COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
(Defence Subcommittee)

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

FRIDAY, 12 NOVEMBER 1999

ADELAIDE

BY AUTHORITY OF THE PARLIAMENT

INTERNET

The Proof and Official Hansard transcripts of Senate committee hearings, some House of Representatives committee hearings and some joint committee hearings are available on the Internet. Some House of Representatives committees and some joint committees make available only Official Hansard transcripts.

The Internet address is: **http://www.aph.gov.au/hansard**

To search the parliamentary database, go to: **http://search.aph.gov.au**

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE
Defence Subcommittee

Friday, 12 November 1999

Members: Senator Ferguson *(Chair)*, Senators Bourne, Brownhill, Calvert, Chapman, Cook, Gibbs, Harradine, O'Brien, Payne, Quirke and Schacht and Fran Bailey, Mr Baird, Mr Brereton, 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 Brownhill, Calvert, Ferguson, Gibbs, Quirke and Schacht and Fran Bailey, Mr Laurie Ferguson, Mr Hollis, Mr Martin, Mr Snowdon and Dr Southcott

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

Terms of reference for the inquiry:

To 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).

WITNESSES

Subcommittee met at 9.05 a.m.

CHAIR—This hearing is the first in an inquiry presently being conducted by the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade into the suitability of the Australian Army for peacetime, peacekeeping and war. The inquiry will review the current status and proposed changes to Army to assess whether it provides viable and credible land forces able to meet the necessary range of contingencies. Given the current strategic circumstances and the recent overtures of an increase in the Defence budget, it is important to determine whether the Australian Army is able to effectively contribute to operations across the spectrum of conflict.

In response to the inquiry, the committee has received 58 submissions which address a wide variety of issues relevant to the terms of reference. In the continuing course of the inquiry, the subcommittee 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 towards the middle of the year.

STRAIN, Lieutenant Colonel Douglas Donald (Private capacity)

CHAIR—Welcome. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect as proceedings in the respective houses of parliament demand. Although the subcommittee 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 subcommittee may be regarded as a contempt of parliament.

The subcommittee 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 subcommittee will give consideration to your request. We have received your submission and it has been authorised for publication. Would you like to make any additions or corrections to that submission?

Lt Col. Strain—I would make a few introductory remarks, if I may. First, I thank you for the opportunity to contribute further to deliberations on what is a vitally important matter. I would also congratulate you on agreeing to undertake a committee hearing here in South Australia.

The submission I submitted to your inquiry is the considered view of someone with almost 25 years of military service, including service in both the Australian Regular Army and in the Australian Army Reserve. I completed my active military service only about five months ago with my final posting being in command of the 10/27 Battalion of the Royal South Australia Regiment. The 10/27 RSAR is the Army Reserve infantry battalion located in South Australia and Broken Hill. At various times throughout the time of my command, it comprised numbers ranging from about 450 through to about 620, with about 35 of that number being members of the Australian Regular Army.

During my period of command, which extended over about three years, the battalion's highlights included successful deployment of the battalion to an exercise in Broken Hill in May 1997 where over 320 members comprised the force deployed. Also, there were deployments of a company sized force to France and Hawaii along with similar sized forces to undertake training at Battle Wings Tully and Canungra—and, for the information of committee members, those are two of the Australian Army's toughest training schools. Also there was deployment of individuals at short notice to undertake service in support of operations in Bougainville and Bosnia along with individuals to support the deployment of the Australian Rifle Company in Butterworth, Malaysia. I quote these successes to highlight that 10/27 RSAR as a representative of the Australian Army Reserve infantry battalions generally has been able in the recent past to generate operational capability.

In these few minutes of introduction, I did not intend to fully report on my submission, though I thought that I would like to highlight my main points and to also bring my submission into context with recent developments in East Timor and our general region. I would like to contend that the recent events have provided further evidence to support what I have recommended in my submission. Principally, this is that the Australian Army Reserve

be more appropriately resourced, assessed and employed than is currently the case, and it be tasked with and employed on real operational activities. Our Army, consistent with those of many countries, is excessively bureaucratic and lacks organisational flexibility. It continues to be wedded to structures and processes which often are irrelevant or at best are merely outdated. Armies tend to reward bureaucracy and empires; they do not seek efficiencies and devolution of authority.

I highlight my contention that the Australian Army remains dominated by an ARA mentality that considers that only professional full-time service produces employable soldiers, with the amateur part-time soldier being a lesser being. I refute such a view. The Australian National Audit Office in a report of some years ago when reporting on the operation of the Defence Force's Ready Reserve Scheme reported that the cost of an ARA vis-a-vis a Ready Reserve vis-a-vis a general reservist was in the order of 10 is to five is to one. That is that a general reservist is one-tenth the cost of an ARA service member. Would anyone realistically contend that an Army reservist has one tenth the ability of an ARA member? I could not believe that anyone could be convinced of that.

The Army Reserve is ideally placed to contribute at short notice, and in formed elements, to Australian peacekeeping operations. In my paper I detail the force elements that I believe could be made available and the degree of notice that they would require. I believe that I have justified this through the examples I have provided for deployments undertaken by 10/27 RSAR during my period in command. I do not contend that there should be any reduction in the size or general structure of our regular forces. Indeed, I believe that there should be a modest increase in their number, with these additional personnel principally being allocated to reinforce the capability able to be generated through our reserve forces. A modest increase in the proportion of ARA personnel posted to reserve units possibly to be in the order of 10 to 20 per cent of a unit's personnel strength would have a major return in increased operational capability—an increase far outweighing the cost and far greater than would be the case if these increases were quarantined only to a Regular Army unit.

I would now like to make two specific observations. The first of these is the overburdening bureaucratic structures of the current Australian Army. Here in South Australia we maintain the headquarters of the 9th Brigade. This headquarters was established in 1988 and has struggled for a purpose for much of the time since its creation. If we wish to retain such headquarters, then give them a real job and do not force them to usurp those of their subordinate units. I contend that the 9th Brigade, as I expect the headquarters of other reserve brigades, would make a most adequate regional headquarters and the integration into them of the local military regional headquarters would also achieve considerable efficiencies and improve regional unit effectiveness.

The second specific matter is that of using reserve forces for security duties as part of the Sydney 2000 Olympics. This task appears to be a simple security guard job. The use of trained military forces, especially those with limited time availability and at a time of such instability to our near north, is both inefficient and may prove to be foolhardy. At the very time when we are looking back at Remembrance Day, yesterday, to use our reserve forces in the way that we used our militia in the New Guinea times with the Japanese is something that I believe we should avoid.

I urge you to ensure that you do not dismiss the very considerable operational capability that a well resourced and well trained reserve force could provide Australia. We already have the nucleus of such a force and many of the initiatives started under the command of then Chief of Army, Lieutenant General John Sanderson, to enhance this capability have served to realise genuine improvements. The answer, however, is not merely more money. I understand that it was the Army during the Second World War which first termed the phrase 'cargo cult'. Armies can be vociferous consumers of money, though this does not always translate into improved operational capability. More money is probably needed, but please do not let this be applied in a manner other than that which increases the Army's operational capability. I contend that the application of the increased resources into our part-time forces is where our money would be best spent to generate an increase in the operational capability of our Army.

Finally, I would re-endorse to you the list of recommendations I have made in the concluding paragraphs of my submission and I would welcome questions on any matters that I have raised in my submission or in these introductory remarks.

CHAIR—Thank you very much. Thank you also for your frank comments. The committee certainly appreciates them. Going back to one of your earlier remarks about the role of the reserves vis-a-vis the regulars, you say that you feel the reserves are not getting due recognition. How much of this relates to the officer side of reserves and particularly the opportunities for officers of promotion?

Lt Col. Strain—If you are looking at the opportunity for senior command, I personally believe that it becomes something of 'horses for courses'. Most of my reference is actually looking at the actual element of actually formed bodies of troops and looking down at in many cases the junior officer level and the soldier level that have done a lot of hard training and have a lot of capabilities—many of which they generate, may I say, in their civilian employment—that they can bring to contribute to the Army.

CHAIR—To expand on that, the opportunity for officers to get promotion right up to the senior levels: is that a constraint on reservists and therefore part of the problem that you were alluding to earlier?

Lt Col. Strain—I think there is a constraint there. Some of that is real. You must achieve competencies and have experience to get up to those ranks. There are opportunities there, but often they are restricted by the mere fact of the Army Reserve being a regional based force. In South Australia the reality is that most of our senior officers are actually based in the national capital and there are difficulties of being able to undertake those duties in a distance sense, although it can be achieved and technologies are making that easier. There are those opportunities there, but they are limited and there are tensions to be able to make the contribution that people are requiring of those people.

Mr PRICE—What do you see as the role of the reserves at the moment, and what would you like to see that role being?

Lt Col. Strain—I think the role of the reserve in the past has been something of an expansion base. I think that has been a mentality based on a World War II type scenario of

our having raised an army when a major threat came of, say, invasion and the reserve came together and had a period of training before they were applied to an operation. I believe that recent history is now showing that the chance of a major conflict breaking out in our region is limited. I think the reality is that the Australian Army has limited ability to contribute to those sorts of major operations. However, peacekeeping is one that is key. I look to our near north now and the operations that we have where I look at reserve elements as being able to be deployed for periods. We have notice. We know that, if we need those fellows for three months in six months time, we can train them up, prepare them and send them off. Maybe it would be for limited periods of time. But I think now is a time that we can use the reserve to contribute to our force.

I suppose the way I would view it is our Regular Army are the people who are there, available; they can go tomorrow. A reservist does not have that flexibility. The reality is that the people of Australia do not pay the money to ensure that they do have that. However, give them enough warning, give them the support and they will be there. History has proved that. I have seen the soldiers do many, many things. The commitment out there of reserve soldiers right at this very moment looking to support operations in East Timor is genuine, is real. They should be given the opportunity to do that.

Mr PRICE—My understanding is that there are some reservists in East Timor, but some are being used to fill holes back in Australia. What I do not understand though is: aren't reservists on 365 days readiness? That means that they need a year to be trained up. Is my understanding correct there?

Lt Col. Strain—The contention of reservists being on 365 days notice refers to actually formed bodies of troops. The individual soldiers out there in essence can be immediately called up. There are some legislative requirements there. But certainly they could volunteer for service straight away. The problem that we have when we talk about 365 days is that we are talking about formed units, fully equipped, fully trained, at full strength to go and deploy on operations at high levels of intensity. I would contend that in East Timor they may be busy, but the level of threat is not one consistent with a conventional operation in the old NATO Warsaw Pact scenario.

We are dealing with a specific situation in a specific location. We can have specific times of deployment. They can do specific duties. They can focus very quickly on that and go and do those duties. I think the contention of 365 days is one that for many of those individual soldiers is almost an insult because those soldiers in many cases are doing the same courses as their Regular Army counterparts. They have the individual level of capability, the individual level of competence to be applied to service immediately. The issue comes back to their availability, their ability to get time off work, often which varies between individuals.

Mr PRICE—Are you saying really that they are better in a less intense or supportive role than being the main combat force? Isn't there an argument going on today that the role we have given the reserves is maybe not appropriate to their capability? I say that without in any way wanting to reflect on them. If that is the case, what should be the real role? I rather got the impression that you were arguing for a different role.

Lt Col. Strain—I think that the problem we have with the reserves and why they cannot often fulfil a more capable role is because we do not resource them properly and we do not recognise them. I am not aware of any activity that has gone to actually assess the readiness of our reserve units.

Mr PRICE—Were you consulted for the Prime Minister's report into the reserves?

Lt Col. Strain—I am not aware of that report.

Mr PRICE—It is not public.

Dr SOUTHCOTT—Just to elaborate, there is a review which is currently going on which is examining some of the issues like common induction training and so on relating to the reserves. I think it will be made public fairly soon. With peacekeeping, as I understand it, for reservists who go and undertake peacekeeping roles, if they do three months they actually do it full time to get away from the legal obstacles in terms of reservists serving overseas?

Lt Col. Strain—I cannot specifically answer that question. My understanding is that they do it on full-time duty as Regular Army members. I think some of that is more brought about because of pay and conditions and those sorts of issues and the inability for the Army Reserve pay and conditions to translate into a full-time basis. For example—and I do refer to this in my submission—reservists can only parade, in essence, under normal circumstances for no more than 100 days a year. That is a restriction which I believe should be lifted because, if we are looking at operational capability, why put an artificial barrier that if somebody wants to do training, wants to achieve more ability, we say, 'No, 100 days.' If you want to do more than that, you have to go and get approval of the Chief of Army. That is just a ludicrous situation if we are talking about capability. The soldier wants to train, and then we say, 'Well, no, you can't,' and then we criticise the soldier. That is ludicrous.

Dr SOUTHCOTT—In terms of peacekeeping roles, the Peace Monitoring Group up in Bougainville had a little over 200 soldiers, and some from the reserves, I see, have served there or will be serving. But my feeling is with INTERFET it will be a much larger contingent and I imagine that there will be more opportunities for reservists to serve with INTERFET.

