

## GLOSSARY

Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are required to change, Parliament may make adjustments to portfolios through the Additional Estimates Acts.
Administered appropriation	Revenue, expenses, assets and liabilities administered by an agency for the Commonwealth (such as taxes, benefits payments and public debt) that are not concerned with running the agency or its commercial activities.
Administered items	Expenses, revenues, assets or liabilities managed by agencies on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Agency	Assets, liabilities, revenues and expenses that are controlled by Defence or a subsidiary. Includes officials allocated to the organisation.
Amortisation	A term used interchangeably with depreciation, except that it applies to a non-current physical asset under finance lease, or a non-current intangible asset, over its limited useful life.
Appropriation	An authorisation by Parliament to spend money from the Consolidated Revenue Fund (the principal working fund of the Commonwealth) for a particular purpose.
Annual appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates.
Assets	Future economic benefits controlled by Defence as a result of past transactions or other past events. Assets are initially recognised at the cost of acquisition. Non-financial assets are subject to ongoing revaluation assessment.
Assets under construction	Assets under construction by Defence for Defence, or for the use of another entity according to a construction contract where Defence controls the asset until completion, or assets under construction or otherwise being made ready by another entity for use by Defence.
Australian Accounting Standards	Specify techniques of accounting practice and the method of presenting financial information about a reporting entity.
Average funded strength	A budgetary measure used to count the average number of Australian Defence Force (ADF) members paid on a full-time equivalent basis during a financial year.
Capability	The combination of military equipment, personnel, logistics support, training, resources, etc. that provides Defence with the ability to achieve its operational aims.

Capability Manager	A Capability Manager is responsible for raising, training and sustaining in-service capabilities through the coordination of fundamental inputs to capability. Capability Managers include the Service Chiefs, the Chief of Joint Operations and the Chief Information Officer.
Capital budget	All proposed capital expenditure funded by appropriation for outcomes, by equity injections or loans and/or appropriations for administered capital, or by other sources.
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Coalition	Countries including Australia who provide troops, logistical support or assistance in Military Operations, peacekeeping or reconstruction efforts.
Combined exercise	An exercise or activity involving one or more Services of the ADF with the forces of other countries.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund. The fund is not a bank account. The Official Public Account reflects most of the operations of the fund.
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Defence Capability Plan	The Defence Capability Plan is a costed, detailed development plan for Australia's military capabilities over a ten-year period. The plan is reviewed regularly to take account of changing strategic circumstances, new technologies and changed priorities, in the context of the overall Defence budget.
Defence information environment	Encompasses all of Defence's computing and communication capabilities at all classification levels. It supports all Defence warfighting functions, including overseas deployed elements and connection to Coalition networks, as well as the day-to-day management functions.
Defence Management and Finance Plan	The Defence Management and Finance Plan provide Ministers and central agencies with a clear oversight of Defence planning and financing strategies. It describes the strategies agreed through the 2000 Defence White Paper and subsequent Strategic Review papers. As a compendium of information attached to Defence's annual Portfolio Budget Submission, it is intended to help Ministers make informed strategic and budgetary decisions on Defence, by bringing into one document the expected financial position of the portfolio taking into account existing commitments and proposed new investments. The Plan also provides the Government with the information necessary to ensure that its investment in Defence is both affordable and sustainable.
Defence Procurement Review	An independent review initiated by the Government in December 2002 to examine the procurement process for major acquisitions in Defence. The review was led by Mr Malcolm Kinnaird and is also known as the Kinnaird Review.

Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Discretionary grants	Payments where the portfolio Minister and paying agency have discretion in determining whether or not a particular applicant should receive funding and may or may not impose conditions in return for the grant. There is a central discretionary grants register.
Employee	Any Australian Public Service officer of Defence or serving Defence Force member who receives a salary or wage, along with other benefits, for the provision of services whether on a full-time, part-time, permanent, casual or temporary basis.
Employee expenses	Include, but are not limited to, benefits provided to employees in the form of salaries and wages, performance pay, senior officers' allowances, leave, and superannuation, but does not include amounts paid or owed to employees as reimbursement of out-of-pocket expenses.
Equity injection	An additional contribution, over and above the cost of outputs. Equity injections form part of the Commonwealth's investment in Defence.
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Force element	A component of a unit, a unit or an association of units having common prime objectives and activities.
Force element group	A grouping of force elements with an appropriate command and control structure for a specified role or roles (eg the Navy Submarine Group).
Forward estimates	The level of proposed expenditure for future years, based on relevant demographic, economic and other future forecasting assumptions. The Government required forward estimates for the following three financial years to be published in each annual Federal Budget paper.
Garrison Support Services	Includes a range of base support services such as ground maintenance, hospitality, training area management, base security, transport, air support and fire fighting and rescue services.

