

Portfolio Additional Estimates Statements 2014-15

Defence Portfolio

Explanations of Additional Estimates 2014-15

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Minister for Defence**

MA15-000126

Senator of the Hon Stephen Parry
President of the Senate
Parliament House
CANBERRA ACT 2600

The Hon Bronwyn Bishop MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Madam Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2014/2015 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



KEVIN ANDREWS MP

Abbreviations and Conventions

The following notations 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nfp	not for publication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

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

Should you have any enquiries regarding this publication please contact Director Financial Policy, Chief Finance Officer Group, Department of Defence on (02) 6265 3899.

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

Table of Contents

USER GUIDE	XI
DEFENCE PORTFOLIO OVERVIEW	3
Ministers and their Portfolio Responsibilities	4
Changes affecting the Portfolio	4
Portfolio Structure and Outcomes	5
DEPARTMENT OF DEFENCE	13
Section 1: Defence Overview and Resources	13
1.1 Strategic Direction Statement	13
1.2 Defence Resource Statement.....	14
1.3 Budget Measures	17
1.4 Capital Investment Programme	19
1.5 People.....	21
Section 2: Defence Outcomes and Planned Performance	25
2.1 Outcomes and Performance Information.....	25
Section 3: Defence Explanatory Tables and Budgeted Financial Statements	57
3.1 Explanatory Tables.....	57
3.2 Resource Summary	61
3.3 Budgeted Financial Statements	66
3.4 Consolidated Budgeted Financial Statements for the Department of Defence (including DMO)	82
APPENDICES	89
Appendix A: Defence Cooperation Programme	90
Appendix B: The Unapproved Major Capital Investment Programme (also known as the Defence Capability Plan)	91
Appendix C: Major Capital Facilities Programme.....	92
Appendix D: Approved Projects Being Developed for Private Financing Arrangements	103
Appendix E: Status of Major Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration (PWC) in 2014-15	104
DEFENCE MATERIEL ORGANISATION	109
Section 1: DMO Overview and Resources	109

1.1 Strategic Direction Statement	109
1.2 DMO Resource Statement	112
1.3 DMO Measures and Other Adjustments	114
1.4 Breakdown of Additional Estimates by Appropriation Bill	115
1.5 People.....	116
Section 2: DMO Outcomes and Planned Performance.....	118
2.1 Outcomes and Performance Information.....	119
Section 3: DMO Explanatory Tables and Budgeted Financial Statements.....	156
3.1 Explanatory Tables.....	156
3.2 DMO Budgeted Financial Statements	159
DEFENCE HOUSING AUSTRALIA	171
Section 1: DHA Overview and Resources	171
1.1 Strategic Direction Statement	171
1.2 DHA Resource Statement.....	172
1.3 Budget Measures	173
1.4 Additional Estimates and Variations.....	174
1.5 Breakdown of Additional Estimates by Appropriation Bill.....	175
Section 2: DHA Outcomes and Planned Performance	176
2.1 Outcome and Performance Information	176
Section 3: DHA Explanatory Tables and Budgeted Financial Statements	179
3.1 Explanatory Tables.....	179
3.2 Budgeted Financial Statements	179
GLOSSARY	184
ACRONYMS	190

**USER GUIDE
TO THE
PORTFOLIO ADDITIONAL
ESTIMATE STATEMENTS**

USER GUIDE

The purpose of the Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programmes supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in *Appropriation Bills (Nos. 3 and 4) 2014-15*. 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 (MYEFO) 2014-15* 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 entities within the portfolio.

Portfolio Overview

DEFENCE PORTFOLIO OVERVIEW

The Defence Portfolio consists of a number of component organisations that together are responsible for enabling the Defence of Australia and its national interests. The most significant bodies are:

- the Department of Defence: a department of state headed by the Secretary of the Department of Defence
- the Australian Defence Force (ADF): commanded by the Chief of the Defence Force (CDF) and consisting of the three Services, which are commanded by Service Chiefs
- the Defence Materiel Organisation (DMO): a Listed Entity within Defence, headed by a Chief Executive Officer.

The portfolio contains some smaller entities, including a number of statutory offices, trusts and companies created by the *Defence Force Discipline Act 1982*, *Defence Act 1903*, *Naval Defence Act 2010* and *Air Force Act 1923*, which are independent but reside administratively within Defence. These include, among others, the Defence Housing Australia (DHA) and the Australian Strategic Policy Institute (ASPI).

