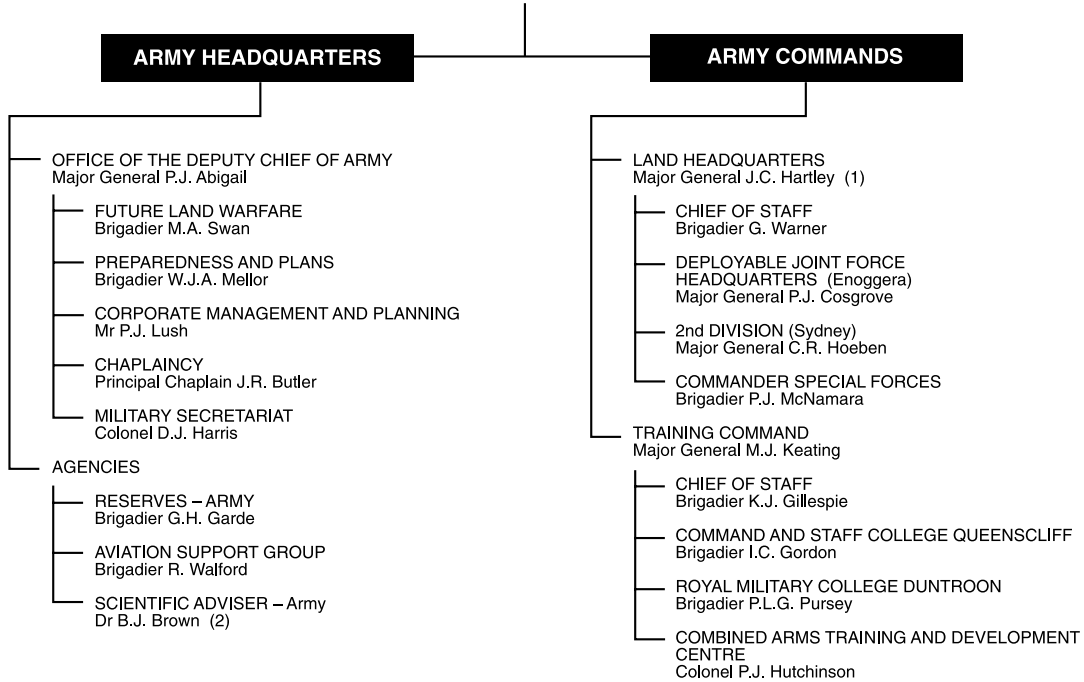


**CHIEF OF ARMY**  
Lieutenant General F.J. Hicking



**Notes:**

- 1** Maritime, Land and Air Component Commanders are also responsible as Maritime, Land and Air Commanders to their respective Chief of Service.
- 2** Responsible to the Chief Defence Scientist and to respective single-Service Chief. Position depicted in Service organisation and located in Scientific Adviser and Trials Branch.

## GROUP 3: ARMY

### OBJECTIVE

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

### DESCRIPTION

The Army provides land forces that contribute to the ADF's capacity to defeat attacks against Australia, defend regional interests, defend global interests, shape the strategic environment and protect national interests. Capabilities include the capacity to defeat incursions on, and recapture, Australian territory; to seize and protect forward operating bases; to conduct surveillance and reconnaissance operations; to conduct special operations; to conduct special recovery, Counter Terrorist and Combat Search and Rescue operations; to provide Service Assisted and Service Protected Evacuation; to provide command, control, communications and information to support tasks; to provide operational-level sustainment of land-based operations; and to provide humanitarian assistance.

The Group Manager, the Chief of Army, commands the Army and is responsible for the preparation of forces for the conduct of land operations, efficient and effective strategic management of the Group and the future development of the Army. The Army Group comprises three areas; Combat Forces, Executive and Training.

### PERFORMANCE OUTCOMES FOR 1998-99

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

*The Army meets ADF operational requirements and is able to conduct effective land operations*

The Army met ADF operational requirements and was able to conduct effective land operations. The expansion of the Ready Deployment Force to include elements of 1 Brigade means that the Army can now undertake a much broader range of tasks and provide government with more options. However, it should be noted that, in order to have sufficient resources to achieve directed joint and combined activities, it is sometimes necessary to reduce the standard of enabling exercises. This practice impacts negatively on the Army's ability to conduct effective land operations in the medium to long term. Detail of directed activities is contained in the exercise objectives and outcome tables for joint and combined operations at *Appendix D* to Part One of this report.

