THE AUSTRALIAN DEFENCE FORCE RESERVES

The Parliament of the Commonwealth of Australia

Joint Committee on Foreign Affairs, Defence and Trade

PARLIAMENT OF AUSTRALIA

JOINT COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
PARLIAMENT HOUSE, CANBERRA, ACT, 2600

THE SENATE

2 DEC 1991

TABLED
PAPER

MEDIA RELEASE

TABLING OF REPORT

PRESS CONFERENCE 12PM 28 NOVEMBER 1991
COMMITTEE ROOM 1R4

THE AUSTRALIAN DEFENCE FORCE RESERVES

Joint Committee on Foreign Affairs, Defence and Trade

The Chairman of the Defence Sub-Committee of the Joint Committee of Foreign Affairs, Defence and Trade tabled the Report *The Australian Defence Force Reserves* in Parliament today.

The Report is the culmination of a complex inquiry which addressed, among other things, the Reserves' structure and capabilities with respect to the priority tasks set out in DOA87, existing types of Reserve service, priorities for the further development of Reserves and the net resource implications of any changes to the structure or capabilities of the Reserves. (The Terms of Reference are attached)

The Chairman of the Sub-Committee, Mr Ted Lindsay, RFD, MP (ALP, Herbert) said in Canberra today:

> "The Committee has no doubt that the military capability being generated currently by the Army Reserve is grossly inefficient. In Army, Ready Reserves will be introduced at the expense of one of Army's only three Regular bigades - and essentially without any consideration of 26,000 General Reservists. The Force Structure Review has reduced these Reservists to 'third XI status'".

> "The lack of Army Reserve operational readiness is the weak link in the concept of defence-in-depth. In particular, the manifest inability of ADF ground forces to secure the bases required for deployed maritime forces jeopardises the objective of defence self-reliance."

> "Notwithstanding the more than 20 years and $100 million spent in its development, an operational ADF mine countermeasures capability is still at

least seven years off. That is bad enough. The Force Structure Review, however, reversed a longstanding policy of employing auxiliary minesweepers manned largely by Reserves to complement our minehunting capability."

"The Committee believes strongly that the RAAF needs to make much greater use of Reserves, particularly to redress its most serious operational weaknesses, namely its low aircraft-to-aircrew ratio and the relatively few technical and other personnel to support operations at forward deployment airfields."

"During this inquiry it became progressively clear to the Committee that there were five key issues which all have to be addressed in order for the ADF's Reserve forces to become effective and efficient. First, military employability of Reservists has to be approached in a more flexible way; second, widely held assumptions about the capability and notice components of readiness need to be reviewed. Next, capability gaps can be overcome by adjusting the disposition of certain force structures to open the way for Reservists to make a substantially greater contribution to the performance of ADF functions, roles and tasks. Fourth, Reserve development needs to be managed within the *total force* concept. Finally - and noting that the differential between the financial assumptions made in DOA87 and actual *defence expenditure* in the period 1987/88 to 91/92 is in the order of $5 billion - additional resources will be required, particularly for the proper development of Army's General Reserve forces."

"The central challenge is to redress the failure of the force development process to adjust the military capability of Reserves in response to evolving Australian strategic thinking and the Government's defence policy."

Further information may be obtained from:

Mr Ted Lindsay, RFD, MP
Chairman
Defence Sub-Committee

Tel: (06) 277 4702
        (077) 724 844

The Secretary
Defence Sub-Committee
Parliament House

Tel: (06) 277 2098

28 November 1991

The Parliament of the
Commonwealth of Australia

THE SENATE

2 DEC 1991

TABLED
PAPER

Joint Committee
on
Foreign Affairs, Defence and Trade

THE AUSTRALIAN
DEFENCE FORCE
RESERVES

November 1991

Australian Government Publishing Service

Canberra

CONTENTS

TERMS OF REFERENCE

a. **The Reserve Component of the Australian Defence Force**

In the light of the policies outlined in The Defence of Australia 1987 (DOA87), and paying particular attention to Australia's strategic and geographic circumstances, investigate and report on the Reserve component of the Australian Defence Force (ADF) with particular reference to:

    i.   the Reserves' structure and capabilities (including manning and equipment) with respect to the priority tasks set out in DOA87, noting that some of these capabilities will be tested in Exercise Kangaroo 89 and that the Reserves are in the process of being developed in response to the Government's policies as set out in DOA87;

    ii.   the different types of Reserve service now existing (such as active, inactive, emergency, and full-time duty), the need for a new individual emergency reserve, their utility, and the effectiveness of the associated training programs;

    iii.   priorities and timetables for the further development of the Reserves, including the balance between Regulars and Reserves, the potential for closer integration with the Regular component, and the potential for the Reserves to make a greater contribution to the ADF; and

    iv.   the net resource implications of any changes to the structure, scope, or capabilities of the Reserves that might be identified, and the associated priorities of these changes, including their timing relative to the development of the Regular or Permanent component of the ADF.

b. **The Auditor-General's Audit Report No. 3, 1990-91**
       Department of Defence, Australia's Army Reserve

JOINT COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE

MEMBERSHIP OF THE COMMITTEE

35th Parliament

Mr G.N. Bilney, MP (Chairman)
Hon. M.J.R. MacKellar, MP (Deputy Chairman)

Senator N. Bolkus (to March 88)	Mr M.D. Cross, MP
Senator B.K. Childs (from March 88)	Mr R.G. Halverson, OBE, MP
Senator N.A. Crichton-Browne	Mr N.J. Hicks, MP
Senator R. Hill	Mr D.F. Jull, MP
Senator G.N. Jones	Hon. R.C. Katter, MP
Senator D.J. MacGibbon	Mr L. Kent, MP
Senator M.J. Macklin	Dr R.E. Klugman, MP
Senator G.R. Maguire	Mr J.V. Langmore, MP
Senator J. Morris	Mr E.J. Lindsay, RFD, MP
Senator C. Schacht	Mr G.B. Nehl, MP
Senator G.E.J. Tambling	Mr P.M. Ruddock, MP
Senator J. Vallentine	Mr J.L. Scott, MP
Mr P.J. Baldwin, MP	Mr R.F. Shipton, MP
Mr G. Campbell, MP	Dr A.C. Theophanous, MP
Mr D.E. Charles, MP	

Secretary: Mr P. Gibson, MC

DEFENCE SUB-COMMITTEE

MEMBERSHIP OF THE SUB-COMMITTEE

35th Parliament

Mr M.D. Cross, MP (Chairman)
Senator D.J. MacGibbon (Deputy Chairman)

Senator R. Hill	Mr D.E. Charles, MP
Senator G.R. Maguire	Mr R.G. Halverson, OBE, MP
Senator P.A. McLean	Hon. R.C. Katter, MP
Senator G.E.J. Tambling	Mr E.J. Lindsay, RFD, MP
Senator C. Schacht	Mr G.B. Nehl, MP
Hon. M.J.R. MacKellar, MP (ex officio)	Senator J. Vallentine
Mr G.N. Bilney, MP (ex officio)	Mr R.F. Shipton, MP

Secretary: Mr A.W. Stephens (to August 1989)
              Mr P.N. Gibson, MC (from August 1989)

Inquiry Staff: Ms T. Douch

JOINT COMMITTEE ON FOREIGN AFFAIRS,
DEFENCE AND TRADE

MEMBERSHIP OF THE COMMITTEE

36th Parliament

Senator C. Schacht, (Chairman)
Hon. M.J.R. MacKellar, MP (Deputy Chairman)

Senator M.E. Beahan
Senator V.W. Bourne (from October 91)
Senator D.G.C. Brownhill
Senator H.G.P. Chapman
Senator B.K. Childs
Senator N.A. Crichton-Browne
Senator G.N. Jones
Senator D.J. MacGibbon
Senator P.A. McLean*
Senator G.R. Maguire
Senator J. Vallentine
Mr A.R. Bevis, MP
Mr D.M. Connolly, MP
Mr S.C. Dubois, MP
Dr H.R. Edwards, MP

Mr L.D.T. Ferguson, MP
Mr E.J. Fitzgibbon, MP
Mr E.L. Grace, MP (from November 91)
Mr R.G. Halverson, OBE, MP
Mr N.J. Hicks, MP
Mr C. Hollis, MP
Mr J.V. Langmore, MP
Mr M.J. Lee, MP
Mr E.J. Lindsay, RFD, MP
Hon. J.C. Moore, MP
Hon. G.F. Punch, MP (to November 91)
Mr J.L. Scott, MP
Rt Hon. I. McC. Sinclair, MP
Mr W.L. Taylor, MP
Dr A.C. Theophanous, MP

* Resigned from the Parliament on 23 August 1991

Secretary: Mr P.N. Gibson, MC (to May 91)
            Ms J. Middlebrook (to October 91)
            Mrs J. Towner (from October 91)

vii

DEFENCE SUB-COMMITTEE

MEMBERSHIP OF THE SUB-COMMITTEE

36th Parliament

Mr E.J. Lindsay, RFD, MP (Chairman)
Senator D.J. MacGibbon (Deputy Chairman)

Senator D.G.C. Brownhill
Senator P.A. McLean*
Senator G.R. Maguire
Senator C. Schacht (ex officio)
Mr A.R. Bevis, MP
Mr S.C. Dubois (to October 90)
Mr E.J. Fitzgibbon, MP

Mr R.G. Halverson, OBE, MP
Mr N.J. Hicks, MP
Hon M.J.R. MacKellar, MP (ex officio)
Hon J.C. Moore, MP
Hon G.F. Punch MP (to November 91)
Rt. Hon. I. McC. Sinclair, MP
    (from May 91)
Mr W.L. Taylor, MP

* Resigned from the Parliament on 23 August 1991

Secretary: Mrs J.M. Towner (to May 91)
                 Ms G. Gould (from June 91)

Advisers: Lieutenant Colonel D. Harris
                 Mr D. Woolner

Inquiry Staff: Ms T. Douch (to August 91)
                 Mrs L. Cowan (to June 91)
                 Mrs E. Robertson (from September 91)

viii

GLOSSARY

AA	Active Attached Reserve (part of RANR)
AAR	Active Attached Reserve
ACPB	Attack Class Patrol Boat
ACT	Annual Continual Training
ADF	Australian Defence Force
ADG	Airfield Defence Guard
AE	Authorised Establishment
AFEF	Air Force Emergency Force
AIER	Army Individual Emergency Reserve
AIF	Australian Imperial Force
AMF	Australian Military Forces
AML	Authorised Manning Level
ANAO	Australian National Audit Office
ANR	Australian Naval Reserve
ANZAC	Australia and New Zealand Army Corps
AO	Area of Operations
APC	Armoured Personnel Carrier
ARA	Australian Regular Army
ARes	Army Reserve
ARRC	Army Reserve Review Committee (1986)
ARRU	Army Reserve Recruiting Unit
ASP90	Australia's Strategic Planning in the 1990s
ATV	Attached Training Vessels
AUR	Active Unattached Reserve (part of RANR)
BRP	Budget Related Papers
CAF	Citizen Air Force
CAS	Chief of the Air Staff
CDF	Chief of the Defence Force
CESRF	Committee for Employer Support of Reserve Forces
CFFEG	Combat Forces Force Element Groups
CGS	Chief of the General Staff
CMF	Citizen Military Force
CNS	Chief of Naval Staff
COOP	Craft of Opportunity
CORD	Chief of the Defence Force Directive on ADF Operational Readiness
DFRDB	Defence Force Retirement and Death Benefits
DLRP	Defence Logistics Redevelopment Project
DOA87	The Defence of Australia 1987 - Defence White Paper
DRSR	Defence Regional Support Review

FCPB	Fremantle Class Patrol Boat
FEG	Force Element Group
FMIP	Financial Management Improvement Program
FOF	Follow On Force
FSR	Force Structure Review
FSRP	Financial Systems Redevelpment Project
FTCC	Full Time Commissioning Course
FTS	Full Time Service
FYDP	Five Year Defence Program
GDP	Gross Domestic Product
GST	General Service Training
HQADF	Headquarters Australian Defence Force
IDC	Interdepartmental Committee
IUR	Inactive Unattached Reserve (part of RANR)
JCFADT	Joint Committee on Foreign Affairs, Defence and Trade
JOIC	Junior Officer Initial Course
K89	Exercise Kangaroo 89
MD	Military District
MF	Manoeuvre Force
LCH	Landing Craft Heavy
LSF	Logistic Support Force
MCM	Mine Countermeasures
MHI	Minehunter Inshore
NA	Not Applicable
NAD	Nowra Air Division
NCO	Non-Commissioned Officer
NCS	Naval Control of Shipping
NCT	Non Continuous Training
NERF	Navy Emergency Reserve Force
NORFORCE	Northwest Mobile Force
OCTU	Officer Cadet Training Unit
OSI	Office Structures Implementation
OTHR	Over-the-Horizon Radar
PAF	Permanent Air Force
PF	Protective Force
PMB	Program Management and Budgeting
PNF	Permanent Naval Force
RAAF	Royal Australian Air Force
RAAFAR	RAAF Active Reserve
RAAFGR	RAAF General Reserve
RAAFR	RAAF Reserve
RAAFSR	RAAF Specialist Reserve
RAER	Regular Army Emergency Reserve
RAFR	Royal Australian Fleet Reserve
RAN	Royal Australian Navy
RANEM	Royal Australian Navy Emergency List of Officers

RANER	Royal Australian Navy Emergency Reserve
RANR	Royal Australian Naval Reserve
RANR(M)	Royal Australian Naval Reserve (Militia)
RANR(O)	Royal Australian Naval Reserve (Obligatory)
RANVR	Royal Australian Naval Volunteer Reserve
RDF	Ready Deployment Force
RDFA	Royal Australian Navy Volunteer Reserve
RFSU	Regional Force Surveillance Unit
ROTC	Reserve Officer Training Corps
RRP	Ready Reserve Program
RSG	Reserve Staff Group
SF	Special Force
SHIPPROT	Ship Protection in Coastal Waters, Focal Areas and Ports
SMPP	Service Members and Pay Project
SNCO	Senior Non Commissioned Officer
SR	Supplementary Reserve
SSRP	Supply System Redevelopment Project
SURVF	Surveillance Force
TYDP	Ten Year Defence Program
VAP	Vital Asset Protection

LIST OF FIGURES

LIST OF TABLES

FOREWORD

On 17 March 1989 the Minister for Defence referred the issue of the structure and capabilities of the Reserve component of the Australian Defence Force to the Joint Committee on Foreign Affairs, Defence and Trade for inquiry. The inquiry, which was advertised widely in April 1989, attracted a great deal of interest from Service personnel, academics and the general public. By the dissolution of the 35th Parliament in February 1990 more than 120 submissions had been received and public hearings had been held in Canberra, Sydney, Brisbane and Townsville.

The terms of reference were re-referred to the Joint Committee on Foreign Affairs, Defence and Trade on 13 June 1990, following the re-appointment of the Committee in the 36th Parliament. An additional element to the Committee's deliberations was added with the referral by the House of Representatives of the Auditor-General's Report No. 3, 1990-91, *Department of Defence : Australia's Army Reserve* on 11 September 1990.

The inquiry was readvertised and organisations and individuals who had made submissions to the inquiry during the previous Parliament were invited to update their original submissions. In response, a further 91 submissions were received. During the 36th Parliament the Committee conducted nine public hearings in Canberra and Melbourne, amassing over 1,500 pages of oral evidence. The Sub-Committee tasked with conducting the inquiry also travelled extensively to Service establishments around Australia to inspect facilities and discuss issues of concern with both Reserve and Regular members of the ADF.
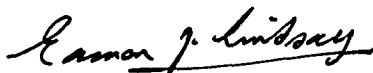
Several major events affected the conduct of this inquiry. The pilots' strike during the second half of 1989 delayed public hearings. This was followed by the Federal election early in 1990. On 1 August 1990 the Minister for Defence released the report by Ministerial Consultant,

Mr A K Wrigley, on the Defence Force and the community[1]. Although Mr Wrigley's terms of reference were wider than the subject of the ADF Reserve, many of his conclusions were relevant and required review by the Committee in the context of its own inquiry.

A further factor affecting this inquiry was the major *Force Structure Review* (FSR) undertaken by the Department of Defence in the latter half of 1990 and early 1991. The Committee welcomed this initiative and decided to delay the tabling of its own report in order to take account of the outcome of the *Force Structure Review.*

The Minister for Defence presented the findings of the *Review* to the Parliament on 30 May 1991. Following this announcement, the Committee sought further submissions. An additional 33 submissions were provided to the inquiry. A public hearing was held in Canberra on 26 July 1991 to allow for public comment on the conclusions of the *Review* which were pertinent to the Reserve Component of the ADF.

The dedication of the Members who supported this inquiry with their time, effort and interest and the contribution of the staff of the Committee Secretariat are greatly appreciated.

E.J. Lindsay

E.J. Lindsay, RFD, MP
Chairman
Defence Sub-Committee

November 1991

---

[1]   Wrigley, A.K., *The Defence Force and the Community: a partnership in Australia's defence*, AGPS, June 1990.

CHAPTER ONE

A BRIEF HISTORY OF AUSTRALIA'S RESERVE FORCES TO THE MID-1980s[1]

1.1   Part-time voluntary defence units have played an important part in Australian defence since early colonial days. The strategic rationale for raising and maintaining part-time forces, the relative priority they have received in defence planning, the budgetary allocations they have attracted, their numerical strengths and standards of training and equipment, however, have all changed markedly, especially during the twentieth century.

1.2   Most notably, part-time forces comprised essentially the Army up until the end of the Second World War. In the period since, the part-time forces in all three Services have been largely relegated to the status of reserves with a role of providing support to more operationally ready and better resourced permanent forces.

1.3   This chapter traces briefly the evolution of part-time forces in each of the three Australian armed Services until the mid-1980s. The nature of the discussion of each Service has intentionally been tailored to reflect its specific situation. Hence, in the case of Army's part-time forces, their scale and importance have required a relatively detailed tracing of their evolving rationale and circumstances. The part-time forces of Navy and Air Force, because of their smaller scale and generally subsidiary importance, are discussed in less detail and with a sharper focus on organisational changes.

1.4   The post-1985 development of Australian Defence Force (ADF) Reserve forces is discussed in considerable detail in Chapters Two to Five.

---

[1]   Information for this chapter was drawn from sources listed in the References at Appendix 6.

Army Reserves

1.5 The first Australian part-time defence units were raised in September 1800. Known as the Sydney and Parramatta Loyal Associations, they were a response to fears of Irish and convict uprisings and, later, to concerns about the possibility of French raids during the Napoleonic Wars.

1.6 From 1850 to 1900, enthusiasm and Government support for volunteer defence forces waxed and waned, largely in accordance with perceptions of external threat. During the Crimean War, Victoria raised voluntary rifle and cavalry units. New South Wales recruited a battalion of riflemen and a battery of artillery, primarily to man the expanded fortifications around Sydney Harbour. By 1863 these two colonies had mustered over 5,000 volunteers. These part-time troops were not paid directly for their service but were entitled to a Government grant of 50 acres of land on completion of five years 'efficient' service.

1.7 In contrast to the mostly poor and squalid backgrounds of the British regular troops garrisoned in the colonies, the local volunteers drew heavily on the rising urban and rural middle classes. A large proportion of this local force consisted of artisans and skilled labourers. Volunteering members needed to pay the costs of their uniforms and cover their wages forgone. They were also free to resign at any time and unit discipline was usually less than stringent. The Government's prime obligation was to provide appropriate weaponry.

1.8 During the 1860s 2,500 men from the eastern Australian colonies volunteered for service in the Waikato War against the Maoris in New Zealand. Many of these individuals had experience in the colonial volunteer forces.

1.9 During this period security scares were not only stimulated by distant European wars but also by rumours of the approach of foreign naval vessels. A continuing colonial nightmare was the early morning appearance in the port approaches of a foreign warship which was able to shell the coastal cities with virtual impunity. In 1839 two

American warships did, in fact, anchor overnight in Sydney Harbour undetected. In 1878 there was mild panic when an Italian cruiser appeared unexpectedly off Sydney Heads.

1.10 The departure of the last British troops from Australia in 1870 precipitated the raising of a new category of local military force. While the 'volunteers' provided a basic local defence capacity for a very modest cost, successive reviews of defence preparation in the colonies highlighted a need for higher standards of training, stricter discipline and the introduction of more modern equipment. The gold rushes and associated economic prosperity also generated a climate in which colonial administrations felt that they could afford to build more capable defence units. Consequently, volunteers were sought for a new, partially paid, colonial militia force. Militia volunteers were supplied with uniforms and essential equipment as well as cash payments for periods of service. In return, the training periods for these units were compulsory and their exercising and discipline were far more rigorous than for the 'volunteers'.

1.11 The Australian colonies were very cautious about raising regular military units. There was a widespread aversion to the dangers of militarism and wariness about the potential for permanent defence forces to be used to suppress workers' movements. There was also little interest in generating an officer 'caste' along the lines fostered by the British. Most Australians did not want to compromise their egalitarian spirit by creating a more formal, permanent, professional military force. Thus when the first full-time defence units were raised in some of the colonies in the 1870s, they were very small in size and tasked with supporting the much larger militias, primarily in manning the expanded network of coastal fortifications.

1.12 This meant that by the 1880s the following categories of military service existed in several of the colonies: permanent, militia, volunteer and school cadet and rifle club reserves.

1.13 The economic Depression of the 1890s brought a severe reduction in spending on defence, reduced manning levels, cuts in militia and permanent force pay and severely curtailed training periods. The Depression also brought serious industrial disturbances which led

the Victorian and Queensland Governments to call out troops to reinforce State police. These operations against strikers exacerbated the distrust of large segments of the population of the military.

1.14   The New South Wales commitment of forces to the Sudan in 1885 and the commitments of all six colonies to South Africa in 1899 required calls for volunteers for overseas service. Many, but not all, of those who volunteered had previous militia or volunteer experience.

1.15   During the Boer War, eight contingents totalling some 16,175 men left Australia for South Africa. This experience fostered a popular belief that young Australian men, especially those from rural areas, possessed natural bush skills that made them 'born' soldiers. The experience of the Boer War, however, suggested that, while Australians possessed many valuable natural attributes, thorough training and appropriate equipment were also essential.   While the first two contingents acquitted themselves well, the latter contingents were less experienced and weaknesses in training and discipline became apparent.

1.16   At the federation of the Australian colonies on 1 January 1901, responsibility for defence passed from the individual colonies to the new Federal Government.   In terms of manpower, the national government inherited a total of 29,000 soldiers (including 1,500 on full-time duty) and 2,000 naval personnel (including 250 on full-time duty).

1.17   The resounding Japanese naval victory over Russian forces in the North-west Pacific in 1905 and the withdrawal of British capital ships from the theatre following conclusion of the Anglo-Japanese alliance again stirred Australian feelings of vulnerability and encouraged an expansion of Australia's defences. W.M. Hughes had for some years been urging adoption of compulsory part-time military service because he saw it as a means of society as a whole enhancing its security while avoiding the propagation of militarism, the threat that armed forces might be used against the workers and disruption to business and civil life.

1.18   In 1909 Field Marshal Lord Kitchener was invited to review Australia's defences and provide professional comment on the proposed

compulsory military training scheme. His report foresaw the possibility that in a future crisis the Royal Navy might be distracted elsewhere and Australia may need to provide the main forces for its own defence. He endorsed the compulsory military service scheme and called for increasing the size of the Australian militia army to 80,000 men.   The Government accepted the thrust of his report and 92,000 18-25-year-olds boosted the ranks of the militia by commencing part-time training in 1911.

1.19   An important parallel development during this period was the establishment of the Royal Military College, Duntroon, to provide staff officers and instructors for the growing militia army.

1.20   By the outbreak of war in 1914, over 200,000 Australians were on full- or part-time service. It was not possible, however, for the existing army units to be committed directly to hostilities.   The Commonwealth Defence Act precluded the dispatch of any but volunteers for overseas service. Therefore, in raising a special force to capture German New Guinea and in creating the Australian Imperial Force (AIF) to serve in Europe and the Middle East, the Government appealed to the entire population for recruits. In the event, a large number of volunteers and compulsorily trained militia made themselves available.

1.21   A notable feature of the Australian forces committed to World War I was the quality and effectiveness of many of the senior citizen force officers. Monash and other officers of high calibre were the product of long periods of militia training. They believed strongly that their part-time backgrounds rendered them more suitable for high command than permanent officers.

1.22   The vast human costs of the war, the divisive wartime plebiscites on compulsory overseas service and the apparent opportunity for post-war arms control generated strong pressures to cut defence expenditure in the early 1920s. Nevertheless, compulsory militia training for home service continued until 1929. Its cessation placed unexpectedly sudden pressure on the volunteer force. The great depression further reduced defence spending over the following three

years, bringing the armed forces to their lowest strength in the inter-war period.

1.23   In the mid-1930s the rise of Hitler and Japan's operations in China revived concerns in Australia about the likelihood of a new world war. Defence expenditures rose at an increasing rate towards the end of the decade. By 1939 Australia's Army consisted of 3,000 permanent personnel and 80,000 under-equipped, part-time citizen force volunteers.[2]

1.24   At the outbreak of World War II neither the Government nor the Opposition was enthusiastic about introducing compulsory overseas military service. So in raising forces for overseas service (the Second AIF) volunteers were again sought from the general community. Militia were encouraged to transfer to the AIF, but only about one quarter did so. The remainder continued to serve in Australia.

1.25   Thus, at the beginning of the World War II, Australia effectively maintained no less than three armies:

- the Second AIF, an all-volunteer force eligible for overseas service anywhere;

- a militia, which was ineligible for service outside Australia; and

- the permanent Army, which was a relatively small force of volunteer personnel.

The distinctions between the militia and the other forms of service were subsequently modified in February 1943, when legislation was passed extending the region in which the militia was liable for service to include the entire South-West Pacific area, excluding the Philippines, West Java and North Borneo. Many militia units subsequently

---

[2]   By way of contrast, the Royal Australian Navy had an establishment of 10,350 (including 4,800 reservists) and the Royal Australian Air Force numbered some 3,650 (including about 650 reservists).

distinguished themselves in combat overseas. Nevertheless, this differentiation within Army remained a continuing source of friction.

1.26   Many developments during World War II had long-term consequences for the future shape of the Australian Defence Force. One important development was the growth of a close and enduring strategic relationship with the United States, which was predicated on defending Australian and allied interests on an almost continuous basis in forward Asian theatres. Another was the increasing complexity and technological sophistication of modern war, which encouraged the application of higher levels of technical expertise to the profession of arms. A third was that, in contrast to World War I, the permanent Staff Corps officers gradually gained the ascendancy in senior Australian command positions. A fourth important consequence was that World War II accelerated greatly the industrialisation of the Australian economy and established the foundations for relative prosperity in the late 1940s and through the 1950s.

1.27   Accordingly, when the post-war shape of the Defence Force came to be discussed seriously in 1945, the conditions were different in many respects from those of the 1930s. Moreover, the Government of the day urgently wished to commit a brigade of volunteer troops to the British Commonwealth Occupation Force in Japan. These volunteers were drawn from veterans of the demobilising 6th, 7th and 9th Divisions of the AIF and signed up as permanent personnel. This was, in effect, a major break with Australian military tradition. Militia and other volunteers were not sought to fill this commitment. It soon became clear that permanent soldiers were no longer to be merely assistants and facilitators for the much larger citizen militia. The Australian Regular Army (ARA) was formally established in 1947 with its own organisation and front-line role.

1.28   The permanent infantry brigade of three battalions committed to Japan was to form the core of the Regular Army during the late 1940s and through the 1950s. By 1949 the Regular Army numbered some 15,000 troops. A voluntary Citizen Military Force (CMF) was re-established in 1948 with the traditional part-time training obligations of evening parades, weekend 'bivouacs' and an annual 14-day continuous training camp. The Regular Army continued

to provide the CMF with limited support, primarily in the form of a training cadre.

1.29   The crisis in Korea led the Australian Government to commit first one and then two regular infantry battalions to the conflict. Coming on top of the requirement to provide substantial continuing support to the CMF, the Regular Army was stretched severely.

1.30   Additional training demands were imposed by the Government's decision, in March 1951, to expand the CMF through a compulsory national service scheme. The Government announced that it was deeply disturbed by the rise of international communism and it saw an urgent need to take precautionary steps against the possibility of a new global conflict. Under this scheme, all male British subjects were liable for call up at 18 years of age for 176 days training in the Citizen Naval Forces, Citizen Military Forces or the Citizen Air Force.

1.31   For the Army, 98 days initial continuous training was required, followed by 12 days part-time training and a 14-day continuous training camp in each of the succeeding three years. Some 34,500 young men were called up in the first year. This number was far beyond the training capacity of the Regular personnel that, owing to the Korean War, were available. The military value of the scheme was limited.

1.32   In 1955 the period of obligatory CMF service was reduced to 140 days and the scheme was suspended altogether in 1959. By the end of 1960, CMF strength had fallen to 20,000.

1.33   During the 1950s the political influence of the 'CMF lobby' was strong. Rivalries with the Regular officer corps were frequently intense and, at one point during this decade, a serious attempt was made to have a CMF officer appointed as Chief of the General Staff (CGS).

1.34   An important turning point in the history of the CMF came in 1959-1960. Not only was national service suspended, but also the Army introduced a Pentropic organisation, modelled on a similar US

8

Army formation that was then in vogue. This heavy restructuring of the Army caused a contraction in the number of CMF battalions, changes in many unit names and a loss of *esprit de corps.* Many veterans from World War II resigned from the CMF during this period.

1.35   In July 1962 Australia deployed 30 Regular Army advisers to South Vietnam, and in 1965 this commitment rose to battalion strength. In 1965 also, Australia committed another infantry battalion to counter Indonesian operations against East Malaysia. The Australian Army was rapidly becoming over-stretched in two simultaneous and relatively open-ended conflicts.

1.36   In order to expand rapidly the capabilities of the Regular Army, Prime Minister Menzies announced in November 1964 the introduction of a new compulsory, but selective, national service scheme. This facilitated a build up of the Regular Army to nine battalions by 1967.

1.37   The introduction of national service had major consequences for the CMF. Under the national service legislation, men who joined the CMF before their age group was balloted were exempt from the national service call up but were required to spend six years in CMF service. In addition, those called up for two years full-time national service were required to serve a further three years in the CMF on return to civilian life. This meant that many young men joined the CMF out of a desire to avoid national service, rather than contribute to the CMF. Hence, even though CMF enlistments rose rapidly during the latter half of the 1960s, the effectiveness of the force did not rise in parallel.

1.38   The abolition of the national service scheme in 1972 was one of the first acts of the new Whitlam Government. This left the CMF as a rapidly reducing force (as forced entrants withdrew) and with a clouded future role. In an effort to clarify the situation, Dr T.B. Millar was appointed in May 1973 to head a committee to inquire into the future of the CMF. The Millar *Report*[3] was the most comprehensive

---

[3]   T.B. Millar, *Committee of Inquiry into the Citizen Military Forces Report,* AGPS, Canberra, 1974.

9

review of Australian Defence Force Reserves since at least World War II. Its principal conclusions and recommendations were that:

- a partly trained Reserve force was an essential component of the defence of Australia;

- the Citizen Military Forces should be renamed the Army Reserve;

- Australia should have one Army (ie *total force*) with two complementary elements, the Regular Army and the Army Reserve;

- the Army Reserve should be developed to provide an effective operational force for the defence of Australia at short notice and also to provide a basis for force expansion in the long term;

- many Army Reserve units should be amalgamated to make better use of the available manpower;

- a *Chief of Army Reserves* should be appointed to the Department of Defence (Army Office);

- a Committee for Employer Support should be established, with an element in each State; and

- numerous detailed steps should be taken to, for example, improve training, structures, recruitment and administrative procedures.

1.39   The Government accepted Millar's principal recommendations and most were planned to be implemented progressively over the following decade.

1.40   The 1976 White Paper *Australian Defence* reaffirmed the Government's support for Millar's recommendations and predicted that the ongoing reorganisation would raise the effectiveness of the Army Reserve.

1.41   Following the Soviet invasion of Afghanistan in December 1979, the Government announced an expansion of Army Reserve numbers to 30,000. This policy, however, was not sustained. Another cause of decreased strength was the removal - albeit for less than a year - of the tax exempt status of Reserve pay in the 1983-84 budget. By the mid-1980s the effective strength of the Army Reserve had stabilised at about 25,000.

Naval Reserves

1.42   From early this century, the development of Australia's Naval Reserves broadly paralleled that of the Army's Reserves with numerous changes of organisation and name. From 1901 to 1910, the Naval Militia numbered fewer than 1,000 members and their training was minimal. A Directorate of Naval Reserves was established in 1911 to administer naval participation in the compulsory part-time military training scheme which was adopted following Lord Kitchener's review.

1.43   Those Naval Reservists who were under 18 years of age and liable for compulsory training were members of the Royal Australian Naval Reserve (O) (RANR(O)). Those older than 18, and hence not liable for compulsory service, were members of the Royal Australian Naval Reserve (M) (RANR(M)). In July 1913 the Australian element of the Royal Naval Reserve - which comprised mainly professional civilian seafarers - was transferred to Commonwealth control and renamed the Australian Naval Reserve (Sea-going).

1.44   Prior to the outbreak of World War I the Royal Australian Naval Reserve (Sea-going) was re-named the Royal Australian Naval Reserve (RANR), and the RANR(M) and RANR(O) became the Royal Australian Naval Brigade. The Royal Australian Naval Brigade ultimately included a number of other specific naval units, including the Naval Expeditionary Force, New Guinea, 1914.

1.45   Compulsory Naval Reserve training was suspended in 1920 and the title Naval Brigade was discarded in favour of the term Royal Australian Naval Reserve. The existing RANR was re-organised as a reserve of mercantile marine officers and the title RANR (Sea-going) was reinstated. Then, in 1921, a new category of naval reserves was

established, the Royal Australian Naval Volunteer Reserve (RANVR). This organisation sought to enlist those - such as yachtsmen - with extensive experience in small and medium craft operations, .

1.46   At the outbreak of World War II there were 75 officers in the RANR (Sea-going), 245 officers and 3,900 sailors in the RANR and 160 officers in the RANVR. During the War, normal reserve training was suspended but the majority of new sailor entries was enlisted as members of the RANR (Sea-going) or the RANVR. By the end of the War, the Reserve had increased to some 2,900 officers and 27,000 sailors, which represented 80 per cent of Australian personnel serving in the Commonwealth Naval Forces.

1.47   In 1943 a Special Branch of the RANVR was created and all officers who had been commissioned since the outbreak of hostilities and engaged in specified types of naval service were transferred to it. Special Branch personnel were engaged in a wide range of technical and operational duties. When the War ended the Special Branch contained 600 officers.

1.48   Most of the Naval loan personnel that the Royal Navy drew from Australia during World War II came from the ranks of the RANVR. Of some 500 Australians serving with the Royal Navy in June 1944, more than 400 were members of the RANVR.

1.49   Naval Reserve training did not re-commence immediately after the War. It was resumed when rising international tensions stimulated the Menzies Government to institute a number of precautionary defence measures in 1950 and 1951, including a compulsory national service training scheme. Those opting for the Naval variant of the scheme were given 154 days continuous training, comprising six weeks basic training, followed by eight weeks technical training ashore and a further eight weeks service afloat. By the time this scheme was abandoned in 1957 the Royal Australian Navy (RAN) had trained 6,860 national servicemen.

1.50   In 1964 Navy followed an Army initiative in establishing an Emergency Reserve, known as the Royal Australian Naval Emergency Reserve (RANER). It consisted of ex-RAN and trained RANR personnel

who were prepared to make themselves available for immediate call out in a situation short of war or defence emergency. In 1974 entry and re-enlistment in the RANER was suspended. The RANER has been dormant since 1979.

1.51   On 7 June 1973 the branch of the Reserves confined to officers who followed the sea as a profession, namely the RANR (Sea-going), and the RAN Volunteer Reserve were absorbed into the Royal Australian Naval Reserve.

1.52   By the mid-1980s the Australian Naval Reserve had three component parts, two of which - the Emergency List (of officers) and the Fleet Reserve (of sailors) - comprised ex-permanent naval forces. These two components contributed over two thirds of Australian Naval Reserve strength, but they were largely latent forces with no training obligation.

1.53   The Australian Naval Reserve was focussed in nine Naval Reserve units located in various parts of the country. Their tasks included the collection of intelligence, surveillance, reconnaissance and patrol, Naval control of shipping, mine and counter-mine warfare, seaward and harbour defence, naval aviation and logistic support of the RAN.

Air Force Reserves

1.54   Reserve forces in the Royal Australian Air Force (RAAF) were established on 14 November 1921, well after those of the other two Services. By early 1922, four ex-World War I squadrons had been re-formed, staffed by one third Permanent Air Force members and two thirds Citizen Air Force personnel. The contribution of the Citizen Air Force was such that the siting of the RAAF's first two bases (Point Cook in Victoria and Richmond in New South Wales) was influenced strongly by the need for them to be accessible to Citizen Force personnel in Melbourne and Sydney.

1.55   The deteriorating international situation in the mid-1930s spurred an expansion of the RAAF and the creation of more squadrons, initially No 21 (City of Melbourne) Squadron and No 22 (City of

Sydney) Squadron. Essentially, RAAF squadrons comprised a cadre of Permanent aircrew in one flight and two other flights made up of Citizen Force personnel. At the outbreak of World War II the RAAF comprised 3,000 Permanent Air Force members, 500 Citizen Air Force personnel and 150 officers on the Reserve List.

1.56   The 1930s was a decade of debate about the vexed question of the capacity of 'part-time' pilots to master the full range of operational flying skills. As early as 1928, an external review of the RAAF by a senior British officer was critical of the use of Citizen Force aircrew. Finally, in August 1939, these aircrew were relegated to the least demanding role among the nine then performed.

1.57   In December 1939, the Empire Air Training Scheme was launched to train aircrew in Australia, Canada and Rhodesia for service with the Royal Air Force. A total of 40,777 personnel graduated from this scheme. This was a substantial contribution to the defeat of Germany, but it did deprive the RAAF of potential aircrew needed for the defence of Australia.

1.58   Starting in 1948 Citizen Air Force squadrons were re-formed as fighter units at locations close to their affiliated cities, namely, Melbourne, Sydney, Brisbane, Adelaide and Perth, and resumed their pre-war role of providing flying training for Citizen Air Force personnel. Following Prime Minister Menzies' 'call to arms' in 1950, the Air Board approved an extension of Citizen Air Force squadrons to seven country 'flights' and the establishment of University Air Units and the Air Training Corps. This 1950 revival called for an Active Reserve of 10,000 personnel, but by 1953 the prospect of renewed global hostilities had receded, defence spending was curtailed and the country flights were disbanded. During this period the Citizen Air Force reached a strength of only 1,620 personnel. By contrast, the RAAF General Reserve (a list of retired personnel with no continuing service obligation short of a defence emergency) kept growing until it peaked at 16,800 in 1964.

1.59   In 1959 the Air Board decided that with most wartime aircraft being phased out of service it was not practical to continue to train Citizen Air Force pilots to operational standards on modern aircraft. Nevertheless, it was felt that Citizen Air Force units should still function as elements of the RAAF. Consequently, the five Citizen Air Force Squadrons were re-formed in 1960 as non-flying, auxiliary squadrons with a total establishment of 600.

1.60   In 1964 the RAAF decided to follow an Army precedent and raise an Emergency Reserve. The major distinction between the Emergency Reserve and the Citizen Air Force Reserve was the obligation of the former in call out in situations short of a declared emergency. Wider call out provisions were deemed necessary to meet possible contingencies in South-East Asia under the SEATO Treaty. The planned establishment of the Air Force Emergency Reserve was 1,338 but this was never achieved. Emergency Reserve numbers peaked at 705 in 1971, a time when many volunteers came forward to avoid the national service ballot.

1.61   In 1970 the then Department of Air reviewed RAAF Reserve Forces and recommended the disbandment of both the Air Force Emergency Reserve and University Squadrons. This was done in 1973. The 1970 review also recommended an increase of Citizen Air Force personnel from 600 to 800. The reasoning in this review was that in any proclaimed emergency the Citizen Air Force would provide rapid reinforcement of the Permanent Air Force.

1.62   The RAAF conducted another review of its Reserve forces in 1975, concluding that three elements were required:

.   Citizen Air Force Auxiliary Squadrons;

.   a Citizen Air Force Specialist Reserve (comprising Reserve medical, legal, chaplain and other staff); and

.   the General Reserve.

