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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

(Defence Subcommittee)

Reference: The suitability of the Australian Army for peacetime, peacekeeping and war

FRIDAY, 2 JUNE 2000

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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Defence Subcommittee

Friday, 2 June 2000Friday, 2 June 2000

Members: Senator Ferguson *(Chair)*, Senators Bourne, Calvert, Chapman, Cook, Gibbs, Harradine, Sandy Macdonald, O'Brien, Payne, Quirke and Schacht and Fran Bailey, Mr Baird, Mr Brereton, Mrs Crosio, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Jull, Mrs De-Anne Kelly, Mr Lieberman, Mr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, Mr Price, Mr Prosser, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

Subcommittee members: Mr Hawker *(Chair)*, Mr Price *(Deputy Chair)*, Senators Ferguson, Gibbs, Quirke and Schacht and Fran Bailey, Mrs Crosio, Mr Laurie Ferguson, Mr Hollis, Mr Martin, Mr Snowdon, and Dr Southcott

Senators and members in attendance: Senator Quirke and Mr Laurie Ferguson, Mr Hawker, Mr Price, Dr Southcott and Mr Snowdon

Terms of reference for the inquiry:

To investigate and report on the suitability of the Australian Army for peacetime, peacekeeping and war. The inquiry will review the current and proposed changes to Army to ensure that it provides viable and credible land forces able to meet a range of contingencies. In considering this matter, the Committee shall take into account:

- *The* Fundamentals *of Land Warfare* document, released in March 1999
- The Restructuring of the Australian Army initiative
- The Defence Reform Program
- ADF force structure and preparedness
- The role and impact on full-time and part-time personnel
- *Australia's* Strategic *Policy* (1997).

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LENEHAN, John Robert, Colonel (Retired) (Private capacity)

CHAIR—Welcome. I declare open this public hearing of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. This hearing is the seventh in an inquiry presently being conducted by the Defence Subcommittee into the suitability of the Australian Army for peacetime, peacekeeping and war. The aim of the inquiry is to review the current status and proposed changes to Army to assess whether it provides viable and credible land forces to meet the necessary range of contingencies. Given the current strategic circumstances, it is important to determine whether the Australian Army is able to effectively contribute to operations that it may be called on to perform. In the course of the inquiry, the committee will conduct a number of public hearings and receive evidence from government, individuals and various representative groups associated with Defence. The committee hopes to table its report on this reference by September this year.

I advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings of the respective houses demand. While the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion and the deliberate misleading of the committee may be regarded as a contempt of the parliament. The committee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private, you may ask to do so and the committee will give consideration to your request. We have received your submissions. Would you like to make any additions or corrections to those submissions?

Col. Lenehan—No, thank you.

CHAIR—If you would you like to make a short opening statement, please proceed.

Overhead transparencies were then shown—

Col. Lenehan—I would like to first set the scene as to where the Army see their future land operations. This is a bit presumptuous of me, but having attended certain seminars, I have taken it from current serving military personnels' presentations. They see future land operations mostly in a littoral environment and within that environment the enemy is most likely to conduct asymmetric warfare. Asymmetric warfare has certain key points that are generally part of the enemy's conduct—guerilla operations, urban terrorism and use of their regular military forces. They use this to offset Western superiority.

Today, operations are generally non-linear. Linear is what you imagine happened in the First World War, where you had fighting in the trenches, a communication zone and base areas. Today, it is not like that. It is in the battle space. If the threat is all over the battle space, the threat does not fall into what you might call protecting or leading mobility requirements against high intensity warfare or low intensity warfare. Consequently, my deduction is that throughout that battle space the threat could be constant. The Chief of Army, General Hickling, referred to the capability to move throughout the battle space and that success depended on the appropriate

combination of three qualities: protection, mobility and firepower. They are the key points that I have addressed in my paper. His final point was that war fighting is still our core business.

To undertake that—protection, mobility and firepower—armoured fighting vehicles are very important. As for mobility, I have put here a small chart. Down the bottom here are vehicles that, when they cross soft going, have little trouble, and these vehicles up the top here have greater trouble. That is because of their weight and whether they have tracks or wheels. Basically, it is their ground pressure. Those that have a light footprint ground pressure are like the M113, which is down at this end, and the Leopard. We skip up to the ASLAV Generation 2 and Bushmaster. That is where they are in a degree of comparative mobility. In Timor, the M113 performed very well in all conditions. Timor had much rain, poor road infrastructure and the vehicle performed very well because of low ground pressure. I put in here LAV Generation 4. It is a later-built standard for the Generation 2, and we may come back to that if there is time. That it is an improved vehicle—that is the key point.

These days one talks about the threat. Today I have put down a range of threats starting with the small arms ammunition—which is what you might call ball ammunition, maybe even a lead projectile—and moving up to armour piercing, and then there are a whole lot of emerging technologies. When you consider that an armoured vehicle that you are purchasing could be in service between 20 and 30 years, you therefore have to make a choice of where you put your protection levels. One of the problems you will have is that obviously technology moves on. If it does, you have got to be able to upgrade your vehicle—does it have this capability? For instance, if the vehicle weight is so high today that you cannot put any more weight on it, then you have no future for that vehicle in 20 to 25 years time, when the threat has moved on.

I have put down here a few comments as to how I see current vehicles in service. They all appear in my paper. It is my thesis that the current range of vehicles has extreme limitations. Even in low-level activity there are problems of mobility and providing protection. Thank you, gentlemen. I think that has set the scene. I would like to put on the table my exhibit that relates to protection. This is a locally produced armour plate made by Bisalloy. The rounds that have penetrated it are those of an M193, which is fired out of an armalite. It is no longer in service. The modern round, the SS109—fired here—failed to penetrate. The round that the infantryman carries is basically designed to kill other infantrymen. Its secondary role is against light armoured vehicles. But the round here, the M193, will penetrate this plate, which is a plate of the thickness that will be in the roof.

CHAIR—Thank you for that. I am not quite sure what the point of this exhibit is. You said the armalite is no longer in use.

Col. Lenehan—Yes, but it is a standard that has been used for testing. It was a standard set down by Army as a test round. Therefore, if this failed, the roof failed to keep that round out.

CHAIR—The roof failed?

Col. Lenehan—It is a thickness of plate that I have demonstrated is insufficient to keep that round out.

CHAIR—Is the roof normally seen as the top end of vulnerability?

Col. Lenehan—In ambush positions people try to get on top or side to get shots like that, and they are at close range. So today, in this asymmetric warfare, one of the problems that you will face is that in complex terrain you will get ambushes if you keep to the roads or tracks.

CHAIR—You seem to be less than happy about the current armoured vehicles that the Army have. What are you proposing in terms of alternatives?

Col. Lenehan—I have taken what I believe is the first step, which is to point out the shortcomings of the equipment in service and also to comment on the upgrade programs and future procurements which I believe will do little to improve the capability of 1 Brigade first and the Australian Army in particular.

Mr SNOWDON—Your thesis is that armoured and light armoured vehicles are integral to Australia's defence performance?

Col. Lenehan—I missed your point.

Mr SNOWDON—Let me put it this way. I speak to senior Air Force officers and they say that you do not need tanks, you need fighter planes. Your view is that that is not true?

Col. Lenehan—Today the range of weapons available to people is extremely extensive. With the technology you can bring fire down that was unknown in the past. The Australian soldier is entitled—in fact, it is a demand, I believe—to have the best protection available to move on the battlefield, and the best weapons.

Mr SNOWDON—I understand that. Let me put it another way. You have given us a description of the features of particular pieces of equipment, from the Leopard tank to the Bushmaster. From what I understand, you are effectively saying that none of those has the capabilities that we require. What are you saying, then, in terms of what we do require?

Col. Lenehan—I have to duck that a little because, if you are going to go into a high intensity warfare, you have to have main battle tanks, vehicles to move the infantry around the battlefield, artillery and all these sorts of things equivalent to what the US has. If you have not got that, you should not be in that battlefield. If the advice from the Chief of Army, for example for the Gulf, is, 'Sorry, we cannot go into that environment,' and perhaps Timor is all right, you can cut your cloth according to what you have. I have the list of weapons and ammunition that was captured by the INTERFET people in their first month, and there are items there that would penetrate probably all of the armoured vehicles that we had in service in what one might call a low intensity operation.

Dr SOUTHCOTT—You mentioned the M113s and how they were quite mobile in East Timor. What insights do you have on the performance of the armoured vehicles in East Timor—ASLAVs and so on?

Col. Lenehan—I am not competent to answer that. I think Chief of Army or General Powell or someone is better equipped than I to answer that. I have had reports that the M113's mobility was ahead of the others by a long distance.

CHAIR—You talked about what was found in Timor and you said there were some fairly formidable weapons found—but obviously not employed. Wouldn't this be the case in any field that the Army was likely to enter? It is a question of whether or not, by other means, the Army is capable of acquitting itself.

Col. Lenehan—There is a company in China called Norinco. Norinco has 160 factories, 20 R&D centres, six universities and over 20 people out selling. Today, their range of products—maybe reversed engineered or whatever it may be—is quite significant. People with money, dissident groups or whatever it may be have no trouble getting hold of these items. If your threat today is such and such and this guy has some millions to spend, he can bring all these things in very quickly. Then there is the training time and he is a threat. Things can change dramatically.

CHAIR—So what are you recommending that this inquiry should be taking on board from this?

Col. Lenehan—I believe they should look at the programs that they have in place to upgrade the M113 and to upgrade the program for Leopard, and to consider whether we should buy ASLAV Generation 2 and not 4, which I would suggest would be a much more superior vehicle. My thesis was that I do not see a place for Bushmaster at all because it does not have enough protection, it is overweight and it has poor mobility. It is not a vehicle to be seen moving around the battle space.

CHAIR—You say, for example, the Leopard. What is your recommendation there?

Col. Lenehan—In 1971, I went to Germany amongst a team; I was the engineer responsible for the engineering aspects of the selection of a main battle tank amongst all those that we visited. Eventually, the Leopard 1 was selected. Today, there has been very little upgrade of that vehicle. There is a proposal well advanced to put a night sight on the vehicle. Previously they have only had a searchlight of sorts. So that is progress. Today, you have to have the capability to identify the enemy, to laser on him and bring your weapon on him and get the first round hit well before he can. You need the best fire control systems, and the gun control systems and sighting systems to do this. This vehicle has technology 30 or 40 years old. It has a long way to pick up with, one might say, a Russian T72 or something of the ilk. They are behind the eight ball. If T72s appear in this area of interest, then the Australian Army has a problem, even if they upgrade.

Mr PRICE—Do you envisage that we are going to have tank battles in the defence of Australia or in Iraq?

Col. Lenehan—None of us can see too far ahead. Threat assessments and political assessments only go out so far—say, five years—but to change and upgrade a vehicle can take between five and seven years, maybe 10. I have been associated with programs to upgrade the

M113. The third one made it over the line, and I think we have been going for at least eight years and the first vehicle is not even out of the manufacturing site. So the reaction time to upgrade a vehicle is eight to 10 years, which is outside what they would call the political assessment—and things can change very quickly.

Mr PRICE—I guess my point would be this: it would be very easy for us to say that we just need to be interoperable and consistent with the United States forces, the most powerful forces out. But we do not have the money for that. In threat assessment, is that realistic?

Col. Lenehan—You are spending a lot of money on upgrade programs and buying vehicles that I believe are obsolete. Maybe you should reassess those and see if you can put money into improving—

Mr PRICE—But Bushmaster is part of the restructuring of the Army trial, to be fair. It has been a long trial, but it is part of a trial as I understand it.

Col. Lenehan—But you just cannot stand still and let technology roar past. The answer will be if you go anywhere and someone—even with a heavy machine-gun, a sniper rifle of 50 calibre or something of that order—takes you on and does great damage. This could have happened in Timor. General Cosgrove got in there and aggressively went for it in the first month and subdued the enemy. That is why people give him a big cheer today. He did his job very well.

Mr PRICE—But we were also very lucky.

Col. Lenehan—But, if you meet something a little more sophisticated, then you have problems. If people get ambushed and there is a requirement for body bags, generals do not become heroes and then there are problems. We are down in what I call a lower end of the capability scale today, against very low level threat. Some of these weapons that were there with the militia in Timor were quite capable of penetrating the vehicles that were sent there.

CHAIR—We are on a very tight schedule today. Colonel Lenehan, what we might do is take some of these points up with the Chief of Army when we see him later. I thank you very much for your attendance here today. If there are any matters in which we need additional information, the secretary will write to you. You will be sent a copy of the transcript of the evidence. If there are any corrections you need to make to the grammar, please feel free to do so. Again, thank you very much for coming before the committee. We certainly appreciate the time and effort that you have put in today and in your submissions beforehand.

[9.34 a.m.]

BLUCK, Mr Richard John, State Chairman, Defence Reserves Support Committee, Victoria

PATERSON, Mr Mark Ian, Chief Executive, Australian Chamber of Commerce and Industry

CHAIR—Welcome. I must remind you that proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses demand. Although the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion, and the deliberate misleading of the committee may be regarded as a contempt of the parliament. The committee prefers that you give all evidence in public, but should you at any stage wish to give evidence in private you may ask to do so and the committee will consider your request.

Before we commence I would like to pass on the committee's appreciation for your attendance today. Over the recent months, the committee has received evidence which indicates to us that the future success of the Army Reserve is heavily dependent on the goodwill and support of employers. With this in mind, the committee is particularly interested in the views of the Australian Chamber of Commerce and Industry and those of the Defence Reserves Support Committee. I invite you both to make a short statement before we proceed to questions.

Mr Paterson—I do not intend to make any observations in relation to the suitability of the Australian Army for peacetime, peacekeeping and war efforts. That is beyond our remit and our capacity.

Mr PRICE—I am shocked. Everyone else has.

Mr Paterson—We try to cut our cloth. I am here to talk about reserves and some of the developments over recent times, in terms of the restructuring of the army and the greater alliance that restructuring of the army places on the use of reserve forces. I am also conscious of the announced intention of the government to change legislation to enable the call-out of reserve forces for continuous full-time service in roles that include combat, peace enforcement, peacekeeping, humanitarian civil aid and disaster relief. The current minister made those announcements for Defence in December last year. His announcement indicated that there was an intention to provide adequate protection measures for both reservists and their employers in changing the roles and the use of reservists within the Australian Defence Force and particularly within the Australian Army.

We are concerned particularly about the issue of reserves and the impact on their change in use on both their employment and their employer's business. Australian employers have been long time supporters of the Australian Defence Reserves. We have been public and vigorous supporters of employers providing support to reservists being as flexible as they can, in terms of providing leave to reservists to undertake their training and to meet their existing commitments. The challenge we are confronted by at the present time is that it is unclear to employers what the future intentions might be in terms of the use of reservists for a new or enhanced call-out

service, what the duration of that service might be and what the implications might be for the individual businesses.

The issues associated with the impact on call-out of reservists for broader use than the traditional role have been well known for a long period of time. I recall that there was an official study undertaken back in 1988, where official recognition of many of the issues and challenges for employers were identified at the time. That study was commissioned by the ADF. Many of the recommendations made back in 1988 were accepted by the chiefs of the defence forces and, as I recall it, at that time they commissioned a full-time implementation team to implement those recommendations. A decade later, little progress has been made on the implementation of any of those recommendations, and there was a further study undertaken to look at the issues associated with the use of reserves. The issues identified back in 1988 are as relevant today as they were then. They include the protection of civilian employment, mortgage protection for those people who may be called up, support for employers, compensation for the disruption caused by deployment, compensation for the deferment of education, and reinstatement of licences for people who were called up. Many of those real practical issues that need to be addressed were clearly identified 12 years ago and have not yet, as I understand it, been resolved in the consideration by the Defence Force or by any government subsequent to that time.

In 1998, the government was at the time considering two reports—the *Australian Defence Force employer support study* and a discussion paper entitled *Protecting those who protect us*. Once again, the issues raised in 1988 were to be contemplated and considered within the context of those two discussion papers. As I understand it, the ADF is still working on the development of a national employer policy on reserve service. It is not clear to us now, nor has it been for any time in the recent past, what will be the nature of the demand on reservists in taking up more full-time engagement, the nature of the demand on employers, the nature of the protection to be afforded employers and the nature of the protection to be afforded employees when called up. Clearly, the attitude of Australian employers to the greater use of defence reservists will be highly dependent on the nature of the protections and the nature of the demand that is placed on them. I am happy to go into some further detail on some of the challenges that employers may be confronted by, but it may be better to deal with that by way of questions.

CHAIR—Thank you very much, Mr Paterson. You have summarised that very well. Mr Bluck, would you like to add anything to that?

Mr Bluck—I have a few opening comments to give a bit of context to where we are coming from. Members have already received a brief bio note with a couple of personal comments, so you can see that the comments I make later on have a background in both worlds. I have been an active reservist for 35 years in the RAAF, including a tour as Deputy Director of Reserves, Air Force, which is the only post available for a reservist at this end of the world. I have been a member of the Defence Reserve Support Committee for 10 years from 1982 to 1992 as the Air Force representative. I had a year off and then was persuaded to come back in my civil capacity as chair of the Victorian committee in 1993. So I have spent some 18 years trying to explain the ADF to civil employers and deal with the reservists' interests.

A starting point is obviously a small population defending a continent. Effective reserves are critical, not only for capability but also for community involvement. The DRSC in Victoria has a membership focused on peak organisations in professional and useful networks, and there is a handout there which lists our members. We support 25 or 30 reserve units or elements. Our activities include a range of products primarily designed to inform employers about the benefits of reserve service and that the gain outweighs the pain. There is a handout there which outlines the range of activities we do. If we take 40 or 50 managers away for a two-day weekend exercise 'Executive Stretch' or 100 senior executives for a one-day exposure to the ADF, they come back enthusiastic supporters of both the ADF and the reserves.

This personal enthusiasm or commitment can never be achieved through glossy pamphlets. Very few employers have any exposure to the ADF experience. There are hardly any ex-service people in the world of work these days, compared to the bulk exposure of previous decades. We see that fundamentally we are in a marketing exercise. The crude indicative figures we have historically used are that seven per cent of the population are well informed on defence and positive, another seven per cent are semi-informed and still positive, and then you have figures of over 40 per cent of uninformed and winnable and another over 40 per cent who are uninformed and euphemistically described as difficult to reach. It is in that world that we are pushing the benefits of reserve service. So a fundamental point is that the benefits have to be articulated. We cannot assume that they are understood.

I agree totally with Mark that the current level of understanding of obligations and responsibilities from all players is very fuzzy, and it has been that way for the last decade or so. For most employers it is a non-issue. The reserves are so small that most employers do not have one. If you look at the number of people on maternity leave in Sydney or Melbourne at any one point in time, if we called out all the reserves, the figure would be smaller than for those on maternity leave. However, for those employers who have a reservist, it is a very significant issue, as Mark has alluded to. Both employers and reservists need a simple, clear understanding of what is involved. We try and do some of that preparatory work with our education and involvement and we also, on behalf of the ADF, say thank you. We do the simple exercise of giving certificates and plaques to employers who are nice to reservists.

Historically, I would have to say I have never been enthusiastic about financial or economic incentives to employers of reservists, believing that education was the way to go, that it was not an economic issue but that the disruption is the more important concern. I went to an international conference on employer support for reserves a few years ago in Ottawa. On the basis of the last five years of watching what has happened in our economy, the world of work, I have to say I have moved in that position. I am much more sympathetic now—this is a personal view—to some sort of economic simple payment to employers.

Organisations are now so much downsized, slimmer, that the disruption we used to have when there was a middle management level and there was some padding is now much more painful. I do not believe—a personal view again—that the economic gesture we make should be pitched at average wages or some sort of replacement cost, I think we should still try and keep it out of a real economic mind-set; but it should be a gesture from the ADF or the government to acknowledge assistance to employers, both in peacetime so reservists can complete their peacetime training and any possible disruptions from call-out. It should be pitched at the level

of the bulk reservists—that is, the active reserves—and any higher readiness elements should get some top-up. It could be something as simple as $500 or $750, whatever the magic figure is, if they complete their annual peacetime training. It could then be replicated if they continue to do more than the normal two weeks or they are called out—some sort of exercise like that.

