

Personnel and Related Issues

- 6.1 The Chief of the Defence Force (CDF) and the Secretary of Defence were invited to attend an open session to respond to a range of questions at the discretion of the Committee. The Chief of the Defence Force was unable to appear personally and was represented by the Vice Chief of the Defence Force.
- 6.2 The key issues that were examined during this open session related to a range of personnel matters. Specifically, the Committee explored the following issues: the problems, and remediation initiatives, in relation to recruitment and retention of ADF personnel; maintenance of Army aviation records; and progress in relation to compensation for F-111 Deseal/Reseal affected personnel.

Recruitment and Retention

Overview

- 6.3 The Chief of the Defence Force and the Secretary of Defence noted Defence's demanding agenda and the impact of this agenda on the men and women of the Australian Defence Organisation (ADO), and reported that they 'are heartened by the performance of our people'.¹
- 6.4 In 2004-05 the overall separation rate for the ADF increased slightly, although remaining under the ten-year average, and overall recruiting targets were not met. Defence noted that this situation reflected, 'among

1 Department of Defence, *Defence Annual Report 2004-05*, p. 7.

other things, the tighter labour market conditions' and that they were 'pursuing a number of initiatives to improve recruiting generally and to retain personnel who are in specialist and technical trade categories in particular.'²

6.5 The overall recruiting achievement against targets for the Permanent and Reserve forces for 2004-05 was 77 %, which was 9 % lower than in 2003-04. Individual recruitment achievements by Service and by Permanent and Reserve force were as follows:

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|------------------------------|--------------------------|
| ■ Navy Permanent – 73 %, | Navy Reserve – 25 % |
| ■ Army Permanent – 81 % | Army Reserve – 76 % |
| ■ Air Force Permanent – 91 % | Air Force Reserve – 52 % |
| ■ ADF Permanent – 80% | ADF Reserve – 72 % |

6.6 ADF recruiting is Defence's highest workforce priority. Initiatives to improve recruitment in 2005 ranged from targeted advertising campaigns for Defence critical jobs, enhanced training for recruiting staff, and partnership in the 'Steps to the Future' Youth forum together with other young Australian community groups. Some 20 new recruiting initiatives were identified for development in the ADF Recruiting Strategic Plan 2005-10, which was endorsed by the Chiefs of Service Committee in October 2005.

6.7 As noted above, the total number of separations from the Permanent force also increased slightly due largely to increased separations by Army and Navy other ranks. As with the recruitment situation, comprehensive retention initiatives were also being developed.

6.8 Individual service separation rates were as follows:

- Navy – 12 %;
- Army – 13 %;
- Air Force – 8 %; and
- ADF – 11 %.

ADF Recruiting Targets and Achievement

6.9 The Committee expressed concern about the poor ratio in relation to recruiting inquiries converted into actual recruitment, and requested

2 Department of Defence, *Defence Annual Report 2004-05*, pp. 7-8.

information into the manner in which ADF recruiting targets were set and the process by which applicants were 'filtered' through the recruiting continuum. Defence accordingly provided an overview of the workforce planning process to clarify the strategic and capability considerations in building and recruiting an appropriate ADF workforce.

- 6.10 The Defence Personnel Executive advised the Committee that the targets, entry standards, and the policy that underpins how Defence Force Recruiting (DFR) conducts its recruiting operations are determined by the three single Services to meet single Service capability requirements, and not by DFR. Target-setting is a multiple-stage process with a range of inputs. For example, evaluating the capability need, determining how many people of a particular trade and employment group would be necessary to meet the need, an assessment of the training required, projection of training failures, the time frame to build towards a certain capability, and the likely pool from which the supply would be met.
- 6.11 Nonetheless, Defence acknowledged that at first glance, it could be construed that the number of people who inquire, apply and then enlist is 'skewed to the extent that we should be doing better with the number of applications actually turning into people joining the ADF.'³ Indeed, the 'initial inquiries' are measured on the basis of each and every call to the 131901 Defence Force Recruitment centre and captured all types of inquiries, many as simple as seeking a brochure about a specific Service trade. Defence noted that these types of general inquiries were not considered applications in the traditional sense, hence a perception of 'skewing' with regards to the conversion ratio.
- 6.12 Regardless of the measurement methodology, Defence assessed that the candidate management of applicants and inquirers was lacking and that more needed to be done with regard to 'keeping them interested, keeping them keen and keeping in touch ...'⁴ To this end, the recently employed national marketing manager for recruitment was developing:

... a new customer relationship management plan so that Defence recruiters, who might in some cases be looking after a database of 400 candidates, will know how best to keep those people interested in joining an ADF career.⁵

3 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 74.

4 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 75.

5 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 75.