1.63   The 1975 review again reduced the establishment of the Citizen Air Force Squadrons, and it also changed their role markedly. The expressed logic was, that because of the limited size of the Citizen Air Forces, it could make only a small contribution to the Permanent

Air Force in any emergency. Consequently, it was given the task of training personnel who could be added to the General Reserve.

1.64   The RAAF conducted yet another review of its reserve forces in 1979, deciding this time to expand the Active Reserve to 1,800 personnel and move to integrate its operations as far as possible with the Permanent Air Force. No 26 (City of Newcastle) Squadron and No 27 (City of Townsville) Squadron were formed on 1 July 1981 and No 28 (City of Canberra) Squadron was formed on 1 July 1983 as part of this expansion. In 1984 the ceiling of the Active Reserve was reduced again to 1,400 because of reductions in salary appropriations.

1.65   A Reserve Aircrew Trial Scheme was commenced in 1981 to once more employ selected aircrew members of the Active Reserve on flying duties. In that same year an Active Reserve Staff Group was formed to give the RAAF access to a pool of former Permanent Air Force officers with recent staff experience and to provide a means of assisting those RAAF bases without Active Reserve Squadrons.

Commentary

1.66   The role of Reserve forces in all three Australian Services changed markedly between the inter-war period and the mid-1980s. At the outbreak of World War II, part-time forces had been the predominant component of the Royal Australian Navy, a large part of the Australian Army and a significant component of the Royal Australian Air Force. In that era permanent Army personnel existed primarily to support the larger citizen militia. The higher levels of Permanent Force personnel in the RAN and the RAAF reflected the comparative complexity of the technologies and many of the training requirements of those services.

1.67   By the mid-1980s the relative contribution of the Reserve elements of all three services was markedly diminished. The Regular Army had clearly become the primary Australian ground force element. It attracted a significant proportion of the budget and nearly all of the modern equipment. In every case requiring the commitment of significant combat forces abroad after World War II, Regular troops or a combination of Regulars and national service personnel have been

committed. The Army Reserve was most unlikely to be called on to provide units for service overseas. Opportunities arose for selected Army Reserve personnel to participate in some foreign contingencies, but only on a strictly voluntary basis and most frequently as individuals.

1.68   Naval and Air Force Reserves were similarly diminished in status. Their resource allocations fell markedly, their relative strengths were not maintained and they were gradually removed from the most attractive 'sharp-end' operational roles. After the 1950s very few Naval Reservists gained significant experience on large naval combatants and there were few opportunities for Air Force Reservists to become flight crew in operational units.

1.69   There are numerous reasons why the Australian Defence Force developed in this way. One was that Australia's strategic priorities changed markedly. In the post-war era Australian Governments wanted to be able to maintain significant forces at higher levels of readiness for foreign deployment or, since the early 1970s, for operations in the direct defence of Australia. The training levels of the traditional forms of Australian Reserve units were judged to be insufficient to maintain the readiness standards required.

1.70   Reserve units were also considered unsuitable for extended foreign deployments short of a major defence emergency.

1.71   Another important factor was the increasing sophistication and complexity of the technologies, training and operational practices of the three Services, especially the RAAF and RAN. In many fields it was judged impractical for individual Reservists or Reserve units to acquire and maintain the skills essential for front line operational service in the limited training time that was available.

1.72   There is also evidence to suggest that, in at least some instances, Permanent Force personnel sought to reduce the resources allocated to the Reserves because they perceived that the funds could be employed better elsewhere.

1.73　　　Strength data for the ADF's Reserve forces during the period 1960-1990 are shown at Table 1.1. The primary factors at play during this period were the impact of the two national service schemes (1951-1959 and 1964-1972), the temporary injection of funds following the Soviet invasion of Afghanistan in 1979 and the temporary removal of tax exempt status for Reserve force pay after the 1983-84 budget.

Table 1.1: Analysis of ADF Reserve Strengths, 1960-1990
(Source: *Defence Budget Brief 1991-92,* Table G-4)

Service	1990 Strength	Average Strength 1960-1990	Range 1960-1990	Average Percentage of Total Reserve Forces
NAVY	1,500	1,600	1,000 -2,300	5%
ARMY	25,140	28,000	23,000 -33,000	92%
AIR FORCE	1,620	1,000	600 -1,400	3%

1.74　　　By the mid-1980s the roles of the Services' Reserve forces had become severely constrained. While Navy and Air Force Reserves had some limited access to a few relatively minor defence equipments and systems, their primary role had become that of force *supplements.* They existed primarily to support the peacetime activities of the much larger Permanent Forces, to contribute indirectly to military capabilities and to fill a small number of non-military and largely professional requirements.

1.75　　　The Army Reserve, by contrast, maintained more of a *complementary* role to the Regular Army. It was structured to reinforce the Regular Army in the defence of Australia, though it was recognised that full emergency deployment of the Army Reserve would take six months and more. A second complementary role was to provide part of the base for force expansion, should the threat of a substantial

international conflict be recognised sufficiently early to permit a significant Army Reserve contribution.

1.76　　　All of the roles allocated to the Reserves by the mid-1980s were essentially *secondary.* The morale of Reservists and their perceived value in the broader community suffered accordingly.

CHAPTER TWO

IMPACT OF THE DIBB REVIEW AND THE 1987 WHITE PAPER

2.1   In 1985 the Government appointed an external consultant, Paul Dibb, to conduct a review of Australia's defence capabilities[1]. That appointment was indicative of the extent to which the Government had lost faith in the defence planning process.

2.2   In the letter forwarding his report to the Minister, Dibb explicitly addressed the central issue:

> Few of the documents made available to the Review examine, in any rigorous, analytical way, the size of forces we should have for credible contingencies and as a contribution to the expansion base. Most focus on justifying the present force structure rather than estimating what our strategic circumstances require.
>
> *The key difficulty here is that the Department and the ADF do not agree on the appropriate level of conflict against which we should structure the Defence Force.* Ultimately, of course, Government will determine the size of our defence forces. But when there is no common understanding between the Government's military and civilian advisers about what the ADF should be structured to do, decisions about our defence priorities cannot be properly informed (Dibb, 1986, p. vi, emphasis added).

---

[1]   *Review of Australia's Defence Capabilities,* Report to the Minister for Defence by Mr Paul Dibb, March 1986, AGPS, Canberra, 1986.

2.3   The structure and capabilities of ADF Reserve forces were part of the problem and so Dibb's Terms of Reference required him, among other things, to advise on the significance of the Reserves as a component of the force structure (Dibb, 1986, p. xv).

2.4   As pointed out in Chapter One, Millar had seen that, organisationally, there should be one Army. Strategic thinking in 1974, however, had not developed to the point where, other than to focus properly on the defence of Australia, Millar could apply his solution to roles, tasks and appropriate levels of preparedness[2]. That was not the only problem. As Dibb pointed out:

> The Army Reserve has suffered over the years from lack of purpose. The 'total force' concept advocated by Dr Millar could have remedied this situation but it has been implemented only recently [ie 10 years later]. Moves to integrate the Reserves with Regular units and formations, and the establishment [but only from the early 1980s] of regional surveillance units in the north, *have now begun* to provide the much needed focus for Reserve training and employment (Dibb, 1986, p. 153, emphasis added).

2.5   In the context of enduring geo-strategic factors, and the links he established between inimical intentions, military capability and strategic warning, Dibb introduced the notion of credible contingencies and its forms, namely 'low level conflict' and 'escalated low level conflict'. He argued that 'more substantial conflict' would attract 'at least 10 years warning [and while] we should continue to maintain a core of skills which could be expanded in the event of deterioration in our strategic circumstances' (Dibb, 1986, p. vi), defence self-reliance was centrally about having the force structure and skills appropriate to contingencies which could arise with little warning.

---

[2]   See Appendix 5, paragraph 8

21

2.6   In a sense, the key achievement of the *Review* was that it articulated the nature - or form and characteristics - of the so-called credible contingencies applicable to the defence of Australia. It gave 'particular attention to the implications of these contingencies for our force structure' (Dibb, 1986, p. v). Dibb was thus able, in a way not presented before in Australian strategic thinking, to 'derive' the operations and types of warfare for which the ADF, including its Reserve forces, should be structured and prepared.

2.7   According to Dibb, the operations or types of warfare for which ground forces were required were, essentially, the countering of raids and the protection of military assets and civilian areas (Dibb, 1986, pp. 79-81). The Committee considers that, given the strategic assumptions made, Dibb described clearly and correctly the complexities and demands of those operations. These included high space-to-force ratios, protracted operations, political pressures and significant logistic support difficulties. He also made the important observation that relatively modest military pressure could oblige Australia to respond *disproportionately*, and thus react as planned by the putative enemy[3].

---

[3]   The following are indicative of Dibb's thinking in this regard:

Several raids could be conducted simultaneously, in widely separated areas (p. 79).

There would be a clear priority to protect important military assets, both those based or located in the north, and those deployed there. This need is widely recognised (p. 80) . . . and there might also be limited precautionary deployments to off-shore installations and territories (p. 85).

Illustrating the magnitude of the problem . . . to protect the Darwin/Tindal area, and bases at Learmonth, Derby and Weipa, would alone require forces in excess of the [then] present six battalions of [the] Regular Army (p. 80).

The Government would wish to extend protection to civilian areas away from the immediate protection of the major military locations. These areas are many and extensive . . . This would place even further demands on our ground forces (p. 80).

22

2.8   The Committee notes that - even after five years to refine operational concepts - current ADF doctrine very much coincides with Dibb's thinking about the capability characteristics of infantry forces operating in the north. For example:

> These forces would be equipped with utility, reconnaissance and gunship helicopters, trucks, light APCs, small arms, mortars and light field artillery.   There would be little priority for heavier equipment or fire-power, such as tanks, anti-armour helicopters, heavy artillery or fixed-wing close air support (Dibb, 1986, p. 89).

2.9   While Dibb correctly derived the operations and types of ground warfare and the broad order of Regular and Reserve units required, his thinking on the required preparedness of ground forces was incomplete. That contributed not only to the fundamental issue facing Army Reserves today, but also put at risk the strategy of defence in depth and the national security objective of defence self-reliance.

2.10   There are two indispensable conditions required in the early phases of contingencies to increase effectively the coverage and rate of effort of our maritime and land surveillance and protect civilian assets. They are secure main and forward operating bases and the logistic support of early deployments and the preparation for, and support of,

---

The political need to react to incidents suggests that in addition to providing some security to key installations and the civil population, we would seek to confront raiding forces at their landing site or before they could reach their objective. . . Such forces would be additional to those committed to security tasks and it could be expected that their assigned areas of operations would be quite large (p. 81).

There would be intense public and political pressures to provide a visibly adequate defence of the north (p. 85).

This Review sees the Reserves as having a critical role in the early assumption of the protection of key areas, releasing Regular units to conduct more offensive operations against the enemy (p. 85).

the build up of the necessary assets across the north. Dibb saw this clearly: 'The priority demands on our ground forces are for the protection of military and infrastructure assets that support the projection of our air and maritime power' (Dibb, 1986, p. 10).

2.11   Not to deploy protective ground forces to the north would be to put the relatively few maritime and air defence assets at risk to raids and could invite the use of northern infrastructure by enemy forces.

2.12   Concerning logistic capabilities at the time, Dibb inferred that 'Expanding the logistic support of both the Regular and Reserve elements of the Army is an important priority in view of the demanding requirement to support distant operations in remote locations' (Dibb, 1986, p. 154).

2.13   The actual notice required of Reserve infantry battalions and logistic forces turns, of course, on judgements of what constitutes 'operational employment' and 'little warning'. Here, however, the Review was far from consistent. In the section on ground defence it surmised that all six Regular battalions and six of 'at least 10' Reserve battalions in the recommended force structure 'would . . . be required to be available for early deployment' (Dibb, 1986, p. 89, emphasis added). And yet the protection of neither military assets nor the civilian population is included in those 'military tasks either to pre-empt or respond to low-level situations arising with little warning' (Dibb, 1986, p. 56). Furthermore, the Review concluded that 10 Reserve infantry battalions 'would be required for commitment to essential tasks in low-level conflict situations [when] it may be assumed that Reserve units are unlikely to be ready for operational deployment with less than six months notice - and this is an acceptable constraint' (Dibb, 1986, p. 154, emphasis added).

2.14   The Committee considers that six months notice is not 'an acceptable constraint'. To accept that roughly two thirds of Army's infantry forces and one half of its logistic forces could not be ready for 'operational deployment' in that time would be to negate the whole concept of defence in depth - and that would mean that the Army Reserve (ARes) was not effective.   Moreover, to maintain at considerable expense a Reserve ground force capability with a notice of

six months when extensive historical experience in Australia and elsewhere demonstrates conclusively that a considerable force could be raised and trained basically in the same period would not be *cost-effective*.

2.15   Dibb's conclusion also seems to be at odds with his observation that:

> Advice to this Review is that if training time allocations to the Reserves were increased, then many Reservists would be able to take advantage of this. The greatest benefit from increased training time would be in areas of more specialised military skills and in allowing for more frequent exercising in the north (Dibb, 1986, p. 157).

2.16   The Dibb *Review* was extremely perceptive and useful in many ways as the basis of a revised defence policy. The *Review* explicitly recognised the crucial balance in preparedness required between land and maritime forces in the initial stages of the prosecution of a strategy of defence in depth. Despite this, the *Review* did not provide the framework for the development of coordinated readiness levels for the ADF. The *Review* did not address adequately the readiness needed by the ARes in the context of either the increased emphasis on northern operations, joint operations or the 'one Army'. In this respect, the *Review* did not provide impetus for change to 'reflect the changing emphasis in Reserve employment proposed' (Dibb, 1986, p. 156) or for the development of the 'sense of purpose and direction' identified by Dibb as fundamental to the successful development of the ARes (Dibb, 1986, p. 159).

2.17   There would be those who might suggest that low levels of readiness were recommended by the *Review* owing to the resources required to maintain a more appropriate notice. The Committee would reject such presumptions. Dibb made a clear assumption about how the gap between the derived capability requirement and the present levels of military capability could be closed by the planned application of resources over the long term:

> Financial considerations have not driven this Review, although I was aware of the requirement to take due notice of the Government's financial planning guidance. It was rather more important, in my view, to identify clearly any deficiencies in our force structure and to allocate appropriate resources to them in the current Five Year Defence Program and beyond (Dibb, 1986, p. v).

> This *Review* was not a cost cutting exercise, but . . . its recommendations are feasible and responsible from a financial point of view. With some modest adjustments, the *Review*'s recommendations can be accommodated within the Department's 3.1-percent real growth program for FYDP 1986-91, and there is no indication of difficulties beyond that period (Dibb, 1986, pp. 172-173).

2.18   The Committee believes there is a more plausible explanation. In the relatively short period available for such a wide-ranging and complex analysis, Dibb appears to have found naval and air capabilities easier to analyse than their ground equivalents. Naval and air capabilities are often multi-role or even multi-mission; relative to ground force capabilities, operations and types of warfare, they are more visible, more comprehensible and more calculable.

2.19   This view is supported by, for example, the significant number and context of the subsidiary studies he recommended in relation to the Regular and Reserve components of the Army. Dibb observed that his 'figures' for the upper limit of Army Reserves and their distribution among combat, combat support and expansion base elements were 'indicative only' and that they 'should be refined through organisational studies' (Dibb, 1986, p. 156). Again, 'Because of the speculation in its assumptions', Dibb admitted to an 'imprecise derivation of ground force [force structure] needs' and went on to observe that:

> . . . the issue of the balance between Regulars and Reserves, and the degree of integration, deserves more detailed and longer-term attention. The Review takes the position that it

is necessary first to have a clear overall view of our ground-force needs before taking this further step, and this should be studied within Defence as a matter of some priority (Dibb, 1986, p. 86).

2.20   Regrettably, the lack of a subsequent 'clear overall view of our ground-force needs' largely explains the current ineffective and inefficient condition of the ARes. The White Paper, *The Defence of Australia 1987* (DOA87), was the first opportunity forgone to properly establish those needs as policy.

2.21   Following 12 months of development of Dibb's concepts and specific recommendations, DOA87 was tabled in March 1987. In effect, the White Paper was the policy document through which the Government implemented the earlier external review, notwithstanding some semantic differences, for example, 'denial', which do not bear on this present inquiry. The strengths and weaknesses of Dibb's *Review* were reflected in DOA87.

2.22   The Committee notes the congruence between the ground force structures recommended by Dibb and those endorsed by DOA87. (Apparently, the studies recommended by Dibb had not come to fruition in the intervening 12 months.)

2.23   Particularly in the strategic circumstances which have developed since 1987, there is a range of differing views about so-called credible contingencies and their motivation and likelihood vis-a-vis possible defence requirements owing to developments in the South-West Pacific. The Government, however, has continued to endorse the strategic basis and the general application of DOA87. The direction to the Committee constrains its deliberations about 'Reserves' structure and capabilities . . . to the priority tasks set out in DOA87'. In the circumstances the Committee accepts that:

> The possible time-scale attaching to the development of low level and escalated low level conflicts dictate that the ADF should be capable of countering them essentially from the force-in-being . . . Ground and other forces (such as air

defence) would be needed to protect the bases from which our forces were operating, to conduct offensive action against such enemy forces that had crossed the sea and air gap, and to protect the military and civilian infrastructure and the population. Operations would usually be joint, and their conduct may require naval, air and land forces to deploy at short notice for sustained operations at a considerable distance from their main bases. ADF operations can be expected to be conducted concurrently over widely dispersed geographical areas (DOA87, p. 25).

> [Army's force structure required] changes of emphasis rather than a significant departure from existing organisation (DOA87, p. 53).

2.24   What the Committee does not accept is that the designated ground force structure can reasonably be expected to perform its designated roles *effectively* when set at the relatively low levels of readiness implicit in DOA87. Undoubtedly, owing to a Chief of Defence Force initiative in 1988[4], defence planners and observers alike are now much more knowledgeable about the doctrine and dynamics of readiness than in 1987, and this clearly applies to the Committee. Nevertheless, with the benefit of hindsight such policies enunciated in DOA87 were inconsistent with the defence concept of defence in depth.

2.25   Military strategy and operational art are not the issue here. The preparedness requirements for ground forces as espoused in DOA87 do not follow from the strategic precepts established by Dibb and DOA87. The Committee points to a very straightforward troops-to-task equation and here the Committee is not questioning the size of the ground force structure as such, but the scope of its assigned tasks.

2.26   Dibb, when 'illustrating the magnitude of the [protection of military assets problem, showed] that to protect the Darwin/Tindal

---

4   See paragraphs 3.20-22.

area, and the bases at Learmonth, Derby and Weipa, would alone require forces *in excess of* the present six battalions of [the then] Regular Army' (Dibb, 1986, p. 80, emphasis added). The Committee notes that this force structure requirement is at the low end of the range considered appropriate by other defence analysts. The Committee understands, for example, in the light of the Exercise Kangaroo 89 (K89) experience, that a battalion group comprising infantry, light armour, artillery, engineers and aviation would be the minimum required to protect a notional forward operating airfield about 12 kilometres square. Such thinking also holds that the bauxite extraction at Weipa and the airfield at RAAF Scherger (some 28 kilometres apart) would require a two battalion brigade with appropriate support.

2.27   As explicitly recognised by Dibb (1986, pp. 80, 85), the scope of the task is much larger than just Darwin/Tindal, Learmonth, Derby and Weipa. Other widely dispersed discrete areas which contain groups of key potential targets, include Jabiru/Nabarlek, Gove/Nhulunbuy/Groote Eylandt, Bamaga/Torres Strait, Wyndham/Kununurra/Argyle, Port Hedland/Wickham/Dampier/Karratha and Shay Gap/Goldsworthy/Newman/Tom Price/Paraburdoo. This does not take into account any pre-emptive deployments required to secure Australia's offshore territories, the protection of other civil population and infrastructure or the protection of southern bases.

2.28   It is not unreasonable to consider that such a wide range of targets may possibly require simultaneous protection. According to DOA87:

> The Army will be deployed to meet any landing in the north, wherever it should occur. Other forces will secure key military, economic and civilian areas with Reserves playing a major role (p. ix).

> Successive reviews of the strategic basis of Australian defence policy have noted the advantages an opponent might see in a campaign of sustained low level military pressure against

Australia. The use of military force to harass remote settlements and other targets in northern Australia , our offshore territories and resource assets . . . could be decided upon as an attempt to demonstrate Australia's vulnerability and thereby force political concessions over some disputed issue . . . Attacks could be widely dispersed and unpredictable . . . The adversary could, if he wished, sustain low level activity indefinitely . . . The capability required to mount and sustain low level pressure against our nation already exists in the region of primary strategic interest to Australia (DOA87, p. 24).

2.29   ADF ground forces totalling 16 battalions could not reasonably be expected to perform this and a range of other tasks. The Committee is only too well aware of the concept for asset protection whereby 'Planning will proceed on the basis of a possible initial need to use Regular units deployed at short notice, followed by their relief by designated Reserve elements to release the Regular units for mobile offensive operations' (DOA87, p. 55). The Committee rejects that concept for two reasons. First, the very last thing a sensible military commander would wish is to deploy its most ready and capable forces away from their home base and commit them to vital asset protection pending the arrival of ad hoc, come-as-you-are forces,[5] or to have to wait for some three to six months to pass before Reserves became combat ready in strength. Having precipitated such a deployment, an enemy would have maximised his potential for raids without fear of timely reaction by the ADF's most able and mobile ground forces. The relief of Regular units is far too problematical.

2.30   Second, other than surveillance and reconnaissance, the two battalions of 3 Brigade and the Parachute battalion of 1 Brigade were the only ground combat forces required to be operationally ready in the early and uncertain phases of a contingency (DOA87, p. 54). The Committee holds the view that higher levels of readiness should have been expected from the *total* Army. This is all the more so when the

---

[5]   See Appendix 5, paragraph 16.

supplementary arrangements were for 6 and 7 Brigades to be manned and equipped at a level that is adequate for training *but not for operations*. Consideration is being given to placing the Regular elements of 6 Brigade on 90 days notice to move and the Reserve elements of 6 and 1 Brigades on six months from call out. Both brigades will be 'rounded out' from other Reserve elements in the event of an operational deployment (DOA87, p. 54).

2.31   This analysis gives new meaning to Dibb's thinking that:

> Several raids [involving between 10 and 120 men] could be conducted simultaneously, in widely-separated areas (Dibb, 1986, p. 79) [and that] a sustained and dispersed campaign of raids could pose a formidable military problem. Containment would be a difficult and challenging task which could easily soak up our limited resources (Dibb, 1986, p. 81).

2.32   The Committee concludes that the levels of readiness outlined in DOA87 do not meet the stated 'need to be confident that ... the forces we would require to deal effectively with the types of military threats that could arise in the shorter term ... could become effective, deploy and sustain operations in an appropriate timescale' (DOA87, p. 32).

2.33   The Committee sought to find explanations for the acceptance of a lack of balance implied by DOA87 between the readiness of naval and air forces, on the one hand, and land forces on the other. Three possibilities were identified. First, it might have been that, despite the very significant advances in strategic thinking made by Dibb and DOA87, protection of vital assets and logistic support did not receive their due consideration in the policy outcome.[6]

---

[6]   In this respect the Committee again points to Dibb's concerns that:

The characteristics that our ground forces should possess, and their relative priority in expansion, are a more complex matter for judgment than the organisational needs of our air and naval forces (Dibb, 1986, p. 78).

2.34   Second, current readiness levels may have been traded off against the development of the equipment component of force structure. Certainly, the level of expenditure on investment was planned to be considerably higher than before. Whereas Dibb had based his military capabilities on 'around three percent of GDP' (Dibb, 1986, p. 172) and the 'Department's 3.1- percent real growth program for FYDP 1986-91' (Dibb, 1986, p. 173), DOA87 noted that 'If we are to achieve the levels of defence capability and the priorities [it recommended], there is a need, over the life of the program, for an allocation of resources generally within the order of 2.6 per cent to 3.0 per cent of GDP' (DOA87, p. 112). DOA87 set the scene for funding levels considerably less than those presumed by Dibb.

2.35   Third, it may simply be that DOA87 reflected Dibb's inability, for whatever reason, to come to grips with ground force capabilities with the same level of precision he achieved with the Navy and Air Force. It seems incongruous, for example, that Headquarters 3 Division was to be retained although it commanded only one under-strength brigade. In any case, the Committee remains puzzled that DOA87 called for so few combat forces to be produced within three months from a total Army of about 32,000 Regulars and 26,000 Reserves.

2.36   The critical point is that the defence policy detailed by DOA87 set broad objectives for the preparedness for ADF ground forces which ensured that they would have been *ineffective* in terms of the endorsed form and characteristics of credible contingencies. There are indications that it may also have institutionalised *inefficiencies* in the delivery of ground force capabilities.

The derivation of the force structure needed to counter raids is possibly less amenable to the abstract application of doctrine than is, for example, that needed for conventional ground warfare (Dibb, 1986, p. 79).

CHAPTER THREE

AFTER THE WHITE PAPER -
INNOVATIONS AND IMPEDIMENTS

3.1   To set the scene for an examination of its implementation, it is worth reflecting on the following claims made in DOA87:

> . . . our requirements for land warfare cannot be achieved without extensive Reserve participation. Accordingly, the Army Reserve structure is being reviewed and changes will be implemented progressively. Since World War Two the Reserve has provided the expansion base for the Army. It will now, in addition, be required to contribute to operations which might arise in the shorter term as part of the total Army, at a level commensurate with achievable degrees of training and readiness. The Government will soon legislate for restricted call out of Reservists, thus ensuring their availability in credible contingencies (DOA87, p. 59).

> The Government will continue to give priority to our increasingly effective Reserve Forces. Additional tasks for the Reserves have already been announced. These include major roles in northern defence, logistic support, surveillance, protection of key installations, and maintenance of expansion base skills in armour, artillery air transport, and mine countermeasures (DOA87, p. 92).

3.2   DOA87 provided a framework for the development and employment of the ADF, including its Reserve components. Between 1987 and 1990, however, a quite extraordinary range of pressures

impinged on the Defence organisation. Many of those pressures either resulted in, or from, an unprecedented number of external and internal reviews and other policy initiatives.

3.3   Before assessing the current capability of Reserves in Chapter Four, this chapter addresses in a general way the many initiatives and impediments which could have been expected to impact on the development of Reserves prior to the *Force Structure Review* in 1991. These factors are discussed under the following headings:

.   strategic factors;

.   economic factors;

.   structural factors; and

.   external reviews.

Strategic Factors

Ministerial Statement on Australia's Regional Security

3.4   In December 1989 Senator Evans delivered a Ministerial Statement, *Australian Regional Security*. That statement was highly supportive of the 1987 Defence White Paper, and gave priority to defending Australia and its territories with an independent military capability.

Australia's Strategic Planning in the 1990s

3.5   The classified report, *Australia's Strategic Planning in the 1990s* (ASP90) is the latest in the series of classified strategic guidance documents which examine Australia's strategic circumstances and their broad implications for defence planning. It assessed the implications of the changing Asia-Pacific security environment, reviewed progress towards the development of self-reliant defence capabilities as set out in DOA87 and emphasised the importance of promoting strategic perspectives within Australia's region (*Defence Report 1989-90*, p. 119).

3.6   Broadly, ASP90 confirmed the thrust of DOA87 but reflected the changed emphasis to regional security espoused in *Australia's Regional Security*. It focussed on capabilities relevant to low and escalated low level conflict and specifically on operations in the north, particularly in Australia's sea and air approaches. Priority was given to joint force operations, mobility and flexibility in the force structure and the ability to sustain forces at distances from major infrastructure and logistic support.

3.7   While planning was to be undertaken to ensure the ADF could expand in a timely fashion, as recently announced by the Minister for Defence[1] as that 'greater emphasis is being placed on the ability of the ADF to meet credible tasks within the force-in-being rather than as an expansion base', as advised by the Department of Defence in its response to the Audit Report No. 3, 1990-91, *Department of Defence, Australia's Army Reserve* (p. 25).

3.8   These developments of national security policy served, among other things, to clarify military capability[2] requirements for ADF Reserves. For 25 years after World War II the Reserves and, to an extent, the Regulars had been an expansion base (or 'core force') for what is now termed 'more substantial conflict'. There were no specific expansion objectives, just as there were few preparedness objectives for the force-in-being. The central tenets of Australian strategic thinking have changed markedly over the past 20 years or so. Concepts such as self-reliance and defence in depth - while crucial - have overshadowed an equally important change. That is, the Regulars and Reserves have been structured and prepared increasingly for those forms of conflict which concern the defence of Australia and which could occur with little or no warning.

---

1   In his Ministerial Statement, *Defence Into the Twenty-First Century*, 30 May 1991, Senator Ray said 'I have directed that studies be undertaken to develop further Defence planning for the remote contingency of substantial conflict. These studies will identify areas likely to cause difficulties during expansion, and identify action required to ensure the Defence Force can meet any threats to the nation's interests' (paragraph 43).

2   See Appendix 5, paragraphs 5 and 6.

3.9   Certainly, readiness[3] for complex operational roles such as anti-submarine warfare requires leadtimes of many months; and planning is still required for more substantial conflict. Not enough attention, however, has been given to the consequences of a defence policy that now discounts heavily the expansion base function of the ADF.

3.10   Reference to the *CDF Directive on ADF Operational Readiness Directive (CORD)*, dated 30 July 1991, should dispel any residual doubts about this evaluation. That Directive states that:

> Priority for training is set in accordance with guidance on strategic priorities provided in ASP90. Emphasis is placed on:
>
> .   performance of the ADF's current and foreseeable tasks rather than on the ADF as an expansion base for more substantial conflict;
>
> .   a focus on operations in the north, especially the sea-air gap;
>
> .   joint operations, while not neglecting interoperability with allies; and
>
> .   a defence strategy which envisages ADF capabilities as both defending and contributing to promotion of national security interests (*CDF Readiness Directive 1991*, p.3)

Regional Events

---

[3]   That is, the period of time required to raise present level of operational capability (approximated by states of equipment holdings, equipment condition, manpower and collective training) to the operational level. See Appendix 5, paragraphs 9 and 11.

3.11   Against that background of changed strategic thinking, recent events of strategic significance in Australia's region include two military coups in Fiji during 1987, the civil unrest in Vanuatu in 1989 and, more recently, the rebellion on Bougainville. Following the former events, the Chief of the Defence Force (CDF), speaking at the conference on 'Australia and the World: Prologue and Prospects' held in late 1988, noted that:

> There are some problem areas with readiness ... I am concerned about the capacity of our logistic system to support the operational elements which are required to be at the higher states of readiness. It is obviously unsound to hold combat forces at short notice to move if the logistic system is too inflexible, cumbersome or incapable to match that notice. It may be that the balance here is not quite right.

Economic Factors

3.12   Australia's economy has suffered a serious downturn since the mid-1980s. Our international current account, external liabilities, interest rates and unemployment remain matters of considerable concern. All functions of government are subject to continuing tight fiscal policy.

3.13   A detailed analysis of the defence budget is beyond the scope of this inquiry. Certain facts are clear, however. The defence budget attracted negative real growth during 1987-88 and 1988-89, and zero real growth since. DOA87 was cast against projected real growth of one per cent for 1987-88, and then three per cent until 1991-92. This meant that in the period 1987-88 and 1991-92 actual defence expenditure will be some *$5 billion* less than the outlay projected by DOA87.

3.14   Meanwhile, investment decisions have been taken on many of the initiatives outlined in the 1987 White Paper. These include, for example, COLLINS Class submarines, ANZAC frigates and the Jindalee Operational Radar Network. It is important to note here that the cost

of major weapons systems has grown considerably faster than the rate of inflation. The Government's commitment to major capital equipment and facilities programs has resulted - in the circumstances outlined above - in personnel and operating costs being tightly constrained.

3.15   Nevertheless, and contrary to much conventional wisdom, defence expenditures on personnel and operating costs have, in fact, *increased* over the period 1987-1991. Reductions in personnel numbers as such have been offset by increasing per capita costs. Rates of operational activities relating mainly to training are measured in terms of, for example, sea days, track kilometres and flying hours. Levels of these *inputs* to operational readiness have also remained roughly constant. Importantly, however, operating cost expenditure has grown steadily at about three and a half per cent per year since 1988. The Committee has been unable to determine exactly why this is so, but contributory factors certainly include:

.   increased cost of fleet and aviation fuel;

.   the rundown of ammunition stocks acquired for the Vietnam War;

.   relatively higher costs of supporting newly-introduced capabilities vis-a-vis those approaching life of type (eg, F/A-18 vs Mirage);

.   fringe benefit tax payments; and

.   steeply increased costs of many administrative charges.

3.16   Overall economic factors have constrained public expenditure and hence the general resource climate has not been favourable for the development of ADF Reserves. Sustained real growth of GDP above, say, four per cent, and other economic circumstances favourable to significantly increased levels of defence spending are not in prospect over the next three to five years. Meanwhile, basing half the Fleet on the west coast, the planned move of the Army to the north and the operation of RAAF Tindal and the northern chain of airfields will add further to personnel and operating costs. The *Force Structure Review*

makes the observation that 'A number of planned initiatives [undoubtedly *including operating costs for certain new ADF capabilities*], including the build up in Western Australia by Navy and the increased Army presence in the north, will increase operating costs by some $480 million over the decade' (*Force Structure Review 1991*, pp. 41, 42). *Within this planning framework it would be difficult indeed to make available additional funds for enhanced levels of operational readiness for Reserves.*

Structural Factors

3.17   *The Prime Minister announced major changes in the structure of the Federal Government in July 1987. These changes included a range of public service reforms such as the Financial Management Improvement Program (FMIP), the efficiency scrutiny process and Office Structures Implementation (OSI). Such initiatives, together with the economic factors discussed previously, led directly or indirectly to a number of structural developments within Department of Defence.*

Program Management and Budgeting

3.18   Program Management and Budgeting (PMB) is a major aspect of FMIP. According to *The Defence Corporate Plan 90-94* (pp. 2, 3):

> The application of Program Management and Budgeting principles requires the development of clear organisational goals, and the setting down of strategies to achieve them. This process should help people within the Defence organisation better understand the purpose of their work and its relation to Australia's defence policies. It should also allow people outside Defence to see better how the organisation approaches its responsibilities . . . [PMB was] a keystone in our initiatives to improve our management practices under the Government's public sector reform program. PMB is already

introducing fundamental changes to the manner in which Defence conducts its daily business at all levels, in finances, in management and in planning.

3.19   PMB, therefore, has the potential to:

.   link essential military capabilities and the provision of resources through clearly articulated objectives and manifestations of PMB such as *The Defence Corporate Plan 91-95*;

.   establish Reserve issues more clearly in the minds of those in the Defence organisation, Reserves themselves and the wider Australian community; and

.   provide impetus and focus to a range of restructuring measures which could benefit Reserves directly and indirectly.

Review of ADF Operational Readiness

3.20   A major initiative with structural ramifications was taken in 1988 by CDF and the Secretary of the Department of Defence when they directed that a *Review of ADF Operational Readiness* be undertaken. That *Review* enabled:

.   the organisational alignment of the ADF's combat forces with the Defence PMB organisational structure;

.   the issue of ADF readiness doctrine;

.   the setting of specific readiness objectives to each ADF combat force element through the issue and regular revision of the Chief of the Defence Force Directive on ADF Operational Readiness;

.   the modulation of levels of readiness as required by the Government in accordance with strategic and other requirements;

.   the reporting of states of readiness against specific objectives; and

.   the resource implications of readiness and sustainability objectives and dynamics to be studied.

3.21   Those advances, in turn, laid the foundation for, amongst other things, the rigorous assessment of the *effectiveness* of Reserve combat forces in specified operational roles and any specific deficiencies in their manpower, training, equipment and equipment condition. Such shortfalls ought to have been - to a substantial extent - quantifiable.

3.22   The development of ADF readiness doctrine and the issue of the CORD were undoubtedly major initiatives. It is now clear however that they perpetuated the incomplete thinking evident in the Dibb *Review* and DOA87 which led to low levels of ADF readiness to perform the ground force roles of protection and logistics[4].

Army Reserve Review Committee

3.23   A substantial number of organisation changes and proposals had the potential to affect the implementation of DOA87. First there was the Army Reserve Review Committee (ARRC) *Report on the Force Structure and Tasks of the Army Reserve*, which was published in two parts in the latter part of 1986. The need for the ARRC arose because of the Dibb *Review* and the requirement to consider the 'anticipated needs of the Army following the 1986 (sic) Defence White Paper' (ARRC, 1986, p. v). The thrust of the *Report* was that:

.   '. . . the Reserve can be restructured to make a valuable contribution to the defence of Australian territory in concert

---

4   The Committee's views about the underlying causes of this problem and its solution are presented in Chapter Six.

with the Regular Army, despite what can only be described as the poor *general condition of unit manning at present*';

- manning - or rather lack of it - was the key issue. This major problem was manifest as a lack of strength, an asset which was 'generally too old and too large elements of it will not stay in the Reserve long enough to be trained to useful levels' and a failure to recruit suitable people for leadership training. Lack of knowledge about the manpower asset was another facet of the problem;

- there was 'the need for a greater commitment from the Regular Army to the training of the Army Reserve and the full time manning of command and administration appointments where these cannot be filled by a suitable Reservist';

- integration was essential and, where not possible, more structured affiliation was required;

- 'The 26,000 *ceiling strength proposed for the Army Reserve* is sufficient to allow for the deployment and sustainment of the 1st Division on low level conflict operations and the provision of some forces to secure vital assets. It will not allow for the conduct of these operations in addition to the retention of an adequate expansion base for forces which might be required if hostilities are protracted or escalate to a higher conflict level';

- 'An independent two battalion brigade structure should be the means of providing focus to regional planning and training';

- some units, if suitably equipped, could have more than one role; and

- to enable its proposals to be *implemented the ARCC noted* 'the need for an increase to the Army Reserve salaries vote to allow for an increase in training days, capital

procurement to allow early deployment Reserve units to be equipped in time to both train and deploy, and some increased administrative outlays and RAAF air hour allocations to allow units to deploy and train in their designated areas of operations. Facilities costs will need to be the subject of further detailed study'.

(ARRC, 1986, pp. v-viii)

3.24   The ARCC produced a thoughtful and comprehensive report which, accompanied as it was by detailed resources implications and implementation timings, is a model to be much admired. Having noted the ARCC's concerns about lack of manpower data, the Committee was concerned by the following caveat on the Report's resource implications:

> The cost estimates made ... have been a major undertaking for which there was little precedent. While *every effort has been made to address all* the factors involved, the figures should be regarded as indicative only, although the Committee is confident that they are of the right order. *They do not include the cost of ARA* *readiness for northern contingencies, nor do* *they include the cost of activities which demand* *a total force or combined ARA/ARes approach* (AARC, 1986, paragraph 8.4, emphasis added).

3.25   This indicated that - just four years ago - there was a serious lack of consideration for the implications of *total* Army operations in the defence of Australia. It should come as no surprise in Chapter Four then, when the Committee reports that the ARRC's *recommendations* have not been implemented to the extent of raising significantly the effectiveness or efficiency of the ARes. This is despite the claim that the 'Recommendations of the ARRC were *implemented through CGS* Directive No. 6/87, The Development of the Army in Army Reserve Component, dated 10 April 1987' (Army, Submission, p. 914).

The Cooksey Review of Defence Facilities

3.26   The Government made a commitment in DOA87 to 'review its use of Defence properties' (DOA87, p. 67). R.J. Cooksey undertook this task and presented his *Review of Australia's Defence Facilities* in December 1987. In the light of the Reports by Dibb and the ARRC, Cooksey made specific recommendations about each of the Army's Reserve Depots, of which, according to Cooksey's data base (*Cooksey* pp. 321-34), there are about 250, or one for about every 100 Army Reservists. Cooksey's Review was not endorsed by the Government. The Defence Minister of the day noted that:

> [The Review] is not a statement of Government policy . . . The Cooksey program is a long-term one extending to 25 years . . . the report provides a perspective that can be drawn upon in the development of Defence facilities as resources and priorities permit. (House of Representatives, Question on Notice No. 1329, 1 December 1988).

