



# Royal United Services Institute of Victoria Inc.

## Promoting National Security and Defence

A Constituent Body of the Royal United Services Institute of Australia

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## RUSI-VIC NEWS

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### Office Bearers

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**Hon. Treasurer:** FLGOFF Neville Wright

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### Dates for your Diary

25 March - Speaker Meeting - **Defence Plaza**

29 April - Speaker Meeting - **Defence Plaza**

5 May - Council Meeting

27 May - Speaker Meeting - **Defence Plaza**

24 June - Speaker Meeting - **Victoria Barracks**  
**LTGEN Peter Leahy AO, Chief of Army**

### Speaker Luncheons

**\*\* Thursday 25<sup>th</sup> March, 2004 \*\***

**Dr Greg Barton**

**Senior Lecturer in Philosophy and Politics**

**Faculty of Arts - Deakin University**

The topic for the Luncheon address will be:-

**INDONESIA:**

**The Struggle for the Soul of Islam - making sense of Radical Islamism**

Dr Barton is a well respected academic and commentator on Indonesian matters, specialising on the impact of religion, particularly Islam, in the region. His knowledge of Islam and Islamism (and there is a difference) is widely recognised. He spends much time in Indonesia and spent some months as a house guest of former President Wahid about whom he has written an authorised biography. Dr Barton who has just returned from a visit, will be commenting on Defence issues and the forthcoming, and intriguingly important, National Elections.

**Note the Venue - Defence Plaza : Time : 1130hrs (Tea/Coffee); Talk : 1200hrs**

**Admission : \$3.00 - Lunch may be purchased from the adjacent "Armoury Bistro" afterwards.**

**Please advise the Office on 9282 7498 if you and any guests intend to be present.**

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**\*\* Thursday 29<sup>th</sup> April, 2004 \*\***

**Mr Martyn Taylor**  
**Assistant Secretary, General Investigation and Review**  
**Department of Defence**  
**Defence Values : The Siege of Tobruk**

Martyn Taylor will introduce and present a video, recently commissioned by the Department of Defence, to illustrate how the values that were integral to the successful outcome of the Siege of Tobruk are just as relevant today: loyalty, integrity, courage, innovation and teamwork. Interspersed with historical footage from the Australian War Memorial, are interviews with some surviving Rats of Tobruk.

The video has received many accolades, including the prestigious Australian Video Producers Award for best documentary, over \$80,000, made in 2003. This is a "not to be missed" opportunity to see and discuss an important part of our military past and the pertinent lessons learned from it.

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**Admission : \$3.00 – Lunch may be purchased from the adjacent "Armoury Bistro" afterwards.**

***Please advise the Office on 9282 7498 if you and any guests intend to be present.***

***Vale*** – We record with deep regret the passing of **Mr L.F. Bartlett** (Geelong Member).

***New Members*** – At the March Council Meeting the following new candidates for membership were tabled and duly elected to membership:-

**Mrs G.J. Carr** – Newtown (Geelong Member); **FLLT Hyder Gulam** – RAAF Williams;  
**Mr J. Maljers** – Belmont (Geelong Member); **Miss Lynette Ross** – Prahan.

#### **Honours and Awards**

We congratulate Mr Allan Blankfield and SQNLDR William Roebuck on being awarded an OAM in the Australia Day Honours List

#### **Library News**

We acknowledge and thank Bruce Turner, our Library Advisor, for his sterling work and guidance in recent times. Bruce has been advised to take things more quietly and regrettably this means that he has had to relinquish his current role in the re-organisation of the library – a task that he was tackling with great enthusiasm.

We owe him much for getting the new system up and running. It is pleasing that his recent helper, Lyn Ross has agreed to take on the role of Library Advisor and we welcome her to the position, confident that her past experience in library matters will be of great assistance to us. Bruce will continue to 'pop in' when he can.

The re-organisation proceeds well, but it will take some time to complete. In the meantime, we do encourage members to visit the library and sample its wares. We recently received a generous offer to help with the work and encourage others so inclined to approach us.

## From the President – Air Commodore Mike Rawlinson

The year 2004 promises to be a year of elections. There will be a general election in Indonesia, a Presidential election in the United States in November, and most probably a federal election in Australia. Each one of these contests will directly or indirectly influence Australia's defence and national security.