Lt Col. Strain—I hope that is the case. But the thing that I would encourage is that it should be as formed bodies from reserve units, not as individuals plugging holes within our regular units. It is a great opportunity to test the ability of our reserve units in their current under resourced areas and see what they can actually achieve. For example—and I am on the record as having said this—I believe that the 10/27 Battalion here could readily deploy a rifle company, about 100 soldiers, into East Timor. Give them enough warning, say it is going to be in six months time or whatever it is going to be for three months—'This is what you're going to do'—and I believe that they could achieve it.

They have restrictions on their current staffing levels and whatever and a lot of those are arbitrary, which need to be reviewed. We need a more flexible system. We need to be focused on outcomes instead of processes. Certainly issues such as common induction

training and some of the processes we have are putting barriers in the way instead of trying to facilitate the process to make sure that our Defence Force, and in this case our Army, is able to best support the government's objectives and the people's objectives.

Mr PRICE—Why do you say that common induction training is a barrier?

Lt Col. Strain—I think the issue that we have is that we are looking at trying to, for the individual soldier, create a Regular Army clone on a reserve soldier budget. The common induction training, the intent of achieving a higher level of individual skill, I do not think anyone could criticise. But I think we are saying that this is the only way to do it—'To do it you must go for six weeks to Kapooka in New South Wales; that is the only way to do it.' There has to be more flexibility in the system. There are people who have skills and abilities to do it.

In fact, I mention an example in my submission. In one of the courses in the Signals Corps, reserve soldiers never train, never have the equipment available. It is a specialist piece of equipment in the Signals Corps. But for an Army Reserve soldier to operate as a signals person, they must train on this equipment. That is a ludicrous situation. We should be saying 'Well, let's not have that level of competence for that soldier.' If they get posted to an electronic warfare specialist unit or something, let us train them then for that equipment. But why do we put this barrier in at the very beginning when it really does not contribute to the Army's role?

Mr SNOWDON—What impact has common induction training had on your recruitment of reservists?

Lt Col. Strain—I have not had much experience in the last five months, but certainly I had experience for about 12 months while I was in command. There is no doubt that it has had a negative effect on enlistments. However, I would say that one of the weaknesses of what we did was that at the same time in this region as we changed our means by which soldiers trained for entry into our Army we also changed the basis on which we do our recruiting.

CHAIR—Can you expand on that?

Lt Col. Strain—Previously in the reserve, the reserve unit commander had responsibility for recruitment. So, as a commanding officer, I had a responsibility to generate the enlistments and go out and seek soldiers for the unit. That was a difference from the Regular Army. The Regular Army had a separate recruiting unit and the commanding officer of a battalion, such as the 1st Battalion of the Royal Australian Regiment, had no responsibility for reinforcements. He merely reached back and drew forward reinforcements through the reinforcement chain. As commanding officer of the reserve unit, I was involved with encouraging people to join the unit, getting them aboard and fostering them through their training.

It changed about 18 months ago to, in essence, the same as the Regular Army. I no longer as a commanding officer had any influence—certainly no material influence—on recruitment into my unit. What we suddenly had was what I would contend is almost a

dropping of the recruitment ball in that we just got a name and we had to send them off to ring the 13-whatever-it-is number and the recruiting unit would look after the matter. The ability to foster people through, we lost.

For example—and I will give a quick example—say we have a young person from Kadina, which is one of the depots which 10/27 Battalion has, who is 17, at school still, comes from a broken family, a good young Australian who wants to join the reserve. We assess that person as though they are joining the Regular Army and going off forever. He or she may lack maturity, but they are going off to do their six weeks training and then they are coming back and they will be fostered through and they will still live with mum and grow up. The recruiting system would not let that person through as they lack maturity and they may have some instability. So it would not let them in.

Again, I see that as a ludicrous situation. We are not talking about sending someone off for three years to Townsville. We are talking about someone who will go for six weeks, be trained up, hopefully get through, hopefully mature and hopefully make a good soldier. Probably that will be the case. If it is not, we have to accept that there will be a few drop-outs. I would much rather have a person like that joining and going through, with the risk that we may lose them, than what we have at the moment, which is that we never let them in in the first place.

Senator FERGUSON—Have you any comment to make on the current legislation which restricts the call-out of Army Reserve?

Lt Col. Strain—I cannot comment on any of the technical side or the legal side of it. I suppose I can just give an opinion of how I see it happening. There are some issues relating to call-out that I think need to be addressed to protect the interests of the individual. However, I do not believe that by fixing that you will overcome a lot of the impediments. We have all been employers. If we force employers by saying, 'If you have an Army reservist you must let them go for 12 months on 24 hours notice,' employers will soon bring in systems to ensure that they do not employ Army reservists. So I do not think that is the answer.

There are some issues that need to be addressed. I think one of the weaknesses, for example, is that we need a whole of government approach. With Mr Reith's refining of the industrial awards, we now do not include the provision of leave for Army Reserve service as one of those conditions. I see the federal government's principal role as defence of this nation and I would contend that the parliament should ensure that all of its acts be in support of the defence of the nation. I think that reserve service is one of those conditions which can be included in industrial awards.

I also think that at times we use the limitations of the call-out legislation as a bit of a scapegoat not to use the reserve because the call-out is all too difficult. I would contend that in many cases—and I use my example of 10/27 Battalion with a rifle company to East Timor—you do not have to call that rifle company out. I refer to this again in my submission. If you want voluntary call-out, you say to those soldiers, 'Are you available?' Those soldiers will turn up. They are fit, committed young Australians. Why wouldn't they be called out? Why wouldn't they want to do military service? It is not compulsory to be in

the Army Reserve. They have joined the reserve for the same reasons that many people join the Regular Army. These are people who want to do military service. They have a commitment to their nation. We sometimes have greater faith in people off the street to undertake military service than we have in the reserve. That is a ludicrous situation. I just cannot accept that contention.

Senator FERGUSON—What efforts have been made by the Army currently to ensure cooperation of employers in relation to the employment of reservists?

Lt Col. Strain—Again I cannot comment on all of that and that would have to come from the department itself. But certainly my observation as a unit commander is that very little is given to that; it is very soft. We tend to rely on the goodwill of an employer and that little patriotic part of us all to say that this is a good thing. We are now dealing in a world which is hard nosed, competitive. Employers look at the bottom line and the reality is that, if you go bankrupt but you have committed to the defence of the nation, you still go bankrupt. We need to get more serious about it. Defence needs to get more serious about it. It is making some effort. But at the end of the day there will be costs in providing support to employers.

Mr PRICE—Isn't there a double standard though? If a doctor or dentist is in private practice, we are quite happy to make practice payments for them to facilitate their reserve service—and they do an excellent job—but if you are in any other occupation in the reserves you get zilch, or the employers get zilch?

Lt Col. Strain—I think there is a problem there, but what we are doing for our doctors is the right thing and I would say that we should extend that across the whole lot. That is what happened with the Ready Reserve Scheme; employers were provided with some allowance, financial, for the release of their employees. That has not been extended to the general reserve

CHAIR—Would you advocate that?

Lt Col. Strain—Yes, I would advocate that. I would say that the cost of it is not going to be huge because a lot of the soldiers are at university and are not employees. But it is something that we have to commit to that. We cannot continue, in my view, to look at soft options.

Senator FERGUSON—But there is a situation where at times an employee has a particular skill that cannot be replaced at the drop of a hat; it would not matter what financial incentives you gave an employer, it just cannot happen.

Lt Col. Strain—That is quite right, and they are some of the situations where maybe that would mean that that person would not be able to contribute through reserve service.

Senator FERGUSON—It has been suggested to us that there are a number of reservists who do not even notify their employer that they are reservists for fear of it affecting their career in whatever employment they are in. Do you have any knowledge of that?

Lt Col. Strain—That is certainly the case. There are members who see their reserve service as something they do not want to tell their employer about because the employer might question their commitment to their employment. Having said that, however, I would contend from my experience that the vast majority of reserve soldiers go to enormous, extraordinary lengths to be able to undertake their military training. I have to say, as someone who has served in the Regular Army and working in the reserve, that when you have had a tough week, it is raining and you are told 'Go and grab your pack and go down there. Get there at 7 o'clock. Get on a truck and go off and live in a hole for 48 hours or so and then be ready for work on Monday morning,' it takes a lot of commitment. Often people may not turn up, or at times they may not turn up because they have had a fight with the wife, the kids are ill or they have just had a bad week and they need to take a bit of a break.

Senator FERGUSON—Seeing that you raised the issue of Kadina—and I do not live very far from there, so I know a little bit about what happens there and I saw them in action last Sunday—are there still the numbers of reservists volunteering for a post like Kadina that there were in previous years? In other words, is there a difficulty in recruiting people to actually spend the time that is required in a situation such as exists at Kadina?

Lt Col. Strain—If I comment on the regional issues generally, I will focus on 10/27 Battalion, just as I did in my introduction. The 10/27 operates from depots throughout the state. I think it is probably the most geographically spread unit of any unit in Australia—Broken Hill, Port Augusta, Port Pirie, Whyalla, Mount Gambier and just about every point in between. There is no doubt that recruitment in country areas is difficult because of just the demographics—and I know that parliament is aware of tensions in the regions. There are just not the numbers of young people there.

I mentioned my one example of the young 17-year-old who is maybe doing it a bit tough at the moment. The other problem we have is in the literacy area, in some of those personality areas. In our Army we are tending to say that we want very capable young men and women. Sometimes those in the regions do not have the ability to achieve those standards. I am not talking here about in many cases fellows and young women who lack a training ability or lack a literacy skill. I am talking here about some who may lack some of the personality skills, and often they are not able to be enlisted. For example, in the battalion it was quite common that out of 10 applications in a regional area like Mount Gambier or Port Augusta we may only enlist one, or at times none, and those people were rejected because they needed to mature a bit more. I think maybe we should be maturing them in the Army, which is what we used to do—take in a lot of those people and give them a break.

Mr HOLLIS—In passing we have mentioned Timor quite a bit. You made your submission I think on 30 June and I noted what you said in your opening statement. Is there anything that you would change? Have recent events confirmed what you have said? Given what has happened in the last two months, would you have a new focus if you were putting your submission in today?

Lt Col. Strain—No. I think the last few months just reconfirms that what I have said is valid. In that submission I talk about our deploying every three months a rifle company to Butterworth in Malaysia for three months. In that submission I also mentioned that that was an ideal operation for reserve soldiers. In fact, I was in command of the battalion when I

made my original paper and I offered the 10/27 as a unit that could be deployed. I believe that our recent experience reconfirms that the recommendations are valid.

Mr HOLLIS—On pages 14 and 15 or 34 and 35, (n) and (o), you recommend that a review be undertaken of the level of physical fitness required of members of the reserve forces. What are you getting at there?

Lt Col. Strain—What I am getting at there with the level of physical fitness is that a lot of the reserve soldiers achieve the level of physical fitness which is required. That is the first point I would make. However, there are a number who do not achieve the level of physical fitness. What I am talking about here is the number of push-ups, the number of sit-ups and a timed run. If they were Regular Army soldiers, we would make sure that we put them through remedial PT programs; they would go off and we would get them through it. The problem we have with the reserve soldiers is that we only see them maybe once a week. So they have to maintain a level of fitness—which is a demanding level of fitness, might I say—in their own time, at their own cost, when they have other activities.

What I am saying is that I think there should be something of a grey area that says, 'This is a level of fitness they can achieve within a month or whatever of regular physical training.' So let us not lose those people because we are saying that they cannot go straightaway. They are not going to be deployed straightaway. But, as I have said, there are a lot of soldiers, the majority of whom achieve that level of physical fitness. But I think sometimes that we are putting barriers in the way of some of these people.

Mr HOLLIS—Can you expand on the next one, (o), that the Army establish a readiness bonus for members of the reserve forces?

Lt Col. Strain—What I mean by that is that what we have at the moment is a stick mentality: if you do not achieve your fitness, we get rid of you, which means that we just have a hole. If we have a soldier who may have done a lot of good training and be very capable but cannot pass a run, we kick him out and say, 'There you go. We've hit you with a stick.' Maybe we should move to an incentive approach, a readiness bonus, and say, 'We're going to use a carrot. You go out and you maintain your fitness. You will get paid $2,000 a year if you have maintained your physical fitness, you have fired your rifle and done all those things and you are available for deployment. You will get a bonus payment.' I would contend that, if a reserve soldier has achieved that, they have done a lot of that in their own time. I can assure you that, on a three-hour parade, they do not do a lot of physical fitness work. Even if they do, it will not have much of an effect on their ongoing physical standard if they are only doing that once a week. They have to do that in their own time, and I think that should be recognised with a carrot rather than with a stick.

Mr HOLLIS—A recommendation might be that, in the long run it might be cheaper for the defence forces to offer a bonus because, instead of getting people over a period to a level of training and then losing them for one reason or another, you could maintain the levels there so that in the long run you would not be losing those people—

Lt Col. Strain—I fully agree with you.

Dr SOUTHCOTT—When we went on visits of the northern defence bases we visited places like Darwin and Townsville where very close to 100 per cent of the ADF are regular. We also saw the Seventh Task Force which is about one-third regular and two-thirds reserve. Anecdotally it was put to us that having a regular presence in Brisbane meant that south-east Queensland was one of the best recruiting areas for the ADF. Do you think there would be any benefits for recruitment in having a larger regular presence within Adelaide as a regional centre?

