

**REVIEW OF THE  
READY RESERVE SCHEME**

**LTGEN JOHN COATES AC, MBE (RETD.)**

**DR HUGH SMITH**

**30 June 1995**

Note: In this edition page numbers vary slightly from those in the original report due to the revised format. Minor typographical changes have also been made. An executive summary is included in this edition.

Presented to the Hon. Arch Bevis MP,  
Parliamentary Secretary to the Minister for Defence

30 June 1995

Commissioned through Unisearch Ltd, University College, UNSW

Printed by University College, UNSW Canberra

# CONTENTS

	<i>Page</i>
<b>Introduction</b>	<i>v</i>
<b>Executive Summary</b>	<i>vii</i>
<b>Part I</b>	
1. History of the Ready Reserve	1
2. The Concept of Reserve Forces	11
3. Philosophy of the Ready Reserve Scheme	23
<b>Part II</b>	
4. Army	31
5. Air Force	55
6. Navy	65
<b>Part III</b>	
7. Tri-Service Issues	73
8. Recommendations	97
<b>Appendices</b>	
A. Terms of Reference	103
B. Discussions, Visits, Seminars	105
C. Written Submissions	109
D. Comparative RRes/ARA/GRes Separations 1992-1994	110
E. Report of Ready Reserve Concepts for the Australian Defence Force	111
F. Costing Model of 6 Bde as a RRes Brigade at Steady State Compared with 6 Bde as a Regular Brigade	112
G. Costing of PAF Airfield Defence Squadron compared with Ready Reserve/PAF Airfield Defence Squadron	114
<b>Abbreviations</b>	117



## INTRODUCTION

This Review had its origins in May 1991 when the Minister for Defence, Senator the Hon. Robert Ray, announced the Ready Reserve Program. At that time the Minister directed that the Program should be reviewed three years after its commencement in January 1992. In December 1994 the authors of this Review were formally invited by the Parliamentary Secretary to the Minister, the Hon. Arch Bevis, to conduct a review and to report by 30 June 1995.

The terms of reference of the review were broad and did not restrict our inquiries in any respect. Indeed, our difficulty was in deciding how to limit our inquiries since the impact of the Ready Reserve Scheme extends to many other areas. The terms of reference are contained in Appendix A.

When it was first announced the Ready Reserve Scheme was described as an experiment. Changes could be expected—possibly even abandonment of the Scheme. A degree of controversy has also surrounded the Scheme and we became aware of strongly held views both for and against. After considering the many aspects of the Scheme our conclusion is that the Scheme is viable and should be retained, but that it should be given a stronger sense of direction.

Our report sets out ways in which this can be achieved. In particular, we emphasise the strategic rationale of the Scheme and the key criterion that it must provide capabilities that are ready and employable. We believe that a sharper focus will also serve to increase understanding and acceptability of the Scheme amongst the armed forces themselves and the community at large.

We have based our analysis and conclusions largely on data supplied by Defence. In some cases such as personnel numbers and costings there is an element of uncertainty. This is due in part to the newness of the Scheme and the problems in establishing standard routines for recording information. We believe, however, that the information received is the best available and provides a reasonably accurate picture.

The Review is divided into three main parts. Part I outlines Australia's approach to reserve forces and the emergence of the Ready Reserve Scheme. It continues with an analysis of the costs and benefits of reserve forces in general and concludes with our views on what we regard as the essential purpose of the Scheme and its key elements.

Part II examines in greater detail the way in which each of the three services has applied the Scheme and discusses some of our recommendations as they relate to individual services.

Part III raises a number of tri-service issues and concludes with our principal findings and recommendations. The final chapter contains our recommendations. An executive summary follows this Introduction.

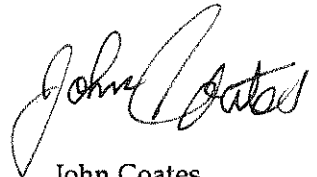
The review entailed 45 interviews and 8 visits to establishments. We also attended two seminars, one conducted by Defence Force Recruiting Branch, the other by members of the ADF Personnel Policy Strategy Review team (the Glenn Review). A list of interviews, visits and seminars is to be found in Appendix B.

We invited written submissions both informally and through the media. Advertisements were placed in the *Weekend Australian*, *Adelaide Advertiser*, *Brisbane Courier-Mail*, *Northern Territory News*, *Sydney Morning Herald*, *Hobart Mercury*, *Melbourne Age*, *Canberra Times*, *The West Australian* and the *Northern Services Courier*. Twenty written submissions were received and these are listed in Appendix C.

In the course of this review we have had a great deal of support from many quarters. We would like to acknowledge with thanks all those in the ADF who have provided input into the review, ranging from Ready Reserve soldiers to the three Chiefs of Staff, as well as many civilians inside and outside defence. Our particular thanks go to Commander Julia Gulson who provided efficient and cheerful administrative support to the Review.



Hugh Smith



John Coates

## EXECUTIVE SUMMARY

### The Strategic Rationale

We see as the central purpose of the Ready Reserve Scheme the development of specific defence capabilities which have been identified as necessary by strategic guidance but which are not required in their entirety in the form of permanent forces. The main capabilities in question are:

- infantry—especially for operations in the North which are likely to be very manpower intensive
- airfield defence—to protect the bare bases and other airfields that would need to be used in the event of hostilities
- patrol boat operations and mine countermeasures—to maintain Australian sovereignty off-shore and security of sea-lanes in a defence emergency.

Some part of these capabilities must, of course, be provided by regular forces but it makes economic and manpower sense to maintain the balance of these capabilities in the form of reserve forces. The regular forces will provide the professional foundation and the experience that make the Ready Reserve Scheme possible.

Army and Air Force are already concentrating on expanding their infantry and airfield defence capabilities (respectively). Our Report recommends that Navy use the Ready Reserve to develop patrol boat operations and mine countermeasures. In the case of both Navy and Air Force we propose that they drop other uses of the Ready Reserve Scheme which detract from its central focus.

The Ready Reserve Scheme lends itself well to providing these capabilities. The initial year of full-time training is sufficient to develop relevant individual and collective skills while the periods of extended training during four years part-time service ensure that those skills are exercised collectively and maintained at a high level.

The Scheme also lends itself to the establishment of force elements which are specifically identified as Ready Reserve. Rather than scattered individuals, Ready Reservists should work as coherent groups which come together at least once a year for extended and intensive training. Army's 6 Brigade is an example, exercising annually as a brigade or battalion groups.

## **Costs**

The cost of Ready Reserve elements has been much disputed. How much does the Ready Reserve cost compared with the regular? Two types of comparison can be made:

- Individual costs i.e. the cost of an individual Ready Reservist compared with the cost of a regular (each over a period of 5 years, including the full-time year for the Ready Reservist and allowing for wastage rates).
- Unit costs i.e. the annual cost of a unit which is fully regular compared with the annual cost of a unit which is mixed regular and Ready Reserve.

Individual costs feed into the cost of a unit so that it is the latter comparison which is more important for decision-making.

We accept the calculations we have seen which put the cost of a Ready Reserve unit in the range 60–65% of its regular equivalent. In the case of Army's 6 Brigade, for example, the figure is about 63%. Given that the cost of a regular brigade is over \$200 million p.a. the saving is about \$75 million p.a.—or \$750 million over 10 years. Similar proportional savings apply in the case of Air Force and Navy.

The costings we have seen, moreover, are full costs. They attribute to the Ready Reserve a share of the total overheads of the Defence Force. If the Ready Reserve Scheme were abandoned tomorrow, however, the overheads would remain the same. A marginal cost approach to the Ready Reserve—how much extra does it cost?—would in some ways be more appropriate and would reduce the apparent cost considerably.

## **Training**

There are two features of the Ready Reserve Scheme which ensure its value and which serve to distinguish the Ready Reservist from the General Reservist:

- full-time training for a period of at least 12 months
- extended collective training during the period of part-time service (up to 30–35 days p.a.).

At present the Ready Reservist is required to serve a total of 50 days a year during the four part-time years. While we believe the period of extended collective training must be retained, there is room for flexibility.

We recommend that 50 days be retained as the norm but that each service be permitted to vary the requirement between 35 and 65 days.



Relevant factors include training requirements, the type of unit concerned, the availability of individual reservists, opportunities for additional courses, and costs. The commitment bonus would be paid pro rata.

### **Readiness of the Ready Reserve**

The Ready Reserve Scheme in our judgement provides a useable capability between the generally higher readiness of regular forces and the generally lower readiness of other reserve forces. It is above all the initial and continuing training requirements that ensure the Ready Reserve will be militarily effective in a reasonably short period of time.

Nonetheless, one important question must be answered. Will the Ready Reservist be available if called upon by the government? We recommend that two aspects of conditions of service be strengthened:

- More defined liability to call out during part-time service. Legislation should allow the Ready Reserves to be called out during their part-time service for a wider variety of contingencies than currently applies to the General Reserves.
- An explicit agreement between the Ready Reservist and his or her employer or tertiary institution. This agreement would make clear the responsibilities of each party in the event of call-out.

We emphasise that Ready Reservists are there to be used. We also believe that Ready Reservists will be prepared to accept these obligations. If they are not prepared to accept the responsibilities that go with military service, this should be made clear sooner rather than later.

### **Recruitment**

The Scheme must attract new blood into the Defence Force. It is not enough to re-employ ex-regulars, valuable though this is. It must broaden the ADF's base and provide a capacity to surge in time of need.

The Ready Reserve has the great value of attracting new recruits who might not otherwise put on uniform either in the regulars or in the general reserve. It attracts, in particular, students leaving school who do not want a full military career but are prepared to try it out for 12 months. Given the considerable and growing difficulties in recruitment to the ADF, no source of new recruits can be ignored.

Some Ready Reservists joined up in the past because regular enlistment was limited. Some Ready Reservists join up because they want to try out the armed forces before they commit themselves full-time. Yet

others have no intention of joining the regular forces although some of these find military life to their liking once they experience it.

The Scheme thus serves an important recruiting function and will continue to do so. We see no reason to stop those who are qualified from transferring to the regular forces. Indeed, they are likely to be very welcome.

The focus on recruiting those who intend to pursue tertiary studies should be maintained—essentially because they are more available during part-time service. Greater attention should also be given to recruiting among students who have already commenced tertiary studies. Nonetheless, the Scheme must continue to recruit those who intend to seek employment after their initial training.

There are many high quality female applicants for a limited number of places in the Scheme. The Defence Force should therefore seek to create more Ready Reserve positions for females.

### **Conditions of Service**

We recommend that consideration be given to improving some of the benefits of part-time service. In particular, we propose a major improvement in medical support for the Ready Reserve.

We stress, however, that such improvements need to be carefully assessed before implementation to ensure that they are both appropriate and likely to improve retention.

### **Future of the Scheme**

In the original planning for the Scheme it was been assumed that the Ready Reservist would leave after four years part-time service. The first intake will reach this point in December 1996. By this time, however, they will be highly skilled and experienced.

An early and clear statement should be made to encourage such people to serve beyond five years. Consideration should be given to appropriate conditions of service and incentives that might be offered in order to retain them. Opportunities for promotion should also be developed.

The Scheme also has potential to be applied to other areas of the Defence Force. Studies should be undertaken to test whether it might be used, for example, to provide additional Regional Force Surveillance Units and commando capabilities in the case of Army and a deployable joint headquarters in the case of the ADF.

## **Realistic Choices**

Critics of the Scheme sometimes argue that regular forces would provide greater capability. In a sense this is obviously true. But it is not a realistic policy choice. A regular brigade, for example, would:

- cost more—at a time when defence budgets are static or even declining
- require more recruits—at a time when the ADF is struggling to maintain even its present number of regulars.

Overall, we believe the Ready Reserve Scheme is viable with sound prospects for its continuation into the future. Its operational potential will not be realised until steady state is reached. While this may take longer than originally planned if our recommendations are adopted, the Scheme is already providing worthwhile capabilities.

We believe that our recommendations will give the Scheme a clearer focus and a stronger sense of direction. This will serve to make the purpose of the Scheme clearer to the general public and will lead to greater understanding and acceptance of it.

## **Key Features of the Ready Reserve**

- contribution of an additional capabilities to Australia's defence
- the introduction of young, new blood into the ADF
- a high level of full-time training
- extended training during part-time service
- an obligation to serve if called out
- an agreement between the Ready Reservist and the employer or tertiary institution
- a cost-effective alternative.



# PART I



## HISTORY OF THE READY RESERVE

---

Each nation provides for its own defence and security in ways particular to itself. The factors which influence the means it adopts include the type of society it is, its geography, its proximity to potential threats and its system of international alliances and friendships. The choice of means is also influenced by tradition and by the schemes of defence a nation has found useful in the past.

Most nations continually review and adjust the composition of their forces, their arms and equipment, the way their forces are structured and the degrees of readiness required of them. In some cases, changed strategic circumstances and developments within a nation will cause it to change the overall nature of its defence measures, sometimes rapidly, more commonly somewhat belatedly.

Two fundamental questions surround the way in which a nation raises its forces. First, is service to be compulsory through some form of conscription? Second, what will be the balance between full-time forces and part-time forces? In Australia's case compulsory military service is not on the political agenda although it is still maintained in a number of Western countries, even following the end of the Cold War. The degree of reliance on reserve forces, by contrast, remains very much a live question in Australia as it does in other nations which have all-volunteer forces such as the United Kingdom and the United States.

It is, however, unwise to make simplistic comparisons with reserve forces in other countries. The United States, for example, has a strong tradition of public and political support for reserve forces. About 60% of its male population at some time in their lives will have been part of the armed forces.<sup>1</sup> This compares with Australia where regulars and reservists constitute about 1-2% of the total adult workforce and where perhaps 10% of the adult male population at most, have had experience of the military, including through National Service—a proportion which is naturally in decline.

In the US, moreover, membership of the armed forces is marked by considerable economic benefits in matters such as education, medical benefits and access to cheap consumer purchases. There are also high levels of governmental expenditure on reserves. The costs of the US Army

---

<sup>1</sup> Lt-Col M.E. Hatt-Cook, 'Call Up the Reserves', *RUSI Journal*, vol. 136 no. 4 (Winter 1991), p. 26

## 2 History of the Ready Reserve

Reserve, for example, constitute about 25% of the total Army budget.<sup>2</sup> The fact that reserve installations are located in most Congressional districts helps to create and maintain a natural political constituency.

Hand in hand with strong financial support is a generally high public regard for reserve forces in the United States and a greater willingness on the part of employers to accept that employees will spend periods of time on reserve duty. This was reinforced by the Gulf War experience when some 227,000 reservists were mobilised by March 1991. Over 100,000 served in the Persian Gulf area, constituting about 18% of total US forces. Some 62 reservists lost their lives, approximately 16% of all casualties.

Britain likewise has its own approach to reserve service. Following the end of the Cold War it is moving towards greater reliance on reserves, in particular in combat support and logistic roles. In June 1993 the Secretary of State for Defence announced that reserves would be deployed in operational roles more widely in peacetime. A platoon of Territorial Army (reserve) soldiers, for example, was sent to the Falklands garrison between July and December 1994 and is to be followed by a composite Territorial Army company in 1995.<sup>3</sup>

Tradition is an important part of how each nation approaches reserve military service, whether in the US, the UK or Australia. That tradition will differ from country to country even where strong similarities exist in terms of political system, language and shared history, including fighting wars alongside one another. Each nation will determine its own approach and cannot simply adopt measures or practices from other countries. Australia has its own traditions of reserve service which must be taken into account.

### Reserves in Australia

Reserve forces in Australia date back to the early 1800s when colonial governments set up part-time militias to deal with periodic disturbances caused by convicts, aborigines and bushrangers. Later in the nineteenth century paid, part-time militia served in the Sudan in 1885 and in the Boer War from 1899 to 1902. In 1911 the new federal government introduced compulsory part-time military training, a scheme which continued—with interruptions due to World War I—up to 1929. There was no regular army as such, rather a full-time corps of staff officers and senior NCOs who were intended to provide the cadre for citizen forces on mobilisation.

---

<sup>2</sup> *Loc. cit.*

<sup>3</sup> The Hon. Nicholas Soames MP, 'Britain's Reserves: Proposals for Legislation', *RUSI Journal*, vol. 139 no. 6 (December 1994), p. 27



After World War II a regular army was created for the first time. 'By the end of World War II', as T.B. Millar stated in 1974, 'we could no more afford to be without a regular army than we could a permanent navy or air force'.<sup>4</sup> Also after World War II a new reserve force with the name of Citizen Military Forces (CMF) was established. Volunteers attended evening parades, weekend activities and annual two-week camps.

In 1951 a universal National Service scheme required conscripts to serve 98 days full-time in the CMF (later amended to 77 days) followed by two years part-time service. This scheme was abandoned in 1960 but CMF numbers were again boosted by the selective National Service scheme that operated from 1964 to 1972. Those who volunteered to serve in the CMF were exempted from the ballot for two years full-time service, including a liability to serve in the war in Vietnam.

The comprehensive review of the reserves in 1974 by Dr T.B. Millar, recommended the concept of a 'total force' and proposed measures to integrate reserves and regulars.<sup>5</sup> Up to this time the reserves had been seen as rather a vague building-block against the possibility of future mobilisation. Millar's proposals were substantially adopted. A symbolic move was to change the name of the CMF to the Army Reserve. Navy and Air Force reserves at this time remained small, reflecting a view that reserves were not up to handling sophisticated equipment.

For the last 20 years the reserves have struggled to find an appropriate role alongside the highly professional forces of the regular Army, Navy and Air Force. The theory of a 'total force' has proved difficult to turn into reality. Reservists were inevitably disadvantaged compared with their regular counterparts in terms of the time they could devote to military training, the courses they could attend and the experience they could gain by filling a variety of posts. Limited budgets also meant that capital works, equipment, facilities, training funds and so on tended to go first to the regulars. As a result doubts were frequently expressed as to the true capabilities of reserve forces.

As we point out below all three services have advanced a number of measures in recent years to make more effective use of reserve forces and to integrate regulars and reservists. Many different approaches have been and are being tried. One factor that remains constant, however, is the need for highly professional, regular forces. Without the expertise, knowledge and experience possess by a full-time career defence force, the potential that exists in reserve forces can never be effectively realised.

---

<sup>4</sup> *Report of the Committee of Inquiry into the Citizen Military Forces*, March 1974, Australian Government Publishing Service, Canberra, p. 1

<sup>5</sup> *Ibid.*, especially chapter 4

### Contemporary Debate About Reserve Forces

Towards the end of the 1980s and in the early 1990s debate about the roles and capabilities of the reserve forces was stimulated by a number of developments:

- The growing realisation, notably as a result of Exercise Kangaroo 89, that the Army and Air Force in particular would need greater numbers of combat and combat-related personnel—as well as additional surveillance and night-vision equipment—for the successful conduct of protracted, widespread and round-the-clock operations in northern Australia.
- Alan Wrigley's report, *The Defence Force and the Community*, was presented to the Minister for Defence in June 1990. Wrigley's key argument was that the regular forces would be unable to sustain major operations for any length of time, even in the defence of Australia. The only cost-effective solution was to make much greater use of the nation's resources through increased reliance on reserve forces and on the civilian infrastructure. Wrigley developed detailed proposals which were designed to reduce the regular force by about one-third while nearly doubling the reserve forces.
- The Australian National Audit Office, Audit Report No. 3 on Australia's Army Reserves, presented to Parliament in August 1990, raised concerns—amongst other things—about inadequacies in the organisation of the Army Reserve, in the level of resources required to maintain its effectiveness, and in the structure and disposition of units and assets. The Report also argued that the cost of reserves compared with regular forces was excessive.
- The *Force Structure Review*, commissioned by the Minister for Defence in May 1990, was presented in May 1991. The thrust of the Review was to maximise the combat capability of the ADF by reducing headquarters and support personnel and by contracting out certain activities to the commercial sector. Through a range of programs numbers in the regular forces were to be reduced in the course of the 1990s by some 10,500 or about 15%. This would be partly offset by the Ready Reserve program which was intended to recruit an additional 4,100 reservists at a higher level of readiness than existing reserves.
- The Report of the Joint Committee on Foreign Affairs, Defence and Trade on the ADF Reserves was presented to Parliament in November 1991, having commenced in March 1989. This Report recommended major restructuring of the reserves and

expressed serious concerns about the Ready Reserve program. These included the absence of a persuasive rationale, the undue length of the 12 month training period, the impact on General Reserve recruitment, retention, community support, and the perceived loss of two regular infantry battalions.<sup>6</sup>

All of these reviews and assessments of the reserves had one thing in common. They assumed—no doubt correctly—that there was unlikely to be a substantial real increase in defence spending for the foreseeable future. A further assumption, given Australia's generally favourable strategic circumstances, especially the absence of a direct overt threat, was that greater numbers of permanent personnel could not be justified.

Against this background maintaining capabilities was clearly going to involve greater reliance on reserve personnel. In addition to the steps under way at this time to integrate reservists into their normal operations, the Ready Reserve Scheme was intended to make a distinct and significant contribution to capabilities.

### Origins of the Ready Reserve Scheme

The origins of the Ready Reserve go back to the concept of a latent force developed by Dr Ross Babbage and others in the 1980s. In his 1989 submission to the inquiry into ADF Reserves conducted by the Joint Committee on Foreign Affairs, Defence and Trade, Dr Babbage was the first writer to use the term Ready Reserve in the present context. In essence, the proposal was a concept for enhancing the reserve elements in Navy, Army and Air Force by providing a full-time period of training followed by part-time service.

A broadly similar scheme was advanced as a force structure option by Dr Jans and Ms Frazer-Jans in their report *Facing Up To The Future*, presented in December 1989, which developed a range of proposals for personnel initiatives to assist in staffing the ADF in the 1990s and beyond.

In official terms, the idea was taken up by the Chiefs of Staff Committee (COSC) on 31 January 1990 when it directed that the Ready Reserve concept be examined as a possible force structure option. An Army Reserve officer and practising accountant, Colonel Jo Benton, was appointed to develop a workable model. Note was also taken of the proposals in Alan Wrigley's *The Defence Force and the Community* and in the Audit Office Report of August 1990.

---

<sup>6</sup> Defence Sub-Committee, Joint Committee on Foreign Affairs, Defence and Trade, *The Australian Defence Force Reserves*, November 1991, pp. 144-5

On 17 September 1990 the initial Ready Reserve model was referred to the Minister for Defence who directed further development. A series of surveys to test the viability of the concept was also conducted. By March 1991 the three surveys had produced generally favourable results:

- ANOP Research Services examined attitudes to the Ready Reserve concept among key recruiting target groups;
- Army's 1 Psychological Research Unit tested attitudes among serving members of Navy, Army and Air Force regular and reserve forces towards the concept; and
- Frank Small and Associates used a telephone survey to assess attitudes among prospective civilian employers of Ready Reservists.

Then in quick succession the Chiefs of Staff Committee endorsed the Ready Reserve proposal on 17 April 1991; it was agreed by Cabinet on 21 May 1991; and a Ministerial statement—in which the Ready Reserve Scheme was outlined—was made on 30 May 1991. The Scheme was launched publicly by the Prime Minister at Bulimba Barracks, Brisbane on 2 October 1991 and took in its first recruits in January 1992.

The aim of the scheme was to create a new form of reserve that would provide a higher level of readiness than the existing reserve forces though at a lower level than regulars. It was recognised that this would cost more than existing reserves, but less than the permanent forces. The Scheme seemed most suited to providing capabilities that were not needed 365 days of the year but which could be brought rapidly into play should circumstances demand.

The essence of the scheme was to attract to the ADF, high calibre young people, who would undertake intensive full-time training for about one year, then be committed to periods of part-time training during four subsequent years. After the full-time year, recruits would proceed to tertiary and other vocational training with Defence support or go directly into civilian employment with Defence-funded job search assistance. It was also thought that given difficult times in the rural sector, it might be possible to attract entrants from farms and properties.

A particular aim of the scheme was to attract high quality young people into the ADF from those who were about to enter tertiary education or seek jobs in the civilian sector. It was expected that many of these would go on to significant positions in the community in their civilian careers. In this way a bond would be created that, over time, would strengthen the links between the Services and the community at large, and in turn broaden the community's involvement in Australia's security and deepen its understanding.

## **Characteristics of the Ready Reserve Scheme**

The Ready Reserve Scheme entailed greater training and service commitments than other elements of the reserve forces. In order to attract and retain personnel, it was accepted that appropriate conditions of service and incentives needed to be introduced.

The essential and in some cases unique characteristics of the Ready Reserve Scheme were as follows:

- Ready Reserve members would be either new enlistees who would undergo twelve months initial full-time training prior to part-time service (known as Category 3) or former permanent or general reserve members of the required standard (known as Category 2)<sup>7</sup>;
- service would be for one year full-time and four years part-time for new enlistees, or five years part-time for former members (subsequently reduced to two years);
- part time service would involve about 50 days non-discretionary service each year, normally including two periods of two weeks continuous service;
- subject to readiness requirements, almost all combat and combat related capabilities could be staffed by suitably resourced Ready Reserve elements;
- initial Ready Reserve elements would be built up to their full strength over four to five years;
- Ready Reserve elements would be part of the existing reserve components of each Service;
- women would be recruited and employed in accordance with existing policy;
- senior commanders and some officers and non-commissioned officers and support staff of Ready Reserve elements would be permanent members or reserve members on full-time service;
- normal promotion and career opportunities would be available to Ready Reserve members through the reserve components of each Service;
- junior commanders, and other officers, non-commissioned officers or support staff not required for full-time service,

---

<sup>7</sup> Category 1 refers to ARA members serving in designated Ready Reserve units; a new Category 3A was subsequently introduced to refer to new recruits or transferees who undertake two years full-time trade training prior to four years part-time service.

except during periods of collective training, would be Ready Reserve members;

- initial training for new enlistees would generally be the same standard as for permanent members; and
- members of the Ready Reserve components of each Service would be recruited nationally.