The new year has seen your Council endorse a strategic change of emphasis for the Institute that will see us more outwardly focussed and taking on activities related to the public education (awareness and understanding) aspects of our aim.

'The aim of the Institute is to encourage the discussion of national security and defence matters, and to improve public awareness and understanding of defence issues.'

*RUSI-VIC Rules, Para 1 (2)  
2002, Statement of Purpose*

An enduring belief and observation of the RUSI is that governments in democracies underspend on defence and national security during times of peace. As contingencies arise at short notice, this inevitably results in a defence force that is under-equipped for conflict.

At RUSI we want to ensure that Australia maintains forces that are sufficient to not only defend our country but are able to handle whatever task our government assigns them in assuring our national security. We want to ensure that our ships are fitted with the systems that they need for the task in hand, that our soldiers are well equipped for the theatre in which they face combat, and can be appropriately sustained. In the air we want to ensure that our aircrew fly aircraft that are not inferior to those of possible opponents.

The funds to ensure this outcome can best be provided if the voting public is well informed about defence matters, and the Federal Government feels confident in assigning a comparatively high priority to defence spending.

For strategic reasons and for efficiency and effectiveness, the uniformed ADF presence in Victoria is at its lowest for 60 years. In numbers the ADF is particularly poorly represented in the City of Melbourne, Australia's second largest State capital and a city of 3 million people. Out-of-sight is out-of-mind and the absence of a significant uniformed presence can be expected to negatively influence ADF recruiting and public attitudes towards military expenditure unless there is a perceived threat.

The situation presents an opportunity for RUSI of Victoria to educate the public about national security and key defence matters, by fostering informed debate, explaining and clarifying, but in keeping with USI tradition, not taking policy positions. If they have the time available, recently retired officers whose knowledge is still current, are well placed to make an active contribution in achieving this part of our aim.

While the RUSI will continue to offer a balanced lecture program of outstanding speakers, Council seeks your support to recruit recently retired officers to participate in various activities designed to pass on to the community, their knowledge and understanding of key defence issues.

I am very pleased to be able to start the year knowing that Australia's military and aviation heritage has been enhanced by the Government decision to retain the Point Cook airfield in public hands for the next 49 years. The world's oldest surviving military airfield, which pre-dates the RAAF and which originally catered for both 'landplanes' and 'seaplanes', has been saved from inappropriate development. Congratulations and thank you to all those preservation activists and lobbyists, including members of this Institute, who have worked hard for many years to achieve this outcome.

**Mike Rawlinson**

## From The Secretary - Martin Holme

2004 is now well under way. An interesting talk at the end of February from Scott Burchill, of Deakin University, on Foreign Affairs issues, provoked some good discussion and comment. This newsletter advertises our next two Lunchtime Speakers, both of whom will be of great interest to members. You are asked to note the 24th June when the Chief of Army, Lieutenant General Peter Leahy AO, will be guest speaker, probably at Victoria Barracks - details about this will be circulated nearer the time.

We have included in this issue, the eulogy given by the Chief of Defence Force, General Peter Cosgrove AC MC, at the funeral of Lieutenant General Sir John Daly KBE CB DSO. We think it is worth reading. Also included is the interesting address given by Rear Admiral Brian Adams AO RAN, at our November meeting.

For sometime, we have been contemplating communication with members via the email system

and have amassed around 100 such addresses. There have been some technical problems in promulgating this initiative, but these have been largely overcome. It is intended to progressively introduce this method of communication, on a trial basis, soon. Those who would prefer to receive communications by post will, of course, be able to continue with that option. The use of emails reduces office staff burdens and is a considerable cost saving. Rather than saying "watch this space", it may well be "watch your screen"!

Sometime ago I suggested that the newsletter could host a "Letters to the Editor" segment. A natural and understandable reticence by members not wishing to be "first cab off the rank" may be commendable - but why not give it a go?!

Those of you who travelled on the Ocean Liners of yesteryear (and those who have not) may enjoy the somewhat irreverent poem I recently came upon:

### ORIENT LINE versus P & O

- Time:** Circa 1952
- Place:** Aboard RMS OTRANTO 2 days out of Fremantle bound for Colombo.
- Scene:** Otranto's Captain (a martinet of the "old school" is on the bridge when an over-flying seagull drops a deposit on the deck in front of him.
- Action:** After ordering a Lascar, with mop and bucket, to clean the deck, the Captain retires to his day-cabin in high dudgeon and, in the next morning's edition of the Ships's Newspaper, the following verse appears:-

Oh Seagull it's grieving  
to see you relieving  
yourself on the Merchant Marine!