Lt Col. Strain—You are absolutely correct. I think one of the problems that we face here in South Australia is a lack of military presence, certainly Army presence. We have an Air Force base. Yes, we have the 16th Air Defence Regiment at Woodside, which is far enough away that it is not seen by a lot of the people either and it does most of its exercising in northern Australia anyway. Most people's exposure is to members of the reserve. The average citizen out there cannot tell the difference between a regular soldier and a reserve soldier—and I would contend that often there is not a lot of difference anyway in a material sense along with just vision. I think if we had more soldiers here—and, as I have said, 15 to 20 per cent of 10/27, maybe one of its companies, would be a Regular Army company. The 16 Battalion Royal Western Australia Regiment is trialling that, as I understand it, at this moment.

That would have substantial benefits for the operational capability of that unit, but it would also mean that you could go and visit schoolkids and get involved in the community during working hours. That is one of the problems the reserve has because, when the reserve is available, it tends to be outside of those normal working hour situations. I think there would be a lot of benefit. As I have said, I believe that the increase in forces should be focusing on our reserve units rather than raising more Regular Army units or reinforcing those we have.

CHAIR—In your opening remarks you made some reference to the Olympic Games and you said that to deploy Defence Force personnel at the Olympics is inefficient and possibly foolhardy. Would you expand on that? I would have thought that might have been something that would be attractive to reservists, particularly if they are not getting the opportunity to do something else active.

Lt Col. Strain—To expand on that, I contend that the reservist, by their very nature, has a limited amount of time available to contribute to their military training. The Olympics by all of my understandings is basically security guard duties. We are not talking about specialist operations which clearly will go to some of the specialist units working in with the police forces. Clearly, that is a military task, and I have no problem with that.

What I contend is that to give a slap in the face to an Army reservist who looks at what is happening in East Timor and wants to be involved and wants to contribute to that and to say, 'No. We are going to send you to be a security guard in the wee hours of the morning to make sure that nobody gets onto Stadium Australia and digs a bit of turf out or whatever,' is foolhardy. If we are going to use our reservists, we need to give them value time, value experience, so that they can contribute to real operational capability. Do not use them as cheap labour.

One of the points I have made in my submission is that, if we cannot learn through the experiences of the past, we will relive them. In 1942 when we had the threat in New Guinea, we had our militia. Who were the first ones to face the Japanese on the Kokoda Trail? It was our militia, who had been wharf labourers in Port Moresby. They were ill equipped and ill trained. Sadly, it is their names that you see in the Hall of Remembrance at the War Memorial. It was those young men who gave their lives to try to stop the Japanese. What I am saying is that there are threats there; please do not use our part-time forces now in a way that, if we need them to do military duties, they are not going to be as well trained as they should be.

I am already aware that there have been training activities going on—as I mentioned, Battle Wing Tully and Battle Wing Canungra—that reservists would be involved in there that were cancelled so that these people would be available for the Olympics. These people should be training for military service, not training as security guards. If we want security guards, we should go and contract with Chubb and they will get us as many as we need.

Mr PRICE—I return to a question Senator Ferguson raised, which was: how do we actually use these forces in a situation like East Timor? At the moment we can mobilise the reserves in the defence of Australia, but we cannot mobilise them to send them overseas. I guess the point that you are making is that you can really ask people to volunteer and by and large you will get formations volunteering. But do you believe that there is a need, if you like, to reinforce with Russell Hill that changing the legislation will put that beyond question. There is no doubt that, if you change the legislation so we can mobilise the reserve overseas on peacekeeping, there would not be an issue of being able to use formed units in peacekeeping overseas.

Lt Col. Strain—I agree with you. The only thing that I have questions about with that is that, if we think by doing that we will solve all the problems, that is not right. But I would say that the parliament needs to fix the legislation because, to be frank—and I have been for almost 25 years involved in the military—I am sick to death of hearing that you cannot use the reserve because of the legislation. This has been around a long time. Please let us fix it. Let's not be sitting here in 10 years time and saying, 'Yes, we must do something about that legislation.'

Mr PRICE—When we were talking earlier about the role, you were talking about the reservists as being a sort of expansion force and this theory that we need numbers or we are geared up really for a training exercise that will allow us to expand to deploy the numbers that we did in World War II. What do you consider to be the right size for the Army and particularly for the reserves?

Lt Col. Strain—That is a difficult question to answer other than from a gut feeling. I think the force, the numbers that we are talking about at the moment in the military of about 50,000, is probably about what Australia can support. We need to look at whether in fact the numbers could go down and we could increase our operational capability by reinforcing certain units. For example, here with 10/27 Battalion—and I am focusing on that unit, I admit that—if that unit's full strength is about 650, which is about what it is, we should authorise that. If we want 650 to be called out, if we want 650 fully trained available whatever, we probably need to authorise them to go 25 per cent above that number, because

the reality with the reserve is that about a third of the reservists are unavailable for exercise for valid reasons at any one time. If you go back over history, it is always about two-thirds who attend their annual training. Therefore, why don't we use the lessons of history and say, 'Well, let's actually make reserve units a little bit bigger, that third bigger,' and then what you will find is that you will get your 650. So, if you have 850 on the books and trained and whatever and you need 650, that is about two-thirds; that is about what you will get. Maybe we should look at some rationalising of units to actually increase those numbers and whatever. But I think the number we are talking about is about right.

Mr SNOWDON—Do you think there would be any value in training up reserve units such as you have described for sort of niche roles like peacekeeping?

Lt Col. Strain—I believe there is. I do warn that often peacekeeping is a conventional operation just in another form. There are some examples around the world where you have to be careful that you do not lower your standards by going to peacekeeping. But what I would say is that the reserve elements are ideally placed for peacekeeping—certainly for peacekeeping operations that are going to extend over a period where you can warn people, give them advice, tell them when they will be going, when they will be back, where they are going and what they will be required to do, and they can focus specifically on that.

If we are looking at people who must be available at short notice for a broad range of operations, then clearly that is what our Regular Army is there for. That is why they have parachute battalions and mechanised infantry battalions and whatever. I think it would be to our national defence interest to get some of those units back out of East Timor and into preparing for mechanised operations, parachuting operations and conventional operations, in case, God forbid, we need them, rather than their doing their peacekeeping operations, which I think a lot of reservists would be ideal for.

CHAIR—Getting back to this sort of level of readiness and so on, with the individual readiness notification the inference from the Army's submission is that the compliance in the reserves is low and in fact may be that only 25 per cent of the reservists in the Seventh Task Force are compliant. Does this reflect the true state of readiness of the reserves?

Lt Col. Strain—That figure is a useless figure, in my view. It just reflects on the poor information technology systems that the Army operates under and the lack of focus that the Army has given to training or having reservists assessed. That figure technically, I am sure, is quite right. But, if you go out and say, 'Well, let's go and test a unit and see,' you will find that soldiers will achieve. But they have never been tested in things. They have not been able to get a dental appointment. They have not been able to go and do their medical tests. They have not got the paperwork that has gone through—or the unit has not got enough clerk time to sit there and do the data input.

So what I would say is—and again I have said this in my submission—why don't we go out and look at the operational capability, assess it and do some benchmarking, so that the parliament can make valid decisions on valid information. Why don't we go out and find it rather than look at people who want to take a swipe at the reserve by saying that only 25 per cent of them have ticked off on their AIRN. That means that 75 per cent are ineffective and

are not capable. That is just a nonsense. What I would say is go out and do it properly and give the committee and the parliament the information to make accurate decisions.

Mr PRICE—Is there any way you can tell us that your reserves benefited from the Defence Efficiency Review? Did you get extra ammunition?

Lt Col. Strain—I believe that the Defence Reform Program, the Defence Efficiency Review, did benefit the unit specifically and I believe benefited the military generally. I believe that a lot of those programs should continue.

Mr PRICE—Could you tell me how?

Lt Col. Strain—We got access to additional people. The number of permanent Army staff that were posted to the 10/27 Battalion during my command increased from 19 to 35. That is a substantial increase. We had access to more ammunition. We had access to more resources generally. I would not say that it was a lot, because a lot of those resources were focused on trials being conducted in the 4th Brigade or at the 16th Battalion RWAR or at the Seventh Task Force. But certainly it was having positive effects and I expect that those positive effects are continuing.

Mr PRICE—Could you also comment on the restructuring of the Army? As I understand it, there are still some trials going on. I am not sure where that is all taking us. What impact is restructuring of the Army having on the reserves?

Lt Col. Strain—My contention is that it is having positive effects generally on the reserve. I think the issue is that we now have to look at what lessons we have learned and translate those out generally. The big winners have been the 4th Brigade in Melbourne and the Seventh Task Force in Brisbane and the 16th Battalion in Perth. It is now time to translate some of those over to some of the other units, instead of trialling things to death and finding that there are some good lessons we can learn on the way but saying that we are not going to do that until we get right to the end, then we will apply them. I would say: let's use the concept of continuous improvement and actually start translating some of those things over now.

CHAIR—Thank you very much for coming here today. If you have anything more that you want to provide to the committee, please send it in to the secretariat. You will get a copy of the transcript. Please have a look at it and let us have any corrections. Again, thank you very much.

[10.11 a.m.]

HAMILTON-SMITH, Mr Martin (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 subcommittee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion and that the deliberate misleading of the subcommittee may be regarded as a contempt of the parliament. The subcommittee 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 submission and it has been authorised for publication. Are there any additions or corrections you would like to make to that submission?

Mr Hamilton-Smith—No additions or corrections.

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

Mr Hamilton-Smith—Thank you very much. I was an officer in the Australian Defence Force. I retired in 1994 at the rank of lieutenant colonel. You would have noted from my submission that I served as commander of a regiment of commandos in the Regular Army, that I commanded one of our peacekeeping forces in Egypt in 1993, and that I served as assistant chief of staff of a multinational force. I am a graduate of the Royal Military College Duntroon. I have worked with both reserves and regulars. I hold a master of arts in the history of our relationship with South East Asia and I have undertaken considerable defence studies.

I am hoping to give you a broad ranging address of about five minutes and then answer questions dealing with a range of issues. I will start by addressing the issue of strategic guidance. Having served both in combat units and at headquarters units in Canberra and Sydney, I watched with interest over the years as our strategic guidance emerged from the Vietnam War. The Army I joined had 42,000 men and women; the Army I left had about 24,000 people in it. It had declined in capability considerably. We floundered around essentially for 20 years trying to work out what the threat would be, where it would come from and how we would deal with it. We ranged from continental defence to a return to a form of forward defence.

Basically the conclusion I drew from the whole exercise is that, frankly, we really do not know where the threat is going to come from, and our Army must therefore be based on a structure and a capability that can respond to the unknown. We are also a very small Army and there is a minimum level of capability that you need to maintain. You can write strategic guidance papers forever but, at the end of the day, you have to have a bare minimum capability on the ground before you can trim it at the edges.

The present capability of the Army in my view is woefully inadequate. You would have noted from my submission that my view is that the Army should maintain a capability of a bare minimum of three brigade type groups. We can call them brigades, we can call them task forces, but that is the bare minimum. These are widely recognised as formations which form the minimum level of capability that you can really deploy overseas independently on any sort of operation. We also need an ability to maintain a reserve capability for the unexpected should any of those brigades get into trouble. We are inadequate in respect of our amphibious capabilities, which is a major weakness in our Army's capability.

What do we need to do about it? There are a number of manpower issues. First of all, we need a larger standing Army. But more importantly, we need a more ready general reserve that can integrate with the Regular Army and form part of its capability. There are some really serious organisational problems within the Army. It is too top-heavy. We have too many headquarters. There are some sacred cows in the way of organisation and capability which need to be deconstructed and rebuilt based on the needs of the nation's defence and not on historical or organisational culture foundations. There are some very serious problems in the way we are training our people. In the pursuit of excellence we have gotten into a situation where we are in my view overtraining our people, spending far too many resources in Army schools and at preliminary stages of training instead of putting people in units and in formations and letting the formations train them, in effect, on the job.

We are making some progress in technology but we need to remember that technology is not an answer. At the end of the day a soldier needs to walk up on top of a hill and do something. Whether it is peacekeeping or whether it is combat, we are basically talking about soldiers closing with and killing the enemy or carrying out peacekeeping duties with their rifle and their basic equipment. We have made considerable headway in technology but it cannot replace the man on the ground.

Mobilisation is a major issue. We have allowed our Army to structure itself in such a way that it cannot mobilise to form, for example, an army of 100,000 or more very quickly without major restructuring. We should have an army which is structured for rapid expansion in a defence emergency. We have some serious organisational problems in that respect. There are also command and cultural difficulties, which I am happy to deal with in question time. But there are a number of attitudes in my view that need to change within our Defence Force as a whole as we move into the next millennium. In particular, as you have heard from an earlier witness, there are substantial intraoperability problems between the Regular Army and the general reserve which are seriously affecting our capability. I can deal with the issue of the Ready Reserve or a more ready general reserve in questions.

