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Australian Defence Force Journal
Building B-4-26
Russell Offices
CANBERRA ACT 2600
(06) 265 2682 or 265 2999
Fax (06) 265 1099

Advertising Enquiries:
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© Commonwealth of Australia 1995
ISSN 1320-2545
Published by the Department of Defence
Canberra 1995
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HMAS Perth, HMAS Newcastle and HMAS Brisbane at sea - Exercise Kangaroo 95.
The Seven Deadly Sins of Leadership

Dear Editor,

I was dismayed to see that an article in the November/December 1994 issue of the Australian Defence Force Journal casts a serious slur on the character of a distinguished Australian military commander. R. W. Eastgate in The Seven Deadly Sins of Leadership states that a certain “unit commander” feeling “that his own period of command was denied the recognition afforded that of his predecessors through their significant victories … had used his not inconsiderable influence not to rewrite history, simply to rearrange it, thus ensuring his place in history and his reputation as a great commander.”

The context of this allegation is clearly the Korean War, and the relevant episode is the battle for a major hill complex known to the Koreans as Maryang San and to the troops who took part in it as Hills 217 and 317. I was the Australian official war historian for the Korean War and wrote the first major account and analysis of that battle as part of my wider coverage of the Australian Army’s role in that war.

In my view the allegation has no substance. I formed my assessment of the importance of that battle from the documentary records which I studied before beginning to write the history: the diaries and other records of the division, brigade and battalion concerned. I did not talk to the Australian unit commander until after my initial drafting of the chapters of the official history. What I gleaned from him provided only marginal additions to the account I had written from the documents.

Any person who has put about an allegation that the official history is a distorted record, twisted by the unit commander out of personal vanity, owes him, (not to mention myself), a fulsome apology.

Robert O’Neill
Chichele Professor of the History of War
All Souls College, Oxford

As their letters have made abundantly clear, they are dismayed that an article can have been published in one of our principle defence journals which denigrates a famous battle and hence the gallantry and sacrifice of those who fought in it; defames a distinguished senior officer and by implication questions the professional competence of the official historian for the Korean War.

That the article referred to the battle of Maryang San is not in question, as the description has been independently identified by many informed readers, including the official historian, Dr O’Neill.

You have in your possession a large number of letters from indignant individuals and associations who have expressed their disgust at the contents of this article. There is no point in itemising their complaints, but it is worth noting the unanimity of their views and the sincerity of their feelings.

No one would dispute Robert O’Neill’s status as the pre-eminent Australian authority on the Korean War, therefore it is worth quoting one of his letters to you. After having spoken of the allegation in the article which refers to the Commanding Officer, he goes on to say: “The context of this allegation is clearly the Korean War, and the relevant episode is the battle for a major hill complex known to the Koreans as Maryang San and to the troops who took part in it, as Hills 217 and 317. I was the official war historian for the Korean War and wrote the first major account and analysis of that battle as part of my wider coverage of the Australian Army’s role in that war.

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In other correspondence, Dr O’Neill has gone on to say that: “When I turned to the evidence of Australia’s involvement in the Korean war, that particular action (Maryang San) stands out clearly ... The success of this action, its duration and the number of decorations awarded to those taking part all persuaded me that it was the most notable action of the Korean War. Had the Battalion not already been awarded a Presidential
Air Power Theory

Dear Editor,

In the May/June edition of the Australian Defence Force Journal, both Squadron Leader Forrest and Dr Stephens make mention of the long held view that the leadership of the German Luftwaffe, because of their subordination to the German Army, did not understand air power, that they were not "true believers" because of their failure to structure their force around a strategic bombing capability.

This view fails to take into account the nature of the military problem facing Germany and her armed forces in the earlier phases of the Second World War. In brief, up until the end of 1941, Germany had no need for strategic bombing. Indeed, up until that time the Luftwaffe showed, with a few notable exceptions, a sound appreciation of air power. In the various campaigns to the end of 1941 the Luftwaffe opened with the destruction of the opposing air force, then proceeded to support the army in its highly effective Blitzkrieg. The 1940 Battle of Britain, where the Luftwaffe made several mistakes in the application of air power, was not a strategic offensive; its purpose was to destroy the RAF in order to facilitate the invasion of Britain by land forces. The subsequent blitz was a strategic offensive for which the Luftwaffe, initially, had a capability at least equal to that of the, in air power terms "politically correct", RAF.

All this is not to say that Germany did not need a strategic bombing capability during the Second World War. She did, particularly after 1941 when her invasion of the Soviet Union came to a grinding halt. What was lacking at that stage was a long range bombing capability for use against Soviet industry in the Urals. Thereafter also, the Luftwaffe was heavily drawn into support for the hard pressed German armies. Where the Luftwaffe was at fault was, not in failing to develop a dedicated strategic bombing capability earlier in the war, but in failing to foresee the future course of the war, a failing in which they were not alone!

Dr Stephens also criticises Japan for failing to develop "a genuine strategic air offensive capability". As with Germany, Japan had no need of such a capability for her initial campaigns in South-East Asia and the South-West Pacific. Here, again as with Germany, Japan used her air power to great effect, clearly outclassing her opponents who showed an appalling lack of appreciation of the potential air power. Also, in relation to the strategic use of air power, Japan's prime enemy, the United States lay well beyond the reach of any bomber aircraft then available, and remained so throughout the war. Japan's war was essentially a naval war; hence the development of her air forces to support the navy was a sound move.

Norman Ashworth
Air Commodore (Ret)

Author's Reply

Dear Editor,

Air Commodore Ashworth's comments do not, I believe, provide an entirely accurate interpretation of my article.

I did not say that the German Air Force 'did not understand air power'. I did say, correctly, that because the Luftwaffe was structured essentially to support the army, Germany's ability to mount air attacks to maximum effect was constrained. It is interesting to note that at the Nuremberg Trials, Goering claimed that it had been his intention from the outset to establish a force of heavy bombers capable of conducting independent operations. But because he believed a major war would not start until at least 1942, and responding to the demands of the General Staff, he had given initial priority to developing an army support capability. When war came three years sooner than expected, Goering's plans for a strategic bomber force were derailed to meet the pressures of the moment and never recovered.

Japan did no better. There were two Japanese air forces, one run by the Navy and the other by the Army. Not surprisingly, the first was structured essentially to support maritime operations and the second land operations, arrangements which inevitably were restrictive. Further, to suggest, as Air Commodore Ashworth has, that Japan did not need 'strategic' bombers because mainland United States lay beyond their reach is to misunderstand the meaning of 'strategic'. A 'strategic' target is defined by its nature and significance, not by how far away it is. There were
Air Power

Dear Editor,

A recent article by Air Commodore Ashworth (Ret) entitled Air Power Can Win Wars in the May/June 1995 edition of the Australian Defence Force Journal made a number of assertions regarding the Battle of Britain which indicates a selective interpretation of historical events. In his article the Air Commodore stated that Germany’s failure to achieve air superiority during the Battle “...clearly lost Germany its one clear opportunity to win the war. With air superiority, the task of capturing Britain would have been relatively easy, such were the state of Britain’s land defences at the time. Thus air power could have won the Second World War for Germany”. In linking the failure of Germany to win the war to the Luftwaffe’s inability to achieve air superiority over southern England, Air Commodore Ashworth ignores those other factors which prevented Germany defeating Britain in 1940-41. Amongst others these were:

a. Failure of Strategic Planning. The speed of the fall of France came as a surprise to both Britain and Germany. Hitler and the German High Command had conducted no planning to exploit the favourable strategic opportunity now afforded to them. Germany was left with a number of difficult options for ensuring the defeat of Britain, none of which were fully explored, thus Germany commenced a campaign against Britain without an adequate strategic plan;

b. Failure of Operational Planning. The lack of strategic direction meant that Luftwaffe, Kriegsmarine and Wehrmacht operational planning was neither coordinated nor effective. The most obvious manifestation of this problem was the Luftwaffe’s targeting policy against Britain, which lacked coherence and consistency and often supported the Seelowe invasion plan only in the most indirect sense; and

c. Inadequate Forces. All three German Services were ill-equipped to perform the tasks required by Operation Seelowe. The bulk of the Kriegsmarine surface fleet had been crippled by the campaign in Norway, with its depleted forces the Kriegsmarine could not guarantee the safety of an invasion fleet against the Royal Navy. The Wehrmacht had little knowledge of amphibious operations and no specialised equipment with which to conduct such an operation. Finally, the Luftwaffe was not prepared in terms of equipment or doctrine for the task that Goering gave it.

The Luftwaffe’s inability to achieve air superiority over southern England combined with other German shortcomings to ensure that an invasion would not go ahead. In assessing the impact of this failure on the future outcome of the War, I support the view put forward by H.P. Willmott in The Great Crusade (Michael Joseph, London, 1989), page 111, where he states... “In military terms, the Battle of Britain was both small scale and of limited significance” and “The only practical result of the campaign was that after September the RAF possessed a greater measure of superiority over southern England in daylight hours than it had in August; in every other respect Britain’s position was unchanged. At no point could she challenge Germany’s control of western Europe”. The failure to invade or subdue Britain meant that Germany was required to keep some occupation troops along the Channel in 1941 and 1942, however Germany’s primary strength as a land based continental power was not affected by the outcome of the Battle. Large scale military formations were not required to safeguard against the possibility of an Allied invasion from Britain until 1943, by which time the fate of the Hitler’s Germany had already been decided by the battles of attrition being conducted on the Eastern Front. Enthusiasm for air power is an admirable quality, but it should not blind the researcher to historical realities. The War was lost for Germany not because of the inability of the Luftwaffe to secure air superiority over the skies of southern England, but due to the failure of the Wehrmacht to seize and hold the ground before Moscow.

I.R. Finlayson
Major

Douhet’s Theories

Dear Editor,

It would appear, from the articles by Squadron Leader Forrest and Major Eaton in the May/June 1995 edition of the Australian Defence Force Journal, that Douhet is alive and well in New Zealand.

In his article, Squadron Leader Forrest promotes Douhet as a great prophet of air power. To me, Douhet is neither informative nor inspirational as far as air power is concerned. While some of what he had to say is valid, his central thesis is grossly at fault.
Over the years the fallacies in Douhet’s ideas have led many an air power enthusiast “up the garden path”, and have provided the opponents of the air force as an independent service with a great deal of ammunition.

Taken very simply, Douhet’s central thesis is that the nation’s prime military arm should be a fleet of strategic bombers, and that the army and navy should be limited to that necessary to hold the line against any attack until such time as the bomber fleet can do its work. In the event of war, the first task of the bomber fleet would be to destroy the enemy’s bomber fleet, thus preventing him from doing to us what we plan to do to him. This would be followed by a threat to the enemy to immediately surrender or face the utter destruction of his urban areas, backed by the actual destruction of a city or two as a demonstration of capability. If this second step failed to achieve the desired surrender, then the bomber fleet would be required to proceed with the systematic destruction of the enemy’s urban areas in a campaign reminiscent of Genghis Khan. Finally, with his cities destroyed, his industry in ruins, his population devastated and his field army withering on the vine for want of resupply, the enemy would have no option but to surrender.

From the Second World War two illustrations arise as to the possibilities and the fallacies of Douhet’s ideas. Firstly, during the Battle of Britain in 1940, Germany switched its attention from bombing RAF airfields and aircraft factories to the city of London. Here, while the prime aim remained the destruction of the RAF so as to facilitate the invasion of Britain by the German Army, Hitler also took up the idea that, maybe, he could force Britain to surrender, without an invasion, in classic Douhet fashion. As it turned out the RAF were not defeated; nor was Britain frightened into surrender in order to save her cities from destruction from the air. However, had the RAF failed, Britain as a whole would have been opened up to unrestricted bombing by the Luftwaffe. Given the circumstances of Britain in 1940, which were in marked contrast to those in Germany in 1945, it is quite possible that Britain may have surrendered. Unlike Germany, Britain was not a rigidly controlled society and the terms then on offer by Hitler were far more generous to Britain than the “unconditional surrender” offered to Germany in 1945. Had Britain thus succumb, it would have been a clear indication of the possibilities of air power according to Douhet.

By August 1945, the United States had, in effect, reached the second stage of a Douhet like campaign against Japan. Through the fire-bombing of Japanese cities and the two atomic bombs, the United States had demonstrated to Japan its capability to destroy all of Japan by aerial bombardment. At that point Japan, for whatever reason, surrendered. What is of relevance to the present discussion is to contemplate what the United States might have done if Japan had not then surrendered. Would the United States have been willing to conduct a Douhet like campaign of destruction, with a likely loss of from 10 to 20 million, or even more, lives? Or would she have let MacArthur have his way with a land invasion of the home islands, which in turn had the potential for similar casualties, including the death of up to one million American servicemen? The point here, and this is the fallacy of Douhet’s ideas on air power, is that the country wielding the power has to be ready and willing to kill a high proportion of the enemy’s civilian population and virtually destroy its economy. It is a price of victory that few nations, not least of all a liberal democracy like our own, would be willing to pay.

Norman Ashworth
Air Commodore (Ret)
Visiting Military Fellowships at the Australian Defence Force Academy

By Wing Commander Ian MacFarling, RAAF

Introduction

In everyday military terminology the words 'best kept secret' are often used to describe a job that has substantial benefits for the Australian Defence Force, is very interesting for the incumbent but, for some strange reason, remains unknown in the wider Defence community. This brief article aims to describe how the best kept of all these secrets, the visiting military fellowships [VMF] at University College, the University of New South Wales, fits into a military career. It will also, hopefully, clear up some of the common misperceptions about the way the academic system at the Defence Academy works. I should say at the outset that I believe that the posting is not only a wonderful tour of duty, but also offers considerable benefits to both the individual VMF and his or her parent Service.

The Academic System at the Defence Academy

The Australian Defence Force Academy was established to provide the education and training of young men and women selected as trainee officers in the Australian Defence Force [ADF]. The Defence Academy does not provide the academic education for the officer cadets and midshipmen that form the student body. This is done by the University of New South Wales [UNSW] which has an agreement with the Australian Government to provide the students with a liberal arts education at the tertiary level. Consequently, the qualifications gained by the graduates are the same as any gained from either the main campus of UNSW or any other university in Australia.

University College is headed by the Rector who is appointed by UNSW. The College has 12 departments that teach a wide range of academic disciplines. These include history, politics, English, mathematics, economics and management, computer science, geography and oceanography, physics, chemistry, civil engineering, electrical engineering, and aerospace and mechanical engineering. Each department is chaired by a senior academic who is responsible directly to the Rector for the running of that department. It would however be a mistake to believe that a head of department is the leader of a hierarchical structure. Academic life is collegial and the department head guides his charges by persuasion and influence. This is a wise procedure because fellow academics, especially those with tenure, will make picturesque and sometimes physiologically difficult suggestions to any departmental head who tries to lead merely by using the authority of his position. Henry Kissinger was right when he said that the reason academic politics are so bitter is because the stakes are so low. However, for all the potential anarchy, I found University College a pleasant and easy place to live and work and my academic colleagues were very friendly, helpful and supportive.

The University College undergraduates are all military personnel. The majority come from the Defence Academy's Corps of Officer Cadets but there are several ADF officers completing their first degrees either on a full time or a part time basis. These older men and women are a valuable resource for the College because they bring with them a wealth of experience that can enliven tutorials and generate enthusiasm amongst the cadets. The postgraduate student body is quite different. Some 55 per cent are civilians and they study by course work or undertake their own research for masters degrees and doctorates. In the 1994 academic year there were over 400 men and women from 21 countries completing post-graduate work.

The Duties of a VMF

A VMF has two main duties. The first is to teach tertiary level academic subjects within the University, and the second is to act as a role model for the cadets and midshipmen. The current firriiily in the Australian Defence Force is that being a VMF is the best way to gain a higher degree whilst having a scandalously
easy time that does not incur a return of service obligation. This is not the case. If the VMF has the opportunity and can fit in some post-graduate studies then all well and good. However, teaching comes first. The best way for someone to undertake post-graduate research is to offer a course where the subject being taught has very close links to the research project. This has an holistic effect. You will never know any subject as well as when you are forced to teach it at a tertiary level unless of course you want to make a complete and utter ass of yourself in front of a highly perceptive and bolshie bunch of students!, and conversely your teaching benefits from the on-going research.

The way VMFs are employed depends upon the academic disciplines taught by the Department in which they work. In a science or engineering department the courses are often tied down fairly tightly because of the standards set by an external agency such as a professional body that governs the conduct of the members of that profession. An example is the Institution of Engineers, Australia which demands that all its members follow courses of study where the curriculum is specified in the minutest detail and standards are rigidly enforced.

The humanities departments are less rigid and it is possible to develop a course with the agreement of the department head that matches the VMF’s particular skills and interests. An example in politics might be a course of special study in first year of the VMF’s tour and, if it is a success, it will be offered as a permanent subject, given its own course code number, and put in the University Handbook. The VMF then prepares the course guide, the lecture materials, liaises with the ADFA Library to acquire the texts, teaches the subject, marks the essays [oh joy!] and then sets and marks the examinations. It is hard - especially if the students decide that the course is one that interests them and they arrive in droves - but it is also very rewarding.

Becoming a VMF

The usual method for military officers to go to a new tour of duty is for their parent Service to post them where they are needed. In the case of VMFs this is not the case. The best way for someone to undertake post-graduate research is to offer a course where the subject being taught has very close links to the research project. This has an holistic effect. You will never know any subject as well as when you are forced to teach it at a tertiary level unless of course you want to make a complete and utter ass of yourself in front of a highly perceptive and bolshie bunch of students!, and conversely your teaching benefits from the on-going research.

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Benefits to the Services

The VMF programme could have significant benefits for the Australian Defence Force if it was used as part of a long term education system. Officers who have taught for three years at a university, and perhaps have post-graduate tertiary qualifications, could make a significant contribution to the education of other officers at Service staff colleges, the Joint Services Staff College or the Australian College of Defence and Strategic Studies. They could also be candidates for instructor posts at other foreign defence universities and national defence colleges. A side benefit for the post-University College
employment of all VMFs is that they have become thoroughly versed in the field they have taught so, for example, engineers will return to their parent Services having had their professional knowledge refreshed to an extent that would not have been possible in normal Service postings that generally do not use their complete range of skills.

Benefits to the Individual VMF

Individual VMFs will gain a great deal from their fellowships. It is not just the consequence of university teaching and the research that accompanies it, though this is the major part. It is also the exposure to young minds with new ways of seeing events. It is also a humbling experience because the cadets tend to use VMFs as sounding boards and places where a kind and sympathetic ear can be found. During my three years at the Politics Department of University College I heard about mothers and fathers divorcing, grandparents dying, boyfriends who were fickle, girlfriends who were equally fickle, pressures of family expectations, plans, hopes and wishes that made me feel I was a friend rather than a distant senior officer. The downside is that you realise how poorly they have been served by their primary and secondary teachers. Grammar, spelling [sack-religious, gorilla warfare!!] and punctuation were often so abysmal that it made me angry at the people who pose as educators in Australia.

A final benefit of the posting is that it allows the VMFs to meet and work with a group of highly intelligent, sometimes eccentric, individuals who have completely different attitudes to military officers and about Service life; some are not all that complimentary! It gives the VMFs time to reflect on whether their own attitudes are as realistic as they might be. I remember debating the Thatcherite aphorism that ‘socialism breeds immorality’ with one of my colleagues in the Politics Department. In the end I discovered that he was arguing fervently for the proposal from the belief that the individual in society was paramount and I, as a Service officer, was arguing from the communitarian viewpoint that Thatcher’s belief was quite wrong. It took me by surprise because, in my youth, we had a vision of academics being very firmly on the left of the political spectrum while military officers, following Samuel P. Huntington’s celebrated research, were always on the right. Later, I wondered why military officers are generally conservative given that, by definition, they must espouse the value of community in their professions.

Summary

A visiting military fellowship at University College, the University of New South Wales is a demanding and rewarding posting for a suitably qualified senior officer in the Australian Defence Force. It has a number of benefits for the individual VMFs and the cadets they teach and, at the same time, it offers the ADF the opportunity to produce officers who can benefit the whole ADF at the higher education institutions in the Services. It should be seen as a part of the long term plan to produce a more educated Australian Defence Force.

NOTES & ACKNOWLEDGMENTS

The opinions expressed in this article are the author’s and do not reflect the policies of the Australian Defence Force or the University of New South Wales.

The author would like to acknowledge the comments made on the draft of this article by Rear Admiral A M Carwardine AO RAN, Commandant of Australian Defence Force Academy and Professor H P Heseltine A O, Rector of University College, the University of New South Wales.

Wing Commander Ian MacFarling joined the Royal Australian Air Force in 1977 after 12 years service in the Royal New Zealand Air Force. In the RNZAF he flew as a navigator on Canberra B112 Bombers, Bristol B170 Freighters and Lockheed P3B Orions. In the RAAF he has served on 11 Squadron and the Aircraft Research & Development Unit. He has flown as a navigator for a total of 5650 hours. His staff appointments include secondment to the Defence Science & Technology Organisation and Headquarters Australian Defence Force. He was a visiting military fellow in the Politics Department of University College, UNSW at the Australian Defence Force Academy during the period 1992-94 and taught undergraduate courses on the military politics of Indonesia and the politics of the Association of Southeast Asian Nations.

He is a graduate of the RAAF School of Languages in Bahasa Indonesia and the Indonesian Air Force Command & Staff College. He holds a BA in government and English literature, a graduate diploma in operations research and systems analysis, a Master of Defence Studies and a PhD in political science. He is currently Staff Officer-Asia in International Policy Division in the Department of Defence.
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President of the Philippines

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As a natural corollary of the changing concept of security, the character of conflicts between nations in the future will also change. Conflicts over natural resources will break out more frequently... The control and exploitation of natural resources... will be key objectives of future conflicts.1

Introduction

To date, disputes in the South China Sea have led to armed clashes between China and Vietnam in 1974 and 1988. The Spratlys dispute is the most complex in the South China Sea and in the post-Cold War world is considered Asia's next regional flashpoint. Indeed, the Spratlys have most recently been described as the "biggest potential spark for armed conflict in Asia." This article examines the fragility inherent in the Spratly Islands dispute, in the context of China's relations with the Association of South East Asian Nations (ASEAN) in the post-Cold War world. First, a brief background to the Spratly disputes is provided. Thereafter the article discusses the reasons for the disputes and examines recent developments and claimant actions in the context of China's current relations with the ASEAN states. The article concludes with a discussion of the prospects for conflict resolution in the Spratlys.

Background

The Spratly group consists of more than 500 small islands, reefs, sand bars, and atolls in the South China Sea, located centrally between Malaysia, the Philippines and Vietnam, covering an area of 160,000 square kilometres. Historically, ownership of the Spratlys, like most of the South China Sea, lay in a geo-political vacuum for much of the nineteenth and early twentieth century and remained so after the Second World War. Today the Spratlys are variously claimed on the basis of historical right, cession, archipelagic concept, Exclusive Economic Zone (EEZ) and effective occupation, by China, Taiwan, Vietnam, the Philippines, Malaysia and Brunei.

