

**CHIEF OF ARMY SPEECH
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Thank you Gerard for your kind introduction. I'm delighted to be able to address you this evening. This Institute plays an important role in an open debate on a broad range of national issues – including national security - and I am very pleased to have been invited to participate in your program.

On 27 Aug 08 I gave an address at the Australian Strategic Policy Institute. It was shortly after my assumption of duties as Chief, and I used the occasion to lay out my early vision for some reform I wanted to take under the banner of “Adaptive Army”. I'd like to use this occasion to look back and report on our progress as well as look forward to continuing challenges.

Army is the largest single component of the Australian Defence Force and Department of Defence. As Chief of Army, I command over 28 000 regular soldiers, approximately 17 000 reserve soldiers and around 1000 civilian personnel. Our equipment fleet comprises thousands of ground vehicles and helicopters, dispersed widely in locations around Australia and the world. Australian soldiers are deployed in locations as diverse Afghanistan, The Solomon Islands, East Timor and The Lebanon to name a few. And while I am not responsible for the day to day oversight of our deployed operations, I would suggest that the generation and preparation of land forces to sustain these deployments is every bit as challenging as the operations themselves.

Tonight I would like to talk to you about the important elements of being a contemporary Chief of a small yet highly professional and agile Army, and what we are doing to ensure that Army continues to provide world-class, well trained, well led and well equipped forces for operations in Australia and overseas.

As I've just indicated I've now completed my first twelve months as Chief of Army. It has been a year of significant change – not only inside the Army and its sister Services, but in the wider strategic environment. Tonight I would like to provide you with some insights into how Army has responded to these changes.

In May this year, Government released a new Defence White Paper that describes how the Australian Defence Force will be postured over the next two decades. It addresses how we can contribute to operations against violent extremists, as well as prepare for the changes in the distribution of global power that have occurred in the last decade, particularly with the emergence of China and modernisation of military forces throughout the Asia-Pacific.

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 been produced inside an environment of integrated corporate debate and decision making 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 the Adaptive Army initiative. This reformation of Army, which is being conducted in partnership with Government, will improve our training and equipment preparedness for current operations, while also re-balancing our capacity between the regular and reserve components. This reform will see us remove hollowness and put us on sound foundations for future operations. I will talk more about that shortly.

First, however, I would like to discuss one of the key elements that will enable the implementation of the White Paper's initiatives - the Strategic Reform Program, or SRP.

The Strategic Reform Program is Government's vehicle for deep and sustained reform. The SRP is aligned with the principles of good public sector governance that Minister Faulkner has outlined publicly: improved accountability; improved Defence planning; and enhanced productivity.

The SRP is a wide-ranging program that involves reforms to everything from the way Defence recruits, strategizes, plans, and delivers, 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, and remediation of the 'broken backbone' capabilities such as Information Capability Technology that the Minister spoke publicly about in his address to the Australia New Zealand School of Government here in Sydney on 13 August this year.

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 the current and future battlefields.

A few examples of the implementation of SRP in Army are worth noting here tonight. 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 for reform is in 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 to 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 nearly 100 000 man hours each calendar year.

At the request of Army, technical servicing requirements for the Landrover fleet have been reviewed by Land Systems Division in the DMO, resulting in an extension to the servicing interval from 12months/10,000km to 24 months/10,000km. The net effect is an immediate reduction in maintenance liability and equipment downtime, and a corresponding reduction in maintenance induced faults, thereby increasing equipment availability. The manpower and material savings potential here is clear.

These are just a couple of examples. 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 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 – I’m staking my reputation on it. 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 through which I intend to instil throughout the institution a culture of adaptation.

Over the past year our *Adaptive Army* initiative has made some significant headway in the evolution of our Army. I think it is worth noting here

some of the considerable achievements of soldiers across the Army in this regard:

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. Traditionally we have organised along functional lines. That is: all training is 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 operations since 1999, and nearly a decade worth 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 the old Land and Training Commands to create Forces Command here in Sydney. This in-turn enabled the implementation of a new, unified Army training continuum. This is a single training model that is aligned with the force generation cycle through the mechanism of training levels and standards.

One of the big aims of this 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. This will have the benefit of ensuring that our people can better understand the quality of their training and that in turn will give them great confidence on operations.

Our Headquarters 1st Division in Brisbane has been re-roled to focus on the detailed preparation of force elements for operations and contingencies. To assist with this key task a Land Combat Readiness Centre has been established as Army's centre of excellence in mission specific training, mission rehearsal exercises, operational certification as well as being masters of what we call the short learning loop. It has an Adaptive Warfare Cell to speed the short learning loop adaptation cycle. It now receives and analyses all Post Operational Reports and other key insights to turn lessons into actions using an innovative new system of Operational Adaptive Notes and Directives.

