

CHAPTER FIVE

PEOPLE MATTER

PEOPLE

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ANNUAL REPORT ON THE ADMINISTRATION AND OPERATION OF THE DEFENCE FORCE (HOME LOANS ASSISTANCE) ACT 1990

PEOPLE

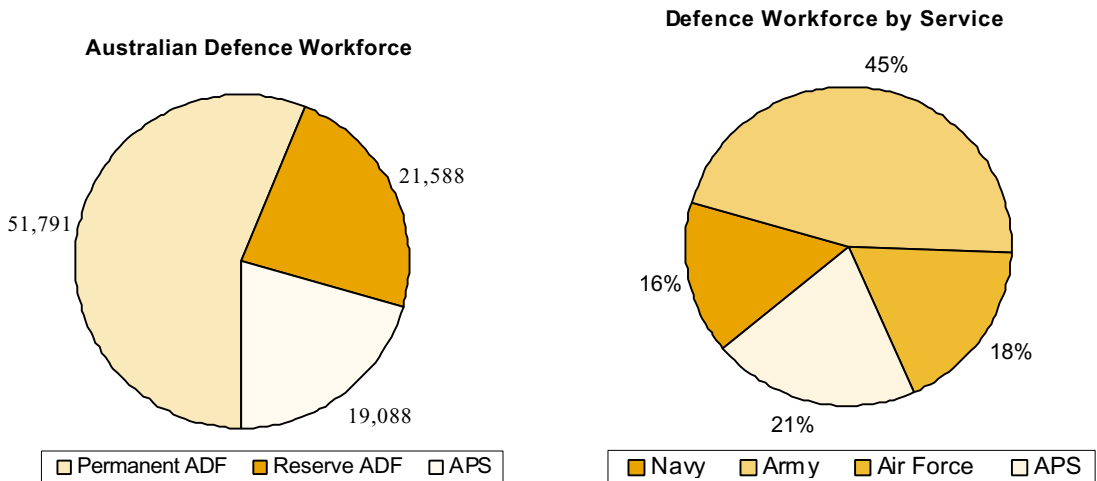
WORKFORCE OVERVIEW

ACTUAL STAFFING AS AT 30 JUNE 2003

The people chapter presents a range of views of the Australian Defence Organisation workforce during 2002-03. It includes numbers of personnel, employment categories and locations, gender information, and details of recruiting and separation during the year. This chapter will discuss the changes in the workforce that occurred during 2002-03, and represents personnel information at or up to the 30 June 2003.

At 30 June 2003, the Defence Organisation had 92,467 employees, including 73,379 ADF members and 19,088 APS members. The ADF workforce included 14,480 Navy permanent and Reserve members, 42,461 Army permanent and Reserve members and 16,438 Air Force permanent and Reserve members. The number by each element and the percentage of each service is represented in the charts below. The actual strength of the permanent component of the ADF at 30 June 2003 was 51,791.

CHART 5.1: DEFENCE WORKFORCE STAFFING AS AT 30 JUNE 2003



At 30 June 2003, there were 19,088 APS personnel. This number includes all APS personnel Defence has recorded as employees and includes full time, part time, ongoing and non-ongoing, and paid and unpaid employees at 30 June 2003.

This was an increase of 718 compared with the 30 June 2002 figure and is an overall increase of just under 4 per cent. There was increased participation by females in the workforce with 297 more than the 30 June 2002 level, an increase of just under 5 per cent. The increase in male participation was 421 above the 30 June 2002 levels or slightly under 4 per cent. These increases largely reflect the civilianisation of Service positions in non-operational functions, an increase in personnel for the war on terror

especially in intelligence and security, support of increased operational commitments and delays in market testing of elements of the departmental workforce.

The employment of over 2000 professional service providers is not included in Chart 5.1 above. These persons are contracted for specialist tasks for finite periods.

Examples include health professionals and para-professionals, project managers and information technology engineers.

TABLE 5.1: DISTRIBUTION OF AUSTRALIAN DEFENCE ORGANISATION PERSONNEL BY EMPLOYMENT LOCATION, AS AT 30 JUNE 2003⁽¹⁾

	NSW	VIC	QLD	SA	WA	TAS	NT	ACT ⁽²⁾	O/S ⁽³⁾	TOTAL
Permanent Forces⁽⁴⁾⁽⁵⁾										
Navy ⁽⁶⁾	5,235	2,159	803	105	2,528	16	520	1,322	176	12,864
Army	5,119	3,378	8,728	602	856	96	3,145	1,877	1,488	25,289
Air Force	4,925	1,190	2,406	1,618	379	10	1,158	1,498	454	13,638
Sub Total	15,279	6,727	11,937	2,325	3,763	122	4,823	4,697	2,118	51,791
Reserve Forces⁽⁷⁾										
Navy	482	261	249	20	195	70	48	286	5	1,616
Army	4,853	3,074	4,103	1,277	1,862	697	588	598	120	17,172
Air Force	583	403	784	340	176	42	84	378	10	2,800
Sub Total	5,918	3,738	5,136	1,637	2,233	809	720	1,262	135	21,588
Total	21,197	10,465	17,073	3,962	5,996	931	5,543	5,959	2,253	73,379
APS⁽⁸⁾	3,817	4,051	1,619	2,006	619	99	378	6,368	131	19,088
Grand Total	25,014	14,516	18,692	5,968	6,615	1,030	5,921	12,327	2,384	92,467

NOTES

1. Figures in this table show actual staff numbers as at 30 June 2003 and are not average funded strengths.
2. ACT includes personnel located at Jervis Bay.
3. Permanent Forces and Reserves overseas represent personnel posted for long-term duty and deployments.
4. Permanent Forces figures include paid and unpaid members.
5. Personnel are shown in the location they are administered from.
6. Personnel serving in ships are included against the state or territory in which the ship is home-ported.
7. Figures are Reserves with training obligations.
8. APS figures include full time, part time, ongoing, non-ongoing, paid and unpaid employees.

TABLE 5.2: DISTRIBUTION OF APS PERSONNEL BY EMPLOYMENT LOCATION AND CLASSIFICATION, AS AT 30 JUNE 2003⁽¹⁾

STAFFING CLASSIFICATION	NSW	VIC	QLD	SA	WA	TAS	NT	ACT	O/S ⁽²⁾	TOTAL
Secretary								1		1
Senior Executive Service ⁽³⁾	0	7	1	8	0	0	0	93	2	111 ⁽⁴⁾
Temporarily Vacant ⁽⁵⁾				1				4		5
SES Relief Staffing ⁽⁶⁾	0	2	0	1	0	0	0	10	0	13
Executive Levels ⁽⁷⁾	315	669	75	690	66	6	15	1,779	88	3,703
Executive Relief Staffing ⁽⁸⁾	27	26	10	7	2	0	3	178	2	255
Other APS Levels ⁽⁹⁾	3,475	3,347	1,533	1,299	551	93	360	4,303	39	15,000
Total	3,817	4,051	1,619	2,006	619	99	378	6,368	131	19,088

NOTES

1. Figures in the table show actual staff numbers as at 30 June 2003 and include 276 personnel who are presently on some form of unpaid leave.
2. Overseas figures represent personnel posted for long and short-term duty as at 30 June 2003.
3. Senior Executive Service (SES) includes Under Secretary, Deputy Secretary, First Assistant Secretary, Assistant Secretary, Chief of Division and Medical Officer 6 classifications.
4. Defence has 116 SES positions and figures reflect 111 officers at their substantive level.
5. Figures reflect SES positions pending permanent filling action.
6. SES Relief Staffing indicates non-SES officers who are temporarily acting in SES positions. These officers are on higher duties while the incumbents are taking leave, acting in higher positions or on secondment to other agencies.
7. Executive Levels include Levels 1 and 2 and senior principal research scientists and medical officer Grade 4.
8. Executive Relief Staffing indicates APS levels temporarily acting in Executive Level positions pending permanent filling action or while incumbents are taking leave, acting in higher positions or on secondment to other agencies.
9. APS levels include Australian Public Service levels 1 to 6, information technology, professional, technical, and trade/physical officers.