ADF Command Study

3.27   The evolution of ADF command and control arrangements was given a fillip by the *ADF Command Study* performed in 1988. The *Study* led to a more precise delineation of the responsibilities of the three Joint Commanders and provision in the command chain for a Commander Joint Forces Australia (three star) to control and coordinate the Joint Commanders when the level of operations demands it and as trialled in Exercise Kangaroo 89. Arrangements for command and control now reflect the direct responsibility for each of the separately located Joint Commanders and Commander Northern Command to the CDF for command of assigned units and for the conduct of operations and designated activities. The Joint Commanders are responsible to their Service Chiefs of Staff for all other activities, that is, those relating to the raising, training, equipping and sustaining of assigned forces and the conduct of peacetime tasks. While the Service Chiefs are no longer in the operational chain of command, they remain the principal military advisers to the CDF.

3.28   The outcome of the *Study*, together with certain organisational restructuring within the Services (eg within the RAAF's then Operational Command) and the progressive introduction of PMB, should have served to make ADF commanders more accountable for the effectiveness of Reserve Forces. The responsibilities of the Chiefs of Staff and the Joint Force Commanders insofar as preparedness and operational employment are concerned are now very clear.

The Structural Review of Higher ADF Staff Arrangements

3.29   *The Structural Review of Higher ADF Staff Arrangements* was described by CDF and the Secretary as 'the most significant and comprehensive review of the higher defence process since Sir Arthur Tange's *Australian Defence Re-organisation Report of 1973*. The Review aimed to improve the efficiency and effectiveness of the Defence Force policy formulation and administration through greater centralisation of military policy and force structure development in Headquarters ADF and a simplification of the higher defence committee system. This resulted in a reduction in numbers of senior service officers in Canberra and a review of the rank level of some senior ADF positions which resulted in some reductions. The Committee notes that the Review *did not* recommend the creation within HQADF of an 'Assistant Chief of the Defence Force (Reserves)'.

Defence Structural Reviews

3.30   *Supply Systems Redevelopment Project* (SSRP) is a major redevelopment of the Services' computerised supply system which is aligned to the replacement of the older supply computer networks with an integrated common core. The ADF supply system project was started in 1982 with a review of the supply systems objectives. SSRP as such was started in 1983-84 with the timescale extending well into the 1990s. Notwithstanding its extended timescale, it should eventually lead to improvements in supply support to the Reserves, but specific effects are difficult to forecast.

3.31   The *Service Manpower and Pay Project* (SMPP) follows on from the Manpower Systems Development Project and will concentrate solely on Services' manpower systems. Noting the considerable

uncertainty in manpower data demonstrated to the Committee in the process of this present inquiry, SMPP is indeed a welcome initiative, although again it appears lengthy in gestation. Nevertheless:

> [it] offers considerable benefit to both ARes members and Departmental managers . . . It will speed up data collection for both pay and training day management purposes, thus overcoming delays in payments to members and ensuring accurate and timely information at all levels (Army, Submission, p. 924).

Some manpower reductions should also accrue, although these have not been quantified.

3.32   In September 1989 approval was given for the implementation of *Financial Systems Redevelopment Project* (FSRP) which should ultimately improve Defence's ability to cost accurately individual force elements, something clearly not achievable before and needed to gauge accurately the efficiency of Reserve forces.

3.33   Also in 1989 the CDF and the Secretary directed that a *Defence Regional Support Review* (DRSR) examine ways to extend more effective management of the support functions throughout Defence within Australia.   Implementation should be complete in 1992. Significant administrative and support savings from the efficiencies proposed are anticipated.   The Committee cannot judge the direct impact on Reserves, but welcomes the further rationalisation of Defence support to the extent that it promotes the effectiveness and efficiency of ADF combat forces.

3.34   The *Defence Logistics Redevelopment Project* (DLRP) commenced in mid-1990 and aims to improve the way logistics support is provided to the ADF.   Again, this Defence initiative could have substantial direct and indirect benefits for ADF Reserves.

Other ADF Initiatives

3.35   Concerning other ADF initiatives, the Committee received primary submissions from HQADF and the three Services.   The Australian Defence Force (ADF)/Departmental submission provided the Committee with a policy overview of ADF Reserves and made the observation that:

> The Defence Sub-Committee should note that the assessments made by the Services in their submissions reflect Service views and may be subject to change.   The development of the Reserves is at present under review, as the ADF, the Services and the Department pursue implementation of initiatives outlined in the Government's policy information paper, The Defence of Australia 1987 (DOA87). In the past, Reserve forces have been managed primarily on a single Service basis.[5]   It has only been in recent times (since about 1985) with the raising of HQADF, that consideration has been given to an ADF concept for the Reserves (Defence, Submission, pp. 866-7).

3.36   The primary Defence submission by HQADF advised that :

> Since the tabling of DOA87, the Reserves have been subject to a process of assessment and redevelopment. In broad terms, this has involved:
>
> a.   a change in emphasis by recognition that the Reserves need to play a more active part in the ADF;

---

5   This is muddled thinking for Reserves should be managed on a single-Service basis.

b. greater integration of permanent and Reserve components, at formation, unit and individual levels;

c. allocation of Reservists, or recognition of the need for such allocation, to round out permanent formations and units and provide a surge capability for shorter-term contingencies;

d. consideration of more use of Reservists for full-time and part-time service to supplement the permanent components of the ADF for peacetime activities; and

e. planning for more use of Reserves following the provision for limited call out of Reserves for the defence of Australia in situations short of a Defence Emergency, by means of the *Defence Legislation Amendment Act 1987.*

(Defence, Submission, p. 869)

3.37 The Committee noted that, more than two years after the issue of DOA87, the development of Reserves was 'still under review'. Also, given the distinctly different force structures and methods of employment of Reserves across the three Services, the Committee was intrigued by the notion of 'an ADF concept for Reserves', particularly as the Committee was not apprised *subsequently* of any such development.

3.38 **Navy.** The primary submission by Navy to this inquiry noted that since the publication of DOA87, 'more emphasis has been given to the [Australian Naval Reserve]' through 'activities [which] have a common theme of integrating the RANR into the RAN' (Navy, Submission, pp. 866-87). Specific Navy initiatives are listed as follows:

a. Establishing a new Reserve Port Division at Cairns;

b. Part manning of two Fremantle Class Patrol Boats (Sydney and Melbourne);

c. Close involvement in the minesweeping aspects of mine countermeasures (MCM);[6]

d. Closer involvement by RANR personnel, trained for Naval Control of Shipping, in all major maritime exercises;

e. Planning for the establishment of a Reserve Air Division at the Naval Air Station, Nowra (recruiting has commenced);

f. Planning for a Reserve sub-unit at Thursday Island (recruiting has commenced);

g. Planning for a Canberra Reserves Support Division for commencement in 1990;

h. Planning for greater integration of the Supply, Technical and Medical areas of the Reserve with the RAN;

. . .

k. Growth of personnel from 1096 (January 1987) to 1421 (April 1989 [and planned to rise to 1720 in 1991/92]); and

l. Removal of distinguishing RANR insignia from officers' and sailors' uniforms.

(Navy, Submission, pp. 886-7)

---

6   As discussed in Chapter Six, lack of progress with this plan is of great concern to the Committee.

3.39   Navy was at some pains to point out that 'The RANR is important to the RAN in fulfilling roles that can be learned part-time, with skills that can be maintained on a part-time basis and where the requirement is only part-time in peacetime'. Navy also reported that 'This employment [was] a shift away from the more traditional concept of expansion base . . . where highly developed military skills reside in latent form'. Hence Naval Reservists 'provide a part-time contribution to the Naval Force . . . ; and an expansion/surge capacity' (Navy, Submission, p. 886).

3.40   Navy also pointed to its 'effort to improve the level of female involvement' in the RANR and to the following organisational initiatives approved in December 1988:

- upgrading to one star rank and re-positioning to a 'functional policy role' the senior RAN officer responsible for Reserves;

- appointing six senior RANR officers to the staffs of, and creating a Reserve Staff Group at, Maritime Command and Support Command; and

- devolving Reserves' administration and training responsibilities.

(Navy, Submission, p. 889)

3.41   Army. The primary submission by Army recorded that major initiatives to flow from the implementation of DOA87 include:

a.   a change in emphasis for a significant element of the ARes from an expansion base role to the requirement to deploy in credible contingencies;

b.   greater involvement of the Reserve in the provision of logistic support in credible contingencies;

c.   the allocation of 1st Division and Logistic Support Force (LSF) round out responsibilities to the Reserve;

d.   greater integration of the Regular and Reserve components to all levels including formation and unit;

e.   allocation of responsibility for the protection of vital assets in the north of Australia to the ARes; and

f.   increased involvement of the ARes in high level expansion base capabilities including armour and artillery.

(Army, Submission, pp. 914, 915)

3.42   Other initiatives reported by Army included:

- attempts to overcome the chronic shortages of ARes officers (600 in an establishment of 2200), SNCO (800 in 2500) and corporals (1500);

- better training to, for example:

  - improve retention;

  - provide an improved focus on designated roles and tasks;

  - increase the number of junior officers and constrain their training to the specific skills required; and

  - eliminate Reserve Command and Staff College courses in those smaller Military Districts where the ARes staffing levels were not cost-effective;

the replacement of [Reserve] assets not considered to be 'useful', 'with a single, more efficient and viable force of volunteer, individual reservists' called the Australian Army Individual Emergency Reserve (AIER)':

- to 'round-out' under-strength units and headquarters;

- to 'fill-in' behind shadow posted personnel;

- to provide special skills; and

- to provide individual reinforcements;

prior to call out :

- to retain individuals who for personal reasons or due to exigencies of the service are unable, for limited periods, to continue to serve in the ARA and Active ARes; and

- to allow individuals to serve voluntarily to meet short and long term manning deficiencies elsewhere in the Army;

a phased integration of Regular and Reserve components over the period to the late 1990s;

rationalisation of senior ARes rank levels;

the study of a cash bonus incentive scheme tailored to contract ARes wastage patterns;

the study of the resources necessary to restructure the ARes to accord with DOA87, but not to address 'any deficiency that there might be in the existing level of resources provided to the ARes' ; and

increased allocations of ARes training days.

(Army, Submission, pp. 919-33)

3.43   These laudable initiatives are offset in the Committee's view by a line of thinking that must surely have impeded the development of the ARes. Here the Committee refers to Army's belief that 'It is . . . clear that the Reserve has a limited capacity to absorb complex capabilities and little capacity to react to shorter term contingencies' (Army, Submission, pp. 933, 934)[7]. Suffice it here to make two contrary observations that, first, no innate factor prevents Reserves from absorbing 'complex capabilities'. That capacity is simply a function of policy, the quality of manpower and opportunities for both basic and advanced training.

3.44   Second, the capacity of Reserves to react to shorter term contingencies depends above all else on the roles and tasks they are required to perform at short notice. As Dibb correctly observed, 'Our vital interests are compact and easily identified, geography is an unchanging factor in our strategic calculations, and the nature of possible military threats can be well understood' (Dibb, 1986, p. 40). Not all ADF ground forces need to be capable at short notice of complex manoeuvre or intense military engagements. Such a requirement across the total Army is not in accord with endorsed defence policy.

3.45   Similarly, the Committee has substantial difficulty with the Army view that:

> A major factor in determining an appropriate balance between the ARA and the ARes in the Total Force is the likely threat. A threat which emerges at short notice would dictate the need for a predominantly ARA force in being while greater warning time allows for a higher proportion of ARes. Until a threat can be accurately predicted it is not possible to make such military assessments on force structure and

---

[7]   This theme is addressed later at paragraphs 6.36-42.

consequently cost plays a more significant role in determining the balance between ARA and ARes in peace (Army, Submission, p. 933).

Such thinking is to revert to arguments about the nature of warfare for which the military capability of ground forces should be structured. DOA87 was supposed to establish *defence policy* for such questions.

3.46   Three other impediments to the development of the ARes following DOA87 and reported by Army in its primary submission to this inquiry were:

.   the decision not to address resource deficiencies existing before DOA87 called for restructuring of the ARes;

.   'insufficient operating cost allocations to develop DOA87 directed capabilities and to, in some cases, achieve even minimum safe training standards'; and

.   inability to fill the 78 ARA manpower positions identified to meet ARes DOA87 restructuring requirements.

(Army, Submission, pp. 930-2)

3.47   **Air Force.** The initiatives reported by Air Force in its primary submission included:

.   adoption of the 'prime objective . . . to have the RAAFAR fully integrated into the peacetime force so that transition from peacetime to a contingency situation can be made rapidly, economically and effectively (Air Force, Submission, p. 951);

.   a 'review of the RAAF Active Reserve completed in 1988 [which] defined a clear function and a number of roles and associated tasks to follow . . . the requirements of DOA87' (Air Force, Submission, p. 961);

54

a resource-neutral 'shift of direction' to enable the RAAFAR to assist RAAF to meet its responsibilities in contingencies as well as to support the RAAF in its routine peacetime activities (Air Force, Submission, p. 944);

the development of a manpower contingency plan to identify requirements in terms of numbers, skills and timings, and options for the complementary employment of permanent and reserve personnel (Air Force, Submission, pp. 956, 957);

recognition 'that policy direction for the RAAFAR had been deficient' and the consequent appointment of a Director of Reserves (at either Air Commodore or Group Captain rank) within the Air Staff (Air Force, Submission, p. 955); and

specifically with 'northern contingencies' in mind, the raising of a RAAFAR squadron at Darwin (Air Force, Submission, p. 957).

3.48   Impediments identified by Air Force were as follows:

.   a wastage rate of about 15 per cent with an undesirably high number of personnel in the 'recruiting pipeline';

.   a mismatch between the RAAFAR skill profiles then available and those needed to fulfil restructured functions and tasks;

.   long-term vacillation over the employment of RAAF Reserve aircrew (Submissions, pp. 957, 1030-31.)

.   lack of funds to raise the constrained manpower ceiling of 1,500 to the authorised establishment of 2,000;

.   difficulties experienced in attracting trade-qualified civilian recruits into RAAF technical trades; and

55

- declining employer support

Call Out

3.49   Call out provisions of some kind have always existed in Australia. Initially the Reserve forces were only liable for call out in time of war, and then only for service within Australia. In 1964 this was extended to call out in time of defence emergency and for service outside Australia. In his *Review of Australia's Defence Capabilities*, Dibb carefully explained how:

> In line with the philosophy of a 'total force' advanced for the Army by Dr Millar in 1974, defence planning for both lower-level and more substantial situations in the longer term had become increasingly dependent on the ready availability and capacity provided by the Reserves' ... Millar did propose an amendment to the Defence Act to provide for call out of the Army Reserves without the declaration of a defence emergency. However, this proposal was not carried through as a principal recommendation of the Report (Dibb, 1986, pp. 157, 158).

3.50   The 1976 White Paper guardedly proposed that Parliament may well wish to consider whether the purpose of better training and better sense of participation would justify provisions authorising compulsory call up of Citizen Reserves for limited periods in international situations proclaimed as requiring augmentation of the forces, but not proclaimed as a state of war or time of defence emergency or for short-term assistance to the civil authorities during a national disaster (*Australian Defence*, 1976, p. 33).

3.51   Dibb pointed out that the focus of defence policy - that is, the defence of Australia - largely obviated the need 'for overseas service to be voluntary for Reserve' (Dibb, 1986, p. 158). He argued that it was

necessary that the Government legislate for a limited call out, that is, a call out prior to the declaration of a defence emergency.

3.52   Noting the indispensable role Reservists were planned to play, DOA87 stated simply that 'The Government will soon legislate for restricted call out of Reservists, thus ensuring their availability in credible contingencies' (DOA87, p. 59). This time the Government did pursue the matter and:

> The Defence Legislation Amendment Act of 1987 [proclaimed with effect from 15 July 1988] now enables the limited call out of Reserves for the defence of Australia in situations short of a Defence Emergency, for periods of three months at a time with the maximum continuous period for an individual Reservist being 12 months. Consequently this allows the Reserves to be utilised in credible contingencies and particularly in integrated units. Although the mechanics of call out have not been exercised nor proven, there are no longer any major impediments to the inclusion of ARes in contingency planning (Army, Submission, p. 921).

Call out of the Reserve for the defence of Australia may be selective in that the legislation provides for call out of 'any part' of the Reserve.

3.53   Army in particular was concerned to protect Reservists' 'civilian interests in the event of call out in situations short of a Defence Emergency' (Army, Submission, p. 921). Accordingly, Army instituted a working party to make recommendations about any further legislative and policy developments required. Consequentially, *A Report of the Army Working Party into Protection Requirements for Civilian Interests of Reserves when Called-Out in Accordance with the Defence Act 1903* was completed in October 1991. (That Report is being considered within Army as this present Report goes to press).

Exercise Kangaroo 89

3.54   Exercise Kangaroo 89 (K89) represented the first opportunity to assess the current tactical capabilities of the ADF in a joint operational setting based on the concept of defence in depth provided by the 1987 Defence White Paper. K89 was conducted from July to September 1989. The area of operations extended from Cape York to the Pilbara Region and involved nearly one third of the regular ADF and about 6,000 Reservists from all Services. Over 2,000 United States Service personnel also participated in the exercise. K89 was an important source of information on the performance of the ADF in meeting its objectives.   The exercise proved many concepts for operations.   However, it also exposed a number of deficiencies in equipment, training and infrastructure.   Over 160 major recommendations requiring follow-up action were identified in the classified Post Exercise Report dated April 1990 (*Defence Report 1989-90*, p. 19).

External Reviews

Australian National Audit Office Report on the ARes

3.55   In March 1989 the Auditor-General undertook an audit of the ARes. That audit proceeded in parallel with this present inquiry, taking more than 12 months to complete. Subsequently, in August 1990, the Auditor-General transmitted to the Parliament Audit Report No. 3, 1990-91: *Department of Defence, Australia's Army Reserve* (ANAO Report). The audit examined 'the economy, operational effectiveness and resource efficiency of the Australian Army Reserve' (Audit Report No. 3, 1990-91, p. xiii), and aimed to assess effectiveness against the objectives identified for the ARes in DOA87 and other relevant Defence papers.

3.56   The congruence between these objectives and the Committee's own Terms of Reference will be obvious.   Moreover, because matters relating to the ARes in many ways predominated the Committee's investigations, the Committee naturally took a great interest in the scope, methodology and the findings of, and the reactions to, the ANAO Report.

3.57   Accordingly, the Committee was at some pains to 'validate' the ANAO Report, not only to fulfil the Terms of Reference but also to use its findings to the maximum extent possible.

3.58   The Committee was concerned, first, to satisfy itself about the audit's scope and costing methodology. Concerning the former:

> [The] audit involved inspections in New South Wales, Victoria, Queensland, South Australia and the Northern Territory . . . It involved the review of material relating to the policy, management and operations at the Australian Defence Force headquarters, principal unit and formation headquarters such as Land Command, Training Command and Logistics Command, and branches within the Army Office, Canberra. Site visits were made to all three divisions, four military districts, training groups in four locations, Army Reserve recruiting units, and operational units in Sydney, Cairns, Townsville and Darwin. Information was also obtained from a wide range of personnel within Army and the Army Reserve, both during and subsequent to the site inspections . . . The audit process involved the collection of information and data from a sample of people associated with the operation of the Reserve. This material was analysed and evaluated. In order to test both the accuracy of factual material and the validity of the observations flowing from the ANAO analysis, details of the audit findings and conclusions were provided to Defence as a basis for discussion and debate. This process was designed to enable Defence to identify any errors of fact or interpretation and to ensure that any unique features of the Defence environment had been taken into account. During this stage Defence tested the audit findings and provided ANAO with additional information and

comments. The audit findings were reviewed in the light of this material and, finally, the proposed report was again referred to Defence for inclusion of any additional comments they wished to offer (Evidence, 20 November 1990, pp. 1093, 1094).

3.59   The Committee is well satisfied that, among other things, the scope of the audit supported its findings. Those from the Audit Office directly responsible for the planning, conduct and supervision of the review provided evidence to this Committee and written answers to further questions arising from that appearance.

3.60   There has been some criticism of the costing methodology used by ANAO for certain aspects of the audit and, consequently, of the accuracy of related findings. This, it must be said, has led to a general denigration of the ANAO Report in some quarters. Indeed, some members of this Committee were initially quite sceptical about the audit and its findings.

3.61   The facts concerning perhaps the most contentious aspect - the cost of ARA support of the ARes - are that:

.   only Army information was used (Evidence, 20 November 1990, p. 1108);

.   the sample size on which the total estimate was based represented about 25 per cent of the ARes (Evidence, 20 November 1990, p. 1113);

.   ANAO - after considerable consultation and reflection - put their estimate at $92 million per year, or midway between the boundaries of $80 million and $105 million attributed to the methodology (Audit Report No. 3, 1990-91, p. 48);

.   following 'very difficult' costing exercises conducted in one small and one large military district, Army reported: 'we can say that we are in the same ballpark as the Australian

National Audit Office' (Evidence, 26 July 1991, pp. 1395, 1396); and

.   even if the band of error was twice as large as that allowed by ANAO, the estimated total annual cost of the ARes would be in the order of $500 million.

3.62   Taking a broader view, the Committee noted:

.   the wide range of opportunities provided by ANAO to Defence to submit alternative data and to debate opinions and findings;

.   that Army agrees, at least in principle with 88 of the 95 recommendations and has no serious areas of disagreement (Evidence, 26 July 1991, p. 1396)[8]; and

.   as of 26 July 1991 '24 recommendations have so far been implemented and work progresses on the remainder' (Evidence, 26 July 1991, p. 1396).

---

[8]   The Recommendations on which there was disagreement related to:

.   ARes officer-to-other ranks ratios (Audit Report No. 3, 1990-91, p. 146);

.   adjustment of equipment entitlements to reflect 'borrowed' personnel positions (Audit Report No. 3, 1990-91, p. 146);

.   centralised recruit training (Audit Report No. 3, 1990-91, p. 158);

.   modularisation of NCO courses (Audit Report No. 3, 1990-91, p. 159);

.   administrative duplication in the 'issue of training objectives and directions' (Audit Report No. 3, 1990-91, p. 163)

.   the provision in training directives of assessment criteria 'of particular, nominated training activities' (Audit Report No. 3, 1990-91, p. 164).

3.63   While these are all differences about substantial matters, the Committee considers that only the one dealing with assessment criteria is absolutely critical to the development of the Reserves.

3.64   The Committee observed earlier that assessments of readiness rely on standards, criteria and data[9]. The ANAO Report focussed on the absence of precise guidelines for roles and tasks and standards for their performance (Audit Report No. 3, 1990-91, p. 12; Evidence, 20 November 1990, p. 1095-1096). Lack of criteria against which units were to measure effectiveness were also a major finding of the ANAO Report (Audit Report No. 3, 1990-91, pp. 129-32). Concerning the availability and quality of data, the Committee would agree with ANAO's claim that they:

> have added to the debate on the Army Reserve . . . a substantial collection of data from the Defence databases which are *excellent at capturing information but not very effective at outputting it.* What we have done is worked very hard talking to a lot of people and massaging that system to output *something* (Evidence, 20 November 1990, p. 1103 emphasis added).

3.65   The Committee has some differences of judgement with the ANAO concerning the conclusions it reached, but is in agreement with the broad thrust of the Report and certainly the costing data presented have its support. The Chairman of this Committee has noted in the public record that the Audit Report No. 3, 1990-91 'is a very valuable document'.

The Defence Force and the Community

3.66   A.K. Wrigley was commissioned in May 1989 by the then Minister for Defence to explore how the Australian community could play a greater role in strengthening Australia's security and how more

weight could be given to the Government's policy of eliminating unnecessary duplication of civil and military skills and capabilities.

3.67   In his report published in June 1990, *The Defence Force and the Community*, Wrigley proposed strengthening community involvement in defence through greater use of the civil infrastructure and industry to undertake support activities, and adjusting the ADF force structure by reducing the regular forces and increasing the Reserves or, as he termed it, introducing 'Militia' (Wrigley, 1990, p. 6). Under this Militia concept, Reserve forces would undertake an initial three month full-time training period with annual training obligations similar to existing Reserve commitments.

3.68   There has been extensive public debate on the *Report* by Wrigley and, although it was not concerned centrally with Reserve forces, the *Report* does examine in some detail the role of part-time military forces. Wrigley has advised the Committee that this was primarily because:

- the analysis of defence force contingency plans and studies showed that deficiencies in the numbers of personnel - particularly those with specialised skills - provided substantially the earliest and most extensive constraint on the defence force's ability to respond to operational demands; and

- the defence force's image of itself as a small highly-trained career professional force, traditional in its values and demanding and different in its requirements of the people it employed, was judged to be an impediment to greater community participation in defence.

Evidence, 19 Nov. 1990, pp. 899-923

3.69   The *Report* concluded that the creation of an effective part-time military component would help deal with these and other characteristics of the current force which were detrimental to effective national defence. A summary of the more relevant aspects of the

---

[9]   See paragraph 3.20.

Wrigley *Report* was provided in Wrigley's submission to this Committee under the following headings:

- **Community Attitudes to Defence.** If the community is to be more involved in defence there is a need for a simple and substantially more persuasive explanation of the fundamental needs to Australia's defence posture. It would be important that the community come to see that its own participation is important if we are to achieve the self-reliant defence capability that successive governments have said is their aim, and that the community plainly believes it should get.

- **National View of Defence Needs.** There is little or no priority for the Australian defence force to conduct large-scale independent military operations beyond the effective research of Australia's supporting infrastructure . . . [Wrigley describes] all military operations in which the objective is clearly and persuasively (to the community) related to the protection of Australia's sovereign interest as *sovereignty-defence tasks* . . . There are, however, some military tasks which could arise with even less warning . . . . which are of the kind Senator Evans, in his ministerial statement of December 1989, 'Australia's Regional Security', called 'politico-military', and they include contributions to international peace-keeping and similar activities. Such tasks . . . should be able to be met by drawing from a defence force structure for the defence of Australian sovereignty. In my review, I called these tasks *constabulary tasks* . . . The full-time regular defence force should be capable of satisfying the government's expectations of it in relation to *constabulary tasks* without calling out reserve forces and without undue disruption of the community's normal peacetime priorities. However, when *sovereignty-defence tasks* are involved, it is reasonable to expect the community to accept that reserve military forces could be employed.

How Does the Current Defence Force Match These Needs? The factors which would constrain the defence force's capacity to mount and sustain military operations directed at *sovereignty-defence* overwhelmingly related to shortages of people with particular skills . . . generally (the critical skills) were technical skills of kinds which at least generically, are fairly widely employed within the civilian community . . . The few large equipment items that seemed likely to limit response to operational contingencies assessed as credible in the shorter term were usually of types the capacity of which, by suitable planning, could be supplemented from within the civilian infrastructure (eg principally in the transport, communications, engineering and health services fields).

How Could the Civilian Community and the National Infrastructure Help Achieve Better Balanced Sovereignty-defence? The ADF's inability to maximise the latent capacity of its major combat and combat-support equipment could be greatly eased by the creation of a capable tri-service part-time military component made up of a carefully matched mix of personnel with prior military experience, . . . and others without military experience but with higher educational and intelligence standards than have been achieved in regular military recruits to date . . . Much greater use can then be made of the existing national civilian support infrastructure . . . (and) full-time uniformed personnel can be much reduced in peacetime. This lack of planning to maximise our defence capacity by developing a sense of *interdependency* between the defence force and the community is endemic in our current defence posture . . . The *Review* carried out an analysis of an alternative 'model' of the defence force which accepted the existing force structure and simply made use of people - full-time and part-time military, and private and public sector civilians - in a way more consistent with the opportunities presented by a sovereignty-defence posture. It concluded that in this model a mobilised defence capacity could provide *at least*

*35 per cent more effective combat-related personnel than we
have today . . .* The steady-state annual cost of the
alternative model would be about $400 million less than
today's force . . . The model's reduction in full-time military
personnel *is almost totally confined to those engaged in*
quasi-civilian support service jobs: the number of full-time
combat-related personnel remains almost unchanged.

What Needs to be Done to Achieve the Change? [The
Wrigley] *Review* argues that tangible initiatives such as
those outlined are unlikely to be truly effective unless
launched in concert with an acknowledgment by our political
leaders of the need for a new approach to national defence,
backed by a sustained program to change both military and
community attitudes.

(Wrigley, Submission, pp. 1980-4)

3.70   Wrigley made the basic assumption that Australia would
enjoy a period of strategic warning far beyond that which shapes
defence policy, ADF military capability in general and Reserves'
employment in particular. Wrigley's assumption in this regard was
rejected by the Interdepartmental Committee on his *Review*[10].

3.71   On 30 May 1991 the Minister for Defence announced that:

The Government decided not to adopt Wrigley's
specific proposal for a 'militia' in his report *The
Defence Force and the Community,* largely
because Mr Wrigley's proposal did not meet the
Government's readiness requirements.
Mr Wrigley's proposal is a high risk strategy,
which depends on retaining large numbers of
reserve personnel. Nevertheless, the Defence
concept for the new form of reserve service is
consistent with his emphasis on greater use of
former regulars, and improved training and

---

10   See paragraphs 3.72-75.

resources for reserves to broaden the overall
defence base (*Ministerial Statement,* 30 May
1991, paragraph 4).

The Report of the Interdepartmental Committee on the Wrigley Review

3.72   In October 1990 the Minister for Defence established an
Interdepartmental Committee (IDC) to examine the proposals made by
Wrigley in his *Report* and, where appropriate, to recommend an
implementations strategy. The IDC report was tabled by the Minister
for Defence in May 1991 along with the *Force Structure Review 1991*
and the *Ready Reserve Program 1991.*

3.73   The Terms of Reference for the IDC emphasised the greater
use of the civil infrastructure and the employment of civilians. The
Terms of Reference recognised the work being done within Defence on
the Ready Reserve concept and the IDC examined the greater use of
Reserves in tandem with that Defence initiative.

3.74   In relation to the Ready Reserve/Militia proposals, the IDC
concluded that the Ready Reserve proposal better accords with current
Defence assessments as it would deliver better short term response
capabilities. However, Wrigley's alternative force proposal does contain
a number of concepts which the IDC would support being taken into
account in the use of Reserves by the ADF and which, in part, could be
usefully tested in the Ready Reserves. These include:

changes to the Reserves should be linked to an overall
upgrading of the importance of the Reserves;

Reserves should have a clearly specified Defence role;

the increased role which Reserves can play in the Navy and
Air Force, given their high turnover of skilled personnel and
limited crews for expansion; and

principles regarding the training and equipping of Reserves.

While incentives will be required to attract personnel into the Ready Reserves, the cost should not outweigh the savings mooted in moving to the Ready Reserve proposal or cause problems of comparison with conventional Reservists or full-time ADF staff (IDC Report, 1991, p. 22).

3.75 In many ways the IDC conclusions cited in the previous paragraph refer to issues central to this present inquiry. The Committee, however, has a different view about them. Suffice it here to note briefly that:

> 'short term response capabilities' are exactly what ADF Reserves - including Ready Reserves - cannot provide in current and planned circumstances[11];
>
> the costs of the Ready Reserves will outweigh their usefulness, particularly in Army, and they will certainly cause problems for conventional (ie General) Reserves[12]; and
>
> the prescriptions for the further development of ADF Reserves listed by the IDC do not need to be tested; their success is assured; they need to be applied as a matter of urgency.[13]

3.76 It is appropriate here to examine the capability requirement which purportedly led to the adoption of the Ready Reserve concept.

The Genesis of the Ready Reserve Concept

3.77 The *Ready Reserve Program*, integral to the *Force Structure Review 1991*, credits proposals by Dr Ross Babbage and by Dr Nick Jans and Mrs Judy Frazer-Jans as the wellsprings of the ADF's Ready Reserve concept. Babbage's proposal, *Considering New Personnel Structures for the Australian Defence Force*, was submitted to this present inquiry in July 1989 (Babbage, Submission, pp. 685-702)[14]. On 23 October 1989 the Committee discussed Babbage's ideas with him during a public hearing (Evidence, 23 October 1989, pp. 74-99).

3.78 Dr Jans and Mrs Frazer-Jans were commissioned by the Chief of the Defence Force on 12 July 1989 'to consider and advise on the desired pattern and characteristics of careers in the ADF from the present until about the year 2015' (Jans and Frazer-Jans, p. 11). Their report, *Facing up the Future: Proposals for Career/Personnel Initiatives to Assist in Staffing the ADF in the 1990s and Beyond*, was completed, and endorsed by the Chiefs of Staff Committee, in December 1989.

3.79 It must be recognised that the fields of study and orientation of these two proposals are very different. Babbage raised the manpower issue in the context of its contribution to ADF force structure and preparedness. Jans and Frazer-Jans were tasked to conduct an exercise in human resources management relating to career structures and personnel policies in the context of an ADF restructured 'from a regular-based force to a reserve-based force' (Jans and Frazer-Jans, 1989, 1989, pp. 12-13).

3.80 Babbage argues cogently that the readiness of the ADF does not meet changed strategic circumstances and espoused Government policy. With respect to ground forces he notes that 'A central conclusion of this analysis is that, even when considering low level contingencies, those judged by successive governments as the least unlikely to arise against Australia's vital interests, the nation's capability to deploy adequate forces in a timely fashion is extremely doubtful'. He concludes also that RAAF 'air operations would be severely constrained by shortages of qualified flight and support crews and could not be sustained at even moderately high levels for more than a few weeks at most' (Babbage, Submission, pp. 686-691).

---

[11]   See Chapter Four.

[12]   See Chapter Five.

[13]   See Chapter Six

---

[14]   For Babbage's earlier thoughts on the subject see *Rethinking Australia's Defence (1980)* (pp. 184-208). The ideas in his submission are developed further in *A Coast Too Long* (1990) (pp. 211-21).

3.81   Having noted the financial and demographic constraints likely to apply to attempts to redress these capability shortfalls, Babbage summarised his appreciation of the problem thus:

> Australia's strategic priorities have created a requirement for significantly larger number of trained defence personnel. *The only way* of obtaining substantially larger numbers of trained defence personnel with a stable or reducing defence budget is to examine a range of part-time or latent force options (Babbage, Submission, p. 693).

Babbage proposed that Ready Reserve service should be *explored* as 'a personnel structure that [offered] potential for resolving Australia's force structure dilemmas' (Babbage, Submission, p. 701).

3.82   While the Committee agrees that the present disposition of the ADF *does not meet in critical ways espoused capability* requirements, the Committee has different views about Ready Reserves *as a part of the solution.* First, the Committee is not convinced by Babbage's argument or any other evidence before the Committee that the ADF requires 'a significantly *larger* number of trained defence personnel' than the more than 90,000 already provided. The Committee considers that this view is only valid if the most efficient use is being made now of the personnel available. This Report shows why that is not the case.

3.83   Second, the Committee considers that the manpower options already open to the ADF provide the scope to man the force flexibly and effectively without introducing Ready Reserves.

3.84   The Jans-Frazer-Jans Report recommends the adoption of, among other things, a Ready Reserve model based on the following central assumptions:

> •   the current structure seems inadequate to meet its most likely contingency;

> •   the current structure is proving increasingly difficult to staff; and

> •   reserve forces are more cost-effective in our current environment (Jans and Frazer-Jans, 1989, p. 50).

Jans and Frazer-Jans draw heavily on Babbage's submission to support their first assumption, on which the Committee has already commented. While much evidence supports the second contention, the third is not justified unless qualified by considerations such as risk, roles and readiness leadtime.

3.85   Where the Committee has real difficulty with the Jans' approach is that they do not admit to choices for action between the ADF giving in reluctantly and experimenting with Regular-Reserve force mixes on the margins, whilst retaining its fundamental current character and embracing the need for change and taking the lead in doing so - that is, adopting in part a Ready Reserves type of service (Jans and Frazer-Jans, 1989 p. 51). There is no reason why the ADF cannot adopt 'Regular-Reserve force mixes' which are far removed from 'the margin' but yet do not involve unnecessarily a new type of Reserve service.

3.86   The Committee was not convinced that there was a proven need for Ready Reserves. Furthermore, Chapter Five will show that Defence, while citing the work of Babbage and of Jans and Frazer-Jans, actually adopted a Ready Reserve model whose characteristics were markedly different from those they specifically recommended.

CHAPTER FOUR

THE CURRENT CONDITION OF THE RESERVES

Scope of Assessment

4.1   Thus far this Report has established the broad historical antecedents of ADF Reserves and examined briefly the policies and other factors which might explain the condition of those forces. This chapter addresses the current condition of ADF Reserves.

4.2   The Committee uses 'current' to mean before the policies announced in the *Force Structure Review 1991* (FSR) and its integral *Ready Reserve Program 1991* (RRP) have had time to take effect[1]. By 'condition' the Committee means ultimately the effectiveness and efficiency of ADF Reserve Forces to perform the roles and tasks set by DOA87 and subsequent defence policies[2]. To the extent that they affect effectiveness and efficiency, other factors such as resource levels,

---

[1]   Chapter Five examines the Reserve-related aspects of the FSR.

[2]   To abide by its Terms of Reference and delimit the scope of its inquiry the Committee has taken the ADF's force structure as given, with two exceptions. The first is explicit in the Terms of Reference and concerns Reserves manpower: 'the balance between Regulars and Reserves . . . and the potential for the Reserves to make a greater contribution to the ADF' (Terms of Reference iii). That is, the Committee has not considered how many ships or brigades or aircraft are required for the defence of Australia; but has considered the alternative balance between Regulars and Reserves within the size of the ADF force structure currently approved by the Government. The second exception is that the Committee concluded that the *Force Structure Review's* reversal of a long-standing policy to introduce a Reserve-based auxiliary minesweeping was so clearly incorrect as not to be taken as an assumption.

recruitment, *ab initio* training, leadership and conditions of service need also to be considered.

4.3   The Committee decided to focus only on the operational readiness component of preparedness (sustainability is the other)[3]. This present inquiry and the closely related review conducted recently by the Auditor-General show that setting and measuring readiness standards present their own considerable difficulties. Furthermore, the Committee noted that the development of ADF sustainability doctrine and objectives is much less advanced than for readiness[4]. The Committee concluded that the assessment of Reserves' sustainability would be even more difficult and was not a useful undertaking in present circumstances.

Overview

4.4   As listed by location at Appendix 4, the ADF's force structure includes:

.   eight Naval Reserve Port Divisions and one Naval Reserve Air Division;

.   nearly 200 Army Reserve or integrated Regular Army/Army Reserve units; and

.   nine Air Force Active Reserve Squadrons.

4.5   In total ADF Reserves comprise some 39,000 personnel (Defence, Submission, p. 874), of whom about 28,000 have training obligations and may be considered to contribute directly or indirectly to the operational readiness of the ADF. Naval Reserves make a significant contribution to the operational roles performed by Navy. More than half of Army's combat and combat logistic forces are

---

[3]   See Appendix 5, paragraph 12.

[4]   See, for example, the *Chief of the Defence Force Directive on ADF Operational Readiness* dated 30 July 1991 and, in particular, Annex A, ADF Preparedness Doctrine.

composed of Reserve personnel. For credible contingencies Air Force would rely heavily on its Reserves in order to mount forward deployments while maintaining key logistic activities at its main operating and support bases.

4.6   An important consideration in assessing the condition of the Reserves is the exercise of command within the three Services vis-a-vis responsibilities within the ADF for preparedness, on the one hand, and the conduct of operations on the other[5].

Organisational Structure

Parts of the Services

4.7   Each Service has three parts as follows:

.   RAN (in accordance with the *Naval Defence Act 1910*):

-     Permanent Naval Forces (PNF);

-     Naval Emergency Reserve Forces (NERF); and

-     Australian Naval Reserve (ANR).

.   Army (in accordance with the *Defence Act 1903*):

-     Permanent Military Force - the Australian Regular Army (ARA);

-     Emergency Force (Regular Army Emergency Reserve - RAER); and

-     Reserve Force - the Army Reserve (ARes).

.   RAAF (in accordance with the *Air Force Act 1923*):

-     Permanent Air Force (PAF);

---

[5]   See paragraphs 3.27-8.

- Air Force Emergency Force (AFEF); and

- Royal Australian Air Force Reserve (RAAFR).

Emergency Forces

4.8   The Naval Emergency Reserve Force (NERF), known also as the RAN Emergency Reserve (RANER), has been dormant since 1974. Under existing regulations, the NERF can be reactivated at any time although to a large extent the provisions of the revised 'call out legislation obviates the need for the NER' (Navy, Submission, p. 885). In any case, Navy considers that 'the support and complementary role of the ANR now meets the original objectives of the NERF'.

