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JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

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

FRIDAY, 26 NOVEMBER 1999

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

Friday, 26 November 1999

Members: Senator Ferguson *(Chair)*, Senators Bourne, Brownhill, Calvert, Chapman, Cook, Gibbs, Harradine, O'Brien, Payne, Quirke and Schacht and Fran Bailey, Mr Baird, Mr Brereton, Mr Laurie Ferguson, Mr Hawker, Mr Hollis, Mr Jull, Mrs De-Anne Kelly, Mr Lieberman, Mr Martin, Mrs Moylan, Mr Nugent, Mr O'Keefe, Mr Price, Mr Prosser, Mr Pyne, Mr Snowdon, Dr Southcott and Mr Andrew Thomson

Subcommittee members: Mr Hawker *(Chair)*, Mr Price *(Deputy Chair)*, Senators Brownhill, Calvert, Ferguson, Gibbs, Quirke and Schacht and Fran Bailey, Mr Laurie Ferguson, Mr Hollis, Mr Martin, Mr Snowdon, and Dr Southcott

Senators and members in attendance: Senators Brownhill, Ferguson and Schacht and Mr Laurie Ferguson, Mr Hawker, Hollis, Mr Price and Mr Snowdon

Terms of reference for the inquiry:

To investigate and report on the suitability of the Australian Army for peacetime, peacekeeping and war. The inquiry will review the current and proposed changes to Army to ensure that it provides viable and credible land forces able to meet a range of contingencies. In considering this matter, the Committee shall take into account:

- *The Fundamentals of Land Warfare* document, released in March 1999
- The Restructuring of the Australian Army initiative
- The Defence Reform Program
- ADF force structure and preparedness
- The role and impact on full-time and part-time personnel
- *Australia's Strategic Policy* (1997).

WITNESSES

Subcommittee met at 10.05 a.m.

HICKLING, Lieutenant General Francis John, Chief of Army, Department of Defence (Army)

CHAIR—I declare open this public hearing of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade. This hearing is the second in an inquiry presently being conducted by the Defence Subcommittee into the suitability of the Australian Army for peacetime peacekeeping and war. The first public hearing was held in Adelaide on Friday, 12 November. The aim of the inquiry is to review the current status and proposed changes to Army to assess whether it provides viable and credible land forces able to meet the necessary range of contingencies. Given the current strategic circumstances and the recent overtures and increase in the Defence budget, it is important to determine whether the Australian Army is able to effectively contribute to operations across the spectrum of conflict. In the course of the inquiry the subcommittee will conduct a number of public hearings and receive evidence from government, individuals and various representative groups associated with defence. The subcommittee hopes to table its report on this reference towards the middle of next year.

On behalf of the subcommittee I welcome Lieutenant General Frank Hickling of Army headquarters. I must advise you that the proceedings today are legal proceedings of the parliament and warrant the same respect which proceedings in the houses of parliament demand. Although the subcommittee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion. The deliberate misleading of the subcommittee may be regarded as a contempt of parliament. The subcommittee prefers that all evidence is given in public, but should you wish at any stage to give any evidence in private you may ask to do so and the subcommittee will give consideration to your request. We received the Department of Defence's submission and it has been authorised for publication. Would you like to make any additions or corrections to that submission?

Lt Gen. Hickling—Not at this time, Mr Chairman.

CHAIR—I invite you to make a short opening statement before we proceed to questions.

Lt Gen. Hickling—Thank you. This inquiry is important not just for the future of Army but for the future security of the nation, and I welcome the opportunity to engage it. Members will recall that Army provided a written submission to the inquiry in July. Much has happened in the few short months since then, but nevertheless I feel the judgments contained in that submission remain an accurate assessment of the Australian Army's capability and suitability. Once again, I want to emphasise Army's stance that we regard ourselves as part of the larger team—the Australian Defence Force—and that I cannot conceive of significant operations that would not require a joint response with units and elements drawn from all three services and from the civilian component of the defence organisation.

In Australia's strategic setting we are seeing an environment in which many challenges to our security and our interests could potentially emerge. If Army is to play its part in meeting and dealing with these challenges, it must be capable of dealing with a wide range of contingencies. There is no point in simply structuring Army for peacekeeping operations, because there can be no guarantee that this is all we might be required to do. Army must therefore have a genuine war fighting capability. This ensures not only that we can meet challenges across the entire spectrum of conflict, but also that any deployed force will command respect from all parties in peacekeeping and other military support operations. The discipline, the training, the systems and the leadership inherent in a force that is structured and focused for war fighting can readily be adapted for lesser challenges. The reverse is not necessarily true.

At the same time, while it is essential that we concentrate on ensuring that the Army can operate effectively today, we must not neglect our future. To do so would be to prepare for the last challenge and not the next. For this reason, the Army is committed to a program of continuous modernisation and improvement. Technology is important to this process, but of even greater importance is the continuous improvement and refinement of our doctrine, our training systems and our organisations. These latter elements of our capability—our intellectual capital, so to speak—are the key to ensuring that the Army remains at the cutting edge of military development.

The manpower and other resources constraints now applying to the full-time component of the Army make the enhanced availability of reserves critical to the provision of credible military responses. The reserve must be an integral component of the Defence Force, providing specialist skills, sustainability and strategic depth.

For the first time in our history, Australia is leading a coalition of some 19 nations in operations in our region. This is a very different process from anything we have done in the past. The performance of Australia's service men and women in East Timor I believe speaks for itself. But these results do not happen by accident. This has been the result of a tradition in the Australian Army, and the Defence Force as a whole, of setting and demanding high standards in training and leadership, and we must never lower our sights in that regard. We must never accept anything less than the very best from our people and from those who support them. The Army has always met the nation's needs in times of crisis. Whether those crises be in peace or in war, the Army remains committed to its mission: serving the nation.

CHAIR—Thank you, General Hickling. Given the announcements of this week, maybe we could start off with your expanding a little on the proposed raising of two more battalions. Maybe you could outline, firstly, how that is going to happen and, secondly, what impact that will have on other units.

Lt Gen. Hickling—When we talk about two more battalions, of course, this is nothing more than a convenient shorthand for what we are actually doing. We are actually raising our capabilities centred around two additional infantry battalions, but it also includes the supporting arms and services that any battalion requires to be effective in operations. So there will be elements of artillery, engineers, armour and logistics support also required to be raised as part of that package. Our intention is to ensure, by raising these additional elements, that we can sustain a contribution to UN peacekeeping operations in East Timor in

the longer term as well as in the immediate future. We have selected a number of units which are currently at lower levels of readiness and which are partially manned by full-time and part-time personnel and we are converting those units to what we call an operational level of capability, that is, we are fitting them up complete for operations in full-time manning, equipment and training. That process has already begun. I made the decision when we embarked upon this process that, rather than raising new units and starting from scratch, we would focus on existing units because this gives us, if you like, a flying start in allowing this to happen. What you are seeing right now is a process of recruiting, training and equipping of these units so that they can take an effective part in operations in East Timor.

The effect on the rest of the Army essentially will be, firstly, that we have to raise the tempo of our training operations. Defence recruiting, which is not directly controlled by Army but which supports us, must also raise the tempo of its operations to ensure we get enough of the high quality people we need. We are going to have to look at how we equip these units to ensure that they are properly equipped for these operations. At present they are equipped for peacetime training, and clearly there will be additional equipment required to ensure that they are properly fitted out for operations, because I am determined that we will not deploy any unit which is not ready in all respects. That may require some further redistribution of equipment within the Army, and that is because in many cases the kinds of equipment we need simply cannot be bought off the shelf. Some commercial equipments can be bought off the shelf, but many military specialist equipments, radios, weapons and vehicles and so forth, are just that; they are military specials and therefore they simply cannot be bought in time. Where we do not have sufficient stocks in store to equip the units, we will have to redistribute them by taking them off other units.

Those will be some of the effects that we will see as we go through this process. The end result will be that we can relieve some of the units that are currently in East Timor, return them to Australia next year and replace them with fresh units. Then ultimately, when the UN transitional authority in East Timor has its own peacekeeping force raised by the United Nations, we can make a contribution of the kind envisaged by the government.

CHAIR—More specifically, when you say that you will be recruiting from within to some extent, does this mean you will be actually taking out of the reserves and on top of that you will be recruiting freshly for the regular Army?

Lt Gen. Hickling—We are doing both. We are inviting reservists to volunteer for full-time service for this operation and also we will be recruiting to ensure that, where we have taken people from units, among other things, we can replace them. You will understand, of course, that in many cases our experienced people—our senior non-commissioned officers, our junior non-commissioned officers and our officers—cannot be replaced rapidly. These people take some years to grow, and therefore we will have to redistribute that very vital asset to make sure that the units are properly manned as well as properly equipped.

CHAIR—Specifically on numbers, how many more are you going to be actually recruiting who are not involved in either reserves or regulars?

Lt Gen. Hickling—The total strength of the Army will rise from an authorised figure of 23,000, which is what we were planning to achieve in the next financial year, to some

26,000, so we will be looking for an additional 3,000 people. The exact numbers that we have to recruit will depend on how many who are already trained we can actually bring in from the reserve.

Senator FERGUSON—I want to follow up on recruiting. You have actually raised a question in your response: how successful is your current recruiting strategy? How successful is it at attracting and retaining the right sort of people, the right calibre of people? There have been suggestions in the past that, in fact, what you are actually doing is providing skills and training to people who then at some stage in the future return to civilian employment anyway, so how successful is your current recruiting strategy?

Lt Gen. Hickling—It has been partially successful. It has not met all of the targets that have been set for it. I can get the exact figures for you on notice if you require those, of recruiting—

Senator FERGUSON—We would appreciate that. If we are looking at another 3,000, it is going to need to be a successful strategy, isn't it?

Lt Gen. Hickling—I understand that, yes. So far targets have not been met for the current year that we would like either for the reserve or the regular components of the Army. However, recruiting has just embarked—you have probably seen the results on television—on a new recruiting campaign which they tell me they are extremely confident will meet our targets. This new campaign has only been going for a few days but this morning I was given some anecdotal evidence that inquiries have risen significantly right across the country and in some centres have doubled. But it is very early days, and I would not want the committee to imagine that our recruiting problems necessarily have been solved, but the indicators are positive at this stage that we can be reasonably comfortable.

Mr PRICE—Can I just follow up the chairman's question about the two battalions, because I am a little confused. You are saying that firing up these two additional battalions is required because of our deployment to East Timor. Is that correct?

Lt Gen. Hickling—That is correct.

Mr PRICE—I understood the minister to say that back in September you had sufficient forces to deploy and maintain on East Timor a contingent of up to 4,500 personnel for a year. I understood that your planning was, in a worst-case scenario, being required to maintain those numbers for longer than 12 months, but, optimistically and I suppose realistically, that the UN would take over early next year. Am I correct in that?

Lt Gen. Hickling—Our hope is that the United Nations will take over next year—early in the new year.

Mr PRICE—Early in the year, yes. But, notwithstanding that, you will require those two battalions for East Timor?

Lt Gen. Hickling—That is correct, for East Timor. If I can just add to that, this is to enable us to sustain a longer-term presence in East Timor with the United Nations beyond

that which we anticipated for INTERFET. The minister's response, I believe, was specifically in relation to maintaining INTERFET on East Timor. These two additional battalion groups are intended to ensure that we can sustain an ongoing commitment to a UN peacekeeping force operation after INTERFET has been withdrawn and meet other tasks which could arise at the same time. You will appreciate we do have other commitments—including, for example, support to the Sydney Olympics—which are going to require significant support from Defence.

Mr PRICE—I suppose we should not get into a debate about it, but there seems to me to be an inconsistency in the two statements. Obviously, once the UN takes over, there is a lesser number committed to East Timor, but, notwithstanding that, we require two battalions. I still support the proposition; it just seems to me that there is an inconsistency.

Lt Gen. Hickling—I could not comment on that, Mr Price; all I can say is that my advice to government is that, to sustain a longer-term commitment into East Timor with the United Nations and to meet the other commitments which may arise at short notice, I believe we need at least a force built around six infantry battalion groups.

Senator FERGUSON—It is also a fact that we do not know what numbers would be required in an ongoing commitment with the United Nations, isn't it?

Lt Gen. Hickling—We cannot say with any certainty, I think it is fair to say. I understand that the thinking is that it will be considerably smaller than INTERFET.

Senator FERGUSON—Yes, I do understand that. Can I go back to this recruiting question I asked before. You said there is a shortfall in recruitment currently under the strategy we are using; is that shortfall specifically in officer or non-officer areas?

Lt Gen. Hickling—It goes across the spectrum. We are noticing particular shortfalls in skilled trades; specialists such as aircraft maintenance technicians and other technical trades are a particular difficulty for us. We think that is because those people are also in very high demand in the general economy. Of course, with the unemployment rate currently dropping, as it is, then, of course, if you like, the pool of potential recruits is also reduced. So it goes right across the board, but there are particular trade areas, particularly in the technical trades, where we are finding it difficult to attract the right number of people of the right calibre.

Senator FERGUSON—If your strategy does not meet the target, does the Army itself, or anybody that you charge with specific duties, actually try to identify the reasons why people are not taking up the offer? For instance, it has often been suggested that Army has a poor societal image, that there is the problem of moving around, constantly being deployed elsewhere. There are a number of reasons. Does anybody ever try and quantify the reasons why it is difficult to recruit?

Lt Gen. Hickling—I am not an expert in this field; the head of Defence Personnel Executive is actually the officer responsible for recruiting right across the Defence Force. However, I am aware that he has undertaken significant market surveying to determine what, if you like, the demotivators for recruiting are and to address those. The result of that has been this new recruiting campaign which you have probably seen on the television. It started

about a week ago. It is specifically to change the direction of advertising, to change the attraction, if you like, in the marketplace.

It is selling a different message, and the message is now a lifestyle message and a values based message. It is not about simply appealing to people's monetary instincts. It is about selling the lifestyle of the Defence Force, addressing those points which you raised, and at the same time pointing out that the Defence Force is a values based organisation, and we seek to attract people who are attracted to our values. I am very supportive of that approach. I believe it is the correct approach.

Senator BROWNHILL—What sort of reject rate do you get in recruits—for example, for health reasons or otherwise? When people go and say, 'Look, I want to join', and they come to your recruitment drive that you have got on now, what is the reject rate?

Lt Gen. Hickling—I have to say it is significant. The exact figures again I would have to get for you on notice, but I am aware that it is significant. There are a significant number of people who are unsuitable for reasons of health, fitness or—

Senator BROWNHILL—Academic?

Lt Gen. Hickling—In some cases certainly academic, and in some cases for psychological reasons. You will understand we have to be fairly careful about screening people, for all of those reasons.

Senator BROWNHILL—And, on the other side of things, you mentioned skilled trades and you talked about an aircraft maintenance type person. Is there an issue of not being able to match the private sector because of salary? You talked about lifestyle and that sort of thing, but is it something to do with salary as well—that your recruits that come in there for aircraft maintenance, for example, cannot be comparative to the ones in the private sector?

Lt Gen. Hickling—We do try and maintain some sort of parity with civilians—with the marketplace outside. But clearly the marketplace moves very rapidly, depending on where the demand is at any one time. And our pay structure, particularly for the solders, the non-commissioned ranks, does include recognition of market forces. So we do have some capacity to react to market forces, but clearly every time we do we raise the unit cost of our personnel, and unit cost of personnel is something that is of great concern to us because it consumes a great deal of our budget.

So we have to always be balancing market forces on the one hand and how much we would like to pay people with what we can afford to pay on the other—like any other corporation. So we need to be very careful we do not price ourselves out of business.

Mr HOLLIS—Lieutenant General, mine is a broader question, and it actually ties in very nicely with your last comment about value—how much it costs and that. It was put to us quite strongly when we were in Adelaide that one of the difficulties with Defence is what a witness described as a parallel structure of command—that with each officer, right throughout the whole force, there are the uniformed personnel and there are the civilian personnel. He argued quite strongly that that was a duplication and did not lead to the most

effective use of money, especially when wages, as you yourself have said, are such a large component. I wonder if you have got any views on that all? Do you think we are approaching the whole thing in the most effective way? That is what we are really about—the most effective use of personnel and that.

Lt Gen. Hickling—I think it is fair to say that nobody that wears this uniform is commanded by a civilian. They are commanded by other officers. I am not sure what he was referring to by way of a parallel structure.

Mr HOLLIS—Yes, but I do not think he was talking about that. What he was talking about is that you have got a chief of the staff, and then you have got a civilian equivalent. What he was basically saying is 'Get the civilians out. It is a defence establishment. Let Defence run it. Put the secretary in the minister's office and run Defence like any other government department is run.' It may be impossible to do that—I do not know. But he was saying that the uniformed people were answering to the civilians and the civilians were answering to uniformed. He said you had two complete structures duplicating.

Lt Gen. Hickling—I am not sure whether I can comment meaningfully on that except to say that everything we do in the Department of Defence does not necessarily have to be done by people in uniform. In most cases, people in uniform actually cost more than people who are not in uniform because of the variety of service conditions that the job attracts and because of the variety of other tasks that uniformed people have to do, for example maintaining their personal fitness and so forth. So they tend not to be as efficient at performing tasks that might be similar to tasks performed in industry. These tasks remain—and I am talking here particularly about administrative support tasks and so forth.

The philosophy is essentially that anybody who does not have to be in uniform should not be a service person on the basis that that is the most efficient way of doing business. So there is a considerable part of this organisation that is civilian and, in my opinion, rightly so. I believe that it is appropriate that those civilians have a proper organisational structure. I would not go any further than that. The question of whether the diarchy is the correct structure for this organisation is a matter which the Chief of Defence Force, who follows me here, and perhaps the Secretary might want to discuss. From where I sit, there is a place for civilians in the defence organisation. I think they bring a great deal of skills which we could not afford to retain in uniform—a great number of unique skills—and that organisation, quite properly, needs its own structure in which to work.

Mr HOLLIS—Let me give you one example. This is an issue that this inquiry is going to have to have a look at. Both the chairman of our committee and I have been on the Joint Public Works Committee for many years and have done a lot of defence work there. Always in Army property, or whatever the arm of the Defence Force is, whether it is the Air Force or the Navy, there are senior defence personnel there. I think with regard to the Army it is at brigadier level. Then you have got the secretary of defence acquisitions.

I do not really expect you to comment on this, but it would seem to me that that is a great duplication. You have a very senior person there who comes with a lot of skills to that position. Surely they should be in charge of Army property or whatever it is. I do not see why you need a civilian there. Or do it the other way around. Put the whole lot of the

defence property in the arms of the civilian who is the equivalent of secretary level and put the uniformed people into another area.

