

The Auditor-General  
Audit Report No.26 1999–2000  
Performance Audit

## **Army Individual Readiness Notice**

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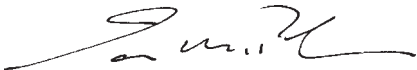
Canberra ACT  
14 January 2000

Dear Madam President  
Dear Mr Speaker

The Australian National Audit Office has undertaken a performance audit in the Department of Defence in accordance with the authority contained in the *Auditor-General Act 1997*. I present this report of this audit, and the accompanying brochure, to the Parliament. The report is titled *Army Individual Readiness Notice*.

Following its tabling in Parliament, the report will be placed on the Australian National Audit Office's Homepage—  
<http://www.anao.gov.au>.

Yours sincerely



Ian McPhee  
Acting Auditor-General

The Honourable the President of the Senate  
The Honourable the Speaker of the House of Representatives  
Parliament House  
Canberra ACT

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# Contents

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## **Summary and Recommendations**

<b>Summary</b>	<b>9</b>
Background	9
Overall conclusion	10
<b>Key findings</b>	<b>12</b>
Development of AIRN	12
Implementation of AIRN	12
AIRN individual readiness components	13
Recording and reporting of AIRN information	16
Effectiveness of AIRN	17
Defence response	17
ANAO comment	18
<b>Recommendations</b>	<b>19</b>

## **Audit Findings and Conclusions**

<b>1. Introduction</b>	<b>25</b>
Individual readiness and military capability	25
Army Individual Readiness Notice	27
Ministerial comments on readiness	29
Parliamentary Committee Inquiry into the suitability of the Army	30
The audit	31
<b>2. Development of Army Individual Readiness Notice</b>	<b>35</b>
The AIRN proposal	35
AIRN's objective	38
Selection of notice period and components	39
Conclusion	41
<b>3. Implementation of AIRN</b>	<b>42</b>
DCGS Implementation Directive	42
Assessment and recording of AIRN information	43
Capture of cost data	45
Progressive implementation of supporting policies	49
Progressive implementation of recording and reporting system	49
AIRN Public Affairs Plan	50
AIRN coordination responsibilities	52
Conclusion	52
<b>4. AIRN Individual Readiness Components</b>	<b>55</b>
Employment proficiency	55
Physical fitness	58
Medical fitness	62

Dental fitness	68
Weapons proficiency	74
Individual availability	76
The AIRN badge	83
Conclusion	84
<b>5. Recording and Reporting of AIRN information</b>	<b>87</b>
Development of the recording and reporting system	87
AIRN user requirement	90
Recording and reporting	91
Unit compliance with AIRN	92
AIRN reports	96
Reliability of reported AIRN information	99
Conclusion	103
<b>6. Effectiveness of AIRN</b>	<b>104</b>
Primary and secondary objectives of AIRN	104
The appropriateness of the AIRN objective	108
Individual readiness in US and Canada	109
Conclusion	110
<b>Appendices</b>	
Appendix A Management of preparedness	115
Appendix B AIRN Implementation Responsibilities	118
Appendix C AIRN Development and Implementation Overview	121
Appendix D Support Measures	122
Appendix E Individual Readiness Report	123
Appendix F AUSMIS Standard Reports	126
Appendix G AIRN Statistics	128
Appendix H Performance audits in Defence	131
<b>Index</b>	<b>132</b>
<b>Series Titles</b>	<b>135</b>
<b>Better Practice Guides</b>	<b>137</b>

# Summary and Recommendations





# Summary

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## Background

1. In a military context, 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, to perform the specific skills in which he or she has been trained. Individual readiness is the foundation on which military preparedness is built. Maintenance of a specified level of individual readiness in peacetime (along with other factors such as equipment readiness and collective training) influences the speed with which personnel can deploy on operations.
2. In September 1995, the then Chief of the General Staff (CGS) formally proposed that Army members should be placed on an individual readiness notice as an adjunct to unit readiness. All personnel would be required to maintain personal readiness sufficient to enable them to serve, within a period of 30 days, in any part of the Army that required their trade/employment skills. The proposal was formalised by a CGS Directive in January 1996 and an Implementation Directive in August 1996. These were superseded in September 1997 by the Chief of Army's Army Individual Readiness Notice (AIRN), which remains the main Army statement of individual readiness requirements.
3. AIRN was developed in response to increasing shortages of personnel in many regular units and recognition that, increasingly in modern warfare, lengthy mobilisation periods are not available. Individual readiness had always been a requirement of Army service but AIRN brought its specific components together into a single instruction and sought to establish a minimum level of individual readiness across Army. This resulted in little change to the requirements for Australian Regular Army (full time) members but raised the requirements for Army Reserve (part time) members. To be assessed as 'individually ready' (that is, compliant with the Notice) 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.
4. The ANAO estimates that AIRN applies to some 23 000 full time members and 17 000 part time members within a total Army of 48 000 members (including recruits and trainees). Unit commanders are responsible for ensuring that each member under their command is assessed in each component throughout the year and that assessment

information is entered into a central database prior to the annual reporting date of 1 September. Members who are permanently unable to achieve the standards required by AIRN (or members who are temporarily unable to achieve the standards for reasons within their own control) are liable to be discharged from the Service.

5. The objective of the audit was to assess the efficiency and administrative effectiveness of AIRN and to identify possible areas for improvement. The audit focused on all aspects of the Notice from its development and implementation to its current operation and outcomes. The scope of the audit included full time and part time Army members.

## Overall conclusion

6. The objective of AIRN is to ensure that members can be deployed on operations, potentially in a combat environment, to perform their specific skills within a notice period of 30 days. The audit found that there was scope for improving the effectiveness of AIRN in achieving this objective by including additional components of individual readiness and establishing operational or deployable levels of individual readiness for all components. By establishing operational levels of individual readiness, minimum levels of readiness can be set that will allow the operational levels to be achieved in the stipulated readiness period. 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.

7. Army records indicate that, at September 1999, only 74 per cent of full time members and 34 per cent of part time members to whom AIRN applies met the minimum standards required by AIRN. But, given the previous comments, it is not clear that these figures are a reliable indicator of individual readiness to deploy on operations in a period of 30 days. Evidence indicates that part time members, in particular, could have significant difficulties in reaching a deployable level of individual readiness in only 30 days, primarily due to the physical fitness and employment proficiency requirements of AIRN. On the other hand, AIRN seems unnecessary for full time members in high-readiness units who maintain higher standards of individual readiness. One option may be to revise AIRN so that individual readiness standards vary according to the particular unit, but this is a policy as well as an efficiency issue.

8. The ANAO also found that the administration of AIRN could be more efficient. It is time-consuming for Army units to enter data on each member's AIRN achievement into the reporting and recording system, and the reports available from it lack timeliness and need to be

manually adjusted to provide an accurate recording of individual readiness. Because it focuses on the annual reporting date, the system does not encourage members to maintain a continuous level of individual readiness. There were also problems with the administration of the system. The ANAO attempted to review the 1998 Individual Readiness Reports for 410 members and found a significant number (74) of these reports were not on file while in other cases the personnel file itself could not be located (47). The Reporting and Recording system was initially planned to be an interim system with an in-service life of a year but has now been in place for three years. Although cumbersome, it is likely to remain the primary data recording and reporting system for the foreseeable future.

**9.** The ANAO understands that Australia's major allies do not use a system like AIRN to manage soldiers' individual readiness. In their armies, unit commanders are responsible for maintaining individual readiness standards based on the readiness notice set for the particular unit. Representatives of those armies indicated to the ANAO that they did not consider a system like AIRN would be affordable in their context, primarily because of the administrative burden it would impose. In the US Army, individual readiness information was not entered into a central database; instead units regularly completed reports on overall unit readiness that contained a section summarising the readiness of personnel within that unit.

**10.** Since AIRN's initial development in September 1995 a number of significant changes have occurred not only within Army but also in Australia's strategic environment. It would now be timely for Army to review whether the original objective for AIRN remains appropriate and achievable for its intended purposes. Such a review would include an assessment of whether it is desirable to retain AIRN as the primary tool for ensuring individual readiness or move to a more devolved model in light of the findings of this report.

**11.** Although contemporary management and overseas approaches would point to devolving responsibility for individual readiness to unit commanders for a function of this type, this is an issue that is fundamental to overall Army readiness and requires professional military judgment as to the most appropriate course to take. Regardless of the model chosen, there needs to be a clear linkage between individual readiness component standards and the individual readiness objectives to be achieved.

# Key findings

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## Development of AIRN (Chapter 2)

**12.** Army developed AIRN to address two emerging risks. These were the increasing likelihood of short warning conflicts (and the associated requirement to be able to mobilise the Army in shorter periods of time than in the past) and the increasing hollowness<sup>1</sup> of regular army units (and the associated need to be able to access the skills of all Army personnel). AIRN was therefore developed with two secondary aims in mind: to enhance the speed with which Army could be mobilised and to enable 'cross-levelling'—the transfer of members from lower readiness areas of the Army to higher readiness elements.

**13.** The audit found that the initial development stages of AIRN had been constrained by time and that important decisions as to the length of the readiness notice period and components to be included in the notice were not based on a thorough analysis of the risks or costs involved. The ANAO understands that other, allied armies do not manage individual readiness in the same manner as the Australian Army. In the former armies, responsibility for setting and maintaining individual readiness standards resides with unit commanders, having regard to their particular units' readiness notice.

## Implementation of AIRN (Chapter 3)

**14.** The problems that arose during the implementation of AIRN generally resulted from a lack of appreciation of the size of the task and the effort required by units, especially Army Reserve units, to assess members and record their AIRN particulars. The slow pace of implementation adversely affected Army's ability to keep to the implementation timetable. For example, delays by units in implementing AIRN meant that costing information collected during this period did not provide a true indication of the cost of AIRN. It is apparent that, three years after the implementation of AIRN, Army is still not able to assess the annual cost of AIRN. Several implementation tasks that were required to be carried out prior to full implementation in December 1997 were not completed.

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<sup>1</sup> See discussion at paragraph 2.3.

**15.** The ANAO considers that AIRN was not implemented as well as it might have been, for the following reasons: the requirement that costs associated with AIRN's implementation be absorbed within current and forecast resources without reference to funding implications; undue delays in AIRN's implementation; confusion among units due to the progressive implementation of supporting policies and an interim reporting and recording system; the absence of a well-developed and directed communication strategy; and ineffective overall coordination.

**16.** Prior to AIRN's implementation, Army needed to revise, and amend where necessary, all supporting personnel policies; develop and execute a detailed communications strategy; and introduce a fully electronic recording and reporting system. Had this occurred, implementation would have been both more efficient and effective. The ANAO also considers that there would have been advantages, both in terms of efficiency and acceptance, in a pilot trial of AIRN in a small number of Army units prior to its wider implementation.

## **AIRN individual readiness components (Chapter 4)**

### **Employment proficiency**

**17.** AIRN requires members to be proficient in the rank and employment to which they are posted. Proficiency is assessed through annual performance assessments. Under the current assessment process, two members (for example, a full-time member and a part-time member of the same rank and employment category) may both be rated as employment proficient but have vastly different levels of training and on-the-job experience.

**18.** The audit found that assessments did not ensure that members could attain a deployable standard of employment proficiency in 30 days and that Army had not established peacetime employment proficiency standards for employment categories. It was also apparent during the audit that part time members had difficulty in achieving and maintaining the peacetime standard of employment proficiency due to the limited time they are able to devote to such training. The ANAO therefore considers that the employment proficiency information produced by the AIRN recording and reporting system does not indicate the ability of a member to deploy on operations to perform certain skills within the 30 days' notice period.

## **Physical fitness**

19. AIRN requires members to maintain a minimum standard of physical fitness. Members are required to pass a Basic Fitness Assessment (BFA) once every six months. The ANAO found that passing the BFA did not indicate that a member could be raised to a combat fitness level in 30 days. Defence health personnel informed the ANAO that the ability of a member to pass a BFA indicated only that the member had a 'reasonable chance of being combat fit in 90 days.' As such the ANAO considers that current BFA standards do not assist in achieving the AIRN objective.

## **Medical fitness**

20. AIRN requires members to have periodic medical examinations and maintain a deployable medical classification. Prior to AIRN, part time members were required to have only an initial medical examination on entry into the Army Reserve and a number of special medical examinations. Part time members are now required to have periodic medical examinations as frequently as full time members. AIRN provides that members assessed as medically non-deployable may be discharged if their non-deployability is permanent.

21. Evidence indicated some inconsistencies in applying the medical classification policy. The ANAO was advised that too many members were being assessed as medical class 2 (and therefore medically deployable) with restrictions that in practice would prevent their deployment. The result has been that they must be medically managed, as the number of positions to which they can realistically be posted is limited.

22. AIRN requires that full time members be immunised against hepatitis B although it was originally intended that all members be immunised. The omission of part time members appears inconsistent with AIRN's general intention to apply the same minimum level of individual readiness to all members. It was also recognised, but not provided in AIRN, that a number of other medical requirements would be needed to raise the individual readiness of part time members to the standard maintained by full time members.

## **Dental fitness**

23. AIRN requires members to have, as a minimum, a dental examination every two years and to maintain a dental standard of 'class 2'. Prior to AIRN, part time members were dentally examined on entry into the Army Reserve but dental support was provided only during a period of full time service or if emergency treatment were required.

Under AIRN, part time members are now required to be brought to dental class 2 at the Commonwealth's expense but, once at this standard, they are responsible for maintaining it at their own expense. Biennial dental examinations and diagnostic services to monitor the maintenance of the standard are provided at the Commonwealth's expense.

24. The ANAO considers that the practical difficulties of requiring part time members to maintain dental class 2 at their own expense are yet to be realised, as this policy has not yet had time to take effect. Increasing numbers of part time members are becoming due for their biennial dental examination. Should this examination indicate that they are below the deployable dental standard, they are required to bring themselves up to this standard at their own expense. The ANAO was advised that it is likely that some part time members would not be willing to pay for this treatment and therefore would be liable for discharge. An Army review of the affordability of higher dental (and medical) support levels to part time members is yet to be completed.

25. The ANAO considers that the current policy on the provision of dental support to part time members needs to be reviewed and that this review aim to assess the risk that part time members would need to be deployed and the costs involved with various dental support options, including the provision of dental support upon call out.

### **Weapons proficiency**

26. The AIRN component on personal weapon proficiency requires members to achieve annually an average (pass) standard in nine training tests with Army's personal-issue weapon, the F88 Steyr rifle. The training tests, known as tests of elementary training, have been developed to measure the standard of safety, handling and the knowledge of firing skills possessed by all members in relation to the Steyr rifle. An earlier requirement under AIRN that members undertake a live firing of the weapon was deleted in October 1998, apparently to contain ammunition usage costs.

27. The ANAO found no evidence that an operational level of weapons proficiency had been defined. As a result, it is not practicable to assess whether a member could be brought from the minimum level of individual readiness (indicated by the annual tests) to an operational level of weapons proficiency in the 30 days allocated to raising individual readiness under AIRN.



## **Individual availability**

**28.** AIRN requires members to identify, once a year, any legal or compassionate encumbrances that would prevent them from being called out or deployed within 30 days' notice. As part of the AIRN annual reporting process, members are required to complete an individual Statement of Availability. The type of statement completed depends on whether the member is full time or part time. Full time members must indicate whether they are: ready to deploy within 30 days' notice to move; temporarily unable to deploy; or permanently unavailable for deployment. Part time members need only acknowledge that, in the event of 'call out', they are bound by the *Defence Act 1903* to render continuous full time military service.

**29.** The ANAO was advised by units that most members regarded the Statement of Availability as an unreliable indicator of a member's availability for deployment because the day after a member had signed the statement the member's circumstances could change and he or she might become non-deployable. The Statement provides little useful information. AIRN requires 'on-occurrence' individual readiness reports that should bring to notice any change in a member's availability status, but in practice on-occurrence reports are not prepared.

## **Recording and reporting of AIRN information (Chapter 5)**

**30.** The present system for recording and reporting members' compliance with AIRN suffers from a number of weaknesses. These stem from the system originally being developed only as an interim measure (with an operational life of a year) and without the aid of a detailed user requirement. The ANAO found that the system placed a significant administrative burden upon units, lacked timeliness in some areas, produced information of questionable validity and did not encourage members to maintain a continuous state of individual readiness. The interim system has now been in place for approximately three years and is expected to remain the official reporting and recording system for the foreseeable future.

**31.** The audit found that AIRN summary reports had not been requested by higher level formations and that reports, when produced for these formations, needed to be manually developed. The audit also found that, apart from Land Command, other areas within Army did not monitor the AIRN status of their members in any regular or structured manner. Individual readiness information obtained by the ANAO in September 1999 showed that 74 per cent of full time members and



34 per cent of part time members were compliant with AIRN. As AIRN has been in place for over three years, it would not have been unreasonable to expect the proportion of members who are compliant to be higher. Among the unit information reviewed by the ANAO were the individual readiness details of 1 and 3 Brigades which provided the bulk of the troops deployed to East Timor. This information can be found in Table 10.

**32.** Individual readiness is a component of unit readiness. It may be more useful to report individual readiness as part of a comprehensive report on unit readiness, including information on equipment readiness, collective training standards, and actual personnel numbers available, relative to personnel numbers needed by the unit.

## Effectiveness of AIRN (Chapter 6)

**33.** The audit found that AIRN could be made more effective in meeting its primary objective and that it may not be achieving its secondary objectives. Its effectiveness could be enhanced by establishing, for each component of individual readiness, an operational standard that would allow a minimum standard to be set from which the operational standard could be reached in the notice period. It may be appropriate to add further individual readiness components to AIRN. More fundamentally, however, the ANAO considers that AIRN would now benefit from a review of its original objective to ensure that it is still appropriate and achievable and to determine whether it is desirable to retain AIRN as the primary tool for ensuring individual readiness.

## Defence response

**34.** The ANAO made eight recommendations aimed at improving the efficiency and administrative effectiveness of the Army Individual Readiness Notice. Defence agreed, or agreed in principle, to six of the recommendations and disagreed with two.

**35.** Defence responded to the proposed report of the audit as follows:

*In summary there are two points to be noted:*

- a. Army is not in a position to fully validate AIRN until several iterations have occurred; and*
- b. the policy and processes are yet to be fully internally audited and that five years is necessary before Army gets a complete picture of the process.*

*These points were previously raised with the ANAO audit team in July and September 1999. Consequently, any agreed changes resulting*

*from this performance audit will contribute to the evolutionary development of the current AIRN until AIRN reaches full maturity.*

...

*The audit has provided Army with a comprehensive, independent analysis of the AIRN. Given Chief of Army's intention to retain and revise AIRN, the performance audit will provide a very good starting point to address the eight recommendations made in the final report.*

## **ANAO comment**

**36.** The ANAO found that validation of AIRN has not yet occurred. After three years of operation of the system it would seem timely for AIRN to be reviewed. In a changing environment, such as has been experienced in recent years, it is questionable as to whether a review after five years for such basic processes is consistent with promoting the most efficient and effective use of Commonwealth resources.

**37.** The ANAO also remains of the view that there is no evidence of 'evolutionary development' of AIRN and that any intended evolutionary development would be assisted by a system of feedback and evaluation to drive change and/or further development in processes and objectives.

**38.** While the issues involved are largely a matter of management decision and responsibility, it is results that ultimately make a difference. Therefore Army's intention to address all eight recommendations is a reflection of the open-minded approach necessary to achieve the best results.

# Recommendations

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*Set out below are the ANAO's recommendations with report paragraph references and an indication of Defence's response. The ANAO considers that Defence should give priority to Recommendations Nos 1, 3, 6 and 8, indicated below with an asterisk.*

*Recommendations Nos 2 and 7 apply only if Army decides to retain and revise the AIRN system and are subject to Recommendation No.8, which proposes a review of the original AIRN objective and whether it is desirable to retain AIRN as the primary tool for ensuring individual readiness.*

**\*Recommendation No.1**  
**Para. 3.27** The ANAO *recommends* that Army identify the annual cost of maintaining an Army Individual Readiness Notice (including costs associated with its assessment, recording and reporting) so that its cost-effectiveness can be assessed.

***Defence response:*** Agreed.

**Recommendation No.2**  
**Para. 3.50** The ANAO *recommends* that, if it is decided to retain and revise AIRN, Army ensure that all necessary changes to supporting policies are made and promulgated prior to its release and that its re-issue be accompanied by appropriate oversight, coordination, communication and funding.

***Defence response:*** Agreed.

**\*Recommendation No.3**  
**Para. 4.74** The ANAO *recommends* that Army review the provision of dental support to part time members and that this review aim to assess the risk that part time members would need to be deployed and the costs involved with various dental support options, including the provision of dental support upon call out.

***Defence response:*** Agreed in principle.

**Recommendation** The ANAO *recommends* that Army:

**No.4**

**Para. 4.100**

- (a) remove the requirement for members to complete the statement of availability and instead request that members advise their unit of any legal or compassionate encumbrances that would prevent them from fulfilling their service obligation under the Defence Act only when such encumbrances arise; and
- (b) as part of mobilisation planning, detail how those members found to be unavailable when required for deployment are to be replaced.

**Defence response:** Not agreed.

**Recommendation** The ANAO *recommends* that Army review the need for the support measures attachment to the member's statement of availability and consider whether there would be more efficient ways of collecting data needed to assess members' requirements for deployability support.

**No.5**

**Para. 4.112**

**Defence response:** Agreed in principle.

**\*Recommendation** The ANAO *recommends* that Army review the AIRN components and establish operational levels of individual readiness for each component so that minimum or peacetime levels can be set that would allow the operational levels to be achieved in the specified notice period.

**No.6**

**Para. 4.122**

**Defence response:** Not agreed.

**Recommendation** The ANAO *recommends* that Army produce a comprehensive user requirement to aid in the development of an improved recording and reporting system that avoids the problems associated with the present system and provides users with individual readiness information appropriate to their needs.

**No.7**

**Para. 5.56**

**Defence response:** Agreed in principle.

**\*Recommendation No.8**  
**Para. 6.26** The ANAO *recommends* that, given the significant changes that have occurred in Army and in Australia's strategic environment since AIRN's initial development, Army now review the original AIRN objective to ensure that it is still appropriate and achievable and determine whether it is the most efficient and effective model for achieving individual readiness.

***Defence response:*** Agreed in principle.



# Audit Findings and Conclusions



*Soldier on an equipment trial.*



# 1. Introduction

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*This chapter provides background to the Army Individual Readiness Notice, including its aim, component parts and its management by Army. The chapter also sets out the reasons for conducting the audit, and the audit objective and criteria.*

**1.1** The Army is vital to achieving the Defence mission—‘to prevent or defeat the use of armed force against our country or in its interests’. Army contributes to the Defence mission through its objective—‘to provide a potent, versatile and modern Army to promote the security of Australia and to protect its people or its interests’. To meet this objective, Army requires its members to maintain certain standards of individual readiness for military purposes.

**1.2** The Army comprises the Australian Regular Army (ARA), with some 25 000 full time members, and the Australian Army Reserve (ARes), with some 23 000 part time members. The Defence Act provides that ARA members are ‘bound to render continuous full time military service’ and that ARes members are ‘bound to render, in each training period, military service other than continuous full time military service’. The Act does not define military service but empowers the Chief of Army to give instructions or orders to the Army. In time of war or other defence emergency ARes members may be called out to render continuous full time military service. Under the ‘One Army’ concept, ARA members are often referred to as full time members and ARes members as part time members of the Army.

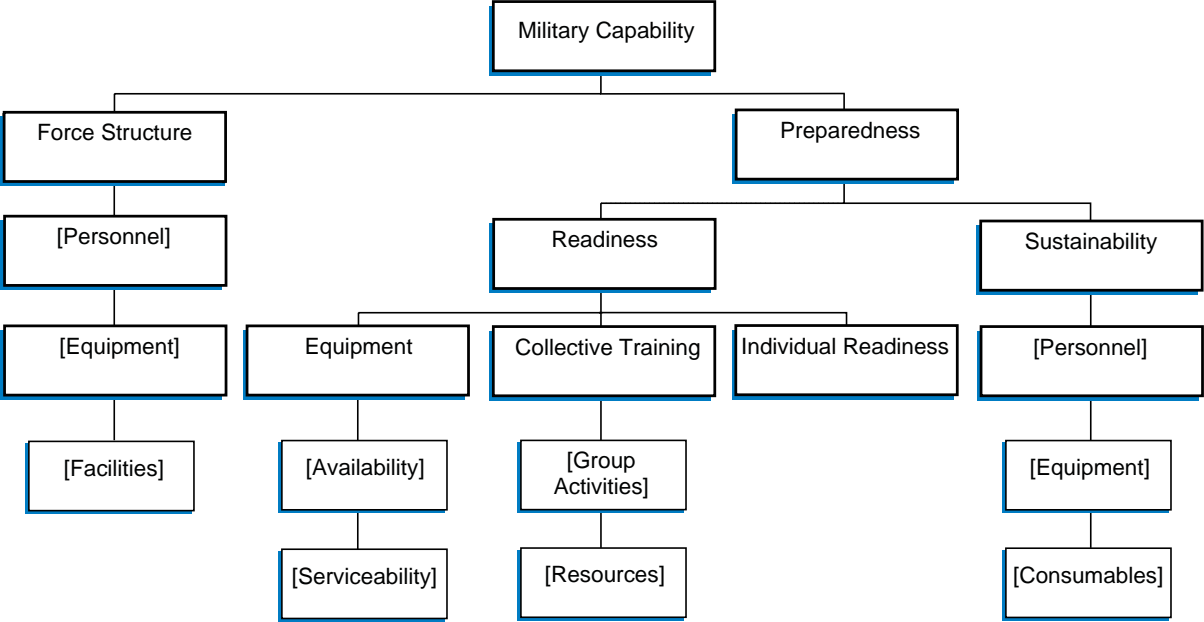
## Individual readiness and military capability

**1.3** The Australian Defence Force (ADF)<sup>2</sup> provides military capability for dealing with any military contingencies that might arise, and carries out specific peacetime functions. The ADF preparedness model sees military capability as consisting of two elements—force structure (the number, type and grouping of military units, personnel, equipment and facilities) and the preparedness of that structure for operations. Preparedness in turn comprises two separate but related elements—readiness and sustainability. Readiness is the ability of a force structure to reach, within a specified period of time, a level of capability at which it can perform designated operational roles and tasks. Sustainability is the ability to support forces after deployment or commitment to operations and until completion of assigned tasks.

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<sup>2</sup> The ADF comprises Navy, Army and Air Force.

**Figure 1**  
**Overview of Military Capability**



**1.4** Management of readiness encompasses consideration of equipment readiness (availability and condition), individual readiness and collective training. In a military context individual readiness refers to the ability of a member to be deployed, within a specified notice period, on operations, potentially in a combat environment, to perform the specific skills in which he or she has been trained. The relationship between individual readiness and overall military capability is illustrated in Figure 1.

