

Section 2: Defence Outcomes and Planned Performance

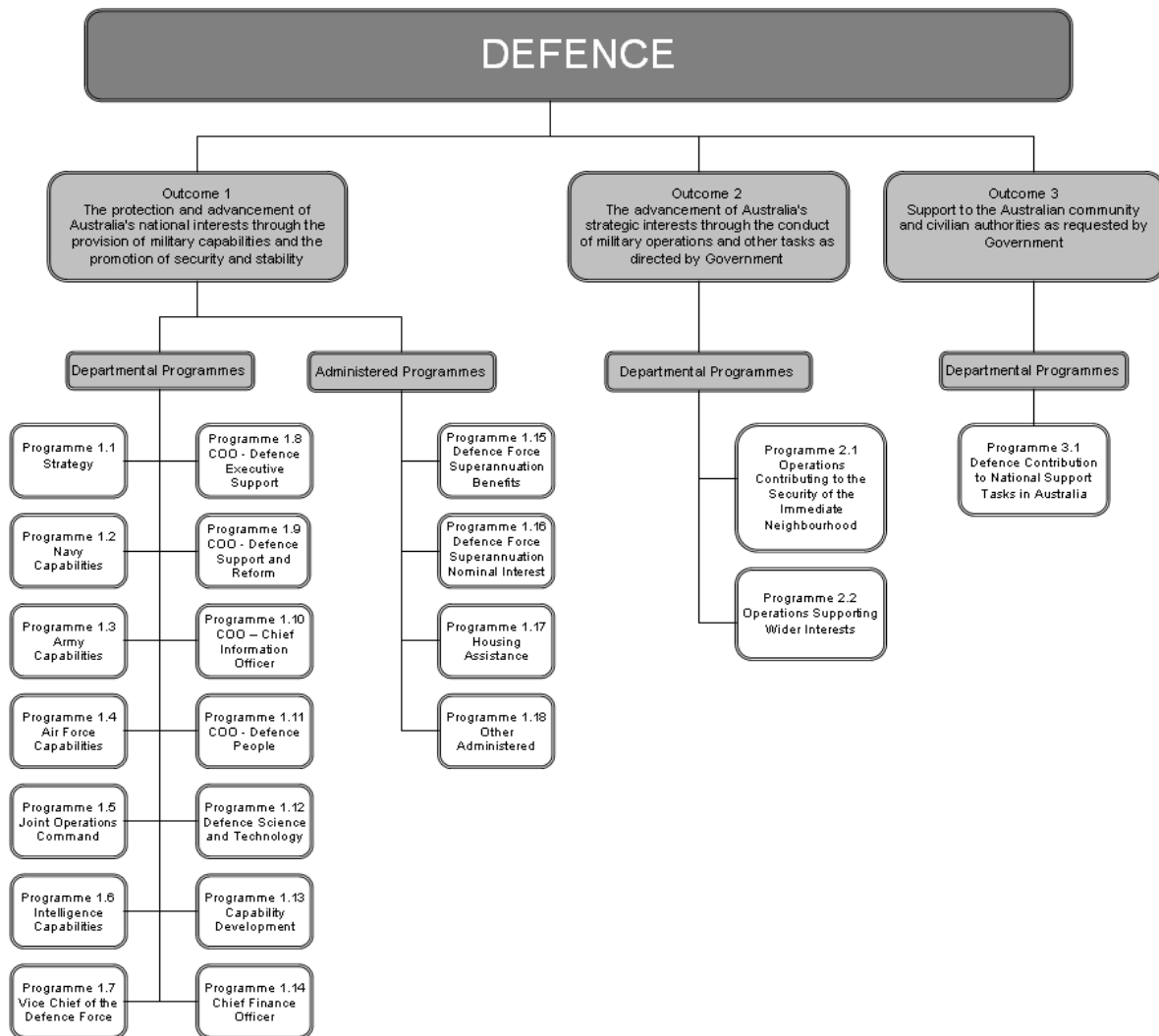
2.1 OUTCOMES AND PERFORMANCE INFORMATION

Government outcomes are the intended results, impacts or consequences of actions by the Government on the Australian community. Commonwealth programmes are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programmes which contribute to government outcomes over the Budget and forward years.

Each outcome is described below, together with its related programmes, specifying the performance indicators and targets used to assess and monitor the performance of the Department of Defence in achieving government outcomes.

For the purposes of the 2015-16 Portfolio Budget Statements, the DMO is a separate listed entity until 30 June 2015, and accordingly, the DMO is presented as a separate entity for the 2014-15 year. From 2015-16 onwards, the tables included in the 2015-16 Portfolio Budget Statements have been dissected to clearly demonstrate that DMO forms part of Defence.

Figure 3: Structure of Defence's Outcomes



Outcome 1: The protection and advancement of Australia's national interests through the provision of military capabilities and the promotion of security and stability

Outcome 1 Strategy

Outcome 1 addresses the following strategic objectives:

- maintaining and building a defence capability that underpins Australia's security and prosperity and provides options for a credible response wherever Australia's security interests are engaged; and
- strengthening Australia's defence relationships with our allies and partners.

Defence strategy guides the Department in developing and maintaining the capacity to deter and defeat attacks on Australia, and defend our interests.

Australia's security is ultimately enhanced by the quality of our international relationships with long-term allies and partners in the region, and with partners globally to protect Australia's interests. This is achieved by a continuing focus on defence international engagement, to build bilateral and multilateral relationships with regional defence and security forces, and develop habits of cooperation with Australia and each other.

A critical challenge under Outcome 1 lies in balancing support for current operations, and positioning Defence for the future, with the strategy and capability to manage a complex strategic environment.

The primary focus of Outcome 1 is on maintaining the capacity to support current commitments and provide strategic response options to the Government to meet the range of potential future security contingencies. It also includes working collaboratively with our neighbours and the broader international defence community, and contributing to coalition operations in support of Australia's national interests. As well as the provision of military capabilities, this outcome encompasses all of the policy, command and support functions undertaken by the organisation.

Defence's administered appropriations relating to superannuation, housing support services for current and retired Defence personnel and Other Administered are covered by Outcome 1. Apart from supporting current operations, which are described in detail under Outcomes 2 and 3, the priorities that will be progressed under Outcome 1 in 2015-16 are:

- delivering on the Government's commitment to release a 2015 Defence White Paper;
- implementing the recommendations of the First Principles Review of Defence; and
- continuing the commitment to the recruitment and retention of ADF personnel.

The following changes have taken place since the PAES 2014-15 in order to better reflect the roles, organisation structure and accountabilities within Defence:

- From 2015-16, Programme 1.1 Office of the Secretary and CDF will cease with its functions being transferred into Programmes 1.1 Strategy and 1.8 Chief Operating Officer – Defence Executive Support.
- The formation of Programme 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards includes the transfer of relevant functions from Programme 1.1 Office of the Secretary and CDF and Programme 1.9 Chief Operating Officer – Defence Support and Reform.

Outcome 1 Resources

Table 12: Total Budgeted Resources Available for Outcome 1

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Programme 1.1 Office of the Secretary and CDF^[1]					
Revenues from other sources	538				
Departmental outputs	169,128				
Programme 1.1 Strategy^[1]					
Revenues from other sources		434	426	420	430
Departmental outputs		175,385	167,963	179,763	198,077
Programme 1.2 Navy Capabilities					
Revenues from other sources	120,964	125,611	129,037	133,393	137,762
Departmental outputs	5,103,368	5,208,839	5,005,256	5,002,152	5,017,616
Programme 1.3 Army Capabilities					
Revenues from other sources	103,207	111,768	113,182	118,664	124,314
Departmental outputs	6,498,449	6,774,894	6,477,388	6,384,333	6,356,722
Programme 1.4 Air Force Capabilities					
Revenues from other sources	165,358	190,900	198,769	206,953	215,373
Departmental outputs	5,163,895	5,505,105	5,066,538	5,165,880	5,166,318
Programme 1.5 Joint Operations Command					
Revenues from other sources	-	-	559	572	576
Departmental outputs	43,438	50,452	53,099	57,078	52,003
Programme 1.6 Intelligence Capabilities					
Revenues from other sources	11,500	12,073	12,341	12,536	13,014
Departmental outputs	558,483	641,560	610,621	625,632	659,425
Programme 1.7 Vice Chief of the Defence Force					
Revenues from other sources	362,077	348,585	361,922	376,018	390,545
Departmental outputs	1,165,416	1,197,436	1,227,060	1,249,217	1,276,923
Programme 1.8 Chief Operating Officer - Defence Executive Support^{[1] [2]}					
Revenues from other sources		116	118	122	124
Departmental outputs		119,050	126,860	106,809	110,516
Programme 1.9 Chief Operating Officer - Defence Support and Reform^[2]					
Revenues from other sources	377,744	371,810	351,961	374,889	376,805
Departmental outputs	3,976,543	3,955,552	3,829,401	4,500,440	4,284,114
Programme 1.10 Chief Operating Officer - Chief Information Officer					
Revenues from other sources	4,867	1,983	2,823	2,911	2,998
Departmental outputs	1,253,555	1,147,300	1,080,674	1,173,030	1,075,828
Programme 1.11 Chief Operating Officer - Defence People					
Revenues from other sources	-	-	-	-	-
Departmental outputs	444,242	446,297	447,907	441,144	449,777
Programme 1.12 Defence Science and Technology					
Revenues from other sources	32,867	32,744	33,619	34,629	35,634
Departmental outputs	416,455	431,649	405,141	384,414	382,913
Programme 1.13 Capability Development					
Revenues from other sources	17,261	21,938	26,268	30,960	35,991
Departmental outputs	588,603	1,433,761	2,904,415	3,673,738	4,967,887
Programme 1.14 Chief Finance Officer					
Revenues from other sources	803,204	6,059	6,171	6,298	6,623
Departmental outputs	111,005	976,444	1,037,977	1,072,140	1,108,612

Table 12: Total Budgeted Resources Available for Outcome 1 (continued)

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Programme 1.15 Defence Force Superannuation Benefits					
<i>Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)</i>	-	-	-	-	-
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	154,000	99,981	89,237	78,071	67,347
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17</i>	2,337,883	1,453,170	1,417,673	1,391,271	1,375,550
Total Administered Expenses	2,491,883	1,553,151	1,506,910	1,469,342	1,442,897
Administered revenues from other sources	1,316,539	1,347,113	1,234,075	1,166,590	1,099,694
Total Programme 1.15	1,175,344	206,038	272,835	302,752	343,203
Programme 1.16 Defence Force Superannuation Nominal Interest					
<i>Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)</i>	23,000	25,542	24,248	22,980	21,744
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	1,640,000	1,772,645	1,788,588	1,802,054	1,812,804
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17</i>	1,743,000	1,759,277	1,913,665	2,070,851	2,231,171
Total Administered Expenses	3,406,000	3,557,464	3,726,501	3,895,885	4,065,719
Administered revenues from other sources	-	-	-	-	-
Total Programme 1.16	3,406,000	3,557,464	3,726,501	3,895,885	4,065,719
Programme 1.17 Housing Assistance					
<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	1,357	1,116	928	771	640
<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	103,175	118,661	136,705	151,574	170,457
Total Administered Expenses	104,532	119,777	137,633	152,345	171,097
Administered revenues from other sources	13,953	14,416	15,268	16,127	16,993
Total Programme 1.17	90,579	105,361	122,365	136,218	154,104
Programme 1.18 Other Administered					
Administered revenues from other sources	109,627	112,814	116,149	108,845	99,472
Total Programme 1.18	-109,627	-112,814	-116,149	-108,845	-99,472
Total resourcing					
Total Departmental outputs	25,492,580	28,063,724	28,440,300	30,015,770	31,106,731
Total Administered	4,562,296	3,756,049	4,005,552	4,226,010	4,463,554
Total Departmental revenue from other sources	1,999,587	1,224,021	1,237,196	1,298,365	1,340,189
Total Administered revenue from other sources	1,440,119	1,474,343	1,365,492	1,291,562	1,216,159
Equity injection	2,758,491	2,875,209	2,516,263	3,568,920	4,889,446
Total resources for Outcome 1	36,253,073	37,393,346	37,564,803	40,400,627	43,016,079

Notes

1. A restructure of Defence Programmes at the end of 2014-15 has resulted in Programme 1.1 Office of the Secretary and CDF being disbanded, with resources from this Programme transferred to Programmes 1.1 Strategy and 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards.
2. The formation of Programme 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards includes the transfer of relevant functions from Programme 1.1 Office of the Secretary and CDF and Programme 1.9 Chief Operating Officer – Defence Support and Reform.

