

# Media Backgrounder

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Frontline Defence Services is the trading name for the Army and Air Force Canteen Service, previously known as AAFCANS.

A common misconception is that Frontline Defence Services is a civilian organization that holds contracts with the Defence Force to operate on their bases. This however is not correct; Frontline Defence Services is a prescribed Commonwealth Statutory Authority, meaning that Frontline Defence Services is answerable to the Chief's of the Australian Army and Air Force and to the Minister for Defence Personnel.

## **Our Organisation: A brief history**

*Please also refer to Organisation History Fact Sheet for more detailed information*

### **1915 – 1919 AIF Canteen Service (AIF Canteen Service)**

- Operated throughout Australia, The United Kingdom and Egypt
- Surplus funds were provided to AIF Canteen Trust
- A total of £1,156,150 of grants were provided to 49,826 war widows, dependants and seriously injured soldiers

### **1920 – 1939 Army Garrison Institutes; RAAF Garrison Institutes**

- Reverted to pre-war arrangement of Garrison Institutes which were run on a cooperative store principle.

### **1940 – 1945 Australian Defence Canteen Service (ADCS)**

- Initially designed to amalgamate all services however RAAF and RAN effectively ran their own canteens, and the organization became known as **Australian Army Canteen Service (AACS)**
- Operated 700 odd stores; 4800 staff
- Located through out Australia, The Middle East, Asia – The Pacific, Japan and POW Camps.
- Total sales exceeded £70,000,000
- At the end of WWII £4,680,000 were returned to service trust funds which benefited troops and family members.
- School Scholarships were established with the funds for children of ex-servicemen to fund schooling all the way through to university.

### **1945 – 1951 BCOF; AACS BCOF Detachment; AACS British Commonwealth Detachment BCFK**

- Established to operated with the occupying forces after the surrender of Japanese
- Served throughout Japan (BCOF) and throughout Korea (AACS BCOF Detachment)
- Funds provided to AMF Trust Fund to the value of £166,069.
- AMF Trust Fund is unique in that it is administered solely by Army Officers, and is still in operation today under the name of Army Relief Trust Fund.

### **1951 – 1959 Army Canteen Service**

- Various versions of the Army Canteen Service in operation; all with funds being provided to the AMF Trust Fund

**1959 – 1979**

**Australian Service Canteen Organisation (ASCO)**

- Established in response to a review into the needs of Defence members
- Served troops throughout Australia; Papua New Guinea (1959 – 1981) and Vietnam (1966 – 1969)
- Provided services such as canteens, bulk stores, snack bars, news agencies and bank agencies
- 1400 Staff; 122 Stores
- Funds from ASCO were provided to establish Defence Health (£82,000)

**1979 – Current**

**Army Air Force Canteen Service (AAFCANS)**

- Officially established in 1981 as a Prescribed Commonwealth Statutory Authority
- Answerable to the Chiefs of the Army and Air Force, and Minister for Defence Personnel.
- Still operates under the 1959 Legislation; tasked to provide surplus funds back to the ADF through disbursements and sponsorship
- Provides services such as canteen services, wholesale supply of alcohol to messes and clubs, vending, dry cleaning services, postal services and fuel
- As of June 2009, Frontline or its agents (ACC or License to Trade retailers) operated on 27 Army and Air Force bases and four joint ADF facilities.
- Board of Management made up of 5 members with one member appointed by the Chief of the Army and one member appointed by Chief of the Air Force
- In the period between 1996 and 2006, 6.2 million dollars provided in form of disbursements to units and welfare trusts (this figure is 80% of Frontline Defence Services profit in that time)

**1998**

***Adopted Trading name of Frontline Defence Services***

- Disbursements put on hold in 2006 to undertake significant and essential upgrades to facilities and services
- In 2006, vending solutions initiated which has returned \$567,000 from vending machine returned to units since inception
- Since 2006, a further \$157,000 has been provided in the form of sponsorship to Defence community groups, sporting groups, charity fundraising and other worthy Defence related causes
- In an effort to provide more consistent and better quality food offering across the country, Frontline Defence Services partnered in a profit share arrangement with Australian Commercial Catering (ACC) to operate food outlets in various locations. Frontline Defence Services retains control of these outlets, but ACC run the daily operations.
- As of June 2009, Frontline or its agents (ACC or License to Trade retailers) operated on 27 Army and Air Force bases and four joint ADF facilities.

**Our Mission**

Frontline Defence Services is tasked by the Minister for Defence Personnel to supply goods, facilities and services to or for the entertainment and recreation of ADF personnel and their dependants.

Frontline Defence Services mission statement is:

**To provide convenient, inviting and competitive on-base canteen services that contributes to a pleasant, safe and satisfying work environment and which supports the retention of ADF personnel.**

**To operate on a commercial and self-supporting basis, thereby generating sufficient surplus funds for disbursement to welfare and trust funds for the benefit of members and their families.**

## **Our Services**

Frontline Defence Services operates a host of facilities on base for ADF Personnel. While providing high quality canteen and convenience store services is what most personnel associate with us, we are responsible for a large number of services across Army and Air Force bases Australia wide.

Our network of services includes:

- > Canteen services comprising food, beverage and convenience items
- > Wholesale supply of alcohol and other requirements to messes and clubs
- > Vending
- > Drying Cleaning services
- > Postal Services
- > Fuel

## **Supporting the Troops**

Frontline Defence Services is tasked under the regulations to conduct its operations on a commercial and self-supporting basis, with the aim of providing profits sufficient to permit distribution of surplus funds for the benefit of members of the Army or the Air Force and their families.

In 2006, the responsible Minister directed Frontline to commence a program of internal improvements to ensure the sustainability and longevity of the organization for all ADF Personnel.

As per this directive, the Chiefs of Army and Air Force expressed the view that as part of this process, expenditure on the modernizing of outlets and the investment in expanding product ranges and services was essential.

It is believed that this modernization will provide greater and more tangible benefits to the base community as a whole than ignoring these issues and continuing cash payments to individual units and RTF.

While cash payments have temporarily ceased, Frontline Defence Services continues to support the ADF throughout this improvement process. In 2009, a total of \$155,000 was invested into the upgrade and modernization of outlets and food preparation areas.

These improvements also allowed Frontline Defence Services to expand their product offerings to better meet the needs of our customers, through the provision of a larger selection of convenience items, the introduction of healthier meal options and working with suppliers to secure the most competitive pricing options for our stores.

It has been recognised that there is a large demand for the financial support provided by disbursements, and Frontline Defence Services has work to increase the return for each Unit or RTF through commissions from the on base vending solutions.

In 2009, a total of \$200,000 was returned to individual units through vending commissions.

With a further \$15,000 provided in the way of sponsorship to Defence organizations or sporting groups.

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For further information contact

Ms Joni Edson  
Marketing and Operations Coordinator  
Frontline Defence Services  
Ph: 07 3351 5609