



Budget 2020-21

Portfolio Budget Statements 2020-21 Budget Related Paper No. 1.3A

Defence Portfolio

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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SENATOR FOR WESTERN AUSTRALIA

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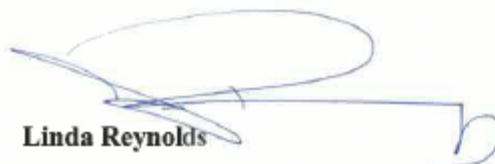
Dear Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2020-21 Budget for the Defence portfolio.

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

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

Yours sincerely



Linda Reynolds

Abbreviations and Conventions

The following notations may be used:

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nfp	not for publication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

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

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance Group, Department of Defence on (02) 6265 7341.

Links to Portfolio Budget Statements (including Portfolio Additional Estimates Statements and Portfolio Supplementary Additional Statements) can be located on the Australian Government Budget website at: www.budget.gov.au.

USER GUIDE TO THE PORTFOLIO BUDGET STATEMENTS

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USER GUIDE

The purpose of the 2020-21 *Portfolio Budget Statements* (PB Statements) is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. Entities receive resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

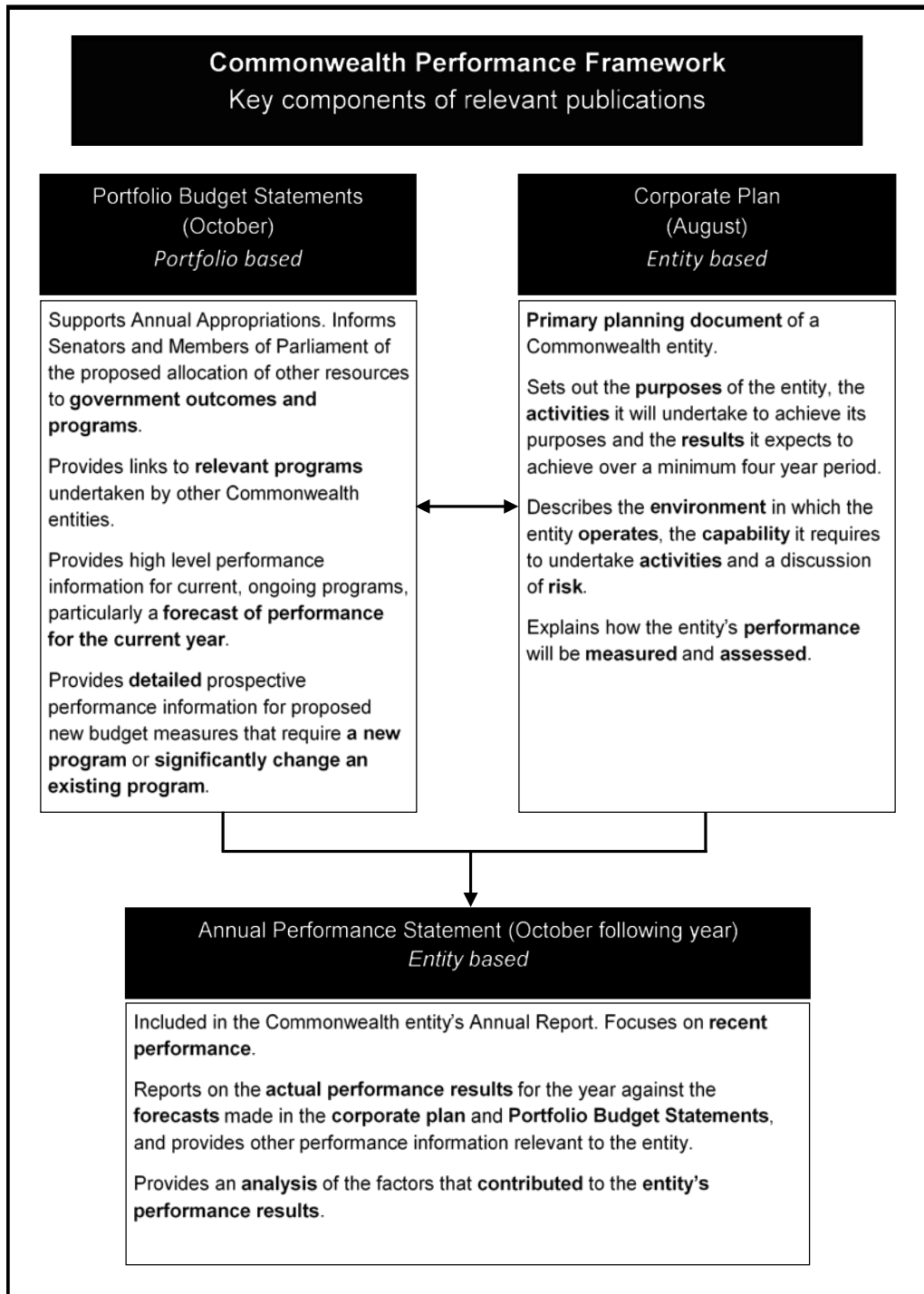
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2020-21 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2020-21 for the parliamentary departments). In this sense, the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding (either directly or via portfolio departments) through the annual appropriation acts.

The Commonwealth Performance Framework

The following diagram outlines the key components of the Commonwealth performance framework. The diagram identifies the content of each of the publications and the relationship between them. Links to the publications for each entity within the portfolio can be found in the introduction to Section 2: Outcomes and Planned Performance.



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PORTFOLIO OVERVIEW

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DEFENCE PORTFOLIO OVERVIEW

The Defence Portfolio consists of component organisations that together are responsible for the defence of Australia and its national interests. The most significant bodies are:

- the Department of Defence, headed by the Secretary of the Department of Defence; and
- the Australian Defence Force (ADF), commanded by the Chief of the Defence Force and consisting of the three Services.

Defence is established as a Department of State under the Administrative Arrangements Order. The Department of Defence operates under the *Public Service Act 1999* and is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. The ADF is constituted through the *Defence Act 1903*. In practice, these bodies work together closely and are broadly regarded as one organisation known simply as 'Defence'.

The Defence Portfolio includes the Australian Signals Directorate (ASD) and Defence Housing Australia (DHA). The portfolio also contains some smaller entities, including a number of statutory offices, trusts and companies created by the *Public Governance, Performance and Accountability Act 2013*, *Defence Force Discipline Act 1982* and *Defence Act 1903*, which are independent but reside administratively within Defence.

The Department of Veterans' Affairs (DVA) and associated bodies, as designated in the Administrative Arrangements Order, also form part of the Defence Portfolio. DVA is administered separately to Defence, and information related to the department can be found in its Portfolio Budget and Portfolio Additional Estimate Statements.

Defence's primary roles are to protect and advance Australia's strategic interests through the promotion of security and stability, provide military capabilities to defend Australia and its national interests, and support the Australian community and civilian authorities as directed by the Government.

The *2020 Defence Strategic Update* and *2020 Force Structure Plan*, released on 1 July 2020, outline a new strategy for Defence and the capability investments to deliver it. The *2020 Defence Strategic Update* outlines the Government's response to significant changes in the strategic environment since the *2016 Defence White Paper*. The *2020 Defence Strategic Update* sets out the Government's new strategic Defence policy framework, which provides clearly identified geographical, operational and capability priorities. The *2020 Force Structure Plan* investment strategy ensures the achievement of, and builds upon the objectives of the *2016 Defence White Paper*. It includes \$270 billion in capability investment over 10 years to ensure Australia can continue to deliver a potent, agile, affordable, and sustainable Defence Force in line with the Government's strategy.

