



BUDGET

PORTFOLIO BUDGET STATEMENTS 2012-13
BUDGET RELATED PAPER NO. 1.5A

DEFENCE PORTFOLIO

BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY

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The document must be attributed as the *Defence Portfolio Budget Statements 2012-13*.



MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2012-13 Budget for the Department of Defence, the Defence Materiel Organisation and Defence Housing Australia.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

A handwritten signature in black ink, appearing to read 'Stephen Smith'.

Stephen Smith MP
Minister for Defence

ABBREVIATIONS AND CONVENTIONS

(a) The following notation may be used:

NEC/nec	not elsewhere classified
-	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nfp	not for publication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. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

ENQUIRIES

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

REFERENCES

Previous years' Defence Portfolio Budget Statements, Portfolio Additional Estimates Statements and Annual Reports can be found at www.defence.gov.au/budget/.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2012-13 Portfolio Budget Statements (PBS) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by agencies within the portfolio. Agencies receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PBS is to facilitate the understanding of proposed annual appropriations in Appropriation Bills No. 1 and No. 2 2012-13 (or Appropriation Bill [Parliamentary Departments] No. 1 2012-13 for the parliamentary departments). In this sense the PBS are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PBS provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, non general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PBS.

STRUCTURE OF THE PORTFOLIO BUDGET STATEMENTS

The Defence Portfolio Budget Statements are divided into three parts: the Department of Defence, the Defence Materiel Organisation (DMO) and the Defence Housing Australia (DHA). The sections of each part are outlined in the following table.

Portfolio Overview	
The portfolio overview outlines the responsibilities of the portfolio, list the relevant agencies and Ministers and the resources available.	
Department of Defence	
Section 1: Defence Overview and Resources	Section 1 provides the strategic direction for Defence, the functions and responsibilities of Defence, its organisational structure, as well as information about its contribution towards its outcomes for the budget year and the resources available. This section also provides information about Defence management reforms, its capital budget and workforce, including the DMO.
Section 2: Outcomes and Planned Performance	Section 2 provides a brief overview of Defence's outcomes and programs for 2012-13. Each outcome has an outcome resource statement which provides resourcing information by program. The deliverables and performance indicator information for each program follow the outcome resource statement.
Section 3: Explanatory tables and financial statements	This section includes explanatory tables and budgeted financial statements. The explanatory tables include: <ul style="list-style-type: none"> • an explanation of any differences between the information included in the Budget Papers and the PBS arising from the use of the Government Financial Statistics and Australian Accounting Standards accounting methodologies • supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing and use of appropriations, special account flows and Australian Government Indigenous Expenditure.
Defence Materiel Organisation	
Section 1: DMO Overview and resources	Section 1 provides an overview of the DMO's functions and responsibilities, including the strategic priorities for 2012-13 and organisational structure, as well as information about its contribution towards its outcomes for the budget year and the resources available. This section also provides summaries of the DMO's reform initiatives and governance activities.
Section 2: DMO Outcomes and Planned Performance	Section 2 provides an overview of the DMO's outcome and programs, including the Top 30 Projects, the Top 20 Sustainment Products and the Top 10 Minor Projects. This section also provides summaries of the DMO's reform initiatives and governance activities
Section 3: DMO Explanatory tables and financial statements	This section includes explanatory tables and budgeted financial statements. The explanatory tables include: <ul style="list-style-type: none"> • an explanation of any differences between the information included in the Budget Papers and the PBS arising from the use of the Government Financial Statistics and Australian Accounting Standards accounting methodologies • supplementary information on the reconciliation between total available appropriation and outcome attribution, the re-phasing and use of appropriations, special account flows and Australian Government Indigenous Expenditure.
Defence Housing Australia	
	This part provides an overview of Defence Housing Australia (DHA), including performance forecasts for 2012-13, DHA's outcome and output, and its 2012-13 budgeted financial statements.
Appendices	
	A glossary and list of acronyms and abbreviations.

TABLE OF CONTENTS

User Guide	vi
Structure of the Portfolio Budget Statements	vii
PORTFOLIO OVERVIEW	4
Ministers and their Portfolio Responsibilities	5
Changes Affecting the Portfolio	5
Portfolio Structure and Outcomes	8
Portfolio Resource Statement	9
Defence (including Defence Materiel Organisation) Workforce	11
DEPARTMENT OF DEFENCE	
Section 1: Defence Overview and Resources	16
1.1 Strategic Direction Statement	16
1.3 Funding from Government	28
1.4 Capital Investment Program	32
1.5 People	34
Section 2: Outcomes and Planned Performance	39
2.1 Outcomes and Performance Information	39
Section 3: Explanatory Tables and Budgeted Financial Statements	90
3.1 Explanatory Tables	90
3.2 Budgeted Financial Statements	94
DEFENCE MATERIEL ORGANISATION	
Section 1: Agency Overview and Resources	137
1.1 Strategic Direction Statement	137
1.2 DMO Resourcing	140
1.3 People	143
Section 2: Outcomes and Planned Performance	145
2.1 DMO Outcomes and Performance Information	146
Section 3: Explanatory Tables and Budgeted Financial Statements	193
3.1 Explanatory tables	193
3.2 DMO Budgeted Financial Statements	197
DEFENCE HOUSING AUSTRALIA	
Section 1: DHA Overview and Resources	209
1.1 Strategic Direction	209
1.2 Agency Resource Statement	211
1.3 Budget Measures	211
Section 2: Outcomes and Planned Performance	212
2.1 Outcomes and Performance Information	212
Section 3: Explanatory Tables and Budgeted Financial Statements	214
3.1 Explanatory Tables	214
3.2 Budgeted financial statements	214
Appendices	221
Glossary	222
Acronyms and Abbreviations	227

