Portfolio Overview
Defence Portfolio Overview

The Portfolio consists of a number of component organisations that together are responsible for supporting the defence of Australia and its national interests. The three most significant bodies are:

- the Department of Defence—a department of state, headed by the Secretary of the Department of Defence
- the Australian Defence Force (ADF)—which consists of the three Services, Navy, Army and the Air Force (including Reserves) commanded by the Chief of the Defence Force (CDF). Each Service Chief also administers their respective Cadet service, although the Cadet service is not a component of the parent Service
- the Defence Materiel Organisation (DMO)—a prescribed agency within the Department of Defence, headed by its Chief Executive Officer (CEO) DMO.

In practice, these bodies have to work together closely and are broadly regarded as one organisation known simply as Defence (or the Australian Defence Organisation).

The Portfolio also contains some smaller entities, including a number of statutory offices created by the Defence Force Discipline Act, 1982 which are independent but reside administratively within Defence and various trusts and companies such as Defence Housing Australia (DHA) and the Australian Strategic Policy Institute.

DHA's main function is to provide adequate and suitable housing for members of the ADF. DHA is an enterprise within the Defence portfolio and has two shareholder Ministers: the Minister for Defence, The Hon Stephen Smith MP; and the Minister for Finance and Deregulation, Senator The Hon Penny Wong.

DHA is required by legislation to perform its functions in accordance with the policies of the Australian Government and in accordance with sound commercial practice. This means that DHA has a targeted rate of return and a requirement to make annual dividends and income tax payments.

The Minister for Defence’s portfolio also contains the Department of Veterans’ Affairs and associated bodies, as it is designated as part of the Defence Portfolio in the Administrative Arrangements Order. The Department of Veterans’ Affairs is administered separately to Defence. Department of Veterans’ Affairs information can be found in the Department of Veterans’ Affairs Portfolio Budget Statements.
Ministers and their Portfolio Responsibilities

Changes Affecting the Portfolio

Following the Prime Minister’s announcement on changes to the Ministry, on 4 February 2013, The Hon Dr Mike Kelly AM MP was sworn in as the Minister for Defence Materiel, replacing The Hon Jason Clare MP.

The Ministers and their portfolio responsibilities are as follows:

The Hon Stephen Smith MP – Minister for Defence

Specific responsibilities allocated to Mr Smith are:

- General:
  - Oversight of all aspects of the Defence Portfolio
  - Lead on all Cabinet submissions
- Strategic Policy
- Operations and Intelligence
- International Policy
- Force Structure and Force Posture
- Strategic Reform Program
- Budget and Finance
- Defence estate policy and major projects
- Military Justice System
- Defence Export Controls
- White Paper 2013 Processes
- Strategic aspects of:
  - Defence estate policy and major projects
  - Project SEA 1000
  - New Air Combat Capability
- Capability Responsibilities:
  - Development of the Defence Capability Plan (DCP) and the alignment of the DCP with the Defence Planning Guidance
  - DCP programming and budgeting
  - Processing of unapproved projects up to and including Second-Pass stage.
The Hon Warren Snowdon MP – Minister for Defence Science and Personnel

Specific responsibilities allocated to Mr Snowdon are:

- Science and technology policy including:
  - Strategic direction
  - External engagement
  - Support to operations
  - Support to the force-in-being
  - Enabling research
- Personnel policy including:
  - Workforce planning
  - Recruitment and retention
  - Pay and superannuation
  - Equity and diversity
  - Personnel support
  - Defence families and community organisations
  - Housing policy
  - Health (including Occupational Health and Safety).