4.9   The Regular Army Emergency Reserve (RAER) has been subsumed by the Australian Army Individual Emergency Reserve (AIER), a 'reserve' rather than an 'emergency' force. The RAER was used to supplement specific skills for the Regular Army (Army, Submission, pp. 911, 925)[6].

4.10   The Air Force Emergency Force (AFEF) has been dormant since 1973 (Air Force, Submission, p. 967).

Reserve Forces

4.11   The condition of ADF Reserve forces is discussed in the following paragraphs under the headings of force structure and readiness. Reserve organisational aspects are included under force structure[7].

---

[6]   AIER service is discussed at paragraph 4.29.

[7]   Reserve types of service are discussed in Chapters Six and Seven, having examined the impact of the *Force Structure Review* in Chapter Five.

Force Structure Considerations

Naval Reserve Force Structure

4.12   **Components.** There are three components of the **Australian Naval Reserve (ANR)** structure:

.   Royal Australian Naval Reserve (RANR);

.   Royal Australian Naval Emergency List of Officers (RANEM); and

.   Royal Australian Fleet Reserve (RAFR) (Navy, Submission, p. 885).

4.13   **Royal Australian Naval Reserve (RANR).** The RANR, the only component of the ANR which has a training obligation, comprises:

.   Active Attached Reserve (AAR). AAR personnel have an annual training obligation of at least 28 days, including a 12-day continuous training period and a minimum of 16 days non-continuous training;

.   Active Unattached Reserve (AUR). AUR members include seamen and engineering officers of the Australian merchant marine, lawyers, hydrographers, chaplains, psychologists, doctors and dentists. Merchant marine officers have an annual continuous training commitment of 12 days, while the remainder have an annual obligation of five days continuous training; and

.   Inactive Unattached Reserve (IUR). The IUR comprises former members of both the AAR and AUR who have no annual training obligation.

4.14   **Royal Australian Naval Emergency List of Officers (RANEM).** The RANEM comprises mainly former PNF officers who opt to join on leaving the PNF. It is simply a list of volunteers who may provide a pool of trained officers in various contingencies. A high

percentage of officers leaving the PNF transfer to the RANEM. Members of the RANEM have no training obligation, but can volunteer for periods of continuous Reserve service up to a maximum of 28 days. Longer periods require the approval of the Assistant Chief of Naval Staff - Personnel.

4.15   **Royal Australian Fleet Reserve (RAFR).** The RAFR is the same as the RANEM except that it comprises former sailors rather than officers. Relatively few sailors transfer to the RAFR on separation from the PNF.

4.16   The parts of the RAN, its Reserve components and RANR forms are shown at Figure 4.1.

<div align="center">

Figure 4.1 RAN Parts, Reserve Components
and RANR Forms of Service

ROYAL AUSTRALIAN NAVY

</div>

Permanent
Naval Forces
(PNF)

Australian
Naval Reserve
(ANR)

Naval Emergency
Reserve Force
(NERF)

Royal Australian
Naval Reserve
(RANR)

Royal Australian
Naval List of
Emergency Officers
(RANEM)

Royal Australian
Fleet Reserve
(RAFR)

Active
Attached
Reserve
(AAR)

Active
Unattached
Reserve
(AUR)

Inactive
Unattached
Reserve
(IUR)
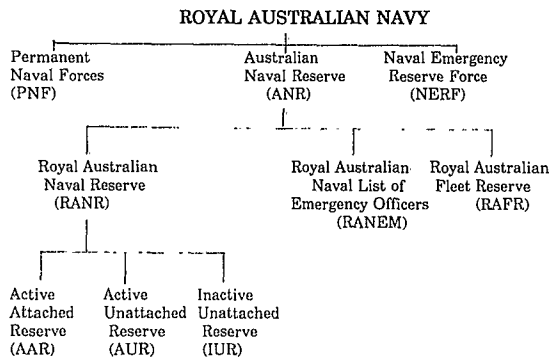
4.17   **Strength.** The strength of the RAN's Reserve elements as at 30 June 1991 is shown at Table 4.1.

<div align="center">

Table 4.1 Strength of Naval Reserves
(Source: *Defence Budget Brief 1991-1992*)

</div>

WITH TRAINING OBLIGATIONS	
Royal Australian Navy Reserve (Active Attached)	1,464
Royal Australian Navy Reserve (Active Unattached)	142
WITHOUT TRAINING OBLIGATIONS	
Royal Australian Navy Emergency List of Officers	1,282
Royal Australian Fleet Reserve (sailors only)	1,339
Royal Australian Navy Reserve (Inactive Unattached)	563
TOTAL	4,790

4.18   Of course, only those Reservists with a training obligation (ie 1,606 total) contribute directly to Naval readiness. The Committee noted that Naval Reserves also supplemented PNF manning to the extent of about:

.   160 RANEM/RAFR personnel performing full time duty in PNF billets; and

.   9,000 man-days of relief manning (Navy, Submission, p. 898).

The former supplementation 'permits gap filling in strategic areas of the PNF . . . [the latter] greatly assists in the completion of short term

tasks thereby releasing PNF personnel for more pressing duties or to bolster PNF capability over short periods' (Navy, Submission, p. 898).

4.19   In its primary submission, Navy noted that 'There is an imbalance between officers and sailors in both the RANEM/RAFR and the RANR' (Navy, Submission, p. 888). Reasons advanced for this include sailors' relatively lower interest in further service after discharge and constrained career prospects as a Reservist. Navy has pointed out the advantages of the imbalance in the event that the PNF was required to expand. The RANEM would be a key source of experienced staff to assist with the development of RAN force structure and preparedness.   The Committee noted that this logic was decreasingly relevant in terms of current defence priorities.

4.20   **Females.** The Committee was apprised that 'Eight percent of the RANR is female and their employment opportunities are constantly under review in an effort to improve the level of female involvement' (Navy, Submission, pp. 888-9).

4.21   **Disposition.**   The RANR is based on Port Divisions, or training centres, located and equipped with Attached Training Vessels as follows (Navy, Submission, p. 891):

.   Sydney - Fremantle Class Patrol Boat (FCPB)[8];

.   Melbourne - FCPB[9];

.   Hobart - Attack Class Patrol Boat (ACPB);

.   Adelaide - ACPB;

.   Fremantle - ACPB;

.   Darwin - General Purpose Vessel;

---

[8]   Cadre manned by PNF.

[9]   Cadre manned by PNF.

.   Cairns - Landing Craft Heavy (LCH)[10]; and

.   Brisbane - LCH.

4.22   **Facilities.** The PNF provides and maintains all RANR Port Division facilities. 'In some cases the RANR uses PNF facilities on a share basis' (Navy, Submission, p. 891).

4.23   **Functions.** The RANR provides a part-time contribution to the Naval force-in-being in, for example:

.   operations[11];

.   potential for manning merchant ships taken up from trade; and

.   specialised areas such as medical, dental, psychologist, chaplain and legal (Navy, Submission, p. 892).

4.24   **Command.** The Chief of Naval Staff commands the RANR. He has delegated:

.   operational command of the following to the Maritime Commander:

-        Attached Training vessels (for example, patrol boats, landing craft);

-        Auxiliary Minesweepers/Craft of Opportunity;

-        RANR Diving Teams;

-        Port Headquarters for Naval Control of Shipping;

-        Reserve Naval Intelligence Divisions; and

---

[10]   Cadre manned by PNF.

[11]   See paragraphs 4.80-81.

- Harbour defence;

. administrative command of the following to the Naval Support Commander:

- Port Divisions;

- RANR Training; and

- RANR Logistic Support (Navy, Submission, pp. 891, 892).

4.25   **Recruiting and Initial Training.** RANR recruiting and most initial training are carried out at Port Division level (Navy, Submission, pp. 896, 898). Navy reports that 'RAN training schools have revised courses to suit the RANR time constraints without compromising the standard achieved' (Navy, Submission, p. 899).   The Committee understands that RANR recruiting and initial training are being conducted satisfactorily.

Army Reserve Force Structure

4.26   **Components.**   There are three components of the **Army Reserve:**

. Active Army Reserve (ARes);

. Inactive ARes; and

. Australian Army Individual Emergency Reserve (AIER).

4.27   **Forms of Service.** The three forms of Active ARes service are:

. normal conditions, with a minimum training obligation of 26 days per year, with 14 days to be served continuously;

. special conditions, with a minimum training obligation of 26 days per year, to be served as directed by a *proper*

military authority to accommodate soldiers 'who are unable, by virtue of their civilian employment or geographic location, to serve in a normal conditions unit' (Army, Submission, p. 912); and

. *supplementary reserve, with a minimum training obligation* of 14 days, to be served continuously and available only 'to those possessing specific civilian skills and who are willing to apply those skills in a military application' (Army, Submission, p. 912).

4.28   The Inactive Reserve comprises ex-ARA and Active ARes personnel who have no training obligation but who 'may in future be able to transfer back to active service' (Army, Submission, p. 912).

4.29   The AIER comprises volunteer, ex-Regulars and Reserves liable for call out, but whose training obligation is small. Some former members of the RAER are being absorbed into the AIER which has a target strength of 2,500, 'to be reached over five years in increments of 500 annually' (Exhibit No. 23). The tasks of the AIER are:

. to 'round-out' under-strength units and headquarters;

. to 'fill-in' behind shadow posted personnel to provide special skills;

. to provide individual reinforcements; and

. prior to call out . . . to serve voluntarily to meet short and long term manning deficiencies elsewhere in the Army.

(Army, Submission, pp. 925-26)

4.30   The parts of the Australian Army, its Reserve components and forms of Active ARes service are shown at Figure 4.2.

Figure 4.2 Australian Army Parts, Reserve Components
and Active ARes Forms of Service

AUSTRALIAN ARMY

```
┌────────────────────────┬──────────────────────────┐
Australian               Army                    ARA
Regular Army             Reserve                 Emergency Reserve
(ARA)                    (ARes)                  (RAER)
                                                 (replaced by AIER)
┌─────────────────────────────────┐
Active ARes              Inactive ARes
                         (phased out)
┌──────────┬─────────────────────────┐
Normal     Special                Supplementary
Conditions Conditions             Reserve
```
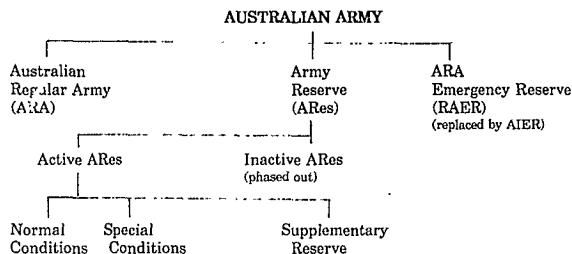
4.31   Strength. The strength of the ARes elements as at 30 June
1991 is as shown at Table 4.2.

Table 4.2 Strength of Army Reserves
(*Source: Defence Budget Brief 1991-1992*)

WITH TRAINING OBLIGATIONS Australian Regular Army Reserves (Effective)	24,935
Australian Regular Army Reserves (Non-Effective)	1,378
Australian Regular Army Emergency Reserves (Dormant)	172
WITHOUT TRAINING OBLIGATIONS Australian Regular Army Reserves (Inactive)	5,241
TOTAL	31,726

4.32   **Prospects for Increased Strength.** Notwithstanding that
much larger numbers of Reservists have been recruited in Australia in
the past from much smaller population bases, evidence given to this
Committee suggests that recruiting larger numbers of volunteers in
future may not be in prospect. For example, Army reported that
'strenuous efforts' have been required to achieve 'only minor gains' in
strength and improve retention rates marginally. Despite such efforts
and high rates of unemployment, it seems that the ARes strength has
'plateaued at about 25,000' (Army, Submission, p. 919).

4.33   **Disposition.** Currently, the Army comprises, among other
things, two divisional headquarters and 10 infantry brigades. Of these,
the ARes contributes a divisional headquarters and seven infantry
brigades[12]. The ARes also provides the Army's three Regional Force
Surveillance Units (RFSU) and makes a major contribution to the
combat support and logistic support forces which complement all
infantry units.

4.34   The ARes contributes about 18,000 (or some 60 per cent) of
Army's total combat forces complement of 31,000 personnel. There are
also about 5,000 ARes soldiers in Training Command and 1,600 in
Logistics Command and regional support organisations. Some 195 units
comprise the ARes. Their name, location and make-up (either Reserve,
or integrated Regular and Reserve) are shown at Appendix 4.

4.35   **Command.** The Chief of the General Staff (CGS) commands
the Australian Army Reserve. He has delegated command as indicated
broadly in the discussion on the disposition of major ARes formations
which follows.

4.36   **Regional Force Surveillance Units** (RFSU). RFSU 'have
responsibilities for surveillance, gathering of information and detection
of incursions in their areas of responsibility' and include :

.   51 Battalion, Far North Queensland Regiment, Cape York,
         Queensland (a battalion of 11 Brigade);

---

12   This number will rise to eight following the introduction of the Ready
         Reserve Program with effect from 1 January 1992.

- North West Mobile Force (NORFORCE), Northern Territory and the Kimberley, Western Australia (under the command of Headquarters Northern Command); and

- Pilbara Regiment, Pilbara Region, Western Australia (under the command of the 5th Military District (5MD), until 5MD is replaced through implementation of Defence Regional Support Review).

(Army, Submission, p. 916)

4.37   **2 Division.** 2 Division is in the chain of command between Land Command and 5 and 8 Brigades. The Division is based in New South Wales and 'tasked with providing round-out and follow-on forces' (Defence, Submission, p. 872), including those needed by the Logistic Support Force.

4.38   The following Brisbane-based ARes organisations are designated as 'part of the Manoeuvre Force':

- 49 Royal Queensland Regiment and 'some integrated combat support and combat logistic support sub-units' (Army, Submission, p. 915) within 6 Brigade, a Regular formation, (under command of 1 Division); and

- 7 Brigade (under the command of 1 Division).

4.39   The following formations are under the command of Land Command Headquarters and are tasked with vital asset protection (VAP) in northern Australia:

- 4 Brigade, based in Victoria;

- 9 Brigade, 'based primarily in South Australia with elements in Tasmania' (Army, Submission, p. 916);

- 11 Brigade, based in north-east Queensland; and

- 13 Brigade, based in Western Australia.

4.40   ARes third line logistic units make up about 50 per cent of the Logistic Support Force (LSF), tasked to support 1 Division, if deployed (Defence, Submission, p. 872).

4.41   In addition:

- The 5,000 Reserve soldiers in Army's Training Command are mainly in Training Groups based in each State and the Northern Territory. They provide not only 'a range of individual (including Initial Employment Training), specialist and promotion training for soldiers of the ARes . . . [but] also . . . the Army's expansion base capability' (Army, Submission, p. 917).

- The 1,600 Reserve soldiers based in Army's Logistic Command and regional support organisations contribute services such as medical, dental, recruiting and staff study groups (Army, Submission, p. 917).

4.42   **Organisation.** Until quite recently Army maintained that its Divisional structure, including one Regular and two Reserve headquarters, was sacrosanct. Cited, for example, were its essentiality for command and control of the land battle and as a training medium for the staff training of officers and senior NCOs (Audit Report No. 3, 1990-91, pp. 31-32). Headquarters 3 Division was disbanded during the conduct of this present inquiry. The Committee considers that there is no justification for its retention in accordance with current strategic priorities[13].

4.43   **Establishment.** The current Authorised Establishment (AE) of the ARes is 30,841, but the Authorised Manning Level (AML) is 28,000. Most units have an AML of about 70 per cent of their AE, but this varies from unit to unit depending on various factors, including regional recruiting and retention patterns (Defence, Submission, p. 2240)[14].

---

13   The Committee's rationale for this judgement is at Chapter 5, paragraph 5.44.

14   It was clear to the Comittee that, in all the current and foreseeable circumstances, differentiation as between, for example, 'war establishment', 'authorised establishment' and 'authorised manning

4.44   A large body of evidence indicates that many organisational and establishment arrangements within the ARes leave much to be desired. Aspects of concern include, for example:

- widespread need to 'borrow' positions in order to achieve workload objectives;

- wide variations in the establishments of units supposedly performing the same tasks;

- high officer and NCO to other rank ratios which also varied markedly between units; and

- very complex, time consuming and apparently unprofitable administrative practices.

4.45   **Equipment.** Turning to the equipment component of the ARes force structure, in 1990 the Australian National Audit Office (ANAO) estimated the value of current ARes equipment holdings to be $263 million at historical costs. Further, known re-equipment programs likely to affect ARes units will involve outlays over the period to 1994-95 in excess of $100 million, based on early costs estimates (Audit Report No. 3, 1990-91, p. 52).

4.46   However, while 'the Reserve is for the most part provided with the same equipment as the ARA' (Army, Submission, p. 918), there are equipment shortfalls from the force structure viewpoint. Examples are as follows:

- 'some equipment requiring highly specialised training such as thermal imagers and radars';

- 'lesser scales of issue . . . to Reserve units for Home Training';

---

level' (AML) was no longer useful. The force structure available to deal with credible contingencies is the AML. Army should desist from using terms which suggest that AML refers to peacetime training and that something larger is required for war.

- regional training pool holdings for 'Continuous Training when there is a peak demand for a broad range of equipment';

- the acquisition of weapons so that, for instance, those Brigades tasked with VAP will not be issued with the Hamel 105 mm gun; and

- special equipment for logistic units.

(Army, Submission, pp. 918, 923)

(Shortfalls with consequences for operational readiness are discussed at paragraphs 4.99-104.)

4.47   The order of magnitude of these equipment shortfalls as they existed in the ARes force structure in 1989 is indicated by a capital equipment requirement of some $565 million as derived by Army (Army, Submission, p. 931). It should be noted that:

> When the Minister approved the restructuring of the ARes post DOA87, he noted that Army would conduct a study into the resource implications of the restructuring and bids for additional resources through normal Departmental processes. During 1988 Army Office identified those resources required as a direct result of the restructuring. *It did not address any deficiency that there might be in the existing level of resources provided to the ARes. In respect of equipment for example, existing deficiencies in assets were not identified nor costed. Only the additional equipment, above existing entitlement, needed to support the restructuring was listed.* The study took into account the manning level of the ARes prior to the restructuring, the level at the time of the study and the target manning level. The subsequent implementation programme proposed in the study was structured around these

manpower levels (Army, Submission, p. 930 emphasis added).

4.48   The ARes occupies about 220 depots Australia-wide. These facilities have been valued conservatively at $130 million (Audit Report No. 3, 1990-91, p. 54). Facilities are a fundamental feature of the ARes force structure because:

- in northern Australia they are of increasing operational importance;

- throughout Australia their location is crucial for recruitment and retention; and

- often, insofar as community relations are concerned, the local ARes depot is literally the public image projected by the Army.

4.49   As alluded to previously, Millar, the Army Reserve Review Committee, Cooksey and the ANAO have all studied ARes facilities for various purposes. The ANAO's findings draw on those earlier reviews, are relatively recent, are 'confirmed by Army documents' (Audit Report No. 3, 1990-91, p. 56) and are supported by the Department of Defence. In part, those findings state:

- many ARes depots are old, poorly located and not functional;

- large numbers of depots continue to occupy valuable inner city sites in the major capital cities;

- many depots are distant from the major recruitment catchments and do not reflect changed demographic patterns;

- there is evidence of some country centres being retained with continuing low levels of active membership or insufficient numbers attending to enable proper training to be conducted;

Army documents acknowledge that ARes facilities will continue to be under-utilised in terms of availability and cost. Where joint utilisation exists with ARA units, then the opportunity exists to obtain full utilisation of the facility . . . depending on the number of ARes and ARA units sharing the facility;

the present location of ARes facilities does not fully reflect contemporary requirements for ARes training pursuant to the roles spelt out in the 1987 Defence White Paper. The location and nature of many of the depots in the south remain largely historical as distinct from functional. However, in recent years some twenty ARes depots have been established for RFSUs in northern Australia, and some new purpose-built facilities have been built in southern Australia for the ARes; and

the dispersal of ARes facilities across regions does not facilitate the achievement of increased operational effectiveness, or due economy and increased cost effectiveness that could flow from variations in the nature of ARes training scheme.

(Audit Report No. 3, 1990-91, pp. 56, 57)

4.50   Retention.   According to the then Land Commander, 'Retention and wastage remain key issues in ARes manning and have been subject to more studies than any other matter associated with the Reserves' (Army, Submission, p. 920). The ARes wastage rate over the past few years has been in the order of 28 per cent per year with a slight downwards trend evident.   The corollaries of that rate - regardless of how comparable it is with military overseas and Australian non-government experience (Defence, Submission, p. 875) - include, for example:

- the need to commit sizeable resources to Individual Initial Training and other basic courses;

- much of the initial training provided is to a large extent an exercise in futility since 'each year we lose 1,500 young

soldiers before completion of their initial employment training and another 1,500 who do not complete their first annual training period' (Smethurst, Submission, p. 752);

- relatively low, static levels of experience and expertise, particularly in unit-level activities evidenced by, for example, the falls in average length of service for ARes majors leaving the service from 'about 14.7 years in 1986 to 11.0 in 1988 and for sergeants from 13.4 in 1986 to 10.5 in 1988' (Smethurst, Submission, p. 753);

- potentially reduced community relations through disaffected ex-ARes members; and

- commitment of disproportionate manpower and other resources to the recruiting function.

4.51   The then Commander of 11 Brigade put it this way:

There are areas that I believe require urgent attention and the first and foremost, and the most critical one, is retention . . . Retention is the key. If we can eliminate or reduce our wastage rate then it follows that we are going to use less resources in the initial training, it follows that we will have continuity in our training, it follows that we will have the ability to develop our young people to make them NCOs and officers, and it follows that we are going to enhance our capabilities, and yet it would seem to me, as a simple infantryman, that we ignore that very critical factor (Mansford, Evidence, 9 February 1990, pp. 382, 383).

4.52   Recruiting. The recruiting effort required to at least replace wastage rates in the order of 25 to 28 per cent is a major task not faced by either Naval or Air Force Reserves. Unlike the situation in the ARA, it is ultimately the responsibility of ARes commanding officers to recruit members for their units.

4.53   Training. In order to maintain its current strength, the ARes needs to provide basic training to around 5,000 members each year.

4.54   Having joined their unit, the new soldiers await a 16 day recruit course, usually conducted by the regional training groups. These are located in each military district except 7 Military District, which is served by a smaller training company. There are two training groups in Queensland - one in Brisbane and one in Townsville. In some cases units conduct their own recruit training but this is presently limited to two integrated units in the Brisbane area, namely 2/14 Light Horse (Queensland Mounted Infantry) and 1 Field Regiment.

4.55   After recruit training members commence their specialist Corps training which is normally conducted within their units. Some may attend ARA courses at their Corps school, depending on positions being made available for ARes students, and some trade courses such as clerk, driver, storeman and basic cook are conducted by the training groups. This latter training may be conducted by means of a camp of continuous training or it may be run on a non-continuous basis over a period of week nights and weekends.

4.56   Corporals promotion courses are generally conducted by the units themselves. Sergeants and Warrant Officers courses are run by the training groups. Applicants assessed as suitable for commissioning usually attend an Officer Cadet Training Unit (OCTU) course for first appointment training. This course comprises about 92 training days involving four 16-day continuous training periods and a number of weekends, and is usually completed in 18 months.   University Regiments are also officer-producing units and are considered by the Army to be 'the most efficient means of producing officers whilst they are undertaking tertiary studies' (Exhibit No. 11).

4.57   In early 1991 the Army introduced an Army Reserve Full Time Commissioning Course (FTCC) of 40 training days conducted at Land Warfare Centre, Canungra. The course is based on subjects covered on the OCTU First Appointment Course, with some training objectives to be achieved subsequent to attendance at the FTCC. This training shortfall is redressed by attending further training activities within units and/or at training groups within a specified period after

completing the FTCC. Civilian applicants for the course are required to complete a recruit course before attending the FTCC.

4.58 The FTCC will give priority to:

- applicants from the country areas where a shortage [of ARes officers] exists;

- city applicants who are unable to attend an OCTU because of work commitments or an unwillingness to undertake the long part time option; and

- university students who are in their final years of studies and have not taken up officer training in the University Regiment (Exhibit No. 11).

4.59 Leadership. Leadership and the quality of instruction are other serious manpower problems of a structural nature. In its primary submission to this inquiry, Army noted that :

> One area of particular concern in the manning of the ARes is the lack of officers and senior non commissioned officers (SNCO). Within Land Command there are at present about 600 officers deficient against a liability of approximately 2,200, and 800 SNCO against a liability of 2,500. This is exacerbated by the mature age of recently graduated officers who have averaged 33 years of age compared to an ARA equivalent of about 21 years . . .

> Without trained and adequate leaders it is difficult to improve general training standards and hence operational deployability within the Reserve. *Even if efforts being initiated now [ie 1989] by Land and Training Commands are successful, it will still take in the order of six to ten years to redress this deficiency.* This situation is made worse by an estimated deficiency of 1,500 corporals in the Reserve as it

is from this rank that SNCO and officers are drawn and they are also responsible for the detailed training of soldiers (Army, Submission, pp. 919, 920, emphasis added).

4.60 ARA Cadres. In recognition of such problems the Regular Army provides the ARes with a cadre of about 1,500 personnel (about 6 per cent of its strength). However, as highlighted by Army, 'many of these personnel are in support or administrative positions, and not involved in leadership or instructional duties' (Army, Submission, p. 879).

Air Force Reserve Structure

4.61 Components. There are three basic components of the Air Force Reserve:

- Air Force Active Reserve (RAAFAR);

- Air Force Specialist Reserve (RAAFSR); and

- Air Force General Reserve (RAAFGR).

(Air Force, Submission, p. 943)

4.62 RAAFAR. 'The RAAF Reserve has no organic equipment or hardware: the only resource is people' (Air Force, Submission, p. 945). The RAAFAR comprises nine Reserve squadrons and incorporates the RAAF Reserve Staff Group (RSG). Members of the RAAFAR are obliged to undergo a minimum of 32 days training each year, including 14 days continuous training.

4.63 RAAFAR squadrons are located on RAAF bases proximate to Canberra, the mainland State capitals, Townsville and Newcastle[15]. Each squadron is established for a cadre of six PAF personnel (Air Force, Submission, p. 946-50).

---

[15]   See Appendix 4.

4.64　RAAFAR personnel have been integrated increasingly into the peacetime Air Force and supplement, on an individual, and up to sub-unit basis mainly on 'training weekends', the PAF workforce on the host base. Continuous training commitments are met preferably by squadron 14-day deployments to a RAAF operational Base.

4.65　In addition, the RAAFAR provides all of the RAAF's Operations Officers and has aircrews who fly as part of:

- a Reserve manning group of some 20 aircrew, mainly qualified flying instructors, who fly on an 'on-call' basis; or

- a Reserve operations group, presently some 14 strong, and expected 'to double or even treble in the near future' (Evidence, 26 July 1991, p. 1416).

4.66　RSG. The RSG component of the RAAFAR exists to provide staff support to Air Force Office, Headquarters Logistic Command, Headquarters Training Command and RAAF Bases without a RAAFAR squadron. The RSG comprises about 90 ex-PAF officers, who have no minimum training obligation.

4.67　RAAFSR. The more than 300-strong RAAFSR 'consists of officers in the specialist medical, legal and theological professions who make their skills available to the RAAF throughout Australia on an as-required, part-time basis. These Reservists are required notionally to serve a minimum number of seven days each year.'

(Air Force, Submission, p. 948)

4.68　RAAFGR. The RAAFGR is a pool of ex-PAF volunteers who are available for full-time duty on call-out by Proclamation. These Reservists number about 3,000. They have no training obligation.

4.69　The parts of the RAAF and its Reserve components are shown at Figure 4.3.

Figure 4.3　RAAF Parts and Reserve Components and Active ARes Forms of Service

ROYAL AUSTRALIAN AIR FORCE
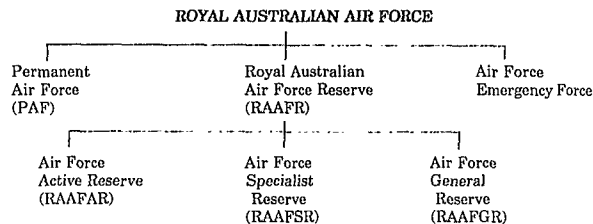
4.70　Strength. The strength of the RAAF's Reserve elements as at 30 June 1991 was as shown in Table 4.3.

Table 4.3　Strength of Air Force Reserves
(Source: Defence Budget Brief 1991-92)

WITH TRAINING OBLIGATIONS	
Royal Australian Air Force Special Reserve	300
Royal Australian Air Force Active Reserve	1,279
WITHOUT TRAINING OBLIGATIONS	
Royal Australian Air Force General Reserve	3,569
TOTAL	5,148

4.71　Command. The Chief of the Air Staff commands the RAAF Reserve. He has delegated operational command of all RAAFAR squadrons to the Air Commander.

4.72　RAAFAR Tasks. The tasks assigned to the RAAFAR broadly include the provision of :

trained personnel for specific appointments in joint, RAAF operational headquarters and certain RAAF units;

staff officers to fill specified appointments in the Department of Defence, Headquarters ADF and Air Force Office;

local and operational support at RAAF forward deployment airfields; and

trained aircrew and instructors for designated aircraft types.

(Air Force, Submission, p. 952-3)

4.73   Recruiting. The RAAFAR attracts more applicants than it needs without having to advertise actively. However:

'the attraction of trade qualified people to supplement the PAF technicians into transfer to the Reserve has met with limited success'.

'processing delays' of six-nine months for officers and five-six months for other ranks have 'the net effect . . . that many worthwhile direct entry candidates are put off'.

(Air Force, Submission, p. 960)

Costings

4.74   It must be emphasised that the Committee was intent on broad orders of costing only. For ARes costings the Committee drew heavily on the Auditor General Report No. 3, 1990-91 : *Department of Defence, Australia's Army Reserve.* Those costings, as previously discussed, have now been accepted by Army as being accurate within the bounds achievable using the financial data and systems currently available. Costings of Naval and Air Force Reserves have neither been analysed comprehensively by this Committee nor validated by the Defence organisation. Nevertheless, these costings are not only much less complex, but also involve relatively small expenditures.

4.75   Navy. The estimated annual costs of Naval Reserves are in the order of $17 million, with expenditure shown in Table 4.4:

Table 4.4 *Estimated Costs of Naval Reserves*
(Sources: *Defence Budget Brief 1991-1992;*
Program Performance Statistics 1991-1992: Defence Portfolio)

COMPONENT	$m
Personnel	
- Reserves	5.1
- PNF cadres	2.0
- PNF indirect support	1.8
Investment	N/A
Operating Costs (direct)	8.2
TOTAL (rounded)	17.0

4.76   Army. The estimated annual costs of the ARes are in the order of $475 million (not including a range of other costs), with expenditure as shown in Table 4.5.

Table 4.5 Estimated Costs of Army Reserves
(Source: Audit Report No. 3 1990-91, pp. 44,45)

COMPONENT	$m
Personnel	
- ARes	54
- ARA cadre	74
- ARA indirect support	119
- civilian indirect supports	47
Sub-total	294
Investment	
- capital equipment	64
- facilities	4
Sub-total	68
Operating Costs	113
TOTAL	475

4.77   **Air Force.** The estimated annual costs of the Air Force Reserves are in the order of $12 million, with expenditure shown in Table 4.6.

Table 4.6 Estimated Costs of Air Force Reserves
(Sources: Air Force, Submission, p. 851;
Defence Budget Brief 1991-1992;
Program Performance Statistics 1991-1992 Defence Portfolio)

COMPONENT	$m
Personnel	
- Reserves	6.2
- PAF cadres	2.2
- PAF indirect support	0.2
Investment	N/A
Operating Costs	3.6
TOTAL (rounded)	12

Naval Reserve Readiness

4.78   The Committee found it difficult to measure the readiness condition of Naval Reserves. This is mainly because:

. the ANR does not deploy or maintain in its own right any major items of equipment (these are PNF functions); and

. the condition of the ANR's manpower and training is masked - with some exceptions - as contributions to the readiness of certain RAN Combat Forces Force Element Groups (*CDF Readiness Directive*, 1991, A-3).

4.79   Examples of applicable Force Element Groups are (*CDF Readiness Directive*, 1991, A-2):

. Patrol Boat Force;

. Clearance Diving Teams;

. Amphibious Force; and

. Mine Countermeasures Force.

4.80   The Committee noted that Naval Reserves contribute, or plan to contribute shortly, to the following ADF operational roles:

- **Command and Control:**   about 15 per cent of Naval intelligence;

- *Amphibious Tactical Lodgement:* about 25 per cent;

- *Mine Countermeasures (MCM):* about 60 per cent[16];

    (Navy, Submission, p. 893)

- *Ship Protection in Coastal Waters, Focal Areas and Ports:*

    - *100 per cent of Naval Control of Shipping (NCS);*

    - *about 90 per cent of harbour defence; and*

    - *about 10 per cent of clearance diving team capability.*

4.81   Owing to the integrated nature of most of its operational activities, it is difficult for us to 'measure' either RANR current operational capability or the lead time   required - in relation to the notice set - to become operationally ready. The Committee assessed to the extent possible the manpower and training components of readiness.

4.82   With strength approaching the set ceiling and a wastage rate of just eight per cent, the manpower component of readiness is, in general terms, quite satisfactory.

4.83   Furthermore, the devolution of operational tasks to the RANR and the availability of trained manpower enables the release of PNF personnel to higher priority or short notice capabilities (Defence, Submission, p. 871).

---

16   See paragraphs 6.47-49.

4.84   The RAN appears to have in place a sound system through which to assess Reserve operational effectiveness in terms of demonstrated proficiency in training and exercises. That system is based on, for example:

- the adoption of flexible training programs, based wherever possible on identical standards for the PNF and RANR;

- progressive and regular assessment of patrol boat and landing craft effectiveness over two year training cycles culminating in purpose-designed exercises;

- assessment of Naval Control of Shipping standards in annual exercises;

- for RANR diving teams combined with PNF teams, an annual two-week 'training and operational task orientated exercise'; and

- a standard reporting system through which to effect the correction of any deficiencies identified.

    (Navy, Submission, p. 899)

4.85   About 90 RANR personnel, a Landing Craft Heavy and the General Purpose Vessel were involved in Exercise K89 (Navy, Submission, p. 897). RANR performance was assessed as generally effective in allocated roles and tasks.

Assessed Condition of Naval Reserves

4.86   **Effectiveness.**   As previously noted, the Committee is concerned about the lack of progress towards the planned contribution of Naval Reserves to the MCM role. With that significant exception:

apart from certain Service-unique structural aspects which are addressed later in this Report[17], the Committee considers that the RANR is meeting effectively its allocated roles and tasks; and

. moreover, the Committee recognises the significant steps taken by Navy to raise Reserve effectiveness over the past three years or so.

4.87   The Committee also notes the effective use being made of RANEM and RAFR personnel in providing full time duty (about 160 members at any one time) and relief manning to the PNF (some 8,600 man-days in 1988-89) (Navy, Submission, p. 898).

4.88   Efficiency. On the basis of the information submitted, the Committee considers that current expenditure for Naval Reserves (some $17 million annually) is being applied in a cost-effective manner.

Army Reserve Readiness

4.89   The ARes makes major contributions to Army's Combat Forces Force Element Groups. Table 4.7 lists those Army's combat and logistic (but not command and control) Force Element Groups (FEG) and shows examples of ARes units within those FEG.

Table 4.7 ARes Contributions to Army
Combat Forces Force Element Groups
(Source: CDF Readiness Directive, 1991, A-2 and
Defence, Submission p. 872)

FEG	EXAMPLES OF ARES CONTRIBUTION
Ready Deployment Force (RDF)	Medical specialists
Force Augmentation (RDFA)	Air defence
Manoeuvre Force (MF)	7 Brigade; 49 Royal Queensland Regiment
Follow On Force (FOF)	5 and 8 Brigades
Protective Forces (PF)	4, 9, 11 and 13 Brigades
Surveillance Forces (SURVF)	51 Battalion, Far North Queensland Regiment; NORFORCE; Pilbara Regiment
Special Forces (SF)	1 Commando Regiment
Logistic Forces (LF)	Headquarters Logistic Support Force (LSF), and 50 per cent of third line logistics units

4.90   While ADF specific readiness objectives for FEG and the performance of particular ADF operational roles are, of course, security classified, there is sufficient information in the open literature and in the evidence provided to this Committee in order for it to comment on:

. the notice and other capability criteria set for the performance of the roles allocated to ARes forces; and

. effectiveness and efficiency in meeting those objectives.

4.91   Operational Roles. The operational roles for which ARes units are required to be ready with various lengths of notice are as follows (CDF Operational Readiness Directive, 1991, A-3):

---

17   See Chapters Six and Seven.

- Airborne Point of Entry Security;

- Air Defence;

- Amphibious Tactical Lodgement;

- Combat (Logistics) Support;

- Communications for Command and Control;

- Defence Assistance to the Civil Community;

- Defence Force Aid to the Civil Power;

- Explosive Ordinance Disposal;

- Ground Reconnaissance and Surveillance;

- Land Strike;

- Land Warfare;

- Peacetime Operational Contingencies;

- Strategic Intelligence; and

- Vital Asset Protection.

4.92   It is self-evident that the performance of each of the 14 operational roles listed above, and fourth line logistics and Reserve training, contributes synergistically to the deployable combat power of ADF ground forces. Each role is significant, therefore, in the overall posture of the ADF and its potential for force development. Strategic guidance and defence policy, however, accord orders of priority to their performance.

4.93   For example, in discussing the performance of ADF operational roles and the increased relevance of Reserves, HQADF submitted that:

the Reserves have specific major roles to play in:

- surveillance in northern Australia;

- protection of key installations and vital assets, particularly in northern Australia;

- provision of logistic and specialist support in shorter-term contingencies;

- 'round out' and augmentation for permanent units in shorter- term contingencies;

- maintenance of expansion base skills, such as in armour, air transport, mine countermeasures and shipping control, which cannot be fully retained in the permanent component due to higher priorities and resource constraints; and

- supplementation of the permanent forces by full-time or part-time service for peacetime activities.

(Defence, Submission, p. 868)

4.94   It follows that the roles which are central to the operational readiness of formed ARes units are:

- Ground Reconnaissance and Surveillance (generally referred to as 'surveillance');

- Combat (Logistics) Support (generally referred to as 'logistics support'); and

- Vital Asset Protection.

4.95   The Committee noted that, despite its designation as an ADF operational role, there remains considerable resistance within the ARes to having vital asset protection as a formation's primary raison d'etre (Mansford, Evidence, 9 February 1990, p. 385). The Committee heard more than once the assertion that 'VAP is a task, not a role'. The

Committee gained the distinct impression that many in the Army did not see VAP as 'real' soldiering.

4.96   As a designated ADF operational role, Land Warfare is defined as 'Land operations to detect, contain and capture or destroy, hostile forces conducting land operations' (*CDF Readiness Directive*, 1991, A-3-3). Land Warfare, therefore:

- in a sense subsumes other roles for ground forces;

- is broadly applicable to ARes units and individuals providing round out; and

- is the role applicable to formed ARes units such as 49 RQR and 7 Brigade within the Manoeuvre Force, and to 5 and 8 Brigades within the Follow On Force[18].

4.97   Accordingly, the Committee focussed its attention in this Chapter on ARes readiness to perform:

- in particular, surveillance, logistic support and VAP; and

- where applicable, Land Warfare.

4.98   Notice. On the basis of the information before it, the Committee understands that the notice set for the performance of these roles by the applicable ARes units is as shown in Table 4.8.

---

[18]   As shown in Table 4.7.

Table 4.8 Notice Applicable by Role to ARes Units
(Source: Smethurst, Submission, p. 773)

Operational Role	ARes Units	Notice (days)
Surveillance	3 x RFSU	28
Logistics Support	LSF Elements	90
Vital Asset Protection	4, 9, 11, 13 Bdes	90
Land Warfare	Elements of 6 Bde	90
	7 Bde	180
	5, 8 Bdes	360

4.99   Among other things, in addressing Army Combat Forces (Sub-Program 3.1), the *Program Performance Statements 1991-92 Defence Portfolio Budget Related Paper (BRP) No. 8.5* summarises 'levels of preparedness' as shown in Table 4.9

Table 4.9 Levels of Preparedness Achieved By
Army Combat Forces, 1990-91
(Source: *Program Performance Statements 1991-92*, p. 144)

Force Element Group	Levels Required	Levels Achieved
Command and Control	High	High
Ready Deployment Force (RDF)	High	High
RDF Augmentation	Medium	Medium
Surveillance Forces	High	High
Manoeuvre Forces	Medium	Medium
Follow On Forces	Medium	Low
Protective Forces	Medium	Low
Logistics Forces	Medium	Low to Medium

4.100   Addressing the differentials between the required and achieved levels of preparedness evident in the information at Table 4.9, Budget Related Paper No. 8.5 explains that:

> The required levels of preparedness for Follow On, Protective and Logistics Forces were not achieved due to a combination of reasons such as manning, equipment holdings and condition, and individual and collective training standards.

