

Portfolio Additional Estimates Statements 2018-19

Defence Portfolio

Explanations of Additional Estimates 2018-19

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ISBN 978-1-925890-06-8 (Print)

ISBN 978-1-925890-07-5 (Online)

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LEADER OF THE HOUSE
MEMBER FOR STURT

President of the Senate
Australian Senate
Parliament House
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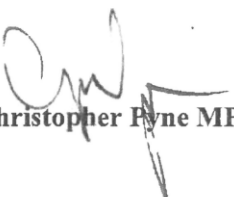
Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2018-19 Additional Estimates for the Defence portfolio.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the portfolio.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely


Christopher Pyne MP

ABBREVIATIONS AND CONVENTIONS

The following notations may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance 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.

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

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USER GUIDE

The purpose of the 2018-19 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) 2018-2019. 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) 2018-19* 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.

Section 1: Entity overview and resources	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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Section 2: Revisions to outcomes and planned performance	This section details changes to Government outcomes and/or changes to the planned performance of entity programs.
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Section 3: Special account flows and budgeted financial statements	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.

Acronyms

Alphabetical guide to the Statements.

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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, Australian Signals Directorate (ASD), 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.

A full outline of the Department of Defence's Portfolio Overview can be found in the *Portfolio Budget Statements 2018–19 (PBS 2018–19)*.

Ministers and their Portfolio Responsibilities

CHANGES AFFECTING THE PORTFOLIO

The Hon Christopher Pyne MP was sworn in as the Minister for Defence on the 28 August 2018. The Hon Steven Ciobo MP was sworn in on 28 August 2018 as the Minister for Defence Industry. Senator the Hon David Fawcett was sworn in on 28 August 2018 as the Assistant Minister for Defence. The Hon Darren Chester MP continues as the Minister for Veterans' Affairs, Minister for Defence Personnel, and Minister Assisting the Prime Minister for the Centenary of ANZAC.

The Ministers and their portfolio responsibilities are as follows:

The Hon Christopher Pyne MP, Minister for Defence

- Oversight of all aspects of the Defence Portfolio
- Strategic policy
- ADF Operations
- International Engagement
- Defence Budget
- Defence White Paper implementation
- Force Posture
- Force Structure
- Development of capability requirements, delivery of capability acquisition projects, and delivery of capability sustainment
- Capability/cost trade off during capability life cycle
- Intelligence
- Australian Signals Directorate
- Science and Technology policy, and support to operations and oversight of DST

The Hon Steven Ciobo MP, Minister for Defence Industry

- Support the Minister for Defence in the management of capability acquisition and sustainment projects
- Development of Australian Industry involvement during the capability life cycle
- Deliver Defence Industry agenda, including the implementation of the Defence Industrial Capability Plan
- Development of the Skilling and STEM strategy in consultation with the Minister for Defence
- Support and develop Australian Defence Industry
- Encourage Australian Defence Industry involvement in global supply chains, including the Global Supply Chain Program
- Defence Export Strategy Implementation including international equipment disposal
- Centre for Defence Industry Capability
- Defence Innovation Hub
- Science and Technology engagement with Australian industry, including the Next Generation Technology Fund

The Hon Darren Chester MP, Minister for Veterans' Affairs', Minister for Defence Personnel and Minister for Assisting the Prime Minister for the Centenary of ANZAC

- Personnel policy and support
- Defence Health Services
- Military justice
- Honours and Awards
- Army, Navy and Air Force Cadets
- Parliamentary Exchange Program
- Transition from ADF
- Defence Housing Australia

Senator the Hon David Fawcett, Assistant Minister for Defence

- Defence ICT and Chief Information Officer Group
- Defence estate and infrastructure policy and projects, including garrison support
- Estate and equipment disposals
- Defence's response to perflourinated chemicals matters
- Implementation of the Defence First Principles Review
- Implementing Defence's contribution to APEC 2018
- Australian Government Security Vetting Agency, security vetting policy and procedures
- Test and Evaluation policy and procedures
- Review of the Woomera Prohibited Area

PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1: Defence Portfolio Structure and Outcomes



Department of Defence

Secretary: Greg Moriarty

Chief of the Defence Force: General Angus J. Campbell, AO, DSC

Outcome 1: Defend Australia and its national interests through the conduct of operations and provision of support for the Australian community and civilian authorities in accordance with Government direction.

Outcome 2: We protect and advance Australia's strategic interests through the provision of strategic policy, the development, delivery and sustainment of military, intelligence and enabling capabilities, and the promotion of regional and global security and stability as directed by Government.

Australian Signals Directorate

Director-General: Mike Burgess

Outcome 1: Defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.

