

An ASPI 'Quick Look' brief

The ADF is currently experiencing good retention and poor recruitment. Unfortunately, the latter has recently overshadowed the former leading to a fall in the size of the force for two years in a row. This is despite more than half a billion dollars directed to personnel initiatives since 2001-02 and a renewed focus on personnel management within Defence that's seen the development of long-term Workforce and People plans.

There is no single cause and no single solution to this problem. Defence operates in the workforce market and must constantly adapt and respond to ensure that it is an 'employer of choice' to prospective recruits and serving members alike. This will require new ideas. Our purpose here is to propose just such new ideas. In doing so, we do not pretend to have created a coherent package of inter-linked initiatives – far from it. Our aim is simply to inject some new thinking into the debate. Accordingly, we've avoided reiterating the many worthwhile programs Defence already have under way to attract and retain personnel.

We've grouped the ideas into two categories:

- Making better use of the people we have.
- Attracting and retaining the people we need.

Making better use of the people we have

One way to respond to the challenge of falling recruitment is to make better use of existing personnel thereby reducing demand. That is, revise the target downwards.

The allocation of uniformed personnel within Defence is a complex problem. In general, there are significantly more service personnel than there are deployable operational positions. The overhead of ADF personnel in administrative and support jobs is often necessary for:

- **Respite** from very demanding postings in combat units. This is especially the case for the Navy where a ship-shore ratio is maintained to give personnel and their families a break from the rigors of long sea deployments.
- Having a personnel **surge capacity** for the manning of headquarters and other ad-hoc units in a contingency (although this is not usually employed as a force structure design criterion).

- Maintaining **professional military expertise** in non-combat areas like command, training, procurement, corporate support and personnel management.

These three rationales often overlap. For example, a person posted to, say, a corporate support position could be simultaneously satisfying all three demands.

Nevertheless, while there are valid reasons to maintain a non-combat overhead within the military, its size and shape should not go unchallenged. The ADF is in many respects a bureaucracy, and bureaucracies do a poor job of containing overheads and delivering efficiency. With this in mind, here are some ideas for reducing the demand for military personnel while maintaining combat capability. Each of these suggestions needs to be looked at mindful of the need for respite, surge capacity and military expertise within the broader Defence organisation.

Make greater use of contractors in support of military deployments

Over the past fifteen years Defence has become heavily reliant on contractors within Australia, and since 1999 the ADF has increasingly used contractors to support offshore deployments. However, it's fair to say that the ADF's embrace of contractor support to operations is more limited than that of our allies. Both the US and UK now make very extensive use of civilian contractors to support operational deployments. This allows them to both redirect scarce manpower to combat positions and reduce costs.

The ASPI report *War and Profit: Doing business on the battlefield* explores in detail the opportunities afforded by contractor support to operations and how the ADF might make better use of its personnel as a result. Such an approach is not without risks. It's imperative that the ADF retain a core capability to support military operations because contractor support becomes impractical (and arguably unlawful) once the combat intensity of operations becomes too great.

Nonetheless, we think this option deserves close examination.

One possibility related to the employment of contractors, which UK currently has under trial, is Sponsored Reserves. Put simply, the idea is to have contractor personnel working as civilians during peacetime but as members of the Reserve force. Then, when a contingency arises, they don their uniforms and deploy as part of the military. This circumvents the tricky legal and command issues surrounding contractors on operations. In practice, Sponsored Reserve will only have niche applications. The UK is currently using Sponsored Reserves in Iraq for tank transporters and is looking at the crews of lift vessels as part of a private financing initiative.

Make the Reserve work

The Reserve has provided valuable support both directly and indirectly to recent ADF operations. This has taken the form of augmentation of the permanent force, as occurred with Army reservists serving with permanent units in East Timor, through to the back-filling of staff position by Reservists while permanent personnel have been taken off-line for jobs created by deployments.

While the support provided by the Reserve has been important, it falls well short of the extensive use of Reservists by both the US and UK where entire units have been mobilized. If the ADF could do the same, it might reduce the demand for permanent personnel.