Another innovation is LCRC Force Preparation Assistance Teams that are being established to create a single LCRC point of contact to coordinate, assist and evaluate force preparation from mounting to their certification and demounting.

Like the 1st Division, our Special Operations Command has had its focus on the short learning loop reinforced. I expect that it too will be supported with operational lessons from the Land Combat Readiness Centre in its force generation and preparation responsibilities.

Our people are of course the ace up our sleeve. They are our first priority, and in this regard we have implemented a range of personnel reforms including new career pathways, three year command team tenures and the release of a forward looking Army People Plan.

We have started enhancing how we communicate with our workforce and the public, particularly with internet social networking mediums such as Facebook, Twitter and intranet forums and web pages. Its early days yet

but I'm pleased with the progress we've made and if you haven't visited the Army web site recently, I'd recommend that you give a few minutes of your time to do so.

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 it has been a good year, and that we have achieved much. But, I am not yet satisfied that the *Adaptive Army* initiative has reached anywhere near its full potential. Across five streams of work, there remains much to be done.

In the Command and Control stream, we have commenced the Rebalancing the Army program which will ensure a balanced and sustainable Army workforce, able to sustain key capabilities, into the future.

In the Personnel Stream, we must continue to fine tune our career pathways strategies for officers and other ranks to ensure there are multiple, viable career streams for a workforce that is comprised of tens of thousands of exceptionally talented young Australians with a broad range of skill sets. At the same time we need to ensure we increase participation rates of women, indigenous and non-English speaking background Australians in the Army.

In the Training and Education stream, we strive to continually review the national and international 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 publicly 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, which by the way is accessible on our web site, incorporates recent operational lessons and insights and is informed by current DSTO research, worldwide trends, and 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 Complex War. 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 aspect of *Adaptive Army* is the Knowledge Management stream. It is an integral part of Army's core business and, along with our SRP material management stream, is the most important element to get right in the *Adaptive Army* initiative.

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

Only 20% of Army is able to regularly use the Defence Restricted Network or DRN. So 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 we absolutely must address. While we have made 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 DRN such as pay and personal administration, etc.

Ladies and gentlemen, just imagine 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 Army operates. I see this as an exciting prospect, and one that underpins the full realisation of the potential of our Army.

Army is not doing this alone however. As Minister Faulkner recently noted, reform and investment across Defence's ICT systems is central to the White Paper and is a high priority for the Government. This will involve bringing ICT capital expenditure together as a single portfolio across all areas of Defence, replacing ageing equipment, consolidating Defence data centres and improving interoperability with our key allies.

In summary, the challenge for Army here is to fully connect our workforce, ensure they are well informed, have the capacity to contribute to how we operate and evolve, and are able to widely share lessons. This

is an essential part of realising my aspirations for the *Adaptive Army* initiative.

So far this evening I have discussed how we are going to become more efficient through the SRP, and more effective through our Adaptive Army initiative. 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.

In our response to the issues we confront, one of my primary considerations is balance. That is, achieving the right balance of investment of people, equipment and financial resources in current operations versus potential future operations. All nations face this balancing act, even those as well endowed with resources as the United States.

How do we 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 around 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. For my part 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 trade-off our conventional war fighting proficiency. While we need to be able to conduct irregular wars among the people, I must ensure that the Australian Army is still able to defend Australia and fight conventional enemies and indeed this is a clear requirement set out in the 2009 White Paper.

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

Now this is not about fighting massed armies in the Fulda Gap of Europe. It is about giving soldiers the **mental and physical toughness** they need, developing **cohesion in units**, and inculcating the **confidence, teamwork and initiative** necessary to sustain mission command. These things comprise the **essential foundation** of land forces. They are the core skills that can be tailored for use in the broadest range of operations.

It is through the possession of these foundation skills that I can assure Government that not only is our Army able to contribute to contemporary operations, but that it is able to 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 involves a pragmatic approach and constant adjustment.

Underpinning this balancing act, the Adaptive Army initiative and the SRP are our people. As I've already indicated, and I'm purposely repeating myself. 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.

In less than three years the Regular Army has grown from around 25,000 personnel to 28,000 personnel, an increase of 12%. To support this growth, the Government provided Defence with 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.