## Army Individual Readiness Notice

**1.5** In September 1995, the then Chief of the General Staff (CGS)<sup>3</sup> formally proposed that Army members should be placed on an individual readiness notice as an adjunct to unit readiness. Under the proposal, all personnel would be required to maintain personal readiness sufficient to enable them to serve in any part of the Army that required their specific skills within a period of 30 days. After Army consideration of the proposal the CGS issued a Directive in January 1996 specifying his requirements for individual readiness.<sup>4</sup> This was followed by an Implementation Directive in August 1996 that gave further detail and interim guidance.<sup>5</sup> These Directives were superseded in September 1997 by the Chief of Army's Army Individual Readiness Notice (AIRN),<sup>6</sup> which is substantially the same as the earlier Directives and remains the main Army statement of individual readiness requirements.

**1.6** The AIRN requirements apply to all trained and active members of the Army. Trained members are defined by AIRN as soldiers who have completed their initial employment training (IET) and officers who have completed their regimental officers' basic course (ROBC). The ANAO estimates that AIRN applies to some 23 000<sup>7</sup> ARA members and 17 000 ARes members within a total uniformed Army population of 48 000.<sup>8</sup> In this report, references to members refer to trained and active members and exclude recruits and trainees.

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<sup>3</sup> The title 'Chief of the General Staff' was later changed to 'Chief of Army'.

<sup>4</sup> CGS Directive 01/96—CGS *Directive on Army Individual Readiness* 2 January 1996.

<sup>5</sup> DCGS Directive 24/96—*Army Individual Readiness Notice (AIRN) Implementation Directive* 21 August 1996.

<sup>6</sup> Defence Instruction (Army)—PERS 135—2 *Army Individual Readiness Notice* 10 September 1997.

<sup>7</sup> Number of trained ARA members as at 30 June 1998—*Defence Annual Report 1997-98* p. 163.

<sup>8</sup> *Defence Annual Report 1997-98*—average strength for that year.

**1.7** Individual readiness had always been a requirement of Army service but the AIRN brought the specific components and required standards together in a single instruction. To be assessed as ‘ready’ (that is, compliant with the Notice) an individual member must meet or exceed the minimum standards set for each of the individual readiness components. The six components are:

- **Employment Proficiency.** Personnel are to be proficient in the rank and employment to which they are posted. They are to be assessed annually;
- **Physical Fitness.** Personnel are to pass a Basic Fitness Assessment (BFA) biannually;
- **Personal Weapon Proficiency.** Personnel are to achieve annually at least an average standard in the nine F88 Steyr rifle training tests. The tests are known as the Tests Of Elementary Training (TOET);<sup>9</sup>
- **Medical Fitness.** Personnel are required to be medically assessed periodically in accordance with the medical examination policy and meet the minimum medical requirements for deployability in their trade or employment category;
- **Dental Fitness.** As a minimum, personnel are to be examined biennially and maintain a minimum dental standard; and
- **Individual Availability.** Personnel are to annually identify any legal and compassionate encumbrances that would prevent them being called out or deployed within 30 days’ notice.

**1.8** AIRN also introduced the notion that a member found to be permanently unable to deploy could be discharged from Army.

## **Management of AIRN**

**1.9** Under AIRN, unit commanders are responsible for ensuring that each member under their command is assessed, where necessary, in each component throughout the year and that assessment information is entered into a central database prior to the annual reporting date of 1 September.

**1.10** Functional Commands, Special Forces and DCCS-A<sup>10</sup> were given responsibilities for the overall management of AIRN within their respective areas. For example, DCCS-A was given responsibility for members within the Army Executive and the non-Army program. There is no central oversight of AIRN by Army.

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<sup>9</sup> The F88 Steyr rifle is the standard personal weapon for the Australian Army.

<sup>10</sup> Directorate of Coordination and Corporate Support—Army.

## Ministerial comments on readiness

**1.11** The position of the Army in 1996 was described by the then Minister for Defence as follows:

*. . . its present structure is not well suited to Australia's defence needs. Some army units are not adequately prepared for combat. In some circumstances the army lacks sufficient combat power to quickly end conflict on terms favourable to us. Some army units suffer from shortages of trained personnel and insufficient equipment. Elements of the force are hollow. While the current structure provides a framework for expansion, it would require substantial warning time and financial expenditure to mobilise for major conflict. . .*

*The present army structure is inadequate to meet the demands of concurrent operations . . . There are also shortcomings in the capability and readiness of much of the Army Reserves. With some exceptions, like the regional force surveillance units, reserve units are understaffed, poorly equipped and have low readiness levels.<sup>11</sup>*

## Defence Reform Program and Army readiness

**1.12** In a statement on the Defence Reform Program in March 1999, the current Minister for Defence announced that a major, practical benefit of the Program was that Defence was in a position to have the equivalent of a second brigade-sized group at the same degree readiness as the Ready Deployment Force, stationed at Townsville. He said that, by June 1999, Defence would have units ready to be deployed in 28 days which can deliver forces of up to two brigade or task force size groups with associated naval and air units. He added that this was the first occasion in over two decades that Australia has had the equivalent of two brigades at this level of readiness.<sup>12</sup> When asked about the cost of this higher level of readiness, the Minister indicated it would be approximately \$100 million a year.<sup>13</sup>

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<sup>11</sup> Minister for Defence, Hon I McLachlan MP, Ministerial Statement on Defence Policy, HR Hansard 15 October 1996 p5433.

<sup>12</sup> Minister for Defence, Hon John Moore MP, Ministerial statement, *Defence Reform Program Delivers Increased Defence Preparedness*, MIN067/99, 11 March 1999.

<sup>13</sup> Media Monitors' transcript of briefing by Minister for Defence 12 March 1999 p12.

## East Timor

**1.13** In a statement in September 1999 on the situation in East Timor, the Minister referred to AIRN as follows:

*In December 1997, we introduced the Army Individual Readiness Notice. Personnel must now meet set fitness requirements and be ready to deploy – focussing our individual soldiers on their need to be combat ready.*<sup>14</sup>

**1.14** In a statement later in September 1999 the Minister said:

*... the policies the Australian Government has adopted since it came to office in 1996 ensured Australia made some prudent preparations. These preparations included:*

- *eliminating hollowness in Army units, so that all established units can deploy within shorter readiness times.*<sup>15</sup>

## Parliamentary Committee Inquiry into the suitability of the Army

**1.15** On 27 April 1999 the Minister for Defence requested that the Joint Standing Committee on Foreign Affairs, Defence and Trade investigate and report on the suitability of the Australian Army for peacetime, peacekeeping and war. In conducting the inquiry the Committee was asked to review current and proposed changes to Army to ensure that it provides viable and credible land forces able to meet a range of contingencies. The Committee's inquiry was under way at the time of this audit.

**1.16** The Army submission<sup>16</sup> to the inquiry included the following comments:

*The Army has lifted readiness levels significantly and can now offer Government a comprehensive range of force options ... For example, the Army could meet the following requirements concurrently: a peacekeeping operation involving a brigade for several months, a short-term Services Protected Evacuation operation and a counter-terrorist operation. While the range of options is now much greater, there*

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<sup>14</sup> Minister for Defence, Hon John Moore MP, Media Release, *Government Ensures Sustainability of East Timor Force* MIN286/99, 23 September 1999.

<sup>15</sup> Minister for Defence, Hon John Moore MP, Media Release, *New Challenges for Australian Defence Policy* MIN 294/99, 28 September 1999.

<sup>16</sup> Joint Standing Committee on Foreign Affairs, Defence and Trade, Defence Sub-committee, Inquiry into the Suitability of the Australian Army for Peacetime, Peacekeeping and War, *Submissions*, volume 3, Canberra July 1999, submission no.47.

*remain significant capability limitations in critical areas if the Army were required to engage a modern combat-capable adversary . . . [p14]*

*Capability for Motorised Infantry Operations. This capability is based on the 7<sup>th</sup> Task Force, an integrated formation of full and part-time personnel . . . Only a quarter of Reserve personnel of the Task Force meet the requirements of the Army Individual Readiness Notice (AIRN). [p17]*

*Capability for Protective and Security Operations. This capability is predominantly provided by the Reserve component of the Army, and is focused on providing forces for defeating attacks against Australia. Current low preparedness levels mean there is little effectiveness for warfighting. The majority of formations in the 2<sup>nd</sup> Division are less than 40 per cent Army Individual Readiness Notice compliant. [footnote:] This low level of AIRN compliance is a result of recent initiatives to improve medical, dental and physical fitness standards. These standards are an essential element of producing a useable Reserve. As well as requiring additional effort from Reservists these measures require the provision of additional resources by Army. At present practical limitations are preventing full commitment by both parties. [p17]*

## The audit

**1.17** The topic of Army individual readiness was chosen because of its timeliness, materiality and its importance to overall Army preparedness. It is considered that the audit will be one in a series of audits by the ANAO examining major components of Defence preparedness.

**1.18** At an early stage of audit inquiries, Army informed the ANAO that:

*AIRN is a new policy for Army and is in the early stages of implementation. Army's view is that it will not be in a position to fully validate AIRN until several iterations have occurred. The policy and processes are yet to be fully internally audited and we believe that at least five years is necessary to get a complete picture of the process.<sup>17</sup>*

**1.19** Notwithstanding Army's reservations about an audit at that stage, the ANAO decided to proceed with a performance audit in view of the national importance of Army readiness and Army's expressed willingness to consider the merits of possible enhancements that the audit might

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<sup>17</sup> Extract from Army's submission to the ANAO dated 12 July 1999.

indicate. The preliminary phase of the audit identified deficiencies in the development and implementation of the AIRN concept. The ANAO considered that sufficient time had elapsed since the release of the Implementation Directive in 1996 for the efficiency and effectiveness of AIRN to be evaluated. There had been no previous review of AIRN.

**1.20** The objective of the audit was to assess the efficiency and administrative effectiveness of AIRN, and to identify possible areas for improvement. The audit focused on all aspects of the Notice from its development and implementation to its current operation and outcomes. The scope of the audit included both ARA and ARes members (full time and part time Army members). The topic had not been addressed in any previous ANAO performance audit.<sup>18</sup>

**1.21** The AIRN proposal was developed substantially from September 1995 to August 1996. During the audit, the ANAO had difficulty in locating personnel who had been involved in the development and implementation of AIRN as most of these personnel had been posted to other positions or had left the Service. Consequently, the ANAO relied primarily on documentary evidence of AIRN's development and implementation.

**1.22** During the audit the ANAO was informed that the Chief of the Defence Force (CDF) had requested comments from the Service Chiefs on a proposal to introduce a system to monitor personnel capability across the ADF. The ADF has an individual readiness policy,<sup>19</sup> but the ANAO understands that Army is the only Service to have developed a working individual readiness monitoring system. The CDF's request added to the timeliness of the audit, given the potential for its findings to assist in the development of such a system should the proposal proceed.

**1.23** Although in relative terms expenditure on the AIRN policy is low (the ANAO estimates that AIRN costs \$8 million to \$10 million annually<sup>20</sup>), Army spends over one billion dollars each year on its Service personnel. Consequently an audit of the efficiency and effectiveness of a system that attempts to maintain and measure the readiness of Army's personnel was considered to be beneficial.

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<sup>18</sup> ANAO's Audit Report No.17 1995-96 *Management of Australian Defence Force Preparedness* commented that Defence's preparedness planning methodology required further development in order to provide a sound basis for the determination of preparedness requirements.

<sup>19</sup> DI(G) 36-2 (filed as DI(A) PERS 135-1) – *Australian Defence Force Policy on Individual Readiness*, released 2 May 1997.

<sup>20</sup> Expenditure involved with the administration of AIRN and the time spent by ARA and ARes members being assessed under AIRN. Excludes expenditure associated with individual training.



**1.24** Individual readiness is the foundation on which Army preparedness is built. In simple terms the maintenance of a specified level of individual readiness in peacetime (along with other factors such as equipment readiness and collective training) influences the speed with which Army can deploy on operations.

**1.25** The following criteria were used in conducting this audit:

- whether development of AIRN was based on sound methodology, including an analysis of the risks and the cost to treat the risks;
- whether implementation of AIRN was timely and well planned;
- whether administration of AIRN at the unit level was efficient;
- whether AIRN data collected and reported by Army information systems is complete, accurate and timely;
- whether AIRN information produced for higher-level formations and agencies was suitable to their needs;
- whether AIRN meets its objectives cost-effectively; and
- whether the individual readiness standards set by Army were comparable to those maintained by other countries Armies.

**1.26** Audit fieldwork was conducted substantively in the period from April to July 1999. The audit encompassed fieldwork in the following areas of Army: Directorate of Preparedness—Army within Army Headquarters, Directorate of Personnel Policy—Army, Directorate of Personnel Computing—Army (DPC-A), Soldier Career Management Agency (SCMA), Directorate of Officer Career Management (DOCM), Army Personnel Agency (APA), the Defence Health Service, Directorate of Reserves—Army, Land Command, Training Command and Support Command Australia—Army.

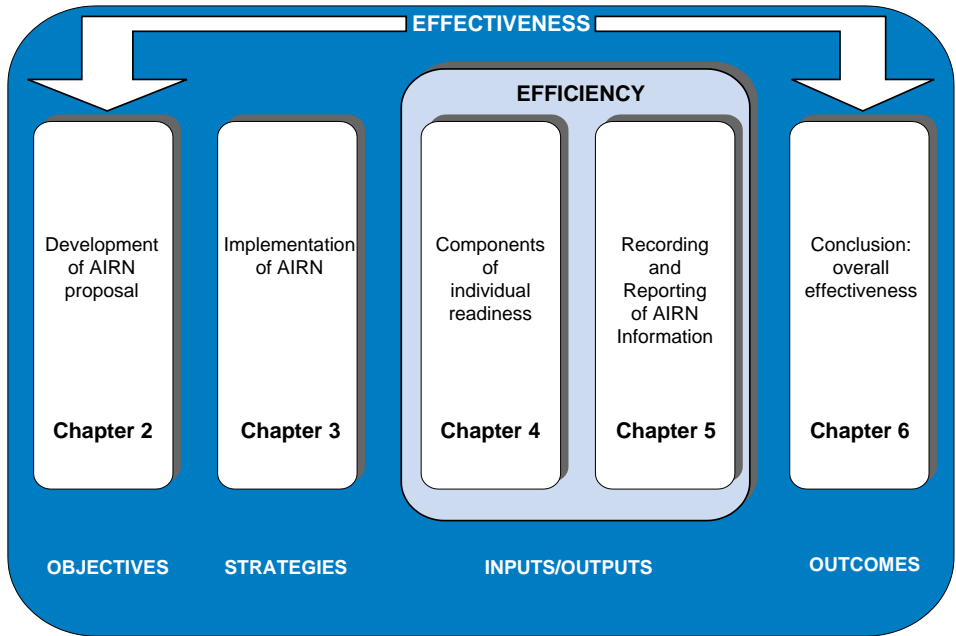
**1.27** As a result of its wide coverage the audit involved extensive discussions with Defence personnel and file reviews. Matters were discussed with Army's Directorate of Preparedness throughout the audit and they responded in a positive manner to audit findings. Audit discussion papers were provided to Army in August 1999 and discussed at a meeting in September 1999. The proposed report was put to Defence in October 1999 for comment. The audit was conducted in conformance with ANAO auditing standards and cost \$250 000.

## **Report structure**

**1.28** The remainder of the audit report is organised into five chapters as shown in Figure 2. Chapters two and three examine the development of the Army Individual Readiness Notice (AIRN) and its implementation during 1996–97. Chapters four and five examine the components of

individual readiness in more detail and how individual readiness information is recorded and reported. Chapter six discusses the effectiveness of AIRN in achieving its objectives.

**Figure 2**  
**Report Structure**



## 2. Development of Army Individual Readiness Notice

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*This chapter sets out the major reasons for the introduction of the Army individual readiness notice (AIRN) and its objectives. It details the development of AIRN including the selection of the notice period and individual readiness components.*

### The AIRN proposal

**2.1** The Army Individual Readiness Notice (AIRN) originated from a proposal in 1995 by the then Chief of the General Staff (CGS).<sup>21</sup> He proposed to put all active and trained members of the Army on an individual readiness notice to perform those skills/trades for which they were qualified, in an area away from their normal employment location.<sup>22</sup> The CGS considered that Army could not ‘*afford to pay people for tasks they are unable to perform—either through a lack of training or physical disability*’ and that all members be placed ‘on a shortened degree of notice to move (say 30 days)’. It was considered that an individual readiness notice would complement strategic guidance by maximising the use of members during mobilisation.

**2.2** The ANAO understands that, prior to the introduction of AIRN, peacetime individual readiness levels standards were determined by each unit’s commanding officer on the basis of the readiness notice of the particular unit.

**2.3** The proposal to maintain a minimum level of individual readiness during peacetime appears to have arisen in response to a number of factors that still exist today. These factors include:

- *Short-warning conflicts.* Since lengthy warning periods were not available in modern conflicts,<sup>23</sup> it was no longer feasible to have units (including personnel) on readiness notices that do not reflect the changed environment.
- *Insufficient numbers of regular soldiers.* Army did not have sufficient numbers of regular soldiers to bring its regular units from a peacetime level (known as a Minimum Level of Operating Capability (MLOC)) to an operational level (known as an Operational Level of Operating

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<sup>21</sup> The title ‘Chief of the General Staff’ (CGS) was later changed to ‘Chief of Army’ (CA).

<sup>22</sup> This was stated to be in an area of operations or the lines of communications.

<sup>23</sup> Commonly known as short warning conflicts (SWC).

Capability (OLOC)—see Appendix A). Indeed, few regular units are staffed to prescribed MLOC levels (this is commonly referred to as force hollowness). Consequently, if a major mobilisation of Army were required it would be necessary for the Army Reserve to be called out to provide members for the regular units to be brought to an operational level of manning.

- *Difficulties in obtaining sufficient numbers of full time members to volunteer for some deployments.* The ANAO was informed that Army experienced difficulties in obtaining sufficient volunteers for two 300 member rotations for the 1989 Namibian peacekeeping mission.
- *Increasing numbers of regular members with permanent medical restrictions.*<sup>24</sup> It was claimed that the availability of respite postings<sup>25</sup> was being reduced because they were occupied by regular members with permanent medical restrictions and that, in turn, this was resulting in increasing numbers of medically deployable members' separating from Army.
- *Increasing pressures to categorise positions as either deployable or non-deployable as part of the 'members required in uniform' study.* As the number of uniformed positions is reduced through market testing it becomes increasingly important that all uniformed positions are filled by uniformed members who are deployable.
- *Concerns about the effectiveness of the Army Reserve.* A general concern within Army about the ability of Reservists to be mobilised in the required time frame with the appropriate skills.

**2.4** To advance the AIRN proposal CGS called for a study of the options and resource implications of placing all trained Army personnel on a specified readiness notice. The results of the study were requested by the end of September 1995. CGS considered that the resource implications were not as significant as they might seem and that the longer-term benefits would outweigh the costs. He requested that Army examine the notice period that would be required and the types and standards of individual readiness that would need to be maintained during peacetime. CGS suggested a number of components of individual readiness for inclusion in the proposed notice, including: proficiency in at least one employment category; physical and mental fitness; proficiency in the use of individual weapons; and a guarantee of freedom from any legal or compassionate encumbrances that would prevent deployment.

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<sup>24</sup> At the time of the AIRN proposal approximately 7 per cent of Regular Army members were considered to be medically non-deployable.

<sup>25</sup> Respite postings provide members with a break from the hardships experienced when posted to Defence establishments in remote locations.

**2.5** Director-General Preparedness and Plans—Army (DGPP-A) developed a discussion paper on the CGS proposal and circulated it to relevant areas in Army for comment. It was planned that such comments would feed into the development of an individual readiness options paper. Respondents to the discussion paper indicated that the scope of the task and the short period of time<sup>26</sup> provided did not allow detailed responses to the proposal to be prepared. Even so, from the comments provided, DGPP-A's Directorate of Plans developed an options paper, which was presented to the CGS in September 1995.

### **The options paper**

**2.6** The options paper proposed a role for an individual readiness notice in the force mobilisation process. It included a broad implementation timetable, basic costings for some components and an estimate of the time required to implement each component. The paper recommended that all members in Army maintain<sup>27</sup> an individual readiness notice of 30 days and that they:

- be proficient in their primary employment category—Employment Proficiency;
- pass the Basic Fitness Assessment (BFA) biannually—Physical Fitness;
- qualify on the Tests of Elementary Training (TOET) and fire a familiarisation practice with the Steyr rifle annually—Personal Weapons Proficiency [the requirement to fire a familiarisation practice was removed from AIRN in October 1998];
- complete periodic medical examination requirements and be immunised against Hepatitis B—Medical Fitness [the requirement for all members to be given Hepatitis B inoculations was removed from the Notice prior to its implementation in August 1996];
- maintain a minimum dental standard known as dental class 2<sup>28</sup>—Dental Fitness; and
- sign an undertaking annually that they are free from any legal and personal encumbrances that would prevent them from being deployed—Individual Availability.<sup>29</sup>

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<sup>26</sup> A period of approximately two weeks was given for areas within Army to respond.

<sup>27</sup> Some members, because of the types of units they are in, are required to maintain higher levels of individual readiness than those required under AIRN.

<sup>28</sup> A member who is classified as dental class 2 requires dental treatment but that treatment can be deferred for 12 months without the member becoming a dental casualty.

<sup>29</sup> The recommended option also included the development and introduction of an insignia to recognise the achievement of individual readiness.

**2.7** CGS endorsed the recommended option and requested that a formal directive be developed. The CGS Directive was issued in January 1996 and became effective on 1 March 1996.<sup>30</sup> This was followed by an Implementation Directive in August 1996 that gave further detail and interim guidance.<sup>31</sup> These were superseded in September 1997 by the Chief of Army's Army Individual Readiness Notice (AIRN),<sup>32</sup> which contains requirements similar to those in the earlier Directives and remains the main Army statement on individual readiness requirements.

## AIRN's objective

**2.8** AIRN's primary objective is to ensure that all members can 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.'

## Cross-levelling

**2.9** 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. The role of AIRN in cross-levelling is to ensure that all members can be brought to a deployable level of individual readiness in 30 days so that, should individuals' skills be needed by a specific force element, these members can be transferred to that element and begin collective training effectively in 30 days.

**2.10** During fieldwork the ANAO asked Army members what they considered to be the objective of AIRN. In response, many said it was a mechanism to 'clear out the dead wood' (those who, for medical reasons, were not considered to be deployable). Others with a better understanding of AIRN's stated objective did not usually agree that most members, particularly part time members, could be brought to the required level of individual readiness within the prescribed 30 day notice period. The ANAO considers that AIRN should clearly state its objectives (both primary and secondary) and the length of the period allocated to raising individual readiness to a deployable level.

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<sup>30</sup> CGS Directive 01/96 – *CGS Directive on Army Individual Readiness* 2 January 1996.

<sup>31</sup> DCGS Directive 24/96—*Army Individual Readiness Notice (AIRN) Implementation Directive* 21 August 1996.

<sup>32</sup> Defence Instruction (Army)—PERS 135–2 *Army Individual Readiness Notice* 10 September 1997.

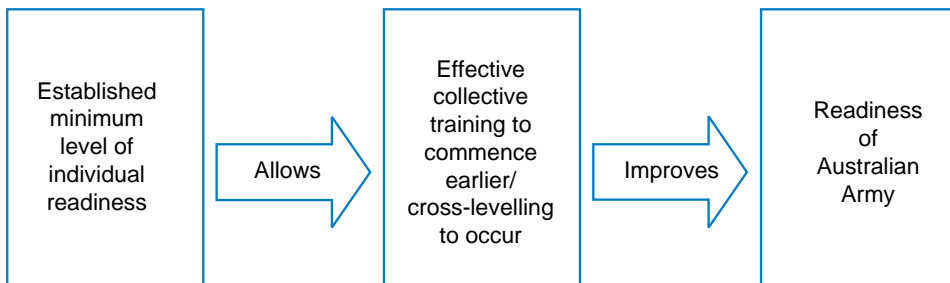
## Mobilisation aim

**2.11** The September 1995 options paper considered that an individual readiness notice of 30 days would allow most Army force elements to be placed on a readiness notice of 90 days to deploy. This was on the basis of a hypothetical conflict with a warning period of 90 days (commonly termed a short warning conflict) and the need to bring a force of four brigades to an operational level of staffing. It was recognised that such a conflict would require the Army Reserve to be called out and mobilised.

**2.12** Under the AIRN proposal the first 30 days of the mobilisation period would be devoted to raising individual readiness to a level at which effective collective training could commence. The remaining 60 days would be spent raising collective training standards and conducting pre-deployment checks. AIRN therefore allows collective training to commence earlier in the mobilisation phase than would normally be possible if disparate individual readiness standards existed across Army. The role of AIRN in improving overall Army readiness is depicted in Figure 3.

**Figure 3**

### The AIRN Process



## Selection of notice period and components

**2.13** During DGPP-A's initial consultation on the AIRN proposal with other areas of Army, a critical issue raised for consideration was the appropriate length of the individual readiness notice period. A number of responses to the initial proposal doubted whether the majority of Army, especially the Army Reserve, could be brought to an operational level of individual readiness in all components in the proposed 30 days' notice period. For example, Army's Directorate of Engineers stated that '*[reserve] personnel will experience severe difficulties in attaining and maintaining a 30 day readiness status.*' Similarly, the Directorate of Ordnance commented that 'the requirement for [reservists] to maintain the same proficiency levels as their regular counterparts may be unrealistic.'

**2.14** CGS had originally suggested an individual notice period of 30 days. The options paper subsequently developed for him provided little justification for the selection of the 30-day notice period. It set out three widely varying options, of which only two were feasible. One of the feasible options was that in the pre-mobilisation phase all Army personnel be maintained continuously at an operational level of individual readiness. The options paper noted that *‘while this [option] would maximise the time for collective training during mobilisation, it is prohibitive in terms of cost and the time [reserve] personnel could allocate to achieving this level.’* The other feasible option, recommended to the CGS, was to maintain the majority of Army personnel on an individual readiness notice of 30 days. No assessment was made of the affordability of this option. This option was formally approved by CGS.

**2.15** Despite the concerns raised by a number of areas within Army in relation to the cost implications of the proposal and a 30 day individual readiness objective, the ANAO found that AIRN had been not been developed after a detailed analysis of risks and costs. The ANAO understands that it was CGS’s intention that all costs associated with the implementation of AIRN be absorbed within the Army program. Consequently, a detailed costing of the proposal was not developed. In response to the AIRN proposal in November 1995 Army’s Directorate of Engineers commented as follows:

*Higher levels of readiness will attract a resource bill and the need for Army to maintain a certain degree of readiness must be appropriate to the environment, justifiable and defensible. It is important to note that the relationship between cost and readiness is not linear. The cost of maintaining individual readiness at 60 days, for example, is likely to be well under half the cost of maintaining individual readiness at 30 days. The degree of individual readiness should not be based on an arbitrary time-frame; it must be determined from an objective and defensible analysis of the real [individual readiness] requirements.*

**2.16** The ANAO is aware of the time constraints imposed on the development of AIRN but considers that it would have been preferable had Army decided on the length of the notice period and the required components (fundamental determinants of the program’s effectiveness and affordability) after conducting a systematic risk analysis.

