

Observations

- 3.1 The tour of Defence establishments in northern Australia provided an excellent opportunity for Members of the Defence Sub-Committee to acquaint themselves with the current disposition of the ADF in northern Australia. Discussions during the tour ranged over a wide variety of issues and it is neither practical nor appropriate for all issues to be examined in depth in this report. However, the Sub-Committee did make several observations that it considered worthy of note.

Capability

- 3.2 The Sub-Committee was impressed with the significant surveillance capability of the ADF deployed in northern Australia. In particular, the Sub-Committee noted the largely latent capability of some surveillance assets to intercede to prevent illegal activities relating to fisheries, immigration and customs. Under current arrangements this capability is inhibited by the very limited powers afforded to ADF personnel under the relevant legislation. The Sub-Committee was advised that the effectiveness of current ADF contributions would be greatly improved by changes in the legislation applicable to fisheries, immigration and customs to improve harmonisation in regard to the powers of ADF personnel.
- 3.3 The Sub-Committee acknowledged that, in the current strategic environment, transnational crime posed a greater threat to northern Australia than the prospect of military action against Australia. While some ADF assets are involved in the prevention of illegal activities relating to fisheries, immigration and customs, the Sub-Committee was advised that some scope existed to increase the involvement of Defence assets in defending Australia against transnational criminal activities.

However, the Sub-Committee noted that the recent Report of the Prime Minister's Coastal Surveillance Task Force concluded that the 'Defence contribution is a fundamental component of the coastal surveillance and should be maintained. But the relative cost structures are such that any additional capability is better delivered using civil rather than Defence assets.'¹ The Sub-Committee further noted that the Report included recommendations for legislative amendments to 'further strengthen maritime investigatory and enforcement powers against both Australia and foreign flag vessels.'²

- 3.4 The Sub-Committee was particularly impressed with the efforts of the 1st Brigade in the recent achievement of an increased state of readiness. The current status of the Brigade provides Australia with a formidable asset that will only be improved by planned enhancements to the 1st Brigade's capability. Such enhancements are planned to include: upgrades to the Leopard Tank including thermal imaging sights, a climate control system and fin stabilised ammunition; the introduction of the A3 variant of the M113 family of vehicles providing improved mobility and firepower, and an excellent night fighting capability; the raising of an additional battery of 155 mm Howitzers following the move of 8/12th Medium Regiment to Darwin; and completion of the introduction of the Battlefield Command Support System to the Brigade.
- 3.5 The briefing at DJFHQ conveyed, inter alia, to the Sub-Committee the importance of electronic data to the conduct of operations in the information age. The headquarters is no longer representative of a traditional divisional headquarters but rather is technology based and dependent on data to most effectively perform its command role. As an information node DJFHQ is deployable but needs to maintain access to global data from the National Support Area. The Sub-Committee noted that, with regard to data transmission, the two significant challenges for the Headquarters are bandwidth of communication channels and the footprint of satellite assets currently available to the ADF.
- 3.6 The demonstration of the improved night fighting capability planned for introduction throughout the 3rd Brigade provided the Sub-Committee with an understanding of the significant capability enhancement provided by this equipment. The Sub-Committee acknowledged that the night fighting enhancement to the 3rd Brigade will provide a significant advantage over similar forces without a comparable capability. The Sub-Committee

1 Report of the Prime Minister's Coastal Surveillance Task Force, June 1999, paragraph 20.

2 *ibid*, Recommendation 17.

understands that the improved night fighting capability is also planned for introduction to other elements of the Land Force in the near future.

- 3.7 The Sub-Committee was interested in the ability of the 7th Task Force to provide rotation forces in support of a deployed Brigade from the Ready Force. While acknowledging that 7th Task Force is not at the same degree of readiness as the Ready Force, the Sub-Committee noted that, as an integrated formation, the Task Force can achieve a shorter readiness lead time than a Reserve formation and has an operating cost lower than that of a Regular formation. The Sub-Committee also noted that future equipment introductions for the 7th Task Force include night fighting equipment, the new Infantry Motorised Vehicle and the ASLAV.

