

Joint Standing Committee on Foreign
Affairs, Defence and Trade

Government Response – Review of the
Defence Annual Report 2005-2006

**Government Response to the Joint Standing Committee on Foreign Affairs
Defence and Trade report *Review of Defence Annual Report 2005-2006***

Proliferation Security Initiative (PSI)

Recommendation 1

The Committee recommends that an invitation be extended to Defence sub-committee members to observe and/or participate in the next Pacific Protector exercise hosted by Australia.

Response

Agreed. The next Proliferation Security Initiative (PSI) exercise will be the New Zealand sponsored Exercise MARU 08 to be conducted in Auckland 15 – 19 September 2008. It is not anticipated that Australia will volunteer to conduct another PSI exercise until at least 2010 or 2011.

The committee's recommendation that an invitation be extended to Defence sub-committee members to observe and/or participate in the next Pacific Protector exercise hosted by Australia has been noted.

When Australia volunteers to host another PSI exercise, and the proposal has been accepted onto the PSI Master Event List, then an invitation will be issued for Defence sub-committee members to observe and/or participate in the exercise.

Army – Current and Future Projects

Recommendation 2

The Committee recommends that Defence reports to the Defence sub-committee on the implementation of HNA and ELF programs, with a focus on the delivery schedule of the additional battalions.

Response

Agreed. The Chief of Army is available to provide an oral briefing to the Defence sub-committee on the current status of these initiatives.

The Hardened and Networked Army (HNA) program is based on the philosophy of the combined arms approach to combat, whereby infantry, armour, artillery, aviation and engineers work together to support and protect each other while defeating their adversary. It will optimise the capabilities delivered within the Army under the Defence Capability Plan (DCP).

The utility and strength of the combined arms approach continues to be proven in current operations. A combined arms approach enables the ADF to provide the right level of mobility, protection and firepower to support the functions of a team and sustain and rotate those capabilities appropriately.

HNA was to have funded the establishment of a mechanised battle group in Adelaide by converting the parachute-enabled Third Battalion, the Royal Australian Regiment (3 RAR), based in Holsworthy, to a mechanised infantry battalion and includes the building of a new base facility and personnel costs. However, the conversion of 3 RAR has been superseded by the introduction of the Enhanced Land Force (ELF) program.

This program was announced in August 2006 and expands the capacity of the ADF, and the Army in particular, to support regional stabilisation operations as well as Australia's other interests. It will raise two additional infantry battalions with their essential battle group and joint and Defence enabling capabilities.

ELF is being implemented as one program, although it was funded in two stages: with Stage 1, which funds the first of the new battalions, approved in December 2006 and Stage 2, which funds the second battalion, approved in October 2007.

The first additional battalion will be raised by:

- accelerating the raising of a second mechanised battalion (announced under the HNA), the 7th Battalion, the Royal Australian Regiment (7 RAR), from January 2007 in Darwin, with operational capability as a battalion by 2010 and subsequently relocating the unit to Adelaide not before 2011; and
- as a result, retaining the 3rd Battalion, the Royal Australian Regiment (3 RAR) as a light infantry battalion, instead of restructuring as the second mechanised battalion as previously announced under the HNA. 3 RAR remains in Holsworthy until relocating to Townsville not before 2011.

It should be noted that, once 7 RAR relocates to Adelaide, it is funded under the HNA program. Facilities for the Adelaide base are also provided under HNA.

The second additional battalion will be raised by re-raising the 8th/9th Battalion, the Royal Australian Regiment (8/9 RAR) in south-east Queensland from October 2007, with operational capability by 2010 and being fully deployable by 2011.

The decision to locate 8/9 RAR in south-east Queensland is based on a number of capability, cost and personnel factors that together make this region the best location for the battalion, even though 8/9 RAR is likely to utilise the Rockhampton area (Shoalwater Bay Training Area) as a major training location.

The additional battalions will be supported by a range of essential combat support, combat service support and joint and Defence enablers, including additional Special Forces capability, airfield and airlift capabilities, ADF health services and strategic communications.