### **Other countries’ readiness practices**

**2.17** The ANAO inquired whether Australia’s major allies had individual readiness systems but did not find a similar system that could be used as a benchmark. Officers in the US Army indicated that they would find the cost of administering a system such as AIRN prohibitive



and that responsibility for soldiers' individual readiness is a matter for unit commanders. In the UK the situation is similar; commanding officers are responsible for managing guidelines on readiness and must ensure that their personnel are ready to do whatever could be reasonably asked of them.

**2.18** The Canadian National Defence Force rotates units through a readiness cycle whereby units are raised to different levels of readiness and are then allowed to wind down again. Units approaching the peak of the readiness cycle are funded to increase their training level and their members are required to go through a pre-deployment screening process.

**2.19** These examples indicate that soldiers' individual readiness can be managed as part of unit readiness without a centralised administrative system. The ANAO understands that each of these countries has had sufficient numbers of troops ready to support significant involvement in overseas peacekeeping operations.

## Conclusion

**2.20** The AIRN proposal resulted primarily from two main risks: the increasing likelihood of short warning conflicts and the increasing hollowness of regular army units. AIRN was therefore developed to facilitate any Army mobilisation and cross-levelling of members that may be needed. 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. The audit also found that our major allies do not manage individual readiness in the same manner as the Australian Army.

## 3. Implementation of AIRN

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*This chapter examines issues associated with the implementation of AIRN, including: recording of AIRN information; capture of cost data; and progressive implementation of supporting policies and a recording and reporting system. The chapter also examines the effectiveness of the AIRN public affairs plan and the management of AIRN coordination responsibilities.*

### DCGS Implementation Directive

**3.1** The Deputy Chief of the General Staff (DCGS) issued the AIRN Implementation Directive on 21 August 1996.<sup>33</sup> It was originally envisaged that the Directive would be issued on 1 July 1996. The Directive's stated aim was to provide detail for the implementation of AIRN and interim guidance to commanders so that the administration of personnel against AIRN's components could commence.<sup>34</sup>

**3.2** The Implementation Directive required AIRN to be fully implemented by 12 December 1997 and divided the implementation period into the following phases:

- 1: AIRN Initiation 1 July 1996 to 30 June 1997
- 2: AIRN Validation and reassessment 1 July 1997 to 11 December 1997.

**3.3** The initiation phase was to involve assessing, recording and reporting of personnel against AIRN requirements, capture of cost data and the development and review of policies and procedures. The second phase was to include a validation and a reassessment of the requirements of the CGS Directive.

**3.4** The Directive allocated policy development and implementation responsibilities among a number of areas in Army. It made DGPP-A<sup>35</sup> responsible for overall implementation of AIRN. Functional Commanders and Commander Special Forces were to implement AIRN in their respective commands. DCCS-A<sup>36</sup> was responsible for implementing AIRN in Army Headquarters and in respect of personnel posted to programs outside the Army Program. The complete list of AIRN implementation responsibilities is at Appendix B to this report.

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<sup>33</sup> DCGS Directive 24/96—*Army Individual Readiness Notice (AIRN) Implementation Directive* 21 August 1996.

<sup>34</sup> Interim guidance was required until the development of an Army personnel instruction confirming or amending the Implementation Directive was issued in November 1997.

<sup>35</sup> Director-General Preparedness and Plans—Army.

<sup>36</sup> Director Coordination and Corporate Support—Army

**3.5** The Directive also gave instruction on: recognising achievement of individual readiness; administration of personnel who fail to meet the requirements of AIRN; exemption of personnel from the requirements of AIRN; and recording and reporting and recording of AIRN particulars.

**3.6** There were several key tasks in implementing AIRN:

- assessment of members against AIRN components;
- recording and reporting of AIRN component data on all members;
- capture of cost data;
- development and implementation of a public affairs plan; and
- development of AIRN supporting policies.

## Assessment and recording of AIRN information

**3.7** On receiving the Implementation Directive unit commanders were required to complete an individual readiness report for each member under their command. This information was to be entered into the recording and reporting system by 18 October 1996 so that an interim status report could be produced for CGS by 12 December 1996. Unit commanders were advised that, until the issue of the final AIRN Directive, personnel were to be administered in accordance with the intent of the CGS Directive, using extant personnel policies.

**3.8** As at the required reporting date of 18 October 1996 Army's Directorate of Personnel Computing (DPC-A) reported that AIRN information had been entered for only 232 Army members. The small number of members recorded prevented the automatic generation of an interim status report from Army Manpower (AMAN), Army's personnel information system. Functional Commands were asked to complete a status report manually but some found the reporting format confusing.<sup>37</sup> In addition, there is evidence that units were unsure how to assess members. For example, some administrative staff were unclear whether members who were medically employable but not medically deployable should be classified as 'ready'.

**3.9** The interim report was produced using the manually prepared status reports. The report indicated that approximately 77 per cent of trained Army personnel had been assessed in all AIRN components as at 1 November 1996. It indicated that, of those assessed, approximately 42 per cent were ready for deployment in 30 days; 54 per cent were not

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<sup>37</sup> The manual report required to be completed by Functional Commands was at Appendix I of the Implementation Directive.

ready to deploy in 30 days; and 4 per cent were permanently unable to deploy. The report also notes that, of those not ready to deploy in 30 days, 9 per cent would be deployable in 30 days if specific support measures were made available.

**3.10** The report also noted that the number of personnel that functional commands/reporting authorities considered they were responsible for was lower than their actual posted strengths, especially for DCCS-A. A briefing minute to the Land Commander from his staff indicated that, as a result of the limited time (six weeks) available to the Command to report on its implementation of AIRN, the figures for the interim report had 'little validity, especially for ARes units.'

**3.11** The interim report acknowledged that the recording of AIRN information was 'less than satisfactory' for the following reasons:

- insufficient information on the CGS and Implementation Directives passed down the chain of command to the unit/sub-unit level;
- difficulties experienced with the readability and logic of the Individual Readiness Report; and
- delays by units in completing their reports until the last possible moment, in an attempt to have as many personnel as possible ready. (The interim report noted that units had misunderstood the purpose of the interim reporting requirement, which was to obtain an indication of the resources required to implement AIRN and not to uncover deficiencies in members' individual readiness.)

**3.12** The interim report stated that *'By the end of the implementation period in December 1997, Commanders should have had sufficient time to ensure that all personnel for whom they are responsible have had the opportunity to be assessed in all AIRN components.'* Concerned that units may have been unaware of the need to report, ACPERS-A<sup>38</sup> undertook to issue a signal to Army early in 1997 reminding functional commands of the need to comply with AIRN reporting requirements. He also considered that it would be wise to follow up this advice with additional public affairs exposure.

**3.13** In February 1997 ACPERS-A released a signal to the Functional Commands extending the deadline to enter all members in the recording and reporting system to 31 May 1997.<sup>39</sup> They were advised that the information was to be used to produce a second interim report, by 30 June 1997. However, at the April AIRN Review Committee<sup>40</sup> meeting

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<sup>38</sup> Assistant Chief Personnel Division—Army

<sup>39</sup> The signal also reminded functional commands of the need to use costing codes.

<sup>40</sup> A committee set up to review issues related to personnel policies associated with AIRN.

it was acknowledged that the May deadline for recording information was unlikely to be met, since at 24 April 1999 only 37 per cent of ARA (full time) members and 20 per cent of ARes (part time) members had been recorded on the AMAN database. The ANAO understands that a second interim report was not produced.

**3.14** The problems that arose during this initial recording and reporting period indicate that the implementation plan had been developed without an appreciation of the size of the task and the effort required by units, especially ARes units, to assess members and record their AIRN information. The problems also indicate difficulties with communication between higher-level formations and individual units/sub-units.

## Capture of cost data

**3.15** As noted in chapter two, the AIRN proposal was developed without a detailed analysis of the full costs associated with the proposal. CGS intended that AIRN be implemented ‘within current and forecast allocations.’ However, to gain an appreciation of the full costs associated with AIRN’s introduction, the implementation period was to include an exercise to capture cost data throughout 1996–97.

**3.16** Capture of cost data was considered to be a critical element of the implementation period. The Implementation Directive stated that ‘accurate cost capture must be achieved in order to assess the affordability of the scheme and to establish robust policies for additional medical and dental support to part-time personnel.’ The Directive included a detailed cost capture plan<sup>41</sup> and allocated costing responsibilities among a number of different areas. Primary responsibility for implementing the cost capture plan and monitoring its progress resided with ASRP–A.<sup>42</sup>

**3.17** Cost data were to be captured through a combination of mechanisms including the Defence Financial Management Information System (DEFMIS), the pay system for ARes members (CENRESPAY) and manual reporting systems. To capture cost data, costing codes were established for both DEFMIS and CENRESPAY. Manual reporting required the Functional Commands to provide quarterly returns through the chain of command on the additional administrative and in-house medical/dental costs resulting from AIRN. Capture of cost data on ancillary resource use, such as rations, vehicles and readiness embellishments, was to be the responsibility of ASRP–A. ACPERS–A was responsible for monitoring costs associated with software development.

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<sup>41</sup> Appendix H of the Implementation Directive.

<sup>42</sup> Assistant Secretary Resource Planning—Army

## **Defence Financial Management Information System (DEFMIS)**

**3.18** To assist in preparing the first interim report, ASRP-A was required to advise on cost data captured for AIRN activities up to 1 November 1996. The ASRP-A report advised that the DEFMIS codes created to capture data associated with AIRN had not been used 'to their fullest extent.' It was reported that, up until 1 November 1996, expenditure of only \$5000 had been recorded against AIRN. ASRP-A advised that, since this date, sub-programs had been informed of the AIRN sub-ledger account codes (SLACS) and of the requirement to use them. He asked units to make retrospective journal entries for any AIRN expenditure that had not previously been recorded for 1996-97. It was expected that, early in 1997, it would be possible to produce an updated expenditure report that would provide a more accurate indication of the costs associated with AIRN. However, no second expenditure report was produced.

**3.19** DEFMIS reports show that the aggregate costs charged against AIRN sub-ledger account codes were: \$0.2 million in 1996-97, \$0.4 million in 1997-98 and \$1.2 million in 1998-99. Most of this expenditure related to DEFMIS Account Group 39, particularly payments to civilian dentists. The increasing amounts charged to these codes primarily reflect larger numbers of part time members accessing contract health practitioners for medical and dental support.<sup>43</sup> For example, of the \$1.2 million charged in 1998-99, approximately \$1.1 million (91 per cent) related to expenditure on civilian dentists for part time members. The gradual growth in AIRN expenditure also reflects the slowness of AIRN's implementation.

## **Central Reserve Pay (CENRESPAY) System**

**3.20** AIRN has the effect of requiring ARes members to spend more time on training. Accordingly the Implementation Directive required ASRP-A, in conjunction with the Functional Commands and Special Forces, to assess AIRN's impact on Army Reserve Training Day (ARTD) allocations. It also required Pers Div-A to liaise with Service Pay Systems to enable the Reserve pay system, CENRESPAY, to record time spent by Reservists on AIRN-related activities.

**3.21** This recording requirement would have needed substantial programming changes to CENRESPAY as the system did not allow more than one training activity to be recorded per day.<sup>44</sup> The ANAO was

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<sup>43</sup> Medical support refers to the conduct of medical examinations, while dental support refers to both dental examination and treatment.

<sup>44</sup> Currently for one third of a day to be charged to one activity and two thirds of a day to be charged to another, it is necessary for the unit pay clerk to charge the hours over two separate days. The ANAO understands the system was designed in this way to prevent the same activity being charged twice in the one day.

advised by Reserve Salaries personnel that these programming changes were not made as they would have been costly and placed an additional administrative burden on units. The ANAO also understands that the changes would have affected Navy and Air Force, who share the system with Army.

**3.22** The Implementation Directive stated that four training activity codes had been established to capture data on ARes salaries charged to AIRN activities. Units were to ensure that time spent on AIRN activities was recorded against these codes.<sup>45</sup> The data show that ARes salaries charged to AIRN activities amounted to approximately \$959 000 in 1997–98 and \$890 000 in 1998–99. Data for 1996–97 were unavailable.

**3.23** The ANAO found no evidence of the assessment of the AIRN impact on Army Reserve Training Day (ARTD) allocations, as required by the Directive. The ANAO understands that ARes members were not allocated additional ARTDs and that the impact of AIRN was absorbed into existing training day allocations.

The ANAO sought to determine the amount of time an ARes member would spend in complying with AIRN requirements. Discussions with administrative personnel at ARes units indicated that on average the completion of AIRN components would require approximately one and a half to two Army Reserve Training Days per year. The ANAO estimates that it costs Army annually \$1.76 million (direct salary costs only) for ARes members to comply with the requirements of AIRN.

## Manual reporting

**3.24** The Implementation Directive required those Functional Commands with control over health facilities to provide medical and dental treatment quarterly returns to ASRP–A so that the additional resourcing impact of AIRN could be assessed. The Directive also required Functional Commands and Special Forces to provide quarterly returns to ASRP–A on the additional unit administrative effort expended as a result of the AIRN. The first returns were required by 15 October 1996.

**3.25** At the AIRN Review Committee meeting on 24 April 1997 ASRP–A reported that Functional Commands were not submitting quarterly medical and dental returns as required by the Implementation Directive. The ANAO found no evidence that these returns detailing the costs

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<sup>45</sup> CENRESPAY activity codes were established for Physical Fitness, Personal Weapon Proficiency, Medical Fitness and Dental Fitness.



associated with the additional in-house medical/dental treatment or administrative effort as a result of AIRN were subsequently provided to ASRP-A.

The ANAO sought to determine the amount of time that units spent administering AIRN. Unit administrators advised that there were periods of minimal AIRN administration but that, as the annual reporting date approached, administration increased to the point where the entire two weeks before the reporting date may be devoted to AIRN. Unit administrators indicated that on average a sub-unit orderly room clerk would spend approximately one day a week on AIRN administrative tasks. The ANAO estimates that the administrative cost associated with recording and reporting AIRN information for the whole of the Army (both full and part time elements) is in the order of \$3 million per annum.

### **Affordability review**

**3.26** The Implementation Directive required that by 30 November 1997 ACPERS-A, in conjunction with the Functional commands and Special Forces, and in consultation with Headquarters Australian Defence Force (HQADF), review the affordability of medical and dental support given to part time members and make recommendations for the possible delivery of higher support levels. This review did not occur. Given the slowness of AIRN's implementation and the lack of costing information generated during 1996-97, it is not surprising that there was no review at that time. However, there has been no review of the affordability of medical and dental support given to part time members subsequent to AIRN's full implementation in December 1997. The costs of maintaining all aspects of AIRN need to be collated so that its affordability and cost-effectiveness can be assessed.

### **Recommendation No.1**

**3.27** The ANAO *recommends* that Army identify the annual cost of maintaining the Army Individual Readiness Notice (including costs associated with its assessment, recording and reporting) so that its cost-effectiveness can be assessed.

#### *Defence Response:*

**3.28** Agreed.



## Progressive implementation of supporting policies

**3.29** The Implementation Directive required supporting personnel policies to be promulgated as soon as possible to reassure all personnel that they would be treated with fairness and appropriate sensitivity. Primarily this involved updating the supporting policies to include assessment of ARes members. For example, prior to the introduction of AIRN, ARes members were not required to have a periodic medical or dental examination.

**3.30** Supporting policies were slow to be developed and implemented (some as late as November 1997) and this caused uncertainty in units about the way that personnel should be assessed. For example, there was uncertainty about changes being made to the medical assessment policy. Units were unsure whether members should be assessed under the incoming system (medically deployable) or the outgoing system (medically employable). Another example concerned the release of the dental policy, which provided advice to units on the way that ARes members were to access treatment from civilian dentists. AIRN was implemented in August 1996 but the revised dental policy was not released until March 1997.

**3.31** Confusion would have been avoided had the required changes to the supporting policies been made and promulgated prior to the implementation of AIRN. The ANAO also notes that, although required by the Implementation Directive, there was no evidence of supporting policies being reassessed and validated towards the end of the implementation period. Appendix C provides a time-line indicating the major milestones in the development and implementation of AIRN.

## Progressive implementation of recording and reporting system

**3.32** As is discussed in more detail in chapter five a decision was made prior to the implementation of AIRN to develop and introduce an interim recording and reporting system. This purpose of this system was to bridge the period between AIRN's implementation (August 1996) and the introduction of a fully electronic reporting and recording system in 1998. The interim system required a number of upgrades throughout the implementation period to allow input of particular types of information and to produce certain reports.

**3.33** A number of upgrades occurred during the implementation period. For example, in September 1997 units were advised that, due to a necessary upgrade of the existing system AUSMIS, they should 'cease'

inputting AIRN data and re-enter the same data after the upgrade had been completed. For those units that had already expended considerable resources inputting AIRN data, re-entering involved a significant amount of extra work. As the upgrade was expected to be completed by October 1997, units were informed that they had approximately eight weeks to re-enter the information prior to AIRN's full implementation. Unit commanders were advised that entering this information would impose a significant workload on units and demanded a 'dedicated effort by staff.'

**3.34** The ANAO considers that it would have been better if a fully electronic reporting and recording system had been developed prior to the implementation of AIRN. The ANAO understands that the interim system was chosen to meet CGS's objective to have AIRN fully implemented by December 1997.

## **AIRN Public Affairs Plan**

**3.35** The Army Public Affairs (PA) Plan for AIRN implementation was released in September 1996, with the following objectives:

- to inform Army of the rationale and timetable for the implementation;
- to advise Commanders of their responsibilities to ensure that all soldiers under their command have the opportunity to meet the readiness requirements for each component; and
- to advise individuals to meet the individual readiness requirements.

**3.36** To achieve these objectives the PA Plan set out a number of strategies: the inclusion of relevant articles in the *Army* newspaper and other Service publications; signals to members overseas; and the establishment of a single point of contact to respond to letters to the editor of *Army*. The strategies were to be in addition to, and in support of, methods employed by the chain of command. Both internal and external audiences were targeted under the plan. The internal audience was defined as full time and part time personnel and their families, members posted to the non-army program, overseas or on Long Term Schooling. The external audience included organisations such as the Returned and Services League (RSL). The plan stated that 'the costs associated with this PA plan are to be absorbed within respective sub-programs.'

**3.37** The ANAO does not consider that the PA Plan was effective in achieving its objectives, for the following reasons. Firstly, the plan was not promulgated until after the release of the AIRN Implementation Directive. As noted above, the interim AIRN report commented that a

major reason for the poor assessment and recording results was ‘a lack of appropriate information being passed down the through the chain of command to the sub-unit level.’ There is also evidence that as late as November 1997 (a month before the full implementation), some members and their spouses still did not feel sufficiently well informed about the impact that AIRN and its supporting policies would have on their careers.<sup>46</sup>

**3.38** A second reason for the ineffectiveness of the PA Plan was that the primary information mechanism, the chain of command, appears to have been slow and unreliable. There is evidence that information did not go down to the appropriate level and was not targeted well. To achieve the Plan’s objectives, information needed to be targeted at three separate levels: unit commanders, chief clerks and members. The ANAO considers that the strategies developed did not specifically target individual audiences, such as chief clerks, with information relevant to their needs. For example, the audit team was advised by unit/sub-unit clerks that the Implementation Directive had simply arrived on their desks for implementation without any supporting advice or opportunity for clarification.

**3.39** In September 1997 the Defence Personnel Executive (DPE) wrote to the Functional Commands requesting advice as to whether the services of an AIRN briefing team were required. It was envisaged that the briefing team would comprise a representative from Army’s preparedness, personnel policy and computing (AUSMIS) areas and would provide briefings targeted at Chief Clerks. The briefing team would be able to provide detail on administrative processes to be followed, answer any queries and correct any misunderstandings at an early date.

**3.40** The ANAO understands that Functional Commands decided not to use the briefing team because of the costs in doing so and because they saw little value in briefings as the AIRN Instruction had been already been released. The ANAO considers that a briefing team would have been effective prior to the Implementation Directive in August 1996. The lack of separate funding for the PA Plan meant that Army did not use more effective methods of communication such as briefing teams.

**3.41** In summary, the PA Plan did not achieve its stated objectives because it was developed too late; did not identify and target all relevant stakeholders with information tailored to their requirements; relied too heavily on the chain of command as a communication strategy; and lacked dedicated funding.

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<sup>46</sup> The ANAO understands that units were required by higher level formations to provide briefings for members as part of routine unit training and information dissemination.

## AIRN coordination responsibilities

**3.42** The Implementation Directive assigned responsibility for overseeing and coordinating the implementation of AIRN to DGPP-A.<sup>47</sup>

**3.43** An October 1997 brief from DHE&AP<sup>48</sup> (in Defence Personnel Executive) to Chief of Army on the AIRN personnel policy stated that:

*There is a perception within Army that AIRN is a personnel policy, the implementation of which is the responsibility of DHE &AP. DHE &AP should only be responsible for developing the personnel policy to support AIRN. The initial . . . Implementation Directive assigned specific responsibilities for overall implementation of AIRN, but over time these responsibilities appear to have been cast aside. As a consequence, many issues outside the personnel area do not appear to be receiving the same level of priority. It may be timely to focus the appropriate staff on some of these issues as the 12 December commencement date approaches.*

**3.44** The ANAO agrees that responsibilities for overall implementation of AIRN were not met and that relevant issues did not receive adequate priority. The ANAO considers that, had there been an appropriate refocusing of attention on overseeing and coordinating roles, the implementation of AIRN would have been more efficient and effective. Subsequent to the implementation of AIRN, responsibility for its management was devolved to the functional commands, commander special forces and DCCS-A. There is currently no Army-wide oversight of AIRN.

## Conclusion

**3.45** The problems that arose during the implementation of AIRN generally resulted from a lack of appreciation of the size of the task and the effort required by units, especially ARes units, to assess members and record their AIRN particulars. The slow pace of implementation affected Army's ability to keep to the implementation timetable. For example, delays by units in implementing AIRN meant that costing information collected during this period did not provide a true indication of the cost of AIRN. It is apparent that, three years after the implementation of AIRN, Army is not able to assess the annual cost of AIRN.

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<sup>47</sup> Director-General Preparedness and Plans – Army, was also responsible for the provision of quarterly reports on the progress of AIRN's implementation to the Army Programming Development Committee (APDC) from October 1996 and the development of a public affairs plan, in conjunction with ACPERS-A and DGIM-A, by 31 July 1996.

<sup>48</sup> Directorate of Honours, Entitlements and Admin Policy.

**3.46** The audit also identified a number of implementation tasks that were to be carried out before full implementation in December 1997 but were not completed. These tasks included: a review of the affordability of providing higher levels of medical and dental support to ARes members; completion of a second interim (progress) report; a validation and reassessment of AIRN; and a final review of AIRN (to be conducted by DCGS by 12 December 1997).

**3.47** The ANAO considers that AIRN was not implemented as well as it might have been, for the following reasons:

- a lack of appreciation of the effort and costs involved with implementing AIRN (the CGS directed that AIRN be fully implemented by December 1997 and that costs of implementation be absorbed within Army);
- delays in its implementation (originally planned 1 July 1996, actual 22 August 1996);
- confusion caused by the progressive implementation of supporting policies and an interim reporting and recording system;
- the absence of a well-developed and directed communication strategy; and
- ineffective overall coordination.

**3.48** The ANAO considers that, prior to AIRN's implementation, Army needed to revise and amend where necessary all supporting personnel policies, develop and execute a detailed communications strategy and introduce a fully electronic recording and reporting system. Had this occurred, the implementation phase would have been both more efficient and effective. The ANAO also considers that there would have been advantages, both in terms of efficiency and acceptance, in a trial of AIRN in a small number of Army units. A pilot trial would have provided valuable information on difficulties and costs associated with AIRN, especially in ARes units, prior to its wider implementation.

**3.49** The ANAO has proposed in Recommendation No.8 that Army review the AIRN objective to determine whether it is still appropriate. Should Army decide to retain and revise the individual readiness notice, the ANAO considers that all necessary changes to supporting policies need to be made and promulgated prior to releasing the notice and that its re-issue be accompanied by appropriate oversight, coordination, communication and funding.

## Recommendation No.2

**3.50** The ANAO recommends that, if it is decided to retain and revise AIRN, Army ensure that all necessary changes to supporting policies are made and promulgated prior to its release and that its re-issue be accompanied by appropriate oversight, coordination, communication and funding.

### *Defence Response:*

**3.51** Agreed. It is agreed to retain and revise the current AIRN. Any changes that will be incorporated should be viewed as part of an evolutionary process particularly when AIRN has yet to reach full maturity.



*Soldiers on a training exercise.*



## 4. AIRN Individual Readiness Components

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*This chapter examines the six components of AIRN and their contribution to its primary objective. It also contains statistical information on members' compliance with each of the components and discusses the requirement for an individual readiness badge.*

**4.1** The AIRN instruction of September 1997 requires members of 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.

**4.2** The introduction of AIRN did not result in any significant changes for full time (regular) members as they had always been required to meet or exceed most of the individual requirements. AIRN's main impact was on part time (reserve) members because it introduced a number of new requirements for them. For example, it introduced a requirement that part time members were to maintain a deployable dental standard and to pass a physical fitness test biannually. Most of the issues identified by the audit concern AIRN's impact on part time members.

### Employment proficiency

**4.3** Employment proficiency is critical to achieving AIRN's overall objectives. AIRN requires all personnel to be proficient in the rank and employment to which they are posted. Proficiency is assessed through annual performance assessments.

**4.4** The performance report for soldiers (warrant officers and non-commissioned officers only) is known as the PR66—*Annual Confidential Report*. The corresponding report for officers is known as the PR19—*Evaluation and Development Report*. These reports are required to be completed annually, at specific times that depend on the member's rank. A member is assessed as non-proficient if graded 'unsatisfactory' in the Overall Opinion/Rating part of the report.

**4.5** There is no annual performance report for soldiers at Private rank or its equivalent. Performance assessment for these members is based on statements drawn directly from their platoon commander's notebook. They are assessed as non-compliant under this component if they are subject to an administrative warning related to unsatisfactory employment proficiency. The ANAO was informed that it was rare for a member's employment proficiency to be assessed as unsatisfactory.

**4.6** Table 1 provides overall data on employment proficiency of Army members. However, of the 20 763 ARA members recorded as proficient, 3417 (16 per cent ) had not been assessed under this component for at least 12 months. Similarly, of the 14 178 ARes members recorded as proficient, 3509 (25 per cent ) had not been assessed under this component for at least 12 months. This casts some doubt on the validity of the data in Table 1.

**Table 1**

**Employment Proficiency of trained and active Army members – Sept 1999**

	<i>Proficient</i>	<i>Not Proficient</i>	<i>Not Assessed</i>	<i>Total</i>
ARA members (number)	20 763 (94%)	41 (0.2%)	1 287 (5.8%)	22 091
ARes members (number)	14 178 (89%)	425 (3%)	1 346 (8%)	15 949

Source: Directorate of Personnel Computing (AMAN Database), September 1999.