TABLE 5.3: ADF PERMANENT AND RESERVE FORCES, AND APS PERSONNEL, BY GENDER AND EMPLOYMENT CATEGORY⁽¹⁾

	AS AT 30 JUNE 2002				AS AT 30 JUNE 2003 ⁽²⁾			
	MEN	%	WOMEN	%	MEN	%	WOMEN	%
Navy								
<i>Trained Force</i>								
Officers	1,687	13.4	309	2.5	1,682	13.1	331	2.6
Other Ranks	7,269	57.7	1,297	10.3	7,385	57.4	1,417	11.0
<i>Training Force</i>								
Officers	534	4.2	191	1.5	551	4.3	182	1.4
Other Ranks	1,047	8.3	271	2.1	1,084	8.4	232	1.8
Total	10,537	83.6	2,068	16.4	10,702	83.2	2,162	16.8
Army								
<i>Trained Force</i>								
Officers	3,769	15.0	583	2.3	3,824	15.1	611	2.4
Other Ranks	16,498	65.5	1,663	6.6	17,530	69.3	1,740	6.9
<i>Training Force</i>								
Officers	499	2.0	125	0.5	554	2.2	110	0.4
Other Ranks	1,893	7.5	140	0.6	844	3.3	76	0.3
Total	22,659	90.0	2,511	10.0	22,752	90.0	2,537	10.0
Air Force								
<i>Trained Force</i>								
Officers	2,859	21.0	491	3.6	2,949	21.6	504	3.7
Other Ranks	7,225	53.2	1,274	9.4	7,505	55.0	1,298	9.5
<i>Training Force</i>								
Officers	530	3.9	107	0.8	546	4.0	127	0.9
Other Ranks	971	7.1	133	1.0	608	4.5	101	0.7
Total	11,585	85.2	2,005	14.8	11,608	85.1	2,030	14.9
ADF Permanent								
<i>Trained Force</i>								
Officers	8,315	16.2	1,383	2.7	8,455	16.3	1,446	2.8
Other Ranks	30,992	60.3	4,234	8.2	32,420	62.6	4,455	8.6
<i>Training Force</i>								
Officers	1,563	3.1	423	0.8	1,651	3.2	419	0.8
Other Ranks	3,911	7.6	544	1.1	2,536	4.9	409	0.8
Total	44,781	87.2	6,584	12.8	45,062	87.0	6,729	13.0
ADF Reserves⁽³⁾								
Navy	1,006	4.8	231	1.1	1,294	6.0	322	1.5
Army	14,301	68.1	2,855	13.6	14,457	67.0	2,715	12.6
Air Force	2,114	10.1	494	2.3	2,273	10.5	527	2.4
Total	17,421	83.0	3,580	17.0	18,024	83.5	3,564	16.5
APS⁽⁴⁾								
Total	12,027	65.5	6,343	34.5	12,448	65.2	6,640	34.8

NOTES

1. Figures in the table are actual staff numbers as at 30 June 2002 and 30 June 2003.
2. Percentage figures are calculated against the individual permanent service totals which can be found in Table 5.1.
3. Figures are Reserves with training obligations.
4. Figures exclude locally engaged APS overseas.

TABLE 5.4: APS PERSONNEL BY GENDER AND CATEGORY AS AT 30 JUNE 2003 ⁽¹⁾⁽²⁾⁽³⁾

CATEGORY		FULL-TIME	PART-TIME	TOTAL
Ongoing employees	Male	11,977	54	12,031
	Female	5,880	290	6,170
Non-ongoing employees	Male	397	20	417
	Female	429	41	470
Total	Male	12,374	74	12,448
	Female	6,309	331	6,640
Total APS Personnel		18,683	405	19,088

NOTES

1. Figures in this table show actual staff numbers.
2. Figures exclude locally engaged civilians overseas.
3. Figures include paid and unpaid staff.

TABLE 5.5: APS SENIOR EXECUTIVE SERVICE STAFF AS AT 30 JUNE 2003 ⁽¹⁾⁽²⁾

	TOTAL SES			2002-03 ENGAGEMENTS ⁽³⁾			2002-03 SEPARATIONS ⁽⁴⁾		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Senior Executive Band 1	52	16	68	11	4	15	7	1	8
Senior Executive Band 2	18	4	22	2	-	2	1	-	1
Senior Executive Band 3	6	-	6	1	-	1	1	-	1
Chief of Division Grade 2	12	-	12	1	-	1	-	-	-
Chief of Division Grade 3	3	-	3	-	-	-	-	-	-
Temporarily vacant	2	3	5						
Total	93	23	116	15	4	19	9	1	10

NOTES

1. Figures in this table show actual staff numbers at their substantive level and officers on higher duties pending permanent filling action. Defence has 116 APS Senior Executive Staff positions. As at 30 June 2003, 111 SES were in substantive positions and five officers were on higher duties pending permanent filling of the positions. Officers on higher duties, not pending permanent filling action, are not included.
2. Gains and losses do not reflect movement of officers between levels in each of the Senior Executive Service and Chief of Division streams.
3. Engagement figures include new engagements, promotions and transfers from other agencies for ongoing employees only.
4. Separation figures include resignations and redundancies, and promotions and transfers to other departments for ongoing employees only.

TABLE 5.6: STAR RANKED OFFICERS AS AT 30 JUNE 2003

	TOTAL STAR RANK ⁽¹⁾			2002-03 PROMOTIONS ⁽²⁾			2002-03 SEPARATIONS ⁽³⁾		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Four Star									
Navy	-	-	-	-	-	-	1	-	1
Army	1	-	1	1	-	1	-	-	-
Three Star									
Navy	2	-	2	2	-	2	1	-	1
Army	1	-	1	-	-	-	1	-	1
Air Force	1	-	1	-	-	-	-	-	-
Two Star									
Navy	7	-	7	1	-	1	1	-	1
Army	9	-	9	4	-	4	3	-	3
Air Force	7	-	7	3	-	3	3	-	3
One Star									
Navy	26	-	26	9	-	9	6	-	6
Army	39	-	39	11	-	11	7	-	7
Air Force	25	1	26	8	-	8	4	-	4
Total	118	1	119	39	0	39	27	0	27

NOTES

1. Officers on acting or higher duties are not included.
2. Promotions include those officers promoted between levels.
3. Separations include only those officers who have separated from Defence.

ENLISTMENTS AND RECRUITMENT

The ADF enlisted 5,338 permanent members, 4,462 men and 876 women, for the 12 months to 30 June 2003 as shown in Table 5.7. This was 1,245 less than that achieved in 2001-02. Conversely, 2002-03 showed a reduction in separation rates and has largely offset the lower number recruited. There were 5,107 separations from the ADF for the twelve months to 30 June 2003. This is 606 fewer than 2001-02 and indicates that the trend started during 2001-02 is continuing and provides the opportunity to grow more quickly towards White Paper workforce target.

A continued improvement in numbers in the Reserve component of the ADF is evident with a further increase from 21,001 during 2001-02 to 21,588 during 2002-03. The increase to 3,065 Reserve enlistments in 2002-03 was an improvement of 195 above the 2,870 recruited in 2001-02 and along, with slightly improved retention, has produced the overall increase in the Reserves.

The overall recruiting achievement against targets for the permanent and reserve forces for 2002-03 was 84 per cent, which was an improvement of 3 percentage points higher than achievement for 2001-02.

TABLE 5.7: ADF – PERMANENT FORCE ENLISTMENTS 2001-02 AND 2002-03⁽¹⁾⁽²⁾⁽³⁾

	NAVY		ARMY		AIR FORCE ⁽⁴⁾		ADF	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
2001-02								
Trained Force								
Officers	9	1	45	20	-	-	54	21
Other Ranks	46	4	385	59	-	-	431	63
Training Force								
Officers	202	77	199	33	298	78	699	188
Other Ranks	1,065	332	2,196	161	1,178	195	4,439	688
Total	1,322	414	2,825	273	1,476	273	5,623	960
2002-03								
Trained Force								
Officers	14	2	167	28	-	-	181	30
Other Ranks	65	10	256	58	-	-	321	68
Training Force								
Officers	134	43	287	51	247	65	668	159
Other Ranks	1,093	312	1,590	160	609	147	3,292	619
Total	1,306	367	2,300	297	856	212	4,462	876

NOTES

1. Figures in this table show actual staff.
2. Enlistments exclude Reserves commencing periods of full-time duty.
3. Figures include inter and intra-Service transfers processed by the Services and, therefore, do not correlate with the recruiting activity shown in Table 5.8.
4. All Air Force recruits are enlisted into the Training Force.

TABLE 5.8: ADF – PERMANENT FORCE RECRUITING ACTIVITY 2001-02 AND 2002-03

	NAVY	ARMY	AIR FORCE	ADF
2001-02				
Total Inquiries	22,165	61,432	42,449	127,290 ⁽¹⁾
Formal Applications	5,487	10,388	7,537	23,412
Applicants Enlisted	1,590	2,844	1,402	5,836
Target	1,863	2,830	1,614	6,307
Percentage Achieved	85	100	87	93
2002-03				
Total Inquiries	14,780	41,952	28,414	85,312 ⁽²⁾
Formal Applications	4,560	7,185	5,897	17,642
Applicants Enlisted	1,556	1,842	924	4,322
Target	1,842	2,342	980	5,164
Percentage Achieved	84	79	94	84

NOTES

1. This figure includes 1,244 full-time Tri-Service inquiries that relate to inquirers who were undecided on which Service they wished to pursue full time.
2. This figure includes 166 full-time Tri-Service inquiries that relate to inquirers who were undecided on which Service they wished to pursue full time.