Contributions to Outcome 1

Programme 1.1: Office of the Secretary and CDF

Programme 1.1 Objective

The Office of the Secretary and CDF (OSCDF) Group's primary objective in delivering Programme 1.1 is to support the Secretary and CDF so they can deliver high quality policy advice to the Government, drive organisational reform and exercise strategic leadership.

The OSCDF Group manages the vast array of operational, policy, commercial, regulatory, risk and other matters associated with the Defence mission of defending Australia and its national interests.

During 2014-15, the Group continues to drive implementation of the strategic reforms across Defence. It will implement new measures to align Defence's corporate functions with strategic planning and lead the development of the *2015 Defence White Paper*.

The Group comprises the small personal offices of the Secretary and CDF, the Strategy Executive, the Audit and Fraud Control Division, the ADF Investigative Service (ADFIS) and a number of Military Justice agencies.

Table 13: Cost Summary for Programme 1.1 Office of Secretary and CDF^[1]

	2014-15 Estimated Actual \$'000
Expenses	
Employees	36,607
Suppliers	126,819
Grants	4,766
Depreciation and amortisation	1,474
Finance cost	-
Write-down of assets and impairment of assets	-
Net losses from sale of assets	-
Other expenses	-
Total expenses	169,666
Income	
Revenues	
Goods and services	435
Other revenue	103
Total revenue	538
Gains	
Reversal of previous asset write-downs	-
Net gains from sale of assets	-
Other gains	-
Total gains	-
Total income	538
Programme 1.1 Office of the Secretary and CDF	169,128

Note

1. A restructure of Defence Programmes at the end of 2014-15 has resulted in Programme 1.1 Office of the Secretary and CDF being disbanded, with resources from this Programme transferred to Programmes 1.1 Strategy and 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards.

Programme 1.1 Deliverables

- Provide direction for the contribution of Defence to operations as directed by Government.
- Ensure delivery of the Defence Cooperation Programme within available resources.
- Lead the development of the *2015 Defence White Paper*.
- Ensure Defence strategic policy objectives align with Government direction and priorities, including fiscal policy.
- Ensure Defence's international relationships promote security and enhance productive Defence partnerships, particularly regionally, consistent with broader foreign policy goals including through practical engagement conducted under the Defence Cooperation Programme as discussed in Appendix A.
- Provide policy advice on strategic issues including strategic risks and core Defence strategy settings, arms control, counter-proliferation, counter-terrorism, international engagement, cyber, space and ballistic missile defence policy, major capability acquisitions, industry and innovation policy.
- Improve the management of export control of defence and strategic goods.
- Administer use of the Australia-United States Defence Trade Cooperation Treaty by Australian Government agencies and defence industry.
- Implementation of the recommendations of the review into the Woomera Prohibited Area.
- On behalf of the Secretary and CDF undertake independent audits of Defence activities, and coordinate Australian National Audit Office activity in Defence.
- On behalf of the Secretary and CDF, take a leading role in the prevention and detection of fraud, undertake fraud investigations, and produce the Defence Fraud Control Plan.
- Provide investigative and policing advice and deliver investigative services to support discipline within the ADF.

Programme 1.1 Key Performance Indicators

- Staff skills are developed and personnel management practices successfully balance competing priorities.
- Policy guidance is forward-looking, timely, innovative and practical.

Programme 1.1: Strategy

Programme 1.1 Objective

The Strategy Group's primary objective in delivering Programme 1.1 is to provide policy advice to enable the Government to make sound judgements on, and respond to changes in Australia's strategic environment.

The Strategy Group provides policy advice on the central issues of Australia's defence policy, including ADF operations, international defence relations, arms control, and defence export controls. Strategy Group is also responsible for developing long-term strategic guidance on defence and security issues; advancing Australia's international security relationships through a network of Defence Attachés and Advisers, and managing the Defence Cooperation Programme, which aims to build the security capacity of partner nations, consistent with Australia's strategic interests.

During 2015-16, the Group will continue to provide the Government with comprehensive and timely policy advice on ADF operations, current and emerging security issues, and finalise the *2015 Defence White Paper*.

The Group currently comprises the International and Strategic Policy Divisions, and the 2015 White Paper Team.

Table 14: Cost Summary for Programme 1.1 Strategy^[1]

	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses				
Employees ^[2]	30,281	23,728	23,263	23,884
Suppliers	139,925	139,221	151,552	168,989
Grants	4,309	4,418	4,482	4,595
Depreciation and amortisation	1,304	1,022	886	1,039
Finance cost	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-
Net losses from sale of assets	-	-	-	-
Other expenses	-	-	-	-
Total expenses	175,819	168,389	180,183	198,507
Income				
Revenues				
Goods and services	434	426	420	430
Other revenue	-	-	-	-
Total revenue	434	426	420	430
Gains				
Reversal of previous asset write-downs	-	-	-	-
Net gains from sale of assets	-	-	-	-
Other gains	-	-	-	-
Total gains	-	-	-	-
Total income	434	426	420	430
Programme 1.1 Strategy	175,385	167,963	179,763	198,077

Notes

1. A restructure of Defence Programmes at the end of 2014-15 has resulted in Programme 1.1 Office of the Secretary and CDF being disbanded, with resources from this Programme transferred to Programmes 1.1 Strategy and 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards.

2. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.1 Deliverables

- Provide policy guidance for ADF operations consistent with Government direction.
- Lead the development of the 2015 Defence White Paper.
- Ensure Defence's international relationships promote security, particularly regionally, consistent with Government policy goals.
- Ensure delivery of the Defence Cooperation Programme within available resources.
- Provide policy advice on strategic issues including arms control, counter-proliferation, counter-terrorism, international engagement, cyber, space and ballistic missile defence policy, major capability acquisitions, foreign investment, and industry and innovation policy.
- Improve the management of export control of defence and strategic goods.
- Administer use of the Australia-United States Defence Trade Cooperation Treaty by Australian Government agencies and defence industry.
- Implement the recommendations of the Review into the Woomera Prohibited Area.

Programme 1.1 Key Performance Indicators

- Policy guidance is forward-looking, timely, innovative and practical.
- Defence's international engagement activities contribute to the effective management of Australia's security interests.
- Defence's export control system is effectively managed, and balances proliferation concerns and Australia's trade objectives.
- Staff skills are developed and continually enhanced.

Programme 1.2: Navy Capabilities

Programme 1.2 Objective

The Navy's objective in delivering Programme 1.2 is to provide maritime forces that contribute to the ADF's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect our national interests.

Navy provides maritime patrol and response, interdiction and strategic strike, amphibious operations, protection of shipping and offshore territories and resources, maritime intelligence collection and evaluation, hydrographic and oceanographic operations, and escort duties. Peacetime activities include maritime surveillance and response within Australia's offshore maritime zones, hydrographic, oceanographic and meteorological support operations, humanitarian assistance, disaster relief and maritime search and rescue.

Table 15: Cost Summary for Programme 1.2 Navy Capabilities

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	1,951,141	2,087,777	2,019,033	2,027,582	2,048,308
Suppliers	2,142,614	2,257,163	2,237,501	2,278,884	2,375,044
Grants ^[2]	400	-	-	-	-
Depreciation and amortisation	896,751	834,754	723,071	674,373	576,338
Finance cost	29,662	30,982	33,999	37,572	42,700
Write-down of assets and impairment of assets ^[3]	203,764	123,774	120,689	117,134	112,988
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	5,224,332	5,334,450	5,134,293	5,135,545	5,155,378
Income					
Revenues					
Goods and services ^[4]	68,092	71,973	75,312	78,859	82,460
Other revenue	30,484	31,623	31,839	32,777	33,699
Total revenue	98,576	103,596	107,151	111,636	116,159
Gains					
Reversal of previous asset write-downs	22,388	22,015	21,886	21,757	21,603
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	22,388	22,015	21,886	21,757	21,603
Total income	120,964	125,611	129,037	133,393	137,762
Programme 1.2 Navy Capabilities	5,103,368	5,208,839	5,005,256	5,002,152	5,017,616

Notes

- Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
- Grants in 2014-15 include the approved grant for the Australian Sailor Pty Ltd.
- Included in the 2014-15 write-down of assets and impairment of assets is an amount relating to the transfer of the Ocean Shield to the Department of Immigration and Border Protection.
- Goods and services revenue include Military workforce cost recovery.

Programme 1.2 Deliverables

- Provide assigned forces and maintain preparedness to deliver capability to meet Government requirements.
- Undertake joint collective training to ensure force elements are prepared for deployment and operations.
- In consultation with the Capability Development Group and the DMO, continue to plan, develop and monitor the delivery of, and transition to, new capability.
- Provide timely, accurate and considered advice on Navy capabilities to the Government, the CDF and the Secretary.
- Deliver reform and savings without compromising agreed levels of Navy capability and safety.
- Meet national hydrographic survey and charting obligations.

Programme 1.2 Key Performance Indicators

- Achieve levels of preparedness as directed by CDF.
- Generate and sustain forces to meet the Government's operational requirements.
- Achieve a level of training that maintains core skills, professional standards and baseline preparedness.
- Provide timely, accurate and considered advice on Navy capabilities to the Government, the CDF and the Secretary.
- Achieve Hydroscheme data and surveying tasking requirements to meet national hydrographic surveying and charting obligations.

Table 16: Navy Key Performance Indicator (Unit Ready Days)^[1]

Deliverables		2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
20	Major Combatants ^[2]	3,028	3,280	3,544	4,435	3,628
19	Minor Combatants ^[3]	4,417	4,186	4,710	4,574	4,574
6	Amphibious and Afloat Support ^[4]	1,482	821	1,250	1,538	1,465
7	Maritime Teams ^[5]	2,555	2,558	2,555	2,555	2,555
9	Hydrographic Force ^[6]	2,971	2,437	2,381	2,505	2,429

Notes

1. Unit Ready Days (URD) are the aggregate number of days that constituent force elements are available for tasking.
2. Major Combatants comprises Adelaide class frigates, Anzac class frigates, Hobart class air warfare destroyers (from 2016-17) and submarines. Two Adelaide class frigates are to be withdrawn from service, HMAS *Sydney* in December 2015 and HMAS *Darwin* in March 2017. HMAS *Sydney* ceased operational service in March 2015.
3. Minor Combatants comprises Armidale class patrol boats (ACPB) and coastal mine hunters (MHC). MHCs *Hawkesbury* and *Norman* were placed in extended readiness in 2009. ACPB HMAS *Bundaberg* was decommissioned in December 2014.
4. Amphibious and Afloat Support comprises oil tanker, replenishment ship, landing ship dock, heavy landing ship and Canberra class landing helicopter dock (from Initial Operational Capability 2015-16). The three remaining heavy landing craft decommissioned November 2014, and HMAS *Tobruk* is due to decommission in June 2015.
5. Maritime Teams comprises clearance diving teams, the deployable geospatial support team and mobile meteorological and oceanographic team.
6. Hydrographic Force comprises hydrographic ships, survey motor launches, chart production office and meteorological and oceanographic centres.

