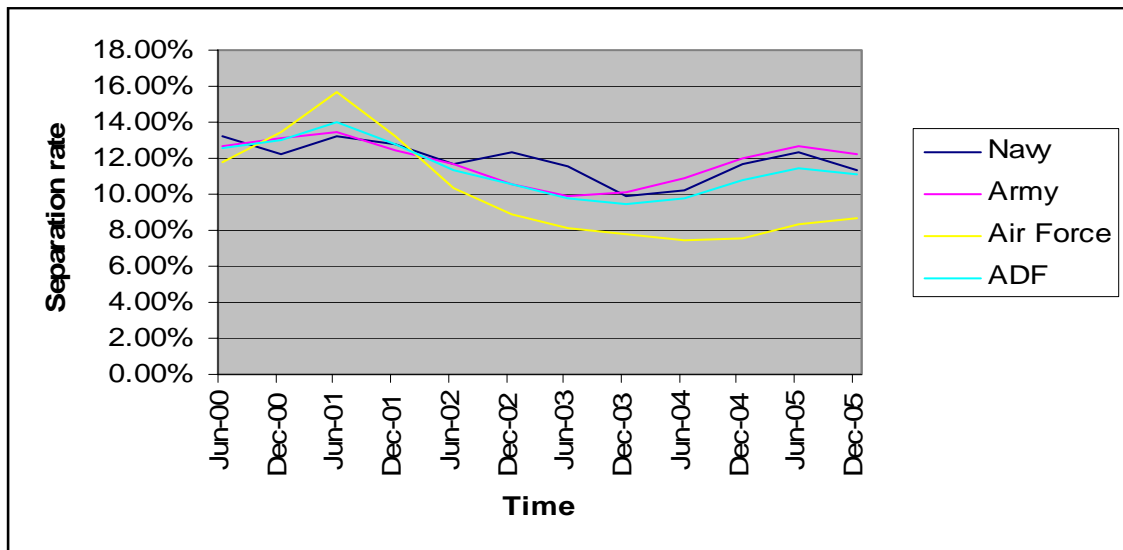


# RETENTION IN THE ADF

Figure 6 illustrates the ADF separation trends over the period June 2000 to December 2005. As indicated, separations for the three Services declined from mid-2001 until stabilising in early 2004. Some care is required in interpreting this data as figures for earlier years (between 1998 and 2001) were affected by a deliberate reduction in the size of the ADF, particularly in the Air Force, under the Defence Reform Program. It is noted that the peak in Air Force separations in 2001 was associated with a period of voluntary redundancies.

From June 2004 to June 2005, the total ADF separation rate increased from 9.5% to 11.4%, an increase of approximately 2% in 12 months. In workforce terms this 2% translates into an extra 1,000 people per annum who left the ADF. That is an extra 1,000 people who need to be replaced through increased recruiting activity, with the flow on effects impacting on training establishments, personnel and career management agencies, and ultimately operational units of the ADF.

Figure 6 ADF Separation Trends over Time.



Source: Australian Defence Organisation National Summary. Defence Personnel Executive, February 2006.

## Career Decision Points

Most personnel separating from the ADF do so at particular stages of their career. Figure 7 indicates that of all personnel who separate in any year, up to 24% leave within the first 12 months of enlistment. Other significant peaks line up with completion of their initial minimum periods of service at the 4-6 year mark for Other Ranks and Return of Service Obligation at the 6-8 year mark for Officers. Losing personnel at this point seriously undermines the ability of the ADF to grow and represents a significant challenge to maintaining Defence capabilities<sup>29</sup>. Other significant separation points are at the ten and twenty year marks.

Considering the differences that exist between the three Services, the Navy and Army have more separations within the first year, compared with the Air Force. This may be due to a combination of factors: difference in training regimes in the first year, and also the fact that the Air Force can be more selective than Navy and Army due to a higher ratio of applicants to recruits. The Air Force is therefore able to select those who are more likely to pass initial training<sup>30</sup>.