The Government also introduced a unique package of individual and employer incentives. Of these the most important were:

- a tax exempt commitment bonus payable on satisfactory completion of each year of part-time service;
- discretionary educational assistance to enable members to undertake full-time vocational or tertiary study following their full-time service;
- job search assistance to help members obtain full-time civilian employment, compatible with Ready Reserve service, following their full-time military service; and
- support for employers of Ready Reserve members who agreed to release their employees for non-discretionary part-time service and full-time service in the event of call-out.

### **Implementation**

It is a striking fact that each of the three Services has implemented the scheme quite differently. This reflects in part the different targets for the services. Army has much the highest target of 3,200 Ready Reservists at maturity—planned for December 1996—while targets for Navy and Air Force are set at 450 each.

Army has established a full-scale training scheme, based on about 6 months training—at 1 Recruit Training Battalion at Kapooka and Initial Employment Training (IET)—followed by about 6 months on-the-job training. It has directed its efforts principally at establishing 6 Brigade as a reserve formation where over 93% of its Ready Reserves are employed, with the remainder in 1 Armoured Regiment and 16 Air Defence Regiment. In an effort to increase the number of Ready Reserve pursuing more specialised trades Army also established Category 3A which entails 2 years full-time training followed by 4 years part-time service.

The Air Force trains the largest part of its Ready Reserves as Airfield Defence Guards (ADGs) in a similar way to Army by requiring them to undergo formal recruit training followed by specialist or individual employment training. It has, however, also recruited to the

Ready Reserve a number of former Active Reserves and permanent aircrew for the air lift or transport force.

The Navy has concentrated on using Ready Reserve to fill vacant billets and has not established an ongoing training scheme for Ready Reservists. It recruits to the Ready Reserve ex-regular personnel within three years of their leaving the permanent force as well as transferees from its General Reserve. In general, Navy sees no difficulty in personnel changing status reasonably rapidly between the Permanent Navy, General Reserve and Ready Reserve—the 'revolving door' approach.

The rate of progress towards target numbers has varied considerably between the services. So, too, has the manner in which costs have been calculated. In short, each service is approaching the Ready Reserve in its own fashion. This reflects the different concerns of each service and their particular way of doing business.

Differences between the three services do not necessarily constitute defects in the scheme but, as we shall argue below, they do in practice reflect divergent understandings of the scheme. They also give rise to perceived anomalies between conditions of service in the Ready Reserve and in the general reserves.

Before setting out our view of the central purpose of the scheme, however, it will be useful to seek some conceptual common ground by clarifying the principal arguments that surround reserve forces in general. Why do they exist?





## THE CONCEPT OF RESERVE FORCES

---

Reserve service may take many different forms. At the very minimum it may involve no more than remaining on a register of available personnel with only an occasional period of duty. This may be as little as one day a year or a few hours per month. One might also include as reservists those who are in principle liable to be called up but who in practice have no obligations to train or serve at all. In these circumstances the difference between the reservist and the civilian is negligible.

At the other extreme reserve service may involve full-time duty of more than 100 days in a year—perhaps up to half or two-thirds of the days worked by a regular. In these circumstances the reservist comes to resemble a regular quite closely except that there is no expectation of continuing to serve indefinitely.

What is undertaken during the period of actual reserve service also varies considerably. It may be periodic training—the Tuesday night parade or the weekend camp. It may be intensive training out in the bush or participation in courses over a period of weeks. The focus of such training may be on developing individual skills or it may be on collective activities, involving organisations up to the size of, say, a brigade.

The one thing that reserve forces have in common is that they are essentially citizens who serve part-time in uniform. They are volunteers who have chosen to be civilians first, and servicemen or servicewomen second. The chief consequence is that the reservist simply cannot devote the time to his or her profession that the regular can. The full-timer will normally spend more time than the reservist in training, practising skills and gaining a wide range of experience. While the reservist may be of equal ability in given areas, it is the breadth of expertise and experience that differ.

What reserve forces also tend to miss out on compared with their regular counterparts is collective training i.e. participation in training as part of, say, a battalion or brigade. This is far more easily organised with regular forces. Much reserve training, by contrast, is confined to short periods and must take place in geographically dispersed locations; concentration may be possible for only two weeks or so each year. Reserve training is thus often focused on individual, section, platoon or similar levels of training.

A common argument is that reserves are less valuable because contemporary warfare is highly specialised and uses complex equipment. Reserves, it is claimed, simply do not have the time to spend on learning relevant skills and practising them. This is true to a point. But (i) reserves can specialise in particular fields—this may mean they are less widely useable than regulars but they will still be able to perform real tasks; (ii) some reservists will develop and use skills in their civilian occupation which are valuable in the armed forces such as engineering, management and computing; (iii) modern technology can make equipment easier to use and to master—this does not close the gap between part-timers and full-timers but can reduce it; and (iv) modern technology may make possible realistic simulation of military skills so that experience can be gained at relatively little cost and at convenient times for reservists.

A further point of comparison is that reserves in general will be less ready than regulars i.e. they will be at longer notice to go into action than the full-timer. The reservist will often be in the workforce, engaged in study or have other commitments in the civilian community. The reservist may not be free to leave these pursuits readily and tends to require considerable time to get up to the required level of proficiency compared with the regular. The reservist, too, is more or less free to opt out of the reserve force at will.

At the same time, it should be pointed out that the availability of a regular force is not as high as is often assumed. Simply because they are permanent members does not mean they will in fact be available 365 days of the year. At any given time a significant proportion of regulars are likely to be limited in their availability for medical, personal or career enhancement reasons.

There is another difficulty with reserve forces, namely a certain tension between permanent members and reservist members. The complaints of regulars are familiar: reservists do not make the commitment that regulars do, they do not reach the same levels of training and experience (even though they might wear equal ranks), they do not suffer the hardships of frequent postings around the country and they can in effect choose not to serve—save in the unlikely event of call-out.

Each of these problems—level of expertise, readiness, and organisational tension—has its remedies in whole or in part. It is no easy task to combine reserve and regular elements into one cohesive force, to combine individuals often with very disparate backgrounds and expectations—regular servicemen and servicewomen who may expect a lifetime career in the armed forces together with those who are primarily civilians but want to do their bit in the armed forces.

Given the problems that exist with reserve forces, what is the rationale for their existence? Several reasons can be proposed. These will be considered in the following sequence: strategic, financial, social and political.

### **The Strategic Rationale**

The strategic rationale for reserve forces cannot be separated from the question of resources. If resources were unlimited, the strategic arguments for relying solely on regular forces would be overwhelming. Reserve forces would depend for their existence simply on the kinds of social and political factors considered below.

In reality, of course, resources in Australia's case are going to be constrained. In current circumstances the assumption of a fixed or even a declining defence budget seems unassailable and is the basis of our arguments in this review. The question for strategy is thus to determine what balance of forces will deliver the most appropriate capabilities within a limited budget.

In general, as we have argued, regular forces will be better trained and more readily available for deployment than reserve forces although this will not necessarily hold true in every respect. A reservist of some years standing may have completed more training and be more experienced than a relatively junior regular. A permanent member may be unavailable for all manner of reasons, including illness, injury, compassionate grounds or absence on a course. It is also the case that some regular units will be at a lower state of readiness than some reserve units.

In what circumstances, then, can the raising of reserve forces rather than regular forces be justified in strategic terms? What are the strategic benefits of reliance in part on reserve forces? The arguments can be considered under three distinct categories: defence capabilities, the quality of recruits and the use of skills available in the civilian community.

#### *Defence Capabilities*

Reserve forces can provide capabilities in three principal ways: (a) by allowing the regular forces to 'stretch' existing capabilities; (b) by providing additional capabilities which could not otherwise be afforded but which can be called upon to provide a 'surge' as required; and (c) by increasing the number of people in the community with some military

training who expand the underlying mobilisation base.<sup>1</sup> All three are relevant to Australia's strategic circumstances.

### **Stretch Capability**

This refers to the ability to use reserve forces in ways which allow a nation's armed forces to deal more efficiently with the tasks which it is assigned. This is particularly important as full-time forces are reduced in number without any commensurate reduction in tasks. Regular forces are finding it increasingly difficult to make time for normal training and promotion courses while flexibility in postings is diminished through tours of duty overseas in peacekeeping operations or defence cooperation programs.

Reserve forces can be used in place of permanent forces whether as formed units or as individuals in order to reduce some of this overstretch. In peacekeeping, for example, the use of a proportion of reserves will relieve the strain on regulars and reduce the dislocation caused by taking regulars out of existing units. It is often the case, too, that reserve forces are particularly suited to the kinds of tasks involved in humanitarian relief operations e.g. logistics, transport, medical and languages. Some countries have used reserve elements in peacekeeping and other assignments to replace regular elements on rotation or to sustain a commitment.

The key is that the employment of reserve forces in real tasks will allow a limited defence force to reduce the strain on regular forces and therefore to stretch its existing capabilities.

### **Surge Capability**

There are many capabilities which a defence force will need in time of sustained conflict but which do not have to be immediately available. Some fraction of those capabilities can be based on reserve forces which are not in uniform for 365 days a year but which can be called upon as needed. To the extent that reserve forces are cheaper than regulars this represents a net saving.

In Australia's case the need to provide defence of airfields is a good example. Effective defence of the north would require extensive use of airfields, both large and small, in the event of a defence emergency. There is little benefit in maintaining the personnel need for airfield defence on a full-time basis. There is obvious benefit in having such a capability in reserve provided that it is adequately trained and sufficiently ready when called upon.

---

<sup>1</sup> There is also the well-established practice of recruiting doctors, dentists, lawyers, chaplains etc as reservists in order to provide specialist services.

The same is true of infantry forces. Clearly, some will be needed on a permanent basis and at high levels of readiness. But for a given level of expenditure reserve forces can provide a larger number of infantry on whom the nation can draw in time of need. Their level of training will not on average be as high as that of regulars and their skills will degrade faster over time unless constantly refreshed. But they are likely to be available in greater numbers.

Also of crucial importance in this calculation is that in reality many regular units will not be at their full complement in time of peace. This is not desirable but it is a fact of life. If such units are to be put into action, they will need to be supplemented. One way is to draw resources from other parts of the regular forces. This has the obvious disadvantage of disrupting those other units and the knock-on effects may be quite extensive. In so far as the required capabilities can be drawn from reserve forces this unwelcome impact will be avoided.

The knock-on effect may be even more widespread. For example, if elements of the regular Army call upon individuals from the General Reserves to fill up their ranks when required for operations, this will have an adverse effect on the capability of the General Reserves to provide capabilities. This is all the more so if the individuals concerned are those who are more highly trained and skilled.

The knock-on effects might also stretch between services. If, for example, Air Force lacked sufficient personnel for airfield defence in the event of an emergency, the protection of airfields could well fall to Army at least in part. This would inevitably reduce Army's capability to put forces in the field for its allocated tasks.

Reserve forces thus promise to be able to put greater capabilities in the field, not necessarily as rapidly as regulars, but in a way that (i) provides a relatively rapid surge in capability; (ii) allows operations to be sustained for a longer period than would otherwise be the case; and (iii) reduces undesirable knock-on effects when under-strength units have to be made up.

Precisely how those reserve capabilities are used will vary from conflict to conflict. In a major war, for example, reserve forces can be used in the first instance for defensive activities at home in order to free regular forces for offensive operations. In low level hostilities elements of the reserve forces might be called out in order to expand operations or provide relief for regulars already engaged.

### **Mobilisation Capability**

This refers to the ability of a nation to expand the forces it can put into the field in major defence emergency. The key to large-scale mobilisation is the existence in the community of a base for expansion.

In the event of a need for substantial forces to be created, it is not only existing reserve forces that can be called up but also those civilians who have some military experience. This may have been gained in the regular forces but quite possibly in the reserve forces. All forms of reserve service thus add to a nation's latent military capacity.

### *Skills from the Civilian Community*

Most reservists follow a civilian occupation whether as an employee or self-employed. Such an occupation may be a source of skills and experience which can be applied to the benefit of the armed forces. Reservists, for example, may be skilled in fields such as accounting, computing, management, medicine or the law.

The case of doctors is obvious. Doctors who practised medicine solely within the armed forces would be fairly limited in the range of problems they encountered; in civilian practice they will encounter a wide range of illness, accidents and disabilities. Clearly, the services can gain much from making use of such experience. This is quite apart from the obvious financial arguments for making use of specialist reserves.

### *Quality of Recruits*

Reserves are for the most part people who would not otherwise have joined the armed forces since they do not seek a permanent career in uniform. They are thus drawn from a different pool than regular enlistees. This in itself represents a net gain to defence capability.

Moreover, if the number of reserves were to be reduced and replaced with regulars, those additional regulars would have to be found from the existing regular recruiting pool. They are thus likely to be those at the bottom of the list of acceptable applicants—marginal enlistees, who are being recruited only because of an increase in regular numbers.

Regulars recruited in these circumstances may still be of good quality although the more difficult the circumstances for recruiting the lower is the quality likely to be. Any proposal that reserves be replaced with regulars needs to compare current reservists not with current regulars but with the regulars who would have to be recruited.

The strategic rationale for making use of reserves is thus based on additional capability, on the skills that can be harnessed from the

civilian community and on the quality of recruits. The strategic potential provided by reserve forces, however, still requires that a government be prepared to make use of it. This is a topic to which we return below.

### **The Economic Rationale**

It is generally accepted that reserve forces can be maintained at a lower cost than regular forces. Other things being equal, it is cheaper over a given period to employ reserve personnel for part of that time than to employ permanent personnel for the entire period. The savings result from:

- reduced pay, allowances and benefits received by the individual reservist. These may not be directly in proportion to the fraction of the year spent in uniform by the reservist. This will depend on such factors as payment of a retention bonus or the granting of tax-free status (which add to proportionate costs) and on ineligibility for a pension scheme and other allowances (which reduce proportionate costs).
- reduced running costs—the use of ammunition, fuel, equipment, spares, transport, housing, facilities etc. will normally be less for the part-time than for the permanent member of the armed forces. Again, this may not be directly proportionate to the time spent in uniform over a year.

The economic rationale, of course, is not all one way. There are net additional costs incurred in relation to reservists when compared with regulars. These may include: costs of running a dedicated recruiting campaign, the additional administrative burden in managing a different class of personnel, the need to have facilities located where reservists can attend parades and the need to run training courses at times and in places that reservists can attend.

The calculation of such additional costs has to be treated with care. The costs of running a recruiting campaign solely for reservists, for example, has to be weighed against the additional costs of recruiting a comparable number of additional regulars. Again, much equipment, weaponry, facilities and capital works might be needed for regulars if reservists were not to be recruited.

As far as personnel costs are concerned, differences are likely to exist with respect to retention rates of reserves versus regulars and the average length of service. Clearly, a high turnover in one category or the other has the potential to affect the relative costs of the two types of personnel quite significantly.

Also important as far as costs are concerned is whether the comparison is between individuals or between military units. An

individual reservist, for example, may cost anywhere between 10% and 50%+ of the cost of a regular over a period of a year. Much will depend, of course, on the length of time served during the year.

Where the comparison is between force elements, two additional factors enter the picture which add to the costs of a reserve unit compared with an individual reservist:

- there will inevitably be some personnel in a unit who are permanent members of the armed forces in order to provide elements of continuity, command, and specialised skills (the regular cadre); and
- especially where the Navy or Air Force are concerned, there may be items of capital equipment which constitute a high proportion of the cost of the unit regardless of whether it is manned by reservists or regulars.

Elements of the United States air and naval reserves, for example, which also contain a large complement of regulars and require major capital equipment, may cost up to 80-90% of the cost of a comparable regular unit.<sup>2</sup>

Finally, note must be made of the opportunity cost of regular forces. Each person employed full-time in the Defence Force is not available to contribute to the national economy. The nation, it has been said, pays twice for a service member—once to pay and support him or her, once in terms of lost productive activity in the economy.<sup>3</sup> This is not to say that regular forces are unnecessary. They are obviously needed by the community for national defence and a variety of other tasks which only full-time professionals can perform.

It is to say that the full-time force should be no greater than is necessary and that to the extent that reserves can be employed this represents a net saving to the national economy. For the same sum of money that would be required by a fully regular capability, a reserve capability can be raised with funds to spare. These are available for other purposes, whether retained in the armed forces or contributing to government revenue. Reserve forces thus allow an opportunity benefit—which may be translated into other military capabilities—as opposed to an opportunity cost.

---

<sup>2</sup> Martin Binkin, *Who Will Fight the Next War?*, Brookings Institution, Washington, DC, 1993, p. 151

<sup>3</sup> C.J.R. Day, 'Making Sense of the Territorial Army', *RUSI Journal*, vol. 37 no. 5 (October 1992), p. 34



## **The Social Rationale**

This set of arguments for reserve forces focuses on the sociological aspects of recruiting a group of people into the armed forces who remain civilians for a large part of their life. Reservists are seen as providing a bridge between the regular forces and the wider community. The traffic is two-way.

### *Education of the Community*

Reserve forces can serve as a bridge between society and the armed forces in that the presence of reserves in the workplace, in civilian organisations of many kinds and in the wider community leads to greater public knowledge about and understanding of the armed forces. While regulars are also citizens, they simply cannot be as involved in the community as those who put on uniform only part-time.

This function of reservists is of particular importance if they are people of standing and influence in the community. It is also significant in a nation which has a relatively small number of permanent military personnel—and whose number is declining.

Another important flow from the armed forces to the community is to be found in the expertise and experience that individuals acquire in the military. Reservists will learn many skills in the course of their military duties that are useful in the workplace—ranging from truck driving and use of computers to leadership, personnel management and planning skills.

Though not all employers will recognise this, the reservist is often training for the workplace while he or she is undertaking part-time military service. To the extent that accreditation for military courses is gained by reservists, the process of community and employer recognition of relevant skills will become easier.

Some employers, moreover, grant 'military leave' over and above other leave entitlements and may bear the cost of this. It seems doubtful, however, whether employers will ever be willing to pay for their employees to receive the benefits of reserve service!

### *A Leavening Influence*

The presence of 'civilians in uniform' in the midst of regular forces means not only the introduction of skills from the community but also what might be called a leavening influence. Through the presence of reservists, regulars will be more exposed to ideas and attitudes that are held by the community at large.

Greater familiarity with the world outside is likely to help the armed forces in understanding and dealing with social change. It can be

argued, for example, that the presence of reservists has facilitated changes in attitudes within the forces toward such things as the expanding role of women.

Understanding such social trends as the growing value placed on education and changing attitudes towards careers will in turn assist the armed forces to develop more effective recruiting, to understand new recruits and to establish more appropriate personnel policies. The influence of reservists, in other words, will reduce the natural conservatism of armed forces and militate against any tendency toward isolation from the rest of society.

### **The Political Rationale**

There is an argument relating to the political function of reserve forces that has been most clearly expounded in the United States but which can be discerned in other countries, including Australia. The claim is that a national government will be effectively constrained in any resort to war if such a war requires the calling up of reserve forces. This is seen as a desirable form of influence on government decisions about war and peace—a brake that restrains the government from action at odds with community opinion.

The brake seems particularly effective with regard to more major military commitments. While governments are generally able to commit regular forces to hostilities without reference to the population at large, such a commitment will be limited by the size of the regular forces. If a greater commitment is required, the need to call on reserve forces will give the government pause for thought. Unlike regular forces, reservists will be taken from their normal civilian occupations or activities. The consequent disruption is felt not only by the individuals concerned but also by family and friends and in many cases by employers. Some degree of public reaction is likely to occur.

The resort to reserve forces is also liable to serve as a political signal about the seriousness of a government's intentions. The signal will be heard both by the domestic society and by the enemy in question. Particularly if reserve forces are to be deployed other than in defence of the homeland—generally a more acceptable and understandable role—the political signal is all the more dramatic.

Such considerations, it is argued, are likely to make any government that is sensitive to public opinion think carefully about employing reserve forces in a given contingency. If reserves are to be used (especially if called out as opposed to volunteers from reserve ranks), it should mean that war is a national undertaking which has the broad support of the population. The mobilisation of reserves will, it is argued, bring home the importance

of the operation concerned to the population at large in a way that is not necessarily the case with a conflict fought solely by regular forces.

Much will also depend on the nation's attitudes towards the actual deployment of reserve forces. Some nations such as the United States are accustomed to periodic call-out of reserve forces for both external and domestic purposes. American reservists themselves are also more accustomed to serving under their flag, including in combat.

Attitudes in Australia appear to be rather different. Governments have traditionally not called out reserve forces for operational deployments, nor have individual reservists become accustomed to being called into service. The sorts of political signals that would be sent and received in Australia by the call-out of reserve forces for actual operations promise to be substantially more significant and controversial than in the United States. This, of course, may affect the overall value of reserve forces.

Finally, mention needs to be made of reserve forces as a political pressure group in themselves. Though by no means as strong as in the United States, there is a certain 'lobby' for the reserves in the Australian political scene. All of the major political parties appear reluctant to criticise the reserves while not always sparing the regular forces. By the same token any adverse change in conditions of service for reserves is likely to run into political opposition.

This cannot be put down in Australia's case to large numbers of former reservists in the federal parliament—fewer than a dozen. It is due rather to a long tradition in Australian society. As T.B. Millar observed in his 1974 report, '[t]he citizen soldier, preparing himself in his spare time during peace, and volunteering to serve in war, has an honourable tradition and place in the Australian Colonies and Commonwealth'.<sup>4</sup>

The small number of former reservists in the federal parliament contrasts markedly with, say, the American Congress. The separate states in the US, moreover, maintain their own reserve forces in the form of the oddly-named National Guard. Reserve forces in Australia are not the 'sacred cow' that they are in the US but the broad political support they enjoy cannot not be ignored.

## **Conclusion**

All of the four rationales for reserve forces are closely linked. Capabilities are of little value unless there is political readiness to make use of reserve

---

<sup>4</sup> *Report of the Committee of Inquiry into the Citizen Military Forces*, March 1974, Australian Government Publishing Service, Canberra, p. 1

## 22. *The Concept of Reserve Forces*

forces in the event of need. Similarly, capabilities remain only potential capabilities if the personnel concerned are not well-trained and not available for service. Social arguments also impact on attitudes towards the use of reserve forces and the willingness of the community to provide funds for reserve forces.

Economic arguments remain central and shape the choices open. Financial savings must be balanced against lesser capabilities. Yet continuing budgetary restraint means that the choice is not between a fully-manned regular force and a reserve force of a given size, but between an under-manned, poorly equipped regular force and a reserve force. In thinking about reserve forces, the affordable alternatives need to be considered, not the ideal.

Finally, reserve forces are established not for the benefit of individuals though many—quite properly—do gain from their part-time service both personally and financially. Reserve forces are established in order to be employed in operations should the need arise. If scarce resources are committed to the training and development of reservists, those individuals have a certain obligation to assist in meeting the military needs of the community in the event of danger.

It is in the light of these general principles relating to the raising of reserve forces and their employment that we have sought to evaluate the Ready Reserve Scheme.

## PHILOSOPHY OF THE READY RESERVE SCHEME

---

If regular forces are, in general, better trained, more capable and more readily available than most reserves, they are also expensive to equip and maintain. Some countries like Sweden, Switzerland and Israel use conscript forces to provide relatively cheap full-time personnel but they do so against very different circumstances than apply in Australia. Unless significant threats exist, however, most countries will find that regular forces need to be buttressed by part-time forces at lower states of readiness and availability but lesser cost.

Australia is one of those countries that has had to find the right balance between regular and reserve forces. Since the Millar review of the Citizen Military Forces in 1974 the balance between regulars and reserves has been continually adjusted but the changes have always been made against the backdrop of a set of highly professional, well equipped regular forces in each of the three Services backed up by differently structured reserves of which, for a number of reasons, the Army's reserve force has always been the largest. The underlying goal—the greatest single change prompted by Millar's report—has been the integration of reserve forces as a useable, effective part of the 'total force'. This was intended to replace the perception of the reserves as a vague building-block against the possibility of future mobilisation.

We believe that the relatively new Ready Reserve has an essential part to play in the goal of a total force. In the continuum between the regular force—at relatively high readiness and availability—and the general reserve force—mostly at lower levels of readiness and availability—the Ready Reserve constitutes an important intermediate capability. It must be prepared to back up the regular force very quickly, either to give it a respite from actual operations while adding to its strength, or in particular cases, supplement and relieve regulars almost immediately in key areas within the total force. The continuum between regular and reserve elements of the total force, it must be stressed, has greatly to do with readiness and availability, rather than capability, which is almost entirely a question of time, not standard.

