



CN/2020/OUT/125

Commodore SG Ottaviano, RAN

CHIEF OF NAVY DIRECTIVE 3/20—CHAIR OF THE ROYAL AUSTRALIAN NAVY CENTRAL CANTEENS BOARD

References:

- A. Defence (Chief of the Defence Force) Delegations 2019
- B. *Navy (Canteen) Regulation 2016*
- C. *Public Governance, Performance and Accountability Act 2013*
- D. *Work, Health and Safety Act 2011*

INTRODUCTION

1. As the Chief of Navy I am required to deliver to the Chief of the Defence Force the requirements set out in my Charter Letter, in accordance with applicable laws and directions.
2. This Directive is issued pursuant to my Charter Letter and the powers in the *Navy (Canteen) Regulation 2016* delegated to me in Defence (Chief of the Defence Force) Delegations 2019.
3. This Directive sets out your general and specific responsibilities to me in your role as Chair of the Royal Australian Navy Central Canteens Board (RANCCB), trading as 'Navy Canteens'. This Directive also sets out my expectations for you to comply with relevant legislative and financial requirements, particularly those laid out in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) as they apply to Navy Canteens and for which I have certain responsibilities.
4. This Directive is the basis on which I will assess your performance as the Chair of the RANCCB.

MY INTENT

5. My intent is that you proactively and innovatively lead Navy Canteens as a corporate Commonwealth entity under the PGPA Act, to generate profit from commercial undertakings and to return that profit to serving Navy personnel through distributions, grants and services.
6. To support you in achieving this outcome, I will ensure Navy Canteens' commercial undertakings have the full support of Navy, recognising that Navy Canteens is a commercial business undertaking established by the *Navy (Canteen) Regulation 2016* and governed as a corporate Commonwealth entity in accordance with the PGPA Act.
7. You are to ensure a collaborative relationship is maintained between Navy Canteens and Navy Commands to guide and generate positive outcomes for serving Navy members.

8. You are to take the initiative, seek opportunities and authorities, and proactively manage the use of Navy Canteens' resources to enable Navy Canteens to efficiently operate within its annual budget as approved by the RANCCB, and as per established legislative frameworks and laws, and as best practices demand. I expect Navy Canteens to be clearly identified as a Navy entity and be operated in accordance with Navy Values.

9. In the course of your duties, you are to freely identify problems, develop solutions and take action as befitting your position as the Chair. My expectation is that decisions that should be within your remit should be taken by you, keeping me informed as appropriate and seeking amendments to delegations and authorities if required. My expectation is that you would similarly devolve decision making down to an appropriate level within your own structure.

SPECIFIC RESPONSIBILITIES AS THE CHAIR OF THE RANCCB

10. As the Chair of the RANCCB you are to oversee the performance of the Board and the Chief Executive Officer (CEO). You are to provide annual feedback to each Board member on their performance. You may raise a Supplementary Report on each Board member for submission to DNPCMA or DNSOM, as appropriate. You are to maintain an incentivised remuneration arrangement for the CEO and assess his remuneration against relevant industry benchmarks. You are to manage the succession planning of Board members and the CEO, making timely recommendations to me for appointment of new Board members. You are to ensure all Board members are appropriately trained to perform their duties as a Board member.

11. You are to:

- a. control all canteens, including the opening and closing of canteens, in Navy shore establishments and ensure their profitable operation as a national canteen group, noting you have the authority to close canteens not deemed profitable;
- b. control and profitably operate all vending solutions in Navy shore establishments with all revenue received by Navy Canteens;
- c. exercise your authority under this directive to open or close any food and beverage operation (including informal local workplace arrangements) in Navy shore establishments in consultation with the Commanding Officer. This does not apply to the operation of mess or bar facilities provided by the Commonwealth;
- d. where deemed appropriate, and in consultation with base command, establish third party services, such as a hairdresser or ATM, in Navy shore establishments under a trading licence from Estate and Infrastructure Group (E&IG);
- e. engage with Fleet Command to identify commercial opportunities to supply canteen related goods to the Fleet, noting my direction at paragraph 5;
- f. operate a Navy merchandise business and engage with Navy to supply merchandise and promotional apparel and items wherever possible, noting my direction at paragraph 6;
- g. operate the *Win With Navy* raffle, encouraging the widest participation possible by both our full time and reserve Navy people;

- h. operate the Navy Ticketing program nationally to provide Navy and other Defence groups, approved by the RANCCB, with discounted ticketing, free ticketing when possible, or preferential seating to events sourced through major ticketing agencies and venues;
 - i. operate holiday centres and/or holiday accommodation with specific discounts for our Navy people;
 - j. identify and implement other business opportunities in the pursuit of profit for distribution back to Navy;
 - k. ensure that Navy Canteens' infrastructure is maintained by E&IG in Navy shore establishments and engage with E&IG to ensure this support is promulgated in policy documents and recognised by local E&IG representatives; and
 - l. manage Navy Canteens to deliver an annual profit that incorporates, whenever possible, annual cash distributions to the Navy Sports Council, Navy shore establishments hosting a canteen service, and Navy Canteens' own general grants program. I also note the continued requirement, on an annual basis, to provide to the RAN Relief Trust Fund a percentage of the levies received from canteens, both on shore establishments and on Ships of the RAN.
12. To assist in fulfilling your functions and responsibilities, you and your representatives may communicate directly with Navy Commands and other Defence Groups.
13. You are to bring to my attention any circumstances in which you experience or expect a conflict of priorities or tasking that would prevent you from meeting any of your responsibilities.

