6

Changes to the Report?

Introduction

6.1   In this concluding chapter we will detail the original recommendations on the Army, and either confirm or amend those recommendations as a result of feedback from the community and Army.

Recommendation 1 – Develop a National Security Policy

6.2   There was great support for this recommendation in the submissions and the committee feels no need to change the original recommendation. We continue to believe that the multi-dimensional nature of a security policy will allow Australia's limited resources to be channelled into providing deeper and more robust national security.

Recommendation 2 – Develop a Well Balanced Force

6.3   The review of capability and force structure in *From Phantom to Force* indicated that to sustain dominance of one major and one minor focal area Australia needed a force-in-being of four capable and ready to use brigades. The Defence White Paper came to the conclusion that the same task could be achieved with three brigades, plus a Special Operations Group.[1]

6.4   The committee is not convinced that these forces can achieve this goal on a sustainable basis and remains to be convinced that it can be achieved. The

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1   Defence White Paper, *Defence 2000: Our Future Defence Force*, Commonwealth of Australia, 2000, p 80.

committee is particularly concerned if the logic behind this relies on the heavy use of Reserve forces.

6.5   Having stated that, the committee feels that the argument is about the detail rather than the crux of the recommendation. The committee feels Recommendation 2 remains a valid, achievable and necessary recommendation.

Recommendation 3 – An Army of Four Brigades with an Expansion Capability

6.6   In *From Phantom to Force,* the committee argued that the current nine, largely hollow brigades, be consolidated into four, highly capable and fully resourced brigades, and that a force expansion capability of an additional eight brigades within two years be created for a significant and credible deterrent.

6.7   The committee is still convinced that the Army needs a minimum of four brigades to provide the capability to dominate one major and one minor focal area. We accept the argument put forward by Army that it does not have the equipment nor trained personnel to produce an additional eight brigades within two years. Subsequently, and as explained in Chapter 4, the committee recommends that Army should have the ability to generate up to an additional four brigades in two years, rather than the eight previously recommended.

6.8   The committee would like to reiterate that it does not presently see that the Army Reserve provides any capability commensurate with the resources allocated to it. While the committee is aware that plans for the use of the Reserve to contribute to capability are underway, it still needs to be convinced that these are achievable and suitable plans that will provide the Defence Force with an increase in capability. It must not be the old Reserve with a new name.

Recommendation 4 – Annual Reporting of Army Capability

6.9   The committee remains convinced that, given the public resources involved, that open reporting of capability achievement is important. As explained in Chapter 2, current reporting by the Department of Defence has not alerted the public to the hollowness and lack of capability within a notionally large army. The committee has taken note of the ANAO comment and concedes that recurrent reporting might more appropriately be limited to the Defence Inspector General's department, with ANAO providing technical advice,

devising criteria for measurement and conducting audits as required. The ANAO should report to Parliament in 24 months on the efficacy of the Army capability audit program.

Recommendation 5 – A Review of Army Force Structure

6.10   Notwithstanding the concern raised at the formulaic nature of this recommendation by some of the submissions, the committee considers that this recommendation is valid, and would go a long way towards standardising Army formations. The committee accepts that there may be some unique force level units or structures that do not meet this standard. What the committee thinks should not occur is every single formation adopting a different structure in order to provide an illusory capability for every circumstance.

6.11   The committee was unconvinced by the argument that each brigade should have a different capability in order to provide flexibility, as discussed in Chapter 2. In order to provide a standardised brigade level force capable of rotation through a major focal point, Recommendation 5 needs to be adopted throughout the Army.

6.12   The decision to retain different, unique and individual capabilities at the brigade level and lower is seen by the committee as more an inability to make a suitable decision on force structure than a desire for flexibility.

Recommendation 6 – Army Capability Focus on Warfighting

6.13   The submissions received on *From Phantom to Force* strongly supported the recommendation that the Army maintain its capability focus on the conduct of warfighting. The committee still considers that having a clear capability for warfighting is the best guarantor that the Army will continue to be successful as a peacekeeper.

6.14   There was some concern in the submissions that the capability for Terminal Operations and Civil Affairs should be a Reserve responsibility rather than a Regular Army role. Broadly, the committee is not concerned with that level of detail, rather whether Army has a deployable capability to support operations. While the committee is comfortable with Regular force capability to conduct either task, it may be that the role is better situated in the Reserve component. This decision is one for Army to make.

Recommendation 7 – An Increase in Army's Funding

6.15   The Defence White Paper has significantly increased the amount of funding for Defence over the next ten years. It also identified major enhancements to Defence and Army capability including Armed reconnaissance Helicopters, air defence missile systems and artillery systems. The committee is strongly in support of this funding increase, which is vital to providing an adequate Army capability into the future.