*Objectives and outcomes of Restructuring the Army and the Defence Reform Program are achieved*

These issues are being achieved progressively. All *Restructuring the Army* trial activities will be completed by December 1999. The outcomes from phase-one-and-two studies will be evaluated in early 2000 to develop recommendations for the outline structure, doctrine and range of capabilities required for the enhanced combat force. The final report will be presented in April 2000. The Army continues the personnel transfer and drawdown to meet the objectives of the Defence Reform Program.

*The Army Group planning, management and budgeting processes support the economic use of available resources to deliver agreed outputs*

These processes support the economic use of available resources effectively within endorsed policies and approved programs and the achievement of agreed Army objectives. A focus on

Y2K compliance has been conducted to ensure optimum output delivery. To date, 99% of mission-critical equipment is compliant. Project Diary will complete compliance for computer-based equipment. Development of the Army Plan (due for release in October 1999) addresses the issue of best-practice management and establishes specific performance indicators to guide achievement in line with the Defence outputs.

*The lessons from Army, joint and combined exercises and operational experience are incorporated into war-fighting doctrine; and individual training and education meets user requirements*

The Army has established the Combined Arms Training and Development Centre to ensure that lessons learned are incorporated into Army doctrine. The Special Forces Training Centre and the Army Aviation Training Centre have been established to provide enhanced training in specialist fields and assist in meeting user requirements. Common induction training was trialed over the reporting period and was found to be successful for the recruit training of both full-time and part-time personnel. The concept is designed specifically to meet the user requirements of training.

*Interoperability with the United States, New Zealand, United Kingdom and Canada and compatibility with regional forces is optimised*

The Army conducted three exercises with the United States, four exercises with New Zealand and nine exercises with regional countries during 1998-99. Details of exercise objectives and outcomes can be found in *Appendix D* to Part One of this report. The Army also conducted a number of exchange postings with the United States, Canada, New Zealand, the United Kingdom, some southwest Pacific nations and some south-east Asian nations. This provided exposure to allied and regional procedures, processes and ideas and achieved a limited level of interoperability and compatibility.

*Provision of emergency and non-emergency assistance is successful, and public understanding and support for the Army is achieved*

All emergency and non-emergency support requests have been met within the Army's resources. Achievements in this area include the provision of accommodation for, and Army personnel assistance to, 4000 displaced persons from Kosovo. The Army also provided 400 personnel for two weeks for support to Sydney residents after the destructive hailstorm in April/May 1999. Assistance was provided to customs, immigration and the police in the search and apprehension of suspected unlawful citizens and suspected illegal-entry vessels across northern Australia, with most of the support being provided by Regional Force Surveillance Units and 5 Aviation Regiment.

## PERFORMANCE AGAINST FORECAST FOR 1998-99

*Enhance output capability for Land Task Force and Special Forces operations, Ground Based Air Defence and operational-level sustainment of land-based operations by:*

- *Improving operational effectiveness and achieving ADF operational requirements, including the objectives of directed joint and combined exercises and the objectives of UN and international-related activities*

**Achieved as Forecast** The Ready Deployment Force maintained designated elements at specified readiness levels. The Ready Deployment Force has commenced expansion to include a light mechanised brigade-size organisation. This enhances the existing capability to include concurrency of deployable forces for a number of peace operations within 28 days notice to move and allows a degree of flexibility to deal with concurrent requirements. Sustainability issues connected with the expansion of the Ready Deployment Force are still being analysed.

Special Forces conducted a number of joint and combined operations over the period. These were all successful in developing and maintaining the skills required for special operations tasking. They also made a positive contribution to defence relations within Australia's region and with the United States and the United Kingdom.

Details of joint and combined exercise outcomes can be found in *Appendix D* to Part One of this report.

- *Achieving training, preparedness and support task requirements within planned flying hours*

**Not Achieved as Forecast** The Black Hawk helicopters achieved 85% of their allocated flying hours. The reasons were a change in priority between Special Forces and Task Force exercises over the period and a realignment of exercise objectives.

Squirrel helicopters achieved only 82% of their allocated flying hours. The reasons were a higher than average rate of student failures on flying courses and the cancellation of one of three scheduled Pilot Rotary Wing Basic-Navy courses. Nine personnel graduated from the two courses held.

The King Airs achieved 86% of their allocated flying hours. This was due to King Air allocations being based on a twelve-month cycle commencing March each year. There was also a significant aeromedical evacuation commitment to 1 Brigade. Aeromedical evacuation duties often do not involve flying, but require immediate availability of aircraft in case of emergency. The aircraft are expected to achieve their annual rate of effort by the end of February 2000.