The Hon Dr Mike Kelly AM MP – Minister for Defence Materiel

Specific responsibilities allocated to Dr Kelly are:

- Defence materiel acquisition
- Sustainment issues
- Tendering and contracting for materiel acquisition
- Industry capacity, structure, policy and engagement
- Skills policy
- Equipment disposal
- Science and technology matters as they relate to capability development, materiel acquisition and sustainment
- UN Peacekeeping including assistance to the Minister for Defence on policy aspects
- Peace Operations Training Centre
- Australian Civil-Military Centre
- Asia-Pacific Centre for Military Law
- Capability Responsibilities:
  - Acquisition strategy throughout the capability approval process
  - Assist the Minister for Defence on:
    > Development of the DCP
    > DCP programming and budgeting
    > Processing of unapproved projects up to and including Second-Pass stage.
Senator The Hon David Feeney – Parliamentary Secretary for Defence

Specific responsibilities allocated to Senator Feeney are:

- Garrison services and administration of Defence estate policy
- Facilities, infrastructure and property
- Reserves policy
- Cadets
- Honours and Awards
- Nature of Service Review
- ADF Parliamentary exchange program
- Aircraft noise and abatement
- Education and training

Capability Responsibilities:
- Assistance to the Minister for Defence on:
  > ICT matters
  > Pacific policy
  > Force structure

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1 The Parliamentary Secretary for Defence has prime carriage of education and training, but will consult the Minister for Defence Science and Personnel on matters in relation to overall personnel policy.
Department of Defence
Secretary: Dennis Richardson AO
Chief of the Defence Force: GEN David Hurley AC, DSC

Outcome 1: The protection and advancement of Australia’s national interests through the provision of military capabilities and the promotion of security and stability.

Outcome 2: The advancement of Australia’s strategic interests through the conduct of military operations and other tasks directed by Government.

Outcome 3: Support for the Australian community and civilian authorities as requested by Government.

Defence Material Organisation (Prescribed Agency within the Department)
Chief Executive Officer: Mr Warren King

Outcome 1: Contributing to the preparedness of the Australian Defence Organisation through acquisition and through-life support of military equipment and supplies.

Defence Housing Australia
Managing Director: Mr Peter Howman

Outcome 1: To contribute to Defence outcomes by providing total housing services that meet Defence operational and client needs through a strong customer and business focus.
Figure 2: Defence Organisational Chart

Notes:
1. Section 9(3) of the Defence Act 1903 requires the Service Chiefs to advise the Minister on matters relating to their command.
2. Under the agreed business model for DMO as a prescribed agency, the CEO DMO Ministerial Directive identifies that the CEO DMO is directly accountable to the Minister for DMO's performance but remains accountable to the Secretary and CDF.
Senior Executive changes

The following changes have taken place since the Portfolio Additional Estimates Statements 2012-13:

- With effect 18 April 2013, Mr Simon Lewis transferred to the Department of Veteran’s Affairs to act as Secretary prior to being promoted to that position in July 2013.

- For the period 29 April 2013 to 9 June 2013, Mr Andrew Cawley was appointed to the position of Acting General Manager Land and Maritime.

Organisational Structure

The following changes have taken place since the Portfolio Additional Estimates Statements 2012-13:

- The formation of the Defence People Group (DPG), which commenced 30 May 2012, was completed on Monday 4 March 2013 with the transfer of People Services Branch from the Defence Support and Reform Group (DSRG). The Group’s internal structure will continue to be adjusted to reflect the lessons being learned through the significant reform activities being undertaken across the Group.

- Logistics Information Systems (LOGIS) Branch transitioned from the Defence Material Organisation (DMO) to the Chief Information Officer Group on 14 February 2013. LOGIS' transition signals a new era in cooperation between the Defence logistics community, Joint Logistics Command, Defence's Logistics Capability Manager, and Chief Information Officer Group as the Defence ICT Capability Delivery Manager. Post-transition activities will be staged across a number of phases to maintain LOGIS service levels whilst strengthening outcomes for the logistics community.

Defence Portfolio Bodies

None of the portfolio bodies described below receives direct appropriations from the Commonwealth.

Army and Air Force Canteen Service

Chairman: Mr Edward (Ted) Moore

The Army and Air Force Canteen Service (AAFCANS), a Commonwealth authority established under the Army and Air Force Canteen Service Regulations 1959 supplies goods, facilities and services to, or for the entertainment and recreation of, members of the Army and the Air Force including persons employed in, or in connection with, Army or Air Force installations and dependants of those members or persons, visitors to such installations and members of the Australian Army or Air Force Cadets.

