STRATEGIC INSIGHTS

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Stepping up:
Part-time forces and ADF capability

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Introduction

In the past decade, armed forces around the Western world have found themselves supporting deployments that have endured for years. In particular, operations in the Middle East and Afghanistan since 11 September 2001 have seen a significant proportion of US and UK forces deployed for periods of twelve months or longer. Australian forces have also been deployed to those theatres, albeit in smaller percentages of the overall force, but have also had to sustain deployments to other locations, most notably Timor-Leste and the Solomon Islands.

All of the major participants have experienced strain in sustaining forces for extended periods. And all of them have turned in no small measure to their part-time forces—drawn from the ranks of personnel who divide their time between civilian and military employment. As well

West Australian Army Reserve soldiers move forward during perimeter patrol around the palm oil plantation at Mbalisuna during the Op Anode deployment to the Solomon Islands. Photo courtesy Australian Department of Defence

as providing individual personnel who can fill gaps in full-time units, whole part-time units have been deployed. The US and UK have drawn heavily on their part-timers in both ways, especially in Iraq, Bosnia and Kosovo. The Australian Defence Force (ADF) has also drawn on its part-time strength. For example, the current Australian deployment to the Solomon Islands includes a company-strength (over 100 soldiers) drawn from the Army Reserve. (See box below for a review of recent part-time ADF deployments.)

Note that we use the term 'part-time' rather than 'reserve'. That is because we believe that the latter term might perpetuate a sense that part-time ADF elements are not on the same footing as full-time elements. The authors believe that this has on occasion hampered the further development of part-time forces and has sometimes meant that their resource allocations are seen as 'low-hanging fruit' when budgets are tightening, even if the net result is a loss of capability. (We sometimes use 'Reserve' when we refer to the existing organisation and legislation.)

Recent deployments of the part-time ADF

Reserves have contributed over 16,000 personnel to operations, mostly overseas, since 1999—about 20% of the ADF total. Overseas deployments include:

Air Base Butterworth, Malaysia: Army reservists have provided a rifle company for periods of 3 months on some 14 occasions. About 1300 reservists in total have participated.

Timor-Leste: Army Reserve provided 200 individuals to reinforce the 6th Battalion, Royal Australian Regiment (6 RAR) in 2000 and a Reserve infantry company was integrated with 5/7 RAR for 6 months of 2002.

Solomon Islands: From March 2007 the ADF contingent in the Regional Assistance Mission became a Reserve undertaking, with over 100 reservists supported by a handful of regulars. Commencing a 6-month tour of duty, some of these reservists had gone from enlistment to deployment within 12 months. It is planned to continue using reservists for this mission.

Medical and health services: Part-time specialists, doctors and nurses support all ADF deployments. They are among the ADF's most deployed people.

Other domestic and offshore activities undertaken by reservists include:

- **surveillance** conducted by three Regional Force Surveillance Units in Queensland, Northern Territory and Western Australia
- **transport** operations conducted as part of Operation Relex/Resolute by Army's Transit Security Element (approx. 60 personnel)
- **border security** as part of Operation Resolute (included 230 reservists for a period of 3 months during a rotation over Christmas)
- **domestic security** operations have made extensive use of Reserves, some as part-timers, some on continuous full-time service. Examples include the Sydney Olympic and Paralympic Games 2000, Commonwealth Heads of Government Meeting 2002, Commonwealth Games 2006 and APEC 2007, and the visit of the Pope in 2008.

There is a natural flow of personnel between the full-time and part-time forces. Many separating full-timers sign on for part-time service, and the part-time forces thus provide an important supplement to the full-time ADF strength. Several hundred part-time personnel join the full-time ADF every year. This is known as secondary enlistment. Thus part-time forces support full-time capability not only by providing reservists on continuous full-time service, but also by direct transfer.

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This ASPI *Strategic Insight* argues that full-time and part-time force elements should be considered holistically in the ADF. The outputs of the Department of Defence are not measured in terms of days of full-time or part-time service. Rather, the outputs are formulated in terms of military capability. It follows that any discussion of the use and future development of part-time forces should be as part of the development of the most cost-effective delivery of ADF capability to government.[1] (The current strength of the ADF Reserves is shown in the table on page 4.)

This line of reasoning leads us to a number of avenues of investigation:

- Can part-time elements provide the government with more cost-effective military capabilities than full-time elements in some circumstances?
- Are there further roles part-time ADF elements could play than is currently the case?
- Could a better-resourced part-time ADF help solve some existing problems within the ADF?
- Are there areas where the part-time forces need reform or restructuring?

This paper answers all of those questions in the affirmative but notes that there are some tricky management and resource issues that accompany the proposals that follow. Nonetheless, part-time personnel represent both an extant and a nascent capability, given the right investment in training and readiness. We suggest some ways of increasing the value of the part-time ADF in capability terms, with one more question that must be kept in mind:

- How much would those proposals cost?

Since World War II, the deployment of Australia's Reserve forces at home and overseas has relied exclusively on individuals volunteering to serve.

Using the part-time force—call-out provisions and other options

Before going on to discuss the potential for new and expanded uses of part-time forces, it is necessary to understand the circumstances in which they may be used. Since World War II, the deployment of Australia's Reserve forces at home and overseas has relied exclusively on individuals volunteering to serve. In contrast to the United States and the United Kingdom (see box on page 6) no individual or reserve unit has been legally required to serve. While the ability for the Commonwealth to make full-time service mandatory remains extant, in practice Australian reservists have been asked to volunteer twice; once to enlist and once to go on full-time duty.

It is possible in law to compel reservists to serve full-time but this requires a procedure known as 'call-out'—a proclamation by the Governor-General on the advice of the government. No such procedure is required for the deployment of regulars. The principal reason for this differential treatment of part-timers is the recognition that the degree of disruption to the lives of individuals and the communities in which they live and work is greater than is the case with regulars. Calling up part-time personnel to serve full-time is quite properly something that has a higher threshold than deploying full-time personnel.

Recent decades have seen successive amendments to the Defence Act which have steadily widened the range of purposes for which call-out of Reserve forces is permitted:

1964—Extended beyond 'war' to 'defence emergency' and geographic limits removed.

1988—Expanded to include 'defence of Australia' but service was to be with a limited timeframe (3 months extendable up to 12 months).

2001—Expanded further to cover (a) war or warlike operations; (b) defence emergency; (c) defence preparation; (d) peacekeeping or peace enforcement; (e) assistance to Commonwealth, state, territory or foreign government authorities and agencies in matters involving Australia's national security or affecting Australian defence interests; (f) support to community activities of national or international significance; and (g) civil aid, humanitarian assistance, medical or civil emergency or disaster relief.

