

**SPEECH BY THE CHIEF OF ARMY
TO THE RSL NATIONAL CONGRESS
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Thank you Chris (Bath) for that introduction and to you all for your very warm welcome here this morning. Chairman of RSL & Services Clubs Association, Mr Bryn Miller; CEO of the Association, Mr Graeme Carroll; National Secretary of the RSL, Mr Derek Robson; Victorian RSL President, MAJGEN David McLachlan (Rtd); distinguished guests, ladies and gentlemen.

I know there are many retired members of the Army in the audience who retain their passion for our Service and their interest in its development. As such, I am really pleased to be able to talk to you today and to provide some perspectives on key issues facing the Australian Army. In particular, I look forward to discussing with you the institutional and organisational adaptations we are undergoing. Adaptations that I believe are fundamental to enhancing our Army's ability to respond to the types of security challenges that we face now and into the future.

The Australian Army remains the largest single component of the Australian Defence Force and Department of Defence. As Chief of Army, I currently command just over 29 000 regular soldiers, nearly 17 000 reserve soldiers and around 1000 civilian personnel. Our equipment fleet comprises thousands of ground vehicles, watercraft, and helicopters, dispersed over a large area in locations around Australia and the world. Australian soldiers are deployed in locations from Afghanistan to The

Solomon Islands, East Timor to Lebanon. And while I am not responsible for the day to day oversight of our deployed operations – this is the remit of our Commander Joint Operations - I would suggest that the generation and preparation of land forces to sustain these is every bit as challenging as the operations themselves.

As you are probably aware, in May this year, the Governments released a new White Paper that describes how the Australian Defence Force will be postured over the next two decades. To my mind, the White Paper reinforces the pivotal role of the Australian Army in the nation's defence and in advancing the nation's interests.

But, I am also happy with the results for the other two Services and the various Defence Groups. This White Paper was produced inside an environment of integrated corporate debate and decision making the likes of which I don't think we've seen before in Defence White Paper development. The cooperation between the Services was, and continues to be, outstanding and some capabilities, such as amphibious vessels, air warfare destroyers and additional C130J and the Caribou replacements, are as important to Army capability as they are to the RAN and the RAAF.

However, it is not only capital projects that will see Army enhance its capability over the coming decades. In particular, the White Paper endorsed our *Adaptive Army* initiative. This reformation of Army, which I launched in August last year, will improve our training and equipment preparedness for current operations, while also re-balancing our capacity

between the regular and reserve components. This transformation will see us remove hollowness and put us on sound foundations for future operations. I will talk more about that shortly. But before I do, I would like to discuss a key initiative that will enable the implementation of the White Paper - the Strategic Reform Program, or SRP.

The SRP is a wide-ranging program that involves reforms to everything from the way Defence recruits, strategizes, plans, and delivers, and to how it purchases general goods and services. It has a long-term outlook. To enable this, the first phase of the Strategic Reform Program, involves detailed implementation planning. We in Defence have always excelled at planning for military operations. Our challenge is to apply that same care, rigour and discipline to planning and executing the decade-long campaign of reform that is the SRP.

Finally, the SRP is a savings program that will generate approximately \$20 billion in savings across Defence over the next ten years, savings which have been earmarked for reinvestment in current and future military capabilities, as well as remediation of 'broken backbone' capabilities such as Information Capability Technology.

Ladies and gentlemen, I think because of the *Adaptive Army* work we'd already undertaken, Army was well postured and very well aligned to commence work on the SRP when it was announced. Part of our *Adaptive Army* initiative is a material management stream that is focussed on reducing the cost of ownership of the land combat capability. But material management isn't the only stream of the SRP and Army is

robustly and productively engaged in every facet of the programme. I, and my Army leadership team, are very committed to ensuring that the SRP will produce significant dividends that can be re-invested in high priority capability requirements.

In Army material management, we have allowed develop over many years a culture whereby unit commanders hoard stores and equipment because they don't trust the system to either replace it in a timely manner when it is broken, or provide it at short notice for operations. If you look at this approach across the Army – as I do – you can see that this is an exceptionally wasteful way of doing business and one that costs me vastly more in sustainment funding than should be the case.