Obviously it needs to be tax free, and in recent times we have been brainstorming at our level about what that could be: is it off company tax or something like that? In the current emotional environment, the thing that appeals to me—again, a personal view—is some sort of rebate off the GST obligation. If you have a reservist who completes their annual peacetime training commitment or is called out and it disrupts the employer, then some simple exercise—it has to be simple; employers fill in enough forms already—should be to say, 'We're not trying to replace your employee but we are acknowledging the pain.'

Crudely speaking, 10 per cent of the reserves are students, 10 per cent are unemployed and 10 per cent are self-employed or home duties. Therefore, 70 per cent are in the world of employment. So no matter what we do with the future involvement of reserves and broadening the range of activities for call-out in peacetime, we have to establish better communications with the world of employers. The figures are pretty rubbery but, from our observations and the information we have, 20 to 30 per cent of reserves at the moment have to take annual recreation leave to complete their continuous training in peacetime. Another 37 per cent claim some form of discrimination because of their reserve involvement. As I said, I put a caveat on those figures because they are pretty fuzzy, but that is the sort of indicative stuff we are getting.

We are trying at the moment to monitor employer goodwill, seeing a spectrum of defence of Australia, peacekeeping in Timor, Rwanda in the middle, and then supporting refugees and Olympic Games somewhere out at the other end of the spectrum. Where does the employer's goodwill evaporate in that spectrum? There is no hard data on that, but through the Olympic Games exercise we are trying to monitor what sort of leave the reserve participants are using, for those who are in employment.

Finally, I have an observation based on both worlds. The reserves will be fundamentally as good as the regulars want them to be. You cannot starve an element of policy, leadership and resources and then criticise it because it cannot deliver immediate readiness capabilities. In Victoria we have seen a remarkable success story over the past few years. One of the revitalisation trials was in 4 Brigade, which, with good leaders, extra staff and resources, has moved to excellent results. They are hitting 70 to 80 per cent of their recruiting targets. Their units have moved up into 70 per cent strength and climbing, or were until the East Timor interruption, and 70 to 80 per cent of them are deployable. From our point of view, this indicates that it can be done. We have had very few employer ripples as a result of that revitalisation because of the peculiar way it has been achieved. But, with a turnover of reservists and the turnover of employers, the challenge for the DRSC we see as ongoing. Thank you.

CHAIR—Thank you both for that. If we could go back to that last point, you say the recruitment has picked up in 4th Brigade. We certainly commend that. We will have Brigadier Ball here next. Nonetheless, the reserve numbers have been falling and the recruitment figures, particularly in the last year or so, are not good for the reserves. What have you done that is having some success and, yet, why is it we are not getting anywhere near the target?

Mr Bluck—I think Brigadier Ball is probably best equipped to answer that. A quick answer would be two things. One is that we told the system internally that the common induction training of six weeks would never work in the world of employers. There is no employer in Australia—apart from the Northern Territory government—who will give people six weeks off from the world of work for their recruit course.

We were promised alternative and flexible pathways. Flexibility does not seem to loom large until you are in a painful position. Those pathways are now emerging. Our concern was that, whilst you can certainly flesh out with school leavers, unemployed and university students, the long-term interest of the reserves means you need to provide entry points. As some former Chief of Army or defence force said, 'Any young Australian who wants to serve should be able to serve.' If the 22-year-old electrician who is in employment rocks up and says, 'I want to join,' and we say, 'Well, the first thing you have to do is take six weeks off work,'—end of story. Victoria got its act together and focused on those accessible groups. So the flexibility has come in three or four years after the trials and I guess it is going to get better.

Mr PRICE—Can I just follow up that. A really key question, if one of the criticisms of a higher readiness state for the reserves is that you need to put more training in, is: what do employers prefer? Is it a whole series of two weeks or a whole series of one week or is it perhaps a larger block than six weeks, bearing in mind your comment about how you have shifted in terms of providing some form of package to employers?

Mr Bluck—I think that is a hard question to answer.

Mr PRICE—But it is fundamental about how you structure your reserves.

Mr Bluck—Yes, in terms of the diversity of employers. Readiness is obviously very expensive and, depending on your assumptions about lead times, it is just not realistic to have all the reserves at a high level of readiness. You have to assume one or three months work-up time. Most employers just do not want to know about it. It is just an annoyance. It is just a complication in their life. Why would I hire any young Australian who has got this other complication? It is the same exercise we went through when people got a rush of blood up here to start talking about part-time service. That was the big flavour. And we said that is not marketable to the world of employers. At the moment they are very fuzzy about what reservists are, but there is a latent goodwill towards the reserves. They do not know what it is; they do not know what it is about; but there is a latent long-standing tradition of goodwill and long-standing support towards the reserves.

When you start using language like, 'Would you like to share a part-time employee with the Commonwealth government?', that puts people in a different mind-set. So language is important. We are supposed to still be using reserves externally but you still find some people who are using part-time language. The disruption factor is the critical one. Two weeks off is a longstanding sort of historical thing, and even that is tricky, as figures suggest the number of reservists who have to use their annual leave to do it. When you start talking about large blocks at a time, then you are really looking at unusual employment circumstances—people who can get a month off, and I do not think that is the norm these days. For most employers, the bottom

line and the pressures on survival are such that they will choose an employee who does not have that complication.

Our challenge is to say, 'Well, look at the moment you are losing them for two weeks and the other 48 weeks they are a better quality employee.' You can get away with that for two weeks. When you start talking a month, a month and a half, six weeks, that was one of the flaws of the Ready Reserve scheme. Whilst they were uni students—great. It was when they became young professionals in one of the big six firms, the employer would say, 'Hang on, you want five weeks off in a year? Do you want to be an accountant or do you want to be in the army?' There is a touch of realism out there.

CHAIR—Mr Paterson, you did list some of the issues that had to be addressed but, nonetheless, you might want to add something to that, just on the immediate thing.

Mr Paterson—It depends very much on the nature of the business that is being operated and their capacity to provide leave. I agree that there is and has traditionally been a latent goodwill towards the reservists, but the level of uncertainty about the nature of the demand for training and then the subsequent demand for call-up has the capacity to diminish that latent goodwill that exists. We have been in a period of significant uncertainty on the demand on reserves, in terms of both training and subsequent use, for such a long period of time that it does happen in fact. It is difficult to find any business that has the capacity to draw key people out of that business for any extended period of time when they are not providing productive support. In most cases, taking people out of a business for any extended period of time will require their replacement.

CHAIR—Absolutely.

Mr Price—Where is the crossover point?

Mr Paterson—There is no perfect answer to that.

Mr PRICE—Is there any actual hard data that you can give us about employers' attitudes?

Mr Paterson—Beyond the latent goodwill? No. Is there hard data which can say that any particular style of business can more easily accommodate people being extracted from the business rather than another sort? No, there is not. In the take-up of reserves, the experience of reserves, obviously the vast majority of businesses do not have an experience with reservists. The numbers would clearly reinforce that.

Mr PRICE—Mr Paterson, I just make the point that, at the moment, the way the reserves are operating for a whole variety of reasons they are not useable the way they should be. There has to be some changes to the reserves. If we do not understand the employer consequences of any changes that are made, we are going to go into a whole raft of other problems.

Mr Paterson—The employer consequences will depend, as I said, on the size of the business and the nature of the capacity within that business to share skills around. The small to medium-sized business does not have duplicated effort within it—

Mr PRICE—No, I accept that.

Mr Paterson—which means that you take people out for any period of time and they have to be replaced. You take them out for an extended period of time and they have to employ new people to replace them. So that goes well beyond the economic gesture that Mr Black was talking about in terms of providing financial support to employers. If you expect to take people out of a business for six weeks, the vast majority of businesses will need to replace that person. It is not just giving them leave, it is about replacing them.

Mr PRICE—What I am trying to get at is, would it be better to take them out for 10 or 12 weeks, to have them replaced and provide some form of compensation to the firm for that loss? I accept 100 per cent that businesses just cannot afford to lose people and absorb the loss. If we need to take them out, the block of time is really critical as to what we do in the future.

Mr Paterson—If these were easy issues the answers to that question would fall out very easily. They are not easy issues. The nature of the business, whether it is a seasonal business, whether it has got fixed term contracts, and all of the other issues, will influence whether a person is better served having a 10-week block and replacing that person. In many cases, if the person is in Sydney where there is effectively zero unemployment, particularly in a lot of areas of Sydney, extracting a person for 10 weeks does not mean that you can replace them. You cannot actually buy those skills within the marketplace to replace them at that place of engagement. I understand the desire to have the answer but there is no pattern answer to that question.

Mr Bluck—I would agree with that and I would be curious to know whether you are pursuing that for a meeting of a peacetime training commitment—in which case 10 weeks is very different—versus a call-out situation. In regard to peacetime training, it is unachievable. I agree totally with Mark. In regard to a call-out situation, it is a different story. That is why I think the foreshadowed and announced updating of the legislation, Defence Act and re-establishment, is absolutely critical. If we do not have that, we are kidding ourselves. At the moment, the kids who volunteered to go to Vietnam did exactly that, volunteered. They had no protection in terms of employment or jobs, and stuff like that. People say it is there, but it is very fuzzy. So they have gone into the situation not knowing really whether they have got protection; their employer does not know what their obligations are; it is all very fuzzy.

There is a foreshadowed tightening up and clarification, irrespective of scale, for both peacetime training and for call-out. Call-out is much easier because, if we do fix it up as it is foreshadowed, the military planners can guarantee they are going to have access. The employer knows exactly what their obligations and commitments are. My comments before about economic gesture would be that the gesture language is appropriate for peacetime training for the two weeks or for another two weeks for a promotion course or whatever. If it is call-out for three months, three months, three months, then it has to be some sort of replacement or at least better than a gesture exercise.

Dr SOUTHCOTT—Mr Bluck, I have to declare a personal interest in that I am a member of the Defence Reserves Support Committee in South Australia and I do support what you are trying to do. I think you have been successful in getting all those issues on the agenda like the

common induction training and also formed units being able to serve overseas. Do you find a difference in HR policies between government enterprises, large enterprises and small to medium enterprises? Some of the examples we sometimes hear about are former GBEs—for instance, the Commonwealth Bank—which have HR policies relating to Defence leave and Telstra and so on. What is your experience? Is it something more at the small to medium enterprise that people have not addressed it in HR policy?

Mr Bluck—Again, there is no blanket answer. We just gave some plaques and certificates to the equivalent of 'Joe's Garage' in Shepparton—a total of 10 employees, four in the reserves. That employer is doing their bit. They are personally committed. Historically, it is easier to get the head office to sign up, and they hang a plaque on the wall, 'We support Defence Reserves'. When it comes down to the local manager or the supervisor who has a monthly budget to achieve and rosters to juggle, the flavour can change; it does not matter what it says in head office. What I would say is that, in the last three to five years across the public, statutory and corporate world, there has been a slide in the language from defence leave as a 'right' to defence leave 'may be granted'. Often the wording looks the same but it is a significant change. In an era of devolution to local business units, defence leave may be approved, as opposed to defence leave for two weeks training in peacetime sort of stuff, which has become much fuzzier.

Mr Paterson—To use an example which has come back to us particularly from rural and regional Australia, you often find concentrations of reserves in the same company—four out of 10 employees within the reserves. As to asking the question if 10 weeks is the right period of time, it will depend on circumstances. You pull almost half of the work force out either in training leave or in active service and you can fundamentally change the economics of that business. We find that the concentrations of reservists are most obvious in rural and regional Australia. They are less obvious within businesses in metropolitan areas, but they are particularly obvious within businesses in rural communities, where there is a community spirit and people extend their reserve activity. Often it is the relationships that are built up at work and people encourage their colleagues at work to participate in the reserves, and you will see higher concentrations then in the business. Once they have got reservists in the business, you will see a higher concentration. The potential economic impact on a business of pulling people out, either for extended training or for active service, is heightened in that situation.

Mr Bluck—I would have to say we have found very few 'bad' employers. Usually the conciliation things that we have been involved in concern overenthusiastic reservists who were trying to do too much in one year. But, again, you could do those surveys to try to get opinions and to take polls. We do that all the time. Through the membership, we can ask VECCI and AIG and all that lot what their views are. They have clumps in our state of 9,000 to 12,000 members and they say, 'Yes, that is good.' But in the end it comes down to an individual business setting. For most employers it is easier to be supportive because they do not have any reservists in their employ, so it is a hypothetical sort of question. But we really do need to look after the ones who do have them.

Mr LAURIE FERGUSON—Mr Paterson, a lot of the parliamentary debate—and obviously committee hearings—are focused on the common induction period and difficulties and a decreased work force. You referred to the 1998 report. Are there any issues there that you think

there has been a lack of focus on more recently and that you think really should be coming back into the picture a bit?

Mr Paterson—The whole concept of protection of civilian employment was raised then. It is constantly raised, but we do not see any protection in relation to civilian employment nor do we see any issues that talk about compensation for or protection over the impact on employers. These are vexed issues. I recognise that but I would have thought 12 years of effort could have taken us further down the path. It has not done so. It highlights the issue but then it does not take it to the next stage of identifying what the demand is, what the Defence Force's expectation of an employer is in that situation and how we can best resolve it. The expectation is not clear to employers in terms of Ready Reserve. It is not clear to employers generally in relation to the future expectations of having more active involvement of reservists within a broader role in a broader range of activities. What are the potential implications for a business of call-out in a non-combat environment? The potential for peacekeeping operations and humanitarian relief anywhere in the world can be quite significant. Is an employer encouraged to take on somebody in a key role when—without any clear indication of notice or compensation or expectation—they could lose them with an uncertain end to that commitment? I think the Defence Force has to more clearly articulate what its expectations are so that we can try to work through a solution to how employers can respond to it.

Mr PRICE—Given that two cabinet submissions have recently gone up about the reserves, surely the department has been in constant contact with you about these issues?

Mr Paterson—No. And I am not aware of the content of any recent cabinet submissions.

Mr PRICE—I am not either.

Mr Paterson—Unfortunately, not all of them are shared with us.

Mr PRICE—Mr Kemp did not put them up, unfortunately.

Mr Bluck—I can certainly say that there have been and continue to be consultations, both formal and informal, through our networks and, at the national level, some of those ideas have been brainstormed to draw a reaction. At the federal level, we have ACCI, ACTU and the Defence Reserves Association. At the state level, you have seen the list of people. We have certainly brainstormed what sorts of things would be palatable or acceptable to employers—what the range of options is—and fired those into that process to help those papers be developed, and we are continuing to take the pulse. My sense is that the sort of thing Mark is talking about is quite true: it is the unacceptable decade of fuzziness for both employers and reservists. In 1988 the legislation changed and the then heads of the system said, 'We will fix up reserve protection.' And 12 years later, nothing has happened.

My sense is that, with the sorts of changes suggested by the brainstorming and discussions that have been taking place, we could perhaps come up with a situation of saying to an employer, 'If you have a reservist in your employ in peacetime and they complete their X days of required training, we will give you something off the GST as a rebate'—or whatever it turns out to be. If they are called out out, that is a very different dimension. Then people really need

to know that they are going to get two weeks lead time or whatever the magic figure is and that they will be missing for three months with a possible three, six or nine months extension. If that happens, then serious economic replacement contributions that the employer knows about it in advance are required—because they will have the disruption but at least they will get some financial recompense.

CHAIR—Does Mr Paterson want to follow up that point?

Mr Paterson—Whilst we have some involvement in that by having a representative on that committee at a national level, the brainstorming that goes on goes on inside that committee and is not about broad consultation outside the committee.

Mr PRICE—That is unfortunate.

Mr Paterson—I am not aware whether the recommendations or the outcome of that brainstorming exercise lead to significant recommendations. Certainly, we would want to make observations about the nature of the economic gesture prior to it going forward. Two comments have been made this morning that one possible way is dealing with it in relation to the GST environment. Now, we would not confuse reserve issues with tax policy and, from an organisational point of view, would have a view that suggests that you would not seek to deal with it in that way. If they are, within that brainstorming exercise, looking at exploring some of the ways we would not necessarily accept some of those solutions as being an appropriate solution.

Mr Bluck—I hasten to add that the GST was a personal view.

Mr PRICE—With great respect, Mr Bluck, aren't your comments based on a premise that you are not going to increase the current rate of separation from the employer for training purposes that the reserves currently enjoy. You are not going to increase it, yet the level of readiness was such that reservists could not be deployed in formed units. If the government has a requirement that the reserves should have a role in training or readiness such that they can deploy in formed units, then you are going to require more days to be taken from employers.

Mr Bluck—Yes, that depends on assumptions about lead times. You can say to a unit, 'You will have one month full time to work up,' or you can say that there are three months full-time to work up. There are major assumptions there. You may be able to take some elements even within a large unit and say, 'A third of your people should be immediately deployable; the others will require the three months.' There needs to be guidance as to the lead times. If you want a full unit to be deployed on short notice, that is expensive. You can get high levels of training through osmosis and over a long period of time.

Mr PRICE—What is the readiness at the moment for reserves? It is 12 months, isn't it?

Mr Bluck—I think you better ask the Army guys that sort of stuff. My historical assumption is that the better units probably need three months full time to work up.

Mr PRICE—I would be grateful for a response from both of you to this question. Given the economic reality of modern enterprise today, are we reaching an end point where we can utilise people who are in civilian employment in the reserves as we have known it? There has been, as you have said, a huge sea change in work practices—flatness, squeezing out the last drop of employees.

Mr Bluck—I think the Victorian experience shows you can do it, particularly if you capture school leavers and university students over those first three or four years when they do have larger chunks of time available to do block training or continuous training. If you front load the first two or three years of service with those in extra training, then when they get a job you are in a maintenance and development mode rather than basic training. So there are pathways to do it.

Mr Paterson—I do not believe that government can have an expectation of an enhanced level of readiness and hope that somebody else will pick up the tab for it. If the government has an expectation of an enhanced level of readiness, it has to be prepared to put the resources into it. It cannot transfer that burden from the Crown to an individual business. If there is a level of expectation in relation to readiness, particularly if there is a level of expectation in relation to not only readiness but substantially expanding the role and function that reservists might be called on to do, it cannot pass the buck for that responsibility to an individual business.

Mr Bluck—There has been a much greater flexibility in the last couple of years. There actually has been flexibility occurring in the military and recognition of prior learning. Whilst some of the military fighting skills are unique to the military, there is now much more horizontal willingness to embrace use of civil expertise. It is not one pathway.

Senator QUIRKE—Mr Paterson, how could the government compensate business for calling in the reserves? You said that it would have to put the resources into business to be able to call out the reserves. I have not been here for the whole morning, but the impression I was getting is that you were saying that these things are very difficult—that it is almost impossible to compensate business for the loss of staff. Have you got some model in mind of how this could be done?

Mr Paterson—No particular model. Clearly, it depends on the duration and the nature of the call-out. If you extract key people from a business for an extended period of time, they will need to be replaced. It is a question of who picks up the tab for that replacement. What is the expectation of an employer? If we are guaranteeing reservists continuity of employment, then there are leave entitlement obligations that would be met by an employer. There are superannuation obligations to be met by employers. It depends largely on the nature of the expectation. I do not think that the nature of that expectation has yet been articulated. If you do not articulate the nature of the expectation, you cannot find a solution to it.

Senator QUIRKE—They would have to meet those superannuation and leave obligations in the normal course of running their business anyway.

Mr Paterson—But if they take on another employee, they have to meet those obligations with that other employee as well.

Senator QUIRKE—But they are not paying the other person while they are in service with the reserves, are they?

Mr Paterson—There is no clear indication of what the expectation would be. In some cases in the past, there have been expectations that employers would provide top-up in the difference between the rate that they would otherwise have received and the rate they receive in undertaking their reserve service. That is not a legal obligation but it is an expectation in many arrangements. Would there be an expectation of top-up being provided in a go-forward position? That is not clear. If there is continuity of service provided, then they are paying out long service leave entitlements, they are paying out annual leave entitlements, they are paying out sick leave entitlements and superannuation obligations. Those are not addressed yet in any of the arrangements.

Mr Bluck—It can be done. We are not talking about rocket science here. The Yanks do it. The British do it. The Canadians do it.

Senator QUIRKE—What do they do?