Group	A high-level organisational grouping of functions and activities used by the Defence Executive as its primary management grouping (e.g. the Capability Development Group).
Infrastructure	Items owned, leased or otherwise under the control of Defence in support of activities on land and within buildings. Infrastructure includes items such as runways, roads, car parks, parade grounds, ovals, lighting, water, sewerage and other general service related items. It does not include land upon which, or within which, it is constructed or those fixed items integral to, and under, buildings.
Interoperability	The ability of systems, units or forces to provide the services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.
Inventory	Inventory is comprised of consumable stores and supplies, fuel and explosive ordnance used in the delivery of Defence services. These are items which are consumed in normal use, lose their identity during periods of use by incorporation into, or attachment upon, another assembly, as a result of wear and tear, cannot be reconditioned because their design does not make it possible or their specific values do not justify it.
Joint exercise	An exercise involving two or more Services of the ADF.
Liabilities	Sacrifices of future economic benefits that Defence is presently obliged to make to other entities as a result of past transactions or other past events.
Listed entity	An entity established by regulation under the <i>Public Governance, Performance and Accountability Act 2013</i> . The Act provides financial management authority to, and requires accountability by the Chief Executive of an agency. This used to be called 'Prescribed agency' under the former <i>Financial Management and Accountability Act 1997</i> .
Materiel Acquisition Agreements	Materiel Acquisition Agreements cover the Capability Acquisition and Sustainment Group's (formerly known as Defence Materiel Organisation) acquisition services to Defence for both major and minor capital equipment.
Materiel Sustainment Agreements	Materiel Sustainment Agreements are between the Capability Managers and the Chief Executive Officer of the Capability Acquisition and Sustainment Group. These agreements cover the sustainment of current capability, including good and services such as repairs, maintenance, fuel and explosive ordnance.
Military response options	A set of generic tasks that describe the range of military options the Government could consider as a basis for a response to a particular situation or contingency.
Net assets	See Equity.

Network Centric Warfare	The aim of Network Centric Warfare is to improve the ability of the ADF to collaborate internally with supporting agencies and with coalition partners across organisation and geographic boundaries. Network Centric Warfare would allow Defence to harness recent development in computing and communications technologies to enhance decision making and warfighting capability.
Operating result	Equals revenue less expense.
Operational tempo	The rate at which the ADF is able to deliver its operations effects, for example, the rate at which forces are dispatched and the time in which they are turned around for their next task. At the local level, this might translate to the crew of an aircraft spending a very small amount of time on the ground before it is re-tasked for its next mission. At the organisational level, this translates to available fighting forces spending very little time at home before they are deployed again for their next operation.
Outcomes	The results that the Government seeks from Defence, and are achieved by the successful delivery of its outputs, to the standards set in the Portfolio Budget Statements. For more information, see Defence's Section 2 - Planned Outcome Performance.
Permanent forces	The permanent Navy, the regular Army and the permanent Air Force.
Platforms	Refers to air, land, surface or sub-surface assets that are discrete and taskable elements within the ADF.
Portfolio Additional Estimates Statements	Similar to the portfolio budget statement and prepared at Additional Estimates time to support and update on the Government's original annual budget for Defence.
Portfolio Budget Statements	The document presented by the Minister for Defence to Parliament to inform Senators and Members of the basis for the Defence budget appropriations in support of the provisions in Appropriations Bills 1 and 2. The statements summarise the Defence budget and provides detail of outcome performance forecasts and resources in order to justify expenditure for Defence.
Price	One of the three key efficiency indicators. The amount the government or the community pays for the delivery of agreed outputs.
<i>Public Governance, Performance and Accountability Act 2013</i>	<i>The Public Governance, Performance and Accountability Act 2013 replaced the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997.</i>
Professional Service Providers	Individuals with specialist skills contracted to fill a line position.
Purchaser-provider arrangements	Arrangements under which the outputs of one agency are purchased by another agency to contribute to outcomes. Purchaser-provider arrangements can occur between Commonwealth agencies and state/territory government or private sector bodies.

Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Readiness	The readiness of forces to be committed to operations within a specified time, dependent on the availability and proficiency of personnel, equipment, facilities and consumables.
Reserves	The Naval Reserve, the Army Reserve and the Air Force Reserve.
Revenues	Inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of Defence, other than those relating to contributions by the Commonwealth, that result in an increase in equity during the reporting period.
Risk management	At the highest level, involves the identification and mitigation of those risks that have the potential to adversely affect the achievement of agreed output performance at the agreed output price.
Special account	Balances existing within the Consolidated Revenue Fund that are supported by standing appropriations ( <i>Public Governance, Performance and Accountability Act 2013</i> , ss.78 and 80). Special accounts allow money in the Consolidated Revenue Fund to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.78 of the <i>Public Governance, Performance and Accountability Act 2013</i> ) or through an Act of Parliament (referred to in s.80 of the <i>Public Governance, Performance and Accountability Act 2013</i> ).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.  Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.
Specialist military equipment	Items of a specific military nature and that are not available through the normal external market in their current form to other than government military purchasers. It includes the prime military equipment plus the direct support items associated with the equipment.
Standard Defence Supply System (SDSS)	A key information system for the financial management of inventory, general stores, repairable items and other assets associated with Defence's logistic capability.

System Program Office	The office of the Program Manager. It serves as the single point of contact with industry, government agencies, and other activities participating in the acquisition process of a given system.
Theatre	The area in which military operations and activities take place.
Two-pass approval process	The process by which major capital investment proposals are developed for consideration and approval by the Government.
Unit ready days	The number of days that a force element is available for tasking, by the Maritime commander, either outside of major maintenance and within planned readiness requirements, or in accordance with contracted availability. Planned unit ready days are determined for each Force Element Group by aggregating total days for the unit in commission, less all days when the unit is Programmed to be in major maintenance and conducting associated pre-workup (preparations for initial operational training) or based on the total number of days the force element is contracted to be available to Defence. Contracted availability applies to the Armidale-class patrol boats and may apply to other classes in the future.
Weighted average cost	An inventory valuation method which considers the fluctuating prices and quantities of acquired goods in computing of the cost of inventory. The weighted average method takes the prices of units at the beginning inventory and the varying prices of purchases made and are weighted by the number of units to determine the weighted average cost per unit. It may be computed as the weighted average cost of all available goods present in a given period, or as a weighted moving average cost adjusted when new goods are delivered.
Write-downs	The reduction in the value of assets.

## ACRONYMS

### A

AAF	Army Amenities Fund
AAFCONS	Army and Air Force Canteen Service
ACPB	Armidale Class Patrol Boats
ADF	Australian Defence Force
ADFA	Australian Defence Force Academy
ADFHQ	Australian Defence Force Headquarters
ADO	Australian Defence Organisation
AFATDS	Advanced Field Artillery Tactical Data System
AFS	Average Funded Strength
AGIMO	Australian Government Information Management Office
AIS	Aeronautical Information System
AMCIP	Approved Major Capital Investment Program
AMSO	Australian Military Sales Office
ANAO	Australian National Audit Office
AO	Amphibious and Afloat Support – Oil Tanker
AOR	Amphibious and Afloat Support – Replenishment Ship
APS	Australian Public Service
APRCC	Australian Protected Route Clearance Capability
ASEC	Associate Secretary
ASMD	Anti-Ship Missile Defence
ASPI	Australian Strategic Policy Institute
AUSAID	Australian Agency for International Development
AWD	Air Warfare Destroyer

### B

BAU	Business as Usual
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### C

CASG	Capability Acquisition and Sustainment Group
C-RAM	Counter Rocket, Artillery & Mortar
CCSM	Collins class Submarine
CDF	Chief of the Defence Force

