

DEPARTMENT OF DEFENCE

AGENCY RESOURCES AND PLANNED PERFORMANCE

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Department of Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

The following changes have been made to 1.1 Strategic Direction Statement since the *Portfolio Budget Statements 2013-14*:

Defence's primary focus continues to be to protect and advance Australia's strategic interests through the provision of appropriately prepared, equipped and supported armed forces. To achieve this, Defence provides policy advice on and prepares for and conducts military operations and other tasks as directed by the Government.

In 2013-14, Defence will continue its operational transition from Afghanistan, and conclude current ADF operations in the Solomon Islands. ADF operations in Timor-Leste concluded in March 2013. This transition will release and allow the remediation of capabilities that have been on high tempo operations for more than a decade and enable the remediation of deployed equipment.

One strategic initiative in 2013-14 will be the implementation of the Government's commitment to release a new *Defence White Paper* within 18 months of taking office. The White Paper will provide Government's strategic direction and priorities to Defence on defence policy, operations, force posture and structure, budget, and the Defence Organisation.

Defence will continue to implement Government's priorities including enhanced ADF activities in the Indo-Pacific region, implementation of agreed recommendations of the ADF Posture Review subject to changes through the White Paper, and introduction into service of new major capabilities such as the Landing Helicopter Dock ships and the EA-18G Growler. Defence will also continue to drive cultural change through *Pathway to Change: Evolving Defence Culture*.

1.2 Defence Resource Statement

Table 2: Total Defence Resourcing

Serial No.	2012-13 Actual \$'000		2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
		Defence resourcing							
1	22,827,992	Appropriation for departmental outcomes	23,796,086	24,458,502	662,416	2.8	25,631,057	27,050,322	27,305,441
2	456,289	Equity injection appropriation	683,005	918,385	235,380	34.5	1,963,011	1,607,720	1,841,398
3	-	Prior year appropriation	-	-	-	-	-	-	-
4	23,284,281	Current year's appropriation (1 + 2 + 3)	24,479,091	25,376,887	897,796	3.7	27,594,068	28,658,042	29,146,839
5	76,857	Draw down of appropriations carried forward	-	67,349	67,349	-	-	-	-
6	-	Other appropriation receivable movements	-	-	-	-	-	-	-
7	-11,798	Return to the Official Public Account ^[1]	-48,771	-48,771	-	-	-38,733	-46,042	-14,349
8	65,059	Funding from / to the OPA (5 + 6 + 7)	-48,771	18,578	67,349	-138.1	-38,733	-46,042	-14,349
9	23,349,340	Funding from Government (4 + 8)	24,430,320	25,395,465	965,145	4.0	27,555,335	28,612,000	29,132,490
10	77,259	Capital receipts	101,666	100,966	-700	-0.7	95,524	170,234	113,846
11	885,636	Own source revenue (s31 receipts) ^[2]	901,937	950,160	48,223	5.3	848,306	891,189	911,793
12	-	Prior year receipts	-	-	-	-	-	-	-
13	962,895	Funding from other sources (10 + 11 + 12)	1,003,603	1,051,126	47,523	4.7	943,830	1,061,423	1,025,639
14	24,312,235	Total Defence funding (9 + 13)	25,433,923	26,446,591	1,012,668	4.0	28,499,165	29,673,423	30,158,129
		Administered							
15	5,870,658	Administered special appropriations	4,386,577	4,382,997	-3,580	-0.1	4,602,100	4,793,756	5,026,869
16	1,404,197	Own source revenue	1,445,580	1,428,688	-16,892	-1.2	1,481,715	1,528,661	1,592,223
17	-1,404,197	Returns to the Official Public Account	-1,445,580	-1,428,688	16,892	-1.2	-1,481,715	-1,528,661	-1,592,223
18	5,870,658	Total Administered funding (15 + 16 + 17)	4,386,577	4,382,997	-3,580	-0.1	4,602,100	4,793,756	5,026,869
19	30,182,893	Total Defence resourcing (14 + 18)	29,820,500	30,829,588	1,009,088	3.4	33,101,265	34,467,179	35,184,998
		Appropriation carried forward							
20	76,857	Appropriation receivable including previous year's outputs	76,857	67,349	-9,508	-12.4	-	-	-
21	18,091	Cash in bank	18,091	68,460	50,369	278.4	466	466	466
22	94,948	Total appropriations carried forward (20 + 21)	94,948	135,809	40,861	43.0	466	466	466

Notes

1. Represents net transfers to and from the Official Public Account.
2. All figures are net of GST.

Annual Appropriations

Table 3: Appropriation Bill (No 3) 2013-14

	2012-13 Available \$'000	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Departmental Outputs					
Outcome 1					
Australia's national interests are protected and advanced through the provision of military capabilities and the promotion of security and stability	21,491,302	22,877,532	23,406,633	529,101	-
Outcome 2					
Military operations and other tasks directed by the Government to achieve the desired results	1,394,539	901,621	997,772	96,151	-
Outcome 3					
Defence's support to the Australian community and civilian authorities to achieve the desired results	9,500	16,933	54,097	37,164	-
Total	22,895,341	23,796,086	24,458,502	662,416	-

Table 4: Appropriation Bill (No 4)

	2012-13 Available \$'000	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Non-operating					
Equity injections	456,289	683,005	918,385	235,380	-
Total non-operating	456,289	683,005	918,385	235,380	-

Drawdown of Appropriations Carried Forward

Table 5: Revised Appropriation Receivable

	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Portfolio Budget Statements 2013-14 Estimates	76,857	76,857	76,857	76,857
Net Drawdown	-76,857	-76,857	-76,857	-76,857
Closing balance appropriation receivable	-	-	-	-

Funding from Other Sources

Own Source Revenue

Table 6: Variation in Own Source Revenue

	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Portfolio Budget Statements 2013-14 Estimates	901,937	922,044	966,583	993,873
Variation in own source revenue	48,223	-73,738	-75,394	-82,080
Own source revenue revised estimates	950,160	848,306	891,189	911,793
Prior year receipts	-	-	-	-
Total	950,160	848,306	891,189	911,793

1.3 Budget Measures

2013-14 Budget Measures and Other Budget Adjustments

Table 7: Variation to Defence Funding

	Program	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
Budget measures					
Expenditure measures					
Papua New Guinea Regional Resettlement Arrangement — accommodation support services	3.1	15.0	-	-	-
Efficiency Dividend — temporary increase in the rate	Various	-	-28.3	-67.6	-106.8
Reforms to APS management and efficient procurement of agency software	Various	-11.9	-15.4	-20.5	-13.1
Middle East Area of Operations — special forces training component of Australia's military contribution in Afghanistan ^[1]	2.2	-	-	-	-
Operation Slipper - Al Minhad Air Base – extension	2.2	66.5	-	-	-
Operation Slipper – Heron Remotely Piloted Aircraft – extension	2.2	29.5	4.2	-	-
Operation Sovereign Borders – Operation Resolute – extension	3.1	31.6	-	-	-
Free basic health care to all Australian Defence Force family members ^[1]	1.10	-	-	-	-
Assistance to the Philippines – Typhoon Haiyan ^[1]	3.1	-	-	-	-
Total budget measures		130.5	-39.5	-88.2	-119.9
Other budget adjustments					
DMO Direct Appropriation Adjustments	Various	35.6	39.4	41.1	43.5
Foreign Exchange	Various	381.7	428.3	480.8	528.3
Defence Budget Rephasing	Various	359.4	304.0	-89.0	-1,000.4
Carried Forward Appropriation Receivable Drawn Down	1.13	67.3	-	-	-
Papua New Guinea Regional Resettlement Arrangement — accommodation support services - Transfer to Department of Immigration and Border Protection	3.1	-9.4	-	-	-
Total other budget adjustments		834.6	771.7	432.9	-428.7
Variation to Defence funding		965.1	732.2	344.8	-548.6

Note

1. The cost of this measure will be met from within the existing resourcing of the Department of Defence.

Operations Summary

Table 8: Net Additional Cost of Operations from 1999-00 to 2016-17

	1999-00 to 2012-13 Actual Result \$m	2013-14 Revised Estimate \$m	2014-15 Forward Estimate \$m	2015-16 Forward Estimate \$m	2016-17 Forward Estimate \$m
Operation Astute	4,308.1	5.4	-	-	-
Operation Bel Isi	47.7	-	-	-	-
Operation Slipper	6,189.5	970.9	217.5	160.1	87.1
Operation Resolute	150.0	41.4	-
Operation Catalyst	2,364.5	-	-	-	-
Operation Anode	346.4	11.3	0.1	-	-
Operation Sumatra Assist	44.5	-	-	-	-
Operation Acolyte	10.5	-	-	-	-
Operation Deluge	6.7	-	-	-	-
Operation Pakistan Assist	9.8	-	-	-	-
Operation Outreach	14.6	-	-	-	-
Operation Kruger	45.3	-	-	-	-
Enhanced Force Protection in Afghanistan	530.0	10.0	16.2	-	-
Defence Support to 2014 G20 Summit	-	7.1	-	-	-
Total Net Additional Costs	14,067.7	1,046.0	233.8	160.1	87.1
Sources of Funding for Operations:					
Government Supplementation	12,459.7	1,013.7	217.6	160.1	87.1
Department of Foreign Affairs and Trade	9.1	-	-	-	-
Department of Defence (Absorbed)	1,599.0	32.3	16.2	-	-
Total Cost	14,067.7	1,046.0	233.8	160.1	87.1

1.4 Capital Investment Program

The Capital Investment Program comprises the Defence Capability Plan (DCP), the Approved Major Capital Investment Program (AMCIP), the ICT Integrated Plan of Work, Minor Projects and other investment (infrastructure costs, repairable items, other plants and equipment).

Table 9: Capital Investment Program

Defence Capability Plan Budget Update				
Serial No.		2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m
	Defence Capability Plan (DCP)			
1	DMO delivered	556.7	505.1	-51.6
2	Group and Services delivered	61.9	113.5	51.6
3	Other adjustments (reallocations, foreign exchange, etc)	-	6.8	6.8
4	Total Defence Capability Plan (1+2+3)	618.6	625.4	6.8
5	Remaining DCP approvals in 2012-13	242.8	121.5	-121.3
6	DCP available from 1 July 2013	100.3	221.6	121.3
7	Total Unapproved DCP (5+6)	343.1	343.1	-
Total Capital Investment Program				
Serial No.		2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m
	Defence Capability Plan (DCP) - remaining approvals			
1	DMO delivered	308.8	12.6	-296.2
2	Group and Services delivered	34.3	1.4	-32.9
3	Total Defence Capability Plan (1+2)	343.1	14.0	-329.1
	Approved Major Capital Investment Program			
4	DMO delivered	2,921.4	3,405.4	484.0
5	Group and Services delivered (excludes Capital Facilities and ICT Integrated Plan of Work)	71.6	133.4	61.8
6	Government approved DCP projects in 2012-13 yet to be allocated to Groups, Services or the DMO	275.5	-	-275.5
7	Government approved DCP projects in 2013-14 yet to be allocated to Groups, Services or the DMO	-	5.0	5.0
8	Total Approved Major Capital Investment Program (4+5+6+7)	3,268.5	3,543.8	275.3
	Capital Facilities			
9	Approved capital facilities projects	977.1	1,179.3	202.2
10	Unapproved capital facilities projects	172.6	42.7	-129.9
11	Total Capital Facilities Program (9+10)	1,149.7	1,222.1	72.4
12	ICT Integrated Plan of Work^[1]	291.0	355.2	64.2
	Minors Program			
13	Approved DMO delivered	53.1	52.8	-0.3
14	Approved Group and Services delivered	35.3	26.8	-8.5
15	Unapproved DMO delivered	90.1	38.2	-51.9
16	Unapproved Group and Services delivered	18.4	-	-18.4
17	Total Minors Program (13+14+15+16)	196.9	117.8	-79.1
18	Other Investment^[2]	452.5	1,009.1	556.6
19	Total Capital Investment Program (3+8+11+12+17+18)	5,701.7	6,262.0	560.3
	<i>Capital component</i>	<i>5,063.5</i>	<i>5,552.4</i>	<i>488.9</i>
	<i>Operating component</i>	<i>638.2</i>	<i>709.6</i>	<i>71.4</i>

Notes

1. Only includes activities delivered by the Chief Information Officer Group.

2. Includes the capital component of Repairable Items within the Capability Sustainment Program.

Table 10: Capability Sustainment Program

Serial No.		2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m
	Current Sustainment			
1	Navy Sustainment	1,711.7	1,822.7	111.0
2	Army Sustainment	1,404.7	1,349.6	-55.1
3	Air Force Sustainment	1,672.5	1,707.5	35.0
4	Chief Information Officer Sustainment	473.3	546.1	72.8
5	Vice Chief of the Defence Force Sustainment	41.4	43.7	2.3
6	Office of the Secretary and CDF Sustainment	19.6	19.6	-
7	Joint Operations Command Sustainment	6.2	5.5	-0.7
8	Defence Support and Reform Group Sustainment	538.9	579.0	40.1
9	Total Current Sustainment	5,868.3	6,073.8	205.4
	Future Sustainment			
10	Future Sustainment Costs associated with AMCIP, ICT and Facilities	182.2	18.3	-163.9
11	Total Sustainment (9+10)	6,050.5	6,092.1	41.5

Table 11: Retained Capital Receipts

Serial No.		2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m
	Property Sales			
	Proceeds from the sale of land and buildings	53.8	53.8	-
	Proceeds from the sale of housing	11.7	11.7	-
	Less return to Government	-47.8	-47.8	-
1	Proceeds retained by Defence	17.7	17.7	-
2	Proceeds from sale of specialist military equipment	-	11.2	11.2
3	Proceeds from sale of infrastructure, plant and equipment	36.2	24.2	-11.9
4	Retained Capital Receipts (1+2+3)	53.9	53.2	-0.7

Table 12: Variation in Estimates of Net Capital Receipts

	2013-14 Revised Estimate \$m	2014-15 Forward Estimate \$m	2015-16 Forward Estimate \$m	2016-17 Forward Estimate \$m
Portfolio Budget Statements 2013-14 Estimates	53.9	60.2	128.8	109.2
Movement in capital withdrawal associated with capital disposals program	-	-	-	-
Movement in proceeds from sales associated with the capital disposals program	-0.7	-2.5	-3.7	-8.9
Variation in Net Capital Receipts	-0.7	-2.5	-3.7	-8.9
Total Net Capital Receipts	53.2	57.6	125.1	100.4

1.5 People

Workforce Overview

ADF Workforce

The number of ADF personnel is slowly growing but a high separation rate is a continuing symptom of strong external employment opportunities for ADF personnel, particularly for those with professional and/or technical skills. While economic growth is slowing and there is uncertainty as Australia transitions to a less labour-intensive mining sector, there is still forecast demand for the next five years (and some existing shortages) for a number of occupations aligned to ADF roles including various engineering occupations, technical occupations, intelligence and policy analysts and general medical practitioners, some roles of which are ADF critical categories.

The gap of 1,665 between the permanent force ADF revised strength estimate and the Budget Estimate (see Table 13) is a result of these external conditions, the ability to achieve approved ADF staffing levels together with workforce that is awaiting funding through the approval of projects as part of the Defence Capability Plan.

In response to the challenging labour market conditions, Defence developed the Defence Employment Offer framework to ensure that the Department maintains a compelling offer to join and stay with Defence. The framework spurred development of the methodology of differentiated offers to deal in a targeted way with retention issues in workforce segments, and a longer-term project to ensure that the offer is as cost-effective as possible.

Additionally, improved prospects for ADF recruitment are expected over the coming years. For example, as the mining industry increasingly transitions from the labour intensive construction phase to the capital intensive production phase, deterioration in the wider labour market is anticipated, with the estimated number of employees required for the production phase half that needed in the construction phase.

APS Workforce

In accordance with Government commitments, the Australian Public Service is reducing in size through natural attrition and a tightening of recruiting practices. As a result, Defence is also reducing its APS workforce, while limiting negative impact on the delivery of capability.

As at 21 November 2013, the Defence APS workforce had reduced from 20,980 full time equivalents at the beginning of the financial year to 20,568, a reduction of 412. By the end of the financial year this is expected to reduce further to approximately 20,300 – an overall reduction of some 680 as illustrated below. In average terms, this equates to an annual achievement of 20,574.

Actual Full Time Equivalent for 2013-14 and End of Year Full Time Equivalent Estimate for the Forward Estimates

	Actual Full Time Equivalent as at 4 Jul 2013	2013-14 Full Time Equivalent Forecast Outcome	Variation	2014-15 Forward estimate	2015-16 Forward estimate	2016-17 Forward estimate
Total APS	20,980	20,300	-680	19,700	19,268	19,155

It is important to note that Defence's APS achievement is affected by the Defence Materiel Organisation's combined workforce management model, under which the DMO can utilise funding from military positions that cannot be filled, to hire civilian staff to fill the gaps. This is illustrated in the APS section of Table 13 below, and has the effect of increasing Defence's APS workforce at a Portfolio level as well as within DMO.

Workforce Summary

The total Defence fulltime workforce, including the DMO, is now forecast to be 77,518 in 2013-14, comprising:

- Permanent Forces (73 per cent) of:
 - 13,794 Navy Personnel
 - 28,833 Army Personnel
 - 13,943 Air Force Personnel
- 20,574 APS staff (26 per cent)
- 374 Contractors (less than 1 per cent)

The revised forecast strength of the Reserve Forces in 2013-14 is 20,450.

Over the forward estimates period, the total fulltime workforce will grow by 789 from the forecast of 77,518 in 2013-14 to 78,307 in 2016-17, while the Reserve workforce grows by 850 from 20,450 to 21,300.

The total planned strength of the Defence workforce is shown in Tables 13 and 14, while a breakdown by Service and rank or level appears at Table 15.

Defence People

No changes have been made to the Defence People section since the *Portfolio Budget Statements 2013-14*.