There are also substantial concerns that I would like to share with the committee about where our forces are located and our strategic dispositioning of those forces in respect of our region of interest. That basically concludes my opening remarks.

CHAIR—Thank you. I think you have given us a very comprehensive run down on problems everywhere. You said the structure is not right if we needed to expand, that in your opinion we would need to expand to, say, 100,000—to have an army force of 100,000. Could you elaborate a bit on the problems you see with the structure.

Mr Hamilton-Smith—Certainly. During World War II this nation had almost a million people in uniform—a very major defence emergency. It is not beyond the realms of possibility that this nation could need to have 100,000 people in uniform or 200,000 people in uniform during a major defence emergency. The problem in the Army is how do we train and prepare for combat an army of 100,000 people? If we have a structure, which is a structure we have at the moment, that requires every recruit to go to a recruit training school and then every infantryman to go to an infantry training school to complete their infantry training before they then go to a regiment or a battalion, we would need to raise something like about 20 more recruit training establishments and about an equal number of infantry training schools simply to train 100,000 to 150,000 infantrymen in the space of a year.

The reality is that you would need to man those schools, that you would need to put instructors there, you would need to build facilities, you would need to adequately resource those training establishments, and where do you get the people from? What you would have to do is skin your combat capability that is on the ground to man those schools. So in effect what you would have to do is take the troops that are presently away from Timor, put them in Army schools as instructors to train the follow-on forces to raise an army of 100,000 to 150,000 over a year to 18 months. It is an unsustainable foundation for expansion. A more realistic foundation for expansion is what we did in World War II, which is basically that we get the recruits, we send them to the regiments themselves, we say to the regiments train yourself.

There is no better training vehicle than an infantry battalion or an army regiment to train recruits. What the regiment then does is it trains its own recruits using a quality controlled training package which is centrally driven to make sure that the standard is maintained. It then takes them to the next stage of their initial employment training and then it does the collective training needed to take them on operations. Once that regiment is filled it divides itself in half. If you like the 10/27 battalion delinks and you form two battalions and then you do it again. That is simply one model; there are others.

But the model we have at the moment of schools and training establishments is very cosy in peacetime. But you basically will not be able to man that structure in the event that we needed to raise an army of 100,000 to 150,000. I think in peacetime the Army has allowed itself in its pursuit of excellence to create a training structure which has produced a very high calibre small, elite Regular Army but which really will not work in war, in the case of rapid mobilisation and we simply need to go to the history books to see what happened during the raising of the first and second AIF to prove our point.

Senator FERGUSON—I notice from your letterhead that you are also a member of the Joint Parliamentary Economic and Finance Committee. If you are talking about armed forces of 100,000 and all of the procedures you want to put in place, it will require a significant increase in expenditure in Defence, would not it?

Mr Hamilton-Smith—Indeed. Any circumstance that would require Australia to raise an army of 100,000 men, which would be four times its present size, would clearly be a very major and significant defence emergency. But the reality is that they have occurred in the past, they may occur in the future. Our planning should cater for such an expansion. Therefore, the resources would need to be so committed. I would put to you that it would be

far cheaper for a mobilisation model as I proposed than for a mobilisation model based on our current structural arrangements of building a whole array of Army schools and core initial employment training schools to feed that Regular Army because you are basically duplicating what you have on the ground.

Senator FERGUSON—I understand what you are saying in an ideal world, in an ideal economic situation. But, in fact, during our tour of Defence Force bases in late July, one of the things that was said to us was that in fact many of the people involved in the defence forces see a greater threat to Australia from international criminal activity than they do from hostile forces from neighbouring countries. You can only take into account what the current thinking is at any one time. If we were to follow your suggestion and have a massive increase in expenditure, even if it is over a long period of time, I just wonder in the current climate what, for instance, the minister for health might say to a massive increase in expenditure in defence forces, which so far have been quarantined under this government.

Mr Hamilton-Smith—Thank you for that question. I should clarify that I am not suggesting for a moment that we should tomorrow commence raising an army of 100,000 or more—not for a moment. I am simply putting before the committee that should the nation need to do that, the structural arrangements that we have within the Army at the moment would not work, in my view. I am not suggesting that we need to do that, but I would remind the committee, for instance, that the British government did not expect to be fighting a major war in the Falklands either. But with virtually no notice and in a totally unexpected way it suddenly found itself committed to a major confrontation. Similarly the nations that were involved in the Gulf war did not expect that.

I was in Defence headquarters at the time, or in the years leading up to the Gulf War commitment, and I served during that period. I was involved in the planning that went on. I was involved in the writing of ASP 90, Australia's strategic planning 1990 which was a predecessor to ASP97. If you had said during the writing of that document that the next major commitment by Australian troops would be to a war in the Middle East in Iraq as part of a multinational force of nearly a million men you would have been laughed out of whatever office you suggested it in. Yet that was the very first thing that happened straight after the writing of ASP90, which gets back to my point that you cannot predict with any accuracy what is going to happen in the future. Anything could happen.

Mr PRICE—What size Regular Army do you want? You are saying that we need to have planning so that we can have an expansion factor of up to 100,000. But what size? Are you satisfied with the current size of the Regular Army? If not, what size are you saying that it should be?

Mr Hamilton-Smith—I am not satisfied with the current size of the Army. As I said, it has declined from 42,000 or so to 24,000. Would I put to you that we need three brigades. That is about the size of capability we had during the Vietnam conflict. What we did was have one brigade in Vietnam, we had one brigade that had just come back and we had one readying to go. That was nine infantry battalions, two of which were based here in South Australia, the rest sprinkled about the country. I would put to you that that is probably about the level of capability we need to maintain. Having said that, with changes to doctrine, training and methods, I think that you could maintain that level of capability now with a

Regular Army of less than 42,000. I think you could probably maintain it with a Regular Army strength of some somewhere the mid 30s—around there somewhere. But there are people far more eminently qualified than me to provide that information to the committee.

CHAIR—Where are you putting the reserves in all this? Where are you fitting the reserves into this?

Mr Hamilton-Smith—Again, it is a case of there being many options. I would say that you could get the number of people you needed in regular uniforms down further if we better integrated the reserves with the regular force. For example, if you look at things like Timor, which you could regard as an expeditionary requirement, you could say you needed to raise, train, equip and then send an expeditionary battalion group, for example, to Timor for, say, a year and then bring them back. That whole event could be signed, sealed and delivered within, say, two years. You could mobilise an Army Reserve battalion such as the 10/27th—and you heard from a former CO before me—you could send it away, you could bring it back and then close it down. So you have not really got the ongoing manpower problems and the infrastructure costs of maintaining that capability beyond that two year commitment. Then you can reactivate it five years later if you need it for another capability. Whereas if you raise a regular battalion group and put it in the Regular Army, you are faced with the dilemma of after the Timor commitment being over what do you then do with that regular battalion group? It might be five to 10 years before the whistle blows a second time.

By better integrating the Army Reserve into the regular so that the distinction between them dims, you can raise a capability and then decommission it and not have the overhead costs of having to maintain it during extended periods of peace. In that way I think that you could reduce the number of regular soldiers you needed to maintain in a standing army and keep the overhead costs down whilst still maintaining a very real capability. A number of nations do this. I have served with them overseas. I have seen them in operation and it works quite well.

Senator FERGUSON—I must say that I was not being critical of your recommendations or your suggestions; all I am saying is that when it comes to government spending and government priorities, as you would be well aware, governments of every persuasion have to weigh up what they think are the priorities at that time and the proposals that you put before us, even though they might be over a long period of time, actually would be quite expensive.

Mr Hamilton-Smith—That is right. Raising a large standing army is a very expensive venture. That is why I would put to the committee that it might chose to recommend out of its work that we really do more closely examine this integration of the Army Reserve, making the general reserve more ready so that it can be called on and decommissioned as required. I think you will find that a much cheaper option. So I am certainly agreeing with you and pointing to one possible solution that might keep the nation's bill down.

Senator FERGUSON—This may require, of course, changes to legislation which currently restrict the use of Army reserves. Do you have a view on that?

Mr Hamilton-Smith—Most certainly. I think it is a cultural issue we are dealing with here. Remember, this is a nation that raised expeditionary forces to go to the Boer War, to

the First World War, to the Second World War and again to Vietnam where we virtually raised nine battalions in the Royal Australian Regiment and then decommissioned six of them in the years that followed. We have a history of commissioning expeditionary forces, but we also have a history of citizen soldiery. I would put to the committee that somehow or other after World War II the attitude that emerged from both government and within Defence was that we would have a small Regular Army and that we would have a militia or a citizen army, an army reserve—it used to be called the Citizens Military Forces—and we would only use that if we had World War III. The legislative arrangements that have existed since then have underpinned that attitude.

I would put to you that we need a new paradigm, that the world has changed, that we need to recognise that it has done so. We need a new paradigm and that paradigm needs to be one of a more readily deployable reserve that can deploy in situations other than an attack to the Australian mainland. Therefore, I would put to you that it is time to review legislation, that there needs to be some protection put in place or some compensation provided or a combination of measures to ensure that employers have a job waiting for the reservist when he returns. We need to remove whatever legislative obstructions there are to the deployability of reserves at fairly short notice. I would put to you that any other measures that are standing in the way of giving us maximum flexibility probably need to be removed.

Dr SOUTHCOTT—Looking at a situation where perhaps with INTERFET we have about 4,500 troops: even if that were reduced and we were just maintaining 2,500 over the next couple of years, that still would require a significant expansion of personnel. Would the model relying on the Army school still be appropriate there? How do you see that working? That seems to me to be quite a likely scenario.

Mr Hamilton-Smith—I do not feel fully able to answer that question because I would need to know the exact numbers and I would need to have some time to prepare. My gut feeling is that we would certainly need to—we would have the same problem—expand and reinforce our Army schools and our system and that that would involve stripping people away from combat ready forces. My gut feeling would be that we would be better to use battalions and regiments to train their own people at least at the initial employment training stage, if not at the recruit training stage, and that that would give us a more ready capability. So I could not really say with any authority that our current structure will not sustain Timor; it probably will. But let me say that there are some other problems.

The group of soldiers I took to Egypt as part of the multinational force and observers in Sinai comprised married and single soldiers. To give you an indication, 20 per cent of my soldiers had marriage breakdown in the one year they were away. I understand that figure was consistent with our commitment to Cambodia. Not only has the world changed in a political and military sense; it has changed socially. Families and young people have different expectations today. It may have been fine to go off to World War II for four or five years. But it is another thing altogether to have soldiers away from their families for a year or more in places like Timor and expect that there will not be problems. There will be problems. There will be marriage breakdowns. There will be all sorts of problems.

All these issues need to be taken into account. There are compensation and financial issues. There are a whole range of issues. It is not just about training and mobilisation. All

of them need to be addressed through legislation and through the range of measures we use to ready our Defence Force for the sorts of emergencies that are going to come up, not only in Timor. Judging by the turn of events in other parts of our region at the moment, Timor could be the first of a number of concerns that we have. We need to have forces ready to respond.

Dr SOUTHCOTT—What benefits would there be involved in having more regular personnel near major population centres like Melbourne, Sydney, Adelaide, Perth and so on?

Mr Hamilton-Smith—I think there would be enormous economic benefits. But I must say to the committee that I have some serious concerns about the way we have structured our Army. Nearly all of the combat ready Army is in Darwin or Townsville. There is an element of partly ready forces in Brisbane. But there is virtually nothing anywhere else. The face of the Army everywhere else in Australia is basically in the Army Reserve. Up until recently we only had one ready brigade. I am saying we need three. The government readied a second brigade some time ago. We still have nothing left. If we were to now have a problem in Bougainville or in West Iran or in New Guinea that required the rescuing of Australian nationals, if we were to have a problem in Fiji, as we have had, if we were to have a problem anywhere, I do not think we have got anything left to respond with. We have got everything in the shop front window; we have nothing in the back office.

Mr PRICE—The Minister for Defence, in answer to a question in the parliament, has assured the parliament that, notwithstanding the commitment to East Timor, we could take on another commitment. So you feel that that is not as accurate as it might be?

Mr Hamilton-Smith—It would not be my position to question the government's obvious authority in making that statement. But could I just say that when you look at the need to deploy forces then have other forces ready to replace them and then other forces that have just come home that need to clear leave, you quickly swallow the people up. Whether we could sustain another major commitment like Timor concurrently with the current range of forces is something that we could probably debate here this morning for some time.

Mr PRICE—But I suspect that we cannot deploy a Somalia sized force or even a Rwanda sized force.

Mr Hamilton-Smith—And sustain it for any period. My view would be that that would be, without a major expansion of the Army, extremely difficult.

Mr PRICE—Would you agree with the view that it would be difficult to sustain for more than 12 months the current deployment to East Timor, given that you need a third there, a third preparing and one-third resting?

Mr Hamilton-Smith—I must say that my remarks are a little rusty in the sense that I would just remind the committee that I did leave the Defence Force in 1994, although I have had an ongoing involvement, and I do not know the exact figures of who is deployed and so on. But I would expect that the Army will have a major difficulty sustaining that commitment. That is about the commitment we had in Vietnam, around about a brigade group and, as I pointed out earlier, to maintain that commitment in Vietnam we needed an

army of over 40,000 with nine infantry battalions. We have an army of 24,000 with really four infantry battalions, or three and a half infantry battalions if you count 4 RAR as being not at full strength. The logic follows that there would need to be to sustain that level of commitment in Timor a very substantial expansion of the Army and its capabilities.