All other Army aviation units achieved flying hours within 10% of their allocation. This is assessed as a satisfactory standard of resource management and task achievement.

- *Introducing into service new major capital equipment, including night fighting equipment, very high frequency manpack combat net radios, a battlefield telecommunications network, global positioning systems for ADF foot and mounted units and clip-on night sights for the RBS70 Very Low Level Air Defence Weapon System*

**Partially Achieved as Forecast** Night-fighting equipment, delivered under Project Ninnox, includes night-vision goggles for close and extended ranges and night aiming devices. This equipment enhances a soldier's ability to operate on a 24-hour battlefield. The equipment is in service with the Ready Deployment Force. Introduction into service to the rest of the ADF will take another 12 months.

The introduction into service of modern very high frequency manpack combat-net radios, under Project Wagtail, together with a new armoured-vehicle communications harness, has improved Land Force communications significantly in terms of reliability.

Equipment for the battlefield telecommunications network, under Project Parakeet, continues to be delivered. This project is providing a mobile, integrated, high-capacity secure tactical trunk communications system to the Army and the Air Force. The equipment has significantly improved communications for voice, telegraph, data and facsimile within and between formation headquarters, providing enhanced joint interoperability.

Delivery of global positioning systems equipment for ADF foot and mounted units has been delayed to 1999-2000 due to project scheduling changes. A global positioning system prototype for the armoured vehicle is due for installation in September 1999. Introduction into service of this equipment will continue over the next two financial years.

Clip-on night sights for the RBS70 very-low-level air defence weapon system were introduced into service in 1998-99. This now allows the weapon system to operate at night, which is a significant enhancement to low-level air defence capability.

- *Introducing into service new minor capital equipment, including new combat boots, small lightweight very high frequency combat net radios for platoon-level communications, the Weapons Training Simulation System, the Special Forces Wide Area Network, the Special Recovery Command Support System and 16kva generator sets*

**Achieved as Forecast** New combat boots were introduced into service in 1998-99. They are designed for hot weather, take advantage of advances in rubber and leather technology and provide increased durability. Delivery into service will continue into 1999-2000.

Small, lightweight, very high frequency combat-net radios for platoon-level communications, under Project Pintail, were delivered to infantry platoon level and other similar-level units. These radios are now being acquired for simple vehicle fits and for the Air Force. This project is close to completion.

The first site of the new weapon simulation system was commissioned in May 1999. The system is an indoor, laser-based visual simulation that is used to train soldiers in marksmanship and battle shooting. A further six facilities will be introduced into service over the next financial year. The land-force sniping capability has been significantly enhanced with the introduction into service of the 7.62mm anti-personnel rifle. For programming reasons, the delivery of the 12.7mm anti-materiel rifle and camouflage, concealment, communications and navigation equipment will continue into 1999-2000 and 2000-2001.

A Special Forces wide-area network and special recovery command support system commenced service in 1998-99. This system enhances the Special Forces' capability by allowing office automation and e-mail capability to units and a set of intelligence, planning and command support tools to assist in special recovery operations.

The Army began introducing a 16kva generator set into service in October 1998 which will continue until July 2000. The generator allows for continuous operations and has been used successfully in Bougainville, Groote Eylandt and in government aid to Aboriginal communities.

- *Further enhancing Army capability through the trial and evaluation of concepts outlined in Restructuring the Army*

**Achieved as Forecast** The Army continues to move from a platform replacement focus to a concept-led approach to capability development and *Restructuring the Army* objectives remain on track. An outcome is that it will launch the Army's experimental framework for future capability development. The 'battlelab' process and the relationship between the Science and Technology Group and the Combined Arms Training and Development Centre will be integral to the success of this framework. Current studies represent an early maturation of the trial process, providing a bridge between the trials and the introduction of new concepts into the Army.

- *Continuing the rationalisation of the structure supporting the delivery of individual training and education*

**Achieved as Forecast** The Special Forces Training Centre was established at Singleton in December 1998. The establishment of the centre provides efficiencies in conducting the Special Forces selection course. The Army Aviation Training Centre was established at Oakey in February 1999. The establishment of the centre provides Army pilots and maintenance staff with central training locations; previously, pilots were trained at three separate locations. The

centre also achieved efficiencies by providing a training continuum for all aspects of aviation flying and maintenance.