4.101   Given the nascent stage of development of ADF sustainability and stockholding policies, the Committee would be surprised if such factors featured largely in assessments of current preparedness. Furthermore, in interpreting Table 4.9 insofar as ARes readiness was concerned, the Committee was mindful that ARes units comprise 100 per cent of Army's Protective Forces and about 50 per cent of its Logistics Forces.

4.102   The *Defence Report 1990-91* provides two key sets of data which, in large part, support the assessed levels of preparedness summarised at Table 4.9. These relate respectively to 'capability' and 'collective training'.

4.103   First, Table 4.10 compares 'actual manning and equipment holdings against authorised establishments'.

Table 4.10 Army Combat Forces -
Manpower and Equipment Holdings, 1990-91
(Source: *Defence Report 1990-91*, Table 3.3)

FORCE ELEMENT GROUP	PERSONNEL			EQUIPMENT
	Authorised	Actual as at 30 June 1991	Actual as a % of Authorised	Proportion of Principal Items Held
Command and Control	1,519	1,206	79	N/A
Ready Deployment Force (RDF)	4,040	3,721	92	High
RDF Augmentation	579	383	66	High
Surveillance Forces	1,549	1,512	98	Medium
Manoeuvre Forces	11,428	9,912	87	Low
Follow On Forces	6,021	5,071	84	Low
Protective Forces	9,418	7,601	81	Low
Logistic Forces	3,335	2,790	84	Low
TOTAL	37,889	32,196	84	N/A

4.104   With respect to Table 4.10, the Committee noted that:

. Surveillance Forces, while well manned, were deficient in equipment holdings;

- Protective Forces were in large measure deficient in both manpower and equipment holdings; and

- Logistic Forces were also in large measure deficient in both manpower and equipment holdings.

4.105   Second, in introducing data relating to the collective training element of readiness, the *Defence Report 1990-91* observes that:

> For combat forces' training, the principal measure of performance is the number of days in a given period that a unit or independent sub-unit spends on collective training for the purpose of developing its operational capability.

These data are shown at Table 4.11.

<div align="center">

Table 4.11 Army Combat Forces -
Collective Training Pertaining to Readiness 1990-91
(Source: *Defence Report 1990-91*, Table 3.4)

</div>

FORCE ELEMENT GROUP	1990-91 Total Planned Days ('000)	1990-91 Total Actual Days ('000)
Command and Control	25	5
Ready Deployment Force	148	158
RDF Augmentation	37	Nil
Surveillance Forces	28	18
Manoeuvre Forces	320	371
Follow On Forces	14	42
Protective Forces	114	65
Logistics Forces	24	67
TOTAL	710	726

4.106   With respect to Table 4.11, the Committee noted that:

- Surveillance Forces achieved 64 per cent of planned collective training days;

- Logistic Forces achieved 280 per cent of planned collective training days; and

- Protective Forces achieved 57 per cent of planned collective training days.

4.107   **Exercise Kangaroo 89 (K89)**. K89 provided a number of important indications to the current readiness of the ARes forces involved. First, the surveillance role was performed satisfactorily by the RFSU involved. Concerning vital asset protection, 'The employment of the Army Reserve . . . was also successful. They would be even more effective with greater mobility, intrusion sensors and more fire support. Given their peacetime level of training and restrictions on manning and equipment, it is a realistic short notice task for the Army Reserve' (*Exercise Kangaroo 89*, p. 17).

4.108   Conversely, the ANAO made the very important observation that K89 tested principles of VAP but not the ability of specific, dedicated ARes units to defend previously defined vital assets within their designated areas of responsibility (Audit Report No. 3, 1991, p. 12). The Committee notes especially that each of the four brigades of the Protective Forces Force Element Group provided what was effectively only one understrength battalion for the VAP role and that these forces were assigned to just four vital asset complexes:

- natural gas infrastructure at Karratha;

- RAAF Curtin;

- RAAF Tindal; and

- the Comalco operation at Weipa (*Exercise Kangaroo 89*, p. 10).

4.109   K89 required an immense logistic effort by any standard. Unfortunately, the number of ARes logistic personnel available for the Exercise did not enable any firm conclusion to be drawn about the operational effectiveness of the Logistic Support Force manned as planned with some 50 per cent Reservists (Audit Report No. 3, 1991, p. 20).

Assessed Condition of Army Reserves

4.110   **Effectiveness.** There is no gainsaying the positive attitude of many Army Reservists. The willingness of many of the ARes to 'give it a go', to 'come as you are' and to contribute freely of time and energy to national security has made a lasting impression on the Committee. As Brigadier Mansford, the then Commander 11 Brigade, reported:

> I can tell you now categorically if you tell me to move tomorrow I will have elements of my Brigade in Weipa within 48 hours regardless of whether I have got assets to move them there or not. I have already got assets there on the ground now. I will have troops there in 48 hours without legislation (Evidence, 9 February 1990, p. 385).

4.111   While admirable, a positive approach is not enough. The Committee was concerned to find that the ARes was generally ineffective in meeting its readiness objectives in allocated roles.

4.112   **Surveillance.** The RFSU were considered to be marginally effective in that they could perform their operational role after the specified notice of 28 days. Manpower was very satisfactory. Training was 10,000 days less than planned, as shown in Table 4.9. Notwithstanding the ongoing acquisition program, RFSU were handicapped by shortfalls in equipment, for example, vehicles, sensors, radios, which were unlikely to be rectified in a period of tension or conflict within readiness leadtime.

4.113   **Logistic Support.** Defence reports that the preparedness of Army's logistic support forces is 'low to medium' on a scale of 'very high/high/medium/low/very low' (*Program Performance Statements 1991-92*, pp. 143, 144). That assessment is bad enough, given the emphasis DOA87 placed on the development of self-reliance in the logistic support of ADF operations in northern Australia in credible contingencies. Evidence before the Committee suggests that the readiness of ARes units committed to this role should be categorised as low/very low on the basis of:

-     *equipment holdings* exhibiting significant shortfalls (*Defence Report 1990-91*, p. 65; Audit Report No. 3, 1990-91, pp. 65-72);

-     *equipment condition* being suspect owing to the 'absence of information on age and condition to provide management information and a property managed equipment repair program'; (Audit Report No. 3, 1990-91, pp. 20, 65-72);

-     *manpower* - notwithstanding an Army-wide strength figure of 84 per cent for logistic units (Table 4.10), the analysis conducted by the Auditor-General indicates that, in the posted strength of a sample of 20 ARes units with a total AML of 1877, the average posted strength was 63 per cent only (Audit Report No. 3, 1990-91, p. 19);

-     *training* being deficient as evidenced by Audit Report No. 3, 1990-91, (pp. 18-20):

      -     only 26 per cent of the posted strength (in turn only 63 per cent of AML) meeting the minimum training requirement of 26 days per year;

      -     'no evidence of a systematic approach to the management of specialist employment categories'; and

      -     the very structure of many Initial Employment Training courses militating against their completion by ARes soldiers;

-     *exercise experience* in K89 being that ARA manpower was required to supplement ARes logistic units, whereas the opposite is supposed to apply when the ARes is properly ready.

4.114   **Vital Asset Protection.** The Committee found that the readiness state of 4, 9, 11 and 13 Brigades was generally ineffective on the basis of:

-     *equipment holdings*, as assessed by Defence, being 'low' (Table 4.10) with manifest deficiencies in the full range of basic equipment (Audit Report No. 3, 1990-91, Table 8);

manpower being 1,817 personnel (or 19 per cent) less than authorised (*Defence Report 1990-91*, Table 3.3); and

training being unsatisfactory because of a lack of:

- specific objectives;
- specific standards; and
- formation-level training within designated areas of responsibility.

4.115   **Efficiency.** The Committee assessed broadly the efficiency of the ARes in terms of the ratio of its *outputs* to its *inputs*.

4.116   The potential *outputs* of the ARes include:

.   marginally effective *surveillance* by three battalion-size units at 28 days notice;

.   ineffective *logistics support* which is unlikely to meet the ARes own complete needs, much less than 50 per cent of the Army's total requirement in this critical role at 90 days notice;

.   ineffective *vital asset protection* by four under-equipped, under-manned and inadequately trained brigades on 90 days notice; and

.   ineffective *Land Warfare* by three brigades and the integrated ARes units of 6 Brigade whose strength is about 85 per cent of establishment, whose equipment holdings are 'low' and whose notice varies between 90 days for 49 RQR to 360 days for 5 and 8 Brigades.

4.117   The broad order of *inputs* to the ARes are:

.   26,000 personnel, of which about 5,000 are inducted each year;

.   equipment worth some $268 million with planned near-term acquisitions of about $100 million;

.   facilities worth some $130 million; and

.   recurring funding of $500 million per year.

4.118   As detailed in DOA87 and explained by many senior Defence officials in evidence to this Committee, the ARes is expected to make a substantial contribution to Australia's national security. Notwithstanding considerable levels of resources which have been provided, the ARes is unable to meet its defined responsibilities. Furthermore, it has minimal potential to do so within the 'little or no warning' applicable to Government-endorsed credible contingencies, even were the necessary equipment to be made available.

4.119   The Committee has no doubt that the military capability currently being generated by the ARes is grossly inefficient.

Air Force Reserve Readiness

4.120   As for Naval Reserves, the Committee has found it difficult to measure even in general terms the readiness of Air Force Reserves:

.   the RAAFAR does not deploy or maintain in its own right any major items of equipment (Air Force, Submission, p. 945);

.   the condition of the RAAFAR's manpower and training is not directly evident as contributions to the readiness of RAAF Combat Forces Force Element Groups (CDF Readiness Directive, 1991, A-3).

4.121   However, examples of RAAFAR contributions to RAAF readiness include:

.   members of the Air Command Battle Staff;

.   120 Operations Officers who support the command and control role 'throughout the RAAF, in Land Headquarters, Maritime Headquarters and in operational . . . situations and deployments' (Air Force, Submission, p. 953);

- about 40 aircrew who are available either to fly operationally or relieve instructors on operational types;

- members attached to either the Operational Support or Local Support Logistic Force Element Groups (*CDF Directive on Operational readiness*, 1991, A-2); and

- 'filling behind' on RAAF main operating and support bases, thus releasing PAF personnel for forward deployments.

4.122   RAAFAR Squadrons perform what is essentially an administrative function. They are not operational entities and hence they cannot have readiness objectives as such. Nevertheless, the Committee noted that:

- Manning of the RAAFAR runs at 88 per cent of the constrained establishment. 'A high proportion of the remainder normally is taken up by the recruiting pipeline . . . The wastage rate . . . varies but [runs] at about 15 per cent' (Air Force, <u>Submission</u>, p. 947);

- Membership of the RAAFAR is made up of some 64 per cent ex-PAF officers and airmen . . . This major form of recruitment is important because it allows valuable skills, experience and training . . . to be retained and put to immediate use (Air Force, <u>Submission</u>, p. 947);

- RAAFAR technicians perform high level maintenance work on sophisticated aircraft (Air Force, <u>Submission</u>, p. 952).

Furthermore, each RAAFAR Squadron is inspected annually by the Air Commander and his specialist staff officers.

4.123   For reasons beyond the control of the RAAFAR, fewer Reservists than planned participated in Exercise Kangaroo 89. However, the Exercise demonstrated the need for greater numbers of available . . . Air Force combat and combat related personnel for the successful conduct of protracted and widespread operations in the north of Australia (*Ready Reserve Program, 1991*, p. 3).

Assessed Condition of Air Force Reserves

4.124   The Committee considers that the RAAFAR is meeting effectively its allocated roles and tasks. Furthermore, the Committee notes the indispensable relief manning provided by the RAAFAR to the PAF across the spectrum of officer categories and airman musterings. The Reserve Staff Group is also assessed as effective.

4.125   The Committee believes strongly, however, that the RAAF needs to make much greater use of Reservists in two areas which have bear directly on the operational readiness of the RAAF:

- Reserve aircrew; and

- Reserve Airfield Defence Guards (RADG) for the ground defence of RAAF forward deployment airfields.

4.126   Without question, the RAAF has been very slow in developing over what is now a 10 year period a comprehensive Reserve aircrew scheme and the lack of effective ARes Protective Forces is compounded by RAAF's inability to defend its assets within its airfield perimeters. The Committee notes that these matters were being addressed before the *Force Structure Review*.[19]

4.127   On the basis of information submitted, the Committee considers that expenditure for Air Force Reserves (some $12 million annually) is being applied in a cost-effective manner.

The Way Ahead

4.128   The Committee came to the view that the rectification of the unsatisfactory aspects of the condition of ADF Reserves requires further action on two broad levels. The balance of this Report concentrates on what could be called the 'strategic' level issues. There, to the extent possible, the Committee addressed the key causes of the problems described in detail in the evidence before it. The Committee considers that new approaches and new solutions are required at this level.

---

[19]   Comments on these perceived shortcomings are detailed in Chapter Six.

4.129   The second level concerns the many tangible problems which are symptomatic of the underlying issues. Here, the elements of the way ahead are well known and the solutions, while most have resource implications, are self-evident. Examples include the need to:

.   generate increased mutual respect between Regulars and Reserves (Submissions, pp. 1619-21, 2151);

.   recruit strictly against selection criteria, not to fill the vacancies available;

.   provide initial periods of training in consolidated periods, preferably of two weeks or more;

.   keep recruits together as much as possible as a cohort during their military socialisation (Submissions, pp. 10, 21, 22, 1646, 1777);

.   recruit as many suitable ex-ADF members as possible (Submissions, pp. 11, 12, 421);

.   provide motivated ADF cadres whose principal tasks are operationally, not administratively, orientated (Submissions, pp. 422, 458, 481, 621, 879);

.   work towards officer and NCO manning levels which are related to operational dispositions and not to concepts such as 'expansion' (Submissions, pp. 764, 769);

.   establish and state unit operational roles(s) and tasks in a clear and direct way (Murray, Submission, p. 1868);

.   focus training on the operational role(s) and tasks of the unit, not generalist, 'nice to do' objectives (Submissions, pp. 7, 621, 1244, 1355; Mansford, Evidence, 9 February 1991, pp. 384, 385);

.   introduce positive (eg bonus after three effective years service (Submissions, pp. 394, 1256, 1877)) and negative (eg discharge

(Submission, pp. 452; 1688-89)) measures to induce members to provide 30-40 days service each year;

.   provide training in the likely Area of Operations (AO) as often as practicable;

.   balance the laudable desire to match Regular and Reserve training standards against the flexible recognition that Reserves, while critical to the defence of Australia, have narrower career prospects than many Regulars (Submissions, pp. 3-6, 83, 759);

.   administer Reservists purposively and efficiently (Army Reserve Association, Evidence, 7 February 1990, pp. 218, 222; Charlton, Evidence, 8 February 1990, p. 265);

.   provide each Reservist with certificates of qualifications gained and service rendered (Low Choy, Submission, p. 23; Mansford, Evidence, 9 February 1990, p. 396; Clunies-Ross, Evidence, 24 September 1990, pp. 453, 454; Quantrill, Evidence, 3 December 1990, p. 1220);

.   treat Regular and Reserve units the same in so far as the issue of basic items of equipment is concerned (Submissions, pp. 221, 396, 554, 696, 722, 723, 746, 1617);

.   compensate the next of kin of Reservists injured or killed on duty (Submissions, pp. 12, 170, 177);

.   introduce a form of 'superannuation' for Reservists (Edwards, Evidence, 20 November 1990, pp. 1147-8);

.   ensure that Reservists are able to reach their full potential for promotion by, for example:

    -    recognising the extent to which civilian management qualifications, expertise and experience are transferable to ADF command and leadership capabilities (Submissions, pp. 358, 395); and

- *not* using the ARes as an opportunity to provide ARA members with command and staff experience in a period of reducing ARA numbers and at the expense of better qualified Reservists (Submissions, pp. 438, 559, 761, 762, 768, 1357-9).

CHAPTER FIVE

AN OPPORTUNITY LOST -
FORCE STRUCTURE REVIEW AND
THE READY RESERVE PROGRAM

5.1   Chapter Three reviewed briefly the events since DOA87 which had the potential to affect the development of ADF Reserves. Much was found that should benefit Reserve forces if, and when, certain reviews and programs come to fruition. However, the Committee did not identify initiatives or other circumstances with the potential to bring about the increases in effectiveness and efficiency which the Committee judged were required to meet the Government's stated policy requirements. The clear indications were that most of the major objectives for Reserves as espoused in DOA87 would not be achieved. Substantial new initiatives were required.

5.2   The Committee was therefore gratified to learn during this present inquiry that the Minister for Defence had commissioned with effect from May 1990 'a Force Structure Review to ensure Defence planning for the 1990s goes forward in a balanced way, taking proper account of strategic priorities and the likely resources environment' (*Force Structure Review 1991*, p. iii).

5.3   The *Force Structure Review 1991* (FSR) and its integral *Ready Reserve Program 1991* (RRP) could not have been more timely. Indeed, the Committee decided to delay the finalisation of its Report until it could examine the policy outcomes of the FSR with respect to Reserves.

FORCE STRUCTURE REVIEW

Background

5.4   The Committee could find no clearer statement as to the background to the Review than that provided by General Gration, the Chief of the Defence Force (CDF), in his address to the RSL on 6 June 1991. General Gration gave four reasons as to why the FSR had been initiated. He stated that, first, in 1990 Defence had carried out a further review of Australia's strategic outlook ie *Australia's Strategic Planning for the 1990s* (ASP 90)[1] and it was important to be sure that the ADF's force structure was consistent with its findings.

5.5   Second, five years had elapsed since the structure had been examined as a whole, and in the context of implementing the 1987 White Paper. Since then there had been many changes to the command and control, dispositions, capability and readiness of the force, each of which had impacted in its way on the structure. But Defence felt that there was now a need for an overall review 'to tie it all together'.

5.6   Third, it had been realised that over the years - and always with what seemed to be sound reasons - too much of the limited resources available had been put into the support areas (the 'tail' - headquarters and base support activities) and not enough into combat capabilities. For a defence force of its size, the ADF should have been getting 'more bang for the buck', and this had to be corrected. There were already in train two major initiatives to do business more efficiently in the support area (one concerned with streamlining regional support and one with streamlining the logistic system[2]. But further to these, Defence recognised that there was still room for improvement and greater efficiencies in the support area.

5.7   Fourth, Defence had to ensure that the structure proposed was affordable in both the short and the long term. The recommendations of the FSR were to apply to the full decade of the

---

[1]   see paragraphs 3.4-3.8.

[2]   see paragraphs 3.33 and 3.34, respectively.

1990s; this meant forecasting what funds governments would make available for defence from now till the end of the century. Funding for defence, according to CDF, was totally a matter year by year for Governments, who weigh defence bids against strategic assessments, the many other calls on the public purse and the state of the economy. General Gration noted that, since 1987, the defence vote had been maintained at about the same real level (ie zero per cent real growth). For the purposes of the FSR, the assumption was that this would continue through the decade. This put a very tight financial constraint on the work of the FSR, but it meant that the resulting structure and new initiatives could all be accommodated if defence spending was maintained at the present level. 'If we get more we can do more - if we get less, we're in trouble' (CDF).

5.8   General Gration observed that 'putting all this together', the objective of the *Review*, had become to produce a more efficient and more combat-effective force that would be affordable in both the short and the longer term.

5.9   **Terms of Reference.** The central Terms of Reference for the FSR directed that, in particular, the following were to be studied:

.   the relative priority for present and planned ADF capabilities (and their disposition) in the light of Government endorsed strategic guidance; and

.   the impact of financial guidance and other pressures (including manpower, facilities and operating costs) on maintaining present ADF capabilities and achieving those that are, or might be, planned (Donohue, *Seminar*, 12 July 1991).

5.10   **Methodology.** The FSR was based on the examination within the broad parameters set by strategic guidance of four related areas for analysis:

.   the ability of the ADF to perform the priority operational roles endorsed by ASP90;

- ADF preparedness;

- the Ready Reserves Concept; and

- the prospects for defence funding to the year 2000 (Donohue, *Seminar*, 12 July 1991).

Major Considerations

5.11   The FSR was influenced by four major considerations. These were:

- a greater focus on northern and western Australia;

- judgements on the ADF's current ability to perform the roles identified in strategic guidance, particularly joint command, control, support and administration;

- greater use of Reserves, in particular, the role of Ready Reserves; and

- the impact of reduced financial guidance and the need to provide for a number of initiatives emphasised in strategic guidance (Donohue, *Seminar*, 12 July 1991).

Objectives

5.12   In terms of overall objectives, the FSR sought to accomplish three things. The first goal was to increase the efficiency of the ADF's support area by, for example:

- contracting out 'where it can still be done effectively, it is cheaper, and [the ADF can keep] enough informed people in each trade to be able to man the operational support positions necessary for direct support of the combat forces';

- reducing the number of defence installations in southern Australia; and

125

rationalising of ADF training (Donohue, *Seminar*, 12 July 1991).

5.13   Achieving greater use of Reservists was the second objective. The number of reserves was to be increased by the introduction of the Ready Reserve. This development is central to this present inquiry and is examined closely later in this Report.

5.14   Based on achieving the FSR's first two objectives, together with the Defence efficiency measures already in train, the expectation was that, over the next 10 years:

- about 10,500 positions manned by Regular personnel and 3,840 positions manned by civilians would be made redundant;

- 4,100 Ready Reserves could be introduced; and

- savings from contracting out and greater use of Reserves would generate savings of between $2 billion and $3 billion (*Force Structure Review 1991*, pp. 43, 44).

5.15   Hence the FSR's third objective was to apply those savings to maintaining the momentum of DOA87 and to new investment and operating cost initiatives. Planned capital acquisitions include four coastal minehunters, a training and helicopter support ship, increased infantry ground mobility, night vision devices, new reconnaissance helicopters, P3C upgrade, stand off weapons for the F-111C and an airborne early warning and control capability. Savings applied to facilities and operating costs would enable, for example, completion of two ocean basing, the increased Army presence in the north and completion of the chain of northern strategic airfields by the construction of RAAF Sherger near Weipa.

Consequences for Reserves

5.16   The FSR foreshadowed the following consequences for ADF Reserves:

126

- 'a greater emphasis on the use of reserves' (*Ministerial Statement*, 31 May 1991, paragraph 15);

- the appointment at two star rank of a Reserve officer as *Assistant Chief of the Defence Force (Reserves)* 'to give a new focus to the present reserves [and] to advise the Chief of the Defence Force on ways to improve their effectiveness (*Ministerial Statement*, 30 May 1991, paragraph 15);

- the maintenance of the ARes at 'the existing seven . . . brigades' and 26,000 personnel (*Ministerial Statement*, 30 May 1991, paragraph 29);

- introduction of the Ready Reserves, 'a new form of reserve service to supplement the existing reserve forces of each Service, while *maintaining the required overall force* readiness levels (*Ministerial Statement*, 30 May 1991, paragraph 12c, emphasis added);

- consequent upon the reduction of about 3,200 Regular Army personnel, an annual saving of some $95 million at maturity [of the Ready Reserves Program having allowed for annual personnel costs of 'some $70 million' and operational costs of 'some $16 million', together with 'some $50 million' . . . made in the unapproved capital equipment program for this scheme] (*Force Structure Review 1991*, p. 46) and

- confining 'the role of University Regiments to the production of officers (*Force Structure Review 1991*, p.33).[3]

Conclusions

5.17   The FSR made a range of force structure changes 'to better meet strategic priorities, and to enhance efficiency' (*Force Structure Review 1991*, p. 36). Those changes do not affect directly ADF General Reserves. However, by virtue of the introduction of the Ready Reserve,

---

[3]   The Committee is concerned that constraining the role of University Regiments to officer training alone will reduce the value of such units.

they do change the balance between Regulars and Reserves in Army and Air Force Combat Forces Force Element Groups.

5.18   The Committee notes, however, the corollary to force structure changes as claimed by the *Review*:

> Most importantly, while Australia does not now face a military threat, these changes will ensure that the ADF will be able to respond quickly to any threat that could emerge, and to do so with the full support of the Australian community and the backing of all national resources.   The changes constitute a long term program to restructure and improve the effectiveness of the ADF (*Force Structure Review 1991*, p. 36).

5.19   The FSR did not address ADF preparedness issues as such. The *Review* did state, however, that:

> . . . acceptance of both the need for self-reliance and the need to help shape a regional strategic environment in which Australia is a substantial power . . . has involved a shift towards selectively higher levels of readiness so as to have the capacity to deal with the lower level military situations that might arise with little warning. This also provides a capability to assist allies and regional friends (*Force Structure Review 1991*, pp. 2, 3).

READY RESERVE PROGRAM 1991

Origins

5.20   Defence credits several earlier proposals with the 'common threads' on which the *Ready Reserve Program 1991* (RRP) is based. As explained in Chapter Three, over the 1989-1990 time frame, proposals concerning ADF Reserves were made by Babbage, Jans and Frazer-Jans, the Auditor-General and Wrigley.   The purposes,

perspectives and assumptions of each of these proposals were quite different. Each made wide-ranging recommendations about how ADF Reserves should be enhanced. The RRP also took cognisance of overseas experience and practice 'and blended them to meet Australia's needs' (*Ready Reserve Program 1991*, p. 1).

5.21   **Need.** The RRP is based on the perceived need to:

.   increase the available numbers of ADF combat and combat-related personnel;

.   exploit the cost differential between Regular and Reserve personnel;

.   'focus on recruiting high calibre people' to provide junior leadership and to cope with technology deployed by the ADF;

.   overcome 'a practical limit . . . to the operational readiness levels achievable by present conventional reserve elements prior to call out';

.   introduce 'a particular class of reserves [to] be used to staff parts of the force structure with elements more ready for operational deployment than most present reserve forces';

.   provide 'a third alternative [ie in addition to the Regular forces and General Reserves] to staff parts of the force structure';

.   facilitate the transfer of members between the present permanent and Reserve components of each Service; and

.   enhance the unity of each Service by breaking down the barriers which are currently seen to exist between permanent and Reserve members.

(*Ready Reserve Program 1991*, pp. 1-11)

129

Implementation

5.22   Implementation of the RRP is planned to be quite different across the three Services, reflecting their fundamentally different characteristics. The present arrangements for conventional Reserve service will not be replaced by the *Ready Reserve Program*. It will form part of the existing Reserve arrangements in each Service. While the program provides recruits for Army, it would also supplement permanent Navy and Air Force elements.

5.23   **Navy.** For Navy, the stated aim for Ready Reserves is to provide personnel for a destroyer or frigate, two support ships, two patrol boats, a diving team and combat maintenance elements ashore. Ready Reserves will include personnel from all major sea-going technical and non-technical categories. Personnel will generally be drawn from those recently discharged from the permanent force. The initial Ready Reserve program in Navy will comprise some 450 personnel.

5.24   **Army.** In Army, most Ready Reserve personnel, together with some permanent personnel, will be organised as an infantry brigade, including three infantry battalions and combat support and service support units. An element of the Air Defence Regiment in Adelaide will also be converted to Ready Reserve status. A large proportion will be new enlistees. Ready Reserve elements will also have a higher level of permanent staff than conventional reserve units - 18 per cent as opposed to some 5 per cent. At maturity the Ready Reserve program in Army will comprise some 3,200 personnel. In addition, about 700 will be undergoing full time training at any one time.

5.25   **Air Force.** In Air Force, the Ready Reserve will comprise some 450 new enlistees or former permanent members, the vast majority of whom will be employed as Airfield Defence Guards (ADG). Ready Reserves will also be used to expand the RAAF's Aircrew Contingency Reserve. In this respect, the Minister for Defence announced on 30 July 1991 that, among other things, Air Force Ready Reserves would:

130

. . . provide a significant surge capability for the Tactical Fighter Force and Strike Reconnaissance Force. For the first time, former F/A-18 and F-111C aircrew who have left permanent RAAF service may continue to fly them while on the reserve, thereby ensuring that their capability to bolster the permanent force is retained (*Ministerial Statement*, 31 May 1991, paragraph 24).

5.26   **Administration.**   The Program is due to commence in January 1992 and be in full operation by December 1996 (*Ready Reserve Program*, 1991, p. 15). Its introduction is being co-ordinated by a small team within HQADF. While the RRP will be effectively under constant review (Benton, Evidence, 26 July 1991, p. 1366), further extension of the RRP in Navy and Air Force is being considered presently. The effectiveness of the Program is scheduled to be assessed formally in early 1995.

Characteristics

5.27   The principal characteristics of the Program as listed by the RRP are as follows:

- members will be either new enlistees who will undergo twelve months initial full time training or former permanent or reserve members of trained standard;

- service will be either about one year full-time and four years part-time for new enlistees or part-time for five years for former members;

- part-time service will involve about 50 days non-discretionary service each year, normally including two periods of two weeks continuous service;

- initial Ready Reserve elements will be built up to their full strength over four to five years;

- Ready Reserve elements will be part of the existing Reserve components of each Service;

- women will be recruited and employed in accordance with existing policy;

- senior commanders and some officers and non-commissioned officers and support staff of Ready Reserve elements will be permanent members or Reserve members on full-time service;

- junior commanders, other officers, non commissioned officers or support staff not required for full-time service, except during periods of collective training, will be Ready Reserve members;

- initial training for new enlistees will generally be the same standard as for permanent members; and

- members of the Ready Reserve components of each Service will be recruited nationally (*Ready Reserve Program 1991*, pp. 1, 2).

5.28   **Legal Aspects.** Ready Reservists will be:

- liable to call out in periods short of defence emergency; and

- subject to the *Defence Force Discipline Act* (*Ready Reserve Program 1991*, A-1).

5.29   **Incentives.** Implementation of the *Ready Reserves Program* will be supported by a package of individual and employer incentives, the most important of which are:

- remuneration - pending the assessment of work value and, if appropriate, the raising of a pay case - at the Reserve rate of pay (ie, 85 to 90 per cent of permanent force rates);

- a tax exempt commitment bonus payable in annual instalments on satisfactory completion of each year of part-time service;

- discretionary educational assistance to enable members to undertake full-time vocational or tertiary study following their full-time service;

- job search assistance to help members obtain full-time civilian employment, compatible with continued Ready Reserve service, following their full-time military service; and

- support for employers of Ready Reserve members who agree to release their employees for non-discretionary part-time service and full-time service in the event of call out (*Ready Reserve Program 1991*, A3-4).

Commentary

5.30   As the *Ready Reserve Program* is integral to the *Force Structure Review*, this commentary covers both.

Creation of an Assistant Chief of the Defence Force (Reserves)

5.31   Chapter Three (paragraph 3.28), we noted that 'the most significant and comprehensive review of the higher defence process' since 1973 was conducted in 1989. That *Structural Review of Higher ADF Staff Arrangements* did not see the need for a senior staff officer in HQADF to advise CDF on Reserve matters. Yet as part of the FSR an Assistant Chief of the Defence Force Reserves (ACRES) was created at two star level. The importance of Reserve forces has long been recognised. It is difficult to see how their role could have been underscored more than by Millar, Dibb and DOA87. The single Service Chiefs of Staff have staff officers to advise them on Reserve matters. An implementation team has been set up within HQADF to coordinate the implementation of the Ready Reserve scheme and act as a central point of contact as Reserve conditions of service and such concerns change markedly. Thus the Committee sees no need for an ACRES

within HQADF. Indeed, it is seen to place Reserve affairs outside the mainstream, 'total' command and staff arrangements within the ADF.

Force Structure Considerations

5.32   The FSR may well achieve its objectives of increasing efficiency in the ADF's support area, introducing a Ready Reserve and applying later in the decade the resultant savings to Investment and Operating Costs. However - and there should be no misunderstandings about this - Air Force Airfield Defence Guards will be the only significant force structure improvement achieved by the FSR for ADF Reserves.

5.33   The Committee has no doubts that - notwithstanding that the Ready Reserves in Army have been designated as a component of the ARes - the General ARes will now be in competition with the Ready Reserve for advertising, recruiting, equipment and training. The notion of one total Army has never been a reality in the minds of the ARes. Army General Reserves now see themselves as members of the 'Third XI'.

5.34   Equipment. As noted earlier, force structure has the main components of equipment and personnel and is affected by a host of factors such as conditions of service, wastage and community attitudes. Naval and Air Force Reserves hold no major items of equipment. The FSR provides $50 million for equipment for 6 Brigade, which is to be transformed from an integrated Regular/General Reserve brigade to a Ready Reserve brigade. The Committee could find no substance to match the FSR's claims that 'Conventional [Army] reserve forces will be maintained at existing levels, *but with increased equipment levels* (*Force Structure Review 1991*, p. 22, emphasis added).

5.35   The *Defence Report 1990-91* admits to substantial shortfalls in ARes equipment[4]. There are certainly approved capital acquisitions in the Defence Program relating to, for example, Army vehicles, small arms and sensors; the expectation is that the ARes will receive its share

---

4   See Chapter 4, Tables 4.9 and 4.10.

of these. Yet the FSR apparently will do nothing to redress the serious lack of vehicles, radios and sensors for which the ARes has a well-established entitlement.

5.36 **Naval Personnel.** The *Ready Reserve* will provide 450 personnel to Navy over the next five years or so. But over the next 10 years PNF personnel will decrease by 1,020, of which a decrease of 600 is attributed to the FSR (*Force Structure Review 1991*, Table 1). The plan for the 450 Ready Reserve personnel, according to evidence given by the Head of Ready Reserve Implementation Team HQADF, is to 'provide personnel for a destroyer or frigate, two support ships, two patrol boats, a diving team and combat maintenance elements ashore' (Benton, Evidence, 26 July 1991, p. 1362).

5.37 Interestingly, and although a deal of basic planning was still under way, the Navy Project Officer, when asked by the Committee about the impact the Ready Reserve was going to have 'on the combat capability of the Royal Australian Navy', replied:

> The intent there is to provide a force multiplier effect by enabling people to take leave and attend courses who are the permanent incumbents of the combat ship billets where they otherwise might not be able to and to provide more flexibility in manning the ships, given that the Royal Australian Navy already has minimally manned ships. In other words, we do not have spare billets that we had 20 years ago in our war ships (Rosser, Evidence, 26 July 1991, p. 1437).

Specifically, there has been no indication that Ready Reserves will be used to man an MCM capability.

5.38 The Committee held the view that, for the foreseeable future, the 450 personnel made available to Navy through the Ready Reserve Program were, in fact, relief manning for the PNF which was facing severe manpower stringencies.

5.39 **Army Factors.** The FSR will have a much greater effect on Army's force structure. Of the 5,220 personnel to be lost over the next ten years, the FSR accounts for 2,460 (*Force Structure Review 1991*, Table 1). As mentioned earlier, 6 Brigade, currently an integrated brigade, will become a Ready Reserve brigade. It has been suggested that this transformation will be a fillip to Army's total force structure because 6 Brigade has been 'under-manned and under-equipped'. That may be so, but the Committee reflected on the facts that:

- post-FSR, Army will have but one Regular infantry brigade;

- the RRP will abort the singularly most successful integration of ARA and ARes units achieved since Millar;

- 49RQR, the ARes unit involved, will be subsumed within 6 Brigade as a Ready Reserve unit; and

- as the ARes ceiling is to be maintained at 26,000, the transfer of 49RQR will compound seriously the ARes strength management and recruiting problems.

5.40 The Committee refrained from considering the size of the post-FSR force structure as it was outside its Terms of Reference. Hence the FSR proposal to base Army's force structure on 10 brigades (*Force Structure Review 1991*, p. 26) is accepted. Notwithstanding, the Committee welcomed the decision to give 'emphasis . . . to independent brigade operations, with a high level of integral mobility in each brigade group'. This seems entirely consistent with:

- Dibb's form and character of credible contingencies as they affect ground operations (Dibb, 1986, pp. 78-82, 84-89);

- DOA87's broad policy for the conduct of ground operations (DOA87, p. 53);

- the priority allocated by ASP90 to the performance of operational roles by ADF ground forces; and

the Committee's understanding of Army's developing concepts for land operations in the defence of Australia in low and escalated low level conflict.

5.41   Within these parameters it is difficult to see the need for manoeuvre operations by formations larger than brigade groups either in the ground defence of Australia or ground operations on Australia's offshore territories, or in - as CDF's Readiness Directive describes them - 'ADF responses to contingencies in [Papua New Guinea] and [the South West Pacific] including support to governments in the resolution of law and order, counter terrorism, evacuation of Australian nationals, assistance following national disasters and the provision of temporary communications' (*CDF Readiness Directive*, 1991, A-3-4).

5.42   The one exception, perhaps, is the Area of Operations (AO) encompassing the vital Darwin/Tindal 'axis'. The Committee understands that the co-ordination of forces in such an AO should be within the capacity of Headquarters Northern Command in Darwin or Headquarters 1 Division, for which FSR's proposal is to 'reduce [it] in size, and make it available for the deployable joint force headquarters role' (*Force Structure Review 1991*, p. 26).

5.43   With all this in mind, the Committee examined the FSR proposal to 'retain Headquarters 2 Division as an Army Reserve Headquarters to develop the skills and doctrine for conventional divisional operations' (*Force Structure Review 1991*, p. 26). Strategic guidance sees such operations as a remote possibility, at best. Army has Land Command Headquarters, Headquarters Northern Command and Headquarters 1 Division in which to generate doctrine and practise command and staff skills.

5.44   The Committee in the course of its inquiry examined closely the rationale for the disestablishment of the Army's Headquarters 3 Division. Notwithstanding the endorsement of its retention in Army's force structure by DOA87 (p. 53), changed strategic circumstances, the logical downgrading of the ADF's expansion base function and a general drive for efficiency had made Headquarters 3 Division redundant. Similarly, it is difficult to justify the retention of Headquarters 2 Division. The Committee suggests that this matter be reviewed in the

light of the Defence Department's declared policy of independent brigade operations (*Force Structure Review 1991*, p. 26).

5.45   **Air Force Personnel.** The FSR impacted directly on RAAF's F/A-18 and F-111C aircrew and Airfield Defence Guards (ADG). In his tabling statement on the FSR and other defence issues on 30 May 1991, Minister Ray said:

> The F/A 18 and F-111C aircraft are central to the Defence Force's *air defence* and *strategic strike* capabilities . . . We are developing an innovative scheme to provide a significant surge capability for the Tactical Fighter Force and Strikes Reconnaissance Force. For the first time, former F/A-18 and F-111C aircrew who have left permanent RAAF service may continue to fly them while on the reserves, thereby ensuring that their capability to bolster the permanent force is retained (*Ministerial Statement*, 30 May 1991, paragraphs 23, 24).

5.46   This may have given the impression that the crew strength of the Strike Reconnaissance Group was going to be effectively increased. But, the FSR, having noted the thrust of the Ministerial Statement, 'for the first time ... twelve reserve F-111C crews [will be used] to supplement the number of regular crews in the event of contingencies', goes on to state the trade-off, namely 'and *reduce the number of regular crews by three*' (*Force Structure Review 1991*, p. 28, emphasis added).

5.47   The chain of northern bases from which to conduct the gamut of operational roles in the air/sea gap includes Learmonth, Curtin, Darwin, Tindal, Scherger and Townsville. Operations could, of course, also be mounted from several civil airfields across the vast expanse of Australia's north. Currently, the RAAF's No. 2 Airfield Defence Squadron is capable of conducting the intra-perimeter protection of just a single operational airfield. Within the complexities of the rationalisation of RAAF manpower in the context of the FSR and other Defence initiatives, the Committee is strongly supportive of

increasing greatly ADG strength through the use of reserves. Air Force had embarked on this course prior to the FSR. The Committee evaluates the use of Ready Reserves for this role later in this Report.

Readiness Considerations

5.48   As a title, *Force Structure Review* presaged a lack of commitment to examine Australia's defence future in a balanced way. The central concern the Committee had developed during its inquiry about the May 1990 timeframe related to the readiness of the ARes and its broader consequences for the defence of Australia. Something like *ADF Military Capability Review*, which embraced equally both force structure and preparedness, would have been a much more appropriate title. This is much more than a matter of semantic precision. This conclusion was reinforced by the paucity of the treatment of preparedness issues in the body of the FSR (two paragraphs, effectively) and in the Appendix dealing with the current status of the ADF (no mention at all). As observed, the FSR gave no details as to how and when ARes equipment holdings were to be raised to a satisfactory level.