Mr Bluck—That is getting into detail which is probably beyond us at the moment. The Canadians have a well-established pattern of having people on three-month and six-month deployments for peacekeeping and they have a very strong employer reserves committee which works to make that effective. The British have updated their system. The Americans have, too. I am not suggesting we can transplant all that cultural setting, but it is not beyond the wit of our system to come up with packages that will make the employers happy and reduce the uncertainty.

Senator QUIRKE—Thank you. That was interesting.

CHAIR—Unfortunately, time is escaping us again. I would like to thank you both very much for coming here today. I think that has been a very valuable input to the committee's work. If there are any matters which might require additional information, I am sure you will not mind the secretary writing to you about it. Again, thank you both very much indeed for coming before the committee and for your assistance with this inquiry.

[10.17 a.m.]

BALL, Brigadier Douglas John, Commander, 4th Brigade, Australian Army

CHAIR—On behalf of the committee, I welcome Brigadier Douglas Ball, Commander of the 4th Brigade. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion. The deliberate misleading of the committee may be regarded as a contempt of parliament. The committee prefers that all evidence be given in public but should you at any stage wish to give your evidence in private you may ask to do so and the committee will give consideration to your request.

I would like to pass on the committee's appreciation for your attendance here today. As an officer commanding a reserve brigade, the committee is interested in your views about the current status of the Army Reserve and where you believe it should be heading. If you could make a brief opening statement before we proceed to questions, that would be much appreciated.

Brig. Ball—Thank you, Mr Chairman. Members of the committee good morning, and thank you for the opportunity to make a contribution to your deliberations. I have provided to the committee an information pack containing the 4th Brigade's formation brief, which you should have in front of you, I believe.

CHAIR—Yes, we do.

Brig. Ball—This includes our history, dispositions and key personnel as well as copies of the brigade's newsletter. I use this pack when I call on politicians, mayors, community leaders and the press to help them understand the importance of the 4th Brigade, its achievements and relevance to today's society. As I live in Beaufort on the northern fringe of Mr Hawker's Wannon electorate, I am the first non-metropolitan officer to command the 4th Brigade. For the past two years, I have had the opportunity to command the brigade on a full-time basis by transferring to the Australian Regular Army. This year I have reverted to the Army Reserve and continue to command the brigade. Reformed in 1981, the 4th Brigade is the major combat organisation in Victoria. Structured as a light infantry brigade, its role is to man, train and equip in order to conduct protective operations in Northern Australia within an independent tactical area of operational responsibility.

The 4th Brigade covers the breadth of Victoria, with 13 depots in the metropolitan area and 12 in the country. The total strength of the brigade is currently 2,168 personnel. This is a marked improvement from approximately 1,500 personnel in late 1996. In addition, over the past 18 months we have transferred approximately 290 personnel to the ARA, or full-time service, predominantly to support operations in East Timor.

The brigade's Army Individual Readiness Notice achievement as at 1 September last year was at 74.9 per cent. I believe that these achievements have largely been the result of the

reserve revitalisation trial conducted within the brigade since 1997. That trial, which was a component of the RTA trial, involved raising the level of reserve preparedness by firstly, increasing individual recruiting, retention and availability; secondly, increasing individual and collective competency through enhanced and innovative training; thirdly, increasing access to modern mission essential equipment; and, fourthly, improving administrative support. The intent was to begin with a series of enhancements within the brigade, including the allocation of additional training days and resources, modern and up-to-date training facilities, the progressive allocation of additional regular personnel into units and the transfer of the higher readiness GRSR elements into the brigade.

I would now like to cover some issues within the brigade relating to your inquiry. The 4th Brigade has been relatively successful in recruiting. Whilst we acknowledge that the 45-day common induction training has been a challenge, we have focused on school leavers and university students who provide in excess of 50 per cent of the brigade's recruits. An increasing concern is the difficulty in recruiting in country areas. This is largely due to the changing demographics, as demonstrated by a perceived lack of education and employment opportunities in those areas.

The additional Regular Army supplementation across all ranks and trades has had a marked effect on training standards and retention. The brigade has benefited from having quality Australian Regular Army staff—in fact, up to 8.5 per cent of its strength—in administrative, training and command positions. However, we still have many critical skill deficiencies particularly in the technical trades, partly due to the length of training courses.

The improved capability of the brigade resulting from the reserve revitalisation trial has been demonstrated not only by a large commitment to Australian Defence Force operations such as East Timor but also by successfully completing a rifle company Butterworth rotation, with 90 per cent being reserve personnel. Units in the brigade have also recently exercised at sub-unit level within a conventional operation scenario. This, I believe, demonstrates the brigade's ability to generate both individual and collective competencies within its training.

Over the past three years the 4th Brigade has increased in strength and capability. As a face of Army in Victoria, it also has raised its profile in the community. It has a clear focus on raising, training and sustaining in order to perform its current role. We take pride in our achievements and contribution. Given greater resources and a changed legislative environment, the 4th Brigade would be able to deliver an even greater capability. I trust this view has been useful and I am pleased to answer any questions, Mr Chairman.

CHAIR—Thank you, Brigadier, and I commend you on that presentation and also on those achievements. It is good to hear a positive story. You mentioned that you have virtually 75 per cent AIRN. You went on to say that if you were given greater resources and a changed legislative environment you would be able to deliver a greater capability. I wonder if you could just expand on those two points in the conclusion of your opening remarks and what you really could achieve.

Brig. Ball—Firstly, regarding our readiness, I believe that for AIRN it is the highest of any reserve brigade in the Australian Army. It has taken a particular amount of work and effort by

all soldiers to get to that level. We believe that is a credibility factor—to show that we are fair dinkum and that we do have a capacity to train and to provide soldiers as reinforcements to the Regular Army. We will continue in those endeavours. We are aiming for 90 per cent this year. This is a big personal challenge for everyone, but I share that challenge with everyone in the 4th Brigade, and that will continue.

Regarding legislative changes, as has been discussed already this morning in broad outline, to make the reserves more useful I believe there are some moves on government's behalf to make the reserves more deployable and able to be called out, and to develop a package for employers. I believe government incentives go hand in hand there.

CHAIR—Does that cover the resources question as well? You do not want to elaborate?

Brig. Ball—Regarding resources, if we go back a few years we did not even have enough money to pay our soldiers at times. I believe that is morally unacceptable. Those days are over: we have had sufficient man days to pay our soldiers, we have sufficient ammunition to train our soldiers, and we certainly have sufficient resources to feed our soldiers and to provide interesting training for them. If we do not, they will leave because of other expectations—and rightly so.

CHAIR—There is one other point I want to follow up. You were talking about changing demographics and so on. You say, I think, that there are restricted education and employment opportunities, particularly in country areas. How much has that really affected your ability to recruit? Where are you filling up from to replace numbers? As you know, in the south-west of Victoria, for example, the numbers have dropped off quite significantly.

Brig. Ball—When I commanded the 8/7 Battalion in 1988, 1989 and 1990, based in western Victoria, I had 11 depots with some 550 soldiers. That battalion was the largest unit in the 4th Brigade; it is now one of the smallest. To continue looking at the demographics, the people we are looking for—the 17- to 35-year-olds—are now moving to the larger population areas, particularly Melbourne. I see that, regretfully, as a challenge that I may not be able to solve. Even some depots have had to close. I hope that will not go any further, but certainly the first depot that I commanded in Maryborough in central Victoria had to close last year because it was down to two soldiers. Quite clearly, that is unacceptable and it is not good training.

A very concerted recruiting campaign is starting up now, building up for later on in the year. But, again, when you remember that 70 per cent of Victoria's population now resides in the metropolitan area, it is going to be an uphill battle in the country. I see the bigger centres of Ballarat, Bendigo, Albury, Warrnambool and those down in Gippsland being the hubs in the country and Melbourne will continue to go onto bigger and better things.

Mr SNOWDON—What is your retention rate like?

Brig. Ball—Separation is running at less than 20 per cent at this stage. That is the best it has been for a number of years. We put that down to the common induction training, the initial employment training, good leadership, good facilities and appropriate resources.

Mr SNOWDON—In one of your newsletters you talk about a deployment into Malaysia.

Brig. Ball—That is right, to Butterworth. That has normally been a regular Army rotation, but because of Army's other commitments we were able to pick that up because of our training. It was based on the remaining members of the Ready Reserve—the General Reserve Special Reserve. Out of approximately 115, 100 were reserve soldiers.

Mr SNOWDON—How long was that deployment for?

Brig. Ball—Three months.

Mr SNOWDON—I notice also that you have had deployments to East Timor.

Brig. Ball—We have a number of soldiers currently over there.

Mr SNOWDON—They are on three-month contracts?

Brig. Ball—They are on a 15-month contract, and I think that has been quite creative on Army's behalf. This occurred in October, when we called for volunteers. In excess of 300 soldiers in the 4th Brigade put up their hands to volunteer for full-time service or for periods of service.

Mr SNOWDON—In the first instance with the deployment to Butterworth, what were the relationships like in terms of getting leave from employers for these service personnel?

Brig. Ball—Going back to the current make-up of the brigade, at the junior level over 50 per cent are students. There were times when, say, their university studies were finished in October and they were able to deploy. In fact, we asked for the deployment to be—

Mr SNOWDON—So they could go for a break in Butterworth for a few months over the break?

Brig. Ball—I am not able to answer that. As far as I am concerned, they went over there to work very hard for three months and they were back ready for the start of the semester this year.

Mr SNOWDON—So you were not confronting the employer-employee issue?

Brig. Ball—There were some people who were employed and the employer saw benefit in allowing their employee to go for three months. It is probably a life's experience for many; some had never left the country before. That is our greatest asset—the employer's employee and my soldier. I think we are all one.

Mr PRICE—All in Victoria, were you?

Brig. Ball—I will answer Mr Price's question about morale. Morale is high, otherwise I would not have soldiers. There are so many competing things in the community that if I did not

entertain, train, feed and pay those soldiers they would walk, and rightly so. They are educated and they are out for another experience. That is our challenge and I believe we are doing very well at all levels and I share that through all ranks.

Mr SNOWDON—You would have heard the evidence from our two previous witnesses—especially Mr Paterson—in relation to the attitude of employers to block release. What is your experience?

Brig. Ball—I go back to my experience in October last year with these volunteers. Some were employed and their employers considered two things: one, they were doing something for their country and, two, fifteen months, believe it or not, is sometimes easier than six or eight weeks because that period can be completely blocked out and you can get a replacement for that time. It does vary, but a lot of goodwill went into that. I am looking forward to seeing those soldiers when they come back from deployment at the end of this year. Hopefully, most of them will come back into the reserves. Some, no doubt, will transfer into the Regular Army and some will probably go because they have had a lifetime's experience.

Mr SNOWDON—You may need to take this question on notice: are you able to provide us with any information about employee entitlements? For example, most employees will retain some entitlements with the employer when they take this sort of leave. Do you know of any difficulties in that area?

Brig. Ball—That would vary considerably. We made it quite clear to our soldiers that when they were deployed there were no special arrangements for them. There was no job security—it very much depended on the employer-employee relationship and goodwill. I have heard nothing to believe that has changed since they deployed. It is also up to us, through the DRSCV, to keep the employer, if we can, on side so they realise that the soldier has contributed to the effort. Also, the company should be recognised—even in certificate or plaque presentations. It is a tangible acknowledgment, and we should never overlook that—a thank you does go a long way.

Senator QUIRKE—Can you give us a few of the statistics? You say that you have a complement of 2,100 or thereabouts.

Brig. Ball—That is correct.

Senator QUIRKE—Does that include the 300 that have gone over to Timor?

Brig. Ball—Regretfully, it does not. It would be very close to 2,500 if it did.

Senator QUIRKE—What is the male-female breakup?

Brig. Ball—In round figures, about 89 per cent male and 11 per cent female.

Senator QUIRKE—That is about the same as Army, across the board.

Brig. Ball—I believe that to be the case.

Senator QUIRKE—What role do the females play?

Brig. Ball—A very important role in a brigade—clerical, medical, dental, signals, et cetera. Certainly, without them I would have a less viable brigade than what I do now.

Mr LAURIE FERGUSON—It sounds like the proportion of students is far greater than the general picture around the country. Continuing the question from Mr Snowdon about retention rates and referring to the comments by previous witnesses and criticisms of the Ready Reserve—that it was all very good when you had the students there but after a few years they went into the private sector and dropped off—is it the case that perhaps you have not reached crunch time yet with a high proportion of them actually still in the tertiary area?

Brig. Ball—That is a possibility. However, if we can keep soldiers for three and four years—and that is what we are looking at now—that is twice as long as we have kept them before. So, certainly, we have a return on our investment already, and after four or five years, even if they do go out into the work force, we have a manager or a foreman out there who has had an experience with the Defence Force and will be sympathetic to anyone who is in their employ. I believe that is going to have a flow-on effect to our benefit.

Mr LAURIE FERGUSON—There was a hypothesis put earlier about the advisability of loading up training in the first few years before people go off into the private sector. Is that part of what you are doing?

Brig. Ball—That is where we have aimed for. We realise the 45 days of common induction training is a burden for someone in employment. That is why we have gone for the school leavers and the university students, to do that during their semester breaks. In fact, a lot of our training now is based on a semester break so it does not conflict with their studies. Once that is out of the way and they have got those skills, it then goes back into the blocks of two weeks or whatever is convenient. It causes less disruption. That is the way we will continue. That has been part of our success, quite evidently.

Mr LAURIE FERGUSON—I have one final specific question. Currently, the government is looking at the workers' compensation scheme in the defence forces. Has the question of replacement pay for reserves who might go overseas, et cetera, been an issue at all in regard to the ability of their current workers' compensation system to meet their normal earnings?

Mr PRICE—Extending practice pay.

Brig. Ball—I would have to take that on notice. I am not aware of anything from the point of view of the 4th Brigade personnel.

Mr PRICE—What is the readiness level of the brigade?

Brig. Ball—All I can base it on is individual readiness of 74.9 per cent. To go back to October last year: within two or three weeks of calling for volunteers, we had in excess of 300 people putting their hand up; 115 of those went.

Mr PRICE—With no disrespect to their contribution—I do not wish to denigrate it in any way—they were filling slots. They were not formed units.

Brig. Ball—No. We were not required to. It would be mobilisation. That would be my ultimate—

Mr PRICE—If you were called upon to have formed units deployed, how much training do you believe they would require before you sent them away?

Brig. Ball—It would probably be sub-units of a company group, initially, that I would be asked to do. I think that would be more realistic, as a warning, to start off with. I have to base that on when we deployed or sent the soldiers from 4th Brigade up to 7th Brigade. They have deployed now after six months intensive work-up. I think we would use that as a similar guide for ourselves. Once they have completed their common induction training and their initial employment training, there would be a further period of time—say, up to that 180 days.

Mr PRICE—So you would say that six months would be the critical period?

Brig. Ball—Yes, based on my experience and based on the soldiers we have got and on what has taken place over the last six months.

Mr PRICE—You mentioned an ultimate aim. If the units in your brigade were deploying in formed units, I presume that that would again increase the morale overall of your brigade.

Brig. Ball—One would expect so. That is, ultimately, what we are trained for and that is what it is all about. I do not see that in the short term at this stage, though, in my personal opinion.

Mr PRICE—If we made you an important decision maker in the process and you were granted a couple of wishes, what sorts of changes would you like to see made?

Brig. Ball—A lot of it comes down to resources, to start off with. Soldiers need satisfaction. They like modern, up-to-date equipment. They like to use it. They like to be looked after. They like appropriate equipment—and that goes for field equipment at the same time. I think that also they have got to have the sense of satisfaction that they are doing something worthwhile for the country. I think that is very important. Otherwise they could do a lot of other things which are perhaps not as demanding and not as challenging. It is a sense of satisfaction, pride, teamwork and, again, doing something for Australia—that has come out time and time again.

CHAIR—Brigadier, you mentioned the question of modern equipment. There are the basics—the rifle, transport and so on—but, in terms of some of the more sophisticated equipment, how far do you feel the reserves should be going and how short are you of what you would really like to see?

Brig. Ball—At this stage—and I can only talk on the 4th Brigade—weapons-wise the Steyr is available to every soldier. Simulation training is very clever, smart and a cheaper way to go and it certainly brings out all the skills.

CHAIR—You have got that in Victoria?

Brig. Ball—We have a simulation range at Watsonia. That has a lot of use and that will be continued; even on a wet day it is delightful to use that range. It brings out all the skills. I think we have to keep up to date with that technology. We have a finite amount of money and resources for the Defence Force, but so long as we do not lag behind, so long as we get those experiences to work with and there is education on CD-ROMs and all the things we did not have a few years ago which soldiers expect now and are getting, that is a great step and certainly it keeps their enthusiasm.

CHAIR—So I take it you are not looking for the latest and greatest, the expensive side of things?

Brig. Ball—I think it would be inappropriate at this stage. However, if I have to deploy, I certainly need the equipment on day one if I have to deploy in six months or four months or whatever. I do not need it the day before we deploy—we need to bear that in mind. But I am not in that situation at this stage. I go back to our example of the soldiers who were transferred to the 7th Brigade: they had all their basic soldiering skills and it was those team skills in working up in their sections and platoons that they had to develop. That is only natural; that is to be expected.

Mr PRICE—Because of a variety of factors, the General Reserve has often been described as a phantom army—that is, that we have so many numbers there but, on any day of parade, they are not there—and not all brigades have had the resources and the effort and perhaps even the leadership that you have provided. In terms of a whole range of difficult decisions facing the ADF, would your view be—and I am not trying to put words into your mouth—that whatever number of reserves we opt for, they should be resourced to the same degree as you rather than being underresourced, as so many of them are?

Brig. Ball—You would have to look at our example of what we have achieved with minimal resources. It has made an enormous difference.

Mr PRICE—So you are saying you did not get any extra resources?

Brig. Ball—No, I cannot, but I am just saying that, based on what the 4th Brigade got—and you mentioned other brigades have not been as fortunate or have not been part of the trial—I think we are a good benchmark. Again, it was a trial and, as I see it and as I command the brigade, I believe we have come a long way in three years.

Mr PRICE—That trial was part of Restructuring the Army, wasn't it?

Brig. Ball—Yes.

Mr PRICE—And they are supposed to be reporting on all that this year?

Brig. Ball—Later this year—that is correct.

Mr PRICE—It is now later this year? Okay.

CHAIR—Unfortunately, time is escaping us again.

Mr PRICE—Perhaps we would come and have a look at the 4th Brigade some time.

CHAIR—Why not.

Brig. Ball—I would welcome that. I know it is cold now but we would welcome the committee.

Mr SNOWDON—We won't be going if it is cold!

CHAIR—We are in Canberra at the moment, Brigadier. Thank you, and I would also like to commend you again on the excellent work you are doing. It has been very refreshing to have someone who has got some pretty positive things to tell the committee about what is happening in the Army Reserve. If there is anything further, I am sure you would not mind the secretary writing to you for some more information.

Mr SNOWDON—He is only saying this because you live in Wannon!

CHAIR—I will ignore that interjection.

Mr PRICE—You should have declared that to the committee, by the way.

CHAIR—If you had been here for the opening remarks, it is in the opening remarks, Mr Price. Again, thank you very much.

Brig. Ball—Thank you, Mr Chair and committee.

[10.46 a.m.]

POWELL, Major General Roger Anthony, Commander, Training Command, Australian Army

CHAIR—Welcome, Major General Powell. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion. The deliberate misleading of the committee may be regarded as a contempt of the parliament. The committee prefers that all evidence is given in public, but should you at any stage wish to give any evidence in private, you may ask to do so and the committee will give consideration to your request. The reason the committee has sought your attendance here today is because of the number of submissions which the inquiry has received that touch on training issues. Hopefully, you will be able to clarify some of those issues with us this morning. I invite you to make a short opening statement before we proceed to questions.

Major Gen. Powell—Thank you, Mr Chairman, and members of the Defence Subcommittee. I am very pleased to have the opportunity to appear before you during your final hearing. As the Commander, Training Command, Army, I have the responsibility to the Chief of Army for providing individual training and education for Army's people and also for some joint training for Navy and Air Force people; for contributing to force development, particularly through the provision of doctrine; for the provision of musical support; and for support to the Army Cadet Corps.