However, this would depend on some significant changes including at least some of the following:

- A significant investment in equipment for the Reserve which currently relies on pooled assets.
- A willingness to actually call out the Reserve for an extended period noting that a considerable lead-time for preparation prior to deployment would be necessary.
- The establishment of something akin to the old ‘Ready Reserve’ scheme to achieve the necessary training standards.
- An extension of compulsory Reserve service for ex-permanent ADF members beyond the current ‘standby’ status which has no training commitment.

These may seem bold steps. But with the cost of the Army Reserve alone (outputs 3.7 and 3.10) amounting to some three-quarters of a billion dollars per annum, and with around 20,000 personnel within the Reserve, it’s time to ask what we are getting for this ongoing massive investment. If we cannot make more substantial use of the Reserve during the current period of high operational tempo, when can we?

Retain military expertise, and reduce the demand for personnel by targeted ‘civilianisation’ of staff positions

Within Defence’s network of headquarters and commands, military personnel occupy most of the staff positions. This is necessary because of the extensive military experience that they bring to the job. However, aside from those officers directly within the command chain, there is no reason why retired military personnel could not hold some of these positions – thereby directly reducing the number of uniformed personnel required. For the individuals involved this could be an attractive proposition; they would continue to use their military expertise without the ongoing worry of periodic posting and relocation.

An additional advantage of this approach is that it would allow personnel to develop in-depth expertise in positions rather than learn a new job every couple of years. For example, military experience is a necessary prerequisite for many ‘capability development’ positions in the Russell headquarters, but the process of planning new capabilities for the ADF is difficult to master within a typical two-year posting. Consequently, such positions are arguably well suited for retired officers. Similarly for procurement jobs in DMO, especially since (anecdotally at least) some military officers enter that organisation with relatively little military experience anyway.

Consolidate specialist skills within the services

There exist specialist areas in which the three services maintain parallel career streams – medical and dental for example. As a result, there is duplication of administrative and other overheads. Designating a single-service provider for the ADF of such specialties (i.e. choose Army, Navy or Air Force for a given function) would reduce overheads and provide a more varied and sustainable career structure for individuals. This has already been done in some training areas, for example for

medical assistants, but not more broadly. An important exception is that Air Force now provides air traffic control services to all of the ADF.

Aside from specialist areas, this is arguably true of the light infantry capability maintained by Air Force in the form of the Air Defence Guards who protect airfields. It's difficult to see the justification for Air Force maintaining its own Army.

Given the extensive rationalizations that have occurred over the last decade or so, it's likely that the direct savings in overheads would be limited. Consequently, the main benefit of initiatives like this would be the improved career structures created.

Attracting and retaining the people we need

GI bill for Australia?

Young Australians are increasingly deferring entry into the workforce, usually to pursue further education; the number of 20 to 24-year olds in further education has increased by 50 per cent in the last decade. At the same time, many of these individuals are incurring a Higher Education Contribution Scheme (HECS) debt that will take years to pay off. For these reasons it's likely that free, or subsidised, further education would be an incentive for young people to serve in the ADF.

This is already the case for officers who can receive a degree from ADFA or, for some specialties, through a sponsored tertiary study program prior to commencement of service. However, this opportunity is not open to the 75% of personnel in the other ranks.

In the US, one of the strong incentives for military service is the GI bill (see <http://www.gibill.va.gov/>) which applies to personnel irrespective of rank *after* service in the military. The value of the scheme to individuals can be as high as US\$70,000.

Enlistment and retention bonuses

The ADF pays retention bonuses to specific skill areas (for example pilots) but in general does not pay enlistment bonuses. In contrast, the US military pays generous enlistment and re-enlistment bonuses across a wide range of positions. For example, the minimum enlistment bonus for the US Army is US\$5,000 and the maximum is US\$20,000 compared with the starting pay for a private first class of US\$17,472 per year. US Air Force enlistment bonuses range from US\$1,000 to US\$12,000.

Given that the private sector often employs sign-on bonuses to attract personnel, and the US military makes extensive use of financial incentives to attract and retain personnel, perhaps it's time to consider such schemes for the ADF.

Lateral recruitment

Many ADF positions require personnel with years of full-time experience and training, some do not. In such cases, lateral recruitment of personnel into middle and senior positions is undoubtedly possible – the private sector certainly does not hesitate to take good people from disparate backgrounds and put them into responsible positions. Such an approach would broaden the pool from which personnel are drawn

into the ADF and also allow new ideas and expertise to flow into the ADF. Moreover, some individuals might see value in having a mixed career of military and private sector experience that suits their evolving personnel and professional aspirations. The ADF already enlists personnel from allied militaries including the UK, US and NZ. This proposal would simply expand the program to include non-military personnel.

