Training Command:

Whichever way you look at it, the combination of the individual training packages that we provide and the collective training that is going on in our regimental organisations has delivered the goods.²¹

The move by the Army's Training Command to base some training regionally was seen as a positive step. This approach will hopefully reduce the need for ARA personnel to spend extended periods away from their families.²²

- 7.24 In general, the training system was not a contentious issue for the ARA as it was for the GRes. The key concern that emerged for the training of the ARA was their degree of preparation for eventual return to civilian life.²³ The Army was aware of societal trends favouring shorter careers and a more mobile workforce. It was acknowledged that this might require the Army to adopt more flexible employment conditions and to be capable of

20 Major General R Powell, Transcript, p. 295.

21 *ibid.* p. 293.

22 For a discussion on this issue see Major General R Powell, Transcript, pp. 293-294.

23 See comments by Mr W Snowdon, MP, in Major General R Powell, Transcript, p. 294.

training more people.²⁴ **We thought that these initiatives would have to be accompanied by training to better prepare soldiers for a move to civil employment.**

Summary of ARA Issues

- 7.25 The utility of the regular Army lies in its inherent readiness. It is also necessary to have full-time personnel to perform the day to day administration of the Army. However, Regular force personnel are expensive. As indicated in Chapter 5 regular personnel are 34 percent more expensive than soldiers previously employed within the Ready Reserve and 72 per cent more expensive than General Reservists.²⁵ In the case of officer education the approach taken through the Defence Force Academy adds further costs which may not be justifiable given cheaper alternate approaches. In short, where readiness levels will permit, it is more cost effective to employ properly trained Reservists than Regular personnel.
- 7.26 The Regular component of the Army was experiencing difficulties in both recruitment and retention. This appears to be an international trend within western countries. The Department of Defence and the Army are exploring alternate approaches to improving this situation.²⁶ These alternate approaches will have to encompass the Reserve element if the total force is to be more effective. This should become apparent in the next section on the General Reserve.

General Reserve

Introduction

- 7.27 The origins of the General Reserve are discussed in Chapter 2. The Reserve, under the concept of the total force, has no discrete role within the Army. In reality however, the bulk of the Reserve is located in units and formations that are not readily deployable. This has tended to concentrate Reservists on low-level protection operations in defence of the Australian mainland.

24 *ibid.* p. 291.

25 Derived from Department of Defence, Submission 73, p. 1116.

26 A current initiative being explored is the outsourcing of the recruitment process to industry. The results of this trial were not available at the time our inquiry into the Army concluded.

- 7.28 Since the recommendations of the 1974 Millar Report the most substantial change in the nature of reserve service was effected in 1992. This change was the creation of a new reserve forces scheme, the Ready Reserve. The introduction of the scheme saw the Army Reserve (ARes) being redesignated the General Reserve (GRes). The Ready Reserve scheme was abandoned in 1996.²⁷
- 7.29 The issue of the Reserve forces represents the most intractable issue within the Army in the last 30 years. The number of reorganisations and inquiries that have impacted on the Reserve is large. These include:
- The Pentropic re-organisation of the 1960s
 - The Militia Inquiry 1972–74 – The Millar Report
 - The Reformation of the 2nd Division 1981
 - The Reformation of the 3rd Division
 - The Sanderson-Nunn Inquiry 1987
 - The Force Structure Review 90/91
 - The JSCFADT Report – The Reserves, 1991
 - Disbandment of 3rd Division 1991
 - Project Wellesley – Rationalisation of Army Training
 - Restructuring of the 2nd Division 1991 and 1994
 - An Army for the Twenty First Century / Restructuring the Army, 1996–1999
 - The Defence Efficiency Review, 1997
- 7.30 Despite all these reviews and inquiries, fundamental and sustainable reform to produce a useful reserve has not eventuated. Professor Dibb highlighted his frustration with this process in discussing call out legislation:

We have all argued this – Millar, Dibb, Wrigley and other – for decades, and we have got nowhere.²⁸

27 For a discussion on the Ready Reserve see Department of Defence. *Review of the Ready Reserve Scheme*, Coates J and Smith, H, University College, NSW, Canberra, 1995.

28 Professor P Dibb, Transcript, p. 199.

Current Asset

- 7.31 The size of the GRes at the time of the inquiry was 21,486.²⁹ The GRes form the majority of the combat elements of the Army. Six of the nine brigades, and a sizeable portion of a seventh brigade, is based on GRes staffing. Any improvement to the resourcing, training and overall utility of the Reserve element represents a high pay off in terms of improved capability for the Army.