With your wonderful sight  
you can tell, from that height,  
the Otranto is not a latrine!

God gave you the ocean  
for your little motion,  
or Italy has a fine PO!

But if you think it's finer  
to shit on a liner,  
why not find a nice P&O?

## **Lieutenant General Sir Thomas Daly KBE CB DSO**

General Sir Thomas Daly, a great Australian soldier, died in January 2004. We print below General Peter Cosgrove's moving tribute delivered at the funeral in St Mary's Cathedral:

Lieutenant General Sir Thomas Daly, Knight of the Order of the British Empire, Companion of the Order of the Bath, Distinguished Service Order, twice mentioned in Dispatches, husband, father, grandfather, most eminent Australian, warrior chief – gone with courage, dignity, and honour to his maker.

Lady Daly, Betty Ann, Susan, Edwina, Your Excellencies, my Lord Bishop, family and friends of the Late Lieutenant General Sir Thomas Daly, welcome to this celebration of the life of a great man. The Tom that many of you know would have said 'what's all the fuss! But you and I know what a sad and significant day this - a day upon which we are privileged to farewell and remember a remarkable man. He was a man simultaneously marked by greatness and humility, by the honours and plaudits of a marvellous public life and the simplicity and quietude of a close and loving family existence. He endured and overcame the most turbulent and challenging periods at the pinnacle of his profession and in doing so made a profound impression on what truly became 'his Army' and then with great dignity went into a long and honourable retirement.

As a young man who entered the Army just before he became Chief of the General Staff, I feel particularly honoured to represent the family and all of you here, and the General's legion of admirers, to give this eulogy today. There's a significant coincidence at play here. In 1971, when the General was leaving the Army at Eastern Command Personnel Depot, my father, the Adjutant at the Depot, signed his discharge certificate. Knowing my Dad, I am sure how keenly he was aware of the significance of the moment, as he played a small part in the farewell to a warrior chief; it's the same feeling, much magnified, as I feel now.

Tom Daly grew up in Victoria, son of a distinguished World War 1 soldier, Lieutenant Colonel Thomas Joseph Daly DSO VD who commanded a Light Horse regiment, the 9<sup>th</sup>, during the war and returned to his job at the bank. He gave his son up to Duntroon in 1929 and how proud he must have been on that day and every

day thereafter. Tom had gone to school in Sale where the family then lived and then to Xavier College, that great Jesuit seat of learning in Melbourne. His headmaster knew he would excel and said as much to the Commandant at Duntroon – very perceptive, Jesuits!

Tom's four years at Duntroon showed him to have the enormous promise which was so abundantly realised in his subsequent career. He was even then noted for that quietness and dignified reserve which so characterized his entire life. He travelled with the Corps of Staff Cadets in the transition from Canberra to its temporary accommodation at Victoria Barracks in Sydney. Here as the senior cadet of the Corps he suffered the only setback I could glean from his many years of service – in his senior year he was reduced in rank from Sergeant Major to Sergeant for some infraction in the cadets mess which apparently he had not prevented. It was hardly dire though, for he was restored to his rank a few months later and well before graduation – very perceptive, Commandants! During this time he showed himself not only to be a leader but to have a level of physical excellence, particularly in horsemanship, which led to him being posted after graduation as a cavalry officer.

After graduation he spent a period of time with the British Army in India and received high praise, not just on account of his equestrian ability, but on his leadership qualities, including a ringing endorsement from his CO at the time about his prospects should he wish to transfer permanently to the British Army – very perceptive these British COs (we would have said "hands off!").

Can you imagine how proud Tom Daly senior was at this time. To see his son so good, so happy, so well placed in the heart of Tom senior's 'other life!' The Thirties though must have been a long and possibly frustrating time for young Tom – a tiny permanent Army and not much prospect, promotion virtually stagnant. Nonetheless when the Second World War burst upon the scene, he was immediately accepted into the 2<sup>nd</sup> AIF as Adjutant of the 2/10<sup>th</sup> Battalion and the Army started to sit

up and take notice of what it had in the younger Tom Daly.