- 6.13 A complicating factor for Defence with regard to efforts to optimise candidate management related to the alignment of the recruiting system with the training system, particularly when some specialised trade courses were of such complexity and duration that only a small number were run each year. Careful management of the timing between enlistment and commencement of training was therefore essential. The Head of the Defence Personnel Executive noted that this was especially so:

in this environment where a lot of people are after the same skill sets, we cannot afford that gap. We need to get the people as quickly as possible once they have expressed an interest in coming and a desire to come here. We know that and we are working to that.⁶

- 6.14 Defence advised that a strategic plan for recruiting had been developed and that a broader issue for consideration, amongst the 27 specific items in that plan, related to the 'filtering' process which starts with general inquiries, through to formal applications through to eventual enlistments. While high standards and a desire for quality personnel were important to ensure a robust ADF, there was an acceptance that 'there are some standards that the Services set that perhaps for a modern day ADF might be worth reviewing.'⁷ For example, medical restrictions imposed for certain conditions that could either be managed (such as asthma) or that would not necessarily impact on employment in some areas of the ADF (colour blindness, overweight).

Recommendation 7

The Committee recommends that Defence report on the progress of implementation of the ADF Recruiting Strategic Plan 2005-2010, specifically in relation to the conversion ratio of inquiries, to applications, to enlistments and the review of entry requirements.

6 Major General Mark Evans, Head Defence Personnel Executive, Department of Defence, Transcript, pp 76-77.

7 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 75.

Recruitment Initiatives

- 6.15 Ensuring the right mix of personnel, with the right skills and experience to deliver the ADF's capability is a priority for Defence. One of the cornerstones of this people-mix, and an increasing challenge for Defence, is recruitment. The Director General of Defence Force Recruiting gave context to the scope of the challenge during the hearing when he observed:

... it is highly competitive now to get out and recruit. Are [our entry] standards still applicable, given the requirement to recruit 8,741 full-time and part-time people to come and join the ADF this year? That is half the size of the New South Wales police force. We have to recruit every year – so they are big numbers.⁸

- 6.16 The manner in which Defence is meeting these challenges was pursued by the Committee during the hearing. Defence highlighted a selection of recruitment initiatives, both new and ongoing, that were explored accordingly.

- Involvement in the New Apprenticeships scheme through a range of ADF training establishments by offering high quality training leading to technical employment within the ADF. Defence advised that they had entered into discussions with civilian firms and regional TAFEs with regard to establishing strategic partnerships in the provision of trade training.
 - ⇒ The Director General Defence Force Recruiting acknowledged that technical trades and skilling was one of the top priorities for the ADF and that more needed to be done to address shortfalls, for now and into the future.⁹
- The direct entry recruitment of submariners was being considered by the Navy having learned from the lessons of a previous attempt in the early 1990s.
 - ⇒ Initial positive results have occurred with regard to inquiries, which are attributed in part to the heightened profile of the submarine fleet following screening of the television documentary about HMAS

8 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 75.

9 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 77.

Rankin. The producers of the documentary have given Defence permission to use it in ADF recruiting centres.¹⁰

- Non-traditional methods were also proving effective and being pursued by Defence. For example, banners on web sites and search engines were recording 'hits', particularly with some of the technical trades that were being targeted.¹¹
- Financial assistance for travel and accommodation to ensure that candidates wanting to join the ADF could access a recruiting centre or a recruiting capability ie a mobile team. Further, support could also be provided to enable a candidate, particularly for a critical trade, to visit a location where a major ADF platform, asset, or equipment was based or temporarily located.

6.17 An additional recruiting option available to Defence is lateral recruitment from overseas militaries. While recruitment such as this was not actively pursued, nor was it supported by targeted campaigns, it was nonetheless a viable means of meeting shortfalls, particularly in critical categories where the demand was not being met from within Australia. The Defence Jobs website has a section containing information for foreign military members seeking to transfer to the ADF. However, as stressed by Defence, foreign military personnel are not actively recruited and only those who approach the ADF are considered as potential candidates.

Separation Management

6.18 There was an acknowledgement by Defence that the ADF was staffed by highly skilled and trained personnel. A significant amount of time and training had been invested in them and it was in the interest of the ADF to keep them in the organisation. Further, retention of personnel had a positive flow-on in terms of costs and achievement of a balanced force. Defence advised that analysis of the separation rates, including the separation spikes, enabled better management of decision points and therefore separation behaviour. Specifically, one would see:

... a spike after the first 18 months of a person's service and then a second spike after four to six years ... there is an audit of our training establishments to reduce the separation rate there. We are now targeting people at the five- to six-year period, which is when

10 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 80.