China's claim over the entire Spratly group emerged after the defeat of the Nationalist Government in 1949. China claims associations with the Spratlys dating back to the Han dynasty 200 BC, but although it laid claim to the entire Spratly archipelago in 1950, its modern physical involvement in the Spratlys really commenced with the conduct of naval exercises in 1986. Following further military presence and exercises in 1987, China occupied its first island in 1988 and occupied other islets and reefs after the 1988 Sino-Vietnamese clash. Today it occupies eight major islands or reefs.

Taiwan claims the Spratlys on similar historic lines to China. Since 1956, Taiwan has maintained a permanent garrison of 600 men on Itu Aba (Taiping, in Chinese) the largest in the group. An extension of Taiwan's EEZ to 212 nautical miles in 1992, means that it now claims the majority of the Spratlys.

Vietnam argues that its claims to the Spratlys can be traced back to 1650-1653. However, since Vietnam was a French colonial protectorate from 1885, its claim derives mainly from the French. France formally annexed the Spratlys in 1933 but lost them to the Japanese in 1939. Vietnam formally claimed the Spratlys during the 1951 San Francisco Peace Conference, while North Vietnam first asserted its claim to sovereignty after the conclusion of the Vietnam War in 1975. Vietnam now occupies 24 islands.

The Philippine's claim is based on discovery in 1956 by Tomas Cloma, a fisherman and navigator. The Philippines occupied its first island in 1968 and in 1971 renamed the 60 islets, reefs and atolls, claimed 'Kalayaan'. In 1978 Kalayaan islands were declared a municipality of the Philippines and the Kalayaan group were deemed to be part of the continental shelf off Palawan. To date eight islands are under Filipino control.

In a 1979 national mapping exercise Malaysia staked its claim to a dozen tiny reefs and atolls in the southwestern portion of the Spratlys, based on continental shelf boundaries. In August 1983, Malaysian troops occupied Swallow Reef (Terumbu Layang Layang) and in 1986, in response to the
presence of Chinese warships, occupied two more islands, namely the Marileves (Matanani) and Dabi (Ubi) reefs. Brunei laid claim to the Louisa Reef, on the basis of continental shelf boundaries in 1954. Its declaration in 1984 of a 200 mile EEZ, in accordance with the Third United Nations Convention on the Law of the Sea (UNCLOS III), had the effect of extending Brunei’s maritime jurisdiction into the southern portion of the Spratlys, and more significantly, into the claims of other countries. To date Brunei has not occupied any islands.

Since the 1950s a process of ‘creeping annexation’ of the Spratly Islands has taken place so that, with the exception of Brunei, each country has a physical presence in the area. Determining which claimant has the better title, on the basis of history and law, is problematic. The Philippines claim seems spurious and Brunei’s could equally be dismissed. Notwithstanding other claims, the majority of the area really falls to be settled between China and Vietnam. Vietnam’s claim derives from the French. Since the French Government recognised all South China archipelagoes as Chinese territories in 1887 and, in 1956, claimed that they had never ceded the Spratlys to South Vietnam, it would appear that China’s claim precedes Vietnam’s historically and probably has a better legal basis.

**Reasons for the Disputes**

Regardless of who has the better title, not one of the parties appear willing to give up its claims. Besides the dominant issue of sovereignty rights and possession, the reasons for recent claimant interest in, and apparent willingness to risk conflict over, the Spratlys can be attributed to their strategic and economic importance.

Strategically, the Spratlys sit astride a complex network of sea and air lanes between East Asia and the Middle East and Europe. ‘Some 25 per cent of world shipping passes through’ the South China Sea and these islands can be used to dominate the sea lines of communication (SLOC). This is particularly the case when their location is complemented by the legal and jurisdictional advantages commensurate with the recognised title to the islands and their waters. To China, the South China Sea is vital for the movement of its merchant shipping and navy, and the concepts embodied in the UNCLOS declarations provide the means for China to ‘convert the South China Sea into a Chinese Lake.’ The Spratlys can also be used as staging points for naval operations and provide the basis from which a ‘regional power like China [could] project its power and influence in the Southeast Asian region as a whole.’

From the economic point of view, while there has been no confirmation of oil or gas reserves in the Spratlys, confirmed reports of oil and natural gas on the fringes on the South China Sea, together with the abundance of marine life found in its waters, further increase the stakes in the Spratlys. Hence, in the post-Cold War world where ‘economic security takes a higher priority in a nations security calculations’, and natural resources particularly oil, are important for the economic development of claimant states, the scramble for economic wealth in the Spratlys is inevitable. Moreover, nations are willing to risk confrontation in order to protect their rights to explore and exploit what might exist below the sea bed.

The rising salience of economic security is not the only development in the post-Cold War world that has significance for the Spratly dispute. The entire geo-political and geo-strategic landscape has changed. The 1974 and 1988 Sino-Vietnamese clashes in the South China Sea were spillovers of the Sino-Vietnamese conflict which included Cambodia and the northern border. The general Sino-Vietnamese rapprochement, has reduced the likelihood of a large scale clash between these two claimants in the short term. But the myriad of conflicts in the South China Sea in general and the Spratlys in particular, are no longer held in check by super power rivalry. Political realignments have changed and threat perceptions have been reshaped.

Resolution of the Cambodian problem, reductions in Vietnam’s forces, the withdrawal of Soviet forces from the region and the uncertainty over post-Cold War US intentions in the region, at a time when ‘China no longer disguises its determination to become a dominant regional military power’ and the Chinese Navy is expanding both quantitatively and qualitatively, has resurrected ASEANS traditional fear of China. As Micheal Richardson reported, ASEAN states ‘want to keep China at arms length by controlling the South China Sea islands that are closest to their own territory.’

**Recent Claimant Action**

In 1992, ASEAN fears were exacerbated by China’s actions. In February 1992, China passed a law that reinforced its claim and the right to use force to assert such. Subsequently, it signed contracts with
American oil firms for exploration around the disputed islands off the coast of Vietnam. Then, Chinese troops occupied the De Lacs coral reef, 1200km south of the southernmost Chinese island of Hainan and 650 km east of Vietnam’s Ho Chi Minh city. Finally in September 1992, China began drilling for oil in the Gulf of Tonkin, on the Vietnamese side of a maritime boundary agreed in 1887 by China and Vietnam’s French colonial rulers. Despite protests, China said it will continue to drill until March 1993.

Of course China has not been alone in taking what may be viewed as provocative action. Malaysia is trying to develop an island as a tourist resort and Taiwan announced that it intended to study the possibility of building a naval base in the Spratlys. Furthermore, all claimants and littoral states have, or are in the process of, upgrading both the defence of the islands they occupy and their force structure capabilities, in order to deal with any conflicts in the South China Sea or spillover of such. Malaysia for example has bought 18 MIG-29 fighters from Russia and eight F-18 Hornets from the US, while Indonesia is refitting some 39 ships and patrol vessels it brought from Germany. Taiwan is acquiring up to 16 newly built French frigates, at least three second hand frigates from the US and eight modern frigates are under construction. The Philippines have ordered three new missile-armed patrol vessels from Spain.

It is clear that the conflicting sovereignty and jurisdictional claims, unresolved questions of the delimitation of territorial seas, the long history of endemic conflict among littoral states both claimant and non-claimant, together with recent actions by claimant states and the military build-up in the region are an ‘explosive combination.’ The potential for conflict is a serious concern for ASEAN, whose multi-dimensional approach to security (one which recognises the linkage between and interdependence of military and non-military dimensions of the security construct) makes them mindful of the threat that conflict and regional instability poses to their economic growth and modernisation objectives.

Until the 1990s, ASEAN eschewed a security role, therefore it is significant that its first declaration on a security matter was the Declaration on the South China Sea, and that ‘China was the intended target.’ Indeed, while China was seen as an ally of ASEAN during the Vietnamese occupation of Cambodia in the 1980s, now, with the possible exception of Thailand, it is seen as the major threat. Moreover, the US and Vietnam are now seen as counterweights to China.

The ASEAN states fear of China has ‘injected new life into’ the association. ASEAN was originally galvanised by its fear of communism and the Vietnamese. As the Cambodian settlement emerged, questions were raised about ASEAN’s ability to retain its cohesiveness in the face of diverging threat perceptions and unresolved inter-state differences. The Spratly disputes together with ASEAN fears of Chinese hegemonism, however, provide a new focal point around which ASEAN states know they must coalesce. As J Mohan Malik succinctly noted: ‘without a united front against Chinese moves, ASEAN countries know that China knows it can get away with anything as long as they are divided.’

China has already demonstrated its willingness to use military force to assert its claim and the big question now confronting ASEAN states therefore, is whether China will again use military force to pursue its claims? However, even a superficial analysis will show that at present, there are a number of economic, strategic and political factors that militate against China resorting to force in the Spratlys, at least in the short term.

Despite China’s apparent perception of the South China Sea as ‘Lebensraum’ or ‘living space’ it recognises, that to achieve the economic development which is sought, substantial foreign investment and a favourable political climate, especially in the Asian region, is required. Since ASEAN is a source of foreign investment and trade, China knows that ASEAN’s continued economic prosperity and political stability is critical to its modernisation efforts and that ‘...aggressive Chinese actions in the Spratlys ... would also jeopardise its [China’s] integration into the global economy via close trading ties with...’ ASEAN. Moreover, China is aware that aggressive actions and provocative claims may also push ‘the ASEAN states and Vietnam into a regional coalition against China.’ Thus it is in China’s interests to maintain good relations with ASEAN and to contribute to regional stability.

To this end, in response to ASEAN’s South China Sea Declaration, which calls claimants to exercise self restraint and seek peaceful resolution of the dispute, China moved to reassure ASEAN of its commitment to a peaceful solution. China stated that it would seek a peaceful resolution to disputes over the Spratlys calling for ‘joint development’ of the area and for shelving of territorial claims for the time being. But scepticism of China’s commitment to joint development and peaceful resolution and suspicion of her ‘real’ intentions remains extant. Despite assurances by Chinese Foreign Minister Qian Qichen at Manila and at the July 1993 Singapore ASEAN Ministerial Meeting, the
rhetoric from Beijing has been uncompromising on the issue of sovereignty of the disputed Islands — they are China’s! As Leszek Buszynski concluded China’s idea of settlement is one that endorses China’s claims and the Chinese conception of ‘joint development’ is foreign participation in the exploitation of China’s resources.

ASEAN and other littoral states are also equally aware that whether China uses force to assert its claims will depend a great deal on what happens inside China domestically. If there is political instability within China and the political hardliners believe that taking possession of the South China Sea islands would enhance their position domestically, it is likely that they would risk external conflict and assert China’s claims by force.

Vietnam remains the ‘potential wild card’ in the Spratly disputes. Throughout 1992 Vietnam effected a number of initiatives to assert its claim to the Spratlys, including oil exploration with Malaysia, development of oil fields with a consortium of companies and seizure of an island northwest of East Malaysia. Also, shortly after the July 1993 Singapore ASEAN Ministerial Meeting, it was reported that Vietnam plans to complete construction of a fishing port in the Spratlys. Previous clashes between the two have left deep wounds and Vietnam’s recent integration with ASEAN has raised the stakes in any use of force by China against Vietnam in the South China Sea.

**Prospects for the Future**

A state of tension, therefore, will exist in the South China Sea until a satisfactory solution is reached by all parties to disputes, and although the possibility of conflict has reduced, such an eventuality cannot be ruled out. It is also now likely that any use of military force in the Spratlys will internationalise the conflict by attracting extra-regional powers who have a vested strategic interest in the islands and the safety of their SLOC. Japan, for example, would probably intervene if, as a consequence of a Spratly war, attempts were made to cut off its oil supplies or other imports of raw materials.

Furthermore, while the policy of previous US administrations was to stay out of the disputes over the Spratlys, the Clinton Administration issued a thinly veiled warning to China that it would become involved if force was used to resolve the Spratlys dispute. In July 1993, US Secretary of State Warren Christopher, in stressing the importance of stability in the Asia-Pacific region to the US economy, is reported to have said that the US would view the use of force in the South China Sea as a ‘serious threat’ to international sea lanes and ‘...would not accept the use of force, or threat of force in the South China Sea.’

There is no clear-cut solution to the Spratly dispute. A military solution by any of the claimants is unlikely as no claimant can expect to retain footholds gained in the face of naval bombardment. Moreover, although recent geo-strategic changes provide China a window of opportunity ‘to claim the Middle Kingdom “rightful” place in regional and global power structure’, China knows that it has probably missed its opportunity to take the Spratlys. In 1990-91 when the world was involved in the Iraq War, China may have got away with taking possession of the disputed territory. Now, in all likelihood, South East Asia, if not the world, would unite against China if it attempted to assert its claims militarily.

A legal solution is unlikely given the overlapping claims by several countries. A UN brokered solution has already been rejected by China, who for obvious reasons prefers bi-lateral solutions. Indeed, ‘negotiating a settlement could prove difficult. National pride, religious and ideological differences, the imperative to save face, and overpopulated, developing countries sheer need for natural resources complicate the process.’ The disputes are a political problem to be resolved in the language of diplomacy and significant diplomatic activity is now occurring.

While bi-lateral consultation has proven a useful grass roots approach to solving the disputes, the number of claimants and complexity of the issues to be dealt with foreshadow the requirement for a multi-lateral cooperative solution. Of the range of solutions that have been proposed, the most practical would be for claimants to adopt a co-operative regime aimed at joint exploration and exploitation of resources.

This ‘condominium’ or ‘all-for-everyone solution’, first proposed by Mark Valencia and advanced by ASEAN, for common ownership and cooperative development of the islands and their surrounding waters by the various claimants, is perhaps the only recourse for a peaceful South China Sea. Models already exist to guide such a solution. The Australia-Indonesia Timor Gap arrangement is one example.

In this sense it is significant that Indonesia, as a member of ASEAN, has initiated efforts to build mutual trust and confidence by bringing claimants together in a series of four annual workshops on Managing Potential Conflicts in the South China Sea.
Sea since 1990. The latest meeting (23-25 August 1993) included the six claimants plus Indonesia, Thailand, Singapore, and Laos. The *Timor Gap Treaty* emerged from the meeting as a potential model for resolving disputes over the Spratlys. 88

To date, however, the Indonesian meetings are only informal forums with government officials and scientific experts attending in a private capacity. Furthermore, there is 'significant opposition among many claimants to any move to upgrade the talks to a more formal level. China...is strongly opposed to any government level meeting on the issue.' Hence, despite an optimistic prognosis, deriving a solution will be a complex and time consuming process and a 'universally acceptable solution remains almost impossible in the immediate future.'

On a positive note, structures and mechanisms are slowly evolving on which to base future collaboration and manage disputes. For example, while the workshops have not achieved more than reassurances from the chief protagonists that they want to see peaceful settlement of the Spratlys dispute, the 1992 ASEAN *South China Sea Declaration* provides a basis for negotiations. 89 Moreover, the ASEAN Security Forum that emerged from the July 1993 ASEAN Ministerial Meeting in Singapore, provides a mechanism through which proposed solutions can be discussed and managed at governmental level, in order to build on the work carried out at the Indonesian workshops. 90

**Conclusion**

In conclusion, while recent attempts at collaborative and cooperative resolution of the disputes are encouraging, and conflict in the short term is unlikely, the issues are complex and the stakes are high. 92 Whatever solution is chosen, it is imperative that an economic and technical approach to negotiations should be delinked from political and sovereignty issues. All claimants should optimise the period of *detente* and process of rapprochement to resolve their disputes. In the final analysis however, China will have to back up its rhetoric with more concrete and formal commitment to a solution, before significant progress will be made. 93 But as Trevor Findlay concluded, "...convincing an increasingly powerful and assertive China that the South China Sea is not Tibet revisited will be one of the region's most delicate tasks in the years ahead." 94

On balance, the Spratly Islands dispute remains a potential flashpoint of conflict in the South China Sea. The current state of relative calm in the Spratlys owes much to the solidarity of ASEAN and the desire by China and Vietnam to maintain good relations with ASEAN in their search for regional stability, economic development and modernisation. In economic terms, the high cost of extracting minerals, the lack of significant confirmed discoveries, and stability in the price of oil have also contributed to the prevailing peace.

This state of affairs, however, is fragile. The reversal of any of the economic or geo-strategic stabilising factors, could escalate tensions and lead to conflict. Indeed, predicting whether there will be conflict is a formidable challenge, magnified by our inability to predict future shifts in alignments nor what may happen inside China domestically. Hence, as J. Mohan Malik succinctly concluded, 'Neither a negotiated settlement nor the use of force to assert maritime/territorial claims in South China Sea by the rival claimants at some point in the future can be completely ruled out.' 95

**NOTES**


2. In addition to the Spratly disputes, long standing disputes exist over the Natuna Islands between Vietnam and Indonesia; over the Paracels between Vietnam, China and Taiwan; over the Timor Sea between Australia and Indonesia; and over Sipadan and Lipidan Islands between Indonesia and Malaysia.


6. Allan Shepard, *Seeking Spratly Solutions: Maritime Tensions in the South China Sea*, Parliamentary Research Service, Background Paper Number 6, 13 May 1993, p. 11. It should be noted that the Spratlys were devoid of vegetation, fresh water and human habitation until military garrisons were set up by claimants and some are completely submerged at high tide.

7. For most of the states bordering the South China Sea basin, the intervention of European powers in the 19th century disrupted natural political frontiers and introduced artificial boundaries, many of which are ill defined arbitrary straight lines. Many islands like those in the Paracel and Spratly groups were completely left out of the colonial bargain. Moreover, while the 1951 San Francisco Peace Conference
between Japan and the Allied powers stripped the Spratlys and other South China Sea islands from Japan (who had taken them during WWII), it did not determine who owned the islands. See Lee Yong Leng, *Southeast Asia: Essays in Political Geography*, Singapore, Singapore University Press, 1982, p. 9. See also Bradford Thomas, *op cit.*, pp. 1-3.


10. Itu Aba, along with Woody Island in the Paracel, had been first occupied by the Chinese Nationalist Government in 1946, but was vacated after defeat by communist forces. The Kuomintang Government was not represented at the 1951 San Francisco Peace Treaty, so Taipei negotiated a bilateral peace treaty with Japan, which, it asserts, indicates its sovereign rights. See Bradford Thomas, *op cit.*, pp. 2-3.


16. See Allan Shephard, *op cit.*, p. 12 note 43, who cites Desmond Ball and notes that these figures are accurate as at 3 August 1992.


18. Which means Freedom Islands.


25. The 1982 UNCLOS III treaty, sanctioned a 12 mile territorial sea, a 24 mile contiguous zone, a 200 mile EEZ and a 350 mile continental shelf. No agreement has yet been reached on the delimitation of maritime boundaries between states with opposite or adjacent coasts. See Lee Yong Leng, *op cit.*, pp. 33-35. It should be noted that as of May 1993 neither the US nor Australia had ratified the Convention, although most countries accept its provisions. See Allan Shephard, *op cit.*, p. 4.


33. In applying UNCLOS a large chunk of the South China territorial sea and the resources contained within it would belong to the owner of the disputed islands. If the archipelago theory were applied instead, large expanses of sea and air space could be closed to foreign vessels and aircraft. This would render the strategic value of even the tiniest islet incalculable. Therefore regional and extra-regional nations alike are concerned about the future ownership of the Spratlys Islands.

34. See Bradford Thomas, *op cit.*, p. 8.


36. This was aptly demonstrated by the Japanese during the Second World War; Japanese submarines operating from their base in Itu Aba effectively crippled Allied shipping in the region. See Kim Gordon-Yates, 'On Asia — A Sea of Trouble', *South*, June 1988, p. 36.


38. Allan Shephard, *op cit.*, p. 3.

39. Bradford Thomas, *op cit.*, pp. 7-8. See also Stephen Parker-Smith, *op cit.*, who reported that the Vice Governor of China's Hainan Province estimated that 1 per cent of exploited gas and oil reserves will yield an output equivalent to 60 times the GNP of Hainan Province. See also, J. Mohan Malik, 'The Spratly Islands Dispute', *op cit.*, pp. 6-7.


41. As one Philippine official in 1991 noted: 'If there is a sense of urgency ... it is to settle our differences before any major oil discovery is found.' Quoted by Sandra Burton, *op cit.*, p. 24.


44. J. Mohan Malik, 'The Spratly Islands Dispute', *op cit.*, p. 10.

45. *Ibid.*, pp. 10-11. Indeed, China is now embarking on a naval expansion program with the development geared to enhance maritime capabilities in the South China Sea area, and in particular the Spratlys. China is continuing to upgrade its facilities by making improvements to its military bases at Hainan, and many commentators believe China's recent purchase of 24 advanced SU27 jet fighters from Russia is to have them within striking distance of the Spratlys. See Ken Edwards, 'Guns And Butter', *Time*, November 9, 1992, p. 35.


49. See Allan Shephard, op cit., p. 13. The significance of this contract would not be lost on other claimant states. An equidistant line reflecting historical national land boundaries would give China the Paracels and Vietnam the area to the south. In this regard the recent China/Crestone oil exploration agreement was at the far southern extremity of the Chinese claim and had been carefully sculptured to avoid the areas claimed by ASEAN states. Other claimants are well aware that if the Chinese get away with this, they have got away with the whole thing.


51. See Trevor Findlay, op cit., p. 10.

52. This was quickly interpreted by other claimants as an attempt by Malaysia to show that the atoll can sustain 'human habitation and economic life' in accordance with Article 121 to the Law of the Sea. Article 121 reads: 'Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf.' Hence if countries wish to claim any of the small islets, cays, or atolls in the Spratlys, they must show that it meets the requirements of Article 121. See Sandra Burton, op cit., p. 26; and Bradford Thomas, op cit., p. 8.


57. *loc cit.*

58. Joint Communiqué of the Twenty-Fifth ASEAN Ministerial Meeting, Manila, 21-22 July 1992, 'ASEAN Declaration on the South China Sea.'

59. Brian Ridge, op cit., p. 26; also see *Asia Week*, op cit., passim.


62. Ibid., p. 17.


65. In particular with the ASEAN Free Trade Area (AFTA), and admission into the General Agreement on Trade and Tariffs (GATT). Its standing in the Asia-Pacific Economic Cooperation might also be affected. See Allan Shephard, *op cit.*, p. 15.

66. Ibid., p. 14. See also J. Mohan Malik, 'The Spratly Islands Dispute', *op cit.*, p. 13 who explains that aggressive actions and claims alienate Asean and 'could be the basis of not only a regional arms race but also lay the foundation of a new Southeast Asian (ASEAN + Indochina) united front against China.'


68. See *Asia Week*, 'Worries about China', *op cit.*, p. 24; and Michael Richardson, 'China's military secrecy raises suspicions', *op cit.*, p. 24.


70. See 'China reasserts its ownership over the Spratlys', *The Straits Times*, 24 July 1993, p. 6.


74. Ibid., p. 16; and Margaret Harris, 'Spratlys New Threat to Peace in SE Asia', *Sydney Morning Herald*, 10 July 1992, p. 10, who notes that British, French and Indian firms are already under contract with Vietnam to explore oil in the same part of the Spratlys that China has issued its contract. Also see P. Lewis Young, 'With Declining US Presence, ASEAN Banks On Interdependence', *Armed Forces Journal International*, March 1993, p. 31 who reported that in September 1992, Vietnam demanded the immediate withdrawal of a Chinese oil exploration ship, the Num Hai 6, which was reported en route to the area. In retaliation, China began restricting coastal shipping operating between Hong Kong and Vietnam.