The services are designed to enhance the living conditions and social environment of the ADF by providing canteen services, comprising food beverages and convenience items; wholesale supply of alcohol and other requirements to messes and clubs; vending; dry-cleaning services; postal services; fuel and mechanical workshops; and Army Shop – the online supplier of Brand Army merchandise and Military and adventure-wear stores.

Australian Military Forces Relief Trust Fund

Chairman: Brigadier Gavin Reynolds AM

The Australian Military Forces Relief Trust Fund, a Commonwealth authority established under the Services Trust Funds Act 1947, provides benefits to members of the ADF who have served in, or in association with, the Army and to the dependants of such members.
Royal Australian Air Force Veterans’ Residences Trust

Chairman: Air Commodore D.E. Tindal AM (Retd.)

The Royal Australian Air Force Veterans’ Residences Trust, a Commonwealth authority established by the Royal Australian Air Force Veterans’ Residences Act 1953, provides residences in which eligible former members, including dependants, of the Royal Australian Air Force, Royal Australian Air Force Nursing Service and Women’s Auxiliary Australian Air Force who are in necessitous circumstances and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.

Royal Australian Air Force Welfare Trust Fund

Chairman: Chaplain (Air Commodore) Murray Earl

The Royal Australian Air Force Welfare Trust Fund, a Commonwealth authority established under the Services Trust Funds Act 1947, provides benefits for members of the Defence Force who have served in, or in association with, the Royal Australian Air Force and to the dependants of such members.

Royal Australian Navy Central Canteens Board

Chairman: Rear Admiral Clinton Thomas AM, CSC

The Royal Australian Navy Central Canteens Board, a Commonwealth authority established under the Navy (Canteens) Regulations 1954, administers the Royal Australian Navy Central Canteens Fund (RANCCF). RANCCF provides facilities for the welfare or entertainment of the members of the Navy, including holiday parks, accommodation and amenities, a theatre and entertainment ticketing agency that provides theatre tickets to Naval and Defence members. It also operates a retail e-Commerce facility called SALT that sells Navy memorabilia; a raffle for Navy members; a retail operation at the Fleet Air Arm Museum in Nowra; mobile coffee services and wholesale supply services to canteens, messes and clubs. It uses its surplus to make grants and loans to canteens, clubs, cinemas or other institutions, including the Royal Australian Navy Relief Trust Fund.

Royal Australian Navy Relief Trust Fund

Chairman: Commodore Paul Kinghorne

The Royal Australian Navy Relief Trust Fund, a Commonwealth authority established under the Services Trust Funds Act 1947, provides benefits for members of the Defence Force who have served in, or in association with, the Navy and to the dependants of such members.

AAF Company

President: Brigadier Gavin Reynolds AM

The AAF Company is a Commonwealth company that undertakes the management and trusteeship of the unincorporated funds known as the ‘Army Amenities Fund’ and the ‘Messes Trust Fund’. The AAF Company promotes and supports the objects of the Army Amenities Fund which provides amenities for members of the Australian Army.

Australian Strategic Policy Institute Limited

Chairman: Mr Stephen Loosley

The Australian Strategic Policy Institute Limited is a Commonwealth company that provides policy-relevant research and analysis to inform Government decisions and public understanding of strategic and defence issues.
Royal Australian Air Force Welfare Recreational Company

Chairman: Air Commodore Robert Rodgers CSM

The Royal Australian Air Force Welfare Recreational Company is a Commonwealth company that provides access to discounted recreational accommodation and manages and promotes the Royal Australian Air Force Central Welfare Trust Fund owned recreational facilities for the Royal Australian Air Force members, their families and other eligible persons. It also provides financial support to, and assists in the provision of, recreational facilities and services to the Royal Australian Air Force members.

Portfolio Resource Statement

Portfolio Resources[1]

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Note
1. Figures shown include interagency transactions.