Table 13: Planned Workforce Allocation for the 2013-14 Budget and Forward Estimates—Fulltime^[1]

		2013-14 Budget estimate	2013-14 Revised estimate ^[2]	Variation	2014-15 Forward estimate ^[2]	2015-16 Forward estimate ^[2]	2016-17 Forward estimate ^[2]
	ADF Permanent Force^[3]						
	Navy	14,224	13,794	-430	14,318	14,332	14,321
	Army	29,847	28,833	-1,014	30,069	30,157	30,202
	Air Force	14,164	13,943	-221	14,104	14,110	14,130
1	Total Permanent Force	58,235	56,570	-1,665	58,491	58,599	58,653
	Civilian Employees						
	APS – Defence	15,547	15,268	-279	14,883	14,362	14,014
	APS – DMO	5,307	4,878	-429	5,087	5,106	5,141
	APS – DMO – ADF backfill	363	428	65	–	–	–
2	Total APS	21,217	20,574	-643	19,970	19,468	19,155
	Contractors – Defence ^[4]	445	346	-99	445	447	453
	Contractors – DMO	48	28	-20	48	46	46
3	Total Contractors	493	374	-119	493	493	499
4	Total Civilian Employees (2 + 3)	21,710	20,948	-762	19,927	19,761	19,654
	Total Workforce Strength (1 + 4)	79,945	77,518	-2,427	78,418	78,360	78,307

Table 14: Planned Workforce Allocation for the 2013-14 Budget and Forward Estimates—Reserve^[1]

		2013-14 Budget estimate	2013-14 Revised estimate	Variation	2014-15 Forward estimate	2015-16 Forward estimate	2016-17 Forward estimate
	Active Reserve Force						
	Navy	2,150	2,150	0	2,200	2,200	2,200
	Army	14,400	14,400	0	14,600	14,800	15,000
	Air Force	2,500	2,500	0	2,500	2,500	2,500
1	Sub-total Active Reserve Force	19,050	19,050	0	19,300	19,500	19,700
	High Readiness Reserve						
	Navy	–	–	–	–	–	–
	Army	800	800	0	900	950	1,000
	Air Force	600	600	0	600	600	600
2	Sub-total High Readiness Reserve Force	1,400	1,400	0	1,500	1,550	1,600
	Total Reserves (1 + 2)	20,450	20,450	0	20,800	21,050	21,300

Notes to Tables 13 and 14:

1. All numbers for the fulltime workforce elements represent average fulltime equivalents. Due to the nature of Reserve service, numbers for the Reserve Force represent headcounts.
2. Revised Estimates figures for the fulltime workforce elements represent forecast 2013-14 achievement for each element, while Forward Estimates figures represent the Government approved strength for each year.
3. Numbers for ADF Permanent Force include ADF members in the DMO and Reservists on full-time service.
4. Contractors are individuals under contract performing agency roles. Contractors are not APS employees.

Table 15: Breakdown of Personnel Numbers by Service and Rank

	2013-14 Budget Estimate	2013-14 Revised Estimate
Navy^[1]		
One Star and above	57	59
Senior Officers ^[2]	554	607
Officers	2,834	2,772
Other Ranks	10,779	10,356
Total Navy	14,224	13,794
Army^[1]		
One Star and above	77	78
Senior Officers ^[2]	821	812
Officers	5,532	5,440
Other Ranks	23,417	22,503
Total Army	29,847	28,833
Air Force^[1]		
One Star and above	56	53
Senior Officers ^[2]	667	670
Officers	3,964	4,010
Other Ranks	9,477	9,210
Total Air Force	14,164	13,943
APS^[1]		
Senior Executives ^[3]	168	164
Senior Officers ^[2]	6,670	6,566
Other APS Staff	14,379	13,844
Total APS	21,217	20,574
Contractors ^[4]	493	374
Total Workforce	79,945	77,518

Notes

1. Permanent Forces and APS numbers are forecasts of the average strength for 2013-14. Numbers for the APS and Contractors include the DMO.
2. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and substantive APS Executive Level 1 and 2.
3. The figures for the Senior Executive Service include the Secretary of the Department of Defence, 16 Chiefs of Division and 2 Medical Officers Grade 6.
4. Contractors are individuals under contract performing agency roles. Contractors are not APS employees.

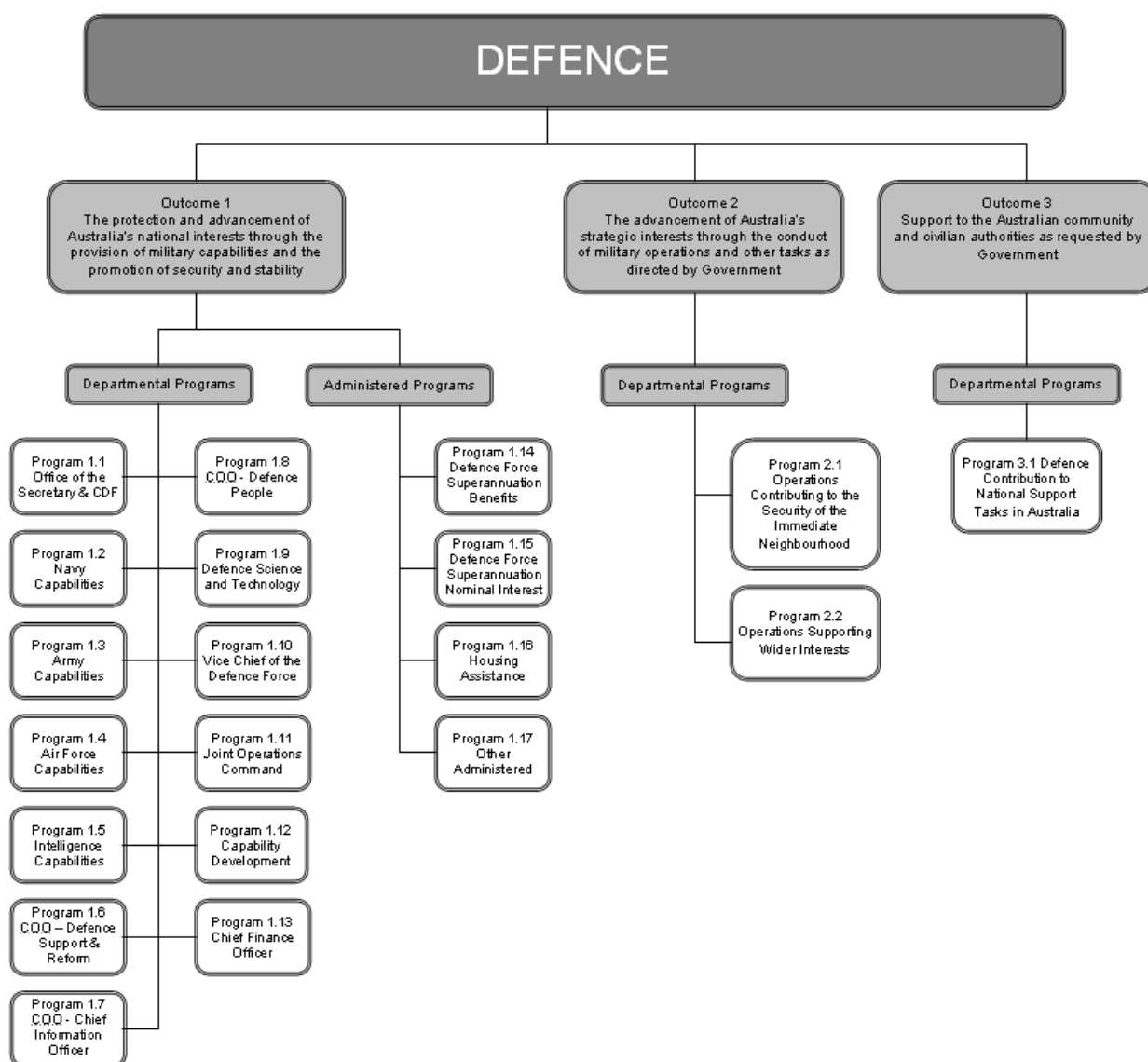
Section 2: Defence Outcomes and Planned Performance

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 programs are the primary vehicle by which government agencies achieve the intended results of their outcome statements. Agencies are required to identify the programs which contribute to Government outcomes over the budget and forward years.

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

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

The following changes have been made to the Outcome 1 Strategy since the *Portfolio Budget Statements 2013-14*.

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
- strengthening Australia's defence partnerships with our allies and regional partners and globally.

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 covers 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 2013-14 are:

- to increase the professional and personal accountability of Defence personnel, and to improve Defence management and decision-making processes
- implementing the Government's commitment to release a new Defence White Paper within 18 months of taking office
- implementing the recommendations of the Cultural Reviews under the *Pathway to Change*
- supporting the program of efficiency and economy measures to ensure that all areas of Defence are best able to support and deliver future military capability requirements
- continuing the commitment to the recruitment and retention of ADF personnel.

Outcome 1 Resources

Table 16: Total Budgeted Resources Available for Outcome 1

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Program 1.1 Office of the Secretary and CDF						
Revenues from other sources	539	539	-	538	540	534
Departmental outputs	164,183	163,980	-203	161,272	192,192	189,289
Program 1.2 Navy Capabilities						
Revenues from other sources	248,407	165,008	-83,399	129,268	134,469	138,467
Departmental outputs	4,332,858	4,575,162	242,304	4,780,955	4,906,861	4,834,579
Program 1.3 Army Capabilities						
Revenues from other sources	156,852	101,929	-54,923	106,617	111,337	108,499
Departmental outputs	5,343,805	5,707,101	363,296	5,921,307	6,241,750	6,200,618
Program 1.4 Air Force Capabilities						
Revenues from other sources	323,449	218,462	-104,987	194,840	203,149	211,875
Departmental outputs	4,165,276	4,545,404	380,128	4,725,001	4,935,275	4,879,927
Program 1.5 Intelligence Capabilities						
Revenues from other sources	13,550	12,276	-1,274	11,479	12,020	12,244
Departmental outputs	524,824	518,892	-5,932	549,846	601,068	591,369
Chief Operating Officer (COO)						
Revenues from other sources	348,905	335,401	-13,504	355,052	444,264	427,929
Departmental outputs	5,173,208	5,287,601	114,393	5,556,098	5,595,246	5,426,478
Program 1.6 Chief Operating Officer - Defence Support and Reform						
Revenues from other sources	334,311	327,142	-7,169	345,593	434,287	417,809
Departmental outputs	3,747,675	3,702,261	-45,414	3,980,159	3,979,214	3,931,750
Program 1.7 Chief Operating Officer - Chief Information Officer						
Revenues from other sources	14,594	8,259	-6,335	9,459	9,977	10,120
Departmental outputs	972,779	1,102,984	130,205	1,084,634	1,146,009	1,020,394
Program 1.8 Chief Operating Officer - Defence People						
Revenues from other sources	-	-	-	-	-	-
Departmental outputs	452,754	482,356	29,602	491,305	470,023	474,334
Program 1.9 Defence Science and Technology						
Revenues from other sources	35,317	32,077	-3,240	35,142	36,036	37,005
Departmental outputs	427,200	411,837	-15,363	423,418	427,939	420,242
Program 1.10 Vice Chief of the Defence Force						
Revenues from other sources	231,636	329,382	97,746	341,137	352,969	365,085
Departmental outputs	1,251,094	1,191,333	-59,761	1,210,640	1,244,958	1,288,711
Program 1.11 Joint Operations Command						
Revenues from other sources	373	343	-30	360	368	371
Departmental outputs	50,680	52,952	2,272	50,974	54,310	56,725
Program 1.12 Capability Development						
Revenues from other sources	86,203	19,485	-66,718	25,271	31,423	37,545
Departmental outputs	883,841	360,871	-522,970	1,411,470	2,054,865	2,715,281
Program 1.13 Chief Finance Officer						
Revenues from other sources	822,302	820,563	-1,739	866,260	922,566	970,034
Departmental outputs	560,563	591,500	30,937	618,318	635,731	615,076

Table 16 (Cont): Total Budgeted Resources Available for Outcome 1

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Program 1.14 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>	96,957	96,957	-	85,377	75,307	66,101
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17</i>	1,255,387	1,255,387	-	1,340,561	1,391,045	1,476,384
Total Administered Expenses	1,352,344	1,352,344	-	1,425,938	1,466,352	1,542,485
Administered Revenues from other sources	1,279,134	1,279,902	768	1,324,094	1,366,335	1,408,622
Total Program 1.14	73,210	72,442	-768	101,844	100,017	133,863
Program 1.15 Defence Force Superannuation Nominal Interest						
<i>Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)</i>	26,918	26,918	-	25,357	23,848	22,391
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	1,481,592	1,481,592	-	1,483,710	1,483,692	1,481,497
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17</i>	1,419,134	1,419,134	-	1,553,931	1,698,035	1,851,519
Total Administered Expenses	2,927,644	2,927,644	-	3,062,998	3,205,575	3,355,407
Administered Revenues from other sources	-	-	-	-	-	-
Total Program 1.15	2,927,644	2,927,644	-	3,062,998	3,205,575	3,355,407
Program 1.16 Housing Assistance						
<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	1,963	1,817	-146	1,511	1,256	1,042
<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	104,626	101,192	-3,434	111,653	120,573	127,935
Total Administered Expenses	106,589	103,009	-3,580	113,164	121,829	128,977
Administered Revenues from other sources	12,192	12,727	535	13,335	13,973	14,384
Total Program 1.16	94,397	90,282	-4,115	99,829	107,856	114,593
Program 1.17 Other Administered						
Administered Revenues from other sources	158,214	132,879	-25,335	141,058	157,942	169,826
Total Program 1.17	-158,214	-132,879	25,335	-141,058	-157,942	-169,826
Total resourcing						
Total Departmental outputs	22,877,532	23,406,633	529,101	25,409,299	26,890,195	27,218,295
Total Administered	2,937,037	2,957,489	20,452	3,123,613	3,255,506	3,434,037
Total Departmental revenue from other sources	2,267,533	2,035,465	-232,068	2,065,964	2,249,141	2,309,588
Total Administered revenue from other sources	1,449,540	1,425,508	-24,032	1,478,487	1,538,250	1,592,832
Equity Injection	683,005	918,385	235,380	1,963,011	1,607,720	1,841,398
Total resources for Outcome 1	30,214,647	30,743,480	528,833	34,040,374	35,540,812	36,396,150

Contributions to Outcome 1

Program 1.1: Office of the Secretary and CDF

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Program 1.1 Objective

The Office of the Secretary and CDF (OSCDF) Group's primary objective in delivering Program 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 2013-14, the Group will continue to drive implementation of the strategic reforms across Defence. It will implement new measures to align Defence's corporate functions with strategic planning and guide 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 and a number of Military Justice agencies.

Table 17: Cost Summary for Program 1.1 Office of the Secretary and CDF

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	37,187	36,625	-562	36,576	39,841	39,319
Suppliers	121,867	121,746	-121	119,321	147,621	145,445
Grants	4,557	4,653	96	4,735	4,307	4,416
Depreciation and amortisation	1,111	1,495	384	1,178	963	643
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	164,722	164,519	-203	161,810	192,732	189,823
Income						
Revenues						
Goods and services	539	439	-100	435	434	426
Other revenue	-	100	100	103	106	108
Total Revenue	539	539	-	538	540	534
Gains						
Reversal of previous asset write-downs	-	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	-	-	-	-	-	-
Total income	539	539	-	538	540	534
Program 1.1 Office of the Secretary and CDF	164,183	163,980	-203	161,272	192,192	189,289

Program 1.1 Deliverables

- Ensure delivery of the Defence Cooperation Program within available resources.
- Oversee implementation of agreed recommendations of the *ADF Posture Review*.
- Guide the development of the *2015 Defence White Paper*.
- Ensure Defence strategic policy aligns with Government direction and priorities, including fiscal policy.
- Administer use of the Australia-United States Defence Trade Cooperation Treaty by Australian Government agencies and defence industry.

The following Deliverables transferred to the Chief Operating Officer Organisation since the *Portfolio Budget Statements 2013-14*:

- Enhance Defence's governance framework, through clearer authority and accountability and more rigorous performance management, risk management, assurance and audit processes.
- Align Defence's corporate, enterprise risk and strategic planning functions, including through Defence's annual and corporate plans.
- Ensure Defence corporate strategy aligns with Government direction and priorities, including fiscal policy.

Program 1.2: Navy Capabilities

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Table 18: Cost Summary for Program 1.2 Navy Capabilities

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	1,788,501	1,789,282	781	1,869,235	1,986,273	1,960,397
Suppliers	1,813,436	1,949,665	136,229	2,101,978	2,194,530	2,171,937
Grants	-	400	400	-	-	-
Depreciation and amortisation	772,860	889,212	116,352	822,701	742,682	722,066
Finance cost	20,721	21,582	861	26,693	28,438	29,122
Write-down of assets and impairment of assets	185,747	90,029	-95,718	89,616	89,407	89,524
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	4,581,265	4,740,170	158,905	4,910,223	5,041,330	4,973,046
Income						
Revenues						
Goods and services	91,790	91,790	-	67,162	71,258	74,624
Other revenue	42,520	42,520	-	31,241	32,034	32,216
Total Revenue	134,310	134,310	-	98,403	103,292	106,840
Gains						
Reversal of previous asset write-downs	114,097	30,698	-83,399	30,865	31,177	31,627
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	114,097	30,698	-83,399	30,865	31,177	31,627
Total income	248,407	165,008	-83,399	129,268	134,469	138,467
Program 1.2 Navy Capabilities	4,332,858	4,575,162	242,304	4,780,955	4,906,861	4,834,579

Table 19: Navy Deliverables (Unit Ready Days)^[1]

Deliverables		2013-14 Budget Estimate	2013-14 Revised Estimate
18	Major Combatants	3,501	3,522 ^[2]
20	Minor Combatants	4,581	4,477 ^[3]
9	Amphibious and Afloat Support	2,186	2,047 ^[4]
9	Hydrographic Force	2,805	2,819 ^[5]

Notes

- Unit Ready Days (URD) are the aggregate number of days that constituent force elements are available for tasking.
- Major Combatants include the Adelaide class frigates, Anzac class frigates, and submarines. The increase in URD is due to changes in the dates of scheduled maintenance periods.
- Minor Combatants include Armidale class patrol boats and coastal mine hunters. The decrease in URD is attributable to extensions of major maintenance periods.
- Amphibious and Afloat Support comprises the oil tanker, replenishment ship, landing ship dock, heavy landing ship, and heavy landing craft. The decrease in URD is due to a refit extension and other schedule changes.
- Hydrographic Force comprises the hydrographic ships, survey motor launches, chart production office and meteorological and oceanographic centres. The increase in URD is due to schedule changes.