75. See 'Viet's to complete fishing port in Spratly next year', *The Straits Times*, op cit., p. 6.

76. See Allan Shephard, *op cit.*, pp. 21-22.

77. Ibid., pp. 20-21.


81. See Allan Shephard, *op cit.*, p. 27 and P. Lewis Young, 'With Declining US Presence, ASEAN Banks On Interdependence', *op cit.*, p. 26 who notes that 'China rules out the use of an international court or other arbiter.'


84. For a comprehensive list of initiatives proposed for resolving the Spratly Island dispute see J. Mohan Malik, 'The Spratly Islands Dispute', *op cit.*, p. 20.

85. See Bradford Thomas, *op cit.*, p. 11; Mark Valencia, 'All-for-everyone solution', *op cit.*, pp. 20-21; and Mark Valencia, 'Solving the Spratlys', *op cit.*, passim. Valencia's solution would see the freezing of military positions and a prohibition on the introduction of new military personnel or equipment. At the same time claimants should renounce the use of force, and agree to seek peaceful resolution of their disputes. His solution would be characterised by joint development schemes, a demilitarised zone of peace, and a Spratly management zone.

86. See Brian Ridge, *op cit.*, who points out that while the sovereignty issue is quarantined and joint profitable exploitation of resources can progress peacefully, there must
be gradual development of an array of controls and regulations to cover a wide range of transnational matters such as criminal law, customs, environmental protection, security, and the like. See also Desmond Ball, Building Blocks for Regional Security: An Australian Perspective on Confidence Building Measures (CBMVs) in the Asia/Pacific Region. Australian National University, Strategic and Defence Studies Centre, Canberra, 1991, pp. 54-58.

87. Other successful examples include, the setting up of a joint Thai-Malaysian body in 1979 to manage overlapping oil concessions and the Malaysian-Bruneian model of joint exploration of contentious oil fields at their territorial water boundaries.

88. See Terry Friel, op cit.; Simon Senaga, op cit.; and Muklis Ali, 'Indon Sprat', Australian Associated Press, Reuters, 19 Aug 93, Record 0450. The meeting was held in the Indonesian city of Surabaya. Last years meeting set up two working groups. One group dealt with resource assessment and development and another with marine research. It was also agreed that a feasibility study be carried out on the setting up of a marine reserve or marine park in an area defined within the multiple claim area to accommodate activities such as joint scientific research and eco-tourism.

89. Terry Friel, op cit. The meeting did, however, agree to expand the countries involved in such talks to include Australia, Japan, the US and the European Community.


91. See Asiaweek, op cit., p. 23.

92. See The Weekend Australian, "The Big League", July 31-August 1, 1993, p. 20. Members include the ASEAN nations of Indonesia, Thailand, Singapore, the Philippines, Malaysia, Brunei, plus Australia, the US, Canada, Japan, New Zealand, South Korea, Russia, China, Vietnam, Laos, and Papua New Guinea.


94. See Ibid., pp. 20-21 where J Mohan Malik notes: 'In fact, the deadlock over the Spratly Islands dispute overshadows the need to deal with the incompatibility between Chinese statements and actions. On the one hand China purports to seek peaceful conflict resolution and on the other hand, it pursues provocative initiatives to forcibly occupy the disputed islands. The discrepancies in China's declaratory and operational policies have made the issue much more complicated and less amenable to a peaceful settlement.'

95. Trevor Findlay, op cit., p. 11.

96. J. Mohan Malik, 'The Spratly Islands Disputes', op cit., p. 22.

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The Application of Productivity Based Wage Fixing Principles to the ADF

By Major M.J. Barry, RAEME

... while the wage-fixing guidelines have locked the ADF into the same restraints which are being applied to the civilian workforce, ADF members do not have access to the means available to civilians to get around those constraints. For example, civilian workers can earn additional remuneration through overtime, shift work or second jobs. They can, through the power of their unions, force "sweet-heart deals" out of the employers and their spouses can take up employment to provide a second source of income. Service members cannot, except under very limited circumstances, take second jobs. They cannot go on strike, and overtime and shift work are part of Service normal working routines. Because of regular and irregular postings, opportunities for supplementing the family income through a spouse working are limited and the types of jobs open to them tend to be those which are less well paid.

Cathy Downes, 1988

Introduction

In the June 1986 National Wage Case (NWC) Decision, two important new elements were introduced into the Australian wage fixing system; wage outcomes which were linked to productivity, and sector level negotiation to be undertaken under the loose guidance of the Australian Conciliation and Arbitration Commission (ACAC). In making its decision the Commission said that "there is a legitimate expectation ... that the real incomes of wage and salary earners should be increased in time in line with productivity."

The Australian Defence Force (ADF) has not been immune from these changes and has undergone years of restructuring and change in an effort to become more cost effective while still meeting government defence commitments. This has required the defence force to demonstrate productivity improvements in order to secure wage increases and has called into question the hitherto accepted view of the ADF as an unique organisation.

The problem facing the ADF is that it does not produce a tangible output, or product, so how can its productivity be measured. I would argue that the Defence Force does produce an output, it provides Australia with a defence capability. This is the 'product' against which productivity can be measured. It is a measure of the quality and combat power of the force and is determined by the level of training, the effectiveness of weapon systems and the number of combat units available for deployment. Productivity based initiatives have an impact on the ability of the Defence Force to 'produce' this 'product' thereby affecting the level of defence capability that is achieved.

This article will examine the application of the productivity principles of wage fixation to the ADF. These are the Restructuring and Efficiency Principle (REP) and the Structural Efficiency Principle (SEP). One of the concerns is that these principles were developed by the Australian Conciliation and Arbitration Commission (ACAC) for a civilian industrial scenario markedly different in many aspects from that which exists within the Defence Force. Service personnel do not have the right to withdraw their labour, collective representation is prohibited and collective action is punishable under the Defence Force Discipline Act. The ADF does not have an award, and a number of exemptions from Anti-Discrimination legislation concerning age, gender and marital status restricts defence force service in several areas.

Background: ADF Wage Fixation Prior to 1982

When the Permanent Military Forces (PMF) were formed on the creation of the Commonwealth in 1901, a number of separate scales of pay persisted, with Commissioned Officers and Warrant Officers generally receiving a consolidated rate while there were daily rates of pay for other ranks. The Royal Australian Navy (RAN), which was formed in 1911, received rates of pay based on the Commonwealth Public Service basic wage for Ratings (Ordinary Seamen) and margins based on Royal Navy (RN) rates for higher ranks. In 1920, the separate rates of pay in the Army were consolidated following a major
review of pay, while the Royal Australian Air Force (RAAF), which was formed in 1921, based its wage rates according to rank and trade group. A degree of standardisation occurred in 1924 when the Naval and Military Pay Committee adopted the Commonwealth Basic Wage for soldiers and seamen at the Private soldier level and the RAAF applied this rate to Non-Technical Aircraftsmen. Apart from this, there remained a general lack of uniformity between the services during the pre-war years and into the Second World War during which service personnel received a variety of allowances which took into account special skills, operational duties and geographic locality.

In 1947, the Special Committee on Pay and the Post War Forces, known as the Dedman Committee after the Chairman, the Hon J.J. Dedman, Minister for Defence and Post War Reconstruction was appointed by the Prime Minister. The Committee attempted to produce a uniform pay code between the three services and also to provide adequate remuneration that would act as an inducement to recruitment. Although it failed to establish a single tri-service pay system, the Commonwealth Public Service basic wage was acknowledged as the base point for an unskilled recruit in all three services. To this were added increments for conduct and service in rank as well as margins for skill and experience as service personnel advanced through the ranks, although these were applied differently in each service. Officers were paid against a common scale of pay according to rank and seniority up to the rank of Colonel, with the only exceptions being Medical and Dental Officers, Chaplains and qualified aircrew. In addition to this, a member's wage was reduced by an amount calculated to cover the cost of rations, accommodation and uniforms, while married personnel received an allowance to assist them to support their family. Wages were now subject to taxation, but allowances relating to dependants were not, and the amount deducted for rations and accommodation was reduced to take tax effects into account.

Clearly, the Dedman system was complex and led to confusion and misunderstanding, resulting in complaints that the new wages code was inadequate, its administration required excessive clerical effort and the code was incomprehensible to members.

Another consequence of the Government's establishment of the Dedman Committee had an impact on Defence Force wages for the next forty years. By establishing the Committee and implementing its recommendations, the Government determined that Defence Force wage fixation would remain outside the mainstream of industrial relations and directly in the hands of the Government itself. In addition to this, another major failing was that the report contained no mechanism for review. "No automatic provision for review of the rates of pay recommended is proposed." This resulted in Defence Force wages often lagging behind those of the civilian sector and the requirement for independent committees to be established periodically over the next four decades to examine and report on wage related problems including rates, margins, relativities and changes in job content.

By 1950, Armed Forces wages lagged behind those in the civilian sector to the point where critical manpower shortages were affecting operational capability. Although the Australian Regular Army (ARA) had been formed in 1948, "by 1950 the Army could not field more than a single infantry battalion, and that only by amalgamating elements of all three regular battalions.

Peacetime soldiering was seen as frustrating and opportunities in the civilian sector were lucrative in the post-war boom era. The Alison Committee pay review was implemented one month after Australia committed troops to the Korean War and, interestingly, recruitment and retention rates improved over the next few years. While it is not suggested that the increase in pay was the sole reason for the improvement in the manning situation, it is considered to be an important contributing factor.

Lieutenant Colonel D.M. Poynton, former head of the ADF Pay and Allowances Cell, in Pay and Conditions Branch, HQ ADF, attributes the major problems with pay during the post-war period to the lack of an appropriate mechanism for review.

The failure of the Departmental machinery to maintain pay rates comparable with those in the community was principally because there was no mechanism for review in place. This continued to be the major weakness in the pay fixing arrangements.

This weakness continued to plague the Defence Forces until the establishment of the DFRT in 1985.

Throughout the 1950s and '60s there was a proliferation of pay levels and a "leapfrogging" of classifications as successive reviews approved new margins for skill and trade groupings in response to changes in the civilian sector and the expansion and restructuring of the Defence Forces to meet commitments in Malaya, Borneo and South Vietnam. It readily became apparent that another major review was required and in October 1970 the Committee of Inquiry into Financial Terms and Conditions of Service for Male and Female Members of the Regular Armed Forces (COI), known as the Kerr/Woodward Committee, was established. The Committee concluded that the existing pay structures and methodology for setting and reviewing pay structures
was fundamentally flawed and needed to be totally restructured to reflect both the needs of the Services and contemporary civilian principles:

Decisions made following (the primary principle) must be adapted when necessary to the special circumstances, needs and conditions of the Armed forces. But there would have to be compelling grounds to justify any substantial departure from generally accepted civilian wage fixation principles.10

The Committee’s recommendations led to five significant changes:

1. That the ADF should receive an annual salary along civilian lines to replace daily rates of pay;
2. A broad band or six tier pay level scheme would apply for Other Ranks pay;
3. Service pay would, where possible, reflect civilian wage fixing principles;
4. Work study based on job evaluation would preface any attempt to establish wage and skill comparability; and
5. The officer salary scale was to recognise the notion of a ‘profession of arms’ and was to be linked to the Australian Public Service awards, not the administrative and clerical officer stream.11

The changes implemented as a result of the Kerr/Woodward Committee forged a link between civilian and military pay, but failed to move the responsibility for setting Defence Force wages out of the hands of the Government. This was despite creating a loose nexus between military pay and Commonwealth Public Service pay.

[Although] rates and determinations applicable in the Commonwealth Public Service should not be rigidly binding on decisions which are made with respect of the Armed Forces, we regard the wage structure and the general levels of wages and salaries in the Commonwealth Public Service as being of major importance in Armed Forces salary determination.12

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While the Commonwealth Public Service had access to Arbitration machinery through the ACAC, the Defence Force did not, and would not until 1985 when the DFRT was established. Despite this failure, the Committee achieved, for the first time, a standardised wages structure across the three services and, more importantly, a broadbanded wages structure which recognised trade skills and also increased responsibility.

This structure was constructed with a broad relativity to the general civil industrial structure with reviews based on general movements in wages applying to unskilled, semi-skilled and skilled workers, rather than through a trade by trade relativity. Considering the diversity of military employment the broad banded wage structure was far in advance of any civilian wages system of the day. These were characterised by a multitude of awards and relativities and little in the way of career path structures. The Metal Trades Award was used as a benchmark for a large number of awards and is a good example of the nature of industrial awards during this period. Until Award Restructuring was introduced under the SEP, this award had over 390 classifications within 70 wage groups. In fact it was not until 1988, that civil industry began the deliberate process of broadbancing, award restructuring and the creation of career paths for workers, this saw a new Metal Award comprising 14 skill based classifications within three trade groups.14 By comparison, the military wage structure of 1970 comprised six skill based pay levels which covered a far wider variety of occupations than any single civilian award.15

The new military wages structure recognised increased responsibility through the rank structure and, through the use of increments and ‘on promotion’ entry points, ensured that pay rates were progressive as service personnel were promoted through the ranks. In this way the higher paid tradesman maintains pay relativity with lesser skilled soldiers when promoted. Although there have been a number of adjustments to this structure, and a substantive review is currently under way, the structure established as a result of the Kerr/Woodward recommendations forms the basis for the broadbanded system that is still in place today.

Table 1 illustrates the original structure that was established in 1970.

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<table>
<thead>
<tr>
<th>PAY LEVEL</th>
<th>SKILL LEVEL</th>
<th>CIVILIAN EQUIVALENT</th>
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<tbody>
<tr>
<td>Level 1</td>
<td>Minimum Skilled</td>
<td>Trades Assistant</td>
</tr>
<tr>
<td>Level 2</td>
<td>Semi-Skilled</td>
<td>Polisher</td>
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<tr>
<td>Level 3</td>
<td>Lower Skilled Tradesman</td>
<td>Tradesman 2nd Class</td>
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<tr>
<td>Level 4</td>
<td>Skilled Tradesman</td>
<td>Fitter and Turner</td>
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<tr>
<td>Level 5</td>
<td>Higher Skilled Tradesman</td>
<td>Toolmaker</td>
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<tr>
<td>Level 6</td>
<td>Technician</td>
<td>Technical Officer Grade 1</td>
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A major failing of the Kerr/Woodward Report, as with those before it, was that it still failed to put into...
place any mechanism for the review of Defence Force wages.

The Committee of Reference for Defence Force Pay, known as the Coldham Committee, was established in 1974. Throughout the next ten years this Committee devoted a lot of effort towards resolving anomalies in the other rank pay structure; allocating pay levels to the various military employment categories, rationalising trades, implementing female pay provisions and determining appropriate allowances to cover the exigencies of military service. This was carried out during a time of rampant inflation, the introduction of wage indexation, the metal industry wages round of 1981 and the wages pause of 1982. Much was achieved during this period, including breaking the wages link with the Commonwealth Public Service. This move was supported by the Coldham Committee, which said that the "... salary structure for the Force must be designed to suit that Force and should not be aligned to other areas of employment".\(^{18}\)

Breaking the wage nexus with the Commonwealth Public Service meant that there was now a basis for the Defence Force to argue for wage variations in its own right, subject of course to having access to the appropriate machinery. This machinery was established several years later in the form of the DFRT. While much was achieved during this period, Defence Force pay had again fallen behind the rest of the community, and it was not until the end of 1982 that a substantial 'catch up' wage rise was granted. This again highlighted the need for a mechanism for regular reviews of Defence pay to be put into place.

### The New Wages System

When the DFRT was established in 1985, the ADF for the first time had access to an independent tribunal that had the power to convene of its own volition and was required to review Defence Force pay on a regular basis, thereby overcoming many of the problems of the earlier wage fixing systems. The new system under this Tribunal is an adversarial one not unlike that of the Industrial Relations Commission with the Defence Force represented by the Defence Force Advocate (DFA) and the Government (or employer) by the Department of Industrial Relations (DIR).\(^{19}\) In addition, the Tribunal is required to 'have regard to any decision of, or principle established by, the Australian Conciliation and Arbitration Commission (ACAC) that is or are, in the opinion of the Tribunal, relevant to the making of that determination'.\(^{20}\) While this provides obvious benefits to the Defence Force it also means that the ADF has to prepare and present wage cases in much the same way as an organisation of civilian employees would. This means that a substantial change in Defence Force thinking is required. While the principles governing ADF wages would not necessarily change, as civilian wage fixing principles were generally applied previously, the practice and method of setting Defence wages was to change substantially as the ADF was required to actually bargain and negotiate for wage increases for the first time.

#### The Restructuring and Efficiency Principle (REP)

Prior to the development of the REP, wages were driven more by 'market' forces such as inflation rather than by workplace productivity and it was not until the March 1987 National Wage Case that the Commission formalised a productivity approach with the introduction of a two tier system known as the REP. The First Tier was a flat wage increase and provided some relief to low wage earners, while access to the Second Tier, a four \(\text{per cent}\) wage increase, would only be available if changes that resulted in increases in productivity were made to work. Factors to be addressed included restrictive work practices and also restrictive management practices, and the Commission said that other initiatives may include action taken to reduce demarcation barriers, advance multi-skilling, training and retraining, and broad-banding.\(^{21}\)

The relationship of this principle to individual enterprises or industries was made clear by the ACAC and the need for changes to be genuine was stressed.\(^{22}\) The proper application of the REP required a positive approach by trade unions, workers and employers, and many groups adopted this approach and gained benefits which produced immediate efficiency and productivity improvements.

Despite a lack of industrial relations expertise, the Defence Force reacted quickly to the challenge posed by the new principle and was among the first 30 \(\text{per cent}\) of groups to be awarded the Second Tier increase.\(^{23}\) The First Tier increase, a flat \$10 a week wage rise, was available immediately following a commitment that there would be no extra claims except in compliance with the Principles laid down by the Commission, and the Second Tier, the four \(\text{per cent}\) wage increase, was awarded on 21 January 1988. This increase was awarded for a range of cost offsets and time saving measures.\(^{24}\) But these were
improvements in efficiency, rather than true productivity and, in many civilian workplaces, tended to involve the abolition of work practices such as rest periods, walking time, and other restrictive practices that tended to limit the full operation of a working day. In addition, many workplaces, in particular the Public Service, introduced flexible working hours, or flex time, staggered rostered days off, and extended spans of hours within which ordinary hours could be worked. It soon became clear, however, that the principle was degenerating into a narrow ‘costs offsets’ approach rather than genuine productivity based bargaining. As Professor Isaac of the University of Melbourne, explained,

"...a system which awards wage increases largely on the basis of the removal of restrictive work practices is not one which can be sustained without economic and industrial strains for too long. The potential for trade off of existing work practices will be exhausted in some industries and enterprises ahead of others. [and]... there are limits to retaining this type of productivity distribution without creating undesirable inequities and wage distortions."

The range of cost offsets included in the Defence case was such that the DFRT noted that, 'it is sufficient to record that these off-setting benefits exceed the cost of the 4 per cent adjustment'.

Within the wider community, some parties were having trouble applying the REP and others had exhausted its usefulness as there was a limit to how many real concessions could be made. The Commission, in 1988, determined however that the Principle had achieved a great deal, and that any new wage system should build upon these steps already taken to encourage greater productivity and efficiency and would involve a thorough review of the fundamental, structural elements, of awards and workplaces. This new principle was known as the Structural Efficiency Principle (SEP).

The Structural Efficiency Principle (SEP)

In introducing the Structural Efficiency Principle, the Commission said that,

"Attention must now be directed toward the more fundamental, institutionalised elements that operate to reduce the potential for increased productivity and efficiency ... to sustain real improvement in productivity and efficiency, we must take steps to ensure that work classifications and functions and the basic work patterns and arrangements in an industry meet the competitive requirements of that industry ... a more highly skilled and flexible labour force is required not only to assist in structural adjustment but also to provide workers with access to more varied, fulfilling and better paid jobs."

The SEP was introduced by the ACAC in August 1988 to create an appropriate framework for decentralised bargaining through the process of award restructuring and workplace reform. This required that in order for wage increases to be approved, there had to be a joint commitment to a fundamental review of the award 'with a view to implementing measures to improve the efficiency of industry and provide workers with access to more varied, fulfilling and better paid jobs'. These measures were to include but not be limited to the following:

1. Establishing skill-related career paths which provide an incentive for workers to continue to participate in skill formation;
2. Eliminating impediments to multi-skilling and broadening the range of tasks which a worker may be required to perform;
3. Creating appropriate relativities between different categories of workers within the award and at enterprise level;
4. Ensuring that working patterns and arrangements enhance flexibility and the efficiency of the industry;
5. Including properly fixed minimum rates for classifications in awards, related appropriately to one another, with any amounts in excess of these properly fixed minimum rates being expressed as supplementary payments;
6. Updating and/or rationalising the list of respondents to awards; and
7. Addressing any cases where award provisions discriminate against sections of the work force.

Essentially the principle requires a consultative process to change award provisions to ensure increased efficiency at the enterprise level, which would be formally ratified by the ACAC. This would be achieved through enhanced flexibility in working patterns gained through multi-skilling and broadening, within skill-related career paths which would provide employees with the incentive to participate in properly designed skill improvement training.

The first stage of the SEP provided a three per cent wage increase available not before 1 September 1988, followed by a flat $10 a week increase at a later date, not earlier than six months after the first increase. This was to be awarded on the basis that there was an agreement between the parties for a review of matters relating to structural efficiency. These increases were
awarded in October 1988 and April 1989 respectively following discussions between the Defence Force and the Commonwealth into various aspects of structural efficiency and an agreement that a review would be undertaken. After the National Wage Case decision was handed down, the Chief of the Defence Force wrote to the Department of Industrial Relations to express his concerns that the ADF does not have an award and is not a union. In addition he explained that it has a set rank and salary structure that reflects its unique position. Nevertheless, he stated that he was prepared to co-operate in a review of the ‘award’ and he proposed two broad areas for review: The first called for changes in established management structures, particularly involving devolution and decentralisation to remove administrative overheads and transfer responsibility to operational level managers; while the second, required a re-examination of the existing pay and employment structures which, although already broadbanded in relation to most industry awards, still has scope for review.

In their reply the DIR noted the CDF’s concerns and proposed that the scope of the review of the ‘award’ should not be limited to the areas proposed by the CDF and could include an examination of work practices and the full range of conditions of service and employment. They also noted that it was not necessary, under the terms of the SEP, to itemise the areas to be reviewed at this stage, but only to agree to a full and wide ranging review of the ‘award’. Satisfied that the parties had met the conditions of the principle, the DFRT awarded the wage increase as stated earlier.

