

**Portfolio Supplementary
Additional Estimates Statements
2014–15**

Appropriation Bill (No. 5) 2014-2015
and
Appropriation Bill (No. 6) 2014-2015
Defence Portfolio

Explanations of Supplementary Additional Estimates
2014–15

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The Hon Kevin Andrews MP Minister for Defence

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President
Dear Madam Speaker

I hereby submit these Portfolio Supplementary Additional Estimates Statements in support of the additional appropriations sought for the Defence Portfolio, through Appropriation Bill (No. 5) 2014-2015 and Appropriation Bill (No.6) 2014-2015.

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nfp	not for publication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 Assistant Secretary Financial Coordination, Chief Financial Officer Group, Department of Defence on (02) 6265 5380.

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

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**USER GUIDE
TO THE
PORTFOLIO SUPPLEMENTARY
ADDITIONAL ESTIMATES
STATEMENTS**

USER GUIDE

The purpose of the 2014-15 Portfolio Supplementary Additional Estimates Statements (PSAES) is to inform Senators, Members of Parliament and the public of the proposed allocation of additional resources to government outcomes by entities within the portfolio.

The PSAES facilitate understanding of the proposed appropriations in Appropriation Bill (No. 5) 2014-2015 and Appropriation Bill (No. 6) 2014-2015. In this sense the PSAES is declared by the Appropriation Acts to be a 'relevant document' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

Appropriation Bill (No. 5) 2014-2015, which follows on from *Appropriation Act (No. 1)* tabled at Budget and Appropriation Bill (No. 3) tabled at Additional Estimates, will provide additional expenditure authority for the ordinary annual services of government in respect of the 2014-15 financial year.

Appropriation Bill (No. 6) 2014-2015, which follows on from *Appropriation Act (No. 2)* tabled at Budget and Appropriation Bill (No. 4) tabled at Additional Estimates, will provide additional expenditure authority in respect of the 2014-15 financial year for capital works and services, payments to or for the states, territories and local government authorities, and new administered outcomes not authorised in specific legislation.

**AGENCY SUPPLEMENTARY
ADDITIONAL ESTIMATES
STATEMENTS**

DEPARTMENT OF DEFENCE

DEPARTMENT OF DEFENCE

Overview of additional appropriations

Defence funding has been updated to reflect movements in foreign exchange which is funded on a no-win no-loss basis.

AGENCY MEASURES TABLE

Table 1 summarises new Government measures taken since the 2014-15 Additional Estimates. The table is split into revenue, expense and capital measures, with the affected programme identified.

Table 1: Defence 2014-15 Supplementary Additional Estimates Measures^[1]

	Programme	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	Total FE \$'000
Other Departmental budget adjustments						
Foreign exchange	Various	320,326	732,196	681,041	688,658	2,422,221
Total other Departmental budget adjustments		320,326	732,196	681,041	688,658	2,422,221
Variation to Defence Departmental funding		320,326	732,196	681,041	688,658	2,422,221

Note

1. The other budget adjustments have also been included in the Portfolio Budget Statements 2015-16.

ADDITIONAL ESTIMATES AND VARIATIONS

The following table details the changes to the resourcing for Defence at Supplementary Additional Estimates, by outcome. The following table details the supplementary estimates and variations resulting from new measures and any other variations (if applicable) since the 2014-15 Additional Estimates in Appropriation Bills (No. 5 and No. 6).

Table 2: Supplementary additional estimates and variations to outcomes from measures and other variations^[1]

	Programme Impacted	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	Total FE \$'000
Outcome 1						
Increase in estimates (Departmental)						
Foreign exchange	Various	320,183	732,196	681,041	688,658	2,422,078
Net impact on estimates for Outcome 1 (Departmental)		320,183	732,196	681,041	688,658	2,422,078
Outcome 2						
Increase in estimates (Departmental)						
Foreign exchange	Various	143	-	-	-	143
Net impact on estimates for Outcome 2 (Departmental)		143	-	-	-	143

Note

1. The other budget adjustments have also been included in the Portfolio Budget Statements 2015-16.

BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

The following tables detail the Additional Estimates sought for Defence through Appropriation Bills (No. 5 and No. 6).

Table 3: Appropriation Bill (No. 5) 2014-2015^[1]

	Total available appropriation 2013-14 \$'000	Budget and Additional Estimate 2014-15 \$'000	Revised 2014-15 \$'000	Supplementary Additional Estimates \$'000
Departmental Outputs				
Outcome 1				
Australia's national interests are protected and advanced through the provision of military capabilities and the promotion of security and stability	23,440,073	25,584,124	25,492,580	-
Outcome 2				
Military operations and other tasks directed by the Government to achieve the desired results	1,022,827	788,859	789,002	-
Outcome 3				
Defence's support to the Australian community and civilian authorities to achieve the desired results	54,097	67,740	67,740	-
Total	24,516,997	26,440,723	26,349,322	-

Note

1. No additional appropriation is provided in Appropriation Bill (No.5) as the total funding change is negative. \$91.401m will be extinguished against Appropriation Bill (No.3).

Table 4: Appropriation Bill (No. 6) 2014-2015

	Total available appropriation 2013-14 \$'000	Budget and Additional Estimate 2014-15 \$'000	Revised 2014-15 \$'000	Supplementary Additional Estimates \$'000
Non-operating				
Equity injections	1,521,488	2,346,764	2,758,491	411,727
Total non-operating	1,521,488	2,346,764	2,758,491	411,727