Program 1.3: Army Capabilities

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Program 1.3 Objective

Army's primary objective in delivering Program 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 the opportunity to attack or threaten Australia, or its strategic interests.

Army's first priority is to continue to support forces and individuals deployed on operations. During 2013-14 Army will remain heavily 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 Army Sustainment Campaign Plan and Force Generation Cycle to ensure Army is capable of supporting current operations while concurrently posturing to meet the challenges of future operations. During 2013-14, the implementation of Multi-role Combat Brigade and Army Reserve reform under Plan BEERSHEBA will see increased commonality of structures and capability across Army. These changes will optimize its Force Generation Cycle and achieve efficiencies through cyclical personnel and resource usage and rationalisation of the equipment required to sustain operational missions and readiness for potential contingencies.

Army will build on its existing cultural strengths through the implementation of a *Pathway to Change*, to ensure the organisation excels in preparing for and conducting operations in support of Australia and national interests, while reflecting modern community standards and attitudes.

Table 20: Cost Summary for Program 1.3 Army Capabilities

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	3,402,847	3,389,866	-12,981	3,580,647	3,878,588	3,836,827
Suppliers	1,441,882	1,460,923	19,041	1,695,211	1,791,432	1,803,200
Grants	284	284	-	84	88	90
Depreciation and amortisation	530,145	892,003	361,858	684,660	614,613	599,169
Finance cost	1,886	2,089	203	3,171	3,572	3,764
Write-down of assets and impairment of assets	123,613	63,865	-59,748	64,151	64,794	66,067
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	5,500,657	5,809,030	308,373	6,027,924	6,353,087	6,309,117
Income						
Revenues						
Goods and services	73,856	72,024	-1,832	82,018	86,427	86,244
Other revenue	3,857	4,689	832	-	-	617
Total Revenue	77,713	76,713	-1,000	82,018	86,427	86,861
Gains						
Reversal of previous asset write-downs	75,232	22,009	-53,223	22,401	23,012	23,940
Net gains from sale of assets ^[1]	3,907	3,207	-700	2,198	1,898	-2,302
Other gains	-	-	-	-	-	-
Total gains	79,139	25,216	-53,923	24,599	24,910	21,638
Total income	156,852	101,929	-54,923	106,617	111,337	108,499
Program 1.3 Army Capabilities	5,343,805	5,707,101	363,296	5,921,307	6,241,750	6,200,618

Note

1. At the Portfolio level Defence has budgeted for a total net gain from sale of assets. Whilst the amount shown in the 2016-17 forward estimate represents a loss for this Program, the overall Portfolio budgeted outcome is for a gain.

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

Deliverables	2013-14 Budget Estimate	2013-14 Revised Budget	2014-15 Forward Year 1	2015-16 Forward Year 2	2016-17 Forward Year 3
6 CH-47D Chinook ^{[1][2]}	1,850	1,850	383		
7 CH-47F Chinook ^[2]			1,317	1,700	1,700
34 S-70A-9 Black Hawk ^[3]	6,200	6,500	5,090	4,230	3,730
41 B-206 Kiowa	6,400	6,400	6,150	6,150	6,150
22 Armed Reconnaissance Helicopter (ARH) Tiger	3,360	3,360	4,566	5,661	6,042
46 Multi Role Helicopter (MRH90) ^{[3][4]}	4,000	4,000	5,400	7,100	8,450

Notes

- The Chinook 2013-14 Rate of Effort comprises 1700 hours Baseline plus 150 hours Operational Supplement.
- The Chinook has been split into two lines to reflect replacement of six CH-47D with seven CH-47F in 2014-15. The 2014-15 Rate of Effort balance between the two aircraft variants is an initial estimate.
- MRH90 Rate of Effort has been reduced by 4,400 hours across the four years. The key reasons for this are delays to the MRH90 aircraft delivery schedule, and delays to certification and testing of critical aircraft systems and role equipment. There has been a consequential increase of 3,750 hours in Black Hawk Rate of Effort across the four years.
- MRH90 aircraft quantities include six for Navy (five in 808 Squadron, and one in deeper maintenance). MRH90 Rate of Effort includes Navy flying hours (1,400 hours in 2013-14, and 1,500 pa thereafter).

Program 1.4: Air Force Capabilities

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 22: Cost Summary for Program 1.4 Air Force Capabilities

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	1,807,222	1,802,139	-5,083	1,868,515	1,998,407	1,983,885
Suppliers	1,774,456	1,808,739	34,283	2,006,352	2,100,450	2,075,752
Grants	-	50	50	-	-	-
Depreciation and amortisation	671,224	1,034,398	363,174	923,063	916,681	908,662
Finance cost	6,148	7,351	1,203	11,156	12,571	13,244
Write-down of assets and impairment of assets	229,675	111,189	-118,486	110,755	110,315	110,259
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	4,488,725	4,763,866	275,141	4,919,841	5,138,424	5,091,802
Income						
Revenues						
Goods and services	175,662	173,965	-1,697	151,537	159,395	167,508
Other revenue	6,552	6,552	-	5,086	5,213	5,333
Total Revenue	182,214	180,517	-1,697	156,623	164,608	172,841
Gains						
Reversal of previous asset write-downs	141,235	37,945	-103,290	38,217	38,541	39,034
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	141,235	37,945	-103,290	38,217	38,541	39,034
Total income	323,449	218,462	-104,987	194,840	203,149	211,875
Program 1.4 Air Force Capabilities	4,165,276	4,545,404	380,128	4,725,001	4,935,275	4,879,927

Program 1.5: Intelligence Capabilities

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 23: Cost Summary for Program 1.5 Intelligence Capabilities

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	269,859	262,846	-7,013	268,971	289,087	288,476
Suppliers	230,027	222,322	-7,705	243,983	270,740	254,841
Grants	-	-	-	-	-	-
Depreciation and amortisation	34,713	43,692	8,979	45,364	49,944	56,739
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	3,775	2,308	-1,467	3,007	3,317	3,557
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	538,374	531,168	-7,206	561,325	613,088	603,613
Income						
Revenues						
Goods and services	11,243	11,243	-	10,134	10,536	10,652
Other revenue	-	-	-	-	-	-
Total Revenue	11,243	11,243	-	10,134	10,536	10,652
Gains						
Reversal of previous asset write-downs	2,307	1,033	-1,274	1,345	1,484	1,592
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	2,307	1,033	-1,274	1,345	1,484	1,592
Total income	13,550	12,276	-1,274	11,479	12,020	12,244
Program 1.5 Intelligence Capabilities	524,824	518,892	-5,932	549,846	601,068	591,369

Chief Operating Officer

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Chief Operating Officer Objective

DSRG and CIOG continue to work together to progress the development of Information Management as an enterprise capability for Defence including the development of a consistent governance framework to be applied across Defence and the adoption of enterprise approaches to the use of technology to enable information management.

Table 24: Cost Summary for Chief Operating Officer

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	1,363,437	1,369,675	6,238	1,412,174	1,476,937	1,493,771
Suppliers	2,926,969	2,949,669	22,700	3,169,031	3,176,126	2,965,136
Grants	1,478	1,342	-136	1,569	1,596	1,628
Depreciation and amortisation	1,011,222	1,085,662	74,440	1,100,262	1,093,793	1,090,232
Finance cost	103,984	97,171	-6,813	108,408	106,442	105,912
Write-down of assets and impairment of assets	93,950	75,110	-18,840	80,492	83,996	85,414
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	21,073	44,373	23,300	39,214	100,620	112,314
Total expenses	5,522,113	5,623,002	100,889	5,911,150	6,039,510	5,854,407
Income						
Revenues						
Goods and services	305,336	304,783	-553	314,729	335,094	338,360
Other revenue	6,455	9,757	3,302	8,022	8,413	8,824
Total Revenue	311,791	314,540	2,749	322,751	343,507	347,184
Gains						
Reversal of previous asset write-downs	25,114	8,861	-16,253	10,301	10,757	10,845
Net gains from sale of assets	12,000	12,000	-	22,000	90,000	69,900
Other gains	-	-	-	-	-	-
Total gains	37,114	20,861	-16,253	32,301	100,757	80,745
Total income	348,905	335,401	-13,504	355,052	444,264	427,929
Chief Operating Officer (COO)	5,173,208	5,287,601	114,393	5,556,098	5,595,246	5,426,478

Chief Operating Officer Deliverables

The following deliverables for the Chief Operating Officer focus on oversight of the COO organisation:

- Oversee, integrate and coordinate reforms.
- Ensure policy advice provided to the Government is accurate, timely and responsive, and offers practical and cost-effective approaches to fulfill the Government's defence responsibilities.
- Provide overarching strategic guidance, policy and supporting plans to implement the recommendations of the reviews into the culture of the ADF and Defence. Notwithstanding, the Secretary and CDF retain personal accountability for *Pathway to Change* which is executed through the Culture Reform Steering Committee. Resourcing of individual initiatives in support of the *Pathway to Change* comes from the individual Groups and Services as appropriate.

Program 1.6: Chief Operating Officer – Defence Support and Reform

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Program 1.6 Objective

DSRG is responsible for delivering shared services that support the ADF and Defence Groups, and is fundamental to generating Defence capability through the services it provides. DSRG supports Defence through the provision of a range of products and services including: housing; business services; base support services including catering, accommodation, cleaning and grounds maintenance; and managing, developing and sustaining the Defence estate and whole-of-Defence information management capability.

Table 25: Cost Summary for Program 1.6 Chief Operating Officer – Defence Support and Reform

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	1,061,651	1,031,128	-30,523	1,111,190	1,184,071	1,211,118
Suppliers	1,905,859	1,876,576	-29,283	2,088,085	2,047,610	1,940,007
Grants	17	-	-17	-	-	-
Depreciation and amortisation	914,050	917,640	3,590	913,329	906,547	910,575
Finance cost	103,928	97,115	-6,813	108,364	106,432	105,912
Write-down of assets and impairment of assets	75,408	62,571	-12,837	65,570	68,221	69,633
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	21,073	44,373	23,300	39,214	100,620	112,314
Total expenses	4,081,986	4,029,403	-52,583	4,325,752	4,413,501	4,349,559
Income						
Revenues						
Goods and services	302,167	301,614	-553	311,440	331,683	334,823
Other revenue	6,455	9,757	3,302	8,022	8,413	8,824
Total Revenue	308,622	311,371	2,749	319,462	340,096	343,647
Gains						
Reversal of previous asset write-downs	13,689	3,771	-9,918	4,131	4,191	4,262
Net gains from sale of assets	12,000	12,000	-	22,000	90,000	69,900
Other gains	-	-	-	-	-	-
Total gains	25,689	15,771	-9,918	26,131	94,191	74,162
Total income	334,311	327,142	-7,169	345,593	434,287	417,809
Program 1.6 Chief Operating Officer - Defence Support and Reform	3,747,675	3,702,261	-45,414	3,980,159	3,979,214	3,931,750

Program 1.6 Deliverables

- Enhance Defence's governance framework, through clearer authority and accountability and more rigorous performance management, risk management, assurance and audit processes¹.
- Align Defence's corporate, enterprise risk and strategic planning functions, including through Defence's annual and corporate plans¹.
- Ensure Defence's corporate strategy aligns with Government direction and priorities, including fiscal policy¹.
- Development of the Defence Information Management Strategy and a subordinate Information Management Plan to progress the development of an information management capability across Defence.
- Manage, develop and sustain the Defence estate to meet Defence and Government requirements by developing and delivering major estate and environment programs on time, to budget and compliant with the *Work Health and Safety Act 2011*, *Environment Protection and Biodiversity Conservation Act 1999* and other statutory requirements.

Program 1.6 Key Performance Indicators

- Improve business outcomes as part of broader Defence reform, including ongoing implementation of an enhanced enterprise planning system and the revised responsibilities and accountabilities for base support.
- The Defence Information Management Strategy is developed and endorsed and the first iteration of the Defence Information Management Plan is developed, endorsed and implementation is underway.

¹ This deliverable has transferred from Program 1.1: Office of the Secretary and CDF.

Program 1.7: Chief Operating Officer – Chief Information Officer

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 26: Cost Summary for Program 1.7 Chief Operating Officer - Chief Information Officer

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	137,256	130,534	-6,722	109,705	110,250	101,682
Suppliers	737,183	801,812	64,629	784,697	845,231	736,062
Grants	-	-	-	-	-	-
Depreciation and amortisation	94,336	166,302	71,966	184,725	184,720	176,989
Finance cost	56	56	-	44	10	-
Write-down of assets and impairment of assets	18,542	12,539	-6,003	14,922	15,775	15,781
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	987,373	1,111,243	123,870	1,094,093	1,155,986	1,030,514
Income						
Revenues						
Goods and services	3,169	3,169	-	3,289	3,411	3,537
Other revenue	-	-	-	-	-	-
Total Revenue	3,169	3,169	-	3,289	3,411	3,537
Gains						
Reversal of previous asset write-downs	11,425	5,090	-6,335	6,170	6,566	6,583
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	11,425	5,090	-6,335	6,170	6,566	6,583
Total income	14,594	8,259	-6,335	9,459	9,977	10,120
Program 1.7 Chief Operating Officer - Chief Information Officer	972,779	1,102,984	130,205	1,084,634	1,146,009	1,020,394

Program 1.8: Chief Operating Officer – Defence People

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Program 1.8 Objective

The extant strategy document *People in Defence* has been reviewed to identify gaps between current programs and commitments made in the *Defence White Paper 2013*. It is anticipated that further revision of *People in Defence* will occur in conjunction with the development and release of the next *Defence White Paper*.

Table 27: Cost Summary for Program 1.8 Chief Operating Officer – Defence People

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	164,530	208,013	43,483	191,279	182,616	180,971
Suppliers	283,927	271,281	-12,646	296,249	283,285	289,067
Grants	1,461	1,342	-119	1,569	1,596	1,628
Depreciation and amortisation	2,836	1,720	-1,116	2,208	2,526	2,668
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	452,754	482,356	29,602	491,305	470,023	474,334
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	-	-	-	-	-	-
Program 1.8 Chief Operating Officer - Defence People	452,754	482,356	29,602	491,305	470,023	474,334

Program 1.9: Defence Science and Technology

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 28: Cost Summary for Program 1.9 Defence Science and Technology

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	305,173	289,615	-15,558	311,597	320,080	315,721
Suppliers	128,386	127,530	-856	120,442	118,335	115,662
Grants	-	-	-	-	-	-
Depreciation and amortisation	25,478	24,632	-846	24,206	23,024	23,102
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	3,480	2,137	-1,343	2,315	2,536	2,762
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	462,517	443,914	-18,603	458,560	463,975	457,247
Income						
Revenues						
Goods and services	33,190	31,121	-2,069	34,106	34,901	35,769
Other revenue	-	-	-	-	-	-
Total Revenue	33,190	31,121	-2,069	34,106	34,901	35,769
Gains						
Reversal of previous asset write-downs	2,127	956	-1,171	1,036	1,135	1,236
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	2,127	956	-1,171	1,036	1,135	1,236
Total income	35,317	32,077	-3,240	35,142	36,036	37,005
Program 1.9 Defence Science and Technology	427,200	411,837	-15,363	423,418	427,939	420,242

Program 1.10: Vice Chief of the Defence Force

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Program 1.10 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, the development and delivery of joint, common and APS education and training, logistics support, health support, ADF Cadet and Reserve policy, joint capability coordination, preparedness management, joint and combined ADF doctrine.

The US Force Posture Review Implementation Team is completing tasks related to Phase 2 of the United States Marine Corps rotational presence, with the remainder of the responsibility now resting with Strategy Group.

Table 29: Cost Summary for Program 1.10 Vice Chief of the Defence Force

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	535,415	531,674	-3,741	549,177	598,240	625,032
Suppliers	576,122	574,948	-1,174	571,807	552,512	563,895
Grants	-	25	25	25	25	-
Depreciation and amortisation	30,154	28,136	-2,018	28,397	28,347	29,248
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	341,039	385,932	44,893	402,371	418,803	435,621
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	1,482,730	1,520,715	37,985	1,551,777	1,597,927	1,653,796
Income						
Revenues						
Goods and services	128,952	128,952	-	132,176	135,479	138,866
Other revenue	-	-	-	-	-	-
Total Revenue	128,952	128,952	-	132,176	135,479	138,866
Gains						
Reversal of previous asset write-downs	102,684	200,430	97,746	208,961	217,490	226,219
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	102,684	200,430	97,746	208,961	217,490	226,219
Total income	231,636	329,382	97,746	341,137	352,969	365,085
Program 1.10 Vice Chief of the Defence Force	1,251,094	1,191,333	-59,761	1,210,640	1,244,958	1,288,711

Program 1.10 Deliverables

- Deliver coordinated logistic advice and services to the ADF, and provide oversight and assurance of the Defence Logistic Capability.

Program 1.10 Key Performance Indicators

- Governance and accountability frameworks enhance the youth development experience within the ADF Cadets and the Defence Work Experience Program.