Ministers and their Portfolio Responsibilities

CHANGES AFFECTING THE PORTFOLIO

On 6 February 2020 the Hon Darren Chester MP, Minister for Veterans' Affairs and Minister for Defence Personnel, entered Cabinet. There were no additional changes in ministerial responsibilities.

The Ministers and their portfolio responsibilities are as follows:

Senator the Hon Linda Reynolds, CSC, Minister for Defence

- Oversight of all aspects of the Defence portfolio
- Defence Budget
- Defence Reform and Enterprise Management
- Strategic Policy
- International Policy and Engagement
- Intelligence
- Australian Signals Directorate
- ADF Operations
- Defence Planning Guidance
- The Integrated Investment Program
- Force Structure Review
- Development of capability requirements
- Capability/cost trade off during capability life cycle
- People, Equipment and Readiness
- Force Posture, including USFPI and ASMTI
- Science and Technology policy and support to capability and operations
- Defence Security and Vetting Policy
- Estate and Infrastructure Policy
- Defence Information and Communication Technology

The Hon Darren Chester MP, Minister for Veterans' Affairs and Minister for Defence Personnel

- Personnel policy and support
- Veterans policy and support
- Defence Health Services
- Military justice
- Honours and Awards
- Army, Navy and Air Force Cadets
- Parliamentary Exchange Program
- Transition from ADF
- Defence Housing Australia
- International engagement on veterans and defence personnel matters
- Defence's response to perfluorinated chemicals matters

The Hon Alex Hawke, MP, Assistant Defence Minister

Minister for International Development and the Pacific

- Support the Minister for Defence with Defence's contribution to the Australian Government's Indo-Pacific Step-Up, including:
 - Capacity building in the Pacific
 - Delivery of key infrastructure projects in the Pacific
 - Pacific Maritime Security Program and acquisition of the Large Hulled Vessel
 - Pacific Support Team
 - Defence engagement activities in the Pacific, including training and sporting relationships
 - Defence fora in the Pacific, including the Annual Joint Heads of Pacific security event
 - Defence commemorations across the Pacific

The Hon Melissa Price MP, Minister for Defence Industry

- Support the Minister for Defence in the management of capability acquisition and sustainment projects
- Australian Industry Capability Program
- Australian defence industry development
- Defence Exports
- Global supply chains
- Equipment disposals
- Centre for Defence Industry Capability
- Defence Innovation Hub
- Science and Technology engagement with Australian industry, including the Next Generation Technology Fund
- Test and evaluation policy and procedures
- International engagement on defence industry matters
- Estate and Infrastructure management and delivery

PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1: Defence Portfolio Structure and Outcomes



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

Defence Portfolio Bodies

Army and Air Force Canteen Service

Chairman: Ms Leonie Taylor, FCA, FAICD

The Army and Air Force Canteen Service (AAFCANS), a Commonwealth authority established under the *Army and Air Force Canteen Service Regulations 1959* supplies goods, facilities and services to, or for the entertainment and recreation of, members of the Army and the Air Force including persons employed in, or in connection with, Army or Air Force installations and dependants of those members or persons, visitors to such installations and members of the Australian Army or Air Force Cadets.

Australian Military Forces Relief Trust Fund

Chairman: Brigadier Wade Stothart, DSC, AM, CSC

The Australian Military Forces Relief Trust Fund, a Commonwealth authority established under the *Services Trust Funds Act 1947*, provides benefits to members of the ADF who have served in, or in association with, the Army and to the dependants of such members.

Royal Australian Air Force Veterans' Residences Trust

Chairman: Air Commodore (Rtd) David E. Tindal, AM

The Royal Australian Air Force Veterans' Residences Trust, a Commonwealth authority established by the *Royal Australian Air Force Veterans' Residences Act 1953*, provides residences in which eligible former members, including dependants, of the Royal Australian Air Force, Royal Australian Air Force Nursing Service and Women's Auxiliary Australian Air Force who are in necessitous circumstances and, if the Trust so approves, the dependants of such eligible persons, may be accommodated or supported.

Royal Australian Air Force Welfare Trust Fund

Chairman: Chaplain Mark Willis

The Royal Australian Air Force Welfare Trust Fund, a Commonwealth authority established under the *Services Trust Funds Act 1947*, provides benefits for members of the Defence Force who have served in, or in association with, the Royal Australian Air Force and to the dependants of such members.

Royal Australian Navy Central Canteens Board

Chairman: Commodore Simon Ottaviano, RAN

The Royal Australian Navy Central Canteens Board (RANCCB), a corporate Commonwealth entity established under the *Navy (Canteens) Regulations 1954*, administers the Royal Australian Navy Central Canteens Fund. The principal activities of the RANCCB are to provide welfare and lifestyle related benefits and services to Navy members and their families.

Royal Australian Navy Relief Trust Fund

Chairman: Commodore Shane Glassock, CSC, RAN

The Royal Australian Navy Relief Trust Fund, a Commonwealth authority established under the *Services Trust Funds Act 1947*, provides benefits for members of the Defence Force who have served in, or in association with, the Navy and to the dependants of such members.

AAF Company

President: Brigadier Wade Stothart, DSC AM, CSC

The AAF Company is a Commonwealth company that undertakes the management and trusteeship of the unincorporated funds known as the 'Army Amenities Fund' and the 'Messess Trust Fund'. The AAF Company promotes and supports the objectives of the Army Amenities Fund which provides amenities for members of the Australian Army.

Australian Strategic Policy Institute Limited

Chairman: Lieutenant General (Rtd) Ken Gillespie, AC, DSC, CSM

The Australian Strategic Policy Institute Limited is a Commonwealth company that provides policy-relevant research and analysis to inform Government decisions and public understanding of strategic and defence issues.

Royal Australian Air Force Welfare Recreational Company

Chairman: Air Commodore Philip Tammen, AM

The Royal Australian Air Force Welfare Recreational Company is a Commonwealth company that provides access to discounted recreational accommodation and manages and promotes the Royal Australian Air Force Central Welfare Trust Fund owned recreational facilities for the Royal Australian Air Force members, their families and other eligible persons. It also provides financial support to, and assists in the provision of, recreational facilities and services to the Royal Australian Air Force members.

DEPARTMENT OF DEFENCE

Entity Resources and Planned Performance

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Department of Defence

Section 1: Defence Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The *2020 Defence Strategic Update* and *2020 Force Structure Plan*, released on 1 July 2020, outline a new strategy for Defence and the capability investments to deliver it.

The *2020 Defence Strategic Update* sets out the challenges in Australia's strategic environment and their implications for Defence planning. This Strategic Update provides the Government's new strategic Defence policy framework which identifies geographical, operational and capability priorities. This framework gives a tight focus for planning, and ensures alignment with broader Government initiatives such as the Pacific Step-Up and efforts to build a secure, prosperous and inclusive Indo-Pacific of independent, sovereign and resilient states.