Defence Housing Australia

Managing Director: Ms Jan Mason *

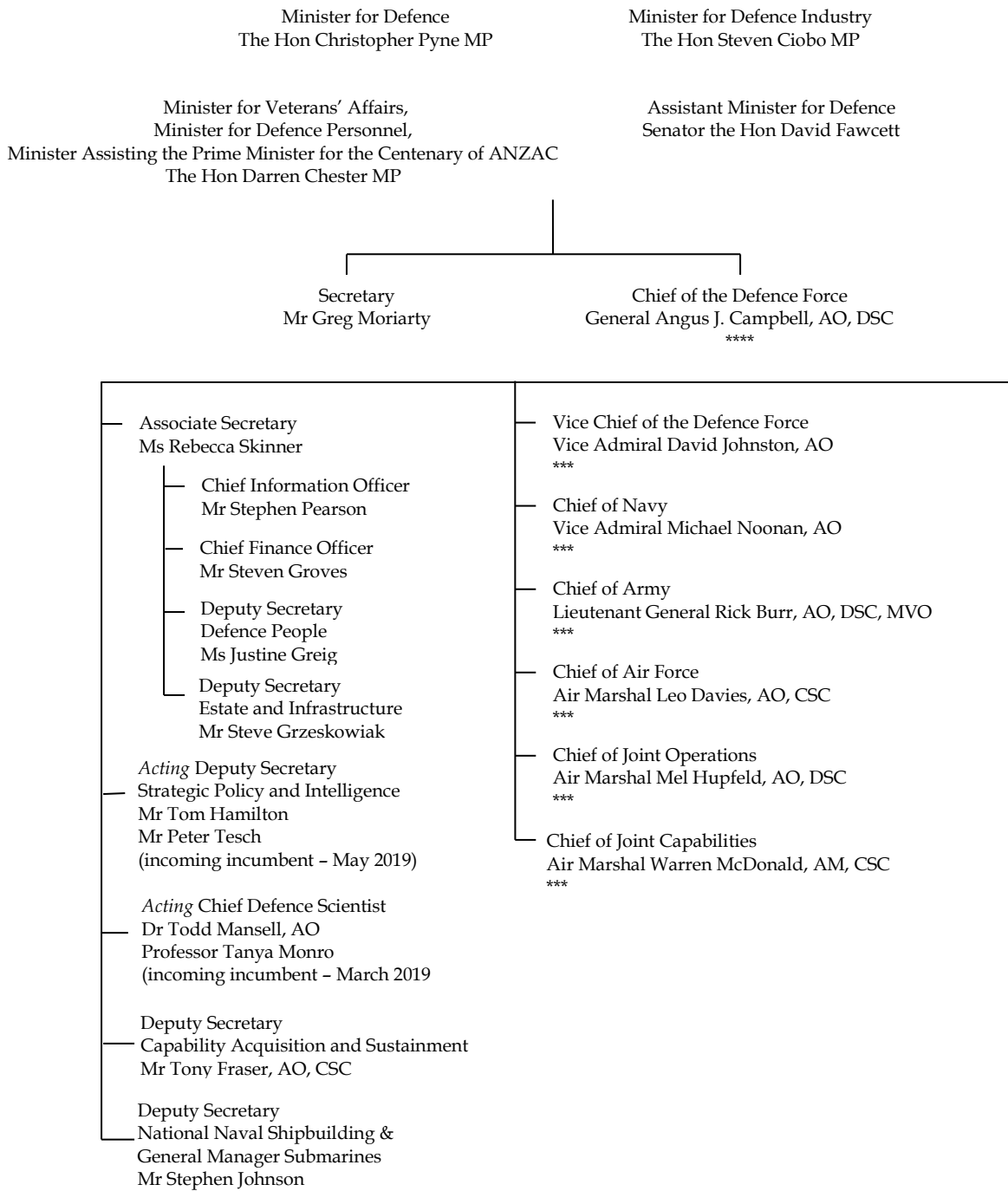
Outcome 1: To contribute to Defence outcomes by providing total housing services that meet Defence operational and client needs through a strong customer and business focus.

* Ms Mason retired from DHA on 4 January 2019. The Acting Managing Director is:

- Mr Paul Groenewegen - 5 January - 3 February 2019;
- Mr Brett Jorgensen - 4 February - 5 April 2019.

The Defence Portfolio Structure and Outcomes is effective at the time of this publication release.

Figure 2: Defence Organisational Chart



Stars (*) refer to ADF Star Rank

This Defence Organisational Chart is effective at the time of this publication release.

Senior Executive Changes

The following changes have taken place since the *PBS 2018-19*:

- On the 07 July 2018, General Angus J. Campbell, AO, DSC was appointed as the Chief of the Defence Force.
- On the 07 July 2018, Vice Admiral David Johnston, AO, RAN was appointed as the Vice Chief of the Defence Force.
- On the 07 July 2018, Vice Admiral Michael Noonan, AO, RAN was appointed as the Chief of Navy.
- On the 03 July 2018, Lieutenant General Rick Burr, AO, DSC, MVO was appointed as the Chief of Army.
- On the 25 May 2018, Air Marshal Mel Hupfeld, AO, DSC was appointed as the Chief of Joint Operations.
- On the 21 May 2018, Mr Steven Groves was appointed as the Chief Finance Officer.
- On the 28 June 2018, Ms Justine Greig was appointed as the Deputy Secretary Defence People.
- On the 13 August 2018, Mr Tom Hamilton commenced Acting as the Deputy Secretary Strategic Policy and Intelligence.
- On the 3 September 2018, Mr Stephen Johnson was appointed as the Deputy Secretary National Naval Shipbuilding and General Manager Submarines.
- On the 27 September 2018, Ms Rebecca Skinner was appointed as the Associate Secretary.
- On the 05 November 2018, Mr Tony Fraser, AO, CSC was appointed as the Deputy Secretary Capability Acquisition and Sustainment.
- On the 06 November 2018, Dr Todd Mansell commenced Acting as the Chief Defence Scientist.
- Given the increased span of responsibility and centrality of the role within the joint force, the Chief of Joint Capabilities position has been upgraded from two star to three star. On 28 January 2019, Air Vice-Marshal Warren McDonald, AM, CSC was promoted to Air Marshal to continue in the Chief of Joint Capabilities position.
- Professor Tanya Monro will be appointed as the incoming Chief Defence Scientist with effect March 2019.
- Mr Peter Tesch will be appointed as the incoming Deputy Secretary Strategic Policy and Intelligence with effect May 2019.

Organisational Structure

No changes have taken place since the *PBS 2018–19*.

Program Structure

No changes have taken place since the *PBS 2018–19*.

Defence Portfolio Bodies

No changes have taken place since the *PBS 2018–19*.