CHART 5.2: ADF – PERMANENT FORCE RECRUITING TARGET VERSUS ACHIEVEMENT 2001-02 AND 2002-03

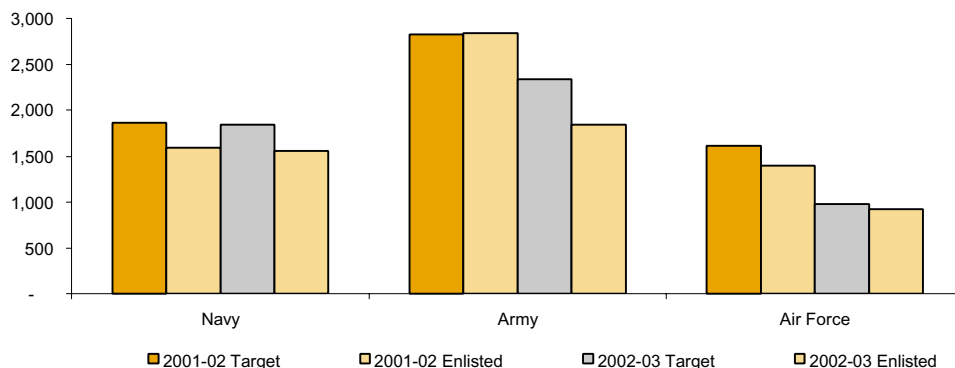


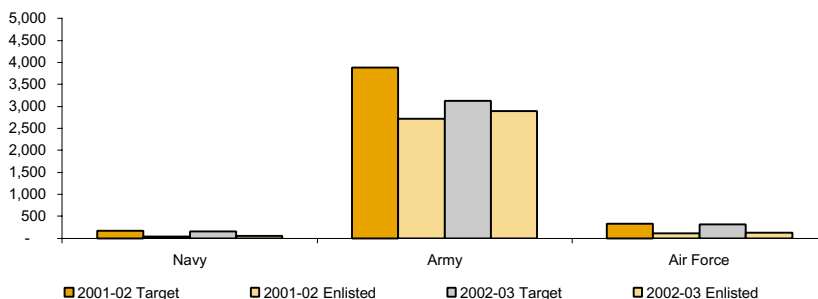
TABLE 5.9: ADF – RESERVE FORCE RECRUITING ACTIVITY 2001-02 AND 2002-03

	NAVY	ARMY	AIR FORCE	ADF
2001-02				
Total Inquiries	1,451	25,002	2,550	29,003
Formal Applications	265	6,836	478	7,579
Applicants Enlisted	42	2,712	116	2,870
Target	179	3,878	325	4,382
Percentage Achieved	23	70	36	65
2002-03				
Total Inquiries	898	24,946	2,876	28,727⁽¹⁾
Formal Applications	157	7,622	577	8,356
Applicants Enlisted	54	2,889	122	3,065
Target	160	3,129	316	3,605
Percentage Achieved	34	92	39	85

NOTES

1. This figure includes 7 part time tri-Service inquiries that relate to inquirers who were undecided on which Service they wished to join.

CHART 5.3: ADF – RESERVE FORCE RECRUITING TARGET VERSUS ACHIEVEMENT 2001-02 AND 2002-03



SEPARATIONS

Separation rates in the Permanent Force across all three Services fell in 2002-03 to a ten-year low. The Navy's was below 12 per cent, the Army's below 10 per cent and the Air Force's below 8 per cent. The reduced voluntary separations were partly offset by an increase in involuntary separations.

TABLE 5.10: ADF – PERMANENT FORCE SEPARATIONS 2001-02 AND 2002-03⁽¹⁾⁽²⁾

		VOLUNTARY	INVOLUNTARY ⁽³⁾	AGE RETIREMENT	CADETS AND TRAINEES	TOTAL
2001-02						
Navy	Officers	160	9	0	41	210
	Other Ranks	902	128	0	215	1,245
Army	Officers	414	25	21	113	573
	Other Ranks	1,479	365	20	442	2,306
Air Force	Officers	238	8	25	44	315
	Other Ranks	895	9	35	125	1,064
Total ADF	Officers	812	42	46	198	1,098
	Other Ranks	3,276	502	55	782	4,615
2002-2003						
Navy	Officers	176	17	5	41	239
	Other Ranks	778	157	0	317	1,252
Army	Officers	323	35	12	98	468
	Other Ranks	1,190	428	9	412	2,039
Air Force	Officers	209	10	1	35	255
	Other Ranks	652	71	20	111	854
Total ADF	Officers	708	62	18	174	962
	Other Ranks	2,620	656	29	840	4,145

NOTES

1. Figures in this table show actual staff.
2. Non-effective personnel (personnel on maternity leave and leave without pay) and Reserves completing periods of full-time duty are not included.
3. 'Involuntary' primarily comprises members who were medically unfit or unsuitable for further training.

STAFFING BY AVERAGE STRENGTH

The information presented within this section represents average staffing levels and provides a comparison of personnel achievement against budgeted personnel estimates for the financial year. The following tables assess performance against budget and revised staffing level estimates for 2002-03.

The permanent force average strength was 52,080 including 1,127 Reservists undertaking full-time service. These reservists were employed primarily within the other ranks.

The ADF achieved an average strength figure of 3,142 towards the additional 3,555 average funded strength provided under the Government's commitment to an Army with six full-time battalions and an enhanced combat support group in the Air Force.

Improvements in recruiting and separation rates will provide the Services with an opportunity, over the next few years, to grow more quickly towards the White Paper force end states than had previously been anticipated.

TABLE 5.11: ADF PERMANENT FORCE AVERAGE FUNDED STRENGTH⁽¹⁾

PERMANENT FORCES	2001-02 ACTUAL	2002-03 BUDGET ESTIMATE	2002-03 REVISED ESTIMATE	2002-03 ACTUAL	VARIATION (2002-03 ACTUAL LESS REVISED ESTIMATE)	
						%
Personnel Numbers - Average Strength						
Navy	12,598	12,838	12,838	12,847	9	0.1
Army	25,012	25,289	25,785	25,587	-198	-0.8
Air Force	13,322	13,196	13,446	13,646	200	1.5
Total Permanent Forces	50,932	51,323	52,069	52,080	11	0.0

NOTE

- Staffing numbers for Permanent Forces are based on average funded strengths and includes Reservists undertaking full-time service. The average number of Reservists undertaking full-time service included Navy 359, Army 619 and Air Force 149.

The reserve strength figures represent Reservists who rendered paid service during the financial year. The 2002-03 Reserves actual numbers were 19,620, a decrease of 738 from the revised estimate of 20,358, but an increase of 752 over the 2001-02 figure. This figure excludes the average number of Reserves on full-time service in the Permanent Force during 2002-03.

TABLE 5.12: ADF RESERVE FUNDED STRENGTH⁽¹⁾⁽²⁾

RESERVE FORCES	2001-02 ACTUAL	2002-03 BUDGET ESTIMATE	2002-03 REVISED ESTIMATE	2002-03 ACTUAL	VARIATION (2002-03 ACTUAL LESS REVISED ESTIMATE)	
						%
Personnel Numbers - Paid Strength						
Navy	1,544	2,142	2,142	1,404	-738	-34.5
Army	15,669	16,300	16,500	16,211	-289	-1.8
Air Force	1,655	1,576	1,716	2,005	289	16.8
Total Reserve Forces	18,868	20,018	20,358	19,620	-738	-3.6

NOTES

- Reserve figures represent numbers of General Reserves who rendered paid service during the financial year.
- During the financial year, an average of 1,127 Reservists undertook full time service in the Permanent Force, and are included in the Permanent Force staff table.

The APS average strength for 2002-03 was 18,385, an increase of 441 from the revised estimate of 17,944. The forecast increase during the year was related to an expected increase in the use of APS in non-operational functions, combined with delays in market testing within the Corporate Services and Infrastructure Group. The outcome also reflected delayed reductions through the rationalisation of the Defence Integrated Distribution System and the implementation of new ADF recruiting arrangements.

The APS workforce continued to grow in the first half of the year in response to heightened security and operational commitments and through changing business requirements.

Recognising that continued growth, within the APS element of the Defence workforce, would exert significant budgetary pressure on the portfolio, a suspension on recruitment activities was applied between late January and April 2003. The recruitment suspension had the desired effect of arresting growing numbers. Following this action, it was agreed that a measured APS reduction program be undertaken over the next three years as a contribution towards the Defence’s program of administrative savings.

