

PROGRAM 3: ARMY

OBJECTIVE

To provide a potent, versatile and modern Army to promote the security of Australia and protect its people and interests.

DESCRIPTION

The Army Program provides forces for land operations including surveillance, reconnaissance, special recovery and counter terrorism.

The Program Manager is the Chief of Army who commands the Army and is responsible for the preparation of forces for the conduct of land operations, efficient and effective strategic management of the Program, and the future development of the Army. The Army Program comprises three Sub-Programs: Combat Forces; Executive; and Training.

PROGRAM SUMMARY

The Army continued to meet preparedness requirements during the year and demonstrated its ability to conduct effective land operations through the outcomes of operations and exercises.

A number of unforeseen disaster relief and other unplanned operational activities reduced the Army's scheduled exercise program. Although this limited activities with allies and regional neighbours, operational experience realised positive benefits. For example, the recent emergency medical disaster relief to the people of West Sepik Province in Papua New Guinea demonstrated the Army's capacity to deliver timely and effective health services in remote locations under arduous conditions.

Assistance continued to be provided in support of the Army ATSIC Community Assistance Project. This project is seen as a pilot program to provide the impetus for a much larger Government initiative through ATSIC. The Army is making a valuable contribution in providing environmental health-related services to remote indigenous communities while deriving excellent training benefits from realistic work. The project has done much to build confidence and trust between the Army and the indigenous community.

Exercise Phoenix 98, to be held in September 1998, will provide outcomes in relation to the *Restructuring The Army* initiative by testing and validating new doctrine, techniques and organisations which were developed during 1997-98. This will provide a solid foundation for further trial activities in 1999.

Remedial steps have been taken to overcome problems with ammunition shortages, with more reliable long-term forecast and management processes being established.

Army Training Command undertook significant structural change to improve the delivery of education and training, especially the potential for technology-based distributed training, which was demonstrated through the development of a prototype Regional Training Centre at Enoggera Barracks in Brisbane.

1,000 part-time recruits were trained during 1997-98 as part of the Common Induction Training trial. While the trial is scheduled for completion in June 1999, trends to date suggest

that recruit training can be condensed successfully from 12 to 6.3 weeks without any degradation in output quality.

PERFORMANCE MEASURES FOR 1997-98

The Army's performance is measured by the extent to which:

- a. the Army met ADF operational requirements and was able to conduct effective land operations;
- b. *Restructuring the Army, Army Presence in the North* and the Defence Reform Program objectives and outcomes were achieved;
- c. the Army Program planning, management and budgeting processes supported the economic use of available resources within endorsed policies and approved programs and the achievement of agreed Army objectives;
- d. interoperable command, control, communications and information systems were provided;
- e. best practice business processes were embedded throughout the Army;
- f. the lessons from the Army joint and combined exercises and operational experience were incorporated into warfighting doctrine, and individual training and education met user requirements;
- g. Army support services met the needs of the Army, its people and their families;
- h. interoperability with ABCA members (US, Britain and Canada) and compatibility with regional forces was optimised; and
- i. provision of emergency and non-emergency assistance was successful, and public understanding and support for the Army was achieved.

PERFORMANCE OUTCOMES FOR 1997-98

Enhance operational effectiveness and achieve ADF operational requirements, including the objectives of joint exercises and objectives of the international exercises and activities. Provide financial allocations to Combat Forces and planned flying hours to achieve training, preparedness, and support task requirements

The capability of the Special Air Service Regiment to meet some of its commitments was restored following limitations imposed after the Black Hawk accident in 1996. The Special Air Service Regiment and 5th Aviation Regiment have the capability to meet their allocated preparedness tasks following the introduction of a graduated series of training exercises guided by stringent risk management procedures.

The Ready Deployment Force maintained designated elements at specified readiness notices. Army logistic capabilities were able to meet all requirements directed by Government. Capability deficiencies are being addressed in the areas of provision of deployable bulk fuel and water distribution, fuel storage resources to meet contingency demands and staffing in certain key specialist logistics trades, for example medical specialists.