If we can get our commanders to trust the logistic system, while also ensuring better responsiveness of the Joint Logistic Command and the DMO, we can cut down on inventory and equipment in units with very little cost to capability – but with major savings to the Army sustainment budget. In an environment where I must find two billion dollars in savings over the decade, this is terribly important to me.

But not only must we find savings for the Strategic Reform Project, we must find savings so we can reinvest in high priority capabilities. Where we find efficiencies, the Government will allow us to reinvest these back into key capabilities. Over the next decade we will be introducing a significant range of new capabilities – this process of reinvesting savings will be an important part of ensuring we are able raise or maintain those

capabilities that allow us to remain relevant on our current and our future battlefields.

As part of this program, Army is reviewing the manner in which materiel is consumed to ensure it aligns with efforts to drive down the cost of ownership and allow reinvestment in higher priority areas. The first tranche of this reform has commenced with changes to the way Army holds, provisions and consumes combat clothing and personal field equipment.

This is resulting in significant cultural change in Army. I say this because, as I've just highlighted, in the past we have practiced inefficient procedures because our Commanders have not trusted the logistics system to get them what they need, when they need it. But promisingly this is changing. We are seeing the behaviour of our Commanders change. They are no longer holding large stocks of clothing, equipment and repair parts in their units because they are seeing a more responsive logistic system. We have already realised millions of dollars in savings through better Provisioning and Stock Management Policies and through hard nosed leadership on the rationalisation of material. The early indicators are that we are only just seeing the tip of the iceberg on this issue and, more importantly, we're seeing that our workforce understands this and is behind us on the reforms we're setting in place.

Another area we are focussing on is equipment maintenance. We have had the same maintenance processes for technical and non-technical inspections of our equipment for a generation. What we have found is

that contemporary equipment is more reliable and does not need the same high levels of maintenance as our past fleets. So, after sound technical review, we have reduced the requirement for monthly non-technical inspections on our equipment and changed it to every second month. This simple adjustment will have no detrimental capability impact but it has massive manpower implications and will significantly enhance the productivity of the Army workforce. We estimate this measure alone will save over 97 000 man hours – and over \$5 million in salaries - each calendar year.

Soldiers are now more frequently emailing me on my *Contact the Chief* email address with ideas for saving money and being more effective – and I'm listening to them. I am seeing more and more evidence across the Army that there is a major shift in our preparedness to reconsider how we deploy and use our resources. It is a very positive sign, and one that I and my senior commanders take great pains to encourage. You should be in no doubt – the Strategic Reform Program will result in a more streamlined and effective Army. Further, I believe the new approaches we are developing as part of SRP are rapidly becoming the new 'business as usual' in Army and throughout Defence. In other words, even in these early days our culture is changing.

As I stated a short while ago, we have ensured that our Adaptive Army material management stream is fully aligned with the SRP. But this is just one element of a wider program which I will pursue to instil a culture of adaptation throughout the institution. Over the past year this *Adaptive*

Army initiative has made some significant headway. I would like to describe some of these to you before discussing our next steps.

We have restructured ourselves at the Army and Functional Command levels, aligning our command and control with temporal learning loops. This is somewhat of a revolution for us.

As you know, we in the Australian Army have traditionally organised along functional lines. That is: all training was done in one Command; all land combat forces were in another. Restructuring around short, medium and long term learning loops is a different approach. It is founded on what we have learned on a variety of operations since 1999. It is also informed by a decade of research into complex adaptive systems by our Defence Science and Technology Organisation. I believe we are already seeing the benefits of this approach.

We have combined our old Land and Training Commands to create Forces Command in Sydney. This in-turn has enabled the implementation of a new, unified Army training continuum. This is a single training model that is aligned with our operational force generation cycle through the mechanism of training levels and standards.

One of the big aims of our new training continuum is to enhance the transparency of the entire training regime within Army. This allows me to reduce the duplication which had become endemic in the old Command structure, and to ensure that the training we give our people is open to constant scrutiny and validation. Finally, the new continuum will

allow our people to see the quality of their training which in turn will give them greater confidence on operations.