Recruitment

Introduction

- 7.32 In 1998–1999, the Army assigned a recruitment target for the GRes of 4,465. Only 51 per cent of this target was achieved.³⁰ This reflected a 3 year downward trend in GRes recruiting.³¹ Most concerning was the little impact experienced on GRes recruiting by the East Timor crisis. Previously, perceived defence emergencies, such as the USSR's invasion of Afghanistan in 1979, have had a positive impact on reserve recruiting.³² Initial indications are that the East Timor crisis has improved ARA recruitment, but has had no positive impact on GRes recruiting.
- 7.33 It appeared to the Committee that the attractiveness of service in the GRes may be at an historical low. The reasons for this have been blamed most heavily on two causes - changes to the system of training and the method of recruiting. Both these changes occurred at similar times so the exact impact of each is difficult to determine.

The Impact of Training on Recruitment

- 7.34 The introduction of standardised training for both the ARA and GRes has had a clear impact on recruiting. The initial training requirement is through Common Induction Training (CIT) in which both ARA and GRes participate. The course, normally conducted at Kapooka, involves six weeks continuous training. This period of continuous training is proving difficult for as many people to meet (in comparison to the previous two week induction course).³³

29 *Defence Annual Report 1998–99*, p. 161.

30 *ibid.* p. 251.

31 Australian Army, Submission 61, p. 913, Table 2.

32 O'Neill, R, and Horner, D, (Eds) '*Australian Defence Policy for the 1980s*', University of Queensland, St Lucia, 1982, pp. 181-182.

33 Defence Reserves Association, Submission 25, p. 291.

- 7.35 Another consequence of centralised initial training may be the expectations it creates in successful recruits. It has been suggested that there is about a 30 per cent loss of personnel after the recruit course. The lack of resources and interesting training within depots may cause disillusionment after the excitement of initial training.³⁴

The Impact of the Recruiting System

- 7.36 The Defence Reform Program (DRP) initiated a centralised recruiting system.³⁵ This impacted on all three services and the reserve element of the Army. Prior to this time, reserve recruitment was conducted predominantly at the local unit level. The Defence Reserves Association has cited the process of centralised recruiting as having a negative impact on reserve recruiting.³⁶ It has been claimed that the Canberra based system does not recognise the regional nature of the GRes.³⁷
- 7.37 It was also suspected that the centralised recruiting system might be too 'black-and-white' when it came to selecting personnel for reserve service.³⁸ However, in the case of country regions, it was acknowledged that the number of young people available to recruit was limited.³⁹ The Army indicated that it was aware of the impact of divorcing Reserve units from the recruiting process. Plans were being established, particularly with the 2nd Division in Sydney, to address some of the problems.⁴⁰
- 7.38 The suggestion was made that current recruitment advertising may be a cause of poor recruitment. Some have suggested that the advertising is misleading.⁴¹ If this were the case we thought that this would reflect more in retention than in enlistment. The Army felt that recent advertising campaigns were designed to break down a misleading lifestyle image. This image was characterised as 'running in mud' which was a simplistic perception that needed to be changed.⁴²
- 7.39 One area of recruitment that required further investigation was whether the recruiting system realistically assessed an applicant's ability to meet reserve commitments. This appeared particularly important with respect

34 Messrs McMahon and Thompson, Transcript, p. 245.

35 Lieutenant General F Hickling, Transcript, p. 56.

36 Major General W Glenney, Transcript, p. 210.

37 Lieutenant Colonel D Strain, Submission 38, pp. 591-592.

38 Lieutenant Colonel D Strain, Transcript, p. 10.

39 *ibid.* p. 10.

40 Brigadier R Brown, Transcript, p. 305.

41 Brigadier B Cooper, Transcript, p.231; and Lieutenant General J Sanderson, Transcript, p. 148.

42 Lieutenant General F Hickling, Transcript, p. 57.

to availability for operations. The suggestion was made to us on more than one occasion, that some reservists would not be able to deploy because of the nature of their work.⁴³

- 7.40 The performance of 4 Brigade in Victoria was of note. The greater resourcing received by the brigade was matched by a creative approach to recruiting.⁴⁴

Other Factors Impacting on Reserve Recruiting

- 7.41 The ACTU noted that other societal and employment work practice shifts may be impacting on recruiting.⁴⁵ We accepted that many aspects of society had changed in recent years. Young people have more options than in the past for using their leisure. The military now represents one option in many. Of particular concern to us was the demographic change that may have impacted on the viability of some reserve depots. This impact was well illustrated by the plight on one reserve unit previously commanded by Brigadier Ball:

When I commanded the 8/7th Battalion in 1988, 1989 and 1990, ... I had 11 depots with some 550 soldiers. The battalion was the largest unit in the 4th Brigade, it is now one of the smallest. To continue looking at the demographics, the people we are looking at – the 17 to 35-year-olds – are now moving into the larger population areas, particularly Melbourne. The first depot that I commanded in Maryborough in central Victoria had to close last year because it was down to two soldiers ... When you remember that 70 per cent of Victoria's population now resides in the metropolitan area, it is going to be an uphill battle in the country. I see the bigger centres of Ballarat, Bendigo, Albury, Warnambool and those in Gippsland being the hubs in the country and Melbourne will go onto bigger and better things.⁴⁶

- 7.42 Based on recruiting trends over three financial years it requires a population base of 5,000 people to annually generate one reservist.⁴⁷ This is an average and will be regionally affected by a broad range of factors. As a starting point, it logically suggests that to maintain a platoon sized depot of approximately 30 soldiers requires a significant population base. The impact of population on the sustainable size of a reserve depot is

43 Brigadier B Cooper, Transcript, p. 229; and Submission 20, p. 170.

44 See Brigadier D Ball, Transcript, p. 281

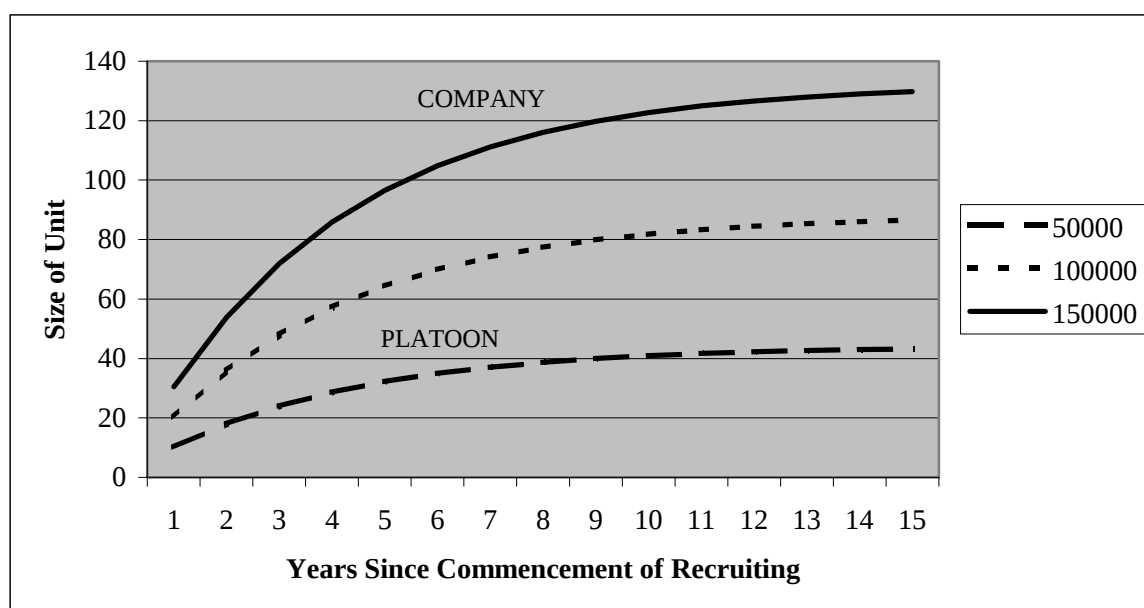
45 *ibid.* p. 243.

46 Brigadier D Ball, Transcript, p. 282.

47 Derived from data provided in the Department of Defence, Submission 73, pp. 1106-1107.

depicted in Figure 7.1. This Figure indicates, on present recruitment and retention rates, the sustainable number of soldiers for populations of 50,000, 100,000 and 150,000 people.

Figure 7.1 The Sustainable Size of Reserve Units based on the Size of the Supporting Civil Population



Source Derived from data provided within Department of Defence Submission 73. These figures assume an average retention rate of 23 per cent and an annual recruitment rate of 20.3 soldiers per 100,000 population.