Training Command, Army, has a clear vision of its future and has in place a comprehensive development strategy. We have a focus on the application of technology to deliver effective and efficient training. In this regard, we are an acknowledged world leader in the development of technology based training products and outcomes. Wherever possible, we deliver training in a joint setting, with several of our courses catering for military and civilian trainees from the other services and Department of Defence civilians. We are in the final phases of delivering a regionally based training regime. Regional training will assist us in minimising family separations for trainees and to realise significant travel and residential accommodation savings. Finally, we are outsourcing training where it is available commercially.

I aim to concentrate my opening remarks on my core business. There are, of course, other key contributors to Army's capability, about which you have been briefed and about which you have asked many questions. My core business is about providing well trained, motivated and resourceful people for the ADF, with a primary responsibility for meeting the Army's needs. Army Training Command plays a primary part in the enabling component of the Army model. You would recall that it is the lens through which we shape the high readiness deployment force and the lower readiness latent combat force.

To meet the Defence Efficiency Review's aim to shift resources to the combat force, the Army's Training Command has been subjected to significant functional and structural change over the last few years. Army's Training Command has been reduced in size by about 20 per

cent from an overall strength of some 7,500 people to a strength of just under 6,000 people. We are on target to achieve this by July 2001 in line with the direction we have been given.

There has been a rationalisation of training functions and structures to achieve substantial savings in operating costs in the order of 34 per cent. The growing regional and joint focus of our training is based on functional structures and the application of technology based training and distance learning. We have rationalised our structures to a stage where I have direct responsibility for 23 training establishments, contrasted with an original figure of some 47. This rationalisation has grouped like training and removed duplicated processes and will eventually lead to a final structure of 12 directly commanded establishments by July 2002.

Subordinate commanders have been given more responsibility, and I now have much greater capacity to concentrate on strategic training issues and shaping and selling our training policies. Our plans are designed to provide a more responsive training regime for both the full-time and part-time components of the Army. We are also providing a challenging and key role for the part-time elements of the command by raising their technical capacity and by giving them a significant role in the training of the full-time component of the Army.

Whilst the requirements to save resources and shift them to the combat force was the primary catalyst for changing the way we do business, the opportunity to embrace smarter training and education techniques has been ripe for the picking for some time. The challenge we now face is to change the attitudes and harness those instructors who remain comfortable with the more traditional styles of teaching and learning and ensure their willingness to embrace the ideas and methods now being introduced. The mandatory requirement to find the necessary savings continues to be helpful in this regard.

Having said that there is concern, to which you have been exposed in Army's submission to your inquiry, that the enabling component lacks the necessary capacity to accommodate the requirements to expand the ready deployment force, that is our ability to surge. Put simply, we do not have enough fat in our training establishments to meet the requirement to suddenly increase our training throughput. The planning we undertook to meet a larger ongoing commitment in East Timor, had we been called upon to do so, exposed our limitations in this regard. We are looking at ways to improve our force generation capacity. We see the solution being predominantly about the smarter use of resources rather than substantial increases. However, it is evident that my command is currently at critical mass in manpower terms and some personal increases will need to be realised in fine-tunning the Defence Reform Program outcomes and in establishing a robust surge expansion base. I do acknowledge and agree that the enabling component would need to expand significantly to support a large scale force generation task.

Let me now address each of those critical issues directly impacting on my core business which were raised in Army's submission. They are recruiting and retention, the lack of availability of the Army Reserve, and the limited force generation capacity of the enabling component. First let me comment on recruiting and retention. As you have heard, Army is struggling across the board to achieve the targets it set itself for recruiting. Whilst this is not my core business, it has a very direct bearing on my outcomes. In a true business sense, a lack of trainees in the numbers required means missed opportunity, undermanned capabilities and

wasted resources. There are a few givens to this problem. The first is the need for a smarter, more challenging set of skills required in our people, and also a duty of care to ensure that they are fully qualified to do their jobs. The more technologically sophisticated that Army becomes, the greater the challenge.

Given that our recruiters tell us that fewer and fewer young Australians are showing an inclination to make the ADF a career choice, thus the greater is the need for flexibility in employment conditions and the larger is the throughput of people that we will be required to have to ensure our viability. Whatever conditions of service package are agreed, it is going to become more and more challenging to acquire the skills and knowledge needed to do the jobs in the army.

The second point that I would like to just touch on is the lack of availability and capability of the reserve. Clearly, this is linked to the first issue: of all the areas that army is struggling with at the moment it is the viability of our reserve. I contend that the concept of a capable and available reserve is vital to the future of our army. A number of issues currently in train will address the concerns being expressed by a wide range of stakeholders. These include the proposed legislative cover to give reserves greater utility and security, revise roles and tasks and a more flexible and smarter set of training techniques to match the reserve's needs.

Finally, on the limited force generation surge capacity of the enabling component, I have already made some comments regarding this issue. Through the application of technology and some adjustment to the way we do business, including increases in our capacity to surge, I believe that this issue can be effectively addressed. The key aspect for us is to be smarter about the way we do our training, and we have a plan that we will deliver to achieve that aim.

In conclusion, Training Command is one of the major success stories for Army. We have embraced the defence reform program in a positive and aggressive way to achieve smarter, more efficient ways of doing business. We have become world leaders in technology based training, we have a vision on where we want to go and a well-defined plan on how we want to get there. I would be happy to take any questions you might have about my core business.

CHAIR—Thank you, General. I wonder if I could just contrast your last comments with something said a little earlier about fewer Australians choosing to make Army a career. Why do you feel that is the case and what is required to encourage more people to do so?

Major Gen. Powell—I think that what I mean by that remark is that we are very much a replication of society in general. If you are looking at young people's ambitions and aspirations, I think it is fair to say they do not join a career for life any more and so we are faced with exactly the same challenge as any of the professions, but more so those professions that allow people to move from one job experience to another. We are faced with the challenge of trying to retain people for more than just a few postings. I think there is ample evidence to suggest that that is a challenge not only for us but for society in general.

CHAIR—But, just in terms of recruiting, even if you only hold them for a period of six to 10 years or whatever, what is it that is needed to increase the initial intake?

Major Gen. Powell—I am sorry. I am not sure that I understand your question.

CHAIR—You are talking about people not choosing the army as a career but that does not mean to say they would not choose to make it part of their career.

Major Gen. Powell—Indeed not, and clearly it certainly has got to be the aim of any policies that we introduce to encourage as many of those who are potential candidates for the profession of arms as we possibly can. I guess all I am saying is that we are faced with a far more challenging set of circumstances and those set of circumstances are very much broader than just the profession of arms.

CHAIR—But what is required to encourage more people to take up that opportunity?

Major Gen. Powell—I am not sure that I am—

CHAIR—What is lacking now?

Major Gen. Powell—This is not really part of the area of my core business but, from a personal point of view, if you are talking about the sorts of incentives that we need to examine, that is very much the critical question we face. What sort of incentives we embark on is being examined in detail but, certainly, I am not really in a position to comment other than in a personal sense.

CHAIR—We do not mind your commenting in a personal sense.

Major Gen. Powell—If you look at the sort of incentive that I would suggest is the most critical, it is that both young people and their parents would see the most attractive thing for them in terms of commencing their careers is a kick-start in some form with regard to their vocational and educational training post-secondary school. If I were to pick a personal issue that would see a greater level of encouragement for young people to choose any particular profession it is assistance in that area.

Mr SNOWDON—We are aware that you commanded the multinational force in Bougainville. What lessons would you draw out of our experience in Bougainville and East Timor in terms of training requirements and your functions and the functions of the people you command?

Major Gen. Powell—Both cases, Bougainville and East Timor, are a success story for the training that we have provided through the enabling force, both from the point of view of the full-time service men and women who have served in both areas and in terms of the part-time service men and women who served in both areas. When I look at the sorts of strategies that were in place when I assumed command of Training Command I was reinforced by my experience that we are on the right track. What we have really got to do is find smarter ways of embracing technology to deliver the very best training that meets the needs of our people. That is by embracing a training regime that can be as decentralised as possible but that guarantees replication of the skill sets that you gain from a centralised approach.

Mr SNOWDON—I visited Oecussi with Kim Beazley. We had discussions with the officers and soldiers. The NCOs were very critical of the replacement troops coming in, commenting that they had to effectively retrain them once they had arrived because their skill levels were not up to scratch. Do you have a comment on that?

Major Gen. Powell—I cannot recall at any stage in my career, in particular in regimental service, where we were comfortable with the quality of the recruit when he or she arrived in the organisation. It is a natural phenomenon to suggest that the product that you receive when that young person marches in is not as good as we were when we marched in. I think that there is clearly some finetuning in the initial employment training that we are in the throes of making by doing the sorts of validation that needs to be done in terms of the customers' views about the product that they are receiving. Certainly, as we have restructured the command and looked at the ways we might embark on this common induction training program, there is some evidence to suggest that we need to do a little bit more in our initial employment training in some of our skills. We are in the throes of looking at that at the moment. But, in general terms, I would say that the proof of the pudding is in the eating. Whichever way you look at it, the combination of the individual training packages that we provide and the collective training that is going on in our regimental organisations has delivered the goods.

Mr SNOWDON—I do not think there is any dispute about their effectiveness once they are in place. The issue was that these NCOs were saying, 'When we get new soldiers we shouldn't have to spend time skilling them up or getting them fit because we are actually in action.' That was the issue that was raised.

Major Gen. Powell—I have made the point that, through a process of refinement, we have got to get that balance right. It is all about the issue of shifting resources from the enabling force to the combat force and getting the balance of resources right between the two organisations, and how you then allocate the responsibility for individual training versus collective training.

Mr SNOWDON—In your introduction, you spoke about how well you had done in achieving the target for the restructuring. But you then said that you were concerned about the critical mass of the organisation and the need to expand its personnel. What sorts of figures were you talking about, and over what period would we need to do it?

Major Gen. Powell—We are assessing that probably the figures are in small hundreds in terms of numbers to increase, which is significantly less than the reduction that we have embarked on. We are talking probably over the next two to three years. It really does depend on how much surge capacity you want to build into the enabling force and therefore how you allocate your resources between the enabling force and the combat force. There is no doubt that, from our point of view, if we want to embrace technology based training in the way that we have embarked on that strategy, we need to be able to seed the organisation with those training developers who can actually produce the technology based training. Because we are fairly thin on the ground in terms of shifting the resources to the sharp end, we are in that stage now of finetuning to get to a point where we think we can meet the outcomes that certainly we have been set. So, we are talking in terms of low hundreds, and we are certainly talking over the next two to three years.

Mr SNOWDON—In terms of the regional training strategy and the focus—which, personally, I think is a very good idea—can you envisage that it might have implications for separation rates? What I am talking about here is: if you have got professional development going on whilst troops are in Darwin, for example, as opposed to actually shifting them down to Albury or wherever they have got to be, do you think that actually will induce people to stay longer as they see their marketability improve because their skills sets are developing?

Major Gen. Powell—We would like to hope so. There is no doubt that there is a concern about the amount of time that soldiers are spending away from their families. It is something that Army is acutely aware of. One of many strategies that we are looking at is delivering as much training in home location as we can. The issue really is ensuring that, when you deliver training in home location, it is quality time that is made available to the individual. There is ongoing debate about the possibility that, if you do not put an individual into an environment where they can be totally focused on training, you might not get the same training outcomes. So there has got to be some assurance that commanders in home location will give those soldiers the opportunity to embark on the quality training that they need in the regional training centres that we establish. That is basically one of the challenges we face. But, to answer your question, my sense is that it must have a bearing: it means that you are delivering training in home locations so families are not separated for the same length of time.

Mr SNOWDON—But also there is that element of professional development. One of the issues which strike me is that, if you have got a soldier who comes in at 17 or 18 and goes through recruit training and develops skills as an infantryman, for example, then if they can actually do other things whilst they are there which improve their broad set of skills—which may not be just applicable to infantry work—that must have an attraction for the soldier.

Major Gen. Powell—No doubt about that. I agree.

Mr PRICE—I would like to again express my admiration for the job that you and your people did in Bougainville. I know East Timor is the flavour of the month, but it was not an easy task over there and it was done very well.

Major Gen. Powell—Thank you.

Mr PRICE—In terms of one army, it seems to me to be a huge training effort that goes into the reserves if you then only use them as slot fillers for the full-time Army. Surely that is a very inefficient way of filling slots. Please do not think I am trying to deprecate the reserves, I am not, but this is the role that Army has assigned them.

Major Gen. Powell—At the moment, the umpire is out on what Army or, indeed, the government is going to assign to the reserves. There is no doubt that there has to be a review of roles and tasks for the reserve, and that is in the pipeline. The government will obviously make an announcement in due course about what roles and tasks we do assign the future reserve. There are some real issues in this: what can be achieved as we become a more and more sophisticated organisation; what we can hope to achieve in terms of delivering the very best type and quality of training; and what we can achieve with people for the limited amount of time that the reserve conditions of service provide.

Mr PRICE—Could you help me in training terms? There is probably a continuum, which says, at one end, we leave the reservists as they are. At the other end, we do not have any reserves; we have a total full-time army. In your view, how much training is required for an initial recruit to be ready for deployment to East Timor or wherever? If we recruited someone off the street tomorrow, how long will that take?

Major Gen. Powell—It is directly related to the job you want that young person to do. So there is a variable there. To answer your question, we have to be more specific about the job that we want that young person to do. If it is a combat soldier, you have to look at which of the combat arms that soldier is going to be employed in. If you take an infantryman, for example, you have a recruit course of 45 days. Going back to the question you raised, Mr Snowdon, in regard to concern of the customer, at the moment we have to decide on exactly how many weeks we need to hold on to that soldier in the training force to bring him or her up to the standard that the customer should rightly expect of us. That could be anything from six to 10 weeks. We are looking at what that really should be at the moment. If you take an infantryman, that is the sort of time frame that you would be talking about for a basic set of skills that allow that individual to build the collective small team skills in a unit environment.

Mr PRICE—If it is 10 weeks, on top of that you are saying that small team skills have to be built. How long would it be for that?

Major Gen. Powell—You would be moving into a collective training environment. Again, it relates to the job that you are talking about. If you are talking about a full war fighting set of skills, you are probably talking six months minimum. If you go back to Vietnam and you take a national serviceman, we were putting a national serviceman into Vietnam after six to nine months of intensive training—high tempo training.

Mr PRICE—And the higher the skill level, the greater the time?

Major Gen. Powell—Correct.

Mr SNOWDON—Depending on the individual competency.

Major Gen. Powell—Correct.

Mr PRICE—Perhaps you could provide on notice some examples to give us a feel for those other skills.

Major Gen. Powell—Yes.

Mr PRICE—What about the reserves? I know it is hypothetical, but in terms of building on the skill level of someone who has been past their initial block of training for the Ready Reserves, how much training would be required before that individual could be deployed? I understand that they would be bedded into a reserve unit.

Major Gen. Powell—Army's policy at the moment is that the standard of skills that we provide to a regular and a reserve soldier should be the same related to the job that we expect of

them. For example, if you are talking about employing a soldier who has come in from Brig. Ball's 4th Brigade into East Timor, that soldier must be brought up to the same standard to do the job. So there is no difference, and that is the whole rationale behind common induction training.

Mr PRICE—Yes, but they are not at the same standard when they are in the 4th Brigade. They need a period of full-time service to bring them up to that same common standard you are talking about.

Major Gen. Powell—At the front-end of that process, it is exactly the same.

Mr PRICE—I think that was a good move. What is critical to understand about the reserves is the level of training that is required, isn't it? Apart from defining their role and giving them equipment and resources—all these things not having been done very well—isn't there any extra level of training required if we want to have deployable units in the reserve?

Major Gen. Powell—I would contend that it does not matter whether the soldier is a reservist or a regular; we have a duty of care to ensure that that solider is capable of doing his or her job.

Mr PRICE—Absolutely.

Major Gen. Powell—Where the variable is in this equation is that there are smarter ways of teaching people skills. There are smarter ways of embracing training to ensure that the mastery of the skill sets can be achieved in a more efficient way. That is exactly the way that we are heading in Training Command Army at the moment. We are looking at the ways in which we can embrace technology to ensure that a young man or woman, through a learning resource centre located in their home location, can walk in and acquire the skills in a self-paced, self-directed but supervised way, where those skills allow us to do the training that way. Clearly, a lot of skills are in a collective environment where you use a very traditional form of training. But there are many skills, especially the simple skills in the initial employment training, that lend themselves to smarter ways of gaining them in a regionally focused, flexible way where they choose their own time to get there to acquire the sorts of skills we are after.

Mr PRICE—Could I ask you to take one question on notice because of time. In relation to the restructuring of the Army, what implications does getting rid of the divisional and regimental structure have in terms of training?

CHAIR—We will take that on notice. Thank you, General Powell, for coming before the committee.

[11.20 a.m.]

SMITH, Associate Professor Hugh (Private capacity)

CHAIR—Welcome. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion. The deliberate misleading of the committee may be regarded as a contempt. The committee prefers that all evidence is given in public but should you at any stage wish to give evidence in private, you may ask the committee to do so and it will give consideration to your request. We have received your submission and it has been authorised for publication. Are there any additions or corrections you would like to make to it?

Prof. Smith—No.

CHAIR—Would you like to make a short opening statement before we proceed to questions?

Prof. Smith—Yes, thank you, Chair. I would like to focus my comments on the reserves, although there are a number of other issues that we might also look at. It seems to me that the key fact about the reserves is that they have not been called out since 1945—not Korea, not Vietnam or any other occasion. Numbers of individuals have filled slots and that has been a useful role in a small way. The fact is that we do not have a real, useable and substantial backup for the Regular Army with the reserves as presently set up.

Having looked at the current structure, the debate and even the discussion this morning, three things strike me: firstly, we are tying ourselves up in knots trying to balance the interests of employers and reservist employees; secondly, we may be deluding ourselves that call-out legislation will solve our problems; and, thirdly, we are making heroic efforts at recruitment and training of reserves and regulars but almost fighting against the tide. Let me amplify a couple of those points.

On employment protection, I do not think that is a real answer. It certainly would meet some resistance from employers. I think it was mentioned earlier this morning that the present situation is fairly fuzzy. I suspect that clarity of obligations on employees would cause more problems. Employment protection may well induce many reservists not to inform their employers of the situation, so we would not know until they were called out what the employer would do or what the employee would do—whether they would actually leave their employment.

Finally, as to enforcement of provisions of employee protection, can you imagine actually prosecuting a small business for not looking after the position of a reservist called out? I think similar problems apply to the idea of call-out legislation. Legislation does not ensure that reserves are going to be fully trained and equipped for overseas service. I think we are talking about overseas service if we are looking at a real backup for the Regular Army.

Reservists are de facto free to resign from the Defence Force. Individuals can simply leave and, even though call-out legislation may prevent that, it is possible that individuals could still leave before that took place if they are smart enough to anticipate it. Also, I think governments may well lose their nerve; may well decide it is too difficult to use that call-out legislation, given the personal, social and economic disruption that might occur.

My third point is that heroic efforts are being made under the present structure in recruitment and training, but all of that is not giving us a reserve that the government can call upon in a substantial way with larger formed elements; rather, we have a large structure which at best produces a small proportion of individuals who, on a voluntary basis, will transfer to full-time service. That does not seem to be an efficient way of doing it.

What is the answer or part of the answer? I have to admit to being an unreconstructed advocate of the Ready Reserve. It provided a large, new source of high quality recruits. I noticed Brigadier Ball's comment this morning that something like 50 per cent of his brigade were university students. That was very much an area into which the Ready Reserve tapped, and I think that is an area that could be developed more, rather than trying to recruit more regulars and reaching further down the barrel. A revised form of Ready Reserve could be rather more flexible than the older system. There could be a requirement to serve, after the full year's training, of, say, 40 to 60 days rather than the set 50 days. It may be structured more on a battalion basis than on a brigade basis.

Generally, I think the whole reserve structure could be looked at. Hypothetically, you might abolish it, start with a clean sheet of paper and look at what you could develop, what you need and what would actually be useable. I notice Air Force have revived the Ready Reserve—they have not called it that—for their airfield defence guards. That is a very sensible employment of the Ready Reserve structure—a large element of full-time training and then part-time service. Navy could do the same with regard to its patrol boat capability. My general argument is that we need to radically change the current structure. It has served well in the past but it is not well adapted to the sort of commitments, the sort of conflicts, the sort of peacekeeping and roles which the Australian Army is most likely to play in the future.