Table 17: Navy Key Performance Indicator (Unit Availability Days)^{[1][2]}

Deliverables		2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
20	Major Combatants ^[3]	2,951	2,984	3,245	3,971	3,300
19	Minor Combatants ^[4]	3,606	3,724	4,300	4,395	4,395
6	Amphibious and Afloat Support ^[5]	1,374	722	1,202	1,411	1,351
7	Maritime Teams ^[6]	2,555	2,558	2,555	2,555	2,555
9	Hydrographic Force ^[7]	2,283	2,512	2,457	2,462	2,601

Notes

1. A Unit Availability Day (UAD) is a day when a unit is materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately. UAD differs from URD in that for UAD minor maintenance periods, defects, training and personnel state of a unit are taken into account.
2. UAD is intended to replace URD as the Navy statutory reporting measure. Both URD and UAD will be reported for a transition period of two years (2014-15 and 2015-16).
3. Major Combatants comprises Adelaide class frigates, Anzac class frigates, Hobart class air warfare destroyers (from 2016-17) and submarines. Two Adelaide class frigates are to be withdrawn from service, HMAS *Sydney* in December 2015 and HMAS *Darwin* in March 2017. HMAS *Sydney* ceased operational service in March 2015.
4. Minor Combatants comprises Armidale class patrol boats (ACPB) and coastal mine hunters (MHC). MHCs *Hawkesbury* and *Norman* were placed in extended readiness in 2009. ACPB HMAS *Bundaberg* was decommissioned in December 2014.
5. Amphibious and Afloat Support comprises oil tanker, replenishment ship, landing ship dock, heavy landing ship and Canberra class landing helicopter dock (from Initial Operational Capability 2015-16). The three remaining heavy landing craft decommissioned November 2014, and HMAS *Tobruk* is due to decommission in June 2015.
6. Maritime Teams comprises clearance diving teams, the deployable geospatial support team and mobile meteorological and oceanographic team.
7. Hydrographic Force comprises hydrographic ships, survey motor launches, chart production office and meteorological and oceanographic centres.

Table 18: Navy Key Performance Indicator (Hydroscheme Products)

Deliverables	2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
Maritime Safety Updates ^[1]	1,100	1,100	1,100	1,100	1,100
Charting Projects ^[2]	17	15	15	15	15
Nautical Publications ^[3]	30	29	29	29	29

Notes

1. A Maritime Safety Update is an urgent safety-critical revision to published paper and Electronic Navigational Charts and official nautical publications that are distributed to the nautical community on a fortnightly cycle.
2. A Charting Project includes all priority elements involved in producing paper and electronic charts for particular geographic area projects.
3. Nautical publications include three annual publications- Australian Tide Tables, Annual Notices to Mariners and AusTides; 25 fortnightly Notices to Mariners; and selected additional publications each year. HydroScheme has been removed from the publications target as it is not a mandated publication.

Table 19: Navy Key Performance Indicator (Flying Hours)

Deliverables	2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
16 S-70B-2 (Seahawk) ^[1]	3,200	2,250	1,200	300	-
13 AS350BA (Squirrel) ^[2]	3,000	1,500	1,500	1,500	1,500
13 MH-60R	2,400	3,400	4,800	6,050	7,200
- MRH-90 ^[3]	-	-	-	-	-
1 Laser airborne depth sounder aircraft	935	980	980	980	980

Notes

1. Seahawk hours are being progressively reduced with the introduction of the MH-60R.
2. Squirrel hours have been reduced and those resources redirected to a leased training helicopter ahead of the Squirrel replacement by 15 EC135s helicopters under AIR9000 Ph 7.
3. Navy is operating MRH90s; however, their flying hours have been included under Army Aviation, as Army is joint capability manager for the aircraft. Navy have six aircraft and approximately 1,500 hours per annum in the mature state.

Programme 1.3: Army Capabilities

Programme 1.3 Objective

Army's primary objective in delivering Programme 1.3 is to contribute to the achievement of the Government's defence objectives through the provision of capabilities for land and special operations. Army is to prepare forces for Joint Force-In-Being contributions to: understanding and shaping the strategic environment; assisting civil authorities in Australia and abroad; and deterring, denying and/or defeating adversaries that threaten Australia, or its strategic interests.

Army's first priority is to continue to support forces and individuals deployed on operations. During 2015-16 Army will remain committed across a spectrum of operations at the domestic, regional and global level. Army will continue to sustain and preserve the ability to deploy and sustain a brigade group and a battalion group, in different areas of operation, for a prolonged period of time in our primary operational environment.

Army will further develop and refine the Force Generation Cycle to ensure Army is capable of supporting current operations while concurrently posturing to meet the challenges of future operations. During 2015-16, the continued implementation of Combat Brigade and Army Reserve reform, under Plan BEERSHEBA, will see the realisation of common structures and capability across Army. These changes will optimise Army's Force Generation Cycle and achieve efficiencies in personnel management, resource usage and equipment required to sustain operational missions and readiness for potential contingencies. Army will continue to deliver Plan BEERSHEBA within extant resources. Army's contributions to the ADF Amphibious capability will continue to be developed and refined.

Army will continue its cultural reform journey through a range of initiatives focused on culture, diversity and inclusion. These initiatives are designed to ensure that Army reflects today's community standards and attitudes while maintaining its focus on capability and winning the land battle. These initiatives include our: 'Contract with Australia', 'A Matter of Respect' training package, increased workforce participation for female and Indigenous members, seeking White Ribbon Australia accreditation and the removal of gender restrictions.

Table 20: Cost Summary for Programme 1.3 Army Capabilities

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	3,737,281	4,049,921	3,961,791	3,985,104	4,014,185
Suppliers	1,747,748	1,821,103	1,823,999	1,854,352	1,902,123
Grants ^[2]	3,393	2,997	2,999	93	95
Depreciation and amortisation	1,015,156	915,518	705,172	566,738	467,917
Finance cost	4,064	4,615	4,316	5,130	6,300
Write-down of assets and impairment of assets	94,014	92,508	92,293	91,580	90,416
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	6,601,656	6,886,662	6,590,570	6,502,997	6,481,036
Income					
Revenues					
Goods and services ^[3]	77,065	81,375	85,244	89,821	94,563
Other revenue	3,666	4,052	617	633	649
Total revenue	80,731	85,427	85,861	90,454	95,212
Gains					
Reversal of previous asset write-downs	18,291	18,792	19,772	20,661	21,553
Net gains from sale of assets ^[4]	4,185	7,549	7,549	7,549	7,549
Other gains	-	-	-	-	-
Total gains	22,476	26,341	27,321	28,210	29,102
Total income	103,207	111,768	113,182	118,664	124,314
Programme 1.3 Army Capabilities	6,498,449	6,774,894	6,477,388	6,384,333	6,356,722

Notes

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
2. Grants from 2014-15 to 2016-17 predominately include a grant made to the Australian War Memorial.
3. Goods and services revenue include Military workforce cost recovery.
4. Net gains from sale of assets include the gains arising from the disposal of B-vehicles.

Programme 1.3 Deliverables

- Prepare, sustain and lead assigned forces to deliver capability to meet Government requirements.
- Conduct force generation and preparation while maintaining CDF directed levels of capability preparedness.
- Continue to contribute to domestic security operations.
- In consultation with Capability Development Group and the DMO, continue to plan, develop and monitor the delivery of, and transition to, new capabilities.
- Provide timely, accurate and considered advice on Army capabilities to the Government, the CDF and the Secretary.
- Develop programmes to increase diversity within Army's workforce including clear milestones for improving participation rates for females and Indigenous members.
- Continue to strengthen and improve programmes that provide support for Army's seriously wounded and ill personnel.
- Undertake individual as well as joint and combined collective training to ensure force elements are prepared for deployment.
- Implement reform through the Adaptive Army framework, Army Continuous Modernisation Plan and the Army Plan (this includes the Plan BEERSHEBA initiatives such as the forming of: like Combat Brigades, an Amphibious capability and reform of the Army Reserve).
- Deliver Group specific reform and savings without compromising agreed levels of Army capability, including the revamping of Army's governance, risk, budgeting and performance achievement management.

Table 21: Army Deliverables (Rate of Effort – Flying Hours)

Deliverables		2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
6	CH-47D Chinook	1,685	380	-	-	-
7	CH-47F Chinook ^[1]	115	1,320	1,700	2,000	2,000
34	S-70A Black Hawk	5,090	4,230	3,730	2,000	-
41	B-206 Kiowa ^[2]	5,250	6,000	6,000	6,000	6,000
22	ARH Tiger ^[3]	3,250	5,846	6,227	6,227	6,227
47	MRH90 Taipan ^[4]	5,335	7,100	8,400	9,300	10,000

Notes

1. 2014-15 Chinook ROE increased from 1,700 to 1,800 baseline to account for early delivery of CH-47F and associated test flying, and transit hours for CH-47Ds as they are withdrawn from service. CH-47F ROE will be increased to 2,000 from 2017-18.
2. 2014-15 B-206 Kiowa ROE underachievement is due to reduced pilot trainee throughput as Operational Type Trainees have been sourced from holding platoon and 173 Avn Sqn. FORCOMD expects to significantly reduce B-206 hours from 2016-17 as transition to Project AIR9000 Phase 7, Helicopter Aircrew Training System begins.
3. While Tiger reliability, availability and maintainability continue to improve, rate of effort is affected by the low rate of availability of aircraft with fully serviceable mission equipment due to poor but improving contracted sustainment support and the requirement for unscheduled maintenance.
4. MRH90 Taipan experienced a minor underfly in 2014-15 due to the late delivery of aircraft from the production line.

Programme 1.3 Key Performance Indicators

- Achieve levels of capability preparedness as directed by the CDF.
- Meet the Government's operational requirements.
- Generate, prepare and sustain land forces for each current operation.
- Achieve a level of training that maintains core skills, professional standards and baseline capability preparedness.
- Provide timely, accurate and considered advice on Army capabilities to the Government, the CDF and the Secretary.

Programme 1.4: Air Force Capabilities

Programme 1.4 Objective

The Air Force's primary objective in delivering Programme 1.4 is to provide air power for Australia's interests.

Air Force provides the Government with rapid and responsive military options across the spectrum of operations – from humanitarian assistance through to high-end warfighting. Air power's unique combination of flexibility, reach, precision and speed means that Air Force can project air power anywhere, anytime within our region or around the world to protect Australia and its national interests.

Air Force's objective is achieved through our core air power roles – control of the air; strike; air mobility; and intelligence, surveillance and reconnaissance – which are supported by our enabling air powers roles – command and control; force protection; and force generation and sustainment.

Air Force is working to create a future force that is agile and adaptive, fully immersed in the information age, and truly joint. This will ensure Air Force can keep pace with changes in our strategic environment and continue to provide rapid, effective and responsive military options for Government into the future.

Table 22: Cost Summary for Programme 1.4 Air Force Capabilities

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	1,937,014	2,067,367	2,013,109	2,018,257	2,038,448
Suppliers	2,094,101	2,294,540	2,207,518	2,330,598	2,325,561
Grants ^[2]	50	50	50	-	-
Depreciation and amortisation	1,127,714	1,167,381	883,322	864,517	859,782
Finance cost	14,497	16,462	15,397	18,298	22,474
Write-down of assets and impairment of assets	155,877	150,205	145,911	141,163	135,426
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	5,329,253	5,696,005	5,265,307	5,372,833	5,381,691
Income					
Revenues					
Goods and services ^[3]	132,856	158,883	166,982	175,352	184,124
Other revenue	5,086	5,213	5,333	5,465	5,602
Total revenue	137,942	164,096	172,315	180,817	189,726
Gains					
Reversal of previous asset write-downs	27,416	26,804	26,454	26,136	25,647
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	27,416	26,804	26,454	26,136	25,647
Total income	165,358	190,900	198,769	206,953	215,373
Programme 1.4 Air Force Capabilities	5,163,895	5,505,105	5,066,538	5,165,880	5,166,318

Notes

- Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
- Grants expense include grants to The Sir Richard Williams Foundation.
- Goods and services revenue include Military workforce cost recovery estimates. The increase between 2014-15 and 2015-16 is as a result of greater overall cost recoveries expected.

