

# Portfolio Additional Estimates Statements 2017-18

Defence Portfolio

Explanations of Additional Estimates 2017-18

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**Senator the Hon Marise Payne  
Minister for Defence**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear Mr President  
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2017-18 Additional Estimates for the Defence portfolio.

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

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

Yours sincerely

A handwritten signature in blue ink that reads 'Marise Payne'. The signature is written in a cursive style with a long horizontal flourish underneath.

**Marise Payne**

## Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

## Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Financial Coordination, Chief Finance Officer Group, Department of Defence on (02) 6265 7341.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Estimates Statements) can be located on the Australian Government Budget website at [www.budget.gov.au](http://www.budget.gov.au).

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

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## USER GUIDE

The purpose of the 2017-18 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcome(s) since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2017-2018. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

Whereas the *Mid-Year Economic and Fiscal Outlook (MYEFO) 2017-18* is a mid-year budget report which provides updated information to allow the assessment of the Government's fiscal performance against its fiscal strategy, the PAES update the most recent budget appropriations for entities within the portfolio.

## Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

### User guide

Provides a brief introduction explaining the purpose of the PAES.

### Portfolio overview

Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.

### Entity Additional Estimates Statements

A statement (under the name of the entity) for each entity affected by Additional Estimates.

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<b>Section 1: Entity overview and resources</b>	This section details the changes in total resources available to an entity, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.
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<b>Section 2: Revisions to outcomes and planned performance</b>	This section details <b>changes</b> to Government outcomes and/or <b>changes</b> to the planned performance of entity programs.
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<b>Section 3: Special account flows and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and staffing levels and revisions to the budgeted financial statements.
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### Portfolio glossary

Explains key terms relevant to the Portfolio.

# CONTENTS

<b>DEFENCE PORTFOLIO OVERVIEW.....</b>	<b>5</b>
<b>Ministers and their Portfolio Responsibilities .....</b>	<b>6</b>
Changes affecting the Portfolio .....	6
Portfolio Structure and Outcomes .....	7
<b>DEPARTMENT OF DEFENCE.....</b>	<b>13</b>
<b>Section 1: Defence Overview and Resources .....</b>	<b>13</b>
1.1 Strategic Direction Statement .....	13
1.2 Defence Resource Statement.....	13
1.3 Budget Measures.....	16
1.4 Capital Investment Program .....	18
1.5 People .....	20
<b>Section 2: Defence Outcomes and Planned Performance .....</b>	<b>26</b>
2.1 Changes to Outcome and Program Structures .....	26
2.2 Outcomes and Performance Information .....	27
<b>Section 3: Defence Explanatory Tables and Budgeted Financial Statements .....</b>	<b>56</b>
3.1 Explanatory Tables .....	56
3.2 Resource Summary .....	62
3.3 Budgeted Financial Statements .....	66
<b>APPENDICES .....</b>	<b>83</b>
Appendix A: Defence Cooperation Program .....	84
Appendix B: Integrated Investment Program.....	85
Appendix C: Top 30 Acquisition Projects by 2017–18 Forecast Expenditure .....	86
Appendix D: Top 30 Sustainment Products by 2017–18 Forecast Expenditure .....	94
Appendix E: Facilities and Infrastructure Program .....	98
Appendix F: Status of Major Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration (PWC) in 2017–18.....	112

<b>DEFENCE HOUSING AUSTRALIA .....</b>	<b>119</b>
<b>Section 1: DHA Overview and Resources .....</b>	<b>119</b>
1.1 Strategic Direction Statement .....	119
1.2 DHA Resource Statement.....	122
1.3 Budget Measures .....	123
<b>Section 2: DHA Outcomes and Planned Performance .....</b>	<b>124</b>
2.1 Outcome and Performance Information .....	124
<b>Section 3: DHA Explanatory Tables and Budgeted Financial Statements .....</b>	<b>126</b>
3.1 Explanatory Tables.....	126
3.2 Budgeted Financial Statements .....	127
<b>GLOSSARY .....</b>	<b>132</b>
<b>ACRONYMS .....</b>	<b>139</b>

# **PORTFOLIO OVERVIEW**

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## DEFENCE PORTFOLIO OVERVIEW

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

- the Department of Defence: a department of state headed by the Secretary of the Department of Defence; and
- the Australian Defence Force (ADF): commanded by the Chief of the Defence Force and consisting of the three Services, which are commanded by Service Chiefs.