### **The Total Force**

The philosophy of a total force with a high potential for reserves to be integrated into the overall structure is fundamental. Any reserve forces should therefore be capable of contributing to the overall capabilities of

the Defence Force in a coherent and integrated fashion. The following principles apply no less to the Ready Reserve than to any other reserve force:

- Without a highly trained, long term regular force to provide it with the essential professional norms and standards of proficiency to emulate, a scheme like the Ready Reserve scheme would be unthinkable. Moreover, much more than the General Reserve, the Ready Reserve—because of the need to keep it at a higher state of readiness—will always need a greater backbone of regulars to command it, support it and direct its activities.
- While in general higher levels of expertise will reside in the regular forces, it is important that reserve forces are as far as possible trained to the same standards—if not to the same extent—as regular forces. This is an important theme in the 1994 White Paper. Provision of that training will be the responsibility in large measure of the permanent force.
- What ratio of the total force the Ready Reserve might potentially assume is a matter for government, advised by military professionals. But if at any time an expanded scheme was contemplated, a critical feature of this consideration should be the size and viability of the regular force needed to sustain it and provide it with direction.
- The higher state of readiness of the Ready Reserve compared with the rest of the Reserve makes commensurate demands on it and is the principal reason that its conditions of service are more favourable. It is also the reason that its training is more concentrated than any other part of the Reserve.

### **Strategic Rationale of the Scheme**

It is our view that the Ready Reserve Scheme should have the principal purpose of adding to the capabilities of the ADF. It should therefore focus on those capabilities where the greatest deficiencies exist as identified by strategic guidance. The key areas include infantry, airfield defence and mine countermeasures.

These capabilities seem highly suited to the Ready Reserve Scheme. While the permanent force will always be required to provide some parts of these capabilities, Australia's strategic circumstances do not require the balance to be maintained on a permanent basis. In the event of conflict or defence emergency, however, such capabilities are likely to be in high demand. The Ready Reserve provides a way of maintaining the potential for such a capability at a lower cost than regular forces.

### *Army*

The history of the Scheme to date shows that Army has focused over 90% of its Ready Reserve effort on developing its infantry capability in the form of 6 Brigade. When the Scheme has reached its steady state Army will be able to put a brigade into the field on call-out and it will be able to do so at a lower continuing cost than by maintaining a fully regular brigade.

We endorse Army's concentration on this capability. Army has also used Ready Reserves in air defence and armour. These have proved more difficult to adapt to Ready Reserve format than infantry for a variety of reasons. We make a number of recommendations in chapter 4 on ways in which Ready Reserves might be better adapted into these two areas.

### *Air Force*

Air Force has developed a focus primarily on airfield defence. This is again a capability which needs a permanent basis but which does not need to be maintained at maximum level during peacetime. We endorse Air Force's focus on this capability.

We are not convinced, however, that the Ready Reserve Scheme is appropriate for the recruitment of trained aircrew or other specialists. Use of the Scheme in this way does not create new capabilities even though it may possibly help retain trained personnel. In chapter 5 we recommend that Air Force explore other ways of retaining the services of former regulars or of Active Reservists who wish to make a sustained commitment.

### *Navy*

Navy has used the Scheme primarily to increase the availability of reserve personnel for seagoing and other key billets. Its approach has not involved the training of additional personnel but rather the recruitment of ex-permanent naval personnel or former general reserves.

While the Ready Reserve Scheme may provide Navy with a greater hold over such personnel than is the case with general reserves, we do not see this as the primary purpose of the Scheme. In chapter 6 we recommend that Navy use the Ready Reserve Scheme to develop the key capabilities of mine countermeasures and patrol boat operations.

These capabilities are ones which are likely to need rapid expansion in the event of conflict or defence emergency. We therefore recommend that Navy:

- a. introduce a training scheme for new recruits to the Ready Reserve; and

- b. adopt alternative ways of ensuring the high availability of reserves for sea-going and other key billets.

In respect of all three services the key features of the capabilities under discussion are:

- they are not needed as part of the permanent force but may be needed for rapid expansion in the event of conflict;
- they are essentially capabilities focused on a force element i.e. formed units of some size, rather than simply numbers of trained individuals; and
- the force elements concerned need to be exercised intensively at least once a year so that proficiency can be maintained.

In future it is possible that other capabilities will be identified that will be appropriate for converting to a Ready Reserve basis. In principle a range of capabilities could lend themselves to the Ready Reserve formula.

For the time being, however, our view is that the ADF should concentrate its efforts on developing the Scheme along the lines we outline rather than move rapidly into new areas. For its part, however, Navy should direct its involvement in the Ready Reserve Scheme towards development of the capabilities we have identified.

It follows from this that Navy and Air Force should cease to use the Scheme for retaining the services of reservists on an individual basis. There seems to be no compelling reason why these members could not be absorbed into other parts of the reserve. Clearly, there will be some difficulty in winding down these areas but the process should commence as soon as possible.

In recommending that the Ready Reserve not be used to attract and/or retain individuals as individuals, we recognise that alternative conditions of service be developed which are appropriate to each case. It goes beyond our brief to develop such packages in any detail but the following might be considered by ADF:

- permanent part-time service
- retainers paid for availability (reserves)
- bonuses for service at short notice (reserves).

### **Principal Elements of the Ready Reserve Scheme**

The following key features of the Ready Reserve Scheme reflect the broad directions in which the Scheme should progress.



### *Recruiting*

If the key purpose of the Ready Reserve Scheme is to expand capabilities, it should focus on the recruitment of new personnel. These will be civilians who enter the Scheme and undertake 12 months full-time training (Category 3) or in some cases 2 years training (Category 3A). Central to the whole Scheme, therefore, is the introduction of 'new blood' into the Defence Force, not simply the recycling of existing service members.

It is, nonetheless, necessary and desirable to recruit into the Ready Reserve personnel who are drawn from the ranks of ex-regulars and former general reservists (Category 2). These personnel will be employed on part-time service exclusively in the units to which Category 3 personnel are posted for their part-time service. They are of particular value in that they provide personnel at those times when the force element is undertaking major exercises without being needed on a permanent basis. In due course, however, it may be possible to replace some Category 2 personnel with experienced Category 3.

The Ready Reserve Scheme, moreover, provides a third type of entry into the ADF. As such it can attract those who do not wish to commit themselves to normal regular entry but who are prepared to do more than general reserve service. For some it is a 'try before you buy' exercise, for others it is something different and challenging, for yet others it is a way of paying for tertiary education. At a time when recruiting to the ADF promises to increase in difficulty there is clearly merit in maximising the range of different forms of service.

### *Training*

An essential part of the Ready Reserve Scheme is the full-time training undertaken in the first year. This provides a skill base which the general reservist is likely to take many years to acquire.

The training, moreover, is equal to that undertaken by a recruit to the regular forces. There can be no question but that the Ready Reservist is at least as well trained as the regular in the first year. It is therefore important that those recruited into Category 2 from the general reserves or the regular force should be of comparable standard.

Participation in collective training is a key element of the Scheme. This participation is to be regarded as compulsory and should be at times required by the ADF (which will take into account the likely availability of classes of reservist such as students). Participation in extended collective training should therefore be a condition of remaining in the Ready Reserve.

While we regard participation in collective training as the keystone of part-time service, we believe it may be possible to reduce the number of training days required to below 50 in some cases. It is the period of 30 or so days of continuous collective training that has proved of vital importance, for example, to 6 Brigade and the Airfield Defence Guards.

While the balance of the time is undoubtedly of value, it appears to be less crucial. It may therefore be possible to introduce a flexible system which allows both fewer and more days than the current 50. Depending on a range of factors, the requirement could be varied between, say, 35 and 65 days. We develop this proposal more fully in the following chapters.

### *Availability*

It is fundamental to the strategic value of the Scheme that Ready Reserves not only be available for service during their full-time year but also available for call-out during their part-time service.

The conditions of service offered during part-time service are generous compared with other forms of reserve service. This reflects not simply the commitment to participate in training for a period of 50 days but also a readiness to serve if called out.

The latter commitment should be clearly understood. The liability for call-out is on the basis of membership of a unit which could be called out. The individual should therefore not be free to decide that he or she no longer wishes to be in the Ready Reserve once that unit is called out.

While the formal obligation to be available is clear, the actual availability of a Ready Reservist is likely to depend in part on his or her employment or, in the case of a student, the tertiary institution concerned. An essential element of the conditions of service should therefore be an explicit agreement between the individual, the ADF and the employer or tertiary institution.

The agreement should serve two functions: (i) clarifying the responsibilities and expectations of all the parties; and (ii) setting out procedures, practices and benefits in the event of an individual being called out during part-time service. This agreement might be on an annual basis but should be operative during the entire period of part-time service.

### **The Key Features of Ready Reserve Service**

The essential requirements of Ready Reserve Service apply to both Category 2 and Category 3. These requirements serve to distinguish the Ready Reservist from the General Reservist.

- A high level of training before receipt of Ready Reserve benefits—this will entail at least one year's full-time training or (in the case of former regulars or general reservists) the equivalent thereof.
- During 4 years (or longer) part-time service, there must be participation in collective training at times required by the ADF.
- The Ready Reserve is liable to be called out during part-time service as part of a unit.
- There must be an explicit agreement with an employer or with a tertiary institution (as appropriate) concerning the release for duty of the reservist—whether for training periods, full-time service or on call-out.

Failure to meet these conditions would mean that Ready Reserve status is not appropriate. Transfer to the general reserve, however, could be appropriate in some cases.

### **Benefits of the Ready Reserve Scheme**

We believe that there are two main benefits to be gained through focusing the scheme along the lines we recommend:

- a. the strategic purpose of the scheme is made clear i.e. provision of a specific capability at lower cost than regular forces.
- b. Ready Reserves will be employed in specific areas for specific purposes rather than being mixed in with general reservists. One of the problems of the Scheme in Navy and to some extent Air Force has been the unclear distinction between general reserves who are serving extended periods and the Ready Reservist.

The enhanced clarity of focus in these two respects should increase acceptance and understanding of the Scheme among both regulars and general reservists. It should also contribute to community understanding of the scheme.

There are further benefits to be gained from the Ready Reserve Scheme which can be mentioned here and are further developed in later chapters:

- a. The opening up of a pool of recruits who would not otherwise have joined the Defence Force. The benefits of this at a time of recruiting difficulty are self-evident. This transfusion of 'new blood' into the Defence Force,

moreover, adds significantly to the variety and quality of those in uniform.

- b. The transfer of high quality Ready Reserves to the permanent forces. Of particular value are those who would not otherwise have considered any form of military service (we call this the 'siphon effect'). The Scheme also serves the function of training and retaining those who intend to join the regular forces but cannot enlist at the time because of limits on recruitment (we term this the 'reservoir effect').
- c. The recruitment of individuals who are likely to carry an understanding of the Defence Force into the wider community. This applies particularly but not exclusively to university students.
- d. An increase in the total number of trained personnel in the Australian community, including those who are no longer in uniform, who could be used in a national emergency i.e. a surge capacity.

#### **Expansion of the Scheme**

We believe that it is premature to make firm recommendations about how, and in what areas the scheme could be extended, short of steady state being reached and the scheme validated. However, the criteria we have established are relevant to other areas in the ADF where the scheme could be of value at some stage in the future.

A critical feature of any expansion of the Scheme would also be the size and viability of the regular force needed to train it, sustain it and provide it with direction.

# PART II



# 4

## ARMY

---

The Army, with its emphasis on equipping the man rather than on manning large items of capital equipment, has a greater need for overall numbers of trained people in its force than the other two services. This said, it has no less need for high quality in the people it recruits.

Army's experience of the scheme to date is that: first, the quality of its recruits, both men and women is high, and they are easy to train; second, there are some administrative, organisational and training aspects that require modification or correction; and third, the key question expressed to us by the Army's leadership about the scheme is its 'useability', if maximum advantage is to be taken of the real capability which it provides.

Army's approach to the Ready Reserve Scheme will be considered under five main headings: recruitment, training, retention, capabilities and costs.

### Recruitment

In the first two years of the Scheme, Army comfortably met its recruiting targets as Table 4.1 demonstrates.

**Table 4.1: Ready Reserve Recruitment (Category 3 only)**

	1991/92	1992/93	1993/94	1994/95
Target	1,056	1,356	885	799
Enlisted	1,069	1,359	851	780 <sup>a</sup>

a As of 8 March 1995

There were special reasons for the ease with which early targets were achieved: the economy was in recession, and recruiting for the Regular Army had virtually stopped completely. As a consequence many who intended to join as regulars instead joined the Ready Reserve, hoping eventually to transfer (the 'reservoir effect'). Moreover, the scheme was novel and was given high level and concentrated publicity at a time when many who were about to enter the work force or go on to tertiary education and training were seeking the means to do so.

It is clear, too, as the longitudinal study conducted by 1 Psychological Research Unit demonstrates, that the first intake of Army's Ready Reserve recruits responded well to the challenge 'to develop personal qualities (teamwork, leadership)'. This factor was ranked by Ready Reserve recruits as highest in importance in their decision to join the Scheme.<sup>1</sup>

Since that time, however, the economy has regenerated, employment has picked up, and the employment market for high grade people has become more competitive. Recruiting in 1993/94 was below target, while the shortfall was somewhat less in 1994/95. Recruiting for the scheme, like recruiting for the regular force, promises to present a greater challenge from here on.

An important factor that may have contributed to later shortfalls was that in the wake of the 1991 Force Structure Review the Services cut back not only on their recruiting numbers but also on recruiting publicity. The time required to re-establish a presence in the employment market is now acting to their detriment. It is temporary and is being overcome, but Ready Reserve recruiting seems to have been adversely affected along with the ADF as a whole. The effect was less for Air Force which has had lower numbers to attract.

Nevertheless, the most recent report from the Defence Force Recruiting Branch (21 April 1995) gives ground for solid confidence. It plans a series of technical and structural changes to the recruiting program which should have a marked effect in attracting the right recruits at the right time. Of significance for example is a Ready Reserve counselling video which will be made available to Careers Teachers for use in schools.

Again, market research commissioned by Recruiting Branch indicates that recognition of the Ready Reserve as a unique scheme has improved considerably during the last year. Between December 1993 and December 1994, for example, awareness of the Ready Reserve among young males aged 17-24 who did not reject outright the idea of a career in the ADF increased from 47% to 67%.<sup>2</sup>

### *Officers*

Officer training for the Ready Reserve began in 1994. The recruiting targets have been comfortably achieved: 30 in 1993/94 and 31 in 1994/95. The latter intake included 8 female officer trainees.

---

<sup>1</sup> Captain K.J. Dawson, *Internal Report on the Longitudinal Study of the Ready Reserve*, 1 PRU, February 1994

<sup>2</sup> *New RRes and GRes Advertising—Campaign Evaluation*, AMR: Quantum Harris, January 1995, p. 6



### *Category 3A*

Army's institution of the Category 3A stream began only in the last months of 1994 and experienced a shortfall in target numbers due in part to the lateness of the recruiting campaign and its limited geographic range. Of 49 recruits sought only 10 actually enlisted.

Nonetheless, this variation on the Scheme shows promise of attracting potential technicians and specialists and thus relieving pressure on the regular force to provide them in large numbers. If applicants for this part of the Ready Reserve can be drawn Australia wide, rather than only from south Queensland as has been the case to date, the prospects for recruiting the required numbers will be enhanced.

### *Batching*

A particular aspect of the recruiting process used by Army is 'batching' i.e. where recruits from a given area such as Adelaide go to a particular unit, say 49 RQR. The reason for this is that follow-up contact during part-time training is facilitated. The process has merit and is helpful in retaining a sense of identity with each recruit's parent unit. However, as recruiting becomes more difficult, it may have to be seen as a 'good to have' which can no longer be afforded. We believe that separate recommendations that we will make concerning the minimum part-time training period—currently 50 days annually—will ameliorate the problem and reduce dependence on 'batching' as a necessary part of the scheme.

### *Females*

One area where recruitment might be expanded is that of female enlistment. A significant number of the women who present for selection are of an exceptionally high standard. However, because 6 Brigade as well as the armoured and air defence elements are destined for combat, employment of women Ready Reservists is at the moment restricted to a relatively few sub-units within the Brigade's Administrative Support Battalion.

Consequently, of the women who apply a large number have to be turned down. The number of females recruited is shown in the following table.

**Table 4.2: Ready Reserve Recruitment—Females**

	1991/92	1992/93	1993/94	1994/95
Target	48	37	17	40
Enlisted	48	37	17	42 <sup>a</sup>

a As of 8 March 1995.

It should not escape notice that in the future both the regular force and the Ready Reserve scheme are likely to face increasing competition from other employment sectors for the available talent. Strong consideration should therefore be given to opening avenues of Army employment presently closed to women.

#### *Students and Jobseekers*

Of particular relevance has been a change in the pattern of those entering Army's Ready Reserve Scheme i.e. a shift towards more recruits planning some form of tertiary education or training, compared with those seeking a job at the end of their full-time training year. It must be noted, however, that not all those who declare their intention to become students do in fact go on to tertiary education.

**Table 4.3: Ready Reserve Recruitment—Intentions**

	1991/92	1992/93	1993/94	1994/95
Job Search	25%	34%	34%	18%
Educational assistance	75%	66%	66%	82%

Army recruiting believes that this trend will be sustained and has orientated its advertising accordingly. The trend is both positive and negative in its effects. Those seeking education assistance demonstrate a marked ability to sustain their non-continuous training commitment following the conclusion of their full-time year.

At the same time, however, it is important to keep the Scheme open to both types of entrant despite the fact that the Job Search Assistance Scheme is proving to be almost too successful. It helps some 70% to find jobs and these individuals then often experience difficulty in being able to sustain the 50 training days required.

### *Category 2*

Recruitment to Category 2 has been disappointing. Both ex-regulars and ex-general reservists have proved more unwilling than anticipated to take on the obligations entailed in the Ready Reserve. There was also uncertainty about whether General Reserves would have to undertake additional training to permit them to transfer. There was some suggestion, too, that commanding officers in the General Reserve were reluctant to release their better personnel to the Ready Reserve.

The initial requirement for Category 2, moreover, was that they should serve for 5 years part-time but this was felt to be unnecessary since such recruits would in most cases already be adequately trained. The requirement is now only 2 years part-time service and may prove somewhat more attractive.

As far as future recruiting is concerned—in particular ex-regulars—we believe that better communication links need to be established between units, the Army Personnel Agencies (APA) in each major centre, and the Soldier Career Management Agency (SCMA) in Melbourne, as well as with the Defence Reserves Support Committees around Australia in order to collect and assemble data. SCMA, for example, is able if asked, to give advanced warning of regulars about to leave the Service who could be targeted to enter the Category 2 stream either immediately or after they have had time to become established in their new civilian environment. The important point is that the unit should keep contact with them, and keep them up to date on where their services would be valuable.

### *Recruiting and Training Priorities*

When Army began recruiting for the Ready Reserve scheme in 1991 and early 1992, the Regular Army was taking in very few recruits (General Enlistees). In fact, the intake of Ready Reserve recruits produced a levelling effect in terms of the total number under training as is evident from the following table.

**Table 4.4: Ready Reserve and GE recruitment**

	1990/91	1991/92	1992/93	1993/94	1994/95 <sup>a</sup>
Ready Reserve	—	1,069	1,359	851	790
Regular	3,590	635	379	915	1,275
Total	3,590	1,704	1,738	1,766	2,065

a As at 1 March 1995.

In the first three years of the Ready Reserve Scheme it was thus relatively simple to give recruits high priority for the January-March intakes into 1 Recruit Training Battalion [1 RTB] at Kapooka. The importance of this is that the first three months of the year generally yield the highest quality recruits. They tend to be young people who have finished school and who want to try the Defence Force first; those who apply later in the year tend to be less committed and may have tried to seek other employment but without success.

The situation which allowed priority to be given to the Ready Reserve is now completely changed. The Regular Army is actively recruiting, and since for both streams the optimum induction period is the early months of the calendar year, Kapooka's resources are stretched to cope. Giving one stream or the other priority, as was suggested to us, is not an effective answer. Both are important. While it is conceivable that either could recruit by a 'trickle' process at other slack times of the year, the Ready Reserve Scheme, which is overwhelmingly attracting recruits who are moving to tertiary education and training, would be especially disadvantaged.

We understand that the Recruit Training Battalion's resources are being reinforced so that the maximum numbers of recruits in both streams can be trained simultaneously if need be, and we applaud that decision. In a relatively tough climate for recruits any lesser solution would be unsatisfactory and the consequences, although expensive, need to be borne.

### **Training**

During planning for the Ready Reserve Scheme two basic stipulations were made:

- The initial period of training had to be long enough and in sufficient depth to bring recruits as close as possible to regular standards. As well as imparting a wide range of individual skills, it had to include sufficient collective training for recruits to recognise the importance of functioning as part of a team.
- Part-time training during subsequent years had to be sufficiently comprehensive and intense that units and groups could be maintained at high levels of readiness.

The essential feature of Army's approach to Ready Reserve training is that it should be to the same standards as regular soldiers and officers. During the first full-time year it is at least as rigorous and extensive as that undertaken by regular recruits. The pattern is as follows:

Recruit Training Battalion	12 weeks
Initial Employment Training	12 weeks approx. (varies by Corps)
On the Job Training	24 weeks approx.

Army's experience with Ready Reservists to date is that recruits at both the officer and soldier level are among the best in its history. As an example, a platoon of Ready Reservists at 1 RTB recently won the coveted Vasey Trophy which requires a maximum performance from the group and has been awarded on very few occasions. All 48 recruits who started in that particular platoon at Kapooka graduated from it.

The historical wastage rate for Ready Reserves during recruit training has been 12.4% in 1992, 14.8% in 1993 and 14.2% in 1994. This is approximately the same as the wastage rate for ARA recruits in this period which is an average of 13.4%. Full statistical details are contained in Appendix D.

A clear distinction arises, however, in terms of wastage from Initial Employment Training (IET). For Ready Reserves it has been 1.9% in 1992, 1.3% in 1993 and 2.1% in 1994. Among regular recruits the average wastage during IET for this period has been 4.7%. This disparity, if sustained, also has implications for relative costing.

Of particular importance are the impressive qualities of the Ready Reserve officer trainees who, once selected, undertake four weeks recruit training at Kapooka, followed by 20 weeks at RMC Duntroon. Leaving RMC at 2nd Lieutenant standard, they can then advance to 1st Lieutenant after completing further training modules within their particular corps of the army. They round off their full-time year in a regimental appointment in a unit. Their training is similar to that given to National Service officers during the Vietnam War and their performance of duty is likely to be equally outstanding.

There is broad agreement that one year's full-time training is the optimum for most areas of the scheme. In an effort to attract Ready Reserve technicians and specialists who require longer training, Army has introduced Category 3A. A Category 3A recruit completes two years full-time training and is then outplaced for one year's on-the-job training by a civilian agency to whom a basic fee is paid; a stipulation is that the member renders his or her 50 days continuation training, but any other on-going fees are met either by DEET or the member's civilian employer. Though new, the concept looks promising.

Representation was made to us that the period of full-time service (FTS) be increased to say 18 months in order to extend the training

undertaken and/or expand the period of useful full-time service. Such a change would create problems for the large majority of students who might not be granted more than one year's deferral from their particular course and who would be unable to commence studies until the beginning of the subsequent academic year in March i.e. a two year delay in studies. We believe that such problems greatly outweigh any benefit that the Scheme might gain from extending full-time service by six months. As the introduction of Category 3A demonstrates, the scheme can be adapted in appropriate circumstances.

In correspondence to us, criticism was made that there was inadequate collective training during the first year of full-time service, and that consequently this would have to be done during the annual 50 days part-time service (PTS). This is not the case.

The initial period of approximately six months individual training provides the basis for the achievement of more advanced collective skills which occurs when soldiers are posted into jobs in their units and undertake further 'on the job' professional development. This involves initially the mastery of more advanced individual skills and those small group skills required to perform as an effective member of a platoon (or equivalent). Soldiers then progress to more advanced collective training culminating in the performance of sub-unit and/or unit tasks depending on the unit's role in the Brigade or force. For combat units, skills are maintained at sub-unit level, for combat support and combat service support units at unit level.

Within Infantry some collective training commences during IET. On completion of IET, an infantry soldier has the basic skills to operate as a member of a section within a platoon, both in barracks and in the field. The remaining six months FTS involves collective training of platoon within company skills, culminating in the development of company collective skills to Level 3 (Trained to Job Standard). The final exercise for each FTS year, which occurs in January/February, involves infantry companies undertaking collective training in a combined arms setting and attaining sub-unit within unit collective skills to Level 2 (Trained in skills but not to Job Standard). It is worth remembering that many soldiers were sent successfully on operations in South Vietnam with less time in training than Ready Reservists.

As we have been told, it is intended to send a platoon of Ready Reservists in the later part of their first full-time year to Butterworth under the existing agreement with Malaysia, for training and other duties in late 1995. This move is a sign of the confidence which Army has in the quality of Ready Reserve training in both individual and collective skills. It will also provide feedback on their competency for other tasks involving deployment overseas.

### *Part-time Service*

The initial period of full-time training is one of the basic planks on which the scheme depends. We are less convinced that 50 days training during the subsequent years need be inflexibly applied. It is for consideration that many trainees could be adequately exercised in less time and we propose that the ADF examine whether a range of 35 - 50 days would not achieve the same purpose for many members, perhaps the majority.

In stating this however, we also accept that special categories of soldier, now or in the future, may need longer than 50 days to retain their efficiency. Therefore, we believe that a commanding officer should be given discretion, subject to general policy guidance, to vary the training requirement between 35 and 65 days during part-time service. We envisage, however, that only a few soldiers in the high skill and increased responsibility bracket would be fulfilling 65 days PTS.

