



Australian Government

Defence

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# STRATEGIC REVIEW OF THE AUSTRALIAN DEFENCE FORCE RESERVES

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*Defence acknowledges the Traditional Custodians of Country throughout Australia. Defence recognises their continuing connection to traditional lands and waters and would like to pay respect to their Elders both past and present.*

*Defence would also like to pay respect to the Aboriginal and Torres Strait Islander peoples who have contributed to the defence of Australia in times of peace and war.*

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# **STRATEGIC REVIEW OF THE AUSTRALIAN DEFENCE FORCE RESERVES**

Optimising the ADF Reserve to be an effective  
element of an integrated, focused force



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# Ministerial Foreword

The National Defence Strategy is clear about the confluence of strategic challenges we face and the need to adopt a new approach to the defence of Australia and our interests. It also reaffirms that people are Defence's most important asset – this includes the Reserves, who are the most diverse part of the Australian Defence Force (ADF) workforce.

Reservists come from every corner of our country, from almost every profession and trade, and from every stage of working life. Many have full-time ADF career experience and have transitioned to reserve service.

The Strategic Review of the ADF Reserves delivers on the Government's response to the Defence Strategic Review, which identified the need for a comprehensive strategic review of the ADF Reserves and reserve service as part of *National Defence* and in light of the current strategic circumstances.

As the ADF transitions to an integrated, focused force, Defence's workforce plans must change to effectively respond to the workforce crisis it faces. This includes adapting the structure, shape and role of the Reserves to ensure the reserve workforce complements the total Defence workforce and provides the expansion base for the ADF in times of crisis.

It is essential that the total ADF workforce – both reservists and permanent service members – are considered as a whole. Reservists must also be managed consistently across the Services as part of this workforce integration.

Defence faces significant workforce challenges. Reservists play an important role in helping to address these challenges. This includes opening up more ways for specialists and other members of the civilian workforce to bring their skills and experience to the ADF as reservists.

The Government is seizing this opportunity to make Defence's workforce a stronger, more effective team, including a single centralised and integrated ADF personnel management system.

This Review is linked to the Defence Workforce Plan and workforce reform. It shifts the ADF Reserve into the centre of Defence as an integral part of addressing the strategic challenges faced by Australia.

The Government is committed to implementing the recommendations of this Review as part of our broader focus on addressing Defence's workforce challenges.

The Government thanks all ADF reservists and their families, past and present, for their service and for being prepared to defend Australia and its interests.

**The Hon Richard Marles MP**  
Deputy Prime Minister  
Minister for Defence

# Terms of Reference



Australian Government

Defence

STRATEGIC REVIEW OF DEFENCE RESERVES

## TERMS OF REFERENCE

### References:

- A. National Defence Statement 2023
- B. Joint Directive 06/2023 (EC 23900157) dated 12 May 2023 *Implementation of the Defence Strategic Review*

### Background

- 1. The Defence Strategic Review observed that Defence is facing significant workforce challenges. In response, the Government agreed to the recommendation to undertake a comprehensive strategic review of the ADF Reserves, including consideration of the reintroduction of a Ready Reserve Scheme, by 2025. The Chief of Personnel (CPERS) is responsible for implementing this recommendation (reference B, Annex A refers).

### Purpose

- 2. The transition to the Total Workforce System has significantly improved the utilisation of the reserve workforce. The ADF Reserves should complement the total Defence workforce and provide the expansion base for the ADF in times of crisis. The ADF Reserves should also be optimised to support the realisation of the *Integrated Force*. To achieve this effect, Defence is to investigate innovative ways to adapt the structure, shape and role of the Reserves, as well as reconsider past programs.

### Scope

- 3. The Reserve Review is to consider:
  - a. The Defence Strategic Review and its recommendations on workforce, force design and structure and capability.
  - b. Other relevant Government initiatives including alternate Commonwealth Capabilities for Crisis Response.
  - c. Previous Reserve programs, including but not limited to the Ready Reserve Scheme.
- 4. The Reserve Review is to provide recommendations for:
  - a. The role and purpose of the Reserve force.
  - b. The capability and readiness levels required of the Reserve force.
  - c. The training focus (training levels/standard) of the Reserve force.
  - d. Adjusting the structure, shape and role of the Reserve force to deliver the capability and readiness requirements.

5. The recommendations should consider:
  - a. Legislation or policy adjustments required;
  - b. Costs (rough order of magnitude);
  - c. Ability to accelerate preparedness and scaling requirements;
  - d. Impact on domestic capabilities (should the Government direct the ADF to scale);
  - e. Concept for implementation;
  - f. timeframes to implement.

#### **Deliverables**

6. The Reserve Review is to deliver a preliminary report to Government by the end of March 2024.
7. The Reserve Review is to deliver a final report with the options and recommendations for consideration to:
  - a. Defence Committee no later than May 2024.
  - b. Government no later than July 2024.

#### **Oversight**

8. The Chief of Services Committee will have oversight of the Reserve Review including quarterly updates to steer its progress. The DSR External Advisory Panel will also receive project reports.



# Executive summary

## The Reserve today

Today's Australian Defence Force (ADF) Reserve is the legacy product of strategic demands over time, numerous policy changes and periodic reviews since its establishment in the early years of the Commonwealth of Australia. This has resulted in a Reserve that has no coherent design and where the role and purpose of the Reserve is not clearly defined. Each Service administers the reserve workforce and capability in isolation of the others and the application of any joint ADF process, where present, is uneven and uncoordinated.

Apart from Army's specifically tasked 2<sup>nd</sup> (Australian) Division, reservists are mainly and extensively employed to carry out individual business-as-usual activities across Defence. In recent years there has been a significant increase in the use of reservists under call for and call out policies to deal with bushfires, floods and the COVID pandemic.

Since 2000, and particularly since the implementation of the Total Workforce System, there has been steady progress towards integration of reservists more effectively into the overall force structure.

## Competition for workers and skills

The current Australian labour market is a challenging environment for recruitment to the ADF.

There is intense competition for workers with skills that are analogous to Defence requirements. The Reserve is currently under-strength and, under current policy and resource settings, meeting recruitment targets is unlikely without significant reprioritisation and resource allocation.

Many reservists are employed in essential civilian roles that will exempt them from call out. The inability to readily assess the relative priority of reserve service over civilian employment represents a significant and unquantified risk.

## Ready Reserve Scheme

The Strategic Review of the ADF Reserves (the Review) was specifically tasked to consider the reintroduction of the Ready Reserve Scheme that operated between 1991 and 1996. The Review found aspects of the Ready Reserve Scheme are desirable in the contemporary context, including the generation of a larger pool of trained part-time personnel to support scaling and expansion requirements. However, structural changes since the 1990s and initiatives including the ADF Gap Year Program have led to a more effective and sustainable reserve capability, particularly in Army, that make the wholesale reconstitution of a Ready Reserve organisation less viable or cost effective in the current context.

## A new approach

Building on the platform provided by the Total Workforce System, the Review recommends establishing a Reserve Force Level Framework with three categories of reserve service:

- ▶ The **Individual Level** refers to reservists serving across all Groups, Services and domains supporting business-as-usual activities and roles. This reserve workforce should continue to be employed in this manner but with more standardised and centralised administration and career management.
- ▶ The **Operational Level** should be focused on establishing collective reserve capabilities and organisations to deliver short notice capacity and effects in support of a Defence Preparedness Directive. This will draw on the lessons learned from the Ready Reserve in establishing new high-readiness, part-time operational capabilities within the reserve force. The Review recommends growing this Level by at least 1,000 personnel by 2030. Detailed planning should consider force design, individual service training and absorption approaches, and should be completed by no later than the end of 2025.
- ▶ The **Contingent Level** should be designed to support targeted scaling and expansion through call for and call out arrangements. Streamlined administration arrangements should also be implemented. The Review also recommends immediate expansion of the Contingent Reserve workforce by extending the active commitment period for former permanent ADF personnel from five to ten years.

The development of this Framework was informed by an analysis of best-practice among international partners, particularly the structural changes undertaken following recent similar reviews in Canada and the United Kingdom.

## Pathways to reserve service

The Review recommends a number of changes to the existing pathways to reserve service designed to standardise policy and process, and particularly to allow greater flexibility in attracting a broader range of specialists.

Drawing from the lessons of the Ready Reserve Scheme and the ADF Gap Year, a new accelerated entry pathway is recommended to rapidly on-board targeted reservists within selected trades and streams. At maturity, this new pathway will provide additional options for generalist entry.

Priorities for the accelerated entry pathway should be determined on a regular basis. This process would align accelerated recruitment efforts with the workforce priorities of the Services and Groups and allow this pathway to be a primary feeder into the multi-domain Operational reserve force.

Once established, the accelerated entry pathway will provide a replicable mechanism to rapidly scale the Operational reserve forces in the event of a crisis.

## **Minimum essential training**

The Review recommends adoption of a minimum essential training approach for the accelerated entry pathway, with further consideration of minimum training requirements to occur across the ADF Reserve, including Officer Training.

A targeted length of initial training of no more than six weeks recognises the Service member will exit the training pipeline with enough training to safely achieve specific capability effects.

## **Administration and career management of the Reserve**

The Review found that Defence and reservists are not well-served by the multiple stove-piped and bespoke approaches to Reserve administration and career management across the Groups and Services. These functions should be centralised alongside all other workforce functions within the newly formed Military Personnel Organisation.

Standardised and simplified administration coupled with more proactive career management would maintain positive engagement with the reserve workforce, reinforce their sense of value, ensure reserve service opportunities are highlighted and optimise the reserve contribution to capability under the Total Workforce System.

A key outcome of a new approach to reserve management would be to optimally assign reserve personnel to organisational priorities as part of an integrated, focused force. This enhanced workforce planning requires Defence to have a greater understanding of its Reserve workforce, including the individual circumstances and availability of reservists as well as their civilian employment.

Regular engagement with the Contingent reserve cohort is recommended to quantify and assure the available capability at any point in time.

## **Reserve Conditions of Service**

There are differences between the motivations, commitments, needs and conditions of permanent and reserve personnel. The Review recommends that conditions of service that apply to reservists be urgently reviewed to understand behavioural incentives across the Total Workforce System.

There is currently a range of work underway on reserve conditions of service. The Review recommends that the resulting Employee Value Proposition must equitably consider and clearly articulate the benefits of both permanent and reserve service.

## Implementation

Policy and structural changes recommended by the Review should undergo detailed planning as a priority, with implementation to occur by no later than the end of 2025 under the oversight of the Head of Reserve and Cadet Support within the Military Personnel Organisation. This central oversight and planning for implementation will ensure consistency across the Groups and Services and that outcomes are embedded across Defence.

Following the establishment of an Operational reserve training and employment framework an initial growth target of 1,000 personnel should be achieved by 2030, supported by targeted recruitment and retention efforts.

# Chapter 1:

# Observations and recommendations

Historical context	
Observation	Outside of conscription and other forms of national service, the size of the reserve has remained relatively consistent regardless of sustained population growth.
Observation	There has been significant change in the role and purpose of the ADF Reserve over its history.
Role, structure and composition of the ADF Reserve	
Observation	There is an existing reliance on reservists to achieve business-as-usual activities across Defence.
Observation	Reserves should be administered and managed consistently with common processes, regardless of Service.
Observation	The lack of an overall Reserve demand signal, including functions and tasks, has hindered Reserve organisational and workforce design and management and has not informed the necessary enabling system.
Observation	The centralisation of the military personnel management function under the Chief of Personnel and the continued evolution of the Total Workforce System provide the conditions for improved coordination and simplification of reserve administrative and management processes.
ADF Reserve Employment	
Observation	Enhanced workforce intelligence is required to provide a better understanding of the civilian employment and competing demands on reservists to optimise Defence's response to contingencies.
Observation	Trends towards part-time and flexible work arrangements as well as increased female labour market participation are circumstances that could be conducive to growth in the ADF Reserve.

Observation	The Total Workforce System provides for innovative and flexible entry to the ADF Reserve.
Observation	Under current policy and resource settings, meeting reserve recruitment targets is unlikely without significant reprioritisation and resource allocation.
Recommendation 1	Develop options to improve reserve recruitment outcomes in collaboration with Defence People Group and other stakeholders.
Observation	Requirements for reserve personnel and the allocation of Reserve Service Days should be centrally managed, prioritised and informed by the capability effects that can be generated.
Observation	Reserve workforce management practices are not consistent across the Services and service categories and should be standardised.
Current and past programs	
Observation	The intent of the Ready Reserve Scheme to enhance reserve operational readiness and capability remains valid. The transition to an <i>Integrated Force</i> combined with an enhanced Total Workforce System provide an opportunity to meet this intent through contemporary workforce and organisational structures.
Observation	The successful approach to training and the flexibility provided for Gap Year participants are attributes of the program that should be considered in any future ADF entry pathway.
Observation	Contemporary initiatives should be reviewed and consideration given to applying successful initiatives across the ADF.
International peer analysis	
Observation	The recent Canadian and United Kingdom reviews of their reserves articulated a multi-tier framework of force levels to express the roles and functions of their reserves.
Observation	Consistent with international peers, there is a requirement for the ADF to deliver focused capabilities through the Reserve that align with strategic guidance and direction.
Australian industry partnerships	
Recommendation 2	Pursue the broadening and deepening of partnerships with industry and employers in a coordinated and prioritised approach to expand access to specific skills and capability outside the ADF.
A new approach	
Recommendation 3	Adopt a design approach to deliver a military workforce and organisational structure that deliberately considers permanent and reserve forces.