The combined effect of all these initiatives is that Army now has its best retention result in over 15 years. Retention has been improving relatively consistently since early 2007, and so the current retention situation is attributable to much more than the Global Financial Crisis. That said, during the period of the Global Financial Crisis there has been an increase in the number of people inquiring about joining the Army. This has seen increased recruiting, but sadly not in some critical skills 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. We've had some success in this regard.

To support this, we are also changing our career pathways, to ensure that all our personnel have well defined development pathways, regardless of their specialty. 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.

Extending the time between promotions offers some new opportunities to us. For example, women can now take extended breaks from the workforce to have children with no detriment to their careers. This is very important as we seek to increase the participation of women in the Army workforce. Longer times in rank also offers us the capacity to send people on extended educational opportunities or to cater for taxing family circumstances while remaining in the Service.

Our new flexible career pathways are not restricted to passing through the traditional 'gates'. Since the beginning of 2009, we have released new Army Career Pathways for officers and SNCO. These comprehensive strategies now provide our people with maximum opportunity to excel and achieve career aspirations. I have recently introduced a policy of three year command tenures. This is designed to slow tempo at unit level, reduce posting turbulence and reduce the incidence of unaccompanied postings.

The recruiting and retention of our workforce – regular and reserve soldiers as well as civilians - is one of our biggest challenges. We must ensure they receive the best possible training, education, and leadership. Concurrently, we must make certain their service has meaning, that we

provide them with opportunities to contribute to how the business of Army is done and that we recognise their contribution.

I released the Army People Plan in May 2009 and it complements the implementation of all Adaptive Army elements by providing the right size workforce that is appropriately trained and educated.

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 while also being strong supporters of the Chief Executive Women Talent Development Program.

While there is some way to go, over the last twelve months alone we have seen an increase in the number of females in Army of 5% (from 2556 to 2689) and have seen the female separation rate drop from 11.7% to 8.5% (males over the same time saw a smaller drop of 11% to 9.9%). I aim to keep improving our performance in this area.

We are developing retention initiatives which will result in people wanting to offer longer periods of service, by meeting the extrinsic and intrinsic (financial and non-financial) expectations of the workforce, and through the effective use of all elements of the available workforce. A key initiative currently being developed is the Army Work-life Balance Strategy. This requires not only policies which provide the mechanisms to

guarantee work-life balance, but also sees the removal of barriers, real or perceived, which may impede implementation of these policies.

The maintenance of the health, wellbeing and safety of personnel is an intrinsic part of my responsibilities as Chief of Army. 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. 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.

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, I have also issued direction on Mental Health Conditions in Army that outlines a range of strategies such as the delivery of mental health and resilience training to leaders at 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.

We are also improving resilience training in our training institutions such as Kapooka and Duntroon to ensure our people are mentally tough and best prepared for the rigours of contemporary operations. One initiative, known as BattleSMART, is 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.

In the realm of training, education and personnel management, we are very focussed on better preparing our people for operations in a more complex operating environment, and ensuring that between operations they receive the best possible education, training and career management possible. One of the key drivers for seeking to improve our education and training is the complex operating environment we face.

Warfare has become complex in a number of ways. The human dimension of operations is complicated by the language and cultural differences of the civilian populations we are often tasked to support or protect. But we have also developed a far more holistic view of this environment. An environment which incorporates our coalition partners, indigenous forces, partners from other government agencies, industry and NGOs, as well as global media organisations.

Our people must be inculcated with a culture that fosters and encourages an adaptive approach to solving complex problems. They need to be able to ‘think big’ to successfully deal with what is an increasingly complex and interconnected security environment. We need people who appreciate this complex environment and are comfortable with thinking at different levels to ensure our tactical actions on the ground are even more closely aligned with the strategic objectives of our Government. I am not sure we have always done a good job in educating our people to give them that understanding or the right skill sets to master this art. But we are trying to improve our education processes along these lines.

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.

Our 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 in our Army. This will remain my over-riding priority.

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 for soldiers 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.

I will reiterate that I am seeking to inculcate an **Adaptive Culture** within our 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 while the challenges I have outlined here are significant, I'd like to paraphrase General Petraeus here by reminding you that, 'hard is not impossible'. We can, and we will, develop solutions.

I have covered a lot of ground this evening. As you can see, as Chief of Army I am required to maintain momentum along a number of different lines of operation and balance immediate demands with planning for the future. I hope you have gained an appreciation of just how dynamic an environment a Service Chief must operate in, and that you now appreciate that we are grasping the moment and moving forward with great vigour. I would be happy to discuss these issues in detail if you have questions.