In practice, these bodies work together closely and are broadly regarded as one organisation known simply as Defence.

The portfolio contains some smaller entities, including a number of statutory offices, trusts and companies created by the *Public Governance, Performance and Accountability Act 2013*, *Defence Force Discipline Act 1982* and *Defence Act 1903*, which are independent but reside administratively within Defence. These include, amongst others, Defence Housing Australia (DHA) and the Australian Strategic Policy Institute (ASPI).

The portfolio also contains the Department of Veterans' Affairs and associated bodies, as designated in the Administrative Arrangements Order. The Department of Veterans' Affairs is administered separately to Defence and information related to the Department can be found in the Department of Veterans' Affairs portfolio budget and portfolio additional estimate statements.

The *Naval Defence Act 1910* and *Air Force Act 1923* were repealed on 1 July 2016.

A full outline of the Department of Defence's Portfolio Overview can be found in the *Portfolio Budget Statements 2017-18 (PBS 2017-18)*.

## Ministers and their Portfolio Responsibilities

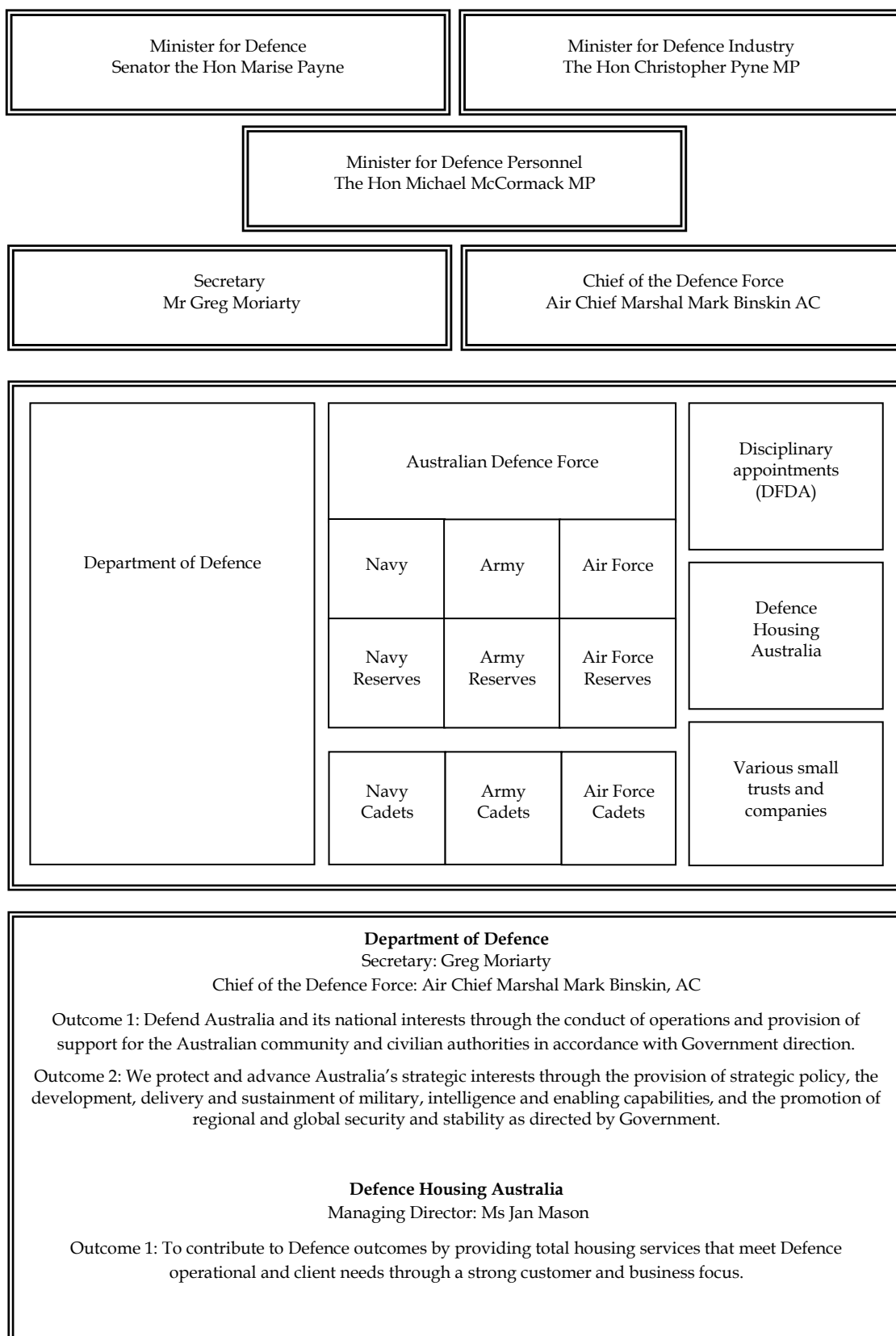
### **CHANGES AFFECTING THE PORTFOLIO**

On 20 December 2017, the new ministry was sworn in following the Prime Minister's announcement of new ministerial arrangements. Senator the Hon Marise Payne and the Hon Christopher Pyne MP continue as the Minister for Defence and Minister for Defence Industry respectively. The Hon Michael McCormack MP was sworn in as the Minister for Defence Personnel, replacing the Hon Dan Tehan MP. The portfolio responsibilities have not changed since publication of the PBS 2017–18.