Details of capability availability and exercise outcomes can be found in *Appendices B and D* to Part One of this report.

Further enhance Army capability through adjustments to force structure and processes, including the trial and evaluation of concepts outlined in Restructuring the Army; continue implementation of the Army Presence in the North, continue progression of the Commercial Support Program, and implement the Army Individual Readiness Notice

The *Restructuring the Army* trials made substantial progress. Computer-based simulations, wargames, seminars and a variety of field activities were used to assess and develop future battlefield concepts for operations and a better understanding of the parameters of force sustainment. Lessons from trial activities were progressively captured, embedded into doctrine and, where appropriate, implemented into practice. The implementation of the *Army Presence in the North* initiative is currently ahead of program and within budget.

Implement Army aspects of the Defence Reform Program

The majority of Army aspects of the Defence Reform Program have been initiated and in many cases implemented. Actions have included the establishment of Army Headquarters, the transfer of Army personnel to new Defence Programs and the negotiation of a number of service-level agreements with supporting organisations.

Enhance resource effectiveness, through progressive introduction of activity-based costing and accrual accounting

A major milestone in the implementation of activity-based costing was the development of an Army activity dictionary to ensure consistency in applying activity-based costing and to support benchmarking between units. Activity mapping of 1st Brigade and 4th Brigade, including the establishment of a computer network to support activity-based costing, was completed. As part of the introduction of accrual accounting and budgeting, the Army revalued the majority of its equipment fleets with particular emphasis on major weapons systems.

Enhance strategic and operational planning, command and control through the development of an Army-wide electronic network and the development of applications based on core and key processes

The Army passed control of relevant physical, manpower and financial information technology assets to the Corporate Information Program, which now has carriage of information management systems and support across Defence. Significant improvements in connectivity were achieved, but total Army network requirements are not expected to be met fully in the short-term.

Rationalise the structure supporting the delivery of individual training and education; further develop and refine training and education programs against competency requirements; develop doctrine for capability development; develop concepts for a Combined Arms Training and Development Centre; and introduce common core competencies for full-time and part-time soldiers

Training continued to be effectively delivered with 24,159 students completing individual training courses in various establishments. Validation through the Army Training System confirmed that training and education met the requirements of its users. Savings were realised through the move towards the establishment of Individual Training Centres, and it is anticipated that additional savings will be realised as the rationalisation process matures. The Combined Arms Training and Development Centre was established and includes the relocation of the School of Artillery. A number of courses were developed against common core

competencies. These include initial recruit training, officer appointment courses and officer staff courses.

Contribute to regional engagement and alliance relationships, through individual training exchanges, combined exercises and Defence Cooperation activities

A number of planned exercises were cancelled due to unforeseen disaster relief and operational activities. However, combined exercises which were conducted continued to enhance interoperability with our allied partners and compatibility with regional forces. Additionally the broad range of overseas training exchanges and the delivery of foreign training made a significant contribution to regional engagement.

Promote the understanding of, and support for, the Army, including the implementation of the Army ATSIC Community Assistance Project

The Army continued to provide emergency and non-emergency assistance to the Australian community, particularly through the Army ATSIC Community Assistance Project. The benefits for the Army in providing this assistance have been the training dividend gained from realistic work and the increase in expertise in providing environmental health-related services and delivering skills-transfer packages. Soldiers involved in the programs also enhanced their understanding of Aboriginal culture. However, the significant operational tempo experienced by the ADF in the first half of 1998 impacted on the project, particularly the availability of strategic-lift assets. Further information on specific works under the project is available on pages 64 to 65 of *Appendix C* to Part One of this report.

Public understanding and support for the Army was strong. Public support for the Army was measured through the 1998 Defence Benchmarking Survey and indicated that the majority of those surveyed believed the Army was capable of doing its job. The outcomes of this survey will contribute to a draft Defence public information strategy.