6.16   As a result, the committee is comfortable that a considerable step has been taken towards the achievement of this recommendation, but considers it needs further information from the Department of Defence as to how the funding allocation and management may be achieved over the ten year period.

Recommendation 8 – A Unified Army Personnel Structure

6.17   The committee continues to be impressed with the level and depth of training we have seen amongst its members. We are also aware of many personnel initiatives being undertaken by the Department of Defence and the Army, some since the release of *From Phantom to Force* and the White Paper. The changes to callout legislation discussed in Chapter 2 are a major and important step for the Army that will allow a greater and more valuable contribution to be made by the Reserves.

6.18   One area of concern in several of the submissions and expressed at the 2001 Defence Reserves Association meeting[2] was the lack of a defined role for the Reserves, and their feeling that they are treated as second class citizens. Particular concern was raised regarding the Army's policy of deploying Reserves as individual or sub-unit level reinforcements, rather than as formed units.

6.19   The committee is still committed to its recommendation in relation to the unified personnel structure, but understands there has been considerable work within Army relating to a new role and structure for the Reserve component of the Army. The committee is keen to see the outcomes of this work, and strongly urges that it follow the recommendation outlined below. The committee will reconsider this when suitable time has elapsed.

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2   Held at Randwick Barracks on Saturday 21 July 2001 and attended by the Sub-Committee Chairman and Deputy Chairman.

Recommendation 9 – Units Staffed to Operational Levels

6.20   The committee has received little feedback regarding the staffing of Reserve units. The committee understands that Army is developing a new policy regarding Reserve roles and structures. The committee will seek to be briefed by Army on the new Reserve structure and roles, particularly as that relates to operational staffing of units.

Recommendation 10 – Equipment Projects to Acquire Full Operational Liability

6.21   When first discussed by the committee, Recommendation 10 appeared to be a statement of logic, with members amazed that any other course was taken in a standing non-conscript Army. The committee still insists that a rationalisation of the Army's force structure to four brigades (even more so if three brigades as detailed in the White Paper) can substantially address the current estimated $4.5 billion shortfall in equipment. In addition to this, the practice of partially equipping units should cease. The practice destroys capability and may be a significant cause of personnel separation, particularly within the Reserve.

Recommendation 11 – A Review of Army's Equipment and Stock Acquisition Strategy

6.22   The committee received overwhelming support for this recommendation and is not aware of any current project that would invalidate it. As stated in *From Phantom to Force,* the committee feels that the Army should adopt a more coherent and focused equipment acquisition strategy.

6.23   Neither *From Phantom to Force* nor this paper has studied the issue of Defence industry in any depth. The role of Australian industry within Defence Strategy should be clarified, as the ability of the national support base to enable force expansion and to sustain forces is critical to the defence of Australia and its interests.

Recommendation 12 – An Army Capability Enhancement Project

6.24   The issue of an Army Capability Enhancement Project elicited some discussion. While many respondents supported the idea, some were concerned that capability must be addressed on a joint, or whole of business manner. While the committee was cognisant of this, a joint project team was beyond the scope of the committee's terms of reference, and the committee was aware that reforms of the magnitude of those recommended have historically been implemented in a haphazard manner.

6.25   The committee is still of the opinion that a project team is required to bring all the disparate aspects of these report recommendations together. We are aware that there have been significant changes to Army and Defence since the release of the White Paper and have some concern as to how these issues are monitored and coordinated. The committee wishes to be briefed on how Defence, and Army in particular, are internally managing and deconflicting the capability, force structure, development and personnel aspects relating to this report.

The Measure of our Army

6.26   In *From Phantom to Force,* and subsequently in this smaller report, we have attempted to determine the suitability of our Army. After releasing *From Phantom to Force* we canvassed members of the public to elicit feedback on the reports recommendations, in order to give some sense of ownership and community input. This was done in an environment of major change for Army, as the Defence White Paper was released shortly thereafter, changing some major tenets of previous thinking.

6.27   In large part, *From Phantom to Force* remains valid and accurate. This report was always envisaged as a follow-on report to amend or change recommendations resulting from any new information and community feedback. That has now occurred, with the committee comfortable that there are only minor aspects of the report's recommendations that need amendment. This report should be read in conjunction with *From Phantom to Force.*

6.28   We continue to believe, that for the Army to meet the challenges of the future it needs to address some significant issues. While some changes have taken place over the last six months, we have yet to be convinced that they address the key issues raised in *From Phantom to Force* and subsequently in this report. In both reports we have attempted to assess the Army to ensure that it is relevant to the community, credible in its role, sustainable, efficient, balanced and, lastly, better able to scale its structure and readiness to meet shifting threats. We believe that the adoption of the refined recommendations in this report will move the Army towards achieving these objectives. The Australian people deserve a capable and suitable Army.

Senator Alan Ferguson
Chairman