Program 1.11: Joint Operations Command

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 30: Cost Summary for Program 1.11 Joint Operations Command

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	5,771	6,110	339	6,610	6,565	6,219
Suppliers	42,635	45,046	2,411	41,006	42,889	44,231
Grants	-	-	-	-	-	-
Depreciation and amortisation	2,647	2,139	-508	3,718	5,224	6,646
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	51,053	53,295	2,242	51,334	54,678	57,096
Income						
Revenues						
Goods and services	373	343	-30	360	368	371
Other revenue	-	-	-	-	-	-
Total Revenue	373	343	-30	360	368	371
Gains						
Reversal of previous asset write-downs	-	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	-	-	-	-	-	-
Total income	373	343	-30	360	368	371
Program 1.11 Joint Operations Command	50,680	52,952	2,272	50,974	54,310	56,725

Program 1.12: Capability Development

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 31: Cost Summary for Program 1.12 Capability Development

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	61,590	21,145	-40,445	73,399	107,054	134,688
Suppliers	408,844	299,904	-108,940	797,704	1,129,057	1,446,718
Grants	-	-	-	-	-	-
Depreciation and amortisation	361,617	1,432	-360,185	490,622	756,937	1,060,026
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	137,993	57,875	-80,118	75,016	93,240	111,394
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	970,044	380,356	-589,688	1,436,741	2,086,288	2,752,826
Income						
Revenues						
Goods and services	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenue	-	-	-	-	-	-
Gains						
Reversal of previous asset write-downs	86,203	19,485	-66,718	25,271	31,423	37,545
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	86,203	19,485	-66,718	25,271	31,423	37,545
Total income	86,203	19,485	-66,718	25,271	31,423	37,545
Program 1.12 Capability Development	883,841	360,871	-522,970	1,411,470	2,054,865	2,715,281

Program 1.13: Chief Finance Officer

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 32: Cost Summary for Program 1.13 Chief Finance Officer

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	501,356	533,396	32,040	554,320	570,348	586,494
Suppliers	829,064	827,481	-1,583	889,547	940,496	982,893
Grants	-	-	-	-	-	-
Depreciation and amortisation	416	1,175	759	665	152	168
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	4,216	2,198	-2,018	2,166	2,134	2,103
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	47,813	47,813	-	37,880	45,167	13,452
Total expenses	1,382,865	1,412,063	29,198	1,484,578	1,558,297	1,585,110
Income						
Revenues						
Goods and services	-	-	-	-	-	-
Other revenue	814,573	814,573	-	860,153	916,337	963,682
Total Revenue	814,573	814,573	-	860,153	916,337	963,682
Gains						
Reversal of previous asset write-downs	2,603	864	-1,739	853	843	832
Net gains from sale of assets	-	-	-	-	-	-
Other gains	5,126	5,126	-	5,254	5,386	5,520
Total gains	7,729	5,990	-1,739	6,107	6,229	6,352
Total income	822,302	820,563	-1,739	866,260	922,566	970,034
Program 1.13 Chief Finance Officer	560,563	591,500	30,937	618,318	635,731	615,076

Administered Program 1.14: Defence Force Superannuation Benefits

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 33: Cost Summary for Administered Program 1.14 Defence Force Superannuation Benefits

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Net foreign exchange losses	-	-	-	-	-	-
Retention benefits	77,103	77,103	-	95,883	77,940	93,000
Military superannuation benefits	1,275,241	1,275,241	-	1,330,055	1,388,412	1,449,485
Total expenses	1,352,344	1,352,344	-	1,425,938	1,466,352	1,542,485
Income						
Revenues						
Interest	-	-	-	-	-	-
Net foreign exchange gain	-	-	-	-	-	-
Military superannuation contributions	1,279,134	1,279,902	768	1,324,094	1,366,335	1,408,622
Total income	1,279,134	1,279,902	768	1,324,094	1,366,335	1,408,622
Program 1.14 Defence Force Superannuation Benefits	73,210	72,442	-768	101,844	100,017	133,863

Administered Program 1.15: Defence Force Superannuation Nominal Interest

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 34: Cost Summary for Administered Program 1.15 Defence Force Superannuation Nominal Interest

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Net foreign exchange losses	-	-	-	-	-	-
Retention benefits	-	-	-	-	-	-
Military superannuation benefits	2,927,644	2,927,644	-	3,062,998	3,205,575	3,355,407
Total expenses	2,927,644	2,927,644	-	3,062,998	3,205,575	3,355,407
Income						
Revenues						
Interest	-	-	-	-	-	-
Net foreign exchange gain	-	-	-	-	-	-
Military superannuation contributions	-	-	-	-	-	-
Total income	-	-	-	-	-	-
Program 1.15 Defence Force Superannuation Nominal Interest	2,927,644	2,927,644	-	3,062,998	3,205,575	3,355,407

Administered Program 1.16: Housing Assistance

Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 35: Cost Summary for Administered Program 1.16 Housing Assistance

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Net foreign exchange losses	-	-	-	-	-	-
Housing subsidies	106,589	103,009	-3,580	113,164	121,829	128,977
Total expenses	106,589	103,009	-3,580	113,164	121,829	128,977
Income						
Revenues						
Interest	-	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
License fees	12,192	12,727	535	13,335	13,973	14,384
Other	-	-	-	-	-	-
Total income	12,192	12,727	535	13,335	13,973	14,384
Program 1.16 Housing Assistance	94,397	90,282	-4,115	99,829	107,856	114,593

Administered Program 1.17: Other Administered
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Performance information is as reported in the *Portfolio Budget Statements 2013-14*.

Table 36: Cost Summary for Administered Program 1.17 Other Administered

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Total expenses	-	-	-	-	-	-
Income						
Revenues						
Interest	31,849	29,807	-2,042	34,791	37,161	37,682
Dividends	49,717	50,525	808	47,795	57,539	56,861
Other	76,648	52,547	-24,101	58,472	63,242	75,283
Total income	158,214	132,879	-25,335	141,058	157,942	169,826
Program 1.17 Other Administered	-158,214	-132,879	25,335	-141,058	-157,942	-169,826

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

No changes have been made to this outcome strategy since the *Portfolio Budget Statements 2013-14*.

Outcome 2 Resources

Table 37: Total Budgeted Resources Available for Outcome 2

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Program 2.1 - Operations Contributing to the Security of the Immediate Neighbourhood						
Revenue from other sources	-	-	-	-	-	-
Departmental outputs	16,685	16,685	-	58	-	-
Program 2.2 - Operations Supporting Wider Interests						
Revenue from other sources	10,739	10,766	27	-	-	-
Departmental outputs	884,936	981,087	96,151	221,696	160,123	87,146
Total resourcing						
Total Departmental outputs	901,621	997,772	96,151	221,754	160,123	87,146
Total Departmental revenue from other sources	10,739	10,766	27	-	-	-
Total resources for Outcome 2	912,360	1,008,538	96,178	221,754	160,123	87,146

Contributions to Outcome 2

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

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Table 38: Cost Summary for Program 2.1 Operations Contributing to the Security of the Immediate Neighbourhood

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	4,090	4,090	-	-	-	-
Suppliers	12,595	12,595	-	58	-	-
Grants	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	16,685	16,685	-	58	-	-
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	-	-	-	-	-	-
Program 2.1 Operations Contributing to the Security of the Immediate Neighbourhood	16,685	16,685	-	58	-	-

Program 2.1 Deliverables

The following changes have been made to the Program Deliverables since the *Portfolio Budget Statements 2013-14*:

- Operation ANODE: ceased in 2013.
- Operation ASTUTE: ceased in 2013.
- Operation PHILIPPINES ASSIST: commenced in 2013.

Operation	Commenced	Objective
ANODE	2003-2013	Support the coalition police forces in maintaining the rule of law in Solomon Islands.
ASTUTE	2006-2013	Contribute security support to the Government of Timor- Leste and the United Nations Mission in Timor Leste.
PHILIPPINES ASSIST	2013	Support the Whole of Government contribution to the international humanitarian and disaster relief operations as requested by the Philippines Government.

Program 2.2: Operations Supporting Wider Interests

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Table 39: Cost Summary for Program 2.2 Operations Supporting Wider Interests

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	132,026	174,835	42,809	245	-	-
Suppliers	714,556	767,925	53,369	142,571	80,537	6,849
Grants	39,093	39,093	-	78,880	79,586	80,297
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	10,000	10,000	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	895,675	991,853	96,178	221,696	160,123	87,146
Income						
Revenues						
Goods and services	10,739	10,766	27	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenue	10,739	10,766	27	-	-	-
Gains						
Reversal of previous asset write-downs	-	-	-	-	-	-
Net gains from sale of assets	-	-	-	-	-	-
Other gains	-	-	-	-	-	-
Total gains	-	-	-	-	-	-
Total income	10,739	10,766	27	-	-	-
Program 2.2 Operations Supporting Wider Interests	884,936	981,087	96,151	221,696	160,123	87,146

Program 2.2 Deliverables

The following changes have been made to the Program Deliverables since the *Portfolio Budget Statements 2013-14*:

- Operation RIVERBANK: ceased in 2013.
- Operation PALATE II: a senior Military Advisor and Military Liaison Officers are provided to the United Nations Assistance Mission in Afghanistan.

Operation	Commenced	Objective
RIVERBANK	2008-2013	Contribute to the United Nations Assistance Mission for Iraq.
PALATE II	2005	Provide a Senior Military Advisor and Military Liaison Officers to the United Nations Assistance Mission in Afghanistan.

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

Outcome 3 Strategy

No changes have been made to this outcome strategy since the *Portfolio Budget Statements 2013-14*.

Outcome 3 Resources

Table 40: Total Budgeted Resources Available for Outcome 3

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Program 3.1 - Defence Contribution to National Support Tasks in Australia						
Revenues from other sources	-	-	-	-	-	-
Departmental outputs	16,933	54,097	37,164	4	4	-
Total resourcing	16,933	54,097	37,164	4	4	-
Total Departmental outputs	16,933	54,097	37,164	4	4	-
Total Departmental revenue from other sources	-	-	-	-	-	-
Total resources for Outcome 3	16,933	54,097	37,164	4	4	-

Contributions to Outcome 3

Program 3.1: Defence Contribution to National Support Tasks in Australia

Performance information is as reported in the *Portfolio Budget Statements 2013-14* except for the following revisions.

Table 41: Cost Summary for Program 3.1 Defence Contribution to National Support Tasks in Australia

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
Expenses						
Employees	3,852	13,631	9,779	-	-	-
Suppliers	13,081	40,466	27,385	4	4	-
Grants	-	-	-	-	-	-
Depreciation and amortisation	-	-	-	-	-	-
Finance cost	-	-	-	-	-	-
Write-down of assets and impairment of assets	-	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
Total expenses	16,933	54,097	37,164	4	4	-
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	-	-	-	-	-	-
Program 3.1 Defence Contribution to National Support Tasks in Australia	16,933	54,097	37,164	4	4	-

Program 3.1 Deliverables

The following changes have been made to the Program Deliverables since the *Portfolio Budget Statements 2013-14*:

- Operation PARAPET: Support to the whole-of government effort as host of the G20 Summit in 2014.
- NSW BUSHFIRE ASSIST: Defence assistance to recovery efforts in NSW following the October 2013 bushfires.

Operation	Commenced	Objective
PARAPET	2013	Support to the whole-of government effort as host of the G20 Summit in 2014.
NSW BUSHFIRE ASSIST	2013	Defence assistance to recovery efforts in NSW following the October 2013 bushfires.

Section 3: Defence Explanatory Tables and Budgeted Financial Statements

3.1 Explanatory Tables

Table 42: Summary of Estimated Special Account Balances^{[1][2][3]}

		Opening 2013-14 2012-13 \$'000	Receipts 2013-14 2012-13 \$'000	Payments 2013-14 2012-13 \$'000	Adjustments 2013-14 2012-13 \$'000	Closing Balance 2013-14 2012-13 \$'000
	Outcome					
Services for Other Entities and Trust Moneys - Defence Special Account- <i>Financial Management and Accountability Act 1997</i>	1	73,363 <i>110,744</i>	38,440 <i>29,580</i>	-40,546 <i>-66,961</i>	- -	71,257 <i>73,363</i>
Defence Endowments Special Account – <i>Financial Management and Accountability Act 1997</i>	1	322 <i>328</i>	36 <i>27</i>	-30 <i>-33</i>	- -	328 <i>322</i>
Fedorczenko Legacy Special Account – <i>Financial Management and Accountability Act 1997</i>	1	166 <i>162</i>	8 <i>8</i>	-5 <i>-4</i>	- -	169 <i>166</i>
Young Endeavour Youth Program Special Account – <i>Financial Management and Accountability Act 1997</i>	1	1,274 <i>1,217</i>	45 <i>58</i>	-2 <i>-1</i>	- -	1,317 <i>1,274</i>
Total Special Accounts 2013-14		75,125	38,529	-40,583	-	73,071
<i>2012-13 actual</i>		<i>112,451</i>	<i>29,673</i>	<i>-66,999</i>	-	<i>75,125</i>

Notes

1. 2013-14 estimates in bold.
2. 2012-13 actuals in italics.
3. These are all Special Public Monies.

3.1.1 Australian Government Indigenous Expenditure

Table 43: Australian Government Indigenous Expenditure

	Program	Bill No. 1 \$'000
Outcome 1		
Defence Indigenous Employment Strategy^[1]	1.8	
Departmental 2013-14 Revised Estimate		3,451
Departmental 2013-14 Budget Estimate		2,866
Defence Indigenous Development Program^[1]	1.8	
Departmental 2013-14 Revised Estimate		5,724
Departmental 2013-14 Budget Estimate		6,372
Army Aboriginal Community Assistance Program^{[1][2]}	1.3	
Departmental 2013-14 Revised Estimate		6,130
Departmental 2013-14 Budget Estimate		5,699
Total 2013-14 Revised Estimate		15,305
Total 2013-14 Budget Estimate		14,937

Notes

1. All amounts are GST exclusive.
2. The majority of costs are subsequently recovered from the Australian Government Department of Social Services (previously, recovery was from the Department of Families, Housing, Community Services and Indigenous Affairs).

Defence Indigenous Employment Strategy

Since the *Portfolio Budget Statements 2013-14*, additional recruitment and retention activities have been implemented to support the Council of Australian Governments Indigenous employment target of 2.7 percent by 2015.

Defence Indigenous Development Program

Since the *Portfolio Budget Statements 2013-14*, the estimated costs of delivering the Defence Indigenous Development Program are less than originally forecast.

Army Aboriginal Community Assistance Program

No changes have been made to the Army Aboriginal Community Assistance Program since the *Portfolio Budget Statements 2013-14*.

3.1.2 Grants

The following changes to the grants program since the *Portfolio Budget Statements 2013-14* total \$2.8m, with two grant programs and seven individual grants approved.

Table 44: Grants Approved Since the 2013-14 Budget

	Total Approvals \$'000 ^[1]	2013-14 Revised Estimate \$'000 ^[1]
Army History Research Grants Scheme	52	52
Family Support Funding Program	1,304	1,304
International Institute for Strategic Studies (IISS) for 2014 Shangri-La Dialogue	90	90
Kokoda Foundation	130	130
Kokoda Foundation	30	30
Royal United Services Institute (RUSI) of Australia	297	97
Strategic and Defence Studies Centre (SDSC) at the Australian National University (ANU) for the Post Doctoral Fellowship Program	434	138
The Australian Sailor Pty Ltd	400	400
The Sir Richard Williams Foundation	50	50
Total additional grants^[2]	2,788	2,291

Notes

1. Approvals and Revised Estimate are as at 31 December 2013 and exclude GST.
2. Total may not add due to rounding.

The following are grants that have been approved since the *Portfolio Budget Statements 2013-14*.

Army History Research Grants Scheme

Grants to the total of \$52,106 were approved for the Army Military History Research Grants Scheme. The grants promote the study and understanding of Army, its history and traditions, which in turn assists in the achievement of Government's Defence policy objectives through the provision of capabilities for land and special operations. The scheme has been in operation since 1992.

Family Support Funding Program

Since the publication of the PBS 2013-14, the Family Support Funding Program has approved grants to the total of \$1,303,978 (plus GST of \$37,833) in 2013-14. The Program provides funds to support projects and services initiated by Defence families. It is also available to existing groups in the community composed of, or benefiting Defence families.

International Institute for Strategic Studies (IISS) for 2014 Shangri-La Dialogue

A grant of \$90,000 was approved to the International Institute for Strategic Studies (IISS) for 2014 Shangri-La Dialogue, which is a major annual Ministerial level meeting of defence and security officials from the Asia-Pacific and wider region. It provides an opportunity for regional states' defence establishments to exchange views on security in the region. IISS is a registered charity based in London and is a leading authority on political-military conflict and an independent source of objective information on international strategic issues.

Kokoda Foundation

A grant of \$130,000 (plus GST of \$13,000) was approved for the Kokoda Foundation to support the Australia-United States Trilogy Dialogue held on 30 October to 1 November 2013. A further grant of \$30,000 (plus GST of \$3,000) was also approved for two weekend congresses of the Kokoda Foundation Young Strategic Leaders program. The Kokoda Foundation is a not-for-profit institution that focuses on issues relating to national security and whole-of-nation responses to crises and threats, and fosters research and innovative thinking on Australia's future security challenges.

Royal United Services Institute (RUSI) of Australia

A multi-year grant of \$297,431 (2013-14 to 2015-16) was approved to the Royal United Services Institute (RUSI) of Australia to promote public discussion and debate on national security and defence matters including improving public awareness and understanding of these issues. RUSI also provide an avenue to engage with and inform the public on the implementation of the Defence White Paper and to engage the community on the next iteration.

Strategic and Defence Studies Centre (SDSC) at the Australian National University (ANU) for the Post Doctoral Fellowship Program

A multi-year grant (2013-14 to 2015-16) of \$434,290 was approved to the SDSC at the ANU to support the development of future academics in the field of Australia's long-term strategic and defence challenges. The role of the Post-Doctoral Fellow is to perform quality research that has a bearing on Australia's long-term strategic and defence challenges and be proactive in their engagement with Defence, particularly in fostering communication and networks with Strategic Policy Division.

The Australian Sailor Pty Ltd

A grant of \$400,000 was approved to the Australian Sailor Charitable Trust as a contribution to the construction of the Australian Sailor Centenary Monument to be erected at Rous Head precinct in Fremantle, Western Australia.