Lt Gen. Hickling—I understand your point. As I said, it is outside the scope of my duties to comment on that except to say, just to correct the impression that there is some sort of parallel chain here, that the senior officer who works in the Defence Estate Organisation actually works for the head of the Defence Estate Organisation, who is a civilian. He actually reports to him. I said nobody in uniform is commanded by a civilian, but people respond to civilians in their structural hierarchy, and that is the case there. You will find that the brigadier who works in the Defence Estate Organisation is actually part of the top management team of that organisation, and he works for the head of the Defence Estate Organisation. It is not parallel; he works for him.

CHAIR—While you said you did not want to make a meaningful comment, you are in a position as much as anyone to be able to make some sort of comment on the point that Mr Hollis raised at the beginning. The committee would really appreciate someone with your experience and from your position making a bit of a comment on his point about the duplication.

Lt Gen. Hickling—Mr Chairman, thank you. I think you will understand that it is outside of my purview to comment on that. However, I will give a personal view if the committee feels that that would be appropriate. My personal view is that no organisation is perfect. I am aware that both the Chief of Defence Force and the Secretary are extremely keen to ensure that the organisational arrangements are refined in the department. I do not think I should go any further than that because I hesitate to speak on their behalf. There are things that we can improve in terms of our management of the defence function. Whilst I can contribute to that, that is all I do—I contribute. I am not in a position to make those changes.

Mr PRICE—When did Army 21 restructuring of the Army commence?

Lt Gen. Hickling—I will just have to check my papers, but I believe that Army 21 began about two to three years ago. It translated into restructuring the Army some time around 18 months ago.

Mr PRICE—What, if any, changes have been made on the basis of restructuring the Army?

Lt Gen. Hickling—We have undertaken a program of trials which culminated, in terms of field trials, in September last year with exercise Phoenix in the Northern Territory, where we tested a whole range of constructs that arose out of *Army of the 21st century*. We have since translated those trials into a series of test model test studies, which have been undertaken. The latest of those was a headline experiment run at Puckapunyal last month. We are continuing to test possible changes to our organisation before we actually make those changes. That is an ongoing program. The RTA program is scheduled to be completed this year and a report will be issued in the first half of next year on our progress.

Mr PRICE—Was anything discovered in that process that was of use in the deployment to East Timor?

Lt Gen. Hickling—We have not fundamentally restructured the units that have gone to East Timor and there is a reason for that. I believe that one of the worst things that it is possible to do is to deploy a unit on operations whilst it is in the middle of reorganising itself. For that reason, I have been very keen to ensure that units we deploy are stable, properly worked up and properly trained before they go. As a result of the East Timor deployment, there will be some delays to some of the restructuring we had anticipated as a result of the A21 and in the restructuring of the Army trial. For example, 6RAR was a unit which we tested in the form of a motorised battalion. In fact, 6RAR will deploy as an infantry battalion because we did not complete that restructuring. We will restructure 6RAR as a motorised battalion when it returns from its rotation in East Timor.

Mr PRICE—The timetable for the report on restructuring the Army is about March—is that correct?

Lt Gen. Hickling—That is correct.

Mr PRICE—That will need to go through for government approval. Without trying to be absolutely certain about things, when are you hopeful that you will be able to introduce the restructured Army?

Lt Gen. Hickling—We see this, as I mentioned in my opening statement, as a process of continuous improvement. For example, as I speak 1st Brigade in Darwin is completing the introduction of the Battlefield Command Support System—the BCSS—which is an outcome of our restructuring of Army activities. Those kinds of improvements will be added progressively and continuously as we go through a phase of translating what today's Army is towards what we are calling the enhanced combat force and beyond the enhanced combat force. We are beginning to think about what we are describing as the Army after next—what the Army might look like in 20 to 25 years time.

This whole process is one of continuous modernisation and continuous improvement. What we are trying to get away from is this notion of a series of step functions, where you do a massive reorganisation and sit in a static condition for a number of years. Instead of that, we are seeking progressively and continuously to improve the way we do our business and to insert technology as we discover its power. That is really what the RTA trials are translating into now.

Mr PRICE—I thought what the RTA was about was the fact that the Army has been static for 50 years. Whilst I can understand the concept of continuous modernisation, after you have completed trials surely there would be a significant restructuring—almost, if you like, a step restructuring. But that would not be the end of it and I accept that.

Lt Gen. Hickling—That is true. It would be doing a disservice to my predecessors to say that the Army had been static for 50 years.

Mr PRICE—I mean in organisational structure.

Lt Gen. Hickling—We have undergone a number of significant organisational changes in my time in the Army, which is admittedly a long time. We have embarked on a number of organisational changes over the years and one of the problems has been that, in some cases, we reorganised without understanding why we were we reorganising. What the RTA trial process is seeking to do is to ensure that our organisation is driven by the way we intend to do our business.

Mr PRICE—Perhaps I am not understanding it. I understood that restructuring of the Army was really trying to accommodate the fact that we were never likely to blow up to half a million land force or anything like it, therefore we needed to make significant changes as well as test whether or not some of these specialist units needed to be embedded into battle groups or whatever you wanted to call it. In that sense, it was a real departure from the last 50 years.

Lt Gen. Hickling—Mr Price, that is a reasonably accurate assessment of why we are going through this process. But what I am trying to emphasise is that this is a progressive process to which I see no end. We are entering a phase of what people are calling a revolution in military affairs, where we are entering a phase of continuous evolution. We will never be a static organisation, not so far as I can see, again.

CHAIR—On the recruiting question there was at least one area we did not cover. Why did you move away from unit base regional recruiting for the reserves? Certainly it seems to have had a detrimental effect, from what I have seen.

Lt Gen. Hickling—This was an outcome of the defence reform program, which centralised the recruiting function from the three services into the Defence Personnel Executive. As a result of the reorganisation of that function, we moved away from a regionally based recruiting system, or a unit based recruiting system, to a regionally based recruiting system which was centrally controlled by the head of the Defence Personnel Executive and the director of the Defence Force recruiting organisation. That is why that changed.

CHAIR—In the light of the experience, do you think that there might be some value in going back to some of those previous methods?

Lt Gen. Hickling—I know the director of the Defence Force recruiting organisation is reviewing the whole of that. From Army's purely selfish perspective I suppose, we think that units, particularly reserve units, must play a part in recruiting their own people. It may not be a direct part—that is, it may not necessarily be the recruiting sergeant setting up his tent somewhere—but the reserve has to play a part in, if you like, selling its wares, particularly at places like country shows, school fetes and the like. They must take every opportunity they can to attract people to what they are doing. We do need to become better at that.

CHAIR—Isn't that really going back to recruiting—doing what they have done in the past?

Lt Gen. Hickling—Once upon a time each reserve unit had its own recruiting cell. Under the recent reorganisation that has gone, and recruiting is conducted on a tri-service

basis at a series of recruiting centres. We are looking at whether we need to provide back to those units some sort of capability of direct recruiting. I do not know which way that is going to go because, once again, that is out of my control.

CHAIR—If you had the opportunity, would you say, 'Yes, we want to have it back'?

Lt Gen. Hickling—If I had the opportunity, I would like to see some kind of recruiting function being conducted on a unit basis for the reserve because I think it is probably important.

Mr LAURIE FERGUSON—You stated earlier that it was not specifically your responsibility. We have covered some unnamed specialities and skills you see as a shortage there. Do you want to talk a bit further about other shortages—the broader question?

Lt Gen. Hickling—I am sorry, could you repeat that?

Mr LAURIE FERGUSON—You mentioned in passing that you thought there were certain skills categories. Do you want to talk a bit more about those skills categories? Basically, are you saying to us that in other areas there is not a problem?

Lt Gen. Hickling—No, I am saying that across the board there are shortages against our recruiting targets in almost all categories, and there are a number of reasons for that which the recruiting organisation has done a lot of work on. I can get those figures for the committee—I am happy to do that—but I would be hesitant to give you percentages or numbers because I might be wrong and I do not want to produce evidence that is not factually correct.

Mr LAURIE FERGUSON—If we could have those. Besides a widespread belief that there is some correlation between employment levels and the ability of the armed forces to recruit, what other points do you see as being problems in image? You said you were moving towards values and lifestyle, et cetera. What other problems do you see at the moment? What are you encountering?

Lt Gen. Hickling—Again, you are moving me out of my area a bit, but from my personal perspective I believe that we may have embarked on a recruiting campaign which was focused on the wrong areas. We might have been attempting to appeal to people purely on the basis of monetary gain, that is, 'Join the Defence Force and we'll set you up for a later career.' It seems to me reasonably self-evident that an appeal to people's values and to the sort of lifestyle which we can provide in the Defence Force—which is often portrayed in the popular media—might be a more effective way of going, and so that is the way that this new campaign is launched.

But moving on to employment versus recruiting, there is a fairly strong correlation. In fact, the correlation is fairly strong between performance of GDP and retention as well as recruiting because there are two aspects to this problem. The larger numbers we get separating from the service drive up the recruiting targets. In times of high employment and strong growth in GDP you tend to get increased separation, and at the same time the pool of potential recruits is smaller, so you have got, if you like, a double effect—more people

leave, fewer people want to join. So between the two you have what you might call a vicious cycle.

Mr LAURIE FERGUSON—What other image problems do you think are part of recruitment difficulties?

Lt Gen. Hickling—I think we have suffered in recent years from a series of very well-publicised events—misbehaviour and inappropriate behaviour, not in any specific service but across all three services—and I think that has done us some damage. It is for that reason that the Chief of the Defence Force and all three service chiefs are determined to ensure that people behave appropriately, and we will crack down very hard indeed on those who do not.

Mr LAURIE FERGUSON—Are there any conditions that you think the general public see as not being attractive? Are there difficulties for you?

Lt Gen. Hickling—Provided service conditions are regarded as reasonable, I do not see them as a great motivator or demotivator, quite frankly. I think people join for other reasons. I think by and large the conditions of service we now enjoy are reasonable. There are of course areas we would like to improve, but by and large I think that they are reasonable and we pay a reasonable wage for people who work very hard. We provide decent accommodation for our people. So I think the basic conditions are good and I think we have got a reasonably attractive package. But, as I said, people do not join the Defence Force to make a fortune. If they do they will be sorely disappointed, I can assure you.

I think conditions of service are fairly good, and I do not see that as a strong demotivator. It is a question of lifestyle. I think one of the problems we have is that the lifestyle image which has been portrayed in the past in the defence forces has been to some extent misleading. It has been characterised, as somebody put it to me the other day, as running in mud. I think we have to get away from that image because there is a lot more to it than that, and we have to make sure that people understand that when they seek to join or show an interest in joining.

Mr SNOWDON—The other evening we had Air Vice-Marshall McCormack talk to us about his skill shortages in aircraft maintenance engineers. One assumes there will be common areas of trade shortages across the services. Has there been any thought about, as a management tool, using common tradespersons?

Lt Gen. Hickling—I think that that is one of the reasons functions such as the Defence Force recruiting organisation have been centralised: so that we can mount a campaign which seeks to meet the needs of all three services in some of these areas.

Mr SNOWDON—But what I am getting is: if you have got a shortage of aircraft maintenance engineers, fitters or whatever they might be for East Timor, but we have got someone working in a unit in a naval dockyard in Sydney or wherever, is there any process by which those people can be deployed into the Army for those purposes? It seems to me that if you have got a manpower management problem and there are skills available in one of the other parts of the services, we should be attempting to try and maximise their functional use.

Lt Gen. Hickling—There is no formal process for that to happen but there is an informal process which I think works. But the problem we find, generally speaking, is that if you have got a shortage in a particular skill that shortage tends to span the three services and it also tends to span industry. In other words, with people aircraft mechanics, if you look at the daily job ads you will find that they are in demand everywhere. So you would tend not to have a surplus of people such as those in, say, the Navy and a shortage in the Army and the Air Force; you would tend to have a shortage across the board.

Mr SNOWDON—What effect have these shortages had on your deployment to East Timor?

Lt Gen. Hickling—So far we have been able to deploy to East Timor without any significant difficulty. Looking down the track, if that deployment is extended for some considerable time I think we would find that some of these key specialists and highly skilled people would be in very short supply because, to some extent, we have already cross levelled to ensure that the force in East Timor has got everything it needs to function by way of people and equipment. If we have to extend that for a significant length of time, then relieving those people with other people with the right level of skill and speciality is going to be difficult.

Mr SNOWDON—Is there any process by which you could be using private or non-Defence Force personnel for those sorts of functions in some circumstances?

Lt Gen. Hickling—We already do in some cases. For example, you may be aware that in Darwin in the 1st Brigade we actually employ a contractor who works inside the brigade's workshops to help us with maintenance and support of their vehicles. So we already do that. I know that the support commander is already examining opportunities for contractors to operate not only in Australia but also in East Timor in support of the operation. When the United Nations takes over the operation you will see that contractors will probably play an even greater part than they do now.

Senator SCHACHT—I have a question on the issue of recruitment. I do not think it is in the submission but it may already have been dealt with. You are recruiting women. What areas of service in the Army are still restricted to men?

Lt Gen. Hickling—There are particular areas; that is, infantry, armour, artillery and combat engineers are, I believe, the areas that we restrict to women. Everything else is—

Senator SCHACHT—Women are not allowed?

Lt Gen. Hickling—Women are not allowed to serve in those areas.

Senator SCHACHT—What percentage of the total service is denied to women?

Lt Gen. Hickling—If you give me a moment to refer to my figures I think I have got the answer here. If not, I will take it on notice to make sure I give it to you absolutely right. But let me just check for a moment, if I may.

Senator SCHACHT—Is it in the submission?

Lt Gen. Hickling—No, I do not believe it is in the submission. I am looking to see if I have got the figure to give to you straightaway; if not, I will take it on notice.

Senator SCHACHT—Take it on notice anyway. When you give it to me, can you give me the figures as well on what percentage of the uniform section of the Army is women?

Lt Gen. Hickling—Yes.

Senator SCHACHT—I have been in the parliament since 1987. Since then, what sections of the Army have been opened up to women that were previously precluded to them?

Lt Gen. Hickling—Again, I will have to take that on notice, except to say that we have opened up everything during that period, I think it is fair to say. We have moved away from having a segmented sector of the Army which was for women—the Women's Royal Australian Army Corps—and moved to include women right across the force. We have opened it up everywhere except, as I mentioned, armour, artillery, infantry and combat engineers.

Senator SCHACHT—Apart from those areas which women are precluded from, are there other elements of service in the Army where women can serve and where, quite clearly, they could be casualties in a war?

Lt Gen. Hickling—I think it is fair to say that in modern combat you cannot preclude women becoming casualties anywhere.

Senator SCHACHT—So the issue is not precluding them because they might be casualties in a war—because of the very nature of modern warfare, terrorism, non-declared wars, et cetera, you just do not know where the potential enemy may hit, so that is no longer an excuse. You have moved beyond the prejudice of saying you preclude women because you do not like them being casualties vis-a-vis men.

Lt Gen. Hickling—No, there are one or two areas—and I could not give them to you now—where it is particularly hazardous for women to work in the presence of chemicals and so forth which can have physiological effects.

Senator SCHACHT—I do not want to ask anything on the fly that may be confidential or classified, but if you could provide to the committee what the areas are where women are precluded because of access to chemicals in those areas and, if it has to be, provide it to us in confidence, I would appreciate that. Therefore, in those areas you have just listed—infantry, artillery, et cetera—that women are precluded from, what is the reason that they are precluded?

Lt Gen. Hickling—The reason they are precluded is that we have a good deal of anecdotal evidence that the kind of physical work that has to be undertaken in those areas is particularly demanding physically, particularly on females. We are undertaking a series of

studies and tests at the moment to ensure that we have some scientific basis for that concern. But clearly, in relation to the kind of work that you will see soldiers undertaking in those trades in places like East Timor, where they are carrying very heavy loads over great distances and so forth, we are finding that there is a disproportionate injury rate among women who undertake those duties. My concern—and I speak here as Chief of the Army and I do not speak for the Defence Force as a whole—is to ensure that we do not ask women to undertake work which we think is inherently physically dangerous to them, not necessarily from the point of view of taking casualties from enemy action but simply because the nature of the work is not work to which they are physiologically suited.

Senator SCHACHT—If a woman could meet the physiological test of carrying whatever the size of the pack on her back is, that would not mean that she would be able to be in the infantry?

Lt Gen. Hickling—Not necessarily, no.

Senator SCHACHT—Not necessarily?

Lt Gen. Hickling—No, she would not, and I will give you my approach to this, if I may. My approach is that I do not believe we should be asking anybody, male or female, to undertake work which we think is beyond the reasonably fit average person.

Senator SCHACHT—So you are getting scientific work done now to show us that there is a percentage discrepancy between what an average, fit Australian male can do compared with what an average, fit Australian female can do?

Lt Gen. Hickling—That work is being undertaken by the head of Defence personnel executive.

Senator SCHACHT—I can ask that in estimates next week then and, hopefully, get an answer?

Lt Gen. Hickling—You could.

Senator SCHACHT—When is that work going to be completed?

Lt Gen. Hickling—The estimate is that it will take about two years to do that.

Senator SCHACHT—When did it start?

Lt Gen. Hickling—It started, I believe, late last year.

Senator SCHACHT—One other thing about recruitment: is it true that there is a natural ceiling for promotion for women in the Army, that the fact they cannot serve in combat units means, in the end, they will not have the opportunity to aspire to be promoted to the top level of the Army, to be in your position?

Lt Gen. Hickling—That is true.

Senator SCHACHT—So there is discrimination in terms of their ability to further their careers?

Lt Gen. Hickling—Yes.

Senator SCHACHT—Do you have any evidence that that is a deterrent to women to join the Army?

Lt Gen. Hickling—I have no evidence to that effect.

Senator SCHACHT—What is the highest ranking woman in the Army now?

Lt Gen. Hickling—The highest ranking woman in the Army is a colonel.

Senator SCHACHT—That is in a non-combat position, presumably.

Lt Gen. Hickling—She is my military secretary.

Senator SCHACHT—She used to be attached to this committee. I tried to convince her on these arguments then and I did not have much success. I hope I am having more success now. Has any woman got a higher rank than colonel in the recent 20-year history of the Army?

Lt Gen. Hickling—Not to my knowledge.

Senator SCHACHT—So basically she has reached what in civil life you would call the glass ceiling of promotion.