5.49   Indeed, the FSR argues that altering the Regular/Reserve balance will improve Reserve readiness. Take, for instance, the FSR statement 'reserve readiness will be improved by the introduction of a new reserve scheme' (*Force Structure Review 1991*, p. 22). As will be shown, however, within Army the Ready Reserve will affect the readiness of the ARA, not the General Reserves.

5.50   **Naval Readiness.** The effect of the FSR on Naval Reserve readiness will be beneficial, but marginal. Navy will have 450 personnel on which to call for up to 50 days each per year. This should lead to increased flexibility and effectiveness in managing the training, leave and other calls on the PNF's sea roster. It is not clear how the Naval Ready Reserve will be any more 'ready' than are currently the majority of RANR personnel, except that their recent experience may have been matched to a billet on a particular class of ship; and even this policy could have been implemented without the introduction of Ready Reserves. Moreover, the need for such relief casts doubt on the adequacy and structure of the PNF's manning.

5.51   The clear inference is that Naval *Ready* Reserves will not be *ready* at all; they are unlikely to crew in their own right anything larger than patrol boats or landing craft - roles the RANR is performing now, apparently at required readiness levels (Rosser, Evidence, 26 July 1991, p. 1437-1439).

5.52   **Army Readiness.** The introduction of Ready Reserves to Army highlights the most important issue addressed in this Report - ARes readiness. The logic of the FSR is displayed clearly in its section entitled 'Protection of Important Civil and Military Assets and Infrastructure' (*Force Structure Review 1991*, p. 22). As DOA87 had made no mention of *static defence*, we were struck by the following FSR statements:

> Ground combat elements of the Army will provide protection for the Northern infrastructure. The number of individual assets which could need to be defended is well beyond the capacity of the existing Army structure if a policy of *static defence* were to be adopted. While some vital facilities will be the subject of plans for hardened defences and positioned forces, others will have to be provided for by improved land surveillance and high mobility combat elements . . . Reserves will make an increased contribution to both *static and mobile defence* (*Force Structure Review 1991*, p. 22 emphasis added).

5.53   The Committee understands police forces and support elements of the ADF usually lack critical military skills and organic mobility. This will restrict them to a static defensive posture. The Committee came to understand, however, that a static defence policy was anathema to ADF ground combat forces. Hence DOA87 stated the required force characteristics of, for example, good range, endurance and mobility. This was why, furthermore, the role of vital asset

protection (VAP) includes, for example, the mobile tasks of intensive and continuous foot and vehicle-mounted patrolling[5].

5.54   One possible interpretation of this FSR statement is that ARes infantry brigades are capable of static tasks only at notice of less than six months.[6]

5.55   The FSR claims that 'a new form of reserve service, designed to increase the skill level and availability of some reserve units, will be introduced to improve the overall readiness of the Army' (*Force Structure Review 1991*, p. 22). The introduction of a Ready Reserve brigade at the expense of two regular battalions and an ARes battalion will not improve overall readiness of the Army.

5.56   In any case, it is fairer and more instructive to take a total Army perspective and not use General Reserve readiness as a convenient basis for comparison. Currently, 6 Brigade, an integrated unit, has an unsatisfactory state of readiness owing to a lack of equipment and a shortage of personnel. The FSR makes available $50 million towards rectification of the equipment shortfall[7].

5.57   Presumably, a Regular Army force structure deficiency will be corrected by eventually manning 6 Brigade to establishment with Ready Reserves. On the other hand, the skill levels of Ready Reservists, while better than those of General Reservists, will be less than Regulars. While initial training is to be the same standard as that required for Regular recruits, this proficiency will not be maintained by the planned periods of continuous training.

---

[5]   Current ADF doctrine defines VAP as 'operations to deny hostile forces the opportunity to reconnoitre, harass or raid military and civilian infrastructure and other assets and population centres' (*CDF Readiness Directive*, 1991, A-3-5).

[6]   See paragraph 6.20.

[7]   This $50 million for equipment for an integrated Regular brigade gives some indication of the readiness of ARes brigades in terms of the equipment component of readiness.

5.58   The notice of the brigade will be unaltered at 90 days[8]. The readiness of General Reserves will actually be decreased by the 'loss' of 49RQR. However, if as claimed, the cost of a Ready Reservist is only 42 per cent of the cost of a Regular, then the FSR will have achieved one of its stated objectives in reducing Army personnel costs through employing more Reserves.

5.59   The clear inference is that Army *Ready* Reserves are not *ready* at all, are not even held at short notice but, like the integrated brigade it replaces, at 90 days notice.

5.60   Air Force Readiness. The addition of 450 Ready Reservists in, say, three RAAF ADG squadrons will enhance the ADF's military capability. However, while announced under the rubric of the FSR, this development was already under way in the implementation of the Grigg Report (completed in 1988) through RAAF's Manpower Contingency Plan (Evidence, 19 October 1990, pp. 754-6).

5.61   The FSR makes no mention at the notice at which Ready Reserve ADGs will be held. This aspect is addressed later in the content of overall ADF readiness.

5.62   The announcement that Air Force Ready Reserve aircrew 'will continue to fly' F/A-18 or F-111C aircraft suggests readiness states which are belied by the reality of the scheme. Actually, the plan for F/A-18 and F-111C Ready Reserve aircrews is that they:

.   appear for two or three training days each year;

.   are briefed on aircraft systems changes and tactical developments;

.   undergo one or two simulator sessions;

.   may fly their aircraft type once;

---

[8]   The Committee discusses this matter further in Chapter Six.

- would, on that basis, be able to undergo an abbreviated operational refresher course in a contingent situation; and

- could become operationally ready after 120 days notice after call out.

(O'Brien, Evidence, 26 July 1991, pp. 1404-1407)

5.63   That is, this aspect of the Ready Reserve Program is planned to change the balance of Permanent and Reserve elements through nine F/A-18 pilots and three F111C crews who are fully trained and capable of being held at currently approved minimal levels of operational capability being exchanged for 48 pilots and 12 crews, respectively, claimed to be available 120 days after call out.

5.64   This exchange overlooks one fundamental (and inescapable) feature of ADF capabilities such as the Strike Reconnaissance and Tactical Fighter Groups. When called to increase their levels of capability, namely equipment condition and skills, to the operational level, initially the readiness of those Groups will actually decline for a period. Some aircraft and crews will be required to deploy forward early in the period of tension to perform essential surveillance, reconnaissance and patrol tasks. Those deployments may well have to be employed at higher than peacetime rates of effort (ie 'surge'). Yet other aircraft will need to be serviced and outstanding modifications incorporated. Raising the skills of current aircrews will require flying hours and additional weapon expenditure. The prospects of having 'spare' aircraft and instructors at this time are remote.

5.65   The clear inferences are that:

- these so-called *Ready* Reserve aircrews are not *ready* at all, but are at least 120 days away from an *operational* state;

- in fact, the 'training requirement' of these aircrew is so small that they should be categorised as *inactive* and be part of the RAAF's General Reserve; and

143

- meanwhile, the basic readiness states of two important ADF Force Element Groups will have been substantially reduced.

Efficiency Considerations

5.66   The Committee finds two aspects of the Ready Reserve to be quite incongruous. First, the period of initial full-time training for recruits is 12 months. This is more than double the training required throughout much of the world for ground operations more demanding than those planned for ADF Ready Reservists.

5.67   This leads to the second consideration - conditions of service. The conditions of service applying are not only excessive in terms of the military capability Ready Reserves will ultimately offer, but also contrast starkly with those enjoyed by General Reserves. This is sure to exacerbate the recruiting difficulties faced by ARes in the past. Meanwhile, the Committee recalls the submission in which HQADF asserted that:

> While adequate conditions of service are important for retention, there is no evidence that pay, allowances, bonuses or bounties are a major source of discontent leading to wastage. Rather, Reservists generally will be motivated to remain by the quality and relevance of the training provided (Defence, Submission, p. 875).

Summary of Views on the Ready Reserve Program

5.68   The Committee concludes that the Ready Reserve Program may well operate as planned in terms of its recruitment and manning targets in each of the three Services. However:

- as shown in Chapter Three, no persuasive argument has been mounted to support the need for such a form of Reserve service;

- the 12 months initial training provided is excessive in terms of the military capability requirements to be met;

144

the Program - despite claims to the contrary - could have an adverse effect on General Reserve recruitment, retention and community support; and

very importantly in the case of Army, Ready Reserves have been introduced at the expense of two of only six Regular infantry battalions.

5.69   Considerable irony attaches to this assessment. The Ready Reserve Program as introduced bears very little relation to the schemes proposed by either Babbage or by Jans and Frazer-Jans. Broadly speaking, they proposed a minimum initial full-time training period of about six months; the ADF has decided on 12 months.

5.70   Whereas Babbage and Jans envisaged that Ready Reserves would be able 'to respond rapidly to call out' (Babbage, Submission, p. 699), the ADF model features 90 days notice.

5.71   Relative costs are a major case in point. Babbage concluded that 'Judging from international experience, the costs of *fully equipped* and trained Ready Reserve army units . . . should be about 25 per cent of those of a comparable regular unit (Babbage, Submission, p. 700); 42 per cent is the figure estimated currently by the ADF (Benton, Evidence, 26 July 1991, pp. 1369-1371), without any assurances about 'full equipping and training'.

5.72   The problematic *potential* of Ready Reserve aircrew in Air Force to generate increased operational rates of effort is in stark contrast to the model proposed by Babbage and Jans and Frazer-Jans.

5.73   A sense of urgency and a call for much increased flexibility pervaded the proposals of Babbage and Jans and Frazer-Jans. And yet they proposed the measured and incremental introduction of any Ready Reserve Program. For example, Jans and Frazer-Jans recommended 'experimentation in all three Services of the concept' over five years and the 'introduction of the concept on a wider basis' leading to 'normal operation' after 10 years (Jans and Frazer-Jans, p. 55). Babbage proposed that Army experiment with just one battalion (Babbage,

Submission, pp. 701, 702). Conversely, the ADF will introduce a Ready Reserve brigade in only five years (*Ready Reserve Program 1991*, p. 2).

5.74   These are important differences. The Committee concluded that, while the ADF's Ready Reserve Program was based on essentially the same *assumptions* as made by Babbage and Jans, in practice it bore little resemblance to their proposals.

CHAPTER SIX

KEY ISSUES AND SOLUTIONS -
TOWARDS THE REALITY OF TOTAL FORCE

The Key Issues

6.1   As explained in Chapter One, part-time military units in Australia have evolved from being the principal components of the defence force prior to the Second World War to become a supplementary force to the more powerful and better-resourced Regular defence forces. Following the Second World War, the forward defence concept brought the continuous commitment of Regular units overseas in a number of theatres. The primary role of Reserve forces (especially Army Reserve forces) during this period was to provide the follow-on main combat force that would fight any major war.

6.2   If another world war had to be fought, the assumption was that mobilised and expanded Reserve units would carry the primary weight of combat as they had done previously. This accounted in large part not only for the scale of the Reserve units maintained during this era but also for their wide range of military specialisations.

6.3   This function provided little incentive for Australia's Reserve units to be fully manned and equipped or for the maintenance of a high level of readiness. National planning was based on the assumption that, if a major conflict were to occur, Australia would contribute, possibly substantially, to the allied effort. The timing of Australia's primary contribution, however, was not considered critical. Certainly it was unlikely to be central to the outcome of the hostilities. In this environment, it was perfectly adequate for Reserve forces to be held at 180 days, 360 days or even longer periods of notice.

6.4   The possibility of needing to contribute substantially to allied forces in a major international conflict remained, although the

147

experience of Confrontation and Vietnam suggested that Reserve units were unlikely to be called out for overseas service unless forces were required on a massive scale. Moreover, the prospect of a new world war or other very large scale conflict that might demand such a response was considered exceedingly remote.

6.5   The re-orientation in national strategic priorities in the early 1970s from 'forward defence' to primary focus on the defence of Australia and its immediate interests was a major factor in the evolution of Australia's part-time defence units. Provision of an effective defence for Australia in the range of 'credible contingencies', that the Government's strategic guidance reaffirmed consistently could arise with little or no warning, became the strategic priority. The harassment and raiding operations, that credible low and escalated low level contingencies were defined to include, would require the early commitment of large ground forces to northern Australia, primarily for surveillance, protective, mobile reactive and logistic support duties. In most of these contingencies, ADF operations would be scattered widely over the vast expanses of northern Australia and her off-shore territories.

6.6   Meanwhile, the provision of an expansion capability to meet 'more substantial conflict' was a secondary function of the ADF.

6.7   The implications of these changed strategic requirements for ADF functions, force structure and preparedness were profound. There was now a compelling need to be able to commit the force-in-being to the active defence of Australia and to be capable of doing so at relatively short notice. The consequences for the roles, structures and readiness of Reserve forces were no less fundamental. Defence was slow to develop revised readiness objectives for the Ares, however, owing to perceptions about the limitations of Reserve readiness and resource implications. The Ares, from being primarily an expansion base with inconsequential readiness objectives, should have become an integral element of the total force, with what should have been well defined roles and readiness requirements.

6.8   Over the period of some 20 years strategic thinking has evolved to the point where expansion is no longer a specified ADF

function. The force-in-being is dedicated essentially to the self-reliant defence of Australia and mobilisation and expansion are now the subjects of study and planning[1].

6.9   By now ADF Reserves ought to have been restructured so that their operational capabilities were pertinent to extant strategic requirements. They have not.

6.10   Chapter Three showed that the way ahead for Reserves must accommodate uncertain strategic circumstances, severe financial constraints and even increased attention to the structural concerns of productivity, effectiveness and efficiency. However, the Committee does not consider that the planning environment over the next 10 years or so presents the major problem facing the ADF's Reserve forces. The central challenge is to redress the failure of the defence force development process to adjust the military capability of Reserves in response to evolving Australian strategic thinking and the Government's defence policy.

6.11   During this inquiry it became progressively clear to the Committee that there were three key issues which all had to be addressed in order for the ADF's Reserve forces to become effective and efficient. These were that, first, the military employability of Reservists had to be approached in a more flexible way. The way in which types of Reserve service are now applied is a severe handicap in this respect.

6.12   The second key issue is the concept of operational readiness. The scope for Reserves to contribute to the performance of operational roles has been limited arbitrarily by an assumption about the

---

[1]   On 30 May 1991, when tabling the *Force Structure Review*, the Minister for Defence said that 'the new force structure, with its links to the wider community and the national infrastructure, will provide a better basis for expansion. I have directed that studies be undertaken to develop further Defence planning for the remote contingency of substantial conflict. These studies will identify areas likely to cause difficulties during expansion, and identify action required to ensure the Defence Force can meet any threats to the nation's interests' (*Ministerial Statement*, 30 May 1991, paragraph 43). See also *CDF Readiness Directive*, 1991, A-3-3).

relationship between capability and notice. Once that linkage is put in proper perspective, Reserve personnel can be employed both more widely and more flexibly.

6.13   Finally, the Committee found that certain ADF capability gaps can be rectified by overcoming the first two issues and by making force structure adjustments that open the way for Reserves to make a substantially greater contribution to the performance of ADF functions, roles and tasks.

6.14   The first two key issues are discussed in this chapter before turning to the Reserve developments required on a Service-by-Service basis.

The Employability of Reservists

6.15   In the past much of the thinking about the balance between Regulars and Reserves has rested on assumptions about training availability and notice. These assumptions were that Regulars are available for 'training' about 220 days each year and can therefore be employed in the most difficult roles and operate the most complex equipment. Furthermore, by virtue of their terms of service, they can be made available for duty at very short notice.

6.16   Conversely, it has been generally assumed that Reserves are available for about 30 to 50 days training only each year, and that only about half of that training can be of the 'continuous', high quality type provided through training 'camps'. This training differential has been interpreted to mean that, almost invariably, the capability of Reserves will be well below that required for operations unless, and until, they can undergo a concentrated, and perhaps lengthy, period of training after call out.

6.17   It followed that the majority of Reserves were capable of performing operational roles only after long readiness lead-times.

6.18   Illustrative of this view were the comments made to the Committee by one senior Defence official:

. . . the range of contingencies that are credible are likely to be beyond the capability of our permanent forces as presently constituted, but I would emphasise that readiness is the key to responding to credible contingencies which might arise at short notice. *The shorter the notice the less likely it seems that reserves would be able to play an effective role* (Sanderson, Evidence, 23 October 1989, p. 11).

6.19   A widely accepted argument has been framed around these assumptions about the availability of Reserves for training and their operational capability being matched invariably by long notice. Two broad inferences have been drawn. The first is that only Regulars are appropriate where:

.   the role is complex (eg reactive tasks within Land Warfare are currently the responsibility of 3 Brigade);

.   the notice is short (ie 28 days, or less);

.   the equipment is technically sophisticated (eg F/A-18); and

.   the acquisition and maintenance of high levels of expertise make continual periods of high quality training available only to Regulars.

6.20   The second inference is that Reserves are employable operationally only after considerable periods of notice. (RFSU are an exception.) Hence -

[Exercise Kangaroo 89] confirmed that Army Reserve Units would need further training before being committed to conventional combat operations. This is no reflection on their enthusiasm, dedication or potential, but a recognition of the inescapable fact that given peacetime levels of Army Reserve training and experience, about six further months of intensive

training would be needed to prepare them for
conventional combat. To do otherwise would be
to invite failure and unnecessary casualties
(*Exercise Kangaroo 89*, p. 17)[2].

6.21   Such preconceptions about the employability of Reserves are,
in fact, unfounded. The balance of this chapter explains how, by
treating Reserve service across a range of 'careers', Reservists could be
employed more flexibly and thereby contribute much more to the
military capabilities of the ADF[3].

6.22   The notion of Reserve 'training days' is outmoded. Reserves
certainly need to undergo training, just as Regulars do. Reserve service
is much more than training, however, because of the contemporary
requirement to contribute to the military capabilities of the force-in-
being.

6.23   Flexibility and functionality are the key principles here, with
four types of service being pertinent to modern service in Active
Reserves, dependent overridingly on whether such service constitutes:

.   an inactive career (ie as an inactive Reservist);

.   a secondary career (ie as a 'part-time Reservist');

.   a temporary career (ie on full-time duty (FTD)); or

.   a primary career (ie as a 'career Reservist')[4].

---

2   See Chapter Five, paragraphs 5.53 and 5.54.

3   The linkage between capability and notice is discussed at paragraphs
         6.36-45.

4   'Part-time Reservist' and 'career Reservist' are functional, *ad hoc* terms.
         They are not necessarily recommended by the Committee for adoption
         and are discussed at paragraphs 6.25-28 and 6.30-35, respectively.

Inactive Reserve

6.24   As illustrated in Chapter Four the Inactive Reserve provides
at minimal cost a latent military capability by having Reservists on an
annual basis either to report physically or register their personal
particulars.

A Secondary Career in the Active Reserve

6.25   While FTD is useful as a source of high-quality relief
manning, particularly in staff positions, the manning of the ADF's
combat forces is a much larger, more complex and important capability
requirement. This has been the function of Active Reserves,
traditionally using 'part-time' training of about 30 to 50 days each year.

6.26   Part-time Reserves continue to contribute to ADF combat
forces in three ways:

.   in those Reserve formations and units within ADF Force
         Element Groups;

.   as individuals to 'round-out' Regular or Reserve combat
         units; and

.   as individuals to 'fill-in' behind those serving in Regular or
         Reserve combat units.

6.27   Two other types of Active Reserve service provide assistance
to the ADF, mainly by performing duties which are not combat-related.
These types are:

.   Reserve Staff Group; and

.   Special Reserves who 'round-out' ADF medical and legal
         capacities, for example.

Again, as shown in Chapter Four, these types are of continuing utility
to the ADF.

6.28   Part-time Reserve structures can fulfil effectively and efficiently many ADF capability requirements, both in their own right and when integrated with Regular forces. This report identifies concerns that the *Ready Reserve Program* may not be the most effective option for undertaking roles traditionally performed by Regulars. Ready Reserves will be more costly than General Reserves because their conditions of service, by comparison, are overly generous and, for civilian recruits, their period of initial training is too long for the capability required. The Committee believes that, given the proposed levels of initial training and resources provided, Ready Reserves should be on a state of readiness substantially less than 90 days.

Active Reserve (FTD)

6.29   The Committee supports the retention of FTD by Active Reservists. Chapter Four showed that this type of service has enduring relevance.   FTD provides an effective and efficient palliative to medium-term ADF manpower problems. However, between only one and two per cent of all the ADF's 33,000 Active Reservists perform FTD at any one time; with few exceptions, they serve in staff positions.

A Primary Career in the Active Reserve

6.30   There is a way of employing Reserves selectively to contribute to high capability short notice roles. That employment does not require the introduction of a new scheme with unique conditions of service. It simply requires the wider application of an option already available to, and in use by, the ADF.

6.31   The maximum number of days an active Reservist can serve using 'training days' is 200. This number of training days (which does not include leave, weekends or public holidays) is only marginally less than the 220 days of productive service generally attributed to Regulars. Service on a training-day basis attracts 85-90 per cent of military pay but is non-taxable.

6.32   The Committee considers that the ADF would benefit from extended periods of duty - but short of FTD - for younger, operationally-employable and mainly ex-ADF members who may wish

to pursue a primary career in the ADF as a Reservist. The Committee believes that, using this type of service, Reservists could fill positions in combat forces in a 'regular', effective and efficient manner.

6.33   These 'career Reservists' would be members of the ADF who, rather than pursue a 'full career', opt for employment and domestic stability by serving up to 200 days a year as their primary career.

6.34   Reservists are usually settled in the local area and are not liable to posting. They offer stability in appointment. Therefore, over a period of years, Regular service and service as a career Reservist offer effectively the same level of operational capability, readiness leadtime and notice. They also provide the much sought enduring links between the ADF and the community.

6.35   Admittedly, there are limits to which career Reservists can be employed without denying Regular personnel the opportunity for professional development. There will also be those who raise objections, citing, for example, taxation provisions, inducement to wastage and the old saw of receiving Reserve pay whilst in receipt of a military pension. Such reservations, in the Committee's judgement, have little substance but reflect a prejudice which militates against the more effective employment of Reserves.

Capability and Notice as Readiness Variables[5]

6.36   Much thinking about Reserve structures and capabilities is based on the premise that readiness, as a concept, operates in a single 'dimension'.   Take, for example, the terms used recently by the Department of Defence in relation to preparedness levels for Army's Force Element Groups: 'very high, high, medium, low and very low' (*Defence Report 1990-91*, p. 65). These are used to describe the levels of preparedness currently required of Army as shown at Table 6.1.

---

[5]   Readers unfamiliar with readiness terms and concepts may wish to peruse Appendix 5, paragraphs 5-20.

Force Element Group	Level Required
Command and Control	High
Ready Deployment Force (RDF)	High
RDF Augmentation	Medium
Surveillance Forces	High
Manoeuvre Forces	Medium
Follow On Forces	Medium
Protective Forces	Medium
Logistics Forces	Medium

6.37   This line of thinking assumes that the capability and notice components of readiness are indirectly proportional and that, incorrectly in the Committee's view:

.   'high' readiness infers high capability *and* short notice; and

.   'low' readiness infers low capability *and* long notice.

6.38   This interpretation is highly misleading because readiness as applied to a given operational role is specified in two 'dimensions':

.   capability, (in terms, of equipment holdings, equipment condition, manpower and training); and

.   notice.

6.39   As a concept, readiness is both dynamic and selective. It is dynamic because capability and notice can be modulated - increased or decreased - depending on strategic circumstances.

6.40   It is selective because it is applied on a unit-by-unit basis across the gamut of ADF operational roles. Different levels of capability and notice are set for units performing the same role and, most significantly here, *the performance of some roles involves relatively more capability (or combat power) than others*. For example, the successful conduct of the ADF operational role of Land Warfare requires relatively more capability than vital asset protection measured in terms of equipment holdings, equipment condition, manpower and collective training[6]. Land Warfare, among other roles, as performed by 3 Brigade requires more tasks, more equipment, more deployability, more uncertainly about the AO and more collective training to higher standards than say, vital asset protection performed by 4 Brigade.

6.41   In reality, the same Force Element Group may have different readiness objectives for several roles.

6.42   While different levels of capability are required for the performance of different operational roles, it is self-evident that, within the concept of defence in depth, a high priority must attach to the performance of many operational roles. This Report has shown that VAP is undoubtedly a high priority role.

6.43   There is no reason why high levels of capability (and training in complex military skills, in particular) must always be linked with short periods of notice, or vice versa. Some roles involving *relatively* high capability are required at very short notice (eg, Land Warfare by elements of 3 Brigade). However, it is equally true that certain roles requiring *relatively* low capability are also required at very short notice (eg, Ground Reconnaissance and Surveillance by elements of the Regional Force Surveillance Units).

---

[6]   The ADF defines [Conventional] Land Warfare as 'Land operations to detect, contain and capture or destroy, hostile forces conducting land operations' and Vital Asset Protection as 'Operations to deny hostile forces the opportunity to reconnoitre, harass or raid military and civilian infrastructure and other assets and population centres' (*CDF Readiness Directive*, 1991, A-3-3 and A-3-5, respectively).

6.44   In other words, careful and selective consideration of readiness requirements should lead to decisions about the allocation of operational roles to either Regulars or Reserves, not preconceived notions about a capability/notice nexus or the employability of Reserves.

6.45   Strategic thinking and military planning need to be more flexible in their approach to the linkage between capability and notice. Otherwise, decisions based on the assumption of a capability/notice nexus will be flawed. This is precisely the case concerning the present employment of many ADF Reservists.

6.46   Having identified and discussed the key issues for consideration in the further development of the Reserves, the Committee applied its findings on a Service-by-Service basis to ADF capability gaps which were judged as suitable to be filled by a Reserve structure.

Reserve Structures and Capabilities

Navy

6.47   As analysed in Chapter Four, Naval Reserve structures and capabilities were found to be generally sound. The *Force Structure Review*, however, has caused the Committee to modify that judgement with respect to Naval Reserve involvement in Mine Countermeasures (MCM).

6.48   'As a result of poor planning and procrastination, the development of mine countermeasures forces has been under consideration in the Defence community for over 15 years' (Dibb, 1986, p. 125). Dibb made that observation in 1986. Yet, the ADF still does not have an operational MCM capability.

6.49   Concerning the use of Naval Reserves in MCM, Dibb noted that:

> Navy is examining how its Reserves can be used in MCM operations. Additional numbers may be drawn from occupational groups such as

fishermen and tug operators, and their probable training commitment will be one two-week period each year in their local port area. Navy's proposal is that this force be established over a period of 10 to 12 years and the Reserve strength be raised to cater for this task . . . The Review supports this proposal in principle. Local knowledge of seabed conditions, tidal variations and current is highly desirable for effective MCM operations, and practical training can be conducted in the areas concerned. But it would be inappropriate to place the full onus of MCM operations on a basically Reserve Force over such a long period. MCM is an important task given high priority by this Review (Dibb, 1986, p. 152).

6.50   DOA87, in addressing MCM and the contribution Reserves were to make to the role, stated that:

> The Government gives a high priority to the development of a capable mine countermeasures force. The present force . . . is inadequate. A mine countermeasures force will be developed that will ensure that our major ports can be kept open . . . A new class of glass reinforced plastic inshore minehunter (MHI) catamaran has been developed in Australia for hunting mines in inshore waters. The first of two prototype MHIs has been delivered and the second is expected in mid 1987. Subject to successful evaluation and further review of our priority needs, it is planned to acquire at least four additional MHIs . . . Because the waters in which we could need to counter mines vary in their characteristics, we need minesweepers to complement minehunters. The RAN is developing an innovative Australian concept for acoustic and magnetic sweeps, and will acquire craft-of-opportunity [COOP], such as

fishing boats and tugs, for the rapid expansion of our mine countermeasures force. *This concept involves the use of members of the Naval Reserve whose knowledge of local waters would be of great advantage in mine warfare* (DOA87, p. 45, emphasis added).

6.51   In May 1989 this Committee tabled its report, *The Priorities for Australia's Mine Countermeasure Needs*.   In   that report the Committee expressed its concern 'about Navy's ability to staff the MCM program satisfactorily and, consequently, to develop the capability speedily' (p. 102). The Committee held that concern despite evidence that 'Navy [had] developed a comprehensive manpower plan for the total MCM program' which, among other things, called for a 'required strength' of 276 Reserve personnel (p. 103).

6.52   Again   in   that   report   the   Committee   supported   the 'innovative approach' to crew the minesweepers with Reservists and went on to argue that such a plan:

> . . . to crew the COOPs primarily with Reservists will make use of the local area knowledge of the Reservists, give them a clearly-identifiable role, and minimise demands on PNF manpower. At the same time, PNF staff must be involved in the COOP [craft of opportunity] activities both to ensure standards and coordinate sweeping capabilities within the total MCM force (p. 102).

6.53   In what, to say the least, was a surprising development, the FSR reversed this long-standing policy of deploying minehunters and auxiliary minesweepers, and of employing Reserves in the MCM role. The FSR broached the MCM capability requirement along familiar lines:

> Successive governments have called for a high priority to be given to the development of a capable mine countermeasures force to ensure that Australia's major strategic ports can be kept open. It is a matter for concern that so little

substantive progress has been made. (*Force Structure Review 1991*, p. 20).

6.54   The FSR proceeded by confirming the inherent design deficiencies of the MHI project. Then, following this Committee's earlier recommendation ' That the further development of the minehunting capability for the RAN be directed towards the acquisition of coastal minehunters' (p. 123), the FSR concluded that 'It is . . . time to turn to proven alternatives' in the form of coastal minehunters (*Force Structure Review 1991*, p. 20).   The *Review* continued in accordance with a long-established argument:

> A complementary minesweeping capability is needed.   The sweeps developed by the Defence Science and Technology Organisation (DSTO) are being successfully trialled using converted fishing boats as auxiliary minesweepers. (*Force Structure Review 1991*, p. 20).

6.55   The FSR then made a policy turnaround:

> These [DSTO] sweeps could also be deployed from a coastal minehunter, and therefore it is no longer necessary to develop a permanent core force of auxiliary minesweepers.   Nevertheless this concept will be proven, and provides the basis for timely expansion, drawing on civil resources.

6.56   The clear understanding of this Committee is that the number of vessels in the MCM force structure had for many years been based on four or six hunters and a larger number of sweepers, regardless of the compatibility of the sweeps between the two types. The FSR did not address:

> .   how a capability to keep two ports open simultaneously was to be met by a fraction of the long-standing force structure requirement including about 10 COOP (Dibb, 1986, p. 126);

- how four or even six minehunters could match the effectiveness of locally-based boats in building up over many years a 'picture' of local harbour waters for all of Australia's strategic ports (ie through repeated and on-going 'route surveys'); *or*

- the reasons for reversal of a policy which had stressed the efficiency of a capability based on a mix of PNF and Reserve personnel and for which - our reservations about the need for the Program aside - Ready Reserves would seem to be highly suitable.

6.57   In all the circumstances, the Committee strongly recommends that Navy deploys a Reserve-based auxiliary minesweeping capability by:

- acquiring progressively over the Ten Year Defence Plan (TYDP) at an estimated total cost of $20 million:

    - eight coastal fishing boats fitted to conduct the 'route survey' mine surveillance task; and

    - eight mechanical sweeps;

- basing those boats on the eight Reserve Port Divisions at Darwin, Cairns, Brisbane, Sydney, Melbourne, Hobart, Adelaide and Fremantle;

- manning each boat with a cadre of 12 career Reservists[7] - a crew of eight and a support group of four;

- providing 16 part-time Reservists[8] (or two crews) for each boat;

having members of the cadre each serve for, say, 200 days per year, thus maintaining:

- a high level of expertise in the regular conduct of route surveys in their local waters;

- the capacity to train and otherwise supervise the part-time members who would each serve, say, 40 days per year;

- a mechanical minesweeping capability in conjunction with a compatible boat hired as required for training, or with other Reserve minesweepers on exercise; and

- the potential to concentrate eight boats and 24 crews in northern, or other, ports in contingent situations.

6.58   The Committee notes that the Naval Reserve is currently operating two Fremantle Class Patrol Boats (FCPB) and three Attack Class Patrol Boats (ACPB). Both types are planned to reach life of type in the 1995-1998 timeframe. The implementation of the Reserve auxiliary minesweeping capability should be planned so as to replace patrol boats in the applicable Port Divisions.

6.59   Whereas the implementation of this proposal would contribute directly to the ADF's capability to perform the operational role of Ship Protection in Coastal Waters, Focal Areas and Ports (SHIPPROT) with proven mine surveillance and sweeping systems, the overall resource implications are minimal. The estimated investment of $20 million over ten years would be offset against the planned acquisition of Reserve Fleet Support Vessels as the five patrol boats in Reserve service reach life of type. The personnel cost of the 96 career Reservists would be largely offset by the requirement for the 20 PNF members currently employed as cadres on the two Reserve FCPB, with the exact differential depending on the crew structure selected. There are no additional personnel costs associated with the 128 part-time Reservists involved as they are either employed on patrol boat duties now or comprise an element of Navy's planned expansion of Reserve numbers. Finally, the Committee understands that the annual

---

7   See paragraphs 6.30-34.

8   See paragraphs 6.25, 6.26, 6.28.

operating costs of eight coastal fishing boats would be roughly the same as for the five patrol boats now in Reserve service.

Army

6.60   In Chapters Two and Three the Committee noted that numerous reports prepared in the defence organisation and elsewhere had highlighted the requirement for ground forces to be available selectively at short notice for operations in credible contingencies. Chapter Four summarised the Committee's findings that, for an annual expenditure of some $500 million, the ARes currently provides the following operational capabilities:

- *marginally effective surveillance* by three battalion-size units at 28 days notice;

- *ineffective logistics support* which is unlikely to meet the ARes' own complete needs, much less than 50 per cent of the Army's total requirement in this critical role at 90 days notice;

- *ineffective vital asset protection* by four under-equipped, under-manned and inadequately trained brigades on 90 days notice;

- *ineffective Land Warfare* by three brigades and the integrated ARes units of 6 Brigade whose strength is about 85 per cent of establishment, whose equipment holdings are 'low' and whose notice varies between 90 days for 49RQR and 360 days for 5 and 8 Brigades[9].

6.61   The Committee analysed this most unsatisfactory situation under the headings of force structure, readiness and resources.

6.62   Force Structure. The FSR included in its 'Specific proposals for developing the Army' - and very correctly in the Committee's view - the:

---

[9]   See Chapter Four, paragraph 4.116.

Restructure . . . based on ten brigades. Emphasis will be given to independent brigade operations, with a high level of integral mobility in each brigade group (*Force Structure Review 1991*, p. 26).

6.63   That is, the FSR did not call for additional Army combat forces, which now comprise some 35,000 personnel. There has been no case put to this Committee to increase that number. This supports the Committee's conclusion that the *size* of the force structure is not the key problem.   This led the Committee to examine closely the organisational *disposition* of the force structure, noting once again that the priority functions allocated to ADF ground forces by current defence policy were *surveillance, reaction, protection and logistics*.

6.64   Over the past two years thinking in HQADF about Army 'forces-to-role' allocations has evolved along sound lines. The allocations made in 1989 and 1991, respectively, are compared in Table 6.2.

Table 6.2 Army's Force Element Groups -
April 1989 and July 1991
(Sources: *CDF Readiness Directives*, 1989 and 1991)

FEG TYPE	FEG ALLOCATION 1989	FEG ALLOCATION 1991
Command and Control	Land Headquarters	Land Headquarters
	Headquarters Northern Command	Headquarters Northern Command
Combat	Ready Deployment Force (RDF) RDF Augmentation Manoeuvre Forces Follow On Forces Expansion Base Forces	Ready Deployment Force (RDF) RDF Augmentation Manoeuvre Forces Follow On Forces Protective Forces Surveillance Forces Special Forces
Logistic	Lines of Communication Support Force	Logistic Forces

6.65   While DOA87 did not call for any major restructuring in Army, thinking arising from the *Dibb Review* and DOA87 and given impetus by the early development of Program Management and Budgeting and ADF readiness doctrine led to the adoption in April 1989 of Army Force Element Groups as shown in Table 6.2. This alignment of forces-to-role is notable for the lack of Force Element Groups dedicated to either surveillance or protection, both stressed by DOA87 as priority roles for ADF ground forces.

6.66   The Committee notes, however, the evolution in thinking indicated by the equivalent configuration adopted as of July 1991 (See Table 6.2.) Protective and Surveillance Forces (together with Special Forces) have been added to reflect the priority accorded by DOA87, Expansion Base Forces have been deleted in accordance with ASP90 and, presumably, the term 'Logistic Forces', adopted to better describe their pervasive function, albeit all Combat FEG, have integral logistic elements.

6.67   It was clear to the Committee that, notwithstanding the increasingly appropriate alignment of Army forces-to-role, the retention of Manoeuvre Forces and Follow On Forces (as Army combat Force Element Groups) had little apparent relevance to the strategic priorities of DOA87.

6.68   Some 10,000 combat personnel, of whom 4,000 are General Reserves and 3,000 will be Ready Reserves, comprise Army's Manoeuvre Forces. These Force Element Groups have the designated function of 'following-up initial deployments' (*Defence Report 1989-90*, p. 36); they have a specified notice of between 90 and 180 days.

6.69   A further 4,500 Army personnel (of whom all but 200 are General Reserves) comprise Army's Follow On Forces. These Force Element Groups have the function of 'with greater combat power reinforcing deployed formations *if necessary*' (*Defence Report 1989-90*, p. 36). Army's Follow On Forces have a specified notice of up to 360 days.

6.70   Of a total of 35,000 personnel in Army's combat forces therefore:

. some 6,000 Regular and 11,500 General Reserves are allocated to other than priority roles established by defence policy;

. put another way, Manoeuvre Forces and Follow On Forces comprise the equivalent of seven infantry battalions, or about 30 per cent of all such units in the total Army;

. some 40 per cent require 90 days or longer to become operationally ready; and

. some 13 per cent require in the order of a year to become operationally ready.

6.71   On the basis of the information before it, the Committee was unable to reconcile these substantial, but relatively long notice Manoeuvre and Follow-On Forces, with current or foreseeable strategic priorities. In particular, they did not appear to be relevant to the widespread, scattered and sporadic harassment and raid contingencies accorded priority in DOA87. They do not provide forces in the short timeframes within which such contingencies may arise and they do not appear compatible with the concept of 'independent brigade operations' discussed in the *Force Structure Review 1991* (p. 26).

6.72   The Committee reached the conclusion that the organisational disposition of Army's force structure should be re-aligned to reflect capability requirements and, in particular, readiness requirements.

6.73   **Readiness.** The Committee is very concerned that just four brigades comprise Army's Protective Forces Force Element Group and that those force elements are on 90 days notice. The Committee is equally concerned about the condition of Army's Logistic Forces and that they are also on 90 days notice. Chapters Two and Three demonstrated that the timely performance of these roles is vital if defence in depth is to be successful. As presently structured, the ADF

is critically short of units to perform these duties. Moreover, this shortage would be particularly acute during the first three months if a credible contingency did, in fact, arise in northern Australia with little or no warning.

6.74   The Committee believes that this situation can be substantially remedied by the re-orientation of a large number of Army Reserve units to the protective role and, to a lesser extent, the logistics role.

6.75   Specifically, 5, 7 and 8 Brigades should be 're-roled' and have their notice reduced appropriately. In lieu of Land Warfare, their primary role should be vital asset protection. In lieu of notice up to 360 days, their notice in routine circumstances should be 28 days.

6.76   This re-alignment has four important consequences. First, it would mean that ARes infantry brigades have a clear and vital role which the balance of the ADF and the community at large could easily comprehend.

6.77   Second, it would mean that these units' peacetime training should be focussed specifically on those mobile infantry tasks relevant to the protective task. Hence training objectives ought to be much more tangible, realistic and achievable than in the past.

6.78   Third, the overall level of capability required in terms of equipment holdings, equipment condition and collective training are less for vital protection than for Land Warfare. Less resources are required both to maintain the set minimum level of operational capability and, if required, to attain an operational level. From the evidence before it, the Committee concludes that not only can the required level of capability in VAP be maintained through about 40 days productive annual continuation training, but also that units could be combat ready in the VAP role within 28 days of call out.