CHAIR—Thank you, Professor Smith. There is an obvious question to pose when you question whether a government would be willing to call out the reserves. We know that you have a keen interest in the Ready Reserves, but you go on to say that you see that as an alternative. I am not quite sure what the difference would actually be in terms of the willingness or otherwise of a government, which you question, in calling out the Ready Reserve as opposed to the current reserves.

Prof. Smith—I take your point there. I would make a couple of comments. A reason for government reluctance to call out the reserves as presently structured is that all of them may not be fully trained. Even if the government had the power to call out elements of the reserve forces, clearly, they would not all be as fully trained as you would like. With good reason, there would be reluctance to send in barely adequately trained people in contrast to having an element where training was sufficiently good across the board.

The other point I would make about the Ready Reserve is that I believe you could have recruited a substantial proportion of Ready Reservists on a voluntary basis. I think East Timor would have been an excellent test of the Ready Reserve system. You would have offered people the chance to serve for, say, six months in East Timor. You would offer them good pay, tax free, a chance to use that year's training they have had; you would give them time to adjust their university studies. It is relatively easy to take six months out of a university course and 50 to 60 per cent of the Ready Reservists were tertiary students.

Also there you are talking about young employees. If they are not university students they are 19- or 20-year-olds who are early on in their careers. They are not really valuable employees yet. I suspect you could have got a large number to volunteer. I think it would also have been easier for the government to actually call out the Ready Reserves, given that they were highly trained and designed specifically for such a purpose.

CHAIR—Given that this call-out may only occur, hopefully, very rarely, and as Brigadier Ball has pointed out, 50 per cent of the 4th Brigade are students, would it not be expected if that call-out was to come that there would be the six months training that General Powell was talking about, so they would be quite well equipped? I do not quite see the difference.

Prof. Smith—I am not sure what level of training Brigadier Ball's tertiary students have got to. I suspect there is a whole range of levels of training. Some people have just come in while others have been in for a number of years. The beauty about the Ready Reserve system was that everyone was given 12 months full-time training, which is perfectly adequate to send people to Bougainville, East Timor or whatever commitment. I think such a force could have been used in Somalia. It is not that infrequently that the occasion might arise for such forces to be called upon. They have not been called upon because they have not existed or have not had the relevant level of training.

Mr LAURIE FERGUSON—Whilst saying you have unreserved support for the Ready Reserve, you spoke about greater flexibility. Do you want to develop that a bit more?

Prof. Smith—In the report that I did five years ago with General Coates we looked at flexibility in the number of training days, which was set at 50, although de facto there was a bit of flexibility around. You might in some cases, depending on the area and unit, go down to 35 days, which might be sufficient per year to maintain skills, particularly if there was a block of at least 25 days continuous. You might also look at focusing a new system on a number of battalions in different locations rather than on the brigade system, which creates a certain logistic problem. It has advantages, of course, but there would perhaps be more flexibility going to smaller formations.

Mr LAURIE FERGUSON—You talk about the possibility of removing tax free payments and in return moving to superannuation access. Have you done any work on that on a wider scale in regard to levels of payments to reserves and what it actually means to them financially—that kind of thing?

Prof. Smith—My general theme there would be to make the conditions of service between full timers and part timers as similar as possible. There are these differences in all sorts of ways

between regulars and reservists, and financial reward is just one of them. The more you can make them homogenous, the greater sense of one army you will get and the greater ease of transferring from full time to part time.

Mr PRICE—What were the numbers that the Ready Reserve got up to before it was disbanded?

Prof. Smith—I think the target for Army was around 3,200 to 3,500. I do not think it reached that before it was disbanded, but I am subject to correction on that.

Mr PRICE—And the experience was that people would do their 12 months training and then go off and do their university course?

Prof. Smith—Yes, or in some cases go to employment. They would receive assistance finding jobs.

Mr PRICE—Given Brigadier Ball's evidence this morning where he is utilising school leavers and undergraduates, it would not be difficult to modify the scheme, given his experience, to make sure those blocks were inter-semester blocks.

Prof. Smith—The blocks of service—

Mr PRICE—Post—

Prof. Smith—Post their first full-time year. I think that would be feasible. Obviously we are looking at the strategic planning level as to when you might want to send a battalion to say, East Timor, and all sorts of considerations go into that. I guess I am saying that one factor might be university sessions. But I suspect that would be manageable given that you have actually got a real asset that is well trained and useable and that will provide a great relief to the full-time force.

Mr PRICE—It would be fair to say that if you are looking at deployable forces, when deployed the Army seems to want to keep the commitment down to no more than six months, although I think a greater period was contemplated in East Timor should it have got sticky. Is that correct?

Prof. Smith—Yes, I think that is a preference; after six months things get difficult and all sorts of people get worn out, they get family difficulties—

Mr PRICE—Longer periods were contemplated had the situation deteriorated—that was what I meant—but six months is what they are really looking for.

Prof. Smith—I think six months is a manageable length of time.

Mr PRICE—Had we had a Ready Reserve and, given the time of deployment, it would have been quite possible then to have used a Ready Reserve as a rotational force in East Timor.

Prof. Smith—I think so. I think it would have been an excellent test. I would have been very surprised if you would not have a large number of young people volunteering to use all the training they have done, to be well paid for six months, to be able to come back and pay their HECS fees up-front and all that sort of thing, as well as having a lot of stories to tell.

Mr PRICE—You mentioned the flexibility. Instead of just having them going to the battalion in Queensland, if they went to General Reserve battalions once they had finished their training, is that the flexibility you were looking for?

Prof. Smith—I would have to give more thought to that. It would depend on whether you retain the General Reserve battalions and one might want to start with a clean sheet of paper. The thought was that if you had Ready Reserve battalions, they could be spread around the country more rather than just focused on Brisbane.

Mr PRICE—Yes, but separate battalions, separate Ready Reserve battalions—is that what you are saying?

Prof. Smith—Yes, that would require a lot of study and there are disadvantages to that. It would fit in with the broad notion of focusing capability on smaller elements rather than the larger traditional ones.

Mr PRICE—Do you think there is any purpose in having a General Reserve if at best all it can do is fill slots in the Regular Army?

Prof. Smith—That is a leading question. As I said, I would—

Mr PRICE—I can give you the answer; I have it written down here.

Prof. Smith—I would like to start with a clean sheet of paper and say that we need reserves in three or four capacities. One is a useable infantry reserve, like the Ready Reserve. I think we could probably usefully have smaller units of specialists in transport, communications, paramedics and so on who might also be trained on that idea of a year up-front, or 18 months, even two years up-front. There were ways of doing that actually within the old Ready Reserve scheme. We need a category of high readiness individuals—the real specialists, doctors and so on; the British have a category like that. I think we probably do need elements like the regional force surveillance units which carry on a useful role in peacetime. Maybe I would end the list there.

Mr PRICE—If I could paraphrase that: we have our glamour units, like the doctors and dentists, that have been consistently used, and practice payments go with them; we have the regional surveillance reserves, which seem to have an ensconced role; and commandos is another.

Prof. Smith—Yes, commandos.

Mr PRICE—But then we get into real difficulty in terms of utility.

Prof. Smith—Yes.

Mr PRICE—I keep on emphasising that I do not wish to reflect on the commitment of these people, but Army has not decided on a useful role for them.

Prof. Smith—That is right. I, too, share a lot of respect for many reservists who put in an awful lot of time and effort with great skill. The sad thing is that they are not going to be fully utilised, if utilised at all. We really have to think about radically different ways of doing business, rather than tinkering with this old structure and doing the best we can.

Mr PRICE—Could you expand on radical ways?

Prof. Smith—I would start with a clean sheet of paper and ask: what sorts of reserves do we want that will be useable in those four categories? That really says that we do not need the very large structure of reserve battalions and brigades.

Mr PRICE—Could I explore two other issues? Why would you not apply the same radical approach to the full-time Army—that is, that what you require a full-time army for is to be deployed at very short notice? If you are looking for rotation forces or surge capability or whatever, then that really should come from this restructured reserve.

Prof. Smith—Yes, that really is the function of a reserve—to provide a real alternative capability which you can use instead of the regular army so you need have a smaller regular army, which we may be getting because we cannot recruit people anyway. Cleverer people than I have tried to restructure the Army and have not got far. Perhaps it is better if I do not comment on that.

Mr PRICE—Could I ask you to comment on one thing in terms of restructuring the Army? I understood we were trying to get away from this structure that allows us to fight a European war with 500,000 soldiers, and trying to go for what you might loosely call ‘battle groups’ that have all their elements embedded and that are highly mobile, manoeuvrable and deployable. If the Army were to bite that bullet, what implication would that have for your reserve structure?

Prof. Smith—The implication would be that the reserve structure has to mirror the regular force structure. That would be easier to do given that you have broken down the army structure into smaller battle groups and task forces. You would have more readily identifiable functions that the reserves could fit into.

CHAIR—Time has got away from us. We would like to ask you more questions but, thank you, Professor Smith, for coming before the committee today. If there is anything we would like to follow up with you I am sure you would be happy for us to get in touch with you. You will get a copy of the transcript, of course. If there are any alterations you feel necessary please feel free to make them. Again, thank you very much for coming before the committee.

Prof. Smith—Thank you for the opportunity.

[11.45 a.m.]

BROWN, Brigadier Robert Charles, Director General, Personnel Plans, Defence Personnel Executive

WILLIS, Major General Simon, Head, Defence Personnel Executive

CHAIR—I welcome Brigadier Robert Brown and also Major General Willis, who has just taken over his new role as Head of Defence Personnel Executive in the last 24 hours, so congratulations.

Major Gen. Willis—Thank you.

CHAIR—I must advise you the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the committee does not require you to give evidence on oath, you should nonetheless be aware that this does not alter the importance of the occasion and that the deliberate misleading of the committee may be regarded as a contempt of the parliament. The committee prefers that all evidence is given in public, but should you at any stage wish to give your evidence in private you may ask to do so and the committee will consider the request.

In the course of this inquiry, the committee has had to consider a number of issues relating to the management of Army personnel. We appreciate your attendance here today to help us with some of these issues. I invite you to make a short opening statement before we proceed to questions.

Brig. Brown—Thank you, Mr Chairman. The performance of the Australian Army in East Timor has once again confirmed that the quality of our people is a critical element of military capability. So, not surprisingly, the major challenge for us in the Defence Personnel Executive today is to recruit and retain the right people to enable the Army and, indeed, the wider ADF to conduct and sustain successful operations into the future.

With regard to recruiting, for the last two years Army has struggled to meet its targets. In 1997-98 Army achieved 95 per cent of its full-time targets, but last year this dropped to 78 per cent and this year the Army is achieving about 79 per cent of its full-time targets. There are many reasons for these recruiting difficulties which, incidentally, are also being experienced by other Western volunteer armies. Historically, recruiting is difficult when the economy is growing and unemployment is low, as is the case at the moment.

The 17- to 35-year-old target group is reducing as a proportion of the population. More of these people are proceeding to higher education, and the social expectations and attitude to the military of young Australians has clearly altered over time. Today, fewer appear to be attracted to a career in the military. Although East Timor has been a good news story, particularly for the Army, the ADF's public image overall has suffered in recent years through a spate of adverse publicity. Research also indicates that the ADF has lost its market presence and visibility as an employer of choice.

There is some ignorance and misconception in the community about what life in the military is about. This is partly due to the fact that funding for marketing and advertising had been progressively reduced in recent years. A number of initiatives are being pursued in order to redress this situation. This year, funding has been significantly increased and marketing has been revamped in order to focus on those lifestyle issues that I have mentioned. The major lifestyle campaign, which members of the committee may have seen and which ran between November and March, certainly resulted in a big increase in inquiries and an increase in enlistments for full time. However, this marketing will need to be aggressively pursued for some time to enable the ADF to regain that market presence.

Market testing of the recruiting function is also being trialled. Members of the committee would be aware of the announcement this week. The trial is due to commence later this year in Victoria and Tasmania. And the ADF has recently established a new public affairs and communications organisation which we are very hopeful will help the ADF enhance its public image and assist in recruiting.

Recruitment for reserves has also been difficult, as the committee is aware. The achievement with reserves dropped from 100 per cent in 1997-98 to 52 per cent last year and the current achievement is running at less than 33 per cent achievement. Again, there are many contributing factors. The centralisation of reserve recruiting which occurred, I think, in 1997, has been a factor. Steps are being taken to involve reserve units more directly in the recruiting process and we heard some of those initiatives from Brigadier Ball.

The introduction of common induction training has been addressed by other witnesses. It was a contributing factor but, again, we are looking at more flexible delivery of that training and we are hopeful that that will improve the situation as well. The committee would also be aware that the government is considering a package of initiatives designed to invigorate the reserves, including changes to call-out legislation and incentives for employers to promote reserve service.

Retention is the other part of the equation. Currently, the army's overall separation rate is about 12.8 per cent, which is slightly high. However, the rates are higher in a number of specific trades such as electronic technicians, communicators and engineers, so recruiting efforts and retention policies are being directed at these trades. Separation rates for the reserves is currently running at 23 per cent. Again, this is higher than desirable.

Surveys and internal research efforts have been directed at identifying what the major drivers of separation are and this information is now being used to inform our policies in relation to remuneration and employment practices. It is also worth noting that the nature of the army work force has changed significantly over the last 10 years or so as a result of initiatives such as the Commercial Support Program and the Defence Reform Program. Army has reduced in size over that period from 32,000 to 23,000. It is a more highly skilled and better educated force. It is also more operationally focused with the combat ratio increasing from 45 per cent in 1991 to 58 per cent currently with a target of 65 per cent next year.

In conclusion, from the personnel executive point of view, we face many challenges as we strive to attract and retain the quality people to enable the Army to fulfil its mission. I would be happy to take any questions you might have.

CHAIR—Thank you, Brigadier. You were talking about the problems of recruiting and loss of market presence and you quoted some statistics which, I suppose, would be slightly disturbing, particularly when you quoted those statistics on reserves, which, of course, do contrast quite markedly with what we heard earlier today from Brigadier Ball. Is there something in what has been done up until now in terms of recruiting that is missing the mark which might be more what you might call hands-on or on-the-ground type recruiting, as opposed to using expensive publicity campaigns which may or may not add to the case? I am just wondering, with that experience in Victoria, whether or not you are looking to adopt some of those practices that are working?

Brig. Brown—Yes, I think that clearly in the last two years there has been a convergence of a number of issues which have made it very difficult for us. I mentioned one of those which was the fact that we centralised Army Reserve recruiting into the Defence Force recruiting units. Previously, there were recruiting units at a more regional level. I think it is recognised now that we do need to get the reserve units themselves much more closely involved in the recruiting game. I think 4th Brigade is an example where they have actually gone out and done that and reconnected with the community.

We are looking at a number of measures to get the reserve units much more closely involved and these are being developed particularly in the 2nd Division in Sydney. So we have recognised the need and we are certainly going to press on with some measures there.

CHAIR—So that is being adopted both for reserves and regular?

Brig. Brown—I think the situation is slightly different in that the regional focus is not quite the same in the Regular Army. What will be interesting will be the market testing trial to see how bringing a commercial approach to recruiting, utilising a commercial organisation which has a wide ranging network, will impact on recruiting results.

Mr SNOWDON—I am interested in the morale issue within the ADF and particularly in Army. One of the current issues which has come to my attention in northern Australia is that of remote locality leave travel. Are you aware of the concerns that have been expressed by soldiers in relation to that issue?

Brig. Brown—Yes, I am.

Mr SNOWDON—What is going to be done about it?

Major Gen. Willis—We are certainly investigating it now. My understanding is there may be some misunderstanding. There is a policy that we provide remote locality leave allowance and it is just the matter of the application of that allowance. There are consultations at this moment being conducted between the airline and the Army and my organisation.

Mr SNOWDON—But the bottom line is, though, that as a result of the deal with Qantas, the perception is that the Defence personnel are only getting 68 per cent of the normal benefit.

Major Gen. Willis—That is as I understand the perception to be. The bottom line as I see it is looking after the soldiers. My understanding is that the policy is for the allowance to take them from their remote locality to Adelaide, for instance, and because of a discounting fare structure, that is affecting the way they use the allowance in other ways to other destinations. They only get, say, 65 per cent of the trip other than to their home location. We are looking at that. It is a very important issue for those soldiers, sailors and airmen and airwomen in those remote localities. You can rest assured that we are not going to rest until we have come up with an acceptable solution for those troops.

Mr SNOWDON—So I can go back home and tell people we are going to have it fixed?

Major Gen. Willis—Certainly.

Mr SNOWDON—That gives me great comfort.

Major Gen. Willis—I am not sure that it will be tomorrow, Mr Snowdon, but you can be assured that it will be fixed.

Mr SNOWDON—It is not just a constituent issue. I think it is—

Mr PRICE—I feel a press release coming on.

Mr SNOWDON—I spoke to parliament yesterday about it and it is okay. It is of great relevance across northern Australia and it goes to the questions we discussed earlier about the retention. There is a real question about retention and remote localities. I do not regard it as remote because I live there but some of these southern people have a different perception about the world. The question of family connection and the whole question of relocation is of fundamental importance. I recall when—

Mr PRICE—I think we agree with you.

Mr SNOWDON—It is an issue that goes broader than that. Spouse separations as a result of isolation and whether or not there were increased spouse separations as a result of deployments to East Timor are issues which I would like some comment on. I am aware that 1 Brigade elements which were deployed to East Timor were quite hollow and there were severe skill shortages in some areas such as communications and engineering. Do you have any comment on that? I am not asserting it is a responsibility of anyone in particular because obviously they did a very good job, but I do know that there was some frustration expressed by not having enough personnel to do the job.

Major Gen. Willis—Certainly, to the first issue, yes, we will fix that but there may be an issue of communication about this remote locality leave allowance and we are addressing that as well. As far as spouse separations go, I think it is too early to tell there, but you can be sure that we are looking very closely at that and tracking any of these personnel issues. We will certainly

keep you informed if there is any remarkable change in that area. Thirdly, as far as 1 Brigade goes, I do not think either of us are in a position to answer that question. We can take it on notice or you may address it to General Hickling after lunch.

Mr SNOWDON—Thank you.

Senator QUIRKE—The figures you gave a moment ago of combat readiness for the Army indicated that when we had 33,000—I think you said the figure was 33,000—soldiers we had a 46 or 48 per cent combat readiness. Now that the size of the force has been reduced to 25,000 we are currently 58 per cent combat ready and we are developing that up to 65 per cent. I just did some quick mental arithmetic and that means there is a constant figure right through there of about 16,000 that are combat ready. Would that be about right?

Brig. Brown—That would be pretty close to it.

Major Gen. Willis—That would be very close to it, yes.

Senator QUIRKE—I am just wondering how this is deployed, in the sense that 1st Brigade and 3rd Brigade constitute about 5,000 personnel—I think that is about the figure for it, give or take a few hundred—and we sent to East Timor for INTERFET, at the peak, about 6,500 personnel. That means there is another 10,000 around the country. Are they organised in brigades in the same way as the 1st and the 3rd Brigade? What is the story with that?

Major Gen. Willis—The simple answer is yes, they are organised in formations, whether it be the 2nd Division or brigades thereof. There is the 7th Brigade in Brisbane.

Senator QUIRKE—But in essence we have really only got two front-line brigades, haven't we, that we can call on with up to, as I understood it, six months notice?

Major Gen. Willis—Yes, six months notice, but it may be better to address this directly to General Hickling after lunch. He would able to give you the up-to-date statistics and figures. He is paid to make decisions, Mr Price.

Senator QUIRKE—That is fine; it confirmed what I thought.

Dr SOUTHCOTT—We are aware that Defence is looking at more flexible career paths within the ADF. What sorts of things are you looking at there?

Brig. Brown—There are a number of initiatives we have looked at, not all of which can be applied directly in the combat areas. For those particular areas, there is a major review at the moment of the career streams that are available within Army so that people have more option at particular points in their career to able to career stream—in-service recruiting type initiatives which have proven to be very successful. In other words, particularly people in combat trades who may have gotten to a point where they feel they want a lifestyle change have the option to be retrained in service and to move on. We have got a much more flexible arrangement for moving in and out of the reserve. We have had that for some time. There is a whole raft of issues around part-time—

Mr PRICE—What about moving between the full-time and part-time modes?