**4.7** The ANAO was advised that (post-recruit stage) training standards for full time members are different from those for part time members, primarily because of the limited time and resources available at ARes units for trade training. Consequently, under the current assessment process, two members (for example, a full-time member and a part-time member of the same rank and employment category) may both be rated as employment proficient but have vastly different levels of training and on-the-job experience.

**4.8** The ANAO understands that Army has not established minimum peacetime employment proficiency standards that would allow members to achieve an operational level of employment proficiency within the 30-day individual readiness period allowed for raising individual readiness. The ANAO considers that employment proficiency data produced by the AIRN recording and reporting system does not indicate the ability of members to deploy on operations to perform their skills within the 30-day notice period. The Directorate of Infantry commented on this in October 1995 as follows: *'the existing PR66 is not able to achieve the level of definition necessary to meet the assessment and reporting required by the AIRN.'*



**4.9** Concerns about the ability of part time members to maintain a level of proficiency that would allow them to reach an operational standard in 30 days were raised in Army during AIRN's development in 1995. These concerns centred on difficulties and significant costs that would arise in meeting AIRN's employment proficiency requirements. For example, the Directorate of Infantry commented as follows in their October 1995 response to the AIRN proposal:

*Even with the 30 day period for final individual training, the disparity [between ARA and ARes members] cannot be adequately addressed. Therefore the peacetime individual training period provides the only scope to remedy this situation. Traditionally the ARes training problem has been the unavailability of personnel for continuous periods of more than 14 days.*

**4.10** The ANAO understands that the US Army Reserve and the National Guard have acknowledged the inherent problem with maintaining trade proficiency in part time troops and have refocused their limited training funds to achieve a higher standard in this area. There appears to be a fundamental difficulty with maintaining part time personnel at the same level of employment proficiency as full time personnel.

**4.11** During AIRN's development it was envisaged that all training standards would be reviewed and minimum levels of proficiency set on the basis of improvements in employment proficiency that could be expected during the 30-day notice period. The ANAO understands, however, that there was no review of training standards or development of a system to assess members' employment proficiency. A submission to the Chief of the General Staff Advisory Committee (CGSAC) in November 1995 indicated that such a system would not be developed because it would have 'required substantial investment and effort to develop and maintain'. Consequently, Army decided to continue to use annual performance reports supplemented by platoon commanders' notebook comments to assess employment proficiency.

**4.12** The ANAO's review of PR66 and PR19 annual reports found that they did not assess a member's ability to achieve an operational level of employment proficiency within the 30-day readiness period. Instead, they assessed a member's performance of duties actually required throughout the reporting year and not necessarily against the specific position to which they are posted. For example, a member in the infantry corps posted to the Soldier Career Management Agency would be assessed against the tasks assigned to him or her on a day-to-day basis in that particular position.

**4.13** This procedure, although apparently equitable, would seem inconsistent with the intent of AIRN. In such a case the member may be considered to be 'employment proficient' and therefore ready to deploy on operations within 30 days, although the member's skills in his or her primary employment category may have degraded.

**4.14** The ANAO considers that, for this component meet the AIRN objective, deployable levels of employment proficiency need to be established for each employment category and peacetime levels of proficiency set so that members are able to reach the deployable standard in the 30 day notice period. (A general recommendation to that effect is at the end of this chapter.) It was also apparent during the audit that many part time members would have difficulty in achieving and maintaining the peacetime standard of employment proficiency due to the limited time available for their training.

## Physical fitness

**4.15** AIRN requires all members to maintain a minimum standard of physical fitness. Members are required to pass a Basic Fitness Assessment (BFA) once every six months, but only the assessment conducted in the six months prior to the AIRN reporting date is recorded. BFA policy contained in the Army Training Instruction 6-1: *Basic Fitness Assessment* was developed by Army's Headquarters Training Command in conjunction with the Defence Health Service.

**4.16** The BFA comprises three separate tests: push-ups, sit-ups and a run (or a walk). The tests are used to assess the body's general strength and endurance and its cardio-respiratory (heart-lung) efficiency. The tests are conducted in a single session. The minimum standards for each test have been developed according to the age and sex of the member being tested. To pass the BFA a member must meet the minimum standard set for each activity.

**4.17** Prior to AIRN only full time members, and part time members undertaking full time service, were required to complete a BFA. AIRN extended this requirement to all part time members. The audit team was advised that, prior to AIRN, many full time members were not regularly completing a BFA. Indications are that, since the introduction of AIRN, more full time members are complying with BFA requirements.

**4.18** Table 2 sets out data on data members' compliance with the BFA. The table indicates that 96 per cent of ARA members and 80 per cent of ARes members are compliant with the physical fitness requirements of AIRN (that is, the proportion of members who obtained a pass or medically restricted pass). The ANAO also found that, of those who

passed the BFA, 3632 full time members and 6359 part time members had not done so for at least six months. This does not accord with AIRN requirements.

**Table 2**

**Basic Fitness Assessment**

<b>Result</b>	<b>ARA members (number)</b>	<b>ARes members (number)</b>
Pass	19,035	12,031
Medically Restricted Pass <sup>(a)</sup>	2,918	764
Fail	499	1,818
Not Recorded	312	1,081
Other <sup>(b)</sup>	47	255
Total	22,091	15,949

Source: DPC-A (AMAN database) September 1999.

(a) Includes 15 ARA and 10 ARes members who are classified as exempt.

(b) Relates to those members who possess an old physical fitness category that is no longer used. The ANAO understands that possession of one of these categories indicates that the member has not had BFA results entered since June 1997.

**4.19** The Army Training Instruction on the BFA has been revised a number of times in recent years. The policy states that *‘the assessment provides an indication of an individual’s ability to undergo the fitness training required for operational training.’* The tests are accepted as reasonable and achievable by most members. Although it is the individual’s responsibility to maintain the minimum physical fitness standard, unit commanders are required to provide a training regime of regular physical exercise together with opportunities for members to be assessed. Logistic Support Force has required its unit commanders to conduct lead-up training for its members prior to attempting the BFA, out of concerns that members were endangering their health if they did not train for the BFA. Commanders were advised that the lead-up training program should be developed in consultation with a physical fitness instructor.

## **Management of BFA failure**

**4.20** Members who fail the BFA for reasons such as lack of fitness or motivation are required to enrol in a remedial physical training program and be retested in 30 days. Should the member fail this retest the commanding officer is to direct the member to undergo a medical assessment. Should a medical assessment indicate that a medical condition contributed to the member’s inability to successfully complete one or more of the BFA tests, the assessment is to be considered ‘beyond the control of the individual’ and a medically restricted (MR) pass is to be recorded. Members who receive a medically restricted pass on their BFA in the six-month period prior to the annual AIRN reporting date are

to be recorded as AIRN compliant.<sup>49</sup> The rationale is that, if the medical condition is of a permanent nature, the member would be managed in accordance with the medical policy.

**4.21** If there is no medical reason preventing the member from completing the BFA, the failure is to be considered ‘within the member’s control’. This would result in an administrative warning being issued by the unit commander. The member is given 90 days from the date of the warning before a final retest. Members who fail this test are required to show cause why their Army service should not be terminated.

**4.22** A substantial number of part time members have difficulty in passing the BFA. The ANAO was informed that this was because many members do not undertake any regular form of exercise. The ANAO understands that full time soldiers are given time to undertake physical fitness training each week, but that part time members are required to train for the BFA in their own time. In response to the initial AIRN proposal that part time members be required to complete a BFA biannually, one head of corps commented as follows:

*If GRes [Army Reserve] personnel are required to pass the BFA biannually then additional days must be allocated to allow them to train. Time is allocated for ARA personnel to train for and attempt the BFA and the same allocation should be given to the GRes. The CSP ready reckoner allocates ARA soldiers approximately 10 days per year for maintenance and testing of physical fitness. If GRes are to maintain the same level of fitness then a similar number of training days need to be allocated.*

**4.23** The ANAO understands that, in ARes units, priority is given to spending the limited Army Reserve Training Days (ARTDs) on improving trade and military skills rather than on physical fitness improvement. The ANAO was advised that some ARes units attempt to provide ARTDs for BFA training, but that occurred infrequently.<sup>50</sup> Army health personnel indicated that maintenance of the physical fitness standard requires a regular program of exercise, which many ARes members find difficult to undertake. Army might consider whether part time members should be provided with ARTDs to train for the BFA, since they are required to maintain the same minimum levels of individual readiness as full time members.

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<sup>49</sup> The medical fitness component of AIRN should identify whether the underlying reason for their medical restriction is of a permanent or temporary nature.

<sup>50</sup> The ANAO was also informed that in some units when members are warned that a BFA is to be held the attendance is found to be substantially lower on that night.

**4.24** During development of AIRN, concerns were raised whether the requirement for ARes members to train in their own time for the BFA would result in an increase in compensation claims by members injured while training. The Military Compensation and Rehabilitation Service (MCRS) informed the ANAO, however, that it was not apparent that compensation claims by part time members had increased since the introduction of AIRN.

**4.25** The ANAO understands that Army has undertaken a number of initiatives to reduce the risk of injury to members while undertaking BFA training/testing. Firstly, physical fitness instructors (PTI) have been regrouped along geographical lines to improve unit access to qualified instructors. Secondly, the sub-unit PTI course has been redesigned to make it more accessible to part time members, thereby increasing the number of members qualified to conduct a BFA safely. The ANAO understands that the sub-unit PTI qualifications represent the minimum occupational health and safety requirements for a member to conduct a BFA.

**4.26** Passing the BFA indicates only a base level of fitness, which members in many units routinely exceed. Units develop their own directives for their individual requirements for physical fitness. In addition, members of all combat units are required to pass annually a physically-demanding Combat Fitness Assessment.<sup>51</sup> For members in high-readiness units, the AIRN requirement to pass a BFA biannually is more of an administrative exercise, since they routinely surpass this level of physical fitness.

**4.27** Audit fieldwork disclosed inconsistencies in the administration of the BFA. Some units do not require all members to pass a BFA once every six months. The audit found that some members were completing two BFAs in the week preceding the annual reporting date rather than one in each six-month period. The ANAO considers that this is not in compliance with the policy, does not assist in maintaining a continuous level of individual readiness and increases the risk of injury. In addition the audit found evidence that the administration of those who fail the BFA for reasons within their own control was not consistent between units. For example, the period allocated to the member for retesting varied widely.

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<sup>51</sup> The ANAO understands that the CFA is currently being reviewed with the aim of developing mission specific training which would be age and gender neutral.

**4.28** The objective of AIRN was to ensure that members could be deployed on operations to perform their specific skills in a specified readiness notice. The ANAO found no evidence that a member could be brought from a basic fitness level to a combat fitness level in a 30-day notice period. Defence health personnel indicated that the ability of a member to pass a BFA only indicated that the member had a 'reasonable chance of being combat fit in 90 days.' As such the ANAO considers that the BFA standards do not assist in meeting AIRN's objectives. As far back as September 1995 the Directorate of Infantry commented as follows:

*Experience with ARA training highlights that physical fitness conditioning remains a major limitation in rapidly producing soldiers who are combat ready.....30 days is not an adequate period to raise a soldier from a basic level of fitness to a level of combat fitness.*

**4.29** The ANAO considers that the level at which the basic fitness is set needs to be reviewed so that a combat level of fitness can be achieved within the specified individual readiness notice period.

## Medical fitness

**4.30** AIRN requires members to be medically assessed to ensure that they meet the minimum PULHEEMS profile for deployability in their specific trade or employment category. The acronym PULHEEMS is derived from the seven qualities assessed at a medical examination: **Physical capacity; Upper limbs; Locomotion; Hearing; Eyesight; Mental capacity; and Stability.** A PULHEEMS profile is formed for each member by means of a periodic medical examination. The examination is to ensure that each member has a PULHEEMS profile that is consistent with deployability requirements of the member's particular trade or employment category.

**4.31** Policies relating to PULHEEMS and the medical fitness component of AIRN<sup>52</sup> are based on a medical classification system developed by the British Armed Forces. A member's standard of medical fitness for each PULHEEMS quality is recorded on a scale from 1 to 8. The overall medical classification of a member is represented by a PULHEEMS medical profile (for example, 3222 8/3 8/3 22). With the exception of Army pilots, all full time members and active part time members who are less than 35 years of age are to have a medical examination every three years. Members who are over the age of 35 are required to have a medical examination annually.<sup>53</sup>

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<sup>52</sup> Set out in Defence Instruction (Army) PERS 159-1—*PULHEEMS Employment Standards and DI(A) PERS 124-12 – Medical Boards Policy and Procedures.*

<sup>53</sup> The ANAO was advised during audit fieldwork that a proposal to introduce an exception based medical examination system was being considered.

**4.32** Four medical classes define a member's health in terms of varying levels of deployability and employability:

- class 1—fit for deployment and employment in trade in any operational environment;<sup>54</sup>
- class 2—fit for employment and generally fit for deployment subject to a pre-deployment check based on geographic restrictions or access to health support;
- class 3—employable, but temporarily unfit for deployment to the field. Individuals can continue to be employed only while under review (ie. class (R)) or under a temporary waiver (ie. class 3 (W)); and
- class 4—the member is permanently not deployable or employable for current trade or category, but may be fit for another employment category.

**4.33** For each trade/employment category, the medical policy indicates the PULHEEMS profiles required by members to be classified as deployable; that is, medical class 1 or 2. The PULHEEMS employment profile required by a member for deployability varies between corps, employment category and type of unit in which a member is required to serve. Soldiers' profiles are linked to their employment category number. Officers' profiles are linked to their specific corps.<sup>55</sup> For example, a Warrant Officer 2 caterer (employment category number 073) assessed as having a PULHEEMS profile of 2333 8/3 8/3 22 indicates that the member is medical class 1 and therefore deployable.<sup>56</sup> Commanding officers are responsible for ensuring that all members under their command have a current and deployable profile.

**4.34** AIRN did not result in any significant changes to the medical fitness requirements for full time members. However, it did result in a significant change for part time members. Prior to the introduction of AIRN, part time members were required to have only an initial medical examination on entry into the Army Reserve and a number of special medical examinations (for example, upon promotion, before undertaking an extended period of full time service and for overseas postings). Under AIRN, part time members are required to have periodic medical examinations as frequently as full time members.

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<sup>54</sup> Note that ADFP 701 sets out entry standards for new entrants to the Army. In general, all new entrants to the Army must be medical class 1.

<sup>55</sup> Officers must be normally capable of carrying out any duty within their particular corps.

<sup>56</sup> PULHEEMS profiles for officers and soldiers can be found at Annexes B and C of PERS 159-1 respectively.



**4.35** Table 3 sets out data on members' medical classifications. It indicates that approximately 93 per cent of all full time members and 92 per cent of part time members held a deployable medical classification (were either medical class 1 or 2). The ANAO notes that, although the relevant instruction allows only five medical classifications to be used to record medical examination results, the AMAN database records nine separate medical categories, including for example class 1(R) and class 3. The ANAO also found that 50 full time members and 640 part time members held medical classifications from the previous, employability-based, medical classification system. This indicates that these members have not had a medical examination since at least October 1997 when the new nomenclature was introduced.

**Table 3**

**Medical classification of members**

<i>Medical Class</i>	<i>ARA members</i>	<i>ARes members</i>
1	18,219	13,510
2	2,400	1,165
3 <sup>(a)</sup>	965	335
4	457	299
Other <sup>(b)</sup>	50	640
Total	22,091	15,949

Source: DPC-A AMAN Database (September 1999)

(a) class 3 (R) and class 3 (W) have been combined under class 3.

(b) Includes those members with medical classifications from the previous medical classification system.

**4.36** The ANAO analysis also found that:

- 49 full time members classified as medically deployable and less than 35 years of age had not had a medical examination in the preceding three years as required;
- 247 full time members classified as medically deployable and aged 35 years or over had not had a medical examination in the last year;
- 551 part time members classified as medically deployable and less than 35 years of age had not had a medical examination in the previous three years; and
- 1079 part time members classified as medically deployable and aged 35 years or over had not had a medical examination in the last year.

## **No-detriment waivers**

**4.37** Prior to AIRN it was necessary to convert members' medical classifications to the new classification system. As a result of this process the Chief of Army considered it necessary to offer a number of waivers



to members who, in the conversion, were found to be permanently not ready because they possess a non-deployable medical classification, but who were still medically employable (medical class 3). Those found to be medical class 4 were to be medically discharged. Waivers were given to members classified as medical class 3 for two main reasons:

- not to unduly penalise those who through no fault of their own could no longer meet the readiness requirements (medical class 4 members were already below medical standard or medically unfit) of the new system; and
- to lessen the impact of separations on Army caused by the change in focus of the medical classification policy from employability to deployability.<sup>57</sup>

**4.38** Evidence indicates that 1703 members were initially identified as either medical class 3 or 4 and therefore non-deployable under the new nomenclature. They comprised 120 class 3 and 48 class 4 officers and 615 class 3 and 920 class 4 soldiers. The ANAO understands that, particularly in relation to soldiers, a significant number of medical class 3 and 4 members were subsequently upgraded to a medically deployable classification (medical class 1 or 2). Accordingly, estimates of the number of members who would be discharged because of the introduction of the revised medical classification were not reached.

### Medical waivers

**4.39** A medical waiver is granted only where the member has completed training and is capable of performing most duties required by the position and where there is a Service need for the member. Waivers of medical standards are specific to the individual, current only for the existing trade and rank, and limited to a specific period. Medical waivers may be granted by those authorised to do so by the Chief of Army. Authorities include: the Soldier Career Management Agency (SCMA) for full time members, the Directorate of officer Career Management—Army (DOCM-A) for full time officers and the Army Personnel Agencies (APAs) for part time officers and soldiers.

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<sup>57</sup> Chief of Army Directive 4/97 *AIRN No-detriment Provisions* sets out four types of waivers: the Critical Skills waivers; Defence Force Retirement and Death Benefits Fund (DFRDB) waivers [members with between 15 and 20 years' service]; compulsory retirement age waivers [members with less than three years remaining until compulsory retirement age]; and waivers for members found to be medical class 3 as at 12 December 1997 who are not covered by the other three waivers.

## Discharge of members on medical grounds

**4.40** Since the medical component of AIRN is a critical indicator of deployability, most discharges occur under this component. The medical policy requires that:

- officers with a PES<sup>58</sup> of class 3 or 4 (except class 3 (R) and 3(W)) are to have their appointments terminated for the reason that they are medically unfit or below medical standards; and
- soldiers with a PES of class 3 or 4 (except class 3 (R) and 3(W)) are to be discharged.

**4.41** The ANAO was informed that some medical officers were not applying the PULHEEMS policy correctly or consistently and that too many members were being assessed as class 2 with restrictions that were clearly outside those envisaged for this classification. For example, members were being assessed as 'Combat Fitness Assessment exempt' or 'avoid heavy lifting' or with other limitations of a permanent nature. The result has been that Army's Career Managers must manage these members medically as the number of positions to which they can be posted is limited.

**4.42** In April 1998 Army's Joint Health Support Agency (JHSA) wrote to regional health support agencies about concerns expressed by the Soldier Career Management Agency (SCMA) that 'there was a lack of uniformity in restrictions given to medically downgraded soldiers; that the restrictions were often vague and difficult for units to understand and implement and that a deployable classification should not contain restrictions which clearly preclude the soldier from deploying to the field.' Anecdotal evidence indicates that, because of the number and type of restrictions accompanying members classified as medical class 2, Land Command units are only willing to accept soldiers classified as medical class 1.

**4.43** The audit team was advised that, as the Army Reserve was usually a member's second job, many part time members had difficulties accessing medical officers for their periodic medical examination. The ANAO was advised that frequently the only times that members could access such support were evenings and weekends and that medical officers were not always available at these times. In a minute to the JHSA the commanding officer of the Canberra medical unit commented that *'unfortunately nearly all ARes medicals must be done on weekends, and the unwillingness of doctors to give up their weekends is understandable. I may be forced to pay penalty rates to achieve the required level of participation.'*<sup>59</sup> During the audit the ANAO was

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<sup>58</sup> PULHEEMS Employment Standard.

<sup>59</sup> 2 September 1997.

advised that there were insufficient numbers of medical officers, especially part time medical officers.

### **Immunisation requirements**

**4.44** Full time members are vaccinated against diphtheria, tetanus, poliomyelitis, hepatitis B, measles, mumps and rubella as soon as practicable after entry into the Service.<sup>60</sup> These members are also kept current with diphtheria and tetanus 10-yearly boosters and hepatitis B 5-yearly boosters.

**4.45** The CGS Directive required that all personnel be immunised against hepatitis B. Director-General Army Health Service (DGAHS) estimated at the time that to vaccinate all active and trained part time members would initially cost \$530 000, with a recurrent annual cost of \$120 000 (allowing for turnover of members and periodic boosters). However, between January and August 1996 the AIRN requirement for part time members to receive hepatitis B inoculations was removed.

**4.46** The ANAO understands that part time members are vaccinated to full time member standards (hepatitis B and other appropriate vaccinations) only on commencement of full time duty for an intended period of greater than 12 months or if warned for duty (after call out) in areas requiring immunisation. It is therefore a reasonable assumption that most part time members have not been vaccinated against hepatitis B. The ANAO notes that, although all members are to maintain the same level of individual readiness, part time members do not receive hepatitis B inoculations. This appears to be inconsistent with the intention of AIRN and the 'One Army' concept.

**4.47** In March 1996 DGAHS advised the General Staff Division AIRN Coordination Committee<sup>61</sup> of a number of other medical requirements not identified in the CGS Directive that would be required to raise the individual readiness of part time members to the standard maintained by full time members. These additional requirements included the testing of blood and skin for disease and vaccination against diseases other than hepatitis B, which are provided on entry for full time members. DGAHS stated that the provision of this screening and vaccination could be conducted in a relatively short period of time but at a cost.

**4.48** The ANAO was advised that a new ADF-wide medical classification system had been drafted and was awaiting release. The policy would remain based on the PULHEEMS medical classification system but with a number of sub-classifications for each medical class.

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<sup>60</sup> Chapter 4 Australian Defence Force Policy 702

<sup>61</sup> A committee established to oversee the implementation of AIRN.

## Dental fitness

**4.49** AIRN requires members to have a dental examination at least every two years and maintain a dental standard of at least 'class 2'. Dental class 2 means that the member requires dental treatment that could be deferred for up to 12 months without the member becoming a dental casualty.<sup>62</sup>

**4.50** AIRN did not change the standard of dental fitness that full time members were required to maintain, but did result in substantial changes for part time members. Prior to AIRN, part time members were dentally examined on entry into the Army Reserve but dental support was provided only during a period of full time service or if emergency treatment was required.

**4.51** AIRN requires part time members to be brought to dental class 2 at the Commonwealth's expense but, once at this standard, they are responsible for maintaining it at their own expense. Biennial dental examinations and diagnostic services to monitor the maintenance of the standard are provided at the Commonwealth's expense. The dental fitness policy states that every effort should be made to conduct examinations and treatment using Army dental facilities and resources before accessing civilian dental practitioners.

**4.52** The policy was developed in 1995 and included in the CGS Directive. It was developed on the basis of minimal costing information and without considering its application in practice. It was also recognised at the time that dental resources were already stretched in providing support to full time members.

**4.53** Differences in the level of support to be provided to full time and part time members under the policy were said to reflect the different commitment these members make to Army. The CGS Directive stated that:

*... personnel who are assessed as below Dental Class 2 as a result of their unit's authorised periodic examination are to be formally advised that they are below the required standard. They are then to be re-examined within six months of receiving that formal advice. Members who do not maintain the required standards are to be required to show cause as to why their service should not be terminated.*<sup>63</sup>

**4.54** It was intended that, during the implementation period, the policy would be reviewed and the affordability of offering higher (dental and

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<sup>62</sup> Policy on dental fitness is contained in Personnel Instruction 57-1 *Dental Examination and Treatment of Members*. The policy covers both full and part time members.

<sup>63</sup> Paragraph 27(d) of CGS Directive.

medical) support levels to part time members would be assessed.<sup>64</sup> The ANAO found no evidence of an affordability review.

**4.55** From the outset, concerns were expressed about the perceived inequality inherent in the dental fitness policy. For example, in September 1995 the Directorate of Infantry commented on the AIRN proposal as follows:

*The concept in the [AIRN] proposal where Army brings ARes soldiers up to a level of fitness, then requires these soldiers to maintain this standard at their own cost, is inequitable. In essence, Army expects ARes soldiers to maintain medical and dental fitness rates higher than the community norm, yet is unwilling to meet the cost of this expectation.*

**4.56** Concerns were also expressed by Assistant Chief Reserves—Army (ACRES-A) in November 1996 about the message the policy was sending to part time members. He understood that the policy had been developed in an attempt to lessen Army's financial exposure, but hoped that when the financial environment improved 'a more appropriate policy position' could be developed. He proposed instead that new entrants be recruited only if at dental class 2 and that the Commonwealth maintain them at that level. He considered that requiring potential recruits to bring themselves up to Army's standards prior to entry was not unreasonable and would be a good test of an individual's commitment to the Army Reserve. This option was noted by Assistant Chief Personnel—Army (ACPERS-A) and was to be considered during the AIRN review and validation phase of implementation. The ANAO found no evidence that the proposal was considered again by Army.

**4.57** The ANAO was informed that, throughout 1999, the first round of biennial examinations for part time members would begin. Discussions with units indicated that they believed that strict enforcement of the policy may lead to a number of part time members leaving the Army Reserve to avoid paying for dental treatment required to bring them to a deployable standard.

**4.58** The ANAO considers that the practical difficulties of requiring part time members to maintain dental class 2 at their own expense are yet to be realised because the policy has not yet had time to have effect. Doubts in Army regarding the equity of the policy need to be resolved. It would also seem appropriate to review the need for part time members to maintain dental class 2 if in practice few are likely to be deployed in

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<sup>64</sup> Paragraph 9(d) of DCGS Implementation Directive.

30 days. If most part time members are likely to have longer notice, there may be sufficient time for those selected for deployment to be dentally examined and treated in this period.

### **Dental support options**

**4.59** In May 1996 the Director of Dental Services—Army (DDS-A) prepared a number of options for providing dental support to part time members. The options were: an increase in the numbers of Army dental officers; the examination and treatment of part time members by civilian dentists; a combination of Service and civilian support; the provision of a dental bounty; and dental treatment of part time members on call out (requiring development of a dental mobilisation plan).<sup>65</sup>

**4.60** In its submission to the Army Programming Development Committee (APDC) the General Staff Division AIRN Committee recommended that a dental bounty be used to provide dental support to part time members. Under this proposal a member would be paid a bounty for expenses incurred in attaining the required standard. The ANAO understands that at the 5 July APDC meeting the bounty option was rejected and a decision was made to implement a system whereby Army would provide examination and treatment services where possible and, where not, civilian dental practitioners would be used.

**4.61** Another option considered by DDS-A but not included in the submission to the APDC was the establishment of a private dental insurance scheme for part time members. The Directorate of Personnel Plans requested further analysis of this option and the option concerning a dental mobilisation plan. The ANAO found no evidence of further analysis of these options or that the selected option was costed. Using costing information developed for other dental options, the ANAO considers that the selected option had an initial cost of implementation of between \$2.4 million and \$6.25 million and an annual recurrent cost of between \$1.25 million and \$3.3 million. To contain the cost of implementation it was planned that the selected option would be phased in over three years, starting in 1996–97.