7.43 It was clear from evidence received from 4 Brigade, in Victoria, that some training depots were located in marginal recruit catchment areas. The infantry platoon of 30 soldiers is probably the smallest element on which effective collective training could be conducted in isolated depots. On current recruitment and retention trends this means that any reserve depot within a catchment area of less than 50,000 people is unlikely to achieve operational staffing levels.⁴⁸ When the current recruitment and retention rates are applied to the entire nation it is clear that the sustainable size of the Reserve is 16,500⁴⁹ personnel. This figure could be altered through improved conditions of service, recruiting or more

⁴⁸ For a depot to be viable potential enlistees must be within reasonable travelling distance. If this distance is set at 100 km (1–1.5 hours travelling time) then the population density required needs to be approximately 6 people per square kilometre.

⁴⁹ Derived by assuming an annual national recruitment rate of 3,800 and a yearly wastage of 23 per cent of personnel.

interesting training. However, it provides a baseline of sustainability under the present regime of standardised ARA / Reserve training.

- 7.44 The Army could not provide information on how many reserve depots were aligned to sustainable demographic bases.⁵⁰ Similarly, the Defence Reserves Association did not appear to have any data on whether demographic shifts might be impacting on recruiting.⁵¹ The lack of hard analysis on this issue was surprising given its impact on the viability of a significant component of the Army.

Retention

- 7.45 In December 1999, reservists left the Army at a rate of 23.45 per cent.⁵² It appears a variety of reasons contribute to this separation rate. As already discussed as many as 30 per cent may leave shortly after completion of CIT. The most significant reasons appear to be:

- Civil Employment Pressures
- The Current Nature of Reserve Service

Civil Employment Pressures

- 7.46 The situation of joining and staying in the GRes is very much complicated by employment issues. Many find the demands of their employer too great, particularly in small enterprises where it is difficult to absorb staff absences. There was evidence that some reservists do not reveal their service to their employer, sometimes because of an expectation of discrimination.⁵³ This evidence is reinforced by the statistic that a reservist is twice as likely as the average to be in a union. The Defence Reserves Association suggested that GRes personnel returning from East Timor, unlike their ARA counterparts, would be faced with the reality of having to find a new job. The experience of reservists in the United States following Operation Desert Storm in 1991 would suggest that at least 25 per cent of personnel returning from a prolonged deployment will be jobless.⁵⁴ It was obvious to the Committee that the self-employed and

50 Department of Defence, Submission 73, p. 1107.

51 Major General W Glenny, Transcript, p. 213.

52 Department of Defence, Submission 73, p. 1102.

53 ACTU, Submission 20, p. 173.

54 Messrs McMahon and Thompson, Transcript, p. 248.

those working in small industries would experience difficulty meeting the time demands of reserve service.⁵⁵

- 7.47 This may explain why a large number of reservists come from large organisations with some 40 per cent of GRes currently residing in government jobs.⁵⁶ It may also point to fundamental changes that have occurred in employment conditions in recent years. While the loss of the reserve leave entitlement is an obvious example⁵⁷ this is but one instance of change. The evolution of employment practices and conditions has over recent years meant that many employers can no longer afford to allow employees to go on exercises and training.⁵⁸ There is a clear need for employment protection of reservists. The issue of protecting jobs is discussed in the next section.

The Current Nature of Reserve Service

The Impact of Limited Resources

- 7.48 Many aspects of reserve service, in addition to the pressures associated with maintaining civil employment, appeared to work against a healthy rate of retention. One of the most significant appeared to be boredom in training.⁵⁹ Complaints were received concerning the lack of specialised and interesting training in the Reserve.⁶⁰ The inability to train was linked to the lack of equipment to train on⁶¹ and the general poor level of resourcing.⁶² The inability to maintain the training levels experienced during Common Induction Training (CIT) was also cited as a cause for separation from the reserve.⁶³ Some felt that reservists were excluded from the 'plum jobs' with limited opportunities to be involved in disaster relief or peacekeeping.⁶⁴

Inequities in the Treatment of Reserves

- 7.49 Complaints were also received about the equity with which reservists were treated vis-à-vis regulars. This included inequities associated with

55 See comments by Senator Ferguson in LTCOL D Strain, Transcript, p. 9; comments by Mr Hamilton-Smith, Transcript, p. 27; and comments by Major General Nunn, Transcript, p. 39.