In August 1989, the AIRC endorsed the principles of structural efficiency laid down a year earlier and added some significant new provisions. In their previous decision, the Commission had requested the parties to agree to cooperate in a review of the award. This time the Commission directed that wage increases would be granted only if the Commission was satisfied that the parties had cooperated positively in a fundamental review of the award, and were implementing measures to improve the efficiency of industry. The ADF wage case for the first structural efficiency adjustment was heard on 15 November 1989 and included agreement between the ADF and the Commonwealth in the following areas:

1. Redefinition of the present seven pay level structure and rationalisation into 4 broadbanded groupings of core skills comprising a Basic skills group; a Trade skills group; a Technician group; and a Para-professional group;
2. Confirmation of the present rank structure;
3. Review of incremental points to reflect skill/responsibility differentials;
4. A new structure for Chaplains; and
5. A range of work organisation and related issues.

In addition, the parties agreed that it was their intention that ‘the new structure will facilitate further multi-skilling in the future by providing for flexible movement within the critical skill bands’. The proposed redefinition of the pay level structure into four broad groups did not occur and in fact the defence force is currently considering adding an eighth pay level for highly technical trades. It was felt that four wage groups would not be appropriate to cover the broad spectrum of trades contained within the ADF and that the existing broad banded system was, in the main, adequate. The Tribunal, satisfied that the changes proposed by the parties met the requirements of the SEP, awarded wage increases in accordance with the NWC decision of 7 August 1989.

The submission for the second structural efficiency adjustment arising out of the August 1989 NWC decision, was heard in May 1990 and wage increases of a quantum similar to those of the first adjustment were granted in June 1990. In reaching its decision the Tribunal had regard to the following matters:

1. The revised structure for other ranks;
2. The introduction of a competency based incremental advancement policy;
3. New training initiatives; and
4. The range of other measures in the course of implementation or under consideration as a result of reviews or projects undertaken within the ADF.

This demonstrated that the ADF and DIR were able to reach agreement on fundamental changes to the ADF ‘award’ and that, provided AIRC decisions were applied according to the spirit of the decision, rather than the specific detail, then the application of productivity principles based in restructuring, to the ADF was possible and, to date, successful.

The ADF case for the application of the NWC of April 1991 marked a change of direction for defence. This was heard by the Tribunal in July 1991 and the ADF drew attention to the fact that some aspects of SEP conditions could have little practical application to the Defence Force. The view propounded by the defence force advocate was that:

1. ADF members do not have a contract of employment [in the strict sense of the term], nor are they subject to an award;
2. The facilitative provision of SEP are aimed at management and employees being able to depart from standard award provisions which are “quite
unnecessary and academic in the context of the ADF. 3
Focus on improved efficiency measures through consultative mechanism does not require formal prescription within the ADF;
4. Access to the DFRT cannot depend upon any provision within a determination as this is provided for by legislation;
5. The ability to direct an employee to carry out duties is implicit to service within the ADF; and
6. The process of minimum rates adjustment is not applicable to the ADF.

During this case the ADF argued that, with respect to the SEP, the only relevant principle was that the Defence Force had substantially implemented previous SEP undertakings. The DIR, for the Commonwealth, accepted that the minimum rates adjustment condition mentioned at point six above, was irrelevant but argued that the same could not be said about the other conditions, instead expressing satisfaction "that the ADF has complied with the spirit of those provisions to the extent that it is able to". Captain P.J. Oates RAN, Director Defence Force Pay and Conditions argues that this situation has, left open the question of whether all, or some, or none, of the SEP conditions are applicable to the ADF. As these conditions were formulated by the AIRC for an industrial scenario, which is markedly different from that which exists within the ADF, there remains a potential problem for the ADF. [as] Pay cases may require to be contorted to conform with prevailing industrial conditions.

There is some validity in the claim made by Captain Oates and this has been recognised by both the tribunal and DIR who acknowledge that the Defence Force cannot fully comply with SEP provisions and that the conditions for applying this principle are not entirely appropriate for Defence. This makes even more tenuous the next stage of the SEP, which is the move towards a more devolved system in which the benefits gained by the workforce are confined to those who contributed to the productivity gain flowing from the agreement. This is achieved through the Enterprise Bargaining Principle (EBP) which is explored in the next section.

Enterprise Bargaining and Productivity Initiatives

Effective enterprise bargaining in pursuit of workplace reforms calls for a suitable infrastructure – management and union capacity to identify appropriate changes in work practices, technology, management and consequential training requirements; as well as the sophistication and skill to negotiate terms and conditions without undue industrial disruption.

The Enterprise Bargaining Principle is concerned with direct negotiations between management and the workforce at an individual workplace. The impetus for its development was the push by some parties to move the efficiency and restructuring effort, the focus of the Restructuring and Structural Efficiency Principles, away from the award and industry level to the level of the individual enterprise and workplace to allow them to determine wages policy through their own negotiations, without the restrictions imposed by the Commission. The principle included the following elements:

1. Wage increases negotiated at the enterprise must be based on the actual implementation of efficiency measures designed to effect real gains in productivity;
2. Parties must demonstrate that they have considered a broad agenda in the development of their enterprise agreement;
3. Each agreement must be negotiated through a single bargaining unit in an enterprise or discrete section of an enterprise; and
4. The agreement must be for a fixed term.

Subsequent legislation has limited the Commission's powers to reject an agreement, removed the requirement for the Commission to apply the public interest test to agreements, and extended enterprise bargaining to non-unionists.

This places a greater emphasis on structural efficiency at the lower end of the industrial spectrum and requires careful definition of a bargaining unit so that the benefits gained by the workforce are confined to those who contribute to the achieved productivity gain flowing from the agreement. To achieve this there is a requirement for single bargaining units, which removes the problems created by multi-representation of employees within a single enterprise.

The ADF and Single Bargaining Units

One of the first problems facing organisations adopting enterprise bargaining is defining both the enterprise and the level at which bargaining is to take place, so that negotiations can be conducted at a level where there is an homogenous set of work practices.
A related issue is the development of a single bargaining unit. This is important to ensure agreement and cooperation between the different work groups that make up the enterprise and is critical to the success of enterprise bargaining because the one agreement must cover all employees.

One of the major problems facing civilian workplaces is where more than one union represents employees in a particular enterprise. While this is not a major problem for the ADF, it is of course a problem for the Department of Defence, which not only has to resolve multi-union workplaces but also the mix of uniformed and civilian employees. In addition, the structure of the Defence Force offers a number of options that meet, to varying degrees, the requirements of the EBP in the selection of a single bargaining unit: discrete ADF units forming a bargaining unit; single service bargaining units; the ADF as a bargaining unit; and the Department of Defence as a bargaining unit.

The Enterprise Bargaining Principle recognises that it may be appropriate for bargaining to occur in sections of an enterprise, where these sections are ‘discrete’ and productivity can be specifically attributed and benefits contained within these sections. It is possible to define individual units or groups within the ADF as ‘discrete’, particularly in the case of organisations such as the Special Air Service, or the Submarine Service. The reliance of individual units on the combat and logistic support of other elements of the Defence Force, however, means that although the ‘work group’ can be defined as ‘discrete’, the output, or achievements, of that group cannot, as no unit works in isolation of the support of other units. In addition, the ADF posting policy is based on service needs rather than individual preferences. Unlike many civilian organisations where redeployment is relatively infrequent, Defence personnel are transferred on average every two to three years. Accordingly, basing productivity measurement and wage movements at the unit level would be highly iniquitous, because it would fail to provide for the needs of personnel posted, sometimes against their will, from one unit to another. This problem is unique to the ADF and does not exist in the APS or private sector, where job mobility is more stable and based far more on personnel choice, rather than compulsion.

A more realistic and practicable approach would be to define the ‘enterprise’ at the single service level. In this way the RAN, Army and RAAF would each become individual enterprises, within the one ‘industry’. This would support the operational differences between the three services, and in particular recognise the unique training, nature of employment and working conditions of each service. In addition, as budgetary responsibilities for salaries rest separately with each service Chief, this would provide a neater ‘balancing of the books’ between the benefit of any productivity gain and the ‘cost’ of achieving that gain. However, in the modern Defence Force, which is based on joint force operations, there is an increasing incidence of tri-service and bi-service manning of organisations and units. Having different wages in each service would remove direct comparability of pay for equivalent rank and pay categories and, in the cases of tri-service organisations, variations in single service pay would be brought into contrast. Additionally, for tri-service organisations, if wage outcomes were based on the productivity of the parent service they would bear no relationship to the organisation in which individual service personnel are working. If these organisations were designated as ‘enterprises’ in their own right, then a similar problem would exist with regard to postings as that described in the previous paragraph.

The third option is for the ADF as a whole to be considered as an ‘enterprise’. This overcomes the problems just described which would be caused by different rates of pay for each service and also the problem caused by the frequency and nature of ADF postings. But it still recognises the unique nature of ADF service. Differences in operating environments are currently recognised through specialist allowances, such as Flying Allowance, Submarine Allowance and Field Allowance, which are paid on an as required basis to recompense specific employment or arduous duties. Defining the ADF as the ‘enterprise’ however, whilst this would meet the needs of the Defence Force, it would fail to recognise the level of integration that now exists between the ADF and civilian members of the Department of Defence. Although it is possible to separate Defence Force productivity improvements, there are many initiatives that are the result of Department of Defence efforts, involving all personnel, military and civilian. For this reason the ideal approach would be for the Department of Defence to be considered to be the ‘enterprise’ but to retain the ability for the ADF to develop separate productivity agreements where appropriate. This issue was partly resolved in November 1992 when the ACTU and the Public Sector Union (PSU) negotiated a framework enterprise bargaining agreement which covers all Commonwealth public servants.

The Commonwealth Government and Public Sector Agreement dictated that, for the purposes of enterprise bargaining, an enterprise would generally be a Public Service Department. There are still some problems with this, however, because some Departments are structured like ‘Lego sets’ and
several rely on close working ties with other Departments. Therefore, the framework agreement leaves open the option of having separate bargaining units within some Departments. This means that the Defence Force, which is part of the Department of Defence, would usually participate in enterprise bargaining alongside Defence Public Servants, rather than as a separate entity, although the ability to negotiate a separate agreement is still available. As a result, an ADF productivity case before the DFRT, based solely on defence force productivity improvements, will proceed on its own: while a case based on enterprise wide productivity improvements, must be linked to the Department of Defence Public Servant’s wage case, which is ratified by the AIRC.

Clearly, this has the potential to create difficulties for both negotiators and tribunals. If one tribunal has awarded a certain wage increase to either the ADF or the Public Servants within the Department based on an enterprise wide productivity case, then the other tribunal is somewhat restricted in making its decision based on the same case. The most recent productivity case put forward by the Department, the Third Tier Agreement, based on ‘enterprise wide’ productivity gains, resulted in comparable outcomes for both uniformed and civilian members of the Department. This system appears to be clumsy as it requires a similar outcome from two separate tribunals and it is difficult to see how problems can be avoided. Perhaps a solution for ‘enterprise wide’ cases would be for the case to be heard by the AIRC and the outcome applied to all members of the Department of Defence, military and civilian, with no role for the DFRT. This would leave the DFRT to concentrate solely on issues affecting the ADF, such as ADF productivity, wage structures and allowances, but would mean that it would only have a ‘rubber stamp’ role on enterprise wide matters. In addition, under present legislation, the AIRC has no jurisdiction over ADF matters as military personnel do not serve under a contract of employment.

Representation for ADF Personnel

One of the conflicts facing the ADF as it adopts enterprise bargaining lies at the very heart of the ADF structure and ethos. ADF personnel have no right to union representation, they do not have the right to strike or withhold labour and they are required to conform to a rigid code of conduct, which applies equally in peacetime as it does in war. This means that management initiatives can be enacted without negotiation and service personnel cannot bargain over working conditions and conditions of service. The chain of command, however, and indeed the whole ADF ethos, is based on the effective and fair management of subordinates and the needs of service personnel are, ideally, reflected in the actions of senior ADF management. Quinn argues that the adoption of enterprise bargaining, which relies on, and in fact requires, employee participation in negotiations, would need to be ‘specifically adapted to include the chain of command system, regardless of the fact that the chain of command contravenes several of the principles of enterprise bargaining’.

In reality the system is not perfect. Early in December 1992, HQ ADF negotiated an agreement which proposed to ‘offer up’ certain conditions of service in return for a wage increase. To comply with the requirement for employee participation, they consulted with all ADF units. Problems arose because there were only six days to finalise negotiations, consult with ADF personnel and prepare a case while most personnel were already moving from their units on Christmas leave. As a result of fierce backlash regarding the decision to reduce the MQ subsidy, this part of the agreement was changed. This is one example of the difficulty facing HQ ADF when it tries to ‘represent the views’ of Defence Force personnel. Ultimately, regardless of the views of ADF members, the Chief of the Defence Force (CDF), as the head of the ADF, decides the employees’ position on pay related matters. Generally, consultation is achieved through the provision of comment up the chain of command, the provision of input at the workplace level into efficiency reviews and studies and the provision of advice from the CDF to ADF personnel on the progress of wage cases.

The requirement to provide for wage increases out of the existing defence budget places the CDF in an invidious position with regard to balancing the operational needs of the Defence Force with the welfare needs of ADF personnel. The Cross Committee recognises that a potential conflict of interest existed when it said that:

Regardless of personal propriety, [CDF] is therefore placed in an invidious position if, say, proposed remuneration increases are likely to impact on (perceived) re-equipment programs.

Oates explains that this dilemma exposes the difference between command and management in which the military commander must practice the ‘dual leadership roles of operational needs and the welfare of the personnel under his command’. He says that there may be a need for the separation of the management and personnel representation roles and suggests that there are four options, each with disadvantages.
The final option requires the CDF to lose some of his command responsibilities but the separation of management objectives and employee remuneration is achieved. Whilst this option is most similar to the present situation there are still concerns of career repercussions for the ACPERS although these are less than for the previous option where the ADF acted as employer.

Oates concludes that there is ‘no clear identification of who would form the bargaining units ... It is hard to conceive how DIR could continue in the employer role when it has no stake in the management of the ADF ... Yet A re-introduction of the situation, where the Department of Defence represents the employer, is likely to repeat the problems evident in this form of model in 1985-1987’. The problems of the present system were highlighted during the aborted Service Allowance Review case in 1992. This is discussed below.

A review of Service Allowance was conducted in 1992, following two previous reviews in 1986 and 1989, in which the ADF case was rejected due to flawed methodology. The case was to be heard by the DFRT and a substantial increase in the Allowance, based on increased working hours, was expected. Despite a Tribunal recommendation that a hearing be conducted, and the fact that it had been seven years since the first review was commenced in 1985, the CDF, who had initiated the review, cancelled the case in May 1992 because it only examined the working hours element of the overall Allowance. This decision was made without consultation with ADF members and attracted a great deal of criticism, particularly as the real reason appeared to be a lack of funds in the ADF budget.

The CDF’s decision highlighted concerns about his ‘conflict of interest’ and prompted the DFRT, in the December 1992 pay case, to say that ‘the question of the Review of Service Allowance has been before the Tribunal for some time and we consider that any further postponement ... would not be appropriate’. Oates says, ‘In no normal business model are the interest of the workforce represented solely by the Board of Directors, whose decisions are final and cannot be gainsaid’. The CDF’s decision was even attacked in the Senate. The CDF promised that a review would be conducted during 1993, but because an increase was awarded as part of the general two year productivity agreement in the December 1992 wage case, no increase, even arising out of a review, can be granted before December 1994. The review was finally concluded early in 1994 and the DFRT heard the case in May 1994 with an increase in July 1994, nine years after the first review of 1985. Clearly
the issue of employee representation for ADF personnel is not yet resolved. The present system in which HQ ADF, under the guidance of the CDF, represents Defence Force personnel has clear flaws, but the alternatives seem to offer no clear improvement, and many disadvantages. It is strongly recommended that the whole issue of representation and the separation of fiscal and welfare responsibilities be examined in greater detail.

Enterprise Productivity, Cultural Change and Program Management

It was mentioned earlier that the measurement of productivity improvement is difficult in the Public Sector. In fact a cynical view is that ‘it is commonplace to hear talk of productivity improvement without any process of measurement taking place’. Because of the differences between the Departments and the decision that a Department would comprise an agency, the framework agreement between the Commonwealth Government and the Public Sector Unions left the method of productivity measurement up to the individual Departments to implement. ‘The parties should agree on arrangements to oversee the implementation of the agency agreement to ensure that its objectives are achieved’. This meant that the Department of Defence, including the ADF, would negotiate with DIR to develop appropriate measures of productivity. Because of the difficulty in defining the output and measuring the productivity of an organisation such as the ADF, this is achieved through the development of Performance Indicators. These are measures of ‘the efficiency with which an agency achieves preset goals defined in terms of both its outputs and/or its outcomes’. Remembering that defence capability is a product of both the quality and strength of the defence force and is closely linked to the efficiency with which the ADF uses its resources, the advantage of using performance indicators over other productivity measures is that they can be tailored to reflect the efficiency with which pre-set goals are achieved. The Government decision to reduce the size of the Defence Force means that ADF productivity gain has tended to flow from initiatives which provide the same outcome, but at a lesser cost, and with fewer resources. Oates says that ‘the basic imprecision of performance indicators is such that, if they are to be of use in determining pay, they must be necessarily broad especially if quality is a factor in outcome objectives’.

Under the concept of Program Management and Budgeting (PMB), the Defence budget is divided into eight broad programs, under which responsibility for financial management is devolved and performance indicators are developed. These programs are the means for the implementation of Defence policy and are aligned with the command structure to ensure that managers have the authority, responsibility and accountability for the effective and efficient performance of their Programs. This provides a ‘consistent framework for the devolution of management responsibility, the allocation of resources and for reporting on achievements and performance’. PMB focuses on the devolution of financial responsibility and the ‘efficient and effective attainment of objectives’, so that an ‘achievement and outcome oriented approach’ to Defence management can be obtained. This has seen reductions in administrative costs, the development of Program Objectives and the definition of Key Outcomes and Performance Indicators. Major cultural and structural change has been brought about through key initiatives such as the Force Structure Review (FSR), the Commercial Support Program (CSP), the Defence Logistics Redevelopment Project (DLRP) and the Defence Regional Support Reviews (DRSR).

Much emphasis has been placed on the need for cultural change in enterprises for a successful transition to enterprise bargaining. This change relies on practices such as workforce flexibility, employee involvement, performance appraisal and multi-skilling. These practices, and many more, are already part of the ADF system, which embraces many of the attributes needed. While it might be argued that the issue of employee involvement is incompatible with military service, there are two factors which, to some extent, refute this. First, the ADF, when compared to many other military forces, has always prided itself on engendering initiative in all ranks, and encouraging leaders to foster trust by involving subordinates, wherever practicable, in the decision making process, through being receptive to advice and suggestions from the lower ranks. Second, the adoption by the defence force of TQM, which is a form of management discipline with ‘a focus on meeting client requirements; improvement in processes; the creative participation of all staff; and leadership’, has helped to formalise the kind of approach which the ADF has been adopting for many years.

Relating Productivity to Pay

The ADF wage case for a productivity based remuneration package was heard on 21 December 1992. In this case the ADF put forward a proposal for
the introduction of measures designed to ensure that personnel had access to the benefits of continuing productivity and efficiency initiatives being undertaken. To support their claim the ADF detailed a number of productivity enhancing initiatives which provided gains in the order of two per cent of salary expenditure. These initiatives include the following:

1. Tri-Service:
   a. Changes to the entitlements and charges applying to members without family to rationalise accommodation and removal entitlements;
   b. Reduction in the married quarter rental subsidy from 59 per cent to 50 per cent over 5 years from 1992.

2. Navy:
   c. Changes to the management of accommodation requirements in Sydney to reduce costs;
   d. Automation of communications stations providing a reduction in manpower and rationalisation of training;
   e. New technical training and seaman category restructure to increase multiskilling; and
   f. Reduction in Navy establishment by 1020 regular troops over a five year period.

3. Army:
   g. Reduction in Army establishment by 5220 regular troops over a five year period;
   h. Training rationalisation through the transfer of postgraduate technical training from the UK to the Australian Defence Force Academy;
   i. Army Improved Management Program.

4. RAAF:
   j. Changes in pilot training; and
   k. Reduction in Air Force establishments by 4210 regular troops over a five year period.

In addition to the 2 per cent wage increase based on these productivity initiatives, the ADF sought a further 1.4 per cent increase in March 1993 and 1.5 per cent increase in March 1994 to ensure the continuing viability of the proposal and in consideration of developments in the economy generally impacting on real living standards.

The Third Tier: The ‘Enterprise Wide’ Case

The ADF also indicated to the DFRT that a “third tier” of increase, coinciding with a similar process for APS personnel, relating to organisation wide productivity gains would be referred to the Tribunal early in 1993. In the ‘enterprise wide’ case, which was heard on 4 February 1994, the ADF proposed that the objective was to:

Facilitate the process of micro-economic reform throughout the Defence organisation by providing for the introduction of policies, practices and arrangements, which lead to a more productive, efficient and integrated environment thereby allowing the Defence organisation to more effectively fulfil its mission as stated in the Defence Corporate Plan, 1993-1997.

This means that the Department of Defence would be able to increase defence capability by being more productive and efficient in the use of resources. This is as a result of a range of initiatives designed to reduce the number of military personnel in support positions and increase the number of personnel in combat positions and to reduce administrative overheads. To support their claim for a 2 per cent increase from 30 December 1993 followed by a further 2 per cent increase from 15 December 1994, the ADF submitted the following initiatives:

1. Elements of the Force Structure Review (FSR). This includes a reduction in overall manpower by 11 per cent since June 1991 and a reduction in funding of 1 per cent with a further 0.5 per cent increased costs absorbed within the existing budget;
2. Commercial Support Program (CSP) initiatives. This allows ‘non-core’, or essential services, to be contracted out to civilian organisations, where these organisations can provide the same service at a reduced cost;
3. RAAF Non-Technical Trade Structure Review. This provided a reduction in trade grouping from 17 to nine and a reduction in trade categories from 57-30 providing a reduction in 484 positions and the civilianisation of a further 1470 positions;
4. Defence Logistics Redevelopment Project (DRLP). This will save 1415 positions and $395M in costs by the year 2000 with an annual reduction in costs of $80M by financial year 1998/99;
5. Civilisation of appropriate military positions to release military personnel for combat related duties;
6. Devolution of Personnel and Financial Management Functions to reduce administrative overheads and speed up personnel and financial administration;
7. Part-Time Employment to increase flexibility;
8. Initiatives Aimed at Addressing Possible Discrimination in Employment;
9. Management Initiated Early Retirement and Limited Tenure Strategies;
10. Strategies to Combat Sexual Harassment; and
11. Child Care Initiatives to support the needs of Defence families.

The package of productivity enhancing initiatives was agreed to by the Commonwealth which submitted that,

the package reflects the general thrust of the Government's wages policy and recent industrial relations legislative developments which encourage parties to engage in enterprise reform for the purpose of introducing changes which will increase efficiency and productivity and providing [sic] fair and adequate remuneration outcomes for employees."

