

DEPARTMENT OF DEFENCE INDEX

GLOSSARY

ACRONYMS AND ABBREVIATIONS

LIST OF TABLES AND CHARTS

ALPHABETICAL INDEX

GLOSSARY

Accrual Accounting: is the system of accounting where the assets, liabilities, equity, revenue and expenses are recognised in the reporting periods to which they relate, regardless of when cash is received or paid.

Administered Items: are those items controlled by the Government and managed or oversighted by Defence on behalf of the Government, including grants, subsidies and benefits.

Appropriation: is an authorisation by Parliament to spend money from the Consolidated Revenue Fund.

Assets: are future economic benefits controlled by Defence as a result of past transactions or other past events. Assets are initially recognised at the cost of acquisition. Non-financial assets are subject to ongoing revaluation assessment.

Balanced Scorecard: is an approach to performance measurement that translates an organisation's strategic objectives into a useful set of performance measurements. It typically supplements traditional financial measures with information on three additional perspectives of organisational performance: customer satisfaction, internal business processes, and innovation and learning. The Defence version is known as *Defence Matters*.

Capital Use Charge: represents the Government's required return, or dividend, on its equity invested in an agency. Charge has been withdrawn with effect from 2003-04.

Combined Exercise: is an exercise involving one or more Services of the ADF with the forces of other countries.

Customer-Supplier Arrangement: is an agreement between internal customers and suppliers for the supply of a service at an agreed quantity, standard and price.

Defence Matters scorecard: see Balanced Scorecard.

Equity Injection: represents an additional contribution, over and above the price of outputs to the Government as customer, to Defence by the Commonwealth as owner. Equity injections form part of the Commonwealth's investment in Defence and partly reflect the Commonwealth's ownership interest in Defence.

Expenses: are consumptions or losses of future economic benefits, in the form of reductions in assets or increases in liabilities of Defence, other than those relating to distributions to the Commonwealth, that result in a decrease in equity during the reporting period.

Force Element: is a component of a unit, a unit or an association of units having common prime objectives and activities.

Force Element Group: is a grouping of force elements with an appropriate command and control structure for a specified role or roles.

Force Structure: see Preparedness Concepts and Planning.

Interoperability: is the ability of systems, units or forces to provide the services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.

Joint Exercise: is an exercise involving two or more Services of the ADF.

Liabilities: are sacrifices of future economic benefits that Defence is obliged presently to make to other entities as a result of past transactions or other past events.

Outcome: is the result, impact or consequence of actions by the Commonwealth for the Australian community.

Outputs: are the agreed goods and services produced by Defence.

Preparedness Concepts and Planning: Military capability is achieved by developing a force structure appropriately prepared for operations. Preparedness is, therefore, of fundamental importance to Defence, which must be able to manage it effectively and communicate its status to the Government.

Directed Level of Capability (DLOC) : is the fundamental level of capability maintained during a specified budget period. DLOC is formally agreed in organisational performance agreements between the Chief of the Defence Force/Secretary of the Department of Defence and each of Defence's six Output Executives. DLOC captures the levels of capability to be maintained to meet preparedness, ongoing operations, and known national task requirements.

Force Structure: relates to the type of force required – personnel, equipment, facilities and military doctrine – to achieve the level of capability necessary to conduct operations effectively.

In the medium to long term, military capability will vary due to changes in force structure generated by the capability development process. In the short term, force structure is the more constant component of military capability and the level of capability available for operations is determined by Defence's management of preparedness of the current force.

Changes to force structure usually affect on the preparedness of the associated forces. For example, the introduction of a new platform, retirement of an old platform or capability enhancement will have a direct impact on the resource, training and facility requirements of the forces involved.

Preparedness: is a measurement of how ready (readiness) and how sustainable (sustainability) the whole, or part, of the ADF is to undertake military operations.

Preparedness Planning: the preparedness planning process begins with a strategic appreciation involving an analysis of the national security objectives which are specified in Government guidance. These objectives are considered against current strategic circumstances and defence policy. In the light of this appreciation, military strategies are developed or refined to achieve the objectives. Military strategic objectives and military response options are then derived from the military strategies and are used to provide preparedness planning guidance.