**4.62** The ANAO considers that a detailed costing of the selected option was needed and that other options such as dental treatment on call out should have been further examined. It appears that these options were not considered, as they did not meet CGS's expectations set out in his January 1996 Directive.<sup>66</sup>

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<sup>65</sup> Another option that was considered by DDS-A in the paper was the option of Army paying for private dental insurance for Reservists. This option does not appear in the submission to the APDC.

<sup>66</sup> CGS Directive 01/96 – *CGS Directive on Army Individual Readiness* 2 January 1996.

## Implementation of the selected option

**4.63** Implementation of the selected option necessitated the development of an administrative structure by which to manage the provision of dental support to part time members. This required a review of the existing dental policy but an amended policy was not released until March 1997.<sup>67</sup> Dental support to part time members was to be phased in over three financial years, beginning in 1996–97. Evidence indicates that phasings did not occur as planned and that in the early stages of AIRN's introduction there was confusion in units as to how part time members were to obtain dental support.

**4.64** Table 4 provides data on the dental fitness of members. It indicates that 91 per cent of full time members and 63 per cent of part time members had a deployable dental status (dental class 1 or 2). The ANAO found, however, that they included 1686 full time members and 5876 part time members assessed as dentally deployable who had not been dentally examined for at least a year.

**4.65** The ANAO has some further reservations about the data in Table 4 for part time members. A number of dental units indicated to the audit team that less than half of their respective part time member populations had been dentally examined. The audit team was also shown graphs indicating that ARes dental compliance in Land Command had increased from 35.3 per cent in June 1998 to 86.5 per cent in November 1998. The audit team was advised that such a result was impossible to achieve in such a short time.

**Table 4**

### Dental classification of members

<i>Dental class</i>	<i>ARA members (number)</i>	<i>ARes members (number)</i>
1 (deployable)	15, 638	6,011
2 (deployable)	4,423	4,060
3	1,456	1,619
4	204	273
No Record	370	3986
Total	22,091	15,949

Source: DPC–A (AMAN database) September 1999

**4.66** AIRN requires members to be dentally examined biennially and to maintain a standard of dental class 2—dental treatment is required but could be deferred for a year. Although dental class 2 represents the minimum dental standard to be maintained, biennial dental examinations

<sup>67</sup> Personnel Instruction 57-1 Dental Examination and Treatment of Members.



do not ensure the maintenance of dental deployability. For example, a member assessed as dental class 2 without dental treatment in a year may lapse to a non-deployable dental category but not be identified as non-deployable for a further year. The ANAO considers that members below dental class 1 require annual dental examinations.

### **Funding of dental/medical support to part time members**

**4.67** The Defence Reform Program (DRP), initiated in 1997, transferred responsibility for management of health resources from Army's Logistic Command to the Joint Health Support Agency (JHSA).<sup>68</sup> At the time of the audit, JHSA's obligation to fund AIRN's health components was causing some uncertainty due to poor visibility associated with the DRP guidance trail. Prior to DRP, Logistic Command guidance trails indicated that \$1.568 million was to be transferred annually to the Defence Health Services for AIRN dental and medical support. The ANAO understands that JHSA has continued to fund AIRN activity across the Defence Five Year Development Plan in accordance with this advice.<sup>69</sup>

**4.68** In March 1999 JHSA identified that AIRN-related Account Group 39 expenditure had reached \$1.176 million and that the annual budget would, on current trending, be spent by early May 1999.<sup>70</sup> JHSA estimated that to continue the AIRN health program in 1998–99 would require supplementation in the order of \$250 000 and foreshadowed that, without additional funding, unit commanders would need to cease authorising AIRN-related dental and medical expenditure. JHSA expressed concern that the situation 'has the potential to result in a significant overspend by the Defence Personnel Executive (DPE) due to activities [primarily dental treatment] gaining approval from sources [unit commanders] outside its control.'

**4.69** Later in March the Land Commander informed his unit commanders that, because of insufficient funds in Account Group 39, they should stop authorising treatment of members by civilian dentists. The ANAO understands that, at the time of the audit, no additional monies had been allocated to Account Group 39 and that units were awaiting 1999–00 AIRN Account Group 39 funds before authorising dental treatment for their part time members.

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<sup>68</sup> The JHSA is part of the Defence Health Service.

<sup>69</sup> Advice from the resourcing area within DPE is that Army is to fund AIRN health support indefinitely.

<sup>70</sup> Approximately 90 per cent of this expenditure related to dental services.



**4.70** Dental support for part time members began much later than was envisaged by the Implementation Directive, primarily because of the lack of an administrative system to manage the support and a lack of advice to units on the way to access this support. The ANAO notes that, until April 1998, only \$0.324 million of AIRN-related Account Group 39 funds had been spent. In 1998 the Deputy Chief of Army, concerned that the funds were not being used, directed that all part time members achieve full medical and dental compliance by 30 June 1999. Evidence indicates that this is still to be achieved.

### **Present situation**

**4.71** The audit team visited a number of ARes units and integrated units.<sup>71</sup> It was found that some ARes units attempted to have dental examinations and treatment performed during their two weeks' exercise period or while training at or near a Defence establishment but that other ARes units accessed civilian dentists even when they had access to an Army dental unit. Members indicated that, as the Army is their second job, access to uniformed dentists was particularly difficult for them. Often the only times they could access such support was at weeknights or weekends. Others sought continuity of care by having their regular dentist perform the examination and treatment. A number of units advised the audit team that making appointments and following up on members had become an administrative burden.

**4.72** Units informed the ANAO that waiting times for members to see a uniformed dental officer had increased<sup>72</sup> but that the provision of dental support to part time members had not adversely affected the dental standards of regular members. However, it was acknowledged in some locations many part time members were yet to be assessed and the situation would need to be monitored.

**4.73** The ANAO considers that the development and implementation of the policy on dental support to part time members could have been improved. The audit found that not all feasible policy options were considered, the selected policy was released during the implementation of AIRN and, initially, there were concerns about the allocation of responsibility in relation to the management of monies provided to access civilian dentists. The result has been a significant delay in members receiving examination/treatment, an increased administrative workload for units and the potential for an increase in the number of part time

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<sup>71</sup> Integrated units comprise both full and part time members.

<sup>72</sup> The ANAO was advised that in some locations it was not unusual for members to wait up to a month to see a uniformed dentist.

members leaving the Army Reserve. The ANAO considers that the current policy on the provision of dental support to part time members needs to be reviewed and that this review aim to assess the risk that part time members would need to be deployed and the costs involved with various dental support options, including the provision of dental support upon call out.

## Recommendation No.3

**4.74** The ANAO *recommends* that Army review the provision of dental support to part time members and that this review aim to assess the risk that part time members would need to be deployed and the costs involved with various dental support options, including the provision of dental support upon call out.

### *Defence response*

**4.75** Agreed in principle. It is agreed in principle to conduct a review into the provision of dental support and the dental support option, in order to address the inconsistencies with dental care for full time and part time members, subject to resource availability.

### *ANAO comment*

**4.76** As noted at paragraph 3.26, the Implementation Directive required a review of the affordability of medical and dental support given to part time members to be undertaken by 30 November 1997. As this review did not occur the ANAO considers that the dental support provided to part time members needs to be reviewed as soon as possible.

## Weapons proficiency

**4.77** The personal weapons component of AIRN requires all members to achieve annually an average (pass) standard in nine training tests with Army's personal-issue weapon, the F88 Steyr rifle. The training tests, known as tests of elementary training (TOETs), endeavour to assess members' safe handling and firing skills in relation to the Steyr rifle but do not include actually firing the weapon.<sup>73</sup> The ANAO was informed that the tests represent the minimum occupational health and safety standard required by an individual to fire the Steyr rifle safely.

**4.78** The policy requires each member to:

- handle the weapon safely;
- strip and assemble the weapon;

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<sup>73</sup> Army Manual of Land Warfare Two Inf 4.9 Chapter 7.

- fill a magazine by hand;
- adopt the 'load' condition (standing position);
- adopt the 'action' and 'instant' condition (prone unsupported position);
- perform the immediate action and rectify an empty a magazine;
- perform the immediate action and rectify a gas stoppage;
- rectify further stoppages; and
- adopt the 'unload' condition.

**4.79** The nine training tests are to be carried out consecutively. They are to be conducted in barracks using drill rounds in daylight and darkness. Members who do not achieve the pass standard are to undertake a formal lesson(s) specific to the failed test(s) and be retested. Members informed the ANAO that the tests were basic and that an individual could learn and pass them within a matter of hours.<sup>74</sup>

**4.80** Prior to October 1998, all members were required to perform the nine training tests and fire a modified 'Live Fire Three' (LF3).<sup>75</sup> The modified LF3 required members to fire three warming rounds, followed by four groups of five rounds over a distance of 100m (a total of 23 rounds per member). The October 1998 meeting of Chief of Army's Senior Advisory Group (CASAG) decided that LF3 should be removed, apparently to save ammunition costs.<sup>76</sup>

**4.81** AIRN does not preclude the maintenance of weapons proficiency at a level higher than that required under AIRN where a unit's level of readiness or the demands of trade/occupation require it. For example, infantry regiments maintain a very high level of individual weapons proficiency. The ANAO understands that all members of the Land Army are required annually to fire a more demanding live fire test called the Live Fire Six.

**4.82** The ANAO found that LF3 was generally regarded as a poor test of weapons proficiency and did little to maintain proficiency. It did not require members to achieve a specified 'grouping' standard (grouping shots on a target) or to do LF3 again if they failed the first time. One member with expertise with the weapon, whom the ANAO interviewed, indicated that personal weapon proficiency required ongoing practice and testing and could not be maintained through an annual LF3.

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<sup>74</sup> The ANAO understands that the nine training tests were introduced as a result of unacceptable level of unauthorised discharges when the Steyr rifle was initially brought into service.

<sup>75</sup> TOETs are routinely completed before the conduct of a 'live fire' exercise.

<sup>76</sup> The ANAO was advised that the removal of the live fire element of AIRN had impacted adversely upon the morale of members and that the public had an expectation that all members in Army could accurately fire the Steyr rifle.

**4.83** Figures provided by the Soldier Career Management Agency in February 1999 indicated that 16,906 (77 per cent ) of full time members and 10,701 (67 per cent ) of part time members were compliant with the weapons proficiency component of AIRN.

**4.84** The minimum level of weapons proficiency is now achieved by passing the nine training tests. The ANAO found that an operational level of weapons proficiency had not been defined. As a result it was unclear whether a member could be brought from the minimum level of individual readiness (as defined by the annual TOETs) to an operational level of weapons proficiency in the 30 day period allocated to raising individual readiness under AIRN. The ANAO considers that Army needs to establish an operational level of weapons proficiency so that a peacetime level of proficiency can be set that enables all members to achieve the operational standard in the stipulated notice period.

**4.85** The ANAO was advised that over the next 18 months Army would be introducing laser ranges at a number of locations throughout Australia. Laser ranges are expected to provide members with a realistic environment in which to practise their personal weapon skills. The ranges should also alleviate concerns about ammunition usage and costs and allow a 'grouping' standard to be introduced.

**4.86** The ANAO understands that in the Canadian Army each commanding officer is responsible for setting a level of personal weapon proficiency according to the type of Army unit and for ensuring that members of the unit maintain this level.

## **Individual availability**

**4.87** AIRN requires all members to identify, once a year, any legal or compassionate encumbrances that would prevent them from being called out or deployed within 30 days notice. As part of the AIRN annual reporting process these members are required to complete an individual 'statement of availability' (SOA).

**4.88** The type of statement completed depends on whether the member is full time or part time. Full time members must indicate whether they are: ready to deploy within 30 days notice to move (NTM); temporarily unable to deploy within 30 days NTM; or permanently unavailable for deployment. They must also acknowledge their obligation to make arrangements for any dependants so that they can deploy within 30 days NTM.

**4.89** Part time members need only acknowledge that, in the event of 'call out', they are bound by the *Defence Act 1903* to render continuous

full time military service.<sup>77</sup> They must also acknowledge that they are obliged to make arrangements for their dependants so that they are able to deploy within 30 days NTM.

**4.90** The requirement for all members to acknowledge their obligation to make arrangements for their dependants is relevant to the US Army's experience during mobilisation for the Gulf War in 1991. The US Army experienced significant problems with specific types of reserve members who were unable to be deployed due to legal or compassionate encumbrances. For example, a significant number were single parent members or Service couples who had not made arrangements for their dependants.

**4.91** The SOA appears to have been prepared from two proposed policies that were being developed in 1995, which related to dependant responsibility planning and unrestricted service. Evidence indicates that these proposed policies did not proceed past the draft stage before being overtaken by the CGS Directive. In responding to them, the Soldier Career Management Agency (SCMA) advised that the combined effect of the two policies would have been a '*huge administrative workload for the Army with little improvement to our ability to deploy.*'<sup>78</sup> SCMA suggested as an alternative that '*as there will always be a percentage of soldiers who cannot deploy at any given time*' (the figure quoted was 10 per cent) a plan be developed for replacing non-deployable members. In relation to dependant responsibility planning, SCMA stated that:

*If the dependant responsibility planning proceeds, Army may gain a false sense of security as a result of out of date, incorrect or misunderstood information. It is likely that on the issue of any warning order for deployment there will be a number of soldiers who will declare that their DRP [dependant responsibility plan] no longer applies and that they are unable to deploy. Conversely there may be some who were believed to be non-deployable but who have managed to resolve their situation and have failed to inform the unit.*

**4.92** The ANAO was advised by units that most members did not consider the SOA to be an accurate indicator of a member's availability for deployment. This was because the day after a member had signed the statement, the member's circumstances could change and he or she might become non-deployable. Consequently, most members did not consider the SOA to be legally binding. AIRN requires on-occurrence

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<sup>77</sup> The ANAO is aware that there have been a number of changes to the statement of availability forms since the introduction of AIRN.

<sup>78</sup> SCMA Minute 18 April 1995.

individual readiness reports (including the SOA) to bring to notice any change in a member's readiness or availability, but in practice on-occurrence reports are not prepared.

**4.93** Full time members' SOA forms can be distributed at suitable times and are usually returned promptly with a high response rate, but completion of the SOA by part time members involves a major administrative exercise. The ANAO was advised that, for widely dispersed ARes units, the SOA had to be mailed to members. Part time members' low response rates usually required time-consuming follow-up by unit administration.

**4.94** Some responses to the initial AIRN proposal suggested instead the adoption of an exception-based availability system. For example, in September 1995 the Directorate of Electrical and Mechanical Engineers—Army (DEME-A) commented as follows:

*Individual availability should be notified by exception. Personnel who cannot offer unrestricted service should notify the appropriate authority. This would cut down on a substantial amount of administrative workload for units. Failure to notify would then imply that the individual is available for unrestricted service.*

**4.95** In the US and Canada it was generally agreed that army personnel were expected to be available to deploy unless they had informed their unit otherwise. In Canada, for planning purposes, it was generally accepted that 10 per cent of personnel would not be available to deploy at any given time and a further 10 per cent would not pass the screening process.

**4.96** Table 5 sets out data on Army members' availability, as indicated by the SOA and recorded on Army's database. The table indicates that 92 per cent of full time members and 83 per cent of part time members were available to deploy as required under AIRN. The ANAO found, however, that 4191 full time members and 5854 part time members considered to be available had not been assessed under this component for at least a year.

**4.97** The ANAO found no evidence that availability information recorded on the AMAN database had been used by Army to assist in mobilisation planning. The ANAO's review of 410 individual readiness reports found that no members had indicated that they were permanently not available for deployment, but a small number of members did indicate that they were temporarily unavailable to deploy.<sup>79</sup>

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<sup>79</sup> See paragraph 5.18.

**Table 5**  
**Members' Statement of Availability**

<i>Availability</i>	<i>ARA members (number)</i>	<i>ARes members (members)</i>
Ready	20 245	13 249
Temporarily not ready	389	121
Permanently not ready	287	67
Not stated	1170	2512
Total	22 091	15 949

Source: DPC–A (AMAN Database) September 1999.

**4.98** The ANAO found that the SOA provides little useful information and imposes substantial administrative costs. It simply requires part time members to acknowledge their service obligation under the Defence Act<sup>80</sup> and their responsibilities to their dependants. The ANAO also notes that the requirement for full time members to indicate whether they are available to deploy within 30 days appears inconsistent with their obligation under the Defence Act to render continuous full time military service. The ANAO understands that members, other than those in high readiness units, would in practice, receive adequate warning of the requirement to deploy.

**4.99** The ANAO considers that Army should remove the requirement for members to complete the SOA and should instead require members to advise their unit of any legal or compassionate encumbrances that would prevent them from fulfilling their particular service obligation under the Defence Act only when such encumbrances arise (that is, on an exception basis). Such an arrangement would place the onus on the member and improve the efficiency with which availability information is captured. Units could periodically remind members of their responsibility to make arrangements for any dependants should a contingency arise. The ANAO also considers that Army should, as part of mobilisation planning, detail how those members found to be unavailable when required for deployment are to be replaced.

## Recommendation No.4

**4.100** The ANAO *recommends* that Army:

- (a) remove the requirement for members to complete the statement of availability and instead request that members advise their unit of any legal or compassionate encumbrances that would prevent them from fulfilling their service obligation under the Defence Act only when such encumbrances arise; and

<sup>80</sup> In the event of call out, it is likely that Reservists would have to train and then ultimately operate in places remote from their usual training area.



- (b) as part of mobilisation planning, detail how those members found to be unavailable when required for deployment are to be replaced.

*Defence response*

**4.101** Defence provided the following response:

Not agreed.

- (a) It is not agreed to remove the statement of availability and replace it with a system of on occurrence reporting when circumstances change. The statement of availability to deploy compels a conscious decision to be made. On occurrence reporting is unlikely to improve the accuracy of this component of AIRN.
- (b) Given the decision to retain the statement of availability this statement provides a useful unit management tool to determine an individual's availability to deploy or otherwise and could provide the base line in which unit personnel shortfalls could be identified. The East Timor deployment demonstrated a number of personnel strategies to source personnel shortfalls. These methods included priority posting of IET's [members who had completed initial employment training recently], cross-levelling from lower to higher readiness units, secondary enlistment [recruiting those who had previously left Army] and employment of part time members on full time service. These strategies could be used as an adjunct to the statement of availability, by offering a unit a range of personnel options to source their personnel shortfalls.

*ANAO comment*

**4.102** The statement of availability is completed by the member once a year and applies only at the time it is signed. If a member indicates that he or she is not available for deployment, it creates problems for the member. But if members indicate that they are available when in fact they are not, this will become apparent only in the unlikely event that they are asked to deploy. Out of the 410 individual readiness reports reviewed by the ANAO only 244 contained completed statement of availability forms. None of these forms indicated that the member was permanently not available to deploy and only five members indicated they were temporarily not available.

**4.103** Overseas experience suggests that approximately 10 per cent of apparently ready members would not be available if they were required to deploy. Defence was not able to indicate how the statement of availability was of any benefit in determining which members were actually available to deploy in recent deployments, such as for East Timor. The ANAO notes that the use of such a form is a matter for management



to decide. However, the audit examination indicates that the statement of availability, in its present format and usage, is not a reliable, complete or efficient indicator by which to gauge individual availability.

## Support measures

**4.104** The individual statement of availability (SOA) form requires the member to complete an attachment on support measures. The attachment asks the member to indicate which of a number of listed support measures would assist his or her availability for deployment for a period of either less than six months or for six months or greater. Part time members are able to select from a greater range of support measures than full time members (see Appendix D).

**4.105** The stated purpose of the support measures' attachment is to assist mobilisation planning and the development of service conditions. AIRN also requires unit commanders to take special note of any support measures indicated on the member's SOA form.

**4.106** The ANAO reviewed a sample of individual readiness reports from various units. In total, 410 reports were reviewed but only 244 (41 per cent ) contained completed SOA forms (including support measures attachments). In 100 of these, the member had requested at least one support measure. Table 6 sets out the results of the ANAO's review of those attachments that requested at least one support measure.

**Table 6**

### Support measures requested by 100 members

<i>Support Measures</i>	<i>No. of members</i>
Home Maintenance Assistance	49
Income Protection	38
Occasional Child Care	31
Business Operating Costs	26
Out of Hours Child Care	25
Assistance with Mortgage	25
Long Day Child Care	21
Defence Community Organisation Support	18
Removal of Extended Family	16
Provision of Personal Pension/Super'n Scheme	15
Delay Long Term Schooling	12
Assistance with Continuing Day to Day Civilian	8
Delay Court Proceedings	4
Special Care Nursing	3
Cost of Employing Personnel in Member's Absence	1

Source: Compiled from ANAO review of 100 members' support measures requests. (ARA and ARes members.)

**4.107** Audit fieldwork indicated that some members were unclear whether Army had an obligation to provide support measures if they were deployed. Although the form states that support measures are designed to assist with mobilisation planning and the development of service conditions, some members believe that the measures would be provided to them on deployment. For example, in January 1999 the Deployed Forces Support Unit—Welfare (DFSU-W) informed the Directorate of Personnel Policy (DPP) that the support measures section of the SOA form ‘creates false expectations, particularly in the area of child care.’

**4.108** The ANAO considers that the SOA, if retained, should be amended to make it clear that Army is not obliged to provide the support measures. In addition it should be made clear to members that the availability decision the member makes should not be contingent on obtaining the selected measures. This would help avoid members misinterpreting the support measures attachment and indicating that they are deployable within 30 days, provided they receive the selected support measures. This would also help avoid any invalid mobilisation planning based on members’ misinterpretation of the SOA.

**4.109** In December 1996 the Deputy Chief of the General Staff (DCGS) requested Assistant Chief Personnel—Army (ACPERS-A) to examine which support measures identified in the first interim report were in most demand and to conduct an initial study into the indicative costs of providing those support measures.<sup>81</sup> DCGS requested that the study be completed by 30 June 1997 so that it and the second interim report could assist in the validation and reassessment phase of AIRN implementation (due to be conducted from 1 July 1997 to 11 December 1997).<sup>82</sup> The audit found no evidence that the study was undertaken.

**4.110** Units informed the ANAO that entering the support measures data into AUSMIS was an administrative burden and they were unsure what use was made of the data. The Directorate of Personnel Computing—Army (DPC-A) stated that they had not received requests for support measures data.

**4.111** Some units informed the ANAO that they were supported by a Deployed Forces Support Unit and/or had their own dedicated welfare officer, and that both collected information similar to that collected by the support measures attachment to the SOA. Army needs to decide

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<sup>81</sup> The interim report indicated that 9 per cent of those personnel assessed against AIRN components would have been able to deploy within 30 days, if specific support measures were made available.

<sup>82</sup> As stated in the AIRN implementation discussion paper, the audit found no evidence that the second interim report was produced.

whether the data collected from the support measures attachment is useful and, if so, whether there would be more efficient ways of collecting data on members' needs for deployability support. For example, the ADF quadrennial census may serve as a more cost-effective source of members' support requirements. The ANAO notes that the census now covers both regular and reserve members.

## Recommendation No.5

**4.112** The ANAO *recommends* that Army review the need for the support measures attachment to the member's statement of availability and consider whether there would be more efficient ways of collecting data needed to assess members' requirements for deployability support.

### *Defence Response*

**4.113** Agreed in principle. It is agreed in principle to review the need for support measures attachment to the statement of availability, subject to available resources. Any identified approved changes will be included into the existing AIRN instructions as an evolutionary development of AIRN.

## The AIRN badge

**4.114** AIRN requires members who satisfy all AIRN requirements to wear a badge as visual recognition of their achievement. A silver badge is to be worn by members who are deemed 'ready' by their unit commander but have not yet achieved five years of continuous readiness. A gold badge is to be worn by members who are assessed by their unit commander as having achieved five years of continuous readiness. Members who are 'temporarily not ready' due to reasons beyond their control may also be awarded the AIRN badge. Members granted a 'critical skills' or a 'no-detriment' waiver are not entitled to wear the badge. The badge is to be removed if an individual readiness report categorises the member as not ready for reasons within his or her control or permanently not ready. The ANAO understands that, as 1997 is considered to be the first year of AIRN, members will be eligible to receive the gold AIRN badge in September 2001.

**4.115** Until recently, once the badge had been removed it could not be awarded again until the following annual presentation of badges (11 November each year). Land Commander requested Chief of Army in February 1999 to change the policy to allow the badge to be awarded as soon as the member becomes AIRN compliant again. Land Commanders stated that the inability to wear the badge until the next reporting date was a source of embarrassment. The ANAO understands that the change was approved.

**4.116** CGS put forward the idea of recognising the achievement of individual readiness during the initial development of AIRN. Evidence indicates that the majority of members within Army regarded the badge as unnecessary, primarily because the introduction of an additional badge was thought to be inconsistent with Australian Army ethos. An option put forward was to withhold the right to wear an item of uniform until AIRN standards had been met. It was considered that the badge would be potentially divisive and would increase administrative costs without any real benefits. Directorate of Psychology—Army advised in September 1995 that the provision and removal of badges from members ‘*may have the effect of creating derision and dissent between soldiers rather than fostering their cohesion.*’ It was also noted during fieldwork that the badge posed occupational health and safety risks due to the ease with which it catches on objects such as car seatbelts.

**4.117** Despite substantial opposition to it, the AIRN badge was introduced. It required expenditure (approximately \$100 000) on badges; policy to be written regarding its award, wearing<sup>83</sup> and removal; and programming changes to be made to the AIRN recording and reporting system. The ANAO found that introduction of the badge created an additional administrative workload for units and that some members were wearing the AIRN badge although not entitled to do so. It is unclear whether the recording system will be able to track readily a member’s entitlement to the gold badge for five years’ continuous readiness.

**4.118** During visits to a number of Army’s reserve, integrated and regular units throughout Australia the audit team found that the AIRN badge lacked support among a majority of members interviewed. Defence considered that a broader poll would be needed to assess the degree of support for the badge within Army and that the badge is one factor in developing a readiness culture.

## Conclusion

**4.119** Only two of the six AIRN components appear to have a direct relevance to ascertaining the ability of members to deploy. The dental and medical policies require members to possess classifications that enable them to be deployed. However, meeting the physical fitness and weapons proficiency components of AIRN does not appear to be a necessary or sufficient indicator of the ability of that member to prepare to deploy on operations. Either of these standards can be met by most healthy people in a relatively short period of time.

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<sup>83</sup> Policy contained in ‘Army Standing orders for Dress’.

**4.120** The employment proficiency component provides only an indication of a member's ability to undertake his or her peacetime role to a marginally satisfactory standard. In practice, members are assessed as non-proficient only in the rare event that they perform so badly that they are officially warned of their poor performance. The statement of availability appears to be an administratively time-consuming means of confirming that members are available to do what they are bound to do under the Defence Act in any case.

