(ii) Financial. Details of defence expenditure for 1958-59 and the allocation of the Defence Vote for 1959-60 are set out in the two tables which follow:—

ALLOCATION OF DEFENCE VOTE OF £192,800,000 FOR 1959-60. (£'000.)

Service or Department.				Maintenance.	Capital Material Requirements, Machinery, Plant and Equipment.	Capital Buildings, Works and Acquisition of Sites.	Total Expenditure.	
Defence				1,194	42	22]	1,258	
Navy				33,030	7,986	1,596	42,612	
Army				52,740	8,894	3,920	65,554	
Air .				42,283	13,398	4,480	60,161	
Supply				13,862	2,395	4,729	20,986	
Other Commons		• •	1,435	84	710	2,229		
Tota	1	• •	• •	144,544	32,799	15,457	192,800	

DEFENCE EXPENDITURE, 1958-59. (£'000.)

Service or Department.				Maintenance.	Capital Material Requirements, Machinery, Plant and Equipment.	Capital Buildings, Works and Acquisition of Sites.	Total Expenditure.	
Defence				963	14	30	1,007	
Navy				32,289	7,670	1,472	41,431	
Army				49,479	11,878	3,954	65,311	
Air				41,764	13,127	4,632	59,523	
Supply				14,569	2,373	4,019	20,961	
Other Serv	vices	••	••	861	2	212	1,075	
Tot	al	••		139,925	35,064	14,319	189,308	

(iii) Personnel Strengths. The personnel strengths of the Services at 31st December 1959 were:—

Category.	_ _	Navy.	Army. 21,843	Air Force. 15,320	Total. 47,741
Permanent Forces	. <u>(a)</u>	10,578			
Citizen Forces— Volunteers National Service Personnel .	100	7,670	21,923 33,197	880	30,473 33,197
Total Citizen Forces .	(L)	7,670	55,120	880	63,670
Total Permanent and Citize Forces		18,248	76,963	16,200	111,411

⁽a) Excludes 16 cadet midshipmen not on pay. (b) Excludes 2,672 National Service Trainees who have completed training and are held on reserve and 162 nominal reservists.

^{4.} Australian Forces Serving in Malaya.—Australia has participated with the United Kingdom and New Zealand in the Commonwealth Strategic Reserve in Malaya since it was first established in 1955. At the request of the Government of the Federation of Malaya, the Strategic Reserve continues to be stationed in that country and to assist in the campaign against the communist terrorists.

^{5.} National Service.—The National Service training scheme came into active operation in May, 1951 but was suspended in November, 1959. Its principal features are given below.

The liability to register extended to virtually all male persons ordinarily resident in Australia who attained the age of 18 years on or after 1st November, 1950. The only persons exempt from this liability were members of the permanent forces, aboriginal natives of Australia, and certain diplomatic personnel and officials in the service of international bodies. In all, twenty successive age-groups were called upon to register, the first in May, 1951, and he last in July, 1959. When operations were suspended, a total of 527,224 young men had registered.

All persons registered or required to register incurred the liability to render service but after registration exemption could be granted to theological students, ministers of religion, members of religious orders, conscientious objectors and registrants suffering from certain prescribed physical or mental disabilities. Registrants not entitled to exemption remained liable for call-up in one of the three Services provided they attained the required standard of medical fitness. The actual training obligation was 140 days in the Citizen Military Forces but 154 days in the Citizen Naval Forces or the Citizen Air Force. In addition, trainees were required to remain members of the Citizen Forces, Military, Naval or Air as the case may be, for five years from the date of their enlistment.

Temporary deferment of call-up could be granted to students and apprentices so as to avoid undue interruption to their studies or trade training and to registrants able to establish before a court that the rendering of service would cause exceptional hardship to themselves, their parents or dependants. In 1955, provision was made to defer the call-up of registrants living outside approved C.M.F. training centres and of rural workers engaged permanently and full-time on a rural holding in the production of food or raw materials.

In 1957, a new selection procedure was introduced in the form of a ballot conducted for each new age-group called upon to register. Registrants selected by ballot remained available for call-up subject to medical fitness and the existing rules and procedures for exemption or deferment. Those not selected were granted indefinite deferment but were given the opportunity to volunteer for training and, if accepted as volunteers, were called up in the normal way. Training, hitherto given in all three Services, was restricted to the Army and the total annual intake was reduced from 34,000 to 12,000. The active Army training obligation remained at 140 days to be carried out in one continuous period of 77 days followed by 21 days part-time training in each of the ensuing three years. The requirement to remain on the reserve of the Citizen Military Forces for five years after enlistment remained unchanged.

In all 227,021 registrants were called up for training, 6,967 in the Navy, 22,267 in the Air Force and 197,787 in the Army.

Provision was made for protection in respect of civil employment, notably with regard to reinstatement in civilian employment after completing a period of training, of registrants called up for service.

§ 2. Naval Defence.

- 1. Administration.—The Royal Australian Navy is administered, under the Naval Defence Act 1910–1952, by the Naval Board, which consists of the Minister for the Navy, four Naval Members, and the Secretary, Department of the Navy.
- 2. Historical.—Prior to 1901, naval defence systems were organized under the State Governments. Information regarding these systems is given in Official Year Book No. 2, page 1084. An outline of the development of Australian Naval policy is given in Official Year Books No. 3, page 1060, and No. 12, page 1012. An account of the building of the Australian Navy, its cost, the compact with the Imperial Government, and other details appears in Official Year Book No. 15, pages 921-23. The growth and the activities of the Royal Australian Navy during the 1939-45 War are shown in Official Year Book No. 36, pages 1023-27.
- 3. Link with the Royal Navy.—Strong links with the Royal Navy are maintained by a constant exchange of officers for extended tours of duty, and by a full exchange of information and ideas. A liaison staff is maintained by the Royal Australian Navy in London, and by the Royal Navy in Australia. Advanced training and staff courses in the United Kingdom are provided by the Royal Navy for Royal Australian Navy Officers.
 - 4. Strength of the Fleet.—Ships in commission at June, 1960, were:-

H.M.A. Fleet.

- 1 Aircraft carrier.
- 3 Destroyers.
- 3 Fast Anti-submarine frigates.
- 5 Frigates.
- 7 Auxiliary vessels.