Introduce into service new equipment, including night-fighting equipment, light armoured vehicle surveillance units, advanced VHF radios, infantry mobility vehicles, long-range patrol radios, combat body armour, sniping systems, and the Leopard Crew Climate Control system. Commence the introduction of the tactical engagement simulation system and the weapons training simulation system.

Significant achievements during the year included the delivery of 119 interim infantry mobility vehicles under Phase 1 of the Bushranger project. Three Australian Defence Industries Bushmaster and 3 Taipan infantry mobility vehicles were delivered for competitive trials. A capability to remotely detect approaching enemy personnel and vehicles was obtained through delivery of 98 perimeter surveillance equipment systems from RACAL. The Australian Light Armoured Vehicle surveillance variant was introduced into the 2nd Cavalry Regiment and the acquisition of a surveillance sensor suite continued. Introduction of the Leopard Crew Climate Control System and Long Range Patrol Radios progressed. Delays were experienced with the delivery of simulation systems and combat body armour.

RESOURCES

Table 3.1: Defence Function Outlay Summary

Sub-Program	1997-98	1997-98	1997-98	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(97-98 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
3.1 Combat Forces	816.5	807.7	829.0	21.3	2.6
3.2 Executive	113.4	85.7	91.2	5.5	6.4
3.3 Training	349.8	339.6	348.1	8.5	2.5
Program Total	1,279.7	1,233.0	1,268.3	35.3	2.9

Table 3.2: Staffing Summary

Sub-Program	1997-98	1997-98	1997-98	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(97-98 Actual less Revised Estimate)	
	Personnel Numbers			%	
3.1 Combat Forces	30,544	30,431	28,742	-1,689	-5.6
3.2 Executive	1,872	1,254	574	-680	-54.2
3.3 Training	11,702	11,303	12,221	918	8.1
Program Total	44,118	42,988	41,537	-1,451	-3.4

Table 3.3: Staffing Profile

Personnel		Sub-Program			Total
		3.1	3.2	3.3	
Permanent Force	97-98 Budget	13,091	1,061	5,481	19,633
	97-98 Revised	13,041	486	5,196	18,723
	97-98 Actual	13,053	480	5,167	18,700
Reserves	97-98 Budget	16,862	638	5,521	23,021
	97-98 Revised	16,862	638	5,521	23,021
	97-98 Actual	15,180	9	6,482	21,671
Civilian	97-98 Budget	591	173	700	1,464
	97-98 Revised	528	130	586	1,244
	97-98 Actual	509	85	572	1,148
Total	97-98 Budget	30,544	1,872	11,702	44,118
Personnel	97-98 Revised	30,431	1,254	11,303	42,988
	97-98 Actual	28,742	574	12,221	41,537

1997-98 Defence Reform Program Progress

In 1997/98, Army transferred personnel, equipment and functions to enabling Programs and restructured the Army Headquarters to 100 personnel in support of the Chief of Army. To ensure the continued support of the combat and training forces, Army entered into the negotiation of a number of service-level agreements with enabling Programs. Savings achieved in 1997/98 included: a reduction to senior officer numbers, rationalisation of Service personnel numbers in the Albury Wodonga military area, and reductions to administrative support.

The Army underwent significant structural change to improve the delivery of education and training. This change will see the Training Command structured around the Combined Arms Training and Development Centre, Individual Training Centres, and Regional Training Centres.

Defence Reform Program reinvestment funded additional maintenance contract costs to assist the achievement of the planned levels of operational readiness for current Army Aviation rotary wing assets.