As the saying goes, Tom Daly had a marvellous War. He was a Brigade Major in the Middle East, to the legendary George Wootten. He was a senior Staff Officer on Headquarters of the 5<sup>th</sup> Division. He commanded with great distinction his original 2<sup>nd</sup> AIF Battalion, the 2/10<sup>th</sup> at the Balikpapan campaign. He was awarded two MID's and an OBE for his World War 2 service and as historians know, was the only Staff Corps officer to finish the war in command of an infantry battalion – a discovery I found amazing and greatly to his credit.

After the War and setting aside just for a moment the most important event in Tom's life – his marriage and starting of a family, he was posted soon enough as the Australian DS at Camberley where he again mightily impressed his British superior officers. On return to Australia, after a stint at Duntroon, he was selected in 1952, still at a very young age to be Commander of 28<sup>th</sup> Commonwealth Brigade in Korea. His performance there was outstanding and he was widely admired and recognized by a promotion to Commander of the Order of the British Empire and by the award of Officer of the US Legion of Merit. After Tom's return, a few years later his service and his outstanding potential were justly recognised when he was first, in the interim, retained in Brigadier's rank and then promoted to Major General in 1957, as GOC Northern Command, followed by a stint as Adjutant General and then the very senior appointment as GOC Eastern Command. It was inevitable and expected when Tom was made CGS in 1966.

His period as CGS must be considered as one of the most challenging and frenetic periods for the Australian Army in modern times. His tenure spanned the introduction of National Service, the expansion of the Army, the huge political upheavals that ensued at home and the prosecution of the War itself – this last a matter of the proudest record in the Army for the way in which our men and women under his leadership performed magnificently. He was recognised for his eminent service by his elevation to be Knight of the Order of the British Empire in 1967 – a distinction he carried humbly but most aptly until his final days. His invariable introduction to a stranger first met was 'Hullo, I'm Tom Daly.'

General Daly epitomised the great leadership figure of a proud institution – loyalty, impeccable integrity, hugely morally courageous, and humane and

compassionate to the nth degree. Only his family and very close friends will today know of the toll that his burden of leadership imposed over those long years from 1966 to 1971. We can but imagine and admire and give thanks that he was steadfast and so marvellously a professional. I can only pray that the Army does not need to undergo quite such a trial again; and if that must be so, we can look to a leader of Sir Thomas' character to guide our men and women through. His leadership in those years is his enduring legacy. His influence on the Army we have today is profound and I thank him from the depths of my soldier's heart. In his departure, preceded by drama and controversy, none of his making, he went with the loyalty, integrity and dignity which resounded through his time and we all of us were again so proud of our leader.

During the last year of World War 2 Tom met his great and eternal love, his wife and life partner, Heather Fitzgerald, herself a Melbourne girl who waited while Tom fought and survived and thrived during those final dramatic months of the War. As soon as they could, which proved to be February 1946, Heather and Tom married and these nearly 58 years later, Lady Daly, Heather, sits with her husband and daughters and all his family and friends, with him today as she has been all these many years. Lady Daly, we know, all of us here know, that with all of Sir Thomas' marvellous qualities, you were the rod and the staff that comforted him all the days of his life.

In Sir Thomas' retirement he kept discreetly busy with some directorships and voluntary work, until the frailty of age imposed its limits. He kept a warm association with the Army through his colonelcies of the RAR and the RPIR. He loved his golf and he will be missed by all at Royal Sydney Golf Club. He loved skiing and did so, well beyond the age that many would allow for themselves.

In 2001, the Australian Army celebrated its 100<sup>th</sup> Anniversary. Among the great celebrations this entailed we had a very large and hugely enjoyed Formal Dinner in Canberra. It was a great affair for about 1600 or so. The Army was represented by its serving and retired members, by cadets from RMC and ADFA, by members of most units of the Army, by officers, senior and junior NCOs and by younger soldiers. Our Guest of Honour was the Prime Minister. I escorted the PM to be the last to enter among the special guests for the evening. As we stood ready to make our entrance, I was privileged to see the groups just before us go in and the reception they received. When our three surviving VC winners entered there was a mighty roar. When

all our General Officers entered there was applause swelling to a roar, to match those of our VC heroes, when the crowd saw Messrs Daly and Hassett bring up the rear of the General Officers. It was a marvellous moment to hear the applause rolling and rebounding and the cheering to the echo as these two great men brought their leadership and dignity and wisdom and love of the Army into the room.

