



PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 2003-04

DEFENCE PORTFOLIO
(Department of Defence and the Defence Housing Authority)

EXPLANATION OF ADDITIONAL ESTIMATES 2003-04

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Defence Portfolio Additional Estimates
<http://www.defence.gov.au/budget>

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ISBN 0642295964

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Senator the Hon Robert Hill
Leader of the Government in the Senate
Minister for Defence

4 February 2004

Senator the Hon Paul Calvert
President of the Senate
Parliament House
CANBERRA ACT 2600

The Hon Neil Andrew MP
Speaker of the House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Mr President and Mr Speaker

I hereby submit portfolio additional estimates statements in support of the 2003-04 Additional Estimates for the Department of Defence and the Defence Housing Authority.

The statements provide detailed explanations and justifications of the proposed appropriations to Defence and to the Defence Housing Authority in Appropriation Bills (Nos 3 and 4) 2003-04.

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

A handwritten signature in black ink, appearing to read 'Rob. Hill'.

ROBERT HILL

DEFENCE PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 2003-04

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USER GUIDE

The purpose of the Defence portfolio additional estimates statements, like that of the portfolio budget statements, is to inform Senators and Members of the basis for the revised Defence budget, with particular emphasis on the proposed appropriations in Appropriation Bills (Nos 3 and 4) 2003-04.

This document contains the portfolio additional estimates for the Defence Housing Authority, which provides housing to meet Defence's requirements.

The document does not address the Department of Veterans' Affairs, which is part of the Defence portfolio but for which statements are tabled separately.

The structure of the *Portfolio Additional Estimate Statements 2003-04*, as outlined below, is on an 'except for' basis. Only changes that have occurred since the *Portfolio Budget Statements 2003-04* are reported. If there are no changes, for example, discretionary grants from Chapter One, no information is reported.

CHAPTER GUIDE

Chapter One - Overview

This chapter contains:

- some revisions to White Paper implementation details;
- Defence's organisational structure;
- a summary of the additional estimates, including new measures; and
- reference to the purchaser-provider arrangements with the Defence Housing Authority.

Chapter Two - Results for Government as Defence's Customer

This chapter relates to the delivery of the outcomes required by the Government. Defence has moved, this financial year, to a budget structure which has seven outcomes and thirty outputs. The chapter contains:

- a schematic illustration of Defence's outcome and output structure;
- reporting of any revisions to planned performance; and
- a detailed breakdown of the revised estimated cost of each outcome.

Chapter Three - Results for Government as Defence's Owner

This chapter relates to the effective and efficient management of Defence to ensure the sustainable delivery of outcomes. Detailed tabular explanations of the Defence budget and forward estimates are provided outlining both departmental and administered:

- financial performance;
- financial position; and
- cash flows.

Additional tables outline the Defence capital budget and summarise the movement of departmental non-financial assets.

Details of capital investment in equipment, facilities and other capital purchases and capital receipts are provided in the capital budget section. The top 20 approved major equipment projects for 2003-04 are listed, together with project updates. A table is provided, followed by descriptions of significant major facilities projects along with the 2003-04 revised estimates for all approved major and medium capital projects.

Chapter Four - Enabling Business Processes

This chapter relates to the implementation of internal business processes that are designed to ensure sustainable delivery of outcomes. The information provided includes details on:

- the program of administrative savings;
- Defence management reforms and efficiencies; and
- portfolio evaluations.

Chapter Five - People Matter

This section is about Defence attracting and leading people and maximising their skills and knowledge in order for it to deliver outcomes sustainably. The information provided in this section includes:

- revisions to planned performance; and
- a workforce summary.

Defence Housing Authority

This section contains an overview of the Authority, including revisions to performance forecasts for 2003-04, and a detailed tabular explanation of the 2003-04 budget and forward estimates.

STYLES AND CONVENTIONS

Figures in tables and in the text may be rounded. Discrepancies in tables between totals and sums of components are due to rounding. Negative figures are presented in two ways in this document - by bracketed figures in the financial statements, and by a minus sign elsewhere in the document.

References

Previous years' Defence *Portfolio Budget Statements*, *Portfolio Additional Estimates Statements* and *Annual Reports* can be found at: www.defence.gov.au/budget/
The Defence White Paper can be found at: www.defence.gov.au/whitepaper/