This legislation also permits the government to call-out individual members, classes of members or parts of the Reserve. No time limit is specified. However, despite the clear intent of successive governments to make deployment of the Reserve more relevant when ADF deployments for missions short of all-out war are being planned, no government has chosen to make use of this power.

However, as we argue later, there is a good case for a greater integration of part-time and full-time forces, both organisationally and operationally. The two elements of the ADF

Reserve strength

ADF Reservists 2005–08 (Figures at 30 June)

	Reservists*	% of Regular Force	CFTS	% on CFTS
2005	19,924	39%	649	3.3%
2006	22,238	44%	995	4.5%
2007	23,810	47%	1,657	7.0%
2008	25,408	49.3%	1,829	7.2%

* includes reservists on Continuous Full Time Service (CFTS)

Source: Department of Defence, Annual Report 2006–07*; Defence Personnel Executive*

ADF Reservists by service 2007–08

	Reservists*	CFTS	% on CFTS
Navy	4,682	480	10.3%
Army	17,171	1,083	6.3%
Air Force	3,555	266	7.5%
Total ADF	25,408	1,829	7.2%

* includes reservists on Continuous Full Time Service (CFTS)

Source: Defence Personnel Executive

could be more effectively managed if their availability was on a similar footing, which means finding a way to make the part-time force a more dependable source of capability for military planners. As well, if some of the ideas we expound later were adopted, and significant ADF capabilities resided largely in the part-time forces, it would be important to be able to deploy functional units, as opposed to a number of individuals. It is challenging to meet these requirements while maintaining a higher threshold for compelling part-time personnel to move to full-time service.

While, in theory, reservists could be placed under the same legal obligation to serve as regulars once they had enlisted, political and community attitudes and the practicalities of managing reservists have ruled out that solution in the past. Nonetheless, there are several ways in which the application of the existing call-out provisions can be modified to make the part-time force more useable. Four such mechanisms lie between the current extremes of completely voluntary transition to full-time service and compulsion of individuals through call-out.

Warning orders

A warning order could be issued under the direction of the Minister for Defence to some or all of the part-time force, advising them to make preparations for full-time service. Reservists would be expected to undertake more intensive training, attend briefings, update records, and initiate changes in their personal affairs to facilitate full-time service. Any resignations or discharges in train would be put on hold unless exemption is granted.

A system of warning orders currently operates in the Army's 2nd Division and is particularly useful for sustained operations such as Operation Anode in the Solomon Islands, where early notice can be given of future deployment dates, permitting training and build up to occur in a sequenced manner.

No additional legal sanction is required for warning orders as they are authorised executive decisions.

Directives

Members could sign a contract (in effect a declaration of readiness to comply) that requires them to go on full-time service at the direction of their service chief. Known as 'call for', this type of compulsion is clear in principle but may prove less straightforward in its implementation.

The willingness of service chiefs to use this option has yet to be seen and they would almost certainly choose to seek government approval in any case. And the options available if an individual declines to serve as directed are not clear. The government may be reluctant to countenance prosecution of the person concerned for fear of adverse publicity.

The High Readiness Reserve (HRR) has already taken a step in this direction towards compulsory service. In practice, members of the HRR may well feel a strong moral obligation to serve, having declared their readiness to do so. The incentive of qualifying for a bonus may also come into play. The HRR is a first step in linking higher levels of readiness with a greater legal liability to serve, and the practice might be extended to other forms of part-time service.

Sponsored Reserves

This is a British practice whereby a proportion of a civilian employer's workforce agrees to enlist as reservists and the firm and individuals make themselves available for full-time duty as required. This would make most sense when there is a nexus between the firm's work and defence duties—many defence contractors would have suitable workforces.

This scheme would be compatible with a general trend in the Western world.

Military forces increasingly rely on civilian organisations to provide services such as logistic supply and vehicle maintenance that may be required even in a hostile environment. The ability to put that workforce in uniform in some circumstances would be beneficial for a number of reasons. Firstly, to bring them under direct military command (and in some cases equip and train them with weapons for self-defence), and secondly, to ensure that such personnel enjoy the legal protections of uniformed combatants, which could be relevant in case of capture, for example. Once in uniform, wages may be paid by the contractor and/or by the services.

In terms of legal requirements, the Defence Act gives ample authority for this arrangement on the military side, whilst industry would contract with the Commonwealth. The conditions of contract may include provision of the equipment and personnel to provide the necessary capability.

Compulsory mobilisation of Reserves (US and UK)

United States

Compulsory mobilisation of Reserve and National Guard forces (see endnote 8 for an explanation of the difference between these part-time forces) has come to be routine in America's recent wars. For example, US full-time forces cannot deploy effectively without Strategic Transport reservists who fly the airliners and aircraft that deploy them. The Gulf War of 1990–91 saw about 238,000 reservists called out, of whom some 100,000 served in the Middle East. Compulsory mobilisation also occurred for the conflicts in Haiti, Bosnia and Kosovo in the 1990s.

The current conflict in Iraq has seen over 590,000 reservists required to serve. Reserve contribution peaked at 40% of total US force numbers in 2004, when the state-based National Guard provided over half of Army's combat personnel.

The President can call-out Reserves for a maximum of 270 days (extendable by Congress), normally on the basis of units but also individual reservists. In addition, 'Stop Loss' notices can prevent both reserve and regular personnel from leaving at the end of their agreed term of service, even if this means remaining on deployment overseas.

United Kingdom

Reservists were deployed for the first time in nearly 50 years in Bosnia and Kosovo in 1995 and subsequently in Afghanistan and Sierra Leone. Over 12,000 reservists, including 'standby' and sponsored Reserves, have served in the Iraq conflict, contributing 12% of all personnel in the warfighting phase (about 5,200 reservists) and about 11% overall. Reservists have also filled about 50% of all positions in field hospitals in Iraq.

As of 2005 about 41% of TA members and about 53% of the Auxiliary Air Force had received a call-out notice within the last 5 years. About 32% of the Territorial Army and about 50% of the Auxiliary Air Force had actually deployed. Recruits now commonly give 'a desire to serve on operations' as one of their reasons for joining.

UK policy requires reservists to deploy no more than one year in five. As a result, about 7,000 personnel cannot be deployed at present, though they can volunteer.

This approach and variations on it are worth examining in Australia, although the issue of wage levels would need to be determined.[2] Sponsored reserves might constitute only a small proportion of the part-time force but could relieve acute shortages of skills in certain areas.

