



defence annual report 1998-1999

Front Cover: The photographs depict aspects of the redevelopment of the Russell complex of Defence offices in Canberra. The redevelopment is enabling the collocation of Defence personnel into new and refurbished 'smart' buildings which are equipped with contemporary information technologies. It is also facilitating improved work practices, providing opportunities for creative synergies and delivering significant management efficiencies to the organisation.

Contact Officer

The production of this document was coordinated by the staff of the Portfolio Reporting and Evaluation Section of Management and Reporting Division, Department of Defence.

The contact officer to whom comments and inquiries about this report may be addressed is:

Director
Portfolio Reporting and Evaluation
R1-2-A028
Department of Defence
CANBERRA ACT 2600

Telephone: (02) 6265 6277
Facsimile: (02) 6265 6246
E-mail: DPRE@cbr.defence.gov.au

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Department of Defence

19 October 1999

The Hon John Moore MP
Minister for Defence

Dear Minister

We are pleased to present the annual report of the Department of Defence for the year ended 30 June 1999 in accordance with subsection 25(6) of the *Public Service Act 1922*, and we certify that this report complies with the requirements referred to in subsection 25(7) of the Act.

Under subsection 25(8) of the Act, you are required to cause a copy of the report to be laid before each House of Parliament by 31 October 1999.

This report presents our overview of the performance and outputs of the Department of Defence for 1998-99, as well as the Group performance and other reports required by Parliament.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H White'.

Hugh White
Acting Secretary
Department of Defence

A handwritten signature in black ink, appearing to read 'CA Barrie'.

CA Barrie AORAN
Admiral
Chief of the Defence Force

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USER GUIDE

The format and content of this annual report reflect the requirements approved by the Joint Committee of Public Accounts and Audit in March 1994 and updated in May 1999. The requirements give emphasis to accountability, outcomes and achievements. The annual report is also the mechanism for reporting to Parliament the outlays for the financial year.

The *Defence Annual Report 1998-99* addresses the Department of Defence and the Australian Defence Force (ADF) which are collectively known as the Defence organisation, while the Department of Veterans' Affairs, which is part of the Defence Portfolio, has a separate annual report.

This report is divided into three parts. **Part One** contains an overview of portfolio performance and outcomes for 1998-99. The overview includes a summary of significant achievements and issues, financial and human resources and performance management. It also includes organisational charts that show the formal structure of the Defence organisation as at 30 June 1999, a range of financial statistics and the audited *Section 49 Financial Statements*.

Part Two provides information about Group performance. The Defence organisation is divided into fourteen Groups. This provides a framework for the devolution of management authority, the allocation of resources and reporting on performance against objectives. For each Group, there is an objective and a description; a summary of achievements; performance measures and outcomes; outlays and staffing data; a reconciliation of appropriations; and an explanation of major resource variations.

Part Three contains information required under specific statutory provisions relating to the annual reports of all Commonwealth agencies.

Finally, the index section of this report includes a compliance index which identifies where those matters required by the Joint Committee of Public Accounts and Audit to be included in annual reports are located; a glossary; and an alphabetical index.

STYLE CONVENTIONS

In general, figures provided in this report are rounded to the nearest \$100,000, although there are some tables in which the figures are rounded to \$m or, in some cases of smaller amounts, three significant figures. The convention used is that rounding downwards occurs if the end digit is less than five, and rounding upwards occurs if the figure is five or more. This has the effect of causing small apparent errors in the totals of some tables. Such small errors in table totals should be disregarded as rounding errors.

There is one significant exception to this convention. The amounts in the 1998-99 Financial Statements, contained in *Appendix F* to Part One, are rounded to the nearest \$1,000 in accordance with an order issued by the Minister for Finance and Administration pursuant to the *Financial Management and Accountability Act 1997*. See Note 3 in the *Notes to the Financial Statements* for further explanation.