Dr SOUTHCOTT—Could I explore the comments that you made about the amphibious capabilities of the ADF.

Mr Hamilton-Smith—I am delighted to say something about this. It was my pleasure to command the first commando regiment, which is an amphibious raiding force. I worked extensively with the Royal Australian Navy and also in my time in the Special Air Service I was involved in a lot of amphibious work. This is an area of great concern. Basically we have a parachute battalion group. We have developed a range of capabilities that, in my view, depend very much on air deployment, either parachuting people in—which I can tell you, as a former parachute instructor in the Army, is a very risky business; and anyone who has read *A Bridge Too Far* and the problems of Arnhem, it is an extremely tricky business, particularly in our region which does not abound with large wide open paddocks et cetera—or the air landing of troops by C130 type aircraft, which is very fine as long as you occupy and own the airfield but if somebody parks buses or trucks on the airfield and a very minor force occupies it, you can rule that out.

So, if you rule air out, how do you then deploy troops? What we found in Fiji—I do not know whether the committee has had any evidence on Fiji—was that it was an absolute fiasco. I was in Defence headquarters at the time. We were deploying troops in odd bod combinations of ships. It is very important when you get on a ship that you get on a ship with all your weapons and equipment in a way that when you get off the ship you are ready to fight. So the process involves a lot of training, a lot of preparation and a lot of work. You need ready capabilities. We do not to my knowledge have any, except for special forces. We do not have a helicopter capable ship of any substance like a landing platform heavy. This looks like an aircraft carrier but it is slightly smaller. It has a flat top; it carries helicopters and perhaps Harrier type AV8 jets. You need that sort of a capability because you can station it off a place like Timor, send the troops ashore and bring them back as required. Not only that, but it can sit there for months on end until it is needed.

If you look at what has happened in Timor, we are very fortunate that we have been very close. But if it was not Timor, if it was another place like, for example, Fiji, a long way away, you cannot just put people on a catamaran and send them off. I would put it to you that we definitely need a large helicopter capable landing platform heavy or an aircraft carrier type equivalent as well as other amphibious vessels in the Royal Australian Navy with soldiers who are trained, rehearsed and practised at deploying from ships at sea. If you do not have that seaborne option, if all your options are from air, you have some serious difficulties. The Army took a step in this direction with the raising of 4 battalion, the Royal Australian Regiment Commando, but more needs to be done.

Mr HOLLIS—What about the force at Townsville with the LARCs and so forth?

Mr Hamilton-Smith—The force at Townsville has been the operational deployment force, a two battalion group which is there really to respond to the unforeseen emergency. It

has really been an air mobile capability, although there has been some training with ships at sea. The LARCs and so on that you refer to—

Mr HOLLIS—I was trying to think of the title of them.

Mr Hamilton-Smith—There is an organisation called the terminal regiment which deploys things to and from the shore using LARCs and landing craft called LCM8s and things like that. But the committee would find if it interviewed senior officers that that capability is really for logistics; the terminal regiment is really a ship to shore logistics capability. It runs a terminal. It is not really for the landing of combat ready forces. To land combat ready forces from ship on shore, you need a combination of helicopters, amphibians that are designed to land and drive up the beach, armoured vehicles that basically are sea worthy. There are a different range of capabilities. We do not have any of those capabilities. If we had to storm a beach to establish a beachhead to rescue Australian nationals, for example, who were fleeing to a safe haven, if you like, following a breakdown of law and order, we would have trouble forcing our way in and seizing a beachhead other than by air. So I do not know whether I have answered your question, but those LARC LCM8 type capabilities are really for calm waters, terminal logistics; they are not really combat capabilities. We are very undermanned in the amphibious area, in my view.

Mr HOLLIS—You answered Dr Southcott's question and you mentioned in your opening statement that you felt that the deployment of Australian forces was wrong. How would you have them placed?

Mr Hamilton-Smith—Clearly you need your forces placed close to our region of interest. I think successive governments have made the right decision in locating forces in Darwin and in Townsville. They are close to our region of interest. But then—and I am speaking here now as a South Australian, so please excuse me for that—I look at Adelaide and note that it is closer in flying time to Timor and closer in flying time to most of our region of interest to the north and north-west. With the Adelaide to Darwin railway, I note that we are central to transport and communications.

I ask, for example: if the C130 force presently located in Richmond in Sydney is to be relocated, why should it be relocated along the eastern seaboard? Why couldn't it be relocated to Adelaide where it is actually closer to our region of interest? If there is defence logistics infrastructure to be established, why should it always be built in Sydney? Why cannot it be built in the Adelaide, Whyalla, Port Pirie triangle at the centre of rail, at the centre of road? We are a federation and I just make the point—and I remind the committee that I am talking as a South Australian here—that the Army is in the Northern Territory and Queensland almost exclusively, New South Wales has half the fleet, Western Australia has the other half, Victoria has most of the Army's major training infrastructure, most of its logistics and a good slice of the navy and the Air Force. Poor South Australia in the uniform sense has the P3 Orien force and 16 Air Defence Regiment.

It is my personal view, you would have noted from my submission, that we have been sold short and that I think if there is to be an expansion in defence investment there is a very sound argument for a good piece of that investment to be located here in South Australia, which is after all very central. Anecdotally—and I do not know whether this is true or not,

so please accept it as hearsay—but I understand that when General Norman Schwarzkoph came out here on a staff visit to meet with senior Army officers, somebody put a map in front of him and said 'General, if you were locating the Defence Force in Australia and you wanted to build a major base, where would you build it?' And he pointed straight to Woomera, Alice Springs and he said 'I would put it right there, general, because it is in the middle.'

We all know that that is not quite right. But Adelaide is central and it mystifies me that we have allowed the ADF to basically become an eastern seaboard ADF. The notable exception was the decision to move a good slice of the navy to Western Australia and a good bit of the Army to Darwin, and I think they were positive moves. I think it is time to look at South Australia, particularly for logistics, air transport and also for command and communication. We have this thing called headquarters Australian theatre that is about to be formed, the coming together of the three component commands—air, navy and army. Here we are, the hub of Jindalee. Why couldn't we locate headquarters Australian theatre here in Adelaide where it is a great place to live, with cheap land available, et cetera? I have raised many of these points in my submission and I think again that would be an issue that the committee might like to pick up in its recommendations.

CHAIR—I do not know whether the committee wants to get quite as detailed as that but we are visiting the submarines this afternoon, too.

Mr SNOWDON—I am interested in your views about our defence posture. There is an argument, isn't there, that we should be using or contemplating using our defence forces for more of what might be called civilian needs to do with things such as illegal immigrants and trafficking in illegal goods? Do you have a view about that?

Mr Hamilton-Smith—Yes, I have a very clear view on that. Let me say this: my view is that the greatest defence challenge facing this country is probably not going to involve a shot being fired. Could I say to you that the greatest challenge facing this country from a defence viewpoint is the likelihood of the uncontrolled arrival of massive numbers of illegal immigrants, economic and political refugees. I made some comments about this a year ago. They were published in the *Advertiser* and treated with derision. I do not think anybody is treating them with derision now. In fact, since then, the Army has been mobilised, illegal immigrants are arriving in rapid numbers, the whole world has changed. I would say that, as I have before, when you have a country of 204 million people to your north facing the prospect of deconstruction and civil strife, if 0.1 of one per cent of those people were to become refugees, you are talking in excess of 200,000 people.

I would just say that the current drips out of the tap that we are seeing in terms of the arrival of illegal immigrants is simply that. It could rapidly become a flood and not only that, it could be used as an instrument of war in this way. If you were a hostile government to our north and during a period of conflict or tension you wanted to cause difficulty for Australia without going to war with Australia, would it not be smart strategy to arrange or to coordinate or to orchestrate the arrival of very large numbers of refugees on your neighbour's shore knowing that that would then tie up and occupy massive capabilities from within their army, navy and air force? You could do it without even firing a shot. You could orchestrate it very, very simply, particularly if there is ethnic cleansing or strife going on,

and have people heading south. It could actually be used as an instrument of war. I think it is something for which we are totally unprepared. It is fine as long as you can send these people back. But during a period of conflict, you may not be able to send them back. I think it is a major challenge facing the country to recognise how it might cope with such an event.

Mr SNOWDON—Where does that lead you though in terms of the structure of our defence forces and particularly the Army?

Mr Hamilton-Smith—I note that the government has moved recently to bolster up our coastguard type capabilities in the north. But it tells me that we need to do what we have been doing, maintain and improve our surveillance and detection capabilities but, more than that, we need to bolster our ability to respond. What we are doing at the moment is a little bit like having a x-ray machine at an airport. It is very fine—people put their bags in, they are run through the x-ray machine and if there is anything in there you stop them. But if you have half a dozen people running through with weapons and grenades your x-ray machine is completely useless. You are facing a whole new dilemma.

What we have in the north is a similar problem. It is fine to have surveillance. But if your surveillance resources come back and tell you there are 100,000 people heading south and they are all going to arrive within a month, it is not much good. You need ability to respond. That means more naval resources, more air resources and more people on the ground, not just soldiers but other capabilities like customs. Some of them will involve state governments. But you need the ability to respond and a plan on what to do with that sort of an event and the people that flow from it.

Mr SNOWDON—Do you have any observations about the deployment of Army through Norforce and other similar units in terms of that relationship?

Mr Hamilton-Smith—Indeed. In fact, the regional force surveillance units—there are three of them as you would be aware, Norforce, one in the Pilbara and one in the far north of Queensland—are the sort of capabilities that would be out there observing. They actually go out there and report back in a real world sense what they are seeing. I think there is a very strong argument to bolster those capabilities. Again, you are leading I think quite correctly down the line of better integrating your reserve capabilities with your regular capabilities in a real world timely sense. You can actually go out and recruit a farmer or a towns person in a remote part of Australia and give them a real job to do in uniform through things like the RFSUs and Norforce. I think it would be an excellent way for us to go.

Mr PRICE—You talked about Australia's ability to commission forces and expand up the Army and you referred to the commissioning of the Army in Vietnam. That, of course, involved conscription or a form of limited lottery conscription. Given the poor recruitment results at the moment for the regular and reserves, if you were aiming to get about 35,000, would you envisage that conscription may be one of those things required to achieve such numbers?

Mr Hamilton-Smith—Thank you for the question. I am not a supporter of conscription. Not only that, I think for the reasons I mentioned earlier, the Army would have a lot of trouble coping with the need to train Regular Army conscripts because it gets back to this

problem of creating the schools and the training establishments to train them. Where I think the idea does however have merit is some form of compulsory Army Reserve training or some sort of balloted Army Reserve training where people come on a part-time basis and make a contribution. Having said that, I do not think it is necessary to introduce any compulsory measures. The reason in my view that the Army Reserve is having trouble getting people is very simple. The Army—and that is mainly the Regular Army—is trying to make the Army Reserve into a mini Regular Army.

I happen to be an employer and I run a business that employs about 60 people. If one of them came to me and said, 'Look, boss, I would like to take six week off to go away and do an army recruit course because I am in the Army Reserve and then I would like to go away for three or four weeks every year after that and I would like you to pay for it or give me leave without pay at the very minimum,' I would probably say fine. If they all came in, I would have serious difficulties. This presents a very real problem for employers, particularly if those staff are key people. The Army has to tailor its Army Reserve product around the marketplace. I have commanded reserve units and I know the demands that these young people are under. They are excellent young people but they can only afford about two weeks a year off from their employment to go away and do a camp.

The Army used to design a recruit course. When I commanded a reserve unit we ran a recruit course in two weeks in the commando regiment and we produced an outstanding product. It was very, very good. They have to know that they can go away for an achievable period of time—two weeks a year. Some of them will be able to do more, but the minimum requirement should not be more than two weeks. They have to feel they have accomplished something when they go away. The Army cannot say, 'Look, we want you to do your six week recruit course over three years in two week bits.' The candidate feels that they are not achieving anything. They want to go from one thing to another.

So it gets back to this cultural problem that I think exists in the Army where they have not worked out how to make the Army Reserve interoperable with the Regular Army. The way that they are going is trying to make the Army Reserve into a mini Regular Army so they have a real capability. It is not going to work. If they change the training system so that Army reservists only had to do two weeks at a time they would probably find their recruiting went back to its former levels. They need to put resources into that as well. So that is a serious problem.

In respect of the Regular Army and its recruiting, could I put to the committee that one of the reasons might be that the Regular Army is so small that it runs the risk of being a little bit divorced from the community. We have to somehow through a process of marketing and attitude development get the whole community so excited about the Defence Force that young people want to join and are lining up and being turned away. The way to do that is to make the Defence Force more appealing and more involved with the community and, of course, the rest will follow.

CHAIR—You are talking about reducing the skills of the reserves, aren't you?