The Sir Richard Williams Foundation

A grant of \$50,000 was approved for The Sir Richard Williams Foundation to undertake independent research and analysis of national security issues facing Australia in today's complex security environment. The planned outcome of the research will be a series of published reports and publications for public education and discussion.

3.2 Resource Summary

Table 45: Budgeted Departmental Net Cost of Service (cash) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
NET COST OF SERVICE (CASH)					
Cost of Service					
Employee payments	9,921,248	10,153,125	10,474,757	11,204,014	11,205,095
Supplier payments	8,582,206	9,589,625	9,928,914	10,368,613	10,406,899
Purchase of specialist military equipment	3,364,046	3,853,037	5,022,274	5,705,821	6,013,981
Purchase of inventory	900,963	1,069,603	1,172,120	1,329,897	1,407,758
Purchase of other property, plant and equipment	1,268,215	1,592,416	1,581,049	724,017	770,874
Other cash used	818,310	919,152	1,005,858	1,057,239	1,072,344
Total cash used	24,854,988	27,176,958	29,184,972	30,389,601	30,876,951
Own source receipts	1,555,614	1,713,499	1,629,637	1,777,601	1,744,461
Total cash received	1,555,614	1,713,499	1,629,637	1,777,601	1,744,461
Net cost of service (cash)	23,299,374	25,463,459	27,555,335	28,612,000	29,132,490
FUNDED BY					
Appropriation Bill 1/3 (price of outcomes)	22,904,849	24,458,502	25,631,057	27,050,322	27,305,441
Appropriation Bill 2/4 (equity injection)	456,289	918,385	1,963,011	1,607,720	1,841,398
Net cash to the Official Public Account	-11,799	18,578	-38,733	-46,042	-14,349
Total funding source	23,349,339	25,395,465	27,555,335	28,612,000	29,132,490
Change in cash	49,965	-67,994	-	-	-

Portfolio Resource Statement

Table 46: Portfolio Resources^[1]

	Departmental Bill No. 3	Appropriation Bill No. 4	Section 10 Appropriation Act (No.1) 2013-14	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Department of Defence									
Administered appropriations	-	-	-	16.9	-3.6	13.3	-16.9	-	-3.6
Departmental appropriations	662.4	235.4	-	67.3	-	965.1	47.5	-	1,012.7
Total Department of Defence	662.4	235.4	-	84.2	-3.6	978.5	30.6	-	1,009.1
	Departmental Bill No. 3	Departmental Bill No. 4	Section 10 Appropriation Act (No.1) 2013-14	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Defence Materiel Organisation									
Administered appropriations ^[2]	-	-	-	-	-	-	-	-	-
Departmental appropriations	-	-	-35.4	-	-	-35.4	754.4	-	719.0
Total Defence Materiel Organisation	-	-	-35.4	-	-	-35.4	754.4	-	719.0
	Departmental Bill No. 3	Departmental Bill No. 4	Section 10 Appropriation Act (No.1) 2013-14	Return to the OPA	Special Appropriation	Total Appropriation	Non- Appropriation Receipts	Other Non- Appropriated Items	Total Resources Available
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Defence Housing Australia									
Administered appropriations	-	-	-	-	-	-	-	-	-
Departmental appropriations	-	-	-	-	-	-	27.7	-	27.7
Total Defence Housing Australia	-	-	-	-	-	-	27.7	-	27.7
Total Portfolio	662.4	235.4	-35.4	84.2	-3.6	943.0	812.7	-	1,755.8

Notes

1. Figures shown include inter-agency transactions.

2. DMO receives interest receipts from overseas bank accounts which are returned to the OPA and do not form part of DMO's resources. The revised estimate for 2013-14 is \$0.3m.

Table 47: Total Departmental and Administered Consolidated Cash Budget for the Department of Defence (including DMO)^[1]

	2013-14 Revised Budget \$m
APPROPRIATIONS AND CAPITAL	
Appropriation (Bill 1) ^[2]	24,665.4
Appropriation - Contributed Equity (Bill 2)	683.0
Appropriation (Bill 3)	662.4
Appropriation (Bill 4)	235.4
Appropriations for military superannuation ^[3]	2,109.0
less Returns to the OPA	-1,410.4
Total cash available	26,944.9
OPERATING ACTIVITIES	
Cash received	
Goods and services	560.4
Net GST received	1,319.5
Interest	30.1
Other cash	240.5
Fees	12.7
Total cash received	2,163.2
Cash used	
Employees	9,421.4
Suppliers	9,689.4
Net GST paid	1,319.5
Grants	65.5
Other cash	44.4
Subsidies paid	103.0
Military benefits	2,006.0
Total cash used	22,649.3
Net cash from or (used by) operating activities	-20,486.1
INVESTING ACTIVITIES	
Cash received	
Proceeds from sales of land and buildings	65.5
Proceeds from sales of infrastructure, plant and equipment	24.2
Proceeds from sales of specialist military equipment	11.2
Dividends	51.1
Total cash received	152.0
Cash used	
Purchase of land and buildings	747.2
Purchase of infrastructure, plant and equipment	813.8
Purchase of specialist military equipment	3,853.0
Purchase of intangibles	34.5
Purchase of inventory	1,069.6
Selling costs on sale of assets	5.7
Finance costs	107.0
Total cash used	6,630.7
Net cash from or (used by) investing activities	-6,478.7
FINANCING ACTIVITIES	
Cash used	
Repayment of debt	53.9
Total cash used	53.9
Net cash from or (used by) financing activities	-53.9
Net increase or (decrease) in cash and cash equivalents held	-73.8
Cash and cash equivalents at the beginning of the reporting period	204.3
Effect of exchange rate movements on cash and cash equivalents	-
Cash and cash equivalents at the end of the reporting period	130.5

Notes

- Figures shown eliminate interagency transactions and transactions flowing between Departmental and Administered funding.
- Includes \$869.3m of appropriation planned to be drawn down by DMO.
- Cross reference with Table 71 Consolidated Budgeted Administered Statement of Cash Flows for the Department of Defence (including DMO) for the period ended 30 June.

Table 48: Defence Resource Statement

Serial No.		Estimate as at Budget 2013-14 \$'000	+	Proposed Additional Estimates 2013-14 \$'000	=	Total Estimate at Additional Estimates 2013-14 \$'000	Total Actual Available Appropriation 2012-13 \$'000
	ORDINARY ANNUAL SERVICES						
	Outcome 1	22,877,532		529,101		23,406,633	21,491,302
	Outcome 2	901,621		96,151		997,772	1,394,539
	Outcome 3	16,933		37,164		54,097	9,500
1	Total Departmental outputs	23,796,086		662,416		24,458,502	22,895,341
2	Total ordinary annual services (1)	23,796,086		662,416		24,458,502	22,895,341
	OTHER SERVICES						
	Departmental non-operating						
	Equity injections	683,005		235,380		918,385	456,289
3	Total Departmental non-operating	683,005		235,380		918,385	456,289
4	Total other services (3)	683,005		235,380		918,385	456,289
5	Total available annual appropriation (2+4)	24,479,091		897,796		25,376,887	23,351,630
	SPECIAL APPROPRIATIONS						
	Special appropriations limited by criteria/entitlement						
	<i>Defence Forces Retirement Benefits Act, 1948 Part 1 s.15D and VIC, s.82ZJ</i>	26,918		-		26,918	18,855
	<i>Defence Force Retirement and Death Benefits Act, 1973 Part XII, s.125</i>	1,578,549		-		1,578,549	1,368,449
	<i>Military Superannuation and Benefits Act, 1991 Part V, s.17</i>	2,674,521		-		2,674,521	4,462,881
	<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	1,963		-146		1,817	2,443
	<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	104,626		-3,434		101,192	95,593
6	Total special appropriations	4,386,577		-3,580		4,382,997	5,948,221
7	Total appropriations (5+6)	28,865,668		894,216		29,759,884	29,299,851
	Other available resources						
	Funding from other sources	2,449,183		30,631		2,479,814	2,366,309
	Returns from the OPA (net)	-1,494,351		16,892		-1,477,459	-1,398,291
	Previous years' outputs (appropriation receivable)	76,857		-9,508		67,349	76,857
	Cash available	18,091		50,369		68,460	18,091
8	Total other available resources	1,049,780		88,384		1,138,164	1,062,966
9	Total resourcing (7+8)	29,915,448		982,600		30,898,048	30,362,817
	Special Accounts						
	Opening Balance	77,819		-2,694		75,125	112,451
	Appropriation Receipts	-		-		-	-
	Appropriation Receipts - other agencies	-		-		-	-
	Non-Appropriation Receipts to Special Accounts	38,529		-		38,529	50,064
10	Total special accounts	116,348		-2,694		113,654	162,515

Table 49: Third Party Payments to and from other Agencies

	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m
Revenue received from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	104,943	108,161	3,218
Payments made to Defence Housing Australia for the provision of services (Departmental)	524,475	592,871	68,396
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	21,461	21,461	-
Payments made to Comsuper for the provision of services (Departmental)	31,282	32,563	1,281
Payments made to Attorney-General's Department for the provision of services (Departmental)	24,864	23,076	-1,788
Payments made to the Department of Finance for the provision of services (Departmental)	64,153	64,153	-
Payments made to the Australian Federal Police for the provision of services (Departmental)	56,542	56,542	-

3.3 Budgeted Financial Statements

3.3.1 Departmental and Administered Budgeted Financial Statements

Table 50: Variation in Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
EXPENSES				
Employee benefits	10,218,326	10,224,929	6,603	0.1
Supplier expenses	11,033,920	11,208,959	175,039	1.6
Grants	45,412	45,847	435	1.0
Depreciation and amortisation	3,441,587	4,003,976	562,389	16.3
Finance costs	132,739	128,193	-4,546	-3.4
Write-down of assets and impairment of assets	1,133,488	800,643	-332,845	-29.4
Losses from sale of assets	-	-	-	-
Other	68,886	92,186	23,300	33.8
Total expenses	26,074,358	26,504,733	430,375	1.7
LESS:				
OWN-SOURCE INCOME				
Own-source revenue				
Sales of goods and rendering of services	831,680	825,426	-6,254	-0.8
Other revenue	873,957	878,191	4,234	0.5
Total own-source revenue	1,705,637	1,703,617	-2,020	-0.1
Gains				
Reversals of previous asset write-downs	551,602	322,281	-229,321	-41.6
Sale of assets	15,907	15,207	-700	-4.4
Other gains	5,126	5,126	-	-
Total gains	572,635	342,614	-230,021	-40.2
Total own-source income	2,278,272	2,046,231	-232,041	-10.2
Net cost of (contribution by) services	23,796,086	24,458,502	662,416	2.8
Revenue from Government	23,796,086	24,458,502	662,416	2.8
Surplus (Deficit) attributable to the Australian Government	-	-	-	-
Total comprehensive income attributable to the Australian Government	-	-	-	-

Table 51: Variation in Budgeted Departmental Balance Sheet (as at 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
ASSETS				
Financial assets				
Cash and cash equivalents	18,091	466	-17,625	-97.4
Trade and other receivables	132,631	110,402	-22,229	-16.8
Tax assets	84,060	58,205	-25,855	-30.8
Appropriation receivable	76,857	-	-76,857	-100.0
Other receivables	153,790	608,704	454,914	295.8
Total financial assets	465,429	777,777	312,348	67.1
Non-financial assets				
Land and buildings	16,205,821	15,995,483	-210,338	-1.3
Infrastructure, plant and equipment	7,426,858	7,464,310	37,452	0.5
Specialist military equipment	41,354,969	40,631,725	-723,244	-1.7
Intangibles	458,099	558,468	100,369	21.9
Heritage and cultural	984,939	1,023,969	39,030	4.0
Inventories	5,487,528	6,052,902	565,374	10.3
Prepayments	154,149	148,123	-6,026	-3.9
Total non-financial assets	72,072,363	71,874,980	-197,383	-0.3
Assets held for sale	25,698	52,399	26,701	103.9
Total assets	72,563,490	72,705,156	141,666	0.2
LIABILITIES				
Payables				
Suppliers	926,648	990,738	64,090	6.9
Other	426,910	452,076	25,166	5.9
Total payables	1,353,558	1,442,814	89,256	6.6
Interest bearing liabilities				
Leases	1,501,518	1,398,102	-103,416	-6.9
Total interest bearing liabilities	1,501,518	1,398,102	-103,416	-6.9
Provisions				
Employee provisions	2,309,066	2,301,092	-7,974	-0.3
Restoration, decontamination and decommissioning	914,695	893,594	-21,101	-2.3
Other	3,822	3,014	-808	-21.1
Total provisions	3,227,583	3,197,700	-29,883	-0.9
Total liabilities	6,082,659	6,038,616	-44,043	-0.7
NET ASSETS	66,480,831	66,666,540	185,709	0.3
EQUITY				
Contributed equity	18,382,765	18,637,138	254,373	1.4
Reserves	14,715,576	14,729,722	14,146	0.1
Retained surplus (accumulated deficit)	33,382,490	33,299,680	-82,810	-0.2
Total equity	66,480,831	66,666,540	185,709	0.3

Table 52: Variation in Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
OPERATING ACTIVITIES				
Cash received				
Appropriations	23,796,086	24,458,502	662,416	2.8
Goods and services	831,680	825,426	-6,254	-0.8
Net GST received	651,870	662,373	10,503	1.6
Other cash received	70,257	124,734	54,477	77.5
Cash transfer from the Official Public Account (receivables)	-	67,349	67,349	-
Total cash received	25,349,893	26,138,384	788,491	3.1
Cash used				
Employees	10,170,235	10,153,125	-17,110	-0.2
Suppliers	9,300,167	9,589,625	289,458	3.1
Net GST paid	651,870	662,373	10,503	1.6
Grants	45,412	45,847	435	1.0
Other cash used	21,073	44,373	23,300	110.6
Cash transfer to the Official Public Account (receivables)	48,771	48,771	-	-
Total cash used	20,237,528	20,544,114	306,586	1.5
Net cash from (used by) operating activities	5,112,365	5,594,270	481,905	9.4
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of land and buildings	65,506	65,506	-	-
Proceeds from sales of specialist military equipment	-	11,241	11,241	-
Proceeds from sales of infrastructure, plant and equipment	36,160	24,219	-11,941	-33.0
Other cash received	-	-	-	-
Total cash received	101,666	100,966	-700	-0.7
Cash used				
Purchase of land and buildings	952,343	747,166	-205,177	-21.5
Purchase of infrastructure, plant and equipment	531,047	810,767	279,720	52.7
Purchase of specialist military equipment	3,179,327	3,853,037	673,710	21.2
Purchase of intangibles	6,443	34,483	28,040	435.2
Purchase of inventory	1,054,362	1,069,603	15,241	1.4
Selling costs on sale of assets	5,693	5,693	-	-
Finance costs	113,921	106,966	-6,955	-6.1
Total cash used	5,843,136	6,627,715	784,579	13.4
Net cash from (used by) investing activities	-5,741,470	-6,526,749	-785,279	13.7
FINANCING ACTIVITIES				
Cash received				
Appropriations - contributed equity	683,005	918,385	235,380	34.5
Total cash received	683,005	918,385	235,380	34.5
Cash used				
Repayment of debt	53,900	53,900	-	-
Cash to the Official Public Account	-	-	-	-
Total cash used	53,900	53,900	-	-
Net cash from (used by) financing activities	629,105	864,485	235,380	37.4
Net increase (decrease) in cash and cash equivalents held	-	-67,994	-67,994	-
Cash and cash equivalents at the beginning of the reporting period	18,091	68,460	50,369	278.4
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period	-	-	-	-
Cash and cash equivalents at the end of the reporting period	18,091	466	-17,625	-97.4

Table 53: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
EXPENSES					
Employee benefits	9,986,136	10,224,929	10,531,466	11,271,420	11,270,829
Supplier expenses	9,812,433	11,208,959	11,899,015	12,544,729	12,576,559
Grants	50,736	45,847	85,293	85,602	86,431
Depreciation and amortisation	3,999,977	4,003,976	4,124,836	4,232,360	4,496,701
Finance costs	85,049	128,193	149,428	151,023	152,042
Write-down of assets and impairment of assets	800,598	800,643	829,889	868,542	906,701
Foreign exchange	1,046	-	-	-	-
Losses from sale of assets	11,642	-	-	-	-
Other	88,664	92,186	77,094	145,787	125,766
Total expenses	24,836,281	26,504,733	27,697,021	29,299,463	29,615,029
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	765,869	825,426	792,657	833,892	852,820
Other revenue	1,259,255	878,191	904,605	962,103	1,010,780
Total own-source revenue	2,025,124	1,703,617	1,697,262	1,795,995	1,863,600
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	317,915	322,281	339,250	355,862	372,870
Sale of assets	-	15,207	24,198	91,898	67,598
Other gains	65,872	5,126	5,254	5,386	5,520
Total gains	383,787	342,614	368,702	453,146	445,988
Total own-source income	2,408,911	2,046,231	2,065,964	2,249,141	2,309,588
Net cost of (contribution by) services	22,427,370	24,458,502	25,631,057	27,050,322	27,305,441
Revenue from Government	22,707,890	24,458,502	25,631,057	27,050,322	27,305,441
Surplus (Deficit) attributable to the Australian Government	280,520	-	-	-	-
Total comprehensive income attributable to the Australian Government	280,520	-	-	-	-