Lt Gen. Hickling—She has reached the level of promotion which, so far, she has reached. I am sorry, I cannot give you a straight answer on that simply because it is possible that she could be competitive for tasks that would go to the next level. If she is competitive, then she will be considered for that promotion. It is not a situation where you can assume that, simply because the senior woman in the Army at the moment is a colonel, that will always be the case.

CHAIR—I would like to move on because there are quite a few topics I would like to cover.

Senator SCHACHT—Are you able to provide me with that information?

Lt Gen. Hickling—Yes, I will provide you with that information.

Mr LAURIE FERGUSON—I have a question that is in some ways similar. Recently, as a result of constituents asking this question, I asked the parliamentary library to what degree there had been work done on the ethnic make-up of the armed forces. There had actually been very little work done to analyse it. Do you think there is a possibility that the armed forces are not, in any way, recruiting or attracting a variety of ethnic communities? The

other worry there is that you do not really reflect society these days. Could you comment on that briefly?

Lt Gen. Hickling—I am not convinced that there is any scientific evidence or statistical evidence to suggest that we are not representative of Australian society. It is fair to say that we do not deliberately seek to recruit from ethnic groups. We certainly do not seek to exclude ethnic groups. We welcome people from different backgrounds in the Army and I hope we always will. However, in one particular area we do try to encourage indigenous people to join, and that is in the area of the regional force surveillance units across the north of Australia. That is because those people have an intimate knowledge of the country which is part of that unit's role. Otherwise, we seek to recruit from the broadest possible cross-section of the Australian community. That is probably an appropriate thing to do.

It relates almost to Senator Schacht's question about the recruitment of females. My view on this is that we cannot afford to ignore 50 per cent of the talent of this nation. We have to make sure that we try and use that talent in the most appropriate way. That is what my concern is. It is not a question of whether we should have 50 per cent women; we should be seeking to try and utilise the 50 per cent of the talent in this nation which is female in the best possible way for the service.

Mr LAURIE FERGUSON—I will put this a bit differently. From what you have said, it is not a conscious consideration at the moment. There has not been any kind of examination as to whether, from what you understand, you are succeeding in essentially being representative in terms of ethnic make-up or background.

Lt Gen. Hickling—Not to my knowledge. As I said, we seek to recruit from right across the Australian community. So far as I am aware, there is no plan to do anything other than that.

Mr PRICE—Are any recruiting ads put in migrant papers?

Lt Gen. Hickling—I could not answer that question. It is a very interesting point and it is one which I will follow up.

CHAIR—In terms of combat support capability, what shortfalls are there at the moment? What is being done to address them?

Lt Gen. Hickling—On what particular areas do you want me to focus?

Senator SCHACHT—Do you have enough guns?

CHAIR—There are a whole lot of things like construction engineering, electronic warfare, intelligence support and all of those areas.

Lt Gen. Hickling—We do have some shortfalls across many of our combat support trades in particular and in a number of our units. You have mentioned construction engineers already. Electronic warfare and maintenance engineering are areas where we are

undermanned in particular. That is really a function of being unable to attract and retain as many of those people as we would like to have.

This has been particularly aggravated by the fact that we are undertaking a fairly intensive operation where those areas are very important. For example, our construction engineers have been very busy over the past few years on a number of tasks including the Army-ATSIC construction tasks across the north of Australia. Those people have been very heavily committed to that function. As a result of that, a number of them are leaving because they have spent a significant amount of time away from home. So in some of those areas we are short of what we would like to have.

I suspect it does not matter what we do, and if you look back across our history you will find that we always have some imbalances somewhere. We are never quite where we would like to be. We are never at 100 per cent of what we would like to be across the Army. The important thing is to make sure that the units and formations that we commit to operations are properly supported and at the moment I am confident that we can do that.

CHAIR—That brings me to my next question on logistic support. What shortcomings are there? What effect has commercialising it had?

Lt Gen. Hickling—We are into a period of settling down with commercialisation at the moment. It has a long way to go and in the process I suspect we are seeing a settling-in period for the commercial support program.

Mr PRICE—You would concede that the Defence Reform Program and its successor, the Defence Efficiency Review, were very important programs of this government. The Defence Reform Program seeks to save about $1 billion a year and transfer that to the sharp end. What is the Army's share of that?

Lt Gen. Hickling—I am not sure that we have a share but we have certainly benefited from the outcomes of the Defence Reform Program. We were able to raise 1st Brigade to a higher level of readiness than we would otherwise have been able to do.

Mr PRICE—But there must have been annual savings coming out of the Army to allow you to do that. What are the annual savings in the Army as a result of the Defence Reform Program?

Lt Gen. Hickling—I will take that on notice, if I may, to give you the dollar figures.

Mr SNOWDON—Could you also tell us what proportion of the total Defence budget the Army gets?

Lt Gen. Hickling—I can, and I will take that on notice to make sure I give you the exact answer.

Mr PRICE—Is it right that the savings have all been funded towards raising the extra level of readiness of the brigade? I may be unfair in saying that.

Lt Gen. Hickling—We have actually done a number of things with the resources that the Defence Reform Program has made available to us. For example, we are seeking to convert the 4th Battalion to a commando regiment. We are raising an intelligence battalion. We are raising a unit which will be able to respond to specific threats that may arise as a result of the Olympic Games, for example.

Senator SCHACHT—We could put the SAS into SOCOG which would be helpful.

Lt Gen. Hickling—I am not sure what you would want it to do.

Senator SCHACHT—Members of the public would probably know what you should do.

Lt Gen. Hickling—The point I am making is that there have been a number of initiatives that we have been able to undertake because some resources have flowed back to us. I would like, if I could, to confine my answers to specific savings in dollar terms and I will get those answers for the committee on notice, if I may.

Mr PRICE—Thanks for outlining where the money is being spent. Could you actually take on notice exactly what the dollar value was of each of these initiatives and how that translated into this, this and this? I also have a question about the reserves. The chairman started by saying that you were firing up two new battalions, which is welcome, but the Ready Reserve scheme replaced a full-time battalion. Is it true to say that this government abolished the Ready Reserves?

Lt Gen. Hickling—That is true.

Mr PRICE—After the abolition of that, it was not replaced with a full-time battalion? It did not revert back?

Lt Gen. Hickling—No.

Mr PRICE—So you do not actually have a scheme in the Army that picks up what were the successful elements of the Ready Reserve?

Lt Gen. Hickling—What we have done is ensure that those people who had joined the Ready Reserve were kept, to the best of our ability, in the Army. The last of those are still serving with us now and, of course, a number of them transferred to the regular Army where they were very welcome, I might add. They were very high quality people.

Mr PRICE—I assume you are aware that Air Force has a training program that allows them to recruit personnel, train them for nine months and then place them into the Reserve. Has such a scheme been examined by the Army?

Lt Gen. Hickling—We are looking at a much more flexible set of options for people who can join either the Reserve or the full-time component of the Army. Our intention is to ensure that we offer as many and as flexible a range of options as we possibly can. The basis for that is the common induction training scheme which is now running to ensure that we have a common level of basic skill across both components so that it becomes much

easier, for example, for people to volunteer for full-time service and we are confident of their skills.

Mr PRICE—You are aware that a report into the reserves is with the government. I notice Ian McPhedran of the *Courier-Mail* seems to have released quite a number of the details of it. I apologise for asking you this but just for the record, of course: you did not leak this to Mr McPhedran?

Lt Gen. Hickling—No, certainly not.

Mr PRICE—I did not think so. No-one who works for you would have done that?

Lt Gen. Hickling—I would certainly hope not.

Mr PRICE—On a more serious point, were you disappointed that the government did not announce its reserve measures consistent with the Prime Minister's statement about the extra two battalions or the increase in the ADF? Sorry, it is not a trick question. Let me rephrase it. Given that the reserves suffer, it is believed, from a second-class citizen status in the Army, doesn't splitting the two announcements tend in a sense to reinforce that?

Lt Gen. Hickling—You are asking me a political question in a way, and I hope you will excuse me if I step around it. Let me say that I look forward very much to a government announcement on the reserves at any time.

Mr PRICE—So do I.

Lt Gen. Hickling—I think the reserve is very important to us. I hope we get a good outcome from the proposals which are before the government now. I believe that the reserve is a key and integral part of our total force. To my mind, anything that we can do to improve its availability, its level of training and support would increase our effectiveness as an army right across the board.

Mr SNOWDON—In your introduction, you mentioned the strategic setting. How would you describe our strategic setting at the moment in Army terms?

Lt Gen. Hickling—I would have to describe it as less stable and less benign than it has been for a number of years. I think a feature of it has been the speed at which the changes have taken place. If you look back two years, I think everybody around this table would agree that it would have been impossible to predict some of the circumstances that have come to pass in the past two years or even in the past six months. One of the lessons that I draw from all of this is that our strategic setting is less stable than it was and perhaps less benign. I am concerned to ensure, from the Army's perspective, that we are poised so that we can respond if we are needed.

Mr SNOWDON—Would you see the strategic setting which informed the formulation of the fundamentals of land warfare as having changed since that document was written? I know it was written as a work in progress so what I am asking, given your current view of

the strategic setting, is whether you would be rewriting elements of the land warfare doctrine.

Lt Gen. Hickling—Purely on a strategic setting, no. If you read the document, it almost accurately portrays the situation we are in now.

What we identified in the document was a trend that the region was becoming less stable and our circumstances were becoming less stable, and I think that has come to pass. I do not think it has changed anything from the point of view of the strategic basis for that document at all. I think that is sound.

Mr SNOWDON—In terms of informing your views about your current deficiencies, how would you describe them and what are they in terms of kit and deployment capacity?

Lt Gen. Hickling—We have moved from a long era, I think, where this country has enjoyed a very stable and a very benign strategic environment. In that time, I believe quite rightly the focus in the defence organisation was on investment in long-term future capabilities—in other words, investment in capital. The environment now is quite different. The environment predicted in LWD1 is very similar to what we face now, and that is an environment of less stability, which means that you actually have to shift the balance from investing more in tomorrow to investing in current capability. But all of that does not change overnight.

What we had was an Army which was looking forward into the future but which was retaining, at high readiness, a fairly small—about a brigade group plus—element of the Army available at high readiness to take on a range of contingencies. As the possibilities have expanded, because the situation is less stable, then clearly it is necessary to expand the range of options which we have available at short notice. That means we actually have to equip and man more of the Army at a higher than peacetime training level. Again, that does not happen overnight. We were able to do that for the 1st Brigade but in order to do that we had to take people and equipment and other resources from other parts of the Army to ensure that the brigade got all it needed to do the job, and that was all done. The trick now is to remediate those areas that we have taken equipment and people from. That is the focus of what we are doing, in addition to raising two additional battalions.

Mr SNOWDON—What impact does that have on the outlook for the other services in terms of their need to remediate to ensure that you have the capacity to do the job that you are required to do?

Lt Gen. Hickling—I think the other two services are in a similar position. They also find that they require more resources to be devoted to current operations because the operational training tempo has risen right across the Defence Force and not just in the Army. I think if you ask the other two service chiefs they will give you a similar answer to mine.

Mr SNOWDON—In the context of where we are at the moment and where you would like to be, say, to be able to do the job in Timor or anywhere else to the maximum for the longest possible period, and in conjunction with the other services, for example, what sort of new equipment would you regard as being essential? Would it be heavy lift aircraft?

Lt Gen. Hickling—I think from Army's viewpoint, looking at the other services, the area we would like to see additional capability in is strategic mobility—that is, our ability to deploy forces wherever we need them. Certainly transport aircraft, amphibious shipping and the like would be areas where we would like to see a concentration. I must say, in fairness to the other services, that you are seeing the new C130J into service. The Air Force has a project for a light tactical transport aircraft, and the Navy, of course, is working on its amphibious capability. All of those things are being attended to.

CHAIR—You have identified the shortfalls. What is actually being done from the Army's perspective to fill the remediation? What has actually been done?

Lt Gen. Hickling—We have a program in place to begin buying, where we can, commercial off-the-shelf equipment because that can be bought quickly to replace some of the equipments we have taken out of the lower readiness elements. We are putting in hand a program of slightly longer term procurement, because it takes longer to do it, to buy some of the military special equipment which we need. We are moving in those directions. We are constrained both by time, of course, and by budget. It is a question of how much we can afford to do.

Senator SCHACHT—In annex A on page 34 of your submission you list, over a page and a bit, all the procurement projects and proposals that influence Army capability. Can you provide to us on notice which one of those projects meets the description you have just given? You said there is some you could buy commercially. That is like buying trucks, trailers and semitrailers, I suppose?

Lt Gen Hickling—Yes, it is.

Senator SCHACHT—If you could just differentiate in that long list. Some of them are not yours, either, but they have an effect.

Lt Gen. Hickling—Okay.

CHAIR—General, in your submission you also made the point:

. . . the Army does not presently have the full range of capabilities it would need to be confident of successful operations in mid to high-intensity conflict.

What additional capabilities would you see as being necessary to handle that type of conflict?

Lt Gen. Hickling—In that kind of conflict you see a battle space which is characterised by a number of threats, and included among those are weapons of mass destruction. I think if I had to isolate one area where I believe that the Army is not as well-equipped as I would like to see, it is the area of defence against chemical, biological or radiological attack. That would be a very serious concern for us. It requires a very large investment to be able to deal with that, and in our current circumstances for the kinds of contingencies we can foresee around the region we do not believe that the threat is there. But if we had to undertake operations as I described—high or mid-level intensity operations elsewhere—that may be the

case. That would, I believe, be one of the constraints in making a decision as to whether we should deploy there or not. That is a particular area where I think we are lacking in a real capability.

CHAIR—Are any steps being taken to address that?

Lt Gen. Hickling—Because, as I said, that would require a large investment and because we do not see the threat right now, no. We are making sure that we keep abreast of the state of the art in that area so that if we need to move in that direction we can move reasonably quickly.

Senator SCHACHT—Back to my recruitment question. You might want to take this on notice. You said there is a committee review under way about the scientific evaluation of what would restrict women in combat roles. Would you provide to us the names of the people conducting the review? Are they seeking public submissions or is it totally an internal review?

Many years ago in, I think, 1988 and 1989 when I was on it, this committee looked at the Army Reserve. The Air Force put a view at that stage that you could not put women in fighter planes because, when they did the loop the loop, G forces would collapse their uteruses. That was the position put by a senior Air Force officer. I discovered later it had no scientific basis at all. It was a prejudiced view to prevent women from flying fighter planes, in my view. Is the review dealing with issues such as whether the menstrual cycle of women would be a restriction on their ability to perform certain functions in combat? Are those the sorts of things you are looking at? You might want to take this question on notice, but if you have any information about it now I am happy to have it.

Lt Gen. Hickling—I think I will take the whole question on notice so we can give you a factual answer. I am aware of some of the work that is being undertaken but it would be a partial answer and I might mislead. I would prefer not to do that.

Mr PRICE—I want to follow up Mr Snowdon's question on the strategic setting. Your force structure: is that still based on the defence of Australia?

Lt Gen. Hickling—It is because the last set of strategic guidance—Australia's strategic policy 1997, released by the government late in 1997—is the authoritative document for the structuring of the force, and I do not have the authority to alter the force structure without government approval.

Mr PRICE—In view of your experience now with East Timor—and I realise that it needs to be a deliberative and consultative process—could you express a personal opinion about whether you see any need to deviate from that? I understand it is a personal view.

Lt Gen. Hickling—It is a personal view and it is also in the face of the construction of the *Defence White Paper* which is due for release next year.

Mr PRICE—Yes.

Lt Gen. Hickling—My view is that the defence of Australia must always be the basis on which we structure our force because, at the end of the day, that is the one task which the Army and the Defence Force have to undertake successfully. It does not matter what else we do. There are a range of other issues though that we also have to deal with and East Timor is an example of that. My personal view is that, whilst the defence of Australia remains the absolute rock bottom basis of our force structuring, we have to modify that by the need to undertake other activities that might arise because of our strategic circumstances. In other words, we need, in addition to being able to defend the continent, to be able to operate into the region as well. That is my view.

Mr PRICE—Yes. As a matter of speculation about the future, it is likely that we are going to be in coalition situations in our region. Yet, wouldn't it be a fair observation that, notwithstanding us having joint exercises and what have you, the region is not readily adaptable to coming together quickly in a coalition? Isn't that an issue that, not only in Defence but also in Foreign Affairs, may need to be addressed in terms of bilateral and multilateral arrangements?

Lt Gen. Hickling—The difficulty with coalition operations is that you can never be sure who is going to join. You can invest a lot of time and effort in developing a coalition construct which may never be used. I think—and this again is a personal opinion only—the fact that we have 19 nations engaged in the coalition in East Timor is a reflection of Australia's credibility as much as anything else. I think the very best foundation for constructing a coalition is to actually have credibility and then you stand a reasonable chance of pulling together the coalition you need to do the job. I believe it is something on which our policy of regional engagement needs to continue to work. We cannot afford to imagine that we have done all that needs to be done.

Mr PRICE—Wouldn't it be fair to say, in terms of investment in new equipment, that Army has been the ugly duckling for some time compared to the other two services?

Lt Gen. Hickling—This is a little bit like asking me when I stopped beating my wife.

Senator SCHACHT—They have been beating you up for a long time, so have a go.

Lt Gen. Hickling—The answer is that the Army traditionally has in its budget a much greater proportion of money devoted to its personnel than to its capital equipment.

Mr PRICE—What is that currently, may I ask?

Lt Gen. Hickling—Again, I will give you the exact numbers—

Mr PRICE—It is about two to one, isn't it?

Lt Gen. Hickling—It is around two to one, but I will give you the exact numbers on notice, if I may. That is because of the way we do our business. We tend to have large numbers of relatively low value equipments, as opposed to very small numbers of very high value equipments, which tend to be used by the other services, so you tend to get that natural divide. At the moment, we have a program in place which sees roughly $3 billion

worth of new equipment flowing into Army over the next five years to seven years. If all that comes to fruition we will be in fairly reasonable shape. I think, whilst in the past your comment would probably have been correct, in recent times we have seen a shift that has seen Army receive a pretty fair share of the cake.

Senator SCHACHT—In previous inquiries before this committee we have tried to get a fix on how the defence department system works on procurement and which committees make which decision. We have found that you may as well put up something that explains the working of relativity and Einstein's theory as try to work out where the actual vote took place where you either won or you lost. What it basically came down to after you threw all the paraphernalia away was that Air Force and Navy would outvote Army in the tripartite structure of the defence system. That is what the gossip was all the time. It was that Navy and Air Force would gang up and vote together to convince governments of the day, of any persuasion, that the big capital items had to go to them. Army was always the poor relation. Is that perception still within Army over at Russell that, when it comes to the crunch, the big capital items will always go against you?