56 Messrs McMahon and Thompson, Transcript, p. 242.

57 Defence Reserves Association, Submission 25, pp. 217–218.

58 Mr R Toplis, Submission 2, p. 2.

59 Mr M O'Connor, Transcript, p. 171.

60 Mr R Downey, Submission 3, p. 20.

61 Air Marshal D Evans, Transcript, p. 268.

62 Returned Services League, Submission 18, p. 142.

63 Messrs McMahon and Thompson, Transcript, p. 245.

64 Mr R Cain, Submission 8, p. 62.

competing for job positions. Although this complaint was not universally supported,⁶⁵ other evidence was provided that indicated that the relationship between the regular and reserve components was not always constructive.⁶⁶ From the perspective of some reservists, there was a sense that they were being treated as second class citizens. The Defence Reserves Association recommendation that unit command positions be filled by reservists rather than regulars further testified to the presence of some tension.⁶⁷ At least one regular officer identified difficulties being experienced by both reservists and regulars as training became more integrated.⁶⁸

- 7.50 The Committee heard a number of suggestions that the conditions of reserve service needed to be improved. This included improvements in pay⁶⁹ and the provision of pensions.⁷⁰ A suggestion was also made that bonuses should be paid to reservists for achieving readiness levels – including physical fitness.⁷¹ It was also pointed out that reservists had suffered from a lack of community recognition and support. One suggestion was received which suggested that the introduction of a Reserve Forces Service Medal might go some way to redressing this problem.⁷²

The Issue of Call Out and Employment Protection

- 7.51 The Reserve descends directly from the militia concept created after Federation. The militia was intended for the defence of Australian territory. As discussed in Chapter 2 it could not be used outside of Australia. Modifications have been made to the Defence Act of 1903 to facilitate the use of Reserves however these changes do not appear to have been sufficient. It was suggested that the Act be examined to remove ‘artificial barriers’ between Regular and Reserve service. Specifically it was recommended that the Act be amended to:
- Allow reservists to be employed in contingencies short of war or defence emergency.

65 Messrs McMahon and Thompson, Transcript, p. 245-246.

66 Air Marshal D Evans, Submission 54, pp. 859–860.

67 Major General W Glenny, Transcript, p. 211-212.

68 Colonel D Chalmers, Submission 50, p. 823.

69 Mr R Cain, Submission 8, p. 63.

70 Mr R Toplis, Submission 52, p.838.

71 Lieutenant Colonel D Strain, Transcript, p. 11.

72 See Mr F Goode, Submission 67.

- Adjust the definition of war to a concept broader than attacks on Australia
- Remove the current time limitations on Reserve call out. The suggestion was made that it should be extended up to a maximum of twelve months.
- Remove the requirement for Parliament to be recalled. The suggestion was made that, in a selective call out, this was a costly and unnecessary provision.
- Provide employment protection for reservists.⁷³

7.52 The ACTU provided comprehensive suggestions on employment protection. They appeared to have drawn heavily on experience gained by both Britain and the United States. It was clear from the evidence that call out and employment protection legislation must also address the real concerns of employers.⁷⁴ This was emphasised by the ACTU and by the Australian Chamber of Commerce and Industry. We were not, from evidence we received from the Australian Chamber of Commerce, convinced that the Army had consulted sufficiently widely on the issue of employer needs.⁷⁵ It was also pointed out that the call out and protection of the Reserve needs to be placed in a wider context. One witness stated that:

The reserves are so small that most employers do not have one. If you look at the number of people on maternity leave in Sydney or Melbourne at any one point in time, if we call out the reserves, the figure would be smaller than for those on maternity leave.⁷⁶

Training

Introduction

7.53 Training of reservists, as for regulars, is competency based. As indicated previously, in the past, reserve training was structured around modified ARA courses. The courses were stripped down to permit their conduct within two weeks or a series of two-week modules. The expansion of the time now taken to complete courses has had a heavy impact on the Reserve.

73 Colonel D Chalmers, Submission 50, pp. 12-13

74 See ACTU, Transcript, pp. 241–250; and Submissions 7 and 68.

75 See Mr M Paterson and Mr R Bluck, Transcript, pp. 68–278.

76 *ibid.* p. 270.