Table 54: Budgeted Departmental Balance Sheet (as at 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	68,460	466	466	466	466
Trade and other receivables	110,375	110,402	110,402	110,402	110,402
Tax assets	58,205	58,205	58,205	58,205	58,205
Appropriation receivable	67,349	-	-	-	-
Other receivables	638,910	608,704	608,146	607,208	607,208
Total financial assets	943,299	777,777	777,219	776,281	776,281
Non-financial assets					
Land and buildings	15,925,406	15,995,483	16,137,832	16,318,293	16,086,364
Infrastructure, plant and equipment	6,764,118	7,464,310	7,636,869	7,394,249	7,128,771
Specialist military equipment	40,244,821	40,631,725	42,495,546	44,911,268	47,354,584
Intangibles	606,336	558,468	496,854	478,839	463,520
Heritage and cultural	1,023,969	1,023,969	1,023,969	1,023,969	1,023,969
Inventories	6,160,288	6,052,902	5,942,556	5,832,800	5,716,998
Prepayments	148,140	148,123	148,105	148,087	148,068
Total non-financial assets	70,873,078	71,874,980	73,881,731	76,107,505	77,922,274
Assets held for sale	52,399	52,399	52,399	52,399	52,399
Total assets	71,868,776	72,705,156	74,711,349	76,936,185	78,750,954
LIABILITIES					
Payables					
Suppliers	1,579,468	990,738	1,022,385	1,058,122	1,035,549
Other	459,040	452,076	463,057	465,824	402,462
Total payables	2,038,508	1,442,814	1,485,442	1,523,946	1,438,011
Interest bearing liabilities					
Leases	969,818	1,398,102	1,321,565	1,282,967	1,243,134
Total interest bearing liabilities	969,818	1,398,102	1,321,565	1,282,967	1,243,134
Provisions					
Employee provisions	2,235,956	2,301,092	2,346,820	2,411,459	2,473,252
Restoration, decontamination and decommissioning	872,367	893,594	925,810	962,110	1,000,353
Other	3,014	3,014	3,014	3,014	3,014
Total provisions	3,111,337	3,197,700	3,275,644	3,376,583	3,476,619
Total liabilities	6,119,663	6,038,616	6,082,651	6,183,496	6,157,764
NET ASSETS	65,749,113	66,666,540	68,628,698	70,752,689	72,593,190
EQUITY					
Contributed equity	17,719,711	18,637,138	20,599,296	22,206,141	24,046,642
Reserves	14,729,722	14,729,722	14,729,722	14,729,722	14,729,722
Retained surplus (accumulated deficit)	33,299,680	33,299,680	33,299,680	33,816,826	33,816,826
Total equity	65,749,113	66,666,540	68,628,698	70,752,689	72,593,190

Table 55: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,904,849	24,458,502	25,631,057	27,050,322	27,305,441
Goods and services	756,369	825,426	792,657	833,892	852,820
Net GST received	592,721	662,373	685,807	716,178	718,822
Interest	111	-	-	-	-
Other cash received	129,155	124,734	55,649	57,297	58,973
Cash transfer from the Official Public Account (receivables)	753,784	67,349	-	-	-
Total cash received	25,136,989	26,138,384	27,165,170	28,657,689	28,936,056
Cash used					
Employees	9,921,248	10,153,125	10,474,757	11,204,014	11,205,095
Suppliers	8,582,206	9,589,625	9,928,914	10,368,613	10,406,899
Net GST paid	575,268	662,373	685,807	716,178	718,822
Grants	50,911	45,847	85,293	85,602	86,431
Other cash used	81,838	44,373	39,214	100,620	112,314
Cash transfer to the Official Public Account (receivables)	765,583	48,771	38,733	46,042	14,349
Total cash used	19,977,054	20,544,114	21,252,718	22,521,069	22,543,910
Net cash from (used by) operating activities	5,159,935	5,594,270	5,912,452	6,136,620	6,392,146
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	41,001	65,506	61,675	136,685	84,497
Proceeds from sales of infrastructure, plant and equipment	19,613	24,219	26,300	26,000	21,800
Proceeds from sales of specialist military equipment	10,420	11,241	7,549	7,549	7,549
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	6,224	-	-	-	-
Total cash received	77,258	100,966	95,524	170,234	113,846
Cash used					
Purchase of land and buildings	887,404	747,166	804,610	328,483	406,524
Purchase of infrastructure, plant and equipment	340,819	810,767	759,036	336,949	300,327
Purchase of specialist military equipment	3,364,046	3,853,037	5,022,274	5,705,821	6,013,981
Purchase of heritage and cultural assets	30	-	-	-	-
Purchase of intangibles	39,962	34,483	17,403	58,585	64,023
Purchase of inventory	900,963	1,069,603	1,172,120	1,329,897	1,407,758
Selling costs on sale of assets	8,577	5,693	1,795	1,518	1,145
Finance costs	58,235	106,966	117,212	114,723	113,799
Total cash used	5,600,036	6,627,715	7,894,450	7,875,976	8,307,557
Net cash from (used by) investing activities	-5,522,778	-6,526,749	-7,798,926	-7,705,742	-8,193,711
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	456,289	918,385	1,963,011	1,607,720	1,841,398
Total cash received	456,289	918,385	1,963,011	1,607,720	1,841,398
Cash used					
Repayment of debt	43,481	53,900	76,537	38,598	39,833
Cash to the Official Public Account	-	-	-	-	-
Total cash used	43,481	53,900	76,537	38,598	39,833
Net cash from (used by) financing activities	412,808	864,485	1,886,474	1,569,122	1,801,565
Net increase (decrease) in cash and cash equivalents held	49,965	-67,994	-	-	-
Cash and cash equivalents at the beginning of the reporting period	18,091	68,460	466	466	466
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	404	-	-	-	-
Cash and cash equivalents at the end of the reporting period	68,460	466	466	466	466

Table 56: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2013-14)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2013				
Balance carried forward from previous period	33,299,680	14,729,722	17,719,711	65,749,113
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	33,299,680	14,729,722	17,719,711	65,749,113
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-	-	-	-
Total comprehensive income recognised directly in equity	-	-	-	-
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-958	-958
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	918,385	918,385
Other	-	-	-	-
Sub-total transaction with owners	-	-	917,427	917,427
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2014	33,299,680	14,729,722	18,637,138	66,666,540

Table 57: Departmental Capital Budget Statement

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
CAPITAL APPROPRIATIONS					
Equity injection	456,289	918,385	1,963,011	1,607,720	1,841,398
Total capital appropriations	456,289	918,385	1,963,011	1,607,720	1,841,398
Represented by:					
Purchase of non-financial assets	412,808	864,485	1,886,474	1,569,122	1,801,565
Annual finance lease costs	43,481	53,900	76,537	38,598	39,833
Other items	-	-	-	-	-
Total Items	456,289	918,385	1,963,011	1,607,720	1,841,398
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	456,289	918,385	1,963,011	1,607,720	1,841,398
Funded by finance lease costs	364,095	468,552	-	-	-
Funded internally from departmental resources ^[1]	4,175,972	4,527,068	4,640,312	4,822,118	4,943,457
Total	4,996,356	5,914,005	6,603,323	6,429,838	6,784,855
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	4,996,356	5,914,005	6,603,323	6,429,838	6,784,855
less additions by finance lease	364,095	468,552	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	58,235	106,966	117,212	114,723	113,799
plus annual finance lease costs	43,481	53,900	76,537	38,598	39,833
less gifted assets	-	-	-	-	-
less s32/restructuring	-	-	-	-	-
Total cash used to acquire assets	4,733,977	5,606,319	6,797,072	6,583,159	6,938,487

Note

1. Includes the following sources of funding:

- annual and prior year appropriations
- donations and contributions
- gifts
- internally developed assets
- s31 relevant agency receipts
- proceeds from the sale of assets.

Table 58: Statement of Departmental Asset Movements (2013-14)

	Land \$'000	Buildings \$'000	Specialist Military Equipment \$'000	Infrastructure, Plant and Equipment \$'000	Intangibles \$'000	Heritage and Cultural Assets \$'000	Assets Held for Sale \$'000	Total \$'000
As at 1 July 2013								
Gross book value	4,629,030	11,641,632	74,897,933	7,240,814	1,207,669	1,023,969	52,399	100,693,446
Accumulated depreciation/amortisation and impairment	-	345,256	34,653,112	476,696	601,333	-	-	36,076,397
Opening net book balance	4,629,030	11,296,376	40,244,821	6,764,118	606,336	1,023,969	52,399	64,617,049
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	18,486	728,680	3,422,965	810,767	34,483	-	-	5,015,381
By purchase - donated funds	-	-	-	-	-	-	-	-
By finance lease	-	-	-	468,552	-	-	-	468,552
Total additions	18,486	728,680	3,422,965	1,279,319	34,483	-	-	5,483,933
Other movements								
Assets held for sale	-	-	-	-	-	-	-	-
Reclassifications ^[1]	-	-	107,448	12,064	-	-	-	119,512
Depreciation and amortisation	-	575,311	2,814,334	531,980	82,351	-	-	4,003,976
Disposal of entities or other operations (including restructuring)	36,200	11,434	-	32,253	-	-	-	79,887
Other disposals ^[2]	-	54,144	329,175	26,958	-	-	-	410,277
Total other movements	36,200	640,889	3,250,957	603,255	82,351	-	-	4,613,652
As at 30 June 2014								
Gross book value	4,611,316	12,304,734	78,099,171	8,472,986	1,242,152	1,023,969	52,399	105,806,727
Accumulated depreciation/amortisation and impairment	-	920,567	37,467,446	1,008,676	683,684	-	-	40,080,373
Closing net book value	4,611,316	11,384,167	40,631,725	7,464,310	558,468	1,023,969	52,399	65,726,354

Notes

1. Reclassification include assets first found.
2. Other disposals includes write-offs.

Table 59: Variation in Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT				
Revenue				
Non-taxation				
Interest	31,849	29,807	-2,042	-6.4
Dividends	49,717	50,525	808	1.6
Military superannuation contributions	1,279,134	1,279,902	768	0.1
Fees	12,192	12,727	535	4.4
Other	76,648	52,547	-24,101	-31.4
Total non-taxation	1,449,540	1,425,508	-24,032	-1.7
Total revenues administered on behalf of Government	1,449,540	1,425,508	-24,032	-1.7
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT				
Subsidies	106,589	103,009	-3,580	-3.4
Military retention benefits	77,103	77,103	-	-
Military superannuation benefits	4,202,885	4,202,885	-	-
Total expenses administered on behalf of Government	4,386,577	4,382,997	-3,580	-0.1

Table 60: Variation in Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT				
Financial assets				
Cash and cash equivalents	-	-	-	-
Trade and other receivables	64,293	67,937	3,644	5.7
Investments accounted for using the equity method	2,188,131	2,219,189	31,058	1.4
Loans	509,580	509,580	-	-
Total financial assets	2,762,004	2,796,706	34,702	1.3
Non-financial assets				
Prepayments	152,069	155,873	3,804	2.5
Total non-financial assets	152,069	155,873	3,804	2.5
Total assets administered on behalf of Government	2,914,073	2,952,579	38,506	1.3
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT				
Payables				
Other	5,159	5,543	384	7.4
Total payables	5,159	5,543	384	7.4
Provisions				
Superannuation - DFRB ^[1]	448,096	448,096	-	-
Superannuation - DFRDB ^[2]	25,450,787	25,450,787	-	-
Superannuation - MSBS ^[3]	25,484,781	25,484,781	-	-
Total provisions	51,383,664	51,383,664	-	-
Total liabilities administered on behalf of Government	51,388,823	51,389,207	384	-

Notes

1. Defence Force Retirement Benefits.
2. Defence Force Retirement and Death Benefits.
3. Military Superannuation and Benefits Scheme.

Table 61: Variation in Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	2013-14 Budget Estimate \$'000	2013-14 Revised Estimate \$'000	Variation \$'000	Variation %
OPERATING ACTIVITIES				
Cash received				
Interest	31,849	29,807	-2,042	-6.4
Military superannuation contributions	1,279,078	1,279,902	824	0.1
Fees	12,192	12,727	535	4.4
Other	76,648	55,179	-21,469	-28.0
Total cash received	1,399,767	1,377,615	-22,152	-1.6
Cash used				
Subsidies paid	106,589	103,009	-3,580	-3.4
Military benefits	2,006,026	2,006,026	-	0.0
Total cash used	2,112,615	2,109,035	-3,580	-0.2
Net cash from or (used by) operating activities	-712,848	-731,420	-18,572	2.6
INVESTING ACTIVITIES				
Cash received				
Dividends	45,813	51,073	5,260	11.5
Total cash received	45,813	51,073	5,260	11.5
Net cash from or (used by) investing activities	45,813	51,073	5,260	11.5
Net increase (decrease) in cash held	-667,035	-680,347	-13,312	2.0
Cash at the beginning of the reporting period	-	-	-	0.0
Cash from the Official Public Account for appropriations	2,112,615	2,109,035	-3,580	-0.2
Cash to the Official Public Account	-1,445,580	-1,428,688	16,892	-1.2
Effect of exchange rate movements on cash and cash equivalents	-	-	-	0.0
Cash and cash equivalents at the end of the reporting period	-	-	-	0.0

**Table 62: Schedule of Budgeted Income and Expenses Administered on Behalf of Government
(for the period ended 30 June)**

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	30,854	29,807	34,791	37,161	37,682
Dividends	51,073	50,525	47,795	57,539	56,861
Military superannuation contributions	1,213,777	1,279,902	1,324,094	1,366,335	1,408,622
Fees	14,239	12,727	13,335	13,973	14,384
Foreign exchange	321	-	-	-	-
Other	48,169	52,547	58,472	63,242	75,283
Total non-taxation	1,358,433	1,425,508	1,478,487	1,538,250	1,592,832
Total revenues administered on behalf of Government	1,358,433	1,425,508	1,478,487	1,538,250	1,592,832
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write-down and impairment of assets	84	-	-	-	-
Subsidies	95,944	103,009	113,164	121,829	128,977
Military retention benefits	61,883	77,103	95,883	77,940	93,000
Military superannuation benefits	5,712,747	4,202,885	4,393,053	4,593,987	4,804,892
Total expenses administered on behalf of Government	5,870,658	4,382,997	4,602,100	4,793,756	5,026,869

Table 63: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	71,117	67,937	64,709	74,298	74,907
Investments accounted for using the equity method	2,343,471	2,219,189	2,269,712	2,324,655	2,380,015
Loans	509,580	509,580	594,580	594,580	634,580
Total financial assets	2,924,168	2,796,706	2,929,001	2,993,533	3,089,502
Non-financial assets					
Prepayments	168,576	155,873	153,890	182,350	230,750
Total non-financial assets	168,576	155,873	153,890	182,350	230,750
Total assets administered on behalf of Government	3,092,744	2,952,579	3,082,891	3,175,883	3,320,252
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	5,543	5,543	5,543	5,543	5,543
Total payables	5,543	5,543	5,543	5,543	5,543
Provisions					
Superannuation - DFRB ^[1]	540,300	448,096	421,758	396,311	371,780
Superannuation - DFRDB ^[2]	31,859,000	25,450,787	25,468,585	25,449,604	25,392,713
Superannuation - MSBS ^[3]	35,777,000	25,484,781	27,879,102	30,432,546	33,148,860
Total provisions	68,176,300	51,383,664	53,769,445	56,278,461	58,913,353
Total liabilities administered on behalf of Government	68,181,843	51,389,207	53,774,988	56,284,004	58,918,896

Notes

1. Defence Force Retirement Benefits.
2. Defence Force Retirement and Death Benefits.
3. Military Superannuation and Benefits Scheme.

Table 64: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	30,854	29,807	34,791	37,161	37,682
Military superannuation contributions	1,265,959	1,279,902	1,324,094	1,366,335	1,408,622
Fees	11,231	12,727	13,335	13,973	14,384
Other	46,499	55,179	58,970	63,397	73,996
Total cash received	1,354,543	1,377,615	1,431,190	1,480,866	1,534,684
Cash used					
Subsidies paid	95,547	103,009	113,164	121,829	128,977
Military benefits	1,920,671	2,006,026	2,101,173	2,191,371	2,311,399
Total cash used	2,016,218	2,109,035	2,214,337	2,313,200	2,440,376
Net cash from or (used by) operating activities	-661,675	-731,420	-783,147	-832,334	-905,692
INVESTING ACTIVITIES					
Cash received					
Dividends	49,654	51,073	50,525	47,795	57,539
Total cash received	49,654	51,073	50,525	47,795	57,539
Cash used					
Loans	-	-	85,000	-	40,000
Total cash used	-	-	85,000	-	40,000
Net cash from (used by) investing activities	49,654	51,073	-34,475	47,795	17,539
Net increase (decrease) in cash held	-612,021	-680,347	-817,622	-784,539	-888,153
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	2,016,218	2,109,035	2,299,337	2,313,200	2,480,376
Cash to the Official Public Account	-1,404,197	-1,428,688	-1,481,715	-1,528,661	-1,592,223
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

3.3.2 Notes to the Financial Statements

The financial statements have been prepared in accordance with the Australian Accounting Standards and the Finance Minister's Orders.