Staged call-out

Under a staged call-out, a part-time unit is notified that it is required to deploy with some proportion of its strength. Such a staged process of Reserve call-out is employed in the UK, where it is called 'intelligent mobilisation'. Those reservists recommended by Commanding Officers as satisfying the mission requirements are mobilised. For example, a Territorial Army (TA) squadron with a posted strength of 68 personnel was required to provide a total of 31 soldiers and 4 officers (about 50% of establishment) for service in Iraq. The unit worked out who was available in terms of health and fitness, employment, family commitments and so on. Once identified, the 35 personnel were compulsorily mobilised, thereby ensuring employment protection. This scheme removes the onus on government to compel individuals while still providing call-out power over a part-time capability.

From the planning point of view this process effectively guarantees a given number of personnel while offering flexibility to members of the unit concerned. The unit, however, is not permitted to respond by saying it cannot find enough volunteers since compulsion would follow. But a part-time unit could be expected to show a strong collective desire to rise to the challenge. Few individuals would want to miss out on the chance to serve alongside their mates.[3] There seems no reason why such a system should not work in Australia.

Readiness

Military units and personnel are held at different levels of readiness[4] for various reasons. It would be extremely costly to do otherwise, and circumstances rarely—if ever—require the entire ADF to be at high readiness levels. (And, as the 1990s showed, readiness is often an early casualty of reduced defence funding.) It is difficult to quantify desirable readiness levels because demands on the ADF are often unpredictable as to their timing, nature and extent. The challenge is to sustain readiness at an affordable level while maintaining the ability to mobilise sufficient forces for a credible range of contingencies.

Part-time forces can play an important role in maintaining appropriate readiness levels.

Part-time forces can play an important role in maintaining appropriate readiness levels. Full-time forces can be maintained for immediate operational requirements (plus a reasonable level for contingency) and part-time forces can be maintained at different readiness levels to provide a surge capacity and/or follow-on deployments when rotations are required. As well, part-time units can backfill for full-time units that are themselves redeployed away from their existing duties.

Where personnel are concerned, creating and sustaining readiness, even in regular forces, will be dogged by factors such as illness, injury, absence on courses and training deficiencies. Part-time personnel, of course, present additional difficulties relating to employment or study, and possibly family expectations. In practice, part-time individuals and units exhibit a range of readiness levels.

There is a diverse set of categories of service, sometimes covered by different legislative frameworks, that reflects different readiness levels within the current part-time structure:

- High Readiness Reserve
- high readiness for limited tasks
- individual readiness—active
- reserves in training
- standby reserve.

(See the Annex for further details.) The diversity of readiness levels means in principle that there are part-time elements available to provide a boost to the ADF at varying time scales. The highest level is the High Readiness Reserve. Transfer to the HRR means the reservist is deployable, as all deployment requirements must be met before HRR status can be obtained. After the first contingent of HRR is deployed, the HRR can be reconstituted from the Active Reserve. The HRR thus serves as a pool of reservists and capabilities known to be deployable. It is a standing deployable part-time force.

In general, it is most difficult to achieve high readiness of entire units designed for a wide range of tasks. This requires more equipment and more extensive collective training, and depends on the availability of numbers of individuals. It also tends to be the most expensive form of readiness to create and sustain. And in many instances the readiness of Reserve forces is currently limited by the availability of equipment. At the other end of the spectrum are recently retired ex-regulars or individual specialists such as doctors or lawyers who are already practising their profession and need only minimal refresher training and may be ready to deploy at short notice.

As is the case with the full-time force, the challenge is to secure the best combination of part-time readiness—and to ensure those levels mean what they say so that they can actually be used when required. Each service takes a rather different approach that incorporates its particular characteristics. The RAAF has adopted the most explicit system, dividing its personnel into four levels: Band 1 at 0–28 days readiness, Band 2 at 29–180 days, Band 3 at 180–365 days and Band 4 at over 365 days.

While the current system works well in many circumstances, there are ways in which it could be modified so that the deployability of the part-time force could be further improved.

Note that assumptions about readiness do not always prove correct, as a recent study of the British Territorial Army demonstrates.[5] The TA assumed that its inactive reserves, equivalent to Australia's Standby Reserve and consisting mostly of ex-regulars, would prove more readily available than serving TA members. In practice, however, to get one soldier deployed, about 8 members had to be mobilised from the inactive reserve compared with only 1.25 active reserves. Readiness is not an abstraction—it must be managed and, where appropriate, measured and tested.

The requirements for each level of readiness should be clear (and properly enforced) and the process of transition between levels made as simple as possible. This will not only permit individuals to adapt to personal circumstances and preferences, but also make each category a more accurate reflection of actual availability.

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Mission-specific training

While Australian forces have experienced a high tempo of operations in recent years, they have been stretched less than some of their allied counterparts. It is instructive to see how other nations have made use of the part-time forces under operational pressure. The use in recent years by the United Kingdom of its TA reservists provides a useful benchmark. In some cases Territorial units have been given six weeks of highly-specific training before deploying to Iraq. Rather than participating in 'traditional' training that included a wide range of activities such as combined arms training exercises, these reservists were trained specifically for limited—but important—roles in a very dangerous theatre. From all accounts their performance has been very good.[6] While TA members were seen to be less physically fit than full-timers (at least in part due to an eight year older average age), this was balanced by qualities such as life experience, wider skills and higher average education level.

The British experience suggests a potential new approach to the use of Australia's part-time land forces in deployments. They could be constituted as light infantry designed for generic regional stabilisation, peacekeeping and humanitarian assistance operations, but then receive intensive mission-specific training before deployment.[7] There are several reasons to think that this model is worth considering. Part-time personnel can be less expensive to retain (we give an explicit example later). As well, part-timers generally like being deployed to those sorts of operations, as opposed to some members of the full-time infantry, who have voiced their views on not being allowed to participate in serious combat operations. Because the demand for deployments is hard to predict, a force that could be expanded at relatively short notice is very useful. And that is where the UK experience provides a useful benchmark—short but focused training for part-time forces could make them very effective. As well, their civilian skills are often useful in humanitarian and stabilisation operations—provided that Defence has an accurate record of them.

The RAAF is experimenting with this idea with some Reserve-specific musterings where personnel can exhibit a narrower set of competencies than full-time personnel would be expected to have. The mooted RAAF Reserve Air Terminal Operator is an example where the goal is to provide a Reservist with just enough skills to be immediately employable and then to build on that skill base later if required.

Short duration but mission-focused training for part-time personnel and units could be very effective, especially for low-intensity operations.