These savings have been achieved during a period when the operational workload for the ADF has been higher than at any other time since the Vietnam War. Defence personnel have served on operations in support of United Nations missions in Africa, South East Asia, Europe, the Middle East and the South Pacific. Despite a certain amount of scepticism, it is evident from the above that implementing efficiency and productivity improvements leading to wage increases is possible in a Defence environment, however there is a cost involved. The working hours review which was part of the Service Allowance case postponed by the CDF in 1992, found that average working hours in the ADF had increased to 51 hours per week. Anecdotal evidence obtained during the survey conducted as part of this paper confirms this and lays the blame directly on the requirement to increase productivity. 'In 1984 most of our work was able to be completed within normal working hours. In 1994 the amount of out of hours work is staggering.' Because the ADF provides a total force capability, productivity and efficiency improvement is achieved by either providing the same capability at a lower cost, or an increased capability for the same cost. Defence budget cuts result in less resources and manpower to provide the same level of capability. As defence personnel are on fixed rates of pay and are not paid for working 'overtime', a reduction in cost through manpower losses results in an increase in workload and labour effort through increased working hours, which are not costed or rewarded. As a result, in many ADF units, working weeks of between 50-80 hours is not uncommon.

Performance Based Pay

A Performance Based Pay (PBP) Scheme for senior officers of the ranks Brigadier and Major General and equivalents was introduced by the Tribunal on 3 June 94. This provides for financial bonuses on the basis of assessed 'outstanding' or 'superior' performance and maintains a 'consistent approach to remuneration for an integrated Defence organisation, that is, comparable treatment for ADF and civilian members working in comparable positions'. The introduction of PBP was opposed by a Senate Committee into the issue which recommended that it be abandoned in the public service by the end of the current APS Bargaining Agreement. The Senate Committee made specific reference to the ADF stating that extending PBP to senior Defence Force officers would raise ethical questions. PBP was also opposed by the RSL, ArFFA and many of the senior officers affected by the decision, with Navy and RAAF offering some support and Army almost unanimously opposed. Although it is widely seen within Defence circles as divisive and contrary to the Defence ethos, PBP was introduced so that remuneration of ADF senior officers would not fall behind that of their civilian counterparts within the Department of Defence. The future of PBP remains to be seen, particularly in the light of the Senate Committee report, but a cynic would say that it is far harder to remove a financial entitlement, especially from a senior public servant, than it is to introduce one.

Comparison Between Defence and Community Wages

The relative wage movements of ADF wages compared to Australian Male Average earnings is depicted at Figures One and Two. Figure One illustrates the ADF basic wage rate and the Australian Adult Male Average Ordinary Wage rates, while Figure Two illustrates the effect of overtime payments. For the ADF this is achieved by including Service Allowance to provide the actual Military Wage, and the rate for the Australian Adult Male Average Total Wage is used for comparison. The ADF wage groups chosen for the comparison represent skilled workers, supervisors and middle management as follows:
1. PTE/4: Private Level Four - Skilled worker, equivalent to a basic tradesman;
2. SGT/4: Sergeant Level Four - Foreman-/Supervisor; and
3. Major: Equivalent to middle management

This comparison indicates that movements in ADF wage rates, which were loosely comparable to movements in the average wage until 1988, have lost ground against the average wage during the period 1988-1994. During this period the average wage
increased by 29.5 per cent while military wages increased by 22.5 per cent, 21.5 per cent and 18.5 per cent for a Private, Sergeant and Major respectively. This is the period during which wages have been based on productivity and efficiency under the SEP and the EBP, and provides a gross indication that productivity based wage fixation has not met wage needs of defence force personnel. These findings supports data obtained in the survey conducted for this article where 81 per cent of respondents felt that ADF personnel were not adequately rewarded for the work that they perform, and 65 per cent felt that productivity improvements had not been adequately rewarded. In addition a number commented on longer hours and increased workload without corresponding increases in pay.

**Attitudes Towards Productivity Based Wage Fixation in the ADF**

ADF personnel work within a culture based on team work in which highly skilled individuals work together to complete a mission. There is a strong emphasis on team performance and adaptation to any task and, as a result, individual productivity is subsumed by the team effort, and task demarcation is low. In peacetime, the function of the ADF is primarily to prepare for war but also to carry out other tasks such as participating in United Nations Peacekeeping missions, the provision of disaster relief and also providing aid to the civil community. This requires ADF personnel to practice and use their individual skills as members of teams in accordance with the training objectives and tasks set by the government and senior ADF management. As a consequence, although they understand the intent of the notion of productivity, ADF personnel traditionally do not see themselves as being 'productive', and many view with some scepticism, moves to introduce productivity based pay to the ADF.

In order to examine the attitudes of ADF personnel towards productivity within the ADF and in particular the issue of productivity based pay, a survey was conducted. A wage fixation system needs to be accepted by the people it supports so that a link between work and reward is perceived. This survey examines the level of support and understanding among ADF personnel thereby providing a further indication of the appropriateness of productivity based pay for the ADF.

**Methodology**

A primary use of a survey such as this is to highlight trends and directions for further study and to isolate problems where the topic is not clearly defined. With regard to ADF wage fixation, this is certainly the case. The application of productivity wage fixing principles within the ADF is relatively new and so the use of qualitative research helps to define the subject's understanding of the situation when the context is unclear. Sutcliffe states that qualitative research is used extensively within industrial relations because of the emphasis on interpersonal relations and workplace systems. Because the application of conventional industrial relations practices to the ADF is new, the context is unclear and so a survey which examines the views of ADF personnel can help to determine the level of understanding of the situation which will provide a base for further research. Much of the available literature in this area provides background information concerning what has occurred, how the productivity principles have been applied, the structure of the wage fixing system and the wage fixation process; but little concerning the appropriateness of the application of these principles to the ADF. By using a survey at this stage it is possible to gain a general picture of the views of ADF personnel towards productivity based wage fixation to determine the level of understanding and support for this issue. Where there is not a feeling of 'ownership' of a wage fixation system, then it is difficult for workers to perceive the link between work and wages.

Because of time and cost limitations, the target group for the survey has been restricted to Army personnel. The range of employment available in the Army covers the spectrum of ADF employment and the Army comprises approximately 45 per cent of total ADF personnel and so, for the purposes of this study, the sample can be said to be representative of the ADF. A wider study should be conducted to assess the attitudes of personnel from all branches of the ADF and to validate the results of this survey.

A random sample of 200 personnel between the rank groups Private to Lieutenant Colonel was provided by HQ ADF and comprises personnel from all occupational categories and geographic locations. Senior officers of the rank Colonel (Equivalent) and higher were excluded from the survey because their remuneration package is structured differently from that of Other Ranks and junior and middle ranking officers; and because of the uncertainty at the time the survey was conducted surrounding the introduction of performance based pay for these officers.
Results of the Survey

Factor analysis using the computer based SSPX Statistics Program strongly supported the three topic areas that were identified in the literature review and background research. These are outlined in Tables 2, 3 and 4. A fourth table, Table 5, details the responses to three miscellaneous questions that do not fit directly into the three topic areas. These additional questions assess attitudes towards a link between wages and inflation, a link between wages and job skills, and a link between productivity and combat capability.

The first group of questions examined the issue of productivity as a wage fixing principle. Factor Analysis grouped questions One, Three, Four and Twelve together with a Reliability of A=0.75. This indicates a high degree of consistency between responses. These questions were designed to examine attitudes towards productivity as a wage fixing principle for the ADF and the responses are recorded in Table 2.

### Table 2. Results of Topic One. Productivity as a Wage Fixing Principle.

<table>
<thead>
<tr>
<th>Question</th>
<th>Definitely No</th>
<th>Mainly No</th>
<th>Unsure</th>
<th>Mainly Yes</th>
<th>Definitely Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Should the ADF receive wage rises based on improved productivity?</td>
<td>9.8%</td>
<td>16.3%</td>
<td>11.4%</td>
<td>33.3%</td>
<td>29.3%</td>
</tr>
<tr>
<td>3. Should the ADF measure productivity?</td>
<td>11.2%</td>
<td>11.2%</td>
<td>8%</td>
<td>38.4%</td>
<td>31.2%</td>
</tr>
<tr>
<td>4. Do you think the ADF has achieved productivity improvements?</td>
<td>6.4%</td>
<td>13.6%</td>
<td>32%</td>
<td>34.4%</td>
<td>13.6%</td>
</tr>
<tr>
<td>12. Should improvements in productivity be used to gain wage rises?</td>
<td>8.1%</td>
<td>12.9%</td>
<td>18.5%</td>
<td>37.1%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

Questions One and 12 asked whether the ADF should receive wage rises based on increased productivity and, while there was some opposition to the use of productivity improvements to receive wage rises (26 per cent for Q1 with 11 per cent unsure and 21 per cent for Q12 with 18 per cent unsure), there was a consistent level of support (62 per cent for Q1 and 60 per cent for Q12). There was more support, and less uncertainty, in Q3 for the actual measurement of productivity (70 per cent in support, with 22 per cent opposing and only 8 per cent unsure) which demonstrates that there is more support for the actual measurement of productivity than there is for the use of these measures to determine wage rises.

This was supported by a comment from an Infantry Warrant Officer who said that, 'productivity should be monitored with a view to making the ADF organisation more efficient, however I don't believe this should be translated into the need for wage increases. Wage increases should be based solely on job skills and job requirements'. An Engineer SNCO concurs in his comment, 'I have always believed that pay should be based on technical complexity of trade'. Not all agreed however, as this comment from a pilot indicates, 'My speciality is dropping bombs on target, on time. Unless we introduce a Vietnam Style body count, I cannot be measured against "productivity". Efficiency is another matter, but what could it be measured against?'

Interestingly, there was considerable support (48 per cent), but also considerable uncertainty (32 per cent) for Q4 which asked respondents whether they believed that the ADF had actually achieved productivity improvements. This supports comments provided by many respondents and demonstrates that there is a great deal of confusion about what productivity means to the ADF and whether the ADF has achieved productivity improvements. The following statement from a Communications Sergeant is typical of these comments, 'I cannot grasp the concept of productivity in a defence force. What is our product and how do we measure it?'

Clearly, there is a lack of understanding about the meaning of productivity within the ADF and some concern about linking it to wages.

The second group of questions sought information regarding the adequacy of defence force pay and the results are detailed at Table 3. Factor analysis grouped questions, six, seven and ten together with a Reliability of A=0.72.

### Table 3: Results of Topic Two. The Adequacy of ADF Pay

<table>
<thead>
<tr>
<th>Question</th>
<th>Definitely No</th>
<th>Mainly No</th>
<th>Unsure</th>
<th>Mainly Yes</th>
<th>Definitely Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. Have ADF productivity improvements been adequately rewarded through wage rises?</td>
<td>25.2%</td>
<td>39.8%</td>
<td>30%</td>
<td>4.9%</td>
<td>–</td>
</tr>
<tr>
<td>7. Are ADF personnel adequately rewarded for the work they perform?</td>
<td>43.2%</td>
<td>37.6%</td>
<td>8%</td>
<td>9.6%</td>
<td>1.6%</td>
</tr>
<tr>
<td>10. Are you satisfied with the level of pay you receive for your rank and duties?</td>
<td>30%</td>
<td>30.4%</td>
<td>8%</td>
<td>30.4%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Q6 asks whether ADF productivity improvements have been adequately rewarded through pay rises, and responses indicate that although there is a great deal
of uncertainty (30 per cent), a significant number of respondents (65 per cent) believe that there has not been adequate reward. The level of uncertainty supports the findings of Q4 which indicated uncertainty about whether the ADF had actually achieved productivity improvements. The high negative response is supported by a number of comments from respondents who feel that the ADF is working longer and harder without adequate reward. ‘Downsizing has, in most cases, forced individuals to increase productivity independently of the productivity based pay concept’. This is supported by the response to Q7 which asked whether ADF personnel are adequately rewarded for the work they perform. There was some support (11 per cent) but, overwhelmingly respondents felt that ADF personnel were not adequately rewarded (81 per cent). Many respondents commented on long hours, high levels of skill, and demanding jobs with substantial responsibility, and felt that this was not adequately recognised. As this comment indicates, ‘I now work 80 hours a week due to manpower cuts and structural change. We all do more with less which will increase stress and fatigue and reduce preparedness’.

The final question in this group asked respondents for their feelings about their pay. In comparison to the previous question, a much larger number (33 per cent) felt that, as an individual, they were adequately rewarded for the work they perform. Comparing this result with the response to Q7 indicates that while these respondents may be satisfied with their own pay, they acknowledge that others in the ADF are not adequately rewarded.

The third group of questions sought information about attitudes towards representation for ADF personnel. These questions asked whether respondents felt that HQ ADF should be the representative or whether another organisation should undertake this role. Factor analysis grouped questions eight, 11 and 13 together with a reliability of $\alpha = 0.24$.

Table 4: Results of Topic Three. Representation for ADF Personnel.

<table>
<thead>
<tr>
<th>Question</th>
<th>Definitely No</th>
<th>Mainly No</th>
<th>Unsure</th>
<th>Mainly Yes</th>
<th>Definitely Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>8. Do you feel that HQ ADF is able to adequately represent ADF personnel in wage cases?</td>
<td>17.6%</td>
<td>24%</td>
<td>28.8%</td>
<td>26.4%</td>
<td>3.2%</td>
</tr>
<tr>
<td>11. Should HQ ADF continue to represent ADF personnel in wage cases?</td>
<td>12%</td>
<td>9.6%</td>
<td>31.2%</td>
<td>33.6%</td>
<td>13.6%</td>
</tr>
<tr>
<td>13. Should another organisation, such as the RSL or ArFFA, represent ADF personnel in wage cases?</td>
<td>11.2%</td>
<td>19.2%</td>
<td>34.4%</td>
<td>19.2%</td>
<td>16%</td>
</tr>
</tbody>
</table>

The results in this section are less decisive. Q8 asked respondents whether they felt that HQ ADF was able to adequately represent ADF personnel in wage cases. A large number of respondents indicated that they were unsure (28.8 per cent) with a relatively high number responding in the negative (42 per cent) and only 29.6 per cent in agreement. In spite of this, Q11 showed that only 21.6 per cent of respondents believed that HQ ADF should not represent ADF personnel, with 47.2 per cent believing that they should. Again there was a high degree of uncertainty with 31.2 per cent unsure. A suggestion from one respondent is for this function to be performed by the Defence Force Advocate and a group of support staff, still part of HQ ADF, but able to operate independently. Unfortunately, the fear of career repercussions for the officers involved may prohibit the actual independence of action of this group.

When asked whether another organisation such as the RSL or ArFFA, should represent ADF personnel there was no clear result with 35.2 per cent in favour, 34.4 per cent unsure and 30.4 per cent opposed. There was similar polarity amongst the comments. A number of respondents favoured the use of an organisation such as the RSL or ArFFA which are outside the chain of command and less affected by ‘political’ concerns or any conflict of interest, but there were also some who favoured retaining the current system. Clearly there is not agreement regarding the most appropriate form of representation for ADF personnel. This is an issue that requires further study using a wider sample representative of the entire ADF.

The survey asked three other questions, which do not fall neatly into the three topics detailed above. The responses for these questions are detailed at Table 5.

Table 5. Miscellaneous Questions

<table>
<thead>
<tr>
<th>Question</th>
<th>Definitely No</th>
<th>Mainly No</th>
<th>Unsure</th>
<th>Mainly Yes</th>
<th>Definitely Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Should the ADF receive wage rises based on increases in inflation?</td>
<td>0.8%</td>
<td>–</td>
<td>3.2%</td>
<td>19.2%</td>
<td>76.8%</td>
</tr>
<tr>
<td>5. Should ADF wages be based on job skills and job requirements?</td>
<td>1.6%</td>
<td>0.8%</td>
<td>3.2%</td>
<td>36.8%</td>
<td>57.6%</td>
</tr>
<tr>
<td>9. Has the combat capability of the ADF been reduced by the focus on productivity?</td>
<td>4.8%</td>
<td>16.9%</td>
<td>33.1%</td>
<td>21.8%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

Perhaps not surprisingly, there was considerable support for traditional methods of wage fixation. Q2
showed 96 per cent in favour of wage increases in line with inflation and Q5 showed 94.4 per cent in favour of wages based on job skills and job requirements. This was particularly supported by comments with many respondents pointing out the special demands of service life. The level of support for a skill based wage system demonstrates that any wage system based on individual productivity would not be supported. A number of comments supported this when respondents aired their concerns about measuring and rewarding individual productivity, in addition the performance based pay scheme for senior officers was strongly criticised because it rewards individual performance, when ADF employment is recognised as being team based. The following comment from an Artillery Warrant Officer is representative of the views of many personnel,

If PBP (Performance Based Pay) is introduced it will be the end of the ADF as we know it. The effect will invariably be to produce a more militant (pay based) soldier. The soldier will perceive that every time he is stuffed around it is solely for the financial benefit of his (PBP) officer.

Q9 addressed the issue of combat capability and asked respondents to assess whether the combat capability of the ADF had been reduced by the focus on productivity. While results are not decisive, with 33.1 per cent unsure, particularly amongst lower ranks, more respondents felt that the combat capability of the ADF had been adversely affected (45.2 per cent against 21.7 per cent). A number of comments supported this with respondents pointing out that there is more emphasis on cost cutting at the expense of training; manpower and resources have been reduced and yet the ADF is required to do more and is working longer hours. An Engineer Warrant Officer pointed out that, ‘units are being reduced in manpower to enable the ADF and Government to cut costs but still require the same unit output’. The following comment by an Engineer Lieutenant employed as an instructor at an Army training establishment explains the impact of this on the Army ethos and operational preparedness.

Productivity devalues the Army’s character, and leadership skills are at the mercy of managerial type teachings. Training is restricted as it is not seen as cost effective. I can see commanders at all levels emphasising even more the ‘get the job done at any cost’. The people at the sharp end will suffer as money should never motivate duty.

### Summary of Results

The survey results showed support (62 per cent at Q1 and 60 per cent at Q12) for the measurement and use of productivity improvements to gain wage rises but indicated a fair degree of uncertainty about whether the ADF had actually achieved productivity improvements. Analysis showed that there was strong feeling that ADF pay does not adequately reward the work of ADF personnel and that wage rises have generally not kept pace with increasing work load.

With regard to the issue of representation for ADF personnel, the survey showed that attitudes were mixed, with more respondents in favour of HQ ADF representing ADF personnel despite the fact that a larger number felt that HQ ADF was not able to carry out this function adequately. In addition there was no clear support for or against another organisation fulfilling this function with only slightly more respondents arguing in favour of another organisation such as the RSL or ArFFA, but there was also a high degree of uncertainty.

The final table detailed the results for three questions dealing with the link between wages and inflation, the link with job skills and the link between productivity and combat capability. There was strong support to maintain a link between wages and inflation and to base wages primarily on job skills and job requirements (94.4 per cent at Q5). With regard to combat capability the results are mixed with a large number of respondents unsure, but significantly more respondents felt that the combat capability of the ADF had been reduced by the focus on productivity.

Overall, the survey results indicate that there is a substantial amount of confusion throughout the Army about productivity. How applicable it is to the ADF, how it will be measured, whether it has been achieved, whether or not it should be linked to pay and who should represent ADF personnel.

The clearest patterns to emerge from the survey was the strong support for a link between wages and job skills, and a rejection of the notion of rewarding individual productivity or performance. This is contrary to contemporary management thinking which supports individual rewards for goal accomplishment. This is a contentious issue and underlies the opposition of many Defence Force personnel to performance based pay for senior officers and the widespread confusion regarding productivity based pay for the ADF as a whole. Defence Force personnel operate as members of a team, and the notion of differentiating between members of the team when it
comes to remuneration is foreign to most service men and women. There is support but also a lot of confusion regarding the use of productivity improvements for wage rises and this is coupled with a concern that an emphasis on productivity has reduced the combat capability of the ADF through a reduction in resources and an increase in workload.

For a wage system to be successful and meet the needs of the people it supports, it has to be understood and accepted by the people within the organisation. Where people are unable to perceive a link between performance and reward, then the use of a reward as a motivating factor is reduced. There is strong support for wages based on job skills and job requirements. This is because a soldier can say to himself, ‘this is what I do – it is worth this much’. There is less support for productivity based wage fixation because of the confusion concerning what exactly productivity is, and how it relates to the Defence Force. This is summed up in the comment from the survey, ‘How can the Defence Force measure productivity? It doesn’t produce anything’.

This survey has shown that, in spite of the success of ADF productivity based wage cases, there is a general lack of understanding amongst Defence personnel about how productivity based pay works. For a wage system based on productivity to be supported, the ADF must clearly explain what is meant by productivity and what is being measured. There must be a link between effort and reward and this needs to be clearly understood throughout the chain of command. The misconceptions concerning productivity need to be clarified. Service personnel need to understand that although it is not their individual productivity that is being measured, nor that of their unit; their efforts contribute to the provision of Defence capability and the overall level of ADF effectiveness. It is this which influences how well ADF goals are achieved and which provides the stimulus for productivity based wage increases. This will go a long way towards reducing the confusion and scepticism that is clearly apparent throughout the ADF.

## Conclusion

Defence Force wage fixation has advanced a long way since the Committee of Reference days prior to 1985. The establishment of the Defence Force Remuneration Tribunal (DFRT) has provided defence force members, for the first time, with an independent body to assess wages. A major difference between the current system of wage fixation under the Tribunal and the previous committee system, is that weaknesses within the new system can be addressed by the ADF. These lie primarily with the issue of representation for Defence Force members. Under the previous system the weaknesses lay outside ADF control and included the lack of a system for regular review and the lack of an independent body to fix wages.

The issue of representation continues to attract criticism and needs to be urgently addressed as the current system has several serious flaws; namely the role of the CDF, the role of the Department of Industrial Relations and the method of appointment of the Defence Force Advocate. The CDF, influenced by budgetary considerations, should not be responsible for directing the defence force wage case. This responsibility should be delegated to the ACPERS, or a retired two/three star officer, who should be able to act independently and without prejudice.

There is scope for greater involvement in the preparation of the Defence Force wage case by the ArFFA or a similar organisation. This organisation should be sanctioned by the CDF to canvass and represent the views of Defence personnel as an adjunct to, but not a replacement for, the chain of command. This will prevent the views of lower ranks from being filtered and summarised by commanders at the sub-unit, unit, formation, functional and operational command level. A representative organisation should be able to operate for service personnel in the same way as they are currently able to air their opinions through the ‘letters to the editor’ segment of service newspapers without threatening the chain of command or prejudicing service discipline.

Although there have been some problems, the ADF implemented the REP and SEP to the satisfaction of the Tribunal. In doing so, there has been a change in culture within the ADF and a new emphasis on improving efficiency, becoming more productive and gaining more value for the Defence dollar. This has seen major restructuring throughout the Defence Force and the introduction of a range of initiatives designed to cut costs and improve procedures. The definition of the Department of Defence as a bargaining unit, with the opportunity for the ADF to bargain independently where necessary, is the most appropriate form of bargaining at the present time and generally meets the needs of both the Defence Force and the Department of Defence.

Basing a wage fixing system on productivity improvement is only viable in the short term because there are limits to productivity achievement at the workplace level in the long term. For this type of system to succeed, productivity must be measured at
a level high enough to allow major changes in structure and technology to be included as these have a significant impact on how an organisation carries out its tasks. Because the capability of the Defence Force is the product being measured it is not practicable to measure productivity at the unit level, or even at the level of a single service such as Navy or Army, when there are so many factors outside the control of these organisations which impinge upon their ability to meet goals and objectives.