Readiness: the readiness of forces to be committed to operations within a specified time is dependent on the availability and proficiency of personnel, equipment, facilities and consumables.

Sustainability: is measured in terms of the ability to provide personnel, equipment, facilities and consumables to enable a force to complete the needed period of operations.

The Chief of the Defence Force's Preparedness Directive: this principle strategic-level directive contains strategic planning guidance, lists military response options and sets preparedness requirements. It informs all subordinate preparedness directives at the operational level, which set specified levels of preparedness and contain the capability standards against which force units measure and report.

Readiness: *see* Preparedness Concepts and Planning.

Revenues: are inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of Defence, other than those relating to contributions by the Commonwealth, that result in an increase in equity during the reporting period.

Sustainability: *see* Preparedness Concepts and Planning.

Theatre: is the area in which military operations/activities take place.

Unit Ready Days: is the number of days that a force element is available for tasking, by the Maritime Commander, within planned readiness requirements. Planned Unit Ready Days are determined for each Force Element Group by aggregating total days for the unit in commission (366 for 2003-04), less all days when the unit is programmed to be in major maintenance and conducting pre-workup (preparations for initial operational training).

ACRONYMS AND ABBREVIATIONS

A

ACT	Australian Capital Territory
ADF	Australian Defence Force
AIRMSHL	Air Marshal
ANAO	Australian National Audit Office
Anzus	Australia, New Zealand, United States
APS	Australian Public Service

C

CDF	Chief of the Defence Force
CSS	Commonwealth Superannuation Scheme

F

FFG	Guided Missile Frigate
-----	------------------------

G

GDP	Gross Domestic Product
-----	------------------------

H

HMAS	Her Majesty's Australian Ship
------	-------------------------------

I

IT	Information Technology
----	------------------------

L

LTGEN	Lieutenant General
-------	--------------------

M

MAJGEN	Major General
--------	---------------

N

NSW	New South Wales
NT	Northern Territory

Index

P

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PMKeyS	Personnel Management Key Solution
PSS	Public Service Superannuation

Q

Qld	Queensland
-----	------------

R

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RAN	Royal Australian Navy
RAR	Royal Australian Regiment

S

SA	South Australia
SASR	Special Air Service Regiment

T

Tas	Tasmania
-----	----------

U

UHF	Ultra-High Frequency
URD	Unit Ready Days

V

VADM	Vice Admiral
Vic	Victoria

W

WA	Western Australia
----	-------------------

LIST OF TABLES AND CHARTS

CHAPTER ONE - OVERVIEW

Table 1.1: Comparison between New and Old Outcome and Output Structures.....	4
Organisational Chart.....	18
Table 1.2: Total Defence Resourcing.....	19
Table 1.3: Defence White Paper Funding from 2001-02 to 2010-11.....	20
Table 1.4: Defence Revenue from Government.....	21
Table 1.5: Planned Growth in ADF Permanent Force Strength.....	23
Table 1.6: Net Additional Costs of Operations Bastille and Falconer.....	25
Table 1.7: Special Operations Command – Additional Capability.....	26
Table 1.8: Summary of Measures Disclosed in the 2003-04 Budget.....	27
Table 1.9: Use of Cash (Appropriation Receivable).....	29
Table 1.10: Appropriations and Other Revenue.....	30
Table 1.11: Discretionary Grants.....	33