TABLE 5.13: APS AVERAGE FUNDED STRENGTH⁽¹⁾

APS	2001-02 ACTUAL	2002-03 BUDGET ESTIMATE	2002-03 REVISED ESTIMATE	2002-03 ACTUAL	VARIATION (2002-03 ACTUAL LESS REVISED ESTIMATE)	
Personnel Numbers – Average Strength						%
Total APS	16,819	17,328	17,944	18,385	441	2.5

NOTE

1. Staffing numbers for civilians are based on average funded strengths.

TABLE 5.14: BREAKDOWN OF AVERAGE FUNDED STRENGTHS BY SERVICE AND RANK

	2001-02 ACTUAL	2002-03 BUDGET ESTIMATE	2002-03 REVISED ESTIMATE	2002-03 ACTUAL
NAVY				
1 Star Officers and above	34	35	35	35
Senior Officers	403	404	404	432
Junior Officers	2,349	2,394	2,394	2,380
Other Ranks	9,812	10,005	10,005	10,000
Sub-total Permanent Navy	12,598	12,838	12,838	12,847
Reserves ⁽¹⁾	1,544	2,142	2,142	1,404
Sub-total Navy	14,142	14,980	14,980	14,251
ARMY				
1 Star Officers and above	49	50	50	50
Senior Officers	561	545	558	558
Junior Officers	4,431	3,756	4,546	4,458
Other Ranks	19,971	20,938	20,631	20,521
Sub-total Permanent Army	25,012	25,289	25,785	25,587
Reserves ⁽¹⁾	15,669	16,300	16,500	16,211
Sub-total Army	40,681	41,589	42,285	41,798
AIR FORCE				
1 Star Officers and above	36	33	37	35
Senior Officers	503	417	510	517
Junior Officers	3,364	3,364	3,439	3,489
Other Ranks	9,419	9,382	9,460	9,605
Sub-total Permanent Air Force	13,322	13,196	13,446	13,646
Reserves ⁽¹⁾	1,655	1,576	1,716	2,005
Sub-total Air Force	14,977	14,772	15,162	15,651
APS				
Senior Executives ⁽²⁾	102	117	117	110
Senior Executive Relief Staff ⁽³⁾	15			20
Senior Officers ⁽⁴⁾	3,264	3,278	3,563	3,539
Senior Officer Relief Staff ⁽³⁾	290			295
Others	13,148	13,933	14,264	14,421
Sub-total APS	16,819	17,328	17,944	18,385
Total Workforce	86,619	88,669	90,371	90,085

NOTES

1. The 2002-03 Reserve strength represents Reservists who undertook paid service.
2. There is one Secretary position and 116 SES positions in Defence. The figure of 110 average substantive SES includes the Secretary of Defence.
3. Relief Staff represent personnel acting within a higher classification for short durations pending permanent filling action or while the incumbents are taking leave, acting in higher positions or on secondment to other agencies.
4. Senior Officers include substantive Executive Levels 1 and 2.

PERFORMANCE AGAINST PEOPLE MATTER PRIORITIES FOR 2002-03

This section reports on performance against the priorities included in the *People Matter* sections of the *Portfolio Budget Statements 2002-03* and in the *Portfolio Additional Estimates Statements 2002-03*.

WORKFORCE PLANNING

ESTABLISH THE STRATEGIC WORKFORCE PLANNING REVIEW

Achieved

The Strategic Workforce Planning Review was completed with the Defence Committee endorsing the final report in May 2003. The implementation of review recommendations has commenced.

DEVELOP THE DEFENCE WORKFORCE PLAN

Substantially Achieved

The Defence Workforce Plan addresses high priority workforce risks to capability in terms of skills, numbers and costs over the next ten to 20 years. Significant progress has been made in developing the plan, which will be submitted to the Defence Committee for endorsement in late 2003.

ESTABLISH THE DEFENCE PEOPLE PLAN

Partially Achieved

The Defence People Plan is now being developed with the aim of being operational from 2004-05. The plan will include specific initiatives and a budget that will be updated each financial year. The focus for 2002-03 was the completion of the Strategic Workforce Planning Review as the overarching framework for people planning in Defence. The People Plan will be developed against the framework of the Strategic Workforce Planning Review to link people initiatives to workforce capability.

REVIEW OF AUSTRALIAN DEFENCE FORCE REMUNERATION

Achieved

In 2001, an external review of the ADF's remuneration policies, practices and arrangements (The Nunn Review) was undertaken. The review resulted in a report, *Review of Australian Defence Force Remuneration 2001*, for consideration by the Ministers for Defence and Finance and Administration. The report was released in August 2001.

In 2002-03, Defence proceeded with a parallel activity which is consistent with the Nunn Review, dealing specifically with remuneration reform. The Remuneration Reform Program, currently in progress, proposes a phased approach to rationalising some elements of existing allowances with the outcome of developing a new pay structure for the ADF by the end of 2003-04.

IMPLEMENT THE DEFENCE EMPLOYEES CERTIFIED AGREEMENT 2002-03

Achieved

The *Defence Employees Certified Agreement 2002-03* was implemented following certification in April 2002. Implementation progressed well, with positive feedback being received from staff during consultation workshops for the replacement agreement. Some provisions will be carried over into the 2004-06 agreement, which is under negotiation.

DEVELOP A REPLACEMENT WORKPLACE REMUNERATION ARRANGEMENT FOR THE ADF

Partially Achieved

The current ADF workplace remuneration agreement was agreed by the Defence Force Remuneration Tribunal in November 2002, and provides for a six per cent pay rise over the period of the arrangement (from 7 November 2002 to 6 May 2004). The replacement enterprise productivity arrangement for the ADF is required to be in place by May 2004. Consultation with the ADF is in progress. Arrangements for the ADF will be developed in parallel with the *Defence Employees Certified Agreement 2004-06*.

DEVELOP LEGISLATION FOR THE NEW MILITARY REHABILITATION AND COMPENSATION SCHEME

Substantially Achieved

The exposure draft of the Military Rehabilitation and Compensation Bill 2003 was released for consultation on 27 June 2003. The bill remained an exposure draft until 31 August 2003 to allow time for the ADF and veteran communities to comment. Current planning is that the bill will be introduced during the spring session of Parliament in 2003. The objective is for the new Act to be operational from July 2004.

CONDUCT DEFENCE CENSUS 2003

Achieved

The Defence census was conducted as scheduled on 18 March 2003. The current census database has been used extensively by Defence, relevant external agencies and academic institutions in developing personnel policy. Data analysis is in progress and the final census report will be available in November 2003.

DEVELOP 'FAMILY FRIENDLY' PERSONNEL POLICIES TO PROMOTE WORK-LIFE BALANCE

Achieved

The following policies have been implemented for the ADF:

- emergency child care for ADF members recalled to duty away from their normal place of residence; and

- the Defence School Transition Aid Program to provide in-school advice and support to children of ADF members who are required to relocate.

The following policies were developed for Defence civilians and are outlined in the *Defence Employees Certified Agreement 2002-03*:

- access to flexible working hours;
- access to home-based work;
- flexible leave provisions including parental leave;
- assistance in meeting dependant care costs where job demands impose additional dependant care costs; and
- access to the use of Defence provided child care, where places are not taken by the ADF.

DEVELOP AND IMPLEMENT A COORDINATED APPROACH TO 360-DEGREE-FEEDBACK REPORTING ACROSS DEFENCE

Achieved

A 360-degree feedback program has been developed and implemented across senior levels of Defence. Senior leadership and feeder groups have accessed the program. The 360-degree feedback instrument has been aligned with the Defence leadership model as the basis for informing senior leadership performance.

ESTABLISH A NEW AGREEMENT BETWEEN DEFENCE AND THE UNIVERSITY OF NEW SOUTH WALES FOR THE DELIVERY OF EDUCATIONAL AND SELECT SUPPORT SERVICES AT THE AUSTRALIAN DEFENCE FORCE ACADEMY

Substantially Achieved

The new agreement arose from an independent review by Professor Ian Zimmer into the educational arrangements at the Australian Defence Force Academy. Negotiations with the university have been completed. The new agreement has been developed and is under ministerial consideration.

DEVELOP AND IMPLEMENT A STRATEGY FOR BETTER BUSINESS MANAGEMENT EDUCATION AND TRAINING IN DEFENCE

Partially Achieved

In December 2002, Defence identified a more strategic approach to developing business skills of staff. The business skilling review is aimed at developing options for a whole-of-Defence business skilling system. The final review report was submitted to the Defence Committee in September 2003.

IMPLEMENT THE DEFENCE E-LEARNING STRATEGY

Partially Achieved

The Defence e-learning strategy is a White Paper undertaking that will deliver common standards for a whole-of-Defence e-learning system. Funding has been approved for the implementation of the strategy over a three-year period. A tender for the selection and procurement of an integrated learning management system was completed. Implementation commenced in May 2003.

DEVELOP A NEW DEFENCE WORKFORCE EQUITY AND DIVERSITY PLAN

Achieved

The *Defence Workforce Equity and Diversity Plan 2003-2005* is directed at ensuring that equity and diversity principles are integrated with the way Defence conducts its business. The plan has been developed and is being implemented.

DEVELOP AND IMPLEMENT A DEFENCE-FOCUSED PACKAGE FOR OVERSEAS CONDITIONS OF SERVICE

Substantially Achieved

Prior to 1 July 2002, conditions of service and rates of all allowances for Defence personnel serving overseas were based on those provided by the Department of Foreign Affairs and Trade. A new specific Defence-related package aims to ensure more targeted and cost effective measures for those overseas locations where Defence personnel are located.

ESTABLISH A CENTRE FOR MILITARY AND VETERANS' HEALTH TO PROVIDE POST GRADUATE TRAINING FOR ADF HEALTH PROFESSIONALS

Substantially Achieved

The Centre for Military and Veterans' Health is to be established at the University of Queensland School of Medicine. The partners for this initiative are the University of Queensland, Adelaide University and the Menzies School of Health Sciences. Contracts were signed in August 2003, with the centre expected to be operational in February 2004.