Programme 1.4 Deliverables

- Provide air power options for Government by meeting directed preparedness requirements while minimising resource expenditure.
- Prepare, sustain and lead assigned forces in operations to deliver capability to meet Government requirements.
- Conduct force generation and force preparation and maintain preparedness of capability as directed by the CDF.
- Undertake joint collective training to ensure force elements are prepared for deployment.
- Deliver force generation to ensure Defence Elements are prepared for Joint Force-in-Being contributions, including joint enabling activities supporting other Services/Groups.
- In consultation with other Services/Groups and the Defence Materiel Organisation, continue to plan, develop and monitor the delivery of, transition to, and effective integration of new capability systems.
- Provide timely, accurate and considered advice on Air Force capabilities to the Government, the CDF and the Secretary.

Table 23: Air Force Deliverables (Flying Hours)

Deliverables		2014-15 Estimated Actual	2015-16 Budget Estimate	2016-17 Forward Year 1	2017-18 Forward Year 2	2018-19 Forward Year 3
62	PC-9/A ^[1]	15,570	16,352	16,552	16,352	11,852
-	PC-9/A Replacement ^[2]				1,600	7,000
16	KA350 King Air ^[3]	10,700	10,700	10,700	10,700	10,700
12	C-130J Hercules ^[4]	8,300	7,350	7,350	7,350	7,350
8	C-17A Globemaster III ^[5]	6,000	6,200	6,200	6,200	6,200
10	C-27J Spartan ^[6]	200	2,500	5,000	7,500	7,500
5	KC-30A MRTT ^[7]	4,315	3,100	3,100	3,100	3,100
2	737 BBJ ^[8]	1,500	1,600	1,600	1,600	1,600
3	CL-604 Challenger ^[8]	1,700	2,403	2,403	2,403	2,403
15	AP-3C Orion ^[9]	7,300	6,770	6,465	4,660	2,160
6	E-7A Wedgetail ^[10]	3,600	3,600	3,600	3,600	3,600
71	F/A-18A/B Hornet	13,000	12,000	12,000	12,000	12,000
24	F/A-18F Super Hornet	7,050	5,200	4,000	4,000	4,000
8	P-8A Poseidon	-	-	450	2,762	4,254
33	Hawk 127 ^[11]	6,500	7,000	7,000	7,000	8,000
12	E/A-18G Growler	-	-	800	1,600	1,900
2	F-35A Lightning II	230	500	500	752	2,000

Notes

- Number of PC-9/A reduced by one (to 62) due to decommissioning an aircraft for destructive airframe structural inspections. Expected FY 14-15 hours reduced due to reprioritisation of flight test workforce and activities, reduced public relations commitments and reduced demand for instructor assessments for other flying units. Hours may be adjusted leading up to PC-9/A planned withdrawal date 31 December 2019.
- PC-9/A replacement aircraft is expected to be gradually introduced from FY 17-18.
- KA350 King Air hours expected to reduce by 700 hours from FY 14-15 Portfolio Budget Statements estimate (11,400 hours) due to utilisation of new simulator and reduced aircrew availability at School of Air Warfare.
- C-130J hours for FY 14-15 expected to increase by 950 hours (from the FY 14-15 Portfolio Budget Statements estimate) due to operational assignment.
- C-17A hours for FY 14-15 expected to increase by 800 hours (from the FY 14-15 Portfolio Budget Statements estimate) due to operational assignment. Hours for FY 15-16 and beyond expected to increase by 1,000 hours following the delivery of two additional aircraft. The seventh and eighth C-17A are due for delivery in 2015.
- C-27J hours for FY 14-15 expected to decrease by 800 hours (from the FY 14-15 Portfolio Budget Statements estimate) due to aircraft delivery and training programme delays.
- KC-30A hours for FY 14-15 expected to increase by 1,215 hours (from the FY 14-15 Portfolio Budget Statements estimate) due to operational assignment.
- 737 BBJ and CL-604 Challenger expected to underachieve flying hours in FY 14-15. The contract for both aircraft types extended to 2017. Flying Hours for FY 17-18 and 18-19 are for replacement aircraft.
- AP-3C aircraft numbers to reduce to 15 in FY 15-16 in accordance with the approved drawdown plan.
- E-7A hours for FY 14-15 expected to increase by 600 hours (from the FY 14-15 Portfolio Additional Estimates Statements revised estimate) due to operational assignment; this adjustment matches the original FY 14-15 Portfolio Budget Statements estimate.
- Hawk 127 hours for FY 14-15 expected to reduce by 500 hours (from the FY 14-15 Portfolio Additional Estimates Statements revised estimate) due to a shortage of instructional staff and reduced student throughput. Hours expected to return to 8,000 hours from FY 18-19 due to completion of lead-in fighter capability assurance programme and increased student throughput.

Programme 1.4 Key Performance Indicators

- Meet the Government's operational requirements.
- Achieve levels of preparedness as directed by the CDF.
- Conduct force generation in a manner that balances operational commitments and contingency planning.
- Achieve a level of training that maintains core skills, professional standards and baseline preparedness.
- Provide timely, accurate and considered advice on Air Force capabilities to the Government, the CDF and the Secretary.

Programme 1.5: Joint Operations Command

Programme 1.5 Objective

Joint Operations Command (JOC) is the ADF joint integrated operational level headquarters (HQ) responsible for ADF contributions to combined and interagency operations and joint training activities, both domestically and internationally, in order to achieve Government and CDF's strategic priorities and direction.

Chief of Joint Operations (CJOPS), as the commander of JOC, commands Headquarters Joint Operations Command (HQJOC), Northern Command (NORCOM), 1st Joint Movements Group and Joint Task Forces established for operations and major exercises. CJOPS is supported by Liaison Officers assigned to HQJOC from the Australian Federal Police, Defence International Policy Division and the Department of Foreign Affairs and Trade.

CJOPS is the CDF's principal adviser on operational matters and is responsible to the CDF for the conduct of military operational planning and the development and maintenance of Operational Risk Plans through which Defence activities by JOC assigned assets can be synchronised and coordinated with the wider ADO, other government agencies and Australia's alliance partners. CJOPS exercises command over assigned deployed combined (coalition and multilateral, military and interagency) and joint task forces and the Australian contingents to United Nations operations.

CJOPS is the ADF Search and Rescue (SAR) authority and is also responsible for coordinating Defence Assistance to the Civil Community (DACC) and Defence Force Aid to the Civil Authority (DFACA). In addition, and on behalf of the CDF, CJOPS is responsible for the ADF's commitment to protecting Australia's borders, through the provision of ADF resources to the Border Protection Command for border protection tasks.

CJOPS is the Joint Collective Training Authority responsible for the coordination and management of ADF joint collective training across three core functions of the joint collective training management framework. This includes joint collective training management, joint knowledge management and joint evaluation & support.

VCDF has delegated Defence wide simulation coordination responsibility to CJOPS. As such CJOPS is responsible for coordinating the ADO wide enterprise governance of the Defence Synthetic Environment.

The Border Protection Command programme is listed and reported in the Australian Customs and Border Protection Service section of the Department of Immigration and Border Protection Portfolio Budget Statements (PBS).

Table 24: Cost Summary for Programme 1.5 Joint Operations Command

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	6,770	6,599	6,228	6,278	6,160
Suppliers	32,383	40,951	43,394	46,325	39,850
Grants	-	-	-	-	-
Depreciation and amortisation	4,285	2,902	4,036	5,047	6,569
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	43,438	50,452	53,658	57,650	52,579
Income					
Revenues					
Goods and services	-	-	559	572	576
Other revenue	-	-	-	-	-
Total revenue	-	-	559	572	576
Gains					
Reversal of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	-	-	559	572	576
Programme 1.5 Joint Operations Command	43,438	50,452	53,099	57,078	52,003

Note

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.5 Deliverables

- Provide input, in the form of reporting, analysis, plans and preparedness requirements, to the strategic level of Defence on military options and operational matters associated with current operational commitments and future directed contingencies.
- Plan, control, conduct and evaluate the ADF's, and where applicable the whole of government and/or coalition, contributions to Government directed operational commitments.
- Plan, control, conduct and evaluate the ADF's contributions to DACC and DFACA, and plan for and coordinate Search and Rescue (SAR) for military purposes.
- Plan, control, conduct and evaluate the ADF's participation in non-operational domestic and international joint, interagency and bilateral and multilateral exercises and JOC-sponsored engagement activities scheduled in the endorsed Programme of Australian Defence Force Activities (PADFA). This includes certification of force elements capable of conducting joint operations across the spectrum of defined joint collective training levels.
- In coordination with Services, review and update Defence's Simulation Strategy and maintain the strategic simulation policy, manual and best practice user guides.
- Strengthen Australia's regional influence by deepening operational partnerships with the US and with select regional powers and the evolution of an operational risk management approach to inform Defence activities across the region.
- Maintain ongoing partnerships, collaboration and effective information sharing related to operational matters at the national level and effective engagement at the international level.
- Provide advice to Service Headquarters, other Defence Groups and other Government Departments as necessary to support the development of policy and capability in relation to current, planned and anticipated operations.
- Contribute to Group specific reforms and cost reductions.

Programme 1.5 Key Performance Indicators

- Input to strategic level decision making committees on military options and operational matters and other advice on the development of capability, is timely and accurate.
- Joint Forces are certified, deployed, and sustained efficiently and effectively, and in accordance with agreed timeframes.
- ADF operations and non-operational activities are planned, controlled and conducted in accordance with the promulgated Rules of Engagement (ROE) and operational governance requirements in the areas of medical administration and clinical governance, and personnel, logistics, financial and contract management.

Programme 1.6: Intelligence Capabilities

Programme 1.6 Objective

Intelligence and Security Group delivers Programme 1.6 through the two main objectives of delivering intelligence capability for Defence and Government and leading the development of security policy, standards and plans to meet Defence's protective security requirements and providing information security services to Government.

As Defence's ability to preserve its intelligence capability edge is critically dependent on the availability of skilled and experienced ADF and civilian personnel, the Group continues its recruitment and retention strategies through programmes, such as targeted university recruitment drives, incentives for staff with specific language and technical talents, and enhanced use of online recruitment tools. Recruiting and retaining skilled, suitable personnel remains a challenge.

The Defence Security Authority leads the Defence security community in minimising the security risks to Defence's people, information and material. The Authority is responsible for developing security policy, reporting on security performance, investigating serious security incidents, producing security intelligence and threat assessments, developing and delivering specialist security training, and undertaking personnel security vetting for the majority of Commonwealth agencies and related industry.