Army training and education programs have been further developed and refined against competency requirements. Training has been centred on a competency-based training assessment system. All training management plans have been redefined to reflect the training assessment principles. Two hundred and three of the 870 individual training courses have had competency-based training assessment embedded. The approach is still under trial and is being improved continuously. This system offers greater accountability for resource usage and efficiency outcomes than has been achieved in the past. A trend analysis is currently being developed.

The introduction of common induction training has continued. Common induction training incorporates both initial recruitment training and initial employment training. The trial of this program has continued during the 1998-99 period. Part-time training has been conducted at Army regional training centres and 7 Task Force. In 1998-99, 1,224 full-time and 2,077 part-time students completed the recruit training course. The common induction training concept is deemed to be a success.

The Combined Arms Training and Development Centre has continued to be developed. The centre was established at Puckapunyal in December 1998. The centre will present and develop options for the Army's continuous modernisation and capability development. It incorporates the Combined Arms Training Centre, which includes the individual training responsibility for the land-based combat force.

The integration of courses for full-time and part-time soldiers against common core competencies has continued on a progressive basis. All corps have identified a continuum of corps competencies for both full and part-time soldiers. This describes the knowledge, skill sets, competencies and attitudes required for the ranks of private to warrant officer class 1. A similar study has been conducted for officers, where competencies and functional areas are identified for the rank of lieutenant to lieutenant colonel. Recruit training and initial employment training are continuing to be developed using the common induction training process.

- *Maintain effective international relationships and contribute to international activities through individual training exchanges, combined exercises and Defence Cooperation activities*

**Achieved as Forecast** The Army has contributed to international relations through combined exercises with foreign armies, the training of students and via the Army exchange program including the attachment of personnel overseas. For 1998-99, 725 foreign students from within the region attended individual training courses, and 148 Army personnel underwent training overseas. The Army currently has 129 exchange personnel posted overseas and 74 personnel attached to the Defence Cooperation Program for employment overseas. Operation Belisi II currently involves 250 ADF personnel supporting the peace process in Bougainville.

- *Contribute effectively to National Support Tasks including the progression of the ATSIC Army Community Assistance Project*

**Achieved as Forecast** During 1998-99, the Army successfully completed a number of Aboriginal and Torres Strait Islander Commission projects. These include works at Kaltukatjara (Docker River, Northern Territory), Marthakal (Elcho Island, Northern Territory), Milyakburra (Bickerton Island, Northern Territory) and Oak Valley in South Australia. Completed tasks included construction of a variety of health-related projects and the provision of training and health-service support. Planning and design for the Jumbun project in Queensland has been completed.

Other contributions to national support tasks by the Army include:

- the provision of Army personnel, accommodation and facilities to Kosovo refugees;
- the deployment of 400 Army personnel to support victims of the Sydney hailstorm in April/May 1999;
- the provision of support by the Pilbara Regiment and medical assets to the victims of tropical cyclone Vance in north-west Australia;
- medical support to victims of flooding and disease in the eastern provinces of Papua New Guinea in April 1999; and
- support to Queensland government organisations on Salai Island (Torres Strait) by land force medical personnel.

## RESOURCES

**Table 3.1: Defence Function Outlay Summary**

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
3.1 Combat Forces	899.5	907.5	914.9	7.5	0.8
3.2 Executive	85.8	56.8	69.4	12.6	22.2
3.3 Training	318.9	304.1	284.5	-19.6	-6.5
<b>Group Total</b>	<b>1,304.2</b>	<b>1,268.3</b>	<b>1,268.8</b>	<b>0.5</b>	<b>0.0</b>

**Table 3.2: Staffing Summary**

Sub-Group	1998-99	1998-99	1998-99	Variation	
	Budget Estimate	Revised Estimate	Actual Outcome	(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
3.1 Combat Forces	31,545	31,653	28,544	-3,109	-9.8
3.2 Executive	618	574	542	-32	-5.6
3.3 Training	12,704	12,149	10,543	-1,606	-13.2
<b>Group Total</b>	<b>44,867</b>	<b>44,376</b>	<b>39,629</b>	<b>-4,747</b>	<b>-10.7</b>