We have recently re-roled our regular 1st Division Headquarters to focus on the force preparation of force elements for operations and contingencies. To assist, we established a Land Combat Readiness Centre as Army's centre of excellence in mission specific training, mission rehearsal exercises, and operational certification. We aim for it to be the master of the short learning loop. As such, it receives and analyses all Post Operational Reports and other key insights to turn lessons into actions in the shortest possible time.

We have started enhancing how we communicate with our workforce, particularly with internet social networking mediums such as Facebook, Twitter and intranet forums and web pages. This has been a very interesting learning experience for us. We have found that we can get our messages out – especially with Facebook and Twitter – much more quickly than has been the case in the past.

Finally, and most importantly, the military and civilian workforce of Army has truly embraced many of the initiatives. This has made my life easier and indeed the implementation of *Adaptive Army* has proceeded more smoothly – for the most part – than I expected.

So I am satisfied that we have achieved much in the past year's implementation of *Adaptive Army*. But, I am not yet satisfied that this initiative has reached anywhere near its full potential. In several areas in particular there is much still to be done.

In the Training and Education stream, we continue to review the strategic environment to ensure our concepts, doctrine, training and education are relevant and prepare our people appropriately for contemporary and future operations. To this end, I recently released our latest version of *Adaptive Campaigning*. This document is Army's Future Land Operating Concept and provides the conceptual and philosophical framework, and force modernisation guidance, to achieve these requirements.

Adaptive Campaigning incorporates recent operational lessons and insights and is informed by current scientific research, worldwide trends, as well as domestic and international developments. Most importantly, it describes the actions of an integrated Land Force response, as part of a Whole of Government approach, to the demands of the types of operations that we will face in the future, as well as those we are undertaking right now in Afghanistan and East Timor.

Several weeks ago, I was visiting our task force that is deployed in East Timor. They have shaped their entire operational approach around the *Adaptive Campaigning* philosophy. It was evident that the synchronisation of population protection, indigenous capacity building, joint land combat, information actions, and population support is something that our deployed soldiers are starting to appreciate – and implement – down to section level. The early signs are that this is a robust and effective approach to the challenges of contemporary and future operations.

Adaptive Campaigning is now available on our Army internet site if you would like a copy to read. In turn, this capstone document is informing the redevelopment of the Army's counter-insurgency doctrine, which will be released later this year.

By far, the most challenging aspects of our *Adaptive Army* initiative is the improvement of our approaches to Knowledge Management. It is an integral part of Army's core business and is the most important element to get right in the *Adaptive Army* initiative.

I believe that the IQ of our Army does not reside solely in its senior officers. It resides in its forty five thousand plus regular, reserve and civilian members. However, currently I cannot exploit the full IQ – and all the great ideas that are out there – because we are not all linked up.

Only 20% of the soldiers in our Army are currently able to regularly use our internal Defence computer network. This means that the vast majority of my soldiers – regular and reserve – have limited capacity to contribute to the way we go about our business, and to help improve our processes. This is something I am absolutely determined to address. While we are making some small inroads through the use of internet-based social networking, we need a broader solution that allows all members of the Army – regardless of their location – access to all the functionality of the Defence network.

Just imagine for a moment if all of our people were linked through a common network and were all able to contribute to various blogs and

forums, share lessons and have a say in how their Army operates. I see this as a pretty exciting prospect, and one that I believe will underpin the full realisation of the potential of future Armies.

In this regard, the challenge for the Australian Army is to fully connect our people, ensure they are well informed, have the capacity to contribute to how we operate and are able to widely share lessons. This is an essential part of realising my aspirations for the *Adaptive Army* initiative.

So our *Adaptive Army* initiative is about a more effective and adaptive Army. But while I am doing this, I also have to achieve a balancing act between the maintenance of an Army that is excellent at contemporary operations and an Army that is well-prepared for a range of future contingencies. That is, achieving the right balance of investment of people, equipment and financial resources in current operations versus potential future operations.

The question therefore is how should we in the Australian Army balance the imperatives of current operations with investment in the future Army? Some have argued that over the last few years we have been overly preoccupied with the current operational commitments, at the expense of training for higher end warfighting capabilities that may be required in the future. Indeed there is currently a vigorous debate in the US, Britain and other nations whether land forces should be structured primarily for contemporary counter-insurgency operations, or if they should retain a traditional conventional focus.