Individual Training

- 7.54 The previous system of using modified ARA courses resulted in two job performance standards within the Army. Some have argued that the GRes do not need many of the trade competencies used by the ARA. Consequently, the training should be different.⁷⁷ However, others disagreed and cited, amongst other things, the occupational health and safety aspects relating to training.⁷⁸ The point was made that training the Reserve to a high level without giving them a mission was counter productive. It was suggested that reservists would accept higher levels of training if they had a mission.⁷⁹ Some of the difficulties being caused by the current training system could possibly be avoided by modularising courses. It also seemed illogical to place heavier training demands on reservists if they were not given clear and credible missions. For General Sanderson, the need for higher training standards was crucial to having a Reserve that could be used.⁸⁰ The dilemma was whether the current system of Reserve training could support the spectrum of job categories within the Army.
- 7.55 The training time for courses in the Army varies between several weeks to a year or more for some specialist trades and for officers. With such lengthy training, it is conceivable, for some courses, that the training obligation may exceed the reservists total time in the Reserve.⁸¹ Under current arrangements of reserve service this situation appears untenable.⁸² Either some trades must be excluded from the Reserve or the Reserves conditions of service must be flexible enough to handle lengthier training. For example the trade of Electronics Technician takes over 12 months of full-time study and training to complete. Under the current structure of Reserve training completion of such a course part-time would be impracticable. It could be completed however, if Reservists committed to initial periods of full-time training before commencing part-time service.
- 7.56 The suggestion was made to us that the previous Ready Reserve Scheme provided a good option for training reservists in the more complex trades.⁸³ The benefits of initial continuous training were mentioned to us by a number of witnesses.⁸⁴ It was also noted that many of the more
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77 Lieutenant Colonel D Strain, Submission 38, pp. 593-594.

78 Lieutenant General J Sanderson, Transcript, p. 149.

79 Mr M Hamilton-Smith, Transcript, p. 28.

80 Lieutenant General J Sanderson, Transcript, p. 149.

81 Major General B Nunn, Submission 20, p. 171.

82 Brigadier P McIntosh, Transcript, p. 259.

83 *ibid.* p. 254.

84 Major B General Nunn, Transcript, p.34; and Air Marshal D Evans, Transcript, p. 118.

senior reservists themselves benefited from 90 days continuous service under national service.⁸⁵ The exploration of a method for permitting reservists to train in the more complex Army trades seemed highly desirable.

- 7.57 Notwithstanding the need for lengthy courses, the shorter Army courses still presented problems for reservists. In competency based standards training it was suggested that not all courses had to be lengthy or held in distant central training locations. The key issue was to have quality control and standardised assessment.⁸⁶ The Army appeared to be responding to some of these concerns by increasing the modularisation of some courses. For instance, consideration was being given to breaking the current six week CIT course into two three week blocks.⁸⁷

Collective Training

- 7.58 Resource issues – including equipment availability and operating funds - were complicated the conduct of Reserve collective training. We were advised of the impossible situation where a reserve signaller may not be able to train for want of the necessary signalling equipment.⁸⁸ Equally concerning are the limited opportunities for reservists to work up collective skills which will permit the Reserve to be used as whole units rather than individual replacements. Resourcing of collective training may be complicated by the dispersed nature of some Reserve units.
- 7.59 It appears that the collective training standards being achieved in the Reserve is relegating it to a training pool.⁸⁹ This concept of the Reserve as a training pool was rejected. Effective collective training of the Reserve was critical if the Army is to generate credible force rapidly and sustain it on operations.⁹⁰ This situation was also exacerbated by staffing levels. Many units are operating at 50 per cent or below operational strength. As not all personnel are likely to be available at any one time this low staffing level becomes problematic.⁹¹ An option for overcoming this problem is to

85 Lieutenant General J Sanderson, Transcript, p. 149.

86 Major General B Nunn, Transcript, p.34; and Lieutenant Colonel Strain, Transcript, p. 7.

87 Major General W Glenny, Transcript p. 214; and Brigadier P McIntosh, Transcript, p. 260. The issue of modularisation was also discussed in the Department of Defence, Submission 73, p. 1106.

88 Lieutenant Colonel D Strain, Transcript, p. 7.

89 It was noted that 'standard readiness' reserve units could be used to provide individual and follow-on reinforcements. See Brigadier P McIntosh, Transcript, pp. 260–261.

90 Major General B Nunn, Transcript, p. 35.

91 Colonel Chalmers pointed out to the Committee the difficulties of doing effective collective training with small numbers. See Colonel D Chalmers, Submission 50, pp. 824 and 829.

provide a staffing increment that will allow effective collective training to occur. A suggested increment to guarantee deployability is to staff units 20 per cent above the set operational staffing levels.

Conclusions - General Reserve

7.60 As mentioned in Chapter 6, Force Structure, the single greatest concern for us during the inquiry was the state of the Reserve. We felt that Army personnel serving in a part-time capacity should be able to:

- serve in units that were well resourced, staffed and equipped;
- have a clear role and utility in Australia's security – including being called upon to serve on operations; and
- have an expectation that if called upon to serve they would do so in formed units surrounded by the people that they had trained with.

