

Audit Report No. 26, 1999-2000

Army Individual Readiness Notice

Introduction

- 2.1 Individual readiness refers to the ability of an individual member to be deployed, within a specified notice period, on operations, potentially in a combat environment, and to perform the specific skills in which he or she has been trained. Maintenance of a specified level of individual readiness in peacetime influences the speed with which personnel can deploy on operations. The Army Individual Readiness Notice (AIRN) applies to all trained and active soldiers and officers of the Regular Army and the Army Reserve.¹
- 2.2 To be compliant with AIRN, a member must meet or exceed the minimum standards set for each of the individual readiness components relating to: dental fitness, medical fitness, physical fitness, weapons proficiency, employment proficiency and individual availability.²
- 2.3 The performance audit of AIRN, Audit Report No. 26, *Army Individual Readiness Notice*, was chosen because of its timeliness, materiality and its importance to overall Army preparedness. Army considered that a five year period was required to get a complete picture of the AIRN process and displayed initial reluctance to an audit. However, the ANAO decided to proceed

1 Audit Report No. 9, 1999-2000, p. 9.

2 Audit Report No. 9, 1999-2000, p. 9.

with a performance audit in view of the national importance of Army's readiness and Army's expressed willingness to consider the merits of possible enhancements that the audit might indicate.³

- 2.4 The audit found that there was scope for improving the effectiveness of AIRN in achieving its then primary objective, namely to ensure that all members could be deployed on operations within 30 days. It noted that, with the exception of dental and medical fitness, the ANAO could find no relationship between the minimum standards set for AIRN components and the achievement of a deployable standard in 30 days. It also found that the administration of AIRN could be more efficient.⁴
- 2.5 The audit report drew attention to the fact that a number of significant changes had occurred within both the Army and Australia's strategic environment since AIRN's initial development. The report stressed that it would be timely for Army to review whether the original objective for AIRN remained appropriate and achievable for its intended purpose, and to assess whether it was desirable to retain AIRN as the primary tool for ensuring individual readiness.⁵
- 2.6 Eight recommendations were made by the ANAO of which six were originally agreed to by Army. Army later reviewed its position in relation to recommendation no. 6 and indicated its agreement.
- 2.7 During the public hearing the Joint Committee of Public Accounts and Audit (JCPAA) discussed the following issues:
- development and implementation of Army Individual Readiness Notice;
 - individual readiness components, and
 - response to recommendations.

Background

- 2.8 In 1996 Army instituted the AIRN policy under Defence Instruction (Army) Personnel 135-2. At the time the policy was

3 Audit Report No. 9, 1999-2000, pp. 31-2.

4 Audit Report No. 9, 1999-2000, pp. 10, 38.

5 Audit Report No. 9, 1999-2000, p. 11.

aimed at establishing a common pre-deployment baseline for both full-time and part-time personnel.⁶

The intent behind the AIRN requirement...was to ensure that all people who were in the Army were physically fit, medically and dentally fit, capable of using their basic weapon and available for deployment on operations, if required.⁷

- 2.9 The audit report stated that the proposal to maintain a minimum level of individual readiness during peacetime appeared to have arisen in response to a number of factors that still exist today. These included the short-warning nature of modern conflicts and insufficient numbers of regular soldiers.⁸
- 2.10 The primary objective of AIRN was to ensure that all members could be deployed on operations within 30 days to perform their specific skills. Maintenance of a minimum level of individual readiness in peacetime was intended to assist in achieving two secondary aims:
- to increase the speed with which most of Army could be mobilised, and
 - to enable 'cross-levelling'.⁹
- 2.11 At the time of the tabling of the audit report, the then Acting Chief of Army briefed the Minister for Defence that Army would be conducting a review of AIRN. Chief of Army subsequently advised during the 23–30 May 2000 Senate Legislative Committee hearings that Army would be able to provide a revised policy statement by August 2000.¹⁰
- 2.12 The Army review of AIRN confirmed many of the ANAO findings.¹¹

6 Department of Defence, Submission No. 1, p. 1.

7 Minister for Defence, Submission No 73, p. 1104.

8 Audit Report No. 9, 1999-2000, p. 35.

9 Cross-levelling refers to the use of members with specific skills in lower readiness force elements to fill vacant positions in higher readiness force elements prior to an operational deployment. Audit Report No. 9, 1999-2000, p. 38.