Lt Gen. Hickling—It is fair to say that that perception has been around in the past, there is no question about that, but right now I would have to say that I get a very fair hearing in committee, that Army gets a fair hearing. There is a much more cooperative relationship between the three services now. Certainly, we talk a lot to each other one on one, and I do not feel that at any particular time I have been disadvantaged by being outvoted, so to speak.

Senator SCHACHT—Which committee, or which formal structure in the Department of Defence, has the real clout to make the recommendation to the minister and to cabinet on what would be the procurement decision that should be taken? Also, are you, as the head of Army, on that committee?

Lt Gen. Hickling—I believe that the most influential committee in the Defence organisation, as it stands at the moment, is the Defence executive, and I am a member of the Defence executive.

Senator SCHACHT—So, of all the procurement advisory committees, in the end the executive committee—

Lt Gen. Hickling—If it cannot be resolved at a lower level, the Defence executive takes the decision.

Senator SCHACHT—In that annex I mentioned before on page 33 of your submission you list a page and a half of all the various procurement projects. There is one matter there I have always been interested in, and you may wish to take this question on notice. I have raised this is in estimates, so some of your people would not be surprised if I raise this question. Are the CURRAWONG, PARAKEET, RAVEN and WAGTAIL programs all completed? If they are, can you take on notice how much we have spent in each of those? When did they start? And if they have finished, when did they finish? And if they have not finished, when will they finish?

I notice on the second page of annex A there is reference to the SPEAKEASY replacement and the Defence Communications Network Operations Centre. Has a decision has been made to replace SPEAKEASY? What was the cost of the SPEAKEASY program? I will put those questions on notice.

In terms of this list of procurement projects, you have mentioned before that you could take from the commercial sector such things as trailers and trucks which you could buy very rapidly, but to put it around the other way, of those that are specific Defence items, which are the half-dozen ones that are the most pressing for the Army in that procurement list, in light of the fact that there has been an adjustment to our strategic situation, given East Timor? Which of those first six would be the most pressing that you would want to resolve and complete as soon as possible?

Lt Gen. Hickling—We will take that on notice.

Senator SCHACHT—Okay.

Mr SNOWDON—Could you also give us this list in terms of when they are likely to be completed, and in what priority would you see the Defence procurement items that apply to Army?

Lt Gen. Hickling—Do you mean Army's view of those priorities?

Mr SNOWDON—Yes.

Lt Gen. Hickling—Yes.

CHAIR—There has always been a concern that, because of resource restrictions, the training has been limited. To what extent has this undermined your ability to be as effective as you would like to be? What level of increase in resources would you like to get yourself as effective as you would really want to be?

Lt Gen. Hickling—One of the things that we have placed a great deal of importance on has been to ensure that we do not sacrifice training effectiveness as we have driven toward efficiency. One of the results, though, of this drive toward greater efficiency in our training organisations is that we have reduced our ability to expand very rapidly to meet unforeseen requirements. That is an area we are going to have to put more emphasis on. It will require resources to resolve.

This is an issue of risk management as much as anything else. You run your training organisation at a level where you meet your known commitments. If you put in too much by way of contingency, you are running an inefficient organisation. I think it is fair to say that we are constantly seeking a balance of efficiency versus effectiveness right across the services. Right now, in terms of the Army's training system, I would say that we have produced a very efficient and effective organisation, but it has a very limited surge capacity. That is something which we have to go back to and look at again. That is the area I would like to put more resources into if they were available.

CHAIR—What sort of increase of resources do you think you would need?

Lt Gen. Hickling—It is very difficult to quantify exactly.

CHAIR—As a percentage?

Lt Gen. Hickling—I would like us to be able to put a few percentage points into personnel and training people—in other words, instructors and instructional staff and so forth—and into money available to the training commander so that he could meet some of these requirements.

CHAIR—The other question is related to the reserves. To what extent has the hollowness in the reserves undermined the ability to maintain the sort of training levels that really ought to be there?

Lt Gen. Hickling—The reserve will always have constraints upon the level of training that it can reach, not so much through numbers of people as by the amount of time that reservists can give to training. Having said that, the reserves are manned at a level much lower than I would like them to be manned at the moment. That is not so much a question of training as a question of recruiting and retention.

CHAIR—Which we talked about earlier.

Mr SNOWDON—I understand that there is a proposal to outsource recruitment functions. What impact will that have? I express a personal view that I think it is crazy. You may not have the same view. Nevertheless, I would not mind knowing what effect you think it will have on the Army in the current environment, given the problems you have just announced.

Lt Gen. Hickling—I am assured by head DPE that the intention is to improve the effectiveness of our recruiting organisation. Since I no longer run that function, I am less concerned with how it does its job than the results. What I am really interested in is seeing all of these initiatives translated into results. That would be expressed in meeting our recruiting targets. The pressure I put on the organisation is not on how it does its business but on delivering to me the recruits that I need to man the army.

Mr SNOWDON—I would just make the observation that, if you do not own it, then it is a little more difficult to control, whether or not it is close to you.

Lt Gen. Hickling—That is true.

Mr SNOWDON—When you give us that information on funding, could you also tell us what ratio of army funding is spent on meeting current commitments for preparedness in relation to that spent on forced modernisation?

Lt Gen. Hickling—Yes, I can do that.

Mr HOLLIS—General, have you read Dr Cheeseman's submission.

Lt Gen. Hickling—I have. I read it sometime ago. I am not intimately familiar with it.

Mr HOLLIS—He was more or less talking about globalisation and so forth. A couple of times earlier today you stressed that we are in very much a different strategic environment today than we were two years ago. Have you any comments on the general thrust of his paper?

Lt Gen. Hickling—I understand that Dr Cheeseman is to talk to the committee this afternoon, and I guess you will have the opportunity of putting questions to him then.

Mr HOLLIS—Yes, but I was just seeking your response.

Lt Gen. Hickling—We take a different view of the world, I suppose. My view is that in an increasingly unstable environment, and that does not necessarily mean that there are large numbers of direct threats against Australia, there are circumstances to which the Australian government might want to respond. My view is that we ought to be in a position of offering options to the Australian government should it decide to respond. That's all. I am not looking for a war to fight, I am simply trying to ensure that if a decision is made to respond to any particular situation, then the forces that I provide are properly prepared and properly resourced to do the job. That is all I am concerned about.

CHAIR—I think we have had a pretty good innings here. Thank you, General. Thank you very much for coming today. If you can forward to the committee secretary those answers to the various questions taken on notice, that would be much appreciated.

You will get a copy of the transcript from *Hansard*. I trust you would be happy to come before the committee again after the release of one or two of these papers because I am sure there will be quite a few further questions that the committee would like to put to you. In the meantime, thank you very much for attending.

Lt Gen. Hickling—Thank you, Mr Chairman. As I said at the outset, I am delighted to be engaged in the process, and I am more than happy to support the committee in any way that you might want. Thank you.

[11.49 a.m.]

BARRIE, Admiral Christopher Alexander, Chief of Defence Force, Department of Defence (Australian Defence Headquarters)

CHAIR—Welcome. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the subcommittee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion and the deliberate misleading of the subcommittee may be regarded as a contempt of parliament. The subcommittee prefers that all evidence is given in public but should you at any stage wish to give evidence in private you may ask to do so and the subcommittee will give consideration to your request. We have received the Department of Defence submission and it has been authorised for publication. Would you like to make any additions or corrections to the submission?

Adm. Barrie—I would, Mr Chairman.

CHAIR—You would like to make some additions or make a statement?

Adm. Barrie—I would like to make a statement.

CHAIR—Please proceed.

Adm. Barrie—As I have said to the committee before, I welcome this inquiry and, indeed, I think it is being held at a very important time in our nation's history. We find ourselves in quite a different set of circumstances today from the ones we were in when this inquiry was first announced. Nonetheless, this inquiry will have a pivotal influence on the Army and on our Defence Force into the new century.

I would like to make this short opening statement drawing on some of the key issues contained in the Defence submission to the inquiry, and I will expand on some issues which I think will provide more context for your further consideration. We have faced many challenges in recent months but the themes I sought to describe in the Defence submission to this committee remain unchanged. Historically, there has been a certain tension in our strategic thinking between the need to deploy expeditionary forces in support of allies abroad, on one hand, and a defence of the homeland, on the other. This tension has been less stark in recent years. Nevertheless, these themes will continue to be played out in the Defence debate about our security needs.

The reality is that increasingly—and it has been graphically demonstrated with East Timor—Australian governments have taken decisions regarding our national security, not solely on grounds of direct threat to Australia, but also on a broader set of considerations, considerations that focus on the protection and advancement of our national interests. In recent years Australian governments have used military forces to respond to a range of events short of war, importantly, against the background of recent events and as we are coming to grips with the requirement to exercise independent decision making, particularly in areas near to Australia. The consequences of this requirement are significant and they

demand a well-developed understanding of security issues within the whole-of-government machinery that supports government. This shift also brings into stark relief the need for a wide range of military response options to be available to governments so we can respond to contingent circumstances appropriately and flexibly.

I would like now to turn to the operation in East Timor and make some observations that I hope the committee will find useful in this inquiry. In saying these things I am mindful that the committee will travel to East Timor, I hope next Thursday. We have put in place a range of building blocks which enabled a very speedy and a very professional response to the situation in East Timor.

This has come from a more sophisticated approach which underpins our doctrine of being structured for war and adapted for peace. This is more than rhetoric. This has had an important cascading effect that cannot be underestimated. Furthermore, I think this emphasis on war fighting skills and on combat capabilities has produced something of a cultural change in our force. In simple terms, our combat forces must be available now rather than at some time in the future to deal with possible contingencies. I think this is having a profound effect on priorities within the department.

The operation in East Timor demonstrates the benefits of many of the changes we have put in place in recent times. At work there I see a strong joint service culture with the focus being placed on ways in which we support our ground forces as effectively as possible.

Since I became CDF we have been focused on looking at our changing strategic circumstances and the consequences for our preparedness. This was tangibly reflected in the government's decision earlier this year to increase the preparedness of a second brigade level capability based on the 1st Brigade in Darwin and in the lease of the Tasmanian built catamaran which has been doing sterling service supporting the East Timor operation. It was reflected once again earlier this week with the government's announcement of an increase in the number of full-time infantry battalions from four to six and an increase in Air Force numbers. As the CDF I have set as a priority task for the Chiefs of Staff Committee the management and process for managing preparedness in relation to our strategic circumstances. I foresee this as a dynamic rather than a static process.

We have been focused on our combat capabilities and our people as we have to build up a high technology force for the future. Our enduring geostrategic situation, I believe, drives us to this conclusion. The vast distances in Australia and in our region, and our small population by regional standards and by world standards mean that we need to be able to rapidly deploy joint forces and decisively apply superior combat power where and when it is required by the government. In my opinion we have to be able to do this better than any other country I know. This will require a focus on technology, on mobility and most particularly on the quality of the people to make the essential difference.

In my opinion elements of this approach have been borne out by the success of the operation so far in East Timor. This success is due to the professional performance of Australian young men and women in East Timor. They are well-trained and they are well-led. But we should not forget our ongoing commitment in other places such as Bougainville, the Middle East, the Persian Gulf, Sinai and Bosnia where our performance is equally as

good. It has always been my contention that you only get this level of performance in broader types of operations because of our focus on, and our investment in, developing our professional war fighting skills.

And so what of the future? As I said in the submission and have reiterated, we are no longer concentrating solely on acquiring high technology weapons for the future because our security can no longer be seen as a one-dimensional threat/defence equation. Security must become a whole-of-government concern. We must seek ways to coordinate all Australia's policies to obtain international standing, prosperity and the ability to shape our strategic environment in ways that we want.

Internationally the Australian Defence Force is not just a capable stick that can be used selectively in the future. It also adds a very important military diplomatic dimension to our country's international relationships, whether that is on a people-to-people basis or whether it is the professional standing that our force is held in, and in this regard our Army plays a very important part. Our military networking and ongoing regional engagement means that we can effectively work together with our neighbours and friends for long-term regional stability, and our ability to manage a coalition is amply demonstrated in East Timor once again. It is a fact that the relationships built up over time from our military diplomatic activities underpin many of our successes in military operations, particularly over recent months as we have witnessed in East Timor.

To finish, let me reiterate some key points from the Defence submission. Modern warfare is a joint and combined service in nature, it does not depend on a single service. Our services in Australia depend very much on each other in today's military operations. Australia's army contributes a range of unique capabilities and characteristics to the Australian Defence Force team.

Australia's current strategic environment, and our evolving approach to protecting our national interests, continue to demonstrate the need for land forces and the need to provide a wide range of possible military response options to government. If a land force is to achieve this level of adaptability then it must have the organisational agility to not only be able to react faster than an adversary, but also to be able to adapt quickly to a far broader range of tasks.

The government and the Australian community expect the army to respond effortlessly to any range of tasks, from supporting the community in times of need such as after natural disasters, through to peacekeeping operations and peace enforcement, and finally, to conflict. This requires not only an extraordinarily professional organisation, but one that can move quickly over great distances, and one that is equipped with weapons and sensor systems enabling it to observe and then accurately apply decisive combat power, better and faster than an opponent.

To illustrate my point about the adaptability I just want to show the committee a couple of pictures. I just offer you the first picture, a media clip taken in Rwanda. It is a clip that has been well distributed in the public domain. That was a chapter six operation of the United Nations. This different clip, taken from the East Timor operation, is a chapter seven

operation. You can see for yourselves the variety of challenges we present for our young people in managing these operations.

Our army is going to demand a lot of its people. We will rely on the individual skills of the young men and the young women in the army. We will use technology to best effect. Our army faces many challenges. It has made great strides in recent years. It remains one of the best light armies in the world today. That is attested to by the number of countries that have entered the coalition in East Timor. I believe our community can and should be very proud of the army and what it has been able to achieve. A challenge for the future is to broaden its capabilities to ensure that the mix of capabilities keeps pace with the expectations and the demands we will have for it in the future. Thank you.

CHAIR—Thank you very much, Admiral. Can I start by thanking you for arranging for members of the foreign affairs committee to visit East Timor next Thursday. We know that the armed forces are under a lot of pressure there, but being able to facilitate that as well is a measure of the professionalism at which you operate. Thank you for organising that.

I would like to refer to the announcement this week of the two extra battalions. We have heard from General Hickling already about some of the detail of that, but I would like to ask you about the level of resources that you are going to get to support that increase in readiness. Are you satisfied that you will have sufficient resources, or is it going to be a question of depleting resources from some of the lower state of readiness units, either in the regulars or in the reserves?

Adm. Barrie—That question goes to the heart of the challenge in managing Defence's business. At the moment I judge the level of resources as being adequate to the task, although I would have said we need to understand that when you commit a force of the size we have got in East Timor, we also commit ourselves to preparing and building the rotation force. It is not satisfactory from a military perspective to provide a one-shot force and then not be capable of continuing the military operation if you need to do so.

In terms of the announcements this week, my early expectation is that that will cover the need. However, I ought to say—and I think it picks up on something in the submissions—that our sense of priorities in Defence has changed in the last 12 months.

Over the past 25 years or so, the general way we prioritised the use of the defence budget was to maximise the investment dollar, that is, to acquire capabilities for the future, and to keep to a minimum the resources we spent on current operations. That was a consequence of saying that our strategic circumstances were relatively peaceful and we did not see conflict on the spectrum for quite a long time. However, the last two years have challenged that hypothesis and today our priority is clearly on meeting the demands of military operations.

So, in addition to the extra funding the government is going to provide, there is pressure on the investment profile in the organisation. There is also pressure on me to obtain more efficiencies under the reform programs inside the department. But by and large I think the costs of the extra two battalions are well covered.

CHAIR—Can you expand on that last point, 'pressure on the investment profile'? What do you mean by that?

Adm. Barrie—There are broadly three categories in which we spend defence funding: there is investment, the future, and about 30 per cent of the defence budget was spent on that over the last 25 years; there is current operations, and about 30 per cent of the budget was spent on that over the last 25 years; and there is people, and about 40 per cent of the budget was spent there over the same period.

When the priority shifts to the here and now, to current operations, that demand can be met by taking it out of the investment profile. You might spend 35 per cent on current operations or 40 per cent but you would take the extra out of your investment allocations. But it is true to say you cannot, as in any large company, continue to use your investment for current operations because in the fullness of time you will not be building the capability you need for the future. However, as a stop-gap measure, that is what you have to do.

CHAIR—Okay.

Senator FERGUSON—Admiral, I guess because of recent events we have tended to focus on East Timor and issues that relate to that, but this inquiry started much earlier than that and your submission, I note, was sent in on 2 July.

I want to ask about a matter which does not relate specifically to the army but rather to the defence force in general. In late July we visited the northern defence establishments and amongst the people who we spoke to the issue of surveillance came up and the work that is being done by NORCOM and other people in relation to the surveillance of our coastline. I know it is a long introduction, but I need to do it this way.

It was suggested to us at a personal level that there was a greater threat to Australia's security from international crime and unauthorised entries than from hostile invading forces. You speak about this briefly in the section headed the 'Armed Force and the Law'. There you speak about the restrictions that are placed on the armed forces in apprehending Australian nationals, which is left to the police and customs and other people. Surveillance sometimes means that people are identified but the armed forces are restricted in what they can do. It means that criminals can actually get in and get out and the armed forces can do nothing about it.

Do you have a view, as the Chief of the Defence Force, on looking at changing legislation to enable the defence forces to at least detain Australian nationals? You say here:

But their power to use force against any Australian national is severely proscribed. . .

Should we change the legislation so that suspected criminals could be detained in order that customs or police could get there? That ability is currently outside your jurisdiction. Could you comment on that?

Adm. Barrie—This is actually a fundamentally important question, certainly to my philosophy about the ADF, this question of the rule of law. The professional edge our people

derive from being able to train in war fighting skills—that is, killing other human beings—depends a lot on the idea that we would never have to employ those capabilities against Australian citizens.

I would personally say that, if we were to change that in any significant way, it would threaten that sense of professionalism. We do support the civil agencies in many of the activities that you have just described by surveillance capabilities, shadowing capabilities sometimes and all sorts of things. The actual taking of an action against an Australian citizen really does belong to the police or to the other agencies. I strongly believe that is an important principle we should continue to adhere to. It is interesting that in many other countries in our region the armed forces do have an internal security role against their own citizens. I think it just undermines the professional basis on which their armed forces exist.