Table 25: Cost Summary for Programme 1.6 Intelligence Capabilities

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	255,345	276,664	267,259	265,645	272,999
Suppliers	255,545	326,241	307,398	322,596	350,796
Grants	-	-	-	-	-
Depreciation and amortisation	57,370	48,790	46,175	47,451	45,900
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	1,723	1,938	2,130	2,476	2,744
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	569,983	653,633	622,962	638,168	672,439
Income					
Revenues					
Goods and services	10,134	10,536	10,652	10,572	10,838
Other revenue	-	-	-	-	-
Total revenue	10,134	10,536	10,652	10,572	10,838
Gains					
Reversal of previous asset write-downs	1,366	1,537	1,689	1,964	2,176
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	1,366	1,537	1,689	1,964	2,176
Total income	11,500	12,073	12,341	12,536	13,014
Programme 1.6 Intelligence Capabilities	558,483	641,560	610,621	625,632	659,425

Note

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.6 Deliverables

- Provide timely, accurate and high quality intelligence and security support in accordance with Government priorities to support the ADF, policy and wider security operations.
- Deliver enhanced capabilities to better exploit next generation technologies, improve intelligence assessment, and enhance the security of the Government's information.
- Provide advice and assistance to the Government on the security and integrity of electronic information, cryptography and communications technology.
- Meet the Australian Government Security Vetting Agency's key performance results as specified in the agency's Service Level Charter.
- Strengthen the management framework of the Australian Government Security Vetting Agency.
- Provide management and strategic direction for Defence's foreign language capability.
- Ensure the effectiveness of the intelligence and security governance and compliance framework.
- Strengthen the workforce through targeted recruitment, retention and training initiatives.
- Ensure effective and efficient transfer of expertise, capabilities and intelligence across key international partnerships, and strengthen collaboration with national agencies.

Programme 1.6 Key Performance Indicators

- Deliver intelligence and security services to meet Defence and Government requirements.
- Develop next generation intelligence, geospatial and security assessment capabilities including Geoint, Sigint and Cyber.
- Strengthen the approach to security across Defence and Government.
- Deliver strategic guidance and management support to meet Defence's foreign language requirements.
- Achieve best practice in governance and compliance.
- Ensure that the intelligence and security workforce is developed and skilled.
- Deliver intelligence capability dividends through international and national partnerships.

Programme 1.7: Vice Chief of the Defence Force

Programme 1.7 Objective

Vice Chief of the Defence Force Group's mission is to develop, deliver, enable and ensure Defence joint capability in order to protect and advance Australia's national and strategic interests. The Group enables Defence to meet its objectives through the provision of: military strategic effects and commitments advice and planning; joint, common and APS education and training; logistics support; health support; ADF Cadet and Reserve policy; joint capability coordination; preparedness management; and joint and combined ADF doctrine.

The VCDF Group has responsibility for the Australian Civil-Military Centre, which was established by the Government in 2008 with the role of supporting the development of national civil-military capabilities to prevent, prepare and respond more effectively to conflicts and disasters overseas.

In addition, the Group has responsibility for the ADF Parliamentary Programme, the Federation Guard, ADF ceremonial activities, Strategic Communications Branch and the Counter Improvised Explosive Device Task Force.

VCDF Group is committed to drive cultural reform in line with Defence's *Pathway to Change* Programme.

Table 26: Cost Summary for Programme 1.7 Vice Chief of the Defence Force

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	538,341	575,638	597,905	595,056	609,311
Suppliers ^[2]	606,146	568,525	572,165	592,582	599,450
Grants ^[3]	25	25	-	-	-
Depreciation and amortisation	19,494	21,788	21,695	22,234	24,303
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	363,487	380,045	397,217	415,363	434,404
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	1,527,493	1,546,021	1,588,982	1,625,235	1,667,468
Income					
Revenues					
Goods and services ^[2]	144,104	120,694	123,737	126,954	130,065
Other revenue	152	150	154	158	162
Total revenue	144,256	120,844	123,891	127,112	130,227
Gains					
Reversal of previous asset write-downs	217,821	227,741	238,031	248,906	260,318
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	217,821	227,741	238,031	248,906	260,318
Total income	362,077	348,585	361,922	376,018	390,545
Programme 1.7 Vice Chief of the Defence Force	1,165,416	1,197,436	1,227,060	1,249,217	1,276,923

Notes

- Employee expenses in 2015-16 include funding for an additional pay (the 27th pay). The budget for employee expenses also includes the funding for ADF Health.
- The reduction in suppliers expense and goods and services revenue between 2014-15 and 2015-16 relates in large part to a reduction in Land Materiel Maintenance costs and associated cost recovery.
- Grants expense include grants to Fisher House Foundation.

Programme 1.7 Deliverables

- Lead the preparation of departmental military strategic advice to Government via Ministerial Submissions, Ministerial Representations, Question Time Briefs and Cabinet Submissions.
- Provide military strategic planning and communication expertise to CDF in order to prepare direction from CDF to subordinate headquarters.
- Deliver coordinated logistic advice and services to the ADF, and provide oversight and assurance of the Defence logistic capability.
- Provide policy advice and deliver services to optimise the health of ADF personnel.
- Provide Defence, inter-agency, combined and joint capability coordination and preparedness management.
- Provide an integrated and networked learning environment for Joint, common and APS education and training.
- Enhance capacity of the ADF Reserves to contribute to ADF capability and preparedness.
- Maintain a coordinated, coherent and well-governed approach to Youth development, experience and recognition programmes in Defence, and in particular the ADF Cadets.
- Promote best-practice civil-military engagement through the Australian Civil-Military Centre.

Programme 1.7 Key Performance Indicators

- Timely, accurate and widely consulted advice provided to Government.
- High level of engagement with Joint Operations Command, International Policy Division, Strategic Policy Division, Australian Civil-Military Centre, and other Government agencies, for operational matters.
- Advice is readily sourced and made available to the Offices of CDF and VDCF to support strategic decision making.
- ADF operational tempo is managed within concurrency constraints.
- Group-specific reform and savings have been achieved.
- ADF operations and exercises receive effective and efficient logistics and health support and services.
- ADF joint and combined operational capability is enhanced.
- Delivery of learning outcomes meets defence capability requirements.
- Planning and policy frameworks to enable the contribution of the Reserves to Defence and the wider community are enhanced.
- Governance and accountability frameworks that enhance the youth development experience within the ADF Cadets and the Defence Work Experience Programme.
- Australian Civil-Military Centre delivers its goals effectively and efficiently in accordance with Government instructions.
- Timely, accurate and widely consulted advice on nature of service classifications.
- Timely and accurate advice on strategic communications.
- Group-specific outcomes and programmes are delivered on time and within agreed resources.

Programme 1.8: Chief Operating Officer – Defence Executive Support

Programme 1.8 Objective

This Programme provides coordinated and substantive specialist advice and services to the Defence Ministers, the Secretary and the Chief of Defence Force.

The programme orchestrates service delivery outcomes for the Defence organisation as a whole. The programme coordinates Defence corporate planning and enterprise risk management, undertakes the performance monitoring and reporting in relation to these activities and provides an independent mechanism for internal audit and review. This mandate is focused on the Australian Defence Organisation so that it can deliver its required outcomes in an efficient and effective manner.

Programme 1.8 comprises the COO Executive Office, Enterprise Reform and Governance Division, United States Force Posture Initiative Programme Office, Legal Division, the small personal offices of the Secretary and CDF, the Audit and Fraud Control Division, the ADF Investigative Services, and a number of Military Justice agencies.

Table 27: Cost Summary for Programme 1.8 Chief Operating Officer – Defence Executive Support^[1]

	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses				
Employees ^[2]	37,078	35,298	35,062	35,649
Suppliers	79,503	89,145	69,269	72,335
Grants	-	-	-	-
Depreciation and amortisation	167	60	52	40
Finance cost	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-
Net losses from sale of assets	-	-	-	-
Other expenses	2,418	2,475	2,548	2,616
Total expenses	119,166	126,978	106,931	110,640
Income				
Revenues				
Goods and services	-	-	-	-
Other revenue	116	118	122	124
Total revenue	116	118	122	124
Gains				
Reversal of previous asset write-downs	-	-	-	-
Net gains from sale of assets	-	-	-	-
Other gains	-	-	-	-
Total gains	-	-	-	-
Total income	116	118	122	124
Programme 1.8 Chief Operating Officer - Defence Executive Support	119,050	126,860	106,809	110,516

Notes

1. The formation of Programme 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards includes the transfer of relevant functions from Programme 1.1 Office of the Secretary and CDF and Programme 1.9 Chief Operating Officer – Defence Support and Reform.

2. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.8 Deliverables

- Coordinate implementation, monitoring and reporting of Defence reform programmes.
- Deliver an improved Enterprise Management System, including publication of the Defence Enterprise Risk Policy, the Defence Corporate Plan and the Defence Annual Plan, to meet the risk and performance management aspects of the *Public Governance, Performance and Accountability Act 2013*.
- Coordinate implementation of the Force Posture Initiatives agreed between the Australian and United States Governments.
- On behalf of the Secretary and CDF provide oversight and advice around the governance systems that operate across Defence through the conduct of internal audits, reviews and Management Directed Tasks, as well as coordinate Australian National Audit Office performance audit activity in Defence.
- On behalf of the Secretary and CDF, take the leading role in the prevention, detection and response to fraud and corruption, manage Defence's obligations under the *Public Interest Disclosure Act 2013*, and produce the Defence Fraud Control and Anti-Corruption Plan.
- Provide specialist legal advice and support to Defence Ministers, the Secretary, CDF, Defence and the Government, and legal advice and support for ADF operations.
- Continue to implement reforms to the Military Justice System.
- Formulation of concept, policy, legislation and procedure for the Defence legislative programme.
- Provide investigative and policing advice and deliver investigative services to support discipline within the ADF.

Programme 1.8 Key Performance Indicators

- Business outcomes are improved as part of broader Defence reform.
- Defence meets its non-financial performance management and risk management obligations under the *Public Governance, Performance and Accountability Act 2013*.
- Defence activities to implement the Force Posture Initiatives are identified and completed in accordance with arrangements between the Australian and United States Governments.
- The Defence internal Audit Work Programme is provided to address high-level strategic risks that are linked to the Enterprise Risk Management framework.
- The Defence Fraud and Anti-Corruption Plans are to prevent and detect fraud and corruption through the promotion of ethical behaviours across Defence, and the Public Interest Disclosures are managed in accordance with the *Public Interest Disclosure Act 2013*.
- Defence meets its legislative and regulatory obligations.
- Defence legal support, including specialist legal advice, is provided to Defence Ministers, the Secretary, CDF and the Government in support of effective decision making and policy engagement.
- ADF operational capability is supported, including through the deployment of ADF lawyers to provide access to relevant and timely legal support.

Programme 1.9: Chief Operating Officer – Defence Support and Reform
Programme 1.9 Objective

This programme contributes to the achievement of outcome through:

- developing and delivering a strategically aligned, affordable, safe and sustainable estate that enables Defence capability and operations.
- efficient and responsive delivery of an agreed range of services that enable the Australian Defence Organisation, and are fundamental to generating Defence capability and preparedness.
- developing and delivering corporate services that best support Defence's ability to effect necessary reforms.