Recommendation 4	<p>Establish a Reserve Force Level Framework to provide for three categories of reserve service:</p> <p><b>Individual Reserve:</b> Individuals employed across Defence in support of ordinary Defence business activity.</p> <p><b>Operational Reserve:</b> Reserve capabilities and organisations delivering operational levels of capacity and effect in support of the Defence Preparedness Directive.</p> <p><b>Contingent Reserve:</b> Individuals available to Defence in support of targeted capability, scaling and expansion if required.</p>
Recommendation 5	Raise at least an additional 1,000 additional Operational reserve force personnel by 2030. Detailed design work should commence as a priority to define the personnel, capability and training requirements to establish this element of the Operational reserve.
Recommendation 6	Expand the Contingent reserve workforce available to the ADF for call out by extending the active commitment period for former permanent ADF personnel from five to ten years.
Observation	The terminology around specialist entry is different between the Services and limits development of a common system.
Recommendation 7	Standardise and extend specialist entry to allow greater flexibility in attracting a broader range of specialists.
Recommendation 8	Establish an accelerated entry pathway to develop a tailored mechanism for service in the Operational reserve.
Recommendation 9	Adopt a minimum essential training approach for the accelerated entry pathway, with further consideration of minimum training requirements to occur across the ADF Reserves, including Officer Training, as well as recognition of civilian qualifications and experience.
Recommendation 10	Establish regular engagement with the SERCAT 2 Contingent reserve cohort to quantify and assure the potential capability from this reserve level.
Recommendation 11	Centralise reserve personnel management functions under the control of the Chief of Personnel within the Military Personnel Organisation to achieve a common approach across the total workforce.
Recommendation 12	Develop common career and personnel management approaches to both permanent and reserve personnel to deliver total workforce capability outcomes.

Observation	Whilst conditions of service for both permanent and reserve personnel need to be considered together at an enterprise level, rather than in isolation, the extant Reserve settings contain dated incentives that potentially limit service rendered.
Recommendation 13	Defence's Employee Value Proposition must actively address reserve service to improve reserve recruitment and retention outcomes.
Recommendation 14	Urgently review the Conditions of Service within the Employee Value Proposition that apply to SERCAT 3-5 reservists.



## Chapter 2:

# Scope and purpose of the review

The Defence Strategic Review recommended a comprehensive strategic review of the Australian Defence Force (ADF) Reserves and reserve service as part of *National Defence* and in the light of current and evolving strategic circumstances.

The Strategic Review of the ADF Reserves (the Review) was conducted between December 2023 and April 2024. The Review Team, led by Air Vice-Marshal Stephen Meredith and Major General Douglas Laidlaw, undertook a process of historical review, contemporary scoping, analysis, design and refinement.

Key areas of analysis were the ADF, the Department of Defence (including its agencies), relevant Federal Government initiatives, the national domestic workforce and associated operating environments. The Review consulted widely within Defence and with the Defence Reserves Association, the latter providing a written submission. Concurrent reviews and activities that have a nexus with the ADF Reserve were considered and engaged to identify ways in which the ADF Reserve can be optimised.

The Review also examined how select international peers structure and use their reserve forces. The UK and Canada completed specific reviews related to their reserve forces in 2023, providing a clear comparative focal point for this review.

The analysis was used to understand the broad Defence operating system in context and to design a framework for definition and future management of the respective layers of the Reserve Force.

As part of the analysis and design process, the Review considered a range of options to inform an understanding of cost relative to scale, variations in force composition, initiatives and incentives. The Review also considered organisational impacts that might stem from recommendations and sought to minimise any potential additional burden on Defence as it continues to implement the National Defence Strategy.



## Chapter 3:

# Strategic environment

The National Defence Strategy highlights that Australia faces its most complex and challenging strategic environment since the Second World War.

The adoption of *National Defence* in response to these circumstances means the ADF will shift from a balanced force capable of responding to a range of contingencies, to an integrated, focused force designed to address Australia's most significant strategic risks.

These demands require Defence to access workforce capabilities that reside in other parts of the Australian community at a time of need.

In recognising the need for a whole-of-government and whole-of-nation approach, the Government acknowledged the importance of harnessing Australia's human capital more effectively.

As the National Defence Strategy outlines, "as the ADF transforms from a balanced to an integrated, focused force, Defence's workforce plans must also change to effectively respond to the workforce crisis it faces, noting that the ADF is currently around 4,400 personnel under strength. This crisis is impacting both ADF recruitment of new personnel and retention of existing, highly skilled personnel."

As the National Defence Strategy stipulates, the Government is fundamentally transforming Defence recruitment and retention systems to achieve workforce priorities with a focus on:

- ▶ widening eligibility criteria to enable more people to join the ADF, including developing options to recruit, where appropriate, non-Australian citizens;
- ▶ streamlining the recruiting system to translate the wider pool of eligible applicants into an increase in the number of ADF recruits;
- ▶ improving processes to enable faster recruiting so that skills gaps are met more quickly; and
- ▶ encouraging current personnel, who have built the skills and expertise the ADF needs, to stay and serve longer through retention initiatives.

Increasingly, the application of ADF capabilities will not be distinguished by full-time or part-time forces. This demands a departure from some of the entrenched approaches to the reserve workforce that have been driven from the bottom-up and by individual Services.

Reserve forces are a critical defence enabler that provide options to Government balancing affordable cost against necessary capability. Governments will rarely be able to hold permanent forces ultimately required and as a result reserve forces are a common international solution.

The ADF Reserve is also a critical enabler to accelerated preparedness and the generation of operational forces. They can also act as a bridge between the ADF and broader whole-of-nation and whole-of-government capability potential to access capabilities not resident in the ADF. Accordingly, the Review has focused on understanding the current state of reserve capability and determining the best approach for the Reserve to address the priorities outlined in the Defence Strategic Review and National Defence Strategy as an integral part of the ADF.

## Chapter 4:

# Historical context

Over the 20<sup>th</sup> century the role of the ADF Reserve shifted significantly, aligning with the strategic demands of the time. Initially, reserves were primarily tasked with vital area protection and homeland defence. The focus during the early 1910s and throughout the First World War shifted towards providing large numbers of volunteers for overseas defence of the British Empire. Following the First World War, strategic guidance again emphasised homeland defence, with a smaller militia focusing on defending against raids rather than large-scale invasions.

The Second World War saw the rapid mobilisation of large, volunteer Navy, Army and Air Forces. Following post-war demobilisation, reserves dominated force structures, accounting for a majority of the military establishment that was primarily oriented towards homeland defence. The balance gradually shifted as the regular Army expanded, particularly during the Korean, Malayan and Vietnam conflicts.

The introduction of compulsory service training under the National Service Act in 1951 and 1964 significantly increased reserve numbers. As a result of conscription, the Citizen Military Forces expanded from 18,000 to over 84,000 between 1950 and 1955. Outside of conscription periods, the size of the Reserve remained relatively stable regardless of sustained population growth. A shift in the use of reserves occurred post-Vietnam War with a move towards considering them for disaster relief alongside traditional defence roles.

### **Observation:**

Outside of conscription and other forms of national service, the size of the reserve has remained relatively consistent regardless of sustained population growth.

Since the 1990s, the part-time reserve forces have been integrated far more effectively with permanent forces, evidenced by the disestablishment of the Naval Reserve Port Divisions and the Air Force's City Squadrons. The 2000 Defence White Paper marked a significant change in the approach to the Reserve. Its role shifted away from an emphasis on mobilisation to meet remote threats to a role focused on supporting contemporary military operations and providing essential skills not held within the regular forces. Subsequent White Papers emphasised the operational focus of the Reserve on individuals rather than formed units, focusing on their contributions to various operations and implementing measures to integrate reservists more effectively into the overall force structure.

Since 2016 this integration has been enabled primarily by the introduction of the Total Workforce System (TWS) which the Defence Strategic Review observed had significantly improved the utilisation of the reserve workforce. The Defence Strategic Review also emphasised the potential role of reserves to support force expansion during crisis.

Most recently, the tasking of the 2<sup>nd</sup> (Australian) Division in a domestic security role has taken them away from a purely force expansion role to be a more operationally focused organisation.

The Defence Strategic Review call for innovative adaptation of the ADF Reserve to enable expansion now underscores the need to realign structures in the contemporary strategic context while leveraging historical lessons and insights.

**Observation:**

There has been significant change in the role and purpose of the ADF Reserve over its history.

## Chapter 5:

# Role, structure and composition of the ADF Reserve

## Role, purpose and structure of the ADF Reserve

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The Review observed that the role and purpose of the ADF Reserve are not clearly defined, nor is the Reserve currently organised or coordinated under a unifying framework. As the historical review has highlighted there has been an evolution of the Reserve over the last 20 years to a focus on individuals rather than formed units.

This evolution has not been complemented by a formal structural review and broader requirements setting that considers contemporary strategic needs. Rather, each Service has determined its respective needs and structures with forces being generated from the 'bottom up'. This locally-managed approach has not allowed the Reserve to be optimised to realise and sustain long- term workforce capability requirements aligned with wider Defence outcomes.

### Services

Navy, Army and Air Force are the three Services in the Australian Defence Force. Services are led by the respective Chief of Service (three-star rank) and composed of officers and other ranked ADF personnel.

### Groups

Groups across the Department of Defence and ADF are led by a three-star officer or Deputy Secretary-level Australian Public Service (APS) member. Groups can be composed of a mix of APS and ADF members from across all three Services.

## Domain

Within the operational environment, a medium with discrete characteristics in which, or through which, military activity takes place. The domains are Maritime, Land, Air, Cyber and Space.

The Groups and Services use reservists extensively to address gaps in their workforce or to undertake specialist project work that would otherwise be unable to be addressed due to workforce shortages. The broader patterns of use across the Groups, Services and the nascent Domains are detailed below.

## Observation:

There is an existing reliance on reservists to achieve business-as-usual activities across Defence.

## Navy

The Navy Reserve is almost entirely comprised of former permanent force personnel who fill individual 'backfill or round-out' type roles within existing Navy structures or in the Groups. This is very similar to the structure that existed during the Ready Reserve Scheme and in this sense Navy's use of the Reserve has not changed significantly for decades.

The Navy Reserve does not have a substantial direct entry model and only has limited reserve unit structures limited to the small specialist Maritime Trade Operations area. Navy is a heavy user of reservists in areas of workforce shortages in the permanent force including the engineering, maintenance and construction, and enterprise and command support workforce segments.

Further training opportunities are generally not afforded to Navy reservists and career progression is limited with the resulting inability to maintain currency or to attain qualifications for further promotion. Navy Reserve workforce management is not well resourced and engagement with reservists is limited.

## Army

Reviews over many decades have consistently been unable to define a role and purpose of the Army Reserve. In practice its role has progressively evolved, being defined by the strategic circumstances, challenges and requirements of the time. Reserve personnel serve in every part of Army which will increasingly rely on blended and hybrid force elements to deliver a persistent operational effect, even where the majority of the workforce are reservists.



From the commencement of peacekeeping operations in East Timor in 1999 through to follow on operations in Solomon Islands, Iraq and Afghanistan, the Army Reserve predominantly provided a round out, reinforcement and rotation effect in support of the regular component of Army. On occasion whole tasks, for example, the security and stability operation in the Solomon Islands, were undertaken entirely by the reserve Army elements. In recent years, high-risk events such as the 2019 bushfires and the COVID pandemic led to a pivot of reserve forces to leading domestic response operations.

The 2<sup>nd</sup> (Australian) Division was established as an operationally-focused command, predominantly staffed by reserve personnel, that maintains a full-time responsibility for a range of domestic contingencies.

The 2<sup>nd</sup> (Australian) Division also acts as the lead agent for generating security and response options in support of long-term homeland defence.

In comparison to the other services, Army has the most structured reserve model by virtue of the 2<sup>nd</sup> (Australian) Division and the established Brigade and Unit structures across the nation. 2<sup>nd</sup> (Australian) Division now provides a substantial contribution to national security and resilience through its homeland defence role within the *Integrated Force*. This role operationally commits the bulk of the Division, limiting its potential to support force expansion in time of crisis. It does retain the training capability of the 8<sup>th</sup> Brigade and its resident University Regiments which provide the nucleus for understanding how force expansion could occur, but the Division is insufficiently resourced to support a large-scale expansion if needed.

Defence workforce data shows that Army is reliant on significant direct entry into the reserve, complemented by the transition of former permanent personnel once they leave permanent service. A large proportion of those who transition from permanent full-time service choose not to render any reserve service.

In many respects, Army reservists represent the public face of the ADF for a very large proportion of the Australian population by virtue of their established regional presence. Reservists often live in locations where there is no permanent force footprint and they therefore play an important role in linking Defence to the communities it serves. Through the Regional Force Surveillance Units in the north and northwest of Australia the reserve plays an important role as a significant employer of indigenous Australians in regional Australia.

Army has a well-established reserve career management cell and contingent workforce management capability. This structure provides a training continuum for reserve direct entrant officers and soldiers that facilitates career progression through to the highest ranks.

## Air Force

The extant Chief of Air Force directive on reserves states that “The Air Force Reserve is an essential component of Air Force’s integrated workforce model” and that “the Strategic Intent for the Air Force Reserve is both operational and strategic:

- a. the Operational Reserve is to be integrated into the Permanent Air Force to help sustain extant capability and, concurrently, provide a complementary trained, just-in-time, latent personnel capability;
- b. the Operational Reserve is to be ready to be activated in a phased manner to enable Air Force to achieve Government required Operational Level of Capability under a Total Force concept; and
- c. the Standby Reserve is to provide a strategic, follow-on capability in the event of a major contingency requiring partial or full mobilisation.”

The Chief of Air Force expects “commanders to be accountable for the effective utilisation of their reserve component and administration of their reservists, both those increasingly used in day-to-day support and those held at the latent capability levels of activity” and “to have a strategic understanding of the role and capability contribution of the Reserve force and to work to sustain it”.

The Air Force Reserve population almost entirely consists of former permanent force personnel who fill individual ‘backfill’ or ‘round-out’ type roles within existing Air Force structures or in non-service groups. Air Force does have a small direct entry model that is focused on security force personnel and specialist roles such as medically-trained personnel. The direct entry element had previously been larger and well-structured to support the security capability but has significantly reduced over the past decade. Air Force previously had local reserve units but these no longer exist and reservists are now fully integrated with permanent force units.