11 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 80.

they come to the end of their enlistment period. There is a decision point there and we need to target that decision point to try and get more people to stay on ...¹²

6.19 Accordingly, a range of initiatives to manage separation behaviour were underway, some of these were long-standing, others were more recently introduced to meet evolving demands. Specific examples follow:

- Reducing the impact of the demands of ADF service on the family of members had a direct bearing on separation rates. Accordingly, Defence had been improving the support package provided to members, for example:
 - ⇒ Defence Childcare Program
 - ⇒ Defence School Transition Aide Program
 - ⇒ Services Workforce Access Program for Partners¹³
- Over the last 18 months rehabilitation initiatives had been enhanced to ensure that injured personnel were supported by a robust system to facilitate their timely return to the workforce.¹⁴
- Continuing remuneration reform in the ADF, in particular:
 - ⇒ the superannuating of specific skill-based elements of allowances in the nature of pay with effect from 12 August 2004; and
 - ⇒ developing a flexible salary structure for officers.¹⁵
- Support to the mental, physical and emotional well-being of ADF members by the continued implementation of a range of programs:
 - ⇒ the Defence Injury Prevention Program
 - ⇒ ADF Alcohol, Tobacco and Other Drugs Service
 - ⇒ ADF Suicide Prevention Program¹⁶

12 Major General Mark Evans, Head Defence Personnel Executive, Department of Defence, Transcript, p. 83.

13 Department of Defence, *Defence Annual Report 2004-05*, pp 111-112.

14 Brigadier Simon Gould, Director General Defence Force Recruiting, Department of Defence, Transcript, p. 78.

15 Department of Defence, *Defence Annual Report 2004-05*, p 104.

16 Department of Defence, *Defence Annual Report 2004-05*, pp 105-106.

Army Aviation Maintenance Records

- 6.20 During the public hearing on 3 March 2006, some members of the Committee advised that they had been made aware of allegations in relation to Army personnel in Darwin falsifying aviation maintenance records. Therefore, in order to examine these allegations further, the Deputy Chief of Army, representing the Chief of Army, briefed the Committee on the status of investigations into, and actions taken to date, in relation to the falsification allegations.
- 6.21 Given the nature of these allegations, the dissatisfaction by members of the Committee as to the timeliness and effectiveness of the investigatory processes, and the significant implications for Army aviation safety, the Committee held a further public hearing to examine these issues. This additional public hearing took place in Canberra on 16 June 2006.
- 6.22 The Committee remains to be satisfied in relation to the investigations and actions taken by Army to resolve this matter. Further, the Committee's concerns go beyond the specific forgery allegations to aviation airworthiness in a general sense, to systemic failures in the inquiry process, and the broader military justice implications.
- 6.23 Accordingly, given these concerns, the Committee intends to examine these outstanding issues as a separate matter after the tabling of the *Defence Annual Report 2004-05*.

F-111 Deseal/Reseal Update

- 6.24 In 1963, Australia ordered 24 General Dynamics F-111 aircraft from the United States of America. Unlike many other aircraft, the F-111 had fuel tanks that did not contain internal bladders; therefore the joints and mating surfaces in the aircraft's structure needed to be sealed to prevent fuel leaks. The original sealant proved inadequate to the task, and significant fuel leaks became apparent soon after delivery of the aircraft. The original sealant had to be removed (desealing) using chemical and physical methods (e.g. water jets, hand tools), before new sealant could be put in its place (resealing).
- 6.25 Four F-111 formal fuel tank Deseal/Reseal (DSRS) programs were implemented over two decades (1975-1999).
- DSRS Program 1 ran from October 1975 to December 1982.

- The Wing Program, used for maintaining the wing fuel tanks, was conducted from August 1985 to June 1992.
 - DSRS Program 2 ran from February 1990 to August 1993.
 - The Spray Seal Program ran from March 1996 to November 1999.
- 6.26 DSRS activities were also undertaken in an *ad hoc* manner, in so-called 'pick and patch' repairs.
- 6.27 In early 1999, concerns were raised by the officer in charge of the aircraft maintenance section at RAAF Base Amberley about various symptoms being experienced by workers in the F-111 Spray Seal Program. The symptoms included memory loss, fatigue, and other neurological problems. As a result, the Spray Seal Program was suspended, and in January 2000 an internal investigation into the F-111 DSRS programs was conducted. The investigation concluded that a significant number of personnel had presented with symptoms consistent with solvent or isocyanate exposure and had potentially been exposed throughout all the DSRS programs.
- 6.28 Consequently, on 19 July 2000, the Chief of Air Force appointed a Board of Inquiry (BOI) to conduct an investigation into the effects on Air Force maintenance workers of possible chemical exposure during all RAAF F-111 fuel tank repair programs, dating back to 1975.
- 6.29 The BOI noted deficiencies in the Occupational Health and Safety (OH&S) procedures as well as inadequate reporting of incidents and hazards, and supported the conduct of an epidemiological investigation into the health of F-111 DSRS workers. The investigation – the Study of Health Outcomes in Aircraft Maintenance Personnel (SHOAMP) – aimed to assess whether adverse health outcomes reported by DSRS personnel were associated with their involvement in DSRS programs or activities.¹⁷
- 6.30 The SHOAMP Report was completed and released on 26 October 2004. The Report found an association between involvement in the DSRS programs and a number of health conditions.
- 6.31 In December 2004, the Minister for Defence and the Minister for Veterans' Affairs announced the Government's response to the Study of Health Outcomes in Aircraft Maintenance Personnel.
- 6.32 The Minister announced that a lump sum benefit would be offered to DSRS personnel who worked on the F-111 DSRS program, and it was