3.4 Consolidated Budgeted Financial Statements for the Department of Defence (including DMO)

Table 65: Consolidated Budgeted Departmental Net Cost of Service (cash) for the Department of Defence (including DMO) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
NET COST OF SERVICE (CASH)					
Cost of Service					
Employee payments	10,532,011	10,701,344	11,036,289	11,806,277	11,814,683
Supplier payments	8,709,155	9,689,400	9,995,391	10,430,172	10,401,193
Purchase of specialist military equipment	3,364,046	3,853,037	5,022,274	5,705,821	6,013,981
Purchase of inventory	900,963	1,069,603	1,172,120	1,329,897	1,407,758
Purchase of other property, plant and equipment	1,268,675	1,595,427	1,584,136	727,181	774,117
Other cash used	1,450,446	1,595,994	1,827,657	1,953,791	1,981,977
Total cash used	26,225,296	28,504,805	30,637,867	31,953,139	32,393,709
Own source receipts	1,927,986	2,166,230	2,174,212	2,382,212	2,346,957
Total cash received	1,927,986	2,166,230	2,174,212	2,382,212	2,346,957
Net cost of service (cash)	24,297,310	26,338,575	28,463,655	29,570,927	30,046,752
FUNDED BY					
Appropriation Bill 1/3 (price of outcomes)	23,998,801	25,327,813	26,539,377	28,009,249	28,287,006
Appropriation Bill 2/4 (equity injection)	456,289	918,385	1,963,011	1,607,720	1,841,398
Net cash to the Official Public Account	3,268	18,578	-38,733	-46,042	-81,652
Total funding source	24,458,358	26,264,776	28,463,655	29,570,927	30,046,752
Change in cash	161,048	-73,799	-	-	-

Table 66: Consolidated Comprehensive Departmental Income Statement (Showing Net Cost of Services) for the Department of Defence (including DMO) (for the period ending 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
EXPENSES					
Employee benefits	10,577,206	10,776,636	11,097,086	11,860,991	11,889,563
Supplier expenses	8,919,190	10,442,209	11,058,005	11,641,400	11,624,677
Grants	69,998	65,523	96,369	94,201	96,301
Depreciation and amortisation	4,001,684	4,006,566	4,127,490	4,235,081	4,499,490
Finance costs	85,049	128,193	149,428	151,023	152,042
Write-down of assets and impairment of assets	800,733	800,643	829,889	868,542	906,701
Foreign exchange	16,345	-	-	-	-
Losses from sale of assets	11,642	-	-	-	-
Other	88,718	92,186	77,094	145,787	125,766
Total expenses	24,570,565	26,311,956	27,435,361	28,997,025	29,294,540
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	425,341	562,871	466,878	489,368	492,781
Other revenue	467,606	74,491	55,649	57,297	58,973
Total own-source revenue	892,947	637,362	522,527	546,665	551,754
Gains					
Reversals of previous asset write-downs	317,915	322,281	339,250	355,862	372,870
Sale of assets	-	15,207	24,198	91,898	67,598
Other gains	53,868	6,226	6,354	6,486	6,620
Total gains	371,783	343,714	369,802	454,246	447,088
Total own-source income	1,264,730	981,076	892,329	1,000,911	998,842
Net cost of (contribution by) services	23,305,835	25,330,880	26,543,032	27,996,114	28,295,698
Revenue from Government	23,618,994	25,330,880	26,543,032	27,996,114	28,295,698
Surplus (Deficit) attributable to the Australian Government	313,159	-	-	-	-
Total comprehensive income attributable to the Australian Government	313,159	-	-	-	-

Table 67: Consolidated Budgeted Departmental Balance Sheet for the Department of Defence (including DMO) (as at 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	204,265	130,466	130,466	130,466	130,466
Trade and other receivables	113,065	113,065	113,065	113,065	113,065
Tax assets	151,041	151,041	151,041	151,041	151,041
Appropriation receivable	178,680	120,203	123,858	110,723	186,718
Other receivables	610,320	563,267	562,709	561,771	554,266
Total financial assets	1,257,371	1,078,042	1,081,139	1,067,066	1,135,556
Non-financial assets					
Land and buildings	15,925,406	15,995,483	16,137,832	16,318,293	16,086,364
Infrastructure, plant and equipment	6,769,678	7,470,206	7,643,110	7,400,843	7,135,727
Specialist military equipment	40,244,821	40,631,725	42,495,546	44,911,268	47,354,584
Intangibles	606,364	558,581	497,055	479,130	463,903
Heritage and cultural	1,023,969	1,023,969	1,023,969	1,023,969	1,023,969
Inventories	6,160,288	6,052,902	5,942,556	5,832,800	5,716,998
Prepayments	1,352,787	1,582,770	1,582,752	1,582,734	1,582,715
Total non-financial assets	72,083,313	73,315,636	75,322,820	77,549,037	79,364,260
Assets held for sale	52,399	52,399	52,399	52,399	52,399
Total assets	73,393,083	74,446,077	76,456,358	78,668,502	80,552,215
LIABILITIES					
Payables					
Suppliers	2,450,002	2,183,257	2,214,904	2,250,641	2,228,068
Other	529,277	415,898	429,347	413,106	412,166
Total payables	2,979,279	2,599,155	2,644,251	2,663,747	2,640,234
Interest bearing liabilities					
Leases	969,818	1,398,102	1,321,565	1,282,967	1,243,134
Total interest bearing liabilities	969,818	1,398,102	1,321,565	1,282,967	1,243,134
Provisions					
Employee provisions	2,410,937	2,477,117	2,524,465	2,595,420	2,663,735
Restoration, decontamination and decommissioning	872,367	893,594	925,810	962,110	1,000,353
Other	8,895	8,895	8,895	8,895	8,895
Total provisions	3,292,199	3,379,606	3,459,170	3,566,425	3,672,983
Total liabilities	7,241,296	7,376,863	7,424,986	7,513,139	7,556,351
NET ASSETS	66,151,787	67,069,214	69,031,372	71,155,363	72,995,864
EQUITY					
Contributed equity	17,966,765	18,792,506	20,754,664	22,361,509	24,202,010
Reserves	14,729,974	14,729,974	14,729,974	14,729,974	14,729,974
Retained surplus (accumulated deficit)	33,455,048	33,546,734	33,546,734	34,063,880	34,063,880
Total equity	66,151,787	67,069,214	69,031,372	71,155,363	72,995,864

Table 68: Consolidated Budgeted Departmental Statement of Cash Flows for the Department of Defence (including DMO) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Estimate \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	23,998,801	25,327,813	26,539,377	28,009,249	28,287,006
Goods and services	457,429	560,422	465,984	488,451	490,185
Net GST received	1,210,808	1,319,539	1,496,530	1,604,131	1,618,585
Interest	111	-	-	-	-
Other cash received	182,380	185,303	116,174	119,396	124,341
Cash transfer from the Official Public Account (receivables)	3,268	67,349	-	-	-
Total cash received	25,852,797	27,460,426	28,618,065	30,221,227	30,520,117
Cash used					
Employees	10,532,011	10,701,344	11,036,289	11,806,277	11,814,683
Suppliers	8,709,155	9,689,400	9,995,391	10,430,172	10,401,193
Net GST paid	1,173,000	1,319,539	1,496,530	1,604,131	1,618,585
Grants	70,223	65,523	96,369	94,201	96,301
Other cash used	96,930	44,373	39,214	100,620	112,314
Cash transfer to the Official Public Account (receivables)	-	48,771	38,733	46,042	81,652
Total cash used	20,581,319	21,868,950	22,702,526	24,081,443	24,124,728
Net cash from (used by) operating activities	5,271,478	5,591,476	5,915,539	6,139,784	6,395,389
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	41,001	65,506	61,675	136,685	84,497
Proceeds from sales of infrastructure, plant and equipment	19,613	24,219	26,300	26,000	21,800
Proceeds from sales of specialist military equipment	10,420	11,241	7,549	7,549	7,549
Other cash received	6,224	-	-	-	-
Total cash received	77,258	100,966	95,524	170,234	113,846
Cash used					
Purchase of land and buildings	887,404	747,166	804,610	328,483	406,524
Purchase of infrastructure, plant and equipment	341,279	813,778	762,123	340,113	303,570
Purchase of specialist military equipment	3,364,046	3,853,037	5,022,274	5,705,821	6,013,981
Purchase of intangibles	39,962	34,483	17,403	58,585	64,023
Purchase of inventory	900,963	1,069,603	1,172,120	1,329,897	1,407,758
Purchase of heritage and cultural assets	30	-	-	-	-
Selling costs on sale of assets	8,577	5,693	1,795	1,518	1,145
Finance costs	58,235	106,966	117,212	114,723	113,799
Total cash used	5,600,496	6,630,726	7,897,537	7,879,140	8,310,800
Net cash from (used by) investing activities	-5,523,238	-6,529,760	-7,802,013	-7,708,906	-8,196,954
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	456,289	918,385	1,963,011	1,607,720	1,841,398
Total cash received	456,289	918,385	1,963,011	1,607,720	1,841,398
Cash used					
Repayment of debt	43,481	53,900	76,537	38,598	39,833
Cash to the Official Public Account	-	-	-	-	-
Total cash used	43,481	53,900	76,537	38,598	39,833
Net cash from (used by) financing activities	412,808	864,485	1,886,474	1,569,122	1,801,565
Net increase (decrease) in cash and cash equivalents held	161,048	-73,799	-	-	-
Cash and cash equivalents at the beginning of the reporting period	42,813	204,265	130,466	130,466	130,466
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	404	-	-	-	-
Cash and cash equivalents at the end of the reporting period	204,265	130,466	130,466	130,466	130,466

Table 69: Consolidated Budgeted Income and Expenses Administered on Behalf of Government for the Department of Defence (including DMO) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	30,939	30,057	35,041	37,411	37,932
Dividends	51,073	50,525	47,795	57,539	56,861
Military superannuation contributions	1,213,777	1,279,902	1,324,094	1,366,335	1,408,622
Fees	14,239	12,727	13,335	13,973	14,384
Foreign exchange	510	-	-	-	-
Other	48,169	52,547	58,472	63,242	75,283
Total non-taxation	1,358,707	1,425,758	1,478,737	1,538,500	1,593,082
Total revenues administered on behalf of Government	1,358,707	1,425,758	1,478,737	1,538,500	1,593,082
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Write-down and impairment of assets	84	-	-	-	-
Subsidies	95,944	103,009	113,164	121,829	128,977
Military retention benefits	61,883	77,103	95,883	77,940	93,000
Military superannuation benefits	5,712,747	4,202,885	4,393,053	4,593,987	4,804,892
Total expenses administered on behalf of Government	5,870,658	4,382,997	4,602,100	4,793,756	5,026,869

Table 70: Consolidated Budgeted Assets and Liabilities Administered on Behalf of Government for the Department of Defence (including DMO) (as at 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	73,176	69,996	66,768	76,357	76,966
Investments accounted for using the equity method	2,343,471	2,219,189	2,269,712	2,324,655	2,380,015
Loans	509,580	509,580	594,580	594,580	634,580
Total financial assets	2,926,227	2,798,765	2,931,060	2,995,592	3,091,561
Non-financial assets					
Prepayments	168,576	155,873	153,890	182,350	230,750
Total non-financial assets	168,576	155,873	153,890	182,350	230,750
Total assets administered on behalf of Government	3,094,803	2,954,638	3,084,950	3,177,942	3,322,311
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	5,543	5,543	5,543	5,543	5,543
Total payables	5,543	5,543	5,543	5,543	5,543
Provisions					
Superannuation - DFRB ^[1]	540,300	448,096	421,758	396,311	371,780
Superannuation - DFRDB ^[2]	31,859,000	25,450,787	25,468,585	25,449,604	25,392,713
Superannuation - MSBS ^[3]	35,777,000	25,484,781	27,879,102	30,432,546	33,148,860
Total provisions	68,176,300	51,383,664	53,769,445	56,278,461	58,913,353
Total liabilities administered on behalf of Government	68,181,843	51,389,207	53,774,988	56,284,004	58,918,896

Notes

1. Defence Force Retirement Benefits.
2. Defence Force Retirement and Death Benefits.
3. Military Superannuation and Benefits Scheme.

Table 71: Consolidated Budgeted Administered Statement of Cash Flows for the Department of Defence (including DMO) (for the period ended 30 June)

	2012-13 Actual Result \$'000	2013-14 Revised Budget \$'000	2014-15 Forward Estimate \$'000	2015-16 Forward Estimate \$'000	2016-17 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	32,653	30,057	35,041	37,411	37,932
Military superannuation contributions	1,265,959	1,279,902	1,324,094	1,366,335	1,408,622
Fees	11,231	12,727	13,335	13,973	14,384
Other	46,499	55,179	58,970	63,397	73,996
Total cash received	1,356,342	1,377,865	1,431,440	1,481,116	1,534,934
Cash used					
Subsidies paid	95,547	103,009	113,164	121,829	128,977
Military benefits	1,920,671	2,006,026	2,101,173	2,191,371	2,311,399
Total cash used	2,016,218	2,109,035	2,214,337	2,313,200	2,440,376
Net cash from or (used by) operating activities	-659,876	-731,170	-782,897	-832,084	-905,442
INVESTING ACTIVITIES					
Cash received					
Dividends	49,654	51,073	50,525	47,795	57,539
Total cash received	49,654	51,073	50,525	47,795	57,539
Cash used					
Loans	-	-	85,000	-	40,000
Total Cash used	-	-	85,000	-	40,000
Net cash from (used by) investing activities	49,654	51,073	-34,475	47,795	17,539
Net increase (decrease) in cash held	-610,222	-680,097	-817,372	-784,289	-887,903
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	2,016,218	2,109,035	2,299,337	2,313,200	2,480,376
Cash to the Official Public Account	-1,405,996	-1,428,938	-1,481,965	-1,528,911	-1,592,473
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	-	-	-	-	-

Appendices

Appendix A	Defence Cooperation Program
Appendix B	The Unapproved Major Capital Investment Program (also known as the Defence Capability Plan)
Appendix C	Major Capital Facilities Program
Appendix D	Approved Projects Being Developed for Private Financing Arrangements
Appendix E	Status of Major Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration (PWC) in 2013-14

Appendix A: Defence Cooperation Program

No changes have been made to the Defence Cooperation Program since the *Portfolio Budget Statements 2013-14*.

Appendix B: The Unapproved Major Capital Investment Program (also known as the Defence Capability Plan)

Since the release of the *Portfolio Budget Statements 2013-14*, 11 investment decisions have been made on Defence Capability Plan projects, with a total value of around \$1.8b. Further projects will be considered for approval in 2013-14.

Major Projects Recently Approved by Government

Tables 72, 73 and 74 identify major projects that have been approved since publication of the *Portfolio Budget Statements 2013-14*.

Table 72: Significant Defence Capability Plan Projects with First Pass Approval

Project Number	Project Title
JP 2069 Phase 3	High Grade Cryptographic Equipment
JP 3025 Phase 1	Deployable Special Operations Engineer Regiment Capability

Table 73: Significant Defence Capability Plan Projects with Second Pass Approval

Project Number	Project Title
AIR 5416 Phase 4B.2	C-130J Large Aircraft Infrared Counter Measure (LAIRCM)
JP 2064 Phase 3	Geospatial Information, Infrastructure and Services
SEA 1442 Phase 4	Maritime Communication Modernisation
AIR 5276 CAP2	AP-3C Capability Assurance Program
JP 2072 Phase 3	Battlespace Communications System (Land)
LAND 75 Phase 4	Battlefield Command Systems

Table 74: Other Defence Capability Plan Projects with an Approval

Project Number	Project Title
LAND 121 Phase 3B/5B	Overlander – Medium and Heavy Tactical Training Vehicles
JP 2069 Phase 3 (initial approval)	High Grade Cryptographic Equipment
JP 3029 Phase 2 (initial second pass)	Space Telescope

Appendix C: Major Capital Facilities Program

Information is as reported in the PBS 2013-14.

Approved Major Capital Facilities Projects

Table 75 and the following descriptions provide details on the progress and expenditure during 2013-14 on major capital facilities projects.

Table 75: Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Enhanced Land Force Stage 1 Works ^[1]							
Holsworthy Barracks	NSW - Hughes	-	38.6	-	-	-	
Singleton Training Area	NSW - Hunter	-	62.0	-	-	-	
Kapooka Training Area	NSW - Riverina	-	104.1	-	-	-	
Swan Island	VIC - Corangamite	-	6.4	-	-	-	
Puckapunyal Training Area	VIC - McEwan	-	63.8	10.5	12.6	2.1	The financial variation is due to increased costs to complete decontamination works required prior to construction on the site.
RAAF Amberley	QLD - Blair	-	122.5	-	-	-	
Townsville	QLD - Herbert	-	185.4	3.3	3.8	0.5	The financial variation is due to increased costs being identified during completion of design and contract award.
Edinburgh Defence Precinct	SA - Wakefield	-	23.7	1.3	12.4	11.1	The financial variation is as a result of work elements to be brought forward to allow beneficial programming of project delivery and value for money.
Campbell Barracks	WA - Curtin	-	3.9	-	-	-	
Total		793.1	610.4	15.1	28.8	13.7	

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Enhanced Land Force Stage 2 Works ^[1]							
Singleton Training Area	NSW - Hunter	-	112.3	10.1	6.6	-3.5	The financial variation reflects a more accurate spend spread based on the current delivery program.
Simpson Barracks, Watsonia	VIC - Jagajaga	-	20.0	-	-	-	
RAAF Amberley	QLD - Blair	-	9.7	-	-	-	
Kokoda Barracks, Canungra	QLD - Forde	-	39.8	40.3	31.0	-9.3	The financial variation reflects a more accurate spend spread based on the current delivery program.
Lavarack Barracks, Townsville	QLD - Herbert	-	60.5	0.0	-	-0.0	
Greenbank Training Area	QLD - Rankin	-	101.3	13.0	18.0	5.0	The financial variation is as a result of increased costs to implement an approved change to scope and costs associated with environmental compliance action.
Gallipoli Barracks, Enoggera	QLD - Ryan	-	635.7	133.5	145.0	11.5	The financial variation is as a result of better than anticipated weather conditions enabling more construction to be completed than was estimated at the time of the publication of the <i>Portfolio Budget Statements 2013-14</i> .
Wide Bay Training Area	QLD - Wide Bay	-	59.7	19.0	11.0	-8.0	The financial variation is as a result of reduced construction onsite while an environmental assessment was undertaken and outcomes addressed.
RAAF Edinburgh	SA - Wakefield	-	34.4	0.0	1.6	1.6	The financial variation reflects a more accurate spend spread based on the current delivery program.
Majura Field Training Area	ACT - Fraser	-	22.6	-	-	-	
Total		1,457.8	1,096.0	216.1	213.2	-2.9	

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Defence Logistics Transformation Program							
^[1]							
Defence National Storage & Distribution Centre, Moorebank	NSW - Hughes	-	53.4	146.5	135.7	-10.8	
Wadsworth Barracks, Bandiana	VIC - Indi	-	-	7.8	19.1	11.3	
RAAF Amberley	QLD - Blair	-	5.8	68.7	84.2	15.5	
Townsville	QLD - Herbert	-	-	9.6	32.7	23.1	
RAAF Edinburgh	SA - Wakefield	-	-	6.4	0.4	-6.1	
Robertson Barracks	NT - Solomon	-	11.6	88.1	101.6	13.5	
Total		752.7	70.8	327.1	373.6	46.6	The financial variation is as a result of accelerated delivery of some elements to achieve value for money and reduce the risk of escalation in costs.

