

PROGRAM 4: AIR FORCE

OBJECTIVE

To prepare for, conduct and sustain effective air operations to promote Australia's security.

DESCRIPTION

The Air Force Program provides forces for air operations, including air control, surveillance, strike, reconnaissance, maritime patrol and airlift.

The Program Manager is the Chief of Air Force who commands the Royal Australian Air Force and is responsible for the preparation of forces for the conduct of air operations and the efficient and effective strategic management of the Program. The Air Force Program comprises three Sub-Programs: Combat Forces; Executive; and Training.

PROGRAM SUMMARY

Air combat capability in support of Australia's security interests was maintained through the flying hour program, which underpins achievement of the operational capability requirements of the 1998 Chief of the Defence Force Preparedness Directive. Flying hours allocated to training and participation in exercises and operations contributed to the maintenance of minimum skill levels, provided opportunities to practise and evaluate specific operational roles, and enhanced cooperation and interoperability with allied forces and regional nations.

During the year, the Air Lift Group consistently operated at or above Minimum Levels of Capability. Other Force Element Groups operated below Minimum Levels of Capability because of aircraft unavailability arising from pressures in logistics funding or shortages of critical personnel, such as aircrew. Corrective measures are being progressed to restore the required capability; nevertheless, some difficulties remain.

The Air Force also met a number of Government-directed tasks, including drought relief in Papua New Guinea and Irian Jaya, support to the Bougainville peace process, and the deployment of forces to the Persian Gulf. Although most of the impact associated with these unscheduled tasks was absorbed within the flying hour program, an increase in Caribou flying hours was required due to the heavy commitment of aircraft and hours to international drought relief operations. Another unavoidable impact occurred with the C-130 aircraft, which was forced to underfly its allocation of training and support hours due to the heavy involvement of aircraft in, and on standby for, a number of contingency operations.

An issue facing the Air Force at present is a shortfall in logistics funding. This shortfall is a result of pressures to maintain or increase capital investments, reductions in fleet availability due to capital upgrade projects or delays in delivery, increasing technological complexity of combat platforms and the advancing age of the aircraft fleet.

PERFORMANCE MEASURES FOR 1997-98

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

- a. the Air Force met ADF operational requirements and was able to conduct effective air operations;
- b. the Air Force's strategic planning process improved the coordination and communication of key concepts throughout the Service;
- c. changes resulting from the implementation of major functional reviews and initiatives have been made expeditiously to effect maximum savings, and in accordance with the achievement of Air Force's objectives;
- d. the Air Force Program planning, management and budgeting processes supported the economic use of available resources within endorsed policies and approved programs and the achievement of agreed objectives;
- e. the Air Force operational policy was developed to meet the changing needs of the ADF; and
- f. training course graduates met the requirements of the operational workforce or entry standards for subsequent training.

PERFORMANCE OUTCOMES FOR 1997-98

Achieve the authorised flying hour program to meet training, preparedness, developmental and other tasks

All components of the Combat Force seek to maintain preparedness at specified levels of capability. The Flying Hour Program reflects minimum level of capability requirements through the allocation of flying hours to peacetime activities, conversion, categorisation and continuation training, as well as tasking for operations and exercises. Outcomes for capability availability during 1997-98 are contained in Part One of this report.

Improve operational capability by training, operations and exercises, and enhanced cooperation with regional and allied forces

Air Force participation in exercises, operations and Government-directed activities both in Australia and overseas contribute to the maintenance of minimum skill levels and preparedness; the development of joint and combined operational procedures and tactics; and enhanced cooperation and interoperability with regional and allied forces. Outcomes for forecast exercises and Government-directed activities during 1997-98 are contained in Part One of this report.

Conduct successfully maritime surveillance operations

Outcomes for planned maritime surveillance operations regularly carried out in support of the defence of Australia are contained in Part One of this report.

Implement Air Force aspects of the Defence Reform Program

The Combat Support Group was formed in May 1998 to restructure the means by which operational support is provided to deployed Air Force combat units.

The Air Force successfully negotiated a Memorandum of Understanding with the Defence Corporate Support Program during the year. Negotiations for a Memorandum of

Understanding with the Defence Estate Program are progressing, as are negotiations with Support Command Australia, Army and Navy to establish an agreed set of 'Business Rules' to govern the relationship between the four Programs. Agreements with other key service-provider Programs will be pursued during FY1998-99.

Improve Air Force resource management capabilities through the development of improved resource management processes and supporting information systems

The four year history in the Air Force Resource Attribution Model, the Flying Hour Cost Recovery Rate Application and the Resource Management System was used to provide improved financial trend analysis and reporting information in support of resource decisions.

Implement an ADF flying safety and airworthiness regime

The ADF Flying Safety Agency and the Airworthiness Coordination and Policy Agency were formed to assist the Chief of Air Force in exercising formal responsibility for these functions across all ADF aviation. The Chief of the Air Force has initiated an ADF-wide review of Aviation Safety Management to focus on implementation of flying safety management principles and standardisation of operational airworthiness regulations across all three Services.

There were no aircraft accidents within Air Force during 1997-98.