Air Force has a strong reliance on reservists in the aviation, engineering, maintenance and construction, and enterprise and command support workforce segments.

Air Force reservists are not afforded significant training opportunities and career progression is limited because of the inability to maintain currency in mustering or to attain the qualifications necessary for further promotion. Air Force Reserve management only forms a small portion of the Air Force total management cell. Consequently, engagement with reservists is limited.

### **Observation:**

Reserves should be administered and managed consistently with common processes, regardless of Service.

## Cyber and Space Domains

The Cyber and Space Commands require a specialised workforce. Cyber and space are developing domains and the Commands as yet do not have a detailed understanding of how the Reserve can be optimised to support delivery of these domain capabilities. Observations on their specific circumstances are made below. Similarly, the Australian Submarine Agency has specialist workforce needs but is yet to consider the opportunity provided by reserve capability.

**Cyber Command.** Cyber Command predominantly utilises reservists to supplement the existing workforce. The current structure of the Cyber Command is designed around permanent personnel with reservists backfilling vacancies. In this sense, it is not an integrated workforce by design at this point. Reservists are predominantly used in staff rather than operational roles. This is a reflection of the current maturity and needs of the Cyber Command, and of some of the constraints of current reserve entry, selection and remuneration models.

There is no formalised reserve structure for the cyber domain; there is an acknowledgement that reservists with specific cyber skillsets will be needed to assist in expanding the workforce in time of crisis. Career management of cyber reservists is largely dependent upon existing Service arrangements and is therefore disparate and inconsistent.

**Space Command.** Space Command has stood up quickly and reservists have been essential to achieving the staffing requirements in this early stage. They are fully integrated within a structure that is agnostic as to whether positions are filled by permanent or reserve personnel. Current organisational maturity is such that consideration has not yet been given to a more structured application of reservists to achieve the needs of the command.

Space Command is developing a joint career management model for those in the command and this will allow a career pathway for both officers and other ranks, regardless of their Service, that will enable career progression to the highest ranks within the space stream. A space career training continuum is in development. In due course, these will need to be reviewed to ensure that reservists support the needs of the command's reserve workforce, particularly as it seeks to optimise retention across the total workforce.

**Intelligence.** Defence Intelligence Group (DIG) is a substantial user of Reservists, predominantly in individual roles that address capability or capacity gaps within the permanent and full-time workforce. Reservists currently make up about 10% of the DIG workforce. Within DIG the Defence Intelligence Organisation (DIO) and the Australian Geospatial Office (AGO) are the most substantive users with an allocation of an average of approximately 50 Reserve service days per reservist. RAAF provides a disproportionately large contribution, with a larger number being sourced from the Service Category (SERCAT) 5 cohort of reservists.

While reservists play a particularly important role in providing the specialist image analyst and geospatial analyst capabilities, the reserve contribution to DIG is reactive rather than structured.

At present career management of reservists within DIG is largely dependent upon existing single service practice and is therefore disparate and inconsistent, that is, some will be afforded opportunities, others none. The Chief of Defence Intelligence's role as the Joint Workforce Sponsor for Intelligence sets the primary precondition for establishing a joint career management model, similar to that being pursued by Space Command, and could foster a more integrated approach and more career opportunities for reservists with an intelligence background.

## Other Defence Groups and Agencies

The Review sought insights on reserve usage from Groups and agencies across Defence as well as some of their relevant commands and divisions. As very significant users of individual reserve capability their views provided significant insight into some of the continuing challenges to optimising reserve utilisation.

In general, most Groups use reservists extensively to address gaps in their workforce or to undertake specialist project work that would otherwise not be addressed due to workforce shortages.

The directed reduction in the use of contractors has seen a growth in demand for reservists; reservists are seen as critical to maintaining the business-as-usual activities of Groups and for progressing new initiatives that might otherwise remain unaddressed until regular workforce capacity becomes available. In some cases Groups were particularly reliant on reservists with cyber, engineering, intelligence and technical trade skills for meeting critical operational requirements.

This pattern of use reflects the current demands across Defence, arising from recruiting shortfalls, retention challenges, and the contraction in the employment of contractors. The bulk of reservists are being used for their generalist skills. The application of reservists to do special projects that would either be done in house or by contractors requires further consideration as these tasks are prioritised locally rather than against Defence priorities. They are undertaken using Reserve Service Days and are treated as a free good.

Through stakeholder engagement, common observations and patterns emerged around the employment of reservists within Groups and agencies. These included inadequate career management and progression, complicated administrative process and inequitable remuneration compared to permanent forces. The advantages for the reserve workforce already offered by Total Workforce System (TWS) are not fully leveraged by the Groups and Services. These observations are discussed further in the analysis of the TWS.

### Observation:

The lack of an overall Reserve demand signal, including functions and tasks, has hindered Reserve organisational and workforce design and management and has not informed the necessary enabling system.

## Observation:

The centralisation of the military personnel management function under the Chief of Personnel and the continued evolution of the Total Workforce System provide the conditions for improved coordination and simplification of reserve administrative and management processes.

## Consultation with reservists

As well as considering the submission from the Defence Reserves Association the Review referred to the Defence Reserves Conditions of Service Study undertaken by the Reserve and Cadet Support Division in 2023. The Review found, through the current round of stakeholder consultation, that the observations of the Study remain relevant. A summary of the study appears below.

### Defence Reserve Conditions of Service Study

In late 2023 Defence undertook a focus group study of serving reservists in order to ascertain their perceptions of the extant Reserve Conditions of Service (CoS). The study noted that the extant Reserve CoS were developed in the 1980s and, despite numerous reviews (the last major one in 2001), have not evolved at the same pace as Permanent Force CoS. Since the development of the extant Reserve CoS three significant factors have shifted:

- ▶ The nature of work in Australia has shifted away from permanent full-time employment,
- ▶ Macro-economic conditions in the global and domestic economy have on balance tightened,
- ▶ The ADF is utilising the Reserve component of the Total Force differently.

The study noted that the top three responses by Reservists related to pay, access to medical services and the streamlining of routine business processes.

Several key themes emerged as important to significant portions of serving reservists:

- ▶ **Pay and financial benefits.** The extant pay settings were seen as increasingly uncompetitive against alternate forms of part-time employment. A direct comparison of pay between SERCAT 5 and SERCAT 7 generally entails a disparity of approximately 30%. Accordingly, there are issues pertaining to the opportunity cost of reserve service compared to the market and perceptions of value and equity within Defence that are likely to be limiting the amount of service offered.
- ▶ **Career management, training and qualifications.** The area of career management and rank advancement highlighted significant differences across the Services.

- ▶ **Member experience.** There was universal concern that reservists were overly burdened with governance and administration with insufficient time to develop and utilise their skills.
- ▶ **Recognition.** There was broad support for Defence initiated long service awards, an Australian Operational Service Medal to recognise support of domestic operations, and implementation of a greater Reserve centric consideration of honours and awards. Across the services, these types of recognition were voiced as a fair and equitable mechanism to encourage increased volunteerism and rates of service.

The study emphasised the need to develop Reserve CoS that are responsive to perceptions of equity across the TWS and which afford a degree of agency in selecting an employment package suitable to a particular stage of life and with regard to circumstances.

## ADF Reserve employment

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### The operating environment

Individual reservists are employed on approved and funded Reserve Service Days, covering a wide range of roles in the Groups and Services across the country. In normal peacetime circumstances employing reservists means accessing their surplus capacity outside of any civilian employment. This includes evenings, weekends, recreation leave periods, employer supported reserve leave arrangements and fly-in/fly-out changeover periods.

### Reserve Service Days

Reserve Service Days (RSD) means a day (or part-day) that a member of the Reserves is entitled to and paid a daily rate of salary. The service must be part of their authorised duty commitment.

In times of national emergency and crisis, the ADF needs to have assurance that it can call on the potential capability of the ADF Reserve. This is assured through provisions in the *Defence Act 1903* that allow the Governor-General to call out some or all of the Reserves. The government has significant legal powers to compel the service of reservists in the event of a call out while also protecting their civilian employment.

## Reserve call out

Reserve call out is compulsory service for the part of the ADF Reserves to which the call out order applies under section 28 of the Defence Act 1903 and is subject to the protections available under the *Defence Reserve Service (Protection) Act 2001*.

Call out may occur in circumstances ranging from war to assistance to government authorities in matters of national security, support to community activities of national interest, or civil aid and humanitarian assistance.

Call out of the ADF Reserves (Reserve call out) is used to increase the size of the available force, such as when available SERCAT 6 or 7 members or volunteers from the Reserves are not sufficient. It is a mechanism that is used only in exceptional circumstances.

## Reserve call for

Reserve call for is a mechanism by which Defence seeks volunteers from the ADF Reserve to make themselves available for employment or deployment in response to a need or contingency.

There was very extensive use of reserve forces over the past 20 years, though overseas deployment has diminished since the cessation of operations in Afghanistan and Solomon Islands. These demands have been replaced by the recent responses to natural disasters and the COVID pandemic. These events highlighted the challenges of accessing reservists whose primary employment is in the emergency services, health sector or public service.

## Case study: Operation Bushfire Assist

Operation Bushfire Assist commenced on 31 December 2019 to support fire and emergency services across NSW, Victoria and Queensland and later provided support to the Australian Capital Territory, South Australia and Tasmania.

On 4 January 2020, the Governor-General, on advice from the Minister of Defence, authorised the compulsory call out of specified elements of the ADF Reserve 'to provide emergency functions to support and enable firefighter and emergency services'. This was the first time that a call out of Reserves had been authorised under the Defence Act 1903. The effect was that those reserve forces were moved from a voluntary setting to compulsory full-time service, increasing the size of the force available.

More than 8,000 ADF members provided support as part of emergency relief, response and recovery operations. This included over 2,500 reservists who responded to the call out in addition to those already rendering service voluntarily. This represented the largest mobilisation of the ADF for domestic disaster relief in Australia's history.

The experience of Operation Bushfire Assist and the reserve command and control structures that it established prepared Defence to respond immediately to the pandemic. This allowed Defence to rapidly establish the COVID Task Force and its subordinate Joint Task Force around Brigade formations in each state and territory.

During Operation Bushfire Assist 2019 – 2020 the call out directions exempted emergency service workers. It also permitted some command discretion in cases of particular hardship.

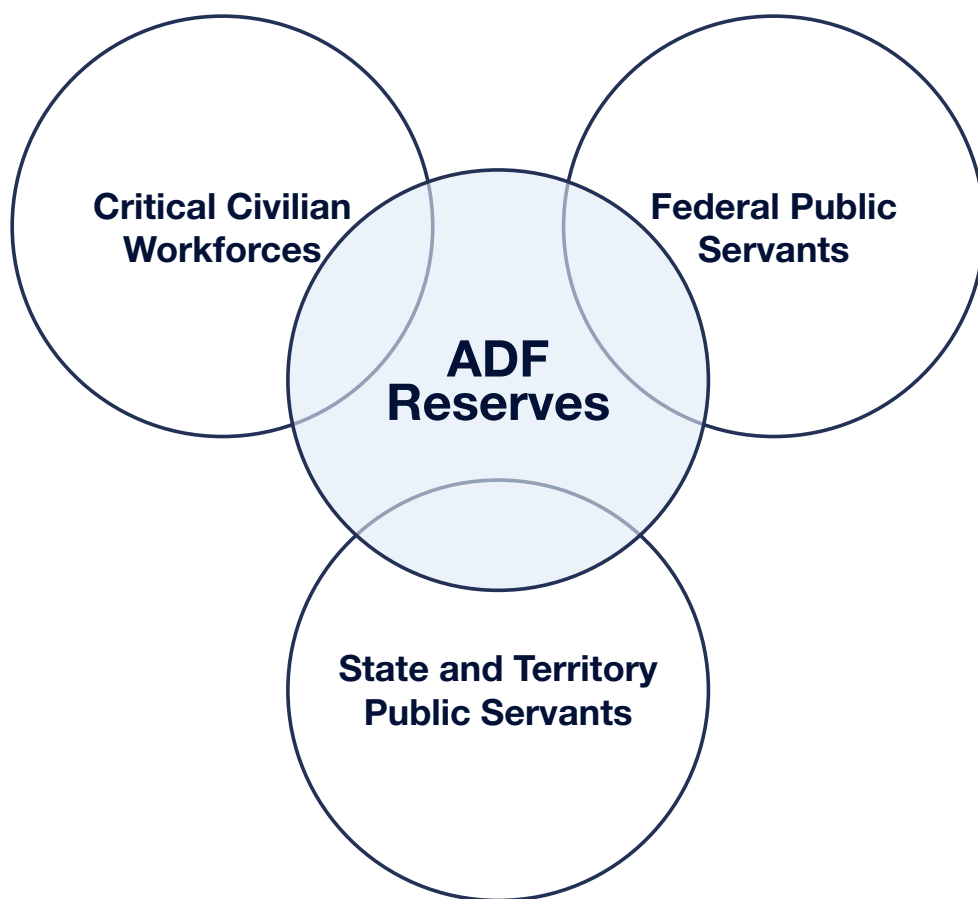
## **ADF Reserve and essential workers**

The National Cabinet, formed during Australia's response to the COVID pandemic, determined a list of essential workers, one which extends far beyond the sectors that were essential during World War Two, that included police, paramedics and fire-fighters and other similar occupations. In 2020, in response to the specific needs of the pandemic, state and federal governments agreed that the definition of 'essential workers' included, but was not limited to:

- ▶ Emergency services, safety, law enforcement, justice and correctional services (including police, fire and rescue, ambulance, and other emergency, safety and crisis response, operation of courts/tribunals, correctional centres);
- ▶ Road, rail, air and sea transport services (including port operations);
- ▶ Telecommunications services workers;
- ▶ Cyber and network security workers; and
- ▶ Workers in critical government functions, federal, state or local government and public works, including maintenance of infrastructure.