Resurrecting the Ready Reserve?

The Ready Reserve operated from 1991 to 1996. The scheme aimed to make part-time personnel more useable by giving them an initial 12 months full-time training identical to that of full-timers, followed by four years of part-time service. The scheme generally recruited well, with a majority of entrants planning to undertake or already engaged in tertiary education. Army and Air Force used the scheme to expand their capabilities, the former mainly in infantry and the latter in airfield defence. The Ready Reserve was opposed by many traditionalist members of the Reserve who saw it (accurately) to be getting priority in training, resources and benefits. The scheme was deemed too expensive to retain and was scrapped by the incoming government in 1996.

Different levels of readiness (and therefore of training and competencies) can create a certain sense of importance among the part-time forces and can be a source of

resentment. But any such complaints miss the point that the part-time forces are not an end in themselves—they are resourced by government in order to provide military capability. Higher levels of readiness provide better access to capability. Should a Ready Reserve-like scheme be reintroduced, the opportunity should be taken to inculcate a culture among part-timers that values higher readiness and encourages a willingness to be deployed.

The reintroduction of the Ready Reserve seems to be worthy of consideration. The popularity of the recently-introduced Gap-year program (which operates on the same model and is oversubscribed for 2009) suggests that there is a ready market and appetite for a one-year full-time stay in the ADF among school leavers. Given that, and the previous success in recruiting tertiary-level students for the Ready Reserve, there is every reason to think that it would be similarly successful today. Essentially, the Ready Reserve extends the 'gap year' idea to a wider set of potential recruits.

Reintroducing the Ready Reserve would come with the impost of increased training, equipment and facilities costs. In order to be able to transition rapidly to full-time service in operational conditions, part-time personnel need appropriate levels of training in realistic conditions and with equipment that they would be required to use.

Manning high-value platforms

The ADF operates some very expensive platforms. If the government goes ahead and buys 75–100 Joint Strike Fighters it is going to cost well in excess of $10 billion. But the RAAF currently has about half as many pilots as aircraft. Keeping former full-time personnel on as part-timers certainly helps in keeping numbers up and provides expertise for training tasks and other duties. But it has been quite some time since there have been as many pilots as fast jet airframes.

Assuming that the number of aircraft acquired is soundly-based on a calculated operational need for effect and concurrency, we have to conclude that the RAAF does not actually have the capability it needs. Similarly, Navy cannot crew its fleet of *Collins*-class submarines, and at the time of writing (October) four of the boats are alongside. In practice that means that Navy would struggle to maintain a single boat on deployment at long-range—a major requirement in the development of the class.

It is sensible to look at some alternative models for manning major platforms.

It is therefore sensible to look at some alternative models for manning major platforms. One possible model is provided by the Air National Guard (ANG) of the United States. While not strictly a Reserve, it is nonetheless a part-time force that plays a significant warfighting role when required.[8] The ANG operates almost every type in the USAF inventory—not just lead-in trainers, airlifters and support types, but front-line combat types as well, including the F-22 Raptor and B-2 stealth bomber. Many ANG pilots are ex-full-timers but many are not, being commercial pilots or even having a civilian occupation other than flying. Due to the demands of modern aircraft types, they cannot do this on the metaphorical 'one weekend per month'. A commitment of around 100 days per year is required. Nonetheless, the ANG manages to find suitably qualified and physically capable personnel prepared to put in the time to get into the cockpit of a fast jet. The USAF

historian describes the ANG as 'a reserve fully capable of fighting the air war'.

Such a model does not come without significant costs—training to fly fast jets is not cheap and takes (at a minimum) several years. And the cost of maintaining the aircraft is essentially the same as for regular forces. The ANG model therefore comes with a lot of overheads and is supported from State funds. It is probably not a model that would be cost-effective for Australia.

Nonetheless, the cost to government of the tactical aircraft fleet is already very high, and getting manning levels commensurate with the fleet size should really be part of the overall business plan for the acquisition. And the comparison that should be made is the marginal cost of training someone with a mature background (who may already be an experienced pilot) compared to an eighteen year old enlisting straight from school. The concept of sponsored part-timers might be useful here. A strategic relationship between the RAAF and the airline industry could allow the Air Force to keep personnel on a part-time basis even if they decide that a career in civil aviation is their ultimate goal. And, conversely, there might be an opportunity for civilian pilots to do some part-time service with the RAAF. This could be especially useful given that the RAAF is planning to introduce a number of aircraft that are based on civilian airliner types. (The Wedgetail AEW&C and P-8 maritime patrol aircraft are based on the Boeing 737, while the new air-to-air refuelling aircraft are an Airbus design. Similarly, the C-17 airlifter is essentially a multi-engine wide-bodied jet.)

If some of Australia's civilian pilots could be attracted to part-time service, it would boost the RAAF's pilot stocks and make better use of some expensive aircraft.

If that model fails, for whatever reason, and there continues to be a shortfall in pilot numbers, then other models, more along the lines of the ANG could be looked at. But they would be more expensive than the alternative discussed above, and would require careful development.

Manning submarines is more problematic—as well as being sophisticated platforms, their missions are often sensitive, even in peacetime, requiring highly-experienced crews and significant lead up and/or technical training is necessary. Nonetheless, there is potential for part-timers to free up resources elsewhere in Navy to allow manning of the *Collins* fleet. And it may be possible, given the right inducements, to get separated submarine crew members to fill some billets on a part-time basis.

F-22A Raptor maintenance personnel with the Virginia Air National Guard's 192nd Fighter Wing check the flightline for foreign object debris. An example of high-level capability residing in part with part-time forces, the 192nd has more than 20 pilots trained to fly the Air Force's newest air superiority jet. Photo courtesy US Air Force

The reintroduction of the Ready Reserve may have particular value for manning platforms. Following twelve months full-time training dedicated to the technical and platform-specific tasks, a pool of Ready Reserve personnel available for billets on submarines or aircraft patrols would be invaluable. This Ready Reserve force would likely prove to be an important supplement to the full-time force. In addition, some of the part-timers might be attracted to full-time service, so growing the full-time personnel pool.

Part-time forces as custodians of capabilities

Part-time personnel need not be seen just as 'more of the same' when compared to full-time forces—although that is a vital role for providing depth and/or a surge capability for the full-time ADF. There are also instances where all or most of specific capabilities could be constituted in part-time elements, to be drawn upon as required.