COMMAND RELATIONSHIPS

14. As Chair of the RANCCB you are directly responsible to me and you act with my authority. You are to assist me in meeting my intent through the provision of directed capability, by the effective and efficient management of your resources; the coordination and provision of expert advice and recommendations relevant to personnel and strategic matters; and through the timely identification and resolution of issues which may affect capability, safety, morale, or reputation. I expect that in the course of providing advice and recommendations, you will have liaised and consulted with all appropriate stakeholders and subject matter experts beforehand and that your advice will be clear, concise, considered and innovative.

15. You are to ensure you foster a healthy and collaborative relationship with Navy, whilst cognisant of the fact that all commercial operational authority rests with you as Chair. In accordance with section 27 of the *Navy (Canteen) Regulation 2016*, I direct that only you as the Chair of the RANCCB have the authority to open or close, permanently or temporarily, any Navy Canteens operation in any Navy shore establishment. Commanding Officers seeking to open or close a Navy Canteens operation, permanently or temporarily, must seek written approval from you as Chair. Where Commanding Officers initiate actions, inquiries or investigations that may affect Navy Canteens operations they are to inform you at the time and seek to mitigate any commercial effect of such matters wherever possible. Similarly you are to ensure you inform Commanding Officers of any significant variations in the service provided by Navy Canteens in their establishment ahead of that change taking effect.

OBLIGATION TO SAFETY

16. Navy Canteens is to adhere to the provisions of the *Workplace Health and Safety Act 2011* and to act such that the Navy community, and more broadly, the Defence community recognise Navy Canteens as safety practitioners with a positive attitude towards providing safe working environments.

REPORTING

17. You are to produce the following reports each year as a matter of course:

- a. an annual report audited by the Australian National Audit Office;
- b. by 31 July, a copy of the final Board approved version of the RANCCB Corporate Plan, which is required under the PGPA Act to be lodged by 31 August;
- c. quarterly WHS reports for consideration by me as part of the Navy Safety Board agenda; and
- d. a six monthly written brief on RANCCB performance.

18. You are to bring to my attention in a timely manner those significant occurrences or developments:

- a. that you consider need my personal attention, or which I should bring to the attention of the appropriate Minister or Parliamentary Secretary, Chief of the Defence Force or the Secretary of the Department of Defence;
- b. for which you receive significant criticism or praise from any other authority; or
- c. which results in you being unable to, or potentially unable to, meet your responsibilities or the expectations I have of you.

19. You are to personally brief me at least twice per year in August and February on the performance of Navy Canteens.

OTHERS TAKING ACTION ON YOUR BEHALF

20. Based on your recommendation, if deemed necessary, I will direct another Board member to act as the Chair during any periods of your extended absence. The Board member will at all times be required to exercise the Chair's responsibilities and authorities encompassed in this Directive. You are to ensure that any representative exercising the Chair's duties is fully conversant with this Directive and associated references.

GOVERNANCE

21. You are to make yourself familiar with the references. You are responsible for the standards of compliance and accountability for each function that involves you, your Board members and the Navy Canteens' Executive (CEO, National Operations Manager and Chief Finance Officer). This applies to all decision making by yourself, and on your behalf, by those under your control. Further, you should be aware of all delegations and authorisations available and applicable to you, whether by legislation or written instruments.

APPLICATION OF DIRECTIVE

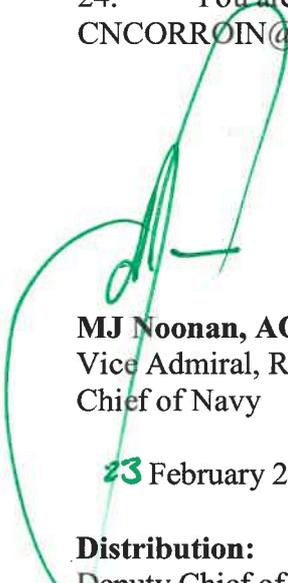
22. This Directive is effective immediately and supersedes any previous CN Directive given to you or any previous Chair. It must be read in conjunction with the referenced documents and any further directive or guidance which I may issue to you.

REVIEW

23. You are to periodically review this Directive and raise proposals for any necessary changes.

ACKNOWLEDGEMENT

24. You are to acknowledge receipt of this Directive to my Staff Officer via email
CNCORROIN@defence.gov.au



MJ Noonan, AO
Vice Admiral, Royal Australian Navy
Chief of Navy

23 February 2020

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