



PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 2007-08

DEFENCE PORTFOLIO
**(Department of Defence, the Defence Materiel Organisation and
Defence Housing Australia)**

EXPLANATION OF ADDITIONAL ESTIMATES 2007-08

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MINISTER FOR DEFENCE
THE HON JOEL FITZGIBBON MP

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2007-08 Additional Estimates for the Defence Portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

I present these statements by virtue of my ministerial responsibility for accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in black ink, appearing to read 'J Fitzgibbon', written in a cursive style.

The Hon Joel Fitzgibbon MP

CONTENTS

Letter of Transmittal	i
User guide	v
SECTION ONE – DEPARTMENT OF DEFENCE	VII
CHAPTER ONE – OVERVIEW	IX
Overview	5
Force structure	5
Overview of the 2007-08 Budget	6
Improvements in Defence’s financial statements	8
Organisational structure	8
CHAPTER TWO – RESOURCING.....	11
2007-08 additional estimates summary	13
2007-08 additional measures	14
Other receipts available to be used	20
Status of 2000 Defence White Paper funding	20
Funding for operations	23
2007-08 financial statements.....	26
Appropriations	33
Payments to the Defence Materiel Organisation	35
Discretionary grants.....	37
Indigenous programs	38
Savings and efficiency measures.....	38
Purchaser-provider arrangements	39
CHAPTER THREE – CAPITAL INVESTMENT PROGRAM.....	43
Overview	45
Defence capability plan	46
The Approved Major Capital Investment Program	46
Capital facilities projects	47
Other capital purchases.....	58
Capital receipts	58
CHAPTER FOUR – PEOPLE.....	61
Overview	63
Workforce summary	63
CHAPTER FIVE – PLANNED OUTCOME PERFORMANCE	69
Defence outcome and output structure.....	71
Cost of Defence outcomes	71
Outcome one – Command of operations	77
Outcome two – Navy capability.....	83
Outcome three – Army capability.....	87
Outcome four – Air Force capability	90

Outcome five – Strategic policy	92
Outcome six – Intelligence	94
Outcome seven – Superannuation and housing support services for current and retired Defence personnel	95
Table of explanations of significant variations across Defence outcomes.....	967
CHAPTER SIX – MANAGEMENT REFORMS AND EFFICIENCIES	99
Overview	101
Accountability and governance	101
Supporting our minister and the government	101
People management.....	102
Business system reform.....	102
Defence Management Review	103
Defence reform	103
CHAPTER SEVEN – BUDGETED FINANCIAL STATEMENTS	105
Notes to the budgeted financial statements	115
SECTION TWO – DEFENCE MATERIEL ORGANISATION	119
CHAPTER ONE – OVERVIEW	121
Overview	123
CHAPTER TWO – RESOURCING.....	125
Resources for 2007-08	127
CHAPTER THREE – PLANNED OUTCOME PERFORMANCE.....	129
Planned outcome performance	131
CHAPTER FOUR – GOVERNANCE AND REFORM.....	151
Governance and reform	153
CHAPTER FIVE – PEOPLE.....	155
People	157
CHAPTER SIX – BUDGETED FINANCIAL STATEMENTS	159
Budgeted financial statements	161
SECTION THREE – DEFENCE HOUSING AUSTRALIA	167
Overview	169
Budgeted financial statements	170
APPENDIX.....	175
List of tables and charts.....	177
Glossary	180
Acronyms and abbreviations.....	186

USER GUIDE

INTRODUCTION

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements, is to inform Senators and Members of Parliament and the public of the proposed allocation of resources to Government outcomes by agencies within the portfolio. However, unlike the Portfolio Budget Statements, the PAES summarise only the *changes* in resourcing by outcome since the Budget, that is, they do not include a complete resourcing table for the agency. The PAES include new measures, summarise the changes by Appropriation Bill, and, where relevant, by Special Appropriation and Special Account. The 2007-08 PAES also cover any significant changes to the portfolio which may have arisen from the change in government and the subsequent Administrative Arrangements Order of 25 January 2008.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (No. 3 and No. 4) 2007-08. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook 2007-08* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for agencies within the portfolio.

STRUCTURE OF THE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS

The PAES are presented in three parts with subsections.

SECTION ONE: DEFENCE	
Chapter One — Overview	Chapter One provides an update of Defence's budget, Defence's strategic objectives and environment, and Defence's organisational structure.
Chapter Two — Resourcing	Chapter Two provides an update of Defence's finances for 2007-08, including a revision of Defence's budget and measures, and an update of Defence's purchaser-provider arrangements.
Chapter Three — Capital Investment Program	Chapter Three provides an update of Defence's capital budget including medium and major capital facilities projects, other capital purchases and capital receipts.
Chapter Four — People	Chapter Four provides an update on Defence's personnel initiatives and workforce summary.
Chapter Five — Planned Outcome Performance	Chapter Five provides an update of the cost and performance targets for Defence's outcomes and outputs.
Chapter Six — Management Reforms and Efficiencies	Chapter Six provides an update of the implementation of internal reforms and efficiencies.
Chapter Seven — Budgeted Financial Statements	Chapter Seven provides an update of Defence's budgeted financial statements.
SECTION TWO: DEFENCE MATERIEL ORGANISATION	
Chapter One — Overview	The overview provides an update of the Defence Materiel Organisation's (DMO) challenges and opportunities, and structure.
Chapter Two — Resourcing	The resourcing chapter provides an update on the DMO's appropriations, cost recovery arrangements and purchaser-provider arrangements.
Chapter Three — Planned Outcome Performance	This chapter provides an update of the DMO's outcome and outputs, planned performance targets and planned evaluations.
Chapter Four — Governance and Materiel Reform	This chapter provides an update of the DMO's reforms.
Chapter Five — People	This chapter provides an update of the DMO's personnel initiatives and the organisation's workforce overview.
Chapter Six — Budgeted Financial Statements	This chapter provides an update of the DMO's budgeted financial statements.

SECTION THREE: DEFENCE HOUSING AUSTRALIA

This section provides an update of Defence Housing Australia's performance forecasts, outcome and output information, and budgeted financial statements.

APPENDIX

A list of tables and figures, a glossary and a list of acronyms and abbreviations.

STYLES AND CONVENTIONS USED

(a) The following notations may be used:

- nil
- .. not zero, but rounded to zero
- na not applicable (unless otherwise specified)
- nfp not for publication
- \$m \$ million
- \$b \$ billion

(b) Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

Should you have any enquiries regarding this publication please contact the Director, Statutory Reporting and Accountability, in the Department of Defence on (02) 6265 6277 or at dsra@defence.gov.au.

A copy of this document can be located on the Australian Government Budget website at: <http://www.budget.gov.au>.