There is a precedent for such a move. The ADF today relies heavily on Reserves for specialist medical skills such as surgery. That is an example of market forces at work—the ADF doesn't compete with the civilian world in terms of remuneration. As well, there are examples of deliberate positioning of capabilities with part-timers; Navy adopted a model where its intelligence officers were all reservists. In that particular instance it did not work particularly well because the intelligence function is frequently used, and it was difficult to keep appropriate levels of experience available for frequent operational requirements.

That suggests that it is not appropriate to allocate capabilities used everyday exclusively to the part-time component of the ADF. But not all ADF capabilities are used every day—and some of them are rarely used at all. For example, the last time the ADF deployed artillery or tank units was during the Vietnam War. Similarly, the only deployment of ground-based air defence has been small

Australian soldiers of the 16th Air Defence Regiment deploy an RBS-70 man-portable ground-based air defence system during a 2004 exercise. This is a capability that is seldom-used and might be a suitable candidate for residence in the part-time ADF. Photo courtesy Australian Department of Defence

deployments on the decks of ships deployed to the Gulf in recent years. (Which is itself a comment on the air defence capability of our present warships.) Some or all of those capabilities would seem to be ideal candidates for the part-time force.

If efficiencies could be gained by placing seldom-used capabilities within the part-time force, resources would be freed up to bolster the sorts of operational activities that are much more common.

If efficiencies could be gained by placing seldom-used capabilities within the part-time force, resources would be freed up to bolster the sorts of operational activities that are much more common. This might allow, for example, Army to manage the very substantial investment in time and personnel that will be required as the capability of the *Canberra*-class amphibious ships works up in the first half of next decade.

An additional attraction of this model is that it would allow part-time elements to train with advanced equipment. To be sure, readiness levels and expertise would have to be carefully managed, but those problems shouldn't be insurmountable. What could be more difficult is convincing some elements of the Army that part of its traditional combined arms structure could be taken out of its full-time force. (The now-defunct Ready Reserve included an air-defence element, which anecdotally was much disliked by the regulars.)

Utilising civilian skills

An argument that is sometimes made against the extensive use of civilian skills in part-time military service is that the personnel concerned are not seeking 'more of the same' when enlisting. In practice that is much less of a factor when a possible deployment is available—civilians will often welcome the chance to exercise their skills in an exotic setting.

And there are other possibilities. In an inventive approach, the Navy is working with the South Australian fishing industry to utilise skilled personnel during seasonal 'downtimes' in the fishing trade. While only available for part of the year, the additional manpower will give Navy the ability to provide full-time crews with some respite, allowing them to do career-development courses and spend more time ashore. As well, professional fishermen would seem to be well-suited to participation in operations patrolling fisheries, for example.

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Not all civilian skills are in operationally high demand, but there are some specialised skills that can sometimes make valuable contributions to operations. For example, stabilisation and peacekeeping operations can make good use of language and cultural skills that are, almost by definition, deployment specific. More generally, 'hearts and minds' operations lend themselves to skills that are not core to combat training.

Finally, expertise brought by reservists to the ADF from their civilian employment could be of great assistance in some relatively new areas of military operations. For example, IT professionals could be involved in defensive or offensive network operations, while personnel with psychology and sociology

backgrounds could work in formulating and executing psychological operations.

One challenge for the management of part-time forces is establishing and maintaining an accurate centralised database containing information on each individual that indicates their readiness and qualifications for service. Other important information includes contact details, health, fitness and carer responsibilities, as well as current skills including those acquired since separation in the case of former full-time members.

The ADF should develop a database—probably with web-based access for managers of part-time personnel around the country—in which up-to-date records of civilian skills could be recorded.

Conditions of service

There are anomalies and inequities in the current conditions of service for part-time personnel. While there is a variety of factors that motivate people to serve, the pay and conditions have to be right before the other intangible factors will carry the day. The integration of part-time and full-time elements would be assisted by ensuring that the conditions of service for each are closely aligned.

Conditions of service for part-timers can be assessed from two perspectives. One is the need to attract recruits from civilian life and retain them in uniform. The other is the relativity between reservists and regulars such that payments and benefits for each group are equitable. For example, a major disincentive exists for regulars to transfer to the Reserves since they would be paid markedly less for the same or equivalent duties.[9] Three issues are especially pertinent to this discussion: pay rates, tax-free payments for part-time service days and superannuation.

Recent decisions by the Defence Force Remuneration Tribunal have the potential to substantially modify the practice adopted in 1975 of paying reservists at 85% of the regular pay (90% for some officer ranks) on the grounds that they were trained to different levels. Recognising that training has become more comparable, the Tribunal recommended ending the differential for the sections of the Reserves with skills equivalent to regulars and ex-permanent force members within five years of separation. However, the ADF is yet to implement this change, possibly out of concern that more full-time personnel might opt for part-time service than is currently the case.

However, there is still contention about how reserve pay ought to be calculated when on part-time duty. (The issue does not arise on deployment: Reserve personnel are treated as regulars for conditions of service considerations.[10]) Should one day's service by a reservist be set at 1/365 of the annual pay for a regular (as is now the case) or should the divisor reflect the actual number of work days service typical for a (non-deployed) regular? In the latter case the divisor would become 1/220. This would, of course, have the net effect of increasing part-time pay rates, but the higher the readiness of part-timers and the greater their obligations on call-out, the greater the justification for narrowing the margin between pay rates. In this context the completion bonus paid to High Readiness Reserve members can be seen as additional pay to reflect their greater availability.

The industrial principles of calculation of part-time pay and casual pay are well established by the Australian Industrial Relations Commission. Defence civilian employees work to a modern workplace remuneration system based on such principles and it could apply in large measure to the ADF as well. This is a fundamental reform that appears to be overdue.

A related anomaly that should be resolved is tax-free payment for part-time service days. The practice has become entrenched and suggestions that it be abolished are strongly resisted. An attempt to do so in 1983 soon failed against fierce opposition. (And any change would impact individuals in different ways, depending on their marginal tax rates.) But the idea of taxing reserve payments in return for access to military superannuation has considerable merit.

A related anomaly that should be resolved is tax-free payment for part-time service days.

At the moment part-time service members are possibly the only Australian workers without compulsory superannuation. While the lure of superannuation versus tax-free payments may be marginal for younger would-be recruits, there is some evidence that recruiting and retention would both be improved with access to superannuation. It would also better align full-time and part-time personnel and eliminate the current anomaly that sees tax-free pay going to full-time personnel in war zones and to part-timers safe at home. The failure to pay part-time ADF personnel superannuation also has an important flow on effect. It deprives them from eligibility to the Australian Government's Superannuation Co-contribution Scheme. This deprives many reservists of a further superannuation contribution of $1,500 per annum.