The implementation of the *2016 Defence White Paper* has seen substantial progress in building a more potent, capable and agile Australian Defence Force. Because of this, Defence is much better positioned to defend Australia and its interests. However, important adjustments to defence policy are set out in the *2020 Defence Strategic Update* to respond to the rapid changes in the strategic environment. The *2020 Defence Strategic Update* replaces the Strategic Defence Framework set out in the *2016 Defence White Paper* with three new strategic objectives:

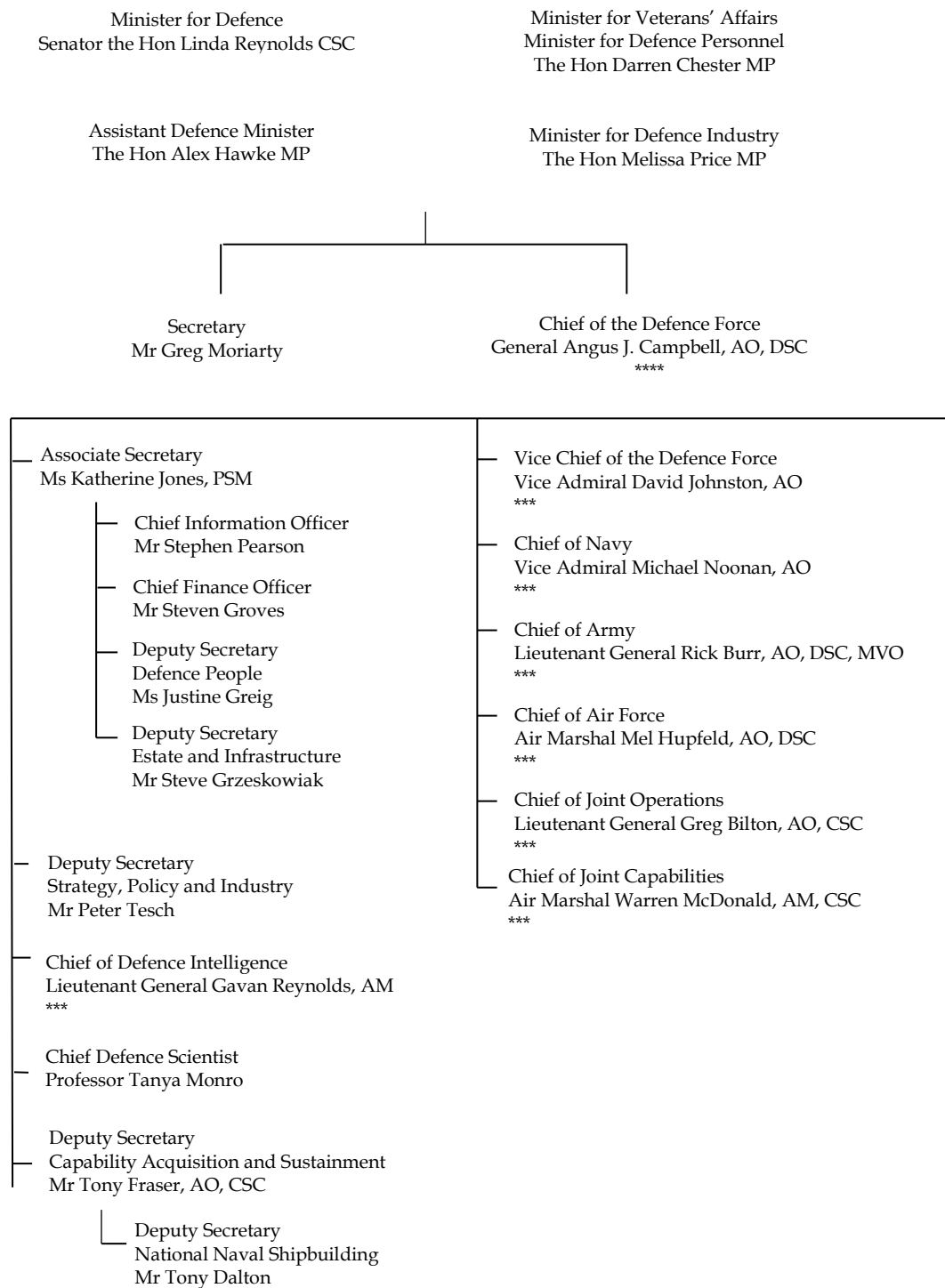
- to **shape** Australia's strategic environment;
- to **deter** actions against Australia's interests; and
- to **respond** with credible military force, when required.

These new objectives will guide all aspects of Defence's planning including force structure planning, force generation, international engagement and operations. To implement the new objectives, Defence will:

- prioritise our immediate region (the north-eastern Indian Ocean, through maritime and mainland South East Asia to Papua New Guinea and the South West Pacific) for the Australian Defence Force's geographical focus;
- increase the Australian Defence Force's self-reliance in delivering deterrent effects;
- expand Defence's capability to respond to grey-zone activities, working closely with other arms of Government;
- enhance the lethality of the Australian Defence Force for the sorts of high-intensity operations that are the most likely and highest priority in relation to Australia's security;
- maintain the Australian Defence Force's ability to deploy forces globally where the Government chooses to do so, including in the context of US-led coalitions; and
- enhance Defence's capacity to support civil authorities in response to natural disasters and crises.

The *2020 Defence Strategic Update* is underpinned by the *2020 Force Structure Plan* that provides the detail on capability investments required to implement this new strategy. The *2020 Force Structure Plan* includes \$270 billion in new capability investment for the Australian Defence Force over the decade to 2029-2030. This includes investments in the supporting infrastructure required to build and sustain military power; including a robust, resilient and internationally competitive defence industrial base. The plan reinforces Defence's sovereign industrial capability priorities and the Government remains committed to maximising opportunities for Australian defence industry to benefit from the significant investment in new capability over the next decade. The plan also delivers increased funding to innovation and capability acceleration programs to generate and deliver on Australian industry's innovative solutions for Defence capability. Rapid technological change and shifting geopolitical dynamics mean it is increasingly important for Defence to leverage the best innovation on offer within Australia.

Figure 2: Defence Organisational Chart



Stars (*) refer to ADF Star Rank

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

Senior Executive Changes

The following changes have taken place since the *Portfolio Additional Estimates Statements 2019–20*:

- On 4 September 2019, Air Marshal Gavin ‘Leo’ Davies, AO, CSC, the previous Chief of Air Force, transitioned to the Reserves.
- On 16 March 2020, Ms Rebecca Skinner, the previous Associate Secretary, transferred to Services Australia.
- From 16 March until 22 June 2020, Mr Steven Groves was appointed as the Acting Associate Secretary.
- On 23 June 2020, Ms Katherine Jones, PSM was appointed as the Associate Secretary.
- On 1 July 2020, Lieutenant General Gavan Reynolds, AM was appointed as the inaugural Chief of Defence Intelligence.

Organisational Structure

The following changes have taken place since the *Portfolio Additional Estimates Statements 2019–20*:

- On 1 September 2020, a new Defence Intelligence Group was established, bringing together intelligence enterprise capabilities. This new structure will align Defence intelligence management with the enterprise approach adopted throughout the National Intelligence Community.
- On 1 September 2020, Strategic Policy and Intelligence Group became Strategy, Policy, and Industry Group to reflect the creation of the Defence Intelligence Group.

Program Structure

No changes have taken place since the *Portfolio Additional Estimates Statements 2019-20*.