**4.121** The ANAO considers that a link needs 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 notice period.

## Recommendation No.6

**4.122** The ANAO *recommends* that Army review the AIRN components and establish operational levels of individual readiness for each component so that minimum or peacetime levels can be set that would allow the operational levels to be achieved in the specified notice period.

### *Defence response*

**4.123** Not Agreed. It is not agreed to review AIRN components and establish operational levels of individual readiness for each component so that minimum or peacetime levels can be set. The current system sets a minimum Army standard that can be exceeded at both unit and formation level. An Army wide AIRN system must be characterised by simplicity and a lack of ambiguity about what are minimum standards. Formation and unit commanders whose units have higher readiness requirements can and do set higher standards.

### *ANAO comment*

**4.124** The ability of unit commanders to set higher individual readiness standards for their particular unit is a separate issue to that of the establishment of an Army-wide individual readiness system. The recommendation makes no comment on the ability of unit commanders to require higher levels of individual readiness. The purpose of this recommendation was to encourage Army to establish a clear linkage between the components of individual readiness and the achievement of the AIRN objective. Without a link to operational readiness, AIRN is a generic minimum requirement rather than an indicator of a specified level of individual readiness. The audit found that maintenance of the minimum AIRN standards did not ensure achievement of the AIRN objective; that is, the deployability of all trained and active members in 30 days,

regardless of the unique requirements of particular unit or formation commanders. Therefore any interpretation of the information produced by the AIRN system in its existing form as an indicator of readiness must be subject to significant qualification.



*Soldiers on an equipment trial.*



## 5. Recording and Reporting of AIRN Information

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*This chapter discusses the development and use of a system to record and report the individual readiness of members, the administrative processes to be followed by units and Army's reporting and monitoring of AIRN.*

### Development of the recording and reporting system

**5.1** The CGS Directive of January 1996 called for a system to record, report and monitor individual readiness information. At the time, the Army Manpower (AMAN) database<sup>84</sup> recorded data on only half the AIRN components: medical fitness, physical fitness and employment proficiency. The data were either input directly or sourced indirectly via a number of other personnel information systems such as the Army Unit Standard Manpower Information System (AUSMIS), Army Record (ARMREC) and CLIO. It was recognised that, to capture the remaining data, programming changes would be required to be made to AMAN and its associated systems (see Figure 5).

**5.2** In March 1996 DPC-A<sup>85</sup> was asked to produce an options paper on developing an AIRN recording and reporting system. The options paper noted that a new system, the Army Central Manpower Information System (ACMIS), was being developed and was to be operational in 1998. It was envisaged that ACMIS would consolidate the various personnel/administration information systems existing at that time. It was recognised that, as ACMIS was to subsume AMAN and its related systems, any programming changes to them would be nugatory within a year.

**5.3** The options paper identified the following options:

A. Develop AMAN, AUSMIS, CLIO and ARMREC so that all AIRN requirements could be implemented by December 1997. This option would require significant programming changes to AMAN and AUSMIS (estimated to cost \$80 000) and the changes would have an operational life of only a year.

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<sup>84</sup> All serving (full time and part time) members are recorded on the AMAN database.

<sup>85</sup> Directorate of Personnel Computing – Army.

B. Develop AUSMIS with the necessary screen formats for the introduction of ACMIS.<sup>86</sup> This option avoided the nugatory programming effort required under option A and provided time for the medical and dental systems to interface with ACMIS, but it did not meet the CGS's proposed timetable.<sup>87</sup> It was suggested that a simple manual system could be developed as an intermediate measure because of the risk that ACMIS would not meet its in-service date.

**5.4** Option A was recommended primarily because it would meet the timetable proposed by CGS. It was also recommended that: a panel be established to define the user requirement by April 1997; funding be sought to implement the option and that future AIRN implementation meetings include representatives from the ACMIS and HSRP projects.<sup>88</sup>

**5.5** The development of an interim recording and reporting system was agreed to and included as a task in the August 1996 Implementation Directive. Specifically the Implementation Directive required ACPERS-A,<sup>89</sup> among other things, to develop and promulgate:

- an interim electronic recording and reporting system with modifications to existing information management systems, by July 1997; and
- an electronic recording and reporting system capable of data capture and appropriate manipulation at all levels of command, to be introduced as part of ACMIS (no implementation date given).

**5.6** The interim system was to be implemented in two stages. The first stage had several components. By 1 September 1996 AUSMIS and AMAN were to be upgraded to allow recording and reporting of Yes/No for each component (including assessment dates) and an overall assessment of each member. AUSMIS was to be used to print an individual readiness report for each member (including medical and physical fitness information). After assessment against all components, units were to enter each member's AIRN details into AUSMIS. By this date ACPERS-A was to ensure that higher formations could request AIRN reports on their units. The ANAO understands that this facility was provided but, as discussed in chapter three, too few members had been entered into the system for meaningful reports to be produced.

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<sup>86</sup> AUSMIS was to remain the primary AIRN data capture point for ACMIS.

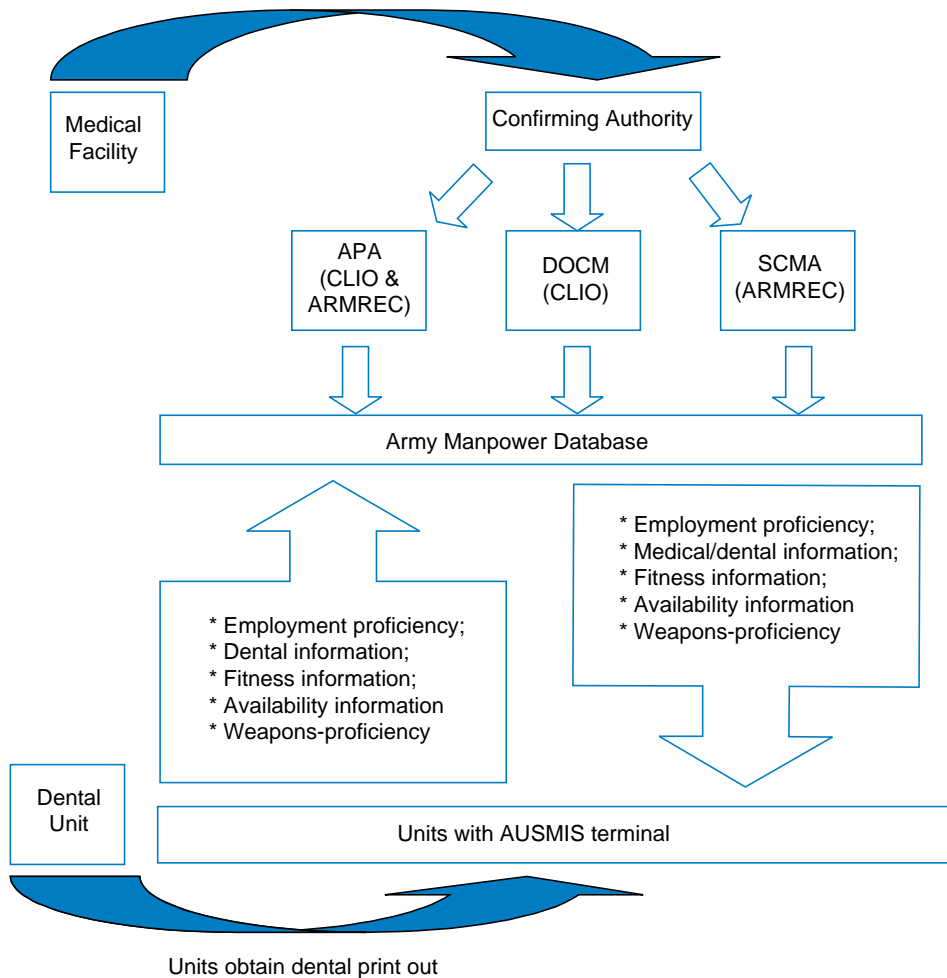
<sup>87</sup> At this time the Health Systems Redevelopment Project (HSRP) was under way. This project was to involve the rationalisation of a number of health information systems. It was expected that HSRP would interface with ACMIS and thereby allow the direct transfer of AIRN medical and dental information to ACMIS.

<sup>88</sup> The ANAO understands that the ACMIS and HSRP projects did not proceed.

<sup>89</sup> Assistant Chief Personnel Division—Army.



**Figure 4**  
**AIRM recording and reporting systems**



**Notes:**

- CLIO database holds liability, asset and career management information for both ARA and ARes officers.
- Army Record (ARMREC) database holds liability, asset and career management information for both ARA and ARes soldiers.
- Army Manpower (AMAN) database holds consolidated information on all Army personnel.
- Army Unit Standard Manpower Information System (AUSMIS) holds information on both full and part time members within units.
- Army Personnel Agency (APA), Directorate of Officer Career Management (DOCM) and Soldier Career Management Agency (SCMA) are career management agencies.

**5.7** The second stage required PERS Div-A to undertake a further upgrade of AUSMIS by 1 July 1997. This was to enable the system to capture all necessary AIRM data; print the Individual Readiness Report (including the Statement of Availability) on each member and generate unit reports on all aspects of AIRM. The ANAO understands that this

requirement was also met. By the same date AMAN was to 'provide comprehensive AIRN corporate report generation when required.' It is unclear whether this requirement was met.

**5.8** The ACMIS project did not proceed and at the time of audit a fully electronic recording and reporting system capable of AIRN data capture and manipulation at all levels of command was still to be implemented. Consequently AMAN, supported by various other systems, remains the primary system for recording and reporting AIRN information.

## AIRN user requirement

**5.9** As early as November 1995 DPC-A identified the need for a user requirement and expressed the view that development of a recording and reporting system for AIRN would require 'extensive liaison between all stakeholders and would [need to] address such questions as what data is required, what format is the data required, who needs to access the data and many other issues.' DPC-A also advised that development of a user requirement may well attract a larger resource bill than that required for the system's technical development and implementation.<sup>90</sup>

**5.10** DPC-A raised the need for a user requirement a number of times during 1996. In their March Options Paper DPC-A stated that 'critical to the development of such a system was the definition of, and agreement, on the user requirement.....it is evident that the user requirement is not well defined and hence from a systems point of view it is difficult to offer a timetable for its development.' Again in May DPC-A identified the need for 'a clear user requirement to be developed, as soon as possible to enable the earliest commencement of system changes.'

**5.11** In June 1996 the DGIM-A,<sup>91</sup> in commenting on the proposed recording and reporting system, stated that 'the interim solution seems to have been derived without considering the probable information that management is likely to require for accurate and timely decision making.' DGIM-A considered that, unless the data requirements were determined by a thorough analysis of the AIRN process, there might be an unnecessary administrative burden on units. DGIM-A concluded that the interim solution should not be pursued and that instead the actual requirements for AIRN reporting and recording be determined by means of a process analysis.

**5.12** Evidence indicates that development and implementation of an interim reporting and recording system was driven primarily by the need to meet CGS's implementation timing, which was to have AIRN fully

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<sup>90</sup> DPC-A minute to DPP-A 23 November 1995.

<sup>91</sup> Director-General Information Management – Army.

implemented by 12 December 1997. There was no detailed analysis of user requirements prior to the implementation of the AIRN recording and reporting system. DPC-A indicated that the Implementation Directive was to serve as the user requirement for the system. The ANAO considers that the development of a user requirement was an important phase in the development of an AIRN information system and that the implementation directive did not adequately address this need.

## Recording and reporting

**5.13** AIRN requires unit commanders to complete an Individual Readiness Report on each member under their command by 1 September annually. Units are required to enter component information throughout the reporting year, including the date of last assessment for each component and the result achieved (Yes/No). The information is entered for each member through a number of purpose-built screens and uploaded to the AMAN database. The ANAO was informed that entering AIRN component information throughout the year was time-consuming.

**5.14** Prior to the 1 September reporting date each year, unit administrators print an Individual Readiness Report for each member (see Appendix E—a copy of an individual readiness report and statement of availability) using the unit's AUSMIS terminal. AIRN component information entered into AUSMIS during the reporting year is used to populate relevant sections of the report. For those areas of the report which do not have an assessment entered, information needs to be manually recorded on the report.

**5.15** From the member's results in each of the six AIRN components, the unit administrator completes the report summary section by making an assessment as to whether the member is ready to deploy within 30 days' notice to move or, if not ready, whether the reasons are within or beyond the member's control.

**5.16** The commanding officer then completes the unit commander's certification section of the report by categorising the member as one of the following:

- ready to deploy within 30 days' Notice to Move;
- temporarily not ready to deploy, but with the unit commander's temporary exemption;
- temporarily not ready to deploy for reasons within the member's control;
- permanently not ready to deploy, but with a Critical Skills Waiver from Chief of Army; or
- permanently not ready to deploy.

**5.17** It is also the responsibility of the unit commander to make a judgement as to whether the member is eligible for award/retention of the AIRN badge. The unit commander and the member then sign and date the report. Unit administrators input any unentered component information and the member's overall status into AUSMIS prior to the 1 September reporting date. It is required that AIRN documentation be retained on the member's personnel file.

## Unit compliance with AIRN

**5.18** The audit team visited a number of ARA, ARes and integrated units.<sup>92</sup> At each unit the ANAO obtained sub-unit summary reports as at the date of the visit. From the reports a random sample of members was selected.<sup>93</sup> The team then sought to obtain personnel files for the selected members and review their 1998 Individual Readiness Report for compliance with AIRN. In total 410 reports were selected for review.

**5.19** Table 7 summarises the results of the ANAO's review. Of the 410 reports selected, the ANAO was able to review only 230 members' recorded compliance with AIRN. Of these, approximately 61 per cent were recorded as ready to deploy within 30 days (75 per cent of full time members and 35 per cent of part time members). For reasons indicated below, the ANAO was unable to review the AIRN status of 180 members (44 per cent of those selected). Nevertheless, although some two and a half years have elapsed since implementation of AIRN, compliance with individual readiness requirements appears to be low.

**Table 7**

**ANAO review of selected 1998 Individual Readiness Reports.**

<i>Individual readiness status</i> <sup>(a)</sup>	<i>ARA members</i>	<i>ARes members</i>	<i>Total</i>
Permanently not ready	2	1	3
Temporarily not ready	7	26	33
CO exemption	29	24	53
Total not ready	38	51	89
Ready	113	28	141
Total assessed	151	79	230
Status unknown <sup>(b)</sup>	85	95	180
<b>Total sample</b>	<b>236</b>	<b>174</b>	<b>410</b>

<sup>(a)</sup> As indicated on member's personnel file.

<sup>(b)</sup> Status unknown for example because personnel file unavailable or individual readiness report not completed.

<sup>92</sup> An integrated unit contains similar numbers of full time and part time members.

<sup>93</sup> Approximately 10 per cent of members from each unit.

**5.20** It was not practicable for the ANAO to obtain a statistically valid sample of the member population. Discussions with the Australian Bureau of Statistics during the audit indicated that the time and cost of doing so would have been prohibitive. Nevertheless, the ANAO considers that the results are indicative of individual readiness levels within Army. The review identified a number of problems with the recording and reporting system, the administrative burden faced by units, the lack of understanding of AIRN by unit administrative staff and the difficulties experienced by part time members in complying with AIRN.

**5.21** For a number of reasons, the ANAO was unable to assess compliance with AIRN of 180 members, almost half the sample. The primary reason was that no Individual Readiness Report could be found on the member's personnel file (74 instances). Inquiries were made as to whether the reports were held elsewhere and in some cases they were obtained. Another major reason (47 instances) why the Individual Readiness Report could not be located was that the member's personnel file could not be located. In some instances the audit team was advised that the personnel file was not available because the member was on a training course and had taken the file with them. This appears to be normal practice. In other instances the audit team was informed that the personnel file simply could not be located or was held at another location which was not easily accessible to the audit team.<sup>94</sup>

**5.22** Another major reason why the individual readiness of members could not be assessed was that they had recently been posted into or out of the unit. This accounted for 34 of the 180 members who could not be assessed. The ANAO was informed that, if the member had been posted out of a unit, his or her personnel file was no longer available. For those members recently posted into a unit the ANAO found that, on occasions, the personnel file did not accompany the member on their arrival at the unit. Other members could not be assessed for the following reasons: the member had been discharged; the report was on the member's file but had not been completed; or the member was part of the training force establishment (TFE) and therefore was not required to comply with AIRN.

**5.23** A number of administrative problems identified by the ANAO's review of Individual Readiness Report files originated from poor maintenance of the unit's personnel list. The ANAO found cases where members previously discharged from a unit (in some cases over a year

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<sup>94</sup> In order to contain audit costs the audit team selected sub-units on the basis that they were in close proximity to one another and held their own personnel files.

ago) still appeared on the unit's AIRN summary report. Similarly, the ANAO found instances of members previously posted out of the unit but still included on the unit summary list. The ANAO was also advised that members often arrive at a unit without a 'march-in disk'. Without the disk the member must be recorded as supernumerary until the AUSMIS help desk is able to make the necessary changes to allow the member to be posted to an Army Position Number. The ANAO understands that only members posted to an Army Position Number appear on a unit's AIRN summary list, and that supernumerary members do not.

**5.24** The ANAO also found a number of cases where members who had not completed their initial employment training (IET) or Regimental Officers Basic Course (ROBC) were included on the unit summary. As these members are part of the training force establishment (TFE), they are exempt from AIRN. The audit team was informed that when reporting to higher formations it is necessary, in order to report accurately, to remove TFE members from their figures. The ANAO considers that this is time-consuming and needs to be rectified in the development of any future AIRN recording and reporting system.

**5.25** AIRN requires Individual Readiness Reports to be filed on members' personnel files. This is to allow unit commanders to refer to a member's historical AIRN status (for example, in relation to exemptions that a member may have received). The audit team found that units filed the reports in a number of different ways. Primarily they were held on personnel files, but in some units they were held on the record of service.<sup>95</sup> In other units, the ANAO found that administrators needed to store the reports separately because of previous poor AIRN administration.

### **On-occurrence reporting**

**5.26** In addition to the annual completion of an Individual Readiness Report on each member, AIRN requires 'on occurrence' reports whenever there is a change in a member's AIRN status or a member is posted to a new unit.

**5.27** AIRN provides the following examples of a change in a member's status: a member fails a Basic Fitness Assessment; becomes permanently not ready as a result of injury/illness; or becomes AIRN-compliant again after a period of non-compliance. The gaining unit is required to raise an Individual Readiness Report, including a new member's Statement of Availability (SOA), within 30 days of a member's arrival at the unit.

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<sup>95</sup> The ANAO was advised by one unit that individual readiness reports were held on the member's record of service because this file always goes with the posted member. This did not always occur with a member's personnel file.

**5.28** The ANAO found that units were not raising ‘on occurrence’ reports. Administrative staff said that this was because of the administrative effort involved in preparing them and because some clerks were unaware of the requirement. Without these reports, changes in members’ AIRN status are only identified annually through the individual reporting process. The ANAO considers that, without ‘on-occurrence’ reports, information produced by the AIRN recording and reporting system is not timely.

**5.29** The ANAO’s review of Individual Readiness Reports also indicated that some unit administrators did not fully understand AIRN requirements. For example, the ANAO found that members with a Medically Restricted (MR) Pass on the BFA and compliance in the other components were assessed as Temporarily not Ready with a commanding officer’s exemption. AIRN clearly states that ‘personnel who...are recorded as ‘MR’ on their most recent assessment are to be reported as AIRN compliant.’

**5.30** The review of Individual Readiness Reports also found that:

- the report was not always signed by the member or the unit commander prior to the annual reporting date of 1 September;
- component information was not always entered into AUSMIS prior to the annual reporting date;
- a significant number of reports had been manually corrected (both the assessment result and date). The ANAO had difficulty in verifying whether the changes made were valid in all components, except for medical fitness as a period medical examination report could usually be located on the member’s personnel file; and
- it was unclear in some cases why a member was assessed as non-compliant for a component, when the assessment result and date should have made the member AIRN compliant in that component. Administrative staff informed the ANAO that such anomalies were the result of problems with the system, but they were unable to elaborate on these.

**5.31** The ANAO was told of various local databases developed by units/sub-units to try to overcome problems associated with the official AIRN recording and reporting system. These databases result in duplication of effort, as data is transferred from one system to another. If data is not transferred regularly the validity of the data on the official AIRN system becomes questionable.



## Information lags

**5.32** The ANAO was informed that a common problem experienced by units in administering AIRN involved the lags in the receipt of medical and dental information.

**5.33** After a member has had a periodic medical examination, the medical officer forwards a record of the examination (referred to as form PM64) to a senior medical officer who acts as the confirming authority. Once confirmed the PM64 is forwarded to the relevant career management agency for entry of the data onto its particular database (see Figure 5). The data is up-loaded to AMAN and in due course units are able to view the medical class of the particular member via their AUSMIS terminal. The audit team was told that it can take up to four months from the date of a medical examination for the result to appear on AUSMIS.

**5.34** The ANAO was also told of lags in the transmission of dental information to AUSMIS. Most units visited by the audit team were responsible for collecting and entering dental information. The recording process usually required unit administrators to obtain a monthly print-out from their local dental unit's database (see Figure 5). The print-out was then manually cross-checked by the unit against the dental information held in AUSMIS. The ANAO notes that this process involves a duplication of effort as dental information is entered twice and can result in lags of up to a month.

## AIRN reports

### Unit level

**5.35** Units are able to generate through their AUSMIS terminal a number of standard reports on different aspects of individual readiness. Reports can be generated for the individual member, sub-unit or the entire unit. A list of available reports is at Appendix F. The audit team found that the reports used most frequently by units to administer AIRN were the Individual Readiness Report and the three AIRN Summary Reports (focused on the individual, sub-unit and unit).<sup>96</sup>

**5.36** The audit found that the summary reports did not encourage members to maintain a continuous state of individual readiness, but rather focused members and unit administrators on the annual reporting date. During audit fieldwork (March–June 1999) the ANAO obtained summary reports for each unit visited. In nearly all cases the report indicated that the majority of personnel in the unit were, at the date of visit, not compliant in at least one or more AIRN components.

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<sup>96</sup> The unit and sub-unit individual readiness reports (6&7) and the Annual Individual Report (8) were found to be of little use to units. It was also considered that the AIRN status report (1) and the Individual AIRN Report (2) could be combined.



**5.37** After the 1 September reporting date the system automatically defaults to 1 September of the following year and reports on the AIRN status of members in each component as at that date. Consequently, a soldier who passed the TOET assessment on 30 August 1998 (and therefore compliant until 30 August 1999) was shown on 2 September 1998 as non-compliant for that component. This is because the system produces a report for the following year's 1 September reporting date. The ANAO considers that this does not encourage members to maintain a continuous state of individual readiness, nor does it assist in the administration of members.

**5.38** The ANAO considers that, if the current reporting and recording system is to be retained, a number of improvements need to be made to the summary reports to improve the administration of AIRN. For example, it would be useful if summary reports, at the date of reporting, indicated the member's current status in each component and the date at which the member's compliance in the component would expire. It would also be useful if AUSMIS could produce daily management reports on members who were soon (say, in a month) to become non-compliant with AIRN and in what component/s this was to occur. Such reports would allow time for unit administrators to advise the member of their imminent non-compliance and for the member to be assessed in the particular component/s. Reports of this kind would help make AIRN administration more efficient and effective.

**5.39** The ANAO acknowledges that the unit summary report has some useful functions. For example, unit administrators can produce AIRN summary reports not only for units but also for sub-units and for full time and part time members in the same unit. These aspects of the summary report are useful and should be retained in any subsequent recording and reporting system.

## **Higher-level formations**

**5.40** AIRN states that higher-level formations may obtain individual readiness reports on their respective units and formations from DPC-A. The format of these reports is not specified. DPC-A advised the ANAO that no requests had been received for AIRN reports from higher-level formations or other Army agencies. Audit fieldwork indicated that, apart from Land Command, other areas within Army did not monitor the AIRN status of their members in a regular or structured way.<sup>97</sup> Land Command comprises most of Army and includes most of its high-readiness units.

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<sup>97</sup> The ANAO was advised by the Directorate of Preparedness (DP-A) that Land Command was the only functional command that was required to report to the Chief of the Army on the individual readiness of its members. This occurred through the biannual preparedness reporting process.

**5.41** In February 1999 the Land Commander Australia issued his AIRN Directive (which is subsidiary to AIRN). It required Land Command to implement AIRN fully by 30 June 1999 and Land Command formations to provide quarterly AIRN status reports to the Land Commander. The audit confirmed that Land Command units were providing regular reports on the individual readiness of their members through the chain of command, but the reports had to be produced by units manually and collated manually by formation headquarters. The reports are generated manually because of the problems identified earlier in this chapter.

**5.42** As stated previously a fully electronic recording and reporting system capable of appropriate manipulation at all levels of command was originally to be operational in 1998. With the decision not to proceed with ACMIS the ANAO understands that the present AIRN recording and reporting system will remain in operation for the foreseeable future.

### **AIRN reporting standards**

**5.43** AIRN does not include a reporting standard to be met by units and higher-level formations. As AIRN management is a command responsibility, reporting standards are left to functional commanders/reporting authorities. Outside Land Command the ANAO found no evidence of reporting standards. Land Commander's AIRN Directive (February 1999) requires all Land Command units to achieve a stipulated level of AIRN compliance:<sup>98</sup>

- in those formations/units subject to a readiness notice (RN), a minimum of 85 per cent of members (Present Level of Operating Capability) are to comply with AIRN (AIRN compliance is stated to include members possessing waivers); and
- all remaining formations/units are to achieve and maintain a minimum of 60 per cent of members (Present Level of Operating Capability) compliant with AIRN (AIRN compliance is stated to include members possessing waivers).

**5.44** The Land Commander's Directive states that, in relation to units and formations not subject to a readiness notice, the reporting standard 'will ensure that these units and formations remain viable and are able to provide personnel for cross-levelling into higher readiness elements if required.' Some areas in Land Command indicated that the individual readiness compliance levels established by the Land Commander's Directive were too low. For example, one response stated that an individual readiness standard of 85 per cent for units with a readiness

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<sup>98</sup> From a restricted document.

notice seemed low and that '95 per cent might be a better target, particularly since Army has already had one year to achieve compliance.' Similarly the respondent considered that the standard set for units without a readiness notice was too low at 60 per cent and that 90 per cent would be a better target.

**5.45** The ANAO notes that AIRN intends that all members comply with the readiness requirements, implying a target of 100 per cent. In practice, units with a readiness notice had less than 85 per cent of members individually ready and most units without a readiness notice had at least 60 per cent of members individually ready. Given the length of time that AIRN has been in place, Land Command's AIRN compliance standards and actual achievement rates appear to be low. In addition the ANAO considers that the inclusion of waivers in the calculation of unit performance against the standards gives an incorrect indication of the number of members individually ready.

### **Information requirements of higher-level formations**

**5.46** In broad terms unit readiness comprises a number of factors in addition to individual readiness, such as equipment readiness and collective training standards. The ANAO found that higher-level formations received detailed reports from units on the individual readiness of their members. These reports included the numbers of personnel compliant in each individual readiness component.