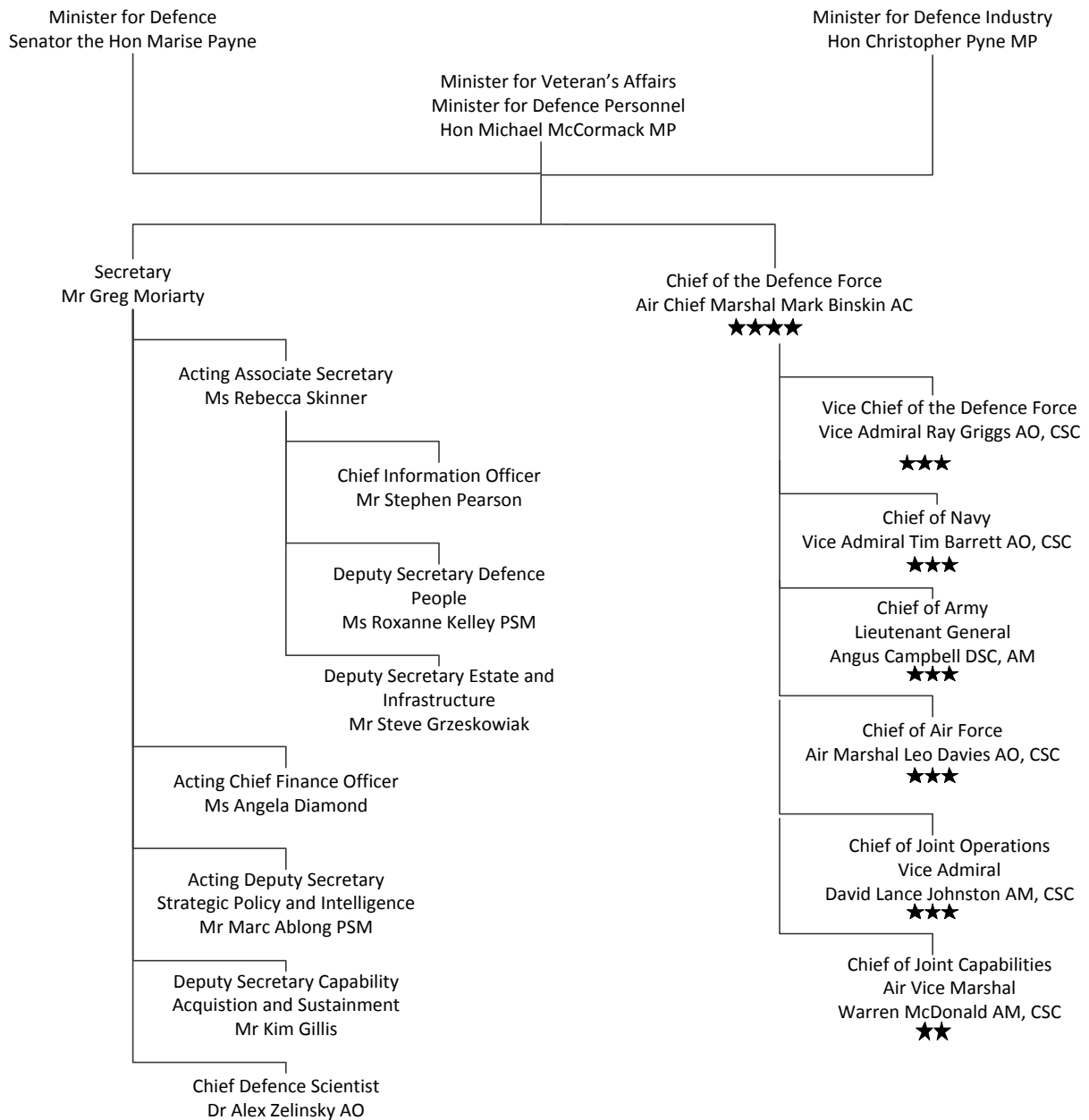


## PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1: Defence Portfolio Structure and Outcomes



**Figure 2: Defence Organisational Chart**



Stars refer to ADF Star rank

## Senior Executive Changes

The following changes have taken place since the *PBS 2017-18*:

- On 01 July 2017, Air Vice-Marshal Warren McDonald, AM, CSC was appointed as the inaugural Chief of Joint Capabilities.
- On 22 August 2017, Dr Peter Lawrence, the previous Chief Information Officer, resigned.
- On 22 August 2017, Mr Aiyaswami Mohan commenced acting as the Chief Information Officer.
- On 28 October 2017, Ms Rebecca Skinner commenced acting as the Associate Secretary.
- On 28 October 2017, Mr Marc Ablong, PSM, commenced acting as the Deputy Secretary Strategic Policy and Intelligence.
- On 19 January 2018, Mr Phillip Prior, PSM, the previous Chief Finance Officer, retired from the Australian Public Service.
- On 19 January 2018, Ms Angela Diamond will continue to act as the Chief Finance Officer.
- On 1 February 2018, Mr Stephen Pearson commenced as the Chief Information Officer.

## Organisational Structure

The following changes have taken place since the *PBS 2017-18*:

- An integrated Australian Defence Force Headquarters (ADFHQ) was established on 03 April 2017 with the appointment of VCDF as the Joint Force Authority on 01 July 2017.
- On 01 July 2017 the Joint Capabilities Group was established.
- On 18 July 2017, the Government announced the Australian Signals Directorate would become a statutory agency within the Defence Portfolio.
- On 28 October 2017, Contestability Division moved to the Associate Secretary Group from Strategic Policy & Intelligence Group.

## Defence Portfolio Bodies

The following changes have taken place since the *PBS 2017-18*:

### Australian Military Forces Relief Trust Fund

Chairman: Brigadier L. Wilton

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