**Table 3.3: Staffing Profile**

Personnel		Sub-Group			Total
		3.1	3.2	3.3	
Permanent Force	98-99 Budget	13,795	479	4,824	19,098
	98-99 Revised	13,822	479	4,388	18,689
	98-99 Actual	13,931	465	4,020	18,416
Reserves	98-99 Budget	17,270	74	7,309	24,653
	98-99 Revised	17,287	29	7,365	24,681
	98-99 Actual	14,090	8	6,211	20,309
Civilian	98-99 Budget	480	65	571	1,116
	98-99 Revised	544	66	396	1,006
	98-99 Actual	523	69	312	904
<b>Total</b>	<b>98-99 Budget</b>	<b>31,545</b>	<b>618</b>	<b>12,704</b>	<b>44,867</b>
<b>Personnel</b>	<b>98-99 Revised</b>	<b>31,653</b>	<b>574</b>	<b>12,149</b>	<b>44,376</b>
	<b>98-99 Actual</b>	<b>28,544</b>	<b>542</b>	<b>10,543</b>	<b>39,629</b>

### 1998-99 Defence Reform Program Progress

During 1998-99, the Army continued to transfer personnel performing clerical and administrative and garrison support-related functions to Defence Corporate Support for inclusion in the relevant regional market-testing initiatives. In addition, personnel savings were achieved under training and education related initiatives.

**Table 3.4: 1998-99 Defence Reform Program Resources Available for Reinvestment**

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget Estimate	Revised Estimate		(98-99 Actual less Revised Estimate)	
	\$m	\$m	\$m	\$m	%
Defence Command and Management	7.1	6.6	6.9	0.2	3.0
Acquisition and Industry	0.2	0.1	0	-0.1	-100
Facilities and Long-Term Force Disposition	0.1	0	0	0	0
Logistics	2.4	0.6	0	-0.6	-100
Personnel Planning	0.6	0.1	0	-0.1	-100
Education and Training	14.7	15.3	20.4	5.1	33.3
Administrative Support	4.5	1.1	1.5	0.4	36.4
Information Management	0.1	0	0	0	0
Superannuation	3.8	4.8	5.1	0.3	6.3
<b>Total</b>	<b>33.5</b>	<b>28.6</b>	<b>33.8</b>	<b>5.2</b>	<b>18.1</b>

As a result of Defence Reform Program reinvestment, actual personnel numbers in the combat force have increased by 1,398, (from 12,564 as at 30 June 1996 to 13,962 as at 30 June 1999). At the completion of the reform process, the Army will have 23,000 full-time personnel, of which 15,000 will be employed in the combat force, representing an increase of 2,400 personnel. The resultant increase in personnel within the combat force is contributing to the reduction in long-standing hollowness within combat force units. Reinvestment has also allowed the Army to commence the development of an expanded Ready Deployment Force.

Defence Reform Program reinvestment funding for capability logistics has also improved the Army's ability to meet limited short-notice operational requirements and preparedness objectives in line with government requirements. New funding levels provide additional resources to support high-readiness units.

**Table 3.5: 1998-99 Defence Reform Program Personnel Reductions - ADF**

Category	1998-99	1998-99	1998-99 Actual Outcome	Variation	
	Budget Estimate	Revised Estimate		(98-99 Actual less Revised Estimate)	
	Personnel Numbers			No	%
Defence Command and Management Arrangements	88	88	88	0	0
Education and Training	271	271	378	107	39.5
<b>Total Personnel Reductions</b>	<b>359</b>	<b>359</b>	<b>466</b>	<b>107</b>	<b>29.8</b>

**Table 3.6: 1998-99 Defence Reform Program Personnel Reductions – APS**

Category	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less Revised Estimate)	
	Estimate	Estimate	Outcome	No	%
	Personnel Numbers				
Defence Command and Management	81	75	77	2	2.7
Education and Training	62	62	64	2	3.2
<b>Total Personnel Reductions</b>	<b>143</b>	<b>137</b>	<b>141</b>	<b>4</b>	<b>2.9</b>

**Table 3.7: 1998-99 Defence Reform Program Reinvestment**

Category	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less Revised Estimate)	
	Estimate	Estimate	Outcome	\$m	%
	\$m	\$m	\$m		
Amphibious capabilities	0.2	0.2	0.2	0	0
Net Personnel and Operating Costs	0.6	0.6	0.6	0	0
Army Reinvestment	43.0	43.0	43.0	0	0
DRP Transition Costs	0	0	0.9	0.9	0
<b>Total</b>	<b>43.8</b>	<b>43.8</b>	<b>44.7</b>	<b>0.9</b>	<b>2.1</b>