1.2 DEFENCE RESOURCE STATEMENT

Table 1a: Total Defence Resourcing

Serial No.	2019-20 Estimated Actual \$'000		2020-21 Previous Estimate \$'000	2020-21 Budget Estimate \$'000	Variation \$'000	Variation %	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Defence resourcing									
1	34,290,209	Appropriation for departmental outcomes	35,408,700	27,325,191	-8,083,509	-22.8	27,731,361	29,316,078	30,405,804
2	-	Departmental capital budget	-	2,718,949	2,718,949	-	2,764,976	2,925,245	3,080,148
3	4,015,029	Equity injection appropriation	5,749,426	11,671,009	5,921,584	103.0	14,064,357	16,185,138	17,993,813
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	38,305,238	Current year's appropriation (1 + 2 + 3 + 4)	41,158,125	41,715,149	557,024	1.4	44,560,694	48,426,461	51,479,765
6	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account ^[1]	-	-	-	-	-	-	-
9	-	Funding from / to the OPA (6 + 7 + 8)	-	-	-	-	-	-	-
10	38,305,238	Funding from Government (5 + 9)	41,158,125	41,715,149	557,024	1.4	44,560,694	48,426,461	51,479,765
11	357,389	Capital receipts	103,099	296,132	193,033	187.2	420,676	467,534	341,077
12	735,231	Own source revenue (s74 receipts) ^[2]	559,151	601,139	41,988	7.5	609,228	614,378	636,741
13	-	Prior year receipts	-	-	-	-	-	-	-
14	1,092,621	Funding from other sources (11 + 12 + 13)	662,250	897,272	235,022	35.5	1,029,904	1,081,912	977,818
15	39,397,859	Total Defence funding (10 + 14)	41,820,375	42,612,421	792,046	1.9	45,590,598	49,508,373	52,457,582
Administered^[3]									
16	2,980,811	Administered special appropriations	7,089,298	2,859,256	-4,230,042	-59.7	3,091,942	3,174,573	3,358,916
17	1,615,447	Own source revenue	1,263,973	1,346,373	82,400	6.5	1,239,099	1,169,841	1,091,389
18	-1,615,447	Returns to the Official Public Account	-1,263,973	-1,346,373	-82,400	6.5	-1,239,099	-1,169,841	-1,091,389
19	2,980,811	Total Administered funding (16 + 17 + 18)	7,089,298	2,859,256	-4,230,042	-59.7	3,091,942	3,174,573	3,358,916
20	42,378,670	Total Defence resourcing (15 + 19)	48,909,673	45,471,677	-3,437,996	-7.0	48,682,540	52,682,946	55,816,498
Appropriation carried forward									
21	249,000	Appropriation receivable including previous year's outputs	255,893	249,000	-6,893	-2.7	249,000	249,000	249,000
22	427,418	Cash in bank - Departmental	76,179	334,859	258,680	339.6	334,859	334,859	334,859
23	146,014	Cash in bank - Administered	158,466	180,375	21,909	13.8	180,375	180,375	180,375
24	822,432	Total appropriations carried forward (21 + 22 + 23)	490,538	764,234	273,696	56.0	764,234	764,234	764,234

Notes

1. Represents net transfers to and from the Official Public Account.

2. All figures are net of GST.

3. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 49 shows estimates of total expenses for the Defence Superannuation Schemes.

Adoption of net cash funding presentation

Total appropriation for Defence is tied to the 10 year funding envelope set out in the *2020 Defence Strategic Update* and represents the funds expended by Defence to deliver its departmental outcomes and maintain the ongoing program of investment in new and existing equipment and facilities. Historically, Defence has reported appropriation revenues equal to total budgeted expenses, with the remaining funding provided as an equity injection. As such, it has not previously budgeted for an operating loss.

From the 2020-21 Budget, Defence will adopt a 'net cash funding' presentation. This will result in the budgeted financial statements recording operating losses for the first time. This is the result of a revised split between the appropriations that are provided as operating revenues and those that are provided as equity injections. An operating loss will be reported as the operating revenue appropriation will no longer include the cost of depreciation, inventory consumption and associated write-downs. Instead, the acquisition of new assets and inventory will be fully funded via capital appropriations, providing a clearer line of sight between appropriation funding and planned outlays.

The overall Defence funding does not change as a result of this new presentation. The appropriation split recognises the difference between the acquisition of major new capability, which is largely capital in nature, and the operating costs associated with sustainment and enhancement of existing capability and the Defence workforce. This new presentation is consistent with the presentation of the budgeted financial statements of other Australian Government agencies. The following table reconciles the change in presentation. Consistent with the 2019-20 Budget, the 2019-20 Estimated Actuals will not apply the new presentation.

Table 1b: Comparison of Net Cash Appropriations with Previous Arrangements

	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m
Defence funding under previous arrangements				
Revenue from Government	35,561.5	36,379.2	38,130.2	40,322.0
Capital Appropriation - Equity Injection	6,153.7	8,181.5	10,296.3	11,157.7
Total funding under previous arrangements	41,715.1	44,560.7	48,426.5	51,479.8
Defence funding under net cash arrangements				
Revenue from Government	27,325.2	27,731.4	29,316.1	30,405.8
Capital Appropriation - Departmental Capital Budget	2,718.9	2,765.0	2,925.2	3,080.1
Capital Appropriation - Equity Injection	11,671.0	14,064.4	16,185.1	17,993.8
Total funding under net cash arrangements	41,715.1	44,560.7	48,426.5	51,479.8

Under the net cash presentation, capital funding comprises a departmental capital budget (DCB) for the purchase of minor assets and Defence inventory, and a capital appropriation equity injection for the purchase of major assets under the Capability Acquisition Program. The Defence workforce and operating costs continue to be funded via revenue from Government. Defence projects are funded and managed on a whole-of-life basis and comprise both capital and operating costs.

1.3 BUDGET MEASURES

2020-21 Budget Measures and Other Budget Adjustments

Table 2: Defence 2020-21 Budget Measures

		2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total Forward Estimates \$m
Departmental Budget Measures						
Pacific Step-Up — delivering security infrastructure in the South west Pacific ^[1]	2.1	-	-	-	-	-
Critical Technology — establishing an enhanced capability ^[1]	2.13	-	-	-	-	-
Department of Veterans' Affairs — additional resourcing ^[1]	2.12	-	-	-	-	-
Simplifying Australian Defence Force Disaster and Emergency Response ^[1]	2.14	-	-	-	-	-
Joint Strike Fighter Industry Support Program ^[1]	2.7	-	-	-	-	-
JobMaker Plan — accelerated Defence initiatives to support COVID-19 recovery ^{[1][2]}	Various	-	-	-	-	-
Equity injection for Australian Naval Infrastructure ^[3]	2.5	nfp	nfp	nfp	nfp	nfp
Joint Transition Authority — establishment	2.12	2.8	2.8	2.5	2.5	10.6
School Pathways Program	2.1	-1.2	-1.2	-	-	-2.4
COVID-19 Response Package — Australian Defence Force deployment	1.3	80.7	-	-	-	80.7
Total Departmental Budget Measures		82.3	1.6	2.5	2.5	88.9
Other Budget Adjustments						
Foreign Exchange	Various	-45.2	-460.2	-862.2	-860.0	-2,227.6
Defence contribution to Australian Public Service Commission	2.1	-1.5	-1.5	-1.5	-1.5	-5.9
Capability Development Investment Funding ^[4]	2.8	-7.7	-	-	-	-7.7
Departmental Capital Budget ^[4]	Various	-30.0	-45.0	-30.0	-30.0	-135.0
Operation MANITOU	1.2	42.4	-5.1	21.6	-	59.0
Operation ACCORDION	1.2	192.3	8.9	32.0	-	233.2
Operation HIGHROAD	1.2	84.2	-0.0	0.2	-	84.3
Operation RESOLUTE	1.3	59.4	-	-	-	59.4
Operation OKRA	1.2	184.2	39.7	45.2	-	269.2
Other Budget Adjustments ^[5]	Various	nfp	nfp	nfp	nfp	nfp
Total Other Departmental Budget Adjustments		478.1	-463.1	-794.7	-891.5	-1,671.1
Variation to Defence Departmental Funding		560.4	-461.5	-792.2	-889.0	-1,582.2

Notes

- Defence will be absorbing the cost of this measure.
- This measure represents up to \$1 billion in economic stimulus for the Australian economy in response to COVID-19.
- This expenditure for this budget measure is not for publication (nfp) due to commercial sensitivities.
- Capability Development Investment Funding and Departmental Capital Budget transferred to the Australian Signals Directorate.
- The expenditure under this budget adjustment is not for publication (nfp) due to national security reasons.