In times of conflict, this list would necessarily be different to ensure the broader needs of the nation in crisis remain supported, and this would extend to include a comprehensive list of professions, trades and service providers. Figure 1 depicts the indicative overlapping workforce roles and responsibilities that may have an impact on reserve force planning.





**Figure 1: ADF Reserve overlapping roles. The number of ADF reservists occupying critical roles in the public service and industry is currently unknown and represents a risk to ADF reserve capability.**

In addition to uniformed personnel, Defence capability draws heavily from the support provided by its APS, contracted workforce and broader Defence industry. There are some 17,000 APS personnel performing essential inputs to Defence capability and this is augmented by nearly 35,000 contracted personnel working directly for Defence.

Reservists are not obliged to advise Defence of their civil employment. Therefore there is no reliable and integrated source of data to assess how many of the 52,000 public servants and Defence contractors are also reservists. The inability to readily assess the relative priority of reserve service over their civilian employment in the event of an emergency represents a significant and unquantified risk for the ADF.

### **Case example: competing priorities**

A Navy Reserve Petty Officer is a trained marine technician and a former permanent member of Navy. In their civilian role, they apply their skills with a Defence contractor maintaining Navy patrol vessels. Concurrently, they serve for a small number of Reserve Service Days in a fleet support unit undertaking similar maintenance activities.

In a crisis that surges patrol boat operations and maintenance demands, calling up this Petty Officer for full-time duty would result in the loss of their civilian maintenance role, leading to no net gain for Defence and possibly a net loss.

On paper they represent two distinct capabilities – a valuable member of Defence industry and a part-time sailor. In reality, they are one individual whose civilian role may be a higher operational priority than their reserve service.

Reservist roles are diverse and integral to operational outcomes encompassing network operations, physical security, essential base operations (such as flight line operations and fuelling), maintenance of key platforms and intelligence analysis to name a few. Some longer-term planning functions may be deferred in a crisis but other roles make critical contributions to the immediate delivery of operational effects.

### **Observation:**

Enhanced workforce intelligence is required to provide a better understanding of the civilian employment and competing demands on reservists to optimise Defence's response to contingencies.

# Workforce

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## Australian labour market

Unemployment is at its lowest point for decades, sitting at around or below four percent for the last two years.

There has been a dramatic rise in part-time employment across the economy over the past four decades. The National Skills Commission's *The State of Australia's Skills 2021* report identified a number of demand, supply and institutional factors to explain this rise. Demand side requirements from employers for flexibility, the growth in service industries and changes in technology can partly explain the emergence of many new part-time jobs and the gig economy trend.

On the supply side, the report found that young people are remaining in education for longer while working part-time or casual jobs. There has also been a sharp increase in female participation in the labour market, with women remaining more likely than men to prefer part-time work.

The National Skills Commission observed that men are taking on more part-time jobs. In February 2020, 19.1 per cent of male employment was comprised of part-time jobs, compared with just 5.4 per cent in February 1980.

Within the Australian labour market, the proportion of overseas born and their first generation children continues to rise along with their lower propensity to serve in the ADF. Finally, as people are now living longer, there has also been a rise in mature-age participation, with older Australians more likely to work part-time and for much longer as they transition to retirement.

Defence must be cognisant of these national workforce trends and gain a comprehensive understanding of the reserve workforce, particularly regarding the relationship between reserve service, reserve functions, and civilian employment. Remote work opportunities are evolving and there is a growing acceptance of the de-linking of work locations from home locations. Embracing this trend may expand a Reserve that is tied to local Defence capabilities and facilities.

Trends towards part-time and flexible work arrangements as well as increased female labour market participation are circumstances that could be conducive to growth in the ADF Reserve.

### **Observation:**

Trends towards part-time and flexible work arrangements as well as increased female labour market participation are circumstances that could be conducive to growth in the ADF Reserve.

## Total Workforce System

The ADF Total Workforce System (TWS) was implemented in 2016 to provide Defence with the flexibility and agility it needs to meet current and future workforce demands. The TWS acknowledges that people are Defence's most valuable asset. To attract and retain the right people, Defence needs a contemporary, flexible and agile work environment that accommodates the needs of the workforce, while working to retain the trained value of individuals in uniform for as long as possible.

The TWS has been designed to realise the following effects for individual members and the Defence Organisation:

- ▶ Sustainment of capability by attracting and retaining the right people.
- ▶ Diversity and inclusiveness within the Services.
- ▶ Provision of flexible service paths.
- ▶ Enablement of organisational agility by designing flexibility into current and future workforce structures.

For individuals, the TWS recognises that there is a life outside of the ADF. To help individuals achieve the right balance between their personal commitments and service responsibilities, the TWS introduced the Service Spectrum to offer more options in the way people can serve.

Figure 2 depicts the seven Service Categories (SERCAT) and three Service Option (SERVOP) types that are available to members of the ADF under the TWS. Four Service Categories and three Service Option types are available to reservists.

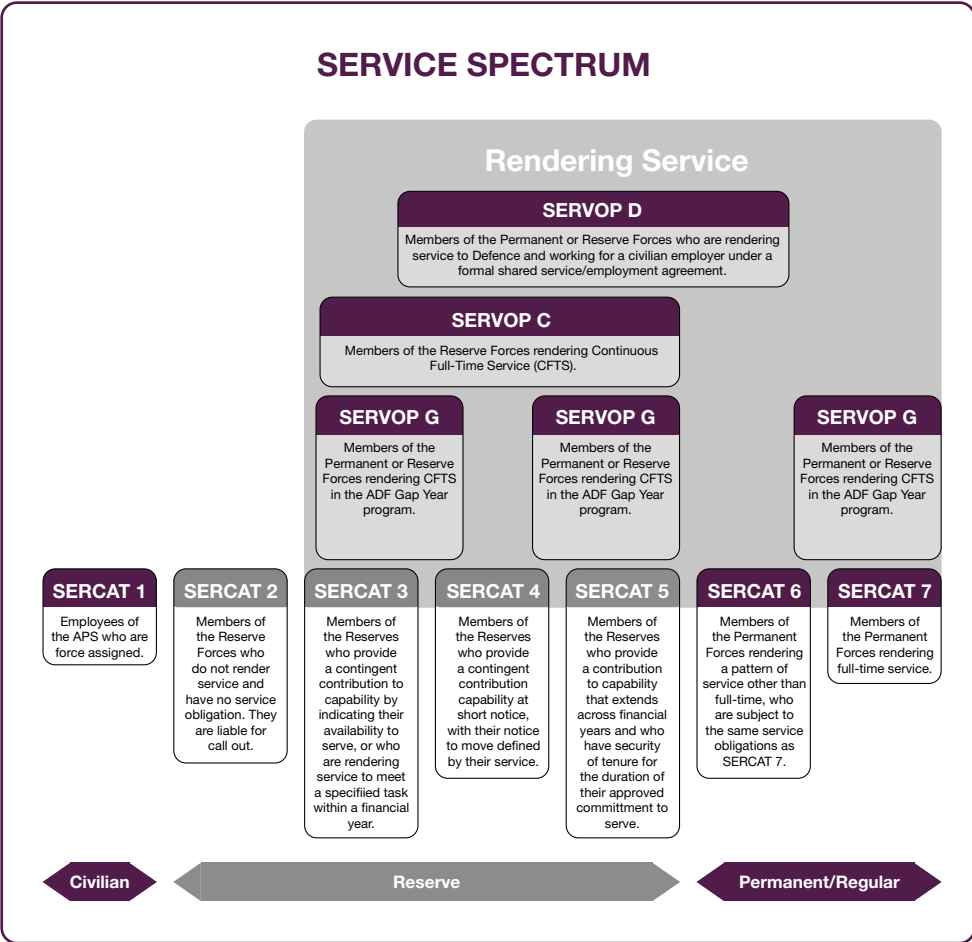


Figure 2: Service Categories and Options across the ADF Total Workforce System

### Current pathways to reserve service

**Transition from Permanent Service:** All three Services harvest a significant proportion of their reserve capability from the SERCAT 7 workforce transitioning directly to reserve service (not including SERCAT 2), or returning after a gap in service. Air Force and Navy generate the majority of their active reserve workforce through this pathway. Subject to the length of any break in service, this pathway requires little additional training or resources when an individual assumes a reserve role.

**Direct Entry:** Direct entry represents the primary pathway for reserve service from the civilian population. Army Reserve officers and soldiers go through a standard recruiting process prior to streaming in to a direct training pathway. Their training lasts up to two years, depending on their availability for courses, and their chosen stream. Service options are wide, covering a large percentage of the permanent Army's employment categories. Most General Entry officers and soldiers go on to serve with a unit and formation inside the 2<sup>nd</sup> (Australian) Division. While Air Force and Navy maintain a direct entry pathway, outside of specialist roles it is small and provides very limited options for service.

For all Services, the direct entry pathway represents the longest and most comprehensive training. Recruit training is on average four weeks in duration, with follow-on employment training ranging from four weeks to several months. For Army and Navy Reserve officers, the total training continuum of approximately four months usually takes between one and two years to complete on a part-time basis.

**Specialist Entry:** All three Services offer a pathway for externally qualified specialists seeking to serve in a full-time or part-time context. Primary specialisations include medicine, law, chaplaincy, public affairs, musicians and limited service specific qualifications. Usually, the Specialist Service Officer undertakes the minimum training necessary (between one and four weeks) to ensure they can employ their core specialist skills in a safe and effective manner.

**Gap Year:** All three Service Reserve elements receive a small number of entrants from the ADF Gap Year program. While the Gap Year is not currently codified as a formal pathway to the Reserves, approximately 25 per cent of all participants who opt to continue service join the reserve.

**Other entry pathways:** Each of the Groups and Services occasionally offer bespoke options to civilian specialists with a particular combination of skills, qualifications and experience. Where appropriate, the individual enters service as a reservist on a contract with few training or readiness requirements. It ensures the appropriate protections and conditions of service for the individual, while ensuring they are subject to the same call out and employment expectations as any other reservist.

### **Observation:**

The Total Workforce System provides for innovative and flexible entry to the ADF Reserve.

## Reserve workforce

At 1 March 2024, the reserve workforce was 41,717. There were 32,311 reservists in SERCAT 3-5 who provided service and 9,406 reservists in SERCAT 2 who did not provide service.

**Table 1: ADF Reserve members by Service Category, March 2024**

Service Category	Description	No SERVOP	SERVOP C Reserve members on full time	SERVOP G Gap Year	Total
SERCAT 5	Reserve member serving across financial years with assured tenure for the duration of their approved commitment to serve	17,308	1,103	29	18,440
SERCAT 4	Reserve member available for service at short notice	31	1	0	32
SERCAT 3	Reserve member available for service or serving within a financial year	13,622	217	0	13,839
SERCAT 2	Reserve member who does not render service	9,406	0	0	9,406
TOTAL					41,717

## Annual transfers to the Reserve from the Permanent Force

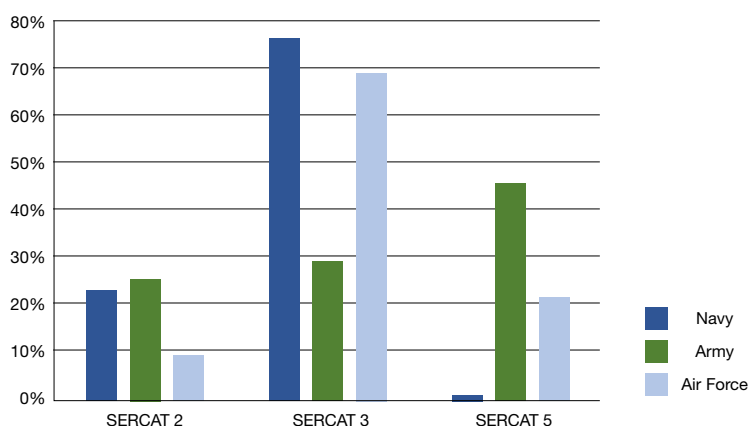
Table 2 shows the average annual number of discharging members of the permanent force who transferred to the ADF Reserve between 2017-18 to 2022-23. This number excludes those who discharged for medical and disciplinary reasons and those who have reached the Compulsory Retirement Age of 65. SERCAT 4 transitions are not represented due to the insignificant number of transfers.

**Table 2: Average annual transfers to the ADF Reserve from the permanent force**

Service	SERCAT 2	SERCAT 3	SERCAT 5	Total
Navy	153	502	6	661
Army	474	544	851	1,869
Air Force	68	516	165	749
Total	695	1,526	1,022	3,279

This data shows that around 78 per cent of transfers from the permanent force go on to continue reserve service through either a SERCAT 3 or 5 role. Nearly half of all Army transfers move into SERCAT 5, contrasting starkly with Navy personnel who rarely transfer to SERCAT 5.

Figure 3 shows notably different trends in each Service for personnel transitioning from permanent to reserve service.

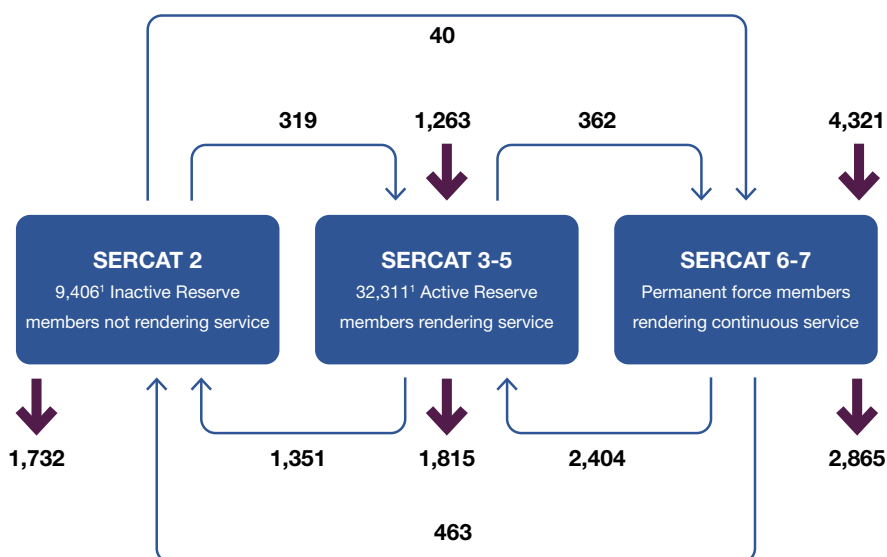


**Figure 3: Proportion of annual transfers from permanent forces to reserve Service Categories**

Note to Figure 3: Navy personnel overwhelmingly transition to SERCAT 3 as it provides an administratively quicker pathway to undertaking reserve service than from SERCAT 2. A large portion of Navy personnel in SERCAT 3 do not render reserve service.