Locations

At the end of the two programs:

- 7 RAR will be located in HNA-funded facilities in Edinburgh Defence Precinct, Adelaide, having relocated from Darwin in 2011;
- 3 RAR will be located in ELF-funded facilities at Lavarack Barracks, Townsville, having relocated from Holsworthy in 2011; and
- 8/9 RAR will be located in ELF-funded facilities either at Gallipoli Barracks, Enoggera or at Amberley.

Schedule

- 7 RAR and 8/9 RAR are each to deliver an operational general infantry battalion capability by 2010.
- The HNA battle group (7 RAR and engineer, artillery and logistic supporting capabilities) is due to begin occupying facilities in Adelaide from 2011.
- Specialised infantry battalion capabilities under ELF are to be delivered subsequently (Mechanised for 7 RAR by 2012-2013 and Motorised for 8/9 RAR by 2011).
- Most single Service (Army and Air Force) and joint enabling capabilities commence being raised under ELF from the beginning of 2009, through until 2014.

Implementation

Capability. Most Army units have had their organisational structures adjusted to plan for their growth over the next ten years under HNA and ELF.

- 7 RAR is ahead of schedule, while 8/9 RAR is on schedule. 7 RAR has deployed a subunit to Security Detachment Baghdad.
- It is likely some Air Force capabilities will slip by one year. This will not affect delivery of the infantry battalions by 2010.

Personnel. Strong personnel growth, particularly in the Army, continues to support the growth of the HNA and ELF capabilities.

While personnel growth is currently strong in ELF capabilities, it currently consists of a significant component of relatively easy to grow trades such as infantry. As additional capabilities are added to the ELF program, particularly those outside the battalions, the increased component of technical and skilled trades required increases the difficulty of growing the capabilities.

Training. The number of personnel being trained through induction and trade skills training in the Army and the Air Force has increased. In the Army, the training target was increased from July 2007 to meet a five-year 'surge' to grow the Army to its combined HNA, ELF and ADF Gap Year Scheme targets. Performance is matching the number of personnel being recruited, with several hundred more personnel trained than in the equivalent period in the previous year.

The ELF program is making contributions to increasing the number of personnel instructors, facilities and support costs in training organisations.

Facilities. Interim facilities are in the process of being delivered in Darwin (for 7 RAR) and are nearly complete at four Training Command – Army locations (Kapooka, Singleton, Liverpool and Puckapunyal)

- HNA Facilities (Adelaide). The HNA-funded permanent facilities for 7 RAR in Adelaide have been endorsed through the Parliamentary Standing Committee on Public Works (PWC).

- ELF Facilities. A proposal to provide interim working accommodation to support the growth of 8/9 RAR involving three separate medium works projects will be submitted for consideration by the PWC in 2008. Subject to PWC clearance, two of these projects will be completed at Enoggera by early 2009 and the third will be completed in Townsville by mid-2009 at an overall cost of \$11.5 million for all three projects. PWC submissions for consideration of permanent facilities for 3 RAR in Townsville are planned to be referred in late 2008 and for 8/9 RAR in south-east Queensland in 2009.

Equipment.

- The initial ELF Stage 1 provided Defence, at 2006-07 Additional Estimates, a total of \$4.1 billion over 11 years (PAES 2006-07 Outturned).
- At 2007-08 Additional Estimates, ELF Stage 2 provided Defence an additional \$4.4 billion (PAES 2007-08 Outturned).
- Figures represented below are represented in their respective dollar bases.
- Approximately \$940 million from Stage 1 and \$1.019 billion from Stage 2 was provided to supplement several DCP projects to procure new equipment for the ELF capabilities. In particular, ELF will fund the delivery of 143 Bushmaster Infantry Mobility Vehicles, 81 Upgraded M113AS4 Armoured Personnel Carriers, and the additional heavy weapons, communications, target and acquisition, and logistics systems required for the two Army Battle Groups and other Defence elements.
- Approximately \$534 million from Stage 1 and \$278 million from Stage 2 was provided to fund the procurement of a large range of current in-service equipment, including everything from blankets to major weapons systems to cater for the increase in service personnel.
- This procurement activity is underway with the Defence Materiel Organisation in the process of delivering on 98 per cent of the initial 947 items ordered by Defence for the ELF capabilities. The bulk of the in-service equipment is required to be delivered by 2010 in order for the two battalions to achieve their operational capability milestone.