IMPLEMENT PHASE 1 OF HEALTHKEYS TO ALLOW THE CAPTURE OF INJURY STATISTICS AND ASSIST IN THE DEVELOPMENT OF INJURY PREVENTION STRATEGIES

Not Achieved

Implementation of HealthKEYS commenced with pilot projects in late 2002. It was halted due to software problems and slow network response times. The issue of slow response times has been resolved and other issues are being addressed. Pilot activity re-commenced in August 2003. ADF-wide implementation is scheduled to take place in the first half of 2004.

IMPLEMENT THE ADF MENTAL HEALTH STRATEGY (INCLUDING THE ADF ALCOHOL MANAGEMENT PROGRAM)

Partially Achieved

Implementation of the ADF mental health strategy has been steady, although some milestones were not met. Initiatives that are being successfully implemented include:

- strategies for improved mental health literacy;
- improved information sharing among professional groups; and
- enhanced mental health service delivery including the development of a tri-Service model for the mental health management of ADF members involved in critical incidents and a preventative program focusing on adjustment issues for ADF members returning from peacekeeping and overseas operations.

Activities undertaken as part of the ADF alcohol management program included evaluations of the Navy alcohol and drug program and the alcohol rehabilitation and education program. A training package for ADF health and welfare staff was developed and is being implemented. Planning is well advanced for an all hours support line and improved counselling support.

DEVELOP A DEFENCE INJURY PREVENTION PROGRAM

Achieved

The program was developed at a number of pilot sites covering 15 per cent of the full-time ADF population. Within the sample selected for pilot testing, the program has resulted in a 95 per cent reduction in rates of pelvic stress fracture for female Army recruits, elimination of serious knee injuries in recruits negotiating an obstacle course and ten to 45 per cent reduction in rates of injury in other ADF groups.

INTRODUCE A REVITALISED ADF SPOUSE EMPLOYMENT ASSISTANCE PROGRAM

Substantially Achieved

In February 2003, the Defence People Committee endorsed an expanded program to provide improved employment opportunities to partners of ADF members. The new program, the Services Workforce Access Program for Partners, was launched on 10 October 2003 at HMAS Albatross. Service-supplier arrangements are being finalised with the Department of Employment and Workplace Relations and selected national recruitment agencies.

IMPLEMENT RECOMMENDATIONS FROM RESEARCH ON THE IMPACT OF MOBILITY OF THE ADF ON EDUCATION OUTCOMES OF CHILDREN

Partially Achieved

The research is linked to the findings of a study entitled *Changing Schools: Its Impact on Student Learning*, the result of a joint project conducted on behalf of Defence and the Department of Education, Science and Training. The purpose of the study was to

investigate issues associated with student mobility and to document policies and practices used to identify and support students who frequently relocate. Two national projects have emerged from the report's recommendations. Defence and the Department of Education, Science and Training have entered into a memorandum of understanding to jointly sponsor the two projects. The project reports are due in early 2004.

ESTABLISH MORE CHILD CARE CENTRES IN AREAS OF HIGH NEED WITHIN AUSTRALIA

Partially Achieved

In 2001-02, a five-year child care expansion initiative was developed by the Defence People Committee to increase the number of child care centres and places in areas where the local communities are unable to support Defence child care needs. During 2002-03, planning commenced for the establishment of new child care centres in the high-need areas of East Sale, Williamstown, Puckapunyal and Holsworthy, with construction to take place during 2003-04.

In addition, the number of non-centre-based child care places in areas of high need was increased, including family day care, outside school hours care and occasional care. To address a national shortage of child care workers, a scheme has been initiated to assist Defence spouses seeking employment to work as registered carers. Child care needs analysis surveys have been conducted in Adelaide and Rockingham to determine Defence family needs in these areas.

CONTINUE EVALUATION OF A SOUTHERN REGION TRIAL OF PRIVATE SECTOR PROVISION OF ADF RECRUITMENT SERVICES

Achieved

The evaluation was completed. The Minister Assisting the Minister for Defence announced, in September 2002, that Defence would proceed with a national collaborative arrangement with Manpower Services Australia Pty Ltd to deliver recruiting services to the ADF. An amendment to the existing contract between Manpower and Defence was signed in November 2002. The collaborative organisation formed under this contract and known as Defence Force Recruiting, became operational on 1 July 2003.

DEVELOP A MORE EFFECTIVE SELECTION PROCESS FOR OFFICER ENTRY INTO THE ADF

Partially Achieved

In September 2002, a research study was undertaken to investigate aspects of officer entry into the Australian Defence Force Academy. The study was an initial phase of qualitative research seeking to gain a better understanding of target market attitudes. In 2002-03, a trial, based on this study, was conducted for the centralisation of the Australian Defence Force Academy's officer selection boards with the objective of improving officer recruitment. A recruiting campaign to be conducted in 2003-04 will focus on major activity in the secondary school environment and will supplement achievement of officer entry recruiting targets for the Academy.

DEVELOP A TRAINING PROGRAM AIMED AT ELIMINATING WORKPLACE HARASSMENT

Achieved

The training program is available to Defence personnel in a PowerPoint presentation format and as an on-line initiative. It describes workplace bullying and provides direction to staff on identifying and managing such behaviour.

CONTINUE IMPLEMENTATION OF THE NEW PUBLIC SERVICE TRAINING PACKAGE

Achieved

The development and piloting of 50 modules of training under the nationally recognised Public Service Training Package has been completed. Customisation of some materials has been undertaken to meet specific Defence needs. A national review of the training package is under way, with the revised package being launched in 2004. Defence is represented on the National Steering Committee.

CONDUCT AN ANALYSIS OF SOCIAL AND DEMOGRAPHIC ENVIRONMENTS TO ASSESS THE QUALITY OF INFRASTRUCTURE AND SOCIAL SERVICES AVAILABLE TO ADF MEMBERS

Substantially Achieved

A comprehensive study, *Northern Territory/Kimberly area personnel project towards enhancing retention*, was undertaken to better understand personnel retention issues, including infrastructure and social services, specific to northern Australia. This model of investigation will be followed for other regions on a priority basis.

NON-OPERATIONAL TRAINING

CORPORATE LEADERSHIP INITIATIVES

Key achievements in 2002-03 included the evaluation of the Capstone Program (targeted at the ADF star ranked officers and the APS Senior Executive Service), the Results through People Program and the process for selecting civilian participants for study at the Centre for Defence and Strategic Studies. The objective was to ensure ongoing improvement of each initiative in line with current Defence priorities. As an outcome of the evaluation, the Capstone Program has been re-designed and an 'emotional intelligence' component has been included in the Results through People training. The selection processes for the Defence and Strategic Studies Course have been amended to reflect closer alignment to the Australian Public Service Senior Executive Leadership Capability Framework, primarily to target high performing Executive Level 2 staff with the potential to progress to the Senior Executive Service.

GRADUATE DEVELOPMENT PROGRAM

As indicated in the table below, the Defence graduate intake continues to grow, with the total intake increasing over a five-year period. Planning is under way to establish a graduate Information Stream in 2004.

TABLE 5.15: GRADUATE INTAKE FIGURES

PROGRAM	1998-99	1999-00	2000-01	2001-02	2002-03
Graduate Development Program					
Generalists	50	56	45	50	48
People Strategists	-	-	-	8	8
Business Analysts	-	-	5	10	8
Defence Materiel Graduate Scheme	66	80	29	43	46
Corporate Services and Infrastructure Group	-	-	-	6	6
Defence Science and Technology Scheme	51	24	10	51	36
Defence Signals Directorate Scheme	25	37	36	31	54
Total	192	197	125	199	206

PUBLIC SERVICE TRAINING PACKAGE

In 2002-03, distance learning delivery of the Public Service Training Package was piloted with 45 students undertaking training across Australia. As a result of this pilot initiative, a strategy for flexible learning solutions is being developed to increase access to the training package.

BUSINESS EDUCATION SKILLS DEVELOPMENT

A suite of financial, procurement and project management courses are offered to Defence personnel. Tertiary-level financial management courses offered include:

- a ten-week intensive accrual accounting course provided through the Canberra Institute of Technology. A total of 68 Defence personnel successfully completed programs provided during 2002-03;
- a Diploma in Government Financial Management. A total of 49 Defence personnel completed the diploma during 2002-03; and
- a Graduate Certificate in Professional Management (Finance). A total of 26 Defence personnel graduated from the program.

Curricula for simple and complex procurement training in Defence were redeveloped. A procurement recognition process has also been developed, together with a network of assessors to enable Defence staff with a background in procurement to achieve competency for knowledge and skills developed on the job. During 2002-03, 3,375 Defence personnel received training in simple procurement, while 2,008 received training in complex procurement modules. Additionally, a total of 508 competency recognition processes, which look at prior learning, were conducted.

Training for the Resource and Output Management and Accounting Network system was also re-developed. As the corporate financial system for Defence, the system encompasses corporate budgeting, accounting and reporting, and supports the Defence resource management framework.