**5.47** The ANAO considers that, to gain a more reliable picture of overall unit readiness, individual readiness information should generally not be reported in isolation but in conjunction with information on equipment readiness and collective training standards. The ANAO also considers that the individual readiness component of such a report should include: a unit's minimum level of capability (MLOC) manning, its present level of capability (PLOC) manning; and the current percentage of its PLOC members ready to deploy in 30 days. (See Appendix A for a discussion of MLOC and PLOC.)

**5.48** Should Army management have doubts about the validity of the information generated by units, a quality assurance team could be established to validate the information. Such a team could also validate equipment readiness, collective training standards and other aspects of unit readiness.

### **Reliability of reported AIRN information**

**5.49** As noted in chapter four, the ANAO has reservations about the reliability of AIRN compliance data produced by the recording and reporting system. There appear to be other problems with the data, as indicated below.

**5.50** Table 8 sets out data on the individual readiness status of all trained and active members of Army from Army's database. AIRN requires all trained and active members to be individually ready to deploy within 30 days. Table 8 indicates that at September 1999 74 per cent of all trained and active full time members and 34 per cent of all trained and active part time members were ready to deploy within 30 days. The absence of Army-wide reporting standards and historical figures precludes detailed analysis of the figures, but the ANAO considers that, after two annual AIRN cycles, the proportion of trained and active members assessed as individually ready should be higher, especially in the Army Reserve.

**Table 8**

**Army Individual Readiness—September 1999**

	<i>Individual readiness classifications (see note below)</i>							
	<i>R</i>	<i>%R</i>	<i>E</i>	<i>T</i>	<i>W</i>	<i>P</i>	<i>NA</i>	<i>Total</i>
<b>Australian Regular Army</b>								
Land Command	10 521	<b>75</b>	1738	302	37	110	1337	14 045
Training Command	2063	<b>79</b>	329	29	24	21	143	2609
Other	3827	<b>70</b>	748	146	131	107	478	5437
Total ARA	16 411	<b>74</b>	2815	477	192	238	1958	22 091
<b>Australian Army Reserve</b>								
Land Command	4319	<b>35</b>	2603	3457	37	176	1810	12 402
Training Command	656	<b>31</b>	489	597	8	38	315	2103
Other	387	<b>27</b>	218	233	17	16	573	1444
Total ARes	5362	<b>34</b>	3310	4287	62	230	2698	15 949

Source: Table compiled by ANAO from the Army Manpower database, September 1999.

Notes:

All trained and active members (excludes members of the Inactive Reserve and Emergency Reserve).

R = Number of members ready to deploy at 30 days' notice (as per Army Individual Readiness Notice).

%R = R as a percentage of the total number of members in that particular reporting group.

E = Unit commander's temporary exemption from readiness requirements.

T = Temporarily not ready – within member's control.

W = Waiver (includes Chief of Army Critical Skills Waiver and No-Detriment Waivers).

P = Permanently not ready.

NA = Status not recorded.

**5.51** In response to a question by Senator Hogg during the Senate Foreign Affairs, Defence and Trade Legislation Committee budget estimates hearings on 7–8 June 1999, Defence provided statistics of members in Land Command classified as ready in June 1999. The full text of Defence's response is at Appendix G. Using these statistics and other data, the ANAO prepared trend data on the individual readiness of members in Land Command over the last year and a half. The

information appears in Table 9 and indicates that the proportion of full time members who are individually ready has remained relatively constant while the proportion of part time members who are individually ready has increased. Individual readiness levels for full time and part time members remain low and have not substantially improved over time.

**Table 9**

**Proportion of Land Command members individually ready  
June 1998–September 1999**

Land Command	<i>Per cent Ready</i>		
	June 98	June 99	Sept 99
ARA members	77	73	75
ARes members	20	31	34

Source: Table compiled from information obtained from AMAN database and Defence response to Question 3.10 at Senate Foreign Affairs, Defence and Trade Legislation Committee budget estimates hearings on 7–8 June 1999.

**5.52** In its response to Senator Hogg's question, Defence stated that 'these figures provide a good indication of the readiness state of Army personnel as it draws from recent statistics concerning the Combat Force.' The figures provided were similar to those for Land Command in Table 8. As discussed in chapter four the ANAO has some reservations about the ability of the figures to indicate members' individual readiness to deploy in 30 days. These reservations arise primarily from an insufficient linkage between peacetime and operational component readiness standards.

**5.53** Table 10 shows the reported individual readiness levels of certain high readiness units, as recorded on Army's AMAN database. The table shows that in February 1999 individual readiness levels in these units varied from 55 per cent to 84 per cent. This indicates that units may not be at an individual readiness level that would support their 'high readiness' status.

**Table 10****Individual readiness in 1 and 3 Brigades – February 1999**

<b>Status</b>	<b>Individual readiness classifications (see note below)</b>							
	<b>R</b>	<b>%R</b>	<b>E</b>	<b>T</b>	<b>W</b>	<b>P</b>	<b>NA</b>	<b>Total</b>
<b>1 Brigade</b>								
1Armoured Regt (Tank)	227	<b>75.7</b>	13	6	1	2	51	300
1Combat Engineer Regt	153	<b>72.9</b>	51	3	0	1	2	210
1 CSSB	325	<b>73.5</b>	56	16	2	1	42	442
1 CSU	156	<b>66.4</b>	38	5	0	0	36	235
2 Cav (Recon)	268	<b>67.7</b>	83	6	0	0	39	396
5/7 RAR	304	<b>68.2</b>	84	4	1	0	53	446
8/12 Medium Art Regts	155	<b>65.4</b>	56	1	2	1	22	237
HQ 1 Brigade	43	<b>84.3</b>	3	0	0	0	5	51
Total 1 Brigade	1631	<b>70.4</b>	384	41	6	5	250	2317
<b>3 Brigade</b>								
1 RAR	502	<b>73.6</b>	71	11	1	25	72	682
103 Signal Squadron	111	<b>81.0</b>	19	0	0	0	7	137
2 RAR	492	<b>76.2</b>	101	20	0	5	28	646
3 BASB	347	<b>74.1</b>	59	17	1	0	44	468
3 CER	204	<b>72.3</b>	63	10	0	0	5	282
4 Field Art Regt	236	<b>71.5</b>	36	16	0	0	42	330
BSQN <sup>3</sup> / <sub>4</sub> Cav(ArmdPersCarr)	81	<b>55.5</b>	32	1	0	0	32	146
HQ 3 Brig (Townsville)	118	<b>77.1</b>	21	4	1	1	8	153
Total 3 Brigade	2091	<b>73.5</b>	402	79	3	31	238	2844
<b>Other Units</b>								
3 RAR	463	<b>80.7</b>	33	5	0	1	72	574
Special Air Service Regt	438	<b>82.6</b>	57	10	0	2	23	530

Source: Table compiled by ANAO using data sourced from DPC-A (February 1999).

Notes:

Australian Regular Army members; excludes Australian Army Reserve members.

R = Ready to deploy at 30 days' notice, as per Army Individual Readiness Notice.

%R = R as a percentage of the total number of members in that particular reporting group.

E = Unit commander's temporary exemption from readiness requirements.

T = Temporarily not ready – within member's control.

W = Waiver (includes Chief of Army Critical Skills Waiver and No-Detriment Waiver).

P = Permanently not ready.

NA = Status not available.

## Conclusion

**5.54** The present system for recording and reporting members' compliance with AIRN suffers from a number of weaknesses. These stem from the system originally developed as an interim measure with an operational life of approximately a year. The ANAO found that the system that places an unnecessary administrative burden on units, lacks timeliness, produces information of questionable validity and does not encourage members to maintain a continuous state of individual readiness. During audit fieldwork the ANAO was both shown and told of the existence of locally developed systems designed to avoid the problems associated with the interim system. This system has now been in place for approximately three years and is expected remain the official reporting and recording system for the foreseeable future.

**5.55** The ANAO considers that, to support the individual readiness notice, a detailed user requirement needs to be developed and used to design an improved recording and reporting system that avoids the problems associated with the current system and provides users with individual readiness information appropriate to their needs. It would be useful if this system could source medical and dental information directly from health facilities.

## Recommendation No.7

**5.56** The ANAO *recommends* that Army produce a comprehensive user requirement to aid in the development of an improved individual readiness recording and reporting system that avoids the problems associated with the present system and provides users with individual readiness information appropriate to their needs.

### *Defence response*

**5.57** Agreed in principle. It is agreed in principle to investigate the development of an improved user requirement to aid in the development of an improved reporting and recording system, subject to available resources.

### *ANAO comment*

**5.58** The development of an improved user requirement is critical to the efficiency and effectiveness of the AIRN reporting and recording system or any future ADF-wide system for monitoring human capability. Lack of available resources during AIRN's development was one of the main reasons that a comprehensive user requirement was not initially developed.

## 6. Effectiveness of AIRN

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*This chapter summarises the ANAO's findings regarding the Army individual readiness notice. It examines the effectiveness of AIRN in achieving its primary aim the impact this has on achievement of its secondary aims.*

### Primary and secondary objectives of AIRN

**6.1** The primary aim of AIRN is to ensure that Army members could be deployed on operations to perform their specific skills in a notice period of 30 days. With the exception of dental and medical fitness, the ANAO could find no link between the minimum standards set for AIRN components and the achievement of a deployable standard in the 30-day period. For example, the audit found that a rating of 'proficient' in the employment proficiency component of AIRN was not based on an objective assessment of whether a member could achieve a deployable level of employment proficiency in 30 days. Similarly the ANAO could find no link between the biannual completion of the basic fitness assessment and the ability of that member to achieve a deployable level of fitness within the 30-day period.

**6.2** It was envisaged that maintaining a minimum level of individual readiness would assist Army in achieving two secondary objectives:

- maintenance of the majority of Army units on a readiness notice of 90 days. A 90 day work-up period was thought to be achievable if all members maintained their individual readiness at 30 days, as some of the time previously required to raise individual readiness could now be devoted to collective training; and
- utilisation of full time and part time members from lower readiness force elements (and uniformed members outside the combat force) to fill positions in higher readiness force elements. This is known as 'cross-levelling'.

**6.3** CGS confirmed these original aims for AIRN and the reasons behind them in an interview with the *Army* newspaper in 1996,<sup>99</sup> where he was reported to have commented as follows:

*If we look at the way in which the Army has to deploy into the field, units that are at full strength generally reflect a high level of unit and*

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<sup>99</sup> Transcript on Army file of comments by CGS (Lt Gen J.Sanderson) in an interview by *Army* newspaper, exact date unknown but apparently in January 1996.



*individual readiness. But many units are not manned at full strength. If we want to deploy a unit in the field we have to find the people to fully man that unit from somewhere else. This could either come from headquarters and supporting infrastructure or from other units. We have to find individuals to flesh out units for mobilisation. If individuals are ready then we can build our units on the basis of their training capacity much quicker than if individuals are not ready.*

*There is another dimension to this that is very important and important for the Army in the 21st Century Review. We have for a long time talked about regular and reserves forming the total Army. But there have been different standards of readiness in these two parts of the Army. Now we require individuals who are in the regular and reserve parts of the Army to have the same level of individual readiness. Every part time soldier once he or she is qualified in their trade, we expect to be deployable in the 30 days notice and the same applies to full time soldiers. This means that we can put together a much larger and higher ready Army at shorter degrees of notice than was once the consideration when we talked about reserve units with 180 days and 360 days notice to be deployed.*

## **Mobilisation aim**

**6.4** Concerns about the ability of part time members to meet the objective of AIRN and thereby achieve a 90 day mobilisation aim were raised by the Directorate of Engineers in November 1995. In response to the initial AIRN proposal the Directorate stated that:

*[ARes] personnel will experience severe difficulties in attaining and maintaining a 30 day [individual] readiness status... They already experience great difficulty in attaining a 180-day [unit] readiness status... The main reason is their lack of proficiency in their primary trade. Also, their military skills level, physical and dental fitness, and their ability to offer unrestricted service cannot be guaranteed... the fact is that there is barely sufficient training time to achieve the required skill levels within 180 days.*

**6.5** Similar difficulties in achieving a 90 day mobilisation aim for reserve elements have been experienced by the US Army. For example, in 1990 three National Guard combat brigades were mobilised for the Gulf War. At the time, it was estimated that they would require up to 42 days of post-mobilisation training in order to deploy. However, it was found that they needed substantially more time (159 days) before they could be deployed. The brigades were never deployed to the Gulf but remained in a training status until the war was over.

**6.6** Inadequacies in soldier skills, together with a number of other factors, were identified as reasons behind these brigades' inability to meet their deployment objective. The US Army has since refocused its training on proficiency levels at the platoon level and below, emphasising the importance of individual soldier training. The refocusing had the objective of improving peacetime training proficiencies, thereby allowing these units to deploy 90 days after mobilisation.

**6.7** Following the refocus in 1995 the US General Accounting Office (GAO) examined the training standards of a number of National Guard units. Their report<sup>100</sup> commented that none of the National Guard units examined came close to the training proficiency levels required by the training refocus. In addition the GAO found that 'it is highly uncertain whether the Guard's mechanised infantry and armoured brigades can be ready to deploy in 90 days after mobilisation.' (report chapter 0:3). In fact one model estimated that it may take brigades as many as 154 days to be brought to a deployable standard. The GAO report indicates the difficulties involved, even after a refocusing of training, in ensuring that reserve units are able to deploy within 90 days.

**6.8** The ANAO considers that Australian Army members (other than those in high-readiness units) who are regarded as 'ready' under AIRN will generally need considerably more than 30 days before they would be individually ready to deploy on operations, primarily due to difficulties in achieving a deployable level of employment proficiency. If so, the aim of reducing the mobilisation period to 90 days for the majority of the Army would not be achievable, especially for ARes units. The ANAO considers that there is likely to be a significant 'work-up' period before most units would be able to deploy and that AIRN has had little success in reducing the length of the work-up period for the majority of the Army. Audit fieldwork indicated that this aim was unrealistic and was not being pursued by Army.

### **Cross-levelling aim**

**6.9** Cross-levelling refers to the use of full time and part time members from lower readiness force elements (and uniformed members outside the combat force) to fill shortages in higher readiness force elements during preparations for deployment.

**6.10** During the audit the ANAO obtained Army's monthly personnel statement as at 30 April 1999. The Statement indicated that uniformed

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<sup>100</sup> US General Accounting Office, *Army National Guard:- Combat brigades' ability to be ready for war in 90 days is uncertain*, GAO/NSIAD-95-91.

personnel numbers (both ARA and ARes) in nearly half of all combat units were at least 30 percent below their minimum level of operating capability (MLOC) manning requirement.<sup>101</sup> In addition some units in the higher readiness elements of the Army (such as the Logistic Support Force, the Special Operations area and the Deployable Joint Force Headquarters) had significant MLOC manning shortages.

**6.11** Should a military contingency require combat units on a readiness notice to be brought to an operational level of operating capability (OLOC), present personnel shortages throughout Army would be exacerbated. For example, 1 and 3 Brigades are at 28 days' notice to move and, although both brigades are at personnel levels close to their MLOC entitlement, the number of personnel to raise these brigades to their OLOC is significant.

**6.12** The Deputy Chief of Army informed Head of Defence Personnel Executive in March 1999 that an Army audit 'revealed [personnel] deficiencies in both 1 and 3 Brigades in the order of 1200.' It was expected that recruiting and training actions would reduce this figure by 200 by 30 June 1999<sup>102</sup> and that redistribution with the Combat Force could provide 350 soldiers from lower readiness units. Other strategies to alleviate the shortages included secondary enlistments and transfers by part time members to full time service.

**6.13** Should 1 and 3 Brigades be required to be brought to their OLOC level of manning, it is unclear whether other units could provide, by 'cross-levelling', sufficient numbers of suitably trained members for integration into the brigades in time for deployment. The ANAO understands that it would not be possible to source personnel from 7th Task Force, as this brigade could be required as a rotation force. Redistribution activities would also have an impact on the preparedness of lower readiness force elements.

**6.14** The ANAO considers that, except for members in high readiness elements of Army, AIRN does not provide sufficient assurance that members (particularly part time members) can be deployed to perform their specific skills within 30 days. Consequently the ability of AIRN to allow 'cross-levelling' of members for higher readiness force elements is uncertain.

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<sup>101</sup> MLOC represents the level to which manning levels or equipment holding levels can be reduced in peacetime while still retaining the capacity to transition to OLOC within the readiness notice of the unit.

<sup>102</sup> The date by which 1 Brigade was to achieve their newly assigned readiness notice.

**6.15** The ANAO identified three main difficulties in achieving the cross-levelling aim:

- part time members would find it difficult to reach and maintain a level of employment proficiency that allows them to reach a deployable level of proficiency in 30 days with the limited training time generally available to these members;
- to cross-level sufficient numbers of part time members to supplement regular force elements, it may be necessary to call out the Army Reserve or elements of it (unless sufficient numbers of appropriately skilled part time members volunteered for full time service); and
- with both 1 and 3 Brigades on a short unit readiness notice of 28 days to move, it is unclear whether there would be sufficient time to supplement them by cross-levelling with members from lower readiness units where members are on an individual readiness notice of 30 days (which is far from unit readiness of 28 days). It would appear to leave little time for these members to raise their individual readiness and participate in collective training with their new unit prior to deployment.

### **Additional components**

**6.16** In addition to improving the linkage of existing standards to the notice period the ANAO considers that it may also be possible to enhance the effectiveness of AIRN by adding other readiness components. The ANAO notes that AIRN presently lacks components assessing soldierly skills such as first aid; map reading; shooting; and chemical, biological and radiological training. AIRN may also benefit from the inclusion of such components as wills, mental fitness, hepatitis B inoculations and vaccination against other diseases. A decision to include these additional components would need to be supported by a detailed risk analysis.

### **The appropriateness of the AIRN objective**

**6.17** The ANAO considers that, as a number of significant changes have occurred in Army and Australia's strategic environment since the development of AIRN in September 1995, it would now be timely for Army to review the original AIRN objective to confirm that it remains appropriate and achievable. The ANAO considers that such a review requires a systematic risk based approach, including an assessment of the following factors:

- the likelihood of a military contingency arising that requires mobilisation of a significant proportion of the Australian Army; and

- the consequences of having insufficient numbers of members individually ready to deploy for such a contingency in the required period.

**6.18** If the analysis indicates that the objective of AIRN remains appropriate and achievable, the ANAO considers that Army should include all relevant individual readiness components in the notice and ensure that the standards set for each enable a deployable level of individual readiness to be developed within the specified notice period.

**6.19** Irrespective of the result of the risk-analysis, Army could consider more cost-effective approaches to ensure that sufficient numbers of individually-ready members are available for contingencies. Other approaches might include:

- separate individual readiness notices for full time and part time members;
- the introduction of high readiness Companies;
- placement of only those part-time members with critical skills on individual readiness notice; and
- a reduction in the number of units with all units fully manned (elimination of force hollowness).

**6.20** Having regard to practices in US and Canada summarised below, another alternative to AIRN would be a system that devolves responsibility to unit commanders to establish and monitor individual readiness standards of their soldiers at levels corresponding to the readiness notice and mission of their particular unit.

## Individual readiness in US and Canada

**6.21** The ANAO understands that the US and Canadian Armies do not require their members to comply with a uniform individual readiness notice. Nor do they have centralised systems to monitor the individual readiness of their members. Instead responsibility for individual readiness resides with unit commanding officers, who make judgements about the levels of individual readiness to be maintained by members of that unit on the basis of the readiness notice of the unit and policies on minimum standards (for example physical fitness standards). Discussions with military personnel in other countries indicated that the objective of maintaining all personnel on an individual readiness notice of 30 days was not seen as practical or necessary and that such a system would involve considerable cost.

**6.22** The ANAO found that the US and Canadian Armies focus more on overall unit readiness than on individuals' readiness. For example, the US Army requires its unit commanders to complete a biannual unit status report that incorporates all aspects of unit readiness including equipment readiness, personnel readiness and collective training standards. Personnel data contained in the unit readiness report includes assigned strength, available strength and percentage of trade qualified members.<sup>103</sup>

## Conclusion

**6.23** The audit found that AIRN could be made more effective in meeting its primary objective and that it may not be achieving its secondary objectives. Its effectiveness could be enhanced by establishing, for each individual readiness component, an operational standard that would allow a minimum standard to be set from which the operational standard could be reached in the notice period. It may be appropriate to add further individual readiness components to AIRN. More fundamentally, however, the ANAO considers that AIRN would now benefit from a review of its original objective to ensure that it is still appropriate and achievable and to determine whether it is desirable to retain AIRN as the primary tool for ensuring individual readiness.

**6.24** Irrespective of the results of this review of the AIRN objective there are two measures which Army might take to improve the management of individual readiness. It would be possible to improve the link between the component standards and the achievement of the AIRN objective so that the system provides a sound basis for decision-making and Army could also consider devolving responsibility for individual readiness to unit commanders, with a system of quality assurance in place.

**6.25** Although contemporary management and overseas approaches would favour devolved responsibility for a function of this type, this is an issue that is fundamental to Army readiness and requires professional military judgment as to the most appropriate course to take.

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<sup>103</sup> Unit Status Reporting, US Army Regulation 220-1, July 1993 (currently under review).

## Recommendation No.8

**6.26** The ANAO *recommends* that, given the significant changes that have occurred in Army and in Australia's strategic environment since AIRN's initial development, Army now review the original AIRN objective to ensure that it is still appropriate and achievable and determine whether it is the most efficient and effective model for achieving individual readiness.

### *Defence response*


**6.27** Agreed in principle. The report implies that the strategic uncertainty that exists in our region lessens the AIRN requirement. It is agreed in principle to review the original AIRN objective but with the intent of determining measures to enhance the original objective not the reverse.

### *ANAO comment*

**6.28** The report does not suggest that the need for individual readiness is lessened by the current strategic environment in the region. Nevertheless, the audit clearly indicates that, in a changing strategic environment, it would be timely for Army to review AIRN's objective to ensure it is appropriate and achievable. Rather than implying any lessened requirement for AIRN, the report suggests that Army consider whether other models could deliver individual readiness more efficiently and effectively.

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Canberra ACT  
14 January 2000



Ian McPhee  
Acting Auditor-General





# Appendices



## Appendix A

### Management of preparedness

The Australian Defence Force (ADF) provides military capability for dealing with military contingencies as and when they arise, and it carries out specific peacetime functions. The ADF preparedness model sees military capability as consisting of two elements – force structure (the number, type and grouping of military units, personnel, equipment and facilities) and the preparedness of that structure for operations. Preparedness is a planning mechanism with two separate but related elements – readiness and sustainability. Readiness is the ability of a force structure to reach, within a specified period of time, a level of capability whereby it can perform designated operational roles and tasks. Sustainability is the ability to support forces after deployment or commitment to operations and until completion of assigned tasks.

Effective management of preparedness should encompass consideration of:

- equipment;
- equipment condition;
- personnel;
- collective training; and
- reserve stocks.

#### *Operational Level of Capability*

The ADF preparedness model revolves around the notion of an operational level of (military) capability (OLOC) for a force element in a specified operational role or task. A force element is at such a capability when:

- the OLOC manpower entitlement has been filled with deployable (fully trained) personnel;
- the OLOC equipment entitlement is available and fit for use on operations;
- all collective training is completed to operational proficiency standards; and
- sustainability resources are available.

Holding force elements routinely at OLOC will usually far exceed what is necessary to counter assessed levels of threat or affordable in weapons system depreciation and collective training resources. In accordance with strategic guidance and defence policy the ADF must be able to adjust the availability (readiness) and supportability (sustainability) of military capabilities. The mechanism used to achieve that adjustment is readiness notice.

### *Readiness notice*

A readiness notice is the designated time frame within which a force element must be able to reach its OLOC for a given task (that is, be ready to deploy on operations). It reflects a judgement of the acceptable level of risk regarding the requirement to have the unit at OLOC.

### *Minimum Level of Capability*

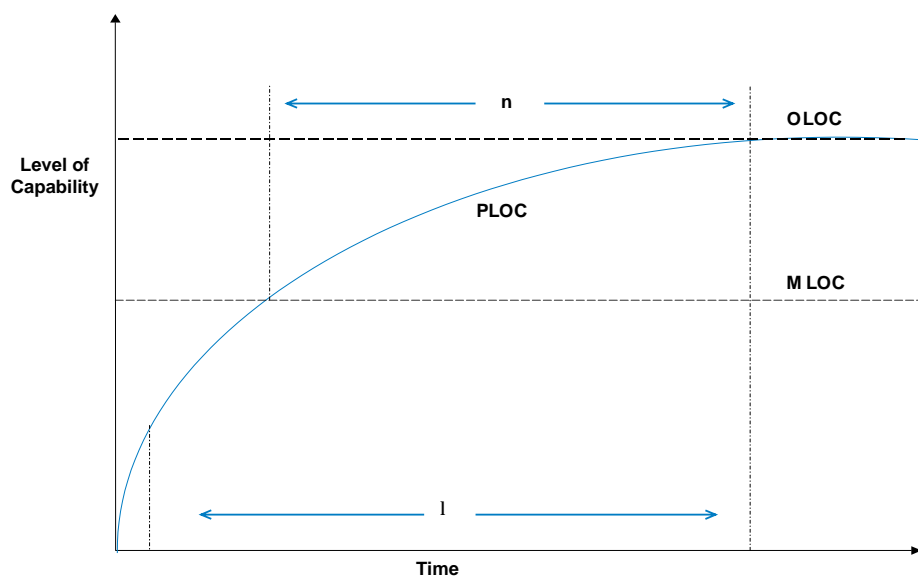
The minimum level of capability (MLOC) is the lowest level to which the capability of a force element can fall and still be able to achieve its OLOC within assigned readiness notice. Therefore, the MLOC of a force element is derived from its OLOC and readiness notice. However, the concept is something of a misnomer as a unit's actual capability can fall below MLOC.

For a force element to be at MLOC:

- the personnel allocated against designated MLOC manpower levels must be fit and trained to a standard which enables work-up training to commence;
- the MLOC equipment entitlement must be available for use during work-up;
- all collective training other than work-up training must be completed to levels and standards sufficient to enable work-up training to be completed within readiness notice; and
- work-up training resources must be available or able to be procured in sufficient time to meet work-up training requirements.

### *Present Level of Capability*

The present level of capability (PLOC) is the actual level of capability of a force element at any given point in time. PLOC varies depending on the availability of personnel and equipment and the level and standard of training achieved. The primary objective of preparedness management within the ADF is to ensure that the actual level of capability of a given force element does not fall below MLOC. That is, so that readiness lead time (1) does not exceed readiness notice (n) in Figure A.

**Figure A****Illustrative movement of military capability over time***Sustainability*

Sustainability refers to the ability to support forces after they are committed to operations. It revolves around planning, and implementing the maintenance of specified levels of capability in a particular operational role or task over specified periods. Stockholding policy and the implementation of resupply plans are essential.

## Appendix B

### AIRN Implementation Responsibilities<sup>104</sup>

#### Land Command Australia:

1. Coordinate the administration of AIRN requirements for all Army personnel posted to Land Command;
2. Provide medical and dental treatment quarterly returns to ASRP-A on medical and dental facilities over which Land Command has technical control; and
3. Provide returns to ASRP-A on the additional unit administrative effort expended as a result of AIRN.