Operations Summary

Table 3: Net Additional Cost of Operations to 2023-24^{[1][2]}

	Actual Result to 2018-19 \$m	2019-20 Estimated Actual \$m	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
Operation MANITOU	222.3	64.1	66.3	20.7	21.6	-	395.0
Operation ACCORDION	861.9	207.3	221.1	29.9	32.0	-	1,352.2
Operation HIGHROAD	526.4	76.7	85.3	0.0	0.2	-	688.6
Operation RESOLUTE	397.3	57.0	59.4	-	-	-	513.7
Operation OKRA	1,319.1	200.5	215.0	59.3	45.2	-	1,839.1
COVID-19 Response Package - Australian Defence Force deployment ^[3]	-	-	80.7	-	-	-	80.7
Total Net Additional Costs	3,327.0	605.6	727.8	109.9	99.0	-	4,869.3
Sources of Funding for Operations							
Government Supplementation	3,311.3	605.6	727.8	109.9	99.0	-	4,853.6
Department of Defence (Absorbed)	15.7	-	-	-	-	-	15.7
Total Cost	3,327.0	605.6	727.8	109.9	99.0	-	4,869.3

Notes

1. This table reflects on-going and new Operations funded under No Win/No Loss arrangements for 2020-21.
2. The Net Additional Cost of Operations include the budget adjustments shown under Table 2: Defence 2020-21 Budget Measures.
3. Otherwise known as Defence Operation COVID-19 ASSIST.

1.4 KEY COST CATEGORIES ESTIMATES

Table 4a: Defence and ASD Funding from Government^[1]

Serial No.		2019-20 Estimated Actual \$m	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
1	Defence	38,305.2	41,715.1	44,560.7	48,426.5	51,479.8	186,182.1
2	Australian Signals Directorate	879.7	1,030.9	1,049.2	979.9	987.5	4,047.5
3	Consolidated Defence and ASD Funding	39,184.9	42,746.0	45,609.9	49,406.3	52,467.3	190,229.6

Note

1. Provides a consolidated summary of Defence Portfolio Funding from Government as represented in the 2020 Defence Strategic Update.

Table 4b: Defence Planned Expenditure by Key Cost Categories^[1]

Serial No.		2019-20 Estimated Actual \$m	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
1	Workforce	12,877.9	13,410.5	13,766.9	14,108.3	14,481.3	55,767.0
2	Operations	821.7	741.4	113.7	102.6	3.7	961.4
3	Capability Acquisition Program	11,212.1	14,281.2	16,806.8	18,765.5	20,598.1	70,451.6
4	Capability Sustainment Program	12,095.9	12,580.0	13,217.3	14,876.0	15,637.7	56,311.0
5	Operating	2,150.1	1,599.4	1,685.8	1,656.0	1,736.8	6,678.0
6	Total Defence Planned Expenditure	39,157.7	42,612.4	45,590.6	49,508.4	52,457.6	190,169.0

Note

1. These categories are funded by appropriations and own source revenue.

Table 5: Capability Acquisition Program^[1]

Serial No.		2019-20 Estimated Actual \$m	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
1	Military Equipment Acquisition Program	8,620.0	10,742.4	12,359.7	13,794.6	15,539.4	52,436.1
2	Enterprise Estate and Infrastructure Program ^[2]	1,976.2	2,609.6	3,390.2	3,905.9	4,004.3	13,909.9
3	ICT Acquisition Program	572.4	772.5	862.4	895.4	857.5	3,387.8
4	Minors Program	43.5	156.7	194.6	169.7	196.9	717.8
5	Total Capability Acquisition Program^[3]	11,212.1	14,281.2	16,806.8	18,765.5	20,598.1	70,451.6

Notes

- These categories are funded by appropriations and own source revenue.
- Formerly 'Facilities and Infrastructure Program'.
- The Capability Acquisition Program includes unapproved and approved projects.

Table 6: Capability Sustainment Program^[1]

Serial No.		2019-20 Estimated Actual \$m	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
1	Navy Sustainment	2,633.1	2,825.0	2,946.6	3,303.8	3,487.5	12,562.8
2	Army Sustainment	1,638.3	1,890.3	2,072.6	2,544.1	2,790.1	9,297.1
3	Air Force Sustainment	2,919.5	3,144.8	3,295.4	3,872.5	4,075.6	14,388.2
4	Chief Information Officer Sustainment ^[2]	1,303.5	1,057.0	1,097.1	1,162.3	1,252.9	4,569.4
5	Joint Capabilities Group Sustainment	290.8	321.2	383.8	462.2	535.3	1,702.5
6	Strategic Policy & Intelligence Sustainment	105.6	112.3	141.2	150.6	213.5	617.6
7	Estate & Infrastructure Group Sustainment ^[3]	3,062.8	3,151.8	3,153.4	3,219.3	3,061.1	12,585.6
8	Other Minor Sustainment	142.4	77.5	127.3	161.3	221.7	587.8
9	Total Capability Sustainment Program^[4]	12,095.9	12,580.0	13,217.3	14,876.0	15,637.7	56,311.0

Notes

- These categories are funded by appropriations and own source revenue.
- Chief Information Officer Sustainment includes all ICT sustainment for the Department.
- Estate & Infrastructure Group Sustainment includes all estate maintenance, garrison support and associated costs for the Department.
- Total sustainment includes both current and future sustainment.

Table 7: Retained Capital Receipts

Serial No.		2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total \$m
	Property Sales					
	Proceeds from the sale of land and buildings	41.7	39.5	73.9	90.3	245.4
	Proceeds from the sale of housing	14.7	15.4	15.5	16.1	61.6
	Total proceeds from the sale of property	56.4	54.9	89.4	106.4	307.0
	Costs from the sale of property ^[1]	-15.5	-9.7	-7.3	-5.7	-38.2
1	Net property proceeds retained by Defence	40.8	45.2	82.0	100.7	268.8
2	Proceeds from sale of specialist military equipment	51.5	17.0	-	-	68.5
3	Proceeds from sale of infrastructure, plant and equipment	19.2	20.2	24.9	28.8	93.0
4	Retained Capital Receipts (1 + 2 + 3)	111.4	82.3	106.8	129.4	429.9

Note

- Costs from the sale of property include remediation works.

1.5 PEOPLE

Workforce Overview

Defence continues to reshape its workforce to deliver capabilities identified in the *2016 Defence White Paper* and the *2020 Force Structure Plan*, and to deliver the organisational capability envisaged in the First Principles Review. There has been steady growth in the workforce this financial year, with significant effort in the recruitment and retention of the shipbuilding, cyber, STEM (Science, Technology, Engineering and Mathematics), and ICT workforces. These efforts will continue in support of workforce growth required in the *2020 Force Structure Plan*.

As identified in the *2020 Force Structure Plan*, Defence will implement an initial increase in Australian Defence Force (ADF) and Australian Public Service (APS) personnel over the next four years of the Forward Estimates, and will propose longer term growth across the next two decades. Defence will return to Government in 2021 with a detailed proposal for this growth, including a new Defence Strategic Workforce Plan.

The ADF Total Workforce System continues to be embedded across Defence as the employment framework that enables flexible service. While ADF enlistments remain strong, there are some areas that require improvement, including critical categories and recruitment of women and Indigenous Australians.

Defence continues to implement new programs to improve the support provided to members transitioning from the ADF to civilian life. This involves working closely with the Department of Veterans' Affairs through the Transition Transformation Program. The approach includes increasing employment and engagement opportunities for current and former ADF personnel and their families.