7.61 We came to the following conclusions about the reserve component of the Army:

- From considerations of funding and efficiency, the Army needs a system of part-time soldiers to be able to sustain a force structure of four or more brigades.
- For the Army force structure to be readily useable and quickly scalable, there can be no distinction between the training and competency standards for full and part time personnel.⁹²
- Continuation of the General Reserve (GRes) scheme, based on current recruitment and separation rates, will result in the sustainable steady state of the Reserve being 16,500. Unless there are resources allocated to alter this sustainable state it should be accepted and force structure adjusted accordingly.
- Under current conditions of service, it is unlikely that the Reserve will be able to provide qualified soldiers in any trade with a long course length. Longer length training could be attained by the implementation of employment conditions similar to those of the Ready Reserve scheme.
- The current poor standard of training and readiness within Reserve units is a direct result of under-resourcing. This effect of has been compounded by:

92 It should be noted, notwithstanding the needs of readiness and capability, that community standards for occupational health and safety and 'due care' limit the Army's ability to revert to a training system with two performance standards.

- ⇒ The need to spread resources over too many dispersed units and formations
- ⇒ Historical reasons that have left Reserve units located within recruitment catchment areas that are demographically unsupportable.
- ⇒ The lack of supporting legislation to make the Reserve elements of the army more readily employable.

7.62 We could not ignore the evidence that the relationship between the Reserve and Regular components of the Army was sometimes strained.

Discussion - Aligning Personnel with Force Structure Objectives

An Unsuitable Personnel Model

- 7.63 For legislative and cultural reasons Dr Millar's concept of a total force has not been realised.⁹³ The failure to realise this concept practically has been costly. It has directly resulted in the need to increase the Army's trained manpower by 3,000 as a consequence of East Timor. This is despite a theoretically available total force of nine brigades. The personnel structures are clearly not suitable to the tasks repeatedly demanded of the Army.
- 7.64 This situation is further complicated by the societal and operational pressures now impacting on both Regular and Reserve service. The Army accepts that more flexible employment conditions are needed for Regular personnel. Specifically the Army needs to accommodate the greater degree of career mobility expected within society.⁹⁴ The Army also needs to address the expense of maintaining large numbers of Regular force personnel. If other personnel models can provide well-trained and ready personnel at lesser cost they should be explored. In general, the ARA

93 Alan Wrigley in a 1990 report to the Minister of Defence thought that Australia, unlike the United States, missed the opportunity to create a workable 'total force' at the conclusion of the war in Vietnam. See Department of Defence, *The Defence Force and the Community: A Partnership in Australia's Defence* A Report to the Minister of Defence (Extract Only) by Wrigley, A, AGPS, Canberra, June 1990, p. 490.

94 Defence and Army have made moves in this direction through the Flexible Employment Practices (FEP) Project and the Officer Professional Effectiveness Review (OPERA) by the Army. See Department of Defence, Submission 73, pp. 1107-1108.

should be maintained at the minimum levels consistent with readiness and training requirements.

- 7.65 For Reserve personnel, the demands are more extensive. Operationally, these demands include the need for a personnel asset that is credibly trained, ready and sustainable. In addition, growing awareness of the needs for duty-of-care and occupational health and safety preclude a reversion to two standards of training – an ARA and a GRes standard. Reserve based units and formations must be deployable in reasonable time frames and interoperable with predominantly Regular units.
- 7.66 We believe, after considering the evidence that the Army has now struggled with almost 100 years of systemic difficulty in its personnel structure. A more suitable approach is required. This approach should address the difficulties being experienced by both types of Army service – not just the Reserve. One model that may rectify these problems is the adoption of a single avenue of service.

An Alternate Personnel Model for the Army

- 7.67 A model using a single avenue of service would be covered by common legislation and provide flexibility in employment. This flexibility would be provided by the use of differing employment conditions to meet an individual's changing career aspirations and personal circumstances. Depending on changing individual and service needs, soldiers could transition between the differing conditions of employment.
- 7.68 An option for this model is to provide five categories under which a soldier can serve. These categories could be:
- Category A – Full-time service for an agreed tenure.
 - Category B – Initial full-time service followed by an agreed commitment for part-time service for a set tenure. Subsequent part-time service would require regular attendance at a local unit. Under this category the initial period of service would vary depending on the length of the initial training required. For instance an electronics technician would, because of course length, would serve longer than a rifleman.
 - Category C – Part-time service for an agreed tenure. This part-time service would require regular attendance at a local unit.

- Category D – Part-time service for an agreed tenure. This part-time service would be done in a local or remote location at irregular time intervals which best suit the individual.⁹⁵
- Category E – Non-active service by fully trained personnel who remain on a recall database to support special projects or force expansion.⁹⁶

7.69 The model requires that personnel be able to transition between categories easily. This transition would be facilitated by a common system of personnel management and assessment. It would require common training standards but highly flexible methods of training delivery. In short the model is intended to utilise the strengths in the Regular, General and Ready Reserve models while minimising their limitations.