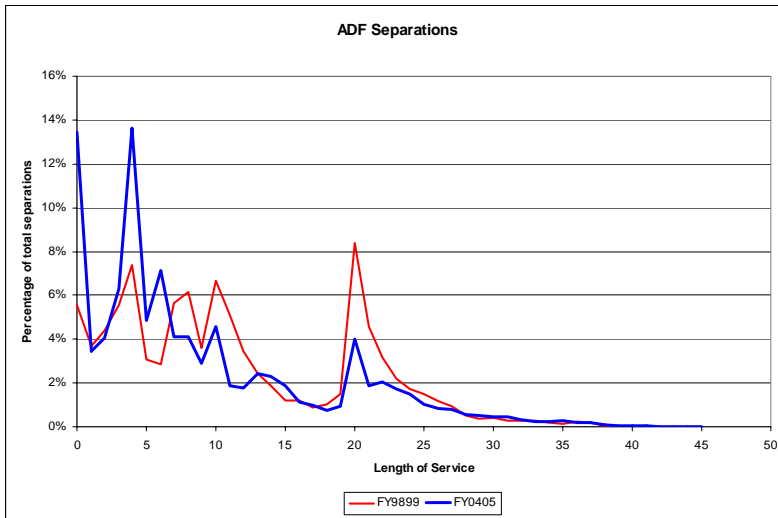
It is inevitable that regardless of Service, separations will occur in the first year because the recruiting process cannot perfectly predict who will succeed in training or be suited to a military life. Figure 7 and Table 12 present the profile in separations over length of time in service for the ADF, whilst Figures 8-10 and Tables 13-15 show the profiles for each of the three Services. As indicated in Figure 7 and Table 12, a large proportion of permanent ADF members separate between 4 and 10 years of service. These rates have increased significantly over the last 5 years, with personnel opting to serve for much shorter periods.



29. Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

30. Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

**Figure 7** Peaks in ADF Separations over Length of Time in Service.



Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

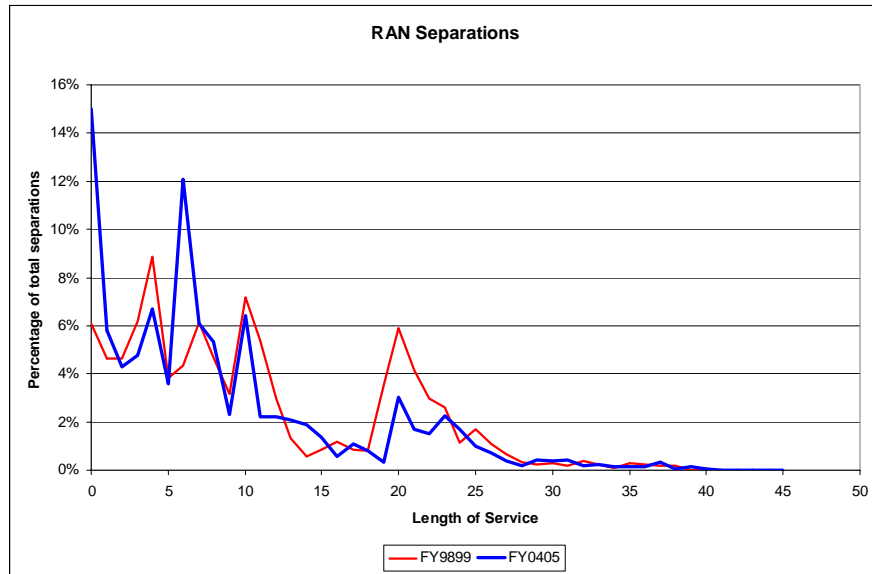
**Table 12** ADF Separation Rates by Years of Service.

Completed Years Of Service	FY98/99	FY04/05	Difference
0-3	19.2%	27.3%	> 8%
4-10	35.4%	41.4%	> 6%
11-19	18.7%	14.0%	< 4.7%
20+	26.7%	17.4%	< 9.3%

Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.