Workforce Summary

The average full-time workforce is forecast to be 77,139 in 2020-21, comprising 60,826 permanent ADF (79 per cent) and 16,313 APS employees (21 per cent). The service breakdown of the ADF Permanent Force is:

- 15,063 Navy personnel
- 30,996 Army personnel
- 14,767 Air Force personnel

The forecast for service categories 3, 4 and 5 in 2020-21 is 1,133,037 days of service performed by an estimated 21,061 members of the Reserve Forces. As part of the COVID-19 Response Package, Defence has expanded the employment opportunities for ADF Reservists who may have lost civilian income with an allocation of up to an extra 210,000 days, accessible over two financial years, and also targeted recruitment of up to an additional 500 ADF Reservists. Information about the ADF Total Workforce System and structure of service categories is available on the department's website here: <https://www.defence.gov.au/PayandConditions/ADF/ADF-TWS.asp>

Over the Forward Estimates, the ADF and APS workforce (excluding service categories 3, 4 and 5) will increase by 2,043 from the forecast of 77,139 in 2020-21 to 79,182 in 2023-24.

The planned strength of the Defence workforce is shown in Tables 8 and 9, while a breakdown by Service and rank/level is at Table 10.

Under the 2016 *Defence White Paper* and 2020 *Force Structure Plan*, the permanent ADF workforce will grow to around 62,700 over the Forward Estimates. Across 2020-21 and the Forward Estimates, the Defence APS workforce is expected to grow to around 16,450. The majority of growth in the workforce is to meet the priorities outlined in the 2016 *Defence White Paper* and 2020 *Force Structure Plan*. These include transitioning to new platforms and building capacity in emerging capabilities such as space, intelligence, cyber and electronic warfare. Increasing commitments to international engagement and regional presence, rapid technological advancement within the region and increasing support to domestic emergencies such as bushfires and the pandemic remain a priority.

Defence People

In 2020-21, Defence will continue to progress the actions outlined in the *Defence Strategic Workforce Plan 2016-2026* to build a workforce system that is able to support Defence's capability requirements. The actions provide an integrated, enterprise approach to recruiting, career and talent management, workforce mobility, education and training, learning and development, transition and re-engagement, and partnerships with other Government departments, industry and academia. A major revision will be undertaken to produce a new Defence Strategic Workforce Plan looking out to 2040, to support the 2020 *Force Structure Plan* capability realisation and address key risks, and to provide the necessary reshaping and rebalancing needed to deliver new capabilities. Key reform and workforce initiatives for 2020-21 include:

- a Recruitment Services Contract working towards a modernised ADF Recruiting System, including an interactive procurement process with industry engagement.
- an ADF Employment Offer Modernisation Program.
- Transition Programs to provide members and their families with contemporary transition advice and support.

Defence will continue to focus on transformation of the ADF transition process, in conjunction with our partnering stakeholders, the Department of Veterans' Affairs and the Commonwealth Superannuation Corporation.

A key aspect of Defence's Strategic Workforce Planning is to build the capability and capacity of its STEM workforce. Work in this area will be guided by the *More Together: Defence Science and Technology Strategy 2030* and Defence's STEM strategy 2019-2030. These strategies outline the actions that will be undertaken to develop a culture that supports STEM personnel, align workforce planning with STEM capability requirements, and builds collaboration with stakeholders to produce mutually beneficial STEM workforce outcomes.

Defence will further embed its ADF Total Workforce System to ensure integration into all aspects of the people system. The Total Workforce System will provide greater organisational agility through a more flexible use of the entire ADF workforce (Permanent and Reserve components), and the use of the contingent workforce to provide new approaches to delivering capability.

The needs-based ADF Transition business model is enhancing the preparation and support provided to ADF members, and their families, transitioning out of Defence. The model prepares ADF members and families throughout their military career to provide a foundation through which to deliver specialist support at the time of transition. The needs based approach, delivered by qualified Transition Coaches identifies those who require additional support to find civilian employment or meaningful engagement. It also provides appropriate links to DVA, broader government and community support, referrals to health and wellbeing services, and assists ADF members and their families prepare for civilian life. This includes supporting ADF members and their families for up to 24 months after leaving Defence.

In 2020-21, Defence will expand the Personalised Career and Employment Program (PCEP) to transitioning members in the 25-30 year old age cohort. PCEP provides up to three months of support, targeting early service leavers through accelerated job search and employment support.

Defence continues to build on the progress made over recent years to foster a more inclusive culture, to be representative of the community we serve, to drive high-performance at all levels and work together as One Defence. *Pathway to Change: Evolving Defence Culture 2017-22* underpins Defence's commitment to driving authentic, sustainable change and creating an environment where the workforce is accountable for a more positive and inclusive culture. Defence continues to focus on the key cultural reform priorities of: leadership accountability; capability through inclusion; ethics and workplace behaviours; health, wellness and safety; workplace agility and flexibility; and leading and developing integrated teams.

These cultural priorities have been embodied in Group and Service Cultural Plans. This includes Navy's cultural program, Next Generation Navy; Army's commitment to Good Soldiering; and Air Force's New Horizon.

Defence continues its formal collaboration with the Australian Human Rights Commission to support and improve the implementation of our reform priorities and to embed cultural change across the organisation.

The Defence Reconciliation Action Plan provides the overarching strategy for Defence's commitment to Reconciliation to meet the Government's Indigenous participation rate of 2.7 per cent and the Government's *Closing the Gap* framework.

Defence's Indigenous workforce continues to grow, with 2.9 per cent of ADF and APS personnel identifying as Indigenous.

The evolved *Defence Work Health and Safety Strategy 2017-2022* sets the direction for the Department to achieve our safety vision, and identifies areas on which to focus our efforts. The Strategy focuses on embedding an inclusive, proactive and mindful safety culture in support of the health, wellness and safety priority in *Pathway to Change 2017-22*. The four areas of focus are: Health and Safety Conscious People; Healthy and Safe Workplaces; Health and Safety across the Capability Life Cycle; and Safety Assurance and Continuous Improvement.

The *Defence Mental Health and Wellbeing Strategy 2018-2023* (covering both ADF and APS employees) consists of six strategic objectives focused on creating and sustaining a positive psychosocial culture in Defence: leadership and shared responsibility; a thriving culture and healthy workplace; responding to the risks of military service; person-driven care and recovery; building the evidence; and continually improving.

Table 8: Planned Workforce Allocation for the 2020-21 Budget and Forward Estimates - Average Full-time^[1]

		2019-20 Estimated Actual	2020-21 Budget Estimate ^[2]	2021-22 Forward Estimate ^[2]	2022-23 Forward Estimate ^[2]	2023-24 Forward Estimate ^[2]
	ADF Permanent Force^[3]					
	Navy	14,821	15,063	15,350	15,648	15,863
	Army	29,923	30,996	31,122	31,237	31,391
	Air Force	14,365	14,767	14,987	15,169	15,472
1	Total Permanent Force	59,109	60,826	61,459	62,054	62,726
	Civilian Employees					
	APS	16,129	16,313	16,405	16,439	16,456
2	Total Civilian Employees	16,129	16,313	16,405	16,439	16,456
	Total Workforce Strength (1 + 2)	75,238	77,139	77,864	78,493	79,182

Notes

1. All numbers for the full-time workforce elements represent average full-time equivalents.
2. Budget and Forward Estimates for the full-time workforce elements represent the Government approved strength for each year.
3. ADF Permanent Force includes Service Categories 6 and 7, and Service Option C personnel.