CDG	Capability Development Group
CDIP	Capability Development Improvement Program
CEO	Chief Executive Officer
CFOG	Chief Finance Officer Group
CIR	Capability Investment and Resources
CIOG	Chief Information Officer Group
CJOPS	Chief of Joint Operations
CPTs	Crew Procedural Trainers

## **D**

DACC	Defence Assistance to the Civil Community
DCBs	Departmental Capital Budget
DCEO	Deputy Chief Executive Officer
DCP	Defence Capability Plan
DDG	Hobart Class Air Warfare Destroyers
DES	Defence Executive Support
DFACA	Defence Force Aid to the Civil Authority
DFAT	Department of Foreign Affairs and Trade
DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DHA	Defence Housing Australia
DHF	Defence Housing Forecast
DHFCS	Defence High Frequency Communications System
DMO	Defence Materiel Organisation
DPG	Defence People Group
DSTG	Defence Science & Technology Group
DSTO	Defence Science & Technology Organisation

## **E**

EIG	Estate & Infrastructure Group
ELF	Enhanced Land Force
ES	Electronic Support
ESSM	Evolved Sea Sparrow Missiles

## **F**

FFG	Adelaide Class Frigate
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FFG	Guided Missile Frigate
FFH	Anzac Class Frigate
FMA	Financial Management and Accountability
FOC	Full Operational Capability
FTE	Full Time Equivalent

## **G**

GMCOM	General Manager Commercial
GM LM	General Manager Land and Maritime
GM JSA	General Manager Joint, Systems and Air

## **H**

HF	High Frequency
HMAS	Her Majesty's Australian Ship
HQ	Headquarters

## **I**

ICT	Information and Communications Technology
IFR	International Fleet Review
IISS	International Institute for Strategic Studies
ILMF	Intermediate Level Maintenance Facility
IOC	Initial Operational Capability
IPA	Independent Project Analysis
ISPE	Industry Skilling Program Enhancement
ISSC	In-Service Support Contract

## **J**

JLC	Joint Logistics Command
JORN	Jindalee Operational Radar Network
JP	Joint Project
JPD	Joint Project Directive
JSF	Joint Strike Fighter

## **L**

LAIRCM	Large Aircraft Infra Red Counter Measure
LEAP	Living Environment and Accommodation Precinct

LHD Landing Helicopter/Heavy Dock  
LOGIS Logistics Information Systems  
LSD Landing Ship Dock

## **M**

MAA Materiel Acquisition Agreement  
METOC Mobile Meteorological and Oceanographic  
MFO Multi-National Force Observers  
MHC Coastal Mine Hunter  
MHFCS Modernised High Frequency (HF) Communications System  
MIMT Moorebank Intermodal Freight Terminal  
MRH Multi-Role Helicopter  
MRTT Multi-Role Tanker Transport  
MSA Materiel Sustainment Agreement  
MSBS Military Superannuation and Benefits Scheme

## **N**

NACC-ISP New Air Combat Capability - Industry Support Program  
NAVWAR Navigation Warfare  
NPOC Net Personnel & Operating Costs

## **O**

OPA Official Public Account

## **P**

PAES Portfolio Additional Estimates Statements  
PBS Portfolio Budget Statements  
PGPA Public Governance Performance and Accountability  
PIC Priority Industry Capability  
PICIP Priority Industry Capability Innovation Program  
PRM Project Realisation Manager  
PTS Post Traumatic Stress  
PWC Committee on Public Works  
PWEA Point Wilson Explosive Area

**R**

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RANCCF	Royal Australian Navy Central Canteens Fund

**S**

SADI	Skilling Australia's Defence Industry
SAR	Search and Rescue
SATCOM	Satellite Communications
SERAS	Submarine Escape Rescue and Abandonment Systems
S&T	Science & Technology
SIE	Single Information Environment
SOETM	Services for Other Entities and Trust Moneys
SME	Specialist Military Equipment
SPI	Strategic Policy and Intelligence
SPO	System Program Office

**T**

TACAN	Tactical Air Control and Navigation
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**U**

UAD	Unit Availability Days
URD	Unit Ready Days
USAF	United States Air Force
USN	United States Navy

**V**

VRs	Voluntary Redundancies
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**W**

WGS	Wideband Global SATCOM System
WTSS	Weapons Training Simulation System