A further beneficial measure would be the elimination of artificial limits on the number of tax-free training days an individual can undertake. These limits are imposed as a means of financial control and differ between the three services for no apparent reason. As we argued earlier, the employment of part-time personnel should be based simply on the operational needs of the ADF. Australian Tax Office concerns about excessive tax-free employment would also be met by ending tax-free pay.

Comparable conditions of service will also facilitate transfer from full-time to part-time duty and vice versa. The anomalies and even punitive elements (e.g. relating to seniority and rank) that can arise in such transfers need to be eliminated or minimised. This is all the more desirable as many individuals are likely to alternate between periods of part-time and full-time service. Some may transfer several times, so that it is impossible to permanently label them as either full-time or part-time.

As a general principle, any differential between reserve and regular conditions of service should require specific justification.

These measures will come with a cost, but cost–capability trade-off must be the governing principle. The next section outlines some possible inefficiencies in the current Reserve organisation that have the potential to free up some resources.

The box on page 16 tabulates the approximate impact of the changes proposed above on part-time remuneration for two representative rank levels. Generally, the impact is positive for all reservists, but there is a significantly greater benefit for members who have low civilian incomes, who would receive more cash as well as a superannuation payment. For members with high civilian incomes, there is a slight reduction in cash payment, but an overall modest increase once superannuation is included. Thus these proposals seem to provide maximum incentive for groups such as students and younger workers (who tend to have lowest incomes). The effect should therefore be to increase recruiting and retention at junior rank levels, resulting in enhanced capability and reduced hollowness. This group is also the

one most likely to have fewest complications when contemplating deploying.

Note that these proposals do not completely align the conditions of part-time and full-time personnel. The latter receive many other benefits, particularly rental and housing subsidies, lower interest housing loans and medical and dental coverage.[11] However, it is reasonable to recompense full-time personnel for disruptions to a settled family life that can result from the posting cycle of the regular ADF and other imposts of full-time service.

Cost-effectiveness of part-time forces—an example

No proposal to make more use of (and hence spend more money on) part-time forces is going to succeed unless it is accompanied by a strong business case. Recent land deployments provide a good example of such an argument. The full-time Australian Regular Army (ARA) is about 27,000 strong, and last year deployed about 10% of that force. The part-time 2nd Division has about 9,500 people on its books and deployed about 450 people on various operations last year, or about 5% of its number. (It isn't clear whether the lower figure represents a lower availability of part-timers or whether they were not given the opportunity.)

But the critical point is that those 9,500 Reserve personnel cost much less to raise and sustain than a similar number of full-time personnel. The figures we use are from 2004/05 because the Army

Impact of proposed changes on part-time ADF remuneration for non-deployed personnel

Other ranks—Seaman\Private\Aircraftman (lowest level)

Gross civilian income	Net change in payments excl. superannuation	Net change in total value of payments	Net change of part-time ADF income
$5,000	+ $1,632	+ $2,173	25.2%
$25,000	+ $1,333	+ $1,873	7.3%
$50,000	+ $583	+ $1,123	2.6%
$100,000	–$17	+ $523	0.7%
$150,000	–$316	+ $223	0.2%

Junior officer—Lieutenant\Captain\Flight Lieutenant (lowest level)

Gross civilian income	Net change in payments excl. superannuation	Net change in total value of payments	Net change of part-time ADF income
$5,000	+ $2308	$3,094	30.2%
$25,000	+ $1599	$2,385	8.7%
$50,000	+ $849	$1,635	3.6%
$100,000	–$24	$762	1.0%
$150,000	–$461	$325	0.3%

All calculations are approximate and do not include any allowances. The calculations are indicative only, and will vary between individuals depending on their taxation status. Assumptions include 36 days of service per year, pay at the non-discounted Reserve pay level, civilian income which is completely taxable at the individual tax rates and superannuation paid at 9% of part-time ADF income. The divisor for daily part-time pay is 1/220 of the equivalent full-time pay.

Sources: Australian Taxation Office individual tax rates and ADF remuneration tables, May 2008

Reserve is no longer reported by Defence as a separate line item. Nonetheless, the relativities are likely to have remained similar. The figures show that the marginal cost of adding an additional Army Reservist was a little over $30,000 per year. The corresponding cost of an additional full-timer was about $130,000, or a factor of 4.3 more. So, even allowing for the reduced percentage of deployed personnel, extra deployable soldiers drawn from part-time service come at about half the cost of full-time personnel.[12] (Note that this argument does not apply to costs *on deployment*, which are similar regardless the original status of the individual deployed.)

This simple calculation immediately suggests two ways of getting more boots on the ground for ongoing deployments and, as a bonus, expanding the number of personnel available as a surge capacity if required. Firstly, assuming that the 5% deployable proportion was maintained, expanding numbers in the part-time force would give a cost-effective boost to deployable numbers. Even better, if a greater proportion of the existing part-timers could be held at a higher state of readiness, turning the 5% of 2nd Division personnel deployed into a number closer to 10%, an extra 450 deployable soldiers could be made available annually for relatively small expenditure. And these approaches are not mutually exclusive. (The one caveat that applies is the possible difficulty of recruiting additional part-time personnel. To some extent, the existing part-time forces will include a high proportion of the individuals with an inclination to volunteer for full-time service.)

Of course, the cost of training must also be factored in. For Navy and Air Force, the cost has historically been low as most part-timers transition from the permanent services with the required skills. But even

A reservist Leading Seaman on board HMAS TOBRUK uses a ten inch signal lamp to communicate with other ships. Photo courtesy Australian Department of Defence

those must be maintained. For example, the RAAF recognises a continuing training burden, which is catered for with a non-discretionary allocation of days for training (Band 1—50 days, Band 2—32 days, Band 3—20 days, Band 4—nil). As the proportion of personnel joining through a direct entry stream increases (it is now half of RAAF Reserves), there is a growing training burden to consider, and this must be factored into costings. Again, the services may be reluctant to incur increased training costs unless there is a reasonable expectation of return on investment through reliable capability delivered.

Part-time personnel are generally cheaper to recruit and retain than full-time personnel. Even allowing for lower deployability of part-timers, recent figures suggest that expanding the reservoir of part-time personnel is a cost-effective way of increasing the ability of the ADF to meet concurrent deployments.

Like any other organisation, there are bound to be inefficiencies in the ADF's part-time elements.

Possible inefficiencies in the part-time forces

The above does not mean that every dollar spent on part-time elements of the ADF is worthwhile. Like any other organisation, there are bound to be inefficiencies in the ADF's part-time elements. Here we identify two potential inefficiencies in the existing Reserves structure.