Senator FERGUSON—That would also include even detention or apprehension in any form whatsoever.

Adm. Barrie—Yes.

Mr HOLLIS—Mine is a fairly broad question relating to what you said about efficiencies in the department. I asked General Hickling the same question when he was before the committee earlier this morning. When we were in Adelaide, it was put to us fairly strongly that one of the great inefficiencies within the department itself is this diarchy with the duplication of services. It was put to us that what we should have instead of a uniformed head of the defence forces and a secretary is just one head. The defence forces should run the defence of Australia. You may have the civilian secretary of the department who should be put in the minister's office.

You mentioned efficiency in the department in your opening remarks. Is this a totally unrealistic expectation that we have a defence force just run by Defence, or do you see merit in maintaining the current system of both civilian and uniform people within there?

Adm. Barrie—That is a very good question because I think the issue of diarchy has troubled a lot of people in the defence organisation since 1972. There are many other defence forces in our region which do not operate a diarchy. Even in New Zealand they do not operate a diarchy. I have thought long and hard about this issue.

Senator SCHACHT—For or against it?

Adm. Barrie—There are a couple of important early remarks. One is that managing the defence business of this country is a very complex undertaking. It requires a huge array of managerial and leadership skills. Over the last five or six years, I have been amazed at the number of co-optees we will bring in from civilian life to help us do a review. Most of them arrive on day one thinking they will complete it by the next weekend. But when they start to probe the length and breadth of the defence business, they begin to see that we actually dabble in most enterprises in this country. It is a very complex managerial undertaking.

Where I think the diarchy has a strength is where the two leaders have very complementary arrays of skills and talents. The way I have advertised this moving around

the country is to describe the diarchy as offering all the benefits of a good marriage. In a good marriage the husband and the wife will bring complementary but very different skills to the marriage. They will work synergistically. There will be a very powerful union of two people. I think that is the benefit of a diarchy, if you can achieve it. On the other hand, as we know with marriages, if the two people do not get on and divorce is threatened, it can be very damaging if that remains unresolved. Whilst there are lots of benefits to diarchy and managing this complex business, if the two leaders at the top are not working together in a complementary and synergistic fashion, then something should be done about it.

In terms of organisation itself, we are very strongly committed to having no duplication of effort between the civilian and military staff. There are many jobs in the Australian Defence Headquarters which only a military officer can have. For example, the head of the Strategic Command Division cannot be a civilian. On the other hand, there are some jobs which only civilians have. The First Assistant Secretary, Resources and Financial Planning, will always be a civilian job.

Setting aside those jobs, we see a large bulk of jobs which either a civilian or a military officer might hold. I would have to say, in my opinion, it should be the best person available for those jobs at the time. My focus in Australian Defence Headquarters is to have the right people in the right jobs. We have taken a lot of steps over recent years to reinforce that process by panel selecting between military and civilian people for the jobs as those vacancies come up. My answer is a little qualified but, on balance, I am very comfortable diarchy works well. When I describe the marriage metaphor to most people, they understand that. It just clears up that sort of doubt in their mind.

In addition, it is interesting that, in my travels around the region, where I do see duplicated organisations and separated organisations—that is, a defence force separated from a ministry of defence—none of those work as effectively as ours.

Mr HOLLIS—I take on board what you said. I noted particularly that you said there was no duplication. Nevertheless it does seem to me rather an expensive way. Foreign Affairs can run a department with a departmental secretary; Transport can do it. It seems to me a little bit of luxury that Defence has got this. Maybe it is a better system for it, but you are calling on two strains whereas in most other government departments you have only got one strain within that department.

Adm. Barrie—I think that is an obvious analogy to draw. In my dealings with governments it is perfectly clear that my responsibility is to offer professional military advice to the government. I do not offer advice on resources, financial planning or that sort of thing. They are the secretary's department. Between the two of us, of course, we have to share a lot of the thinking and the ideas. In my own opinion it does fall quite neatly into two separated sets of responsibilities.

Senator SCHACHT—In the day-to-day functioning, every submission that goes forward from the secretary of the department is copied to yourself and vice versa?

Adm. Barrie—That is correct. Let me add to that that it is not so much for telling me what the submission is about; it is really just to have the records straight.

Senator SCHACHT—In general, the difference is between what the Defence secretary would put forward in a submission on a procurement decision and what you would put forward in a submission on the operational side of the commitment as to what the structure would be in East Timor. Is that the separation?

Adm. Barrie—Yes, that is quite a good model for the distinction between the two sides.

Senator SCHACHT—Does the head of the army have access as a member of the executive to all of those, whether they are yours or the secretary's submissions going through?

Adm. Barrie—Not 100 per cent. I make submissions to the minister that I do not copy to service chiefs, for example, about them.

Senator SCHACHT—They do not have the luxury of doing it in reverse?

Adm. Barrie—They can have the luxury. It does not worry me.

Senator SCHACHT—But they do not have the same access to the minister by right that you do?

Adm. Barrie—No.

Senator SCHACHT—The service chiefs?

Adm. Barrie—No.

Senator SCHACHT—You have an absolute right?

Adm. Barrie—In the current structure their directives are issued by me and the secretary, not by the minister.

Senator SCHACHT—If the Army on a procurement issue felt it was getting hard done by by the executive, does the chief of the Army have the right to go of his own volition to the minister to say, 'I've been done over by a collective group of bastards.'

Adm. Barrie—The convention is that the chief can seek to see the minister at any time, keeping me and the secretary informed.

Senator SCHACHT—Even though they may be saying something that is contrary to your—

Adm. Barrie—Yes. And in my opinion it is very important their voice is heard.

Mr PRICE—You have made a potent argument about having a highly capable, technologically advanced Defence Force, yet isn't it the case that we have not actually been invaded and really are unlikely to be invaded? Do you foresee you are always going to be able to sustain the argument for that, and isn't the more likely scenario of Defence being

needed really always going to be in coalition forces in our region providing either chapter 6 or chapter 7 services?

Adm. Barrie—I think it is right to say that nine times out of 10 in the future we will be operating in a coalition of some sort. The issue for me will be, 'Is Australia leading this coalition or is another country leading the coalition?' I think it is perfectly appropriate that Australia is leading the coalition in East Timor, for example. It is a part of the world which is close to Australia; Australians have a lot of interest in the outcomes there. That makes a lot of sense to me.

On the other hand of course, if we were to go off to, let us say, the Korean Peninsula, there would be no question of us leading a coalition there: we would be operating as a coalition partner to the United States or whatever. So, in my view, the way of the future, nine times out of 10, will be coalitions, I hope in most cases under some sort of UN arrangement. But you cannot discount that the UN arrangement may not occur, Kosovo being a classic case of that.

On the other hand, if we are now talking about homeland defence, I think we would anticipate a coalition, but maybe you cannot rely on it and I do not think our community would expect us to rely on it, so they are the challenges that I see. We must continue to understand what it would take for Australia and Australia alone to deal with homeland defence; we must continue to think about how we might lead a coalition in regions close to Australia to influence and shape outcomes there, and we must continue to think about how we would cooperate in a coalition led by others.

Mr SNOWDON—How does that go in equipping the Defence Force in the current environment, in the foreseeable environment, in terms of their ability to support the maritime strategy? Do we have the right combination of ships, do we have the right combination of aircraft to support deployment of the Army? If not, why not, and if not, when?

Adm. Barrie—The answer to that question is that it depends on the contingency, clearly. My own view is we certainly could have done with the LPAs that are in Newcastle in the East Timor situation, but others have been able to fill those gaps. What I would say the prescription looks like is that you need a balanced force—you need to be able to operate in a maritime environment—capable of undertaking a range of tasks. I would always be concerned, as a military leader, if the force were not balanced. My principal reason for that would be that any adversary to Australia would simply spot the weakness in the force structure and head for the weak point. So, to me, a balanced force is very important.

I think our balance is about right now given that there is more that we could do in particular niche areas like amphibious warfare and some of those things. What the balance might look like in 10 years time is, of course, a serious question for the next white paper and the sorts of judgments that need to be brought forward. I think that we certainly would need to test and challenge the existing force structure against the future requirement. We would need to make some judgments about any holes that we perceived in the capability. Of course, that then becomes a priority for the investment program.

Mr SNOWDON—So how do you see that in the context of that, bearing in mind the white paper is being formulated and all the rest of it? Clearly, the doctrine which flows out of the 1997 document is effectively being replaced by existing strategic circumstances. How does that impact upon the current procurement arrangements which had been put in place under the 1997 doctrine in terms of your current requirements? We have got a list of—

Adm. Barrie—You have seen a range of decisions made about force structure and various announcements made about things we needed to do based on the previous white paper and ASP97. I think it is too early to say whether there will be a substantial change in the thread of those requirements. After all, what we are doing in East Timor, or what we were doing around the archipelago, are special purpose tasks. What a white paper needs to countenance, and what will be very important, is to understand the nature of maritime defence, to go back to homeland defence or defeating attacks on Australia in the first instance and how we think that will look in 10 to 15 years time.

Mr SNOWDON—I guess the question I am asking or would like a response to is that we have got in the Army submission from General Hickling an annexure with procurement projects and proposals and influence on army capability. What I am interested in, I guess, is that this list presumably was formulated in the context of a 1997 doctrine?

Adm. Barrie—Yes.

Mr SNOWDON—Given current circumstances, obviously this thing would change, I assume. If it were to change, how far along the procurement path are we to be able to knock off some of these items and replace them with some higher priorities, given the current circumstances?

Adm. Barrie—That is highly variable. Some of those things can be changed. Things that have not actually been put into contract, and so forth, can be turned off. Those things we have actually got written contracts on we are committed to, or at least paying a fee for the breaking of the contract if we were to walk away from it. Of course, those things which we have actually got in-built, so to speak, as part of contract are even more difficult to walk away from. You are really actually committed to those. Each one of those capabilities in that list would be at a different state of that issue.

Mr SNOWDON—So in part, whatever comes out of the white paper, we may well be stuck with equipment which was procured under the 1997 doctrine?

Adm. Barrie—It is certainly possible that you could end up saying that a judgment we made in 1997 is now no longer valid and we try to seek to change that. I would be surprised if that were the case but you could not discount it.

Mr PRICE—Along the same on questioning, Air Force, of course, took advantage of the opportunity to buy more F111s and Navy some additional ships. Army updated their Chinooks. Are you satisfied with the current numbers of Chinooks? Were Army ever offered helicopters on the same basis that Navy and Air Force declined, and has the United States ever offered Australia Galaxies?

Adm. Barrie—I think the Army is deficient in rotary wing lift assets. The picture I paint of the future Army with a high mobility manoeuvre force, capable of deploying forces across great distances, means there will be an insatiable demand for rotary wing aircraft, both to deploy combat troops and to provide logistic support for them. And pruning down that demand to sensible and affordable limits is going to be a real challenge, and I think that is something we are going to have to grapple with.

Mr PRICE—That is why I asked you rather than Lieutenant General Hickling.

CHAIR—The same with Navy—what requirements—because there are obviously some shortfalls there, too.

Adm. Barrie—I think the Navy is actually in better shape. The Navy has what I would call a balanced force. It is capable of undertaking a wide variety of tasks ranging from anti-submarine warfare, surface strike. It has got an AAW capability. For Navy the issue becomes one of technological sophistication and numbers, but right now I think it is about right.

To my mind it is transitioning our Army, I think, from a concept which did not see a lot of value in high manoeuvre, high mobility forces in the past to being able to exploit those technologies to do that job in the future that is going to be the real challenge.

Mr PRICE—Can I just ask a question on the costs. Would it be possible for us to get the cost of recruiting a private, the cost of the common induction training and then the cost of providing the separate skill? And then the same for your officers, the cost of recruiting the officer—we know that with ADFA it is about $331,000—and the actual cost of providing the war fighting skill?

Adm. Barrie—Yes.

Senator SCHACHT—Just to get back to the strategic position, I heard someone say, maybe in a previous hearing of this committee or in the parliament somewhere, that right now the only country in the world that can effectively invade Australia or attack the homeland is the United States, and as they are supposed to be an ally that is not really a matter that you are going to give much consideration to in any white paper you prepare. But for any other country within South-East Asia to make any concerted attack on the homeland of Australia it would take such a number of years to build a capability that we would have to be dead drunk all the time not to see it coming. Is that correct—as far as a major attack to—

Adm. Barrie—Yes. To launch a major assault on Australia, let us say, like World War II, my judgment is the United States is the only country that possesses all those capabilities. Other countries—China, Japan, Russia—possess some of those capabilities but not all of them.

Senator SCHACHT—And in South-East Asia no country possesses even part of that capability other than making maybe a small, semi-terrorist guerilla hit incursion on our northern shores, I would have presumed.

Adm. Barrie—I guess some countries do possess capabilities to be what I would describe as more than a minor irritant. For example, the taking and holding of Australian off-shore islands or a campaign of low instances of violence on the northern coast is certainly possible. But in terms of a major assault on Australia, no.

Senator SCHACHT—When the Indonesians under former Minister Habibie bought a large whack of the old East German navy and then discovered that of course it was not quite designed for South-East Asia as the north Baltic is a bit different, even when that purchase took place, that did not send any great signal through our strategic advisers in Defence that this was a step upwards for the Indonesians to make some whack on us?

Adm. Barrie—I do not think so, Mr Chairman. I think the archipelago of Indonesia is enormously focused on maritime transport and security tasks by using the ships. Most of those ships were not of a capability to concern us in any way. But on the other hand we could understand that they need a lot of numbers just to do the tasks they do.

Senator SCHACHT—When the Indian navy purchased a couple of British aircraft carriers, which gives you some capability to sail off to some distance away and launch a strike again, that was not seen as a major threat other than to attack the homeland in any significant way?

Adm. Barrie—We were all aware when the Indian navy acquired the second aircraft carrier. All sorts of concerns were expressed in this country about that. My own judgment, and I opened—

Senator SCHACHT—What has happened there? Has it rusted away, or is it in dock, or is it actually operating?

Adm. Barrie—I think one of them has disappeared out of the inventory.

CHAIR—I might go back to Army. I just want to get on Army questions.

Senator SCHACHT—I am sorry, I just want to get this quite clear. Because of the East Timor situation, people have said that, therefore—and they use the phrase 'the homeland'—the homeland may be under a significant different strategic environment. I just want to get on the record that I think that is a different environment which we are now involved in, but it is not a direct attack on the homeland, is it?

Adm. Barrie—No, I agree.

CHAIR—Okay. Just getting back to some of the nuts and bolts here, with the restructuring of the Army and the one army concept and so on, one of the questions that still remains, of course, is with the Army Reserve and the ability to have and the need for call-out legislation. What progress is being made there, and what have you been doing with the government to try and improve that so that when you have that need you can, in fact, ensure that reservists will be able to be available?

Adm. Barrie—I cannot speak for the government, of course, but from my perspective, having a defence force built on a proper mix of full-time and part-time personnel, if we had effective call-out enabling us to use part-time people in operational circumstances, we would be able to rely on those capabilities rather than having offered on a volunteer basis. I think that is an important issue to the degree to which we can employ part-time members in the ADF, and my preference would be that we had more effective call-out legislation. Of course, the reason we do not have that in our laws right now harks right back to the early parts of this century.

CHAIR—So while you say it is desirable, are you actively pursuing it?

Adm. Barrie—I have provided some advice to government, and we shall wait to see what happens.

CHAIR—We will hear soon, will we? Okay.

Mr PRICE—What is it in Defence that allows you to judge what the proportion of part-time people should be as opposed to full time?

Adm. Barrie—My preference would be to hand across the part-time capability as much as we can. The issue to me seems to be this: in looking at the efficiency of the defence dollar in peacetime, it ought to be cheaper to have more part-time capabilities than full-time capabilities, the reason being, of course, that full-time people chew your resources every day of the year. When you employ the capabilities in operations, neither is cheap—they are both expensive and they both cost about the same—but there are serious limitations in the degree to which we can employ part-time capabilities without being able to call them out effectively.

Areas where I think part-time service is not applicable is where highly specialised skills are required, and those skills are very perishable. For example, as a ship's captain, I know that when a ship has been in harbour for more than two weeks it loses its skill base. One of the first things you do when you return to sea is to work the team up back to the right pitch of operations. I think in the high technology Defence Force there will be real challenges in skills perishability through continuation training. So there is a lot of continuation training that you do need to do quite often that lends itself to full-time service. On the other hand, there are many, many activities we undertake where that does not apply, and I think that lends itself to part-time service. So the only issue on that part of the force is the ability to use it in operations.

Senator FERGUSON—This question may have been asked of General Hickling but I was not here when it was asked. If it is similar, I apologise. In a submission to us—and he will appear before us this afternoon—he talked a great deal about the increasing number of—

CHAIR—Who sent us the submission?

Senator FERGUSON—Dr Cheeseman. We are hearing from him this afternoon. He talked about the increasing number of conflicts, emergencies or civil wars—which are quite

uncivil wars in most cases—and the role that is being played through the United Nations. I quote from his submission:

> . . . the Australian army's insistence on developing doctrine only for traditional wartime operation and war-fighting roles contradicts what is being thought about and done in other places.

As the Chief of Defence Force, I thought you should have a chance to respond to that statement. We are all aware of the increasing number of conflicts that seem to have developed since the end of the Cold War. It is the subject of another inquiry that we are going into, but I would like you to respond specifically to that suggestion that we are developing doctrine only for traditional warfare operations.

Adm. Barrie—It is not true to say that we develop doctrine only for traditional warfare concepts. We do develop doctrine for peacekeeping operations, for example. But we also develop doctrine for war-fighting. It is philosophically our approach that we train and we plan to use the Army in war-fighting skills. As a consequence of that being very professionally managed, you get high-quality, first-class peacekeeping skills. If the Army were to be trained in peacekeeping skills, you would not get war-fighting skills out of that. The war-fighting skills are many dimensions more demanding than peacekeeping operations in general.

We operate a peacekeeping centre at the Australian Defence Force Warfare Centre. We do write doctrine to cover those issues. I think our performance in peacekeeping has been superlative, but in my opinion it owes a lot to the professionalism of the training and war-fighting skills and the quality of the people we have in the Defence Force.

It might be worthwhile for the committee to spend some time talking to General Cosgrove about the same issue when you visit East Timor, because there are some forces present in the coalition which come from countries which place a very high priority on peacekeeping skills as opposed to war-fighting skills.