Mr Hamilton-Smith—There is an argument that we could have about that. Some would put that view. They would say, 'Look, you really need to do a six week recruit course.' The

view I would put is that the asset is the people; that if you do a two week recruit course in their first year and then a two week initial employment training course in their second and so on and so forth, you keep them on the line, you keep them enthused, you keep them excited. Their training level is low. But if you need to mobilise that battalion for an emergency like Timor, you then have the time to fill in the training gaps. The important thing is to capture the person, capture their loyalty, capture their enthusiasm and their commitment to the Army Reserve. Then you obviously need to train them for the particular operation that the country needs them to perform once the balloon has gone up.

What I think we are trying to do is train them to too high a level without giving them a mission. People will accept those high commitments if they know there is a mission there. They would do it, for example, if they knew they were going to go to Timor next year. But it is very hard to keep them enthused and excited if you overburden them and it is very tough for employers. So there really needs to be some work done here. I think as senior officers come before you for evidence, they really need to be quizzed on this issue and tested on it.

Mr PRICE—I guess your comments about the training schools would fit into one of those sacred cows you mentioned. Were there any other sacred cows?

Mr Hamilton-Smith—I think there are. I have mentioned recruit training schools. I am probably a supporter of recruit training schools, but I would argue that regiments and battalions could conduct the recruit training themselves if they were given the packages. I have mentioned the initial employment training schools like the infantry centre, the armoured centre. But I qualify that by saying that there are certain skills you need to run at the centres like that—for example, gunnery skills for tank crew. But the actual trade training as an infantry man I think could be done in the battalions. It has in the past very successfully.

There are other what I would call sort of sacred cows. For example, do we need a training command that commands all the Army schools as well as a land command that commands the combat land units, and then as well as that joint force deployable headquarters like INTERFET? Could we not combine land headquarters and the training headquarters into one Australian home command or one Australian theatre that trained and readied forces to then be provided to a deployable joint force commander to then go away? What I am saying is I think we need to look at the number of headquarters we have and the top-heavy arrangements and say, 'Look, can't we combine a few of these?' That is just a third example of something that I think could be looked at, and there are others.

CHAIR—You have mentioned that word 'top-heavy'. Would you just expand on that and what you think should be done?

Mr Hamilton-Smith—I just think that the defence efficiency review process has been very wholesome and proper and overdue. I hope that it has delivered real dividends and I do not think that it should excuse the need to put more money and more resources in defence to beef up the teeth. But I think there was definitely an argument to chop the tail and the head a little bit and beef up the teeth, and I think that has been a constructive process. But you have to ask yourself if a major national corporation with as many or more employees as the whole Defence Force in Australia runs its corporate head office with 200 to 300 people. You

really have to ask yourself why we need thousands of people in multiple headquarters all over the place running the Australian Defence Force.

At the very crux of this problem in my view is the diarchy we have established, which was begun by Arthur Tang back in the 1970s, where we have placed both a general and a secretary jointly in command of the Defence Force. So we have a civilian chain of commanders and a military uniform chain of commanders both commanding or, if you like, in principal leadership positions and that shadows the whole Defence structure down the chain. So just about every general in Canberra has a civilian general equivalent with whom he must interconnect. The only way you can make that system work is by forming a plethora of committees, and that is exactly what we have done.

My argument would be that that committee process, apart from being quite inefficient, can easily become an excuse for not making a decision. We have seen evidence of problems with the submarine contract, we have seen evidence of problems with a whole range of major defence initiatives, the root cause of which I would put to you is the cumbersome structure of committees and bureaucracy in Canberra that has allowed those sorts of things to happen. If you streamlined that and had a very simple chain of command and control which any corporate multinational would do or any major corporation in this country would do so that it was efficient, you would solve a lot of problems that have occurred in the past. If you can thin that structure down.

My solution would be—and it is one of many and I know a lot of experts in this field would disagree with me—that we should have a general in charge of the Defence Force, and whether it is Army, Navy or Air Force does not really matter. I think the secretary should be in the minister's office sitting above and that we should thin out that civilian duplication of the command structure. Clearly there needs to be an interface but we should thin the whole structure out so that we have a leaner and meaner bureaucracy in Canberra that can really make decisions and where people can be held to account for the decisions they make and not blame a committee.

Mr PRICE—As you say, we could have a debate about that, but that is a fair point. I think you also made a comment about the ready reserves. You mentioned a Ready Reserve type approach. Could you expand on that for the committee?

Mr Hamilton-Smith—Yes. The Ready Reserve, as the committee would be well aware, was a concept of training people for a year full time and then having them perform several years of part time duty. It was an absolutely fantastic idea. It was an absolutely fabulous idea which at the time—and I was in Defence—we were all very excited about. The problem was that it was terribly implemented. The idea of training people for a year and then having them remain in the reserve was an absolute winner. I am not apportioning blame here to any particular government because it really went on over an extended period of time. We had three brigades in the Regular Army. The real agenda was that we wanted to cut down on the cost of defence and really decommission one of those regular brigades—it was the 6th Brigade in Brisbane.

What we did was replace it with a Ready Reserve brigade. What we did was basically closed down a regular brigade and we converted 6 Battalion, my former battalion in the

Royal Australian Regiment, and the 8/9 Battalion Royal Australian Regiment from being regular battalions into being Ready Reserve battalions. It was a clever way of, if you like, sort of rearranging things so we did not have to say we were wiping out a regular brigade. We were actually creating a Ready Reserve brigade. The problem that was created was that we then went and recruited soldiers from all around Australia. We sent them to Brisbane, we trained them for a year, and then we sent them back to Perth, back to Adelaide, back to Sydney and Melbourne and we said, 'Look, every year we'll get you all together again for a camp.' Of course, what a silly proposition. People went back to their various states, they got jobs, they got commitments, they had families, they had all sorts of things and, of course, we could never get them all back together again to train so we lost any real capability.

If we had done it right, we would first of all not have done away with the regular brigade. But, secondly, we would have formed a Ready Reserve battalion in each state or we would have taken two or three of the states. For example, if it were here in Adelaide, we would have said to the 10/27 Battalion, 'Right, you're going to get the recruits. We want you to train them full time for one year. At the end of that one year of full time training they will be in this particular company, they will then transfer into the general reserve company and they will continue as Army Reserve soldiers for four or five years.' If we had done that, we would now have a capability we could send to Timor probably at 90 days notice.

What would have happened is that they would have been from Adelaide, they would have been trained in Adelaide, they would have developed mateships and comradeships with their fellow soldiers from Adelaide. They would have gone into situations where they could then continue their reserve training here in Adelaide and they would have had loyalties to their regiment and to the Army that that would have been sustainable. We would now have a Ready Reserve capability here in Adelaide, perhaps in Melbourne and perhaps in Sydney, and you would have real capabilities that you could deploy.

I would say that it was a great idea but badly implemented. I think it should be revisited. What we in fact did with the Ready Reserve was that we created a first 11, a second 11 and then a third 11. Before we had the Ready Reserve we had the Regular Army and the general reserve. The minute we created the Ready Reserve it took a whole lot of resources away and we then had the Regular Army, the first 11, the Ready Reserve, the second 11 and it made the general reserve feel as though they had been pushed into No. 3. If we had done it correctly we would have actually taken the general reserve and made it ready. We would have only had two capabilities, regular and reserve, but we would have lifted the readiness of our whole reserve capability into one that was deployable to situations like Timor at up to 90 days notice.

I think that is something that this committee could really look at and perhaps get back on the agenda. Maybe it should not be called the Ready Reserve; maybe what we are taking about is simply upgrading the level of capability of the general reserve so that it really does provide something tangible in terms of capability.

Mr SNOWDON—You may not have this information, in which case we will ask to get it off Defence, but do you have in your mind a comparison of the profiles of people who were recruited under the Ready Reserve scheme as opposed to those who were recruited into the general reserve—educationally, age?

Mr Hamilton-Smith—Only anecdotal. When I say anecdotal, I have experience working with both regular soldiers, Ready Reserve and reserves. I would just like this point. I commanded a commando regiment that had a lot of reserves in it and a commando company that had a lot of reserves in it. Those young people were every bit as good as the regular soldiers I had served with in the SAS and in the Regular Army. The only difference was that they had not chosen a full time career in the Army. They were absolutely outstanding young people and educationally, in terms of their personal ability and their physical fitness they were just terrific. What they lacked was the training and the experience to perform at the same level as their regular counterparts. But you can give them that when you mobilise them over a fairly short period of time. That is easy—it is the quality of the person.

So, in my view, there is no discernible difference in the calibre of the people, be they applicants for the Ready Reserve, regular or Army Reserve. In fact, a lot of the ready reservists then went on to join the Regular Army. I understand once the Ready Reserve scheme collapsed, which was totally predictable because of the way it had been set up, a lot of them joined the general reserve and I think some of them serve here in South Australia today. So they are good young Australians.

Mr PRICE—It was a government decision to discontinue.

Mr SNOWDON—The reason I asked that question was to try to get a picture of the profile of the sort of person who joined the general reserve as opposed to the Ready Reserve, because there must have been particular attributes about those two sets of people.

Mr Hamilton-Smith—The Ready Reserve, as it was conceived back then, targeted uni students, it targeted people who clearly wanted to do a year of full time training—

Mr SNOWDON—And at the end of it get a benefit which they—

Mr Hamilton-Smith—As they went through. There were a number of ways of structuring this. What I would put to the committee is that reforming the Ready Reserve is probably not the way to go but, rather, upgrading the readiness of the general reserve is the way to go and using some of the ideas that were there with the Ready Reserve shows us the way and how that might be done.

Mr SNOWDON—What interests me is the possibility of having something similar to the Ready Reserve although marketing very differently to a different group of people.

Mr Hamilton-Smith—That is one of many very feasible and very reasonable options that ought to be considered. What we really need out of it at the other end, however, is a capability for the Army. But we have to recognise that before we send those reservists off to Timor or whatever we have an opportunity to train them.

CHAIR—Unfortunately time is running out. Thank you very much. I think your evidence has been most valuable for the committee. If there is anything else you want to send us, we would certainly appreciate it. You will get a copy of the transcript and if there is anything you want to correct, please do so. Again, thank you very much.

[11.11 a.m.]

NUNN, Major General Barry (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 subcommittee 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 subcommittee may be regarded as a contempt of parliament. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give evidence in private you may ask to do so and the subcommittee 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 want to make to that submission?

Major Gen. Nunn—No.

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

Major Gen. Nunn—Thank you, I would. My comments are made against an aim of talking to the reserve contribution that can be made to the capability of the Australian Army. I would like to say at the outset that there are really three issues I want to address in this short preamble. Firstly, I am talking of a changed approach, not a massive increase in spending. As an Australian citizen, I feel our defence spending cannot be moved upwards in an unending fashion.

I would like to talk particularly about recruiting and holding reservists and their effective employment in the Australian Defence Force. I will call on my 41 years of reserve experience. I have served in every rank in the Army from Private through to General. In fact, I made Lance Corporal three times. In looking back on that long period of reserve service, it would be normal to say that it was much better in my time and has gone downhill ever since. However, I cannot say that. In my view, we have moved from a two-component army, a regular and a reserve army which suffered from separateness and a fair degree of mutual distrust, to one which is becoming well integrated but is not yet complementary.

I would like to highlight a few of my recommendations, which are all interlinked. Firstly, the whole basis of the use of the reserve is predicated on effective call-out legislation. Current legislation talks of defence of Australia, and this is a grey area in that there are various interpretations of what that can be, with the general interpretation of it being on Australian shores only. I would refer to the previous hysteria that occurred around East Timor. There has been discussion of calling out the reserves and there has been discussion of national service. In fact, when a number of soldiers from 13 Brigade in Perth left quite recently to join a volunteer force for rotation through East Timor, the general view was that the reserve had already been called out. I would also say, from recently looking at the press, that East Timor is yesterday's news. Against that background, I would recommend only that

we clarify what defence of Australia means, that we use the reserves only in defence of Australia and that we publicise very clearly what that means to everybody concerned, including the general public.

My second issue is the protection of reservists, their jobs and their families, and I have considerable experience of what has happened in other countries, as I visited after the Gulf War deployment several of those countries involved and spoke with their reservists. At the moment a reservist called out in defence of their country can expect less protection of their job than someone who decides to have a child in the work force. Their families are totally exposed. They are exposed to mortgages, they are exposed to reductions in income—all of which we have to consider very carefully before we really do decide to use reserves.

The role of the reserve has to be clearly spelt out and again it has to be publicised. There is a great deal, in my view, of uncertainty in the mind of reservists as to what they might do, in the mind of the command structure as to what they might be used for and certainly in the minds of the public and the families of reservists as to what they are for. We have to address the question of whether they are used for reinforcing an existing structure or for round-out; that is, providing additional units.

We have to do some work, in my view, on the employer interface. Employers are involved in a contract with employees and it is iniquitous to engage them in a contract as well—that is, the employees—with the Commonwealth in circumstances where we do not tell the other employer what is going on. Yet my own polling of individual reservists suggests that at least 50 per cent never tell their employer they belong and actively resist in many cases the employer being told. This cannot continue.