Table 9: Planned Workforce Allocation for the 2020-21 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5)^{[1][2][3]}

		2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Estimate	2022-23 Forward Estimate	2023-24 Forward Estimate
	Service Category 3 and 5					
	Navy	112,514 (1,823)	120,000 (1,850)	120,000 (1,900)	120,000 (1,950)	120,000 (2,000)
	Army	775,012 (15,721)	775,000 (15,750)	715,000 (16,000)	725,000 (16,250)	735,000 (16,500)
	Air Force	231,935 (3,604)	236,710 (3,424)	241,000 (3,500)	246,000 (3,500)	251,000 (3,500)
1	Sub-total Service Category 3 and 5	1,119,461 (21,148)	1,131,710 (21,024)	1,076,000 (21,400)	1,091,000 (21,700)	1,106,000 (22,000)
	Service Category 4					
	Air Force	1,388 (41)	1,327 (37)	1,480 (40)	1,680 (40)	1,880 (40)
2	Sub-total Service Category 4	1,388 (41)	1,327 (37)	1,480 (40)	1,680 (40)	1,880 (40)
	Total Reserves (1 + 2)	1,120,849 (21,189)	1,133,037 (21,061)	1,077,480 (21,440)	1,092,680 (21,740)	1,107,880 (22,040)

Notes

1. Reserves include all active members (Service Categories 3, 4 and 5), excluding Reservists undertaking continuous full-time service (Service Option C), who are reported in Table 8.
2. As the number of days or hours worked by Reserve members can vary greatly, figures in Table 9 show the total number of days' service rendered, with a headcount of members rendering paid service in brackets.
3. This includes (in part) additional days over two financial years for ADF Reservists as part of the national response to the COVID-19 pandemic.

Table 10: Breakdown of Average Personnel Numbers by Service and Rank

	2019-20 Estimated Actual	2020-21 Budget Estimate
Navy^[1]		
One Star and above	58	58
Senior Officers ^[2]	745	751
Officers	2,929	3,021
Other Ranks	11,089	11,233
Total Navy	14,821	15,063
Army^[1]		
One Star and above	88	90
Senior Officers ^[2]	976	942
Officers	5,434	5,817
Other Ranks	23,425	24,147
Total Army	29,923	30,996
Air Force^[1]		
One Star and above	55	51
Senior Officers ^[2]	760	767
Officers	4,225	4,423
Other Ranks	9,325	9,526
Total Air Force	14,365	14,767
APS^[1]		
Senior Executives ^[3]	153	157
Senior Officers ^[2]	5,335	5,395
Other APS Staff	10,641	10,761
Total APS	16,129	16,313
Total Workforce	75,238	77,139

Notes

1. Permanent Forces and APS numbers are forecasts of the average strength for 2019-20 and 2020-21.
2. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
3. The 2020-21 figures for Senior Executive Service include the Secretary of the Department of Defence, 13 Chiefs of Division and 1 Medical Officer (Grades 6).

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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

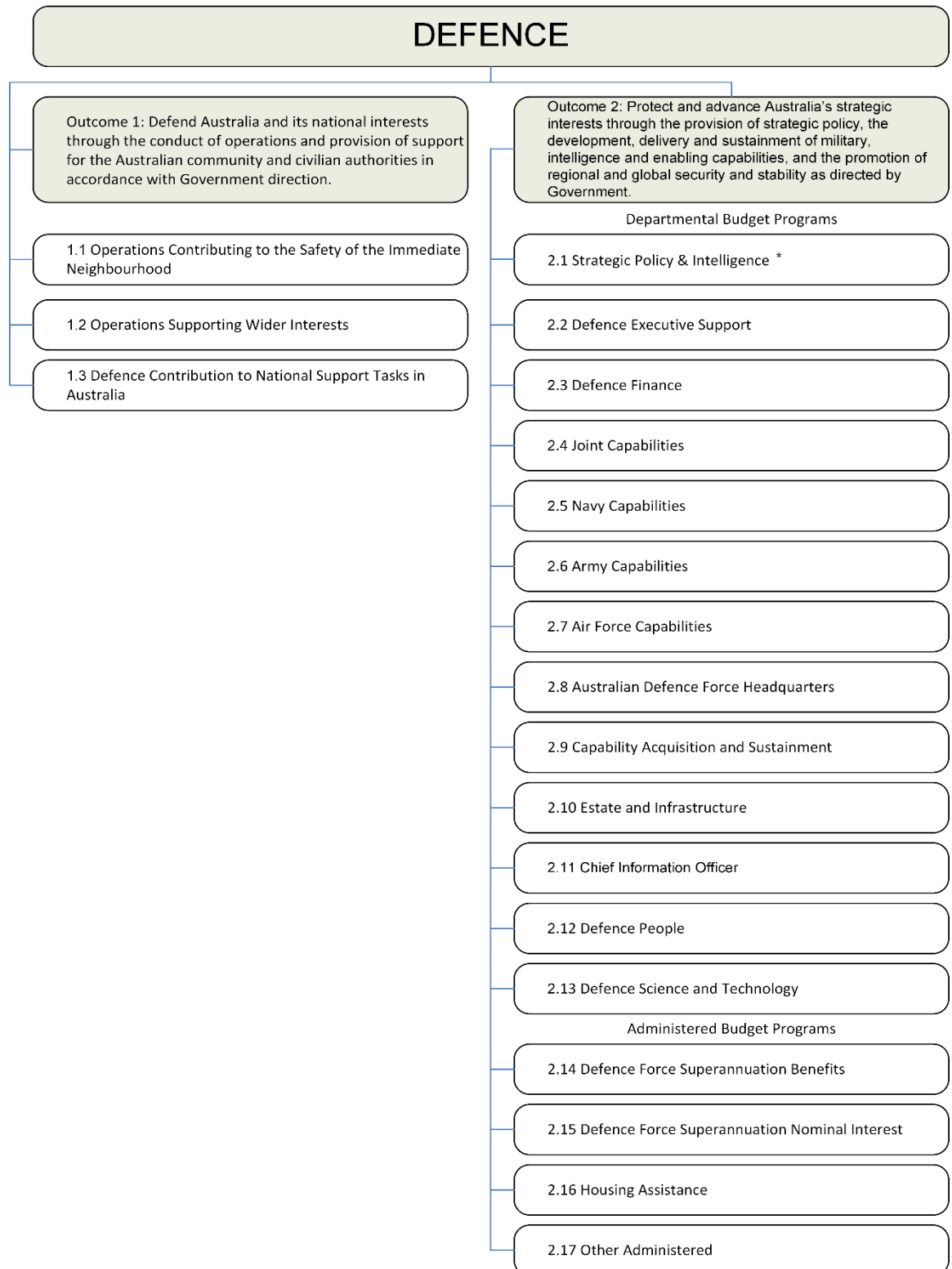
The most recent corporate plan for Defence can be found at:

<http://www.defence.gov.au/publications/corporateplan/>.

The most recent annual performance statement can be found at:

<http://www.defence.gov.au/AnnualReports/>.

Figure 3: Structure of Defence's Outcomes



* From 2021-22 Defence Intelligence will be a separate Budget Program, and Strategic Policy and Intelligence will be renamed Strategy, Policy and Industry.

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

Outcome 1 Strategy

Defence plans for, develops and maintains the capability to deter and defeat armed attacks on Australia or on Australian interests. This includes planning for, conducting, controlling and evaluating Defence contributions to Government-directed operations.

Defence also supports the Commonwealth and State/Territory Governments with emergency and non-emergency tasks, as well as supporting events of national significance as requested by the Australian Government.