Mr SNOWDON—Could I go back one step in terms of full time, part time and the maritime strategy. Is it your view that the Army's force structure is suitable to support a maritime strategy currently?

Adm. Barrie—I think it is largely supportive of a maritime strategy. There are some additional changes that could be made. For example, in operating the LPA, the ability to use rotary wing off those LPAs is a challenge. We do need to solve that problem to make it properly effective. By and large, the use of the Army to support a maritime strategy says a lot about the way we would use ground forces to hold land and look after protective tasks and things like that. I think the Army is quite well equipped for it.

Mr SNOWDON—To what extent does support for a maritime strategy depend on the ability to quickly deploy land forces and therefore is dependent on having a full-time army?

Adm. Barrie—I would say that that is an important issue. Perhaps I could tell you a little anecdote to describe why I think it is an important issue. In the early 1980s, I was the director of the RAN tactical warfare school. We engaged quite a number of times in war

games in which we were seeking to achieve outcomes in and around the archipelago, our region and other things. We played those games as navy games. We never actually thought about using an army. We never won. About four years ago, I replayed the game, only this time we used the Army in support of the maritime strategy. We needed the Army to be able to deploy quickly, to use surprise, to be able to take and hold ground, and we actually won the game for the first time. So I think my answer is yes, you do need that capability and you do need to be able to deploy it quickly. So it is an important driver for the future.

Mr SNOWDON—If we go back one step to your comments about having a part-time focus, without wanting to tie you down at all, what sort of numbers are we looking at, in your ideal world, regarding a full-time focus?

Adm. Barrie—As an objective, I would like to test a proposition of fifty-fifty. About 50 per cent of your capability ought to be full time and about 50 per cent ought to be part time. It won't be that, for all sorts of reasons, but I think it is a pretty rigorous sort of standard to head for in the first instance and then you make the judgments depending on the technology, the skills equations and other things.

Mr PRICE—I asked questions about equipment being offered; Galaxies would have been, of course, to the Air Force. What about helicopters to the Army?

Adm. Barrie—I would have to answer on notice. I just do not know the answer.

CHAIR—Admiral, thank you very much for coming here today. If you could send the responses to the questions which you have taken on notice to the secretary, that would be much appreciated. You will be sent a copy of the transcript, so if there is any error in grammar or fact, please correct it. On behalf of the committee, thank you very much for attending here today. Thank you for all the support that you have given the committee in its work. If need be, following the release of these various papers, would you be prepared to come before the committee again?

Adm. Barrie—I am always ready to appear before the committee. I think this is an important inquiry. It is a pivotal time in our history and I think the result of this inquiry has much to contribute to developing the army of the future.

Proceedings suspended from 12.47 p.m. to 2.05 p.m.

CHEESEMAN, Dr Graeme Lawrence (Private capacity)

CHAIR—Welcome. Are there any comments you wish to make about the capacity in which you appear?

Dr Cheeseman—I appear as a private citizen, but I am a senior lecturer in politics at University College at the Australian Defence Force Academy.

CHAIR—Thank you. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the subcommittee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion and that the deliberate misleading of the subcommittee may be regarded as a contempt of parliament. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give evidence in private you may ask to do so and the subcommittee will give consideration to your request.

We have received your submission and it has been authorised for publication. Would you like to make any additions or corrections?

Dr Cheeseman—No.

CHAIR—Would you like to make an opening statement?

Dr Cheeseman—Yes, with your indulgence.

CHAIR—Please proceed.

Dr Cheeseman—Thank you very much for the invitation to appear before the committee today on this extremely important issue. I would like to make some very brief comments and observations, first, on the Australian Army's submission and then on the implications of Australia's recent deployment to East Timor.

My comments on the Australian Army's submission can be grouped under four broad headings. The first concerns the nature of future conflict. I believe that, like ASP97 and LWD1, Army's submission ignores the considered view of an increasing number of commentators that we may be witnessing the demise of interstate war—at least among industrialised states—and the emergence, or predominance, of what are being described as 'new wars', 'uncivil wars' or 'wars of a third kind'. As I describe in my written submission, these emerging forms of conflict and warfare differ from those of the recent past, and on which Army's current thinking is based. Contrary to Army's stated view, the fundamental character of warfare is changing in quite complex and important ways. And, as evidenced by our contemporary peacekeeping experiences, the generic threat environments which inform Army's future planning considerations may be outmoded and too narrowly conceived.

My second broad point concerns Army's approach to modernisation and its vision of the future. The Army's approach to modernisation and change is based on linear projections of Australia's evolving strategic circumstances, with war fighting as the central and unchanging

variable. According to the submission, the Army is moving or needs to move from an industrial age army in being to a post-industrial or information age enhanced combat force which will exploit the opportunities presented by the so-called revolution in military affairs. It is also moving from a conscript based, single service focused organisation which relied on larger allies, through one structured for self-reliant defence of the Australian continent in benign circumstances, to an army postured for joint and coalition operations in the information age that is characterised by increasing complexity, uncertainty and danger.

This vision, I would suggest, of how the future will evolve can be questioned on at least two grounds. First, the information or post-industrial age is, in many ways, a radical departure from, rather than an extension of, the industrial age. The RMA and other systemic changes taking place around us are not only revolutionising the practice of warfare, they are fundamentally changing the political, economic, social and other contexts in which military force and military forces will have to operate in the future. The enhanced combat force being developed by Army might be useful for fighting wars of the past, but may not be relevant or appropriate for dealing with the conflicts and complex emergencies of the future.

Second, the notion that we are moving from a benign to a more uncertain and dangerous world represents a selective reading of Australia's changing circumstances, one which emphasises the various causes for concern that are routinely listed in Department of Defence strategic planning documents, but ignores, in my view, the various causes for optimism written about elsewhere. A less alarmist, more balanced and broadly based assessment of Australia's evolving security environment might lead our planners towards a rather different regional prognosis and associated military strategy and force structure than that currently advocated by Army and the ADF.

The third comment I would make on the submission concerns the question of balance. The submission stresses the need to establish and maintain an appropriate balance, first, between preparedness for current tasks and investment against an uncertain future, and, second, between war fighting and non-war fighting roles and capabilities.

While agreeing that we need to take these kinds of issues into account, I would make a number of observations about Army's approach to the question of balance. First, the idea of balance needs to be applied first and foremost to the ADF as a whole rather than to the individual services, and must take into account changing circumstances and the ability of different force elements or services to achieve the same objectives. In this regard, the utility of Australia's land forces in a rapidly globalising world has to be examined much more closely and critically than is done by the submission. The second point is that the ADF and Army need to be much more discerning about the readiness and preparedness tasks being allocated.

Both the CDF military response options described in the submission and Army's own elaboration of its existing and anticipated tasks are, firstly, in many cases, too broadly couched to be of any use for operational planners. Secondly, they are unrealistic or unreasonable in Australia's present strategic circumstances. As a minimum, various tasks that are assigned need to be prioritised more carefully.

Third, they place undue emphasis on desired or projected rather than existing tasks. Army is being prepared for war fighting rather than peace operations and for coalition warfare rather than UN operations of the kind the ADF has been involved in—Namibia, Cambodia, Somalia, East Timor and other places over the past quarter of a century. I would add in this regard that Army's stated capability outputs—war fighting, land force operations, motorised infantry operations, et cetera—bear either no or minimal relation to its assigned tasks, which are mission oriented. This raises the question of on what basis Army planners determine the organisation's viability and effectiveness in its capacity to carry out assigned tasks or deal with broader subjective notions of what constitutes a credible land force.

The fourth and final point I would make on the Army submission concerns the force model that is advocated. According to the submission, the Army seeks to have in place a force structure that can 'provide the maximum possible combat capability across a wide range of Military Response Options', be able to 'operate offshore with rapidly deployable and retrievable forces, in a potentially high-technology threat environment' and be part of 'an integrated, digitised force, [which is] invariably joint, postured for warfighting in a multinational alliance or coalition context, adaptable to other tasks and threats . . . [and offers] maximum utility throughout the spectrum of conflict'.

The ready deployment force component of this force structure is to comprise a deployable joint force headquarters, two brigades, a parachute battalion group, a logistics support force and special operations elements. Such a force posture is, I believe, overly ambitious for Australia—too expensive to sustain, as the submission itself demonstrates quite well; focused on the wrong end of the combat spectrum; and, increasingly, possibly unnecessary in our changing world.

I would make a couple of minor points relating to this. It seems to me that growing fear of battle casualties, among Western political systems in particular, means that governments are unlikely to commit ground forces into high-technology threat environments of the kind envisaged by Army's strategic planners. If there is to be a role for the ADF at all, high-technology coalition warfare is likely to be restricted to Australia's air and possibly maritime forces. Secondly, as I have already described, the changing nature of warfare and international politics means that Australia's ground forces are more likely to be deployed in peace than in war fighting operations in the future—where many of their tasks, but not all, will not require a maximum possible combat capability. Third, the Army and government need, I think, to be much more selective about what is placed in the ready deployment force. I would argue that a more reasonable ground component of the RDF might be something like a spearhead force component comprising special forces and a company group which could be deployed at very short notice on very short warning tasks, and a first-echelon force comprising two further battalion groups and a range of enabling forces that could be used to augment the spearhead force as required.

Let me turn very briefly to the implications of East Timor. The public debate over East Timor in Australia seems to have become focused on the question of whether Australia needs to increase its expenditure on defence, with most commentators and the Department of Defence pressing for a relatively substantial increase. I would argue that parliament and the government need very carefully to evaluate the advice they are being given on this issue and not be pushed into precipitate action by popular or elite sentiment.

This view is based on two factors. Any extra money given to Defence would not go to financing additional land forces; it seems to me that it would be used to solve the extensive procurement and other problems that continue to bedevil the defence department. These problems are largely of the department's and the ADF's own making and stem from their unwillingness or inability fundamentally to adjust to changing times. Second, I would argue that the thinking that underpins Australia's present defence posture remains centred around assumptions, concepts and approaches that are problematic, possibly outmoded and increasingly out of touch with the evolving security circumstances and interests of Australia and most Australians. The fundamentals of Australian defence and security policies need to be reviewed and settled on before looking at whether we should have more infantry battalions or ocean-going submarines or deciding what should replace the FA18 or F111 fighter aircraft.

East Timor provides both an opportunity and an incentive for such a review. The decision to deploy forces to East Timor was, I think, an acknowledgment that our earlier policies for dealing with Indonesia, and security issues generally, are no longer valid. It gives us pause to think again about the meaning of security in a globalising world and how we might best pursue it in the coming century. Such a review should not, in my opinion, be left solely to the defence department or the government. It needs to take into account a wide range of issues and perspectives and so ideally would be conducted by a committee such as this or by a commission of inquiry established specifically for the task.

I end my remarks by saying that there are a number of precedents for such a course of action. Both the United Kingdom and Canada conducted public reviews into their post Cold War defence and security policies, the former as part of the Blair government's 1997 strategic defence review and the latter as part of the lead-up to Canada's 1994 defence white paper. I would be happy to provide the committee with further details on these two reviews or any other matters I have raised today. Thank you.

CHAIR—Thank you very much, Dr Cheeseman. In your criticism of the submission from the Army you talked about being prepared for the past rather than the future. Maybe you could briefly give us an idea of what you think would be preparing for the future and what sort of threats you see. You seem to think that it is geo-economic.

Dr Cheeseman—I think in a simple way I would argue that East Timor and some of the other events that the ADF has been involved in represent the future, whereas the past has been Vietnam, the Korean episode, the Second World War. In a sense, what is happening is that there is a changing nature of military conflict. It is increasingly moving away from traditional interstate wars—these could still occur, but only in limited circumstances, I think—to, as I mentioned in my submission, what are called new wars—once civil wars. They occur within countries, they occur on the periphery of the increasingly developed and spreading world, and they are usually in areas that are not of great interest to the Western or industrialised states unless they are raised in the international media and so on.

I think increasingly forces such as Australia and other countries need to be prepared to try and manage these new forms of risks and conflicts. That is on the one hand. On the other hand, I think that what is happening is that, in addition to the emergence of these causes for concern, there are increasing signs of causes for optimism, both in the region and more

generally. These include, as I mentioned, the end of interstate war, increasing globalisation, and increasing economic interdependence of different countries so that there are increasing interests and acceptance among elites of countries that warfare is no longer a rational objective. There is the increasing emergence of security communities, which is obvious in Europe but is found also in North America and increasingly in South-East Asia and so on. In a way, it seems to me, there is a role for military forces and military force in encouraging or supporting the idea of these causes for optimism. These involve UN peacekeeping and other operations; they involve the sorts of things we are seeing in East Timor, where, as an international community or regional community, we are seeking to establish or help establish space for reconciliation for the build-up of more democratic regimes and so on.

I think there has been a fundamental change in the nature of international politics in the last decade or so, and reflected in this are new kinds of conflicts, new kinds of developments and new roles for military forces.

CHAIR—I do not know that we would all quite share your optimism on that last point. You were saying that you expect things to be more like the East Timor situation, but in what way would you say our Army is not as well prepared as it possibly could be for that type of situation?

Dr Cheeseman—I think the Army and its forces are clearly doing an excellent job in East Timor. But the way they are structured, the way they have trained, their doctrines, as we see from Land Warfare Doctrine 1, are not about an East Timor circumstance. It is about a traditional war fighting circumstance between two adversaries, two states—it involves almost the notion of total war—whereas in East Timor, Kosovo, Cambodia, Namibia, and so on, the roles of military forces, the sorts of things we are expecting them to do, are quite different. Of course, military forces developed for traditional roles can do these jobs. The question is whether we can prepare them a lot better, whether they could be structured in different ways to carry out these roles more efficiently at a lesser cost and so on. It seems to me that not enough effort, on the part of our Defence planners and Army planners, has gone into looking at these specific issues. There is a tendency to argue simply, 'Well, if we prepare for war we can handle these other tasks.' I think that is potentially too costly; there are risks involved. It does not prepare the officers and soldiers and other people for the quite complex tasks that you will see when you visit East Timor.

Mr SNOWDON—Would you accept the view that the basic premise which underlies the Army's current focus is the 1997 white paper? If you do, if the underlying strategic view is as expressed by that white paper, then would you say they are currently out of sync with the white paper?

Dr Cheeseman—In one of my submissions I go into some detail on what I see is wrong with ASP97.

Mr SNOWDON—I understand that. Army's job, presumably, and Defence's, is to translate the 1997 document into some sort of meaningful doctrine. Would you accept that the doctrine which they have developed can be seen to reflect accurately the strategic focus of that document? Whether or not you accept the legitimacy of the document is a different question.

Dr Cheeseman—I would have to look at that more closely. It certainly meets some of the requirements. Again, however, I do not think it meets them completely. In some ways, ASP97 does signal a change in emphasis in defence issues away from the defence of Australia, away from the need to defend the state against conventional military attacks, and more to the protection and advancement of regional interests and global interests. I would agree with that, although I do not think it goes far enough, as I have mentioned. But I think the force structure that we have is still primarily focused on defence of Australia; it provides less ability, and the wrong kinds of ability, to carry out these regional engagement and global security roles.

Mr SNOWDON—Would you see though, given the view expressed by the head of Army and the Chief of the Defence Force this morning that we are living in an ever changing strategic environment, that it is likely that the white paper which is currently being developed may go more towards reflecting your sort of focus on regional activity?

Dr Cheeseman—I would hope so. I am not confident it will.

Mr SNOWDON—I understand. The point I am trying to get to is that, in a sense, we cannot blame Army for responding to government strategic direction.

Dr Cheeseman—I agree. As I have looked at these issues over the years, I have increasingly found that strategic doctrine and policy statements are less about analysing what is and what should happen in the world, how we should respond to these, and more about providing a kind of defence of existing structures. It seems to me that this process continues, and what we will see is an approach to force posturing being driven from the bottom rather than the top.

Mr SNOWDON—In relation to your view of what our current strategic position is, would you have a comment on the decisions announced this week to establish the two battalions?

Dr Cheeseman—While I accept it, in the context of the issue we are talking about, in many ways the decision represents a failure in planning. We have spent something like $10 billion a year on defence. The Department of Defence planners have known all along that East Timor type operations—they could not forecast East Timor itself—are the things the ADF have been involved in, or are likely to be involved in, and yet they were caught out in providing sufficient forces for one operation that occurred very close to us and where we were required, I think rightly, to take a leadership role.

The fact that the deployment itself and the extra two battalions have to be paid for through a specific levy represents a failure in defence policy and defence planning. There should have been a recognition on the part of defence policy makers that this is likely to be what they might have to do in the future. They therefore had to begin to consider it, plan for it, develop contingencies for it and perhaps put aside money for it, rather than continue to focus on the hardware based defence of Australia. That would be the comment I would make on that.

Mr HOLLIS—Just following on from that, it seems to me that you never have a textbook conflict situation. You would know that better than I. The one thing about a conflict situation is the unexpected aspects of it. It would seem to me that the Department of Defence, especially in East Timor, has responded quite well. I think defence planning has got to be flexible enough to take in all sorts of contingencies. It seems to me that some of the decisions that have been made recently have been quite good—for example, the movement of the forces to the north, our preparations there. I think they have responded quite well to what has been an unexpected situation.

As has been said to us many times, who, two years ago, would have expected this situation to occur. But having said that, 30 years ago when I did National Service we were always told that our next conflict would be with Indonesia. Indonesia has always been on the horizon for the defence forces.

Dr Cheeseman—I agree with you. I am not suggesting that we have not responded well. I think the response has been a good one, but there has clearly been a problem. We cannot sustain it. We need to find extra money from somewhere to pay for elements of it, and that is really what I was responding to in the earlier question.

As I mentioned, I think we could have been prepared a lot better than we were. I think that the continuing emphasis on investment rather than on preparedness and readiness of the past decade or so has put us in a position where, even though we should have known better, we have not been able to sustain our response to East Timor.

Mr HOLLIS—Everyone has been so wise in the last month, but do you agree with the comment that some commentators have made that for too long Australia has been getting its defence on the cheap? I think that is a bit of a reflection on the parliament, on successive governments, if that comment is true, that we have not put adequate amounts into defence?

Dr Cheeseman—No, I would not agree with that comment. My view is that the money that has been invested in defence has probably been more than enough to do the kinds of jobs that are expected of the defence forces. My arguments have always been how you go about achieving the objectives. I think there are differences of opinion there.