Develop Air Force preparedness planning and documentation to include linkages from strategic guidance through to the operational and tactical employment of forces

The Air Force has completed and issued an Air Force Preparedness Directive based on the requirements of the Military Strategies, Military Strategic Objectives and Military Response Options developed by Defence Headquarters. Inputs have also been provided for the 1999 Chief of the Defence Force Preparedness Directive, which will further strengthen this linkage to strategic guidance when it is released in 1998-99.

Complete a review of the Members Required in Uniform assumptions, numbers and required competency levels

A Wartime Restructure Project has been initiated to determine the post-Defence Reform Program workforce structure that a smaller RAAF will need in peacetime and in wartime to respond to a significant conflict.

Complete the Contingency Activation Project to identify personnel for employment at forward bases during a contingency/exercise

The Contingency Activation Project (CAP) has become an integral component of the Wartime Restructure Project (WRP). Following WRP determination of initial wartime and peacetime workforce structures in 1998-99, the CAP methodology will be applied to establish training and activation requirements for specific positions.

Develop further the Air Command Support System;

The Air Command Support System forms the tactical element of the Joint Command Support Environment to support the planning and conduct of air operations and will establish the core functionality of a dispersed secure command and control system throughout the Air Force. Initial installation of the network was completed, with installation of basic systems to be

completed in 1998-99. Responsibility for the network will be transferred to the Corporate Information Program in 1998-99.

Contribute to the development of Reserve aircrew policy

A review of the employment of Reserve aircrew was completed. Active Reserve aircrew employed in the Operational Aircrew Reserve Group on a part-time basis for flying duties will now be required to meet the same flying skill and categorisation standards as their permanent Air Force counterparts. Reserve aircrew in the Contingency Aircrew Reserve Group will only be required to maintain a basic familiarisation with aircraft roles, operations and systems.

Develop Weapon System Master Plans for RAAF/Army aircraft to achieve further efficiencies in managing the ADF aircraft fleets, and to maintain capability during the transition to new equipment

Weapon System Master Plans have been finalised for seven aircraft types. Plans for all other aircraft will be in place by December 1998. Extensive advice has been provided to the Army to facilitate the same process for Army aviation assets.

Promote air power studies and updating of current air power doctrine

The Chief of Air Force Air Power Conference, *Testing the Limits*, was conducted in Canberra in March 1998 and included the formal launch of the Third Edition of the Air Power Manual, which details the RAAF's air power doctrine. The attendance of nearly 1,000 delegates included representatives from several regional nations, New Zealand, the United Kingdom and the United States.

A Regional Air Power Workshop was also hosted in Canberra with representatives of seven regional countries attending. Regional understanding and cooperation in the application of air power was also furthered through a series of lectures conducted at the Malaysian Armed Forces Defence College and the Philippine Air Force Command and Staff Course.

Review the ground combat training philosophy and programs

A substantial review of ground-combat training culminated in a complete revision of relevant policy manuals. The revised ground-defence doctrine will be tested during major annual exercises.

Inculcate the quality management philosophy within Air Force

A successful program of senior executive seminars on quality management was conducted throughout the year. Over 50% of all senior Air Force officers (Wing Commander rank and above) have now attended the seminars. Quality management modules have also been placed into all elements of the Air Force's professional military education and training programs.

Implement in-service training for new Air Force equipment, including C130J transport aircraft, TAP-3 training aircraft, Computer Aided Maintenance Management system, updated F/RF-111C aircraft and new stand-off weapons.

In-service training requirements for the TAP-3 and updated F/RF-111C aircraft were implemented during 1997-98. Computer aided maintenance management system training courses have been successfully developed and tested for implementation by the end of 1998. However, in-service training for the C-130J transport aircraft has been deferred to 1999-2000 due to slippages in the Lockheed development schedule. Training requirements associated with new stand-off weapons have also been determined and factored into relevant project schedules.

RESOURCES

Table 4.1: Defence Function Outlay Summary

<i>Sub-Program</i>		<i>1997-98 Budget Estimate</i>	<i>1997-98 Revised Estimate</i>	<i>1997-98 Actual Outcome</i>	<i>Variation (97-98 Actual less Revised Estimate)</i>	
		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>%</i>
4.1	Combat Forces	582.9	507.0	526.4	19.4	3.8
4.2	Executive	37.4	67.4	29.8	-37.6	-55.8
4.3	Training	158.1	139.4	138.8	-0.5	-0.4
Program Total		778.4	713.7	695.0	-18.7	-2.6

Note:

Figures may not add due to rounding.