## Movements between Service Categories

Figure 4 depicts the significant inflow, outflow and transfers across the Service Spectrum of the TWS over the year to 29 February 2024. Transfers to the reserve from the Permanent Force reflect the five-year average.



**Figure 4: Service Category movements 1 March 2023 to 29 February 2024, extracted from Defence Monthly Workforce Report**



Nearly 90 per cent of Army's SERCAT 3-5 reservists are recruited directly from the civilian workforce. Navy and Air Force reserve capability is generated primarily through the mandatory transition of SERCAT 7 personnel to the reserves upon leaving permanent service. The transition arrangements have been instrumental in enabling Navy and Air Force to readily access people to perform roles, retaining suitably qualified and experience people available to remediate staffing gaps.

### The recruitment challenge

The tight national labour market has led to workforce shortages in sectors across the economy. Defence has to compete for employees in this labour market and has experienced difficulty in achieving recruitment targets in both reserve and permanent forces. Table 3 shows that there is a substantial gap between reserve recruitment targets and forecast achievements in all three Services.

**Table 3: Reserve recruitment forecast 2023-24**

		Full Year Target	Forecast Result	Shortfall	Forecast achievement
Navy	Officer Entry	71	20	-51	28.2%
	General Entry	17	0	-17	0.0%
	<b>Navy Total</b>	<b>88</b>	<b>20</b>	<b>-68</b>	<b>22.7%</b>
Army	Officer Entry	323	206	-117	63.8%
	General Entry	1,546	730	-816	47.2%
	<b>Army Total</b>	<b>1,869</b>	<b>936</b>	<b>-933</b>	<b>50.1%</b>
Air Force	Officer Entry	78	30	-48	38.5%
	General Entry	54	25	-29	46.3%
	<b>Air Force Total</b>	<b>132</b>	<b>55</b>	<b>-77</b>	<b>41.7%</b>
<b>Reserves Total</b>		<b>2,089</b>	<b>1,011</b>	<b>-1,078</b>	<b>48.4%</b>

Reserve recruitment suffers from similar issues being experienced across the broader ADF. These issues substantially delay on-boarding with the frequent result being that potential reservists find other employment opportunities while they are waiting, with the recruitment opportunity being lost. The Review welcomes policy changes in relation to allowing the recruitment of non-citizen permanent residents from select countries which will increase the potential recruitment pool for the ADF Reserve.

**Observation:**

Under current policy and resource settings, meeting ADF Reserve recruitment targets is unlikely without significant reprioritisation and resource allocation.

**Recommendation 1:**

Develop options to improve reserve recruitment outcomes in collaboration with Defence People Group and other stakeholders.

## Chapter 4:

# Analysis of the Total Workforce System in the ADF Reserve context

Through its engagement with the Groups and Services the Review observed common problems and issues that limit the capability and effectiveness of the Reserve as a component of the TWS.

### **Reserve demand, prioritisation and funding**

Consultation with senior commanders and managers across Defence about the role of the reserve and reservists often turned to discussion of 'demand'. In the context of the TWS, this refers to the number of reserve positions that should be approved and funded to meet a capability requirement, including force expansion in a time of crisis.

In some cases demand is based on extensive analysis while in others there was reliance on historical use to justify demand. The Review found that reserve demand outweighs Defence's capacity to pay for, recruit and train such reserve capacity.

The Review found that the reserve funding model was considered too complex and in some cases delayed the on-boarding of reservists until such time as funding was confirmed. All Groups observed that a more responsive model was required to provide a dedicated funding stream to each Group to manage the reserve workforce requirements rather than submitting bids to each of the Services. The current process makes it difficult for Groups to access reservists for their high priority needs.

#### **Observation:**

Requirements for reserve personnel and the allocation of Reserve Service Days should be centrally managed, prioritised and informed by the capability effects that can be generated.

## Personnel data management

Defence knowledge about the circumstances of members quickly degrades following transition to reserve service or civilian life. By way of example, changes in location and achievement of civilian skills and qualifications are not formally captured or regularly updated. Less than twenty percent of the reserve workforce has employer information or non-military skillsets voluntarily provided for recording in Defence's human resource management system PMKeyS.

Noting there is additional information that would be useful in order to match individual potential, motivation and aspiration to ADF service need, the Review concluded that the current data capture process is inadequate to support workforce planners and career managers.

Reform of data management may require adjustments to policy and a clear understanding of managing privacy. However, in line with the broader centralisation of workforce design and management, the ADF should seek to improve the personnel data management system.

## Career management and progression

Career management and progression opportunities for reserve personnel are inconsistent. Army has well-structured systems and generally provided pathways for reservists to be appropriately managed and to undertake career courses which facilitate promotion and an expansion of career opportunities up to the highest ranks. Air Force and Navy were found to have little to no active career management and no training investment that would support promotional opportunities.

This finding is supported by the data presented in Figure 3 (page 33) which show an overwhelmingly large proportion of Navy and Air Force personnel transitioning from SERCAT 7 to SERCAT 3, as opposed to SERCAT 5. This illustrates the different approach to reservists between the Services and suggests that a more deliberate and consistent management of personnel who are transitioning from the permanent to reserve forces could optimise utilisation.

The Review found that career management of reserve personnel is under-resourced and inconsistent across the Services. The Review found that the opportunity for continuing career progression contributes to retention of reservists and the desire to undertake active reserve service.

### Observation:

Reserve workforce management practices are not consistent across the Services and service categories and should be standardised.

## Reserve administration

Each Service retains its own similar but bespoke administrative processes for managing reservists. These processes are not well understood outside of the individual Services. The administrative variations and the associated lack of understanding in their application are a disincentive to utilising reservists. Administrative diversity unnecessarily complicates the ability of Groups to access reservists within the TWS and for reservists to participate in active reserve employment.

The data represented in Figure 3 (page 36) supports another finding of the Review that in recent years nearly half of all personnel transitioning from SERCAT 7 go to SERCAT 3, driven by disproportionately high numbers from Air Force and Army. The Review found a proportion of these 'active' SERCAT 3 personnel are in fact rendering no service. This cohort is held within Defence People Group with the trend being driven by the relatively simple administrative processes for reactivating personnel from SERCAT 3 compared to the complexity associated with reactivating personnel from SERCAT 2.

There are also individual incentives to remain in 'active' SERCAT 3 service even when there is little or no intention of rendering active reserve service. This has led to an unquantifiable distortion in the reported levels of service by reservists. This should be addressed through consistent and centralised administration and career management of reservists, including the adoption of common administrative processes.

## Communication

ForceNet is a Defence e-communications platform used to connect registered users within secure online communities. ForceNet facilitates auditable communication and information sharing including targeted communications and support in emergency situations and to specific persons. It is the primary tool for accessing and communicating with reservists, commanders and managers. While it is generally well utilised, APS managers are less versed in its functionality and its utility.

Continued investment is required to ensure the platform provides the level of functionality and utility required to meet the off-site needs of reservists and the broader integrated workforce and families. Other complementary platforms should continue to be developed in coordination with ForceNet's ongoing evolution.

## Assessment of current role, structure and composition

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In line with broader observations, the Review recognises the current structure and pathways are legacy, organically developed, and primarily driven from the bottom by the Services. The application of any joint ADF process, where present, is uneven and uncoordinated between the Services.

The reality remains that each Service administers the reserve workforce and capability in isolation of the others. The associated utilisation of reserve pathways for the optimal benefit of all Groups and Services, and across all Domains is assessed as undermined and unachievable. There is no strong foundation for a multi-domain approach to workforce utilisation as part of the *Integrated Force* and limited ability for the Reserve to assist the ADF to scale and expand in a coordinated manner.

Addressing these issues requires an assessment of past and current programs, peer review and new approaches.

## Chapter 5:

# Current and past programs

## Ready Reserve Scheme

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The Ready Reserve Scheme commenced in January 1992 with the primary intent of enhancing the ADF's operational readiness and capability by augmenting its regular forces with a pool of trained and experienced reservists who could be quickly mobilised during times of need.

A formal review of the scheme was undertaken three years after its implementation. This review stated that “after considering the many aspects of the [Ready Reserve] scheme our conclusion is that the scheme is viable and should be retained”. Notwithstanding this finding, the Ready Reserve Scheme was subject to significant debate, particularly in relation to its substantial cost, and was abolished following the 1996 Federal Election.

The Review found aspects of the Ready Reserve Scheme are considered desirable for consideration or replication in the contemporary context, including its intent of generating a larger pool of trained part-time personnel to support scaling and expansion requirements. However, the wholesale reintroduction of a Ready Reserve Scheme is not considered a desirable solution for meeting current and future needs.

In making this observation, the Review was influenced by the substantial ADF workforce and recruitment pathway changes since the 1990s. These include the implementation of the TWS and the successful introduction of the Gap Year program. The changes since the 1990s have also introduced a level of flexibility for new recruits that was not available under the Ready Reserve Scheme, which required 12 months full-time service followed by four years of part-time service. Evidence provided by prospective recruits has found that flexibility and length of service commitment are key factors in whether or not they commit to reserve service.

### **Observation:**

The intent of the Ready Reserve Scheme to enhance reserve operational readiness and capability remains valid. The transition to an *Integrated Force* combined with an enhanced Total Workforce System provide an opportunity to meet this intent through contemporary workforce and organisational structures.

## Case study: Army and the Ready Reserve Scheme

Between 1992 and 1996 the Army enlisted personnel through the Ready Reserve Scheme on a 'one plus four' contract, committing to one full-time year of service followed by a four-year part-time obligation. The Scheme passed nearly 4,000 soldiers through its ranks, with tertiary students constituting around 75 per cent of recruits, with soldiers routinely exceeding training benchmarks.

While high rates of retention were observed during training, post- obligation attrition rates were significant. University graduates typically left the Army for full-time employment related to their higher education qualifications.

Another feature of the Ready Reserve was the substantial training commitment of 50 days per year at a minimum, often extending to 100-150 days annually. This stood in contrast to the shorter, less intensive courses that characterised the general reserve's obligation at the time. The Ready Reserve closely resembled an operational reserve capable of more seamlessly deploying alongside regular forces if required, while the general reserve at that time would have had a much more limited capacity to support military operations.

Despite the winding up of the Ready Reserve Scheme in 1996, Army has evolved since that time to generate a Ready Reserve-like high readiness operational capability from its reserve forces. This is now grounded in the operational tasking of 2<sup>nd</sup> (Australian) Division and is reflected in its business-as-usual raise, train and sustain activities.

## Gap Year

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The ADF Gap Year program is undertaken by new members aged between 17 and 24 years for a period of up to 12 months. The program provides an opportunity for young Australians to gain an understanding of the opportunities available in Defence. The target number of participants in Financial Year 2023-24 is 881. Outcome at 1 April 2024 stands at 489.

The Gap Year can provide accelerated training opportunities that have proven successful in encouraging members to transition to continued service. Approximately 70 per cent of participants transition to ongoing permanent or reserve service.

Members are afforded conditions of service similar to those available to members in SERCAT 7. They may apply to transfer to the permanent or reserve forces at any stage of the program. They are not required to transfer to the Reserve on completion of the Gap Year and do not have a minimum period of service obligation.

The flexibility provided by the Gap Year program, which only requires 12 months of service, has proven successful in attracting applicants.



### Observation:

The successful approach to training and the flexibility provided for Gap Year participants are attributes of the program that should be considered in any future ADF entry pathway.

## Other schemes and initiatives

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In the early 2000s Defence introduced strategies to allow some capabilities to sustain and reinforce the operational forces through reserve capability. Defence developed specific categories of reserve service such as the High Readiness Reserve and the Reserve Response Forces, and introduced appropriate training and recruitment practices. These categories were ultimately retired or superseded, however the concept of having a number of reservists on a short notice to move was sound and is available in the current SERCAT 4 construct.

Beyond the large-scale schemes and programs, Defence periodically introduces other initiatives to promote and enhance reserve service. Examples include contemporary initiatives:

- ▶ **ServeOn Campaign:** This aims to re-engage SERCAT 2 and 3 members to fill vacant positions, improve capability at unit level, and contribute to an *Integrated Force* structure.
- ▶ **One Army Potential:** A two-way marketplace that allows Army to identify candidates with specific skills required for roles through skills mapping. It allows reservists to find jobs that let them serve the way they want, when they want.
- ▶ **Civil Qualifications Recognition:** Civil qualifications that align with Australian Qualification Framework levels 5 to 10 can be recorded in Defence One/PMKeyS for ADF members. While SERCAT agnostic, this allows ADF to exploit a reservist's civil skills, with greater ease and agility.

### Observation:

Contemporary initiatives should be reviewed and consideration given to applying successful initiatives across the ADF.



## Chapter 6:

# International peer analysis

The Review conducted a comparative analysis of the reserve systems, structures and initiatives in four peer nations.

### United Kingdom

The United Kingdom (UK) recently commenced a process to reform its reserve forces, informed by a Reserve Review in 2023. The UK has simplified the command and control of reserve forces in a manner similar to Australia and taken the lead of the successful Australian implementation of the TWS. The majority of the UK's Joint Cyber Response capability is drawn from the civilian workforce, and act in a 'reserve' style manner. They are administered by the Services, but are not subject to the same entry standards as other reservists. These specialists are recruited for their specific civil skillsets and employed as 'Reserve Defence Civilians'.

