



Appendix C – Recommendations from the *From Phantom to Force* Report

1.1 The recommendations of *From Phantom to Force* are detailed in Table 1.1

Table 1.1 Summary of Recommendations in *From Phantom to Force*.

No	Recommendation Text
1	<p>We recommend that the Government develop and maintain a national security policy. This policy should, amongst other things, guide the Defence Forces on their role in an integrated national concept for promoting and achieving international prosperity, peace and security.</p> <p>We further recommend that the Government explore the feasibility of creating a National Security Council to oversee the development and maintenance of a national security policy.</p>
2	<p>We recommend that the Department of Defence:</p> <ul style="list-style-type: none">▪ Enhance and maintain a highly effective and regionally focused intelligence and surveillance capability.▪ Develop and maintain plans, processes and institutions to enable the defence force to expand to meet significant threats to Australian territory within a warning period of no more than two years.▪ Develop and maintain a well balanced and integrated force-in-being. This force should be capable of the sustained dominance of one major and one minor focal area located anywhere within our region, including Australia. This force-in-being should be deployable within time frames up to, but not exceeding, four months of warning.
3	<p>We recommend that the Army be capable of:</p> <ul style="list-style-type: none">▪ Maintaining a force-in-being of four brigades optimised for operations within Australia's ACSI and capable of deploying within no more than four months warning.▪ Generating an additional eight brigades within two years of warning for operations within Australia's Area of Critical Security Interest (ACSI).
4	<p>We recommend that:</p> <ul style="list-style-type: none">▪ The Army report on the status of each brigade within the Department's Annual Report in terms of operational criteria devised jointly between the Department of Defence and the National Audit Office.▪ On alternate years, the Inspector General of the Department of Defence and the National Audit Office, audit and report on the Army's capability for force expansion.
5	<p>We recommend that the Army force structure be reviewed, such that:</p> <ul style="list-style-type: none">▪ There should be no single unit or formation present in the force structure unless it is able to detach useful capability in components. These components need to be in multiples of three – a component in commitment; a component returning and a component being prepared for deployment.▪ Where multiple units or formations exist in the force structure they must exist in multiples of three.

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- Where neither of these conditions can be satisfied the capability being sought should either:
 - Be reduced to a force size that can meet the structuring principle, or
 - Be removed from the force structure.
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- 6 We recommend that the Army maintain its capability focus on the conduct of warfighting. This focus should be based on meeting or exceeding regional technical performance parameters up to, and including, mid-intensity conflict. We further recommend that the Army enhance or develop capabilities for:
- Terminal Operations (ie, the equivalent of military stevedoring operations).
 - Civil Affairs (ie, the capability on deployment to establish and maintain a relationship between the Army and the government, civil population and/or other agencies in order to facilitate the resolution of conflict and the re-establishment of normal civil life).
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- 7 We recommend that the Army's funding be increased to:
- Account for the yearly rise in costs associated with military personnel and equipment. (Based on historical trends this equates to an annual growth rate of four per cent, which was also the rate of GDP growth at the time of the inquiry).
 - Provide a credible force expansion capability.
 - Provide, in the short term, funds necessary to implement the recommendations within this report.
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- 8 We recommend that the Army adopt a unified personnel structure. This structure should consist of five employment categories able to be deployed on service anywhere in the world:
- Category A – Full-time service for an agreed tenure.
 - Category B – Initial full-time service followed by an agreed commitment for part-time service for a set tenure. This part-time service would require regular attendance at a local unit.
 - Category C – Part-time service for an agreed tenure. This part-time service would require regular attendance at a local unit.
 - Category D – Part-time service for an agreed tenure. This part-time service would be done in a local or remote location at irregular time intervals which best suit the individual.
 - Category E – Non-active service by fully trained personnel who remain on a recall database to support special projects or force expansion.
- We further recommend that service within these categories be by voluntary enlistment and be covered by common legislation that provides for employment protection and call out.
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- 9 We recommend that:
- All units are to be fully staffed to operational levels. Where a unit consists of predominantly part-time personnel it is to be staffed to 120 per cent of operational requirement.
 - No unit is to be staffed with less than 20 per cent full-time (Category A) staffing.
 - Transition of soldiers between Categories is to be administratively simple. This includes:
 - a standardised system of performance evaluation based on merit; and
 - a graduated system of employment conditions that covers issues such as superannuation, injury compensation and housing assistance.
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- 10 We recommend that no Army equipment project be approved unless it is acquiring sufficient equipment to meet the full operational equipment liability for the total force.
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- 11 We recommend that the Army, in conjunction with the Department of Defence, review its equipment and stock acquisition strategy. We further recommend that this strategy be based on a coherent policy which addresses the need for the Army's equipment and stock to:
- Be sustainable.
 - Support plans for force expansion.
 - Be optimised for operations within Australia's ACSI.
 - Be based on, in the case of equipment, an appreciation of the whole-of-life costs associated with any particular purchase or replacement program.
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- 12 We recommend that the Government establish, for a period of three years, an Army Capability Enhancement Project (ACEP). The Project Team would work alongside the Army in effecting the restructuring and enhancements recommended in this report.
- We further recommend that this Project provide a report to Parliament twice each year for the period of its operation.