At the moment, 6 Brigade's program of non-continuous training is built around a major annual concentration of 30-35 days; the remaining days are then spread over other parts of the year. The point about keeping contact with members, many of whom live at great distances from their parent units is well taken. However, a very intensive training period of say 30 days overall including build-up and wind-down, accompanied by five days spread over the year primarily at week-ends during which units continue to retain contact with their members for pre-annual concentration training and other essentials, may achieve a similar result. The unit could keep in touch by distant learning techniques or mobile wings to ensure that both its own and the members' interests are kept in focus and that the members of the scheme fulfil the contracts they have agreed to.

Apart from the annual concentration, Exercise 'Ready Shield', undertaken in 6 Brigade, there is no single pattern among units either for a second major training period, or even for the balance of the 50 day period. Unlike General Reserve members, who predominantly belong to units in the same area and have relatively little difficulty in attending weekly night parades and week-end bivouacs, many Ready Reservists are remote from their units and the General Reserve model is inappropriate. While we do not suggest that the balance is either unnecessary or mis-spent, units could be given greater discretion in requiring some to attend non-continuous training less frequently, while others might attend for more than 50 days for specialist or NCO training.

A member attending 35 instead of 50 days training would be paid a lesser commitment bonus *pro rata*; similarly, a member attending more than 50 days would receive a higher bonus. An additional benefit of this approach is that it could assist those Ready Reservists in paid employment to remain in the scheme rather than being forced out by the

reluctance of employers to grant them 50 days absence from work. The cost of moving Ready Reservists long distances more than once a year would also be reduced or eliminated.

### **Retention**

An important issue concerning retention in the Ready Reserve—and one which was raised with us several times during our visits—is whether a limit should be placed on the number of Ready Reservists allowed to transfer to the regular force. There is an obvious reluctance among those Ready Reserve units which, having trained people well and motivated them, then see them transfer to the regular army, or in some cases to the Air Force or Navy. Their chagrin is understandable.

On balance, however, we do not believe that a quota is in the best interests of the ADF as a whole. A Ready Reservist seeking transfer who has completed one year's full-time training (and possibly some part-time service as well) is likely to be of a high standard, well adjusted to service life and strongly motivated. Neither the Army nor the ADF as a whole can afford to turn down such individuals. If as a consequence it takes some parts of the scheme longer to reach steady state, this should be accepted. If anything, it should be made easier for individuals to move between various categories of reserve service and the regular forces.

At the same time, however, we do not see the Ready Reserve simply as a pool of potential ARA recruits. We are therefore concerned to note that Army plans to conduct an active recruiting campaign in the course of 1995 with the intention of encouraging 179 Ready Reservists to transfer to the ARA. This is in addition to the 50 or so who have already transferred this year. If successful, the campaign will have a marked impact on the ability of 6 Brigade to develop its planned capability and will tend to create a belief that the Ready Reserve is intended to serve a recruiting function rather than provide a capability. Even an unsuccessful recruiting campaign would serve to create the same impression.

We recognise the need to recruit to the regular forces and the useful role that the Ready Reserve Scheme can play in this. It is important, however, to ensure that the primary purpose of the Scheme is not overshadowed by short-term exigencies. Once the Scheme is well established, the recruiting function could be developed more fully. This will, of course, require a larger intake and expanded facilities at each stage.

Initial planning for the Ready Reserve predicted separation rates for the first five years of service as follows: 25%, 25%, 25%, 50% and 90%. While total wastage from the Ready Reserve Scheme has been very approximately in line with these figures, it is of crucial importance that



much of the wastage has been in the form of transfers to the regular forces. As we argued above, such transfers are to be welcome—subject to the qualification noted—and add to the value of the Scheme rather than detract from it.

The following table therefore presents separations based on calendar years after allowing for transfers to the regular forces or, in a very few cases, the general reserves. The first three columns represent the Ready Reserve intake for each year while the fourth column presents figures for the total ARA intake from 1992 to 1994. A more detailed table is presented in Appendix D.

**Table 4.5: Ready Reserve Separations**

Intake	RRes 1992	RRes 1993	RRes 1994	ARA 1992-94
Total recruited	1069	1359	851	2874
Recruit wastage	133 12.4%	201 14.8%	121 14.2%	13.4%
IET wastage	20 1.9%	17 1.3%	18 2.1%	4.7%
Transfers	155	169	65	—
Discharge/resign	172	224	55	
<i>Wastage by year (adjusted for transfers)</i>				
1992	14.8%	—	—	15.6%
1993	5.4%	16.8%	—	5.5%
1994	10.1%	15.5%	22.8%	4.4%

The unweighted annual loss rate for 1992-94 for Ready Reservists is thus 14.2%. The rate for regular recruits over the same three years is 8.5% but this includes two years (1993-94) of abnormally low rates. The historic average for the ARA is in the order of 10-12% while the current rate is about 13.4%.

In broad terms it seems that the separation rate for Ready Reservists (after allowing for transfers to permanent forces) is likely to be only a little higher than the rate for regular recruits over the longer term. Nonetheless, rates are liable to fluctuate and the high loss rate of 22.8% reported for the 1994 Ready Reserve intake suggests a need to monitor future rates closely.

The wastage rate for the General Reserve recruits has been calculated at 17.9% (1992), 16.9% (1993) and 12.9% (1994), giving an unweighted average of 15.9%. It is likely, however, that these rates understate the true loss rate since there are normally delays in registering

separations. Nonetheless, this accords with what might be the expected pattern—that losses in the General Reserves will be higher than in the Ready Reserve which in turn will be higher than the ARA.

The figures have been given for the Ready Reserve as a whole, a total of 3,279 of whom 3,076 joined 6 Brigade (94%). The balance were recruited into 1 Armoured Regiment (85 recruits) and 16 Air Defence Regiment (118 recruits). Interestingly, none of the recruits to these two elements dropped out of IET. The small numbers involved, however, mean that a comparison of wastage rates is of doubtful value. It is also important that current and future loss rates be carefully monitored where relatively small numbers of Ready Reservists are involved.

### **Ready Reserve Capabilities**

As planned, Army's main emphasis has been to recruit and train the relatively large numbers of Ready Reserve required within the former integrated regular and general reserve 6 Brigade at Enoggera, as well as for the 1 Armoured Regiment at Puckapunyal (planned to move to Darwin), and for the 16 Air Defence Regiment at Woodside. Its rate of success in each organisation has varied with the greatest success being in 6 Brigade.

After three years of the scheme Army's Ready Reserve strength at 31 December 1994 was approximately 2,060, including 131 Category 2. The target after three years was 2,444 but, given that 389 Ready Reservists had been allowed to transfer to the regular forces, Army's performance has come close,

#### *6 Brigade*

Army has found that the original estimate of trained regular and general reserve personnel whom it expected would transfer to the Ready Reserve in 6 Brigade was far too optimistic. As a consequence, it has had to deploy a greater number of Category 1 personnel in the Brigade to compensate for this shortage to a point where, in general terms, the ratio of regular to Ready Reserve instead of being around 20% has had to be increased to 30%. Most notable has been the lack of technicians and specialists among the Category 2 numbers. It was in an effort to compensate for this shortfall that Army introduced the new Category 3A.

The original and current plans for the composition of 6 Brigade are illustrated in the following table.

**Table 4.6: 6 Brigade**

Original Structure		Revised Structure	
Category 1	790	Category 1	1,132
Category 2	787	Category 2	131
Category 3	2,225	Category 3	2,373
		Category 3A	117
Total	3,802	Total	3,753

Given the present pattern and commitment to training in 6 Brigade, there is solid ground for optimism that the formation will achieve the capabilities required of it by the time it reaches steady state. The Army's Land Command and the 1st Division have constructed useful theoretical models to determine the state of development that 6 Brigade has achieved compared with where it must be by steady state to fulfil the CDF Preparedness Directive (CPD), which is a classified document summarising the existing and potential operational status of the ADF. This is consistent with the process underlined in the 1994 White Paper to focus planning on capabilities rather than threats in order to arrive at force structure.

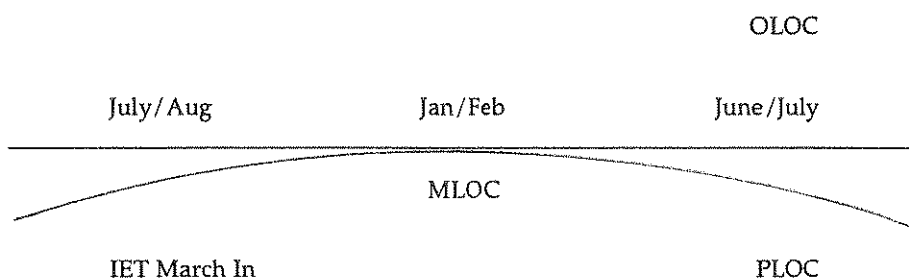
In general terms the model measures variables like personnel, training, equipment, resources and logistics, and whether or not such assets can be made to convert into real capability within the time available. Except for a specific area examined in the following paragraph—personnel—present indications are that it will be achieved.

Since the Army has found it necessary for other reasons to give higher priority to regular rather than ready reserve recruit training during early 1995, units in 6 Brigade like 6 RAR have received fewer than the required numbers of new enlistees. Thus, the possibility exists that steady state within 6 Brigade may have to be slipped for six months i.e. to mid-1997. Such a situation would be temporary and should be overcome under Army's present plan for expanding the capacity of its recruit training so that neither the regular nor Ready Reserve recruit processes will in future be impeded. As we understand it, that improvement will be carried on into Individual Employment Training (IET), so that training bottlenecks will not occur.

By steady state we believe that the brigade will be at Minimum Level of Capability (MLOC) i.e. its required peacetime level of preparedness, and that it will be capable of making the transition to its Operational Level of Capability (OLOC) in the required 90 days as planned. This latter process has also been modelled and found to be feasible in theoretical terms. By working back from OLOC using the CDF's

requirement for readiness of 90 days for the combat arms units of the Brigade, 'sub-unit within unit' level skills is an appropriate MLOC. It is for consideration that upon the achievement of steady state it should be validated by war-game, by actual exercise, or a combination of both.

Within 6 Brigade as a formation, the achievement of an MLOC capability will only be possible once steady state has been reached. Thereafter, MLOC will be achieved once each year during the period of annual training which involves both FTS and PTS Ready Reservists. This 'sine wave' effect is shown in the following diagram:



The actual level of capability—Present Level of Capability, or PLOC—thus fluctuates according to the distance in time from the annual period of training. Capability is naturally highest during and immediately after annual training, and is also enhanced by the capacity of each infantry battalion to produce an MLOC capable company during the Ready Reserve period of full-time service i.e. July to December.

Within the PTS year it has been found possible to maintain individual skills at a level which permits the Brigade to exercise as a formation every second year, and as three independent infantry battalion groups every other year. It is at the completion of these activities that the fluctuating PLOC meets MLOC.

At steady state, each of the infantry battalions will be structured around three PTS rifle companies, a PTS support company and administrative company, and one FTS rifle company which, depending on the time of the year, may be undertaking either individual or collective training. Other than following the January/February annual exercise period, there will always be a period of time required to bring the PTS companies back up to MLOC. The closer to January/February that this occurs, the less time it will take for MLOC to be achieved.

This fluctuation is a fact of life that is equally true of many regular units except those at very high readiness such as the Rapid Deployment Force and the SAS Regiment. The situation was an even greater impediment pre-Ready Reserve, when the then 6 Brigade would have had

to absorb about 2,000 reinforcements from other parts of the Army—to the considerable disruption of the donor units—before collective training could effectively be started.

We next refer to two army units which are outside 6 Brigade, but whose structures include sub-units (or equivalent) of Ready Reserve. Both 1 Armoured Regiment and 16 Air Defence Regiment are specialist units whose circumstances differ from most units with Ready Reserve members. Each is equipped with technologically advanced equipment which requires high levels of manual dexterity and skill to operate. Each is also the only unit of its type in the Australian Army. Thus, many training and reinforcement problems are special to each unit.

### *1 Armoured Regiment*

1 Armoured Regiment has one Regular tank squadron, a Ready Reserve Squadron and a General Reserve Squadron. It has a regular establishment of 264; its Ready Reserve Squadron establishment is 61. Since both reserve squadrons depend on the regular squadron for the training of their crew commanders and other specialists, the present base for this important activity is arguably too narrow and needs to be extended.

In addition, the unit is due to move from Puckapunyal to a new permanent home in Darwin in the latter part of 1995 and its General Reserve Squadron cannot be retained in its present form. Certainly, some of its members will find useful work as part of a special detachment within the Armoured Centre at Puckapunyal. Some may wish to transfer to the Ready Reserve Squadron and, where suitably qualified, should be encouraged to do so. In discussions at the unit we were briefed on a number of organisational models that take account of the change in location, the disbandment of the General Reserve Squadron, the high opinion which the unit holds of its Ready Reservists, and means to better integrate them within a reduced organisation.

In the Darwin area, while excellent facilities are being provided for the unit, weather patterns present some challenges to training Ready Reserves. The best concentration period for the latter—December to February—also coincides with the ‘wet’ in the north which makes training with tracked vehicles difficult. We believe that the unit will adjust to the difficulties and we note its positive attitude toward meeting the challenge. But, with the aggregation of changes it faces, and the narrow regular base it has been forced to live with, we believe there are compelling grounds for its regular strength to be modestly expanded.

Moreover, since the amount of ground to be covered in northern Australia is vast, and the unit with its excellent communications, mobile firepower and resilience is easily adapted to retaining a scattered but

formidable presence for long periods of time, we believe that consideration should be given to building its regular strength from one to two tank squadrons. Given this stronger regular base, its ability to professionally foster its Ready Reserve squadron would be enhanced and result in a better, less administratively complex mix of sub-units overall. It could cover more territory and be able to maximise its strength at important times e.g. during the Kangaroo series of exercises, than it is capable of doing at present.

We realise that this recommendation takes a broader view than simply whether, and what level of Ready Reserve strength the unit should have. But, issues of this nature are not easily dissociated in 'one of a type' units.

#### *16 Air Defence Regiment*

This regiment is also the only one of its type in the Army and is, in addition, relatively remote geographically both from the north where it would expect to be deployed, and from the Army and Air Force units whom it is its role to support. As a result it has frequently to travel long distances for much of its training.

The Regiment does not have a Ready Reserve sub-unit, but has positions for 120 Ready Reservists (57 posted at the moment) in an overall establishment of 418 and has placed those that it has in various parts of the unit in a variety of trades. It has reported a number of difficulties in employing Ready Reservists which mostly surround its special characteristics as an air defence unit.

We do not believe, on balance, that the Ready Reserve concept has been reasonably trialed in 16 Air Defence Regiment. This is in part due to the distant exercise commitments it has imposed on it because of the essentially dual nature of its responsibilities i.e. to the Air Force for the area air defence of airfields, and to its immediate parent the Army for the point air defence of vulnerable targets and potential bottlenecks such as bridges. With relief from some of these commitments and with modifications to the Regiment's own internal structure and processes, however, we believe that the inclusion of a Ready Reserve element should continue to be pursued.

No unit of the ADF should be in any doubt that the incorporation of Ready Reservists will require it to modify and in some cases overhaul its traditional practices. For example, no serious attempt appears to have been made to make effective, training use of the November-February period, when the majority of Ready Reservists pursuing courses of study or civilian training, are available.

Moreover, there does not appear to be convincing evidence that Ready Reservists cannot be trained as missile numbers for either Rapier or RBS-70, which are the unit's *raison d'être*. The hand-eye coordination and general intelligence required are of a high order. But, arguably, no more than for a tank gunner learning to shoot on the move. In any case the point has already been made that Ready Reserve recruits are among the brightest the Army has had.

As we understand it, the problem is not so much the initial length of training as the need for regular, repetitive practice with the equipment. Two recommendations are offered. First, the unit's present intensive exercise commitment, around which it is forced to conduct its individual training, probably needs to be rationalised and perhaps reduced in the interests of getting greater value for more parts of the unit, more of the time. If the unit actually fired missiles during such exercises, matters might be different, but it seldom does. If the exercise is for reasons of sector defence, command and control and the like, it might more usefully be done by taking its communications and command posts, leaving the missile detachments to get on with useful practice at the unit's home base.

Second, we were informed that the fidelity of the RBS-70 simulator is high and, since it does not have to be deployed outside the unit lines to be effective, more use could be made of it out of normal working hours. This would do much to accommodate the Ready Reservists, many of whom live in Adelaide and, given their high level of enthusiasm, would readily make the trip to do so. Similarly, once the new, and long awaited dome trainer for practising interactive skills with both types of missile is installed, and we understand that its arrival is not far off, the ability to better train Rapier crews is also enhanced.

The needs of this unit may be an exceptional case where 50 days, perhaps more for parts of the unit, may be needed to effectively train Ready Reserve missile numbers and keep them current. But, at least as much emphasis must be given to properly integrating them into the unit and giving them a clearer sense of identity within it, rather than using them as a 'pool of labour' as they have been described. Again, only a relatively small part of the unit needs formally to be at high readiness. Most will have more time to transit from MLOC to OLOC.

The unit's regular strength—272 posted out of an establishment of 298—while of concern to the unit, could not be assessed as critical. However, because in many cases it has to orientate and train its own specialist NCOs, it does have special requirements for regular manpower. Furthermore, with Army in the process of creating a fifth regular battalion from its existing numbers, the point is not lost on the unit that its regular shortages may take time to redress. But this surely is another important reason to maximise the effectiveness of its Ready Reserve element.

### **Future Application of the Ready Reserve Model**

We have already stressed the importance of training regulars and reservists to common standards at both recruit and officer levels. Over time, therefore, the practicality of interchange between the regular and reserve elements will be enhanced and, given the nature of more flexible employment norms already present in the civilian community, the possibility of similar flexibility between parts of the ADF is likely to be a matter of time. A similar process should also occur with regard to the General Reserve.

During our visits and discussions we noted that the Ready Reserve scheme fitted most comfortably as an additional sub-unit of an already functioning regular unit because of the parental support that the regular unit can confer. This model makes use of the already existing umbrella of command, administration and logistics that a regular unit has inherently for 365 days of the year. It is easier to graft on a Ready Reserve sub-unit than expect the latter to set itself up and shift for itself. Moreover, the Ready Reserve model is likely to be flexible enough also to be applied to particular General Reserve units that possess strong regular cadres.

These assumptions underlie any extension of the Ready Reserve model to other areas of Army. With this in mind, for example, adding Ready Reserve sub-units to some or all the existing three Regional Force Surveillance Units makes sense. Similarly, by adding a Ready Reserve sub-unit to any existing combat, combat support or combat service support unit that may need to be considerably expanded in a time of conflict, a latent base is provided to split the unit into two separate units if needed.

A Ready Reserve Commando unit may also fill a priority need because of the higher expectation of readiness that can be built into it. Such Special Action Force units that are at present within the General Reserve, because of their nature and training, already attract higher number of ex-regulars than other units, which adds significantly to their capability and expertise. A similar process could apply in a Ready Reserve Commando unit.

Finally, certain Joint Force or Combined Headquarters need to be established periodically to conduct say, Kangaroo series exercises or for other purposes. For this to be effective they need to be established as cohesive groups, then practised and periodically rehearsed, at least annually. Depending on the nature of the commitment and timing, some Ready Reserve positions could be identified as key billets and men and women trained to fill them. The intelligence and communications areas are two. Those performing these tasks could be employed in establishments like the Defence Intelligence Organisation or fixed communications units at



times other than exercises or deployments as part of their non-continuous training commitment.

The above examples are possible areas where the application of the Ready Reserve model may be appropriate. Other areas may later suggest themselves. We suggest, however, that any moves to implement such measures await steady state. Better data about the impact of the Ready Reserve model on the present level of professional standards in the Army needs to be gathered and assessed. Those standards depend heavily on the Army's ability to produce sufficient senior NCOs and middle ranking officers to retain corporate knowledge and experience at a high level. Not enough information is available at present to know how broad that numerical base must be and how it can be sustained.

While we are aware that studies are proceeding at the moment to establish the level of Manpower Required in Uniform (MRU), those that we suggest are more discrete than that. It needs to be stressed that the regular force will be first in and last out in any conflict, that it provides the essential regular under-pinning for both Ready Reserve and General Reserve elements, and that it is the professional building block on which any adjunctive force such as the Ready Reserve must depend for leadership, direction and doctrine. The same members of the regular force cannot do all of the above tasks simultaneously, and there may come a point where its limit in terms of professional resilience is reached if too many additional or adjunctive tasks are taken on.

Any intention to expand the present Ready Reserve scheme should thus be assessed carefully to ensure that the professional base within the regular force is not eroded. It is a very different situation from the small cadre army that existed between the two world wars. A great deal of the difference is that a larger proportion of the present regular force is required to be at high readiness than at any other period in our history. We suggest that the process be started by assessing the progress of the present scheme towards steady state, compared with the critical rank/trade structure that would be needed if the force was required to surge in circumstances of short warning or more intense conflicts.

### **Costs**

Probably no one aspect of the scheme has been so examined or so debated both publicly and professionally as its cost. This is particularly so in the case of Army which has the largest numbers in the scheme. The reason is not difficult to seek. When it began, the scheme was seen by many both within and outside the profession as being directly at the expense of the regular army. Assessments of the cost (and readiness) of the Ready Reserve model were made in the context of comparisons with regular units and formations.

What was not always acknowledged, however, was that a fully regular, fully manned formation may not have been a realistic option in the context of budget restraints. Also to the point is that regular units and formations are in practice not necessarily at formal level of manning or readiness.

That said, it is of genuine concern that the Ready Reserve Scheme should be accurately costed and that it should deliver real and useable capabilities. Costs need continually to be monitored and the most accurate comparisons of cost between Ready Reserve and regular—both in terms of individual costs and formation costs—should continue to be refined. The distinction between these two bases for cost comparison is important but is not always fully understood:

- Individual costs i.e. the cost of an individual Ready Reservist compared with the cost of a regular (each over a period of 5 years, including the full-time year for the Ready Reservist and allowing for wastage rates).
- Unit costs i.e. the annual cost of a unit which is fully regular compared with the annual cost of a unit which is mixed regular and Ready Reserve.

There has, in fact, been a steady process of improvement in the accuracy of the figures and of the costing process since the initiation of the scheme as more hard data has been available through experience.

In the original ADF document *Report on Ready Reserve Concepts for the Australian Defence Force*, forwarded to government in April 1991, which can be regarded as the initiating document, the financial implications were set out on the basis of a direct annual personnel cost comparison between permanent and Ready Reserve members. This document which is reproduced in Appendix E also made certain assumptions about variables such as the number of recruits who would ultimately opt for education assistance or job search assistance at the end of their full-time training year.

This comparison took a hypothetical snapshot of several of the variables and did not, for example, compare operating or training costs. The ratio it arrived at for regular vs. Ready Reserve enlistees of 100 : 30 was thus indicative only. This comparison was used in the report on the Ready Reserve program tabled in Parliament on 30 May 1991. At about the same time, the report of the Interdepartmental Committee on the Wrigley Report used figures provided by the ADF which showed broad comparative costings of regulars, Ready Reserves and General Reserves to be in the ratio 100 : 40 : 10.

In order to broaden the basis of estimates of possible costs, operating costs based on historical data available at the time were used in the report on the Force Structure Review, also tabled in Parliament on 30 May 1991. The Report advised that Ready Reserve personnel would be expected to cost about 42% of regular personnel. The Army's own estimate at the time based on a comparison of direct personnel and operating costs suggested that Ready Reserves might cost as much as 50-60% of regulars because of assumptions of a higher throughput of Ready Reserves for training.

However, none of the above comparisons took comprehensive account of all indirect costs which include operating costs, capital costs and depreciation. Nor did they compare the costs of organisations into which Ready Reservists were to be inducted and thus be the basis of later capability judgements.

In the 1993-94 Additional Estimates process new calculations were provided for Army which showed the following:

- the full costs of a Ready Reserve Private compared with a Regular Private over a five year period was 43%; and
- the costs of the Ready Reserve on a Brigade basis was between 67% and 81% of a Regular Brigade depending on the Ready Reserve Brigade structure used for comparison, in particular the number of regulars included within that structure.

Now in 1995, a better costing model has been constructed. The individual cost differential between Ready Reserve and regular remains at 43% over a period of five years. Factors included in this costing include:

- average salary and allowance costs, including accrual based superannuation for ARA members and for Ready Reserve members during the period of full-time service;
- the average student cost of individual training courses undertaken; and
- unit operating costs, which are attributed to the RRes on the basis of the proportion of RRes members in total unit strength.

This calculations allows for a substantially higher individual rate for the Ready Reservist during full-time training (\$44,960 vs \$39,360). There are two principal reasons for the extra cost of the Ready Reserve. One is that Ready Reservists, after they have undergone three months training as riflemen at 6 Brigade, go on to more specialised and more expensive courses such as mortarman, signaller and driver whereas the ARA soldier does not. A second factor is that Ready Reservists are allowed the cost of a removal to their home location at the end of their full-time year whereas this does not apply to the regular. (The average cost of a removal for a single member is approximately \$1,800.)

There is some distorting effect, too, in that the Ready Reservist's part-time allowances are averaged out over the entire five years. This makes no difference to the final figure but does inflate somewhat the cost of the initial year.