One of the almost 'built in' inefficiencies is the proliferation of Reserve establishments across the country. While designed to cast the net widely for personnel and to provide an interface between the ADF and the community, there is a serious lack of economy of scale in terms of personnel costs and there is a large opportunity cost to the government in keeping many small parcels of land tied up and facilities maintained. Last year Senator Evans asked Defence to provide a comprehensive list of Defence bases and training establishments to the Senate Committee that covers defence matters. That list includes all ADF Reserve establishments as well as ADF airbases, barracks etc, with the number of part-time and full-time personnel attached to each.

There are 135 ADF Reserve establishments identified. As expected, the number of part-time personnel attached to each varies widely. The largest include Karrakatta in WA and Larrakeyah Barracks in the NT with over 1,000 and 400 respectively. The smallest have a handful of people. The top twelve account for over 50% of the part-time personnel on the list. Or, conversely, the remaining 123 establishments contribute only half the personnel. To get 90% of the part-time personnel on parade, we would need only 55 of the 135 establishments. Figure 1 shows the marginal contribution of the establishments when ordered by size. Clearly there is a question to be asked about the marginal benefit of many of the smaller establishments.[13]

To be borne in mind when reviewing the efficiency of such establishments are other factors, such as the fact that many Reserve depots house not only the Reserve but also ADF cadets and State Emergency Service detachments. They may have other significant community functions. Smaller depots in country areas often function as recruiting depots for the regular component and some reservists transfer to the regular component during or after their recruit course. Closure of smaller country depots may therefore deprive the regular ADF of a source of secondary

enlistment. The authors do not have the detailed data required to make a further assessment, but believe that the economy of scale argument justifies further work on this issue.

As discussed above, some Reserve units are on extended readiness notice, sometimes over 365 days. In the absence of a compelling reason for retaining such long lead-time elements (for example, the need to keep a link with personnel with highly-specialised skills) it is not obvious that such low readiness levels are particularly useful. At some stage the relative cost of retaining low-readiness personnel versus *ab initio* training must be balanced—a review of the utility of low readiness Reserve elements may be in order.

Eighty of 135 Reserve establishments have only 10% of the ADF's part-time personnel attached.

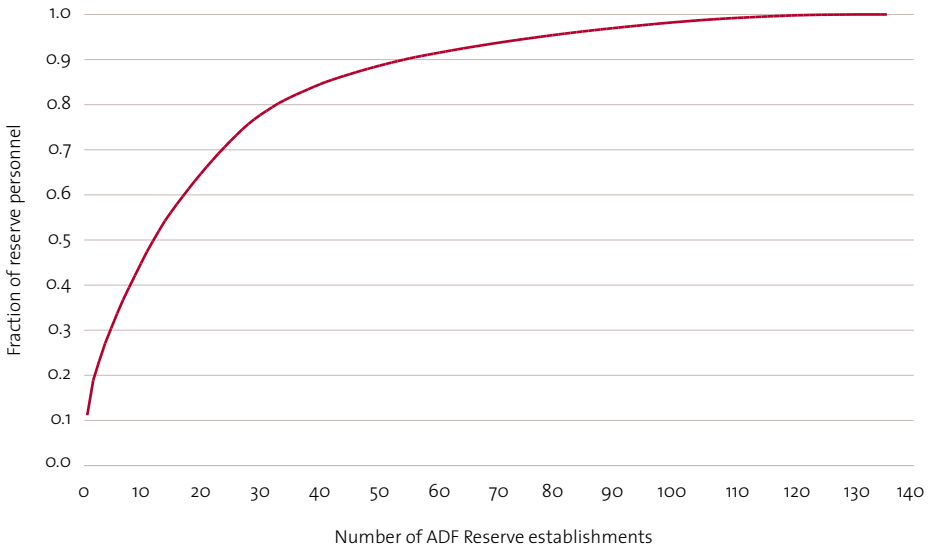
The utility to the ADF of units that would require more than a year's notice to deploy is questionable.

The social impact of deploying part-time personnel

The tighter the integration of the part-time and full-time ADF elements, and the higher the demand for and duration of deployments for part-time members, the greater the impact on the general community will be. This has certainly been the experience in the United States in recent years. No doubt this has been exacerbated by the unpopular nature of the Iraq war, the prolonged nature of the conflict and by US casualty levels. But the point remains that part-timers have jobs or study commitments that will be interrupted by service requirements.

Ultimately, a decision to call-out part-time forces, either individually or collectively, is a political decision. Governments are naturally wary of causing hardship to individuals and families, antagonising employers and provoking adverse public reaction. And that means that the government must provide leadership and clear communication as an important part of any strategy to increase

Figure 1: Part-time personnel numbers at ADF Reserve establishments



Source: Senate Standing Committee on Foreign Affairs, Defence and Trade, Responses to questions on notice February 2007

the role of part-time personnel in Australia's military capability.

Ultimately, a decision to call-out part-time forces, either individually or collectively, is a political decision.

Community understanding of part-time call-out will be important. A campaign of 'public inoculation' to the idea is required well in advance of any actual call-out.[14] The key points to emphasise would be the integration of part-time and full-time personnel (hence the need to put them on a comparable footing as far as readiness and conditions of service is concerned); and the high level of skill and training provided to personnel through their military service. Also important is the message that part-timers have voluntarily chosen to accept their obligations, and that most will welcome the opportunity to serve.

Employer groups also are stakeholders in the development of mechanisms for increased use of part-time ADF members. The prospect of compulsion could increase reluctance to take on or continue to employ personnel who have part-time military obligations. In some situations employers feel that they have little option but to let employees go if asked directly by the part-time member or the Commanding Officer of their unit. If the call-out was put on a legal footing, it might, almost paradoxically, cause employers to be more accepting of the situation. Evidence suggests that there is a great difference for both parties between an employee saying to an employer 'Can I go?' and saying 'I have to go'.[15]

There are circumstances in which the historic reluctance of governments to call up part-time personnel for service may need to be overcome. At the moment it would require the full-time ADF to be unable to sustain an operational tempo or to muster a large enough deployment to meet a particular circumstance. But some of the proposals in this paper could require a mobilisation of part-time ADF elements in circumstances that fall short of those rates of effort, but which require particular capabilities that are substantially held in the part-time force. This is not to argue against continuing to encourage part-timers to volunteer for service whenever possible. Rather, we argue for widening the options available to government for securing such service. It is a challenge that has been met by the UK in the space of the last fifteen years, and there is no reason why it should not be possible in Australia.