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Moorebank Units Relocation ^[2]							
Steele Barracks, Moorebank	NSW - Hughes	352.9	43.9	101.5	118.4	16.9	The financial variation is as a result of work elements to be brought forward to allow beneficial programming of project delivery and value for money.
Amberley Redevelopment Stage 3							
RAAF Amberley	QLD - Blair	331.5	306.4	13.6	21.9	8.3	The financial variation is as a result of work elements to be brought forward to allow beneficial programming of project delivery and value for money.
Albatross Redevelopment Stage 3							
HMAS Albatross, Nowra	NSW - Gilmore	192.0	0.7	39.9	22.0	-17.9	The financial variation is due to a delay in finalising delivery phase contracts.
Facilities for MH-60R Seahawk Maritime Combat Helicopters							
HMAS Albatross, Nowra	NSW - Gilmore	-	-	-	63.5	63.5	
HMAS Stirling, Rockingham	WA - Brand	-			5.2	5.2	
Total		189.0	-	-	68.8	68.8	Project has been approved since the <i>Portfolio Budget Statements 2013-14</i>

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
East Sale Redevelopment							
RAAF East Sale	VIC - Gippsland	185.6	11.6	79.0	62.2	-16.8	The financial variation reflects a more accurate spend spread based on a reprogrammed delivery schedule.
Defence Facilities at HMAS Harman							
HMAS Harman	ACT - Canberra	163.5	149.4	0.3	10.3	10.0	The financial variation is as a result of slippage of expenditure from financial year 2012-13 to 2013-14 and finalisation of costs associated with Information and Communications Technology (ICT) works.
Facilities for Air Warfare Destroyer (SEA 4000)							
Garden Island	NSW - Wentworth	109.9	-	-	16.0	16.0	Project has been approved since the <i>Portfolio Budget Statements 2013-14</i> .
Defence Force School of Signals							
Simpson Barracks, Watsonia	VIC - Jagajaga	101.3	90.8	3.3	0.1	-3.2	The financial variation is as a result of delays in achieving approval for a change to scope of the final element.
Facilities for Amphibious Deployment and Sustainment (JP 2048)							
Garden Island	NSW - Wentworth	60.3	-	-	5.0	5.0	Project has been approved since the <i>Portfolio Budget Statements 2013-14</i>
ADFA Redevelopment							
ADFA	ACT - Fraser	98.5	44.5	32.4	41.1	8.7	The financial variation is as a result of increased cost associated with remediating unforeseen in-ground conditions.

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Defence Science and Technology Organisation (DSTO) Fishermans Bend - Human Protection Performance and Security							
Fishermans Bend	VIC - Melbourne Ports	41.1	-	-	2.5	2.5	Project has been approved since the <i>Portfolio Budget Statements 2013-14</i>
Airfield Capital Works ^[1]							
RAAF Williamtown	NSW - Newcastle	-	-	9.6	7.7	-1.9	The financial variation reflects a more accurate spend spread based on the current delivery program.
RAAF Amberley	QLD - Blair	-	2.4	24.8	33.7	8.9	The financial variation is as a result of unforeseen in ground conditions.
RAAF Townsville	QLD - Herbert	-	-	6.5	3.7	-2.8	The financial variation reflects a more accurate spend spread based on the current delivery program.
RAAF Darwin	NT - Solomon	-	1.7	12.7	24.4	11.7	The financial variation is due to slippage in expenditure from financial year 2012-13 to 2013-14 and tender prices being higher than original estimates.
Total		74.7	4.1	53.6	69.5	15.9	
HMAS Penguin and Pittwater Annexe Redevelopment ^[1]							
Pittwater Annexe	NSW - MacKellar	-	4.0	2.0	2.0	-	
HMAS Penguin, Balmoral	NSW - Warringah	-	44.9	9.8	11.3	1.5	The financial variation is as a result of costs associated with testing and remediation of asbestos and upgrading security systems.
Total		63.3	48.9	11.8	13.3	1.5	

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Facilities for Replacement Towed Artillery (LAND 17) ^[1]							
Gaza Ridge Barracks, Bandiana	VIC - Indi	-	0.9	2.4	1.5	-0.9	The financial variation is as a result of savings realised in the delivery of some elements of these works.
Bridges Barracks, Puckapunyal	VIC - McEwan	-	1.1	2.0	1.3	-0.7	The financial variation is as a result of savings realised in the delivery of some elements of these works.
Lavarack Barracks, Townsville	QLD - Herbert	-	1.8	2.3	2.4	0.1	The financial variation is as a result of increased costs incurred in completing construction to support delivery of new capability.
Gallipoli Barracks, Enoggera	QLD - Ryan	-	7.4	16.3	21.9	5.6	The financial variation is as a result of additional works required to remediate site as a result of unforeseen inground conditions.
RAAF Edinburgh	SA - Wakefield	-	1.0	2.3	2.3	-0.0	
Robertson Barracks, Darwin	NT - Solomon	-	1.1	3.2	1.2	-1.9	The financial variation is as a result of savings realised in the delivery of some elements of these works.
Total		46.5	13.3	28.4	30.6	2.2	

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Liverpool Military Area High Voltage Reticulation Systems Upgrade							
Liverpool Military Area	NSW - Hughes	19.6	0.1	15.3	16.9	1.6	The financial variation is as a result of costs associated with testing and remediation of asbestos and upgrading security systems.
Scottsdale Specific Nutritional Capability							
Scottsdale	TAS - Bass	18.7	8.9	7.8	9.2	1.4	The financial variation is as a result of work elements to be brought forward to allow beneficial programming of project delivery and additional costs being incurred to meet updated compliance requirements.
Explosive Ordnance Storage							
Proof & Experimental Establishment Port Wakefield	SA - Wakefield	15.5	13.2	2.2	2.2	-	

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Facilities for Joint Counter Improvised Explosive Device Capability ^[1]							
Steele Barracks, Moorebank	NSW - Hughes	-	0.1	3.1	-	-3.1	
Singleton Training Area	NSW - Hunter	-	-	0.5	-	-0.5	
Wadsworth Barracks, Bandiana	VIC - Indi	-	-	1.5	-	-1.5	
Simpson Barracks, Watsonia	VIC - Jagajaga	-	-	1.8	1.7	-0.1	
Kokoda Barracks, Canungra	QLD - Forde	-	-	0.4	-	-0.4	
Townsville Training Area	QLD - Herbert	-	0.1	0.5	-	-0.5	
Cultana Training Area	SA - Grey	-	-	0.3	-	-0.3	
Edinburgh Defence Precinct	SA - Wakefield	-	-	2.8	1.5	-1.3	
Campbell Barracks, Perth	WA - Curtin	-	-	0.7	-	-0.7	
RAAF Darwin	NT - Solomon	-	-	0.6	-	-0.6	
Total		13.4	0.2	12.2	3.2	-9.0	The financial variation at these locations is as a result of delays in finalising scope and design. This has delayed the completion date to financial year 2015-16.

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
6th Aviation Regiment - Expanded 171 Aviation Squadron Facilities							
Holsworthy Barracks	NSW - Hughes	11.7	8.4	0.0	1.0	1.0	The financial variation is due to slippage of expenditure from financial year 2012-13 to 2013-14 and increased costs associated with Information Communication Technology equipment.
Australian Operational Concept Contingency and Stores ^[1]							
RAAF Williams	VIC - Lalor	-	0.0	-	-	-	
RAAF Townsville	QLD - Herbert	-	0.0	-	-	-	
Gallipoli Barracks, Enoggera	QLD - Ryan	-	0.0	-	-	-	
RAAF Edinburgh	SA - Wakefield	-	0.0	-	-	-	
Derwent Barracks, Glenorchy	TAS - Denison	-	0.0	0.1	-	-0.1	The financial variation is due to a delay in finalising delivery phase contracts. This has delayed the completion date to financial year 2015-16.
RAAF Darwin	NT - Solomon	-	0.0	-	-	-	
Total		7.9	0.1	0.1	-	-0.1	
Thermal Test Facility							
Fishermans Bend	VIC - Melbourne Ports	6.6	0.1	3.6	1.3	-2.3	The financial variation is due to higher than anticipated tender prices. A reassessment of funding is being undertaken and as a result, lower project achievement in financial year 2013-14 is expected.
Corrosion Control Facility ^[3]							
RAAF Tindal	NT - Lingiari	6.7	0.0	4.2	6.7	2.5	The financial variation is due to increased costs to meet updated compliance requirements.

Table 75 (Cont): Approved Major Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Cumulative Expenditure to 30 June 2013	2013-14 Budget Estimate \$m	2013-14 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Variation
Corrosion Control Facility and Spray Paint Booth Facilities Upgrade							
	RAAF Williamtown	NSW - Newcastle					The financial variation is as a result of design issues which delayed commencement of construction, pushing spend from financial year 2012-13 to 2013-14, and costs to remediate contamination.
			6.3	0.6	3.2	5.5	2.3
Potable Water Supply Upgrade							
	RAAF Pearce	WA - Pearce					The financial variation reflects a more accurate spend spread based on the current delivery program. This has delayed the completion date to financial year 2014-15.
			3.1	0.4	0.8	0.4	-0.4
Triangular Island Facility Upgrade							
	Shoalwater Bay Training Area	QLD - Capricornia					
			2.2	0.9	-	0.0	0.0
Projects in or about to enter Defects Liability Period							
				4.8	35.5	30.7	The financial variation is as a result of slippage of some project finalisation costs from financial year 2012-13 to 2013-14.
Total			5,125.3	2,523.6	976.2	1,179.3	203.1

Notes

1. These projects cross state and electoral boundaries. Cumulative expenditure to 30 June 2013 and expenditure estimates for 2013-14 are provided in the table per project and location.
2. This amount represents the Defence funded element of the Moorebank Units Relocation Project. The Department of Finance are funding the remaining element of \$517.1m with a total approved project value of \$870.0m. These works are at Holsworthy to enable the relocation of units from Steele Barracks, Moorebank to Holsworthy.
3. Project budget has increased since publication of *Portfolio Budget Statements 2013-14*.

Appendix D: Approved Projects Being Developed for Private Financing Arrangements

Project Single Living Environment and Accommodation Precinct (Single LEAP Phase 2)

Information is as reported in the *Portfolio Budget Statements 2013-14*.

Appendix E: Status of Major Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration (PWC) in 2013-14

During 2013-14, Defence expects to present a number of facilities proposals to the Government and the Public Works Committee (PWC). Table 76 provides details of the proposed major capital projects expected to be referred to the PWC in 2013-14. In some cases, the projects may require the Government's approval before referral to the PWC.

Table 76: Program of Works Foreshadowed for Consideration and Approval

	State/Electorate	Actual/Indicative PWC Referral Date	Actual/Indicative PWC Hearing Date ⁽¹⁾	Current Status
Major Capital Facilities Projects Foreshadowed for PWC Consideration in 2013-14				
RAAF Base Williamtown Redevelopment Stage 2	NSW - Newcastle	Early 2015	Mid 2015	In development
Defence Science and Technology Organisation (DSTO) Fishermans Bend - Human Protection Performance and Security	VIC - Melbourne Port	21-Mar-13	30-Apr-13	Approved
Facilities for Air Warfare Destroyer (SEA 4000)	Multiple	21-Mar-13	23-Apr-13	Approved
Facilities for Amphibious Deployment and Sustainment (Joint Project (JP) 2048)	Multiple	21-Mar-13	23-Apr-13	Approved
Facilities for the MH-60R Seahawk Maritime Combat Helicopters (AIR 9000 Phase 8)	Multiple	21-Mar-13	22-Apr-13	Approved
Facilities for Chinook Helicopter (Air 9000 Phases 5B and 5C)	Herbert	Early 2014	Mid 2014	In development
Facilities for Force Protection Research and Training (Joint Project (JP)154)	Multiple	Mid 2014	Mid 2014	In development
AIR 6000 New Air Combat Capability (NACC)	Multiple	Mid 2014	Mid 2014	In development
Defence Terrestrial Communications Network Facilities Upgrade (Joint Project (JP) 2047)	Multiple	Mid 2014	Mid 2014	In development

Table 76 (Cont): Program of Works Foreshadowed for Consideration and Approval

	State/Electorate	Actual/Indicative PWC Referral Date	Actual/Indicative PWC Hearing Date ^[2]	Current Status
Medium Capital Facilities Projects Foreshadowed to Seek Approval in 2013-14				
Army Emergency Response Facilities, Luscombe Airfield - Holsworthy	NSW - Hughes			In development
Hunter Water Corporation Wastewater Transfer Scheme - RAAF Williamtown	NSW - Newcastle	16 May 2013		Approved
Support Facilities for Joint Project (JP) 2048 Phase 3 Landing Helicopter Dock (LHD) Landing Crafts – Sydney	NSW - Wentworth			In development
End of Lease Relocation - Sydney University	NSW - Sydney			In development
Samford Road– Gallipoli Barracks Enoggera	QLD - Ryan			In development
Explosive Hazard Training Area – Wide Bay Training Area	QLD – Wide Bay			In development
Proof & Experimental Establishment (P&EE) Road and Car park Upgrade - Graytown	VIC - Murray			In development
Low Level Bridge - HMAS Stirling	WA - Brand			In development
Armoury - Royal Military College Duntroon	ACT - Fraser			In development
Cyber Security Operational Centre (CSOC) Refurbishment – Russell Offices	ACT - Fraser			In development
Shoal Bay Receiving Station (SBRS) Facilities Upgrade - Darwin	NT - Lingiari			In development
Flood Mitigation Project - RAAF Darwin	NT - Solomon			In development
Proof & Experimental Establishment (P&EE) Vibration Test Facility Port Wakefield	SA - Wakefield			In development
Joint Project (JP)154 Phase 3A (Project Ningau) Australian Protected Route Clearance Capability	Multiple			In development
Joint Project (JP) 2059 Phase 3 - Water Purification and Desalination Equipment	Multiple			In development
Facilities for Australian Light Armoured Vehicle (ASLAV) Crew Procedural Trainer (CPT)	Multiple			In development

Notes

1. Hearing dates will be subject to the Committee's consideration and agreement.
2. Medium Works projects do not normally require a PWC referral and hearing, but do require PWC notification and approval.

RAAF Base Williamtown Redevelopment Stage 2

The project aims to sustain and improve the functionality and capability of RAAF Base Williamtown (Newcastle, NSW) including upgrades or replacement of critical ageing infrastructure to meet future requirements. Subject to Government approval and Parliamentary clearance, construction is scheduled to commence in late 2015 and be completed by mid 2019.

DSTO Fishermans Bend - Human Protection Performance and Security

The project aims to provide new and upgraded site security and will rectify identified working accommodation shortfalls within on-site Human Protection Performance Division facilities located at the Defence Science and Technology Organisation site at Fisherman Bend (Melbourne, VIC). Construction commenced in mid 2013 and is scheduled for completion in early 2016.

Facilities for Air Warfare Destroyer (SEA 4000)

This project aims to provide new and upgraded wharf-side facilities to support berthing and sustainment at Garden Island (Sydney, NSW) for the new Hobart Class Air Warfare Destroyer. The works also include the provision of training facilities at HMAS Watson and Randwick Barracks in Sydney. Construction commenced in mid 2013 and is scheduled for completion in late 2015.

Facilities for Amphibious Deployment and Sustainment (JP 2048)

This project aims to provide new and upgraded wharf-side facilities to support berthing and sustainment at Garden Island (Sydney, NSW) for the new Canberra Class Landing Helicopter Dock Ship. The works also include the provision of training facilities at Randwick Barracks in Sydney and at the Multi-user wharf at Eden NSW. Construction commenced in mid 2013 and is scheduled for completion in late 2015.

Facilities for the MH-60R Seahawk Maritime Combat Helicopters (AIR 9000 Phase 8) (previously reported as Facilities for Future Naval Aviation Combat System Support Air 9000 Phase 8)

The project aims to provide new and upgraded facilities for maritime helicopter operations at HMAS Stirling (Fremantle, WA), HMAS Albatross (Nowra, NSW) and at Eden NSW. The works include the provision of facilities for, aircraft hangars and workshops, synthetic training and working accommodation primarily at Nowra as well as additional explosive ordnance facilities at Fremantle and Eden. Construction commenced in late 2013 and is scheduled for completion in mid 2017.

Facilities for Chinook Helicopter (Air 9000 Phases 5B and 5C)

The project aims to provide new and upgraded facilities to support the introduction into service of the new CH47, F model Chinook helicopter. The project will provide working accommodation, simulator facilities, aircraft hangars and workshops, storage facilities and supporting infrastructure for the Army's 5 Aviation Regiment at RAAF Base Townsville (Townsville, QLD). Subject to Government approval and Parliamentary clearance, construction is scheduled to commence in late 2014 and be completed in mid-2017.

Facilities for Force Protection Research and Training (JP 154)

The project aims to provide test and evaluation facilities at Nurrungar (Woomera, South Australia) and Edinburgh (Adelaide, South Australia), plus storage and training facilities at 14 other sites across Australia. Subject to Government approval and Parliamentary clearance, construction is scheduled to commence in mid 2014 and be completed in mid 2015.

AIR 6000 New Air Combat Capability (NACC)

The project aims to provide new and refurbished infrastructure and facilities across Australia to support the introduction into service of the F-35A aircraft. The facilities will include operational, maintenance, logistics and training facilities at multiple bases around Australia. Additional explosives ordnance facilities will be provided at Defence Establishment Myambat (Denman, NSW). Subject to Government approval and Parliamentary clearance, construction will commence in early 2015 and be complete in mid-late 2022.

Defence Terrestrial Communications Network Facilities Upgrade (Joint Project (JP) 2047)

The project aims to provide upgraded and new communications infrastructure and supporting facilities at multiple Defence owned and leased sites across Australia. The project will support the introduction into service of the new Defence Terrestrial Communications Network. Subject to Government approval and Parliamentary clearance, construction is scheduled to commence in late 2014 and be completed by mid 2016.