We must sell the benefits to the employer of reserve service. I attained reasonably senior positions in a multinational company only because of the extreme value of management training I received in the reserve. It is a very saleable commodity. We have also I think got to look at cross-posting, moving both reserve and regular members in and out of civilian and military training opportunities. The Commonwealth exchange scheme exists to do just this and yet it is not used at all by the Defence Force.

Finally, we have to fund adequate training and equipping. The reserve is underfunded, it is undertrained. The Defence Intelligence School in Queensland has the capacity just to train its regular commitment and would dearly like to bring up to speed the reserve intelligence people but does not have the funding to do anything but cursory training. I would also welcome any further debate of schemes building on the experience of the Ready Reserve. I can claim to have been the architect of the scheme and was responsible for a large amount of its initial implementation.

In summary, the Army Reserve has declined in numbers, but I think it is at the moment able to contribute a higher proportion of the effective Army contribution than ever before. However, I still think it can be further enhanced.

CHAIR—Thank you very much. Can I also thank you for taking the trouble to come all the way from Perth for this hearing today. That is greatly appreciated by the committee. You talk about the reserves being undertrained. One of the problems that we seem to be running

into is that this induction training is causing difficulties for people who want to join the reserves because they cannot get the time to do it. I wonder how you would marry those two tensions, if you like.

Major Gen. Nunn—The previous speaker spoke volubly of the effectiveness of two weeks recruit training. As a national serviceman back in the dark ages, my recruit training was 12 weeks. A proportion of it was spent cutting grass with scissors and painting rocks. Nevertheless, a high proportion of it was valuable. As a personal view, I do not think that the same product is produced by two weeks recruit training as is produced by a longer period. How long that period has to be I think is dependent on the quality of the young person we attract and the effectiveness of the training.

CHAIR—I do not doubt what you are saying. I am just trying to come to grips with the problem we have that people are finding it difficult to make that commitment; therefore, we are just not getting them coming into the reserves.

Major Gen. Nunn—It is a longer period than it appears. Whether it is seven weeks or nine weeks, there is at least another week, maybe even two weeks if one is in a remote area. I think we do need longer periods of recruit training. I think we need quality control, which means that a period of it ought to be done either at a common establishment or using common assessors of that training. But that does not mean that we cannot modularise the courses and that we cannot deploy them into various locations.

As the previous speaker said, there has been a plethora of training headquarters developed, and I think a few central schools that can deploy people to do the training and do it over a period is the way to go. I do not, for instance, think that it is essential that a recruit be trained in one year. It may require two years of two weeks full-time training and maybe some part-time modular courses on weekends to get them through. We will lose a lot, but what we will get will be the people who would not otherwise join. The same applies to specialist courses as we work through the enormous number of courses that people have to attend.

CHAIR—Just to clarify that, what you are really saying is that the six weeks initial training is not really, in your view, necessary, given the difficulties we are having getting people through recruiting?

Major Gen. Nunn—I think it is viable if we concentrate exclusively on school leavers and university students and if we make it effectively their vacation training or their vacation work, as was mine when I was a university student. I went off to work in the wool area. If we sell it that way we will get a lot more.

Mr PRICE—In other words, you are saying that there should be, if you like, the six weeks training for that group but then there should be other flexible modules for other types of recruits?

Major Gen. Nunn—Yes, very much so. I do not think we should exclusively say it is school leavers that get recruit training. There are mature aged students who would want to

join the Army Reserve and should be given the opportunity to do so by other than a full-time period.

Mr SNOWDON—There is an interesting phenomenon here because you are not—correct me if I am wrong—entitled to income support as a school leaver for a fairly extensive period after you leave school. It might well be a very attractive offer to put in place a process by which you ran a recruit training scheme in December-January or January-February of the year after young people have left school. Employment might be difficult.

Mr PRICE—Perhaps there has been—I do not know how to put this tactfully—a lot of dissembling about the reserves, their capability and their role. If we were to just start with a clean sheet of paper and recognise that there are a whole raft of challenges and issues involved in the General Reserve, what would you see as being the appropriate role for the reserves?

Major Gen. Nunn—I think the appropriate role is one of providing additional unit capability in time of defence emergency; that is, formed bodies of people that have trained together and can work together. The real value of the reserve is not the individual. That could be done by attaching individuals to existing units and training them in individual skills. The real value of the reserve is in having people who are trained in, if I can call it, the orchestration of battle; that is, they can operate as teams with mutual confidence and in mutual support arrangements. There is no place for the individual in the Army; it is all about teams.

We put soldiers into the field in Vietnam after 12 months training. We were putting them into the field in circumstances which were really platoon level actions. If we are talking about using reserves in conventional war, we are talking of brigade plus combat operations and it would require considerably more training than the 12 months full-time training to bring people to that speed. That is where the reserve, in my view, can fulfil a role with people working together, training together and being able to orchestrate those levels of combat. It does not, in my view, happen overnight.

I think the reserve, consequently, has a relatively long work-up period post mobilisation but still considerably shorter than recruiting off the street. I would also suggest that there be a group of what I would call special purpose reserves who have specific skills that can be applied in very much shorter periods into the Army scene, particularly the logistic support force members, who can bring civilian skills in much more quickly and can deploy in some cases faster than a regular counterpart. They are the sorts of roles that I would see for reserves against a defence of Australia constraint.

Mr SNOWDON—So you do not see that there might be niche roles for Defence reserves—for example, the RSUs, the Defence surveillance units, Norforce and the others in the Pilbara and Queensland?

Major Gen. Nunn—Certainly. There are a number of these types of niche roles. Again, drawing from my own experience as honorary colonel of the corps of intelligence, we have the only debriefing cell in the Australian Army in the reserve. That is very much a niche group that could be mobilised on a few days notice.

Mr SNOWDON—When you talk about defence of Australia, is it not possible to look at providing a defence capability which looked beyond just the defence of Australia and at providing peacekeeping forces in other places for regional security? Is there no role for reserve units there?

Major Gen. Nunn—I am quite sure that reserve units could perform extremely well. They bring a lot of civilian skills which I think are particularly valuable. The civilian experience that just their older members have had can be of enormous help, as most other countries have found in putting reserve components into peacekeeping. My concern is the public support for such an activity. I do not think that the general public, the families or the employers would stand still for calling out reserves for peacekeeping—on a voluntary basis, yes; but not on a call-out basis.

Mr PRICE—Before we get on to public support, this is the biggest deployment since Vietnam. The doctors are going there. I think there are some engineers and logisticians going to East Timor. But would not you have to say that the reserve is being poorly used? We are not even mobilising any of the reserves to train them up for voluntary deployment.

Major Gen. Nunn—There is a degree of voluntary mobilisation. People are not just going straight to East Timor. Infantry soldiers have recently, as I have said, come out of 13 Brigade and have gone to collective training before going to East Timor on rotation. Some of the specialists can go directly and they are filling necessary slots. They are effectively reinforcements. They are filling vacancies in the system. The Canadians have adopted a somewhat different approach in their use of reserves in that they, for example, will form a company of an infantry battalion from reserves—and again I am speaking on historical information—some 12 months before a rotation into, say, Bosnia. That company is formed from within a wider reserve collective group and is trained as another reserve company for the period until their deployment.

Mr PRICE—But are you saying then that this is the way we need to use reserves? I think the previous speaker was saying that if the reserves are to be meaningful you really need to be able to deploy units, not form up units or fill in holes.

Major Gen. Nunn—My point remains that we can do this under present legislation only on a voluntary basis.

Mr PRICE—So you are arguing for a change in the legislation?

Major Gen. Nunn—No, I am not, because from another perspective my view is that we will not get the support of the employers or the families.

Mr PRICE—With that reservation, if that reservation were able to be met or if we could just stand aside that, would you be in favour of it?

Major Gen. Nunn—I do not think I can stand it aside because, unless we have the support of the employers and the families, we will not get the recruits. If we change legislation to allow reserves to be called out for peacekeeping, our recruiting rate will drop.

Mr PRICE—That is not going to solve the problem. I am the first one to concede that will not solve all the problems.

Major Gen. Nunn—But our recruiting rate will drop under those circumstances.

Senator FERGUSON—Following on from Mr Price's question, it would appear to me that the role of the reserve may become irrelevant in the future unless we can actually satisfy the employer-employee arrangements that are currently in place. Forgive me if I am wrong in my assessment, but it would appear to me that there are two different types of employers involved in the Australian community. There are those who think that their employees belonging to the reserve is a bit of a nuisance because it may disrupt the activities in their workplace and there are also those who think that their employees' involvement in the reserve actually improves the quality of their work force; that it gives them maybe a new sort of discipline; that there are a whole range of areas where it may actually improve the nature of their work. There are those types of employers as well.

You say in your recommendation 'develop a process for the formal acceptance by the employer of the employee reserve membership and resultant training and call-out liability'. What sort of a process are you asking us to develop? Do you have some idea of how we can actually overcome this problem of some employers who are very keen or quite enthusiastic about their work force being involved in reserve programs because of the benefits to the employees and others who think it is a nuisance? What sort of process are you talking about?

Major Gen. Nunn—I think it is a multiphased process. Firstly, there is the communication to the employer of the benefits. That is frankly done on a piecemeal basis. The Defence Reserve Support Committee does something. The Defence Force public affairs units do very little. There is no orchestrated campaign of education of the employers about the benefits of reserve service both to the community and to them particularly. The employers legitimately will need to ask, 'What is in it for us if we release these people for training?' We have to be much more specific in communicating the message of what is in it for them. The reservists themselves can help communicate by coming back from unit activities and demonstrating to the employer where they obtained the skills. They are not well trained to do that. The units themselves can do much more in liaison with the employers. I have used in my paper the example of the civilian type letter that can be written at the end of a period of continuous training thanking the employer and explaining what happened. I have been promoting that and using that for most of my military career. Nevertheless, within units it is not very widely done. Yet the benefits are enormous. It is a matter of getting all these issues under control. But, on the other side of the coin, I do not think we can continue to keep the employer ignorant of the fact that some of their members belong.

Mr PRICE—But, even if you do all of these things—and I concede that presumably there is a lot of value—has not the marketplace changed to the extent that really small and medium sized businesses cannot afford to have people being away for lengthy periods of time? Yes, a large organisation, government departments, may be able to sustain it. But the others cannot.

Major Gen. Nunn—I agree completely. That leads me I think to the inevitable conclusion: we only need 30,000 young Australians. That means that we have probably got to target those 30,000 from the employer groups that can release them.

Senator FERGUSON—Mr Price almost asked the question that I was going to ask. Our first witness today told us how much more difficult it is becoming in a lot of the rural centres throughout South Australia—he was talking from experience—to get young people to actually become part of the reserve. This was partly because of the drift of young people but there are a number of other reasons. I would suggest another of the reasons is one that Mr Price touched on, and that is that there are a number of very small employers in rural areas. In fact, they simply cannot afford to let crucial employees be absent because it affects their business too much.

However, quite often the people who would make the best reservists or who would make very good reservists are these people who are taking a somewhat responsible role within small employee organisations. So, if we were to only take them from large enterprises that could afford people to go, we would be missing out in many cases on a very good type of recruit for the reserves who by nature in very small workplaces tend to be much more independent and take on roles of responsibility much more easily.

Major Gen. Nunn—I agree completely. It is the real dilemma. The fact is that we do draw on a lot of these people. A lot of them do not tell their employers what they are up to and then they hit the brick wall. That is when we lose them.

Mr PRICE—But are not you admitting that we have a king sized problem when half the reserves will not admit to their employers that they are reservists?

Major Gen. Nunn—We certainly do have.

Mr PRICE—This is a fundamental problem.

Major Gen. Nunn—I agree completely; we certainly do. We also have a number of reservists who in my view would never be deployed on operations because they are in jobs which are far too important to the total economy of the country in time of war.

Senator FERGUSON—So that is another problem.

Major Gen. Nunn—Exactly. I think we have to address from where we are drawing our reservists against the test of: are they deployable in time of defence emergency? If not, we have to say, 'We are terribly sorry. We would love to have you but.'

CHAIR—What percentage are you saying would actually be deployable now?

Major Gen. Nunn—I would not wish to put a percentage on it.

Senator FERGUSON—The point with small employers is that they are more likely to know that their employees are members of the reserve because in small employment workplaces people tend to talk about their own private lives. It is a much closer relationship

with the employer than there ever is in large organisations. If there were not necessarily an education process but if employers were more aware of what is available and what service these people are actually providing, I think there would be more likelihood of people involved in these small workplaces becoming involved than currently exists.

Major Gen. Nunn—I agree with you completely. The big issue is to manage that workplace. I am director of a company which has a relatively small work force. The general manager and I have discussed at length recruiting in that work force. His view is that, yes, sure, we could probably release a couple. If we take that approach—of going to the smaller workplace and being quite open in respect of the commitment that we are asking for but at the same time limit our recruiting—the danger is that the first individual who joins has a great time and all his or her associates want to join as well. Then we have to say sorry as we can only take two or three out of that workplace. To do more than that would make the business unviable. But that is reasonable too.

Mr PRICE—Do you have any reservists in your workplace?

Major Gen. Nunn—We do not know. I spent almost a parallel number of years in the Shell organisation in Australia and overseas and I asked the same question. Until I was in charge of human relations, we also did not know. That is really one of the problems.