Brig. Brown—Yes.

Mr PRICE—More flexibility?

Brig. Brown—We have removed as many impediments as we can there so that you can do that. There are a number of policies around part-time leave without pay which you may be aware of. There is more flexibility there for people to move into and out of permanent service. We have even got the equivalent of a job sharing type arrangement, again the caveat being that there are only parts of the Army, in particular, where that can be employed. There is flexibility in those sorts of areas. We are looking at where else we can go there.

Dr SOUTHCOTT—What about the area of education? What sorts of things are available for ADF personnel at all levels in terms of further education?

Major Gen. Willis—As far as education and training goes, we are developing incredible flexibility in that area—everything from VET through to tertiary level. There are part-time courses, full-time courses. We have even got about 40 individuals doing doctorates. So we have got everything from the trade right up to the doctorate. We are doing more and more to allow these people to do it part time, full time for a period of time, spread over a number of periods, competency based, in modules, over the net, CD based, correspondence in the regional centres that General Powell mentioned—we are applying everything we can to give maximum flexibility. We are probably halfway there; we have certainly got the strategic end in sight.

Mr PRICE—How many other ranks are doing PhDs? Do you want to take that question on notice?

Major Gen. Willis—I do not know. I would have to take it on notice. You would probably find that there are some.

Mr PRICE—Brigadier, are you allowed to opt out of the service for 12 months and then rejoin because of a family circumstance?

Brig. Brown—Yes, there is provision to do that.

Mr PRICE—How many people are currently exercising that? Are there any restrictions on it? Is it a right or is it at the Army's convenience? Are you knocking people back or agreeing to it?

Brig. Brown—The approach certainly altered in relation to providing more flexibility there. The case of women is one point. We have recognised the need to be much more flexible in that area to let women perhaps go out and have children and come back, et cetera. In terms of how many are doing it at the moment, I will take that on notice.

Mr PRICE—How many women have come back?

Brig. Brown—I will take that on notice.

Mr PRICE—How do you manage an officer's career?

Major Gen. Willis—It is decentralised down through the services, until you start to get into the senior officers ranks. So up to Lieutenant Colonel equivalent, it is managed effectively by the services through a continuum of training, education and postings to develop that officer down a particular route. Once they get to the senior officer ranks, Navy, Army and Air Force are managed centrally.

Mr PRICE—Who is managing the junior ones?

Major Gen. Willis—The services have a Director-General of Career Management that look after the careers of Navy, Army and Air Force.

Mr PRICE—How are these managers of careers assessed?

Major Gen. Willis—How are the managers assessed or how are the careers assessed?

Mr PRICE—How do you know you have got a successful one or a shithouse one or an indifferent one?

Major Gen. Willis—Essentially, there is an annual report produced on everyone in the Army, Navy and Air Force, be they soldiers, sailors, airmen or airwomen. Those reports are compiled and there is basically a running sheet.

Mr PRICE—Isn't it fair to say that until recent times there has been no management; that if someone has got a mentor, then they have been very fortunate, but otherwise they are on their own?

Major Gen. Willis—I would like to strongly disagree with that. Certainly, in cases, there have been mentors—people who have looked after individuals—but that would be on the margins. Generally speaking, it is merit, and people get where they have to be through merit. Also, the more senior you get, a bit of luck gets thrown in, like in all occupations, and we cannot deny that. But generally speaking, those that get there have the qualifications and the track record to get there. Some people that could have had equal track record and qualifications may not get there, but it gets down to a decision point at some time.

CHAIR—I think the deputy chair is just being a bit provocative.

Mr PRICE—Could you take this on notice: what is the annual budget which Army spends on its soldiers and officers in terms of preparing them for a life back in civvy street—equipping them for a life back in civvy street?

Major Gen. Willis—I will have to take that on notice but I do know that the Defence Force spends $1.7 billion a year on training and education. So if you assess that every dollar we spend prepares them in some way for an end state, that is what we spend in a year.

Mr PRICE—I am not trying to run an argument that the experience and training in the ADF is of no value, but I am sure that, as people are reaching the end of their time in their particular service, they require some assistance in terms of getting a job back in civvy street. I want to know what investment you are putting into that directly.

Major Gen. Willis—We will take that on notice. It is essentially resettlement.

CHAIR—Can I come back to a point that General Powell made in his opening remarks. He was referring to what he saw as the difficulties in coping with an expansion in terms of training. What provisions does Army have to expand, if there is a perceived need for increasing the number of people in the Army and hence the amount of training? What is the shortcoming that is there?

Brig. Brown—I really think that is not our area of expertise, Mr Chairman. I would prefer to defer to the experts in that area—the trainers and the Army itself. In terms of recruiting, we faced just that problem, I suggest, in the second half of last year, when there was a major surge and we had to very quickly arc up the marketing and advertising side to get people in. I know anecdotally that that did put a big strain on our training side of the house. In fact, we had to make some judgments about whether we would put our recruiting emphasis on the part time and less on the reserves, and that in fact happened.

The peak time for recruiting is the November-April period and, unfortunately, we had to devote a lot of our attention to the full-time members and less on the reserves to get the additional 3,000 in for Army which I think is reflected in some way in the achievements. Of course, as to the ability for the Army training system to react to that sort of surge, I will leave to the Commander Training Command to comment on, but there is a direct connection. In the normal setting of recruiting targets et cetera, the training pipeline is an essential part of that argument, and we have to make adjustments both ways.

Mr SNOWDON—In relation to the Auditor-General's report on the retention of the ADF, there was discussion about costings in relation to the cost to retain personnel as against the cost to replace them. Are you doing any work now on that? If so, what have you done and can we see it?

Brig. Brown—Yes, we welcomed that report, actually, because it was a good score card on where we were at with the whole retention issue. I think we are now addressing that particular recommendation in terms of having a more centralised look at retention, because retention actually is the responsibility of us all right across the whole defence organisation. So the first thing is that we are trying to coordinate our efforts better. The other area that you highlight is the one of identifying the cost benefit in terms of investment. Up until now I think it is fair to say that we have had only rudimentary information. I think we know the cost of training people on particular courses, but as to the full through cost in terms of how much it will cost if you retain an individual for an extra three years and what the cost benefit will be in terms of retraining, we are going to have to do some work on that. We acknowledge that and we are doing it.

Mr SNOWDON—It is an interesting point. What is the average length of service for a soldier?

Brig. Brown—For a soldier, I think it is—and do not quote me—about six years at the most.

Mr SNOWDON—But the ongoing training costs over those six years is going to be quite substantial for each individual soldier, isn't it?

Brig. Brown—Yes. With regard to the points that we raised about the problems of recruiting, if they are going to be ongoing problems then the retention side of the argument becomes even more critical and we have to make some judgments about where we should put our resources. Is it better to put them into the retention side to hold people longer and therefore reap the benefits of having to recruit fewer?

Mr SNOWDON—And presumably that would have flowthrough effects on the conditions of service as well?

Brig. Brown—But interestingly, when you look overseas, they are going through all these same difficulties with recruiting, and many of them are relying on big financial incentives at both ends—on the enlistment side and up-front.

CHAIR—Time is getting away from us again. Brigadier and Major General, thank you very much for coming before the committee this morning and answering questions. If there are any other matters that we wish to pursue—and I think there were a couple of things that you were taking on notice—we will certainly look forward to a response.

Proceedings suspended from 12.13 p.m. to 1.05 p.m.

BEHM, Mr Allan John, Head, Strategic Policy and Planning, Defence

HICKLING, Lieutenant General Francis John, Chief of Army

CHAIR—On behalf of the committee, I welcome the witnesses. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the committee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion. The deliberate misleading of the committee may be regarded as a contempt. The committee prefers all evidence to be given in public but should you at any stage wish to give any evidence in private you may ask to do so and the committee will consider the request. We have received both of Army's submissions, and they have been authorised for publication. Would you like to make any additions or corrections to those submissions?

Lt Gen. Hickling—No, thank you, Mr Chairman.

CHAIR—Would you like to make a brief opening statement?

Lt Gen. Hickling—This afternoon, I would like to make a very short statement by reaching some sort of closure to the evidence given by the Army to this inquiry. As you would recall, I said in previous evidence to the committee that I welcome this inquiry, that the Army would remain engaged in your activities throughout the course of the inquiry and that we would do everything we could to help you in this process. That commitment stands. The Army is ready to assist as you now embark upon the task of compiling your report.

Members will be aware that this inquiry has now been in progress for something over a year. You will recall, as the chairman alluded, that I provided both written and oral material to the committee. Over the course of the inquiry, you have had the opportunity of hearing the views of a wide range of witnesses. You have been invited to visit the army, both in barracks and in the field, and you have had a chance to talk to our soldiers and to form your own opinions about what you have seen and what you have heard at first hand.

A lot has happened in the past 12 months, and I do not need to dwell on the many and heavy demands that have been made on the army's capabilities and resilience over that turbulent period. I think it is fair to say that very few Australians expected events to turn out as they have in the past year. The events in East Timor and our subsequent response came as a surprise to many and a shock to some. Nevertheless, if you refer back to the testimony that Army provided in the middle of last year, I think you will find that the judgments contained in both our written and oral submissions remain largely relevant, despite all that has happened.

In hindsight, there is not much that I would wish to change. Having said that, I would not want the committee to feel that nothing has been learnt from the experiences of the past year. We have learnt, and in some cases we re-learned some of the lessons that have emerged from other operations in other places. To ensure that these lessons have been properly absorbed, we have set up a centre for Army lessons to make sure that our learning is both permanently

recorded and institutionally based. In closing the Army's submission to this inquiry, I do not propose to introduce new material; rather I would like to run again four themes that have run through our evidence to you, themes that I believe have been reinforced by the experiences of the past year.

The first of these themes is that the Army continues to see itself as part of a joint team. I cannot see any significant operation where the Navy and the Air Force will not play a strong role. Modern military operations are invariably joint in nature. Increasingly, we are seeing trends emerging that suggest that most will also require a coalition of like-minded nations to take part.

The second aspect of this theme is that we are becoming increasingly dependent on other government departments, on industry and on the resources and support of the nation as a whole. It is fundamental that no military operation can hope to succeed for any length of time without the moral and physical support of the Australian people as a whole. That point, I think, has been strikingly demonstrated over the past year or so. The Army brings a range of unique capabilities to the joint Australian Defence Force team and we provide the government and the nation with a variety of options for the applications of military capability that can be found nowhere else. I conclude the first theme by saying that we are not only members of the team, but we see ourselves as indispensable members of the team.

As I said a year ago, Australia is entering a period of strategic uncertainty that is different from and more complex than any that I have experienced in almost 40 years of service. What that means for the Army is that we have to be able to do the unexpected and the range of situations that this involves is both broader and more urgent than at any time in the last few decades. If you need any elaboration on that theme, I am sure that Mr Behm, who is here with me, will be happy to speak at greater length.

This challenge, of course, has got two broad dimensions. Firstly, the range of forces we have available quickly must be wider because the challenges to our security are less predictable. Consequently, we have to invest more of our resources, human and otherwise, in being able to respond to the demands of today. Secondly, we have to recognise that the next challenge will be different. That means that the Army and the Defence Force as a whole must continue to evolve to meet the challenges of the future. We have to be prepared for the next war and not the last.

These two requirements compete for the same resources. While it is possible both to maintain high levels of readiness and simultaneously to invest in future capability, the balance between the two becomes more and more difficult as resources become constrained. As the Secretary to the Department of Defence, Dr Allan Hawke, has recently pointed out, we currently have a larger force and a larger range of commitments than we seem ready to be able to pay for, and that is an issue which we are going to have to address. During the past year the Army has continued to plan for continuous modernisation, even while we have been engaged in very demanding current operations. Realising these plans, though, will require more resources than we have at our disposal at the moment.

My third theme concerns the Army's operational focus. Throughout the course of this inquiry, you will have seen the debate continue about whether armies with a traditional war fighting

focus are things of the past and whether we should now recognise that most of our tasks will be of a less demanding nature; therefore, whether the Australian Army should structure and focus itself for peace operations rather than war.

I said to this inquiry at the outset that I believe that such thinking is fundamentally mistaken, and all that we have learnt over the past 12 months serves only to reinforce that view. Our experience, and that of our allies and our friends, is that the best peacekeepers are also effective war fighters. That, incidentally, is not just my view as Chief of Army; it is a view which is shared by my colleagues in the other services, by the CDF and by the secretary to the department. It is the intelligent application of war fighting capabilities, leadership and skills that makes for success in peacekeeping, because these are the source of the credibility and the respect that are the foundation of success in those operations. Having said that, no-one should be persuaded that peacekeeping operations are anything other than complex, demanding and dangerous. One of our soldiers was wounded as late as last weekend in peacekeeping operations in Timor.

My fourth and final theme focuses on the reserve. I know this committee has taken a great deal of evidence about the reserve and I am aware of the keen interest of members in this key component of the army. There should be no doubt in anyone's mind about the strength of Army's commitment to its reserve component. An effective, vital and viable reserve is indispensable to the Army, to the Defence Force as a whole, in providing the depth and the breadth of capabilities that we need to confront the challenges that will be upon us now and into the future. But we can no longer afford to maintain a reserve that serves purely as an insurance against what I have called the 100-year flood of national mobilisation against invasion. We need a reserve that can achieve our needs in operations in defence of Australia's regional and global interests, a reserve that can answer the call at short notice when it is needed. We need a reserve that is available, that provides a demonstrable capability and that harnesses civilian skills that reservists bring to the Army, not just a reserve that provides a framework for mobilisation.

Two areas require immediate attention. The first area is legislation to make the reserve available for service on operations and for preparatory training and, importantly, to make it easier for both reservists and their employers to support the demands that the Army will make on their time. The second is tangible, enduring and public commitment by government and parliament to the enhancement of the reserves and the essential defence function.

I conclude this submission with three comments. Firstly, I would like to record my personal admiration for the performance of the men and women of the Defence Force, the other national contingents, the Australian Federal Police and all of those who have taken part in a variety of demanding operations over the past 12 months since this inquiry has begun. Theirs, I believe, has been a truly exemplary performance.

Secondly, I remind everybody concerned that the challenges of the past year have not evaporated. We still have nearly 2,000 young men and women committed to operations in Timor, in Bougainville and around the world. They deserve our continuing support. Finally, as I look towards leading the Army, I express my sincere admiration and gratitude to the soldiers, those magnificent Australians that I have had the great privilege and honour to command over the last 40 years. Thank you.

CHAIR—Thank you very much, General. On behalf of the committee, we endorse those last three points. I commend our Defence Forces, and the Army in particular, on what has been an outstanding job and commitment in the last 12 months, as you mentioned in several areas, but particularly in the high profile area of East Timor.

You are conscious of the fact that we have focused on the reserve, but I will start there. You talked about the need to make it easier for employers and the Army to mobilise reserve forces. We have heard a number of various viewpoints on that. None of them have been totally conclusive, I suppose. Could you expand on that and be a bit more specific on what you see is needed?

Lt Gen. Hickling—Yes, I would be happy to comment on that. There are some key aspects that we need to talk about here. There is the amendment to legislation, which affects service in the reserve. We have a number of proposals before government with the explicit intention of making it easier for reservists to make themselves available for service on operations and to make it easier for their employers to support that service. Those proposals are before government as I speak and I am reasonably confident that we will see those introduced in the parliament as amendments to legislation before the end of the year. My comment there is that, from an Army perspective, we would value the support of this committee in ensuring that legislation receives a positive reception in parliament.

CHAIR—Is it possible for you to expand a bit more on those two points?

Lt Gen. Hickling—I have got to be very careful here because you will understand that I am dealing with matters that are before the government for decision. I do not think I should go very much further than that except to say that there is a strand in there, firstly, of amending acts so that reservists can be called upon in circumstances other than those that are there at the moment and, secondly, there are proposals which will affect employers. If I said any more than that, I would probably be in danger of pre-empting a government or parliamentary decision, which I do not think I can do.

CHAIR—We might start with questions on the reserves and then move on to the regulars and Army in general. If we have time, we might even stray into some of this strategic thinking. Have any members got questions they would like to ask on the reserves?

Mr SNOWDON—General Hickling, with the indulgence of the committee, may I acknowledge your contribution to the Australian community and the Australian Defence Force.

Lt Gen. Hickling—Thank you very much.

Mr SNOWDON—I want to ask you a question, which I know you have been forewarned about, regarding a hollowness in 1 Brigade; not in the context of being critical of 1 Brigade but more in the context of going back to the key issues in terms of recruitment and how we sustain these important elements. Do you have a view about how we can prioritise recruitment so that you get the sorts of people you need at the pointy end—to use the phrase that people seem to be keen to use—as opposed to other parts of Defence?

Lt Gen. Hickling—Mr Behm may wish to add to this answer. What you are seeing at the moment across the whole of Defence is a move towards ensuring that we properly direct and fund what are called our outputs—the force in being. From the Army perspective, I am responsible, and I will become more responsible, for managing those outputs. In an Army sense, as you will recall from our original submission to the committee, we see that output as being made up of six components: personnel, organisation and support, support of facilities, training, equipment and doctrine. Without all six of those components being present, you do not really have a viable capability. The construct we are moving towards will give me, the Chief of Army, not only responsibility and accountability for delivering the output, but also, as I see it, more authority to ensure that we direct the inputs correctly. I think we will move to a point where we can have much more responsive control of the inputs so that we can actually see the outputs developed. That is the first part of the answer.

The second part is specifically in the recruiting area. We are seeing a very successful national strategy for recruiting put in place. The problem is that recruiting actually takes place at the local level. People do not join the Defence Force; they join the Navy, the Army or the Air Force. What we need to do now is make sure that we put in place the infrastructure at the local level which connects with this national strategy, which I support. But we need the infrastructure at the local level to ensure that we get the right numbers of the right quality of recruits coming into the organisation. I must ensure that our training system—and I know that General Roger Powell spoke to you about that this morning—is adjusted so that we flow the trained soldiers to the places where they are most needed. So we are seeing it come together. In the past this has been less urgent because we have had more people. The force has been downsizing. We are now at the point where we need to go in the opposite direction. Therefore, it will be very important to make sure we get our direction and priorities right to get the people to the places where we need them.

Mr SNOWDON—We have got to go in the opposite direction. How far in the opposite direction and in what areas?

Lt Gen. Hickling—I have been authorised to raise the average funded strength of Army by 3,000 full-time people, so clearly my focus at present is on achieving that. That is a short- to medium-term focus, if you like. In terms of what the Army is going to look like in the future, as we brief the committee we have a continuous modernisation plan in place. We will have some proposals to bring forward to government after the white paper as to what kind of structure the Army should have towards the end of the first decade of this century and beyond. I will keep my powder dry, if you like, in that respect, but at the moment I am looking to move the Army's average funded strength towards 26,000, which is what the government has authorised me to do.

Mr SNOWDON—Perhaps I could ask Mr Behm: I do not want you to disclose what is in the white paper, particularly—I would like you to, but I know you will not—but, in the context of General Hickling's comments, do you see the 26,000, or the figure that General Hickling uses, being an optimum figure into the future?

Mr Behm—That is a pretty hard question. It is a number that we can work with, and it is a number within which we think—more or less—we can handle the sorts of demands that are going to be put on the Army in particular over the next number of years. I think what is

important here, though, is that, as we come to terms further with the evolving nature of the strategic situation that we currently find ourselves in, that question of how much is enough will have to be constantly under review, and I would be in no position to say that by the end of this decade that would be an adequate or an inadequate number. It is simply that the decisions that government has to take are always going to be in the context of the strategic realities of the day.

Dr SOUTHCOTT—Following the announcement that we are allowing for call-out of reserves, the Defence secretary said that that will require extra resources to be put towards the reserves. Would you care to elaborate on that?