During the evening which was a sort of 'formal dinner al fresco', hordes of young people, mostly cadets from RMC and ADFA and emboldened junior officers, wandered around between courses to pay their respects to the mighty men and women of former times. I noticed at one stage a flurry around Sir Thomas and Sir Francis. I thought little of it until, a few days after the event, I received a letter from Sir Thomas. Now some of you will know that Sir Thomas had the most exquisite manners and writing style.

Many General Officers over the years have received a missive from him and have needed to apply keen analysis of it to detect the mild but always absolutely merited reproof from the General over the issue therein subtly mentioned. I opened the letter with interest and not a little trepidation. The letter was substantial, about five pages or so. At the outset Sir Thomas was clear in his compliments about how the overall arrangements had gone for the Centenary. He went on to note his particular thanks for arrangements put in place for his own participation in some of the events and that included those for the Dinner. He then, on page four of this letter, went on to describe that at one of these formal interludes during the dinner, a

young lady in Mess Dress had come up to him and Sir Francis and asked if she might have a photo taken with both of them and that they had agreed. She had then quickly stood behind them and leaned forward with her arms around their necks and shoulders. (This was the last sentence on page 4! You can imagine the trepidation with which I turned to page 5!) On page 5, the General went on to say that she seemed like a very nice young lady, it was nice to be remembered and could he please have a copy of the photograph! Although I enquired vigorously about the photograph, including uttering blandishments and reassurances that the young lady and the photographer would be in no sort of trouble, I could not locate the intrepid pair. Perceptive kids these Staff Cadets!

When the General was known to be very ill over the last year or so, his stoicism and his dignity and his good humour characterised his decline. He typically didn't want people to fuss, not to make anything of it and in that attitude, he wouldn't have realised that he was Sir Thomas to the last, the man we all so admire until the last, a great Australian to the last, a warrior chief until the last.

Lieutenant General Sir Thomas Daly is gone and we celebrate his life and mourn his passing and rejoice in his salvation. We look upon his life and times, his leadership and love of family and friends and of his Army and we give thanks that God gave us 90 years of his servant's life.

What a wonderful Australian.

May he rest in peace.



"How was it you never let your mother know you'd won the V.C.?"  
 "It wasna ma turrrn tae write."

## **ADF PEOPLE – CURRENT AND FUTURE CHALLENGES**

**ADDRESS BY REAR ADMIRAL BRIAN ADAMS AO RAN**  
**Head Defence Personnel Executive**

**TO RUSI VICTORIA, 27 NOVEMBER 2003**

The performance of the Navy, Army and Air Force in all the operational activity undertaken since 1999 vividly demonstrates that Australia has much to be proud of in its Servicemen and women. They have done, and are continuing to do, all that has been asked of them, in often dangerous and arduous conditions, far from home and at considerable personal cost in terms of disruption to family life. Many people here in Australia have also worked very hard over long hours in order to ensure that their deployed colleagues received all that they needed to get the job done. I must say here that while I will, as requested, focus on ADF people, many of the people working hard at home to support operations were civilians, Defence APS employees. They too are a vital part of the overall ADF workforce.

Defence's principal challenge is to ensure that we continue to attract to the ADF such fine Australians as we are now fortunate to have serving with and for us.

As you would know our ability to recruit into the ADF the right number of people with the right skills has been a challenge for us. What you may not be aware of is that we have had some very pleasing success in recruiting in the last few years.

In 2001/2002, 8706 Australians, or 81% of the overall ADF target, were recruited. In 2002/2003, Defence recruited 7387 Australians, or 84% of the required target - a small but important improvement. Recruiting in the Navy, which was particularly bad in 1999/00, when only 57% of the target was achieved, has improved to a position where achievement was 85% of the target in 2002/2003.

To put the overall improvement in ADF recruiting into a local perspective and indicate to you the effort involved, in the Victoria and Tasmania area 15 000 inquiries to the Recruiting Organisation produced 1500 recruits - that's about 20% of the ADF's demand per year - a good effort indeed.