**Table 3.8: Reconciliation of Appropriations for the Army Group**

Division/Appropriation Item	1998-99	1998-99	1998-99	Variation	
	Budget	Revised	Actual	(98-99 Actual less Revised Estimate)	
	Estimate	Estimate	Outcome	\$m	%
	\$m	\$m	\$m		
180-01 Running Costs					
Service Personnel	1,133.2	1,116.0	1,117.0	1.1	0.1
Civilian Personnel	41.6	40.1	38.4	-1.7	-4.3
Administrative Expenses	92.6	76.5	74.2	-2.4	-3.1
180-02 Other Services	0.1	0.1	0.05	-0.05	-51.0
181 Equipment & Stores	50.0	48.9	49.4	0.5	1.0
<b>Total Defence Function Appropriations (A)</b>	<b>1,317.5</b>	<b>1,281.6</b>	<b>1,279.0</b>	<b>-2.6</b>	<b>-0.2</b>
Total Defence Function Receipts (Offset within Outlays) (B)	-13.3	-13.3	-10.2	3.1	-23.3
<b>Total Defence Function Outlays (C) = (A+B)</b>	<b>1,304.2</b>	<b>1,268.3</b>	<b>1,268.8</b>	<b>0.5</b>	<b>0.0</b>

Full accrual information for this Group is available in the 1998-1999 Financial Statements in Appendix F to Part One of this document.

**Table 3.9: Major Variations between 1998-99 Revised Estimate and 1998-99 Actual Outcome**

Appropriation	\$m
180-01 Running Costs	
<b>Service Personnel (\$1.1m)</b>	
Increased requirement for allowances	8.8
Higher than anticipated requirement for Operation Belisi II (Bougainville Peace Monitoring Group)	2.1
Variation in accrual based superannuation and 3% productivity benefit liability based on movements in average staffing levels, changes in per capita rates and the impact of pay increases	1.4
Reduced requirement for Pilot Retention Bonus payments	-3.3
Lower than anticipated expenditure on Army Reserve Training Salaries	-3.8
<b>Defence Reform Program Gains</b>	
Related to Defence Command and Management Arrangements	-0.2
Related to variations in Superannuation Gains	-0.3
Related to Education and Training	-4.5
<b>Defence Reform Program Reinvestment</b>	
Defence Reform Program related redundancies	0.9
<b>Civilian Personnel (-\$1.7m)</b>	
Higher than anticipated achievement for Defence Reform Program related redundancies	2.0
Variation in Accrual Based Superannuation and 3% Productivity benefit liability based on movements in average staffing levels, changes in per capita rates and the impact of pay increases	-0.2
Savings associated with Defence Reform Program redundancies resulting from Garrison Support market testing	-0.5
Net Group transfers primarily associated with the rationalisation of functions between Group 3 and Group 13	-2.7
<b>Defence Reform Program Gains</b>	
Related to Education and Training	-0.3
<b>Administrative Expenses (-\$2.4m)</b>	
Variation in Fringe Benefits Tax payments	1.0
Net Group transfers primarily associated with the rationalisation of functions between Group 3 and Group 13	-0.2
Reallocation to Civilian Salaries associated with the civilianisation of Army positions seconded to the Regional Security Vetting Agencies	-0.2
Lower than anticipated achievement for Multinational Force and Observers-Sinai peacekeeping deployment and Operation Belisi II (Bougainville Peace Monitoring Group)	-0.6
Reallocation to Equipment & Stores for Operation Belisi II (Bougainville Peace Monitoring Group)	-0.6
Reduced expenditure to offset lower achievement in recoveries	-1.6
Miscellaneous minor variations	-0.3

Appropriation	\$m
<b>Defence Reform Program Gains</b>	
Related to Logistics	0.6
Related to Acquisition and Industry	0.1
Related to Personnel Planning	0.1
Related to Education and Training	-0.3
Related to Administrative Support	-0.4
<b>180-02 Other Services (-\$0.05m)</b>	
Reduced requirement for Military History Grant	-0.05
<b>181 Equipment And Stores (\$0.5m)</b>	
Reallocation from Administrative Expenses for Operation Belisi II (Bougainville Peace Monitoring Group)	0.6
Miscellaneous minor variations	0.4
Net Group transfers primarily associated with the rationalisation of functions between Group 3 and Groups 6 and 13	-0.5
<b>Defence Portfolio Receipts (\$3.1m)</b>	
Lower than anticipated collection of recoveries	2.6
Lower than anticipated collection due to reprogramming of timing of Multinational Force and Observers Sinai peacekeeping deployment recoveries	0.5