In terms of the cost of a formation, the model for Army's 6 Brigade (which represents over 93% of total Army Ready Reserve numbers) shows that the total cost of the Ready Reserve Brigade is 63% of the total cost of a Regular Brigade. The comparison, which is included in full as Appendix F, has the merit of comparing like with like i.e. each brigade at full establishment. The personnel numbers for each organisation are the same at 3,787 and the Ready Reserve model includes the additional regulars (Category 1) to compensate for the shortfall in ex-regulars and ex-trained General Reservists (Category 2). It also includes the new category of specialist Ready Reserve personnel (Category 3A) who receive two years initial training rather than one and thus add to the costs.

This comparison does exclude the costs of capital works i.e. new barracks to house Ready Reservists, and the cost of major new capital equipment to motorise the brigade in tactical vehicles and provide substantial holdings of surveillance and night observation equipment. On the basis, however, that a regular brigade at full strength would need to be housed and equipped to the same standard these costs are common to both regular and reserve formations.

We believe that the current cost comparisons are as comprehensive as possible, given current guidance and that, as far as we can ascertain from collateral evidence, accurately reflect the major cost difference. Given an annual cost of approximately \$203 million p.a. to run a fully regular brigade compared with \$127 p.a. to maintain a Ready Reserve Brigade, we note that savings are in the order of \$76 million p.a.<sup>3</sup>

No formal cost differential has been agreed within the ADF for the units outside 6 Brigade i.e. 1 Armoured Regt and 16 Air Defence Regiment. We have no reason to believe that they would differ substantially from the 6 Brigade comparison although in the case of the armoured regiment the use of a relatively high number of tank rounds by Ready Reservists could add to relative costs.

---

<sup>3</sup> We did not seek new costings to compare the planned Ready Reserve Brigade with an integrated Regular/General Reserve brigade. Much would depend on the proportion of ARA assumed to be necessary in an integrated brigade. Nonetheless, costings undertaken in 1993 suggested that a Ready Reserve Brigade would in fact be substantially less expensive than a fully manned integrated brigade.

## **Conclusion**

Army's approach has been consistent with the original intention of the Scheme i.e. to create a Ready Reserve Brigade of all arms, strong in infantry. Progress in 6 Brigade shows every sign of reaching steady state at the planned date of December 1996 or soon thereafter—subject to sustained recruitment and an absence of wholesale transfers to the ARA.

Modifications are required within both 1 Armoured Regiment and 16 Air Defence Regiment, particularly in relation to integration of the Ready Reservists and regulars. In the case of 1 Armoured Regiment, moreover, structural changes also need to be made.

Of special importance will be the continuation of members' involvement in the Scheme after five years. Army will need to put in place positive measures to offer Ready Reservists growing responsibility and challenge.



## AIR FORCE

---

Since the late 1980s the Royal Australian Air Force has sought to make more effective use of its reserve forces. Greater emphasis has been placed on incorporating the activities of the reserves into those of the permanent force. The role of reserves is no longer that of simply supplementing the regulars as and when required. This change of emphasis is to be welcomed and encouraged.

The RAAF's reserve forces currently consist of four elements, including the Ready Reserve:

- RAAF Active Reserve numbers approximately 1275 personnel, including 150 in the Reserve Staff Group. Its establishment is 1550.

Active Reservists must serve a minimum of 32 days per year, including 14 continuous days, and a maximum of 130 days. Service beyond 32 days is on a voluntary basis although many attend for longer in order to maintain particular skills. Aircrew and Air Traffic Control, for example, generally require at least 70-80 days to maintain proficiency. About 75% of the Active Reserve are drawn from the ranks of former regular personnel.

- RAAF Specialist Reserve has a strength of approximately 294 out of an establishment of 515. The Specialist Reserve includes some 148 medical and 90 legal personnel, 36 chaplains and 25 journalists. Members of the Specialist Reserve have an obligation to serve a minimum of 7 days per year.
- RAAF General Reserve currently numbers approximately 2,967. They have no training obligation but are in principle available on call-out.
- RAAF Ready Reserve has a current strength (June 1995) of 222 with a new intake planned for later this year.

### The Air Force Approach to the Ready Reserve Scheme

When the Ready Reserve Scheme was initiated some 450 positions were allotted to RAAF. We can find no clear rationale for this figure.

Air Force's initial concept was to use the Scheme solely for the purpose of enhancing its airfield defence capability for which a major requirement had been identified. Cost considerations apparently deterred the Air Force from moving down this path immediately. The amended plan was to make up the figure of 450 Ready Reserves as follows:

- 180 Airfield Defence Guards (ADGs)
- 64 aircrew
- 206 transferees from the Active Reserve in a variety of postings.

This plan met with only partial success. There were difficulties in recruiting the required number of aircrew and in encouraging transfers from the Active Reserve. A major factor was the unwillingness of many personnel to commit themselves to 50 days service per year.

Subsequently the decision was made to focus on increasing the Air Force's capability for airfield defence. This has become the principal objective for the Ready Reserve Scheme with a secondary objective being to increase the availability of reserve personnel in specific areas of demand. Current planned targets are:

- 362 Airfield Defence Guards (ADGs)
- 48 aircrew
- 40 specialists.

### **Recruitment**

It is important to note that all new recruitment to the Air Force Ready Reserve Scheme has been for airfield defence. The 44 aircrew in the Ready Reserve are all drawn from the Permanent Air Force.

Recruitment for other ranks has met the target set each year. The recruitment of an officer component was advanced by one year ahead of plan and commenced in January 1994. Air Force took in 4 recruits for commissions as Ground Defence Officers in 1993/94 (target 6) and 3 recruits in 1994/95 (target 4). This shortfall of one, it was suggested to us, could have been avoided with some flexibility in administration.

Recruitment patterns for ADGs (excluding officers) are shown in the following table.



**Table 5.1: Ready Reserve Air Defence Guards**

	1991/92	1992/93	1993/94	1994/95 <sup>a</sup>
Enlistments	90	114	60	34
Targets	90	114	60	34

a To 21 April 1995.

Recruiting targets have been modest and for the most part comfortably met. There has been an apparent decline in interest in the Scheme in 1994/95 in terms of enquiries for ADGs but this may reflect the level of advertising since targets have so far been met.

In 1995/96 the target is to recruit 165 ADG and 4 Ground Defence Officers. The ADG target is a major increase and will require specific advertising by the Air Force. It remains to be seen whether these targets will be met but optimism may be warranted by the fact that Air Force (i) has in the past substantially met its previous targets and (ii) is now advertising in its own right.

Until recently Air Force did not conduct its own advertising. All Army press advertising included a reference to the fact that the Air Force also had vacancies in the Ready Reserve. Air Force's current advertising is on a small scale.

The proportion of entrants intending to seek education assistance fell from 63% in 1993/94 to 59% in 1994/95 while those intending to seek jobs rose from 37% to 41% in the same time-frame. These are only marginal changes and not a great deal can be deduced from them. What is of interest is the contrast with Army where the trend has been markedly towards those seeking education assistance (about 80% at present). Provided that those Ready Reserves who subsequently gain employment maintain their part-time service at the same rate as students, there is no reason for Air Force to seek to change these proportions.

We have noted a proposal by Air Force that preference be given to recruits who live within 100km of a base. This would reduce the problems of employing and training widely scattered personnel. While recognising the difficulties involved, we do not favour such a move which might reduce the pool of recruits; nor does it take into account the likelihood of a Ready Reservist moving home. It also cuts across the valuable principle of nation-wide recruiting.

The difficulties will be reduced, moreover, if our proposal to adopt a more flexible training requirement of 35-65 days per year is adopted.

## **Training**

The training program for airfield defence personnel is as follows:

### *Airfield Defence Guards*

3 months at No. 1 Recruit Training Unit, RAAF Edinburgh

3 months at the School of Fire and Security, RAAF Amberley

5 months at No. 1 Airfield Defence Squadron, RAAF Tindal

### *Ground Defence Officers*

4 weeks at 1 RTB, Kapooka

4 months at the Royal Military College, Duntroon

1 month at the School of Infantry, Singleton

2 months at No. 1 or No. 2 Airfield Defence Squadron

The training courses are essentially the same as those undertaken by regular enlistees. This is an essential feature of the Ready Reserve Scheme. Another key part of ADG training is the exercise 'Annual Garrison' which is held at the end of the full-time training at Murray Bridge in South Australia. It is also attended by those on part-time service and lasts approximately 32 days.

We note the proposal to hold a second such exercise each year as a result of the planned increase in intake of ADGs. This will have the added benefit of providing more flexibility for, especially for those who are employed during their part-time service years.

Some concern was expressed that the initial period at 1 RTU for ADGs was too general in that it is directed at a wide range of new entrants into the Air Force. Consideration should be given to providing a greater focus for ADG recruits.

There is some pressure on the resources of the School of Fire and Security due to the planned increase in the number of ADGs who will need to be trained there. The School appears to be able to meet these requirements, if with some difficulty.

In respect of part-time service we recommend that Air Force consider adopting a flexible band of training from 35 to 65 days. The precise number of days required should be determined by Air Force and could vary according to circumstances e.g. attendance at specialist courses, the rank of the individual concerned.

This would ensure that all Ready Reserves would attend the annual exercise but need not necessarily be found duties to make up the time to 50

days. We formed the impression that in the past at least some attendances for weekends and odd days at various bases around Australia had not been particularly productive.

All those we spoke to confirmed the high quality of the Ready Reservists recruited to Airfield Defence. This was one of the factors in the decision to expand Air Force's focus on airfield defence.

### Retention

Apart from transfer to the permanent forces, the main reasons for separations during training have been a failure to meet the required standards and voluntary resignation. Wastage rates have been within the parameters planned.

**Table 5.2: Wastage Rates: Air Force Ready Reserve**

FY 1991/92	11.9%	11.9% (including transfer to PAF)
FY 1992/93	10.1%	18.4% (including transfer to PAF)
FY 1993/94	7.6%	15.1% (including transfer to PAF)

As of March 1995 a total of 63 Ready Reserve personnel will have transferred to the Permanent Air Force. While this represents a loss to the Ready Reserve Scheme, we see this as a gain for Air Force as a whole and hence to be welcomed. This is all the more so, if those transferring would not otherwise have enlisted. Air Force shares this view and no restrictions are placed on the transfer of such personnel.

### Ready Reserve Capabilities

Air Force has focused its Ready Reserve efforts on three areas of capability: airfield defence, aircrew and specialist position. The first of these has been by far the most significant.

#### *Airfield Defence*

Air Force has achieved a significant increase in capability in the area of airfield defence. Prior to 1991 the RAAF had only one under-strength airfield defence squadron (No 2 Airfield Defence Squadron) based at RAAF Amberley. The current peacetime establishment of the squadron is 109. Its operational establishment is 165.

The Ready Reserve program has allowed the Air Force to create one additional Airfield Defence squadron of about 165 personnel (No 1 Airfield Defence Squadron based at RAAF Tindal). This squadron has a PAF cadre

of some 14 personnel (10 airmen and 4 officers, including the Commanding Officer).

The current strength of the Ready Reserve Airfield Defence Guards, including officers, is 178.

In January 1995 Air Force approved a plan to increase the number of ADGs to 362 by raising No 3 Airfield Defence Squadron to be based at RAAF Amberley. The eventual establishment will be 165 personnel. As Ready Reserve numbers grow, this Squadron will be fully manned.

### *Aircrew*

The Air Force has also sought to use the Ready Reserve Scheme in order to enhance the availability of aircrew. Sixteen positions in five operational transport squadrons were identified as Ready Reserve positions, each of which was to be filled by 4 Ready Reserve personnel. On maturity this system was intended to involve 64 Ready Reserve personnel.

In response to difficulties in filling these positions, the target number was reduced to 48. The actual number of personnel has remained around 45. These personnel are employed within the Air Lift Group (C-130, Boeing 707 and Caribou) as pilots, navigators, loadmasters and flight engineers.

Air Force policy is not to have Ready Reserve pilots for either its fighter or bomber force on the basis that this type of flying is too specialised and comprehensive to be done on a limited basis.

One problem that has been raised in connection with Air Force's approach to the Ready Reserve Scheme in this connection is the fact that four times the amount of administration is required for a given position. Instead of one regular there are four Ready Reserves. The point, however, is that there are four trained aircrew available rather than one. A similar problem of perception arises with the complaint on the part of some regulars that reservists are using up scarce flying hours.

It is clear that air Force has long had difficulty in attracting aircrew into its reserve force, whether Ready Reserve or Active Reserve. In addition to the normal concerns about work and family commitments, specific problems can be identified. Pilots who fly with commercial airlines appear to be finding it increasingly difficult to fit in with availability of aircraft and instructors. Air Force is naturally reluctant to change normal flying programs at short notice to accommodate reserves.

Loadmasters and engineers who do not work with airlines are usually more flexible and more able to provide service at convenient times and for sufficiently lengthy periods. Valuable use has also been made of

flying instructors, including a Boeing 707 Qualified Flying Instructor who is a QANTAS pilot in his civilian capacity.

The majority of Ready Reserve aircrew have in fact transferred from the Active Reserve. Most of them were already serving 50 days or more and hence the increase in compulsory training days from 32 to 50 days per year was not a difficulty for those individuals. The problem is rather that these aircrew are receiving a bonus of \$1500 p.a. simply for doing what they had been doing before.

There is also some debate about the value of 50 days service in respect of pilots in particular. The concern was expressed that too much of the period was required simply to maintain a reasonable standard of proficiency rather than ensuring that time was available for operational tasking. From Air Force's point of view a much longer period of full-time duty is desirable for aircrew.

It is clear that there are particular needs and requirements with regard to reserve aircrew, especially pilots. The Ready Reserve package is not necessarily the most suitable means of attracting and retaining them. To use it in this way also detracts from the Ready Reserve Scheme as a means of creating new capabilities.

While the Ready Reserve Scheme may have proved useful in retaining the part-time services of some aircrew in recent years, we are not convinced that the Scheme is the best way of doing this. We support Air Force's efforts to develop alternative schemes. Some aircrew, for example, might be willing to sign up for a guaranteed 150 days per year on appropriate conditions. This would constitute in effect permanent part-time service.

### *Specialist Positions*

At an early stage the Air Force examined 206 positions with a view to making them into Ready Reserve positions on the basis of inherent readiness and training requirements. However, the Active Reservists approached to fill these positions were reluctant to undertake the additional number of days and the proposal did not proceed.

As mentioned above, the current plan is to recruit and train a total of about 40 personnel to fill specialist positions as Ready Reserves. These would not be transferees from the Active Reserve but new recruits (Category 3). The specialist positions under consideration include medical assistants, linguists, cooks, intelligence officers and basic technical personnel. It is intended to attract both those intending to proceed to tertiary study and those intending to seek work after 12 months training. Existing Air Force courses would be used.

The intention is to begin recruiting in 1996 with about 15 entrants each year. These specialist positions would also permit the recruitment of females to the Air Force Ready Reserve for the first time. There are no plans to use Category 3A (two years full-time service).

The Review considers this use of the Ready Reserve Scheme to have some merit on the surface. It promises to attract individuals into the Air Force in areas of need and to do so with little or no extra training cost compared with regular recruits.

We are not convinced, however, that this is a desirable direction to take. Firstly, it does not develop a defined capability of the same nature and strategic priority as airfield defence. To this extent it detracts from the focus of the Scheme and its acceptance by regular and other reserve personnel.

Secondly, such Ready Reservists will in all probability be serving alongside Active Reservists who are performing identical tasks. The clear distinction between a Ready Reserve and the Active Reservist would be blurred. Thus their obligations are likely to be similar with neither being required to participate in extended collective training or being subject to greater liability for call-out—which we see as a hallmarks of the Ready Reserve Scheme. Invidious comparisons would inevitably be made.

We believe that Air Force should examine alternative ways of recruiting personnel to the Active Reserve to fill the positions identified. As well as maintaining the focus of the Ready Reserve Scheme, this would probably cost rather less. Another important factor may be that the skills concerned are in many cases also of value in civilian employment. Training in such areas may well be an inducement in itself—in contrast to training in primarily military skills.

### **Costs**

In 1993/94 Air Force spent \$2.55 million on Ready Reserve salaries and allowances, \$2.24 million on regular cadre salaries and allowances (Ready Reckoner Full Costs) and \$4.12 million on operating costs. Expenditure for 1994/95 is likely to be proportionately higher given the planned expansion of Ready Reserve numbers.

As far as comparative costs are concerned, we have been informed that the cost of a Ready Reservist compared with a regular over a five-year period is in the order of 50%. This is broadly in line with the figure of 43% for Army although a more refined cost analysis may reduce the Air Force figure.

Accepting the figure of 50%, it is to be expected that the cost of running a Ready Reserve airfield defence squadron would be somewhat higher than 50% of the cost of running a fully-manned and fully-regular squadron.

Calculations prepared in Air Force Office on the basis of an airfield defence squadron of 145 personnel indicate that a mixed permanent/Ready Reserve squadron would cost about 60% of a squadron with permanent personnel. Details are contained in Appendix G. This model assumes a permanent cadre of 34 out of a total establishment of 145 (23% regular) and a wastage rate of 10% (the proportion is not very sensitive to different wastage rates). The figure of 60% is in line with the 63% in the case of Army's 6 Brigade which has a higher proportion of regulars.

There is a need to provide additional resources such as personal weapons and night vision goggles, communications equipment and vehicles. There are extra demands on the Recruit Training Unit, Edinburgh and additional domestic and instructional accommodation is required at the RAAF School of Fire and Security at Amberley. It is important to note that such expenditure would be required for a full-time airfield defence squadron.

### **Development of the Scheme**

We noted that officers involved in the Scheme were confident that some Ready Reserves would be suitable for promotion to corporal before the end of their five years service. There was also a suggestion that some were potentially capable of promotion to sergeant if they served beyond five years. This is testimony to the high quality of the recruits and such developments are welcomed.

Such promotions would need to be carefully managed. There is the potential for resentment on the part of regulars who feel that they have greater experience than part-timers. Clearly, good judgement and sound management will be required. As we argue in chapter 7, there is every reason for Air Force to encourage Ready Reservists to serve beyond 5 years if they are of high quality.

### **Conclusion**

The security of airfields is an important part of current defence strategy but it has been an area where deficiencies have been evident, particularly with the increasing focus on the north. Reserves will be essential, for example, to activating 'bare bases' within a specified period and ensuring their defence.

The Ready Reserve Scheme has gone some way towards remedying these deficiencies through the creation of one additional Airfield Defence Squadron and the planned establishment of a second such squadron. The readiness levels set seem to be appropriate and mobilisation goals appear to be capable of being achieved.

A new capability has thus been provided at a reduced cost compared with the establishment of a regular squadron. It is a capability which is appropriate for a reserve force since it is not required for 365 days a year. We emphasise, however, the key criterion of the availability of individuals to serve at times when they may be required, whether for training during part-time service or at time of call-out. We suggest, however, that Air Force explore the proposal to move towards a flexible requirement of 35-65 days along the lines we have put forward for Army.

We therefore endorse Air Force's approach to the Ready Reserve Scheme in the area of airfield defence. It meets the central criteria of the Ready Reserve Scheme in that it (i) provides new capabilities, (ii) involves intensive full-time and part-time training, and (iii) identifies specific units as Ready Reserve units.

We are not convinced about the value of the Ready Reserve Scheme in respect of aircrew and specialist personnel. Reserve aircrew have been a long-term problem for Air Force and there are no easy solutions. The Ready Reserve Scheme is by no means the ideal answer though it may work for loadmasters and engineers. In neither case, however, does it add new capability to Air Force which would be better served by arrangements specially designed for attracting and retaining reserve aircrew.

Similarly, the recruitment of specialists to the Ready Reserve, while offering new capability in areas of shortage, does not appear to be the best use of the Ready Reserve package.

The target of 450 is due to be met by mid-1997 but this includes aircrew and specialist categories. As we have argued, both of these groups should be excluded from the Ready Reserve Scheme and the target will need be adjusted to take this into account. The target figure also needs to take into account the high level of airfield defence capability which is indicated by strategic guidance.

It is possible that Air Force could in the future identify other distinct capabilities that are suitable for application of the Ready Reserve model. For the time being, however, we recommend that Air Force focus on setting and achieving appropriate goals in the area of airfield defence.



## NAVY

---

Navy began a fundamental restructuring of its reserve forces in 1991. The central aim was the incorporation of reservists into the Navy as a whole. Under the earlier system 'Port Divisions' had been established around the country to provide a capability only if and when required. While some valuable training was conducted in these establishments, the system failed to make effective use of the skills available to add to Navy's total force. It also served to develop distinctions and negative attitudes between permanent and reserve personnel.

Since 1991 moves have been under way to treat reserves as an integral part of the functioning of the RAN. The mission of reserve forces is now to contribute directly to the effectiveness of the force-in-being. The Navy's reserve consists of two components with service/training obligations:

- General Reserve—approximately 1,300 (January 1995)
- RAN Ready Reserve—188 (June 1995)

There is also a Standby Reserve with approximately 3,500 members. They have no training obligations but are used extensively (see below).

An important consequence of the changes in naval reserves is the greater willingness of permanent personnel who are leaving to transfer to the reserves which they now regard as a more relevant and credible organisation. Another beneficial effect is the relative ease of transfer between the three categories: permanent, General Reserve and Ready Reserve.

Navy's use of reserves in 1993/94 was as follows:

Ready Reserve	4,402 man-days
General Reserve	38,880 man-days
Standby Reserve	20,993 man-days
Total	64,275 man-days

At present reserve postings number 4-500 per month. The average period of service is 30 days although some serve much longer, including one case of 170 days. The use of reserves on patrol boats is about 6-7% of crewing requirements and is increasing.

A crucial use of reserves is to fill vacancies that occur in ships, sometimes at short notice. Without reserve postings many ships might not otherwise be able to sail. This situation is undesirable only if the view is taken that all ships must be crewed by regulars at all times. The current practice, however, does presuppose a prompt and efficient system of allocating reserves to billets that need filling, and a supply of reserves able and willing to serve.

Navy has developed an efficient system for allocating qualified reservists to fill appropriate billets. Reservists are notified each month of forthcoming operational postings through a 'Situations Vacant' notice distributed with the *Reserve News* by Maritime Headquarters. Reserve Administration Cells located in the major port cities serve in effect as 'labour exchanges'. These arrangements can be commended as cost-saving and supportive of the total force approach.

It is likely that Navy will have a steadily growing demand for reservists. As of 1 November 1994 Maritime Command reported that only 86% of its billets were filled. Moreover, current wastage rates for the regular Navy have risen markedly to about 13%. If this rate continues or even increases in the coming years, the demand for reservists will expand considerably.

One projection suggests that Navy will be filling about 20% of its billets with reserves by the year 2000. The balance between reserves and regulars is monitored through the Force Mix Review Board.

### **RAN Implementation of the Ready Reserve Scheme**

The target figure for Navy Ready Reserve personnel was set at 450 although no clear rationale for this level seems to have been established.

At the outset of the Scheme Navy determined that it would focus primarily on recruiting former regulars or trained general reservists. As a result approximately 95% of Ready Reservists are former PNF (Permanent Naval Force) who must join within three years of leaving the regular force. The balance is drawn from the General Reserve.

Navy's initial intention was also to focus on sea-going billets which were to be identified as Ready Reserve billets. Subsequently, however, the Scheme was extended to other areas of Maritime Command and Ready Reserve positions were identified in (a) each class of sea-going ship (b) Maritime Headquarters and (c) shore maintenance areas.

In 1991/92 Navy recruited 24 new entrants off the street. This was only done, however, because there were no vacancies in the permanent force

at the time. All these recruits wanted to join the regular navy and 21 of them subsequently transferred to full-time service.

RAN Ready Reserve numbers have grown only slowly. By 30 June 1993 there were 47, by 1994 108 and by 1995 188 (consisting of 33 officers and 155 sailors).

While numbers are small, the fact that Ready Reservists have recent experience means that they can be used in all classes of surface vessels and support tasks. Ready Reservists are also employed in fleet maintenance. Navy has stated that the timely refit of *HMAS Tobruk* prior to departure for Somalia was greatly facilitated by the use of Ready Reserves who provided cost-effective resources.

Navy's use of Ready Reserves, however, remains relatively limited—about 7% of the total reserve effort in terms of man-days. The total cost is therefore relatively low. In the current financial year to May Ready Reserve salaries, allowances and related payments have totalled \$1.76 million. There are no specific training, operating or logistics costs.

On one projection numbers are expected to grow to 330 by the end of 1996 and the target of 450 possibly achieved by 1998. There is no confidence, however, that the target will be achieved. It seems quite possible that the Scheme will level out well below 450 because of the inherent limitation on the number of ex-regulars who are in a position to join.

### **Recruitment and Retention**

Navy makes considerable efforts to recruit former regulars to the reserves, whether general or Ready Reserve. Current practice includes providing relevant information 6 months before discharge, phoning the ex-regular 6 months after separation, sending a monthly newsletter and maintaining a reserve cell in each capital city.

Wastage rates appear to be very low, especially if transfers to the permanent force are excluded. In 1993/94 five were discharged and 5 transferred to the PNF while a total of 61 enlisted. In 1994/95 none were discharged and 4 transferred to the PNF while 79 were enlisted.

