



Australian Government

Department of Defence

DEFENCE ANNUAL REPORT

2007-08

VOLUME ONE DEPARTMENT OF DEFENCE

KEY STATISTICS

Corporate and Financial

	2003-04	2004-05	2005-06	2006-07	2007-08	Change 2006-07 to 2007-08	More information
Financial Performance (\$m)							
Income	15,830	17,448	17,249	18,480	21,085	▲	Chapter 1, Appendix 13
Expenses	16,362	18,318	17,394	19,147	21,686	▲	Chapter 1, Appendix 13
Operating result	-532	-870	-145	-667	-601		Chapter 1, Appendix 13
Accounts paid by due date (%)	85.3	88.2	90.9	95.4	92.5	▼	Appendix 13
Net Capital Investment Program	3,649	4,212	4,980	5,503	5,382		Chapter 6

Staffing

Total ADF members	52,034	51,813	51,151	51,504	53,167	▲	Chapter 4
Recruitment target met (%)	86	80	84	84	77	▼	Chapter 4
Separation rate (%)	10	11	11	11.2	9.8	▼	Chapter 4
Female ADF members (%)	13.3	13.2	13.3	13.4	13.6	▲	Appendix 1
Total APS personnel	18,303	13,390	13,577	14,516	15,087	▲	Chapter 4
Unacceptable behaviour complaints	586	749	685	846	765	▼	Chapter 5
Comcare investigations	46	45	34	69	99	▲	Chapter 4

Corporate Support

FOI requests	208	206	171	184	175	▼	Appendix 6
Video news releases	62	141	67	109	284	▲	Chapter 8

Operational

Number of operations with ADF involvement	32	14	22	19	19	-	Chapter 3
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Australian Government
Department of Defence

17 October 2008

The Hon Joel Fitzgibbon
Minister for Defence
Parliament House

Dear Minister

We present the annual report of the Department of Defence for the year ended 30 June 2008. This report has been prepared in accordance with Section 63 of the *Public Service Act 1999*.

Subsection 63(1) of the Act requires that our report to you be tabled in the Parliament. The report has been divided into two volumes. Volume One is the Department of Defence's report. Volume Two is the report of the Defence Materiel Organisation, a prescribed agency within Defence. The volumes summarise the performance of Defence for 2007-08 and include all mandatory information required by legislation.

In accordance with Section 45 of the *Financial Management and Accountability Act 1997* and pursuant to Regulation 19 of that Act, we are satisfied that Defence has prepared fraud risk assessments and fraud control plans and has in place appropriate fraud prevention, detection, investigation, reporting and data collection procedures and processes that meet the specific needs of Defence and comply with the *Commonwealth Fraud Control Guidelines 2002*.

Yours sincerely

Handwritten signature of Nick Warner in black ink.

Nick Warner
Secretary
Department of Defence

Handwritten signature of A G Houston in black ink.

A G Houston AC, AFC
Air Chief Marshal
Chief of the Defence Force

Guide to the Report

The format and content of this volume reflects the requirements developed by the Department of the Prime Minister and Cabinet and approved by the Joint Committee of Public Accounts and Audit in June 2008 under subsections 63(2) and 70(2) of the *Public Service Act 1999*.

This report addresses the Department of Defence and the Australian Defence Force (ADF), which are collectively referred to as 'Defence'. Volume 2 of this report addresses the Defence Materiel Organisation as a prescribed agency. The Department of Veterans' Affairs and Defence Housing Australia, which are parts of the Defence Portfolio, have separate annual reports. The Australian Strategic Policy Institute, funded substantially by Defence, is a Government-owned company incorporated under the *Corporations Act 2001* and has a separate annual report.

Annual Reports, Portfolio Budget and Additional Estimates Statements are the principal formal accountability mechanisms between the Government, departments and the Parliament. Portfolio Budget Statements set out performance targets for departmental outputs. Portfolio Additional Estimates Statements may contain revised targets and Annual Reports describe achievement against those targets.

In addition, Defence's Annual Reports are designed to link performance during the year under review with performance forecasts contained in the Portfolio Budget Statements for the following year.

STYLE CONVENTIONS

The following style conventions are used in the report:

-	nil
n/a	not applicable (unless otherwise specified)
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand or million. Discrepancies in tables between totals and sums of components are due to rounding.

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Australian Army soldiers from the Townsville-based 5th Aviation Regiment provide the Coalition Forces in the Middle Eastern Area of Operation with a medium lift capability as they transport troops and equipment.