CHAPTER TWO - RESULTS FOR GOVERNMENT AS DEFENCE'S CUSTOMER

Table 2a: Budgeted Price to the Government for Defence Outcomes.....	37
Table 2b: Budgeted Price of Defence Outcomes.....	39
Table 2.1.1: Price Summary of Outputs for Outcome 1 – Command of Operations.....	43
Table 2.1.2: Total Budgeted Price for Outcome 1 – Command of Operations.....	44
Table 2.1.3: Price of Output 1.1 – Command of Operations.....	45
Table 2.1.4: Contributing to the Security of the Immediate Neighbourhood.....	46
Table 2.1.5: Supporting Wider Interests.....	47
Table 2.1.6: ADF Joint Exercises.....	47
Table 2.1.7: Combined ADF and United States Exercises.....	48
Table 2.1.8: Combined ADF and Five Power Defence Arrangements Exercises.....	48
Table 2.1.9: Combined ADF and New Zealand Exercises.....	49
Table 2.1.10: Other Combined Exercises.....	49
Table 2.1.11: Price of Output 1.2 – Defence Force Military Operations and Exercises.....	52
Table 2.1.12: Peacetime National Tasks.....	53
Table 2.1.13: Price of Output 1.3 – Contribution to National Support Tasks.....	54
Table 2.2.1: Price Summary of Outputs for Outcome 2 – Navy Capability.....	59
Table 2.2.2: Total Budgeted Price for Outcome 2 – Navy Capability.....	60

Table 2.2.3: Price of Output 2.1 – Capability for Major Surface Combatant Operations	62
Table 2.2.4: Price of Output 2.2 – Capability for Naval Aviation Operations.....	63
Table 2.2.5: Price of Output 2.3 – Capability for Patrol Boat Operations	64
Table 2.2.6: Price of Output 2.4 – Capability for Submarine Operations.....	65
Table 2.2.7: Price of Output 2.5 – Capability for Afloat Support.....	66
Table 2.2.8: Price of Output 2.6 – Capability for Mine Warfare.....	67
Table 2.2.9: Price of Output 2.7 – Capability for Amphibious Lift.....	68
Table 2.2.10: Price of Output 2.8 – Capability for Hydrographic and Oceanographic Operations	70
Table 2.3.1: Price Summary of Outputs for Outcome 3 – Army Capability	75
Table 2.3.2: Total Budgeted Price for Outcome 3 - Army Capability	76
Table 2.3.3: Price of Output 3.1 – Capability for Special Forces Operations	78
Table 2.3.4: Price of Output 3.2 – Capability for Mechanised Operations	79
Table 2.3.5: Price of Output 3.3 – Capability for Light Infantry Operations	80
Table 2.3.6: Army Aviation Aircraft.....	81
Table 2.3.7: Price of Output 3.4 – Capability for Army Aviation Operations.....	82
Table 2.3.8: Price of Output 3.5 – Capability for Ground Based Air Defence	83
Table 2.3.9: Price of Output 3.6 – Capability for Combat Support Operations	84
Table 2.3.10: Price of Output 3.7 – Capability for Regional Surveillance.....	85
Table 2.3.11: Price of Output 3.8 – Capability for Operational Logistic Support to Land Forces	86
Table 2.3.12: Price of Output 3.9 – Capability for Motorised Infantry Operations	88
Table 2.3.13: Price of Output 3.10 – Capability for Protective Operations.....	89
Table 2.4.1: Price Summary of Outputs for Outcome 4 – Air Force Capability.....	93
Table 2.4.2: Total Budgeted Price for Outcome 4 – Air Force Capability	94
Table 2.4.3: Price of Output 4.1 – Capability for Air Combat.....	96
Table 2.4.4: Price of Output 4.2 – Capability for Combat Support of Air Operations.....	97
Table 2.4.5: Price of Output 4.3 – Capability for Strategic Surveillance.....	98
Table 2.4.6: Price of Output 4.4 – Capability for Maritime Patrol Aircraft.....	99
Table 2.4.7: Price of Output 4.5 – Capability for Airlift	100
Table 2.5.1: Price Summary of Outputs for Outcome 5 – Strategic Policy	102
Table 2.5.2: Total Budgeted Price for Outcome 5 – Strategic Policy	103
Table 2.5.3: Price of Output 5.1 – Strategic and International Policy, Activities and Engagement.....	104
Table 2.5.4: Price of Output 5.2 – Military Strategy and Strategic Operations	105
Table 2.5.5: Defence Cooperation Funding.....	107

Table 2.6.1: Price Summary of Outputs for Outcome 6 – Intelligence.....	110
Table 2.6.2: Total Budgeted Price for Outcome 6 – Intelligence	111
Table 2.7.1: Revenues Administered on behalf of the Government.....	114
Table 2.7.2: Expenses Administered on behalf of the Government.....	114