Table 4.2: Staffing Summary

<i>Sub-Program</i>		<i>1997-98 Budget Estimate</i>	<i>1997-98 Revised Estimate</i>	<i>1997-98 Actual Outcome</i>	<i>Variation (97-98 Actual less Revised Estimate)</i>	
		<i>Personnel Numbers</i>				<i>%</i>
4.1	Combat Forces	10,149	8,192	8,233	41	0.5
4.2	Executive	682	694	1,082	388	55.9
4.3	Training	2,554	2,407	2,039	-368	-15.3
Program Total		13,385	11,293	11,354	61	0.5

Table 4.3: Staffing Profile

<i>Personnel</i>		<i>Sub-Program</i>			<i>Total</i>
		<i>4.1</i>	<i>4.2</i>	<i>4.3</i>	
Permanent Force	97-98 Budget	8,585	190	2,434	11,209
	97-98 Revised	6,686	206	2,272	9,164
	97-98 Actual	6,762	254	1,915	8,931
Reserves	97-98 Budget	1,060	405	0	1,465
	97-98 Revised	1,060	405	0	1,465
	97-98 Actual	1,261	759	0	2,020
Ready Reserves	97-98 Budget	295	0	0	295
	97-98 Revised	295	0	0	295
	97-98 Actual	43	0	0	43
Civilian	97-98 Budget	209	87	120	416
	97-98 Revised	151	83	135	369
	97-98 Actual	167	69	124	360
Total	97-98 Budget	10,149	682	2,554	13,385
Personnel	97-98 Revised	8,192	694	2,407	11,293

Personnel	Sub-Program			Total
	4.1	4.2	4.3	
97-98 Actual	8,233	1,082	2,039	11,354

1997-98 Defence Reform Program Progress

Air Force achieved its 1997-98 savings principally through the centralisation, rationalisation and streamlining of training delivery. Further minor savings were achieved in personnel administration. Air Force centralised non-technical, clerical, catering and steward training and reduced the infrastructure and associated overhead costs. Further rationalisation was achieved in catering / steward training in anticipation of a tri-Service school. Dental Technician training is also now being delivered on a tri-Service basis resulting in administration, facilities operations and personnel savings. Clerical and support functions at 305 and 306 Air Base wings were also contracted out.

Table 4.4: 1997-98 Defence Reform Program Savings

Category	Personnel Savings		Savings
	ADF	APS	\$m
Education and Training	75	14	6.7
Personnel Planning			2.0
Total	75	14	8.7

Table 4.5: 1997-98 Defence Reform Program Reinvestment

Category	\$m
Transition costs related principally to redundancies ⁽¹⁾	10.4

Note:

1. These transition costs relate include Air Force service personnel redundancies across all programs.

Table 4.6 Reconciliation of Appropriations for the Air Force 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	610.3	513.3	535.5	22.2	4.3
Civilian Personnel	19.5	15.7	16.3	0.6	3.8
Administrative Expenses	64.6	72.4	50.5	-21.9	-30.3
181 EQUIPMENT & STORES	132.5	143.5	117.2	-26.3	-18.3
Total Defence Function Appropriations (A)	826.9	744.9	719.5	-25.5	-3.4
Total Defence Function Receipts (Offset within Outlays) (B)	-48.5	-31.2	-24.4	6.8	-21.7
Total Defence Function					

Division/Appropriation Item	1997-98	1997-98	1997-98	Variation	
	Budget	Revised	Actual	(97-98 Actual less	
	Estimate	Estimate	Outcome	Revised Estimate)	
	\$m	\$m	\$m	\$m	%
Outlays (C) = (A+B)	778.4	713.7	695.0	-18.7	-2.6

Note:

Figures may not add due to rounding.

Table 4.7: Major Variations between 1997-98 Revised Estimate and 1997-98 Actual Outcome

Appropriation	\$m
180-01 RUNNING COSTS	
Service Personnel (\$22.2m)	
Provision for Defence Reform Program related redundancies	9.7
Part year effect of ADF Workplace Bargaining Agreement	8.1
Increased provision for disability allowance	6.9
Higher than anticipated take up rate for Pilot Retention Bonus	6.2
Lower than anticipated Accrual-Based Superannuation and 3% Superannuation Productivity Benefit liability	-0.6
Higher than anticipated separation rates	-1.5
Defence Reform Program Savings	
Related to Education and Training	-6.6
Civilian Personnel (\$0.6m)	
Provision for Defence Reform Program related redundancies	0.7
Higher than anticipated Accrual-Based Superannuation and 3% Superannuation Productivity Benefit liability	0.4
Part year effect of Civilian Workplace Bargaining Agreement	0.3
Net Program transfers primarily relating to Psychiatrists Services	-0.1
Miscellaneous minor variations	-0.6
Defence Reform Program Savings	
Related to Education and Training	-0.1
Administrative Expenses (-\$21.9m)	
Reduced requirement for travel and other administration costs	-1.5
Net Program transfers primarily associated with Air Movement Training Development Unit	-7.4
Variation in Fringe Benefits Tax liability	-11.0
Defence Reform Program Savings	
Related to Personnel Planning	-2.0
181 EQUIPMENT & STORES (-\$26.3m)	
Lower than anticipated cost of overseas systems training facility	-0.5
Variation in costs for various items of equipment including replacement of training support	-1.0
Net Program transfers primarily associated with Aircraft Research and	-6.2

<i>Appropriation</i>	<i>\$m</i>
Development Unit	
Lower than expected fuel purchases	-18.6
DEFENCE PORTFOLIO RECEIPTS (\$6.8m)	
Lower than anticipated fuel sales resulting from a reduction in visiting military aircraft	4.8
Impact of lower than forecast Special Purpose aircraft activities	2.0