6.79   In making this proposal the Committee is not suggesting that the training of ARes units primarily for protective security duties in northern Australia would be simple or undemanding. The Committee understands that in most contingent situations an active defence would

need to be provided for key points and other vital assets. High space-to-force ratios will apply. Mobility will underscore most tasks. Command and control, tactical surveillance and reactive tactical tasks in an Area of Operations (AO) of perhaps 100 kilometre radius are not easily accomplished in the night/all weather situation and in the harsh terrain of Australia's north.

6.80   Fourth, it follows that the maintenance of a capability primarily for the VAP role and at 28 days notice would provide a very strong foundation for the timely development of higher capabilities in other roles, should the strategic circumstances so indicate. Such enhancements could be accomplished after call out, dependent on the contingent situation, either in the AO while conducting VAP or at southern training bases.

6.81   Let it be absolutely clear what the Committee is not proposing:

- The Committee is not suggesting that the relatively high levels of firepower and mobility currently deployed in the Manoeuvre and Follow On Forces are not essential in order to 'win the land battle'[10]. Re-structuring does not mean reducing combat power. It means making the organisational disposition of the available capability more appropriate;

- The Committee is not suggesting that the equipping, manning or collective training of all seven ARes infantry brigades be homogeneous. Objectives in each of those capability criteria should be predicated on the nature of the primary AO allocated and the assets within it;

- The Committee is not proposing that ARA or ARes units currently disposed in the Manoeuvre Forces or Follow On Forces should lose their identity, traditions, basic equipment holdings or military function;

---

[10]   The mission of the Australian Army is 'to win the land battle'.

- The Committee is <u>not</u>, furthermore, proposing that this restructuring, of itself, is a reason to alter the geographic location of units; and

- The Committee is <u>not</u> proposing that the current structures, capabilities or role of the Regional Force Surveillance units be altered in any way.

6.82   Resources. In order for ARes infantry brigades to become effective in the protective role, another important prerequisite besides restructuring is required. It would be essential for the equipment deficiencies of such units that were highlighted in Chapter Four to be redressed, notwithstanding that in certain equipment categories establishments could be reduced as a result of re-roling. If planning is to assume the commitment of such units to operational duties at short notice in a range of credible contingencies, the Committee believes that continued reliance on equipment 'pooling' and other short-fall arrangements is totally unacceptable. ARes infantry brigades require equipment and stores commensurate with training effectively and becoming combat ready within the set period of notice.

6.83   In estimating the resources required to redress these equipment deficiencies, the Committee had little data with which to work. As discussed in Chapter Three, the Army Reserve Review Committee (ARRC), among other things, determined 'the ARes equipment costs arising from the Dibb Review' (ARRC, 1986, 11-2). The resultant estimates [were] a major undertaking for which there was little precedent . . . [and did] not include the cost of ARA readiness for northern contingencies, nor . . . the cost of activities which demand a total force of combined ARA/ARes approach' (ARRC, 1986, 8-1). Furthermore, the ARRC made the assumption that 'The ARes should only be equipped to adequate levels for home training in peacetime, with equipment for continuous training being available from centralised pools' (ARRC, 1986, 11-1). These assumptions cannot be justified in terms of current strategic requirements. Nevertheless, it is instructive that, in 1986 and even with those mitigating caveats, the ARRC calculated an estimated total cost of about $358 million.

6.84   The Ready Reserve Program notes that:

Army Ready Reserve elements will require additional equipment. The Force Structure Review has set aside $50 million for this purpose (*Ready Reserve Program 1991*, p. 16.).

The Committee noted that most of this equipment would be supplied to 6 Brigade which, as an integrated ARA/ARes formation within the Manoeuvre Forces, had been categorised as having a low proportion of principal equipment items held (see Table 4.10).

6.85   The Committee made the broad judgement that funds for required levels of equipment for the seven General Reserve infantry brigades should be made available on the basis of an estimated $100 million for each brigade.

Air Force

6.86   The Committee concluded that Air Force could have displayed considerably more flexibility and imagination in making effective use of Reserve personnel. Air Force's Reserve Aircrew Scheme has been poorly focussed over the 10 years of its existence and has not been employed in any significant way to help overcome the RAAF's central operational limitations. Only recently has Air Force planned to use Reserves in numbers to provide much needed protection of its assets at forward deployment bases.

6.87   The Committee was impressed by the breadth and depth of evidence put before it showing that the air forces of many other countries enhance operational capabilities substantially and at limited cost by employing experienced reserve personnel in an array of roles. The demonstrated capabilities of many different types of integrated Permanent-Reserve squadrons in foreign air forces are beyond dispute.

6.88   The Committee noted that the RAAF presently suffers from a number of serious operational weaknesses. Perhaps the most important is the low aircrew-to-aircraft ratios and relatively few technical and other personnel available to support operations at forward operating bases. This means that in times of tension, conflict or

natural disaster, the scope for increasing the operational rate of effort is limited severely.

6.89   In a future crisis the RAAF's operational capability would be restricted much more by the shortage of air and support crew than by any shortage of aircraft. In current budgetary circumstances, additional Permanent Force personnel are most unlikely to be made available. But other options do exist. The Committee noted that despite various single Service and Departmental reviews concerning Reserve employment, no serious attempt appears to have been made to extend RAAF operational capabilities by widening the application of integrated Regular/Reserve force elements. Given the obvious success of such approaches in many other countries, the Committee feels strongly that resistance to change in this field should no longer be tolerated.

6.90   The Committee understands that the RAAF's central operational requirements are as follows:

.   maintain the peacetime minimum level of capability (here particularly in aircraft maintenance and aircrew training) to meet the operational readiness objectives set by the Chief of the Defence Force;

.   generate a latent capacity to increase rate of effort substantially (say, by 100 per cent)[11];

.   ensure selected Regular personnel receive the necessary command experience and other professional skills to equip them for a broad range of higher appointments;

.   meet the career and domestic aspirations of Regular and Reserve personnel;

---

[11]   It is widely accepted that an aircrew-to-aircraft ratio of 2:0 - as an absolute minimum - is required to extract an operationally effective and efficient rate of effort in periods of tension or conflict. The RAAF, broadly speaking, have an aircrew-to-aircraft ratio of about 1:0. Accordingly, the Committee inferred that it was safe in adopting a doubling of rate of effort for illustrative purposes.

minimise the need to acquire capital equipment specifically for the purpose (eg, by extending the use of simulators as far as is operationally and economically reasonable);

.   minimise the need to bring forward the acquisition of capital equipment by reducing aircraft usage where feasible and by maintenance and other action to protect aircraft life of type; and

.   minimise personnel and operating costs.

6.91   The Committee believes that these and related requirements could be met more successfully and cost-effectively through the imaginative employment of Reserve personnel. Foreign precedence and some Australian studies suggest that numerous alternative models could be employed effectively in Air Force.

6.92   In order to illustrate the general type of approach that the Committee believes needs to be taken, one particular model was explored in some detail.

6.93   For illustrative purposes, the Committee took as a basis of comparison a notional F/A-18 squadron manned by Permanent Air Force (PAF) personnel only and flying 3,200 operational training hours per year. A typical establishment for such a squadron might be:

.   16 pilots; and

.   140 ground personnel (engineering, supply, administrative, intelligence, Army liaison).

6.94   The Committee analysed and roughly costed the flying operations and support requirements of this unit and an alternative integrated PAF/RAAF Active Reserve Squadron with a pilot establishment as follows:

.   PAF   2

.   career Reservists on extended periods

of duty, say, 200 days per year   10

- part-time Reserves on 'normal' periods of
  training, say, 40 days per year   16

- total integrated pilot establishment   28

6.95   Under an establishment of this broad type, the two PAF pilots would fill the squadron commanding officer post and one of the three flight commander posts. This would provide opportunities for career enhancement needed for selected PAF personnel. These two PAF pilots would receive the same flying hour allocations as pilots in an all-PAF squadron.

6.96   The 10 career Reservists would be ex-PAF pilots with at least one tour on the squadron aircraft type, and whose overriding aspirations were a career in military aviation (vis-a-vis a 'full career' in the RAAF) and geographical/domestic stability. These career Reservists would serve on a training-day basis and provide the long-term core of tactical expertise. Because of their considerable experience on the aircraft, these pilots could be expected to maintain full proficiency using, say, 75 per cent of the flying hours allocated to each pilot in an all-PAF squadron.

6.97   Thus the two PAF and the 10 career Reserve pilots would provide a strong cadre for:

- the squadron's maintenance of the required minimum level of capability (ie flying and ground training standards);

- operational deployments at the shortest notice required of the particular Force Element Group;

- the supervision and training of the squadron's part-time Reserve pilots[12]; and

---

12   See paragraph 6.98.

- if and when required, the generation of a specified increased rate of effort on which military planners could rely.

6.98   The key to achieving the increased rate of effort would be the 16 part-time Reserve pilots with an annual commitment of 40 days training. These members would also be ex-PAF pilots with at least one PAF tour on the squadron aircraft type, but whose primary career aspirations lay outside military aviation. Ideally, but not necessarily, the primary careers of these Reservists would be in civil aviation. They would not need to reside in the squadron's locality. They would have one overriding requirement, namely, to maintain - using about 30 flying hours per year - minimum operational proficiency on type, such that within a two-week period of concentrated training the Reservist could re-qualify as combat ready.

6.99   How and when Reserve pilot training was programmed to maintain that minimum proficiency would depend on several factors and would need to be mutually agreed with the squadron commander. Such factors might include:

- total experience on type;

- time since last combat ready;

- current non-RAAF flying practice;

- availability for training, for example:

  - weekends only;

  - one or two periods of continual training each year; and

  - in exercises.

6.100   Key considerations for such a part-time Reserve element of the scheme would include, for instance:

- an obligation to respond to call out;

careful squadron planning to manage the necessary training year-round; and

. mutual flexibility.

6.101   Given that the target for the increased flying rate should be double that of the peacetime squadron allocation - that is, 6,400 hours per year - the Committee understands that 16 pilots cannot generate that figure in a safe and operational manner. Conversely, for the integrated PAF/regular Reserve/part-time Reserve squadron, each pilot would have to fly at a rate of only 230 hours per year, which the Committee understands is operationally quite acceptable.

6.102   The two main resource implications of this general concept concern personnel costs and flying hours. A conservative estimate of the annual personnel cost of the pilots in a notional all-PAF squadron is about $1.2 million[13] as against about $0.5 million[14] for the

---

[13]   Personnel costs of 16 pilots in all-PAF squadron were estimated as follows, using data from the *Commercial Support Program Ready Reckoner* and taking into account *direct* and *government support costs* components but not *base support costs* (assumed to be roughly equal for both Regulars and Reserves for the days served):

		$,000
.	1 x wing commander (commanding officer @ $95,000/year	95
.	3 x squadron leader (flight commanders) @ $85,000/year each	255
.	6 x flight lieutenant (squadron pilots) @ $75,000/year each	450
.	6 x flying officer (squadron pilots) @ $65,000/year each	390
	Total	1,190

[14]   Personnel costs of the 28 pilots in the integrated squadron were estimated as follows, using data from the *Commercial Support Program Ready Reckoner* for PAF costs and published RAAFAR pay scales (including flying pay but not attendance allowance):

176

integrated squadron. Based on the all-PAF squadron having a total hours allocation of 3,200 hours for operational training[15], the integrated squadron would need an allocation of only 2,380 hours[16]. At an operating cost for the F/A-18 of, say, $12,000 per hour, this represents an annual saving of $10 million.[17]

		$,000
.	1 x wing commander (PAF commanding officer) @ $95,000/year	95
.	1 x squadron leader (PAF flight commander) @ $85,000/year	85
.	2 x squadron leader (career Reserve flight commanders) @ $160/day for 200 days	64
.	8 x flight lieutenant (career Reserve squadron pilots) @ $130/day for 200 days	208
.	4 x squadron leader (part-time Reserve squadron pilots) @ $160/day for 40 days, say,	26
.	12 x flight lieutenant (part-time Reserve squadron pilots @ $130/day for 40 days, say,	63
	Total	541

[15]   16 PAF pilots @ 200 hours/year equals 3,200.

[16]   The annual flying hours allocation needed by the integrated squadron was estimated as follows:

.	2 Regulars @ 200 hours/year	400
.	10 regular Reserves @ 150 hours/year	1,500
.	16 part-time Reserves @ 30 hours/year	480
	Total	2,380

[17]   The Committee understands that, whereas the *full cost* per hour of a F/A-18 is in excess of $50k, the *direct cost* (less *crew costs*) plus *on costs* totals around $12k. The annual saving was estimated on the basis of:

177

6.103   Turning to the ground support element of this type of integrated squadron, the Committee took it that, in lieu of the complement of 140 PAF personnel, the establishment might be as follows:

.	PAF	10
.	career Reservists on excluded periods of duty, say, 200 days per year	80
.	part-time Reservists on 'normal' periods of training, say, 30 days per year	120
.	total integrated ground crew establishment	210

6.104   The support elements of such a squadron could have the squadron engineer officer and nine senior non-commissioned officers (SNCO) PAF personnel. This would provide opportunities for career enhancement for selected PAF personnel.

6.105   The optimum mix of PAF, career Reservist and part-time Reservists would depend on many factors. However, the Committee understands that it is normal for about 20 per cent of the ground elements of all PAF squadrons to be in training or otherwise unavailable for squadron duties. Hence the 10 PAF personnel supported by 80 career Reservists should be more than adequate to:

    .   meet the squadron's maintenance of the required minimum level of capability (ie the condition of aircraft and associated equipments), particularly as the integrated squadron would

	$m
. 3,200 hours @ $12k/hour:	38.4
. 2,380 hours @ $12k/hour:	28.6
Order of Saving	10.0

178

need to fly about 25 per cent fewer hours each year than an all-PAF squadron;

    .   meet operational deployments at the shortest notice required of the particular force element;

    .   provide the supervision and training of the squadron's part-time ground personnel; and

    .   provide a demonstrated capability for at least double the peacetime rate of effort.

6.106   The key to generating the greatly issued rate of flying effort would be the 120 part-time Reservists with an annual commitment of a minimum of 40 days training. The expectation would be that both ex-PAF and Reserve recruits would make up this number. The latter would be recruited just as for the RAAFAR squadrons now. The Committee was impressed by the wealth of RAAFAR evidence showing that part-time technical personnel are able to meet the RAAF's maintenance standards.

6.107   Personnel costs would be the main resource consideration for the ground crew component of such an integrated squadron. A conservative estimate of the annual costs of these personnel in an all-PAF squadron is about $7.4 million, as against a cost for the integrated squadron of $2.4 million[18].

---

[18]   Personnel costs of the 140 ground staff in the all-PAF squadron were estimated as follows, using the data from the *Commercial Support Program Ready Reckoner* and taking into account *direct* and *government support cost* components but not *base support costs* (assumed to be roughly equal for both Regulars and Reserves for the days served):

	$,000
. 1 x squadron leader (engineer officer) @ $73,000/year	73
. 9 x junior officer @ $60,000/year	540

179

.	36 x senior NCO @ $55,000/year	1,980
.	95 x junior NCO/other ranks @ $50,000/year	4,750
	Total	7,343

Personnel costs of the 210 ground staff in the integrated squadron were estimated as follows, using data from the Commercial Support Program Ready Reckoner *for PAF costs and published RAAFAR pay scales:*

		$,000
.	1 x squadron leader (PAF engineer officer) @ $73,000/year	73
.	2 x junior officer (PAF) @ $60,000/year	120
.	6 x junior officer (career Reserve) @ $84/day for 200 days/year	504
.	7 x senior NCO (PAF) @ $55,000/year	385
.	20 x senior NCO (career Reserve) @ $84/day for 200 days/year	336
.	54 x junior NCO (career Reserve) @ $62/day for 200 days/year, say,	670
.	4 x senior officer (part-time Reserve) @ $85/day for 40 days/year, say,	17
.	20 x junior officer (part-time Reserve) @ $85/day for 40 days/year	68
.	36 x senior NCO (part-time Reserve) @ $67/day for 40 days/year, say,	97
.	60 x junior NCO/other ranks (part-time Reserve) @ $62/day for 40 days/year, say,	149
	Total	2,419

6.108   The Committee is not suggesting that every Air Force flying squadron be converted to an integrated configuration of this broad type. Factors in selecting specific squadrons would include, for example:

.   readiness requirements in relation to other squadrons and Force Element Groups;

.   size of individual Force Element Groups;

.   extant aircrew-to-aircraft ratios;

.   crew size and composition;

.   role complexity and readiness lead time;

.   transferability of civil aviation skills and experience to the performance of specific RAAF operational roles;

.   the number of command and staff appointments requiring previous experience on particular types; and

.   the need to provide career opportunities for selected PAF personnel.

6.109   Having applied such factors to Air Force's current order of battle, the Committee concluded that important gaps in ADF capability could be filled by converting at least five or six operational squadrons to the integrated configuration illustrated above. Indeed, if rapid action were taken, the Caribou force structure may not need to be reduced from 21 to 14 aircraft as planned by the FSR (*Force Structure Review 1991*, p. 27). Thus much needed Army mobility could be retained.

Conclusions

6.110   This chapter summarised the Committee's finding that, despite numerous defence and other reviews addressing Australia's changed strategic requirements and their implications for Reserve Forces, a great deal remains to be done.

6.111   The Committee is firmly of the view that the ADF can obtain substantially greater military capability from its present budget by taking a more flexible and imaginative approach to the contribution of various categories of Reserve service. The 'solutions' are different for each of the Services.

6.112   The Committee disagrees strongly with the FSR recommendation that reverses a long-standing plan that Navy acquire a number of coastal fishing boats, operate them as auxiliary minesweepers and man the capability largely with Reserve personnel.

6.113   The Committee is convinced that, by restructuring the Army's Follow On Forces and its Manoeuvre Forces, and by making readiness requirements and equipment adjustments, Army's capability to respond to the contingencies currently given priority in defence planning could be enhanced very substantially. The costs involved would be in the order of just one per cent of the total outlay in the Ten Year Defence Program.

6.114   Similarly, the adoption of integrated permanent Reserve force structures in, perhaps, one third to one half of Air Force squadrons would contribute substantially to overcoming the RAAF's severe weakness in generating operational activity levels.

6.115   The Committee firmly believes that these reforms are important for the optimisation of Australia's defence capability and in providing greater value for the nation's limited defence expenditure. They deserve priority defence planning attention.

CHAPTER SEVEN

CONCLUSIONS -
A CORPORATE PLAN FOR ADF RESERVES

7.1   The Committee received an abundance of evidence to show that, over the past 20 years or so, there had been many sound ideas about how the performance and conditions of ADF Reserves could be improved. No attempt has been made by Defence to implement those initiatives in a sustained and cohesive way. Fragmented policies, inadequate priority for the resources available and lack of commitment have been the hallmarks of Reserve development. The Committee is thoroughly convinced that a corporate planning approach must be adopted if ADF Reserve forces are to become an effective and efficient total force component. This is the overriding conclusion of this inquiry.

7.2   The conclusions reached by the Committee were based on:

    the capability requirements for priority tasks set out in *The Defence of Australia 1987* (DOA87) and modified by the classified report, *Australia's Strategic Planning in the 1990s* (ASP90); and

    the assessed capabilities of ADF Reserve forces, taking into account the advent of the *Force Structure Review* and its integral *Ready Reserve Program*.

7.3   The Committee's conclusions reflect the five central Terms of Reference set for this inquiry:

    structures and capabilities;

    types of service;

    priorities and timetables;

- resource implications; and

- the Auditor-General's Report on the ARes.

Structure and Capabilities of ADF Reserves

Navy

7.4   Navy has made considerable progress in restructuring its Reserve forces, even during the course of this present inquiry. Naval Reserves provide a range of valuable combat support functions. Noting that Naval Ready Reserves will not contribute directly to readiness and will be an expensive way of providing relief manning, the contributions provided by Naval Reserves are otherwise considered to be broadly effective and efficient. If the internal RAN initiatives taken recently can be sustained, then, only one major structural problem remains to be redressed - a Reserve contribution to mine countermeasures (MCM) in the performance of the important ADF operational role of Ship Protection in Coastal Waters, Focal Areas and Ports (SHIPPROT).

Recommendation 1

The Committee recommends that Navy should develop an auxiliary minesweeping capability within each of eight Reserve Port Divisions to complement the four coastal minehunters that are to be acquired.

7.5   This capability should be based on a coastal fishing boat type, fitted for mine surveillance and capable of mechanical sweeping with another compatible craft. The Committee examined a Divisional minesweeping structure employing a cadre of 'career Reservists'(up to 200 training days/year) to support a larger component of 'part-time Reservists' (say, 40 days/year). The benefits of this flexible employment of Reservists include not only an operational capability for the same order of cost as current Port Division training activities, but also greatly increased community involvement and the potential for substantially increased rates of effort.

Army

7.6   Through its three Regional Force Surveillance Units, the Army Reserve (ARes) makes a large, effective and efficient contribution to Army's Ground Reconnaissance and Surveillance capability.

7.7   Conversely, and in a sense much more importantly, the ARes is neither effective nor efficient in its performance of the other three roles allocated to ADF ground forces:

- protection;

- reaction; and

- logistics.

This lack of capability is the single most important issue identified in the course of this inquiry. This deficiency puts at risk the concept of defence in depth and Australia's self-reliance in credible contingencies.

7.8   The ADF has just one brigade of two battalions dedicated to the reaction role and held on notice ranging from very short to short. While ostensibly not a Reserve issue, this limited level of capability also concerned the Committee greatly.

Recommendation 2

The Committee recommends that Army's capability to perform the reactive role should be raised significantly by restructuring 6 Brigade.

7.9   Elements should be held routinely at notice varying between 28 and 90 days. That way, as warranted by strategic circumstances, 6 Brigade's notice could be modulated in order to, for example:

- have it operationally ready to relieve 3 Brigade in-place; and

- have two brigades operationally available for the reactive role.

Recommendation 3

The Committee recommends that if the planned, continual review of the Ready Reserve indicates that 6 Brigade is unable to perform the Land Warfare role at 28 to 90 days notice, it should become a Regular brigade.

7.10 Army's combat forces are planned to total some 35,000 personnel comprising about 11,000 Regulars and 24,000 Reservists. Notwithstanding the priority attached by defence policy to the protection role, only four of the ARes' eight infantry brigades have it as their primary role. Those forces are manned to only about 75 per cent of authorised strength. Only 50 to 60 per cent of members undergo the minimum amount of training specified and unit equipment holdings are, at best, 25 per cent of those authorised. Furthermore, the notice currently specified for Army's Protective Forces Force Element Group is 90 days, which is hardly in concert with the precept that credible contingencies can arise with little or no warning.

7.11 ARes units comprise some 50 per cent of Army's Logistic Force Element Group. Logistics capability is deficient in manpower (only 84 per cent of establishment) and equipment (rated by Defence as 'low' on a scale of 'very high', 'high', 'medium', 'low' and 'very low'). Logistic Support Force elements are also held on 90 days notice.

7.12 The recurring annual cost of the ARes is in the order of $500 million.

7.13 The single greatest cause of ARes ineffectiveness and inefficiency is the mis-alignment of Army's force structure and readiness with priority tasks established by DOA87 and ASP90. Some 6,000 Regular and 11,500 General Reserves comprise Army's Manoeuvre Forces and Follow On Forces. As currently structured, these Force Element Groups are allocated to other than priority roles established by defence policy; in large part, they require 90 days or longer to become operationally ready.

7.14 The Committee noted that, since the mid-1980s, there had been a progressive, but slow, restructuring of Army's Force Element

Groups in response to a range of commendable advances in Australian strategic thinking and military planning. Regrettably, the *Force Structure Review* was largely a lost opportunity in that respect because it did not identify this re-alignment of Army's forces-to-roles as a priority for force development.

Recommendation 4

The Committee recommends that Army's Manoeuvre Forces and Follow On Forces be restructured so as to contribute much more appropriately to the preparedness of the force-in-being for the self-reliant defence of Australia as endorsed by defence policy.

7.15 This would involve a redistribution of the firepower and manoeuvre available in Army to accord with the 'Emphasis [to] be given to independent brigade operations, with a high level of integral mobility in each brigade group' (*Force Structure Review 1991*, p. 26). It would complete the shift away from an earlier posture predicated on ADF ground force involvement in large scale, high intensity warfare involving manoeuvre on a formation scale, long periods of readiness lead time and the significant expansion of Army's peacetime establishment. Finally, it would result in, among other things, the military capability of Army's two Regular and eight Reserve infantry brigades being focussed on the primary operational roles allocated to ADF ground forces.

Recommendation 5

The Committee recommends that, also through restructuring, the Logistic Support Force should be brought from its current manning of about 2,800 to its authorised level of some 3,300.

7.16 The *Force Structure Review* argued for the retention of an ARes divisional headquarters on the basis that it should 'develop the skills and doctrine for conventional divisional operations'. Such operations are not relevant to the conduct of independent brigade operations in credible contingencies.

Recommendation 6

The Committee recommends that, in the light of the Department of Defence's declared policy on independent brigade operations, the retention of Headquarters 2 Division be reviewed.

Air Force

7.17   The Committee found that extant Air Force Reserve structures are generally effective and efficient in supporting allocated operational roles. But the Committee also considers that Air Force should apply much more flexibility in its employment of Reservists in operational flying squadrons in order to rectify its serious lack of potential to increase the operational rate of effort in contingent situations.

7.18   Air Force plans for filling the gap in its ground defence capability using Reserves predate the *Force Structure Review* but have been enabled by the allocation of 450 Ready Reserves. An Airfield Defence Guard (ADG) structure comprising one Permanent Air Force (PAF) squadron and three Active Reserve squadrons with PAF cadres is considered appropriate to provide intra-base protection of vital air assets operating from forward deployment bases, of which there are at least four. However, based on overseas experience and Australian Army practice during the Vietnam War, the 12 months full-time training currently planned for ADG Ready Reserves is excessive.

Recommendation 7

The Committee recommends that, should the review of the Ready Reserve Program confirm this view, these ADG squadrons be manned by part-time Reservists serving, say, 40 days per year.

7.19   Air Force has been trialling Reserve aircrew schemes over the past 10 years or so. About 40 Reserve pilots are presently being used either to assist with instructional duties on certain operational types or to fly 'transport maritime type airplanes' (O'Brien, Evidence, 26 July 1991, p. 1415). However, neither the Ready Reserve scheme for F/A-18 and F-111C nor its planned expansion will produce the quantum

increase in aircrew-to-aircraft ratios needed to increase substantially the operational rate of effort. A much needed and more flexible use of Reserves as air and ground crews is indicated.

Recommendation 8

The Committee recommends the introduction of an integrated structure in at least five or six selected operational squadrons employing a strong cadre of 'career Reservists' (up to 200 training days/year) to support a large component of 'part-time Reservists' (say, 40 days/year), with key squadron posts available for the career development of PAF members.

7.20   Specific personnel structures could be used to accommodate many factors such as aircraft type, complexity of mission and base locations. The benefits include not only enhanced routine capability, the potential to double the peacetime rate of effort and greatly increased community involvement, but also extended aircraft life of type and substantially decreased personnel and operating costs.

Types of Service

7.21   Tables 7.1-7.3 show the types of Reserve service for Navy, Army and Air Force, respectively.

Table 7.1 Types of Reserve Service - Navy
(Source: Defence, Submission, pp. 868, 870)

Navy Emergency Reserve Force (NERF) (Dormant)

Australian Naval Reserve (ANR):

. Royal Australian Naval Emergency List of Officers (RANEM)

. Royal Australian Fleet Reserve (RAFR)

. Royal Australian Naval Reserve (RANR):

  - Active Attached Reserve (AAR) including, among other things,
   Ready Reserves

  - Active Unattached Reserve (AUR)

  - Inactive Unattached Reserve (IUR)

Table 7.2 Types of Reserve Service - Army
(Source: Defence, Submission, p. 870)

Regular Army Emergency Force (RAEF) (replaced by AIER)

Army Reserve (ARes):

. Active Army Reserve (Active ARes) including, among other
 things, Ready Reserves

. Inactive Army Reserve (Inactive ARes) (Effectively Dormant)

Table 7.3 Types of Reserve Service - Air Force
(Source: Defence, Submission, p. 870)

Air Force Emergency Reserve (AFER) (Dormant)

RAAF Reserve (RAAFR):

. RAAF Active Reserve (RAAFAR) including, among other things:

  - Aircrew Contingency Reserve

  - Aircrew Manpower Reserve

  - Ready Reserves including:

    -- F/A-18 and F-111C Aircrew

    -- Airfield Defence Guards

. RAAF Specialist Reserve (RAAFSR)

. RAAF General Reserve (RAAFGR)

7.22   As Tables 7.1-7.3 show, the organisational arrangements and types of service available for ADF Reserves are self-evidently convoluted, redundant in part and inconsistent between the Services. They are a manifest hindrance to the employment of Reserves.

Recommendation 9

Notwithstanding the complex administrative and legislative tasks involved, the Committee recommends:

.   generally, that Reserve types of service be streamlined and standardised;

.   specifically that:

    - each Service should have two parts only - Regular and Reserve;

- the Reserve part should have two components - Active and Inactive; and

- reference to emergency forces and emergency Reserves should be deleted.

7.23　　A task set for the Committee was to inquire into 'the different types of Reserve service now existing . . . and the effectiveness of the associated training programs' (Terms of Reference iii). As discussed, existing types of service are actually an encumbrance to generating and maintaining Reserve effectiveness. The Committee has argued that a much more flexible and innovative approach to the employability of Reserves must be taken if their full potential is to be exploited. The value of training depends much less on type of service than, for instance, on:

- quality of, and time since, individual's initial training;

- total days available for training each year;

- availability each year for periods of continuous training, and especially for blocks of about two weeks;

- the quantity and condition of unit equipment holdings;

- opportunity to train in the likely Area of Operations (AO); and

- relevance of the training conducted to primary operational role(s) and tasks.

7.24　　Much greater emphasis needs to be placed on obtaining the individual Reservist's commitment to a certain number of days service each year than on his or her type of service.

Recommendation 10

The Committee recommends that, in conjunction with the rationalisation of the multiple types of service within the Active Reserve

component, a range of inducements be introduced to ensure that 'part-time Reservists' serve the minimum number of days commensurate with the role and readiness requirements of particular force elements.

Priorities and Timetables

7.25　　Three levels of priority apply to the further development of Reserves. First, and most importantly by far, is the need to develop policy frameworks for:

- the introduction of an operational, auxiliary minesweeping capability into Naval Reserve Port Divisions;

- the necessary restructuring of Army's combat Force Element Groups; and

- the much greater employment of Reservists in RAAF operational squadrons.

7.26　　The Committee envisages that the necessary policy development, and the analysis and programming of resource needs, could take 12 months to develop. Subsequently, full implementation of a Reserve MCM capability should be undertaken over the Ten Year Defence Program (TYDP), Army restructuring should take no longer than about six months and the mature integration of selected RAAF squadrons might take up to three years.

7.27　　The Committee is particularly concerned about the priority allocated to, and the timetable for, the redressing of the equipment shortfalls within Army General Reserve units. The additional funds required are the single greatest financial implication of implementing this Report. In reaching its recommendations in this regard, the Committee was mindful of the recent observation made by the Minister for Defence that 'It is easy to draw up lists of what can be done to improve our defence capacity, if there were no resource limits.' (Ministerial Statement, 30 May 1991, paragraph 4).

7.28　　On the other hand, the Committee is convinced that unless, and until, the ARes becomes truly effective in all of its principal

operational roles, the objective of defence self reliance and the strategy of defence in depth will remain in jeopardy.

Recommendation 11

On balance, and notwithstanding the considerable pressures on the TYDP, the Committee recommends that the ARes should be equipped fully at an estimated $700 million ($100 million for each of seven brigades) for the vital asset protection role as soon as is practicable.

7.29   The second priority is to ensure that the planned review of the *Ready Reserve Program* takes place on a continual basis. Only experience will tell if the *Program* is basically tenable.

Recommendation 12

The Committee recommends that the on-going Ready Reserve review process should focus on:

   .   matching the length and content of periods of initial training with the applicable role(s) and capability requirements;

   .   the question of whether the requirement for a second brigade group in the Ready Deployment Force (but held routinely at longer notice than 3 Brigade) can be met by Ready Reserves;

   .   the transfer, where the required levels of readiness can be achieved effectively and efficiently, of Ready Reserve structures and capabilities to the General Reserve (eg RAAF Air Defence Guards); and

   .   the costs and benefits of applying, where appropriate, Ready Reserve conditions of service to General Reserves.

7.30   The third priority is to monitor and co-ordinate all other on-going Defence reviews, programs and other actions with relevance to Reserves. The Committee observes here that there is a large number

194

of issues in this category and that items cross many functional and organisational boundaries. A comprehensive planning process will be required.

Resource Implications

7.31   The resource implications of the Committee's major recommendations are as follows.

7.32   **Navy.** The introduction of an MCM capability into the Naval Reserve will involve the acquisition over the TYDP of equipment costing in the order of $20 million. No significant personnel or operating costs are envisaged.

7.33   **Army.** The Committee took it as a central assumption that the restructuring recommended within Army was to be manpower neutral. Apart from 6 Brigade (for which $50 million was approved by the *Force Structure Review*), each of the other seven ARes brigades was judged by the Committee to require an estimated $100 million to bring unit equipment holdings to current establishment[1]. ARes operating costs totalled some $113 million in 1987-88. The Committee did not analyse rigorously the additional operating costs required to raise ARes units to the minimum levels of operational capability set by the Chief of the Defence Force Directive on Operational Readiness. On the basis of the findings of the Army Reserve Review Committee and the Auditor-General's Report on the Army Reserve, however, the total annual additional operating costs required are estimated to be in the order of:

   . $2 million in the short term;

   . $20 million after five years; and

   . $50 million after 10 years.

7.34   **Air Force.** About 140 PAF personnel would be saved for each RAAF flying squadron converted to the integrated model examined

---
[1]   See paragraphs 7.29-31.

195

in this Report; the conversion of at least five or six squadrons seems practical. The operating costs of three Reserve ADG squadrons have not been analysed but are expected to be relatively small in comparison to, for example, the savings in such costs made for each flying squadron converted. Flying hour savings in the order of 25 per cent should result in each squadron converted to the integrated model, and aircraft life of types will benefit accordingly. The acquisition of unit equipment holdings for the three Reserve ADG squadrons is estimated to total $50 million over the TYDP.

Auditor-General's Report on the ARes

7.35   The Committee concludes that the Auditor-General's Report on the Army Reserve is a very valuable document both in its own right and for the impetus and guidance it provided to the processes of calculating and attributing the costs of ADF activities.

A Corporate Plan for ADF Reserves

7.36   The Committee found that:

. when it came to Reserve issues, there was a demonstrable gap between force development rhetoric and action; and

. notwithstanding that some very positive advances in Australian strategic thinking had been made over the past 20 years or so, there were demonstrable shortcomings in the policy frameworks governing Reserve structures and capabilities.

7.37   The structures of Regular and Reserve forces and the balance between them should be driven by priority military capability requirements. Those requirements are clearly established in DOA87 and ASP90. It follows that the effective and efficient use of ADF Reserves should be founded on:

. capability objectives set in terms of:

- equipment holdings, equipment condition, manpower and collective training; and

- notice;

. flexible employment of Reserves, looking to exploit their potential advantages;

. comprehensive planning together with realistic programming of the necessary resources;

. long term commitment to the implementation of that plan; and

. regular reviews of progress.

7.38   The *Force Structure Review* purports to be 'a long term program to restructure and improve the effectiveness of the Defence Force' (*Ministerial Statement*, 30 May 1991, paragraph 62). This Report has shown that some 30,000 General Reserves, on whom defence in depth relies in large part, were effectively overlooked by that Review. Neither Ready Reserves nor the appointment of an Assistant Chief of the Defence Force (Reserves) address the root causes of the unsatisfactory condition of ADF Reserve forces.

7.39   The Committee has come to the firm conclusion that a corporate planning approach is the only way that Reserve force development will be achieved comprehensively and effectively. The steps involved in strategic planning and forecasting to achieve long-term organisational goals do not need elaboration here. Besides, in the case of ADF Reserves, there is no need to expend time and effort revisiting the early steps involved with:

. forecasting strategic circumstances;

. determining capability requirements;

. assessing current capabilities; and

.	comparing alternative development strategies and resource implications.

This Report has shown that these steps have already been largely accomplished.

Recommendation 13

The Committee recommends that the Department of Defence develop a *Defence Corporate Plan for the Development of ADF Reserve Forces* which concentrates on establishing the methods necessary to ensure that policy objectives are set and implemented through, among other things:

.	*formalisation of the steps taken to date;*

.	*development of plans for:*

  -	*the introduction of an MCM operational minesweeping capability into the Naval Reserve;*

  -	*the restructure Army's Manoeuvre Forces and Follow On Forces so that the available Regular and Reserve force structure can be applied to priority capability requirements; and*

  -	*the introduction into Air Force of integrated operational squadrons manned by PAF personnel and career and part-time Reservists;*

.	*the programming of the resources needed.*

7.40	The Committee supports wholeheartedly the principle, 'let the manager manage'. However, the past record of policy development and implementation for Reserves has been anything but satisfactory. The current condition of Reserves attests to this. Transparency and regular review should be features of the long-term implementation process.

Recommendation 14

The Committee recommends that Defence publish such a *Reserves Corporate Plan* by the end of 1992, and thereafter report annually to the Parliament on the extent to which key milestones have been met.