**Figure 8** Royal Australian Navy Separations.



Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

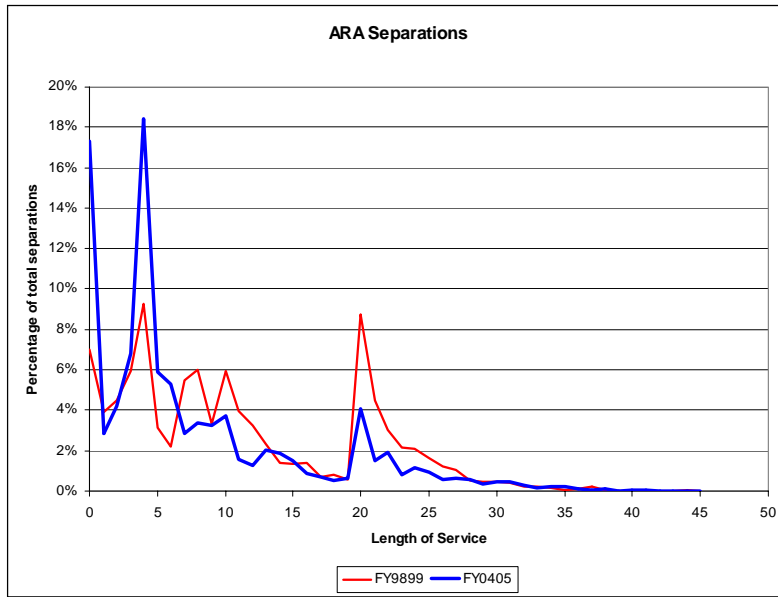
**Table 13** Navy Separation Rates by Years of Service.

Completed Years of Service	FY98/99	FY04/05	Difference
0-3	21.5%	29.9%	> 8.4%
4-10	38.1%	42.6%	> 4.5%
11-19	17.5%	12.1%	< 5.4%
20+	22.9%	15.1%	< 6.8%

Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.



**Figure 9** Australian Regular Army Separations.



Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

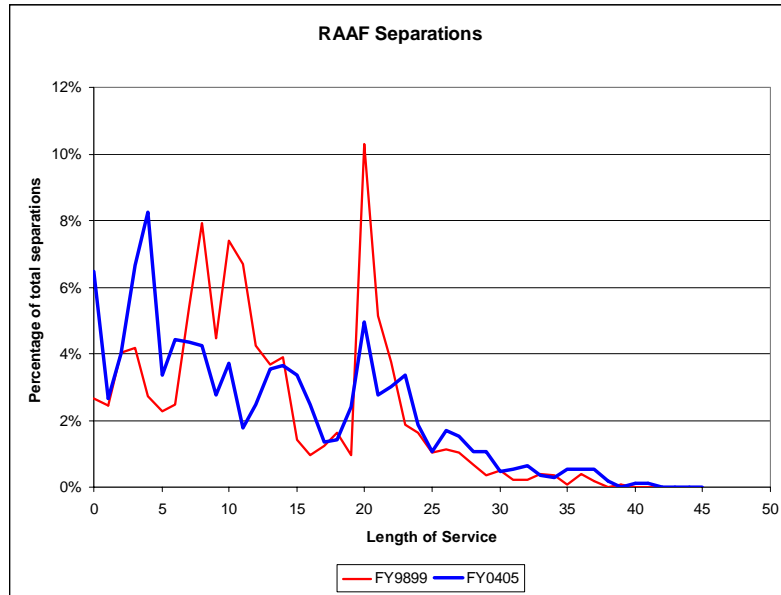
**Table 14** Army Separation Rates by Years of Service.

Completed Years of Service	FY98/99	FY04/05	Difference
0-3	21.3%	31.2%	> 9.9%
4-10	35.4%	42.9%	> 7.5%
11-19	15.8%	11.1%	< 4.7%
20+	27.4%	14.9%	< 12.5%

Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.



**Figure 10** Royal Australian Air Force Separations.



Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.

**Table 15** Air Force Separation Rates by Years of Service.

Completed Years of Service	FY98/99	FY04/05	Difference
0-3	13.3%	19.8%	> 6.5%
4-10	32.7%	31.2%	< 1.5%
11-19	24.7%	22.5%	< 2.2%
20+	29.3%	26.6%	< 2.7%

Source: Career Decision Points. Brief for DGWPRR - TTCP Conference, February 2006.