#### GOC Logistic Command:

1. Coordinate administration of AIRN requirements for all Army personnel posted to Logistic Command;
2. Coordinate resource management to meet component requirements of AIRN. This includes medical and dental resource, ammunition, weapons and ranges;
3. Procurement and issue of the AIRN badge, by 1 October 1997;
4. Provide medical and dental treatment quarterly returns to ASRP-A on medical and dental facilities over which you have technical control. The first return is due by 15 October 1996; and
5. Provide returns to ASRP-A on the additional unit administrative effort expended due to AIRN. The first return is due by 15 October 1996.

#### GOC Training Command:

1. Coordinate administration of AIRN requirements for all Army personnel posted to Training Command;
2. Promulgate amended policy on personal weapon proficiency and physical fitness standards required for AIRN, by 30 November 1997; and
3. Provide returns to ASRP-A on the additional unit administrative effort expended due to AIRN. The first return was due by 15 October 1997.

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<sup>104</sup> Source: DCGS Directive 24/96—*Army Individual Readiness Notice (AIRN) Implementation Directive* 21 August 1996 (page 3).

### **Assistant Chief Personnel Division—Army:**

1. Develop and promulgate an Army Personnel Instruction confirming or amending interim personnel policy guidance for AIRN, by 30 November 1997;
2. By 30 November 1997, in conjunction with Land, Logistic and Training Commands, Special Forces, and in consultation with HQADF, review the affordability of medical and dental support given to part time personnel during the implementation period and make recommendations for the possible delivery of higher support levels, commencing 12 December 1997;
3. Promulgate the revised medical classification system in accordance by 30 November 1997;
4. Develop and promulgate an interim electronic reporting and recording system, utilising modifications to existing information management systems, by 1 July 1997;
5. Develop and promulgate an electronic reporting and recording system, capable of data capture and appropriate manipulation at all levels of command, to be introduced as part of ACMIS; and
6. Develop a badge design for the recognition of readiness status by 1 August 1996; and by October 1996, make appropriate amendments to Dress Regulations.

### **Director-General Preparedness and Plans—Army:**

1. Oversee and coordinate the implementation and operation of CGS Directive;
2. In conjunction with ACPERS-A, develop and promulgate policy on temporary individual exemptions from any components of AIRN, by 30 November 1997;
3. In conjunction with ACPERS-A and DGIM-A, develop a public affairs plan to promulgate developments in IARN Army wide, by 31 July 1996; and
4. Provide quarterly reports on implementation progress to APDC, commencing October 1996.

**Assistant Secretary Resource Planning—Army:**

1. Implement AIRN cost capture plan and monitor progress during 1996–97; and
2. In conjunction with Land, Logistic and Training Commands, and Special Forces, conduct assessment of the impact of AIRN on Army Reserve Training Day allocations, by 31 August 1997.

**Directorate of Coordination and Corporate Support—Army:**

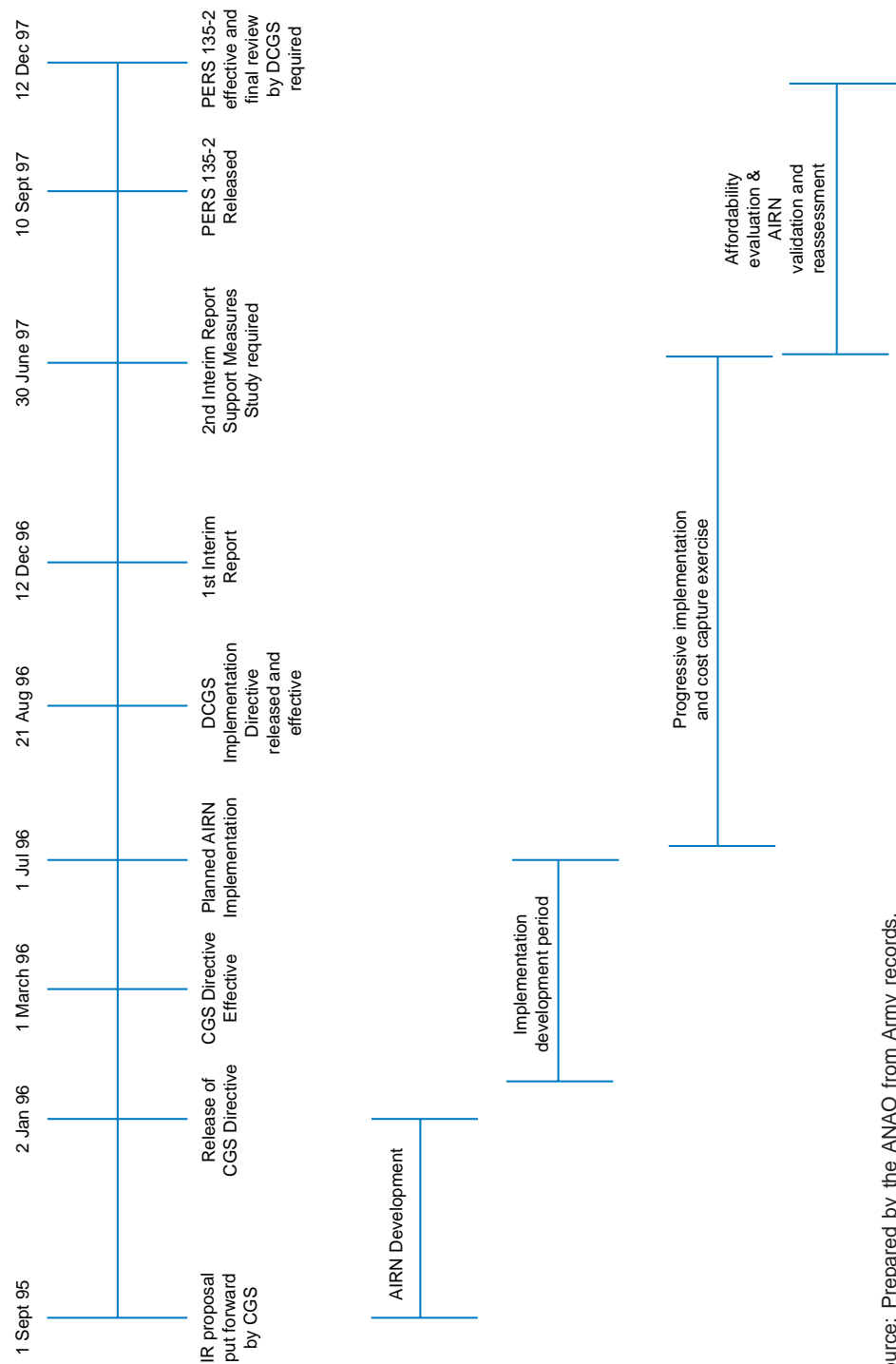
1. Coordinate administration of AIRN requirements for all Army personnel posted to Army Headquarters and outside of the Army program; and
2. In conjunction with Headquarters Logistic Command, coordinate any ammunition re-allocation necessary to meet personal weapon proficiency requirements Army-wide.

**COMD Special Forces:**

1. Coordinate administration of AIRN requirements for all Army personnel posted to Special Forces;
2. Provide AIRN quarterly returns to ASRP–A from medical facilities under the Commands control. The first return was due by 15 October 1996; and
3. Provide returns to ASRP–A on the additional unit administrative effort expended as a result of AIRN. The first return is due by 15 October 1996.



Appendix C  
Figure B  
AIRN Development and Implementation Overview



Source: Prepared by the ANAO from Army records.

Appendix D

Support Measures

The attachment to each member’s Statement of Availability asks ‘Please indicate with a ‘Y’ which of the following support measures, if any, would assist your availability for deployment’. There are different lists for full time and part time members, as indicated in Table A. The member is to indicate whether the support measure is needed for deployment of either less than six months or for six months or greater.

Table A  
Types of Support Measures

<i>Support measures—full time members</i>	<i>Support measures—part time members</i>
Occasional Child Care	Occasional Child Care
Long Day Child Care	Long Day Child Care
Out of Hours Child Care	Out of Hours Child Care
Special Care Nursing	Special Care Nursing
A Removal of my Extended Family	A Removal of my Extended Family
Home Maintenance Assistance	Home Maintenance Assistance
Defence Community Organisation Support	Defence Community Organisation Support
Delay Long Term Schooling	Delay Long Term Schooling
Delay Court Proceedings	Delay Court Proceedings
	Income Protection
	Assistance with Mortgage
	Assistance with Continuing Day to Day Civilian Business Operating Costs
	Provision of Personal Pension/ Superannuation Scheme
	Additional Cost Associated with Employing Personnel in the Member's Absence

## Appendix E

### Individual Readiness Report

The Individual Readiness Report prepared under AIRN in respect of each member includes a Statement of Availability form and an attachment on support measures.

STAFF-ON-CONFIDENCE			
INDIVIDUAL READINESS REPORT			
<b>AIRN CRITERIA</b> <b>Employment Proficiency<sup>(1)</sup></b> Is the member proficient in peacetime employment and work tasks? <input type="checkbox"/> YES <input type="checkbox"/> NO Date Assessed: 25APR1999		<b>AIRN REPORT SUMMARY</b> Is the member AIRN compliant and therefore ready for deployment within 30 days Notice to Move? <input type="checkbox"/> YES <input type="checkbox"/> NO IF NO, the reasons for not being AIRN compliant are either within or beyond the member's control.	
<b>Physical Fitness<sup>(2)</sup></b> When did the member last attempt a DFR? Date Assessed: 11PMR1999 PAGE AIRN Compliant? <input type="checkbox"/> YES <input type="checkbox"/> NO		<b>Within the Member's Control<sup>(3)</sup></b> If within the member's control, has administrative action been taken PERC 103-2 concerning? <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Personal Weapons Proficiency</b> Has the member achieved an Average Standard, or better, for the nine PWS Steyr Training Tests within the last 12 months? <input type="checkbox"/> YES <input type="checkbox"/> NO Date Assessed: 11PMR1999		<b>Beyond the Member's Control<sup>(4)</sup> (5) (6)</b> If beyond the member's control, has the member received a unit commander's temporary exemption? <input type="checkbox"/> YES <input type="checkbox"/> NO If beyond the member's control and the member has not received a unit commander's temporary exemption, has the member received a Chief of Army Waiver? <input type="checkbox"/> YES <input type="checkbox"/> NO	
Has the member fired the PWS Steyr Five Three practice within the last 12 months? <input type="checkbox"/> YES <input type="checkbox"/> NO Date Assessed: 11PMR1999		Is the member Permanently not ready for reasons beyond his/her control? <input type="checkbox"/> YES	
<b>Medical Fitness<sup>(7)</sup></b> Does the member's PES of "CLASS 1" meet the minimum PERMED profile for deployment within his/her grade/employment category? <input type="checkbox"/> YES <input type="checkbox"/> NO Date Assessed: 11SEP1997 (4)		<b>UNIT COMMANDER'S CERTIFICATION</b> I certify that this member is:	
<b>Dental Fitness</b> Is the member Dental Class 2 or above? <input type="checkbox"/> YES <input type="checkbox"/> NO Date Assessed: 11SEP1990 (3)		a. Ready to deploy <input type="checkbox"/> YES <input type="checkbox"/> NO b. TEMPORARILY NOT ready to deploy, but in receipt of a unit commander's temporary exemption <input type="checkbox"/> YES <input type="checkbox"/> NO c. TEMPORARILY NOT ready to deploy for reasons WITHIN the member's control <input type="checkbox"/> YES <input type="checkbox"/> NO d. PERMANENTLY NOT ready to deploy, but in receipt of a CA's Waiver <input type="checkbox"/> YES <input type="checkbox"/> NO e. PERMANENTLY NOT ready to deploy <input type="checkbox"/> YES <input type="checkbox"/> NO	
<b>Individual Availability<sup>(8)</sup></b> Is the member's Statement of Individual Availability, in the annex: <input type="checkbox"/> Ready for deployment? <input type="checkbox"/> Not available for deployment until [_____]		f. Eligible for award/retention of [ ] YES <input type="checkbox"/> NO Silver Badge <sup>(11)</sup> g. Eligible for award/retention of [ ] YES <input type="checkbox"/> NO Gold Badge <sup>(11)</sup>	
Date Assessed: 05FEB1999		Unit Commander's Signature _____ Date	
<b>AIRN Badge Consideration<sup>(11)</sup></b> Number of consecutive years AIRN Compliant [ ] No. of Years		<b>Member's Acknowledgement</b> Member's Signature _____ Date	

STAFF-ON-CONFIDENCE

**ARMY INDIVIDUAL READINESS NOTICE (AIRN)  
FULL TIME MEMBER STATEMENT OF AVAILABILITY**

All members are to complete this response

Please tick the response which best describes your readiness to Deploy

☐ I am ready to deploy within 30 days Notice to Move.

OR

☐ I am not ready to deploy within 30 days.  
I will, however, be ready to deploy within 30 days  
Notice to Move by  Date

OR

☐ I am permanently not available for deployment.

Only members with a Service spouse and/or one or more dependants are  
to complete this response

☐ I acknowledge that I am obliged to make arrangements for my  
dependants so that I am ready to deploy within 30 days.

All members are to complete this response

☐ I acknowledge that I am obliged to be ready to deploy within  
30 days Notice to Move.

<b>Member's Signature</b>	<b>Date</b>

Attachment:

- (AIRN) Statement of Availability - Support Measures

STAFF-IN-CONFIDENCE

ARMY INDIVIDUAL READINESS NOTICE (AIRN)  
FULL TIME MEMBER STATEMENT OF AVAILABILITY - SUPPORT MEASURES

This section is designed to assist with Mobilisation planning and the development of Service conditions.

Please indicate with a 'Y' which of the following support measures, if any, would assist your availability for deployment:

Support Measures		Deployment Duration	
		less than 6 Months	6 Months or greater
1	Occasional Child Care		
2	Long Day Child Care		
3	Out of Hours Child Care		
4	Special Care Nursing		
5	A removal to my Extended Family		
6	Home Maintenance Assistance		
7	300 Support		
8	Delay Long Term Schooling		
9	Delay Court Proceedings		

Member's Signature	Date
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STAFF-IN-CONFIDENCE

## Appendix F

### AUSMIS Standard Reports

Army units are able to generate through their AUSMIS terminals a number of standard reports on differing aspects of individual readiness for the individual, the sub-unit or the entire unit. These reports include:

1. AIRN (Status) Report (first screen allows user to view historical deployability status and corresponding effective dates and second screen allows user to enter certification date, deployability status, whether the member is eligible for award/retention of silver badge);
2. Individual AIRN Report (allows user to view certification date and historical deployability status);
3. Unit AIRN Report (allows user to view by rank, surname, service number, sub-unit then by R, E, T, W or P the member's eligibility for a silver or gold badge and their cumulative number of years compliant);
4. Sub-unit AIRN Report (same as above, but only for the sub-unit);
5. (Annual) Individual Readiness Report (allows the user to print an Individual Readiness Report, Statement of Availability, Support measures form and the Unit Commander's explanatory notes);
6. Unit Individual Readiness Report (same as above, but only for the unit);
7. Sub-unit Individual Readiness Report (same as above, but only for the sub-unit);
8. Annual Individual Readiness Report (allows the user to print IR Report for each member within a specified rank (eg signalmán));
9. AIRN Summary—Individual Report (allows the user to print a summary report on the status of a member in each component as at the next reporting date. It includes information on the overall status of the member as at the last reporting date and the number of years of continuous compliancy the member has had);
10. AIRN Summary—Sub-unit Report (allows the user to print a summary report on the status of all members in the sub-unit in each component as at the next reporting date. It also includes information on the overall status of each member in the sub-unit as at the last reporting date and the number of years of continuous compliance by each member in the sub-unit); and

11. AIRN Summary—Unit Report (allows the user to print a summary report on the status of all members in the unit in each component as at the next reporting date. It includes information on the overall status of each member in the unit as at the last reporting date and the number of years of continuous compliance by each member in the unit).

## **Appendix G**

### **AIRN Statistics**

Set out below is information tabled by the Senate Foreign Affairs, Defence and Trade Legislation Committee concerning a question by Senator John Hogg about AIRN and Defence's response.

Senate Foreign Affairs, Defence and Trade

Legislation Committee

**Responses to answers to questions on notice**

Budget Estimates 7–8 June 1999

**Department of Defence**

#### **QUESTION 3.10**

SENATOR: Hogg

HANSARD: Page 216

In the response to my question on notice on 5 May 1999 regarding the Army Individual Readiness Notice, a complete breakdown of the reasons for personnel failing to meet the notice was not provided. Could such a breakdown be provided for the last 12 months?

RESPONSE:

Following are two sets of statistics representing a breakdown of the Army Individual Readiness Notice compliance within Land Command by:

- full-time Army personnel; and
- part-time Army personnel.

The figures shown [see Tables B and C] are correct as at 28 June 1999, but only reflect Land Command as a proportion of the total Army; and the proportion of Land Command personnel who were compliant as at 28 June 1999, given that the required qualification date is 30 September 1999.

These figures provide a good indication of the readiness state of Army personnel as it draws from recent statistics concerning the Combat Force.



**Table B****Land Command Army Individual Readiness Notice Statistics (as at 28 June 1999)—full-time Army personnel**

<i>Category</i>	<i>Record</i>	<i>LHQ and Direct Comd Units</i>	<i>Special Operations</i>	<i>1 Div (DJFHQ)</i>	<i>2 Div</i>	<i>Logistic Support Force</i>	<i>Total Combat Forces</i>
CO Certification	Ready	1161	824	6293	776	1067	10 121
	Not ready	359	106	1467	146	210	2288
	Not recorded	202	53	1068	39	137	1499
		1722	983	8828	961	1414	13 908
Soldier Statement	Avail to deploy	1583	944	7935	922	1283	12 667
	Not avail to deploy	34	5	158	18	48	263
	Avail not recorded	105	34	735	21	83	978
		1722	983	8828	961	1414	13 908
Basic Fitness Assessment	Pass	1633	968	8241	939	1338	13 119
	Fail	48	5	267	14	49	383
	Not recorded	41	10	320	8	27	406
		1,722	983	8828	961	1414	13 908
Personnel Employment Standards	Suitable	1631	947	8344	876	1306	13 104
	Not suitable	25	13	143	32	30	243
	Under review	62	22	316	50	75	525
	Not recorded	4	1	25	3	3	36
		1722	983	8828	961	1414	13 908
Proficient	Proficient Rated 1	1496	961	8274	940	1345	13 016
	Not recorded	220	22	540	19	68	869
	Proficient Rated 2	6	0	14	2	1	23
		1722	983	8828	961	1414	13 908
Dental	Suitable	1576	915	7402	884	1249	12 026
	Not suitable	123	60	980	67	128	1358
	Not recorded	23	8	446	10	37	524
		1722	983	8828	961	1414	13 908

**Table C****Land Command Army Individual Readiness Notice Statistics (as at 28 June 1999)—part-time Army personnel**

<i>Category</i>	<i>Record</i>	<i>LHQ and Direct Comd Units</i>	<i>Special Operations</i>	<i>1 Div (DJFHQ)</i>	<i>2 Div</i>	<i>Logistic Support Force</i>	<i>Total Combat Forces</i>
CO Certification	Ready	226	223	762	2279	525	4015
	Not ready	732	44	1802	3894	329	6801
	Not recorded	194	86	564	1100	144	2088
		1152	353	3128	7273	998	12 904
Soldier Statement	Avail to deploy	741	263	2149	6251	808	10212
	Not avail to deploy	9	5	48	87	13	162
	Avail not recorded	402	85	931	935	177	2530
		1152	353	3128	7273	998	12 904
Basic Fitness Assessment	Pass	737	303	2,361	5723	827	9951
	Fail	258	17	435	1044	102	1856
	Not recorded	157	33	332	506	69	1097
		1152	353	3128	7273	998	12 904
Personnel Employment Standards	Suitable	1026	334	2918	6752	925	11 955
	Not suitable	35	6	59	128	31	259
	Under review	23	0	46	117	19	205
	Not recorded	68	13	105	276	23	485
		1152	353	3128	7273	998	12 904
Proficient	Proficient Rated 1	934	309	2664	6374	898	11 179
	Not recorded	177	33	387	579	90	1266
	Proficient Rated 2	41	11	77	320	10	459
		1152	353	3128	7273	998	12 904
Dental	Suitable	335	230	1769	4232	703	7269
	Not suitable	71	30	478	1091	65	1735
	Not recorded	746	93	881	1950	230	3900
		1152	353	3128	7273	998	12 904

## Appendix H

### Performance audits in Defence

*Set out below are the titles of the ANAO's performance audit reports on the Department of Defence and the Australian Defence Force (ADF) tabled in the Parliament in the last five years.*

Audit Report No.2 1994–95  
*Management of Army Training Areas*  
*Acquisition of F–111 Aircraft*

Audit Report No.13 1994–95  
*ADF Housing Assistance*

Audit Report No.25 1994–95  
*ADF Living-in Accommodation*

Audit Report No.29 1994–95  
*Energy Management in Defence*  
*ANZAC Ship Project Contract*  
*Amendments*  
*Overseas Visits by Defence Officers*

Audit Report No.31 1994–95  
*Defence Contracting*

Audit Report No.8 1995–96  
*Explosive Ordnance (follow-up audit)*

Audit Report No.11 1995–96  
*Management Audit*

Audit Report No.17 1995–96  
*Management of ADF Preparedness*

Audit Report No.26 1995–96  
*Defence Export Facilitation and Control*

Audit Report No.28 1995–96  
*Jindalee Operational Radar Network*  
*[JORN] Project*

Audit Report No.31 1995–96  
*Environmental Management of*  
*Commonwealth Land*

Audit Report No.15 1996–97  
*Food Provisioning in the ADF*

Audit Report No.17 1996–97  
*Workforce Planning in the ADF*

Audit Report No.27 1996–97  
*Army Presence in the North*

Audit Report No.34 1996–97  
*ADF Health Services*

Audit Report No.5 1997–98  
*Performance Management of Defence*  
*Inventory*

Audit Report No.34 1997–98  
*New Submarine Project*

Audit Report No.43 1997–98  
*Life-cycle Costing in Defence*

Audit Report No.2 1998–99  
*Commercial Support Program*

Audit Report No.17 1998–99  
*Acquisition of Aerospace Simulators*

Audit Report No.41 1998–99  
*General Service Vehicle Fleet*

Audit Report No.44 1998–99  
*Naval Aviation Force*

Audit Report No.46 1998–99  
*Redress of Grievances in the ADF*

Audit Report No.13 1999–2000  
*Management of Major Equipment*  
*Acquisition Projects*

Audit Report No.26 1999–2000  
*Army Individual Readiness Notice*

# Index

---

## A

additional components 10, 108  
affordability review 15, 40, 45, 48,  
53, 68, 69, 74, 119  
allied armies 12  
allies 11, 40, 41  
Army Central Manpower  
Information System (ACMIS) 87  
Army Manpower (AMAN) 43, 87, 89  
Army Record (ARMREC) 87, 89  
Army Reserve Training Day 46, 47,  
60, 120  
Army Unit Standard Manpower  
Information System (AUSMIS) 6,  
49, 51, 82, 87, 88, 89, 91, 92, 94,  
95, 96, 97, 126

## B

badge 83, 84, 119, 126  
Basic Fitness Assessment (BFA) 14,  
28, 37, 58-62, 95

## C

Canadian 41, 76, 109, 110  
CENRESPAY 45-47  
CGS Directive 9, 27, 38, 42, 43, 67,  
68, 70, 77, 87, 118, 119  
CLIO 87, 89  
communication strategy 13, 51, 53  
coordination 5, 13, 19, 28, 42, 52, 53,  
54, 67, 120  
cross-levelling 12, 38, 41, 80, 98,  
104, 106-108

## D

*Defence Act 1903* 16, 76  
Defence Financial Management  
Information System (DEFMIS)  
45, 46  
dental fitness 9, 14, 28, 55, 37, 47,  
68, 69, 71, 105  
Directorate of Officer Career  
Management (DOCM) 33, 65, 89  
Directorate of Personnel Computing -  
Army 33, 43, 56, 82, 87

## E

East Timor 17, 30, 80  
effectiveness 10, 17, 19, 31, 32, 34,  
36, 40, 42, 48, 51, 103-105, 107,  
108, 110, 111  
efficiency 10, 13, 17, 32, 53, 58, 79,  
103  
employment proficiency 9, 10, 13,  
28, 37, 55-58, 85, 87, 104, 106,  
108

## F

fieldwork 33, 38, 61, 62, 82, 84, 96,  
97, 103, 106

## G

General Accounting Office 106

## H

hepatitis B 14, 37, 67, 108  
hollowness 12, 30, 36, 41, 109  
HSRP 88

## I

Implementation Directive 9, 27, 32,  
38, 42-52, 69, 73, 74, 88, 91, 118  
individual availability 16, 28, 37, 55,  
76, 78, 81  
initial employment training 27, 80,  
94  
interim system 11, 16, 49, 50, 88, 103

**J**

Joint Health Support Agency 66, 72

**L**

Land Command 16, 33, 44, 66, 71,  
72, 83, 97-101, 118, 128

**M**

medical fitness 9, 10, 14, 28, 37, 47,  
55, 60, 62, 63, 87, 95, 104

Minimum Level of Operating  
Capability 35, 107

Mobilisation aim 39, 105

**N**

Namibian peacekeeping mission 36

National Guard 57, 105, 106

**O**

on-occurrence reports 16, 78

One Army Concept 25, 67

Operational Level of Operating  
Capability 35, 107

options paper 37, 39, 40, 87, 90

**P**

physical fitness 9, 10, 14, 28, 31, 37,  
47, 55, 58-62, 84, 87, 88, 109, 118

PR19 55, 57

PR66 55-57

Present Level of Operating  
Capability 98

Public Affairs (PA) Plan 50, 51

**R**

Regimental Officers Basic Course 94

reporting and recording 10, 11, 13,  
16, 43, 49, 50, 53, 90, 97, 103, 119

**S**

Senate Foreign Affairs, Defence and  
Trade Legislation Committee  
100, 101, 128

short warning conflicts 12, 35, 41

Soldier Career Management Agency  
(SCMA) 33, 57, 65, 66, 76, 77, 89

statement of availability 16, 20, 76,  
77, 79-81, 83, 85, 91, 94, 122,  
123, 126

Steyr rifle 15, 28, 37, 74, 75

support measures 20, 44, 8-83, 122,  
123, 126

**T**

Tests of Elementary Training 15, 28,  
37, 74

Training Force Establishment (TFE)  
93, 94

**U**

UK 41

US Army 11, 40, 57, 77, 105, 106, 110

user requirement 16, 20, 88, 90, 91,  
103

**W**

weapons proficiency 9, 15, 37, 55,  
74-76, 84

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---

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 Centrelink

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*Audits of the Financial Statements of Commonwealth Government Agencies for the Period Ended 30 June 1999.*

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*Weather Services in the Bureau of Meteorology*  
 Department of the Environment and Heritage

Audit Report No.23 Performance Audit  
*The Management of Tax Debt Collection*  
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Audit Report No.24 Performance Audit  
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