Table 28: Cost Summary for Programme 1.9 Chief Operating Officer – Defence Support and Reform^[1]

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[2]	1,117,931	1,139,336	1,185,813	1,222,344	1,262,520
Suppliers	2,142,040	2,094,553	1,892,820	2,502,860	2,212,606
Grants	-	-	-	-	-
Depreciation and amortisation	949,093	941,079	971,569	1,003,507	1,050,770
Finance cost	102,358	100,019	100,306	100,736	99,891
Write-down of assets and impairment of assets	17,852	18,315	18,934	19,706	20,539
Net losses from sale of assets	-	-	-	-	-
Other expenses ^[3]	25,013	34,060	11,920	26,176	14,593
Total expenses	4,354,287	4,327,362	4,181,362	4,875,329	4,660,919
Income					
Revenues					
Goods and services	352,843	335,140	340,037	350,559	363,678
Other revenue ^[4]	17,862	9,865	10,332	10,823	11,338
Total revenue	370,705	345,005	350,369	361,382	375,016
Gains					
Reversal of previous asset write-downs	1,339	1,305	1,382	1,568	1,789
Net gains from sale of assets ^[5]	5,700	25,500	210	11,939	-
Other gains	-	-	-	-	-
Total gains	7,039	26,805	1,592	13,507	1,789
Total income	377,744	371,810	351,961	374,889	376,805
Programme 1.9 Chief Operating Officer - Defence Support and Reform	3,976,543	3,955,552	3,829,401	4,500,440	4,284,114

Notes

1. The formation of Programme 1.8 Chief Operating Officer – Defence Executive Support from 2015-16 onwards includes the transfer of relevant functions from Programme 1.1 Office of the Secretary and CDF and Programme 1.9 Chief Operating Officer – Defence Support and Reform.
2. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay). The budget for employee expenses also includes the funding for ADF Housing.
3. Other expenses include costs associated with the restoration of properties. These expenses will fluctuate depending on the restoration programme.
4. The 2014-15 Estimated Actual for other revenue includes a one-off recovery of \$7.1m for the funding of Fort Hill Wharf Upgrade refunded by the Northern Territory Government.
5. Net gains from sale of assets includes property and housing disposals. Net gains will fluctuate depending on the disposal programme.

Programme 1.9 Deliverables

- Manage and sustain the Defence estate to meet Government and Defence requirements by developing and delivering major infrastructure, property, base security improvement, and environment programmes. The approved 2015-16 Major Capital Facilities Programme is outlined at Appendix C.
- Maintain single service, joint, combined and coalition capability by providing training area and range management, estate development services, and coordinating support to major domestic operations and exercises.
- Deliver agreed base support services and other services to Defence.
- Provide accurate, timely, high quality advice and support to the Defence Ministers, CDF, Secretary and the Government to enable effective decision making and policy engagement.
- Increase public awareness of Defence activities and achievements and strengthen Defence capabilities in media-related activities to promote Defence's reputation.

Programme 1.9 Key Performance Indicators

- The Defence estate is managed and maintained to meet current and future Defence capability and Government priorities.
- Approved Major Capital Facilities Projects are delivered within budget and schedule, compliant with legislative and other statutory requirements, standards and policies.
- Agreed base support and other corporate services are prioritised and delivered to enable Defence capability requirements.
- Timeliness and quality of advice, including Cabinet documentation, provided by the Department meets requirements.

Programme 1.10: Chief Operating Officer – Chief Information Officer

Programme 1.10 Objective

The Chief Information Officer Group's (CIOG) objective in delivering Programme 1.10 is to provide Defence with dependable, secure and integrated ICT capabilities to support the conduct of ADF operations and Defence business. CIOG will also focus on delivering key ICT programmes that are fundamental to the achievement of broader Defence reform.

The programme objective is supported by the CIOG Organisational Review Project which will be completed in 2015-16. The objectives of the project are to:

- Align the current operating model functions to common capabilities to simplify the organisational structure, provide clearer and broader lines of accountability.
- Reduce functional duplication to drive operational efficiencies.
- Design a flexible and scalable organisation to support future Business Partner requirements and to develop a broader capability base.

A priority for CIOG in 2015-16 will be the strengthening of governance and accountability for ICT across the entire Defence organisation. This will be achieved through extensive collaboration across all groups and services on initiatives related to Business Process Standardisation, Information Management, ICT Service Delivery Reform and a whole-of-Defence Business Architecture.

Table 29: Cost Summary for Programme 1.10 Chief Operating Officer - Chief Information Officer

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	118,142	94,822	82,165	80,703	82,411
Suppliers	952,093	850,781	784,861	875,354	782,069
Grants	-	-	-	-	-
Depreciation and amortisation	176,035	190,638	202,845	206,151	200,534
Finance cost ^[2]	44	10	-	-	-
Write-down of assets and impairment of assets	12,108	13,032	13,626	13,733	13,812
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	1,258,422	1,149,283	1,083,497	1,175,941	1,078,826
Income					
Revenues					
Goods and services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Reversal of previous asset write-downs	5,859	6,746	7,340	7,563	7,790
Net gains from sale of assets ^[3]	-992	-4,763	-4,517	-4,652	-4,792
Other gains	-	-	-	-	-
Total gains	4,867	1,983	2,823	2,911	2,998
Total income	4,867	1,983	2,823	2,911	2,998
Programme 1.10 Chief Operating Officer - Chief Information Officer	1,253,555	1,147,300	1,080,674	1,173,030	1,075,828

Notes

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
2. Finance costs cease in 2015-16 as a result of the cessation of finance leases.
3. At the Portfolio level, Defence has budgeted for a total net gain from the sale of assets. Whilst the amounts shown in the estimated actual, budget estimate and forward estimates represent a loss for this Programme, the overall Portfolio budget outcome is for a gain.

Programme 1.10 Deliverables

The priorities for the 2015-16 budget allocation will continue to be:

- Support to Military Operations:
 - Maintain support to ADF operations through the provision of agreed Information and Communication Technology support, the delivery of network defensive operations, and the maintenance of a disaster recovery capability.
- The Information and Communications Technology (ICT) Reform projects including security and the realisation of the Single Information Environment (SIE):
 - CIOG's Information Transformation Programme (ITP) is the core programme through which CIOG will deliver a secure, integrated and easier to manage ICT environment that improves collaboration and productivity, towards realisation of the SIE. The ITP brings together the following reform projects and programmes:
 - >Terrestrial Communications;
 - >Centralised Processing;
 - >Next Generation Desktop; and
 - >IT Service Management Transformation.
 - Defence One is another significant ICT reform project, which is focused on delivering a sustainable and efficient Human Resource (HR) System for the whole of Defence.
- Maintenance of essential Business as Usual (BAU) Information and Communications Technology (ICT) operations and services:
 - Maintain and support the BAU ICT operations and services which include communication lines, data centres, software licences, provision of work stations, help desk services, printers, faxes and phones.
 - Continue to plan and implement ICT shared services.
 - Deliver ICT services in accordance with the Defence ICT Services Delivery Charter and maintain the integrity and security of the Defence SIE.
- Approved Defence Capability Plan (DCP), Major Capital Facilities (MCF), other approved projects and system enhancements.
- To deliver the ICT elements of endorsed projects and system enhancements in the DCP, MCF and ICT work plans developed through regular engagement with customer representatives.

Programme 1.10 Key Performance Indicators

- ICT Capabilities are developed and sustained in accordance with agreed stakeholder priorities.
- Strategic investment in consolidated networks, infrastructure, service orientated architecture, applications and information management enables transition to a Single Information Environment.
- ICT security is maintained to an appropriate level.
- ICT shared services reforms are effective in reducing costs and increasing productivity across Defence.
- ICT services and service support are delivered in accordance with the Defence ICT Services Delivery Charter and the Defence ICT Services Catalogue.

Programme 1.11: Chief Operating Officer – Defence People

Programme 1.11 Objective

The Defence People Group's (DPG's) primary objective in delivering Programme 1.11 is to enable Defence capability through people. DPG contributes to Australia's national security by providing people management, policy, planning and support services to Defence. This includes a range of deliverables and initiatives in support of the following key requirements:

- **Culture:** Defence has a fair, inclusive and respectful environment.
- **Numbers:** There are sufficient numbers of people to achieve the Defence mission for the current and future force.
- **Skills:** Our people have the required skills to achieve the Defence mission for the current and future force.
- **Commitment:** Defence people are committed to delivering the required capability now and for the future force.
- **Safety:** The health, safety and welfare of our people is paramount.

The need to optimise the Defence HR framework to meet the outcomes of the First Principles Review will be a key focus. This includes supporting our people to transition to an improved organisational structure, continued professionalisation of our workforce, and delivery of further reform in our Human Resources (HR) services and policy.

Building the people capability to deliver the force of the future outlined in the *Defence White Paper* and Force Structure Review will be supported through the development and implementation of an updated Strategic Workforce Plan, an ADF Total Workforce Model, and a focus on ensuring the skills base for our workforce is aligned to capability requirements, including enablers.

Table 30: Cost Summary for Programme 1.11 Chief Operating Officer – Defence People

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	135,459	157,103	146,509	144,261	145,246
Suppliers	303,493	283,549	295,620	290,923	298,365
Grants	1,614	1,521	1,553	1,586	1,623
Depreciation and amortisation	3,676	4,124	4,225	4,374	4,543
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	444,242	446,297	447,907	441,144	449,777
Income					
Revenues					
Goods and services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Reversal of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	-	-	-	-	-
Programme 1.11 Chief Operating Officer - Defence People	444,242	446,297	447,907	441,144	449,777

Note

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.11 Deliverables

- Provide timely, accurate and high-quality advice on key people issues to the Secretary, CDF and Government.
- Support the implementation of the people components of the First Principles Review and the *Defence White Paper*, including the Force Structure Review.
- Provide professional HR services to Defence and continue to reform and embed shared services as a business as usual model.
- Continued coordination and facilitation of the Defence-wide implementation of Pathway to Change, ongoing cultural reform and sustaining the momentum of our diversity agenda.
- Develop an updated Strategic Workforce Plan that enables a planned and professional integrated workforce with a strong performance management culture.
- Continue to implement of the ADF Total Workforce Model.
- Provide contemporary superannuation portability and choice of superannuation fund options to new ADF members.
- Full departmental accountability for Defence's payroll systems.
- In conjunction with the Department of Veterans' Affairs coordinate the measures to provide seamless support to wounded, ill and injured members of the ADF.
- Coordinate and facilitate the implementation of the Defence Work Health and Safety Strategy and the Diversity and Inclusion Strategy.
- Continue support to ADF members and families through a national service delivery model.
- Conduct ADF recruiting, including for the Gap Year programme.
- Process applications for Defence medals, honours and awards.

Programme 1.11 Key Performance Indicators

- Advice to the Secretary, CDF and Government on people issues is timely and of a high quality.
- People reform through the First Principles Review, *Defence White Paper*, and HR services is effective in improving customer-focused service delivery.
- Projects and initiatives described in Pathway to Change and the People chapter of the *Defence Annual Plan*, which are aimed at delivering a sustainable people capability in Defence, are completed in a timely manner and achieve the desired outcomes.
- Implementation milestones are achieved for an updated Strategic Workforce Plan, including for each APS job family.
- Implementation of a strengthened performance management system.
- Completion of the ADF Total Workforce Model for implementation by the Services.
- Implementation of a new modern military superannuation arrangement for people joining the ADF from 1 July 2016.
- Enhanced support to wounded, ill and injured members of the ADF is provided in conjunction with Department of Veterans' Affairs.
- Implementation milestones are achieved on schedule for the Defence Work Health and Safety Strategy and the Diversity and Inclusion Strategy.
- Provide timely and professional support services to ADF members and families, including delivery of family support programmes and bereavement support in the event of death and serious casualties.
- Achieve ADF recruiting targets.
- Ensure timely recognition of ADF members, ex-serving members and APS employees in accordance with the Australian and Imperial Honours and Awards systems, and the civilian long service recognition and schemes.

Programme 1.12: Defence Science and Technology

Programme 1.12 Objective

The Defence Science and Technology Organisation's (DSTO) principal objective in delivering Programme 1.12 is to provide valued scientific advice and innovative technology solutions to the Government, Defence and Australia's national security agencies to support the conduct of Defence operations, the provision of Defence capabilities and the promotion of security and stability. DSTO also has whole-of-government responsibility for coordinating science and technology (S&T) support to national security.

This objective is achieved through applied research focussed on supporting Defence and national security operations, sustaining and enhancing current capability, and supporting the development and acquisition of future capability. The organisation also has a future-proofing role for Defence by investigating client-focussed future concepts, contexts and capabilities.

DSTO's strategic research programme is future-focussed, aimed at providing game changing capability for Defence and national security in the longer term by responding to emerging threats and opportunities.