As with many things in life, this is not a black and white argument. I don't accept the idea that because the most pressing threat is constituted by highly lethal non-state actors that Army should reconfigure **solely** as a counter-insurgency force and therefore trade-off our conventional war fighting proficiency. While we need to be able to conduct irregular wars among the people, I must also ensure that the Australian Army is still able to defend Australia and fight conventional enemies - this is a clear requirement set out in the 2009 Defence White Paper.

I believe that the inherent challenges and stresses of an Army's conventional, high-intensity, combined-arms training provides the crucible for the development of exceptionally competent leaders and highly adaptive soldiers and units.

Further, it ensures our soldiers have the **mental and physical toughness** they need, it develops **cohesion in units**, and it inculcates the **confidence, teamwork and initiative** necessary to sustain mission command. I believe that these things comprise the **essential foundation** of land forces and the core skills that can be tailored for use in the broadest range of operations.

This capacity to employ a small force in a wide range of operations is very important to a relatively small Army like ours. Presently, the range of operations Australian soldiers are undertaking stretches from disaster relief and humanitarian assistance in Samoa and Sumatra, peace enforcement operations in East Timor, Lebanon, The Sinai and The Solomon Islands, as well as indigenous capacity building and joint land combat in Afghanistan.

I believe that it is only through the possession of these conventional foundation skills that I can assure Government that our Army can to contribute to contemporary operations, as well as provide a range of feasible and effective options for future contingencies. I will admit that at times this is a difficult balancing act to achieve – and it does involve a pragmatic approach and a preparedness for constant adjustment.

Underpinning this balancing act, are our people. They are our backbone and my enduring number one priority. Regardless of the amount of equipment and technology we purchase in the coming years, we will remain a force that ‘equips the man or woman’ and not vice versa. When our people aren’t on operations, we need to manage them appropriately.

The recruiting and retention of the Army workforce – regular and reserve soldiers as well as civilians - is one of our biggest challenges. In less than three years the Regular Army has grown from around 25,000 personnel to 29,000 personnel. This has not always been easy. To support this growth, our Government has provided funding for a variety of retention initiatives. These included short-term retention bonuses, remuneration reform and an improved Defence Homeowner Assistance Scheme. Attention has also been given to non-financial retention initiatives, including improved geographic stability, improving the work life balance for our people, and reducing the impact of deployments on family life.

Our initiatives in this area have seen retention improving relatively consistently since early 2007. During the period of the Global Financial Crisis however, there has been an increase in the number of people

inquiring about joining the Army. Despite this, recruiting has still not met the requirement in all employment areas. As much as possible, Army has been compensating for recruiting shortfalls by encouraging personnel to re-enlist and transfer from the Reserve to Regular Army.

But we are going further to ensure that we are able to compete in a labour market that is also after many of the technical skills we seek. We are changing our career pathways, to ensure that all our personnel have well defined development pathways, regardless of their specialty. Since the beginning of 2009, we have released new Army Career Pathways, including the Army Senior Officer Career Pathway Strategy and the Army Officer, and Warrant Officer, Career Pathway Strategies. These redeveloped career programs now also take into account the increase in our retirement age from 55 to 60, extending the time between promotion gates.

This extension of time between promotions offers some opportunities to us that we have not had previously. For example, women can now take extended breaks from the workforce to have a child with no detriment to their careers. You should know that we are paying particular attention to increasing the participation rate of women in Army. We have recently amended our policies to allow a longer period to regain readiness status for women returning to work after maternity leave, specifically in the area of physical fitness. We are examining options for job sharing, and purchasing additional leave. Finally, we have established an Army female leaders network. These examples are not the complete strategy, but they will give you a flavour for the progress we are making.

Seperately, I have recently introduced a policy of three year command-team tenures. This initiative designed to slow tempo at unit level, reduce posting turbulence and reduce the incidence of unaccompanied postings.

These types of comprehensive strategies provide our people with maximum opportunity to excel and achieve career aspirations.