The Minister for Defence's Portfolio also contains the Department of Veterans' Affairs and associated bodies, as it is designated as part of the Defence Portfolio in the Administrative Arrangements Order. The Department of Veterans' Affairs is administered separately to Defence and information related to the department can be found in the Department of Veterans' Affairs Portfolio Budget and Portfolio Additional Estimate Statements.

Ministers and their Portfolio Responsibilities

CHANGES AFFECTING THE PORTFOLIO

On 23 December 2014 the Hon Kevin Andrews MP was sworn in as the Minister for Defence.

PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1: Defence Portfolio Structure and Outcomes

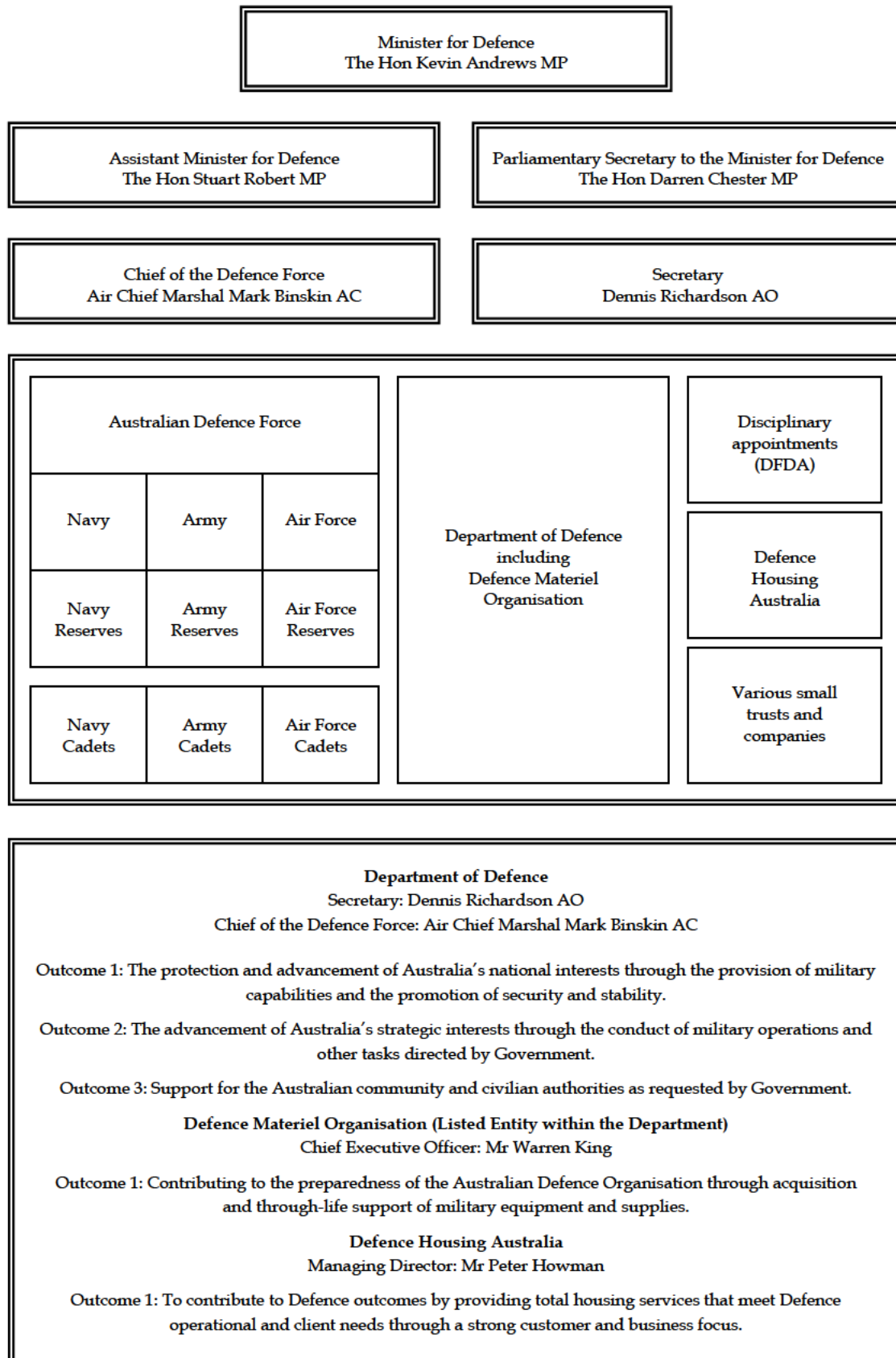
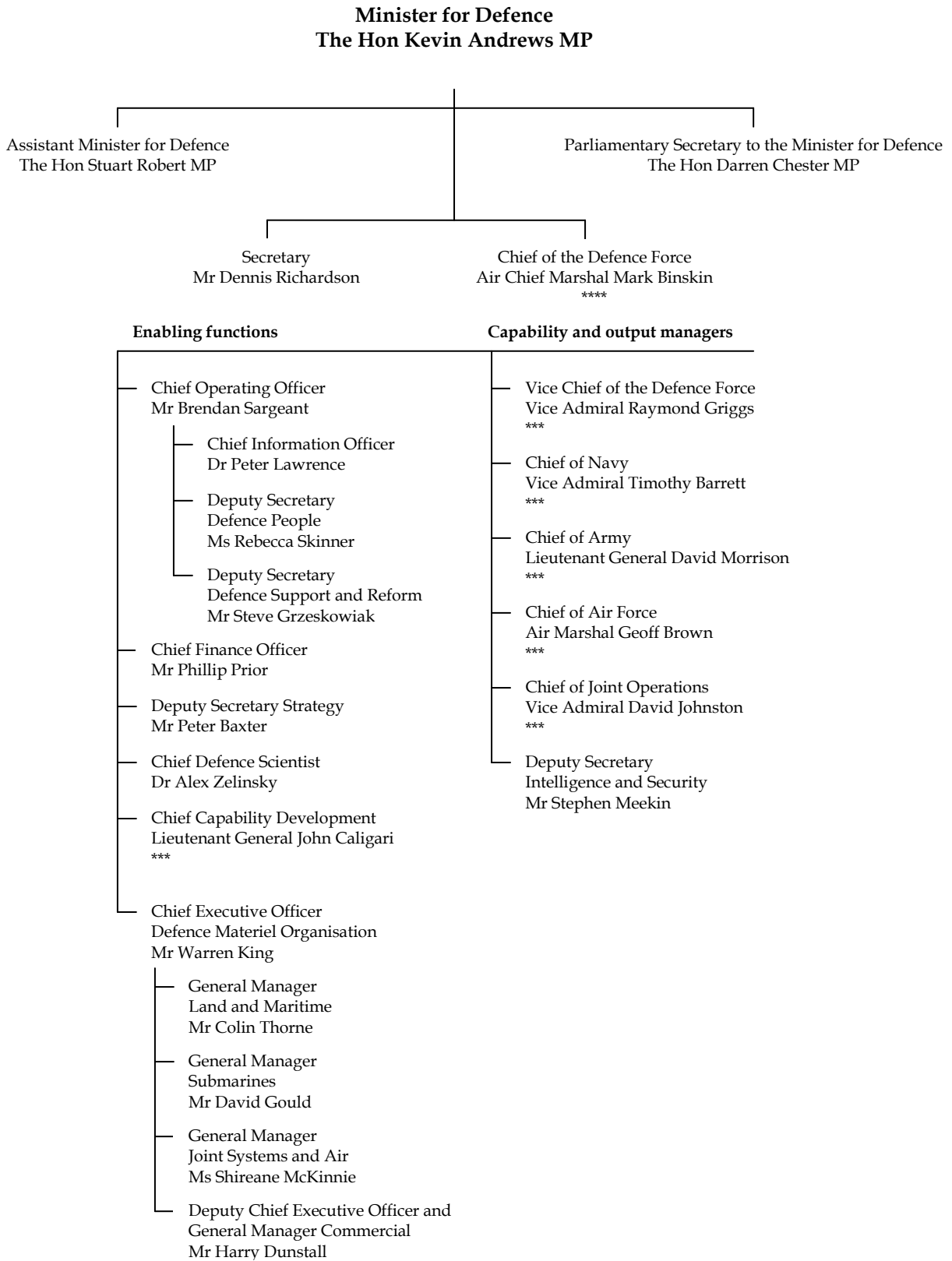