In achieving its objectives, DSTO draws upon the world class scientific ability of its staff and research facilities, and extensive networks and partnerships with external organisations such as international research agencies, industry and academia. These networks support DSTO's role as a knowledge and innovation integrator for Defence and promote defence science and education in the broader Australian community.

Table 31: Cost Summary for Programme 1.12 Defence Science and Technology

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	275,365	297,729	279,951	264,594	274,509
Suppliers	143,111	138,027	131,240	130,247	120,403
Grants ^[2]	266	403	58	-	-
Depreciation and amortisation	29,095	26,727	25,889	22,380	21,592
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	1,485	1,507	1,622	1,822	2,043
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	449,322	464,393	438,760	419,043	418,547
Income					
Revenues					
Goods and services	31,504	31,358	32,138	32,983	33,808
Other revenue	186	191	195	201	206
Total revenue	31,690	31,549	32,333	33,184	34,014
Gains					
Reversal of previous asset write-downs	1,177	1,195	1,286	1,445	1,620
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	1,177	1,195	1,286	1,445	1,620
Total income	32,867	32,744	33,619	34,629	35,634
Programme 1.12 Defence Science and Technology	416,455	431,649	405,141	384,414	382,913

Notes

- Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
- Grants predominately include the approved multi-year grant for the DSTO Industry Placement Programme. Refer to Section 3.1.2 for further detail.

Programme 1.12 Deliverables

- Provide timely, accurate and expert science and technology (S&T) advice on Defence and national security related matters to the Secretary, CDF and Government.
- Provide effective, relevant and timely:
 - S&T solutions and technical support to Defence operations, to the current force and to national security agencies' operations and capabilities
 - S&T support to capability development and acquisition decision making, including technical risk assessment and certification for Defence Capability Plan projects.
- Deliver a programme of strategic research aimed at enhancing future Defence and national security capabilities and maintaining the organisation's world-class research expertise and facilities.
- Further develop strategic partnerships with external organisations, in particular international partners, local industry and academia; promote defence science and related education in the broader Australian community.
- Contribute to Defence reform outcomes by continuing to seek and implement improvements to DSTO leadership, business and culture, including fostering diversity and gender equality.

Programme 1.12 Key Performance Indicators

- Advice to Defence and the Government on science and technology (S&T) matters is valued through its contribution to improved Defence and national security outcomes.
- The applied research programme is strategically balanced and aligned with the needs of Defence in support of operations, the current force, capability development and acquisition, and the needs of national security agencies.
- Research programme outputs enable enhanced Defence and national security capability, treat risks and save resources.
- Strategic research is focussed on supporting future Defence capability; it enables game-changing capability in the longer term, to both prevent and create strategic surprise.
- Programme outcomes are delivered on time, in scope and within agreed resources.
- DSTO's S&T capability is contributed to by:
 - a workforce with world-class expertise and facilities, measured through benchmarking and client feedback; and
 - appropriately leveraged S&T engagement and partnerships with research organisations, industry and academia, including international government agencies.

Programme 1.13: Capability Development

Programme 1.13 Objective

Capability Development Group (CDG) develops and manages the Defence Capability Plan (DCP) and prepares Defence capability investment approval proposals for Government consideration.

CDG is also responsible for Defence Test and Evaluation advice and policy as well as conducting Defence trials. These duties are carried out by the Australian Defence Test and Evaluation Office.

To achieve this, CDG:

- works with other areas of Defence to develop an affordable, achievable DCP that will provide the military capabilities Defence needs to align with the Government's strategic direction;
- develops compelling business cases for projects in the DCP for Government consideration;
- works with industry and capability development organisations in other countries; and
- provides best practice expertise for all elements of capability development.

Table 32: Cost Summary for Programme 1.13 Capability Development^[1]

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[2]	28,672	61,965	117,705	150,594	209,691
Suppliers	470,246	896,223	1,394,189	1,644,691	2,304,987
Grants	-	-	-	-	-
Depreciation and amortisation	2,992	365,401	1,260,674	1,723,093	2,272,924
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	103,954	132,110	158,115	186,320	216,276
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	605,864	1,455,699	2,930,683	3,704,698	5,003,878
Income					
Revenues					
Goods and services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Reversal of previous asset write-downs	17,261	21,938	26,268	30,960	35,991
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	17,261	21,938	26,268	30,960	35,991
Total income	17,261	21,938	26,268	30,960	35,991
Programme 1.13 Capability Development	588,603	1,433,761	2,904,415	3,673,738	4,967,887

Notes

1. Operating costs associated with the acquisition programme of Defence, such as net personnel and operating costs, reside in Programme 1.13 Capability Development until such a time that the capital items are transferred to another Programme.

2. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).

Programme 1.13 Deliverables

- Deliver the Defence Capability Plan (DCP).
- Provide timely and high quality advice on Defence capability development policy and processes.
- Deliver Defence capability modernisation proposals to government for consideration and approval.
- Deliver DCP funded innovation programmes.
- Deliver independent Test and Evaluation advice, planning, support and trials to Defence throughout the capability systems life cycle.

Programme 1.13 Key Performance Indicators

- Provide advice to the Secretary, CDF and the Minister within agreed timeframes.
- Deliver Defence capability proposals with feasible schedule, cost and capability estimates.
- Innovation activities contribute to current or future Defence capability, or de-risk capability development activities.
- Submit Test Concept Documents, Early Test Plans, Test Evaluation Master Plans and Trial reports in support of capability submissions.

Programme 1.14: Chief Finance Officer

Programme 1.14 Objective

The Chief Finance Officer Group (CFOG) is responsible for providing strategic financial advice and information to Ministers, the Secretary, the CDF and Defence Senior Leaders. It provides a whole-of-Defence focus for planning, management, monitoring and reporting of key deliverables to the Government, including Defence's outputs.

The CFOG is responsible for Defence's financial control and assurance and manages Defence's budget and its financial policies, principles and practices in accordance with the *Public Governance, Performance and Accountability Act 2013*.

The CFOG drives Defence's financial management and improvement programmes through uniform financial management approaches and a streamlined accountability structure.

Portfolio budget pressures and risks are managed through a strong culture of prioritising resource management.

The CFOG works with all Services and Groups to identify costs drivers for all key business elements.

To streamline, standardise and professionalise the delivery of financial services across Defence the CFOG leads the reform programme to deliver Finance as a Shared Service.

Table 33: Cost Summary for Programme 1.14 Chief Finance Officer

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees ^[1]	89,159	129,322	126,840	130,953	133,749
Suppliers ^{[2][3]}	817,128	836,896	896,555	927,006	950,742
Grants	-	-	-	-	-
Depreciation and amortisation ^[4]	5,621	13,415	17,988	17,815	27,028
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	2,301	2,870	2,765	2,664	3,716
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	914,209	982,503	1,044,148	1,078,438	1,115,235
Income					
Revenues					
Goods and services	275	-	-	-	-
Other revenue ^[2]	797,075	-	-	-	-
Total revenue	797,350	-	-	-	-
Gains					
Reversal of previous asset write-downs	600	673	651	640	823
Net gains from sale of assets	-	-	-	-	-
Other gains	5,254	5,386	5,520	5,658	5,800
Total gains	5,854	6,059	6,171	6,298	6,623
Total income	803,204	6,059	6,171	6,298	6,623
Programme 1.14 Chief Finance Officer	111,005	976,444	1,037,977	1,072,140	1,108,612

Notes

1. Employee expenses in 2015-16 include funding for an additional pay (the 27th pay).
2. In 2014-15 Defence receives resources free of charge from the DMO. In accordance with the First Principles Review, the DMO has transferred to Defence from 2015-16 and as a result, these resources received free of charge will no longer exist.
3. In accordance with the First Principles Review, the DMO has transferred to Defence from 2015-16, and as a result, \$805m is included in Defence's Departmental appropriations. Expenses are reflected in the Chief Finance Officer until a Programme is established on 1 July 2015 at which time these expenses will be recorded against this new Programme.
4. Capital is held in this Programme from time to time for future prioritisation. Accordingly, the associated depreciation and amortisation resides in this Programme.

Programme 1.14 Deliverables

- Defence Financial Statements.
- Defence Portfolio Budget Statements.
- Defence Portfolio Additional Estimates Statements.
- Defence Accountable Authority Instructions.
- Monthly/ Annual input to whole-of-government reporting.

Programme 1.14 Key Performance Indicators

- Provide timely and high quality financial advice to the Minister, the Secretary and CDF.
- Produce Defence's Budget, Financial Statements and the annual Defence Management and Finance Plan within agreed statutory timeframes.
- Maintain un-qualified Financial Statements.

Administered Programme 1.15: Defence Force Superannuation Benefits

Programme 1.15 Objective

The objective of Programme 1.15 is to administer and report member and employer contributions paid during the year to the Defence Force Retirement and Death Benefits (DFRDB) scheme and the Military Superannuation and Benefits Scheme (MSBS). It accounts for the liability for these schemes plus the Defence Forces Retirement Benefits (DFRB) scheme. This programme includes payment of the MSBS Retention Benefit.

The DFRB commenced in 1948 and only covers members or their dependants who were in receipt of a pension at the time DFRDB commenced. This scheme does not have any contributing members.

The DFRDB was closed to new participants in 1991.

The MSBS commenced in 1991 and is available to all full-time members of the ADF.

All three schemes are managed on Defence's behalf by the Commonwealth Superannuation Corporation.

Since 1991, Defence has paid the MSBS Retention Benefit to eligible MSBS members after 15 years of continuous eligible service. The purpose of the Retention Benefit is to encourage members to serve until they have completed 20 years of service. Due to legislative amendments passed in 2005, the Retention Benefit is not available to members who enlisted after 6 October 2005.

In May 2014, the Government announced a new superannuation scheme for ADF members, which will take effect from 1 July 2016, called ADF Super.

Table 34: Cost Summary for Administered Programme 1.15 Defence Force Superannuation Benefits

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Retention benefits	95,883	77,940	93,000	105,540	119,920
Military superannuation benefits	2,396,000	1,475,211	1,413,910	1,363,802	1,322,977
Total expenses	2,491,883	1,553,151	1,506,910	1,469,342	1,442,897
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gain	-	-	-	-	-
Military superannuation contributions	1,316,539	1,347,113	1,234,075	1,166,590	1,099,694
Total income	1,316,539	1,347,113	1,234,075	1,166,590	1,099,694
Programme 1.15 Defence Force Superannuation Benefits	1,175,344	206,038	272,835	302,752	343,203

Programme 1.15 Deliverables

- Report on superannuation contributions and the movement in liabilities associated with the three military superannuation schemes.

Programme 1.15 Key Performance Indicators

- Provision of timely payments to the Commonwealth Superannuation Corporation and quality administration of DFRB, DFRDB and MSBS employer and member contributions.

Administered Programme 1.16: Defence Force Superannuation Nominal Interest

Programme 1.16 Objective

The objective of Programme 1.16 is to administer nominal interest for the three military superannuation schemes: the Defence Forces Retirement Benefits (DFRB) scheme, the Defence Force Retirement and Death Benefits (DFRDB) scheme; and, the Military Superannuation and Benefits Scheme (MSBS).

The DFRB commenced in 1948 and only covers members or their dependants who were in receipt of a pension at the time DFRDB commenced. This scheme does not have any contributing members.

The DFRDB was closed to new participants in 1991.

The MSBS commenced in 1991 and is available to all full-time members of the ADF.

All three schemes are managed on Defence's behalf by the Commonwealth Superannuation Corporation.