CHAPTER THREE - RESULTS FOR GOVERNMENT AS DEFENCE'S OWNER

Table 3.1: Budgeted Statement of Financial Performance	118
Table 3.2: Budgeted Statement of Financial Position	119
Table 3.3: Budgeted Statement of Cash Flows.....	120
Table 3.4: Capital Budget Statement.....	121
Table 3.5: Non-Financial Assets – Summary of Movement.....	122
Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on Behalf of Government.....	123
Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government.....	124
Table 3.8: Schedule of Budgeted Administered Cash Flows.....	125
Table 3.9: Summary of Estimated Account Balances	131
Table 3.10: Capital Investment Program.....	133
Table 3.11: Capital and Operating Adjustment.....	134
Table 3.12: Top 20 Projects by Forecast 2003-04 Expenditure	136
Table 3.13: Other Significant Projects Ranked by Total Approved Project Cost....	142
Table 3.14: Approved Major Capital Facilities Projects by State and Federal Electorate.....	145
Table 3.15: Proposed Major Capital Projects for Parliamentary Consideration in 2003-04	150
Table 3.16: Approved Medium Capital Facilities by State and Federal Electorate	153
Table 3.17: Proposed Medium Capital Projects for Departmental Approval in 2003-04	155

CHAPTER FOUR - ENABLING BUSINESS PROCESSES

Table 4.1: Administrative Savings Targets	159
Table 4.2: Estimated Expenditure on Products and Services' Contracts	167
Table 4.3: Identified Commercial Support Program Activities for 2003-04	170

CHAPTER FIVE - PEOPLE MATTER

Table 5.1: Employee Expenses	179
Table 5.2: Total Workforce	179
Table 5.3: Breakdown of Personnel Numbers by Service and Rank.....	181

DEFENCE HOUSING AUTHORITY

Table 1: Statement of Financial Performance.....	206
Table 2: Statement of Financial Position.....	207
Table 3: Statement of Cash Flows.....	208
Table 4: Capital Budget Statement.....	209
Table 5: Non-financial Assets - Summary of Movement (Budget Year 2003-04)	210

ALPHABETICAL INDEX

A

Air Force <i>see Outcome Four</i>	3, 4, 5, 25, 28, 30, 35, 38-40,
.....	46, 48, 49, 51, 53, 54, 99, 135, 137-155, 179, 190, 193
Army <i>see Outcome Three</i>	3, 4, 7, 23, 26, 28, 30, 33, 35,
.....	38-40, 47-51, 54, 62, 71-89, 137, 141- 144, 147-155, 179-181

B

Budgeted Financial Statements	
Administered – Assets and Liabilities	115, 117, 124, 126
Administered – Revenues and Expenses	115, 117, 126
Budgeted Statement of Cash Flows	115, 117, 120, 130, 133
Budgeted Statement of Financial Performance	115, 117, 118, 128, 130
Budgeted Statement of Financial Position	115, 117, 119, 129
Capital Budget Statement	115, 117, 121
Non-Financial Assets – Summary of Movement	115, 117, 122
Notes to the Budgeted Financial Statements	115, 128

C

Capital Budget	
Capital Investment Program	133
Defence Capability Plan	9, 26, 29, 133-135, 145, 176
Equipment	iv, 115, 136
Facilities	115, 145, 153
Not yet approved Major Capital	139
Other Capital	155
Overview	115, 133
Commercial Support Program	169, 170

D

Defence Capability Plan <i>see also</i> Capital Budget	9, 28, 29, 74, 134,
.....	135, 137, 139, 147, 150, 176
Defence Cooperation	35, 101, 106, 107
Defence Housing Authority	20, 34, 113, 114, 199-210
Defence Information Environment	164, 167, 171
Defence Operations <i>see also</i> Outcome One	4, 11, 19, 20, 23-28, 40-58, 74, 76,
.....	80, 81, 91- 93, 96, 97, 149-154, 155, 166, 179, 181
Defence White Paper	6, 7, 9, 11-16, 19- 25, 28, 74, 135, 159, 161, 175, 179