There is thus some movement between the PNF, the General Reserve and the Ready Reserve but since 1991/92 there have been no new recruits. Navy therefore does not gain any new entrants off the street either to the Ready Reserve or the regular force in the way that both Army and Air Force do.

### **Navy Use of Reserves**

Navy's approach to reserves is naturally influenced by its way of doing business. Its focus is on crewing ships for operations at sea. Sailing patterns must be determined by operational requirements rather than the availability of crews. Once sailing patterns are established, however, the non-availability of personnel can prevent a ship from sailing. Reserves can thus be extremely valuable in filling ships' complements. In appropriate cases they can also be used for back-filling i.e. taking the place of more skilled persons thereby releasing them for more demanding billets.

The pressure is thus to maintain personnel at as high a level of availability as possible so that they can be called upon at short notice if required. This is behind Navy's focus on personnel already trained for service and its preference for relying on voluntary service by reserve personnel. It is also behind the practice of paying Ready Reserves for being available even if they are not called upon.

This approach contrasts with Army and Air Force. Army's 6 Brigade and the Airfield Defence squadrons, for example, are formed units which need to come together at predetermined times each year and need to develop unit cohesion. They therefore need compulsory attendance rather than allowing the individual to choose the time at which he or she will serve.

Navy has no ability to offer fixed commitments for sea-going duty but it does want to use reserves at sea. There would be little benefit in restricting reserves to land-based duties. By the same token reservists want the opportunity to serve at sea.

This approach is understandable and has shaped Navy's use of the Ready Reserve. But we believe that this has occurred at the expense of Navy's longer-term needs and capabilities.

Our view is that Navy should use the Ready Reserve Scheme to develop new capabilities rather than simply enhance the availability of reserves.

While we recognise the value of reservists to Navy and the effective way in which they are employed, two important questions must be considered in relation to the Ready Reserve:

*Does the Ready Reserve package provide Navy with a particular benefit which cannot be obtained through the General Reserves?*

In other words, could Navy use its reserves as effectively—and more cheaply—without the Ready Reserve category?

It can be argued, firstly, that recruiting individuals to the Ready Reserve gives Navy a much stronger hold over reservists and greater confidence in their availability. As a rule of thumb, it was claimed that in order to be confident of filling a given billet, 5 general reservists were necessary compared with only 1.5 in the case of Ready Reservists. It was also argued that Ready Reservists could be used at much shorter notice, on occasions as little as one hour; general reservists, by contrast, normally expected about 3 months warning.

The question must nonetheless be asked whether the availability of reservists would be reduced by the removal of the Ready Reserve category. It is possible that most Ready Reserves would remain in the General Reserve and that their availability would remain the same. The Ready Reserve Scheme may in effect be a means of providing additional rewards to those reservists who would in any case be at a high level of availability.

If this is the case, the benefits of the Ready Reserve package would seem unnecessary. If it is desirable or necessary to provide some sort of reward to those available at short notice, bonuses could perhaps be attached to this factor rather than seeking to fit people into the Ready Reserve Scheme.

It is also possible that some form of retainer could be paid for those prepared to serve at short notice. We note Navy's practice of deeming Ready Reserves who are available for duty but cannot be found employment to have fulfilled requirements of the Scheme and hence to qualify for the bonus. Such a practice in itself may have some value but we do not see it as an appropriate part of the Ready Reserve Scheme.

We note also that Navy is introducing agreement between itself and the general reservist on a voluntary basis concerning availability for a certain number of days per year. This approach has merit and may—perhaps with a bonus of some kind—prove a cost-effective substitute for the use of the Ready Reserve package.

*Can Navy use the Scheme in order to expand its overall capabilities?*

As we have argued, we consider that the principal purpose of the Ready Reserve Scheme is to expand capabilities within a restricted budget. We adopt this view in the case of Navy for several reasons some of which relate to longer-term trends, others of which relate to current deficiencies in capability:

- The pattern has already been identified of increasing reliance on reservists to crew naval vessels. If recruits are to be drawn only from former regulars or trained general reservists, this will significantly and permanently limit the pool of recruits.

- Reliance on ex-regulars tends to skew Ready Reservists towards more senior postings. A high level of experience is, of course, desirable and such personnel should be recruited to reserve service but there remains a need to fill a range of more junior and less skilled positions.
- The age profile of reservists is likely to increase unless young blood is introduced. In the long term failure to do this will have an adverse effect on numbers and flexibility in the reserves.
- The level of nautical skills in the community is in decline. This means that the civilian economy will provide fewer and fewer trained seafarers who might be called upon in national emergency. Indicative figures are contained in the following table.

**Table 6.1: Merchant Navy**

1984	c. 835 officers and sailors	109 Australian flagged vessels
1994	c. 525 officers and sailors	90 Australian flagged vessels

Source: MHQ AF 70/3/44

- Certain specific deficiencies in naval capabilities have been identified which cannot adequately be met by the number of reserves available under present arrangements. These include mine countermeasures, naval control of shipping and route surveillance.<sup>1</sup>

## Conclusion

Our conclusion is that Navy should recruit personnel directly to the Ready Reserve Scheme and provide training in appropriate areas, notably mine countermeasures and patrol boat operations. Important considerations here include:

- Smaller vessels—such as patrol boats, mine hunters and craft of opportunity—lend themselves to crewing by reservists. We recognise that larger vessels tend to require higher skills and more extended training, and that reservists on such vessels will tend to be ex-regulars or ex-general reservists with long experience. There is, however, no need to train everyone for service aboard major combatants. As has been said, the bosun's

<sup>1</sup> Minesweeping and route surveillance were identified by the Minister for Defence in April 1992 in the Government's response to Recommendation 1 of the Report on *The Australian Defence Force Reserves* by the Joint Committee on Foreign Affairs, Defence and Trade.

mate on a patrol boat does not need long range gunnery qualifications.

- A wide range of skills is relevant to the capabilities proposed. These include bridge watchkeepers (on minor vessels), radio operators, mine warfare specialists, and various electrical and marine engineering specialisations. Different views were expressed on whether or not it would be possible to train personnel in these areas to a useful level of competence in the space of one year.

If this is not possible in all cases, Navy should examine the option of introducing Category 3A i.e. two years full-time training followed by four years part-time service.

At the same time Navy is encouraged to continue its examination of current courses to identify those which can be offered to reservists in a suitably time-frame (known as 'viable' courses). All courses, moreover, should be examined to test whether the time taken to deliver them might be reduced—to the benefit of both reservists and permanent personnel. Some innovations could also be tried e.g. a shortened course to train radio operators for patrol boats.

Another problem raised by Navy was the shortage of sea-going training billets which could accommodate Category 3 Ready Reservists. This difficulty is recognised but remedies should be found if blockages in the training pipeline threaten to cause long-term loss of capability.

It is recognised that in expanding the Ready Reserve Scheme to a range of employment categories, albeit within specific areas of capability, problems may arise if a mix of Ready Reserves and General Reserves is employed. However, we envisage extended compulsory training periods in the areas identified, totalling between 35-65 days (the same band proposed for Army and Air Force). The commitment to participate in such training would serve to mark off the Ready Reserve from the General Reserve.

Moreover, the mixing of General and Ready Reservists is already a problem inherent in the existing system followed by Navy. It is quite possible for both categories to be performing identical jobs on the same ship but for one to be receiving substantially more rewards than the other.

What we propose would distinguish the Ready Reservist through involvement in an identified area and through participation in one year's full-time training followed by extended collective training during part-time service. If the General Reservist can demonstrate the same skills and undertake the same level of obligation, then he or she will qualify for Ready Reserve status.





# PART III



## TRI-SERVICE ISSUES

---

### Recruitment

The Ready Reserve Scheme has largely but not fully met the recruiting targets set by Army and Air Force. What is clear, however, is that it has attracted high quality recruits. This is evidenced by better educational background and by high pass rates in training, often higher than general enlistees.<sup>1</sup> The judgements made by regular personnel of Ready Reservists during full-time and part-time service confirm this assessment.

Two important aspects of Ready Reserve recruiting flow from this:

- Recruits of higher quality trend to learn faster and to challenge traditional forms of instruction. This situation should, if properly managed, lead to more effective instruction and possibly shorter courses of instruction.
- The Ready Reserve Scheme is attracting individuals who would not otherwise put on uniform.

The importance of developing a new pool of high quality recruits cannot be overstated in the light of a number of adverse trends. These are likely to make recruitment of any kind, whether to regular or reserve forces, increasingly difficult in the coming years. Several factors are at work:

- The 17–24 year old age group is shrinking from 2.2 million between 1985 and 1983 to less than 1.98 million by 2000.<sup>2</sup> Another projection for 15–24 year-olds also suggests a small decline in absolute numbers on the assumption that net immigration will be 100,000.<sup>3</sup>
- The proportion of this population who are interested in military service will not necessarily remain stable; indeed, it

---

<sup>1</sup> A survey by 1 PRU of the 1992 Army Ready Reserve intake showed that 69% had completed Year 12 compared with 27% of their ARA counterparts. Captain K.J. Dawson, *Internal Report on the Longitudinal Study of the Ready Reserve*, 1 PRU, February 1994, p. 5

<sup>2</sup> Commodore Graham Sloper, 'The Recruiting Environment to the Year 2000' in Sue Moss (ed), *Who Will Join?*, Australian Defence Studies Centre, ADFA, 1994, p. 9.

<sup>3</sup> *Australia's Workforce in the Year 2001*, Department of Employment, Education and Training, AGPS, Canberra, 1991, Appendix 3, p. 132

may well diminish for a variety of reasons, including economic recovery and changing attitudes towards the Defence Force.<sup>4</sup>

- The rising proportion of school leavers who have completed Year 12 may mean that fewer are interested in military careers, preferring to focus on further education and gaining qualifications. Studies in Australia, the UK and Canada all point in this direction.<sup>5</sup>
- The ADF is seeking better qualified, technologically capable and psychologically robust recruits. This inevitably reduces the pool of those whom it can approach even in times of high unemployment.
- Even though the ADF is reducing its numbers, a rise in wastage rates will have an immediate impact on the need for additional recruits. Current figures indicate that the rate has risen from about 5.5% during the recession years to 13.5% for Navy, 13% for Army and 7.5% for Air Force. The net effect is that in 1995/96 Navy may be seeking as many as 2,100 new recruits, Army 3,800 and Air Force 1,200—an average increase over the previous year of 70%.<sup>6</sup>

Against this background the Ready Reserve offers two distinct benefits: (a) it enlists some who would not otherwise join up, and (b) it leads some to transfer to permanent service, including some who would not otherwise have considered a military career (the siphon effect). Even in the case of those who joined the Ready Reserve simply because regular enlistment was closed, the Ready Reserve Scheme performs the valuable function of holding on to them while providing normal training (the reservoir effect).

School-leavers who plan to go on to tertiary study have provided a rewarding pool of recruits. Many see the benefits of a year off before study—to think about whether they really want to study, to have time to decide what to study, to have a break from education and not least to earn some money with a guarantee of support while at university.

Each year of the scheme has seen the proportion of tertiary students increase to the point where this year it has numbered more than 80% of the total in the case of Army's recruits. In the case of Air Force which has smaller numbers the proportion is lower but still well over 50%.

---

<sup>4</sup> The proportion of the relevant age group interested in joining the ADF is currently around 8%, those possibly interested amount to 4%. Sloper, *op. cit.*, p. 10

<sup>5</sup> Sue Moss, 'Introduction' in Moss (ed), *Who Will Join?*, Australian Defence Studies Centre, ADFA, 1994, pp. 2–3

<sup>6</sup> *Sydney Morning Herald*, 24 May 1995

The Ready Reserve Scheme appears to have tapped a large and valuable source of recruits. Each year about 40% of Year 12 students move directly to tertiary education and might in the past have been considered unpromising material. The Scheme need only appeal to a small fraction of this number to be successful.

The Ready Reserve Scheme, moreover, has potential to attract more students who are already at university as well as those planning to go on to tertiary study. Tertiary students number well over 500,000 at the present time and participation in tertiary education by 17–24 year olds—the prime recruiting age—has steadily increased in recent years.

The option of taking a year out of study after starting at a tertiary institution—for a break, to do something different, to earn some money—has already appealed to some and is a source of recruits that could be further addressed. It may be possible, moreover, to target students in courses of study such as engineering that would be of particular value to the ADF.

While we stress the major benefits to be gained from targeting tertiary students, actual or potential, the scheme should not overlook those who seek ultimately to go into a job. It should maintain a degree of representativeness in this respect, if only to avoid being thought of as an élite.

We also believe that the nationwide focus of recruiting should be maintained. It is a program for the purpose of national defence through participation in a national institution. While there are practical disadvantages in geographically dispersed recruitment, we believe that the symbolic value of national involvement is important.

One aspect of recruiting that may be of concern is that recruits are drawn overwhelmingly from the male population. Our recommendations, moreover, emphasise enhancing combat capability and this tends to reinforce this imbalance. Two comments may be made.

- The focus on combat capability is a key to the scheme. For as long as the community is not prepared to admit females to ground combat, the imbalance in recruits is a price that has to be accepted.
- Nonetheless, there are some positions that can be filled by females. All Navy positions would be open to women while some positions in 6 Brigade (in the Administrative Support Battalion) are also open. It may be that female Ready Reserves could in future be employed in air defence, in the headquarters and support echelons of combat units, in the

Regional Force Surveillance Units (some are already present)  
or in a joint or combined headquarters .

We are advised that more females of high quality could be recruited to the Scheme without difficulty. We therefore recommend that these possibilities be explored.

### **Training**

The importance of high quality training—both during full-time and part-time service—was reinforced to us again and again. The initial year of full-time training which is essentially the same as that taken by a regular recruit is absolutely central to the Scheme. It not only gives the Ready Reservists good individual and collective skills but also adds to their acceptance by members of the regular forces. We could find little that needs to be changed in the first year of full-time service.

It is not enough, however, to get high grade recruits in the front door and then let them fend for themselves or, worse still, mis-manage them. The majority of members to whom we spoke during their part-time training thought the scheme a good one. However, there was enough evidence to indicate that there are areas for improvement in respect of training, notably in ensuring that collective training continues to be well managed and challenging, and in understanding that of necessity, the Ready Reserve is not the member's principal career.

There are instances where influential people in units have done insufficient home work about the scheme or they believe Ready Reservists can be treated like regulars. Neither approach will retain commitment or motivation on the part of reservists, and since adverse information quickly gets about, the best efforts of recruiters stand to be vitiated.

We have presented arguments for a more flexible system of part-time training which would permit variations between 35 and 65 days according to the needs of the ADF and of the individual Ready Reservist. We should be quite clear, however, that attendance at an extended period of collective training is a prerequisite to continued participation in the Ready Reserve Scheme—and to receipt of the benefits that go with it.

We are aware that a reduction from 50 days of part-time service to 35 may appear to be a reduction in standards—among regulars, general reserves and the community. The rationale would need to be clearly spelt out, focusing on the importance of the initial full-time year and attendance at extended annual training. The possibility of increased levels of training might also be stressed. We argue later in this chapter that there is also a need to stress the greater liability of Ready Reservists to call-out.

It is particularly important to make clear to general reservists that Ready Reservists do have particular obligations which are designed to ensure that the ADF can create and sustain necessary capabilities. Any general reservist who is prepared to take on those same obligations and who has the necessary skills, could transfer to an appropriate Ready Reserve element.

### **Benefits and Conditions of Service**

As a generalisation, Ready Reserve conditions of service can be broken into two distinct areas: those that apply while the member is on full-time service, and those that apply during part-time service. The former are essentially the same as for the regular force, reflecting the fact that the Ready Reservist is comparable to a regular recruit.

It is during the part-time service that difficulties can arise. There is a substantive problem in offering favourable conditions of service to some reservists but not to others. Why do General Reservists not receive such favourable treatment—even if they perform as many or more days on duty as the Ready Reservist?.

This differential treatment can be justified only if the Ready Reservist is more highly trained and more available for deployment. It is worth re-stating the central principles of the Scheme as we see them:

- at least one year's full-time training or (in the case of former general reservists) the equivalent thereof;
- during 4 years (or longer) part-time service, there must be participation in collective training at times required by the ADF or performance of duties at times determined by the ADF;
- there must be an explicit agreement with an employer or with a university concerning the release for duty of the reservist;
- the Ready Reservist will be liable to call-out either (i) as part of a unit such as 6 Brigade or (ii) as a holder or potential holder of a position which would be a key position in time of call-out. Such call-out would be for any purpose decided by government.

Based on these criteria, we believe that it is reasonable to expect that since more will be demanded of the Ready Reservist, and his or her civilian life is likely to be intruded upon more than counterparts in other parts of the Reserves, conditions of service should be commensurate.

During our interviews and conversations with Ready Reservists, most expressed satisfaction with present conditions of service. Such

criticisms as were voiced, were directed less at the nature of the benefits than at the manner in which they have been administered in some areas. For example, several students and some unemployed job seekers said that they relied on their Ready Reserve pay and the Annual Commitment Bonus to pay for their accommodation, food and fees for much of the year.

Payments, however, were sometimes irregular and of varying amounts. Often, there was no indication, what the money was payment for and as a consequence some thought they may have been overpaid, and were reluctant to spend the money even though they were in need. A particular point of confusion in granting the Annual Commitment Bonus was whether it should be paid 12 calendar months exactly after the member had joined, the end of each year, or the anniversary of the member's 'military' birthday.

Administrative problems were probably the most widely articulated cause of discontent among Ready Reservists. An ADF-wide solution should be reached and implemented as rapidly as possible. We understand from speaking with the Service staffs involved that such discrepancies are being overcome. Army has also just released a booklet on *Conditions of Service Entitlements and Discretionary Benefits* which is designed for Ready Reservists.

In broad terms we propose only minor changes to the various forms of benefit which are discussed below. In the case of medical treatment of Ready Reservists, however, our recommendation is more radical. We also suggest consideration of changes in the Education Assistance Scheme.

#### *Educational Assistance Scheme*

The Educational Assistance Scheme (EAS) is considered to be the most important and effective benefit offered. Over the period of the scheme, the numbers taking it up have increased. In the case of Army in excess of 80% of all Ready Reserve applicants are prospective EAS recipients. This trend highlights the importance of EAS to the future of the Ready Reserve scheme. The level of payment is equal to the yearly AUSTUDY Independent Rate as at January each year (\$6,385.60 in 1995) less the amount of the annual commitment bonus.

Eligibility has been broadened beyond the limitations originally imposed by compatibility with AUSTUDY i.e. members can be supported for their entire PTS, not just for a first degree. This commenced only in January 1995 but applies to all Ready Reservists. We consider it likely to have a very positive effect in future.

We received direct evidence from many in PTS that the EAS was preferred to AUSTUDY because a means test based on financial position



and parental support was not applied. We were told by some that, but for this flexibility and the direct assistance it represented, they would have had no outside support to pay their way through tertiary education.

There is some evidence that when a member turns 23, he or she may be advantaged under AUSTUDY. If this is so we recommend that EAS at least match the alternative. The increased cost of doing so would be marginal.

A more significant concern is the fact that the Ready Reservist receives only the equivalent of AUSTUDY each year of efficient part-time service. The commitment bonus of \$1500 is in fact held back from the regular payments until the end of the year concerned. This actually disadvantages the Ready Reservist compared with the student receiving AUSTUDY who receives the amount in equal payments. To those on minimal income this may be a serious disadvantage. Consideration should be given to treating the commitment bonus as additional to the educational allowance.

Also important is the need for an efficient system of ensuring that EAS ceases to be paid to Ready Reservists who have stopped a course of study for whatever reasons and therefore cease to be entitled to receive it.

#### *Job Search Assistance Scheme*

The Job Search Assistance Scheme (JSAS) is currently administered Australia wide through KPMG Peat Marwick. The contracting firm is paid a standard fee (currently \$1,000) for each person opting for JSAS and has developed a reasonably comprehensive package covering how the member should approach finding a job as well as being in a position to recommend out-placement or facilitate an approach to a prospective employer.

The Scheme has been successful in placing over 70% of individuals who use it in jobs by the end of their first year of PTS. This compares well with general employment rates for like age groups in the civilian community although we note that, ironically, finding a job may well make it more difficult for a Ready Reservist to perform the part-time service required.

One important recommendation for improvement was suggested to us, namely that the existing contract be reviewed to include not only placing members in jobs but also offering them placement in post secondary vocational courses. We recommend that the suggestion be followed up.

#### *Commitment Bonus*

This is seen as particularly beneficial by Army and by those within the Scheme. To qualify for the bonus, different criteria are set from Service to

Service and not all are consistent. The Army's current authority on the matter, *Army Office Staff Instruction 25/94*, dated 15 November 1994 states that for members to be declared efficient and hence qualify for the bonus they should: (i) pass the basic and combat fitness tests annually; (ii) be assessed as fit for trade and employment category at an annual medical examination; and (iii) maintain conduct of a high standard, even though lapses of discipline are not in themselves grounds for a member to be classified non-efficient.

Individual units in some cases add interpretations of their own e.g. qualify at a range practice with the Steyr or other weapon. Some flexibility is also afforded during PTS by setting the required period of service 'at about 50 days', which in practice means 50 days plus or minus three days i.e. the bracket 47-53 days. Navy has made this more liberal by paying the bonus 'even though the member did not attend for the required number of days, but was available to attend if there had been a job to do'. We believe that the latter is an aberration which should disappear. As outlined earlier, we consider a flexible requirement of 35-65 days as one solution. The bonus would be paid pro rata.

#### *Medical and Dental Treatment*

In one sense medical and dental treatment is not a 'benefit' of the Scheme. It is necessary for operational reasons in order to ensure that a Ready Reservist is fit to serve.

During FTS, treatment is maintained at the same high standard as the regular ADF. PTS is more difficult because Ready Reservists are concentrated for training on few occasions and then usually at wide intervals. It is also obviously undesirable to spend time during the concentration period on medical and dental treatment.

The present arrangements are that Ready Reservists, when on PTS of more than 20 continuous days, are entitled to the same medical and dental treatment as regulars. When on PTS of less than 20 days, the entitlement is in the first instance only to emergency medical and dental treatment. However, treatment may be provided where an injury or illness is attributable to service, and in the case of conditions which may adversely affect the individual's degree of preparedness.

It is for consideration whether it might not be effective and appropriate to provide health and dental care for Ready Reservists throughout the year under contract with a health benefit scheme. The rationale for such a benefit is that the Ready Reservist is required to be available for duty at any time should he or she be called out.

We envisage that Ready Reservists would be required to be covered by a health benefit scheme at top cover for medical and dental treatment. The cost would be borne by the ADF but it should be possible to negotiate a favourable rate with one or more schemes. If the individual wished to choose a scheme not offering such a rate, the additional cost would be paid by the member.

This arrangement would provide for health care as good as that available to any civilian in a given locality. Indeed, provision has always existed for the ADF to contract local civilian medical and dental practitioners to care for its people, and there is no reason why this approach should not be taken with the Ready Reserve.

The Ready Reserve member concerned could choose to consult his or her doctor or dentist and thus retain a greater element of choice, arguably with greater flexibility and at less cost in administrative overheads than utilising ADF resources. A possible disadvantage is that the Ready Reserve member would have to bear the 'gap' cost of whatever service is provided. However, since the premium for belonging to such a scheme would be borne out of Defence funds, it seems a reasonable expectation that a Ready Reserve member—who is a civilian for much of the year—should make some personal contribution to his or her own health and well-being.

A further potential advantage of this approach is that health care assistance could prove an effective inducement to retain members in the Ready Reserve Scheme. It is also appropriate that the benefit applies equally to students and those in or seeking employment, essentially because it relates to an operational need rather than being simply a benefit.

### *General*

With some conditions of service—the bonus in particular—the scheme must inevitably adopt a trial and error approach until data can be built up to assess its effectiveness. Some senior officers we spoke to believed strongly that the Annual Commitment Bonus should be made incremental, with payments increasing for each year of PTS. The problem with this approach, as indeed with a similar suggestion to pay recruits a signing-on bonus, is whether or not the change will achieve the desired effect. We have also suggested an increase in the educational allowance. In some cases, however, it is possible that payments will be made which are simply unnecessary.

We have recently become aware of a computer model developed by a firm of civilian consultants which can mathematically simulate the behavioural and attitudinal reactions of Service groups to varying conditions of service packages. If applied to particular aspects of the Ready Reserve, the authors of the model are confident it can predict the

likely retention or wastage figures against the sorts of measures that might reasonably be used at important milestones. For example, would a signing on bonus, as mentioned above, positively influence recruiting in the first place? Or would an increased bonus be more or less effective than some training innovation that kept up the members' interest and involvement during PTS? The model might provide better guidance than the traditional 'gut-feeling' or trial and error which has been used in the past. Policy judgements will still be required, but they hold the promise of being better informed.

We do not feel confident to recommend particular changes in benefits without further study and examination. Given the unique nature of the scheme, the fact that it has been in existence for only three years and that little data is available, the statistics the ADF has acquired on retention have not yet formed a pattern and probably will not do so until the achievement of steady state. It is important therefore not to offer benefits without carefully assessing their impact on retention and/or operational effectiveness.

### **Availability**

The utility of the Ready Reserve Scheme depends on many factors. One of the most crucial is the availability of individual Ready Reservists for service after the full-time year. The problems faced by students and by the employed in this respect have some significant differences.