Lt Gen. Hickling—Some of this is going to be tied up, Dr Southcott, in the legislative amendment, which the government will bring before the parliament—hopefully later this year—so I have got to be very careful not to pre-empt what they might want to bring. But, clearly, there are two issues that govern the effectiveness of the reserve, essentially. There are many, but there are two that are really the key issues, the core issues if you like. The first of those is availability. There is not much point in spending a lot of money on a reserve that is not available when you need it. Therefore, we have to give some attention to making provision—and, as I mentioned in my response to the chairman, that is before legislation—for the reserve to be available when we need it, whether that is to expand in a big way to respond to the least likely contingency, which is the threat of invasion of this country, or whether it is to support operations which are going on today. That is the first issue.

The second issue is that of competence. Over a couple of world wars this last century, I think we learnt a couple of very bitter lessons about sending young men into battle who were not properly prepared, and it would be a dereliction of my duty as Chief of Army to permit people to be deployed in operations who were not properly prepared for those operations. That takes time and it requires resources. So hand in hand with the question of availability is the ability to surge our systems and to provide enough resources to ensure that those additional people we bring on strength to go on operations, reservists, are properly trained and properly equipped before they are deployed. Those are the sorts of two big issues that strike at the heart of it, because I think it would be negligent to allow people who are not properly prepared for operations to be deployed.

Dr SOUTHCOTT—Certainly. The proposed legislation really deals with a problem that is longstanding and has long been raised by the reserves in that they would like the ability to serve overseas in formed units, so it does address that problem. But one thing I have had raised with me by some medical specialists, who have no problems serving overseas in peacekeeping units if they wish, is that they are now concerned that this call-out legislation—and as you know all specialists are in the reserve—could mean that they will actually be called out from their practice, if you like. Are you aware of that issue?

Lt Gen. Hickling—I am aware of a longstanding concern—which we have had as well as the reservists involved—that it can be very damaging for anybody who is self-employed to pull himself or herself away from his or her job, whether that is a medical practice, a law practice, or simply a small businessman running a grass cutting business, if you like. All of these people have some potential to be damaged. There are already some provisions in place to help protect

their business, and I would hope as a result of legislative change that we will only see that strengthened. So I think that would deal with the worst of the concerns that they would have.

I think also that in ensuring that we can continue to have a senior reservist on my Chief of Army strategic advisory group—the army board, if you like—whose job is to ensure that the interests of reserves are represented, we have a safety valve. If we are seeing people who have that genuine concern, which he can represent, then we can do something about it.

Dr SOUTHCOTT—Have you made any estimate on what impact the proposed legislation could have on recruitment and retention rates in the reserve?

Lt Gen. Hickling—We think that there are a number of things that impact on recruitment and retention—one example is the training regime. As I mentioned earlier, the national focus on recruiting has been very good but there has been a failure to focus appropriately at the local level—particularly for reserves—where they join. Obviously, anything which makes it easier for people to join and stay in the reserve must have a positive impact, such as this legislation. So we are very strongly welcoming any such change.

Dr SOUTHCOTT—With respect to INTERFET, we have had a briefing paper which was excellent. Broadly, what messages and lessons has the Army learnt from INTERFET?

Lt Gen. Hickling—I think overwhelmingly the experience has been a positive one. I think we have learnt from it that our strategic depth and our sustainability remain limitations on the Army. I said that at the outset of this inquiry; that has not changed; we still are very conscious of that. But I think the positives that have come out of it are that our training systems, our leadership and our basic equipment are all fundamentally sound. They are not perfect. There are plenty of areas where we could improve, and that is what I referred to when I talked about the lessons learnt out of the operation. But, fundamentally, they are all sound. So I think from that point of view, it has been a very positive experience.

The final lesson that I think we need to absorb, though, not only as an army but as a society, is that the INTERFET operation was not war and that a war fighting operation has another degree of difficulty associated with it. If we had been in a war fighting situation with significant causalities coming home, then I think we would have seen the force and our social structure placed under much greater pressure than it was by what was a very successful operation, mounted at very little human cost.

Dr SOUTHCOTT—How does the Army deal with the difference between organising a force structure around the defence of Australia and organising it around operations in the maritime environment?

Lt Gen. Hickling—That was the fundamental dilemma that faced me when I took over this job. At that time, I did a lot of thinking about it and I reoriented the Army towards an army which was capable of doing both, because I thought that was essential and I think it is still essential. There are many similarities, of course, between operations, particularly in the remote north of this country, and operations around the inner arc of islands that surround us.

Either way you are dealing with what I was bold enough to at one stage call an expeditionary operation, and promptly got rapped across the knuckles, but I can assure you that is what it is; it is an expedition. And so many of the same sorts of systems that you need for operations around the remote north of Australia, and those offshore, are the same. The challenges are essentially similar.

CHAIR—Can I come back to this recruiting matter. You were talking about the difficulties. You were saying that there is an overall picture in Australia that we will need to recruit and yet translating that down to the ground level has not been as effective as it should have been. We heard this morning from Brigadier Ball that in the 4th Brigade they have been recruiting successfully—maybe from a lower base, I do not know, but at least it has turned around. Is there anything different that has been going on in Victoria that has not been practised in other parts of Australia?

Lt Gen. Hickling—We began about three or four years ago a project called Revitalisation of the Reserve and we used the 4th Brigade as our pilot scheme to do that. So we flowed a number of resources into the 4th Brigade and we asked the 4th Brigade to focus specifically on a number of issues, one of which was recruitment and retention of reservists. Part of that experiment, if you want to call it that, was that we brought Brigadier Ball, who was a reservist, onto full-time service. He has been serving as a full-time commander of the 4th Brigade, and I think this is his third year. I think having somebody to focus very closely on that local area and dealing with his state in a reserve sense, and having available the time to do that, which most reserve brigade commanders do not have, has made a huge difference. I think it is a question of leadership, it is a question of focus, and there is also the question of additional resources which we put into the brigade to help this process go forward.

CHAIR—From that experience, will that be transferred Australia wide?

Lt Gen. Hickling—We cannot afford to do it right across Australia, but we can pick up the lessons from the 4th Brigade experience and we can certainly use those. Some of those lessons are expressed in my comment about recruiting—that it is the unit recruiting its own soldiers that tends to be most successful.

CHAIR—When you say you cannot afford it, what sort of resources are you talking about here?

Lt Gen. Hickling—I cannot give you an exact figure, but we did flow significant additional resources, not only in dollar terms but also in equipment and manpower, into the 4th Brigade for the purposes of this revitalisation trial.

CHAIR—Would you like to take that question on notice?

Lt Gen. Hickling—I can take that question on notice, yes.

Mr LAURIE FERGUSON—General, you would have heard Professor Smith earlier today posit the view that legislation per se and call-out provisions are not really going to solve the wider problem. In the paper he speaks about an emphasis on attracting people who, because of

the nature of their work situation, would be likely to go for three to six months. He talked about attractive packages to individuals besides medical, high level training by offering or requiring extended full-time training, and then he spoke about the discrepancy between conditions in the permanent force and in the reserve. Do you want to comment upon his position?

Lt Gen. Hickling—There is much that I agree with in what Professor Smith has said, but unless we get a very significant increase in resources in the Army we simply cannot afford to have it full time. Therefore, we have to make a judgment about whether we can afford to have part of the force filled with people operating on a part-time basis, which is what we do with the reserve now. The issue is one of balance, because if you provide all of these attractions to somebody who serves part time, the cost of that person part time rises, so you might as well have them full time.

If you want to exploit the fact that the reservist actually gives you value for money because he serves part of his time and he only gets part of the conditions that you offer someone on full-time service, then it gives you scope to have much more breadth in the capability, and that is precisely what the reserve has got to give us. But I believe it is more fundamental than that.

The reserve initially arose out of the Citizen Military Forces and before that the militia. In two world wars, the Australian Army was essentially a citizen army. It had a very small cadre of regulars, and the Army grew very quickly from people who came in off the street. We eventually achieved a very effective army. At the end of the First World War we had an expert army but it took us four years of warfare to get there. In the First World War it cost us 62,000 who were killed. I do not think that we can afford to learn as you go in this business. War is too lethal, too deadly these days to even contemplate that. I think the Australian society has moved on to the point where those kinds of casualties are simply no longer acceptable—and I think members of the committee would have their own views about that. So that means you must have a level of professionalism in the Defence Force and in the Army, in particular, which means that you do not have to learn to fight as you go, that you know how you are going to fight before you get there and you have been trained. So you must, I believe, have a very solid core of the Army which is professional and does that for a living.

The part-time component or the reserve component of the Army enables us to have capabilities which we cannot see an immediate use for but which might be required at some stage in the future. It enables us to have a framework around which we can build if we need a much larger army than we have now. It also enables us to have within it the ability to rotate and reinforce forces that we have committed to operations. For example, if INTERFET had had to go for a number of years, instead of just a few months, then we would have had to have in place a plan to rotate those units in and out of East Timor, because people cannot stay there forever. So that is the kind of role that I see in the future for the reserve. It is there to complement as well as to supplement the full-time component of the Army and, therefore, I think it needs to have a structure which enables us to do that.

CHAIR—I might move on to a couple of other questions from your opening remarks. You were talking about the authorisation to increase Army strength by 3,000. Currently, I understand seven of the nine brigades are probably running at about 50 per cent strength. Is there any argument that you should rationalise the number of brigades?

Lt Gen. Hickling—That, superficially, is very attractive. It may be that, after we have seen what the white paper tells us that the government wants, that is one of the things that we have to do. My strong belief is that it is the regimental and brigade structure of the reserve that is one of its great strengths, because we can actually task those organisations to carry out the work we want them to do. One of the things that we are contemplating at the moment, for example, is the delivery of some of the induction training to our soldiers in the regions, and that training would be executed by the reserve brigades. If we did not have that sort of structure, you would not have those kinds of options. For the moment I am not attracted at all to reviewing the structure of the reserve until we see what sort of commitment the government wants us to make to the Army following the white paper. I think it would be premature to think about that at this stage.

CHAIR—In your opening remarks you were also talking about the need to go in the opposite direction. I think you hinted at the obvious points about that but I would like you to expand a bit more on that, if you could, and just say what you think really is needed there.

Lt Gen. Hickling—Sure. The issue that confronts us at the moment is that we are facing a situation—and I think Dr Hawke described this very aptly the other day at the Senate legislation committee—of the convergence of rising personnel costs, increased operational tempo and increasing demands for investment in the future. All those things are coming together at a time when the Defence budget essentially is static. Clearly, until we get some idea of what kind of budgetary framework we have to operate in, it is idle to talk about how many people I need in the Army because cost of manpower is one of the major factors which is driving where our budget is spent at the moment.

I could give you a wish list of things I would like, but I do not think that would be helpful. We need to think about what our commitments look like being over the next few years and what we need by way of capability to meet those commitments. Then I need to work out what structure I need to meet that capability requirement and then what people I need to man the capabilities. At the moment we have an army which is about as small as we can possibly hope to go without running greater risks that we cannot meet the requirements of the government. If we are looking to the future, I cannot see the Army getting a great deal smaller.

CHAIR—It is a bit of a chicken and egg argument, I know. You are saying that you could have a wish list but, going back to Dr Hawke's comments and the three points you made about them, surely that actually demands that you put forward some sorts of needs, if you like, to meet those requirements in order to then gain the support for them, rather than the other way around?

Lt Gen. Hickling—You are right, there is a chicken and egg effect here. The point is that I do that within the context of the defence decision making machinery because, apart from being the Chief of Army and the representative of the Army in a range of decision making forums, I am also a member of the decision making machinery. I am responsible—at least partly—for the decisions that come from the Chief of Defence Force and the secretary of the department and the advice that they give to government. I accept that responsibility. The advocacy of my requirements comes through the CDF and the secretary to the minister, rather than taking some parallel track.

CHAIR—In terms of getting support for that advocacy, you have the parliamentary committee here which is, I am sure, taking a very keen interest. I wonder whether you might be able to share a few of your thoughts with us.

Lt Gen. Hickling—You are really putting me on the spot. I would be reluctant to do that because the Army gets its opportunity to have its say in the context of the defence executive and with the minister through the CDF and the secretary. I have independent access to the minister in any case. I have my chance to put my case to the government. The way I see the organisation running, that is the proper place for me to put my case. Whilst I accept that this committee has a very important role to play and it is very tempting for me to advocate Army's position here, to do so would be improper on my part.

CHAIR—Maybe I could try another angle. The second point you made in your opening remarks was that you were trying to get the balance between current and future needs. Obviously, current needs—the cost of paying people and so on—are very much related to the numbers. In terms of future needs, what sort of future needs do you see really do have to be met?

Lt Gen. Hickling—I can talk about that in qualitative terms and I am happy to do so. In Army's case we increasingly have to look forward to moving into an increasingly technologically dependent framework—in other words, we have to focus on the kinds of technologies that we are starting to see used to great effect in places like East Timor, and we have to go further than that. Communications, intelligence, surveillance and reconnaissance assets are going to be even more important in the future than they are at present. Secondly, we are going to have to pay some attention to Army firepower in the near future because, at the end of the day, we are discovering from all of our experiences and experimentation that close combat is the core business of the Army. The protection and firepower of our soldiers will continue to be an issue for us. That is an area where we have to move forward fairly rapidly into the future.

Finally, one of the things we are learning—it is almost counterintuitive—is that technology does not actually reduce your need for manpower. There is a range of situations where there is no substitute for soldiers on their feet using their eyes, their ears and their intelligence to assess the situation and make intelligent decisions at the very lowest level. There is nothing at present in technology that will substitute for that. So what we will be seeing, I think, in the future, is soldiers who are increasingly better protected and better equipped, but nonetheless we are still going to see soldiers on the ground.

Mr SNOWDON—You have made a very pertinent point in relation to INTERFET not really being war, that we had a different environment. How do we assess, then, during peacetime, Army's capacity and capability against the needs of war?

Lt Gen. Hickling—We are putting in place a number of systems. Firstly, there is a traditional system of exercises and war games. By using a variety of technical and non-technical means, you can actually assess the capability of units and formations to do the business that we have sent them to do. Military judgment plays a very important part there, and experienced commanders play a very important part there.

Secondly, however, over the last couple of years we have invested quite a bit of resource—people and money—in collaboratively developing with DSTO, the Defence Science and Technology Organisation, some mathematical modelling which enables us to conduct what I will describe as virtual war games and which can predict with reasonable accuracy the outcome of various scenarios. In addition to that, we run a series of things called tactical exercises without troops, TEWTs, which again we can run through with a computer to a final outcome. Accommodation of all of those things enables us to predict the performance of any particular organisation, with varying degrees of fidelity.

Clearly, the closer you get to a warlike situation, the higher the fidelity. I guess the highest fidelity situation we have had in the number of years has been INTERFET. That is about the closest you can get to war without actually having opposed in battle, so to speak. It has been very valuable to us in terms of what we have learnt from it, and it has been very valuable to us in reinforcing the knowledge of these other kinds of simulations that we engage in.

Mr SNOWDON—How, then, do we gauge the suitability of our equipment—for example, the Leopard or the ASLAV—in a peacetime environment against what it might be in terms of war? Presumably we can compare against other forces. We had the criticism this morning that that technology was basely outdated and we were not kitting it up quickly enough. What is your view about that?

Lt Gen. Hickling—There are two points to make here. Firstly, the Army is in the business of relativities. It is not so much the absolute capability that you field as the relative capability to everybody else. When you speak of ASLAV and Leopard, we have there two components of capability which are pretty well unique in the region, and which give us enormous leverage because they are unique.

Secondly, though, to move on to the more substantive part of the question: you use exactly the same techniques. You model, you test and you evaluate, using a variety of exercise scenarios, and you apply military judgment to the outcomes. In all of this, the judgment of commanders is key. At the end of the day, they are the people that have actually got to go and do it, and so they have got a vested interest in ensuring that their judgments are properly based and are sound.

Mr SNOWDON—Presumably, in the context of new equipment which may have been trialled in East Timor, you can now assess against that trial the applicability of that equipment across the force?

Lt Gen. Hickling—Yes. There was a range of new equipment which we introduced for the first time in the East Timor operations, especially such items as night-fighting equipment, some of our surveillance equipment and so forth. We were able to gain a very good understanding of its real effectiveness in what was, as I said, an operation about as close to war as we are likely to get for some time—at least, I hope it is as close to war as we are likely to get for some time.

Mr SNOWDON—I recently ran into a senior naval officer—I will not name him because I do not want to embarrass him or you—and I was talking about tanks. He said, ‘You don’t need tanks. What you need is an air force and the capacity to get people to and from very quickly.’

Presumably this is something which Allan is conscious of, in terms of what might appear in the white paper, but what sort of discussion is taking place across the services about this issue and about issues like it?

CHAIR—That is what I call being a little bit provocative.

Mr SNOWDON—I know of the general's friendship with tanks.

Lt Gen. Hickling—Tanks are always a great subject for debate, particularly among those who have never experienced operations with them or against them. I have been very fortunate: I have never had to fight against them; I have fought with them. I would only make two comments. Firstly, tanks save lives: they save soldiers' lives because they bring decisive and overwhelming force which can be very precisely delivered and they protect their crews and they protect those that fight with them. Secondly, having on one or two occasions been in a situation where I have had the support of tanks in battle I was overwhelmingly relieved that they were my tanks and not the other guy's.

Mr SNOWDON—I thought that might be your response. I will pass it on to that naval officer.

CHAIR—We will come back to the second part of your question.

Senator QUIRKE—I asked a little earlier about the composition of the combat side of the Army. From what I perceive from earlier evidence there are something of the order of about 16,000 combat troops in the Army. When the East Timor operation came up and we sent the 1st and 3rd Brigades and presumably some other outfits which did not quite get the same publicity as those two brigades, we were looking at about 6,000 or 6,500 combat troops as such. My understanding was that the 1st and 3rd Brigades were the only two working brigades that were available in case of combat, that there was a 28- or 180-day state of readiness which was adjusted accordingly during the campaign, so there must be another 10,000 or so, according to my figures. Are these in units that are only half staffed or dependent on reserves? Am I correct that the 1st and 3rd Brigades are the only two fully operational brigades we have?

Lt Gen. Hickling—The 1st and 3rd Brigades are our two brigades which are on high readiness. They are both on 28 days notice to move. In addition to those two brigades we have the Special Forces Group, which consists of the SAS Regiment, which is also on very short notice to move—in fact, it is on a variety of notices to move and I would prefer not to elaborate on that—the 4th Battalion, the Royal Australian Regiment, Commando, and the 1st Commando Regiment, and there is a signal squadron as well. So the Special Forces Group is effectively another brigade, a significant part of which is on high readiness. In addition to that there is the Logistics Support Force, which played a significant role in the operation in INTERFET in East Timor and continues to play a significant role in providing logistics support to the deployed force.

Following on from those, we have 7 Brigade in Brisbane and 11 Brigade in Townsville—7 Brigade is partly reservists, although one of its battalions, the 6th Battalion, is currently in East Timor. In Sydney we have two brigades, the 5th and 8th Brigades, which are reserve brigades.

The 4th Brigade is in Melbourne, and you heard evidence this morning from the brigade commander. The 9th Brigade is in Adelaide, with a battalion in Tasmania, and the 13th Brigade is in Western Australia. In addition, we have the three regional force surveillance units which operate across the north of Australia, one based in Cairns, one in Darwin and one in Karratha—the Pilbara regiment. Those are reserve organisations, but they have a significant component of regular officers and soldiers who help the units operate.

That, essentially, is the combat force. There are a number of specialised units which I have left out. I will not bore the committee with those; we can give you a list of those very quickly. The combat force itself, of course, does not just exist on its own. In order to have an effective combat force we must have what I call an enabling component. These are the people who turn our raw inputs, our people, our materiel and our consumable supplies and so forth that we gain from industry into the kind of resources which make the combat force what it is. This morning the committee took evidence from General Powell, who is the Commander, Training Command, Army. His command is responsible for all of the individual training of our soldiers and our officers—in other words, turning them from civilians into soldiers and giving them specialist and advanced training.

Behind that is Support Command which, of course, is a Defence rather than Army organisation but which has an Army component. Its responsibility focuses on the materiel aspects of the inputs that go into the whole organisation. A lot of that is orchestrated by Army Headquarters, which is my headquarters here in Canberra. What I am describing to you, I suppose, is a fairly complex engine which takes inputs—or fuel, if you like—and turns them into combat capability, which is what you see expressed in the combat force. The deployment in INTERFET was basically that of the 3rd Brigade, reinforced with some elements from the lst Brigade. The lst Brigade was not deployed in East Timor, and has not deployed to East Timor.