E

Exercise Program	49- 53
------------------------	--------

F

Force Structure *see Overview*6

G

Glossary.....iv

I

Intelligence *see Outcome Six* iii, 5, 39, 40, 87, 109, 110, 111, 151, 153, 158

Internal Services.....iv, 164, 165

L

Letter of Transmittal from the Portfolio Minister to Parliament.....i

M

Management Reforms and Efficiencies.....iv, 161

N

Navy *see Outcome Two* 4, 23, 24, 27, 30, 35, 38-40, 48-70,
.....111, 137-148, 151, 152, 170, 179-181

Nunn Review 171, 177

O

Organisational Structure.....17

Outcome One – Command of Operations 3, 4, 38, 40-54

 Output 1.1 – Command of Operations3, 4, 38, 40, 45

 Output 1.2 – Defence Force Military Operations and Exercises4, 38, 46-52

 Output 1.3 - Contribution to National Support Tasks.....4, 38, 52-54

Outcome Two – Navy Capability38, 55-70

 Output 2.1 – Capability for Major Surface Combatant Operations4, 38, 59, 61-62

 Output 2.2 – Capability for Naval Aviation Operations4, 38, 59, 62-63

 Output 2.3 – Capability for Patrol Boat Operations.....4, 38, 59, 64

 Output 2.4 – Capability for Submarine Operations4, 38, 59, 65

 Output 2.5 – Capability for Afloat Support.....4, 38, 59, 66

 Output 2.6 – Capability for Mine Warfare.....4, 38, 59, 67

 Output 2.7 – Capability for Amphibious Lift38, 59, 68

 Output 2.8 - Capability for Hydrographic and Oceanographic
 Operations..... 38, 59, 69-70

Outcome Three.....71

 Output 3.1 – Capability for Special Forces Operations4, 38, 77, 78

 Output 3.2 – Capability for Mechanised Operations4, 38, 78, 79

 Output 3.3 – Capability for Light Infantry Operations.....4, 38, 79, 80

 Output 3.4 – Capability for Army Aviation Operations.....4, 38, 81-82

Output 3.5 – Capability for Ground Based Air Defence.....	4, 38, 82-83
Output 3.6 – Capability for Combat Support Operations.....	4, 38, 83-84
Output 3.7 – Capability for Regional Surveillance.....	4, 38, 84-85
Output 3.8 – Capability for Operational Logistic Support to Land Forces	4, 38, 87-88
Output 3.9 – Capability for Motorised Infantry Operations	4, 38, 87-88
Output 3.10 - Capability for Protective Operations.....	4, 38, 88, 89
Outcome Four.....	91
Output 4.1 – Capability for Air Combat.....	4, 93, 95, 96
Output 4.2 - Capability for Combat Support for Air Operations	4, 91, 93, 96,97
Output 4.3 – Capability for Strategic Surveillance	4, 93, 97, 98
Output 4.4 – Capability for Maritime Patrol Aircraft	4, 93, 98, 99
Output 4.5 – Capability for Airlift.....	4, 93, 99, 100
Outcome Five.....	101
Output 5.1 – Strategic and International Policy, Activities and Engagement	4, 38, 102, 104
Output 5.2 – Military Strategy and Strategic Operations	4, 102, 105
Outcome Six – Intelligence.....	4, 38, 109-111
Outcome Seven – Superannuation and Housing Support Services for Current and Retired Defence Personnel.....	4, 38, 113, 114
Output 7.1 - Superannuation and Housing Support Services for Current and Retired Defence Personnel.....	4, 39, 113, 114
Price to Government of Defence Outcomes	35, 37

P

People.....	173-177
Workforce Summary.....	173, 179-181
Performance Information <i>see Outcomes</i>	40, 55, 72, 91, 101, 109
Portfolio Evaluations	171

S

Strategic Objectives <i>see Overview</i>	5
Strategic Policy <i>see also Outcome Five</i>	38, 101-107

U

User guide.....	iii
-----------------	-----

W

White Paper <i>see Defence White Paper</i>	5-7, 9-15, 19-30, 60, 74, 111, 135, 159, 161, 175, 179, 180
--	---