VOCATIONAL EDUCATION AND TRAINING

Defence registered training organisations are accredited to issue a total of 144 national qualifications from 17 training packages and a further 436 nationally recognised 'accredited course' qualifications (as at 30 June 2003). A database of Defence accredited vocational education and training has been established. It is for the use of current and former members of Defence, their employers and potential employers, and other education providers.

Table 5.16 classifies non-operational training provided to Defence staff, according to total student days and numbers of students.

TABLE 5.16: NON-OPERATIONAL TRAINING

TYPE OF TRAINING	TOTAL STUDENT DAYS	NUMBER OF STUDENTS
Accrual Accounting	680	68
Australian Defence College	302,373	1,967
Business Education and Skills Development (ROMAN and Financial Management training)	10,947	8,397
Capstone Program	470	47
Defence Materiel Organisation Contract Management training	1,476	738
Defence Materiel Organisation Logistics training	3,004	624
Defence Materiel Organisation Project Management training	3,134	708
Defence Renewal Workshops	1,226	613
Defence Safety Management Agency	1,950	1,254
Defence Security Authority	660	330
Diploma in Government Financial Management	2,326	76
Graduate Certificate in Professional Management (Finance)	1,421	117
Joint Ammunition Logistics Organisation	1,387	767
Project Management and Procurement training	10,558	5,383
Public Sector and People Skills Development	4,069	3,176
Regional Education Training and Development Units	22,332	14,931
Results Through People workshops	1,542	514
Total	369,555	39,710

WORKPLACE EQUITY AND DIVERSITY

OVERVIEW

The *Defence Workplace Equity and Diversity Plan 2003-2005* was published in May 2003. The plan is aimed at ensuring that equity and diversity principles are integrated with the way Defence operates. Other publications produced and promoted in 2002-03 included the *Guide to Equity and Diversity in Defence* booklet and the *Equity and Diversity in Defence* brochure. The Defence Equity Organisation also revised and released the booklet entitled *A Guide to Fair Leadership and Discipline in the Australian Defence Force*, Defence instructions relating to the Defence equity adviser network and policy on religious practices of the ADF.

During 2002-03, the number of Defence staff trained as equity advisers increased from 2,800 to approximately 4,000. To complement the equity adviser network, Defence continued to maintain the toll-free and confidential Defence Equity Advice Lines, which were available to Defence personnel and their families.

Each year, Defence celebrates its diverse workforce by participating in broader community activities. One example is Harmony Day, celebrated in March 2003, which focused on religious harmony, acknowledging the range of religions represented in Defence. Together with the Religious Advisory Council to the Services, the Defence Equity Organisation developed a Declaration of Religious Harmony in Defence. The declaration was signed by representatives from the Buddhist, Islamic, Jewish and Christian faiths at a ceremony held at Russell Offices in Canberra. In July 2002, as its contribution to National Aboriginal and Islander Day Observance Committee Week, Defence conducted a memorial service at the Aboriginal and Torres Strait Islander Memorial in Canberra to honour Australia's indigenous servicemen and servicewomen. The International Day of People with a DisAbility was observed in December 2002, through the dissemination of information, display of posters and invitation of guest speakers.

EDUCATION AND TRAINING

Equity and diversity awareness training is a mandatory requirement for all Defence personnel. Awareness training is available as a PowerPoint presentation and as an on-line course. During 2002-03, approximately 80 per cent of Defence personnel undertook this training. Although this is a good result for Defence, strategies are being developed to ensure a higher level of participation in 2003-04.

In October 2002, an awareness session entitled *Defence: Fair, Inclusive and Bully-free* was launched. These information sessions, conducted in 2003, were aimed at informing and providing direction to staff on identifying and dealing with this type of behaviour.

Equity adviser workshops and refresher courses were conducted in all regions. In addition, the Defence Equity Organisation conducted six 'Fair Go' courses throughout the year, generating awareness of discriminatory practices to 113 staff members of career management agencies. In 2002-03, the Defence Equity Organisation established

a cultural awareness training fund. During the year, approval for funding was granted to five units to undertake cultural awareness training at a total cost of \$28,462.

DIVERSITY

The commitment to a diverse workforce is articulated in the Defence Multicultural Policy. The diversity profile of the workforce is obtained through the analysis of voluntary information provided by staff on joining Defence. The profile is based on data related to people with a disability, people from a non-English speaking background and Aboriginal and Torres Strait Islanders. The table below demonstrates that there was little change in the Defence diversity profile in 2002-03.

TABLE 5.17: DIVERSITY OF ALL DEFENCE PERSONNEL AS AT 30 JUNE 2002 AND 2003⁽¹⁾

	MALE		FEMALE		NON-ENGLISH SPEAKING BACKGROUND ⁽²⁾		ABORIGINAL AND TORRES STRAIT ISLANDERS		PEOPLE WITH A DISABILITY ⁽³⁾	
	%	%	%	%	%	%	%	%	%	%
	01-02	02-03	01-02	02-03	01-02	02-03	01-02	02-03	01-02	02-03
Navy	83.6	83.2	16.4	16.8	0.7	1.5	0.05	0.1	0	0
Army	90.0	90.0	10.0	10.0	Not known	4.6	Not known	0.27	0	0
Air Force	85.2	85.1	14.8	14.9	4.1	5.2	0.15	0.16	0	0
APS	65.4	65.2	34.1	34.8	13.3	14.0	0.53	0.52	2.8	2.5

NOTES

1. Figures for the Navy, the Army and the Air Force include full-time personnel and Reservists on continuous full-time service.
2. A non-English speaking background includes any person who indicated that either one or both parents was from a non-English speaking background or spoke English and another language at home.
3. People with a disability includes people with an identified physical or mental disability (including chronic ailments or conditions such as diabetes).

INDIGENOUS AUSTRALIANS

In 2002-03, Defence launched a pilot mentoring and peer support program to assist participants of the national indigenous cadetship project. Defence sponsored four new cadetships under the project. Six cadets continued their cadetships during the year and three graduated.

Two indigenous liaison officer positions were established in Woomera and Darwin to develop and maintain links with local indigenous communities. As part of the ADF Cadet Indigenous Participation Strategic Plan, two additional indigenous liaison officers were appointed to manage pilot projects to enhance indigenous participation in the ADF cadet scheme.

Defence continued its participation in the Aboriginal and Torres Strait Islander Commission Army Community Assistance Program. The program utilises the expertise of the Army to provide vital infrastructure assistance to remote indigenous communities. One project, incorporating seven indigenous communities, was

completed during 2002-03 and is currently under a 12-month 'defects liability' period. Another project is currently under construction at Palm Island.

WOMEN

Based on research into gender diversity in Defence, undertaken in 2002 by a project team from the Australian Graduate School of Management, the Defence Equity Organisation developed a draft Gender Diversity Strategy in 2002-03. Stakeholders have agreed to the overall themes and principles of the draft strategy. A working group has been identified to develop future actions and responsibilities.

Men and women have equal access to employment in the ADF with the exception of certain functions involving direct combat duties. Following a direction from the then Chiefs of Staff Committee in November 2001, planning commenced on a proposal to enable physical employment standards to be developed for the Army's combat arms employment categories and the Air Force's airfield defence guards. The project will result in data being collected to enable improved understanding of the physical characteristics and performance capacity of Defence personnel and to develop a trade selection and barrier testing regime that will optimise an individual's likely success in each employment category. The project will begin in the second half of 2003.

DISABILITY

The *Commonwealth Disability Strategy 1994* requires all departments and agencies to develop a Disability Action Plan and lodge it with the Human Rights and Equal Opportunity Commission. Defence complied with this requirement and produced the *Disability Action Plan 1999-2003*, aimed at ensuring that people with a disability were not disadvantaged in being employed at Defence. With the cessation of the *Disability Action Plan 1999-2003* on 30 April 2003, actions to ensure fair treatment of disabled people have been included in the *Defence Workplace Equity and Diversity Plan 2003-2005*.

Under the Technical Equipment for Disabled Commonwealth Employees Program, Defence continued to provide equipment for APS employees with disabilities. The equipment included voice recognition software, monitors for the visually impaired, wheel chair hoists and hearing aids. In 2002-03, \$38,000 was expended on this initiative.

UNACCEPTABLE BEHAVIOUR

Defence maintains a strong stance on all personnel having the basic right to work in an environment free from harassment, discrimination and other unacceptable behaviour. Initiatives in place to address unacceptable behaviour include:

- the availability of policy documents and other publications to all staff;
- a mandatory requirement for all Defence personnel to undertake equity and diversity awareness training;
- a network of approximately 4,000 Defence staff trained as equity advisers to provide advice on equity and diversity matters; and
- a toll-free, confidential Defence Equity Advice Line.

In August and September 2002, a representative sample of 5,160 ADF members and a sample of 1,500 Defence APS employees were selected to participate in the 2002 ADF and Defence APS unacceptable behaviour surveys. In line with survey findings and the need to make equity and diversity a mainstream element of people management, the theme for the 2004 equity and diversity awareness presentation will be 'Making and Managing a Complaint of Unacceptable Behaviour'. A training program, 'Equity and Diversity Responsibilities of Managers and Supervisors', was launched in July 2003.