10 Department of Defence, Submission No. 1, p. 1.

11 Department of Defence, Submission No. 1, p. 2.

Development and implementation of Army Individual Readiness Notice

- 2.13 The audit found that the initial development stages of AIRN had been given insufficient time and that important decisions about the length of the readiness notice period and the components of readiness were not based on a thorough analysis of the risks and costs involved.¹²
- 2.14 At the JCPAA's public hearing, the Committee sought to establish whether Army's review of AIRN had established a risk analysis for deployments and the appropriate readiness requirements. It also sought to discover whether Army had undertaken a cost analysis as part of the review.¹³
- 2.15 Army responded that the requirements would be coordinated, the Chief of Army would have to be satisfied that the capability issues were achievable and a coherent, balanced approach, fully encapsulating the cost would be provided.
- [The approach] will no doubt be guided by the outcomes of the white paper, and it will no doubt be guided by the consideration of the Joint Committee [of Foreign Affairs, Defence and Trade]'s report. We are about developing a coherent strategy that is reasonably funded and that actually articulates a preparedness and readiness state.¹⁴
- 2.16 Army's submission to the Committee's review stated that Army would develop the Individual Readiness Standard process by February 2001 and that this would be followed by the development of a detailed costing model for the enhanced policy.¹⁵

Recording and reporting

- 2.17 The audit report concluded that the system for recording and reporting members' compliance with AIRN suffered from a number of weaknesses. The ANAO found that

12 Audit Report No. 9, 1999-2000, p. 41.

13 Transcript, 6 October 2000, pp. 34-5.

14 Transcript, 6 October 2000, p. 35.

15 Department of Defence, Submission No. 1, p. 7.

- the system placed an unnecessary administrative burden on units, lacked timeliness, produced information of questionable validity; and
 - did not encourage members to maintain a continuous state of individual readiness.¹⁶
- 2.18 At the hearing, Army agreed that the inordinate amount of staff effort to enter AIRN compliance information was a reasonable criticism by ANAO. Army stated that improvements in data entry were being suggested to remove the administrative burden on units.¹⁷
- 2.19 In its submission Army noted:
- The administrative framework necessary to support the efficient application of the AIRN policy to the whole of Army needs further development. The introduction of the ADF [Australian Defence Force] Personnel Management Key Solutions systems will be a major step forward in this process.¹⁸

Committee comments

- 2.20 The Committee notes Army's agreement that the administrative processes put in place to support AIRN were not as efficient as they needed to be, and that they have to be more flexible and responsive.¹⁹
- 2.21 The Committee notes the ANAO comment that the initial AIRN implementation plan had been developed without an appreciation of the size of the task and the effort required by units, especially Army Reserve units, to assess members and record their AIRN information.²⁰
- 2.22 The Committee supports Army's proposed improvements to information systems support and visibility of personnel data.
- 2.23 The Committee was pleased to note in evidence given to the Senate Legislation Committee hearing on 30 May 2000, Army's

16 Audit Report No. 9, 1999-2000, p. 103.

17 Transcript, 6 October 2000, p. 30.

18 Department of Defence, Submission No. 1, p. 5.

19 Senate Legislation Hearings, Foreign Affairs, Defence and Trade, 30 May 2000, p. 136.

20 Audit Report No. 9, 1999-2000, p. 45.

statement that capturing the cost of AIRN was one of the highest priorities for the review.²¹

- 2.24 Nevertheless, the Committee considers that the deficiencies identified in AIRN by the ANAO are symptomatic of a more fundamental problem throughout Army in that there has not been sufficient analysis applied to the understanding of what constitutes sufficient warning time, what constitutes a sufficient level of readiness, and the cost implications of readiness and sustainability.
- 2.25 While the Committee welcomes Army's commitment to an improved system to ensure that full-time and part-time members of the Army meet appropriate individual readiness standards, it makes the following recommendation:

Recommendation 1

- 2.26 **The Committee recommends that Army define rigorously what constitutes sufficient warning time, a sufficient level of readiness and the cost implications of readiness and sustainability.**

Individual readiness components

- 2.27 The AIRN instruction of September 1997 required members of the Army to maintain a minimum standard of individual readiness in six individual readiness components:
- employment proficiency;
 - physical fitness;
 - medical fitness;
 - dental fitness;
 - personal weapons proficiency, and
 - individual availability.²²

