

Audit Reports Summaries

Audit Report No. 17 1995-96

Summary

Department of Defence

MANAGEMENT OF AUSTRALIAN DEFENCE FORCE PREPAREDNESS

Preliminary Study Report

Introduction

The mission of the Department of Defence is to promote the security of Australia and to protect its people and interests. It does this by maintaining the military capability required to implement the strategic guidance received from Government. This capability is achieved through a combination of force structure and the preparedness of that structure for operations. Preparedness relates to the time it takes force elements to be ready for operations and the period for which they can be sustained in the field.

The ADF focus on preparedness is relatively recent. Prior to the 1987 White Paper *Defence of Australia (DOA87)*, there was less emphasis on joint planning for the defence of Australia and, consequently, on preparedness. The planning environment was largely dominated by global politics and, in regional terms, Defence had a focus on forward defence and contributions to operations in the region with other nations. Since *DOA87*, planning has concentrated on defending Australia and has been developed using an assessment of military capability that could realistically be encountered in the region.

The Preliminary Study

The primary objectives of the ANAO preliminary study were to gain an understanding of the concepts and associated processes used in the management of preparedness. This included the methodology for translating the Government's strategic guidance into military capability; the processes by which the Services translate preparedness directives into operational requirements; and how Headquarters ADF (HQADF) and the three Service Offices assure themselves that units can satisfy the requirements of preparedness directives.

Within the scope of this preliminary study the ANAO did not attempt to form a conclusion regarding the current ability of the ADF to satisfy the roles set by Government in strategic guidance; that is, its actual state of preparedness. It was important first to obtain a good understanding of the concepts and associated methodology used by Defence in managing preparedness.

Audit Findings

The major findings of the preliminary study were that:

- Defence's preparedness planning methodology required further development in order to provide a sound basis for the determination of preparedness requirements;
- many preparedness objectives had not been derived in an appropriately rigorous manner and placed insufficient emphasis on force concurrency issues and the requirements for joint Service operations;
- the resource implications of different preparedness states were not fully articulated or understood; and
- the management information systems necessary to measure achievement against performance indicators required considerable improvement.

Overall Conclusion and the Way Ahead

The ANAO acknowledges that the concept of preparedness is complex. In preparing for the defence of Australia in a relatively benign strategic environment, with no identifiable current threat, it is inevitable that assumptions and judgments must be made regarding possible scenarios and military response options. Hence, the preparedness objectives established by the Chief of the Defence Force (CDF) will necessarily be based in the first instance on a range of broad planning judgements. These must then be further developed through a matrix of joint operational, logistics and training interactions at all levels. The inevitable imprecision of strategic-level planning assumptions will in turn limit the degree of accuracy achievable in determining both preparedness requirements at the operational and tactical levels, as well as the associated resource implications.

However, in order to deal with these complexities in the most effective manner, the ANAO considers that Defence should ensure that the determination and implementation of preparedness requirements results from coordinated and rigorous consideration of *all* relevant issues. This depends importantly on the difficult task of identifying all such issues and establishing appropriate priorities, largely through assessment of the various roles involved.

The preparedness framework being developed by Defence should give overt recognition to the imprecision inherent in the process and apply appropriate contingency factors in making operational and resourcing decisions. It should make allowance for significant variations in respect of its basic assumptions as potential conflict scenarios develop and retain the flexibility to adjust preparedness criteria under rapidly evolving circumstances. The preliminary study indicated that Defence's preparedness management framework requires considerably more development in regard to many of these factors.

Defence recognises the issues identified in the preliminary study and indicated that they are receiving attention. Defence viewed the preliminary study as providing constructive comments on areas of management that need adjustment. The ANAO supports the direction now being taken by Defence; particularly those initiatives directed at ensuring that future preparedness directives result from realistic assessments of both the strategic framework and resourcing requirements. Provided they continue to receive the recently-accorded high priority, the ANAO considers these initiatives are an appropriate response to address the major issues identified in this report. Given the significant impact these actions are likely to have on the management of ADF preparedness, the ANAO decided not to proceed with a full performance audit on this topic for the time being.