

House of Representatives, Monday 24 September 2001

COMMITTEES: Foreign Affairs, Defence and Trade Committee: Report

Mr HAWKER (Wannon) (12.46 p.m.) — On behalf of the Joint Standing Committee on Foreign Affairs, Defence and Trade, I present the committee's report entitled *A model for a new Army: community comments on the 'From phantom to force' parliamentary report into the Army*, together with evidence received by the committee.

Ordered that the report be printed.

Mr HAWKER — In September 2000, this committee tabled a report on the Army titled *From phantom to force: towards a more efficient and effective army*. That report raised great concern that, while the performance of our Army over the last decade has been impressive, much of it has been and remains hollow and could have been characterised as a 'phantom' army.

At that time the committee stated that, in a departure from usual practice, it intended to seek public comment on the report following its release. We did this because, if the model for a future Army that we proposed is to be successful in increasing the capability and efficiency of the Army, it needs to be refined through consultation and discussion and it needs to be owned and supported broadly by the community, the Army and the defence department.

There has been considerable change since the release of *From phantom to force*. Firstly, the government released the Defence white paper entitled *Defence 2000: our future defence force*. In this document the government took up many of the recommendations of the original paper, including a significant boost to Defence spending over the next 10 years. In other areas, such as a change in the role for the Army Reserve, government policy took a different course from that recommended in the report. In addition, there was the important change to defence reserve legislation adopted earlier this year, whereby the procedure for calling out reserves was simplified and reserves were given greater employment and education protection.

The committee has taken account of the new information provided by both the community consultation and the changes in the defence landscape since the release of *From phantom to force* and has reviewed the original recommendations. This report consolidates what the committee believes was a well-researched and well-received report, and updates the report's recommendations. It benefits from being an external report and thus not constrained by preconceived ideas but able to take an objective assessment of where the future of the Army should lie.

In practical terms, the follow-on report, firstly, reconfirms the requirement for effective doubling of the Army's capability to respond to short-warning contingencies by the creation of four capable, fully staffed and ready brigades; secondly, has taken into account new evidence regarding the Army's expansion capability and now believes that the Army must be able to expand to eight brigades within a reasonable warning time rather than the 12 originally recommended; and, finally, reconfirms the committee's original recommendation regarding the establishment of a unified Army personnel structure by aligning the regular and reserve components into a single entity for the purposes of employment arrangements, training and operations.

In conclusion, the committee is fully supportive of the great work carried out by the Army and the Defence Force, but remains convinced that action is required to improve Army's capability. I would like to thank the many people who took time to contribute to this inquiry, including private citizens, academics, departmental staff and serving soldiers and officers within both the Regular Army and the Army Reserve. The efforts of all these individuals have resulted in a significant report and have made a major contribution to the discussion on our defence policy and the future of our armed forces. I would also like to particularly thank the

committee secretariat, headed by Margaret Swieringa, and Lieutenant Colonel Mike Milford for their very conscientious work and support for the committee. Of course, I would also like to thank all other members of the committee both in this chamber and in the other place. I commend this report to the House.

Mr PRICE (Chifley) (12.50 p.m.) —I rise to support the member for Wannan and record my thanks to him as the chair of the subcommittee. This is the follow-up report to From phantom to force tabled a year ago. The nation is celebrating the centenary of the Army. We have much to be grateful for and proud of: the Army has served this nation well. But From phantom to force went back to basics to examine the role and the tasks the Army performs and needs to perform. In this it was a precursor to the white paper, which stated that:

The Army will be structured and resourced to ensure that we will be able to sustain a brigade on operations for extended periods, and at the same time maintain at least a battalion group available for deployment elsewhere.

This goes to the very heart of this report. There is total agreement that this is what the Army should be able to do. But can Army do what it has been asked to do? The committee is concerned whether the role can be adequately carried out and questions whether this level of deployment can be sustained and rotated with the current force. Honourable members have no need to be reminded that, had the Army been required to sustain the initial numbers deployed to East Timor, Army would have had great difficulty.

Presently, the invoking of articles IV and V of the ANZUS Treaty by the United States and the ready acceptance of this by Australia gives extra urgency to the question of the capability of our Army. It is to be regretted that ministers for defence have been found asleep at their post. Army is paying a high price for the defence portfolio being seen as the last resting post for coalition ministers for defence.

Derek Woolner in his seminal paper on defence finances identified that there was, because of block obsolescence, a short window of opportunity to reform the Army. That window is probably now three years. The difference between the current Army and what the committee proposed can be readily seen at page 19. The Army is currently dependent on six ready battalion groups formed into three brigades. The rationale for this lesser number of battalions in a brigade has never been explained.

The committee proposed that the Army have four fully capable brigades—uniformed, fully equipped and trained—and each brigade with three battalion groups. The mix of reserve and regular has been left to Army to determine. Further, it now proposes that up to an additional four brigades, not eight, should be capable of being generated over two years, if required. The committee found that there has been inadequate work done on force expansion and industry capability to allow it to be confident about an additional eight brigades, as well as a lack of training capacity. The force expansion of four brigades identified by the committee will inevitably require a longer term partnership with industry and greater self-reliance.

Currently, the Army has nine brigades in its order of battle. The committee would reduce it from nine to four. Our five reserve brigades are currently being used as slots, slot theory, to fill vacancies in the regular force. There is an announced intention to utilise them in small subunit levels by the Chief of Army, although this has not occurred to date, nor has an additional investment been identified to facilitate this. The Auditor-General has identified that the reserves are consuming some \$950 million per annum of Army's budget. As they are presently structured, they do not provide value for money, nor do they deliver the required capability. The Army equipment shortfall is between \$2.3 billion and \$4.5 billion, with no provision to address it.

Having spoken to a number of reserve units and state branches of the Defence Reserve Association, I am confident that they are prepared to embrace reform. I thank General Glennly for his assistance with many of the visits and thank all those who participated. The Defence

Reserve Association do have some minimum requirements. They ask that the reserve be fully equipped and trained, be manoeuvred in formed units and be deployed in formed units, and that they be consulted and have a chair at the table when decisions are being made. Given the proud history of the reserves and our citizen military forces, I believe that what they ask is not unreasonable.

The need to take difficult decisions to reform our Army is becoming more acute since the original report was tabled 12 months ago. I again urge all honourable members to take heed of both reports—the future of our nation may depend upon it. I also wish to thank Lieutenant Colonel Hogan, Lieutenant Colonel Mike Milford and Margaret Swieringa for their outstanding work. (Time expired)

Mr HAWKER (Wannon) (12.55 p.m.) —I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.