Noteworthy in the UK is the utilisation of 'Sponsored Reserves' who are employed by a Defence contractor to deliver specific capabilities. This approach is broadly consistent with the way Australian personnel can be engaged under the SERVOP D Service Category in the TWS, with the Sponsored Reserves in the UK extending beyond personnel to also include equipment. On activation, they switch from contractor to military personnel and continue to perform similar tasks as they do in their civilian roles, albeit within a declared operational area. The Royal Air Force are also increasingly considering the use of civil aircrew to enable specific capabilities such as strategic lift and air-to-air refuelling.

### Canada

Like the UK, Canada completed a review of its reserve forces in 2023. Many of Canada's approaches and initiatives resonate with, or are informed by the Australian experience. For example, the Canadian Rangers operate in a very similar manner to the existing ADF Regional Force Surveillance Units. Unlike Australia, Canada recruit and train reserve sailors for employment as individuals or in collective units to augment Royal Canadian Navy Major Fleet Units. They also maintain auxiliary crews to operate support vessels and littoral manoeuvre craft.

The major evolution from their review has been to acknowledge “...the need to be ready for mobilisation beyond existing standing and Reserve Forces”. In response, Canada has created a Strategic Reserve focused on increased capacity to generate and regenerate capabilities when needed. This includes utilising civilians (citizens and permanent residents) who volunteer or are directed to serve by their government.

### **Observation:**

The recent Canadian and United Kingdom reviews of their reserves articulated a multi-tier framework of force levels to express the roles and functions of their reserves.

### **Case study: Canadian Reserves**

The Canadian Armed Forces released a strategy in 2023: *Enabling full-time capability through part-time service*.

The strategy divided the reserves into three levels: Tactical, Operational and Strategic.

The Operational Reserve level is intended to support new or enhanced capabilities as a part of the Canadian Armed Forces reconstitution and modernisation. This includes the design of fully equipped force packages that are successfully integrated into force elements or task forces deploying on operations.

The strategy also implemented new and enhanced roles for these operational reservists, including the establishment of reserve units delivering full-time capability through part-time service including cyber operations, naval security teams and combat capabilities such as direct fire, mortar and pioneer platoons.

## **United States**

In considering the United States (US) the Review focused on the US Army Reserve (USAR), the US Marine Corps Reserve (USMCR) and the Army and Air National Guard (NG). The US provided useful information on how reserve forces can be used to enable, supplement, reinforce, and unburden the permanent forces. The USAR prioritises logistics and support effects. In addition to round out effects, USMCR delivers bespoke long-range fires, littoral combat craft support and marine innovation units. The NG generates large-scale aviation capability from reserve aircrew, as well as providing critical components of the cyber and space capabilities that contribute to strategic early warning and national integrated air and missile defences.

## Singapore

While Singapore has a fundamentally different approach to Australia due to its obligation on citizens for conscription and reserve service, its approach offers useful reference points. Singapore operates within a National Resilience Framework that connects all parts of government and industry with the armed forces. This allows for the rapid generation of new units and capabilities, most notably in the cyber domain, capitalising on the civilian skillsets of the available workforce. Should Australia look to accelerate preparedness, contemporary Singaporean experience is instructive in terms of scaling and rapid training large numbers of personnel. They have developed some unique solutions to combining and coordinating effects between the armed forces, civilian disaster management agencies and domestic security personnel.

## Analysis

The Review found a notable consistency in terms of challenges and concerns across international peers. All nations are struggling to meet their broader defence personnel needs, recognise that their management systems and employment methods are outdated, and seek greater efficiency and effect from the forces they can generate. All nations were exploring novel approaches to replace the more traditional reserve force generation and employment approaches.

Most peer nations considered by the Review have adopted the concept of 'Total Defence' or 'One Defence' as a unifying theme that underwrites optimal integration and employment of reserve forces. They recognise the increasing need for part-time service to deliver full-time capability.

Increased requirements to access human capital across their national workforces and reduced barriers to entry are consistent themes. Most nations have prioritised areas such as logistics, cyber and general support as areas for growth. They have put a greater emphasis on attracting and actively managing contingency focused workforces while simplifying training pathways.

Many nations have pursued novel approaches to address the challenges of recruiting, training and retaining reservists. They deliberately use their reservists as a bridge to industry and academia. They also promote increased utilisation of civilians in part-time roles. By way of example, in the US, military innovation units are reserve-led, specifically because of the civilian talent their reservists can bring to the organisation.

The UK pursue innovation through partnerships with academia, variously enabled through their reserve cadre. Several nations have established advisory boards and committees of civilian and military leaders to assist with solving problems related to reserve service and changing the ingrained culture of their uniformed institutions. All of these novel considerations have some level of relevance in the context of the Australian environment.

### Observation:

Consistent with international peers, there is a requirement for the ADF to deliver focused capabilities through the Reserve that align with strategic guidance and direction.



## Chapter 7:

# Australian industry partnerships

There are many different examples of reserve service or reserve-like effects being employed by peer nations. These examples focus on sharing civilian workforce and infrastructure with Defence at critical points in time. In the context of workforce, some nations use contracts and support agreements that allow entire business units to operate as dual use (military and civil) capability.

As noted, in the UK the British Army capitalises on this model in order to sustain and assure critical logistics and support functions in peacetime and on operations. Further, the UK *Reserve Forces Review 2030* recommended that its partnerships with the private sector be broadened and deepened. This included the expanded use of the Sponsored Reserve. The UK review envisaged a more holistic enterprise-wide approach to include the sharing of workforce between the private sector and Defence.

For the British Army this program centres on the force generation of 19 Tank Transporter Squadron which is elaborated on in the case study below. Similarly, the Royal Air Force maintains a partnership with Voyager Air to provide air-to-air refuelling, air transport, and aeromedical facilities. The Royal Navy Reserve also manage agreements with multiple commercial marine providers to generate sustained and on-call maritime capability.

### **Case study: 19 Tank Transporter Squadron**

The company FTX Logistics provides contracted Heavy Equipment Transporter capabilities to the UK Armed Forces. That capability includes some 92 military specification tank transporters.

FTX Logistics delivers this capability in cooperation with the British Army's regular unit, 19 Tank Transporter Squadron, Royal Logistics Corps. This effect is provided as commercial support to the Ministry Of Defence in the UK and Germany and also, when required, as military support to exercises and operations.

The employees of FTX Logistics, being drivers and mechanics, are required to be trained Reservists. They can live anywhere in England, Scotland or Wales and when not required on military tasking, their capacity is utilised locally by third party agencies in the domestic commercial context.



Their recruitment to FTX Logistics requires meeting the standards for enlistment into the British Army and upon hiring, those employees also enlist as Sponsored Reservists. On Operations the Sponsored Reservists continue to be paid by FTX Logistics and receive a salary uplift of 50 per cent.

In considering challenges in the Australian context outlined in the Defence Strategic Review and the options available to address them, this concept has significant utility. The Review observed that work in relation to industry partnerships has already commenced in different parts of Defence. For example, since 2019 Army has maintained a strategic partnership with BHP on behalf of Defence and Navy has engaged with Switzer to share a specialist workforce that would not otherwise be available. Both examples appear as case studies below.

### **Case study: The Australian Army and BHP Strategic Partnership**

BHP Australia is a leading sustainable resources manufacturer. Since December 2019 Army has maintained a strategic partnership with BHP on behalf of Defence.

The partnership is a non-commercial agreement that advances the interests of both organisations. It represents a new form of skill sharing across four streams of collaborations – education and training, leadership, technology and workforce.

The workforce stream promotes part time service for BHP employees across specialist and generalist pathways. It allows Army to access talent and capability it cannot maintain in the permanent force. It provides BHP employees development opportunities that enhance their value to the business.

### **Case study: The Royal Australian Navy and Nuclear-powered Warship Tugs**

Navy is responsible for the provision of Navy-crewed tugs in support of nuclear-powered warship visits to Australian ports.

The widespread use of Voith Schneider and Azimuth Stern Drive tugs that support commercial shipping operations has spread to the military support sector, resulting in a tug workforce with very specialised skills, far removed from the ship handling skills traditionally held within Navy.



The challenges associated with maintaining high levels of skills competency and currency in the permanent Navy, for a task that is episodic, is evident. Therefore, it is better to use commercial crews recruited laterally in to the Navy Reserve, as specialist Officers and Sailors. Through the establishment of relationships with their employers, like Switzer, Navy has been able to generate a mutually beneficial arrangement. This delivers capability to Navy at the point of need, and offers upskilling, enhanced employment conditions and broader experiences to the employee.

These Case Studies demonstrate different ways of interpreting and employing the TWS to optimise the effect Defence seeks to generate. They also show how workforce management can be tailored to meet the industry partner's needs. The BHP Partnership is deliberately broad and contemplates a broad spectrum workforce and ongoing evolution in the arrangement.

As a sub-set, the TWS has allowed Army to on-board BHP workforce with trades and skillsets that do not conform to a traditional employment category. In contrast, the Tugboat Case Study points to an agreement that is focused on a targeted skillset and effect. It provides an excellent example of acute TWS application of a tailored SERCAT 5 option, or Service Option D, that is, two employers sharing one employee under a formal shared employment agreement.

### **Recommendation 2:**

Pursue the broadening and deepening of partnerships with industry and employers in a coordinated and prioritised approach to expand access to specific skills and capability outside the ADF.



## Chapter 8:

# A new approach

In settling on the new approach for the ADF Reserve outlined in this section, the Review sought to set the foundations for a future reserve force that is designed from the top down. A deliberate ‘open architecture’ approach has been taken to ensure that reforms stand the test of time and that the ADF Reserve is able to adapt to emerging requirements, other changes in the Defence organisation and changing strategic circumstances within its new framework.

This innovative approach will ensure that the Reserve is optimised to transition the ADF to an integrated, focused force as part of *National Defence* and provide an expansion base for the ADF in times of crisis.

## Force design

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The ADF must deliver and maintain an integrated, focused that is capable, agile and potent. The workforce required to meet this requirement is critical, however it is generally defined in terms of the number of personnel from specific workgroups rather than by full-time or part-time employment type.

The Review noted that there is no evident enterprise-wide workforce design related to the reserve workforce. This lack of deliberate design has meant that workforce numbers, capabilities, structures and management approaches are not optimised to support the realisation of the integrated, focused.

Individual reserve positions are frequently established to match the individual proposed to fill the role, rather than to meet a priority capability requirement. This is a challenge to the TWS, not just because of the obvious misdirection of scarce resources, but also due to the perceptions of favouritism, ‘job-shopping’ and avoidance of harder tasks and roles that can threaten an integrated workforce culture.

Full-time ADF positions are established to meet enduring capability requirements. Reserve positions should be established using the same approach. This will be enabled through position management processes that are expected to be introduced as part of Defence’s introduction of Enterprise Resource Planning.

Effort is required to consider all elements within the TWS as part of future force design to provide clear guidance on the reserve workforce required to optimise the effectiveness of the ADF. The stand-up of Military Workforce Design Division under the Vice Chief of the Defence Force (VCDF) provides a platform for addressing this shortfall.

### Recommendation 3:

Adopt a design approach to deliver a military workforce and organisational structure that deliberately considers permanent and reserve forces.

## A new ADF Reserve Force Level Framework

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As a result of their respective 2023 reserve reviews, the UK and Canada independently concluded a need to establish a formal framework for defining the different levels of reserve service and capability. Both nations settled upon a three-level structure that was similar in intent and effect. Of note, Canada established a Strategic Reserve level that includes reservists not currently force assigned to specific capabilities, or not actively serving. This closely aligns with the definition of SERCAT 2 in the TWS, though in the Canadian context it also included civilians with specialist skillsets who volunteer to serve without undertaking military training or joining a particular service and, *in extremis*, the broader civilian population.

In contrast, the UK established a Strategic Reserve purely based on former full-time personnel who are not actively serving and provides a latent surge capability. This approach directly aligns with SERCAT 2 in the Australian context. The UK also incorporated subordinate layers within the three levels such as the Sponsored Reserve (workforce shared with industry) to round out the framework.

The Defence Strategic Review noted that the TWS has significantly improved the utilisation of the reserve workforce. Several peer military organisations, including the UK and Canada, are actively considering a similar model. Further TWS improvement could be expected from better articulating reserve force capability and readiness outcomes through the creation of an ADF Reserve Force Level Framework (the Framework).

The Framework proposed by the Review (Figure 5) clearly defines the role and purpose of reserve forces at three levels of commitment; Individual, Operational and Contingent. The Framework will define and apply consistent processes across the reserve force from requirement analysis to workforce management.

Adoption of the Reserve Force Level Framework will enable clear requirements to be set within ADF preparedness planning documentation. Therefore, the contribution that the ADF Reserve will make to preparedness outcomes also needs to be clearly articulated in any future reserve workforce design.

Reserve Level	Definition	Characteristics
<b>Individual (SERCAT 3-5)</b>	Individuals employed across Defence in support of steady Defence business activity.	<ul style="list-style-type: none"> <li>• Active and rendering service.</li> <li>• Focused on reserve personnel serving across all Groups, Services and Domains and in support of the Department.</li> <li>• Includes complementary schemes, modes of service.</li> <li>• Spectrum of specialists and different service categories.</li> <li>• Employed in agile manner, to include bespoke roles and skill sets generated at time of need.</li> <li>• Examples include individuals augmenting Service HQs, serving in units or supporting capability acquisition.</li> </ul>
<b>Operational (SERCAT 4-5)</b>	Established Reserve capabilities and organisations delivering levels of capacity and effect in support of Defence Preparedness Directive.	<ul style="list-style-type: none"> <li>• Active and rendering service.</li> <li>• Focused on delivery of collective capability and structured operational outputs.</li> <li>• Enhance ability to respond to short notice contingency requirements.</li> <li>• Examples include 2<sup>nd</sup> (Australian) Division and its Force Elements.</li> </ul>
<b>Contingent (SERCAT 2)</b>	Individuals available to Defence in support of targeted capability, scaling and expansion.	<ul style="list-style-type: none"> <li>• Inactive and not currently rendering service.</li> <li>• Actively available for call up/call out; or at short notice under contingency workforce arrangements.</li> <li>• Examples include former permanent service personnel with relevant baseline skills and training.</li> </ul>

Figure 5: The Reserve Force Level Framework proposed by the Review

#### Recommendation 4:

Establish a Reserve Force Level Framework to provide for three categories of reserve service:

**Individual Reserve:** Individuals employed across Defence in support of ordinary Defence business activity.

**Operational Reserve:** Reserve capabilities and organisations delivering operational levels of capacity and effect in support of the Defence Preparedness Directive.