Mr PRICE—I think what you are trying to say to the committee, if I understand correctly, is that, firstly, we need to develop the communications package—and I can understand and support that—and, secondly, there needs to be a major change in the personnel we are recruiting. Did I understand you correctly there? It needs to be more targeted—

Major Gen. Nunn—More selective, more targeted, yes—in terms of their employment, not their quality.

Mr PRICE—In terms of their employment, recruiting. You believe that that will solve the problems?

Major Gen. Nunn—Not in isolation. It is a factor in improving our performance.

Mr PRICE—What is your comment about what I think is a hypocritical practice by Army of making practice payments to doctors and dentists—and I want to make it clear that I think these reservists do an excellent job; even the doctors and dentists who are in public employment and do not get practice payments do an excellent job. But is there not a degree of hypocrisy in saying that to recruit these people we need to offer practice payments but for everyone else the individual or the company does not require financial support?

Major Gen. Nunn—I think it is a supply and demand issue.

Mr PRICE—Are not the reserves in a supply and demand situation with the haemorrhaging of recruiting—

Mr SNOWDON—And, more importantly, are there not significant skill shortages across a range of areas within the Defence Force which need to be filled somehow? For example, mechanics, diesel fitters and electricians are all in short supply in the Army and they are all required in Timor. So, presumably, the extension of what Roger is asking is: should we not be supplying the same incentives to fitters and electricians as we are to doctors and dentists? I guess, from your response of supply and demand, the answer is yes.

Major Gen. Nunn—Yes, just as Army from time to time, as the other forces have done, has put special payments against, for example, pilots at one stage. I think it is a question of making a decision about what is required.

Mr PRICE—I suppose I would go a little bit further if I could: again, I would say that the marketplace has changed and that, notwithstanding the better communication, there will be too many firms in the marketplace that actually cannot afford to give up that employee without them getting a package as well.

Major Gen. Nunn—This again may be the case. We might have to look at some form of employer benefit, perhaps in training. I think we can argue that the benefits they get back far exceed the sorts of costs they would incur doing similar training in the civilian training environment, but certainly on mobilisation it might be necessary to in some way compensate employers.

CHAIR—This is a point I think you made in your opening remarks about protecting the reservist's position. Could you be more specific and say what you had in mind there? Do you mean changes to the legislation, or what?

Major Gen. Nunn—I think legislative change is essential. I think it is going to be necessary to ensure that if reserves are called out they can go back into the work force. To do otherwise would mean that the second time they are called out there will not be any. It is as simple as that. While we can accept that volunteers will go because they have made individual arrangements or they have a window of opportunity when they do not need employment or their employer may be very happy for them to go, to call out the reserve and then not have their jobs open would finish the reserve forever.

A similar situation applies with, for example, bank loans. Again, take the doctor or dentist who may be earning several hundred thousand dollars; they will not earn that sort of money in the Army even with benefits and additional payments. If the bank at the same time is saying, 'We are terribly sorry but that mortgage has to be serviced,' and the family gets thrown out of their house, we have a very similar sort of problem. This was addressed during the Second World War with the freezing of, for example, mortgage payments over the period of deployment of volunteers.

Mr PRICE—I apologise. You will have to explain that to me. I was not aware of that.

CHAIR—Who paid for that?

Major Gen. Nunn—The Commonwealth would have to pay for this under—

Mr PRICE—When you say 'freezing', what did that mean?

Major Gen. Nunn—My understanding of the circumstance during the Second World War—and, although I am reasonably old, I do not remember too much of it—is that, for at least a period of that deployment of the second AIF, those with bank loans—and I am not sure whether it was all with all banks; it may only have been with the Commonwealth banking agency—their loans were frozen and repayments were not required over that period.

Mr PRICE—For the period of the deployment?

Major Gen. Nunn—For the period of their deployment. There might have been a contribution from their pay but, again, that is anecdotal information.

Mr PRICE—It would be worth while getting some information on that.

Mr SNOWDON—Is there any value, do you think, in targeting recruitment to the areas of skill shortages within Army? Presumably the holes in the Army are largely because you would hope in some areas that we do not need to use those particular skills at this particular time. But, if you have them somewhere, like in the reserves, is it appropriate, do you think, to target particular skill areas in recruitment as opposed to a general recruitment drive?

Major Gen. Nunn—Yes, that is already going on. In quite a number of areas civilian skills are being recruited, the test being one of performance rather than having done the course. I would like to say that the old days of having to do the course before you got the qualification have pretty well gone and there are quite a number of specialists in all branches of Army, Navy and Air Force who bring specific civilian skills, many of which are not available in the regular force, and they are targeted specifically.

CHAIR—The one army concept: is that working? Is it workable? That brought a smile straightaway.

Major Gen. Nunn—I have to say yes, almost as a matter of policy. It is working far better than it did before. Again, my experience is now a little bit remote, but I do have reasonable contact. There is a greater understanding of the capability of the reserve by the regular force. There is a greater understanding of the capabilities of the regular force by the reserves. It is no longer two totally separate organisations. There still remains a degree of competition just as there is between two regular units. If you put the first and second battalion side by side, they will say the other people are different and not as good and so forth. That exists everywhere.

CHAIR—What about the equipping of the two? That is always one of the complaints from reserves—that they are at the bottom of the list when it comes to equipment.

Major Gen. Nunn—The equipment levels are not as high as anyone would like to see, nor is the training activity as high as anyone would like to see. I would certainly argue for improvements in equipment once roles are sorted out. There is no sense in fully equipping a reserve unit for a role which it is not going to finally do or fully equipping a reserve unit at cost to me, a taxpayer, if in fact that equipping can be done later on. It is a matter of having

sufficient equipment to train on in the short term and then doing the necessary additional equipping post mobilisation during the work-up period.

Mr SNOWDON—You heard our previous witness make observations about the Ready Reserve and you were the architect of it. What did you make of those observations, and do you have any observations you would like to make yourself about where we are currently in relation to comments about the Ready Reserve?

Major Gen. Nunn—I would certainly like to do so. At risk of being a little partisan, the Ready Reserve Scheme was, dare I say, a brilliant scheme. It produced an infantry brigade at full strength, replacing effectively an understrength undeployable regular brigade. It produced it at around 60 per cent of the cost of having maintained that regular brigade at full strength. Those very numbers were bandied around and people were talking about 61, 62, 57 and 58 per cent. But that is approximately the situation. It stopped not because of failure; it stopped because of change of government. It stopped on change of government because it was not developed under the current government; it was developed under the previous government.

Given that background, I think there are some opportunities to take the best of the Ready Reserve Scheme and do some of those things again. I think the previous speaker's commentary on concentrating in Queensland was correct. I think the concept of having the entire regular force sitting in the north and everybody else in the south is questionable and we need to look at whether in fact a Ready Reserve scheme—perhaps for political reasons called something else—might be reinvigorated and based on the population centres rather than put somewhere else. That would be my summary of commentary on that.

Mr PRICE—You were really advising the committee of the need to target I suppose school leavers in particular for the reserves. Whilst I do not dispute anything you have said about the Ready Reserve, might you not think in terms of a sort of army traineeship type scheme not involving as much time as the Ready Reserve? Would that not sort of dovetail then with your comments about targeting, give you greater opportunities for training and then have a reservist that is permeating the general reserve that is far more capable perhaps?

Major Gen. Nunn—I am not sure that I understand the thrust of the question.

Mr PRICE—Instead of 12 months that you had with the Ready Reserves, maybe have it for six months.

Major Gen. Nunn—I would go further. I think I would open it to general reservists on the basis of meeting competency requirements so that the vehicle is perhaps partially filled by people with longer periods of training—one could argue that it could be less than 12 months and I think we would have to experiment with that—but, once it is filled and we have that minimum unit size, begin to reinforce it with people from the general reserve who are prepared to train at perhaps a slightly higher level and who meet the necessary entry performance requirements, which they might gain by going off to courses or doing it on weekends. So we might finish up with Ready Reserve companies or even battalions around Australia in the population centres—where I think our Defence Force ought to be in the first place.

Mr PRICE—You keep on talking about the same sized reserve. Are you convinced that we need those numbers? If we had a reserve that did have a Ready Reserve component, and perhaps we had gone along with your later suggestion or the suggestion you just made now, do we really need 30,000?

Major Gen. Nunn—Are you talking of an increase or a decrease?

Mr PRICE—Decrease.

Major Gen. Nunn—A decrease would certainly be possible. It depends on the roles and the perceived threat. The current East Timor operation, I would agree with the previous speaker, is totally committing the regular force. If we were in a situation where defence of Australia became an issue at the same time and we decided to call out the reserve, every one of them would be required just to generate any sort of combat capability out of the regular force. For example, we might deploy the ADF out of Townsville and round out some of those people with reservists. We would need the lot. I think anything smaller than this is getting to the stage where it is probably not going to make an effective contribution to the country's defence.

Mr PRICE—But, in order to be able to do all the communications you want or you have recommended, maybe even developing employer packages, might not the trade-off be that you actually have a smaller, more capable in terms of being able to be deployed, reserve?

Major Gen. Nunn—I would hope it would not be necessary. The reserve salary vote is four per cent of the Defence budget. All the things I am talking about would be hard pressed to be another half a per cent. If we cannot afford another half a per cent of the Defence vote to enable the reserve, I think maybe we do have to think about whether we retain this capability at all.

Mr PRICE—You would be aware that the Prime Minister has called for a report into the reserves, which I understand the government now has. Were you consulted at all about that report?

Major Gen. Nunn—No.

CHAIR—Further to what you have already been talking of, what else do you think should be done to improve the capability of the reserves?

Major Gen. Nunn—I am just going through my list to see in there is anything I have not covered in the initial questions.

Mr PRICE—You are limited to half a per cent by the way.

Major Gen. Nunn—I fear I have committed myself to this. I will have to put up with it now. I see nothing that we have not already discussed or that is in the paper in terms of additional activity. I think it is more a change of thrust. If there is one thing that must be

done it is a proper orchestrated wide ranging campaign to bring employer and family on side.

The one I have not covered to a large extent is family. There are a lot of reservists who have not really brought their family up to speed. On training exercises I would regularly take groups of recruits and just sit down with them and say, 'Well, what have you done about the circumstance that this might be the last weekend's training you get and we might mobilise come Monday?' I would usually get looks of white-faced horror because most of them had not really considered the very simple arrangements that needed to be made for their families.

I think we have to be much better at doing all this sort of thing—bringing the employer on side, bringing the family on side, ensuring that the family understand there is benefit in what they are doing but at the same time ensuring that they are prepared for what we might wish to do. At the moment we are not communicating realism to the reservist; we are not communicating to the reserve that it might one day be required. Until we do, we are not going to keep them.

Mr SNOWDON—The defence support facilities that are provided for full-time personnel do not apply to reservists?

Major Gen. Nunn—Yes, they do, but they are not exercised.

Mr SNOWDON—But, on the other hand, do the family liaison officers and all of those sorts of people, the social workers, take a proactive role with reservists as they do with full-time personnel?

Major Gen. Nunn—They have the potential to do so and they have done when reserves have gone on voluntary deployments on peacekeeping. My concern is as much the reservists themselves in making sure that they get their own family affairs in order.

Mr SNOWDON—I appreciate that. I am just trying to think of—

Major Gen. Nunn—But, yes, there are family liaison units in each of the population centres whose responsibility is to manage deployed soldiers and their families, irrespective of whether they come from the reserve or the regular component.

Mr SNOWDON—So theoretically at least there are support structures within Army and Defence generally to work with these families on these sorts of issues.

Major Gen. Nunn—If the reserve were deployed they would be hopelessly swamped. Again my own visit to the United States post the gulf underlined the problems the very well prepared and well funded Air Force Reserve had. They called out 23,000. I understand they had three no-shows: one was pregnant and two were in gaol. However, they found that people had not done anything in many cases about their families. They drove their cars off to the base in order to get on their C5s and fly to wherever they were going. Three days later the families were ringing up and saying, 'Has Joe left his car in my car park?' Six months later employers were ringing up and saying, 'Where is Joe?' They had done very

little, or they had not done sufficient, about ensuring that employers knew that this was not a short-term commitment but a long-term one.

CHAIR—If you had a conflict of restricted length, there really would not be any opportunity to call out and update training for reservists. Does this mean that we really only depend on the force in being for any conflict of restricted length and so what contribution could the reserves make in that situation?

Major Gen. Nunn—I think reserves can make an immediate contribution in logistic support. They can make an immediate contribution in training establishments. Some units could make an immediate combat contribution. But we would have to ensure that the readiness requirements were met. That is, if a unit is on 90 or 180 days notice for combat operations, they should be given that period of work-up. To do otherwise would be criminal.

CHAIR—Thank you very much. Your evidence has been extremely valuable for the committee. Certainly we appreciate your time and the effort to come all this way. If there is anything else that you feel we have overlooked, please provide it and send it on to the secretary. We would appreciate that. Obviously you will get a copy of the transcript. If there is anything you want to correct, please do so. Again, thank you very much.

Subcommittee adjourned at 11.57 a.m.