The maintenance of the health, wellbeing and safety of personnel is also an intrinsic part of my responsibilities. To this end, a number of new initiatives target improvements in the management of injured soldiers; including the creation of a 'Wounded Digger' website and changes to the medical and physical employment standards which will be rolled out over the next 18 months. I might add that the creation of the Wounded Digger website is our direct response to the idea's and feedback of SGT Michael Lyddiard who was himself very seriously injured in Afghanistan. A sign of the times is that we have also formed an Amputee Mentor Group to support those soldiers who have suffered the amputation of limbs as a result of their wounds on operations, or accidents. I have also strongly endorsed our participation in the ADF Paralympic Sport Program which aims to assist in the successful return to an active life for our wounded soldiers. These initiatives are designed to enhance the employability, deployability, wellbeing and resilience of Army personnel.

In the wake of the recent Dunt review on mental health in our Department, I have issued direction on Mental Health Conditions in Army. This outlines a range of strategies such as the delivery of mental health and resilience training to leaders of all ranks, more supportive

processes for members with mental health conditions and their families and implementation of Unit Welfare Boards. Where appropriate, the retention of members who have mental health conditions and the provision of appropriate and effective clinical and welfare support to enable them to Stay Army is also a priority.

Supporting these mental health strategies is an improvement in resilience training in our training institutions to ensure our soldiers are mentally tough and best prepared for arduous physical and psychological challenges of contemporary operations.

One initiative, known as BattleSMART, involves self management and resilience training conducted at recruit and Officer Cadet level. It is a preventative program designed to enhance an individual's ability to bounce back or cope with increased stress and / or adverse or potentially traumatic events in their lives. As individuals then progress through Army's training continuum, BattleSMART will increasingly emphasis unit climate and the important role of Commanders in identifying mental health issues in those they command, the referral process and the Commander's role in managing these individuals.

The mental and physical health of our people is a command responsibility, and one that I and my senior leadership take very seriously.

Finally, our families are an integral part of the Army team. The retention of our soldiers is firmly linked to how well we look after their families. How do we provide rewarding careers for our soldiers while at the same

time improving the conditions under which their families provide the support that is so essential to the health of our Army? I've no doubt that it is about recruiting the soldier and retaining the family.

I am convinced that success or failure in responding to the challenges of the future will be determined by our ability to recruit sufficient numbers of quality regular and reserve soldiers and civilians, train them in the requisite skills and trades, and then ensure we employ them in a manner that gives them a desire to remain serving. This remains my overriding priority as Chief of Army.

I would like to recognise, at this point, the great work of the RSL and Services Clubs in the support of serving soldiers and their families. Your Operation Care initiative, launched by the Chief of Defence Force in October 2006, is a wonderful example of the support you provide our soldiers, and reinforces the importance of the relationship between the Australian Defence Force, the RSL community and the RSL and Services Clubs.

CONCLUSION

Writing in his 1948 book "Crusade in Europe", General Eisenhower wrote that *one of the most important characteristics of the successful officer today is his ability to continue changing his methods, almost even his mental processes, in order to keep abreast of the constant change that modern science, working under the compelling urge of national self-preservation, brings to the battlefield.* General Eisenhower's quote remains relevant and valid for our people and leaders today. We all need

to be agile of mind to keep abreast of developments in our profession and ensure we as an Army maintain relevant and responsive capabilities for Government.

Be in no doubt that I seek to inculcate an adaptive culture **throughout** the Australian Army. Of course, cultural issues cannot be dealt with by drawing a new organizational chart. It takes determined leadership and advocacy by leaders at all levels. I am passionate about this and so too are my senior leadership.

We will continue to operate in an environment that places great demands on our people and systems. As senior leaders, we must all ensure we recruit and retain enough of the right people to address the challenges of future warfare. We must balance our utilisation of the current equipment fleet with the requirement to have the right equipment into the future. We must do this while remaining interoperable with our allies, as well as with our partners in other government agencies.

Ladies and Gentlemen. I have covered a lot in my talk here this morning, and I appreciate you giving me an opportunity to provide this update on many of the changes that are ongoing in our Army. I hope you now have a better appreciation that, despite all the challenges we face, we are grasping the moment and moving forward with tremendous vigour. I trust that I have also conveyed to you that while we may have changed our structure and processes, our Army values of courage, initiative and teamwork remain the same and we continue – as we always have - to be an organisation that attracts the finest Australian men and women our country has to offer. Thank you.