I think successive defence planners and administrations have gone about it by choosing a way of defending Australia and Australian interests which costs more than government and the public are prepared to give. That discrepancy between what they think is needed and what is being provided by the government leads to this notion that defence is occurring on the cheap. My own view is that they are getting plenty of money, more than enough to defend Australia and meet its interests, and that perhaps they need to look at alternative and cleverer ways of doing that.

Mr HOLLIS—Okay.

CHAIR—The Army submission did suggest that future conflict is likely to require a greater emphasis on discrimination capabilities rather than relying simply on the precision delivery of weapons. Do you believe, as I think you have been implying, that there will need

to be a wider range of more capable land force options than currently are being provided by Army? Is that what you are saying?

Dr Cheeseman—No. As I read it Army's position, and I guess Defence's position, is that they should try to provide government with the maximum range of options available, all of which are combat related. Certainly, whatever defence forces we have should try to provide governments with lots of options, but I do not believe that defence forces should try to structure themselves on providing maximum flexibility and maximum combat options. They have to be much more discerning about how they structure their forces, and within those limits, which they discuss with government, certainly they will give lots of options.

The basic approach to providing combat based forces which will cover all sorts of options is just too expensive. It is not relevant at all. It needs to be thought of much more deeply in terms of the kinds of roles Army in particular is likely to have in the future and try, within that, to be quite discerning about when you need combat forces and what level they would be at when you do not need combat forces and so on.

In terms of the spectrum of conflicts, Army has to narrow that down and then within that it has to make decisions about just how it will structure its forces, on what basis, and not simply on the basis of war fighting.

Mr SNOWDON—On that presumption, what changes to current capability priorities would you believe need to be made so that we can focus on something other than operations for war?

Dr Cheeseman—I give some detail in my submission which I point you to. It probably describes it better than I can do here. First of all, the whole issue has to be looked at across the ADF, not just Army. It seems to me that given the changes in the nature of war and combat and so on that perhaps the high technology combat coalition warfare option should be restricted in Australia's case to air forces, for the reasons I have described in my submission.

Army, increasingly, should be involved in lower level combat operations in support of multinational UN based operations. They should restrict it to that, not for coalition warfare in north-east Asia but in support of UN operations, and we should be structured for that way. The structure might involve one brigade focusing on the provision of medium level combat support to the UN and one brigade structured around the provision of low level East Timor type operations.

They should extend and develop doctrine in each of those areas. They should establish contacts and continue to cooperate with regional groups and other people. I think we do that very well, based on our history and our approach and our resources. It seems to me that that is a better approach, a more discerning approach, than trying to cover everything for all three services.

Mr SNOWDON—Would you say that in a policy sense there has been a significant change in the way in which the government perceives the role of the defence forces as part of its foreign policy tool?

Dr Cheeseman—Yes. It is true I think that this and the previous government have understood in many ways the kind of comprehensive nature of security and the increasing interconnected relationship between defence and other dimensions of security. They have taken different approaches to what that means specifically for military. The previous government focused on the kind of cooperative security ideas which would involve not the establishment of alliances but increasingly the kinds of regional security frameworks in which security issues would be discussed. Military forces under those circumstances would be used, say, in cooperations against piracy and all those sorts of elements. The current government I think recognises that but has moved slightly and believes in a kind of more traditional approach to alliance building, coalition warfare and so on.

I happen to agree with the previous position not because it relates to that government but because I think that is the way ahead. That is a better way of building on the causes for optimism than the current government's position. But I think both governments acknowledge, as you suggest, that the nature of international and regional security circumstances are changing and the place of armed forces in that needs to be changed as well.

Mr SNOWDON—As a follow-up, what is your view of the perceptions within our neighbourhood about those two different approaches?

Dr Cheeseman—You have both views reflected in the neighbourhood. One of the causes for optimism within the Asia-Pacific is the emerging networks of regional security structures such as the Asian Regional Forum, ASEAN itself and a whole range of other areas. They have strong support from regional governments including Australia and others but so, too, you have a view, usually within the defence departments of other countries, that takes a more traditional approach to these changes. There is a kind of competition between these different approaches to defence and security.

Mr SNOWDON—But the question I am asking is—I am sorry I have not explained it very well—what is their perception of us in terms of our foreign policy objectives where the approach of the previous administration was different from the current approach? What is your view of their perception of that because the way I read your assumption is that there seems to be far more of a force projection within our foreign policy under the current arrangements than there might have been previously? I am just wondering what perceptions that might give to people in the vicinity.

Dr Cheeseman—I have not looked at that issue in particular so I cannot really speak for specific governments. I think it would be true to say that current policies are seen to be perhaps more provocative. They connect back to traditional alliance issues with the United States and so on. I do not think they are seen as threatening in a sense but they are seen as a change of direction. Some people in the region welcome it because they welcome the presence of alliances and strong military forces. Others are concerned that it might somehow underpin the developments that have been made in regional security areas. So the issue itself is very complex in how it in itself is balanced in the way forces are balanced and so on.

Mr SNOWDON—In that context then if you look at the scenario which you have painted about the current strategic objectives of Army and the way they are currently

structured, as opposed to the way you think they should be structured, what is your view of how that might impress or be perceived by those people in the neighbourhood?

Dr Cheeseman—My own view is that the move by the Australian Defence Force and the Australian Army towards broader regional and global security structures would be welcomed. It represents a better way and a way that is more conducive to the changes that are going on for Australia being part of the region, contributing to regional security and dealing with the problems collectively not traditionally. I would argue that it would be a positive move. Not everyone agrees with me but I would see it as a positive move.

CHAIR—Recently the Army has embraced a concept of support to a maritime strategy. How do you see the implications of this for the strategic focus of the Army?

Dr Cheeseman—There are two possibilities. The way I see it developing is into a kind of coalition warfare context. We would have a maritime force that could be despatched overseas to take part in a traditional war fighting operation. We are not well prepared for that at this stage although there seems to be a move in that direction. My own view is that we should increase certainly our strategic lift capabilities and develop ground forces that can be deployed overseas, but more in a UN multinational based security operation. The idea of maritime security that is spoken about in the current documents is at odds with a global UN based force approach.

Mr PRICE—I apologise for my lateness. In the government's announcements, it talks about the extra two battalions. It is not clear whether they are being funded merely for the personnel costs and the equipment has got to be clawed back from other areas or alternatively made from existing investment. Have you got any knowledge or view of that?

Dr Cheeseman—I have no knowledge of it, I am afraid. It is not an issue I have looked at in detail. There were, as you mentioned this morning, the Ready Reserve battalions which had been disbanded. I imagine that there would have been a range of equipment and capabilities left over from them which will be used to at least help these new battalions. The only comment I would make on the whole apart from what I made earlier is that raising such forces is something you cannot do overnight, as you know. It takes quite a while. They have to be retrained, re-equipped and whatever. I suppose the fundamental concern is whether this kind of development is necessary but, if it is, then you cannot have it turned off and on all the time. It is not conducive to effective force structuring. In the end it is very expensive.

Mr PRICE—That was leading up to the next point. The government has announced that this is for two years only. It would be fair to say that a lot of defence commentators have suggested that Defence now needs to make an extra investment. Do you see, as a result of East Timor and the strategic paper to be released next year, that the government will be required to put extra money into the defence budget over and above the commitment that it has announced this week and the reserve announcement for the weekend?

Dr Cheeseman—I did address these remarks—

Mr PRICE—I apologise.

Dr Cheeseman—which I can provide to you. The short answer is that the pressure from the defence department is to do so, not to fund more battalions but to deal with existing procurement problems and others that they have. My own view is that there may be in the longer term. But what is required first is a strategic reassessment of what should be the role of the ADF in defence and security policy generally into the next millennium. I have argued in the introductory remarks that East Timor in a sense gives us pause for thought. It indicates the sort of paucity or flaws in our existing and previous approaches and that we require to think rather seriously about that.

Once we have made those sorts of decisions, then the issue of how much money the government should provide and what sorts of equipments and capabilities are required could then proceed. It seems to me that there is increasing scope for a fundamental review, to be a kind of Dibb review, in 2000 to look at the fundamentals of Australia's defence and broader security policies.

Mr PRICE—Thank you for that contribution. Whilst I am not trying to reflect on the cabinet national security committee, given the volatility in our region and all the changes you talk about in your paper, do you see that the time may have come for a national security council with a more overarching and cross-departmental approach to try and tackle the issues that you are raising?

Dr Cheeseman—Yes, I do. That requirement, as this committee has identified it in the past, is very important. The cabinet approach needs to be supplemented in some way. There need to be some bureaucratic structures to help it make decisions about whether the country should focus its resources on defence or other elements of security, make those kinds of trade-off decisions and then issue decisions for executive departments.

This comes back to Mr Hollis's position on the diarchy. The view that you were given in Adelaide on the diarchy applied perhaps five or six years ago. It applies less now, although there is a diarchy at the top. The defence department, under advice from this committee in some of its earlier reports, has managed to integrate its policy making processes to get rid of duplication in a number of areas. There are still some left, of course, but it has gone a long way.

The next step really is in the direction you have indicated. There is scope to look at taking the higher policy making elements out of defence and foreign affairs and some of the other key departments, such as trade and industry, and looking at grouping those together as part of a national security council or some form of overarching security department, which has no executive responsibility. It would not be an executive department; it would be an advisory department to the government and Prime Minister.

Mr PRICE—Picking up some of the things that you said in your paper, we have some multilateral arrangements—for example, the Five Power Defence Arrangement. That was designed to be a bulwark against Indonesia but has really changed its role. Is it a reasonable point to make that we have not kept up to date with those multilateral arrangements and made them current and refreshed so that they are better able to respond to emergencies in our region?

Dr Cheeseman—Yes, I think so. The Five Power Defence Arrangement has a historical presence. It continues and it serves an important role. It would be better for Australia to maintain that but move its emphasis more to the regional security structures that are being developed around the ASEAN Regional Forum and its supporting second track organisations. We have been doing that under this and previous governments. I think that is where the emphasis of our work should be because it represents the way to approach security in the next century, whereas the Five Powered Defence Arrangements—traditional alliance arrangements—really are the approach that operated in the current century. They are less applicable now than they were before.

Mr PRICE—Thank you very much.

Mr SNOWDON—I am interested in your comments about misplaced investment decisions—not your words but my interpretation of them—which may have been made as a result of the 1997 paper and subsequently. Have you perused the procurement projects list in annex A? I am not asking you to tick them off, but would you suggest, in terms of the scenario that you have painted and the direction in which you would like to see things, that there would need to be a drastic change in the direction of procurement policy?

Dr Cheeseman—Yes, without doubt, certainly in the case of the Army. If the Army went in the direction I have suggested—that is a big if, but if it did—much of the equipments and enabling capabilities that they relate to the digitised battle space, the new forms of warfare and so on would not be necessary. They would require combat forces and combat capabilities, because peace operations are quite robust now, as you would know, but it would solve their problem of having to try to make the most of the RMA. The RMA is of some use in some areas, but not in combat areas—they would not require a lot of that. I think the same would apply for the other services. My own view is that there should be a similar inquiry into the other services. Army should not be the only service to undergo this kind of fundamental view.

CHAIR—Okay. Well, one at a time.

Mr SNOWDON—We just picked up on the Navy and Air Force.

Dr Cheeseman—Of course—I understand that!

Mr SNOWDON—The Navy and Air Force are kicking the Army, so we thought we would have a go too.

Mr PRICE—Ask them to make a personal explanation.

CHAIR—Before we get into this debate, we might wind up there. Thank you very much, Dr Cheeseman. We certainly appreciate your time and effort.

[2.59 p.m.]

CHALMERS, Colonel David Hugh (Private capacity)

CHAIR—Welcome, Colonel Chalmers. I must advise you that the proceedings here today are legal proceedings of the parliament and warrant the same respect which proceedings in the respective houses of parliament demand. Although the subcommittee does not require you to give evidence on oath, you should be aware that this does not alter the importance of the occasion, and the deliberate misleading of the subcommittee may be regarded as a contempt of the parliament. The subcommittee prefers that all evidence be given in public, but should you at any stage wish to give any evidence in private, you may ask to do so and the subcommittee will give consideration to that request.

We have received your submission and it has been authorised for publication. Are there are any additions or corrections that you would like to make to the submission?

Col. Chalmers—No, Mr Chairman.

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

Col. Chalmers—Yes, I would, thank you.

CHAIR—Please proceed.

Col. Chalmers—I would like to start by thanking the subcommittee for inviting me to express my views at this public hearing. I want to emphasise that I am appearing in a private capacity. My submission and any comments I make today reflect my personal views, rather than any official or corporate Army or Defence position.

Unlike previous witnesses, I am not well known to the subcommittee, so I thought I would start with a brief overview of my background and experience to give you the benchmark from where I am making my comments. I am a Regular Army officer of some 23 years service. I am currently posted to Australian Defence Headquarters as the Director of Land Combat Development in Headquarters Defence Capability Systems Staff. I assumed this appointment in July this year shortly after I had written my submission to the subcommittee.

My previous postings were in the armoured corps, including service with the 1st Armoured Regiment, the 2nd Cavalry Regiment, and the 3rd/4th Cavalry Regiment. In 1995, I served as the secretary to Army 21 review. During 1997-98, I commanded the 2nd/14th Light Horse Regiment, Queensland Mounted Infantry, which, as you may know, is an integrated unit. It comprises Regular Army, ex-Ready Reserve and general reserve soldiers. I am a graduate of the Army's Command and Staff College and I hold a master's degree in defence studies.

You will be aware that my submission was not intended to be a holistic answer to the issues confronting this subcommittee. Like many of the individuals who have prepared submissions, I have focused on a small number of areas of particular concern to me. My submission was written before the Australian commitment to INTERFET in East Timor occurred, but in hindsight I believe that the deployment to East Timor has confirmed rather than altered some of the concerns I expressed.

I believe we can be justly proud of the officers and soldiers who are serving in East Timor and of those Army members who have supported the East Timor operations. This does not mean that the Army was able to meet the government's requirements without any problems. It is clear that the size of the land force held at sufficient readiness to participate in a sustained peacekeeping operation or peace enforcement operation was inadequate. There was a range of equipment deficiencies which had to be rectified quickly. Many of these problems simply cannot be fixed in the time available for a short notice deployment. I was not aware that the subcommittee was going to East Timor next week, but I think it is most important that it does and that it asks questions of those involved in East Timor as to how they felt they were prepared and equipped.

I think East Timor brings into focus several issues which are absolutely essential to this inquiry. Strategic guidance must focus far more than it has in the past 15 years on likely operations. I believe East Timor is a clear indicator of the types of tasks that the Australian Defence Force must be able to respond to in the foreseeable future. Defence of Australian interests must become the force determinant with the defence of Australian territory a modifying factor, rather than the reverse guidance which exists at the moment. Peace operations, as well as war fighting, need to be given a focus as a force determinant. It is time that Australia grew beyond the insular concept of a self-reliant force for defeating attacks on Australia.

In saying this I want to make it clear that I am not advocating that we train for peacekeeping rather than war fighting. I do not think these are mutually exclusive concepts. Peace enforcement requires combat power and, therefore, war fighting skills. But I think we need to arm our soldiers with the additional particular skills that peacekeeping requires, and these skills are needed at short notice. As we saw in the Timor operation, deployment had to occur very quickly. I think a focus on likelihood as a key force structuring factor would then suggest that the relevance of the reserves is as a force in being, rather than as a force in waiting.

I believe that the reserve can play an important role in defending Australia's interests, but only if some key changes are made. These include a greater commitment from reservists and conditions of service which reflect this commitment. Legislation must be changed to allow for compulsory call-out of reservists in peace support operations or disaster relief operations, and existing legislative employment protection measures need to be strengthened.

It is my belief that the shape of the Army must be developed to achieve a force that can deploy sustainable force element groups. At the moment far too much of Army capability exists in one-off units. If these are deployed they cannot be rotated or sustained. In the longer term, the Army needs to develop towards becoming more adaptable and versatile with a smaller number of better manned and commonly equipped brigades as an eventual goal.

These must be able to provide a broad range of response options to government, recognising that for at least the first part of the next century land forces are likely to be deployed as part of multinational forces in pursuit of regional or global security. Mr Chairman, I thank you for your indulgence and I will answer any questions you have.

CHAIR—Thank you, Colonel Chalmers. You raised a number of interesting points there. Maybe I will just come back to one of your points. You spoke of the need for peacekeeping skills—and although you said they are not mutually exclusive you said they need to be developed. In what way is the Army deficient in peacekeeping skills right now?

Mr PRICE—Could you tell us what skills you are talking about?

Col. Chalmers—I am specifically referring to laws of armed conflict training. It does occur at the moment but I think, however, it needs to provide more focus and we need to ensure that our soldiers are absolutely confident in what they can and cannot do.

When they deploy on peace enforcement or peacekeeping operations today and in the future, we know that the television cameras are going to be deployed right there alongside them. There is a lot of pressure on them to make the right decisions in a way which, perhaps in a higher level conflict, would not exist—although obviously other pressures do exist.

The Chief of the Defence Force referred this morning to our peacekeeping centre. However that trains planners; it does not train soldiers. It is my belief that we need a centre which trains our soldiers in the types of skills they need specifically for peacekeeping or peace enforcement operations.

CHAIR—In another question from your opening remarks, you talked about equipment deficiencies for the troops that have gone to East Timor. What specifically were you referring to there?

Col. Chalmers—There is a range of equipment which was not in the units which deployed and which had to be made up through remediation. I think that Army has a very good focus on capability development at the moment. It is concept led and capability based. That means we need to identify, and are identifying, in Army the sorts of capabilities that we will need in the future and, in identifying those concepts, we then translate them into the sort of capability, be it equipment or training or organisational structures that we need.

CHAIR—So you are saying that the equipment was there but it was not in the particular units that were being deployed?

Col. Chalmers—I am saying that there was equipment available and certainly the INTERFET force that is deployed at the moment is well equipped for peacekeeping or the peacekeeping operation. Had this situation perhaps escalated, then there would have clearly been some deficiencies that would have concerned me.

Mr SNOWDON—Is it true to say though that, because of the fact that we have had to secure the equipment for the deployed force, the residuals are without some equipment because it has been drawn from their resources?

Col. Chalmers—That is correct, and Army has a remediation plan to procure equipment initially as commercial equipment, but in the longer term as military specification equipment, to make up those deficiencies. That remediation plan, of course, is dependent on budget and so it may be limited.

CHAIR—But given that—there was not a lot of warning—you would not really expect every unit to be equipped for every situation. The fact that it was pretty well available should give some confidence, shouldn't it?