#### *Students and Universities*

The major training periods need to take into account the availability of students. This is generally recognised by those managing the Scheme. There remains some difficulty, however, in ensuring that students turn up for other periods of training when these might clash with exam preparation or other activities. Our proposal for a flexible period of 35–65 days may assist in this respect.

If students are called out while at university, disruption to their course of studies will clearly result. There may be merit in requesting universities to undertake to do all that they can to permit a student to resume studies with a minimum of difficulty after call out. There would obviously be difficulties in practice but in-principle statements by universities would provide valuable reassurance.

#### *Employees and Employers*

From the employee's perspective there is often reluctance to approach employers for leave to attend training or even to inform the employer of membership of the Ready Reserve, fearing that this would prejudice their

continued employment or prospects of obtaining a position. We believe, however, that the bullet has to be bitten and an explicit agreement between the employer and member, setting out the responsibilities of both, should be required.

The proposal to make the length of part-time service more flexible would make the whole process more feasible. Relevant, too, is the fact that the major training commitment will be at a time fixed well in advance.

We were informed that many employers would welcome such a formalised agreement, particularly if their own part in it could be recognised as a positive public service. It would also be an opportunity to convince employers of the benefits to be gained from permitting their employees to participate in the training, discipline and leadership experience that is part of Ready Reserve service.

Such an agreement would also ensure that an employer became aware of the benefits available through the Employer Support Scheme (ESS). This Scheme pays the equivalent of four times the male full time adult Average Weekly Earnings—Ordinary Time Earnings which is reviewed in August each year. The current rate is  $4 \times \$633.80 = \$2,535.20$ .

This is an area in which we experienced some difficulty in finding reliable data. On the face of it, it seemed to be the least successful of the original package of conditions of service since relatively few employers have applied for it—a total of 106 at the present time. In some cases, this may be because they did not know about the scheme. In some cases, it seems that employers have advised their employees that the level of payment is insufficient compensation when the employee is in a key position in their enterprise and his or her absence would adversely affect production runs, preparation for the summer market, seasonal tourism etc.

In some cases higher payments may make a difference but our sense is that the employer frequently prefers not to make alternative arrangements or simply cannot find and train a good replacement. Some employers, moreover, will always be unwilling to release employees.

However, we believe that it is better to be clear about this in advance. Raising the matter at an early stage would provide an opportunity for the ADF or the Defence Reserves Support Committee to speak with the employer concerned well in advance of the time when the individual was required for service. It might also give the employer more time to make necessary arrangements than is the case if a request for leave is made at the last minute.

The Defence Reserve Support Committees (DRSC) in each state, territory and major regional centre have an important role to play.

Provided that they are kept informed of developments and of what is expected of them they can fulfil two useful functions. One is to ensure that the general climate among employers is favourable towards the ADF and reserve service in particular. The other is to act in individual cases where an employee is having difficulty with an employer in securing release. As one State Chairman put it, however, this could not be done unless he were asked in the first place, provided with all necessary information and brought into the loop as early as possible.

There is no simple solution to the problem of securing the release of reservists from their employment. In the case of Ready Reserves we have suggested a range of measures which together might have some impact:

- a formal agreement in the nature of an accord between employer, employee and government;
- a more flexibly applied period of PTS of 35–65 days;
- emphasis on the public service of the employer and the benefits to the workplace of reserve service;
- greater use of the Defence Reserve Support Committees;
- the Ready Reservists' own officers should be prepared to intercede where necessary and appropriate.

The question of legislative protection of employment for reservists is a complex and difficult one. It may be that such protection is not necessary in the case of Ready Reservists if the above policies are pursued and we do not see it as a necessarily high priority in connection with the Ready Reserve Scheme.

### **Useability**

It is a key element of the Ready Reserve Scheme that the capabilities it provides should be useable and be regarded as such. Current legislation provides that during the first full-time year Ready Reservists can be employed in exactly the same way as regular forces.<sup>7</sup> They can be used for any purpose approved by government, whether within Australia or overseas.

In practical terms any such use of the Ready Reserve would be limited to the period after they have completed recruit training and initial employment training, a total of six months at the very most. We have noted earlier the proposal to send a platoon of Ready Reservists to Butterworth in Malaysia for a short period in late 1995.

---

<sup>7</sup> The establishment of the Ready Reserve did not require additional legislation.

The possibility of service overseas or in operations should be made clear to new recruits. On balance, this seems likely to encourage rather than deter recruitment.

The situation is more complex with regard to the period of part-time service. The useability of the Ready Reserve during this time is central to the entire purpose of the Scheme.

In many situations it may suffice to seek only volunteers from Ready Reservists.<sup>8</sup> We can envisage situations, for example, in which sufficient Ready Reservists from 6 Brigade might volunteer to form a unit of the size required. With the benefit of common training and a regular cadre such volunteers could be brought to operational readiness relatively quickly.

Under amendments to the Defence Act in 1988 all reservists (during their part-time service) are liable to call-out (i) in time of war or defence emergency and (ii) for the defence of Australia in situations short of war or defence emergency.<sup>9</sup>

During the period of part-time service Ready Reservists fall under the legislation governing reserve forces in general:

- call-out in time of war or defence emergency renders reservists liable to render full-time continuous service for an unlimited period;
- call-out for the defence of Australia in situations short of war or defence emergency is for a period not exceeding three months and can be extended in increments not exceeding three months up to a maximum of 12 months. The government is required to report immediately to Parliament which will be recalled if necessary. There is no veto by Parliament over such action except indirectly through a motion of 'no confidence' in the government.

The individual who is released from service after 12 months or any shorter period is not bound to render service under the same section of the Defence Act until the expiry of a period equal to the period of service.

---

<sup>8</sup> Army's current policy is to seek to fill at least 10% of UN positions with reservists. While initial UN commitments may arise at short notice and require rapid deployment, subsequent rotations are often predictable well in advance. We were advised that the reservists used in Rwanda amounted to 10% (apart from medical personnel) and that this could have been increased 15% without difficulty. Canada has pursued such policies for many years and has about 20% reservists among its personnel on peacekeeping duties.

<sup>9</sup> Under British legislation (Reserve Forces Act 1980) reserves may be mobilised 'for permanent service in any part of the world when war-like operations are in preparation or in progress'. Lt-Col M.E. Hatt-Cook, 'Call Up the Reserves', *RUSI Journal*, vol. 136 no. 4 (Winter 1991), p. 27

The term 'defence of Australia' is not without some ambiguity. It can be interpreted in geographic terms—defence against actual or apprehended attack on Australian territory—or in purposive terms—defence against actual or apprehended attack on Australian interests. Clearly, the latter interpretation is far broader though it remains debatable whether or not it would embrace support for UN operations in general or for Australian participation in such operations. Also ambiguous is whether or not the term 'attack' refers only to armed attack or could extend to other forms of threat.

The importance of clarity in these matters is obvious. It is possible that an individual reservist could mount a legal challenge to a call-out on the grounds that it does not meet the relevant legal criteria. The government may wish to consider clarifying the definition of 'defence of Australia' by legislation or by a declaration from the High Court.

Under section 50E and 50F of the Defence Act once the Governor-General has issued a Proclamation calling out reserve forces, or any part of them, those reservists concerned are legally bound to render continuous full-time service. They can be employed and deployed in any way considered appropriate.

More problematic, however, is the situation of reservists prior to actual call out. Are they entitled to leave the Ready Reserve at any time of their own choosing? More particularly, could they leave immediately prior to formal call out? Each Reservist signs an undertaking that acknowledges an obligation to serve but there is some doubt as to whether this could be legally enforced.

While some individuals may seek to use such loopholes in the event of possible call out, we do not consider them a fundamental problem. It seems likely that most Ready Reservists will recognise their moral obligations even if they have a legal escape. And if legal sanctions alone caused Ready Reserve members to turn up for duty, there would be some doubt as to their value.

There is a significant distinction between full-time members of the ADF and reservists in one relevant respect. The former can be used for any purposes approved by government both within and outside Australia. To the extent that there are legislative limitations on the employment of reserves, this constitutes a barrier to the concept of one service. Such limitations also reduce the operational flexibility of the Australian Defence Force.

While it is beyond our brief to comment on the question of legislation relating to the reserves as a whole, we believe that consideration should



be given to amendments to the Defence Act which would permit the wider use of Ready Reserves, whether or not this extended to other reserve forces.

It may be desirable, for example, to provide that Ready Reserves can be employed:

- in peacekeeping and humanitarian operations. In this connection we note recommendation 31 of Defence Sub-Committee Report entitled *Australia's Participation in Peacekeeping* which proposes an amendment to specifically permit the use of reserves for 'peacekeeping or peace operations'.<sup>10</sup>
- in situations where regular forces have been committed in overseas operations and forces are required for the security of Australia even where there is no actual or immediately apprehended attack on Australia.
- in cases of natural disaster whether within Australia or overseas.

A greater liability for call-out on the part of the Ready Reserves would reflect the greater investment of resources in their training and the greater benefits which they receive for their part-time service.

There is a case for differentiating call-out provisions as between Ready Reserves and General Reserves. The latter may find more acceptable call-out in time of war, major defence emergency and direct threats to Australia—but not for other contingencies. The attitude may be that 'I will go when the country really needs me—but won't make an open-ended commitment to go in other circumstances'.<sup>11</sup> The reservist might add, however, that he or she would consider volunteering for duty in many circumstances.

The Ready Reserve, we believe, should have a higher level of obligation in time of call-out. In practice, of course, the government might well call for volunteers from the ranks of the Ready Reserve in some circumstances. What is important, however, is that the Ready Reserve should be seen by all concerned—the government, the regular forces, the general reserves, the community and not least the Ready Reserves themselves—as a well-trained and useable part of the Defence Force.<sup>12</sup>

---

<sup>10</sup> Joint Standing Committee on Foreign Affairs, Defence and Trade, December 1994, p. 71

<sup>11</sup> Lt-Col C.J.R. Day, 'Making Sense of the Territorial Army', *RUSI Journal*, vol. 137 no. 5 (October 1992), p. 37

<sup>12</sup> There is also a legal restriction on the use of reserves in connection with industrial disputes which applies in connection with call-out initiated by state governments for the protection of that state against domestic violence. There is no restriction of this kind on the use of reserves under call-out initiated by the

The likely readiness of a future government to call out Ready Reserves during their part-time is not a matter that can be judged in advance. There are certainly practical difficulties in calling out any reserve forces—such as protection of employment or university study, mortgage payments and insurances—and these are being actively addressed, as the 1994 White Paper points out.

The possible reluctance to call out reserves on the part of future governments for domestic political reasons must be acknowledged. Some of the general political considerations that are relevant to such a decision are discussed in chapter 2.

In time, however, the public expectation may grow that reservists who are well-trained and well-rewarded are in reality liable to call-out. The obligation to serve if called out is already made very clear to enlistees. It is also our view that it would be easier to call out 6 Brigade as it is presently constituted than to have called it out in its previous integrated form—and that it would provide a far more effective capability.

### **Costing**

We have examined the cost of the Ready Reserve Scheme in some detail in the chapters dealing with Army and Air Force. We believe that the figures given us for the relative costs of force elements are reasonable within the assumptions that have to be made in any costing model.

We have stressed the important distinction between the cost of an individual Ready Reserve vs a regular over five years, and between the annual cost of a Ready Reserve element and a regular element. As far as the former is concerned, the individual cost of an Army Ready Reservist appears in the order of 43% of the cost of a regular of the same rank. This figure is important in that it feeds into the annual cost of running a force element but it is the comparative annual cost of Ready Reserve units and formations that is more important for decisions concerning the Scheme as a whole.

Provided that a Ready Reserve element is compared with a regular element of the same size, a figure in the region of 60–65% seems about right. There is some fluctuation depending on the extent of the regular cadre found in different types of element. It is also likely that the regular cadre may fluctuate in a given type of force element.

---

Commonwealth. There seems little reason to retain this legal differentiation, particularly since the Commonwealth can in practice veto any request from a state government.

However, the whole question of costing models and the philosophy which underlies them needs in our view to be looked at afresh. Where major institutions such as training entities already exist to service the regular force—and would so exist whether there was a Ready Reserve Scheme or not—it does not necessarily seem reasonable to us that, say, individual Ready Reserve training be costed on the same average basis as regular individual training. This would only be justified if the whole enterprise—instructors, accommodation, stores, ammunition etc—had also to be multiplied at the same rate to train the Ready Reserve.

In some respects *marginal* costs would be a more appropriate measure. These are the extra costs that are actually incurred through the adoption of a new program like the Ready Reserve. They also represent the money that would be saved if the Scheme were stopped at some point in the future. Average costing is clearly appropriate in some circumstances but may not be so in this case, given that the ADF is working at the margins of a limited budget. To use a sporting analogy, a football club contemplating establishing a new reserve team is not likely to attribute a share of the cost of the ground and the board of directors to the proposed team.

In other words, the approach adopted by Defence to costing the Ready Reserve is a rigorous and conservative one. The savings to be made in practical terms through the Ready Reserve approach may be greater than those indicated. But in either case the savings are substantial and, given the fact that the overall Defence budget is unlikely to increase significantly in the short term, the funds thus freed are extremely important to service re-equipment and other programs.

Relative costings, it has been suggested, will vary over time. As well as the size of regular cadres, important factors include relative wastage during training and subsequent retention rates. Also relevant is the number of Ready Reservist who stay beyond five years since these would represent a largely unplanned bonus to the Scheme. All of these factors contain some element of uncertainty in part because of the relative newness of the Scheme. Over time, as steady state is achieved, more predictable—and more easily costed—patterns will emerge. It might also be pointed out that the changes recommended in this review are themselves intended to change some of these factors in a favourable direction.

Finally, marginal costing is clearly relevant to any decision to end the Ready Reserve Scheme. If it were halted tomorrow, the dollar savings would be only the variable costs of the Scheme—not the full cost attributed to it under present calculations.

It is also pertinent to mention that if Ready Reserves were to be replaced with regulars, the cost of recruiting and training the latter—who

would be additional recruits over and above planned levels—could be considerable. If Army, in particular, is already experiencing difficulty in achieving its target for regular enlistment, any proposal which adds to that target must be subject to very careful examination.

### **Beyond 5 Years**

At the end of 1996 those who entered the scheme with the first intake in 1992 will complete their commitment to serve for a total of five years. It is important to the future success of the scheme that those who reach this point should be strongly encouraged to continue.

First, he or she will be highly experienced by most standards and is likely to be an asset to the particular unit; if suitable, moreover, the individual could be promoted and/or re-deployed to a position of greater responsibility.

Second, the presence of Ready Reservists who have served for a lengthy period could provide encouragement to others to stay on.

Third, every ten Ready Reservists who stay for one additional year beyond five years—depending on the attrition rates assumed—obviate the need to bring in up to 15 new recruits at the front end.

There will be factors that discourage retention. Students are likely to have completed their first degree and perhaps to have moved into the workplace or be actively seeking work after graduation. Some, nonetheless, may be going on to further study and will stay in to receive educational assistance now available for all tertiary study. Yet others may take a break after university for a year and fit in leisure with Ready Reserve service.

The ADF will have little control over such factors. It will, however, have some control over the opportunities that can be offered to the experienced Ready Reservist. After an individual has completed five years there will be all the more need to offer challenging work, training courses and promotion prospects.

The Ready Reservist by this time may well have completed a university degree as well as extensive military training. In some respects he or she will be as well qualified as officer candidates who have been to a civilian university and then enter one of the cadet colleges. It may prove particularly difficult therefore to find the right combination of challenge, responsibility and reward for such individuals.

On the other hand, some Ready Reservists may be interested, once they have obtained their degree, in seeking a commission, whether in the

regular or reserve forces. The Ready Reserve should not be overlooked as a potential source of officer candidates in the longer term.

Financial rewards may be appropriate to encourage Ready Reservists to continue after 5 years and various proposals such as additional bonuses should be studied. However, we believe that the quality of the work to be done is likely to be the more important motivating factor. For those who have already found employment, a steady income will mean that financial inducements in themselves are less effective although the value of the tax-free bonus is automatically increased. In these circumstances the proposed medical benefit scheme may also be seen as a valuable 'tax-free' benefit.

We have heard a range of views on the matter of promotion of Ready Reservists. Air Force seem most confident of being able to promote individuals to corporal before five years and to sergeant some time after that. Any such promotions would need to take into account the level of skills possessed and the leadership qualities of the individual. Moreover, careful management will be required in dealing with the attitudes of regulars who might feel passed over or believe that Ready Reservists simply cannot have the necessary experience. Nonetheless, this is a matter of good judgment and leadership in the units concerned.

Finally, there is obviously great benefit to be gained if a Ready Reservist who does not wish to continue can be encouraged to transfer to the general reserve. He or she will be highly trained and experienced in comparison with many reservists and will again need to be given challenging work.

### **The Qualitative Impact**

The Ready Reserve is a new scheme and a national scheme. As such it is likely to generate reactions both welcome and unwelcome. A wide range of perceptions have already formed about the scheme both within the ADF and in the community at large. This section seeks to analyse those reactions and suggest some appropriate courses of action.

#### *The Australian Defence Force*

It cannot be denied that there has been and remains some hostility towards the Ready Reserve Scheme in the regular forces and in the general reserves. Some regulars are dubious about the Scheme because it seems to them to replace regular units or formations with Ready Reservists who are generally less experienced and less available than regulars. The Ready Reserve thus appears to be not only a threat to job security but an excuse to downsize the regular force. There is also a common perception that Ready

Reservists are motivated largely by pay and conditions, not by loyalty to the Army.

Such views are not totally without foundation. Regulars are more available—though not as fully as is often assumed—and on average more experienced. Force reductions are taking place. But these are not caused by the Ready Reserve which is rather a way of ameliorating the potential loss in capabilities caused by downsizing. The Scheme is part of the cure not the disease.

There is in the minds of some, for example, a mythical 6 Brigade—fully regular, fully manned and fully equipped—which is seen as the alternative to the Ready Reserve 6 Brigade. Under current budgetary restriction, that myth is simply a myth. The same applies to other Ready Reserve elements. They replace in effect not fully effective, but greatly under-resourced elements.

Members of the general reserve also have concerns about the Ready Reserve which seems to them to be getting the resources and conditions of service which they feel they deserve and for which they have long been fighting. As one submission put it, the Ready Reserves have got it all 'on a silver platter'. The Ready Reserve Scheme, moreover, appears to place general reserves lower down in the order of priority, perhaps displacing them in the effective order of battle. The general reserve has become a 'third eleven'.

Again, perceptions are important. The Ready Reserve needs to be presented as an important contribution to capabilities based on extensive full-time training and regular, extended collective training. A greater liability to call out is also a mark of the Ready Reserve. We believe that these factors need to be made clear to general reserves as they do to the regular force.

The criteria we have proposed for the Ready Reserve should serve to identify its role more clearly and demonstrate the particular obligations of Ready Reserve Service. It is lack of clarity in the Scheme that so far has been in part responsible for adverse reactions. Those in the regular forces, however, who have understood the nature and purpose of the Scheme—and we came across many in our visits—have been strongly supportive of it. The greater the understanding of the Ready Reserve, moreover, the greater the prospects of enlisting people who are leaving the regular force.

We note in this connection a problem relating to the terminology used to define the *source* of Ready Reservists i.e Category 2 and Category 3. Positions in units are also designated Category 2 or 3 positions. Once in the Defence Force, however, it does not matter whether an individual has

entered through the regulars, the full-time Ready Reserve year or the general reserve. Nor does it matter who fills a position as long as he or she is qualified to do so. Consideration should be given to avoiding this labelling of positions and individuals.

The situation is made more difficult by the use of the term Category 1 for regulars—which implies a certain priority. There would certainly be objections if general reserves were labelled Category 4.

Finally, we stress the importance of the quality of the entrants into the Ready Reserve Scheme. They should be able to demonstrate their merit and their commitment in order to earn acceptance. This seems to be happening at the officer level as a result of the excellent performance of Ready Reserve cadets at RMC. It is also the case that the full-time year wins the respect of regulars, even if sometimes grudging, towards Ready Reservists.

#### *The Australian Community*

The impact of the Ready Reserve Scheme on community attitudes and perceptions is more difficult to gauge. We recognise that the number of Ready Reservists is small compared to numbers in the general reserves and in the permanent force and to that extent the Scheme will have a lower profile in the community. We can, however, point to a number of factors which may give the Ready Reserve greater impact than its numbers might suggest.

First, the most numerous group of entrants are those who intend to go on to tertiary study or who have already commenced at university. It is evident that the profile of the Ready Reserve—and hence the ADF—has been raised amongst this proportion of the population. If, as we suggest, wider advertising is undertaken to attract existing university students, the ADF's presence will become more established on campuses around the country.

That presence, of course, will be based not simply on advertising but also on the individuals who are both students and Ready Reservists. Provided that they are able to report favourably on their experience, the reputation of the Defence Force will be enhanced. Recruiting, too, is likely to be stimulated. Even those who complete only the first year of full-time service may still be good ambassadors.

Second, tertiary students are likely to go on to positions of some influence and prominence in the community. This will not happen immediately but over time they will become managers, employers, professionals, skilled tradespeople, small business entrepreneurs and so on.

Creating some knowledge of and—in all probability—a favourable disposition towards the ADF will enhance the profile of defence.

In turn, this may encourage recruiting and facilitate the release of future reservists from their place of work. Much the same may apply to at least some of those who go directly into civilian employment after a year's full time in the Ready Reserve.

Third, community understanding of the ADF will, we believe, be increased by the stronger sense of direction that our recommendations will impart to the Scheme. The public face of the Ready Reserve should emphasise the increase in capabilities in defined areas such as infantry, airfield defence and mine countermeasures—all of them focused on the direct defence of Australia, all of them relying on the reserves in significant measure.

It is important to note in this connection that Ready Reserve advertising reaches not only potential recruits but the entire community. There is an important public relations and community education function in any information that is publicly disseminated about the Ready Reserve Scheme.

The cost of advertising for the Ready Reserve is by no means low. In the first year of the Scheme total expenditure was in the order of \$1.97 million, including initial production costs such as films and videos. In 1992–93 it was \$1.6 million, in 1993–94 \$1.4 million, and in the current financial year about \$1.7 million. Though each enlistee therefore costs approximately \$1,500, the wider public relations benefits cannot be ignored.

Clearly, some sections of the community will need to be made more aware of the Ready Reserve Scheme—apart from those whom the ADF is seeking to recruit. We found indications that key people such as school careers advisers and headmasters were not well informed about the Ready Reserve. Schools are obvious targets and we support efforts by Recruiting Branch to spread more information through the schools system.

One of the problems that seemed to recur is a lack of clarity about where the Scheme stands in the overall picture of the ADF. Is it like the general reserve with weekly parades and occasional camps? Is it like the regulars involving full-time service? The answer, of course, is that the Ready Reserve Scheme has something of both but it is difficult to get this message across.

Recruiting staffs also stated that the Scheme suffered through the confusion in nomenclature with the General Reserve, while the name 'Ready' implies that other forms of reserve are less ready. We believe a



new name might help distinguish its essential differences from other parts of the Army. That said, however, no alternative springs readily to mind.

More important than the name, we believe, is the need to publicise the key features of the Ready Reserve in its more focused form. These features include:

- a high level of full-time training
- extended training during part-time service
- an obligation to serve if called out
- an agreement between the Ready Reservist and the employer or tertiary institution
- contribution of a new capability to Australian defence
- recruits drawn on a nation-wide basis, and
- the introduction of young, new blood into the ADF.

We therefore suggest that an important purpose may be served by re-launching the Ready Reserve scheme and concentrating public attention on it, say in early 1996. This could be linked with the other major studies and reviews that are being conducted across the ADF, including 'Army 21' and the Glenn Review. The goal would be to establish the Ready Reserve in the public mind as an integral, but distinctive part of the Australian Defence Force.



## RECOMMENDATIONS

---

In general, we believe the Ready Reserve Scheme is viable with sound prospects for its continuation into the future. Its operational potential will not be realised until steady state is reached. While this may take longer than originally planned if our recommendations are adopted, the Scheme is already providing worthwhile capabilities.

We see as the central purpose of the Scheme the development of specific defence capabilities which have been identified by strategic guidance and which are not required in the form of permanent forces. The Ready Reserve Scheme in our judgement provides a useable capability between the generally higher readiness of regular forces and the generally lower readiness of other reserve forces.

Our recommendations are designed to enhance the Scheme's focus on capability and useability. In essence, we believe that the key features of the existing Scheme are sound and should be retained:

- full-time training for a period of at least 12 months
- extended collective training during the period of part-time service.

We also believe that other features of the Scheme should receive greater emphasis:

- an explicit agreement between the Ready Reservist and his or her employer or tertiary institution
- more defined liability to call out during part-time service.

At the same time we stress that the Scheme must attract new blood. It is not enough to re-employ ex-regulars, valuable though this is. It must broaden the ADF's base and provide a capacity to surge in time of need. It should also seek to retain and develop its nation-wide focus.

We believe that the readiness requirements placed on the force elements concerned are realistic and can be achieved. We accept that the size of the regular cadre in various elements has been increased or will need to be increased above planned levels. However, we consider this is justified in order to enhance capability and readiness significantly. We again stress the fact that the regular force provides the foundation of the scheme and that it is therefore vital to achieve the right balance between regulars and Ready Reserves.

