

**STATEMENT OF EXPECTATIONS FOR THE  
ARMY AND AIR FORCE CANTEEN SERVICE****Chairman  
Army and Air Force Canteen Service**

26 SEP 2008

This statement formally outlines my expectations concerning the operations and performance of the Army and Air Force Canteen Service (known as Frontline).

The government's vision for Frontline is that it will be a high-performing and self-supporting organisation which provides goods, facilities and services to, or for the entertainment and recreation of, Army and Air Force personnel, and their families, to enhance their living conditions and social environment.

As Chairman, you are to ensure that Frontline keeps the Minister for Defence Science and Personnel (the Minister) fully informed of any significant events or issues that may impact on the financial and business operations of Frontline. All communication provided to the Minister is to be forwarded, in parallel, to the Department of Defence.

My expectations for the Board of Directors are that it will ensure that Frontline:

1. operates in accordance with relevant legislation (including the *Army and Air Force Canteen Service Regulations 1959* made under the *Defence Act 1903* and the *Commonwealth Authorities and Companies Act 1997*);
2. complies with the appropriate government policy, including directions made by the Finance Minister;
3. is a commercially viable organisation which is financially independent of government;
4. delivers on the strategies identified in the 2008-12 Strategic Plan within the agreed timeframes and having regard to guidance provided by the Frontline Advisory Committee;
5. encourages continuous improvement practices to maximise opportunities that will ensure its long term viability;
6. in response to this Statement of Expectations, provides the Minister with its Statement of Intent and make both Statements publicly available;
7. provides the Minister with its quarterly and annual financial and compliance reports, with copies to be provided to the Secretary for Defence, the Chief of the Defence Force, the Chief of Army and the Chief of Air Force;
8. adopts best practice governance principles and implement risk management strategies as determined by the Commonwealth, as appropriate for the operation of small agencies; and
9. identifies and manages all actual and perceived conflicts of interest, promptly advising the Minister of any significant issues as they arise.



JOEL FITZGIBBON  
Minister for Defence