Senator QUIRKE—Is the 11th Brigade in Townsville completely a reserve brigade?

Lt Gen. Hickling—Yes, but every reserve unit and every reserve brigade has a regular component in it. There is a regular staff in each of those organisations.

Senator QUIRKE—That is what I thought and that is why I asked the question. We are looking at a broad range of different issues. If, in Timor, we had to deploy, as we did, very quickly a force there, it would be fair to say that the full 16,000 combat ready troops would not have been able to have been deployed. In fact, we would have been hard pressed to have deployed much more than what we did. Would that be right?

Lt Gen. Hickling—I think it is fair to say that the deployment to East Timor stretched us to some extent, but we had not deployed everything we have. In any case, we have a range of readiness across the Army that reflects the existing strategic requirement. So if the assessment is that we need more of the Army at higher readiness, then we bring it to higher readiness. Of course, there is a cost associated with that. So there is always a balance between, as I mentioned before, how much of the Defence Force we maintain at very high readiness, because that is very costly, and how much we can afford to have at lower levels of readiness. By and large, the components that we have at high readiness are predominantly, if not exclusively, regular.

Senator QUIRKE—Again, that is what I thought. You may want to take this on notice; it does not have to be an absolutely precise figure: in terms of what is available now for the Regular Army, and with a reasonably high rate of readiness, we would probably have only a fraction of those 16,000 combat troops. From what I can gather from the evidence we have heard, we would probably have about half of that, by the sound of it.

Lt Gen. Hickling—The combat force is a bit less than 16,000. I will refine this on notice, if I may.

Senator QUIRKE—Sure.

Lt Gen. Hickling—We are looking at around 14,000 or so in the combat force at present. We are aiming to get 15,000 in; that is the aim. I would say that a little over half of that would be available, in rough terms, at short notice.

Senator QUIRKE—That is useful information; thank you very much.

CHAIR—General, following up on Senator Quirke's questions, one of the situations, I suppose, we always have to be prepared for is the fact, as we have found recently, that we have got to be able to have troops deployed in at least two locations. How well equipped are we going to be for that in the short- to medium-term future?

Lt Gen. Hickling—There is almost a two-word answer to that, Chairman: it depends. I do not mean to be flippant. It depends on the threat, it depends on the scope of the operation and it depends on what we require them to do. At present—

CHAIR—You made an observation about Timor that it really wasn't a—

Lt Gen. Hickling—It was not a war fighting operation.

CHAIR—Yet that seems to have stretched us, given that we have had some presence in Bougainville as well. There are other areas in the region that are slightly unstable, as we have been seeing in the news lately. Would it not be reasonable to say, given your comments about the need to go in the opposite direction, that we are sitting on the limit at the moment?

Lt Gen. Hickling—I do not think I would go so far as that. Mr Behm may well want to comment on this, but I think we should not be surprised that we have limitations on what military responses we can offer at present. We have just enjoyed, probably, three decades when we have had great strategic stability in our region. That has changed fairly quickly. One of the dilemmas we face is that you cannot change the stance of a force as quickly as we would like. It is simply not possible to do it. The training lead times, the recruiting lead times, the equipment lead times, all of those things, tell us that fundamentally to change the stance of the force in being—Army, Navy and Air Force—takes years, not days or weeks or months. Therefore, what we are seeing now is a change in our strategic circumstances. The response to that change has to come from the government in the first instance. The government has to make a decision as to what resources it wishes to devote to the force and what direction it wishes the force to develop. That is what we are anticipating from the white paper. As I said, Mr Behm may well want to

talk, with your indulgence, about the shift in our strategic circumstances—which you have seen for yourself.

CHAIR—Just before that I want to try and get this link. You said that we have had three decades of fairly good stability and now things have changed quite a lot. What would you be suggesting to get through to the Australian public that the link has to be made between that instability in the region and our defence requirements? I am not sure that the two are being linked at the moment.

Lt Gen. Hickling—I suspect I would have to agree with you there. Again I am straying into an area of defence policy rather than purely Army stuff here, but the point I would make is that it essentially comes down to what responses the government wishes to have available to it. If you take the view that, whilst there is increasing stability in our region—which I do not think anybody wants to argue with—you can also say that none of that is particularly threatening to Australia's security. You can make that case, and you could therefore make the deduction, 'What's all the fuss about?' On the other hand, you can say, 'Well, it might be that the Australian government and the Australian people would want to play an active role in the region. In that case they are going to have to consider the resources that they want to put into playing that active role.' That is the linkage that I draw between the two. As I said, this is really in an area of defence policy more than an Army matter, but what I am saying is that essentially it is up to the government.

Mr Behm—Mr Chairman, we have been working together for 15 years and I think General Hickling has covered the policy pretty well. The important thing for us is to understand that the government of the day does actually set the boundaries and it funds for that. Then, when it comes to any particular instance where the employment of the ADF might be necessary, the government takes the decision for that. Those conditioning factors notwithstanding, I think that we are very much aware at the moment of two particular problems confronting us as advisers to the government. The first relates to concurrency, which you took up just a moment ago and which the Chief of Army has just dealt with. That is, we are able to deal with a number of things at the same time. The issue becomes: how big a force do you put to deal with any given issue as another issue comes up? That is a question of prioritisation which the government of the day will decide upon.

At the moment we have two reasonably demanding external operations—the continuing involvement in East Timor and our continuing involvement in Bougainville—both of them very different in nature. And we are looking, in only a couple of months time, to a very substantial involvement in support for the nation's efforts at the Olympics, which I am sure you understand impacts very heavily on Army because of its larger manpower. So those things—the issue of concurrency and of sustainment—are matters which obviously the government will consider in the context of the forthcoming white paper. They are really high up on the agenda and they are matters of pretty keen policy interest for each of the three chiefs and for the CDF and the secretary.

To your second question about linking to the community, could I simply note here that the minister has that very much in mind in the development of our current white paper. As you know, it is the minister's intention to have a fairly substantial consultation program with the community as part of the further development of the white paper. That, in part, is designed to

answer the very problem that you have put your finger on, that is, having a community that understands the situation in which you might need to invest a bit in the Australian Defence Force.

Mr SNOWDON—In terms of this concurrency, one element of the Defence Force structure, and indeed Army structure, that I would like you to comment on is the Logistic Support Force. Do you think it has got the capacity currently to allow you to deploy two forces? For example, suppose you had a force equivalent to what we have got in East Timor deployed elsewhere. What would your observations be about the capacity of the Logistic Support Force in that case?

Lt Gen. Hickling—My first observation would be that our ability would be very limited. It would be limited because we do not have the depth within our Logistic Support Force at present to do that for any protracted period of time. We could do it for a short time, I suspect, but not for very much longer. That is essentially because until early last year when the government gave direction to bring 1 Brigade to a higher level of readiness, we were really only focusing on supporting 3 Brigade, which is a light infantry based force. Therefore, the Logistic Support Force was really structured and designed to support a force of about that size, plus a few bits and pieces.

When we now start to look at the problem of supporting two different sorts of brigades, maybe in two different sorts of areas, then that is a different order of problem entirely. So we are right now redesigning the Logistic Support Force so they can help us do that. So the answer is yes, we could do it, but it would be for a very limited time, but we would be very heavily dependent in any case, and we will continue to be very heavily dependent on Australian industry and the Australian people to support the force, not just morally but physically.

Mr SNOWDON—That leads us to an interesting discussion about the contracting out process and how that can be sustained in that sort of environment. Do you have any observations about that?

Lt Gen. Hickling—I think we are seeing two trends. Firstly, contracting is here to stay. We are employing contractors in areas we would not have contemplated 10 years ago. Secondly, the story has actually been quite successful. I think you have seen for yourself the response of industry in Darwin to the demands of the operation offshore in East Timor. Industry, by and large, has responded very well and very effectively to those demands. In some cases it has astonished us with its ability, not only to respond very quickly, but also to provide the service at a very reasonable cost. So I think there have been some very positive lessons that have come out of that.

Having said that though, there comes a point beyond which you cannot expect a civilian contractor to operate. I think that point is about where there is a reasonable chance he is going to get shot at. That is why it will be important to ensure that our force in being—Navy, Army and Air Force—retains a balance between what we can contract out and what will continue to be delivered by people in uniform.

Mr SNOWDON—I will pursue that point for a moment. That is why, in a sense, I asked that initial question about the hollowness in those specialist areas. I am aware that, for example,

there is a company in the engineering field working at Robertson. Obviously it has an important role to play, but as you move forward that role has to be taken over by someone else. If you do not have the human resources yourself, currently, how do you actually do it? That seems to me to be the dilemma we have not quite answered.

Lt Gen. Hickling—We have not got there yet, but we are continuing to review the way we deliver that sort of support forward to the combat force. In places like Darwin you will see more and more of those contractors being integrated into our logistic system in areas where we would expect them to do the routine work; whereas the really key operational work will be able to be deployed forward out of the base and go forward with the brigade. We will see that pattern emerging. We will see contractors delivering forward into the brigade, but I would not see them delivering forward from the brigade down to the very front fighting elements.

Mr SNOWDON—Allan Behm, I understand the difficulties you may have in divulging what is in the white paper, but could you explore with us the sorts of possibilities that might be there for the future of Army?

Mr Behm—One of the things the Chief of Army said much earlier and indeed touched upon in his opening remarks, is that Army has been evolving over quite a long time and the way in which we think about Army is in the context of how the Defence Force as a whole is actually being used and deployed. The idea that the Army is some sort of rigid bit that does things on the land and that is all it can do, that the Air Force simply flies aeroplanes and that is all it does, and that the Navy sails ships, is really—and I know the committee understands perfectly well—pretty way off the mark.

The way in which we look at the employment of the ADF is in a very integrated kind of way, and this has put new demands—quite exciting demands—on the ADF over the last relatively short time. As we look at our strategic environment and the uncertainties in it, as General Hickling said, it is obvious that we cannot predict in any sense how we might actually have to deploy the ADF at any time in the future. But we do know that almost all of the credible instances in which we would have to deploy the ADF would require the deployment of the Army as well as anybody else, if only to secure the operational base in which we might need to operate either of the other two services.

For the things more proximate, and this clearly relates to the safety of Australians in the areas immediately proximate to Australia, it is very evident that the Army has the central role in guaranteeing the safety of those people as we extract them from wherever they are. The Air Force obviously provides the strategic lift, but it is for the Army to actually manage those kinds of operations. They are very much in the forefront of our thinking. What this eventually means of course is that we are looking at some of the more costly aspects of running a defence force and these always relate to high levels of individual training, high levels of flexibility and very high levels of mobility. It is in those areas that the rubber really hits the road when it comes to consideration of future resourcing needs.

Mr SNOWDON—Do we have some view about the concepts of the 1980s in terms of self-reliance? Is that still something which informs us in terms of our strategic doctrine?

Mr Behm—Absolutely. The fundamental demand upon the Defence Force is to be able to defend Australia against attack, and we have to be able to do that in a self-reliant manner. I do not want to paint a picture that we will do it totally on our own and that nobody else has got the slightest bit of interest. I am absolutely certain that a lot of others would have a lot of interest and that we would get a huge amount of support, but the point is that we have to be able to plan for it and to conduct the hard bits of it ourselves.

Mr SNOWDON—Does that mean that the issues which have been raised by Army in terms of forced generation and mobilisation will be addressed in the context of the white paper?

Mr Behm—Absolutely. But they will be addressed in the context of raising and mobilising the ADF as a whole; it is very integrated.

CHAIR—Just on the point Mr Snowdon is raising, what do we really mean by self-reliance?

Mr Behm—What we mean, essentially, is that we would have the ability to raise and maintain a force able to handle the demands of a direct attack on Australia itself; that is the bottom line. There are a lot of fractions in that and a lot of questions which I am sure will be put forward as part of the ongoing debate as we move to writing the white paper. There are some aspects of defending Australia which are just extraordinarily demanding. I could illustrate by one single example. If it were to be the case that either or both of our offshore territories were taken, would we actually have the capacity to be able to take them back?

Mr SNOWDON—Which ones are we talking about?

Mr Behm—The ones closest to your electorate—

Mr SNOWDON—I was thinking about Norfolk as well.

Mr Behm—Cocos and Christmas. I was not thinking of Heard Island.

Mr SNOWDON—Not thinking of the Pacific?

Mr Behm—No, not this time anyway. And the Patagonian toothfish are not really aggressive today. The issue is a pretty interesting one because that is demanding on the self-reliant defence of Australia and that requires pretty substantial force levels. So where you actually put the boundaries in maintaining or managing the self-reliant defence of Australia are the critical decisions that the government will have to take. Clearly, there are always going to be some risks taken because we are not going to fund to give absolute guarantees in all possible circumstances.

Mr SNOWDON—I will not let them know!

CHAIR—I would like to go back to something I asked earlier. We were talking about the need to go forward with the Army. In theoretical terms, what sort of balance should we be trying to look at, in terms of Army's role, within the three services?

Lt Gen. Hickling—It is almost impossible to answer that question because it has got elastic boundaries around it. It is as Mr Behm has pointed out, that almost anything we can contemplate happening in the near and medium term is going to involve, one way or another, a component of the Army. We have to be prepared to do that. We have to be prepared to play our part in joint operations. Increasingly we talk about joint task forces—that is, a group of assets from the three services, from the force in being, that are pulled together to conduct a particular task. When you think about the range of tasks that we might be called upon to undertake and the kinds of things that Mr Behm was talking about, they are the kinds of components that we have to be prepared to provide as part of the joint task force. Whether those task forces are Army heavy or Navy heavy or Air Force heavy does not matter. We have got to be flexible and adaptable enough to be able to do any of it and to meet all those demands. What we are talking about here is that it is not the overall size that matters; it is our ability to provide the niche capabilities required for the land component of a joint task force that really counts.

CHAIR—If the parliament decides that the effort has to be increased or the commitment from budget has to be increased, there are obviously going to be the usual competing demands, but where would you think, in theoretical terms, the Army might position itself in terms of that increase?

Mr Behm—I would like to make a comment on that. It is a really legitimate question. Our experience in the past has always been to look at what we do in the ADF in terms eventually of trade-offs between the Army, Navy and Air Force. That is not the way we are currently looking at it. We are looking at it much more in terms of what it is that the Australian Defence Force will have to achieve in order to meet what the government of the day requires of it. It is very much more an integrated approach, and I will tease that out a little bit.

At the moment, in the professional literature coming out of the analysis of the revolution in military affairs studies that has been conducted for the last 10 or 15 years, there are some new ways of thinking about how to consider the structuring of armed forces. Certainly, there is a fair bit of international agreement that we begin to look at armed forces in terms of a number of different components, which are more to do with the effects than with the intrinsic capabilities that deliver those effects. For example, there is a heavy concentration now on what is called C4—command, control, communications and computing—that sits in behind the efficient exercise of modern command and control. There is a lot of focus on intelligence—and here I mean intelligence related to the conduct of warfare, operational intelligence—together with strategic reconnaissance and electronic warfare. You can bundle these things up in a way that sees different bits of the traditional mix come together to deliver a different way of thinking about it.

Once you have those in place, there are four other critical areas which are about how you project force, how you protect it, how you deliver quite particular and special military effects that often relates to special forces and then, of course, how you sustain it all. If you think in those sorts of terms, you tend to move away from worrying about whether the three chiefs are going to have to go out behind the shed and have a fight to see who wins. You think much more about how they are actually going to come together before the government to say, ‘In order to deliver really effective C4, this is what we think we are going to do. In order to deliver force projection in the sea-air gap, these are the sorts of capabilities that we think are going to be

critically important. In order to deliver force protection, this is how we think about it,' and so on.

In each of those categories, the Army has a role. What we really need to do is to rethink how that question is put and come to the point that I am pretty sure we are going to see ourselves arrive at over the next few years. We need to look more to how particular sorts of capabilities for which the Chief of Army is responsible come together to deliver the effects on the day.

Mr SNOWDON—Would it be true to say that competition between the three forces in the hierarchy of needs probably saw Army at the bottom but it has moved up a notch, even in those conservative senses, as a result of Somalia, Bougainville and East Timor?

Mr Behm—Absolutely. In those cases, to deliver the outcomes the government wanted, only the Army, supported by the other two services, was actually able to do that. I think that is generally the case in all peacekeeping or peace enforcement operations. You have to have land force elements to do that because the situation is on the land. But you cannot trade that off at the end of the day against the maintenance of a good maritime protection or a maritime strike capability. Even in some of those circumstances, the Army has quite important roles. That is why it is probably more helpful to put the question in terms of what it is we need to achieve a more helpful way of analysing the problem rather than simply saying, 'How is the Chief of Army going to slug it out against the Chief of Navy?'

Lt Gen. Hickling—There is another way of looking at it, too. Should it be the case that the government decides, 'We want to be more ambitious in our policy. We want to be able to undertake a more expansive range of operations than we have done in the past, and we are prepared to fund it. What do you want to do?' I would then take the view that Allan has just taken. We would look at what it is the government feels in this new policy that it wishes to achieve. We would then make some recommendations about what kind of combat force that we saw was necessary to provide the land component of that effect we are looking for. The next thing I would have to do is to work out what I would need in my enabling component to enable me not only to provide that combat force, but also to be able to maintain that combat force; in other words, what I would need to keep the flow of trained people, equipment and materiel running into that combat force to keep it effective.

There would be two elements to it. Firstly, it is not just a question of how many more battalions you need, or how many more squadrons or how many more this or that you need. You also have to pay some attention to your training organisation and to your support organisation, your materiel organisation that supports the combat organisation. So there is quite a complex set of equations that have to be solved here. It is a much easier set of equations than when you are downsizing, mind you, but it is still a difficult set of equations.

CHAIR—On the question of funding and the resource level: Derek Woolner has put out a recent paper suggesting that just on the current arrangements, before we go any further, by the year 2020 the defence budget will have to expand to something like $26 billion. In very rough terms, is that a realistic figure as a base point?

Lt. Gen. Hickling—Derek is a very knowledgeable and a very careful researcher, and I respect Derek's opinion across a range of things. The problem is that that kind of research is based on things moving in straight lines, and over 40 years I have discovered that in this business you cannot assume that anything will ever move in a straight line. You are always dealing with some element which is unexpected. I would imagine that if all the trends went in a straight line, Derek has probably made a reasonable assessment. I would moderate that assessment by saying nothing ever moves in a straight line. I do not know what the figure would be in 2020 if we just maintained things as they are. It would be more expensive than it is now. Right now we are, I think, reaching a point where our operational commitments, our rising personnel costs and our urgent needs for investment are exceeding what we have available to us, as I said earlier. If that situation is allowed to continue for another few years, then all I can say is that this country will have less defence that it has got now.

Mr SNOWDON—How critical is that issue of investment, in terms of Army?

Lt. Gen. Hickling—From Army's perspective, we are at the moment, if I can use a fairly rough phrase, to some extent living off what little fat was left to us. I think it will be urgent to be addressed; if not in this coming budget, then in the following budget and the one after that it will have to be addressed. That is my view. Otherwise there will have to be some decisions made about what size and shape of army we have.

Mr SNOWDON—And presumably we will be informed by the white paper?

Mr Behm—Absolutely.

Lt. Gen. Hickling—That is our expectation.

CHAIR—We have had a pretty good session this afternoon. I would like to congratulate you again, General Hickling, on the excellent job you have done as Chief of Army. Thank you both very much for coming before the committee today. As you would be aware, if there is anything on which we need more information we will write to you, and there are a couple of questions we have put on notice to you anyway. You will be given a transcript of the evidence so you can check for any errors of fact or grammar.

Mr SNOWDON—May I just thank General Hickling again for his contribution to the Australian community.

Resolved (on motion by **Mr Snowdon**, seconded by **Mr Ferguson**):

That this subcommittee authorises publication of submission No. 71, by Brigadier Mackintosh.

Resolved (on motion by **Mr Snowdon**):

That this subcommittee formally accepts the following as exhibits to the inquiry into the suitability of the Australian Army for peacetime and peacekeeping in war: overheads from Mr John Lenehan, material from Mr Richard Bluck and Brigadier Ball's material on the 4th Brigade.

Subcommittee adjourned at 2.34 p.m.