Our recommendations are as follows:

1. The Ready Reserve Scheme should be retained but should be directed towards the development and expansion of specified capabilities. To this end:
  - a. Army should continue its development of 6 Brigade as a Ready Reserve formation. 1 Armoured Regiment and 16 Air Defence Regiment should be re-structured to ensure a better balance of Ready Reserves to regulars.
  - b. Air Force should continue its development of airfield defence capability but should discontinue use of the Scheme in other areas.
  - c. Navy should discontinue its present use of the Scheme and should direct its efforts towards the development of capabilities for mine countermeasures and for patrol boat operations.
2. Subject to the changes in Recommendation 1, priority should be to achieve steady state and ensure its viability.
3. The current target numbers in respect of Air Force and Navy should be re-examined in the light of the changes proposed.
4. At the same time, each Service should initiate examination of the potential for applying the Ready Reserve Scheme to other capabilities as determined by strategic guidance. These might include Regional Force Surveillance and commando capabilities in the case of Army and a deployable joint headquarters in the case of the ADF. The capacity of the regular force to support such expansion should be carefully assessed.
5. On the achievement of steady state in each Service, the ability to transition from the Minimum Level of Capability to the Operational Level of Capability should be tested by exercise or war-game.
6. Air Force and Navy should develop alternative methods of recruiting and retaining those specialist categories which will be excluded from the Scheme.

### **Training**

7. The Ready Reserve Scheme should maintain as its key element the initial year of full-time training. Where justified by the complexity of training required, however, we endorse the practice of a longer period of full-time training up to two years.

8. Consideration should be given to reducing the length of courses undertaken during full-time training where this can be done without loss of standards.
9. We support the overseas deployment of Ready Reservists during their full-time year and encourage other similar deployments.
10. The Ready Reserve Scheme should retain the key element of extended collective training during part-time service, such training to be an essential obligation of Ready Reserve service.
11. The extent of part-time service should be made more flexible in Army, Air Force and in due course Navy. We recommend that 50 days be retained as the norm but that each service have flexibility to vary the requirement between 35 and 65 days. Relevant factors include the type of unit concerned, training requirements, the availability of individual reservists, opportunities for additional courses, costs, and the willingness of the reservist to serve more or fewer days than the 50 originally undertaken.

#### **Transfer**

12. There should be no restriction on the transfer of Ready Reservists to the permanent forces subject only to the needs of the Service concerned and the quality of transferees. At the same time, we do not support the policy of actively seeking transfers on a large scale.
13. We support moves to facilitate the transfer of members between regular, Ready Reserve and general reserve forms of service.

#### **Recruitment**

14. Recruitment should be on a nation-wide basis and the policy of geographic batching reduced or eliminated.
15. The focus on recruiting those who intend to pursue tertiary studies should be maintained but not to the exclusion of those who intend to seek employment.
16. Greater attention should be given to recruiting among students who have already commenced tertiary studies.
17. Given the high quality of female applicants for the limited number of places available, consideration should be given to ways of creating more Ready Reserve positions for females.

18. Greater and more coordinated efforts need to be made to recruit former regulars and experienced general reservists to the Ready Reserve.

### **Conditions of Service**

19. Legislation should be considered that would enable the Ready Reserves to be called out during their part-time service for a wider variety of contingencies than currently applies to the General Reserves.
20. There should be an explicit agreement between the ADF, the Ready Reservist and (as appropriate) an employer or university. The agreement should set out the expectations of each party and the conditions relevant to (a) the Ready Reservist's attendance obligations during part-time service; and (b) the Ready Reservist's return to work or study after call out.
21. Procedures should be developed to provide the Defence Reserves Support Committees in each State with information concerning Ready Reservists as a matter of routine.
22. The commitment bonus should be retained at \$1,500 for 50 days but adjusted on a sliding scale for shorter or longer periods of part-time service.
23. The benefits under the Education Assistance Scheme should be examined in two respects:
  - a. the benefits of treating the commitment bonus as an addition to AUSTUDY; and
  - b. the need to maintain comparability with AUSTUDY particularly in respect to those over 23 years of age.Such changes should be rigorously tested through a process such as the Career Decision Support System.
24. Jobsearch provision should be extended to cover the cost of placing job-seekers in short, employment-related training courses.
25. In order to meet the medical requirements of Ready Reserve service during the period of part-time service, consideration should be given to enrolling members in a medical insurance scheme at the top rate of cover at the expense of the ADF.

**Costs**

26. The overall cost of the Scheme should be monitored. Consideration should also be given to the validity of a marginal cost approach to decisions concerning the Scheme.

**Future of the Scheme**

27. An early and clear statement should be made encouraging service beyond five years. Consideration should be given to appropriate conditions of service and incentives that might be offered in order to retain members beyond five years.
28. Consideration should be given to presenting these reforms of the Ready Reserve as part of a wider re-structuring of the Australian Defence Force in the light of other reviews currently being conducted. As part of this process, alternative names for the Scheme should be examined.





## Appendix A

### TERMS OF REFERENCE

---

1. In May 1990, the Minister for Defence commissioned the Force Structure Review (FSR). The proposals of the FSR, which were forwarded to Government in May 1991, included a new form of Reserve Service to be known as the Ready Reserve. Cabinet accepted the proposal on 21 May 1991 and the Minister for Defence announced the introduction of the Program on 30 May 1991. At maturity in 1996/97 the Ready Reserve Program will provide the ADF with a significant capability enhancement, some of which has already been demonstrated.
2. When the Minister for Defence announced the introduction of the Ready Reserve Program in 1991, he directed that Defence was to review the Program three years after its commencement. Accordingly, you are appointed to coordinate with the Services and other relevant areas a review of progress to date of the Ready Reserve Program and prepare a Progress Report for submission to the Minister for Defence by 30 June 1995.
3. The Report is to include, but not be restricted to the following:
  - a. An assessment of the Program's progress to date. This assessment is to include:
    - i. whether the readiness levels and capability originally forecast are likely to be realised;
    - ii. a comparison at maturity of the Ready Reserve Program of the cost of a Ready Reserve Soldier with the cost of a Regular Soldier over the same period;
    - iii. comparative cost estimates at and following maturity of the Program with other elements of the Defence Force i.e. cost comparisons with other Regular/Permanent and Reserve elements of the ADF with the same potential capability; and
    - iv. the effectiveness of the incentive schemes introduced with the Program.
  - b. the qualitative benefits of the Ready Reserve Program.
  - c. An assessment as to whether sufficient recruits are available to sustain the concept and, if so, whether there is scope to expand the Program, if needed. this assessment is to include:
    - i. recruitment demographics;

- ii. standard of new recruits and the appropriateness of rank, trade, corps and experience of transferees;
  - iii. the appropriateness of the recruitment base and numbers from each i.e. new recruits and transferees, specifically the problem of attracting Category Two members;
  - iv. the impact and desirability of continuing a policy of nationwide demographic representation;
  - v. the effectiveness of recruiting methods;
  - vi. statistical breakdown of the present strength level and targets by category and source; and
  - vii. current and predicted retention/wastage rates and the reasons for these losses.
- d. An attitudinal survey of the Ready Reservists, General Reserves, Regulars, employers and the community (including both those with direct contact with the Program and those without) together with the future intentions for service of Ready Reserve members.
- e. Whether initial and follow up training arrangements are appropriate. This assessment is to include:
- i. initial period of full time service training, and
  - ii. subsequent part time service training.
- f. In view of the progress of the Scheme to date conduct an assessment as to whether Defence expectations for the Program as reported to Government are likely to be realised. In view of your assessment of the Program's effectiveness, what modifications, if any, should be made. Your recommendations in this respect should include:
- i. recommended modifications, if any, to the various incentive schemes which might improve the effectiveness of the Program and/or reduce costs;
  - ii. an assessment of the employer support scheme and any changes you would recommend to the scheme; and
  - iii. the scope for and desirability of expanding the Program in each Service.

## Appendix B

### DISCUSSIONS

---

Major General Denis Luttrell RFD, ED <i>Assistant Chief of the Defence Force - Reserves</i>	23 January
Group Captain Graeme Crombie MBE <i>Deputy Assistant Chief of the Defence Force -Reserves</i>	30 January
Colonel Jo Benton CSC <i>Former Deputy Director Force Structure</i>	8 February
Dr Cathy Downes <i>HQ New Zealand Defence Force</i>	8 February
Commander Mike Stewart <i>Reserve Integration Officer - Navy</i>	13 February
Group Captain Arthur White <i>Director of Reserves - Air Force</i>	13 February
Group Captain Graeme Crombie MBE <i>Deputy Assistant Chief of the Defence Force -Reserves</i>	13 February
Commander Phil Hardy <i>Assistant Director General Reserves - Navy</i>	15 February
Wing Commander Graham McCloy <i>Director Personnel Reserves - Air Force</i>	16 February
Lieutenant General John Sanderson AC <i>Commander Joint Forces - Australia</i>	20 February
Mr Keith Webb <i>Deputy Director Personnel, Finance Services - Navy</i>	20 February
Major General Geoff Carter AO <i>Deputy Chief of the General Staff</i>	22 February
Air Vice Marshal Dave Rogers AM <i>Deputy Chief of the Air Staff</i>	22 February
Commodore Geoff Earley <i>Director General Service Conditions</i>	23 February
Lieutenant Colonel Nick Reynolds <i>CO, 1 Psychological Research Unit - Army)</i>	24 February
Major Ursula Weiss <i>1 Psychological Research Unit - Army</i>	

Dr Alan Twomey <i>Psychology Research - Navy</i>	28 February
Rear Admiral David Campbell AM <i>Deputy Chief of the Naval Staff</i>	1 March
Mr Robert Tonkin <i>FAS Resources and Financial Programs, Department of Defence</i>	1 March
Mr Michael FitzGerald <i>Director Costing Policy</i>	
Mr Geoff Stilwell <i>Director Costing and Financial Analysis - Army</i>	2 March
Lieutenant Colonel David Elson <i>Deputy Director Financial Analysis - Army</i>	
Lieutenant Colonel David McGahey <i>Ready Reserves Project Officer</i>	2 March
Lieutenant Colonel Michael Trafford <i>SO1 Joint Plans (Land), Directorate of Joint Plans</i>	2 March
Mr Stephen Brown <i>Assistant Secretary Legal, Department of Defence</i>	6 March
Lieutenant Colonel Geoff Jones <i>Director Recruiting - Army</i>	6 March
Brigadier Rod Earle AM <i>Head, Defence Centre Brisbane</i>	8 March
Major General Denis Luttrell RFD, ED <i>Assistant Chief of the Defence Force - Reserves</i>	8 March
Mr Warren Lennon <i>Chairman, Defence Reserves Support Committee - Queensland</i>	8 March
Major General Stephen Golding RFD <i>Assistant Chief of the General Staff - Reserves</i>	10 March
Lieutenant Colonel Bob Martin (Retd.) <i>RRes Liaison Officer, KPMG Peat Marwick</i>	10 March
General Peter Gration, AC, OBE (Retd.) <i>Former Chief of Defence Force</i>	13 March
Rear Admiral David Campbell, AM <i>Deputy Chief of Naval Staff</i>	16 March
Rear Admiral Chris Oxenbould AO <i>Assistant Chief of Naval Staff - Personnel</i>	
Captain Ken Taylor AM, RFD <i>Director General Reserves - Navy</i>	
Commodore Graham Sloper AM <i>Former Director General Recruiting</i>	17 March

Colonel David Webster AM <i>Director Personnel Plans - Army</i>	17 March
Brigadier Simon Willis <i>Commandant, Royal Military College</i>	23 March
Dr Ross Babbage <i>Australian Defence Industries</i>	24 March
Major General Peter Arnison AO <i>Land Commander Australia</i>	27 March
Commodore Geoff Morton <i>Deputy Maritime Commander</i>	27 March
Lieutenant Commander Mike Purdie <i>Reserve Administration Cell - Maritime Headquarters</i>	27 March
Major General David Rossi AO <i>Surgeon General Australian Defence Force</i>	3 April
Brigadier Peter Dunn AM <i>Director General Force Development - Land</i>	12 April
Captain Ken Taylor AM, RFD <i>Director General Reserves - Navy</i>	21 April
Major General George Kennedy CBE <i>Former Director General Territorial Army (UK)</i>	26 April
Dr Nick Jans, Mrs Judy Frazer-Jans <i>Sigma Consultants</i>	11 May
Major General Denis Luttrell RFD, ED <i>Assistant Chief of the Defence Force - Reserves</i>	2 June
Mr Chris Nicholls <i>Assistant Director, Financial Analysis and Costing - Air Force</i>	5 June
Mr Peter Charlton <i>Former CO 49 RQR</i>	13 June

## VISITS

---

6 Brigade	<i>Enogerra, Queensland</i>	7 February
16 Air Defence Regiment	<i>Woodside, SA</i>	3 March
6 Brigade	<i>Enogerra, Queensland</i>	9 March
Land Command	<i>Victoria Barracks, Sydney</i>	27 March
Maritime Command	<i>HMAS Kuttabul, Sydney</i>	27 March
1 Armoured Regiment	<i>Puckapunyal</i>	4 April
1 Recruit Training Battalion	<i>Kapooka</i>	10 April
RAAF School of Fire and Security	<i>RAAF Amberley</i>	1 June

## SEMINARS

---

Director General Recruiting Seminar, Canberra	7 April
ADF Personnel Policy Strategy Review Workshop (Glenn Review), Canberra	1 May

# Appendix C

## WRITTEN SUBMISSIONS

---

Captain R.S. Kearney

Corporal R. Wisby

Mr Robert Downey

Mr S.G. Whitty

Dr Jim Wood RFD, ED

Defence Reserves Support Committee - NSW

Defence Reserves Support Committee - SA

Defence Reserves Association - National Executive

The Returned and Services League of Australia - National Headquarters

Army Member, Defence Reserves Support Committee - WA

Australian National Training Authority

Defence Reserves Support Committee - Tasmania

Australia Defence Association

ACTU-Defence Reserves Support Committee - Queensland

Major General K Cooke AO, RFD, ED

Mr D. Pack

Major General W. Glenn AO, RFD, ED

Mr L. Hope

HQ Training Command, Australian Army

Air Headquarters, RAAF Base Glenbrook

## Appendix D

**Appendix D: Comparative RRes/ARA/GRes Separations 1992-1994**

Enlistment Year	Total Recruited	Recruit Wastage	IET Wastage	Transfers to		Discharge/Resign	Separations in Years (Adjusted for Transfers)			
				ARA, GRes, Navy, RAAF			1992	1993	1994	
<b>6 BDE</b>										
1992	1051	131	20	155		171	5	58	108	
1993	1237	183	17	158		196		6	190	
1994	788	112	18	48		38			38	
<b>1 Armd Regt</b>										
1992	0	0	0	0	0	0				
1993	55	8	0	0	0	4			4	
1994	30	4	0	0	0	3			3	
<b>16AD Regt</b>										
1992	18	2	0	0	0	1				
1993	67	9	0	11	11	24		4	20	
1994	33	4	0	17	17	14			14	
<b>TOTAL RRes</b>										
1992	1069	133 (12.4%)	20 (1.9%)	155		172		14.8%	5.4%	10.1%
1993	1359	201 (14.8%)	17 (1.3%)	169		224		16.8%	16.8%	15.5%
1994	851	121 (14.2%)	18 (2.1%)	65		55				22.8%
<b>ARA</b>										
Avg Rec:92-94	2874 <sup>a</sup>	13.4% <sup>b</sup>	4.7% <sup>b</sup>					15.6%	5.5%	4.4%
<b>GRes</b>										
Avg Rec:92-94	4785							17.9%	16.9%	12.9%

a Includes GE, TAFE, and Relist etc.

b Reported separation rates from IRIB and IET do not include generally lower rates from TAFE

Source: Defence Force Recruiting Branch



## Appendix E

### REPORT ON READY RESERVE CONCEPTS FOR THE AUSTRALIAN DEFENCE FORCE—APRIL 1991

#### Indicative Average Annual Direct Personnel Cost Comparisons - Permanent and Ready Reserve Members <sup>a</sup>

Component	Permanent	Ready Reserve	
		New Enlistee	Prior Service
Salary and Allowances <sup>b</sup>	\$31,805	\$7,460	\$3,600
Superannuation <sup>c</sup>	\$8,590	\$2,350	\$970
Employer Compensation <sup>d</sup>		\$810	\$1,010
AUSTUDY <sup>e</sup>		\$1,770	\$1,770
Bounty <sup>b</sup>		\$500	\$500
Job Search <sup>f</sup>		\$150	\$150
<b>Total</b>	<b>\$40,395</b>	<b>\$13,040</b>	<b>\$8,000</b>
<b>Ratio</b>	<b>1</b>	<b>0.3</b>	<b>0.2</b>

*Notes*

- a. Based on data used by the Force Structure Review 1991, averaged over the first five years of service. The data contained in this table should not be used for budget estimate purposes because they are averages. That is for example, the salary and allowances figure for a Ready Reserve new enlistee is derived by adding one year of full recruit salary (\$22,900) plus four years part-time at \$3,600 and dividing by five.
- b. Subject to consideration by the Defence Force Remuneration Tribunal.
- c. Based on 27% of salary allowances.
- d. Assuming that 50% of Ready Reserve members are in qualifying full-time employment, receive male average weekly earnings, and are absent for four weeks military leave each year.
- e. Assuming that 50% of Ready Reserve members receive the full adult rate for three years and that the full cost of the incentive is borne by Defence. It can be expected that a proportion of Ready Reserve members in receipt of AUSTUDY would qualify under existing provisions and therefore the cost of AUSTUDY in these cases would not be borne by Defence. Accordingly, this estimate could overstate the cost to Defence of this initiative.
- f. Assuming that 50% of Ready Reserve members have an allowance of \$1,500 paid on their behalf by Defence to private employment agencies.

Source: Department of Defence.

## Appendix F

**Appendix F: Costing Model of 6 Bde as a RRes Brigade at Steady State Compared With 6 Bde as a Regular Brigade**

RRes Brigade							
	Pers No	Man-Years	Pers costs \$M	Op costs \$M	Total \$M	Housing Cost \$M	Total \$M
<b>Force in Training</b>							
<i>Commencing Training</i>							
RRes Recruit Training	790	198	4.123	6.565	10.688	0.014	10.702
RRes Officer Training	10	5	0.101	0.208	0.310	0.001	0.311
ARA Recruit Training	157	39	0.819	1.096	1.915	0.003	1.918
ARA Officer Training	20	20	0.442	1.547	1.989	0.004	1.994
<i>Continuing Training after Wastage</i>							
RRes Cat 3 IET Training	664	166	3.880	4.762	8.642	0.008	8.650
RRes Cat 3A IET Training	57	29	0.667	0.818	1.485	0.001	1.486
ARA IET Training	132	33	0.771	0.946	1.717	0.002	1.719
<i>Sub Total</i>	977	489	10.803	15.942	26.745	0.033	26.778
<b>Trained Force—6 Bde</b>							
ARA	1161	1161	49.101	11.875	60.976	5.315	66.290
Cat 3 F/T (6 months)	693	347	12.743	3.544	16.287	0.699	16.985
Cat 3A F/T (12 months)	57	57	2.096	0.583	2.679	0.115	2.794
Cat 3 P/T	1682	230	5.186	4.412	9.597		9.597
Cat 3A P/T	60	8	0.003	0.157	0.160		0.160
Cat 2 P/T	131	18	0.523	0.344	0.867		0.867
GRes	3	0.2	0.006	0.002	0.008		0.008
Incentives					9.972		9.972
<i>SubTotal</i>	3787	1821	69.658	20.916	100.546	6.129	106.675
<b>Total RRes Brigade</b>			80.461	36.858	127.291	6.162	133.453

## Regular Brigade

	Pers No	Man-Years	Pers costs \$M	Op costs \$M	Total \$M	Housing Cost \$M	Total \$M
<b>Force in Training</b>							
<i>Commencing Training</i>							
ARA Recruit Training	552	138	2.884	4.591	7.475	0.010	7.484
ARA Officer Training	32	32	0.715	2.500	3.215	0.007	3.222
<i>Continuing Training after Wastage</i>							
ARA IET Training	464	116	2.713	3.330	6.043	0.006	6.049
<i>Sub Total</i>	585	286	6.312	10.421	16.733	0.023	16.756
<b>Trained Force—6 Bde</b>							
ARA	3784	3784	147.789	38.703	186.492	11.587	198.078
Cat 3A F/T							
Cat 3 P/T							
Cat 2 P/T							
GRes	3	0.2	0.006	0.002	0.008		0.008
Incentives							
<i>Sub Total</i>	3787	3784	147.795	38.704	186.500	11.587	198.086
<b>Total Regular Brigade</b>			154.107	49.126	203.233	11.609	214.842

The total cost of the Ready Reserve Brigade is \$75.942m less than the total cost of the Regular Brigade.

The total cost of the Ready Reserve Brigade is 63% of the total cost of the Regular Brigade.

Source: Resource and Financial Program, Department of Defence.



Table 2: IAFDS with Mixed PAF / Ready Reserve Manning

IAFDS CE	Cat.	No Pers.	Year 1	Year 2	Year 3	Year 4	Year 5	Total Cost
AC	RRES FT		6,302,154	641,886	641,886	583,533	641,886	8,811,345
	RRES PT	108		2,234,951	2,119,283	2,123,007	2,116,557	8,593,798
LAC	PAF	6	440,436	440,436	440,436	440,436	440,436	2,202,180
CPL	PAF	10	785,910	785,910	785,910	785,910	785,910	3,929,550
CPL	RRES PT	2	52,671	52,671	52,671	52,671	52,671	263,353
SGT	PAF	8	790,168	790,168	790,168	790,168	790,168	3,950,840
SGT	RRES PT	1	28,498	28,498	28,498	28,498	28,498	142,490
FLTSGT	PAF	1	106,510	106,510	106,510	106,510	106,510	532,550
WOFF	PAF	1	113,331	113,331	113,331	113,331	113,331	566,655
PLTOFF	PAF	0	0	0	0	0	0	0
FLGOFF	PAF	5	446,740	446,740	446,740	446,740	446,740	2,233,700
FLTLT	PAF	2	214,170	214,170	214,170	214,170	214,170	1,070,850
SQNLDR	PAF	1	136,241	136,241	136,241	136,241	136,241	681,205
Total		145	9,416,829	5,991,512	5,875,843	5,821,215	5,873,111	32,978,517
			86%	55%	54%	53%	54%	60%

**Table 3: Calculation of Required RRes AC Recruiting  
Allowing for Wastage**

Wastage	Required intake	Residual after Wastage (ie strength at end of year)				
		Year 1	Year 2	Year 3	Year 4	Year 5
10%						
Year 1	108	97	87	79	71	64
Year 2	11		10	9	8	7
Year 3	11			10	9	8
Year 4	10				9	8
Year 5	11					10
Initial strength (ie RRes CE)		108	108	108	108	108
Terminal strength		97	97	98	97	97
FT ASL (ie average strength)		103	10	10	10	10
PT ASL (ie average strength)			92	88	88	87
ASL total		103	103	98	97	98

## Notes:

- Table 1 shows the full annual costs of 2AFDS at an Authorised Strength Level of 145 personnel (= 145 man-years).
- Table 2 shows the full annual cost over 5 years of 1AFDS (mixed PAF and Ready Reserve) at an Authorised Strength Level of 145 personnel. Given the Constrained Establishment for RRes ACs of 108 personnel, the ratio of full-time and part-time RRes varies over the five year period due to an initial intake of 108 full-time RRes, subsequent progression to part-time service and wastage (assumed to be 10% as shown in Table 3).
- Rates used in this comparison reflect Full Cost as per Ready Reckoner (Column 26):  
AC-PAF \$71,528 pa from Ready Reckoner 3rd ed. (DCOST)  
AC-RRes FT \$61,425 pa from RRes Ready Reckoner (DFAC-AF)  
AC-RRes PT \$24,203 pa from RRes Ready Reckoner (DFAC-AF)

Source: Air Force Office.

## ABBREVIATIONS

---

1 PRU	1st Psychological Research Unit
1 RTB	1st Recruit Training Battalion
1 RTU	1st Recruit Training Unit
AC	Aircraftsman
ADF	Australian Defence Force
ADG	Airfield Defence Guard
ADR	Air Defence Regiment
APA	Army Personnel Agency
ARes	Army Reserve
ASL	Authorised Strength Level
Bde	Brigade
Category 1	Regular service personnel
Category 2	Ready Reserve ex-regular or ex-reserve
Category 3	Ready Reserve new recruit
CMF	Citizen Military Forces
COSC	Chiefs of Staff Committee
CPD	Chief of the Defence Force Preparedness Directive
DEET	Department of Employment, Education and Training
DRSC	Defence Reserves Support Committee
EAS	Education Assistance Scheme
ESS	Employer Support Scheme
FTS	Full time service
GE	General Enlistee
GRes	General Reserve
IET	Initial Employment Training
JSAS	Job Search Assistance Scheme
MLOC	Minimum Level of Capability
MRU	Manpower Required in Uniform
NCO	Non-Commissioned Officer
OLOC	Operational Level of Capability
PAF	Permanent Air Force
PLOC	Present Level of Capability
PNF	Permanent Naval Forces
PTS	Part time service
RAAFSFS	RAAF School of Fire and Security
RMC	Royal Military College Duntroon
RRes	Ready Reserve
SCMA	Soldier Career Management Agency