Col. Chalmers—Yes. But not all of the equipment we had was at the standard that we would like it to be. I would particularly have been concerned about the protection levels of the force that was deployed. M113s, for example, are not adequately protected for modern combat and they need to be upgraded. We have a plan in process to do that but it is going to take time. These are things that cannot be done in the same time frames that we can deploy a force. To procure additional equipment, or to improve equipment we have got, takes months or even years. The deployment of a force can occur, of course, in weeks.

Mr SNOWDON—I have a very simple question which does not equate to technology really. I was in Dili last week and the armoured corps are well kitted in terms of uniforms—they are all cotton. The other soldiers have got polyester and cotton.

I have lived in the tropics for a long time and I know that polyester and cotton are not that flash but cotton is smart. Obviously the armoured corps know what is smart. Why would it be that in a modern army we have got a situation where we have had to deploy troops with equipment which is clearly uncomfortable because of the way it holds the heat. I know that is a small thing, but I imagine it has some impact on the way people might feel.

Col. Chalmers—I am an armoured corps officer, as I have said, and I personally prefer to wear the polyester-cotton shirt in the field and the cotton trousers because I find that to be the most comfortable uniform in the field. I know, although I am not closely involved in this, that we have done a huge amount of testing and development work on our uniforms and I think that we have a very good standard of uniform. I think the polyester-cotton mix—I am not sure of the percentage of mix—is a comfortable uniform.

Mr PRICE—Perhaps I have made a mistake not asking for a more detailed explanation of this concept of remediation. Would you mind stepping me through it? When the 1st Brigade was put on an increased state of readiness, what were the elements of remediation? Were they drawing from other non-brigade units personnel to augment them and did that also include equipment?

Col. Chalmers—I will just preface my remarks by saying that I was not involved in the planning side.

Mr PRICE—You are not responsible. I am trying to get an understanding.

Col. Chalmers—I am giving you a perspective from someone who was in the Army but not involved. The short answer is, yes, there was a need for additional people in the brigade and there was a need for additional equipment. There was a deadline set and, in order to

achieve that deadline, equipment and personnel had to be drawn from other units in the Army to build up the strength of 1st Brigade. The Chief of Army made a very firm commitment to those units which had equipment or people taken from them that we would then remediate, and Army headquarters worked on a plan to ensure that there was some remediation. Obviously, initially it cannot be 100 per cent but there is some remediation and in a stepped plan eventually that equipment is replaced.

Mr PRICE—You are making the additional point, if I understand it, that some of the equipment that was deployed is really not—I will not say 'functional'—meeting the latest tests of what it might be required to oppose in a much more intense environment. Am I understanding that point?

Col. Chalmers—I think we are well equipped in many areas and we have plans to become even better equipped. We are introducing into service now world standard night vision equipment, for example—albeit the program is early and we had to accelerate to introduce some equipment earlier than we had otherwise planned.

Mr PRICE—That was Project Ninox, wasn't it?

Col. Chalmers—That is correct.

Mr PRICE—So Ninox has not been completely implemented?

Col. Chalmers—Ninox is a multiphased project and there are some phases of it for which we still have not introduced the equipment into service.

Mr PRICE—Yet that has been a critical element of success in East Timor, hasn't it?

Col. Chalmers—In any future military operation the knowledge edge is going to be critical to us, so our ability to conduct surveillance in this case is critical to operations. That is not to say we did not have surveillance equipment but we did not have it at the operational level of capability or the operational level of basis of provisioning in units that we would have liked. In some areas the equipment has not yet been introduced into service and we are needing to conduct an operationally urgent procurement to bring it into service.

Mr HOLLIS—I found your paper very interesting. One point you make is that the Army is chronically underfunded. I put a question to Dr Cheeseman: were all the experts right in saying that Australia had been getting defence on the cheap for some time? As I understood it, he felt that the funding had been adequate but that it was the appropriation—the way the funding was being used—that was the problem rather than the exact amount of funding. Would you agree with that or would you say that we have been getting it on the cheap, because in the paper you said the Army had been chronically underfunded?

Col. Chalmers—I would say that for the soldier in a unit it really does not matter whether or not the funds are there or they are being appropriated correctly as the end result is the same. I am speaking to you with a perspective not from senior management of the Defence Force but from a background in field force units. I know, from my experience in Defence headquarters in the last few months, that there are no easy answers to the allocation

of funding. Army's discretional element of its budget is very small. Most of Army's budget goes towards personnel costs and personnel costs increase every year: if we are to attract the young soldiers and quality soldiers that we need from the Australian community, we have to be prepared to pay them accordingly.

The flexibility that we have then is either to reduce our numbers—and that has been used over the last 10 years as a means of funding our Army capability—or to defer acquisition, and the investment program has suffered due to funding. I think the aim of the DRP was to try to ensure that Defence do things efficiently—that we do allocate our funds in the best possible way. There have clearly been some results from the DRP in increasing the combat force by reallocation of funding. As a relatively junior officer in the Australian Army, I would think that we have insufficient funds—and I would have to disagree with Dr Cheeseman—to do the things that the Australian government and the Australian people expect us to be able to do.

Mr HOLLIS—It is the first time I have heard a colonel referred to as a 'junior officer'. From my perspective of when I was doing it, I was a private and a colonel was way up there to me.

Col. Chalmers—Let me say that I am acutely aware that sitting before you this morning have been the Chief of Army and the Chief of Defence Force and, relatively speaking, I am much smaller fry.

Mr HOLLIS—Yes, it is all relative.

Senator FERGUSON—I am sorry I missed your opening statement. Unfortunately the Senate is sitting today and it tends to drag us away just when we are about to ask a question. I really want to ask about versatility, and you may have covered it in your opening statement. You talk about an attitude of training and of having specialist capabilities for peacekeeping. I understand that the Canadian army are currently undergoing a philosophical change. They have almost come to the stage where they are going to train their defence forces solely for peacekeeping and nothing else because they feel that they are unlikely to be threatened by any external hostilities. I do not know how far advanced that is but my latest information is that they are actually making that philosophical change. They are in a different area to Australia, in a different region, with a very strong southern neighbour.

This morning I got the impression from the Chief of Defence Force that he felt the best preparation for peacekeeping was in fact the sort of training that our defence forces are undergoing at present, perhaps with some add on or extra training to better equip them for peacekeeping. Are you suggesting that is not the way to go, that in fact we should move away from our current training towards a specialist peacekeeping training?

Col. Chalmers—No, absolutely not. I would agree that training for war fighting is the best preparation for peacekeeping with the caveat that the additional training be specific to the relatively complex situations that can occur in peace support operations. In writing my submission, I was raising a concern that, as I believe, if a mantra of 'we train for war and adopt for peace' is misinterpreted or becomes a dogma, it may be to the exclusion of training or force development that is specifically required for peacekeeping or peace

enforcement. So I would suggest that there are some specific things that we need to do and there are some specific force structures that we need to focus on. If we were to train for war fighting to the exclusion of peacekeeping, I think that would be a very dangerous thing.

The basis of our Army has to be war fighting. We are the only organisation available to the government which can conduct land operations in high levels of war. We can adapt those skills to more likely tasks, such as peace support operations, but in adapting them we have to have, in my belief, a degree of specific training. The danger is that war fighting takes up a lot of time in a unit's training program and it could do so to the exclusion of training for peace support operations, yet peace support operations can arise with very short notice, insufficient notice to train specifically or prepare.

I am not aware of the training that 1RAR or 6RAR are conducting at the moment, but I would imagine that they are now in a process of building up for deployment to East Timor and that their training program would reflect very specifically the skills that they will need there. I would suggest that training, although based on the unit's war fighting training, would not have been the training they would have been conducting right now had they not been in East Timor.

Senator FERGUSON—Could you give us an example of the additional training that you think is required for peacekeeping that they are not currently getting?

CHAIR—The colonel did answer that while you were away.

Senator FERGUSON—I am sorry about that. If it is in the *Hansard* record I will read it there. Thank you.

CHAIR—Colonel, I want to get on to the Army reserves. You mentioned the need, in your opinion, for changes to the call-out legislation for employment, security and so on. If that were not to happen, what would be the impact on the Army Reserve? What role would the Army Reserve then be able to fulfil?

Col. Chalmers—I think the relevance of the Army Reserve would be highly questionable if we were not going to make a commitment to the reserves to deploy them on the sorts of operations that are likely. It is my view that the likelihood of Australia, at least in the foreseeable future, needing to mobilise the whole Army at nine brigades, or perhaps even expand beyond that, is fairly unlikely. That being the case, we need to ensure that the reserve has a role in the sorts of operations that are likely, and I think East Timor provides an example.

There has been some discussion today about two new battalions. I think we need to keep it in perspective that the Army has 19 battalions. We are not raising two new battalions. We are raising the readiness of two existing battalions. We are doing that by giving them increased numbers of regular personnel and making them full time, by increasing their equipment allocations commensurate with the number of people who need to be in the units at their operational level of capability, and increasing their training tempo. But, in my belief, we should be able to transition units up and down according to the forecast of likely operations.

I would make the point that six battalions in the Regular Army is really the minimum level. We were clearly below the level of regular units in the Army which was safe for the Australian government to accept. Nonetheless, had we different legislation for the reserve we could have called out one of the RVR units in Victoria, for example, for 12 months. They could have spent three months training prior to deployment, been deployed for nine months in East Timor, and at the end of that period revert to their normal status as a reserve unit. The problem that we have at the moment is that the legislation does not allow us to do that. That is a severe limitation on the way in which the Australian people can employ the Army.

CHAIR—On a related question, with more sophisticated battlefield technology and the one army concept, is that going to mean that reserves in many situations are not going to be able to fulfil the role that regulars are going to be able to do? What is going to be the impact of the more sophisticated battlefield technology?

Col. Chalmers—We need to make sure that our reservists are as competent as our regulars. They have to have the skills that are required before we deploy them. I do not think any Chief of Army would deploy soldiers who are not adequately trained or prepared for operations.

The question is: can a part-time soldier, in the amount of time that is available to him, gain the skills that he needs to be at a level of capability which enables deployment, albeit with some pre-deployment training? The answer to that question is yes, but there needs to be some changes of culture and some changes of employment.

I am sure that some senior reserve officers who give evidence to you will suggest that the reserve is not allocated enough training days, for example. My experience of commanding a unit which contained a reserve squadron was that training days were not an issue. I always had enough training days to manage the amount of time that people could offer. The problem that I had was that my reservists, with the best will in the world, would dictate to me which days they would offer me, rather than me dictating to them the days that I needed them.

The upshot of that is a relatively unfocused availability where soldiers would train at differing times in the year. That is okay for maintaining individual skills, but for maintaining collective skills it is problematic. The result is a cycle of low training. For example, a platoon might only have a third of its members at any one training activity. It is very difficult for them to build upwards on enabling training all the time. In fact, it results in a cycle of a low level of training at perhaps section level. Therefore, at one major training activity some people are available, whereas at the next one a different group of the same platoon is available.

CHAIR—You probably heard the CDF talk about his ideal concept of a fifty-fifty army, regulars and reserves. In the light of what we have been talking about and whether or not this call-out legislation is considered, is there a risk that we are then going to have an Army where each unit will be seriously understaffed, apart from the ones that are fully made up of regulars?

Col. Chalmers—I would like to say a couple of things about that. It does depend on how you allocate your fifty-fifty, working on the Chief of Defence Force's view. One option would be to have some regular units and some reserve units with very small cadres in them. Another option would be to have integrated units which comprise 50 per cent regulars and 50 per cent reservists. There are pros and cons to those approaches.

More globally, I think the issue of what would be the preferred level is that, if Australia could afford it, we would probably have a completely regular army. It is a matter of affordability. We simply could not afford to have the size of army that we need to meet all of the contingencies and responses that government requires from a fully regular army. The reserve, therefore, is an important component of army. The reserve does offer some advantages which reservists no doubt will tell you about and which I think have some validity.

The question is: what level of integration would you have in various units? It depends on your degree of readiness requirement. For example, it would be difficult to see a role for many reservists, although it is possible, in the SASR at a very high level of readiness. For the unit which does not need to deploy for some months after call-out, it could be at a lower level of readiness and thus have a higher number of part-time members in it.

Mr PRICE—I was wondering whether you could just carry on with that. On the reserves, hopefully we will get the announcement this weekend about some changes, and that will be good. It seems to me that a lot of hard decisions needed, maybe, to have been taken—and we will see whether they have been taken. How do you determine whether you do go for a mixed battalion, a completely reserve battalion, a combination of both or a combination of regulars, general and, maybe, Ready Reserves?

Col. Chalmers—It is a working back process from the output that you want from that organisation. So if a battalion, for example, is required to be at an operational level of capability for certain kinds of tasks, then we need to determine how much time is available for it to reach that level. If the amount of time available is less than a week, for example, then all these people have to be at a high level of readiness and have to be fully equipped. If, for example, we have a battalion in East Timor now, and we know that in nine month's time we are going to rotate it, we can plan for the rotation and train and prepare accordingly.

Mr PRICE—You made the point about peacekeeping being a force determinant—and I recall a few years ago that this was a really hot issue, and the argument was, never, never, never. In terms of East Timor, we have leased the catamaran and we are looking at deficiencies in lift capability and other things. Really—to me anyway—we are hanging on to the defence of Australia but we are preparing to be flexible on forced determinants for peacekeeping.

Col. Chalmers—That is correct. Certainly, in 1995 when we did the Army 21 review there was a clear requirement that we could not structure for peace support operations. I think we are doing that to a far greater extent now.

Mr PRICE—I think that is good.

Col. Chalmers—It needs to be officially recognised. I had in mind, for example, civil affairs units. I think the committee received a submission from a captain in 3 Brigade talking about a civil affairs unit. It is, to my mind anyway, as a personal opinion, less than effective to use artillery units as civil affairs units, as we did in Somalia and as I understand we are doing now.

Mr PRICE—They did brilliantly, by the way—a testament to them.

Col. Chalmers—Which I think is testament; nonetheless it seems, intuitively, not to be the best course of action. If you know that these kinds of units are going to be required—and we do know that—you need to structure for them. As I said, I do not think that precludes our structuring for war fighting—I do not think we should disestablish artillery units to create civil affairs units—but I do think our structure needs to reflect the types of operations that we have to conduct.

CHAIR—Going back to this question of the reserves, under the current arrangements isn't it true that the reserves are offering only a source of volunteers for the regulars and an expansion base if needed but only in a situation of the specific defence of Australia, so we are entirely relying on the regular force anyway?

Col. Chalmers—We do not have any Ready Reserves any more. We have only general reservists and the remaining number of ex-Ready Reserve soldiers whose contract the government is seeing out. In answer to your question, that is true for the type of operation that we saw in East Timor. The only way that reservists could participate—and many are—is through volunteering. We have no means of compelling a reserve soldier to participate. The reason is that section 50 of the Defence Act limits government's ability to call out reservists in defence of Australian situations. I think there has been, at a number of reviews in the past, suggestions that that limitation is perhaps inappropriate in this day and age, although in 1903 it was an important caveat.

Mr PRICE—This committee recommended changing—

Col. Chalmers—Yes, it did. Of course, nothing happened. I think the time really is right for either that limitation to be removed entirely, which would be my recommendation as a simple move, or an additional caveat to be put in that suggests that reservists can be called out for peacekeeping, peace enforcement operations and for disaster relief operations.

Mr PRICE—Do reservists get about 126 training days, or parade days? How do you express it?

Col. Chalmers—No. Off the top of my head, we would expect a reservist to train about 35 days a year.

Mr PRICE—That includes some weekends, doesn't it?

Col. Chalmers—Most units will train Tuesday nights and some weekends—one weekend a month generally—and a 16-day camp a year. There are various ways of approaching that problem which depends on the availability of the soldiers that belong to a unit. Army is

reasonably flexible in this regard. Some units, for example, focus on a number of nine-day training activities rather than Tuesday nights and weekends. If the unit is widespread and its soldiers need to travel to get into the unit, a Tuesday night-weekend arrangement loses a lot of time in travel, so it is best to get those soldiers in for more concentrated periods of training.

As I have suggested, it is my view that we should have a contractual arrangement with our reserve soldiers which requires them to attend at least a core period of concentrated training each year—say, 16 days. I think we would get best value from 16 days in which we know that the vast majority of the unit is going to be present—80 per cent or more—rather than, as many units do, run two or three 16-day activities to try to give every reservist an opportunity to attend one. I know there are difficulties in dictating availability. But, as I say, I think we need to ask more of our reserve soldiers and, in recognition of asking more, reward them appropriately with conditions of service and employment protection.

Mr SNOWDON—What is your experience of employers' attitudes towards that use of time? Presumably, most of the reservists would be happy to do the nine-day camp but the influences which would prevent them might be their job.

Col. Chalmers—It would be very easy if employers were a single organisation which a unit commander, for example, could negotiate with, but of course they are not. There is a diversity of employment situations for reservists. I think it would be fair to say that the bulk of our reservists are employed by the government, perhaps some 58 to 60 per cent, or something like that. There is a reasonably small percentage who are in private enterprise, and I think that is only about 20 per cent, and then we have students and unemployed people.

The reason for this is partly because in the past government has been a particularly sympathetic employer for reserves. That, of course, has changed a little in the changes to our industrial award arrangements where defence leave is no longer an allowable matter for consideration. I am not sure that that has necessarily changed the statistics; nonetheless reservists are not as able to conduct training as they were in the past. Nonetheless, with reservists who are employed by the government, traditionally—and I think in a continuing way—the government has been sympathetic. State governments have been sympathetic to allowing them time off to train, and there has not been much difficulty.

Reservists who are self-employed face a much greater problem, and in considering reserve issues this is an important area for the committee not to lose sight of. Whilst we can put in place legislative means to protect the employment and so on of someone who is employed in a large company, it is much more difficult for the individual who is running his own business but still wants to commit to reserve service. I think employers in general are sympathetic to reserve service, but reservists form only some half a per cent of the Australian work force. So it is not a big issue in industrial relations.

CHAIR—We have had a pretty good session.

Mr PRICE—Can I just say how much I appreciate you putting your private submission in and giving us the benefit of your views. We would be lost if we did not have some alternate sources of advice other than the chief's.

Col. Chalmers—Thank you, Mr Price.

CHAIR—I echo those views. We really do appreciate the time and effort you have put into your submission and for coming along here today.

Resolved (on motion by **Mr Price**, seconded by **Mr Snowdon**):

That this committee authorises publication of the proof transcript of the evidence given before it at public hearing this day.

Committee adjourned at 3.42 p.m.