Chris Schacht
Senator
Chairman

November 1991

LIST OF PUBLIC HEARINGS AND WITNESSES

<u>23 October 1989 (Canberra)</u>

Major General J M Sanderson
Assistant Chief of Defence Force (Policy)

Major General A Clunies-Ross
Assistant Chief, General Staff Operations - Army

Commodore G Heron
Director-General, Naval Programs and Resource Management

Air Commodore D N Rogers
Director-General, Policy and Plans, Royal Australian Air Force

Brigadier J K Byrnes
Director-General, Operations and Plans - Army

Dr R G Brabin-Smith
*First Assistant Secretary, Force Development and Analysis,
Department of Defence*

Dr Ross Babbage
*Deputy Head, Strategic and Defence Studies Centre,
Australian National University*

Dr Cathy Downes
*Research Fellow, Strategic and Defence Studies Centre,
Australian National University*

Mr Anthony K Wills
Private Citizen

<u>7 February 1990 (Sydney)</u>

Major General P A Cullen (Rtd) AC CBE DSO* ED FCA
Private Citizen

Major General R G Fay AO RFD ED
Assistant Chief of the General Staff - Army Reserve

Major General J D Keldie AO MC
Commander 2nd Division

Mr I Mott
Private Citizen

Major General K R Murray AO OBE RFD ED QC
Private Citizen

Brigadier R S P Amos RFD ED (RL)
National President, Army Reserve Association

Major General K G Cooke AO RFD ED
Private Citizen

<u>8 February 1990 (Brisbane)</u>

Lieutenant Colonel P R Charlton RFD
Commanding Officer, 49th Battalion,
The Royal Queensland Regiment

Colonel P J Dunn AM
Private Citizen

Brigadier D C Low Choy MBE RFD
Commander, 1st Training Group

Squadron Leader J D Minns
Operations Flight Commander, RAAF Active Reserve,
23 Squadron

Squadron Leader K G Fischer
No 1 Flight Commander, RAAF Active Reserve, 23 Squadron

Squadron Leader J L T Forrest
Special Duties Operations, 23 Squadron

Flight Lieutenant L Park
Operations Officer, RAAF Active Reserve, 23 Squadron

Brigadier P J Greville CBE (Rtd)
Private Citizen

9 February 1990 (Townsville)

Mr C F Wall QC
Private Citizen

Commander I W Hall RANR
Commanding Officer, Cairns Port Division, HMAS Cairns

Brigadier G L Mansford AM
Commander, 11 Brigade

Lieutenant Colonel J B Langler
Commanding Officer, 51st Battalion, The Far North Queensland
Regiment

24 September 1990 (Canberra)

Major General A Clunies-Ross
National President,
Regular Defence Force Welfare Association

Major General J M Sanderson
Assistant Chief of Defence Force (Development)

Mr M J M Brady
Acting First Assistant Secretary, Force Development and Analysis,
Department of Defence

8 October 1990 (Melbourne)

Mr Michael O'Connor
Executive Director, Australia Defence Association

Mr D T Forbes
Australia Defence Association (Victoria Branch)

Major General B N Nunn AO RFD ED
Assistant Chief of the General Staff - Army Reserve

Wing Commander R Bluck RFD
Private Citizen

Major General W E Glenny RFD ED
Commander, 3rd Division

Colonel B Clendinnen AM RFD ED
President, Victorian Branch of the Army Reserve

Dr J Wood
Private Citizen

19 October 1990 (Canberra)

Rear Admiral I D G MacDougall RAN
Deputy Chief of the Naval Staff

Commodore A T Wilson RANR
Director-General Reserves - Navy

Captain R G Long RAN
Director of Reserves - Navy

Air Vice Marshal T W O'Brien AO AFC
Deputy Chief of the Air Staff

Air Commodore D N Rogers
Director General, Policy and Plans,
Royal Australian Air Force

Group Captain A R Barr
Director of Reserves, Air Force

Mr I Gollings
National Secretary, Returned Services League

Major General D Vincent (Rtd)
Defence Adviser and Chairman, National Defence Committee,
Returned Services League

Brigadier J Sheldrick (Rtd)
Member, National Defence Committee,
Returned Services League

Commodore H Adams RAN (Rtd)
Retired Member, National Defence Committee,
Returned Services League

12 November 1990 (Canberra)

Brigadier I MacInnis
Acting Deputy Chief of the General Staff

Colonel T Ford
Director, Plans and Analysis, Army

Colonel C Campbell
Director of Personnel Plans, Army

Colonel P Knight
Director, Logistic Policy, Army

Colonel J Quantrill
Director, Army Information

Colonel J Crocker
Deputy Assistant Chief of the General Staff (Army Reserve)

Major General A Clunies-Ross
National President
Regular Defence Force Welfare Association

19 November 1990 (Canberra)

Mr A K Wrigley
Special Adviser to the Minister for Defence

Vice Admiral M W Hudson AC RAN
Chief of the Naval Staff

Lieutenant General H J Coates AO MBE
Chief of the General Staff

Colonel J Campbell
Director of Personnel Plans, Army

Air Marshal R G Funnell AC
Chief of the Air Staff

20 November 1990 (Canberra)

Mr B J Boland
Executive Director
Australian National Audit Office

Mr A J Millican
Senior Director Audit Operations
Australian National Audit Office

Mr J Grenfell
Senior Director Audit Operations
Australian National Audit Office

Mr C Bellamy
Director Audit Operations
Australian National Audit Office

Mr A N Edwards AM OBE
Committee for Employer Support of the Reserve Force (CESRF)

3 December 1990 (Canberra)

Brigadier I G A MacInnis
Director General of Coordination, Army

Colonel J R Quantrill
Director, Army Information

Colonel C R Campbell
Director of Personnel Plans, Army

Colonel P D Knight
Director, Logistic Policy, Army

Colonel T R Ford
Director, Plans and Analysis, Army

Major General B N Nunn AO RFD ED
Assistant Chief of the General Staff (Army Reserve)

17 December 1990 (Canberra)

General P C Gration AC OBE
Chief of the Defence Force

Mr A K Wrigley
Special Adviser to the Minister for Defence

26 July 1991 (Canberra)

Colonel J L Benton RFD
Head of Ready Reserve Implementation Scheme

Colonel P Abigail
Acting Director General,
Coordination and Organisation, Army

Mr M Taylor
Assistant Secretary, Resource Planning, Army

Air Vice Marshal T O'Brien AO AFC
Deputy Chief of the Air Staff

Mr M O'Connor
Executive Director,   Australian Defence Force Association

Commodore M H Dowsett
Acting Assistant Chief of the Naval Staff

Commander P A Hardy
Deputy Director - Reserves, RAN

Commander M A Rosser
Naval Ready Reserve Project Officer, RAN

Brigadier R M Earle
Commander 6 Brigade

Lieutenant Colonel P R Charlton
Commanding Officer 49 Battalion, Royal Queensland Regiment

Dr M J Kennedy
Head of History-Politics Department
Monash-Gippsland University

Mr R W West
Private Citizen

APPENDIX 2

LIST OF SUBMISSIONS TO THE INQUIRY

As noted in the Foreword, more than 120 submissions were received prior to the dissolution of the 35th Parliament. A significant number of organisations and individuals who provided those submissions made further supplementary submissions to the Inquiry at the beginning of the 36th Parliament and following the Ministerial Statement by the Minister for Defence, Senator the Hon Robert Ray, on 30 May 1991. The Committee therefore received a total of 272 submissions to the Inquiry.

No.	From
1.	Brigadier G L Mansford, AM
2.	Colonel D C Low Choy, MBE, RFD
3.	Colonel P J Dunn
4.	Mr C T Cashman
5.	Mr G R Carter
6.	Mr N W Hobson, DFC, AFC
7.	Mr C F Wall, QC
8.	Mr J P Ayliffe
9.	Major J Gay, RL
10.	Mr M Tostevin
11.	Mr D J Parkin
12.	Mr P Harper
13.	Mr R K Pilling
14.	Brigadier R I Harrison, MBE, RFD, ED (RL) Army Reserve Association (Victorian Branch)
15.	Mr W K Amor
16.	Mr Fred Lewis
17.	Mr J G Ingram
18.	Wing Commander I D St G Lindsay RAAF (Ret)
19.	Mr M Bayliss
20.	Lieutenant Commander J A D Lines
21.	Major A J Watts
22.	Mr B W Challans
23.	Warrant Officer P B Cutting
24.	Mr C Crouch
25.	Brigadier R S P Amos Army Reserve Association (New South Wales Branch)
26.	Wing Commander (Ret) M J Dunn
27.	Lieutenant Colonel S J Maitland
28.	Reverend J P Haldane-Stevenson
29	Mr David Cain
30.	Warrant Officer J Raju

31.	Colonel L A Simpson
32.	Lieutenant Colonel R J Crane
33.	Lieutenant Colonel R A Hamilton
34.	Lieutenant Colonel N G Dovey
35.	Major General R G Fay
36.	Major J C McAllester
37.	Colonel G C Skardon
38.	Mr A Palmer
39.	Mr M P Prowse
40.	Dr J Wood
41.	Mr B Mattiske
42.	Mr P Czermak
43.	Mr T E Kelly
44.	Sergeant E B Greenwood
45.	Major D D Strain
46.	Major General R J Sharp AO RFD ED (Ret)
47.	Major W R Harris
48.	Major General B N Nunn AO RFD ED
49.	Mr R K L Lawson
50.	Lieutenant Colonel C J K Campbell

51.	Mr R W Hansen
52.	Wing Commander W G Shuberg
53.	Lieutenant Commander C W Dunnett (Ret)
54.	Major W Perry MBE, ED (Ret)
55.	Brigadier R G Curtis AM MC
56.	Mr J Marshall
57.	Brigadier G R I Harrison
58.	Mr J Rossiter
59.	Mr A K Wills
60.	Colonel B D Clendinnen
61.	Major P R Charlton Lieutenant Colonel I L Close RFD
62.	Major Gen K G Cooke AO RFD ED
63.	Major L J Brown RFD
64.	Major General D C J Deighton AO MBE (Ret)
65.	Mr G H Bindley
66.	Mr R F Sketcher
67.	Major General J D Keldie AM MC
68.	Ms P L Edwards
69.	Mr B Breckenridge

70.	Lieutenant Colonel P C Kerntke
71.	Lieutenant Colonel G D Collins RFD
72.	Sergeant K A Bovill
73.	Mr I Mott
74.	Mr D C Malcolmson
75.	Colonel P R Rose
76.	Mr P R McCrossin
77.	Major M A Campbell
78.	Mr G Read
79.	Dr R Babbage
80.	Lieutenant Colonel T J Arbuckle RFD
81.	Mr I Gollings
82.	Mr D Edwards
83.	Major Gen N R Smethurst AO, MBE
84.	Lieutenant Colonel W W Houston
85.	Captain G L Thomson
86.	Lieutenant Colonel D J Mead
87.	Lieutenant Colonel D P Leslie
88.	Lieutenant Colonel A W McClelland
89.	Mr W R Tapp

90.	Ms Jeannie Cameron
91.	Major D J Parry
92.	Lieutenant Colonel P V Alexander
93.	Mr D Russell
94.	Department of Defence
95.	Cancelled (duplicate of Submission No. 91)
96.	Cancelled (duplicate of Submission No. 92)
97.	Dr Cathy Downes
98.	A Lowe Mr J D Minns D Smith R Williams
99.	Mr W H Jones
100.	Captain B R Prideaux
101.	Lieutenant Colonel K J Broadhead
102.	Major P F Moses
103.	Officer Cadet Richard Goldsmith
104.	Warrant Officer Jager OAM Army Reserve Association (Western Australian Branch)
105.	Wing Commander R J Bluck RFD
106.	Mr P S Emery
107.	Captain E S Goldie

108.	Lieutenant Colonel G J Giummarra
109.	Colonel J O Langtry
110.	Major G Rees Jones
111.	Major General P A Cullen
112.	Headquarters, 3rd Training Group
113.	J Minns et al
114.	Senator P A McLean
115.	Major General K R Murray
116.	N Swain
117.	J Mahoney
118.	Major M J Christian
119.	Mr C Colenso
120.	Bruce R Kendall
121	H R H Downey
122.	Mr J Strickland
123.	Quentin J McNaughton
124.	Staff Sergeant W K Amor
125	H N Montagu
126.	Colonel R A Kershaw
127	Major P R Gibbons

128	Mr Rory Cain
129.	Mr A K Mead, OAM
130.	Mr Geoffrey Hayes
131.	Mr C Halnan
132.	Warrant Officer I C Bentley
133.	Mr R J Copley
134.	Mr A T Parker
135	Mr E D Olson
136	Lieutenant Colonel Main
137.	Australia Defence Association
138.	R M Jones
139	Charles Knight W S Stacey
140.	Major General K.R. Murray
140.	Sapper Moorhead Lance Corporal J R Boyle
141.	Mr L Nightingale
142.	Mr Blair Tidey
143.	Lieutenant Colonel Edwards Major D D Strain
144.	Thomas Richter

145.	Michael Lyons
146.	Leading Air Craftsman McEvoy
147.	Robert Findlay
148.	A T Kenos
149.	Mr A Wright
150.	Mr F H Taylor
151.	Mr M J Edwards
152.	Mr C Berry
153.	Colonel D J Sandow RFD Lieutenant Colonel J P F Dixon ED Lieutenant Colonel L E Reeder RFD, ED Lieutenant Colonel M C Clarke psc
154.	T S Grewar OAM
155.	Captain A C Lucena
156.	Commander N F Meaden
157.	Colonel K O'Dempsey
158.	Mr Otto Pelczar
159.	Reverend R F Ayles, OAM, ThL
160.	Mr A K Wrigley
161.	Major General W E Glenny
161.	Major General J M McNeil

162.	L E Reeder
163.	Major M J Moran RAInf
164.	J D Alford
165.	Australian National Audit Office
166.	Major General J M McNeill
167.	Colonel W R Kirkwood
168.	Brigadier G H Garde RFD QC
169.	Mr A C Weekes
170.	Mr R Tucker
171.	Mr T J E Longstaff
172.	Major R L Smith RAE
173.	Mr S J Peryman
174.	Mr P A Cullen
175.	Mr J B Houliston
176.	Dr R Atkinson
177.	Mr R Lyon
178.	Mr B R Keay
179.	Mr P Mitchell
180.	Mr M O'Connor

181. Ms H Middleton
     Mr D Doherty

182. Mr R W West

183. Mr B Tidey

184. Mr M R Smith

185. Dr M J Kennedy

186. Mr K L Barnes

187. Major M J Miller

188. Major D Hudson

189. Dr A Gordon

190. Major General A Clunies-Ross

LIST OF EXHIBITS

No.

1. Armed Forces Federation of Australia: Submission to the Defence Force Remuneration Tribunal on Reserve Pay.

2. Department of Defence (Navy Office), *Australian Naval Reserve Policy*, Canberra, June 1990.

3. Outline of the Aircrew Contingency Response Scheme.

4. Report of a Visit to the United States, United Kingdom and Switzerland by the Director of Reserves - Air Force. October and November 1989.

5. 4th Military District Study into Army Reserve Administration - 1983.

6. Wrigley, Alan 1990, *The Defence Force and the Community: A Partnership in Australia's Defence*, Report to the Minister for Defence, June 1990, AGPS, Canberra.

7. Extract from Wrigley, Alan 1990, *The Defence Force and the Community: A Partnership in Australia's Defence*, Report to the Minister for Defence, June 1990, AGPS, Canberra.

8. The Auditor-General 1991, 'Audit Report No. 3, 1990-91 - *Department of Defence, Australia's Army Reserve*, AGPS, Canberra.

9. Col B.D. Clendinnen, 'A Report on Retention in the Army Reserve', July 1982.

10. Department of Defence, Army Office Staff Instruction 13/90 - 'Employment of Servicewomen in the Army'.

11. Department of Defence, 'Army Reserve Full Time Commissioning Course'.

12. Department of Defence, 'A Chance to have your Say' - Questionnaire.

13. Brief on the US Military Reserves.

14. Major General B.N. Nunn, AO, RFD, ED, 'Employer Support for Defence Reserves': A survey of Employer attitudes to the existing Reserve and responses to options for a Ready Reserve.

15. Squadron Leader P.F. Hay, An Essay on 'No RAAF Wings for Women - A Defensible Decision?'.

16. Squadron Leader P.D. Byrne, An Essay on 'Women in Combat'.

17. Squadron Leader Lynton E. Dixon, An Essay on 'Women in Combat - Their Inalienable Right to Die for Australia?'

18. Major P.E. Osterhage, 'Employment of Women in the Defence Forces'.

19. Army Working Paper Report, 'Protection Required for Civilian Interests of Reservists When Called-Out in Accordance with the Provisions of the Defence Act 1903'.

20. Directive by the Chief of the General Staff to the General Officer Commanding Field Force Command Integration in the Field Element of the Army.

21. Defence Instruction (General) PERS 16-1, 'Health Care of Australian Defence Force Personnel'.

22. Report, 'Utilization of Equipment Assets'.

23. Draft Army Office Instruction: 'The Australian Army Individual Emergency Reserve'.

24. Paper 8: 'Rethinking Reserve Training'.

25. Paper 15: 'Army Reserve Components'.

26. Paper 20: 'Nationwide Survey of Soldier Perceptions of Reserve Component Training'.

27. Paper 22: 'The Army National Guard and U.S. Army Reserve: Poor Cousins in Terms of Equipment'.

28. Blamey Oration by Major General Paul A. Cullen, AC, CBE, DSO*, ED (retd), 13 February 1991.

29. HQADF Signal on Proposal to Establish a Ready Reserve.

30. Army Reserve Recruiting Statistics.

31. HADS (Washington) Report dated 11 October 1990.

32. *Ready Reserve Concept Summary of Survey Results*, March 1991.

33. Reserve Forces Policy Board, *Reserve Component Programs*, Report, Fiscal Year 1989.

34. *Trained Individuals in Trained Units our Most Important Product*, 1990 Gold Book, Operations and Training Division, National Guard Bureau.

35. *Army Reserve Magazine*, 4th issue of 1990.

36. *Army Reserve '90*, United States Army Reserve.

37.   *The Chief, Army Reserve's Long-Range Plan 1990-2020,*
       HQ, Department of the Army, Office of the Chief, Army
       Reserve, Washington, DC, USA, August 1990.

38.   *The Allocation of Resources within the 8th Brigade,* March
       1991.

39.   Reserve Command and Staff College Revised Courses,
       Australian Army, March 1991.

40.   Pre ACRES Conference Statement on ARes Retention.

41.   'CENRESPAY II', Paper prepared by Army Personnel
       Division for distribution to attendees prior to ACRES-A's
       Conference, 19-21 April 1991.

42.   Lieutenant Colonel R McL Johnston RFD, Army Reserve
       Pay and Conditions, A Draft Discussion Paper, April 1991.

43.   Extract from Report by Frank Small and Associates on
       Project Ready Reserves.

LISTS OF ADF RESERVE UNITS BY SERVICE AND LOCATION

The following lists were provided by the Department of Defence.

ROYAL AUSTRALIAN NAVY

The major units of the Royal Australian Naval Reserve (RANR) are as
follows:

Adelaide Port Division	Hobart Port Division
Brisbane Port Division	Melbourne Port Division
Darwin Port Division	Sydney Port Division
Cairns Port Division	Nowra Air Division
Fremantle Port Division	

AUSTRALIAN ARMY

ARes units are listed by State below:

Unit Title	ARes Unit unless shown as Integrated ARA/ARES
Queensland	
11th Field Ambulance	Integrated
Headquarters 1st Division Artillery	Integrated
1st Movement and Control Unit	
1st Field Regiment	Integrated
31st Battalion Royal Queensland Regiment	
11th Training Group	
21st Psychology Unit	
4th Transport Squadron	
Headquarters 1st Division Transport	Integrated
77th Combat Supply Platoon	
131st Divisional Locating Battery	Integrated
Headquarters 1st Division Dental Services	

140th Signal Squadron
5th/11th Field Regiment
1st Royal Australian Army Pay Corps Unit
Headquarters 1st Division Electrical and Mechanical Engineers — Integrated
15th Field Dental Unit
Headquarters 7th Brigade
9th Royal Queensland Regiment
51st Battalion Far North Queensland Regiment
Queensland University Regiment
8th Army Reserve Recruiting Unit
141st Signal Squadron
2nd Transport Squadron — Integrated
Headquarters 1st Division Engineers
49th Battalion The Royal Queensland Regiment
1st Field Dental Unit
25th Battalion The Royal Queensland Regiment — Integrated
1st Military Police Company
4th Preventative Medicine Company — Integrated
2nd/3rd Field Engineer Regiment
104th Field Workshop
1st Training Group — Integrated
1st Signal Regiment
9th Field Ambulance
42nd Battalion The Royal Queensland Regiment — Integrated
Headquarters 1st Division Medical Services
34th Water Transport Squadron
1st Army Reserve Recruiting Unit
2nd Field Hospital
35th Field Squadron 5th Field Engineer Regiment
108th Field Workshop — Integrated
2/14th Light Horse Queensland Mounted Infantry
101st Field Supply Company (Divisional Troops)
Queensland Agricultural College Training Unit
Headquarters 11th Brigade

New South Wales

8th Field Supply Company
1st/15th Royal New South Wales Lancers
Headquarters 5th Brigade — Integrated
1st Amenities Unit — Integrated
130th Signal Squadron
1st Field Ambulance
Headquarters 2nd Division Transport
Headquarters 2nd Division Supply

Headquarters 2nd Division Engineer
33rd Terminal Squadron
2nd Field Dental Unit
Australian Army Band Newcastle — Integrated
2nd Military Police Company
103rd Field Workshop
Headquarters 2nd Division
7th Field Regiment — Integrated
16th Transport Squadron
District Support Unit Newcastle
1st/19th Battalion The Royal New South Wales Regiment — Integrated
1st Psychological Research Unit
12th/16th Hunter River Lancers
2nd Training Group
12th Psychology Unit
Sydney University Regiment
Headquarters 2nd Division Medical Services
6th Field Dental Unit
111th Field Workshop
41st Battalion The Royal New South Wales Regiment — Integrated
1st Parachute Surgical Team — Integrated
Headquarters Logistic Support Force
Headquarters 2nd Division Artillery
1st Commando Regiment
5th Field Ambulance
2nd Division Intelligence Company
The University of New South Wales Regiment
4th Field Engineer Regiment
Royal Australian Corps of Transport Pipes and Drums
1st Civil Liaison Unit
4th/3rd Royal New South Wales Regiment
177th Air Dispatch Squadron
Headquarters 8th Brigade
3rd Transport Squadron
2nd Army Reserve Recruiting Unit
2nd Royal Australian Army Pay Corps Unit
2nd Preventative Medicine Company
8th Signal Regiment — Integrated
1st Fire Squadron (Logistic Support Force)
23rd Field Regiment
5th Field Supply Company (Composite)
Headquarters 2nd Division Electrical and Mechanical Engineers (Services) — Integrated
Army Special Investigation Branch Unit
2nd/17th Battalion Royal New South Wales Regiment

Victoria

6th Field Ambulance	
2nd Signal Regiment	Integrated
1st Petroleum Company	
3rd Military Police Company	Integrated
128th Transport Troop	
4th Field Supply Company (Composite)	
4th/19th Prince of Wales Light Horse	
Melbourne University Regiment	
3rd Psychology Unit	
3rd Royal Australian Army Pay Corps Unit	
7th Transport Squadron	
2nd/10th Medium Regiment	
Monash University Regiment	
5th/6th Battalion The Royal Victorian Regiment	
3rd Division Intelligence Company	
1st Armoured Regiment	Integrated
105th Field Workshop	
Headquarters 4th Brigade	
3rd Preventative Medicine Company	
7th Field Engineer Regiment	
A Squadron 8th/13th Victorian Mounted Rifles	
3rd Army Reserve Recruiting Unit	
Fourteenth Transport Troop	
3rd Training Group	
2nd Signal Regiment Workshop	Integrated
108th Signal Squadron	
2nd/15th Field Regiment	
10th Medium Regiment	
Headquarters Fifteenth Transport Squadron	
3rd Field Dental Unit	
3rd Movement and Control Unit	
Headquarters 3rd Division	
Deakin University Company	
301st Field Workshop (Communications Zone)	
Headquarters 6th Engineer Group	
3rd Recovery Company (Communications Zone)	
8th/7th Battalion The Royal Victorian Regiment	
7th Field Supply Company	

South Australia

3rd Field Ambulance	
4th Army Reserve Recruiting Unit	
89th Transport Troop	
14th Psychology Unit	Integrated
Headquarters Eighth Transport Squadron	
4th Field Dental Unit	
Headquarters 9th Brigade	
A Squadron, 3rd/9th South Australian Mounted Rifles	
9th Field Supply Company	
10th/27th Royal South Australian Regiment	
4th Movement and Control Unit	
3rd Forward General Hospital	
111th Air Defence Battery (Light)	Integrated
4th Military Police Company	Integrated
Adelaide University Regiment	
4th Royal Australian Army Pay Corps Unit	
107th Field Workshop	
20 Transport Troop	
144th Signal Squadron	
4th Training Group	
16th Air Defence Regiment	Integrated

Western Australia

5th Military District Army Reserve Band	
113th Field Workshop	
109th Signal Squadron	
10th Transport Squadron	
The Pilbara Regiment	
7th Field Ambulance	
11th/28th Royal Western Australia Regiment	
ALPHA Squadron 10th Light Horse	
5th Army Reserve Recruiting Unit	
15th Psychology Unit	Integrated
5th Military District Army Reserve Pipes and Drums	
7th Field Battery 3rd Field Regiment	
13th Field Squadron 6th Field Engineer Regiment	
36th Water Transport Squadron	
13th Field Supply Company (Composite)	
5th Field Dental Unit	
5th Pay Unit	
Western Australia University Regiment	
5th Movement and Control Unit	

16th Battalion The Royal Western Australia Regiment
Headquarters 13th Brigade
5th Training Group

Tasmania

44th Transport Squadron
111th Combat Supply Platoon
6th Royal Australian Army Pay Corps Unit
12th/40th Battalion The Royal Tasmanian Regiment
6th Military District Band
6th Movement and Control Unit
6th/13th Field Regiment
10th Field Ambulance
6th Army Reserve Recruiting Unit
124th Signal Troop   Integrated
6th Training Group

Northern Territory

7th Intelligence Company
7th Military District Band
Northwest Mobile Force
7th Army Reserve Recruiting Unit
7th Training Group

ROYAL AUSTRALIAN AIR FORCE

The squadrons of the Royal Australian Air Force Active Reserve (RAAFAR) are as follows:

No. 13 Squadron [Darwin]	No. 25 Squadron [Perth]
No. 21 Squadron [Melbourne]	No. 26 Squadron [Newcastle]
No. 22 Squadron (Sydney)	No. 27 Squadron [Townsville]
No. 23 Squadron (Brisbane)	No. 28 Squadron [Canberra]
No. 24 Squadron (Adelaide)	

KEY TERMS AND CONCEPTS

Background

1. Concepts such as *national security policy, defence strategy, force development* and *military capability assessment* are exceedingly complex. Moreover, these concepts tend to be discussed in terms whose meaning or range of meanings is appreciated only by defence planners. Even those 'experts' sometimes disagree among themselves about particular meanings especially when, as often happens, arguments can be won or lost on a point of interpretation.

2. The Committee therefore believes that it is important to examine briefly those concepts which form the analytical framework of this inquiry.

Strategic Thinking

3. Developing options and informed judgements about national security policy and force development and employment involves what can be termed *strategic thinking.* Until the 1970s much fundamental strategic thinking was performed for Australia, first, by the United Kingdom and, from 1942, by the United States. The notion of defence *self-reliance*, first expressed in the 1976 White Paper, has come to mean many things. Among them, self reliance means strategic thinking for ourselves.

4. Undoubtedly, *strategic thinking* is a particularly difficult discipline. By nature it is evolutionary and rarely provides a comprehensive 'solution' at any one time. We would observe that Australian strategic thinking:

. developed steadily to about 1985, and more rapidly since;

. is by no means the sole province of the Defence organisation;

- is all too easy to criticise when unconstrained by political and economic realities; and

- lacks substance until backed by firm plans and dedicated resources.

Military Capability

5. Strategic thinking revolves around the deployed and planned *military capability* of a nation. To the extent that the current effectiveness of the ADF's Reserve forces relates squarely to military capability, it behoves the Committee to record clearly its understanding of the concept.

6. To paraphrase ADF doctrine (*CDF Readiness Directive*, 1991), *capability* connotes the ability to conduct certain operations or types of warfare. Military (or 'defence', or 'force') capability is the composite of force structure and preparedness through which a nation conducts operations and in peace and war (that is, exercises combat power). Operations comprise roles, such as vital asset protection, and tasks, such as tactical surveillance.

7. Force structure is the *wherewithal* for operations, measured in terms of the numbers, disposition and the physical, operational and technical characteristics of, for example, ships, ground force units and aircraft.

8. Preparedness is the composite of operational readiness and sustainability which, taken together, are a measure of the ability of a given force structure to generate and maintain combat power for a designated period.

9. Operational readiness may be viewed as *how soon* and *how much* combat power can be generated by each element of the force structure performing operations or types of warfare; operational readiness can be assessed in relation to a specified level of combat power and the time needed to reach that level. Combat power is virtually impossible to measure directly, and is therefore assessed in terms of the quantity, technical serviceability and state of maintenance of a unit's equipment,

including its weapons systems and expendable stores and the strength, qualifications and state of training of its manpower.

10. ADF readiness levels are derived from an assessment of those forces needed to be ready to undertake national tasks or to cope with conflicts which could arise with relatively little warning. Readiness objectives are contained in the classified section of the Operational Readiness Directive issued by the Chief of the Defence Force which sets the minimum standards of readiness for specific force elements in relation to ADF roles and tasks.

11. Notice is the time in which a unit is required to achieve its operational capability for a specified role or roles in terms of specified levels of criteria relating to equipment and manpower. When those objectives are met the unit is considered to be 'ready to move'.

12. Sustainability may be viewed as a measure of *how long* a given level of combat power may be maintained in operations. Sustainability is assessed in terms of the logistic support system's capacity to meet - over a designated period of operations - the demand arising from usage of ammunition and stores and from the attrition of personnel and equipment.

13. Basic Components. It will be clear that manpower and equipment are the basic components of the military capability concept. Manpower and equipment are, at the same time, components of force structure, readiness and sustainability. The application, however, is different. For example, force structure accounts for strength or basic availability; readiness accounts for states of training and condition of equipment.

14. Stocks. 'Stocks is a generic term for the items necessary to equip, maintain, operate and support military activities - for administrative as well as combat purposes' (*ADF Stockholding Doctrine and Policy*, December 1990). Straightforward as that definition may appear, the Committee quickly came to learn that 'stocks', 'stockholdings' and 'stockholding policy' were anything but uniformly applied terms throughout the Defence organisation. The Committee infers, however, that stocks 'for combat purposes' are those required for the purpose of generating and maintaining readiness and sustainability. Furthermore,

the Committee understands that, for reasons not related directly to this present inquiry, the question of what stocks ought to be held against ADF sustainability policy remains moot.

15. Partially because of this, and partially because of the assessed priorities to redress apparent preparedness shortfalls, the Committee decided to concentrate on Reserve *readiness*, rather than preparedness as such.

16. All formed military units have a latent level of preparedness for combat, regardless of their state of preparedness in relation to established objectives. The notion of *come as you are*, therefore, suggests that in dire strategic circumstances, where anything is better than nothing, and accepting consequences such as attrition, combat forces may be deployed to the Area of Operations (AO) below their desired state of readiness.

17. Surge is a widely used term within the Australian Defence organisation, but one for which the Committee has been unable to find a doctrinal or planning basis. (Hence the Committee is puzzled as to how one of the criteria used to assess the 'ability of our defence forces [is] the achievement of . . . surge *targets*' (*Defence Report 1989-90*, pp. 17, 18, emphasis added).

18. Now the rate of effort of weapons systems in peacetime is limited by a combination of, for example, operating costs, posted crew strengths, safe maximum activity rates and routine maintenance requirements. In time of defence emergency many of these factors might be relaxed and a surge in effort achieved. The extent of surge possible would depend on the availability of, for example, additional crews, maintenance capacity and spare parts. The nexus between *surge* and *come as you are* is axiomatic.

19. The Committee was led to the conclusions that *surge*:

. applies not so much to Army as to Navy, and even more particularly to Air Force;

. while theoretically possible, has practical but presently unknown limits;

. is not a useful defence planning tool; and

. is sometimes used to imply that things are really better than they might seem.

20. **Corollaries.** Some practical implications of the concept of military capability drawn by the Committee were as follows:

. readiness objectives have to be drawn not only from assessments of strategic requirements and priorities, but also with regard to the practical limits of achievable readiness of these forces required to support operations. The readiness of Reserve logistic and protective forces is a practical constraint on the deployment and employment of Regular forces on high degrees of readiness;

. almost all ADF combat forces are capable of performing more than one operational role. The same unit can be on different notice with respect to different roles. For example, an ARes infantry battalion *could* be on 180 days notice for conventional land warfare and, simultaneously, on 28 days for the protection of vital assets;

. if the readiness doctrine and objectives are to be taken seriously, it is clear that the Defence organisation should have plans and resources to enable units - if and when required - to raise their capability to the set level within the set notice;

. flexibility and adaptability are the hallmarks of well equipped and trained military forces. Concepts such as 'come as you are' and surge have their place, particularly in unforeseen circumstances. They are no substitute, however, for sound basic planning and realistic exercising.

Major Categories of Defence Expenditure

21. In order to understand the relationship between military capability and the defence budget it is first necessary to appreciate the major categories of defence expenditure. Those categories are:

. investment, which funds capital equipment (eg, acquisition of Jindalee Over the Horizon Radar, ANZAC ships and Black Hawk helicopters, and the major upgrade of F-111C avionics) and facilities (eg, naval bases, firing ranges and airfields);

. personnel (ie, salaries and related allowances); and

. operating costs (eg, fuel, ammunition, equipment repair and overhaul, spare parts, and travel and other administrative expenses).

Military Capability/Defence Expenditure Relationships

22. Military capability and expenditure categories are linked at two levels. It will be clear that, basically:

. force structure is funded by investment and personnel;

. operational readiness is funded by operating costs; and

. sustainability is funded by all three categories of expenditure.

23. In an applied sense, force structure and preparedness are inversely proportional within a fixed total level of defence expenditure. Judgements must be made to decide on the balance between force structure and preparedness in the range : large standing forces/long notice, and few standing forces/short notice. Such judgements will be influenced by crucial assumptions about:

. the amount of warning time of impending conflict the nation expects to have;

. the lead times required to introduce major force structure elements; and

. the lead times required to develop levels of skills, stocks and maintenance commensurate with employment in planned operational roles and tasks.

Assessing Military Capabilities

24. In essence, the Terms of Reference for this inquiry require the Committee to assess certain aspects of the military capabilities of the ADF, both Regular and Reserve. The question is, against what criteria? The Committee decided that, for the applicable elements of our deliberations, the Committee's purposes would be served best by the adoption of three tests, namely:

. essentiality;

. effectiveness; and

. cost-effectiveness.

25. **Essentiality.** The first test adopted was simply whether or not the force structure and preparedness of the particular capability referred to the Committee was essential 'with respect to the priority tasks set out in DOA87' (see Terms of Reference, p. iii). The Committee stresses that force structure requirements were not addressed as such; they were taken largely to be as stated in DOA87 and later Government policies such as the *Force Structure Review 1991*.

26. **Effectiveness.** As discussed earlier, the Committee decided that, where the question arose, it was logical to centre its concerns on operational readiness rather than sustainability. Hence effectiveness was judged on the basis of whether or not the capability was at an appropriate state of operational readiness to perform its assigned operational roles.

27. **Efficiency.** Cost-effectiveness was assessed on the basis of whether or not it was practicable to deploy essential and effective

military capabilities using lower levels of investment, personnel and operating costs.

The Concept of Balanced Forces

28. All military capabilities have particular strengths and limitations. To maximise the former and minimise the latter, it is usually desirable to employ a mix of capabilities to conduct all but the simplest military operation. This synergism, or balance, implies having the correct mix to get the job done. It does not mean having some, or equal amounts, of everything. This is a widely applicable concept; the parallels between force structure and preparedness and between Regulars and Reserves will be clear.

29. It follows that joint operations are not performed for their own sake, but because for certain operations military capabilities operated by different Services are needed. The need for joint naval and air operations in the air/sea gap and for the air support of ground operations are well understood. Not nearly so well understood, apparently, is the need for Army to secure the forward operating bases of the ADF's maritime forces.

REFERENCES

Auditor-General 1991, Audit Report No.3 1990-91, *Department of Defence: Australia's Army Reserve*, AGPS, Canberra.

Australian Army 1991, *A Report of the Army Working Party into Protection Requirements for Civilian Interests of Reserves when Called-Out in Accordance with the Defence Act 1903*, October 1991, Canberra.

Australian Army 1986, *Report on the Force Structure and Tasks of the Army Reserve 1986*, October 1986, Army Reserve Review Committee (ARRC), Canberra.

Australian Army 1986, *Report on the Force Structure and Tasks of the Army Reserve 1986, Part Two - Resource Implications*, November 1986, Army Reserve Review Committee (ARRC), Canberra.

Australia 1988, House of Representatives, *Debates*, Canberra.

Australia, Parliament 1991, *Report on the Visit of the Defence Sub-Committee of the Joint Committee on Foreign Affairs, Defence and Trade to North Queensland and the Torres Strait, August 1991*, Joint Committee on Foreign Affairs, Defence and Trade, Canberra.

Australia, Parliament 1987, *The Management of Australia's Defence*, November 1987, Report of the Joint Committee on Foreign Affairs, Defence and Trade, AGPS, Canberra.

Australia, Parliament 1989, *The Priorities for Australia's Mine Countermeasure Needs*, May 1989, Report of the Joint Committee on Foreign Affairs, Defence and Trade, AGPS, Canberra.

Babbage, Ross 1990, *A Coast Too Long: Defending Australia beyond the 1990s*, Allen & Unwin, Sydney.

Babbage, Ross 1980, *Rethinking Australia's Defence*, University of Queensland Press, St Lucia.

Blaxland, J.C. 1989, *Organising an Army: the Australian experience 1957 - 1965*, SDSC, Canberra.

Cooksey, Robert J. 1988, *Review of Australia's Defence Facilities*, Report to the Minister for Defence, AGPS, Canberra.

Department of Defence 1990, *ADF Stockholding Doctrine and Policy*, Report for VCDF and DEPSEC A&L, Logistics Strategic Planning Section, Defence Logistics Division, December 1990, Canberra.

Department of Defence 1989, *CDF Operational Readiness Directive*, 6 April 1989, Canberra.

Department of Defence 1991, *CSP Commercial Support Program Manual*, 27 June 1991, Canberra.

Department of Defence 1991, *Defence Budget Brief 1991-1992*, Resources and Financial Programs Division, August 1991, Canberra.

Department of Defence 1991, *Defence Communications: Corporate Plan 1991-2001*, AGPS, Canberra.

Department of Defence, *Defence Report 1987-88*, AGPS, Canberra.

Department of Defence, *Defence Report 1988-89*, AGPS, Canberra.

Department of Defence, *Defence Report 1989-90*, AGPS, Canberra.

Department of Defence, *Defence Report 1990-91*, AGPS, Canberra.

Department of Defence 1991, *Defence Update*, Number 2, May, Canberra.

Department of Defence 1990, *Exercise Kangaroo 89*, July to September 1989, Directorate of Departmental Publications, Canberra.

Department of Defence 1991, *Force Structure Review 1991*, AGPS, Canberra.

Department of Defence, *Program Performance Statements 1991-92: Defence Portfolio, Assessment of Program Performance 1990-91 and Outcomes to be Achieved 1991-92*, Budget Related Paper No. 8.5, Canberra.

Department of Defence 1991, *Ready Reserve Program 1991*: Report to the Minister for Defence, May 1991, AGPS, Canberra.

Department of Defence 1990, *Report on the Implementation of the Structural Review of Higher ADF Staff Arrangements*, 1 May 1990, Directorate of Departmental Publications.

Department of Defence 1990, *The Defence Corporate Plan 90-94*, AGPS, Canberra.

Department of Defence 1991, *The Defence Corporate Plan 91-95*, AGPS, Canberra.

Department of Defence 1987, *The Defence of Australia 1987*, AGPS, Canberra.

Dibb, Paul 1986, *Review of Australia's defence capabilities*, Report to the Minister for Defence, March 1986, AGPS, Canberra.

Donohue, Hector 1991, 'Origins and Objectives of the Review', Paper presented to Seminar, *The New Look Defence Force: Perspectives on the Force Structure Review*, Australian Defence Studies Centre, 12 July 1991.

Grey, J. 1990, *A Military History of Australia*, Cambridge University Press, Cambridge.

Headquarters Australian Defence Force 1990, *Defence Logistics Strategic Planning Guide*, 9 May, Canberra.

Heller, Col Charles E. 1991, 'The Australian Defence Force and the Total Force Policy', *Paper*, Strategic Studies Institute, US Army War College, 13 August 1991.

HQADF, *Chief of the Defence Force Directive on ADF Operational Readiness*, July 1991.

Interdepartmental Committee (IDC) 1991, 'The Defence Force and the Community', Report on the Wrigley Review, AGPS, May 1991, Canberra.

Jans, N. A. and Frazer-Jans, Judy 1989, *Facing Up to the Future, Proposals for Career/Personnel Initiatives to Assist in Staffing the ADF in the 1990s and Beyond*, Department of Defence, 1989.

Kouzmin, Alexander and Scott, Nicholas 1990, *Dynamics in Australian Public Management: Selected Essays*, The MacMillan Company of Australia Pty Ltd, 1990.

McKernan, M. and Browne, M. (eds) 1988, *Australia: Two Centuries of War and Peace*, Australian War Memorial in association with Allen L Unwin Australia, Canberra.

Millar, T.B. 1969, *Australia's Defence* (2nd edition), Melbourne University Press, Melbourne.

Millar, T.B. 1974, *Committee of Inquiry into the Citizen Military Forces Report*, AGPS, Canberra.

Millar, T B. 1978, *Australia in peace and war: external relations 1788 - 1977*, C.Hurst, London.

Minister for Defence 1976, *Australian Defence* (White Paper), Presented to Parliament by the Hon D.J. Killen, November 1976, AGPS, Canberra.

Minister for Defence 1991, *Defence into the Twenty First Century*, Statement by Senator the Hon Robert Ray, Parliament House, 30 May 1991.

Minister for Foreign Affairs and Trade 1989, *Australia's Regional Security*, Ministerial Statement by Senator the Hon Gareth Evans QC, Department of Foreign Affairs and Trade, Canberra, December 1989.

Stephens, A. (Forthcoming), *Power Plus Attitude: A History of Doctrine in the RAAF, 1921 - 1991*, RAAF Air Power Studies Centre, Canberra.

Wrigley, Alan 1990, *The Defence Force and the Community: A Partnership in Australia's Defence*, Report to the Minister for Defence, June 1990, AGPS, Canberra.

Wood, Lt Col J. 1986, *Mobilisation: an outline record of its origin and development in respect of land forces*, The Australian Army, Canberra.