Table 3.4: 1997-98 Defence Reform Program Savings

<i>Category</i>	<i>Personnel Savings</i>		<i>Savings \$m</i>
	<i>ADF</i>	<i>APS</i>	
Defence Command and Management Arrangements	45	78	3.3
Logistics			0.5
Education and Training	72	31	3.2
Total	117	109	7.0

Table 3.5: 1997-98 Defence Reform Program Reinvestment

<i>Category</i>	<i>\$m</i>
Capability Related Logistics	1.2
Transition costs related principally to redundancies ⁽¹⁾	27.9
Total	29.1

Note:

1. These transition costs include Army service personnel redundancies across all programs.

Table 3.6: Reconciliation of Appropriations for the Army Program

Division/Appropriation Item	1997-98	1997-98	1997-98	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(97-98 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
180-01 RUNNING COSTS					
Service Personnel	1,090.6	1,051.9	1,098.4	46.5	4.4
Civilian Personnel	55.6	44.9	48.1	3.2	7.2
Administrative Expenses	107.7	102.2	81.6	-20.6	-20.2
180-02 OTHER SERVICES	0.1	0.03	0.08	0.05	204.0
181 EQUIPMENT & STORES	45.7	54.7	50.7	-4.0	-7.3
Total Defence Function Appropriations (A)	1,299.7	1,253.7	1,278.9	25.1	2.0
Total Defence Function Receipts (Offset within Outlays) (B)	-20.0	-20.7	-10.6	10.1	-49.0
Total Defence Function Outlays (C) = (A+B)	1,279.7	1,233.0	1,268.3	35.3	2.9

Note:

Figures may not add due to rounding.

Table 3.7: Major Variations between 1997-98 Revised Estimate and 1997-98 Actual Outcome

Appropriation	\$m
180-01 RUNNING COSTS	
Service Personnel (\$46.5m)	
Provision for Defence Reform Program related redundancies	24.7
Part year effect of ADF Workplace Bargaining Agreement	16.6
Higher than anticipated Accrual-Based Superannuation and 3% Superannuation Productivity Benefit liability	3.9
Higher than anticipated requirement due to changes in rank profile and per capita	2.5
Increased provision for Disability Allowance	1.7
Higher than planned expenditure on General Reserve Special Reserve Education Assistance Scheme Allowance	1.5
Increased requirement for allowances related to Overseas payments	1.0
Increased requirement for Pilot Retention Bonus payments	0.5
Lower than anticipated expenditure on Army Reserve Training Salaries	-1.2
Defence Reform Program Savings	
Related to Defence Command and Management Arrangements	-1.8
Related to Education and Training	-2.9

<i>Appropriation</i>	<i>\$m</i>
Civilian Personnel (\$3.2m)	
Provision for Defence Reform Program related redundancies	3.2
Higher than anticipated expenditure on Civilian Salaries	1.9
Part year effect of Civilian Workplace Bargaining Agreement	0.7
Provision for Trainee Administrative Service Officer Scheme	0.2
Lower than anticipated Civilian Accrual-Based Superannuation & 3% Superannuation Productivity Benefit liability	-0.6
Defence Reform Program Savings	
Related to Education and Training	-0.3
Related to Logistics	-0.4
Related to Defence Command and Management Arrangements	-1.5
Administrative Expenses (-\$20.6m)	
Net Program transfers primarily associated with 1 Joint Movement Group and Air Movement Training Development Unit	5.7
Reduced requirement for Army ATSIC Community Assistance Project due to reprogramming of projects	-0.9
Reduced provisions for Overseas Administration support and education & training schemes	-2.1
Variation in Fringe Benefits Tax liability	-22.9
Minor miscellaneous variations	-0.3
Defence Reform Program Savings	
Logistics	-0.1
180-02 OTHER SERVICES (\$0.1m)	
Military History Grant provision	0.1
181 EQUIPMENT AND STORES (-\$4.0m)	
One-off payment during FY 97-98 to maintain Rate Of Effort for Fixed Wing support to Northern Command	1.8
Increased requirement for Army Aviation Support Group	1.5
Reduced requirement for Army ATSIC Community Assistance Project due to reprogramming of projects	-7.8
Minor miscellaneous variations	0.5
DEFENCE PORTFOLIO RECEIPTS (\$10.1m)	
Reduced requirement due to reprogramming of timing of Army ATSIC Community Assistance Project recoveries	10.2
Increased requirement for Townsville City Council receipts due to finalisation of loan in 1997/98	-0.8
Minor miscellaneous variations	0.7