The Defence Equity Organisation maintains a database of reported incidents of unacceptable behaviour. Current statistics show an overall increase in incident reporting from all Services, with the exception of the Army, whose reporting has decreased slightly. The overall upward trend in reporting may indicate that there is an increasing awareness of equity and diversity policies and processes, resulting in people taking appropriate action as part of their rights. The relatively high number of complaints in the Navy may be attributed to the confidence in the chain of command to deal with these issues. The increase in reported complaints by Defence APS employees and contracted staff may be attributed to the stronger awareness of reporting requirements.

Chart 5.4 shows the total number of unacceptable behaviour incidents reported for each of the last four years. Prescribed unacceptable behaviour includes sexual offences, sexual harassment, general harassment, fraternisation, workplace bullying and abuse of power.

CHART 5.4: COMPARISON OF REPORTED UNACCEPTABLE BEHAVIOUR INCIDENTS 1999-2003

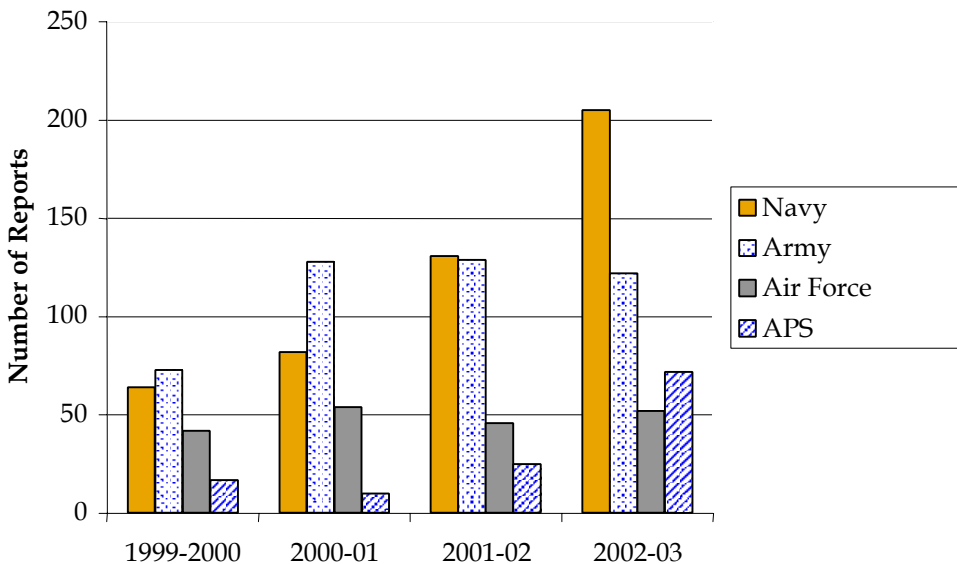
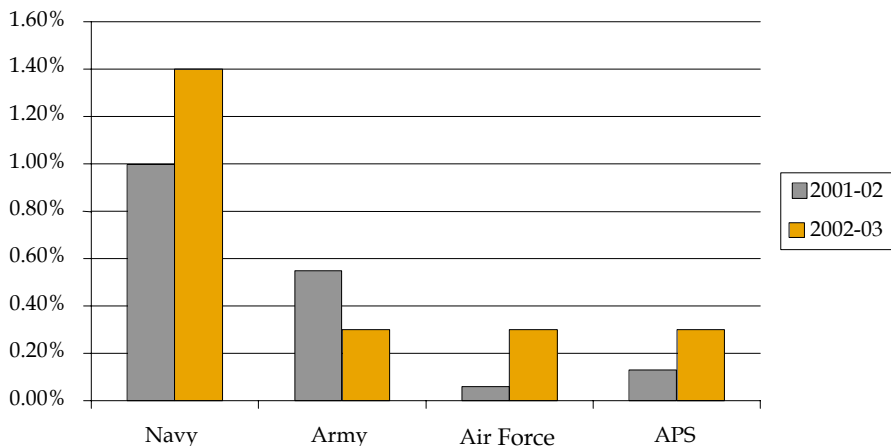


Chart 5.5 indicates the number of complaints of unacceptable behaviour per head of the Defence population for 2002-03. The figures are derived from a straight percentage calculation using the number of personnel in each Service and the number of complaints reported for each Service.

CHART 5.5: PERCENTAGE OF REPORTED UNACCEPTABLE BEHAVIOUR INCIDENTS BY SERVICE FOR 2001-02 AND 2002-03



OCCUPATIONAL HEALTH AND SAFETY

ADMINISTRATIVE FRAMEWORK

Given the importance of occupational health and safety in Defence, an Occupational Health and Safety Committee was established as a sub-committee of the Defence Committee. An Occupational Health Safety and Compensation Branch was also established within Defence Personnel Executive, bringing together a number of related areas to provide a focus for both occupational health and safety prevention and compensation.

As part of the overall administrative framework for dealing with health and safety issues, each Group has a Group safety coordinator to assist in generating improved awareness of occupational health and safety in Defence and to achieve consistency in implementing policies. Health and safety training is provided annually to staff.

A 'wellbeing' program was developed to assist staff to improve their fitness and health. Three main principles - health matters, life matters and physical matters - underpin this program. These principles are applied across the organisation and are adaptable to suit the needs and wants of separate geographic sites. Other occupational health and safety training programs have continued to ensure that the importance of the health and safety of people is continually reinforced in the workplace.

KEY INITIATIVES

DEVELOP THE DEFENCE OCCUPATIONAL HEALTH AND SAFETY STRATEGIC PLAN

Substantially Achieved

The plan will provide the basis for a more consistent and cohesive approach to improving health and safety in Defence. The Occupational Health and Safety Committee is overseeing this plan which is expected to be finalised by the end of 2003. The Committee will monitor and report on the development and maintenance of the Defence occupational health and safety management system.

DEVELOP AND IMPLEMENT A CORPORATE SAFETY GOVERNANCE SYSTEM

Partially Achieved

A key achievement in 2001-02 was the establishment of a corporate safety governance system to be implemented over a three-year period. As part of this process, 13 Defence safety performance requirements were outlined as the basis for reporting. Implementing the system in 2002-03 included Group progress reports on performance against these requirements. Reports indicated a commitment to safety by senior executives although inconsistency was apparent in implementation across Defence. The issue of inconsistency is being addressed through the preparation of material to provide specific guidance to Groups.

DEVELOP A DEFENCE RADIATION SAFETY POLICY

Achieved

A decision to develop a Defence radiation safety policy was taken in 2001 to ensure Defence was able to adhere to the terms of a licence issued by the Australian Radiation Protection and Nuclear Safety Agency. Subsequently, a radiation safety policy was developed and promulgated in the *Defence Safety Manual 2002*. In addition, a comprehensive policy on radiofrequency radiation safety was developed during 2002-03 and will be promulgated in the *Defence Safety Manual (second edition) 2003*.

DEVELOP FRAMEWORKS FOR REGULATOR RELATIONSHIPS

Substantially Achieved

In 2002-03, formal and informal mechanisms were established, and existing systems strengthened, to assist in communication with key stakeholders. Examples include the Defence/Comcare Liaison Forum, the Defence Union/Management Forum and membership, participation in the Commonwealth Safety Managers' Safety Forum and the Defence/Department of Veterans' Affairs Links Board.

NOTIFICATION AND REPORTING OF INCIDENTS

In 2002-03, 10,635 incident reports were received. Advice to Comcare is based on four categories of incidents: dangerous occurrences, incidents resulting in incapacity and incidents resulting in serious personal injury and death. Data on incidents over a three-year period is provided in the table below.

TABLE 5.18: INCIDENT REPORTING

REPORTS	2000-01	2001-02	2002-03
Defence Safety Management Agency			
Incident reports ⁽¹⁾	8,455	11,870	10,635
Comcare			
Death ⁽²⁾	6	5	2
Serious personal injury ⁽³⁾	1,819	962	545
Incidents resulting in incapacity ⁽⁴⁾	144	503	344
Dangerous occurrences ⁽⁵⁾	1,978	3,153	2,307

NOTES

1. Incident reports are any significant incidents or accidents caused by work-related employment within Defence or as a result of a Defence undertaking.
2. Comcare reportable deaths.
3. Incidents resulting in serious personal injury are those where emergency treatment is provided by a medical practitioner at a hospital or where the employee requires hospitalisation.
4. Incapacity is when an employee is unable to perform work for 30 or more consecutive days or shifts.
5. Dangerous occurrence is a near miss incident that could have, but did not, result in a fatality, incapacity or serious personal injury.

DEFENCE CIVILIAN COMPENSATION

CIVILIAN COMPENSATION AND REHABILITATION

A total of 420 workers' compensation claims were received from Defence employees in 2002-03. There were 84 injuries sustained while employees were travelling to or from the workplace, 25 on authorised sport, and seven during a normal recess. The other 304 injuries occurred during work. The Defence Civilian Injury Prevention and Management Framework is being developed to identify and implement effective, targeted strategies to:

- reduce the incidence of workers' compensation claims;
- reduce the duration of time off work;
- ensure improved accountability and responsibility for injury prevention and management; and
- reduce the workers' compensation premium.