Of course, lateral recruitment would not be practical in many military specific areas (like infantry for example) and would most naturally apply to support areas like mechanical and electrical engineering, logistics, transport etc.

Shorter and more flexible careers

Unlike previous generations, many young people eschew the idea of a life-long career with a single employer. Instead, they value a diversity of experience, often hoping to have two or three quite distinct careers over time. For such people, the military must look a forbidding prospect. Perhaps then, its time to adapt military career structures to support shorter engagements.

This would not be easy given the very well established (and long) career paths now accepted within the ADF. But it's not impossible, as the following table of the average period of service in the US military and ADF shows. In particular, the Marine Corps has, by design, an average length of service almost half that of our Army.

Average length of service (years)*

US Military				ADF		
Marines	Navy	Army	Air Force	Navy	Army	Air Force
5.4	6.7	6.0	10.0	8.6	10.2	12.3

**estimated as inverse of annual separation rate*

Source: Center for Defense Information Military Almanac 2000, Defence annual report 2003-04

Target underrepresented groups for recruitment

The ADF does not represent the gender or ethnicity of the modern Australian community. Aside from being an unhealthy situation in itself (the military should be representative of the community it defends) it means that the ADF is failing to properly penetrate all the available opportunities for recruitment.

It is tempting to conclude that cultural and social norms make certain groups less attracted to military service. To some extent this is true, but the risk in such a viewpoint is that it can become a self-fulfilling prophecy. A better approach is to strive to make the ADF as attractive as possible to all Australians regardless of background and gender. Encouragingly, recent ADF recruitment material has been much more 'diverse' than that used even a couple of years ago.

Making greater inroads into underrepresented groups will not be easy. The history of Australia's military is a core part of the history of Anglo-Celtic Australia pre-1950. And as a nation we spend a lot of time defining our selves on the basis of the military deeds of previous (anglo-celtic) generations. Making this meaningful for the sons and daughters of the successive waves of post-war immigrants is hard. Perhaps the first step should be to research how young Australians of non-English speaking backgrounds view the ADF.

Harder still will be attracting females into the service. For more than a decade, the proportion of females in the ADF has remained largely unchanged. In part at least, this reflects the prohibition of women from many combat roles and the resultant narrowing of career prospects. Of course, this is far from the whole story given the substantial opening up of jobs within Navy and Air Force.

There are a couple of things that can be done. First, a conscious effort should be made to highlight positive role models from within underrepresented groups in the ADF. Second, recruiting should specifically target women and Australians from non-English speaking backgrounds.

Pacific Islander recruitment

Until PNG became independent thirty years ago, the Pacific Islands Regiment appeared on the ADF order-of-battle. It was an Australian Army unit made up of PNG men. Following independence it became part of the newly created PNG Defence Force. Despite some differences, it was similar to the Ghurka regiments within the British Army.

There is little doubt that the impoverished islands of the South West Pacific would make fertile recruiting grounds for the ADF. The US has certainly found this to be the case with the Pacific Island territories of Guam, Saipan and American Samoa where military enlistment is higher on a per-capita basis than anywhere else in the United States.

Of course, doing so would be a very big step with profound long-term consequences for Australia and the South West Pacific. This is not a step to take without a lot of thought and planning. Nevertheless, properly managed, it could provide valuable manpower to the ADF while providing real benefits to the countries involved. One approach would be to raise a force drawing from the South West Pacific specifically for use in that region on peace-keeping and stabilisation missions. Whatever the arrangement, the key would be to make the scheme part of a broader engagement program with the region that saw benefits flowing both ways.

A final thought

Notwithstanding that many of the options canvassed above propose making more efficient use of military personnel by quarantining them to combat and combat-related roles; it may be that the key to improved retention is exactly the opposite. It could be that the lack of respite postings and the rigors of northern basing are burning people out and forcing them to seek opportunities in the civil community earlier than would otherwise be the case.

Paradoxically, the solution to a sustainable ADF may be to make it larger not smaller.