However, a considerable recruiting challenge still confronts us. For example, we need to do more to attract more suitable officer candidates:

- For the Navy: ADFA entry, Undergraduate and Graduate Engineers, Seamen Officers and Pilots,
- For the Army: RMC entry, Undergraduate and Graduate Engineers, Pilots, and
- For the Air Force: Air Traffic Controllers and Undergraduate Dentists

We are also experiencing some difficulty attracting people for technical trades, where we must compete with Industry to get the high quality people we seek. Particular shortages are:

- For the Navy: Electrical Technicians, Electronic Warfare Linguists,
- For the Army: Operator Supply (Storeman), Clerk Admin (Clerical), Electronic Technicians and Telecommunications Systems Technicians, and
- For the Air Force: Qualified Ground Support Engineers (Diesel mechanics and Fitters and Turners)

These shortages have for some time been the focus of specific recruiting activity.

As you may also know, in addition to recruiting challenges, we have had difficulty in retaining people in the Services. While retention can fluctuate relative to state of the national economy, and while it is true that there will always be a number of Service people who simply feel the need to change career or leave to spend more time with their family, we were losing people who we could not afford to lose. We were losing too many good people who we wanted to keep, people in whom we had invested a lot of money and time, and who we valued highly for their skills and experience.

It is very pleasing for me to be able to say that our retention rates have improved markedly. We measure retention rates against a three-year rolling



average. On that basis, rates in October 2003 were 10.99 against a three-year average of 12.20 for Navy, 9.92 against 11.63 for Army and 7.72 against 11.37 for Air Force. Overall, the ADF retention rate has improved from 11.7% to 9.6%. In human terms, these rather 'dry' figures suggest that a lot of our people have felt sufficiently happy with their conditions of service to remain with us for a longer period. From a workforce and budgetary sense this meant that we did not have to bear the additional costs of recruiting and training replacements and accepting all the other disadvantages of workforce turmoil.

It is impossible for me to identify the one single thing that may have convinced people to stay longer. Perhaps in many cases there isn't one such a thing. Retention is more likely to have been the result of a combination of events including, for example:

- Better pay and allowances, including generous allowances for overseas operational service,
- The professional satisfaction derived from using military skills in operations, particularly overseas, and
- Improved housing provided through Defence Housing Authority, and living in accommodation.

Another retention-related challenge we have confronted in recent years is recognition that the wellbeing of the family is often the most important factor influencing a member to stay in the ADF. Working out how best to make a favourable impact on both the serving member and his or her family in order to influence a decision to leave is not as easy as it may appear. Every individual family circumstances are different, and making assumptions about what will satisfy all people and all families is a risky business. We have learnt that a rigid and inflexible system is not up to the task. Equally, we have learnt that trying to make our system infinitely flexible, capable of meeting every different individual need or desire, is costly and nearly impossible.

Our challenge is to provide better for families in ways that do not 'break the budget'. We must do more to get more people to stay in for longer. We cannot become complacent and we must strive to offer our people a mix of lifestyle and working environment that makes military service attractive relative to what they might enjoy in a non-military life. An average sustained retention rate of about 8%, matched with a similar recruiting achievement rate would be acceptable to maintain a healthy 'flow through' of people but to avoid waste and dissatisfaction.

The behaviour of ADF people is topical. It is an unfortunate fact that the behaviour, and alleged

behaviour, of a very small proportion of ADF people can cause hurt and unhappiness for their colleagues, and attract very close scrutiny from the media and others who expect nothing less than the highest standards of performance and conduct from ADF members. It is a challenge for all military leaders, of all ranks, and indeed of all of us in uniform, to conduct ourselves appropriately, and present ourselves very well to the Australian community, and indeed the world, where Australian Servicemen and women are now working in diverse areas of operations.

One of our challenges in this regard is to ensure that we respond to criticism in a balanced and reasonable manner; that we explain the standards expected of our people, praise and reward those who maintain those standards and take appropriate action against those who will not or cannot uphold them. Deciding what is appropriate action can involve some difficult judgements. At one end of the behaviour spectrum, we must punish criminality and we must not turn a blind eye to wrongdoing. At the other, we must counsel and assist those who have made an honest mistake, or who have simply demonstrated that wisdom is not always an accompaniment to youth. We purposefully seek to recruit the adventurous, the inquisitive, those with initiative, and to a degree those keen to take the risks inherent in military operations. Reconciling the expectations of the Australian community and the needs of these types of ADF people is and will always be a challenging task for ADF commanders and other leaders.