Clearly, traditional measures of productivity based on output against input are of limited applicability to the ADF as it provides a capability rather than a consumer product. Capability is a measure of the quality and combat power of the force and is determined by the level of training, the effectiveness of weapon systems and operational procedures, and the number of combat units available for deployment. Measures of performance and achievement against broad pre-set goals and objectives, however, are acceptable to the ADF method of operation and provide the incentive for goal accomplishment. One problem caused by the adoption of performance indicators and program objectives is that these have generally focused on cost cutting and cost offsets, which tend to manifest as manpower reductions. Where these manpower reductions have occurred, ADF personnel are required to work not only harder, but also significantly longer hours to achieve the required output which, in the long term, will be detrimental to morale and performance. This is the underlying paradox of the productivity issue. Productivity measures have improved defence capability because of streamlining and the reduction of the number of support troops in favour of combat troops, but increased workloads have lowered morale and increased frustration and fatigue, thereby reducing Defence capability.

It is more difficult for combat units to measure performance against traditional measures than it is for base logistic units to measure repair, supply and distribution functions. Combat units measure their effectiveness rather than efficiency through the assessment of performance during training exercises in which procedures are tested and evaluated to both practice the use of these procedures and to identify areas for improvement. At all levels of the Defence Force there is a reliance on teamwork and the support, both combat and logistic, of other elements of the force. Defence capability is a measure of the total force, so as a result, although unit effectiveness can be tested, productivity and efficiency improvement in the Defence Force must be attributed at the level of the total force. In addition, operational requirements and career needs dictate a non-voluntary posting system in which service personnel undergo frequent postings to different units to develop their skill and experience base. If productivity was rewarded at a level lower than that of the ADF as a whole, this would result in an iniquitous situation where personnel could lose money as a result of a compulsory posting to another unit.

During the period December 1992 - December 1994, the ADF received five separate wage increases based on productivity agreements: 2 per cent in December 1992 in recognition of ADF specific productivity measures; 1.4 per cent in March 1993 and 1.5 per cent in March 1994 in consideration of developments in the economy; 2 per cent in December 1993 and a further 2 per cent in December 1994 based on enterprise-wide productivity gains. This is without including reviews of specific allowances such as the Service Allowance review and the outcome of the ADF wage/trade structure review. Despite this, ADF wages, which kept pace with the average wage from 1980 - 1988, have risen at a slower rate than the average wage since the introduction of productivity principles into the wage fixing system. During the same period ADF working hours have increased markedly with ADF personnel now working an average of 51 hours a week, including field and seaitime hours, compared to 43 hours a week in 1983.11

For a wage system to be successful and meet the needs of the people it supports, it must be understood and accepted by the people within the organisation. Where people are unable to perceive a link between performance and reward, the use of a reward as a motivating factor is reduced. The survey results indicate that there is a substantial amount of confusion throughout the Army about productivity. How applicable it is, how it will be measured, whether or not it should be linked to pay and who should represent ADF personnel. The clearest patterns to emerge from the survey is strong support for a link between wages and job skills and a rejection of the notion of rewarding individual productivity or performance. Although there is support, there is a lot of confusion regarding the use of productivity improvements to gain wage rises and this is coupled with a concern that the combat capability of the ADF has been reduced through a reduction in resources and an increase in workload.

For a wage system based on productivity to be supported, the ADF must clearly explain what is meant by productivity and what is being measured. There must be a link between effort and reward and this needs to be clearly understood throughout the chain of command. It is recommended that the misconceptions concerning productivity be clarified and the issue of representation be resolved. It is recommended that
action be taken to reduce workload through a reversal of the manpower cuts that have reduced unit strengths. This will have an immediate effect on morale, frustration and fatigue. These measures will go a long way towards reducing the confusion and scepticism that is clearly apparent throughout the ADF, reducing the detrimental effect on defence capability, and ensuring that ADF personnel are not put at a disadvantage by productivity based wage fixation.

**NOTES**

5. Poynton, op.cit., p.17.
6. cited in Poynton, ibid, p.18.
10. ibid.
22. ibid, p.9.
24. These include the devolution of a range of financial delegations to regional and unit levels, the replacement of cash based pay with net pay deposit, changes to the management of defence vehicle fleets and changes to purchasing and contracting arrangements.
31. ACAC NWC Decision 12 August 1988, Print H4000, p.5.
33. ibid.
34. AIRC, NWC August 1988, Print H4000, p.11.
37. ibid, P.8.
38. AIRC, NWC 7 August 1989, Print H9100.
40. ibid, para 19.
42. DFRT, *Determination No 4 of 1990*, 8 June 1990.
45. Oates, op.cit., pp.4-5.
47. Oates, op.cit, p.5.
50. AIRC NWC, October 1991, Decision, Print K03000.
54. ibid, p.14.
56. Quin, op. cit. p.34.
57. ibid, p.35.
58. Oates, op. cit. p.26
59. DFRT 1 of 1994 op. cit. ADF Proposal pp.3-4.
61. The Armed Forces Association of Australia (ArFFA) is an organisation formed by serving and ex-serving defence personnel to promote the interests of ADF personnel. It is the nearest thing the ADF has to a union but differs from a union in many key areas, in particular, it does not support of undertake industrial action.
63. Oates, op. cit. p.16.
66. ibid, p.17.
67. Service Allowance is a fixed amount added to the wage of trained ADF personnel between the ranks of Private (Equivalent) and Major (Equivalent) to produce the Military Wage. Service Allowance is paid to compensate for four elements: the additional Discipline/Regimentality of service life; frequent relocation to meet service needs; uncomfortable working and living conditions; and an ‘overtime’ element which includes the requirement to be on call at all times. These elements are not costed separately and so the actual value of the ‘overtime’ element cannot be separated.
69. ibid.
70. Oates, op. cit. p.35.
71. The eight Defence Programs are: Forces Executive; Navy; Army; Air Force; Strategy and Intelligence; Acquisition and Logistics; Budget and Management; and Science and Technology.
75. ibid, p.15.
76. Quin, op. cit. p.42.
77. HQ ADF, ADF Proposal to the DFRT on Productivity Based Remuneration 21 December 1992, Annex A.
78. ibid, para 7-8.
79. HQ ADF, ADF Proposal to the DFRT on Productivity Based Remuneration, 4 February 1994, para. 3.
80. ibid, para 5.
81. DFRT 1 of 1994, p.4.
82. DFRT ‘Reasons for Decision’ Service Allowance Case, 9 May 1994, p.18.
83. Army Pilot (Major).
84. DFRT Determination No 4 of 1994, Performance Based Pay, 3 Jun 94, ADF Submission, p.2.
86. DFRT 4 of 1994, ibid, p.3.
87. Chiefs of Staff Committee minutes of a meeting 28 Feb 90 ‘Performance Based Pay – Application to the ADF’, Minute 21/1990.
88. HQ ADF Pay and Conditions Branch Paper SC 90-362 dated Feb 1990 “Performance Based Pay – Application to the ADF”.
89. DFRT 4 of 1994, ibid, p.3.
91. P. Sutcliffe, ‘Interviewing, Observation and Ethnography: Techniques and Selection Criteria’, Researching Industrial Relations: Methods and Methodology, Australian Centre for Industrial Relations Research and Teaching, Monograph No 6, University of Sydney, 1991, p.81.
92. Subsequent to the distribution of the survey, the PBP decision was delivered and introduced a scheme for senior officers of the ranks Brigadier and Major General (Equivalent). PBP is discussed in more detail in Chapter Four.
93. RAAF Bomber Navigator. Comment in pilot study of the survey conducted for this thesis.
94. Engineer Senior Non-Commissioned Officer.
95. Administrative Officer (Captain) in a Combat unit.
96. ADF Activity Survey, presented as part of the ADF Service Allowance Case, 1994. This was discussed in Chapter Four.

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Transfer from HMAS Labuan to HMAS Tobruk - Exercise Kangaroo 95
Collective Bargaining Principles in the ADF - Can They Work?

By Captain D.J. McGuire, RAE

Introduction

The Australian Industrial Relations system has been based primarily on an adversarial relationship between the employers and the representatives of the workers, the unions. The Government has maintained a mediator role in various forms offering conciliation and arbitration for conflicting parties. Over the course of its development the system has depended upon a statutory body to provide impartial decisions and mediation in disputes. This is currently the Industrial Relations Commission (IRC).

The success of this system is dependent on all parties having equal representation and rights to take cases to the commission. Of course equity is not always maintained and minority groups, non-unionised or weaker union backed employees and employers opposed by large and influential unions are often in a weak position from the start. However, they still have access to an impartial system of compulsory conciliation and arbitration which gives even the weakest party, in principle, the opportunity to air its grievances.

Current trends, as acknowledged in the latest Accord Agreement, aim at collective bargaining in the workplace. Agreements are reached between employees and their employers at the basic level. One of the stated principles behind this system is that agreements can incorporate concessions, conditions and agreements at the workplace level which are specifically suited to those personnel. They can therefore, be far more specific and recognise workplace achievements by employees. Such agreements and associated wage increases aim to reward productivity gains and cost savings. To avoid exploitation of either parties such agreements must still be ratified by the IRC. Of course employees still have the right to be represented by unions and steps have been made, at a Federal level, to ensure that they are incorporated into the agreement process.

The Australian Defence Force (ADF) is unique as that sector of the workforce which has never had access to this system. Its employees are from diverse backgrounds and represent the majority of trades in the civilian workplace. Its operation is dictated by Federal Legislation, the Defence Act - 1903, which only recently (to be more accurate 1984), has been amended to incorporate some form of regular wage review for the ADF and a body, the Defence Force Remuneration Tribunal, to hear and make recommendations to the government on wage case issues.

Why is this the case? For the uniformed members the answer lies in the nature of employment contract made, on enlistment, between Service personnel and the Commonwealth of Australia. At that point recruits agree to serve the country and to defend it, as the Government sees fit, regardless of the political personalities and party, or personal persuasion of the member at the time. The absence of union representation that may bring the Defence Force into conflict with the Government it is meant to serve has, rightly or wrongly, been seen as an extension of this vow. The result has at times, led to Defence falling behind the civilian workforce sector in areas of wages, allowances and work conditions.

Before proceeding further in the discussion it is important to point out the ADF refers to the uniformed personnel and not the Public Service civilian members of the Department of Defence. This is in no way a denial of the part they have played in Defence; it is purely based on the fact that they are, unlike the uniformed members, covered by the Industrial Relations Commission and are represented by the Public Service Union.

So where does this leave the ADF? An examination of Enterprise Bargaining Principles (EBP) for the ADF should look at the requirements of the principle, how these requirements can be applied in the ADF and the mechanisms necessary to implement them. To do this the subject will be examined in four sections. These sections are:
(a) National Wage fixing Principles;
(b) Bargaining and Productivity;
(c) ADF Pay fixation System; and
(d) Enterprise Bargaining for the ADF?

By doing this it will be possible to examine the ADF pay fixation system and assess the possibility of success for productivity bargaining at the enterprise level.
National Wage Fixing Principles

Enterprise bargaining has existed for some time though this has been in the regime of over award payments and outside centrally determined principles. This has been driven more by market forces rather than in recognition of productivity gains. In 1987 the Industrial Relations Commission (IRC) formalised a productivity approach to wage fixation with the introduction of the two tier wage system. The second tier was gained through the Restructuring and Efficiency Principle (REP). In 1988 this was replaced by the Structural Efficiency Principle (SEP). The SEP and Enterprise Bargaining are the two main wage fixing principles that are directly productivity related.

The SEP requires a consultative process to change award provisions to ensure increased efficiency at the enterprise level, this being formally approved by the IRC. Efficiency was to be improved through enhanced flexibility of working patterns through initiatives such as multi-skilling and broadening of the range of tasks which a worker would perform.

Structural Efficiency Principles (SEP) and the ADF

The ADF wage case of 1990 was based on the SEP. A range of ADF management efficiency initiatives and changes to personnel policies and training rationalisations were put in as evidence to demonstrate that ADF activities conform to SEP though some SEP principles had little applicability to the ADF.

The main areas addressed by the ADF were as follows:

a. ADF members do not have a contract of employment, nor are subject to awards;

b. The facilitative provisions of SEP are aimed at management and employees being able to depart from standard award provisions which are not applicable to the ADF;

c. Focus on improved efficiency measures through consultative mechanism does not require formal prescription within the ADF;

d. Access to the DFRT cannot depend upon any provision within a determination as this is provided for by legislation;

e. The ability to direct an employee to carry out duties is implicit to service within the ADF; and

f. The process of minimum rates adjustment is not applicable to the ADF.

There would appear to be some measure of agreement within the IRC that the conditions for applying SEP are not entirely appropriate for the ADF (Oates, Collective Bargaining and Defence, 1991).

Enterprise Bargaining Principle (EBP)

This is concerned with direct negotiations between management and the workforce at an individual workplace. In essence, EBP is concerned with a greater emphasis on structural efficiency at the lower level sections of the industrial hierarchy.

In the ADF the applicability of EBP is that the DFRT must have regard for ‘national wage fixing principles’. prima facie the EBP is applicable to the ADF (Joint Committee on Foreign Affairs Defence and Trade: Personnel Wastage in the ADF; Nov 88). However, similar problems raise themselves with the requirements for an EBP agreement as with conditions posed under SEP. They have been devised for an industrial situation which differs from the ADF position. Questions such as what constitutes an enterprise within the ADF? Secondly, how will achieved productivity be measured for the ADF? Sustainable answers to these questions need to be found before the applicability of the EBP to the ADF can be determined.

Performance Based Pay (PBP)

Since first mooted, PBP has been a controversial and contentious issue. This continues. The recent Three Tier Wage Agreement for the ADF incorporates PBP increases for senior officers over and including the rank of Colonel. This is in accordance with recent packages for Public Service Senior Officer Grades A, B and C (DFRT, ADF Third Tier Adjustment Decision, Feb 1994).

Performance indicators, discussed at greater length under productivity, have been laid down as a guideline for assessing performance. These are, in broad terms, general guidelines and cover the following:

a. The maintenance of operational preparedness,
b. Further rationalisation and restructuring of the Armed Forces,
c. The efficient relocation of forces to the north of Australia,
d. Further development of combat capabilities and Tri-service operations,
e. Continued involvement in UN and international peacekeeping tasks, and
f. Improvement in management practices across the services.

Individual commanders of appropriate rank will have further performance indicators to their specific
commands. This still, however, makes the assessment of productivity subjective and open to abuse and exploitation (ADF Corporate Plan, 1994, p. 43).

Bargaining and Productivity

The concept of bargaining is foreign to a military ethos which is based on command and the implementation of Government policy for the protection and promotion of Australian security. By the nature of its product it is difficult to measure quantifiable, valued outcomes for military activities. This problem is not, however, unique to the ADF.

The ADF has, since 1972, adopted an industry approach to pay matters and this has paralleled a move toward a more centralised approach to a single Defence Force. This has resulted in the ADF being viewed as a single "enterprise". Moves toward single service enterprises (namely Army, Navy, and Air Force) have been blocked by stronger forces of equity and comparative wage justice from ADF members.

If the concept of enterprise bargaining is to work, then both parties involved in the process must have an interest in how the outcome will affect the enterprise overall. Unlike the Public Service, the ADF does not have a union organisation, in the true definition of the term, to represent its employees. The Armed Forces Federation of Australia (ArFFA) plays a limited role but lacks the power and influence, not to mention the membership, of civilian unions. Further the employer does not have a clearly defined position for adversarial disputes. A military commander must practice dual leadership roles of operational needs and maintaining the welfare of the personnel under command. This could lead to a conflict of interest that would jeopardise the efficiency and impartiality of the system.

In summary there is no clear indication of who would form the 'bargaining units' which the implementation of enterprise bargaining would require.

Productivity

The measurement of productivity with any organisation can be difficult, but no more so than in the ADF. The easiest measure is in comparing inputs used against outputs achieved, however such a formula can be fraught with danger if applied to the ADF as a whole (Deery, Ploughman; Australian Industrial Relations, McGraw Hill, Sydney, 1983, p.358). There are a number of departments that could work with such a formula, however the combat elements could not. The Australian Public Service (APS) overcame this problem with the introduction of performance indicators which form the benchmark from which productivity can be measured. Recent papers produced by the Chiefs of Staff give broad performance indicators to be used in assessing performance based pay claims. These do not, currently cover all areas of the ADF (ADF Corporate Plan, 1994).

The inability to measure an ADF output does not necessarily mean that elements of productivity within the ADF are immeasurable. A number of reviews have been conducted into maximising Australia’s defence capability in a more resource efficient manner. Implementation of recommendations flowing from these reviews, such as the Defence Regional Support Review, and efficiency programs like the Commercial Support Program can be argued to have improved productivity (Oates, et.al., 1991).

Since productivity is a major element of EBP the ADF will need to develop substantial performance indicators which can provide a measurement of the ADF’s performance and therefore a means of assessing true productivity.

The ADF Pay Fixation System

The advent of a common pay code for three services and binding decisions on pay matters by an independent body are relatively recent events. Previously, recommendations on pay were made by inter-departmental committees or by Government-appointed committees of reference. Reference was only given to the later by the Minister of Defence and their findings were of a recommendatory nature. Problems with the system were identified and a need was identified for a wage fixing body “...designed to suit the needs of the Forces and is not borrowed from models pertaining elsewhere.” (Committee of Review, 3rd Report on Salary Structure, Nov 81).

In 1984, the Government established the Defence Force Remuneration Tribunal (DFRT) in an attempt to address the deficiencies in the current system of wage and allowance fixation for Defence. The DFRT was tasked with inquiring into and determining on salaries and pay allowances for regular and reserve members of the Defence Force (Defence Act, 1903, Sect 58N). The Minister for Industrial Relations can ask the Tribunal to inquire into and report upon matters which concern the Tribunal. The Tribunal is also required to inquire into and make determinations in respect of matters which have been referred to it in accordance with the provisions of the Act. It may give effect to
any agreement reached between the Minister, acting on behalf of the Commonwealth, and the Chief of the Defence Force, in relation to a matter to which the determination relates (Defence Pamphlet, The Defence Force Remuneration Tribunal, 1991).

Jurisdiction of the DFRT covers ADF salaries and relevant allowances in the nature of salary. Other allowances are determined by the Minister for Industrial Relations. The approval by the DFRT of the ADF Tier Three case on 4 Feb 94 has demonstrated its ability to arbitrate on productivity based remuneration packages, nature of salary. In handing down its decision the Tribunal stated it “...acknowledged the relevance and importance of the productivity initiatives across the Defence organisation,” and “...the shared nature of the important productivity initiatives of the ADF and Defence Civilian Agreements is such as to warrant similar salary outcomes” (DFRT, ADF 2nd Tier Adjustments - Reasons For Decision, Feb 94).

The Tribunal and current industrial relations systems has some way to go toward fully incorporating collective bargaining principles into the ADF though the recent decisions give positive signs for the future.

Enterprise Bargaining For the ADF?

In considering the introduction of EBP in the ADF, similar to those developed for the broader community, the differences between the two must be appreciated. Further, steps must be made to change or incorporate such differences into an ADF system. These difficulties include employment conditions, relocation, employee representation, military command and the employer (Oates, et.al., 1991).

Employment Conditions

A code of discipline exists within the ADF which is an integral part of service. With this code goes a broad acceptance that changes to work conditions are not negotiable. Therefore management directives and initiatives can be put into place without need for direct negotiations with the workforce, irrespective of whether work hours or conditions are affected.

Relocation

ADF members are required to move on involuntary postings as part of their service. There is some compensation for these postings but the issue is deeper. If productivity based pay variations are linked to specific jobs then a member may suffer wage fluctuations solely due to involuntary postings. This would be unfair and unwise, thus the need to make productivity based pay variations non-job specific. To ensure that members are not discriminated against, wage increases must be given across the whole service.

Employee Representation

Industrial democracy is the basis of the pay system yet the ADF employees do not have a properly recognised union to represent their case. The ArFFA does not have the acknowledged powers of its civilian counterparts, nor does it have any statutory right to take cases, on behalf of service personnel, to the DFRT. Having said this, both it and the RSL have never denied access to the DFRT when cases are being heard.

Military Command

A lack of definition between management responsibilities and a responsibility of military commanders for service personnel causes many problems when determinations on pay must be made. The nature of military command prohibits a clear definition between the roles. This problem extends to the question of who should represent the employer when negotiating collective bargaining agreements.

Employer

For EBP to be effectively applied to the ADF, it would be first necessary to clarify the employer role. Further it would be necessary, for the purpose of case hearings and representation, to define who would act as the employer - the Commonwealth, the Chief of the Defence Force, the Secretary or the IRC? Currently the IRC represents the Commonwealth in wage cases brought before the DFRT. If the ADF is kept as one collective bargaining unit then it would seem logical to have the CDF or Minister’s department act as the employer. This, at least in the CDF’s case, could cause extensive conflicts of interest and jeopardise his impartiality.

These issues must be dealt with if EBP is to have a chance of permanent success in the ADF. If these issues are unresolvable then alternatives must be considered.

Alternatives

Government policy direction is clear – the Defence Force is to conform with the public move toward enterprise agreements based on productivity. The unique nature of Defence and the inherent problems that such a system could create
drove members of the DFRT to examine other alternatives to productivity based pay settings. The DFRT proposed the following alternatives:

a. **Public Sector Linkage.** Linking pay outcomes to the Public Service Sector has been attempted in the past but fails to address the unique nature of the ADF. Further, the approach does not reflect true enterprise bargaining principles and adjustments to the linkage would be required to reflect ADF achievements;

b. **Independent Body.** This system calls for the establishment of a review body with the power to automatically review Defence wages as it sees fit and is not tied to a system that requires a reference from the Minister. This system does not, however, conform with the Government’s direction and would have little chance of being adopted; and

c. **ADF Specific Principles.** This system is, after a fashion, currently used by the DFRT. Primarily the DFRT has the right to determine its own principles for making wage agreements if those of the IRC are irrelevant. Having said this, the DFRT must conform to the general policy direction laid down by the Government and the IRC. It cannot avoid productivity linked wage increases, only ensure that such principles are not disrupting the fabric of Defence or disadvantaging its members (Oates, et.al., 1991).

Such options, as examined by the DFRT, offer little real alternative for the ADF at this stage. The ADF must place its faith in the DFRT to acknowledge and consider the ADF’s unique system when making wage decisions.

### Conclusion

It appears that if the application of EBP is to be a feasible proposition within the ADF then the unique nature of the organisation must be considered. It may prove necessary to establish an ADF specific, productivity based principle which would avoid organisational restructuring of Defence and allows the DFRT to continue to operate in an independent role.

It appears certain that the ADF cannot be immune from public sector reform and Government direction requiring the adoption of a productivity based pay system. The Third Tier Agreement recently passed by the DFRT is the ADF’s first step down this path. Further progression must be accompanied by a recognition of the ADF as one ‘enterprise’ bargaining unit to protect the position of service personnel. In the near future, permanent clarification of employer and employee representatives will be required, and their roles and powers clarified and guaranteed by the Government. Only then will the system have a chance of long term success without risking the welfare of the ADF personnel.