**Contingent Reserve:** Individuals available to Defence in support of targeted capability, scaling and expansion if required.

## Individual level

Defence currently relies on the commitment of individual reservists to achieve business-as-usual outcomes. These reservists are categorised at SERCAT 3-5 and render service through individually approved Reserve Service Days. Inconsistent processes and approaches to the employment of individual reservists are evident across the Groups and Services. In particular, reservists and managers expressed frustration with the complexity of the management process.

To address these issues, management processes for individual reservists must be standardised and focused on the individual, regardless of membership of a Group or Service.

These individuals could represent any background or skillset, and would primarily support Defence and its 'steady state' execution of business. They should be employed in an agile manner, to include bespoke roles generated at the point of need. Examples of the Individual Reserve could include established roles such as aircrew, part-time members of Service-level headquarters, or specialists and tradespeople operating in full-time and hybrid units and force elements.

## Operational level

The Review found that new and existing capabilities could be enhanced by the creation of Operational reserve forces with a focus on the delivery of collective capability and structured operational outputs. The clearest example of an Operational reserve capability is the Army's 2<sup>nd</sup> (Australian) Division which has a clear role and purpose to lead ADF efforts on the preparation and delivery of a homeland defence outcome. It employs the majority of Army's reserve workforce, predominately serving at SERCAT 5. The Review noted that this clarity of role and purpose enhances all aspects of planning and workforce management.

From the perspective of the TWS the Operational level should be focused primarily on the underutilised SERCAT 4. The creation of this type of force across the ADF would enhance the ability to respond to short-notice contingencies.

Achievement would be through the rapid and targeted development of blended organisations consisting of permanent and reserve personnel across the Groups and Services encompassing all domains.

## Establishing an Operational Reserve Force

While the Individual Reserve Force level will account for the broadest spectrum of specialists and generalists serving in staff and support roles, the Operational reserve should consider development of sustainable reserve service options within full time units and formations. The Review has identified a range of capabilities across the domains that could be delivered through the creation of an Operational reserve force. These initial areas of focus align with priorities outlined in the Defence Strategic Review and National Defence Strategy that are suited to the Operational reserve model.

An Operational reserve force will provide cost effective capability outcomes to the Groups and Services as a result of the reduced cost of part-time SERCAT 4-5 reservists compared to full-time SERCAT 7 personnel. Fully costed options should be prepared for the Government as part of detailed design work.

The Review considered a range of growth options and associated costs for new elements of the Operational reserve force. To provide a sufficiently large force to prove the concept, the Review recommends the Operational reserve grow by at least an additional 1,000 personnel by 2030. Steady growth to an additional 1,000 personnel presents an achievable recruitment target that can provide proof of a replicable concept and be accommodated within existing training mechanisms.

The proposed initial priorities for new Operational reserve force capabilities identified by the Review are outlined below. Priorities and further targets for growth should be revisited by Defence on a regular basis to ensure the Operational reserve remains aligned with strategic guidance and is optimised to deliver priority capability effects in an *Integrated Force*.

## Maritime

- ▶ Develop an operational reserve workforce to assure Fleet operations, and enable ship operations, support, maintenance and repair in northern Australia and the region.

## Land

The Land Domain benefits from Army's longstanding structures enabling capability realisation and personnel management, with a traditional focus on the 2<sup>nd</sup> (Australian) Division. Opening of the aperture related to where and how reserve personnel serve across the entirety of Army is suggested. This includes:

- ▶ Reconsideration of how the 2<sup>nd</sup> (Australian) Division is structured and resourced with personnel and equipment.
- ▶ Consideration of the establishment of part-time detachments qualified as HIMARS systems operators. This could be a start point for deeper development of hybrid solutions to staffing long range fires capabilities linked to homeland defence and an integrated air and missile defence system.
- ▶ In coordination with Navy, establish part-time littoral manoeuvre crews for all relevant classes of watercraft and, from the outset, collaborate with the civil marine businesses to identify qualified and appropriate marine craft operators. The subsequent development of training and employment options for general entry reservists in this area is encouraged.
- ▶ Future reserve employment in specialist areas including intelligence analysis and targeting should be exploited.

## Air

- ▶ Develop an operational reserve workforce in the combat support trades including but not limited to security, logistics and base support functions to enable agile employment of Air Force assets across northern Australia.

## Cyber

- ▶ Develop a Reserve Cyber Response Unit, adapted from the UK Cyber Reserve model, for the Australian context.

## Space

- ▶ Operational reserve priorities for Space Command should be determined as its workforce planning evolves.

Detailed planning work should consider force design, individual service training and absorption approaches, and should be completed by no later than the end of 2025.

The specific priorities and composition of the Operational reserve force will evolve over this period in-line with priorities set through the biennial National Defence Strategy and other Defence prioritisation processes. This flexible force structure will provide Defence with an assured, high- readiness Reserve that is aligned with Defence's priorities for the integrated, focused force.

### **Recommendation 5:**

Raise at least an additional 1,000 additional Operational reserve force personnel by 2030. Detailed design work should commence as a priority to define the personnel, capability and training requirements to establish this element of the Operational reserve.

## Contingent level

At the Contingent reserve force level, the nearly 10,000 mostly former permanent ADF personnel who have transitioned into SERCAT 2 represent a skilled and experienced cohort. The Review noted that the average cost of the first 12 months of training for a full-time soldier recruit is approximately \$173,000, rising exponentially with experience and acquisition of technical skills, presenting an economic case for maintaining access to this highly trained potential workforce.

SERCAT 2 personnel do not render any service and therefore do not receive remuneration or employment benefits. The currency of their military skills degrade over time but remain



a solid basis for reactivation. They also may have acquired other skills as members of the civilian workforce that could provide value to Defence. SERCAT 2 personnel remain liable to be called out for service in the event of a contingency.

The Review noted that this cohort is currently an unknown, unassured, and unmanaged capability. Defence has little coherent data on the composition of the SERCAT 2 cohort and a limited ability to maintain records of these individuals including their civilian occupation, qualifications, location and ability to serve. The interest of potential reservists in serving in remote and non-traditional locations or in service from anywhere may support the developing capabilities in space and cyber. Proactive management is required from the moment an individual transitions to become a SERCAT 2 reservist in order to unlock the potential of this cohort and to better understand their qualitative and quantitative value. Streamlined administration arrangements for the Contingent Reserve should also be implemented.

The Review concluded that there should be a qualitative shift in the management of members classified as SERCAT 2 to better assure the potential capability of the Contingent Reserve.

## **Post-transition service in the Contingent Reserve**

As personnel opt to transition out of the permanent ADF they automatically transition to SERCAT 2 unless via the application process they select SERCAT 3 – 5. Members can also elect to remove themselves from the automated process and separate from all forms of ADF service. The post- transition period of five years is set by Defence Regulation. This approach is broadly consistent with the approach taken by a number of international partners.

The Review considers that there is limited rationale for former part-time or permanent service members to have a default period of five years in the SERCAT 2 cohort. To expand the size of the Contingent reserve, the Review recommends extending this period to ten years (capped at the Compulsory Retirement Age). Modelling has found that this will approximately double the size of the SERCAT 2 contingent workforce over a five-year period. Coupled with active management of SERCAT 2 reservists, this will provide Government with more options to respond in circumstances .

### **Recommendation 6:**

Expand the Contingent reserve workforce available to the ADF for call out by extending the active commitment period for former permanent ADF personnel from five to ten years.

# Reserve entry pathways

The delivery of an optimised reserve force is dependent upon the generation of suitably qualified and experienced reserve force personnel. As illustrated at Figure 6, personnel join the reserve through either transitioning from the permanent forces (SERCAT 6-7) or through direct entry pathways. Further analysis of existing pathways to the ADF Reserve can be found earlier in this report.

Motivations vary between permanent force pathway and direct entry pathway entrants to the Reserve. Appropriate and effective incentives are necessary to establish and grow the Operational reserve.

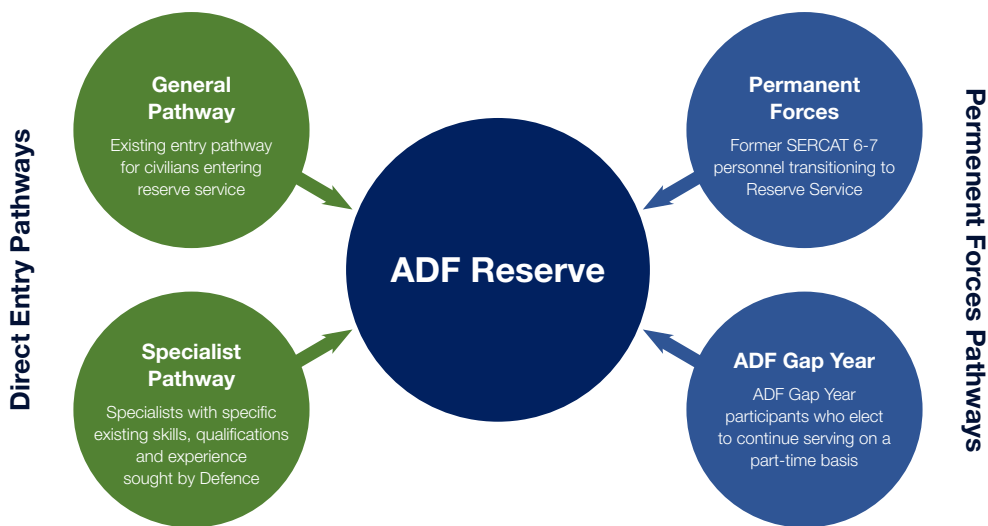


Figure 6: Current pathways to reserve service

# Future pathways to ADF Reserve service

While existing direct entry and training pathways were sufficient to meet past needs, the Review found a lack of flexibility in the system to allow for individual needs, or the evolving bespoke needs of the Groups and Services, especially in the Space and Cyber Domains. In the case of the latter Domains, evolving ways of working and workgroup requirements has challenged and exposed the limitations within the workforce employment classification and recruitment systems.

Having considered lessons learned from the Ready Reserve Scheme, the ADF Gap Year and international analysis, the opportunity for a bespoke and accelerated pathway into the Reserve to facilitate growth in the Operational level reserve presented itself.

Modernising the pathways to reserve service will maximise an individual's ability to serve part-time in a manner that suits their circumstances. The Review noted that reserve entry standards should be monitored to ensure that they remain flexible and contemporary to evolving Defence needs and workforce demands.



Figure 7: A new accelerated pathway to the ADF Reserve will complement improvements to existing pathways

## Transition from permanent forces

The existing pathway from full-time to part-time service will remain although the transition management will be centralised and broader options for service across all Domains will be offered. The advent of an actively managed reserve cohort may influence the choice of service categories during or post-transition. However, personnel from all three Services will be subject to the extant process in line with the Joint Transitions Authority policy and process.

## Transition from Gap Year

Consideration should be given to the inclusion of accessible incentives, including study assistance and allowances, to increase the number of Gap Year participants opting to continue in reserve service.

## General pathway

Following the assessment of each Service's direct entry model, the Review proposes an evolved General pathway be established that harvests best practice and improves the scope of service an individual can access. Where appropriate, common recruit, officer and initial employment training continuums should be established between Groups and Services. This includes conforming to a model of 'on the job' training as part of the training continuum in order to reduce pressure on the front end of the training pipeline.

## Specialist pathway

The Specialist entry pathway is currently restricted to individuals with particular specialisations. Until recently it has not been possible to join some ADF Employment Groups unless the individual has served in SERCAT 7. Air Force has already established a Specialist Capability Officer Employment Group in its reserve to allow individuals whose skillsets do not align with traditional ADF Employment Groups to join.

Opening this aperture more widely could cover a whole new range of specialists such as technical specialists, cyber experts and research scientists from universities with particular skills and experience. This type of employment group should be established at both the officer and enlisted level in each of the Services to enable individuals with non-traditional ADF skillsets to join as SERCAT 3-5 reservists.

Standardisation and centralised management of the Specialist Reserve training and on-boarding process is recommended. A centrally managed and more flexible Specialist Reserve entry pathway will provide for much faster satisfaction of demand signals from across the Groups and Services for specific expertise and capabilities.

### Observation:

The terminology around specialist entry is different between the Services and limits development of a common system.

### **Recommendation 7:**

Standardise and extend specialist entry to allow greater flexibility in attracting a broader range of specialists.

## **Accelerated entry pathway**

Drawing from the lessons of the Ready Reserve Scheme and the ADF Gap Year, a new accelerated entry pathway is recommended to rapidly on-board targeted reservists within selected trades and streams. This pathway is also informed by the recent experiences of the 2<sup>nd</sup> (Australian) Division in trialing new truncated training methodologies. At maturity, this new pathway will provide additional options for generalist entry.

This new pathway underpinned by a concept of minimum essential training which is explored in the next section of this report. A targeted length of initial training of no more than six weeks recognises the Service member will exit the training pipeline with enough training to safely achieve specific capability effects. The onus will then fall to the unit, formation or force element responsible to upskill the individual further as part of an 'on the job' training continuum. Within certain trades, it may rely on recognition of current competency and accreditation within relevant civil skillsets.