No presentation about Defence personnel challenges would be complete without reference to dollars. And another challenge for us is the fact that Defence personnel, uniformed and civilian, are simply costing more than they did in the past. There are a number of things that contribute to this but some significant ones are:

- rising employer contribution rates for superannuation,
- compensation costs,
- the cost of providing better housing to ADF people,
- a range of allowances which we have been successful in increasing in order to better compensate our people for disability suffered as a result of their employment, arduous conditions and increased skill,
- better pay to reward greater productivity and to ensure that the ADF and the Defence APS workforce remain as attractive as they can be to prospective recruits and to existing members who we do not wish to depart the Service because of dissatisfaction over pay. In this regard, last week a majority of Defence public servants voted in favour of a Defence Employees Certified Agreement remuneration (DECA) which offers a 4% per annum increase

over two and a half years. This Agreement will be taken into account as we review the ADF Workplace Remuneration agreement in early 2004, and

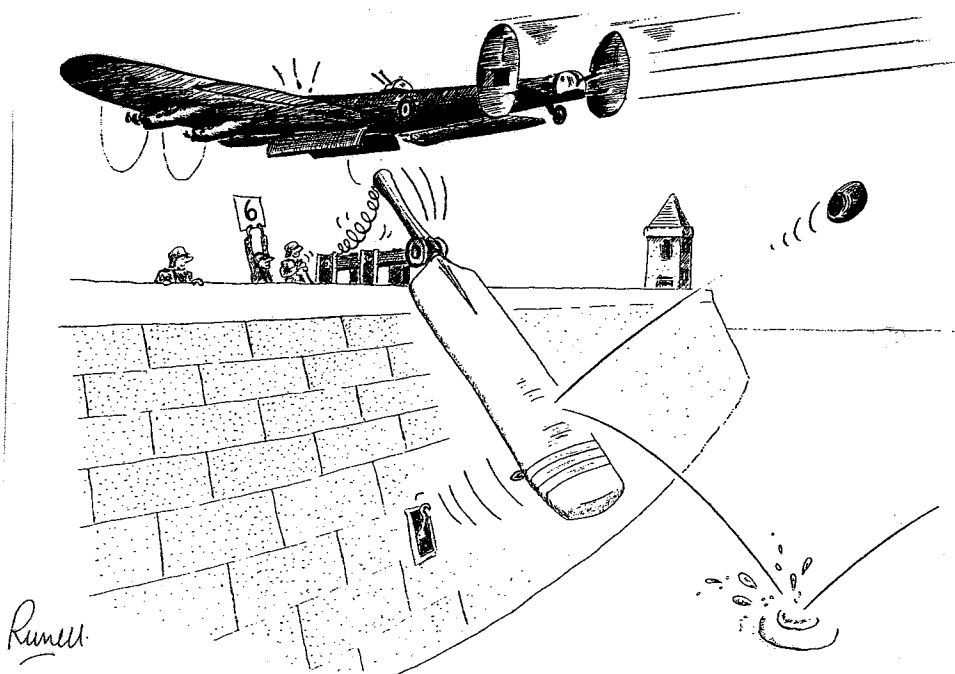
- Finally, other costs associated with improving the conditions of ADF families.

A presentation about Defence people would be incomplete without a mention of strategic personnel issues. The Government White Paper guidance is for the ADF to reach a total of about 54 000 by 2010. In the case of civilian APS numbers Defence has, in an effort to control unplanned and uncontrolled growth and to restrain the associated cost increases, recently set a ceiling on APS numbers. These have set clearly defined boundaries in which Defence leaders and managers must operate – within their budgets. Staying within those budgets while delivering the capability required by Government poses significant leadership and management challenges.

Our efforts to outsource garrison support health services in Victoria, while not successful so far, exemplify the type of challenge we face in delivering the level of service required by Defence people within

a budget under pressure, and where the operational tempo means that ADF uniformed personnel must be allocated to operational task as the first priority. We need to employ uniformed people in ADF units supporting operations. To free them for such employment we need to have their duties undertaken by civilian medical personnel. This is not an easy thing to bring about, and certainly an emotive issue.

I will conclude by observing that meeting the needs of our people, our workforce, will always pose significant challenges. Our people have performed brilliantly, in operations, and in the support roles, and we must make it our priority task to ensure that they can continue to do so. Recruiting and retention have improved, we have obtained good increases in pay and in some allowances, and we are improving the lot of ADF families. However, there are many challenges, and much work for me and others to do. I hope that I have been successful in describing some of those challenges.



*'Can you remember seeing that on the reconnaissance photographs?'*