INVESTIGATIONS BY COMCARE

Comcare investigations include:

- planned investigations;
- targeted investigations on specific issues;
- reactive investigations resulting from an incident or accident; and
- whole-of-agency investigations as part of Comcare's three-year rolling plan.

Comcare investigations undertaken for each of these categories over a three-year period are outlined in the table below.

TABLE 5.19: INVESTIGATIONS BY COMCARE

REPORTS	2000-01	2001-02	2002-03
Planned Investigations	10	3	-
Targeted Investigations	-	-	10
Reactive Investigations	48	26	25
Whole of Agency Investigations	2	2	-
Total	60	31	35

NOTICES ISSUED BY COMCARE INVESTIGATORS

Comcare investigators are able to issue notices as follows:

- an 'Improvement Notice' based on a situation that contravenes the Occupational Health and Safety Act or regulations;
- a 'Prohibition Notice' issued by a Comcare investigator to remove an immediate threat to the health or safety of a person; and
- a 'Do Not Disturb Notice' for a specified period of time to remove a threat to the health and safety of a person.

Three improvement notices and one prohibition notice issued in 2001-02 remain current.

In 2002-03, ten Comcare notices were issued to Defence. An improvement notice was served on HMAS *Warramunga* relating to machinery turning gear. As a result of the investigation, similar gear on all Anzac-class frigates is being modified. Two improvement notices were issued to RAAF Williamstown in relation to an overhead crane collapse. These were addressed through a risk assessment, developing of safe work procedures and installation of suitable devices. Two improvement notices were served on HMAS *Westralia* as a result of the Comcare investigation of modifications made after the fire of May 1998. The Comcare investigation did not take place until after the completion of the HMAS *Westralia* Board of Inquiry. The issue related to the requirement for a system of safe work practices and adequate scrutiny of maintenance and repair. The Navy has met Comcare requirements.

Data on Comcare notices over a three-year period is summarised in the table below.

TABLE 5.20: COMCARE NOTICES

REPORTS	2000-01	2001-02	2002-03
Comcare			
Improvement Notices	6	4	5
Prohibition Notices	3	1	2
'Do not Disturb' Notices	-	-	3
Total	9	5	10

MILITARY COMPENSATION AND REHABILITATION

The Military Compensation and Rehabilitation Service in the Department of Veterans' Affairs administers the following components of the Military Compensation Scheme on behalf of Defence with respect to serving and former members of the Australian Defence Force:

- *Safety, Rehabilitation and Compensation Act 1988*, as amended by the *Military Compensation Act 1994*, under delegation from Comcare; and
- Chapter 10, Part 5 of Defence Determination 2000/1 under the *Defence Act 1903*.

Services benefits comprise compensation and rehabilitation services and transition management services to assist ADF members who are being discharged on medical grounds to make a successful transition to civilian life. Performance is reported annually by the Department of Veterans' Affairs.

On 27 June 2003, the Minister Assisting the Minister for Defence, released an exposure draft of the new Military Rehabilitation and Compensation Bill for consultation. The new scheme combines traditional elements with modern compensation principles to meet the needs of current and future ADF personnel and their families. The Bill will remain an exposure draft until 31 August to allow time for the ADF and the Veteran communities to comment. It will be introduced during the spring session of Parliament in 2003. Current plans are for the new Act to be operational from July 2004.

ANNUAL REPORT ON THE ADMINISTRATION AND OPERATION OF THE DEFENCE FORCE (HOME LOANS ASSISTANCE) ACT 1990

LEGISLATION

The Defence HomeOwner Scheme is covered by the *Defence Force (Home Loans Assistance) Act 1990*. Section 39 of the act requires that an annual report be prepared for the Minister on the administration and operation of the act. The annual report is set out below.

DESCRIPTION

The Defence HomeOwner Scheme is an Australian Government initiative that provides a subsidy on the interest payable on a home loan for members of the ADF. The scheme is open to permanent Defence Force members who enlisted on or after 15 May 1985 and to those permanent Defence Force members who elected to revoke their entitlement under the Defence Service Homes Scheme in favour of a Defence HomeOwner entitlement. Reserve and Emergency Force personnel who provide part-time efficient service are also eligible for assistance.

The Defence Housing Authority administers the scheme for Defence. The benefits are provided under an agreement between the National Australia Bank and the Commonwealth. Under the scheme, the Commonwealth assesses eligibility and entitlement and pays monthly interest subsidies on loans provided by the National Australia Bank. Interest subsidy is paid on loans between \$10,000 and \$80,000. Spouses who are both members of the ADF can apply for a combined subsidised loan of up to \$160,000. The subsidy amount is calculated at 40 per cent of the average monthly interest to be paid over the life of a 25-year loan.

Providing a person has a period of entitlement, the subsidised loans can be used from one home to another during service as often as is required and once within two years of the date of separation from the ADF.

SUBSIDY ENTITLEMENT

The subsidy entitlement period is calculated on the number of completed years of effective full-time service after completion of a five-year qualifying period. The qualifying period for active Reservists is eight continuous years of efficient service.

For members with operational or war-like service, the five year qualifying period is waived and the maximum period of the subsidy may be extended from 20 to 25 years. There are special considerations for re-joining members, widows and widowers, eligible persons and members discharged as a result of a compensatable disability.

OBJECTIVES

The objectives of the Defence HomeOwner Scheme are to attract and retain ADF personnel, to encourage home ownership during service as a cost-effective alternative to rental assistance and to assist in the reintegration of ADF personnel into the community on return to civilian life.

PROGRAM EVALUATION AGAINST OBJECTIVES

The objectives of the Defence HomeOwner Scheme are achieved through providing a subsidised home loan for a period which is directly related to the member's length of service with the permanent or reserve forces, bringing home ownership within the reach of more members and providing a subsidised loan once within two years of separation from the ADF.

During 2002-03, there were 2,271 application for entitlement certificates and 1,544 applications for loan subsidies processed. The total number of approval loans current as at 30 June 2003 was 6,195. Since 2000, the take-up rate has improved and is almost double that of 1998-99.

Encourage Home Ownership as a Cost Effective Alternative to Rental Assistance

The take-up rate has remained high. Much of this is a direct result of the significant rise in eligibility numbers from personnel serving in war-like areas and the fact that interest rates remain low. The introduction of the Government's First Home Buyer's Scheme and the availability of the Home Purchase Assistance Scheme have also made buying a very attractive option.

Assist in the Re-integration of Defence Force Personnel into the Community on Return to Civilian Life

Of new subsidy applications, 35 per cent were from members either discharging or transferring to the Reserves. This is five per cent higher than last year and continues to be a growing trend.

PERFORMANCE EVALUATION OF THE ADMINISTRATION OF THE SCHEME

Defence is satisfied with the administration of the scheme by the Defence Housing Authority. During the reporting period, there were no appeals lodged with the Administrative Appeals Tribunal against decisions made by the delegate.

The National Australia Bank has met its obligations to the Government under the Act and has provided effective support to the scheme. The National Australia Bank and

the Defence Housing Authority continue in their efforts to streamline the administration process of obtaining the subsidy.

TABLE 5.21: APPLICATIONS FOR PAYMENT OF SUBSIDY BY TYPE OF ASSISTANCE

ACTIVITY	1998-99 ⁽¹⁾	1999-2000 ⁽²⁾	2000-01	2001-02	2002-03
Buy a home	1,011	709	1,332	1,042	953
Re-finance a loan	333	322	350	321	356
Enlarge a home	12	11	8	11	4
Build a home	193	150	139	220	186
Renovate a home	26	30	34	54	45

NOTES

1. Prior to 1999-2000, the above figures were taken from the entitlement certificate applications.
2. From 1999-2000, the figures are taken from the subsidy application.

TABLE 5.22: COMPARISON OF ACTIVITIES

ACTIVITY	1998-99	1999-2000	2000-01	2001-02	2002-03
Applications for entitlement certificate received	1,575	2,122	2,959	2,451	2,271
Entitlement certificate issued ⁽¹⁾	1,474	2,006	2,829	2,342	2,186
Applications for entitlement certificate declined/withdrawn	106	116	130	109	85
Applications for payment of subsidy received	941	1,222	1,863	1,648	1,544
Applications for payment of subsidy approved	938	1,194	1,845	1,634	1,520
Applications for payment of subsidy declined/withdrawn	13	3	18	14	24
Number of subsidy payees as at 30 June	3,519	3,970	5,051	5,816	6,195
Amount of subsidy paid (\$)	3.6m	4.4m	6.6m	6.5m	7.4m

NOTE

1. Entitlement certificates are valid for 12 months.

OPERATIONAL COSTS

An annual management fee of \$491,920 (including GST) was paid in 2002-03 to the Defence Housing Authority by Defence. The Authority was also paid a fee in respect of each application for entitlement certificates lodged. These fees totalled \$171,869 (including GST).