Priorities for the accelerated entry pathway should be determined on a regular basis. This process would align accelerated recruitment efforts with the workforce priorities of the Services and Groups and allow this pathway to be a primary feeder into the multi-domain Operational reserve force.

Once established, the accelerated entry pathway will provide a replicable mechanism to rapidly scale the Operational reserve forces in the event of a crisis.

### **Recommendation 8:**

Establish an accelerated entry pathway to develop a tailored mechanism for service in the Operational reserve.

## **Reserve training**

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The generation of suitably qualified and experienced reserve force personnel differs greatly across the Services, service categories and reserve entry pathways. Former SERCAT 6-7 permanent force personnel will invariably have the qualifications and experience to undertake reserve service within their workgroup. Direct entry individuals might face a lengthy training pipeline and have low military experience levels. Both groups might have extensive civilian or commercial experience that does not match an ADF qualification but provides a level of expertise necessary for an ADF outcome.

In order to maximise the output of the reserve workforce, training pathways must be updated and recognition and accreditation given to those with civilian qualification and experience. This will ensure reserve service is an attractive option for direct entry recruits and that the reserve workforce is more readily able to respond to the uncertain strategic environment outlined in the National Defence Strategy.

The Review found that further efforts to tailor training requirements for other current Operational level forces would be beneficial. There is benefit in minimising the training requirements for all new reserve forces in order to focus on the minimum essential training to achieve desired capability effects. Such an approach would see recruits go through only required aspects of recruit training, followed by blocks of focused training to achieve a minimum level of capability in the targeted skill set. The amount of targeted training will vary depending on the minimum level of workforce capability required to achieve the relevant operational effects.

This approach is a departure from the traditional breadth and depth of training that may still be relevant for other parts of the ADF. The Review recognises that initial military training (recruit and officer training schools) is well suited for permanent forces who require a broader and deeper training base.

### **Case study: UK Cyber Reserve Force**

The UK Cyber Reserve Force was established in 2013 to develop a “full-spectrum” of military cyber capability, including a strike capability, in order to broaden possible responses to foreign and domestic threats.

Cyber Reserve personnel are recruited for their specific cyber skills and experience. Some recruitment restrictions are eased and only minimum basic military training is required before entering service. This flexibility ensures that entry for cyber specialists is faster and more streamlined than ordinary reserve recruitment processes.

The flexible application of existing policies and processes, while maintaining robust security arrangements, allowed the rapid establishment of the Cyber Reserve. This has attracted a workforce of specialist experts with extensive industry experience capable of delivering capability effects that would otherwise not be available to the UK Joint Forces Command.

### **Minimum essential training**

Initial reserve training for a non-technical entrant can typically take between several months to two years. The time taken to complete training depends on a number of variables including individual commitments, the nature of the role and the availability of courses. The accelerated entry pathway will require initial training to be conducted in a significantly reduced timeframe.

This approach will ensure that an Operational reserve force can be established at pace and focused on achieving priority capability outcomes as part of a focused force. The Services should place priority on defining the minimum essential training requirements for the initial Operational reserve force priorities as a matter of urgency to enable their establishment as soon as possible.

This minimum essential training approach should adopt an agile, non-linear approach to training where possible to allow trainees to complete training in the shortest possible time. This will require a shift in the traditional approach to training where certain units of learning can only be completed in sequence.

An accelerated pathway and the refinement of an approach to minimum essential training will also enable the ADF Reserve to rapidly scale in the event it is directed to do so by Government.

This training approach has been informed in part by the lessons learned from Operation KUDU, where Australian personnel have adopted a similar approach to training Ukrainian nationals.

### **Case study: Operation KUDU**

Operation KUDU is the ADF commitment to training Armed Forces of Ukraine recruits in the UK. Australian personnel are working alongside partner nations as part of the UK-led training program to build additional capacity for Ukraine to defend against Russia's ongoing invasion.

Ukrainian recruits graduate following an intensive five-week training course that provides them with foundational warfighting skills including urban and trench warfare, combat first aid, explosive hazard awareness and marksmanship. Additional specialist training has been provided by exception.

In 2023 alone, multiple Australian rotations have trained more than 1,200 Ukrainian soldiers.

Operation KUDU provides a useful reference point in how to streamline and focus training to achieve priority capability effects in the most efficient way possible. It also highlights what critical foundation skills cannot be bypassed and how adapting traditional training approaches can lead to improved capability outcomes.

### **Recommendation 9:**

Adopt a minimum essential training approach for the accelerated entry pathway, with further consideration of minimum training requirements to occur across the ADF Reserves, including Officer Training, as well as recognition of civilian qualifications and experience.

# Management of reserve personnel

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Defence currently has multiple approaches to the day-to-day management of reserve workforce personnel and their career management across the Groups and Services. Several initiatives to better manage reserve personnel have been implemented in a range of different organisations across Defence, however in most cases they remain stove piped and bespoke.

A management approach is required that aligns with the proactive career management and administration approach to SERCAT 7 will improve operational efficiency, effectiveness and delivery of the functions required of a contemporary reserve military workforce.

A key outcome of a more consistent reserve management would be to optimally assign reserve personnel to organisational priorities as part of an integrated, focused force. Proactive management would maintain positive engagement with the reserve workforce, reinforce their sense of value, ensure reserve service opportunities are highlighted and optimise the reserve contribution to capability.

To achieve better reserve workforce personnel management, these functions should be centralised alongside all other workforce functions within the newly formed Military Personnel Organisation (MPO). This will ensure that the management requirements of reservists are addressed consistently in an integrated way across the Groups and Services. Career management teams would look across the entire reserve workforce to generate capability. This approach will address concerns around administrative complexity by streamlining and simplifying reserve administration. The active management of reserves will complement the support functions already in place through the MPO.

Consideration should be given to the creation of a function within MPO to manage and engage with personnel within the SERCAT 2 Contingent reserve. This is required due to the unique nature of this element of the reserve in terms of civilian employment and availability considerations. Additional resourcing for the MPO will be required to appropriately administer these personnel.

An integrated personnel management approach enabled by effective policy settings to deliver affordable, viable and sustainable reserve workforce generation and retention will unlock the potential in the reserve workforce. This will also provide Defence with the agility to apply coherent workforce responses in accordance with Government direction and strategic circumstances.

## **Recommendation 10:**

Establish regular engagement with the SERCAT 2 Contingent reserve cohort to quantify and assure the potential capability from this reserve level.



### **Recommendation 11:**

Centralise reserve personnel management functions under the control of the Chief of Personnel within the Military Personnel Organisation to achieve a common approach across the total workforce.

### **Recommendation 12:**

Develop common career and personnel management approaches to both permanent and reserve personnel to deliver total workforce capability outcomes.

## **Conditions of Service**

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Reform of Conditions of Service for reserve personnel emerged as an important issue across all levels of the ADF Reserve during the conduct of the Review. Reserve remuneration in particular has not been the subject of review for a considerable period.

There is currently a range of work on reserve conditions of service and an employee value proposition being conducted across Defence. This work needs to be brought together to consider reservists as part of the total workforce and deliver a comprehensive suite of options to enhance the attractiveness of reserve service. This work must acknowledge that there are differences between the motivations, commitments, needs and conditions of permanent and reserve personnel.

There is a broad range of factors that need to be considered including the fitness for purpose of the current employment offer in the modern Australian workforce and economic context. The remuneration model, based on a mathematical ratio, related to the permanent force pay scale contributes to a disparity between SERCATs. The Reserve remuneration offer is not in line with community expectations of equity and flexibility. Consideration should also be given to unique reserve incentives including but not limited to access to study support, upskilling opportunities, retention and completion bonuses, and higher education and vocational training debt relief.

There is some evidence from recent workforce surveys that reservists do not feel 'seen or heard' in the various streams of work that aim to improve ADF recruitment and retention. This led the Review to conclude that consultation and communication about issues and progress has been prioritised towards the permanent ADF. Whilst the need to address the shortfall of permanent ADF workforce is understood, there is a need to ensure that the importance of the part-time workforce of the ADF is acknowledged and a contemporary Employee Value Proposition is developed and delivered as a matter of urgency.

**Observation:**

Whilst conditions of service for both permanent and reserve personnel need to be considered together at an enterprise level, rather than in isolation, the extant Reserve settings contain dated incentives that potentially limit service rendered.

Recognition of reserve service through the Honours and Awards Scheme was also a common theme in stakeholder consultation. The Review noted that there is scope to increase the promotion of the current suite of awards available to recognise contributions to the ADF through reserve service. Increasing the awareness of awards that can be made under the Defence Commendation Scheme should also encourage Honours nominations for reservists.

The Review concluded that the development of a contemporary Employee Value Proposition must consider the significant part-time workforce of the ADF manifest in the reserve workforce. This work must be commenced as soon as possible and is likely to require a detailed suite of costed options to be brought forward for government consideration.

**Recommendation 13:**

Defence's Employee Value Proposition must actively address reserve service to improve reserve recruitment and retention outcomes.

**Recommendation 14:**

Urgently review the Conditions of Service within the Employee Value Proposition that apply to SERCAT 3-5 reservists.

## Chapter 9:

# Implementation

The implementation of the Government-agreed recommendations of the Strategic Review of the ADF Reserve should be completed under the oversight of the Defence People Committee (DPC) currently co-chaired by the Chief of Personnel and the Deputy Secretary of the Defence People Group. To further support the active management of reserve personnel and ensure an increased awareness of the important role the part time ADF workforce plays in delivering ADF capability, the Head Reserve and Cadet Support Division (HRCSD) position should be made a standing member of the Defence People Committee

The DPC should report progress to Defence's Enterprise Business Committee in line with regular reporting. Regular reporting at six monthly intervals to Government on the status of implementation is also required. The Chief of Personnel should be designated as the accountable officer for agreed recommendations. Head of Reserves and Cadet Support Division should be designated as the responsible officer for implementation of agreed recommendations and lead a small team focused delivery of a new approach to ADF Reserve management and capability.

The implementation team will need to develop a detailed implementation plan for approval by the DPC. The implementation plan will need to consider work currently underway as part of the Defence People System and any other existing work related to the ADF Reserve to ensure necessary coordination occurs during the planning process. The implementation plan will need to consider several lines of effort associated with the completion of all likely elements of the reserve review.

The expected primary lines of effort for implementation are outlined below:

1. Introduction of a centralised management system for the ADF Reserve.
2. Introduction of the Reserve Force Level Framework.
3. Ensure robust workforce intelligence is available for the ADF Reserve.
4. Review the current Employee Value Proposition with particular focus on ADF Reserve personnel.
5. Establish an Operational reserve training and employment framework across the ADF.
6. Introduction of necessary policy and regulation changes.
7. Establish a regular communication approach for the reserve workforce.
8. Ensure that reserve workforce outcomes are represented in workforce plans and submissions.

The development of an implementation plan should commence as soon as Government deliberation of the Review is complete. Planning for the implementation of the major reforms proposed in this Review should be completed by no later than the end of 2025. This is particularly important in the context of the establishment of the Operational reserve and centralised management system.

The successful implementation of the recommendations will require close coordination across Defence. Cooperation will be required to manage the risks to implementation that sit across multiple organisations within Defence. The benefits of successful implementation will provide the ADF with a much more effective reserve force and are likely to have long lasting effects across the Total Workforce System.

Chapter 10:

# The Albanese Government’s Response to the Strategic Review of the Australian Defence Force Reserves Recommendations

ADF Reserve Employment		
Recommendation 1	Develop options to improve reserve recruitment outcomes in collaboration with Defence People Group and other stakeholders.	Agreed
Australian industry partnerships		
Recommendation 2	Pursue the broadening and deepening of partnerships with industry and employers in a coordinated and prioritised approach to expand access to specific skills and capability outside the ADF.	Agreed

### A new approach

Recommendation 3	Adopt a design approach to deliver a military workforce and organisational structure that deliberately considers permanent and reserve forces.	Agreed
Recommendation 4	<p>Establish a Reserve Force Level Framework to provide for three categories of reserve service:</p> <p><b>Individual Reserve:</b> Individuals employed across Defence in support of ordinary Defence business activity.</p> <p><b>Operational Reserve:</b> Reserve capabilities and organisations delivering operational levels of capacity and effect in support of the Defence Preparedness Directive.</p> <p><b>Contingent Reserve:</b> Individuals available to Defence in support of targeted capability, scaling and expansion if required.</p>	Agreed
Recommendation 5	Raise at least an additional 1,000 additional Operational reserve force personnel by 2030. Detailed design work should commence as a priority to define the personnel, capability and training requirements to establish this element of the Operational reserve.	Agreed
Recommendation 6	Expand the Contingent reserve workforce available to the ADF for call out by extending the active commitment period for former permanent ADF personnel from five to ten years.	The Government notes the recommendation. This recommendation will be further considered as part of the National Defence Strategy cycle.
Recommendation 7	Standardise and extend specialist entry to allow greater flexibility in attracting a broader range of specialists.	Agreed
Recommendation 8	Establish an accelerated entry pathway to develop a tailored mechanism for service in the Operational reserve.	Agreed

Recommendation 9	Adopt a minimum essential training approach for the accelerated entry pathway, with further consideration of minimum training requirements to occur across the ADF Reserves, including Officer Training, as well as recognition of civilian qualifications and experience.	Agreed
Recommendation 10	Establish regular engagement with the SERCAT 2 Contingent reserve cohort to quantify and assure the potential capability from this reserve level.	Agreed
Recommendation 11	Centralise reserve personnel management functions under the control of the Chief of Personnel within the Military Personnel Organisation to achieve a common approach across the total workforce.	Agreed
Recommendation 12	Develop common career and personnel management approaches to both permanent and reserve personnel to deliver total workforce capability outcomes.	Agreed
Recommendation 13	Defence's Employee Value Proposition must actively address reserve service to improve reserve recruitment and retention outcomes.	Agreed
Recommendation 14	Urgently review the Conditions of Service within the Employee Value Proposition that apply to SERCAT 3-5 reservists.	Agreed









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