7.70 This model contains a number of assumptions. These are:

- No unit would be staffed with less than 20 per cent Category A personnel.⁹⁷ This assumption is based on the benefits enjoyed by 4 Brigade when it was given increased full-time staffing.
- The level of Category B, C and D personnel within a unit would be dynamically adjusted over time to meet shifting operational readiness requirements.
- Personnel requiring lengthy training would enter via Categories A or B but could later transition to any category.
- A transparent system of assessment and career management would be utilised. Personnel, regardless of Category, would compete for appointments and promotion on a common system of merit.
- A graduated system of service conditions would operate to ensure that housing, superannuation and compensation could be adjusted as personnel transitioned between categories.
- Personnel in Category B through to C would be covered by employment protection that addressed the negative impact of call out and training on susceptible industries.

95 This Category is to allow the Army to attract and effectively use people living in remote or isolated situations. The Army has used a similar system known as the 'Bushman's Rifles'.

96 These personnel would have to be themselves categorised based on the length of time since they last actively served. Those personnel within 12 months of having served would be the most current and therefore the most likely to be recalled first in the event of a need to expand the force. It is suggested that after five years separation from active service most people would no longer be suitable for retention on the Category E database.

97 This figure of 20 per cent full time staffing should not be reduced until analysis proves that there would be no operational or other detriment to maintaining a lesser percentage of full-time personnel.

- Units would be located within a population demographic capable of supporting the requisite numbers of Category B, C and D personnel.
- To ensure the availability of formed units staffing for Categories B, C and D personnel would be fixed at 20 percent above operational staffing levels.

7.71 In suggesting this model we acknowledge the planning currently being done within the Army and Defence on flexible employment. This work might be logically extended to achieve this model. It would be important that this extended to the legal and cultural distinctions now present, between full and part-time personnel, to remove them.

Expanding the Personnel Base

7.72 At the start of the chapter it was stated that the force structure should be able to be expanded to a total of 12 brigades within two years. The model detailed above can support this expansion through maintaining a large pool of Category E personnel. One option for creating this pool is through registration of suitably trained but no longer active personnel.⁹⁸

7.73 For instance, in 1999–2000, approximately 2000 fully trained personnel left the ARA. Over time the skill levels of these personnel will degrade. However, all of the personnel have served a minimum of four years within the Army and many will have served more years. This length of service represents a deep level of both training and experience. For a period of, say, five years after departing the Army most personnel should still retain sufficient knowledge to be rapidly trainable in time of emergency.

7.74 On this basis, after five years, the nation could have an asset of approximately 10,000 trained personnel on which it can draw in emergency. The staffing requirement for eight additional brigades would be 28,000 personnel. This would require that the Army maintain a recruit training capacity to generate 18,000 additional personnel within two years. This requirement would have to be pre-planned and the Army Training Command structured to meet this surge throughput requirement.⁹⁹ Another issue that would need to be addressed is whether the Category E

98 A suggestion to make better use of trained personnel after departure from service was made in a confidential submission, Submission 24.

99 18,000 recruits is 4.5 times greater than the normal recruit throughput in a two year period. At the start of force expansion the Army Training organisation itself will have to be expanded – possibly by using Category E personnel who have just departed from the Army.

personnel asset was achieved through inducements, legislation or a combination of these methods.

Conclusion

- 7.75 The current Army personnel system is not suitable to meet the desired force objectives of credibility, scalability, sustainability and efficiency. The model proposed above redresses these deficiencies.
- 7.76 Under the proposed model:
- the force is more credible because units are operationally staffed and at an overall higher training standard;
 - the size of the force can be more easily scaled to meet readiness and size requirements;
 - sustained changes to readiness can be adjusted through alteration in the ratios of Category A, B and C personnel within a unit; and
 - overall force size can be adjusted through recall of previously trained personnel from the community.
- 7.77 The model permits the creation of a force that is sustainable. It provides sufficient trained units and formations to maintain a prolonged commitment to one major and one minor deployment anywhere within Australia's ACSI. Finally, the model is efficient for a number of reasons:
- facilities and equipment are provided only to properly staffed units;
 - resources are not spread over units that lack sufficient critical mass to either collectively train or deploy; and
 - the staffing ratio for a unit can be adjusted to ensure that it is the most cost efficient mix for the particular units readiness level.