21 Senate Legislation Hearings, Foreign Affairs, Defence and Trade, 30 May 2000, p. 137.

22 Audit Report No. 9, 1999-2000, p. 55.

- 2.28 The audit found that of the six AIRN components, only two appeared to have a direct relevance to ascertaining the ability of members to deploy. The ANAO considered that a link needed to be established between the achievement of AIRN components in peacetime and the ability of members generally to reach a deployable level of individual readiness in the specified period.²³
- 2.29 While initially rejecting the recommendation, Army now agrees that there is a sound rationale for linkage between the components of AIRN and unit readiness levels.²⁴
- 2.30 A number of amendments are to be made to the existing AIRN policy and all full-time and part-time personnel will be required to meet the new baseline AIRN requirement. The policy will be expanded to include Individual Readiness Standards that are linked to directed unit readiness levels.
- Three Individual Readiness Standards steps are proposed to match individual readiness to unit readiness. Personnel posted to units with a directed Readiness Notice would then need to meet the comparable Individual Readiness Standard.²⁵
- 2.31 Army advised the Committee that the enhanced AIRN policy linked to the Individual Readiness Standard process will be implemented for all Army personnel over the financial year 2001-2002.²⁶
- 2.32 Army stated at the hearing:
- ... we want to allow for linkages of individual readiness to match the costs of our collective training requirements.²⁷

Committee comments

- 2.33 Individual readiness is an important issue because it is the basis for military preparedness. The Committee understands Army's requirement to have a system in place which gives it some

23 Audit Report No. 9, 1999-2000, pp. 84-5.

24 Department of Defence, Submission No. 1, p. 4.

25 Department of Defence, Submission No. 1, p. 6.

26 Department of Defence, Submission No. 1, p. 7.

27 Transcript, 6 October 2000, p. 25.

assurance that it can deploy personnel on operations in an appropriate time frame.

- 2.34 The Committee considers that Army's implementation of the former AIRN left a great deal to be desired. Army had not followed through on its objective, in that it did not have in place sufficient readiness component standards to give it assurance on the former AIRN standard of 30 days.
- 2.35 The imprecision associated with readiness component standards and the absence of linkage to the primary AIRN objective created a fundamental difficulty in providing Army with the assurance it sought from AIRN on the deployability of personnel.
- 2.36 The Committee notes that Army has now agreed with ANAO that AIRN can be enhanced through the process recommended in recommendation No. 6 of the audit report and is undertaking the adjustment of some AIRN component standards.²⁸

Response to recommendations

- 2.37 During the hearing the Committee raised the issue of Army's responses to the ANAO's recommendations.
- 2.38 The Committee noted that Army's responses to the ANAO recommendations, which were detailed in the audit report, had, in a number of instances, undergone substantial change. The Committee stated that it would have expected Army to consider thoroughly ANAO recommendations in the first instance, and asked Army why there had been a later change of attitude to a number of the recommendations.
- 2.39 In response, Army stated that the audit report was produced at a time when Defence had ongoing East Timor requirements to address:
- To some extent we did not have the staffing priority to address the recommendations in the full spectrum.²⁹
- 2.40 Army stated that as a result of its involvement in East Timor, the organisation had sought to learn lessons and identify enhancements to employ should a similar situation arise again:
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²⁸ Transcript, 6 October 2000, pp. 24, 31.

²⁹ Transcript, 6 October 2000, p. 35.

With that in mind we went back to the ANAO report and identified areas where we initially had some minor disagreement but which actually are beneficial to the organisation. ...We have now got a way ahead that I think will address predominantly the ANAO's concerns but will also give us a far more viable AIRN system.³⁰

- 2.41 The ANAO made the comment that it was willing to be accommodating about audit report response times during an audit. It nevertheless indicated its satisfaction with the 'very constructive and positive approach' that Defence was now taking.³¹

Committee comments

- 2.42 In the past, the Committee has not always been satisfied with the quality of Defence responses to audit reports or the follow-up of ANAO and JCPAA recommendations.
- 2.43 While the Committee is aware that Defence has made a number of positive changes to the way in which it now follows up recommendations, it would like Defence to give appropriate and detailed consideration to ANAO's recommendations at the time that they are made. If Defence intends to give further active consideration to a recommendation, it should state this explicitly in its response.
- 2.44 That said, the Committee is pleased that the ANAO report has been a useful document for Army. It has provided a positive stimulus for Army to re-evaluate AIRN's objectives, components and record-keeping, and has driven a process aimed at establishing appropriate readiness requirements and associated costs.

30 Transcript, 6 October 2000, p. 35.

31 Transcript, 6 October 2000, p. 36.