Regardless, the DFRT will still look to the IRC for guidance and precedence when making decisions. The DFRT will however, be familiar with the ADF’s unique nature and conditions of service. The alternatives do not conform with current Government direction and it is doubtful that the Government would allow the ADF to shift away from its set direction. It is therefore up to the ADF to adapt to the system and work within its confines regardless of its uniquely different nature.

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Leadership: Where to Now?

By Squadron Leader J. Walker, RAAF

'There go my people. I must find out where they are going so I can lead them.'

Alexander Auguste

Introduction

Although the study of leadership has been going on for thousands of years, with writings dating back to Plato, Plutarch and Machiavelli, there is much confusion and disagreement about what leadership really means. Contemporary definitions of leadership vary according to the context in which it is being viewed. This is summarised by Montgomery who suggested that, 'the words leader and leadership are used to cover a wide range, if not variety, of meaning'.

For the purposes of this article, leadership is defined as 'inducing followers to act for certain goals that represent the values and motivations, the wants and needs, the aspirations and expectations of both leaders and followers.'

The environment within which modern ADF leadership must function is becoming increasingly complex and uncertain. This is reflected by Australian society which is currently undergoing change which will impact in varying degrees on the ADF. However, despite social forces, the raison d'etre of military service remains constant. The military’s job is to produce combat leaders who can train and lead units capable of executing missions under arduous conditions. The issue then, is not whether the role of tomorrow's military leaders has changed, but how they will need to adapt to an increasingly complex and uncertain environment.

This article will examine the leadership roles and qualities required of the ADF officer of the future.

The Changing ADF Environment

Following a broad discussion of the changing environment the ADF is likely to face, the role of the ADF leader in the future will be considered. The focus will then narrow to the consequent style and qualities required to effectively function in this role.

There are many agents of change; some more discernible than others. To predict the type of environment in which the future ADF officer will have to operate I will discuss some of these agents of change in the context of the strategic environment, technological progress, social forces and organisational reform in the military.

The Post-Cold War Strategic Environment

With the end of the Cold War there is a process of fundamental change underway in the global strategic balance, the effects of which are already evident in the Asia-Pacific region. Australia's attitude to its place in the world is consequently evolving, and its policies are being increasingly shaped by the need for engagement with Asia across the whole sphere of national activity. As well, the ADF's involvement in the various types of peace operations is becoming increasingly prominent.

In addition, through a process of national economic reform and restructuring, Australia is becoming a more open and competitive market economy. However, as Lee Kuan Yew stressed at the recent Asia-Pacific Insights Conference, Australia should not succumb to 'reform fatigue' and think that the difficult tasks are now behind it. The world is becoming more competitive and Australia will need to continue to change if it is to keep up. Therefore, the requirement for officers to have an awareness and understanding of economic, as well as regional and strategic issues, will be even more compelling.

Technological Progress

With the proliferation of high technology information systems, artificial intelligence, laser and microcircuit technologies, and breakthroughs in high frequency communication, the complexity of weapons systems will increase in the future. As a result, the ADF faces a great deal of technological change over the coming decades. The increased reliance on technology will result in a greater demand for highly qualified and skilled personnel. Traditionally the ADF has struggled to recruit and retain personnel in these high technology work areas. Despite revisions to work practices and trade structures, evidence from the three Services indicates that this problem is likely to continue in
LEADERSHIP: WHERE TO NOW?

the future. This, and the desire of the military to develop more and more complex integrated systems, will add new dimensions to the knowledge and skills required of the ADF leaders of the future.

Social issues

Edwards contends that the rate and extent of social change in Australia is growing rapidly, and will make new demands on traditional values, perspectives and tenets of the ADF. Dr Hugh Smith supports this and also asserts that service personnel of the future are more likely to be better educated, pursue self goals and be less tolerant of authority. If this is true, service personnel are less likely to accept direction blindly, unless it is accompanied by a rationale which satisfies them. Both Edwards and Smith also advance that as a sub-system of Australian society the ADF will not be immune from the trend towards a more multi-racial and multi-cultural nation. This view is supported by the results of a study of ethnic composition of the ADF conducted in 1992, which found that although not a perfect mirror of society, the ADF is adapting to societal change.

Another aspect of social change is the increasing influence of women in the workplace. According to Smith, this will result in more females entering the ADF with an increasing number seeking long term careers. Smith notes that in 1979 only 5.7 per cent of the total ADF were women, whereas by mid-1992 this had increased to 12.3 per cent. He suggests that this, together with an increasing emphasis on the power of individual rights, will require leaders of the future to have a greater appreciation of the legal right associated with equal employment, freedom of information and affirmative action, and prohibitions of sexual discrimination and harassment.

Organisational Reform in the ADF

In the last several years there has been a key shift in ADF culture, towards a more achievement and outcome orientated approach to its operations. Perhaps the most significant manifestation of this shift is the programme of major reform and restructuring, which sets the agenda for a decade of continuing and fundamental change in the ADF. However, this reform demands the adoption and adaptation of business-orientated management techniques. Military command and control is being increasingly affected by the bureaucratic imperative of budgetary competition, shared responsibility and efficiency scrutiny processes.

Commenting on similar developments in the United States military, General E. Meyer, suggests this has resulted, for many, in the traditional focus of leadership being replaced by an increasing emphasis on management and specialisation. General Meyer believes that excellence in management theories and principles are becoming an alternative to leadership. While leadership and management are neither synonymous nor interchangeable, good military leaders must be able to manage effectively. Good management is essential if the ADF is to maintain and improve its posture. But, as General Meyer emphasises, 'The leader must know when and how to apply them, never forgetting that the purpose of the military is to fight, and to fight effectively, it must be led.'

Leadership Role and Qualities Required of the Future ADF Officer

The changes outlined, and many others, suggest that ADF officers of the future will find themselves in an increasingly technically complex and information accessible environment. At the same time, military leaders are likely to be hampered by a dearth of high technology support because of recruitment and retention problems. Add to this an increasingly egalitarian, questioning and multi-cultural environment, an escalating emphasis on business-orientated management techniques, an evolving Australian attitude towards its place in the world and the scenario for the future ADF officer is indeed daunting. What then will be the leadership role and qualities required in this formidable new environment?

Leadership Role in the Future

Major General W. Ulmer, former Commanding General of the United States Third Armoured Division, contends that the future will challenge leaders at all echelons, and these challenges will be substantially different in magnitude although often fundamentally the same in nature as in years gone by. General Ulmer believes that the basic role of achieving military goals through group effort will remain; however, leaders will have to adapt to a variety of leadership roles as the situation demands. Although not new, Ulmer's argument suggests that the prime concern of the future leader will be, more than ever, the ability to understand, respond to and
anticipate a complex and uncertain environment, and to be sensitive to the expectations of other external factors such as the Government and the community.

General P.C. Gratton, former Chief of the ADF, stresses that because of this increasingly complex environment, the efficient pursuit of national security will require ever increasing husbanding of the ADF’s people. This suggests that the ADF of the future will need to be cooperatively developed by leaders and followers. Further, leaders will need to encourage an open, adaptive and responsive organisation which is mutually supportive of the needs of the individual, the group and the organisation. If this view is accepted, leaders will need to increasingly encourage a shared sense of direction, common purpose, vision, values and goals which are known, understood and owned by all. This will require an appreciation of the basic beliefs and values of others and involving them as contributors to the achievement of the tasks in hand. As well, leaders will have to understand themselves in relation to others and be aware of the alignment of their personal values and goals to that of the group and the organisation.

Leadership Style and Qualities of the Future ADF Officer

If the proposition that future leaders will have to adapt to a variety of leadership roles is accepted, then tomorrow’s leaders will require flexibility and a commitment not to bind themselves to a single leadership style. They must discover the method best suited to motivate and employ each member. This will require a supportive environment where experimentation is encouraged and people are given the opportunity to be creatively involved in the organisation’s activities. Service members should understand their importance to the organisation, enabling them to contribute their full potential towards achieving the ADF’s mission. Leaders will need to promote a sense of community and to support their people by living the values which encourage trust, integrity, honesty, joint problem solving and collaboration. The leaders style then should be adaptive and flexible involving people at all levels working towards a common and agreed goal. The end result should be an organisation which is ready and willing to follow despite hardship or adversity.

Given that future leaders will need to be increasingly adaptive and flexible in their leadership style, some of the more valuable qualities ascribed to previous leaders will become increasingly important, namely: character, knowledge, empathy and commitment. Character is the basic quality of the leader and is an engrained principle expressed consciously and unconsciously to subordinates and peers alike. It includes the attributes of honesty, loyalty, courage, self-confidence, humility and self-sacrifice. Its expression to all audiences must ring with authenticity.

However, character alone will not create a leader. To lead, officers will, more than ever, need to know their people, themselves and their profession. In addition, leaders will require empathy for the changing culture of the ADF workforce. They will need to recognise and accept the basic beliefs and values of others and utilise them for the good of the organisation. Finally, leaders will need a renewed degree of commitment, if they are to survive in a complex and uncertain future.

Conclusion

Although future ADF officers will encounter many changes, the basic role of achieving military goals through group effort will remain. However, the Service leader will have to adapt to a variety of roles to meet future challenges. Affected by technological progresses, information accessibility, social change, organisational reform and an evolving Australian attitude towards its place in the world, the scenario for the future ADF officer is complicated.

In this difficult environment, leaders will have to understand the importance of an open, adaptive and responsive leadership style which is mutually supportive of the needs of the individual, the group and the organisation. They will need to encourage a shared sense of direction and values which are known, understood and owned by all. This will require flexibility, the promotion of a sense of community and the encouragement of a supportive environment. This can be achieved by living the values which encourage trust, integrity, honesty, joint problem solving and collaboration. The leader of the future will need to possess character, knowledge, empathy and commitment. Perhaps with this approach tomorrow’s leaders will have the wherewithal to avoid Alexander Auguste’s dilemma of having to find his people before he could lead them.

NOTES

1. A derivation of Alexander Auguste Ledru-Rollin’s quote ‘Ah well! Is their leader, I really had to follow them!’ in E.de Mirecourt Les Contemporains, Vol 14, 1857.
4. Richardson, General W., quoted in Butler, Major General, Senior Officer Development, Department of Government, Faculty of Military Studies, University of NSW, December 1985, pp. 109-110.


6. Weekend Australia, Growing Bigger with Asia, Editorial, 23-34 April 1994, Lee Kuan Yew stressed at the recent Asia-Pacific Insights Conference, Australia should not succumb to reform fatigue and think that the difficult tasks are now behind it. Moreover, he emphasised that Australia must continue with the process of attitudinal change in areas such as work ethic, competitiveness, and its approach to a rigorous and internationally competitive education system. There can never be a return to the 'lucky country days'.


8. The three Services of the ADF have all undergone major restructuring and workplace reforms over the last five years. In particular, the RAAF Technical Trade Restructure introduced, *inter alia*, these measures to overcome problems with recruitment and retention of avionic and electronic personnel. Although initial results were encouraging, wastage rates are again beginning to rise with the corresponding improvement in the economic climate.


10. Smith, Dr. H., Lecturer in the Department of Politics at the University, Australian Defence Academy, Social Change and the Australian Defence, Australian Defence Studies Centre, Working Paper No 19, University College, Australian Defence Force Academy, Canberra, pp. 1-6.


Squadron Leader Jim Walker joined the RAAF in February 1984, and after being commissioned as an Education Officer was posted to RAAFSTT until 1988. He subsequently completed tours at HQSC (SOGT Division), HQTC (SOTAP) and Air Force Office. During his time at Air Force Office Squadron Leader Walker worked as the Staff Officer responsible for the restructuring of the aircraft engineering trades as part of the Technical Trade Restructure Project. In 1994 Squadron Leader Walker completed the RAAF Command and Staff Course, and is currently undertaking a CAS Fellowship at the Air Power Studies Centre where he is evaluating the effectiveness of the RAAF Air Power Education Program. Squadron Leader Walker was awarded the Member of the Order of Australia in 1994 for his part in the restructure of the RAAF aircraft technical trades.
Reconnaissance soldier – Exercise Kangaroo 95
A Comparison of Motorised Infantry

By Lieutenant J. Storey, 6RAR

'The efficient mobility of the SANDF has weighed heavily on the guerrillas...'

Introduction

The 1987 Defence White Paper outlined a number of requirements for force development. Among these requirements were ...mobile ground forces able to defeat hostile incursions at remote localities and protect military infrastructure assets... The Force Structure Review further placed an emphasis on mobile forces, and the decision was taken to motorise 6, 11 and 13 Brigades. The 6th Battalion, Royal Australian Regiment (6 RAR) was tasked with converting from a standard infantry battalion, to a motorised infantry battalion. This conversion lasted some nine months and provided valuable information on both the tactical capability of a motorised infantry battalion, and the suitability of existing vehicles. The conversion was completed in late 1992, after a successful battalion validation.

While the Australian Defence Force (ADF) was developing a capability, the South African National Defence Force (SANDF) was fine tuning a battle tested motorised organisation.

The SANDF has been involved in conflict of varying degrees from 1961 until the present. During this period the SANDF transformed from a predominantly conventional force into a highly capable, hard hitting mobile force. This transformation has seen the emergence of a highly efficient range of vehicles, weapons and a national armaments industry (ARMSCOR) that would rival those of far larger countries. The SANDF motorised battalion has been developed during this period via an evolutionary process, encompassing three major vehicle changes, operations in three countries, a worldwide arms embargo and a two year rotation of national servicemen. Hardly ideal conditions for the development of tactics and doctrine at unit level. Australia is to motorise up to nine infantry battalions. An examination of the SANDF motorised infantry battalion may provide some valuable lessons and a model that could be incorporated into the Australian motorised battalion.

This article will critically compare the SANDF motorised battalion to the Australian motorised battalion. The similarities of terrain and enemy will be demonstrated so that any comparison made is applicable in the Australian context. The comparison will be situated with an examination of terrain, enemy, and vehicles of both motorised battalions. A more detailed comparison of respective motorised battalions will concentrate on four key areas:

a. Firepower;
b. Mobility;
c. Protection; and
d. Organisation.

Logistics and indirect fire support, although in most cases non-organic, are the vital force multipliers for any operation, and as such will be examined within the context of a battalion independent deployment is especially important, considering the similar harsh environmental conditions that both types of motorised battalions face, and the subsequent limitations this may cause for commanders.

Tactical Area of Responsibility

Human and physical indicators will be used to reveal similarities in Tactical Areas of Responsibility (TAOR), between Northern Australia and Namibia and Southern Angola. Human indicators include, population density, availability of sealed road surface and useable airfield density. Physical indicators encompass rainfall, mean temperature and climate category.

Human Indicators

Population densities for Northern Australia range between uninhabited to less than ten persons per square kilometre. Namibia has a population density of only 1.6 per sq.km., whilst Angola has a net population density of 8 per sq.km. Southern Angola is characterised by much lower densities such as 0.6 per sq.km. In both cases the small population tend to live close to an ocean or perennial watercourse.
Both regions have similar low population densities, which indicates a dispersed and underdeveloped civil infrastructure. Australia has the developed road network with 29 per cent of all road surface sealed whilst Angola has 11 per cent of roads sealed and Namibia 8 per cent. The lack of sealed roads implies that heavy store vehicles may not be able to traverse the majority of the TAOR. Heavy stores vehicles include semi-trailers and commercially available road transport. Although Australia has a well developed road network, Australia has approximately half as many useable airstrips, in comparison to Angola and Namibia. This may be due to heavier reliance on light fixed wing aircraft to retain lines of communication during the African wet season. Both regions experience a lack of developed transport systems, which in turn has implications for logistic movement and resupply.

**Physical Indicators**

Although civil infrastructure may exist in an area, climatic conditions may preclude its use. Both regions suffer from either an extremely low or extremely high rainfall. In both cases significant wet seasons either hamper or preclude vehicle movement by severing lines of communication caused by flood. Temperatures for both regions are similar: Northern Australia experiences mean summer temperatures of twenty seven degrees C while Namibia and Southern Angola experience temperatures of twenty five degrees C. Both TAOR are classified as dry climates, consisting of arid deserts and semi-arid areas.

These indicators provide some measure of the availability of water, which in both cases is low for the dry season. Rainfall also gives some indication of vegetation, which in arid areas would be sparse and in semi-arid areas would consist of low grasses or shrubs. High temperatures indicate that water consumption by personnel may be high and more sophisticated electronic equipment may have to be artificially cooled.

**Environmental Similarities**

Environmental similarities do exist, and any comparison of both types of motorised infantry battalion will demonstrate why certain equipments have been adopted in favour of other more conventional equipment. However the need to deploy independently has not been demonstrated. This requirement is determined by the enemy threat.

**Enemy Threat**

The threat posed to the SANDF in Namibia has been fairly well documented. This threat can be compared to low-level operations through to escalated low-level operations. Whereas the SANDF could tailor a credible force to defeat a known enemy, the ADF has to speculate as to the size of the enemy, and in what time frame the enemy can pose a serious threat to Australia.

Although Australia has a similar environment to Namibia and Southern Angola, it remains an island geographically separated from the remainder of its neighbours. This geographical isolation coupled with a lack of large scale conventional lodgement capability, has implications for short warning conflicts. There would be considerable warning for a sustained lodgement in Northern Australia. Any action mounted against Australia would have to be confined to short duration raiding.

**Short Warning Conflict**

'The ability to mount and sustain low level military pressure against our nation already exists in the region..." Low-level conflict could manifest itself as harassment of isolated northern areas and small scale attacks would be "...widely dispersed and unpredictable..." However low-level operations could develop "...through to substantial raids of short term duration on important Northern targets..." The ADF would have to respond to this quickly and effectively. Hence the need for mobile ground forces. The attacker would have a considerable advantage, fighting on ground of their own choosing.

'The possible time-scale attaching to the development of low-level and escalated low-level conflicts dictate that the ADF should be capable of countering them from the force-in-being'. The implications of this statement are that the forces in being would have to be deployed according to their readiness. Further implications of this, are that units would deploy 'as is', because there may not be time to purchase, let alone train soldiers with, new equipments. Units may have to deploy against a well armed, trained and equipped enemy of, perhaps, up to company size. The notion of even a small enemy has similar parallels to the SANDF and it is at this point that a detailed comparison of battalions can begin.
Motorised Battalions

"The nature of insurgency war within South Africa has been mostly a motorised infantry war..."16

It is necessary to define the motorised battalion prior to commencing into detailed descriptions of both organisations. A motorised unit as per JSP(AS)101 is ‘a unit with complete motor transportation that enables all of its personnel weapons and equipment to be moved at the same time without assistance from other sources’.17 Invariably there is some confusion with mechanised units, so it is worthwhile to examine the role of the mechanised units as per JSP(AS)101 is, forces capable of conducting operations in integral combat vehicles giving mobility and protection sufficient for its battlefield elements.18 Put simply, motorisation will increase infantry mobility until the threat increases. The infantry then dismount and movement is conducted by foot.

Mobility is provided to the Australian motorised battalion by the Perentie series of vehicles. The Infantry Mobility Vehicles (IMV) is the six wheel drive two and a half tonne truck. This vehicle is configured for centre seating and has a large wooden box for the stowage of section stores. The vehicle has a range of 600km and can cruise at 90/100kmh. The IMV can seat ten soldiers and their personal equipment. Support company vehicles are variants of the IMV with stores specific loading structures. The Unimog is retained for the movement of heavy stores. While the Unimog provides a heavier lift capability to the Australian motorised battalion, it forms the backbone of some SANDF motorised battalions.

Within the SANDF motorised battalion, the Buffel is based on a Unimog chassis with a separate driver and passenger compartment. Although termed an APC, a more accurate description would be a mine-protected troop carrier. The Buffel is in simple terms an armoured hull mounted above the Unimog chassis. The passenger compartment is large enough for ten soldiers and some equipment. The passenger compartment is not enclosed and it can mount up to four machineguns.19

Casspir vehicles are based upon the Bedford four-wheel-drive truck. The Casspir is fully enclosed, and has two front seats in an armoured cab and the ability to carry ten equipped soldiers. Unlike the Buffel, the armoured hull is built around the existing Bedford chassis. Both the Casspir and the Buffel have a range of around 600km and are also produced in different variants for the range of Support Company tasks.20

Equipped with an understanding of all the vehicles, and the motorised concept, it is possible to examine the motorised battalion in the four key areas.

Firepower

Nortman (Coy OC) now ordered his infantry’s Casspirs to deploy along the bushline south of the shona (open grassed area), from where their 20mm cannon, 12.7mm and 7.62mm machine guns inflicted massive casualties in the coverless floodplain... the 120mm mortars of Sierra Battery also began to fire... At least 103 of these unfortunate (enemy) infantrymen were killed...21

Firepower is the sole means of fixing or holding the enemy in a known location and, as such, is a vital requirement for the motorised infantry battalion. In comparing the firepower of the SANDF and Australian the motorised battalion, there is a need to examine personal weapons, vehicle mounted weapons and support weapons organic to each battalion. Weapons are allocated so that the battalion can produce a larger volume of accurate firepower than can be generated by the enemy. The effect of terrain and vegetation on weapons should also be addressed, as they influence intervisibility. This dictates the range at which targets can be seen, identified and engaged. If the enemy are able to be observed and identified, they should be able to be engaged.

Personal Weapons

The basic weapon for the SANDF soldier is the 5.56mm R4 rifle. The section LMG is the SS-77 or MAG-58. The SANDF is one of the few Defence Forces in the world to retain the 7.62mm weapon at squad or section level. ‘The 7.62mm calibre was retained in preference to the 5.56mm, for its better performance at long-ranges and for its greater accuracy in dense bush... The need to deliver aimed fire, rather than merely suppressive fire...’22 For the SANDF to retain a 7.62mm LMG, implies that a number of engagements take place at long-range, which is a function of a sparse vegetation and flat terrain.

The Australian motorised battalion does not retain a 7.62mm weapon at section level. However two 5.56mm light support weapons are used in conjunction with other 5.56mm F88 rifles. Motorisation also provides the ability to carry an
additional first line of ammunition in the vehicle. While the Australian section may use two M79s, the SANDF section is provided with a six-shot 40mm grenade launcher as "...section support weapon..." The SANDF has also deployed 60mm mortars on operations and these have proven very successful. The SANDF appears to have significantly more firepower over extended ranges.

Vehicle Mounted Weapons

There has been concern that arming motorised vehicles will encourage commanders to use them incorrectly, as a quasi APC. The purpose of arming a motorised infantry vehicle is twofold. The first is "... vehicles guns being required merely for self defence during the attack or ambush..." This notion of merely self defence has extended to the ability to provide fire support from a position outside of small arms range, and engage opportunity targets at long range. All SANDF motorised section vehicles have the provision for machineguns. Firing ports are also provided on all infantry section vehicles to attempt to dissuade any enemy from engaging the vehicle. Vehicle armament has varied from 7.62mm to 20mm cannon, while on the Australian vehicle armament is not provided apart from integral section weapons.