Figure 2: Defence Organisational Chart



Stars (*) refer to ADF Star Rank

Senior Executive Changes

The following changes have taken place since the *Portfolio Budget Statements (PBS) 2014-15*:

- On 4 April 2014, Rear Admiral David Johnston AM RAN was promoted to Vice Admiral. On 20 May 2014, Vice Admiral David Johnston AM RAN was appointed as Chief of Joint Operations, replacing Lieutenant General Brian Power AO CSC, who transferred to the Army Reserve on 19 July 2014.
- On 1 July 2014, Air Chief Marshal Mark Binskin AC was promoted and appointed to the Chief of the Defence Force, replacing General David Hurley AC DSC who transferred to the Army Reserve.
- On 1 July 2014, Vice Admiral Raymond Griggs AO CSC RAN, was appointed Vice Chief of the Defence Force.
- On 24 June 2014, Rear Admiral Timothy Barrett AO CSC RAN was promoted to Vice Admiral. On 1 July 2014, Vice Admiral Timothy Barrett AO CSC RAN was appointed to Chief of Navy.
- On 3 October 2014, Lieutenant General John Caligari AO DSC, was promoted and appointed to Chief of Capability Development Group, replacing Vice Admiral Peter Jones AO DSC RAN, who transferred to the Royal Australian Navy Reserve on 2 November 2014.
- With effect 12 May 2014, Ms Rebecca Skinner was promoted to the position of Deputy Secretary Defence People, replacing Ms Carmel McGregor, who retired from the Australian Public Service (APS) on 17 July 2014.
- Dr Ian Sare, the previous Deputy Chief Defence Scientist (Strategy & Programmes), retired from the APS on 29 August 2014.

Organisational Structure

The following changes have taken place since the PBS 2014-15:

- The Australian Defence Force Investigative Service, headed by Provost Marshal Australian Defence Force, transferred from Vice Chief of the Defence Force Group (VCDF Group) to Office of the Secretary and Chief of the Defence Force Group (OSCDF Group) on 1 July 2014.
- The Logistics Systems Branch, headed by Director General Logistics Systems, was established in Vice Chief of the Defence Force Group on 1 July 2014.
- The Combined Federated Battle Laboratories Network (CFBLNet) transferred from Chief Information Officer Group (CIOG) to Headquarters Joint Operations Command Australian Defence Simulation Training Centre to provide greater efficiencies in the sharing of technical expertise and knowledge and to enable the networks to develop along converging lines into one Defence training and experimentation network.

Defence Portfolio Bodies

The following changes have taken place since the PBS 2014-15:

Australian Military Forces Relief Trust Fund

Brigadier Peter Daniel AM CSC replaced Brigadier Gavan Reynolds AM CSC as Chairman of Australian Military Forces Relief Trust Fund.

Royal Australian Navy Central Canteens Board

Commodore Ian Murray replaced Rear Admiral Clinton Thomas AM CSC as Chairman of the Royal Australian Navy Central Canteens Board.

Royal Australian Navy Relief Trust Fund

Commodore Brett Wolski replaced Commodore Paul Kinghorne as Chairman of the Royal Australian Navy Relief Trust Fund.

AAF Company

Brigadier Peter Daniel AM CSC replaced Brigadier Paul Nothard as President of AAF Company.

Portfolio Resource Statement

Table 1: Portfolio Resources^[1]

	Departmental Bill No. 3	Departmental Bill No. 4	Appropriation Act (No.1) 2014-15	Appropriation Act (No.2) 2014-15 ^[2]	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Department of Defence										
Administered appropriations	-	-	-	-	49.6	1,085.8	1,135.4	-49.6	-	1,085.8
Departmental appropriations	557.7	-	-	-116.9	-71.4	-	369.5	106.1	-	475.5
Total Department of Defence	557.7	-	-	-116.9	-21.8	1,085.8	1,504.8	56.5	-	1,561.3
	Departmental Bill No. 3	Departmental Bill No. 4	Appropriation Act (No.1) 2014-15 ^[3]	Appropriation Act (No.2) 2014-15	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Defence Materiel Organisation										
Administered appropriations	-	-	-	-	-	-	-	-	-	-
Departmental appropriations	-	-	-1.4	-	-	-	-1.4	-257.0	-	-258.5
Total Defence Materiel Organisation	-	-	-1.4	-	-	-	-1.4	-257.0	-	-258.5
	Departmental Bill No. 3	Departmental Bill No. 4	Appropriation Act (No.1) 2014-15	Appropriation Act (No.2) 2014-15	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Defence Housing Australia										
Administered appropriations	-	-	-	-	-	-	-	-	-	-
Departmental appropriations	-	-	-	-	-	-	-	64.5	-	64.5
Total Defence Housing Australia	-	-	-	-	-	-	-	64.5	-	64.5
Total Portfolio	557.7	-	-1.4	-116.9	-21.8	1,085.8	1,503.4	-136.0	-	1,367.4

Notes

- Figures shown include inter-agency transactions.
- Defence will seek a determination by the Minister of Finance, under the Appropriation Act (No.2) 2014-15, to decrease the Departmental outcome appropriation.
- DMO will seek a determination by the Minister of Finance, under the Appropriation Act (No.1) 2014-15, to decrease the Departmental outcome appropriation.