ANNEX: Current Reserve readiness levels

(i) High readiness

High readiness requires personnel to be able to be deployed at short notice, typically 28 days. Army and Air Force are making use of the new High Readiness Reserve which is able to move within this timeframe. Army's HRR is expected to be a combination of ex-regulars and existing reservists, though some may be recruited through the Military Gap Year scheme. They will constitute primarily an infantry force capable of supplementing regular forces on overseas operations. Air Force's HRR will be predominantly ex-regulars.

Membership of HRR is voluntary and requires certain competency and training levels. HR Reservists must also make a commitment to serve as required by the chief of service, in return for which they receive attractive benefits and bonuses. Not part of the HRR but still able to move at short notice are certain specialists such as doctors and nurses and other highly skilled personnel who are able to deploy at short notice, notably in humanitarian emergencies.

The HRR is compatible with the now-defunct Ready Reserve scheme, which would provide a natural 'feedstock' of personnel.

(ii) High readiness for limited tasks

Some Reserve units are at relatively short notice to move in order to perform a narrow range of tasks. Most notable in this context are those units with responsibility for domestic security operations, particularly those with a low risk of major violence e.g. national sporting events and international meetings. Though available at short notice, Reserve participation can usually be planned in advance, and there is time to focus training on relevant skills. As well, reservists may serve in their own home city.

Army's six Reserve Response Forces fall into this category, each with about 120 soldiers on 7 days notice for deployment on domestic security duties. In Air Force Reserve the Ground Defence Reserve Group has approximately 148 reservists who provide a capability for the defence of airfields at relatively short notice.

(iii) Individual readiness—active

The Reserves contain many individuals who are already trained to certain competencies (and who may also be undertaking further training). These are not formally at high readiness but may be available to serve with varying periods of notice.

A large proportion of Navy and Air Force reservists are fully trained, reflecting their origins as ex-regulars. Navy relies on both active and standby Reserves to round out crews for its ships as well as to fill the reservist positions established throughout the service. Indeed, many sea days would be lost if reservists were not available to fill billets. Air Force relies in no small measure on Reserve aircrew and instructors for airlift and fast jet training, as well as filling many support and airfield defence positions.

The Army Reserve includes numerous trained personnel with a variety of skills that can be put to use more or less immediately. For domestic security operations many are on a maximum of 28 days to deploy. When forming contingents for peacekeeping and other operations, Army draws heavily on individuals across the Reserve, though further development of the HRR may reduce the need for this.

All three services maintain specialist Reserves below the high readiness level, particularly medical and legal staff. Here the principal challenge is to recruit sufficient numbers and to ensure their availability.

(iv) Reserves in training

Those under training will eventually become ready for duty. In Army's case Active Reserve (AR) soldiers average about 40 days training a year which is undertaken in a combination of evenings, weekends and annual camps. The main problem here is that individuals often reach certain competencies only after a lengthy period because training is part-time and sometimes disjointed. Most Army reservists are trained *ab initio* as are Air Force's Airfield Defence Guards. Navy undertakes little *ab initio* training, relying mostly on former part-time personnel.

(v) Standby reserves

The Standby Reserve (SR) is the new name for Inactive Reserves. It holds a pool of trained reservists, with prior full-time or Active Reserve service. SR members have no training or readiness obligations—they are essentially civilians but may volunteer to render military service and are required to render Continuous Full-Time Service (CFTS) after call-out.

They constitute a flexible labour force which can be asked to volunteer for urgent tasks, to fill vacant positions temporarily, and to provide specialist knowledge and skills. The SR is likely to increase in importance to the ADF as its numbers grow. It may also be a useful 'parking place' for reservists temporarily unable to maintain higher levels of training or readiness due to personal circumstances.

Endnotes

1 ASPI is sometimes criticised for its emphasis on cost-effectiveness in ADF force development and defence policy. The authors' view is simple—the ADF is not an end in itself but is an investment the government makes in order to have options in circumstances where military force has relevance. And every dollar spent on defence has an opportunity cost elsewhere in the government's program.

2 ASPI Strategy, *War and profit: doing business on the battlefield*, Mark Thomson, ASPI 2005. (Free download at www.aspi.org.au)

3 Anecdotal evidence from overseas suggests that some problems with morale and leadership may arise when some members of a unit have deployed but not others. In particular, it can place officers and NCOs who did not deploy in a difficult situation when commanding troops who had been deployed. These issues are not trivial, but should be manageable. One solution might be to make efforts to deploy other individuals on later rotations.

4 The time required from the decision to notify personnel/units that they are needed to having them ready to deploy—also known as 'notice to move'.

5 'Send the Reserve to war with six weeks training', CAPT Dave Fisher and MAJ Murray Stewart, *Australian Army Journal*, vol 4, no 1, Autumn 2007.

6 As a note of caution, there is also a potential downside to using reservists in such deployments—the UK found that returning reservists opted to separate in much higher numbers than was the case in peacetime. However, some TA personnel were planning to leave before the opportunity to deploy arose (in part, perhaps because the TA was not proving very challenging)—but decided to stay on when the opportunity to deploy arose. Service on the deployment in fact improved the value provided by the TA member even though they left immediately afterwards.

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7 This idea is consistent with the development of a 'two-tier army' as argued in the recent ASPI Strategic Insight 42, *Asian military modernisation and its implications for Australia*, July 2008.

8 The various state National Guards operate under the governors of the various states and territories, and are part of the first-line defence of the US. State National Guard elements can be federally recognised as part of the National Guard of the United States and can be called on for operational deployments as part of US forces. The US services also operate their own Reserves, which operate in a similar fashion to the ADF Reserve. It is not unusual for elements of the National Guard and the Reserve to be deployed simultaneously as part of US forces.

9 'Matching performance to promise: Rebuilding the Army Reserve', MAJGEN Warren Glenny, *Defender*, Autumn 2005.

10 For example, deployed RAAF part-timers become a member of the permanent forces under the Air Force Act and are treated accordingly as far as conditions of service are concerned.

11 High Readiness Reserve members receive an annual payment to cover any expenses incurred in establishing their fitness to deploy.

12 The authors thank Mark Thomson, ASPI's Budget and Management Program Director, for this data.

13 Some care is required when assessing the value of these smaller establishments. The authors are aware of one Reserve depot that has a handful of people attached, but most of them are high-value medical staff.

14 'The summons to serve: can the Australian Army Reserve be called out'? LTCOL David Chalmers, *Working Paper no.57*, Australian Defence Studies Centre, Canberra 1999.

15 See reference 5.

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