Table 35: Cost Summary for Administered Programme 1.16 Defence Force Superannuation Nominal Interest

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Retention benefits	-	-	-	-	-
Military superannuation benefits	3,406,000	3,557,464	3,726,501	3,895,885	4,065,719
Total expenses	3,406,000	3,557,464	3,726,501	3,895,885	4,065,719
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gain	-	-	-	-	-
Military superannuation contributions	-	-	-	-	-
Total income	-	-	-	-	-
Programme 1.16 Defence Force Superannuation Nominal Interest	3,406,000	3,557,464	3,726,501	3,895,885	4,065,719

Programme 1.16 Deliverables

- Report on superannuation nominal interest associated with the three military superannuation schemes.

Programme 1.16 Key Performance Indicators

- Provide quality administration services for DFRB, DFRDB and MSBS nominal interest transactions.

Administered Programme 1.17: Housing Assistance

Programme 1.17 Objective

The Defence Home Ownership Assistance Scheme (DHOAS) was established in order to support the Government's retention and recruitment initiatives and influence ADF members' decision to stay beyond critical career points. The scheme came into effect on 1 July 2008.

The Scheme provides eligible ADF members and ex-serving members with assistance to either purchase a home, purchase land for the purpose of building a home, or to renovate or extend an existing home.

The Scheme contains a three-tiered subsidised loan limit structure that provides increasing entitlements as members serve beyond key exit points.

Following a competitive tendering process the Department of Veterans' Affairs was appointed Scheme Administrator and a panel of three Home Loan Providers was established: National Australia Bank (NAB), Australian Defence Credit Union (ADCU), and the Defence Bank.

Table 36: Cost Summary for Administered Programme 1.17 Housing Assistance

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Housing subsidies	104,532	119,777	137,633	152,345	171,097
Total expenses	104,532	119,777	137,633	152,345	171,097
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	13,953	14,416	15,268	16,127	16,993
Other	-	-	-	-	-
Total income	13,953	14,416	15,268	16,127	16,993
Programme 1.17 Housing Assistance	90,579	105,361	122,365	136,218	154,104

Programme 1.17 Deliverables

- Provide ADF members with assistance to achieve home ownership that reflects the contemporary housing and home finance markets.
- Provide progressively higher levels of assistance for eligible members serving beyond the critical career points of four, eight and twelve years of service.
- Provide quality services for the administration of the Scheme, including the accurate and timely processing of member applications and issuing of Subsidy Certificates.

Programme 1.17 Key Performance Indicators

- Members respond to and take up the scheme.
- Ensure that interest rates provided to ADF members by the Home Loan Providers are competitive with other interest rates in the market.

Administered Programme 1.18: Other Administered

Programme 1.18 Objective

Other Administered comprises three elements:

- Interest earned on overdue accounts and on official bank accounts held to facilitate operational requirements.
- Interest on Government loans to fund the building of new accommodation, dividends and tax equivalent payments received from the DHA.
- Revenue received from science and technology royalties where the royalties offset Departmental cost of an activity, to the extent there was no appropriation for the activity.

Table 37: Cost Summary for Administered Programme 1.18 Other Administered

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Total expenses	-	-	-	-	-
Income					
Revenues					
Interest	29,636	30,936	32,866	34,175	34,175
Dividends	50,274	50,476	57,390	54,331	36,308
Other	29,717	31,402	25,893	20,339	28,989
Total income	109,627	112,814	116,149	108,845	99,472
Programme 1.18 Other Administered	-109,627	-112,814	-116,149	-108,845	-99,472

Programme 1.18 Deliverables

- Report on interest and other receipts transferred to the Official Public Account.

Programme 1.18 Key Performance Indicators

- Accurate accounting and reporting of 'Other Administered'.

Outcome 2: The advancement of Australia's strategic interests through the conduct of military operations and other tasks as directed by Government

Outcome 2 Strategy

The ADF is required to undertake a wide range of military and humanitarian assistance operations as directed by the Government to ensure the defence of Australia and its national interests. The ADF's military operations and other tasks contribute to the achievement of the Government's strategic objectives, defined as defending Australia, contributing to the security of the immediate neighbourhood and supporting wider interests.

Outcome 2 Resources

Table 38: Total Budgeted Resources Available for Outcome 2

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Programme 2.1 - Operations Contributing to the Security of the Immediate Neighbourhood					
Revenue from other sources	-	-	-	-	-
Departmental outputs	4,022	74	-	-	-
Programme 2.2 - Operations Supporting Wider Interests					
Revenue from other sources	3,827	15,192	-	-	-
Departmental outputs	784,980	863,733	136,399	19,058	-
Total resourcing					
Total Departmental outputs	789,002	863,807	136,399	19,058	-
Total Departmental revenue from other sources	3,827	15,192	-	-	-
Total resources for Outcome 2	792,829	878,999	136,399	19,058	-

Contributions to Outcome 2

Programme 2.1: Operations Contributing to the Security of the Immediate Neighbourhood

Programme 2.1 Objective

Ensure that the Government, through the ADF, has an active and effective role in promoting regional stability, integrity and cohesion.

Australia shares the immediate neighbourhood with Indonesia, New Zealand, Papua New Guinea, East Timor, South East Asian countries and the island countries of the South West Pacific.

Table 39: Cost Summary for Programme 2.1 Operations Contributing to the Security of the Immediate Neighbourhood

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees	-	-	-	-	-
Suppliers	4,022	74	-	-	-
Grants	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	4,022	74	-	-	-
Income					
Revenues					
Goods and services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Reversal of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	-	-	-	-	-
Programme 2.1 Operations Contributing to the Security of the Immediate Neighbourhood	4,022	74	-	-	-

Programme 2.1 Deliverables		
Operation	Commenced	Objective
Gateway	1981	Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
Solania	1988	Conduct South West Pacific maritime surveillance patrols.
Render Safe	2011	Provide enduring explosive ordnance disposal support to the nations of the South West Pacific.
Saville	2014	Responses to foreign military activity in Australia's maritime approaches.
Pacific Assist	2015	ADF's contribution to the DFAT led Australian Government response providing disaster relief to Vanuatu in the wake of Cyclone Pam.

Programme 2.1 Key Performance Indicators

- ADF operations meet their stated objective within the Government's guidance.
- ADF forces are effectively deployed and sustained.
- ADF forces are withdrawn for reconstitution when they are no longer required.

Programme 2.2: Operations Supporting Wider Interests
Programme 2.2 Objective

Operations supporting wider interests are designed to contribute to United Nations' and international efforts to uphold global security.

Table 40: Cost Summary for Programme 2.2 Operations Supporting Wider Interests

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees	103,572	128,974	4,602	-	-
Suppliers	599,575	663,387	43,730	19,058	-
Grants	85,079	86,561	88,067	-	-
Depreciation and amortisation	-	-	-	-	-
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	40	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other expenses	541	3	-	-	-
Total expenses	788,807	878,925	136,399	19,058	-
Income					
Revenues					
Goods and services	3,827	15,192	-	-	-
Other revenue	-	-	-	-	-
Total revenue	3,827	15,192	-	-	-
Gains					
Reversal of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	3,827	15,192	-	-	-
Programme 2.2 Operations Supporting Wider Interests	784,980	863,733	136,399	19,058	-

Programme 2.2 Deliverables		
Operation	Commenced	Objective
Paladin	1956	Contribute to the United Nations Truce Supervision Organisation in the Middle East.
Mazurka	1982	Contribute to the Multinational Force and Observers in the Sinai.
Palate II	2005	Provide a Military Liaison Officer to the United Nations Assistance Mission in Afghanistan.
Aslan	2011	Contribute to the United Nations mission to the Republic of South Sudan.
Manitou	2014	Contribute to international maritime security operations in the Middle East Area of Operations and international counter-piracy operations in the Persian Gulf, the Gulf of Aden, the Red Sea and parts of the Indian Ocean.
Accordion	2014	Provide support to Operations MANITOU, HIGHROAD and OKRA from within the Gulf States.
Okra	2014	Operations in support of coalition response to the Iraq crisis.
Highroad	2015	Ongoing contribution to the NATO-led mission in Afghanistan (replaces Operation Slipper (2001) supporting Afghanistan's security, development and governance, including through a contribution to the post-2014 NATO-led 'train, advise, assist' mission).

Programme 2.2 Key Performance Indicators

- ADF operations meet their stated objective within the Government's guidance.
- ADF forces are effectively deployed and sustained.
- ADF forces are withdrawn for reconstitution when they are no longer required.

Outcome 3: Support for the Australian community and civilian authorities as requested by Government

Outcome 3 Strategy

Defence can be called upon to provide emergency and non-emergency assistance to the Government and the Australian community in non-combat related roles. The tasks Defence may be requested to undertake could include emergency assistance, search and rescue, disaster recovery, surveillance, security or non-emergency law enforcement roles. Tasks may be directed by the Government or requested by State/Territory Governments, other civil authorities, government departments or agencies through Emergency Management Australia. The Government may also require Defence to support significant domestic events and international events conducted within Australia.

Outcome 3 Resources

Table 41: Total Budgeted Resources Available for Outcome 3

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Programme 3.1 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Departmental outputs	67,740	48,705	5,688	-	-
Total resourcing					
Total Departmental outputs	67,740	48,705	5,688	-	-
Total Departmental revenue from other sources	-	-	-	-	-
Total resources for Outcome 3	67,740	48,705	5,688	-	-

Contributions to Outcome 3

Programme 3.1: Defence Contribution to National Support Tasks in Australia

Programme 3.1 Objective

Undertake tasks that include: planning and conduct of operations to provide security of the Australian coastline from unauthorised maritime arrivals, smuggling, quarantine evasion and other intrusions to Australian sovereignty; counter-terrorism responses; search and rescue; humanitarian assistance and disaster relief. Defence contributes to the Australian Customs and Border Protection Service civil surveillance programme and Border Protection Command tasking, providing maritime surveillance assets that are tasked routinely in accordance with the Government's direction.

Defence, through the Defence Assistance to the Civil Community (DACC) programme, supports the Commonwealth and State/Territory Governments with emergency and non-emergency tasks, as well as supporting events of national significance as requested by relevant authorities and the general public.

Table 42: Cost Summary for Programme 3.1 Defence Contribution to National Support Tasks in Australia

	2014-15 Estimated Actual \$'000	2015-16 Budget Estimate \$'000	2016-17 Forward Estimate \$'000	2017-18 Forward Estimate \$'000	2018-19 Forward Estimate \$'000
Expenses					
Employees	22,476	17,692	4,414	-	-
Suppliers	45,264	31,013	1,274	-	-
Grants	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-
Finance cost	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
Total expenses	67,740	48,705	5,688	-	-
Income					
Revenues					
Goods and services	-	-	-	-	-
Other revenue	-	-	-	-	-
Total revenue	-	-	-	-	-
Gains					
Reversal of previous asset write-downs	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-
Other gains	-	-	-	-	-
Total gains	-	-	-	-	-
Total income	-	-	-	-	-
Programme 3.1 Defence Contribution to National Support Tasks in Australia	67,740	48,705	5,688	-	-

Programme 3.1 Deliverables		
Operation	Commenced	Objective
Resolute	2006	Contribute to the whole-of-government maritime surveillance and response.
Southern Indian Ocean	2014	Contribute to the whole-of-government search effort for the Malaysian Airlines Flight MH370.
Hawick	2014	Contribute to the whole-of-government Operation Bring Them Home, the search and recovery effort for Malaysian Airlines Flight MH17.
DACC	Ongoing	Contribute to Commonwealth and State/Territory Governments with emergency and non-emergency tasks as required. On a case by case basis, support events of national significance as requested by relevant authorities.

Programme 3.1 Key Performance Indicators

- Defence’s contribution to national support tasks in Australia meets Government directives.
- Defence’s response to requests for Defence Force Aid to the Civil Authority is effectively managed, sustained and reported.
- Defence’s response to requests for Defence Assistance to the Civil Community is effectively managed, sustained and reported.