This lack of firepower in the Australian motorised battalion creates a number of significant problems. Using the LSW as protection will mean that possible enemy weapons are within range while the LSW is unable to suppress the enemy. When the section leaves its vehicle, there is no significant protection for that vehicle, apart from the driver and his personal weapon. The IMV cannot be used to provide fire support. At sub-unit level the implications are that one Casspir or Buffel may have twice the number of 7.62mm machineguns than an Australian motorised company. Australian motorised battalions will have the majority of their heavier weapons in support company, the intention being to allocate support weapons under command for independent company operations. The SANDF motorised battalion does not have to allocate weapons to sub units, rather they are employed 'en masse' as platoon or half platoon organisations when required for specific tasks.

Support Weapons

"Historically however infantry battalions (Australian) have not been provided with adequate integral direct fire weapons..." The SANDF motorised battalion has a great deal more firepower than the Australian motorised battalion. Motorisation permits 6 RAR sub-units to carry at least two first lines of ammunition. This larger ammunition allocation increases the volume of fire for an operation, yet effective range and weight of fire remain unchanged. There is no plan to allocate heavier weapons systems to the Australian motorised battalion. The SANDF motorised battalion is well armed. Vehicles enable heavier weapons of larger calibres to be deployed, and it with these weapons at all levels the SANDF motorised battalion wins the initial firefight through weight and range of fire.

Firepower

"In low-level conflict, the battalion... may have to operate, at least initially, away from much of the fire support provided by formation or force assets. Therefore the integral firepower (of the battalion)... becomes increasingly critical" Major B.M. Reeves RAInf

Mobility

"The Buffel enables relatively small numbers of regular troops to dominate large areas of ground
which is, after all, the essence of counter-insurgency.™

Winning the firefight is of paramount importance to any infantryman. Equally important, the infantryman has to arrive in a location to win the firefight, uninjured, fully equipped, and not fatigued. These requirements are provided by motorisation, and correspond to the notion of mobility. A more concise definition of mobility is as stated in JSP(AS)101, mobility is 'a quality or capacity of military forces that permits them to move from place to place while retaining the ability to fulfil their primary missions.'™

Mobility can be further sub-divided as follows:

a. **Strategic Mobility.** The capacity of a force to deploy into a theatre of operations from an outside base;

b. **Tactical Mobility.** The capacity of a force to be redeployed within a theatre of military operations; and

c. **Battlefield Mobility.** The capacity of a force to manoeuvre tactically, to win encounters with the enemy.

The Australian motorised battalion, based on the 6RAR example has considerable strategic mobility. The battalion can be airlifted in 65 C130s flights, and is self deployable over long distances. A motorised battalion can move approximately 800km in a day using internal resources. Given the demand that will be placed on the C 130 fleet, the motorised battalion is best deployed by its integral vehicles. SANDF vehicles are considerably larger than Australian Perentie vehicles and a greater number of C130 flights would be required to transport the battalion. The SANDF motorised battalion is also self deployable, with all vehicles having similar ranges and speed as to the Australian vehicles. Both battalions could deploy to a theatre of operations utilising internal resources. However the SANDF motorised battalion is less suitable for deployment by other agencies due to the size and weight of its vehicles.

Operational mobility for both battalions is quite high. Studies conducted using a computer database of the Northern Australia network indicate that a wheeled vehicle will be able to negotiate 500km in fourteen hours. The SANDF motorised battalion would also be able to cover a similar distance in fourteen hours. Once again, both battalions exhibit similar characteristics.

These characteristics differ markedly in terms of battlefield mobility. Due to vehicle performance and vehicle protection. The six wheel drive Perentie vehicle™ is totally unsuited to any cross country work, which severely limits its tasking.™ Unsuitability may be an overstatement, however the vehicle suffers from a number of problems that inhibit performance. Performance is compromised by the following features of the Perentie vehicles.

### Vehicle Performance

Tyres on the Perentie vehicle are unsuitable. On a recent exercise in Western Queensland, D Coy 6 RAR punctured in excess of 120 tyres. Tyres were generally staked, however a number of punctures occurred on formed roads and seemingly bare ground. The SANDF vehicles use far more effective tyres. One troop of SANDF vehicles travelled 1800km cross country and did not suffer one flat tyre. This feat is even more remarkable considering the vehicle in question was the widest vehicle in the SANDF and as a result of this had to ‘break brush’ the entire journey.™

Tyre and rim size directly influence a vehicle’s ability to negotiate vertical obstacles and clear trenches. The larger the tyre, the higher the vertical obstacle that can be cleared. While the Perentie vehicles have 76 cm diameter tyres, both Buffel and Casspir have 98cm diameter tyres. This enables both vehicles to clear vertical obstacles up to half a metre and negotiate trenches up to 0.895 meters, far in excess of obstacles the Perentie vehicle could negotiate.™ The Perentie vehicle does not have similar levels of performance, and suffers from a lack of ground clearance. Perentie vehicles have a low ground clearance, in comparison to the Buffel and Casspir vehicles which have a high ground clearance. This characteristic influences the vehicle’s ability to negotiate obstacles and move on tracks that have developed large ruts. Even in dry conditions, frequently used roads deteriorate rapidly and become unusable in some cases due to low ground clearance.

### Protection

It is assumed for operations in Northern Australia, enemy forces although having restricted mobility could conduct offensive operations over a large area. If motorised forces are to be effective, they must be able to traverse the TAOR. In an unprotected vehicle, ground with limited visibility or natural obstacles will have to be physically cleared. This would necessitate movement on foot over the area of concern. Constantly having to clear obstacles on foot detracts from the vehicles mobility and quickly tires the soldiers. Because Buffel and Casspir afford protection to occupants, limited visibility does not limit protection. The Australian motorised battalion derives all of its protection by all soldiers remaining vigilant.
Australian vehicles, due to their delicate nature, are not suited to 'breaking brush'. 'Breaking brush', is the ability to move through medium vegetation without having to negotiate small trees and shrubs. SANDF vehicles are suited to this, due to solid construction. This ability to 'break brush' was so important to the Rhodesian SAS, that a specialist vehicle was developed to increase mobility in lightly wooded terrain. Some of the most recent SANDF vehicles have been built with this fact in mind, mounting radiators in the rear of the vehicle, and all intakes recessed so that they do not become clogged with vegetation.

**Tactical Mobility**

SANDF motorised battalions have adequate tactical mobility, while an ADF motorised battalion has little tactical mobility. The ADF motorised battalion may have to be escorted by an armoured asset to provide protection and act as a deterrent. Using armoured vehicles for protection, may mean mobility is dictated to the battalion by the escorting armoured vehicles. The SANDF battalion requires no escort, and all vehicles have similar cross-country capability.

The ADF motorised battalion is to some extent compromised by supply vehicles which have a reduced cross-country capability. These logistic vehicles have a thirty five per cent larger ground pressure than the Perentie vehicle. The limiting factor on the deployment of the battalion is not the mobility of section vehicles, rather the performance of logistics vehicles. Coupled with this, is a lack of commonality between vehicles. While the SANDF attempts to standardise vehicles or produce a vehicle ‘family’, the ADF motorised battalion deploys three types of vehicle in a single unit. The Casspir ‘family’ includes a freighter, water tanker, fuel tanker, ambulance, and recovery vehicle. These tasks are carried out in the Australian motorised battalion by three vehicle types, with very little compatibility.

**Specific Threat Protection**

Vehicles must be protected against a specific threat. Attempting to protect against every eventuality would make a vehicle too heavy and ungainly, and result in a decrease in mobility. Vehicle threat can be broadly divided into landmines, ballistic attack and shaped charges. Each threat will be examined, together with the measures that the SANDF have taken to counter it. No comparison is possible with the Australian motorised vehicles as they offer no protection to any enemy threat.

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**Landmines**

'The landmine occupies an honoured place in any insurgents inventory. It is economical of effort, since it can be laid without making contact with security forces, and the disproportionate amount of havoc it wreaks, damages the morale of both the local population and the government soldiery, and casts doubt on the latter’s ability to dominate the area.'

'Kill one, scare thousands...' Sun Tzu

The primary threat to the SANDF motorised battalion has been landmines. Landmines include anti-personal mines, however the primary threat is from anti-tank mines. Landmines avoid decisive encounter with motorised troops and are easily laid by even the most basically trained insurgent. In Northern Australia, nuisance mining will be the primary use for landmines during low and escalated low-level conflict. Used in the nuisance role, landmines cause harassment and have a considerable psychological impact. Nuisance mining was certainly the primary threat that the SANDF faced from 1971.

The first landmine was detonated in 1971, killing two South African policemen. In an attempt to overcome the landmine, South Africa and the then Rhodesia formed a Joint Mine Warfare Committee. After considerable development, the ‘V’ shaped hull was devised. The ‘V’ shaped hull deflects mine blast to the sides of the vehicle, and provides protection against secondary fragmentation. These ‘V’ shaped hulls were then integrated among a number of commercially available chassis. Landmines are no longer seen as a threat to life, rather a threat to the mobility of the unit.

A single landmine explosion (TM-57), will necessitate repair on the Casspir taking approximately one or two hours. Although one to two hours is a short time for field repair, further considerable effort is needed to repair the vehicle. The immediate area will also have to be cleared of mines and secured while the repair takes place. One or two hours is ‘best case’, especially because the Casspir is the more mine resistant than the Buffel. The engine, transmission and fuel tank are within the mine protected hull of the Casspir, while the Buffel has the drive train exposed causing far more damage when detonating a mine.

On detonation, mines generate intense heat, some mines generate heat in the vicinity of 3000 degrees C. The Buffel disperses this heat by storing the section’s 100 litres of water in the floor of the vehicle,
while the tyres are also filled with water. These measures combined, decrease the heat of a blast by fifty per cent. It is imperative that when a mine detonates that personnel are sitting down with their spine as straight as possible. Personnel have to be seated to avoid severe 'whiplash' injuries and to avoid being thrown around in the vehicle. To ensure this occurs, all SANDF mine protected vehicles are fitted with a 'pilot style' safety harness. Crew protection is vital for motorised operations and all threats must be guarded against.

**Ballistic Attack**

Buffel and Casspir are able to withstand attack from 7.62mm NATO ball ammunition, anti-personnel grenades, mortar splinters and shrapnel. This protection has proved adequate for motorised operations. Motorised troops will not assault from their vehicles. Vehicles will remain in a secure location while the battle develops. If the ballistic threat increases against the SANDF motorised battalion, an armoured resource will be allocated to the battalion to provide protection with similar mobility and endurance. While external agencies can enhance security of the motorised battalion, the crew must remain alert, especially for an ambush.

**Shaped Charge Attack**

'Only careful vigilance and a heavy volume of suppressive fire at the ready will protect the crew from a determined RPG gunner'

Similarly, protection against shaped charges, adds a significant weight penalty. As stated already, vigilance and firepower will dissuade if not the first, certainly the second enemy soldier who attempts to destroy a vehicle. For example, a platoon/troop of Casspirs would be able to fire at least eight, and possibly twelve 7.62mm machine guns at a would be RPG gunner. Given the fact that most shaped charge weapons have a significant back blast, an enemy soldier may have to adopt an exposed position to fire the weapon, limiting his chances of egress and ultimate survival. Shaped charges however still pose a significant threat to SANDF vehicles.

**The SANDF Experience**

Protection is of paramount importance to any soldier. If a means of mobility does not provide protection to the motorised soldier, a number of casualties may occur thus lowering morale and a soldier's faith in equipment. The SANDF experience contains valuable lessons for the Australian motorised battalion.

**Organisation**

The organisation of a motorised battalion, is propelled by two main forces. The 'teeth' of the battalion must be capable of destroying an enemy force in a particular physical environment. The 'tail' of the battalion, must provide logistic support for operations in the context of a resupply system. Although much overlooked, logistics is vital to the battalion's success. Low-level operations, and dispersed forces will place great strain on the logistics of the motorised battalion. Although seldom admitted, '...tactics - the art of winning battles - is really no more than the art of the logistically possible...'. The organisation of both battalions will be examined.

**The Teeth**

The smallest combat element of any battalion is the section. The SANDF motorised section consists often men and a driver. The Australian motorised section consists of eight men, the driver being a section member. When dismounted the Australian section strength immediately is reduced to seven men. This is a relatively small number to carry out normal section tasks. This situation may be further heightened by a manpower deficiency.

The SANDF section, is armed with a 7.62mm machinegun with an effective range double that of the Australian LSW. While it is not within the scope of this article to revive the 5.56mm verses 7.62mm debate, the SANDF force perceives such a need for a 7.62mm machinegun that a new 7.62mm weapon (SS-77) was produced within South Africa. The cost of producing a new weapon rather than licence producing the existing machinegun (MAG 58), demonstrates that the 7.62mm machinegun is a vitally important weapon for the SANDF motorised battalion.

Platoon organisation is similar, while the rifle company organisation is largely identical. The battalions differ markedly in the composition of reconnaissance platoons. Australian motorised battalions train reconnaissance platoons internally, with the officers and NCO trained to a higher degree externally. The Reconnaissance Platoon consists of a number of patrols who have a specialist four wheel drive Perentie vehicle. These patrols retain an ability to patrol on foot for limited operations. SANDF reconnaissance platoons are trained at an external establishment for twelve months and then deploy on operations with infantry units for a second year. This
training cycle conforms with the two year national service system.

The SANDF reconnaissance platoon consists of a 60mm mortar section, an equestrian section and a motorcycle section. ‘... These mounted troops have proved very successful in border operations, particularly in the rapid follow up of terrorist gangs...’52 A man on horseback can cover 80km in a day, while a ‘scrambler’ (SANDF motorcycle) has a radius of action of 150km per day.53 At all levels emphasis is placed on tracking, with mounted soldiers learning to track from horseback.54 The Australian motorised battalion, although not having these skills developed to a high level could, at short notice, develop them if required. Flexibility has to be vitally important to the Australian motorised battalion. As there is no defined threat, Australian forces must be able to adapt to new and varied situations.

Flexibility, in military terms could be seen to be the ability to ‘tailor’ units and tactics for a particular enemy and terrain. Both motorised organisations have realised the need for independent operations in a low force density scenario.55 The SANDF battalions group is an inherently flexible organisation. Composition of a battalion group for operations in close terrain ‘...might have three companies of motorised infantry, an anti-tank squadron... artillery... with 127mm MRL’s or 120mm heavy mortars.’56 Battalions groups may not necessarily be established, rather they can be raised from sub-units for a particular operation. The latter course, of raising a unit for a specific operation, would appear acceptable, only given a long lead time. Soldiers of all ranks, will fight for familiar commanders far more effectively.

Tailoring a battalion for a specific operation from a number of sub-units, would be unlikely for an Australian motorised battalion. If a mission specific requirement existed, then troops would be placed under command for a finite time period. If this requirement was permanent, then the battalion would change the role of a sub-unit or smaller organisation. Both motorised battalions are relatively flexible organisations. Flexibility to a large degree will depend on logistic services.

The Tail

SANDF motorised battalions have a large ‘tail’ by world standards however this was necessary, given... it was routine for battalion groups conducting mobile operations to carry ten days worth of supplies with them.57 The SANDF has also developed a logistic fleet of mine protected vehicles. These vehicles in conjunction with other battalion assets ensure that operations can take place where there is no substantial infrastructure. The Australian motorised battalion can sustain itself for five days if elements are pushed far enough forward. ‘The battalion’s capability to sustain itself for long periods is linked directly to the BASB’s capacity to push second line elements forward to minimise turn around times and maximise the potential to exploit local infrastructure.’58 In low level operations, second line logistic support elements may be restricted, or need protection adversely affecting the motorised battalion.

The tail of the Australian battalion, may encounter some difficulty whilst on operations. Placing a great deal of reliance on the civil infrastructure is questionable. Even if the enemy do not actively attempt to terrorise the civil community, threats exist. Mines are indiscriminate,59 the enemy may fail to identify targets by night. The death of civilians even in small numbers may have severe repercussions. The psychological impact of living in a ‘war zone’ may cause civilians to relocate to safe areas. Any out migration of the community would adversely effect the civil infrastructure.

Even if all civilians remained in location, supplementing the logistic system, the civil infrastructure may not be developed to support a large battalion group. ‘Indeed the logistic support has been the thing most consistently criticised in recent Kangaroo exercises. Logistic support units and supplies have been prepositioned in the exercise area, often after engineer units have spent months preparing sufficient infrastructure to permit operations.60 Civil infrastructure cannot cope with a large deployment during peace time, operations are likely to be even more demanding.

The SANDF motorised battalion is better able to deal with a lack of infrastructure. The long tail of the SANDF battalion enable more combat supplies to be carried, and specialist logistic vehicles enable mine protected movement. If an Australian motorised battalion is to deploy on operations and the commander is to retain flexibility, then the ‘tail’ of the motorised battalion has to increase in size and capability. Holdings of all stores must increase within the Australian motorised battalion group, to provide greater endurance. The ‘teeth’ of both motorised battalions are similar in every regard, the only substantial difference is the SANDF battalion tends to be allocated more non-organic indirect fire resources.

Indirect Fire

‘At that stage the whole anhara (grassed open area) was full of troops. I felt sorry for them. The MRL ripples were inflicting devastating casualties among them. While the MRLs hit the infantry (enemy), I was bringing down the G-5s on the vehicles.’61

SANDF Forward Observer.
The quotation mentions two of the indirect fire resources available to the SANDF motorised battalion which are not available to the Australian motorised battalion, medium guns and rockets. The G-5 is a 155mm gun, deployed eight to a battery and has a range of 39 kilometres firing 'base bleed' ammunition. The MRL is a Multiple Rocket Launcher, copied from a Soviet design captured in 1976. The rockets have a range of 22 kilometres, and consist of 8500 steel balls packed around an explosive charge. SANDF motorised battalions also have access to 120mm mortars, deployed eight tubes to a light artillery battery.

The Australian motorised battalion is supported by a field of six Hamel field guns. 6 RAR developed two models for the employment of a motorised battalion. The decentralised model and the centralised model. The centralised model envisages a TAOR of 30 kilometres by 30 kilometres. BHQ and the support arms would be located roughly centrally. If the field battery were deployed in this location, fire support cannot cover the TAOR (either L119 or L118). The only way this can be achieved is through splitting the battery into section positions. The field battery cannot utilise PGMs (Precision Guided Munitions), and its weight of fire is substantially less than SANDF medium guns.

Indirect fire was seen by SANDF commanders as "a key determinant in the success..." of operations in Angola. The Australian motorised battalion has a significantly less effective indirect fire resources. The inability of the TAOR to be covered from a single battery position would also cause some difficulty for the resupply and protection of the field battery on operations in Northern Australia.

**Conclusion**

"War is confusion. You don't know what has happened until you've read the book..." General Janie Geldenhuys (former Chief of the SADF)

General Geldenhuys's point is valid, the fog of war sometimes conceals the true lessons from any conflict. Fortunately the SANDF experience has been fairly well documented. This information provides valuable information on both the employment of motorised troops and successful organisational structures. The Australian motorised battalion should be self critical, that is why a comparison between similar motorised battalions is valuable. The comparison with the SANDF motorised structure is valid, as terrain and potential enemy threat are similar.

The Australian motorised battalion demonstrates a lack of inherent capability. A suitable vehicle, with logistic variants has to be developed to better conduct operations in Northern Australia. The vehicle should draw heavily on the South African experience and address the majority of problems that detract from the present Perentie vehicles. The battalion must also be examined in terms of the battalion group and supporting arms.

The motorised battalion may be limited by its supporting arms. There is a need to place greater emphasis on non organic indirect fire resources. If indirect fire ranges were increased, then commanders at all levels would have far greater flexibility and freedom of movement. Logistics also enhance freedom of movement and have to be optimised to keep pace with the motorised battalion, rather limiting the battalion.

The Australian motorised battalion cannot be developed in isolation. All experiences, overseas and domestic must be integrated to ensure that the Australian motorised battalion is a success. Motorisation has significantly increased the capability of the 6th Battalion, and is the way ahead for the Royal Australian Infantry Corps and the Australian Army.

**NOTES**

7. loc cit.
9. ibid. plate 2.
10. loc cit.
11. loc cit.
13. loc cit.
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Lieutenant John Storey graduated from the Australian Defence Force Academy in 1991 and from the Royal Military College in 1992. In 1993 he was posted to the 6th Battalion the Royal Australian Regiment where he served as a rifle platoon commander for two years. He is currently the Mortar Line Officer at 6RAR.
STRIKE AND STRIKE AGAIN by Ian Gordon
available from Banner Books, PO Box 937,
Belconnen ACT 2616, RRP $40

Reviewed by Squadron Leader, John Bennett

Ian Gordon’s book “Strike and Strike Again” is
the story of the RAAF's 455 Squadron's operations
over 1944-45. 455 Squadron had formed in 1941 as
a Bomber Command unit operating the Handley
Page Hampden, and had later been transferred to
Coastal Command in the role of torpedo-bombers.
In December 1943, 455 received the formidable
Bristol Beaufighter, and the book traces in detail the
Beaufighter operations of this, the only Australian
strike squadron in RAF Coastal Command.

Armed with Cannon and rockets, the Squadron
then focussed on rocket attacks with its
“Rockbeaus” against German shipping off the
Dutch, German and Danish coasts. The book covers
interesting tactics development within the RAF
Strike Wings, and as enemy defences became more
determined, describes the need to suppress enemy
air defences by joint formations supported by
“Flakbeaus”. These coordinated strikes required
great aircrew skills in low-flying, generally below
50 feet, navigation, and driving home attacks onto
heavily defended targets.

455 Squadron then was tasked with operations
into the Norwegian fiords, which proved exciting
and hazardous. These operations over the final 18
months of the war cost 455 Squadron 46 aircrew.

The book’s complete appendices provide a fresh
approach, covering an operational summary by an
abridged compilation of the Squadron’s Operations
Record Book. In addition, listings of 455’s Beaus, a
Squadron nominal roll, and full details of citations to
the honours and awards to members of 455
Squadron complete this as a useful unit history.

AN INCH OF BRAVERY: 3 RAR IN THE
MALAYAN EMERGENCY 1957-59 by Colin
Bannister, published by Directorate of Army
Public Relations

Reviewed by John Buckley, OBE

It is important that the Australian Army continues
to assist authors to publish books on campaigns of
battles, some which occurred 50 years ago or more.

The book under review tells the story of the 3rd
Battalion of the Royal Australian Regiment (3RAR)
during the emergency in Malaya in 1957-59. The
author, Colin Bannister, is well qualified to write this
story because he was Assistant Adjutant, rifle platoon
commander and finally commanded the M.G.
platoon.

An excellent foreword is written by Major-General
Jim Hughes, who was a junior officer serving in the
Regiment. It is interesting to note that four junior
officers became Major-Generals: Hughes, Hackney,
Phillips and Baldwin. Many others reached Brigadier
rank. No doubt the excellent training and experience
gained during the emergency in Malaya played an
important part in their development and promotion, as
the top British Commanders at the time were
outstanding leaders and trainers of soldiers, e.g. Field
Marshal Sir James Cassells, Field Marshal Sir Gerald
Templar, and others.

Although the Malayan Emergency was 3RAR’s
introduction to counter-revolutionary warfare, it was
quick to learn, performed with distinction and
impressed the soldiers of other countries in the field.

Colin Bannister’s narrative is written simply,
clearly and concisely about the regiment’s day-to-day
skirmishes and battles, with plenty of anecdotes. I
strongly recommend this book to the general reader.
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