## Change in Distribution of separations between 1998/99 and 2004/05

Two reasons have been identified for most of the changes in the frequency distribution between 1998/99 and 2004/05: change in superannuation and increased operational service.

### Superannuation Changes

The peak noted at twenty years of service has historically been associated with ADF members retiring at that point under the Defence Force Retirement and Death Benefit (DFRDB) scheme. However, this is no longer the case as fewer people remain in service who are members of DFRDB. The scheme was closed to new members on 10 October 1991 and replaced with the Military Superannuation Benefits Scheme (MSBS). It is anticipated that over time, the 20 year mark will cease to be a point of significant separation rates.

### Increased Operational Service

Given that the ADF's operational tempo has increased since 1992, more ADF personnel experience an operational tour early in their career. For many people this is a key personal and professional objective, and having achieved this goal may decide to leave. This may account for an increase in separations at the 4-5 year mark, and is an area requiring further research. It is expected that in the future there will be two peaks in the distribution: in the first year and at the end of the initial period of service.

There has been a gradual shift over time in the frequency distribution of separations. This is more noticeable in the Navy and Army (Tables 13 and 14) than in the Air Force (Table 15). In FY04/05, the percentage of people who left the ADF with 4-10 years of service was 41.4%. This percentage has increased from 35.4% in 1998/99. In terms of improving the return on investment and enhancing the experience level of the ADF. Retention research is focussing particularly on members within this bracket.

Considering Figures 7-10, the relative lack of peaks in the distribution (apart from at the end of the initial period of service) is a direct reflection of the current open-ended engagement policy. Currently, the only decision point is at the completion of the initial period of service.

The current distribution of separations indicates that after completing their initial obligation, ADF personnel are serving 'under their own terms'. Rather than their decision to remain or separate being based on committing to another period of service, their decision is based mainly on changes in their personal circumstances or attitudes towards service (posting, marriage, professional satisfaction and other career options).

Table 16 summarises the top 10 reasons for Service members separating at four specific timelines<sup>31</sup>. These reasons have largely remained consistent over the last 5 years. As the table indicates, those separating at an early stage of their ADF career (< 5 years) typically do so for reasons pertaining to work satisfaction, whereas those who separate after a longer time in service typically do so for reasons relating to separation from family, and a desire for stability.

**Table 16** Top 10 Reasons for Leaving the ADF by Years of Service.

Rating	< 5 years	5-10 years	10-15 years	> 15 years
1	Better career prospects in civilian life	Desire for less separation from family	Desire for less separation from family	Desire to stay in one place
2	Lack of job satisfaction	To make a career change while still young enough	To make a career change while still young enough	Desire for less separation from family
3	Desire for less separation from family	Better career prospects in civilian life	Desire to stay in one place	Desire to live in own home
4	Low morale in my work environment	Desire to stay in one place	Better career prospects in civilian life	To make a career change while still young enough
5	A desire for more challenging work	Lack of job satisfaction	Little reward for what would be considered over-time in the civilian community	Probable location of future postings
6	Inadequate day-to-day unit management of personnel matters	Little reward for what would be considered over-time in the civilian community	Insufficient personnel in the units to do the work	The effect of postings on family life
7	To make a career change while still young enough	A desire for more challenging work	Lack of confidence in senior defence leadership	I have satisfied my goals in the Service
8	Under-use or non-use of training and skills	General dissatisfaction with Service life	Desire to live in own home	Insufficient opportunities for career development
9	Insufficient opportunities for career development	Lack of control over life	Impact of job demands on family/personal life	Better career prospects in civilian life
10	Inadequate information provided on my career management	Low morale in my work environment and impact of job demands on family/personal life	A desire for more challenging work	Insufficient personnel in units to do the work

Source: Johnston, K. (2005). *2004 Australian Defence Force Exit Survey Report: Reasons for Leaving*. Directorate of Strategic Personnel Planning and Research, Research Report 26/2005.

31. Johnston, K. (2005). *2004 Australian Defence Force Exit Survey Report: Reasons for Leaving*. Directorate of Strategic Personnel Planning and Research, Research Report 26/2005.