17 *Study of Health Outcomes in Aircraft Maintenance Personnel (SHOAMP), Phase III, Report on the General Health and Medical Study*, Commonwealth of Australia, September 2004, pp xv-xvi.

agreed that the benefit would not distinguish between military, public servants or civilians. The lump sum benefit would be in addition to the rights of individuals under the various State and Commonwealth compensation schemes.

- 6.33 The Committee sought an update on the progress of compensation payments to the affected members, particularly in the light of ongoing negative media reporting as to the criteria to assess entitlements and the timeliness of claims processing. The Committee also sought information in relation to recently recovered documents/personal records that could be used to facilitate the processing of outstanding claims.
- 6.34 The Deputy Chief of Air Force advised the Committee that no new aircraft maintenance records had been discovered, nor did he believe that any Air Force records had been withheld which could assist the Department of Veterans' Affairs (DVA) in processing claims from DSRS personnel. He did however suggest that there could be confusion between what constituted aircraft records as opposed to individual service and training records.
- 6.35 Essentially, when affected individuals submitted claims, DVA relied on certain sets of records to determine eligibility, for example, personal history and medical files, trade progression sheets and records of training and employment. In some instances individuals no longer had copies of these service records and the Air Force had been assisting in recreating the relevant documents to assist claimants. The Deputy Chief of Air Force noted that the recreated personal service records were sourced from:
- ... the aircraft maintenance records in existence at the time, and ... whilst they involve the individual's activities in relevant aircraft maintenance tasks, they are not aircraft maintenance records.¹⁸
- 6.36 The Deputy Chief of Air Force reiterated to the Committee that there had been no discovery, or re-discovery, of F-111 aircraft maintenance records.
- 6.37 As an extension of the discussion in relation to claimant eligibility documentation, the Committee expressed concern that there was a significant disparity between the initial estimation by Air Force of numbers of personnel who could be affected by the DSRS program, and the numbers now seeking the ex gratia payment. Accordingly, the Committee requested advice from Defence as to why such a miscalculation could have occurred.

18 Air-Vice Marshal John Blackburn, Deputy Chief of Air Force, Department of Defence, Transcript, p. 70.

6.38 Deputy Chief of Air Force advised that initial estimations were based on those personnel involved specifically in any of the defined DSRS programs, but that many of the claims to which the Committee referred were arising for individuals who had conducted maintenance activities on the aircraft in relation to fuel tanks, but were not part of the overarching DSRS program.

... there were other activities associated with fuel tank maintenance that were conducted outside of the deseal/reseal program. That was quite different in its extent, the type of activity that was done and the chemicals used.¹⁹

6.39 With regard to the criticism by some that the record-keeping of Air Force had been deficient and was an aggravating factor in the difficulties now being faced in identifying DSRS affected personnel, Defence stated that:

... in 1975 we didn't maintain who was working on deseal/reseal in personnel records [as that] was not the sort of records we kept, and it wasn't an issue until much later.²⁰

6.40 Indeed, Defence advised that many lessons had been learned from the DSRS tragedy and that the organisation was much wiser in the way it monitored, actioned and remediated possible health and safety impacts on the workforce.

6.41 In conclusion, Defence assured the Committee that they continued to work closely and cooperatively with DVA and DSRS members as necessary to ensure all efforts are made to support the claimants in sourcing relevant documentation.

Recommendation 8

6.42 **The Committee recommends that Defence and the Department of Veterans' Affairs examine, and then report to the Committee, options to better identify affected F-111 deseal/reseal personnel.**

19 Air-Vice Marshal John Blackburn, Deputy Chief of Air Force, Department of Defence, Transcript, p. 72.

20 Lieutenant General Ken Gillespie, Vice Chief of Defence Force, Department of Defence, Transcript, p. 82.

Senator Alan Ferguson

Chair

13 September 2006