Personnel

- 3.8 The Navy's ship to shore ratio for officers' and sailors' billets was an issue that interested the Sub-Committee. Although the Sub-Committee received only anecdotal evidence, it appeared that the recent decrease in the Navy's ship to shore ratio has resulted in personnel being required to spend a greater proportion of their service at sea. The Sub-Committee noted the potential for increased time at sea to impact on the family life of Navy personnel and, in the longer term, to have a detrimental impact on retention rates.
- 3.9 The Sub-Committee was struck by the isolation of the caretaker staff at RAAF Scherger and the difficulties involved in living an adverse environment some 30km from the nearest town. During the wet season road travel to the nearest major city (Cairns) is regularly not possible and that such movement is dependent upon commercial air services. The Sub-Committee was advised that while the caretaker position is an accompanied posting for a RAAF member, the cost of living in the isolation of RAAF Scherger is markedly higher than most other RAAF billets. Financial allowances are paid to members posted as caretaker staff to compensate for the increased costs of living. However the Sub-Committee was advised that such allowances are considered insufficient by caretaker staff. Indeed, it was suggested to the Sub-Committee that an accompanied member with three children could be as much as \$8000/year worse off in a billet at RAAF Scherger. In particular the Sub-Committee noted that the transport of children from RAAF Scherger to Weipa for school is a significant cost for caretaker staff either in terms of cash fares for buses or in fuel and maintenance costs for a personal vehicle. While efforts are currently made to compensate for the increased costs of living

the Sub-Committee was of the view that a review of the financial allowances paid to caretaker staff in such remote localities should be conducted.

Recommendation 1

The Committee recommends that the Government conduct a review of the financial allowances paid to caretaker staff at the bare bases Scherger, Learmonth and Curtin.

- 3.10 Proposed changes to Fringe Benefits Tax (FBT) reporting requirements was an issue raised by members of the ADF throughout the tour. It was argued that the implications of the proposed changes would be significant for some Service personnel, particularly in the areas of: income-tested government payments, liability for child support, liability for HECS, the superannuation contributions surcharge and the liability for the Medicare levy surcharge. ADF personnel were genuinely concerned that the impact would be inequitable with some members being disadvantaged because their posting location attracted a high level of rental assistance.
- 3.11 Since the tour this issue of FBT reporting has, in part, been addressed with the Government moving to exempt Defence rental subsidies from FBT reporting requirements. Subsequently the Chief of Defence Force acknowledged that 'the decision to exempt housing assistance will address the primary concerns of ADF families about the effect on take home pay due to loss of Government benefits and increased payments such as child support.'³
- 3.12 The Sub-Committee acknowledged that 'like all Australian taxpayers, ADF personnel should have allowances that are consistent with the rest of the community reported on their Group Certificates.'⁴ However, the Sub-Committee noted that the financial conditions of service for ADF personnel are unique and reflect the circumstances and conditions under which they serve. While the decision to exempt Defence housing assistance from FBT reporting was a positive move the Sub-Committee accepted that some Defence personnel would still be financially worse off as a result of the proposed changes to FBT reporting. The Sub-Committee was firmly of the view that the proposed changes to the FBT reporting requirements should be further reviewed to ensure that ADF personnel are not disadvantaged.

3 Chief of Defence Force Media Release, DPAO 240/99 of Friday 20 August 1999.

4 *ibid.*

Recommendation 2

The Sub-Committee recommends that the proposed changes to the Fringe Benefits Tax reporting requirements should be further reviewed to ensure that Australian Defence Force personnel are not disadvantaged by the unique circumstances and conditions under which they serve.

Training

- 3.13 The Sub-Committee was very impressed with the training opportunities and advantages offered by the newly commissioned Weapon Training Simulation System that was demonstrated during the visit to the 3rd Brigade. While acknowledging that the System cannot replace live firing practices the Sub-Committee noted that it will provide a capacity for an increase in realistic small arms training and an opportunity to practice night firing techniques during daylight hours. The Weapon Training Simulation System clearly provides a significant enhancement to the training facilities available to the 3rd Brigade.

Logistics

- 3.14 Throughout the tour the Sub-Committee was interested by the ability of integral logistic elements to support deployed forces. Of concern was advice that the Land Force only possesses the capability to provide force level logistic support to one deployed force at any time. The limiting factors on the provision of such support appeared to be skilled personnel and ammunition not necessarily consumables or spare parts. In addition, the Sub-Committee noted that the ADF is largely dependent on local infrastructure for the support of any deployed force. These are issues that the Sub-Committee will pursue in its current inquiry, *The Suitability of the Australia Army for Peacetime, Peacekeeping and War*.