Operations include:

- ACCORDION – Provide support to Operations HIGHROAD, OKRA, MANITOU and other ADF activities from within the Gulf States.
- ARGOS – Contribute to the international effort to enforce United Nations Security Council resolutions on North Korea.
- ASLAN – Contribute to the United Nations Mission in South Sudan.
- AUGURY – ADF support to the Whole of Government Counter Terrorism mission, this includes all operations overseas as well as the domestic response framework.
- BUSHFIRE ASSIST 2019-2020 – ADF Support to national disaster relief efforts.
- CHARTER – Contribute to the United Nations Peacekeeping Force in Cyprus.
- COVID-19 ASSIST – ADF support to the planning and execution of the Whole of Government response to COVID-19 pandemic.
- GATEWAY – Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- HIGHROAD – Ongoing contribution to the NATO-led mission in Afghanistan supporting Afghanistan's security, development and governance.
- LINESMEN – ADF support to demilitarisation observation and reporting under the Inter-Korean Comprehensive Military Agreement.
- MANITOU – Contribute to maritime security in the Middle East Region (MER) including the Arabian Gulf, Gulf of Aden, the Red Sea and Indian Ocean.
- MAZURKA – Contribute to the Multinational Force and Observers in Sinai.
- OKRA – Contribute to the Coalition to defeat Daesh in Iraq and Syria.
- ORENDA – Contribute to the United Nations Multidimensional Integrated Stabilization Mission in Mali.
- PALADIN – Contribute to the United Nations Truce Supervision Organisation in the Middle East.
- RENDER SAFE – ADF led mission to safely dispose of Second World War Explosive Remnants of War from South Pacific island nations.
- RESOLUTE – Contribute to the whole-of-government maritime surveillance and response in the maritime approaches to Australia.
- SOLANIA – Contribute to maritime surveillance within the Pacific Region.

- SOUTHERN DISCOVERY - Provide ADF support to the Australian Antarctic Division.
- STEADFAST – Contribute to the NATO Mission in Iraq supporting continued capacity building of the Iraqi Security Forces.
- Defence Assistance to the Civil Community (DACC) – Contribute to Commonwealth and State/Territory Governments with emergency and non-emergency tasks as required. On a case by case basis, support events of national significance as requested by relevant authorities.

Linked Programs

Australian Communications and Media Authority
Program 1.1 - Communications regulation, planning and licensing
Contribution to Outcome 1 by linked programs
Provides support to fulfil Australia's international obligations to manage interference through High Frequency Direction Finding as part of Project Nullabor improvements to the Defence High Frequency Communications System.

Department of Home Affairs
Program 1.1 - Border Enforcement
Contribution to Outcome 1 by linked programs
Provides security of Australia's maritime borders from unauthorised maritime arrivals, prohibits imports and exports, illegal exploitation of natural resources and other maritime threats to Australian Sovereignty.

Outcome 1 Resources

Table 11: Total Budgeted Resources Available for Outcome 1

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Program 1.1 - Operations Contributing to the Security of the Immediate Neighbourhood					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	8,452	375	2,339	2,387	2,469
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	10,244	9,349	-	-	-
Expenditure funded by appropriations	589,840	591,277	111,332	100,172	1,213
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	213,170	140,392	22	22	22
Total resourcing					
Total Departmental revenue from other sources	10,244	9,349	-	-	-
Total operating expense funded by appropriation	704,412	585,806	52,654	53,513	3,704
Total capital expenditure funded by appropriation	107,050	-	-	-	-
Equity injection:					
- Bill 1 DCB	-	146,238	61,039	49,068	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	821,706	741,393	113,694	102,581	3,704

Contributions to Outcome 1

Program 1.1: Operations Contributing to the Safety of the Immediate Neighbourhood

Program 1.1 Objective

To ensure that the Government, through the Australian Defence Force, has an active and effective role in promoting stability, integrity and cohesion in our immediate neighbourhood.

Australia shares the immediate neighbourhood with Indonesia, New Zealand, Papua New Guinea, Timor-Leste, South East Asian countries and the island countries of the South West Pacific.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> • Conducting and sustaining operations contributing to the security and safety of the immediate neighbourhood in accordance with Government direction. • Delivering intelligence services. • Supporting the Whole of Government Step-Up in the Pacific.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Assessment of operations against directed outcomes agreed with government.	All Government directed outcomes are met. <i>Achieved.</i>
2020-21	<i>Conduct operations and national security support tasks which achieve Government directed outcomes.</i>	<i>All Government-directed outcomes are met and expected outcomes achieved.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	

Material changes to Program 1.1 resulting from the following measures: Nil

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 12: Cost Summary for Program 1.1 Operations Contributing to the Security of the Immediate Neighbourhood

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	148	-	-	-	-
Suppliers	8,240	375	2,339	2,387	2,469
Net losses from sale of assets	-	-	-	-	-
Other expenses	2	-	-	-	-
	8,389	375	2,339	2,387	2,469
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	8,389	375	2,339	2,387	2,469
Capital expenditure funded by appropriation					
Purchases of non-financial asset	63	-	-	-	-
Purchases of inventory	-	-	-	-	-
Total capital expenditure	63	-	-	-	-
Program 1.1 Operations Contributing to the Security of the Immediate Neighbourhood Total funded expenditure^[1]	8,452	375	2,339	2,387	2,469

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 1.2: Operations Supporting Wider Interests

Program 1.2 Objective

Operations supporting wider interests are designed to contribute to United Nations' and international efforts to uphold global security.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> • Conducting and sustaining operations supporting wider interests in accordance with Government direction. • Delivering intelligence services.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Assessment of operations against directed outcomes agreed with government.	All Government-directed outcomes are met. <i>Achieved.</i>
2020-21	<i>Conduct operations and national security support tasks which achieve Government directed outcomes.</i>	<i>All Government-directed outcomes are met and expected outcomes achieved.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 1.2 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 13: Cost Summary for Program 1.2 Operations Supporting Wider Interests

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	65,857	61,940	-	-	-
Suppliers	443,369	401,616	50,293	51,104	1,213
Net losses from sale of assets	-	-	-	-	-
Other expenses	4	-	-	-	-
	509,229	463,556	50,293	51,104	1,213
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	46,522	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	46,522	-	-	-	-
Total operating expenses	555,751	463,556	50,293	51,104	1,213
Capital expenditure funded by appropriation					
Purchases of non-financial asset	2,670	41,558	49,429	36,978	-
Purchases of inventory	88,185	95,513	11,610	12,090	-
Total capital expenditure	90,855	137,070	61,039	49,068	-
Program 1.2 Operations Supporting Wider Interests Total funded expenditure⁽¹⁾	600,084	600,626	111,332	100,172	1,213

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 1.3 Defence Contribution to National Support Tasks in Australia

Program 1.3 Objective

To undertake tasks that include: planning and conduct of operations to provide security of the Australian coastline from unauthorised maritime arrivals, smuggling, quarantine evasion and other intrusions to Australian sovereignty; counter-terrorism responses; search and rescue; humanitarian assistance and disaster relief. Defence contributes to the Department of Home Affairs civil surveillance program and Maritime Border Command tasking, providing maritime surveillance assets that are tasked routinely in accordance with the Government's direction.

Defence, through the Defence Assistance to the Civil Community (DACC) program, supports the Commonwealth and State/Territory Governments with emergency and non-emergency tasks, as well as supporting events of national significance as requested by relevant authorities and the general public.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> Contributing to national security and support tasks as directed by Government. Delivering intelligence services.
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Performance information

Year	Performance criteria ⁽¹⁾	Targets
2019-20	Assessment of Defence support provided to contribute to whole-of-Government outcomes.	All Government-directed tasks are met. <i>Achieved.</i>
2020-21	<i>Conduct operations and national security support tasks which achieve Government directed outcomes.</i>	<i>All Government-directed outcomes are met and expected outcomes achieved.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	

Material changes to Program 1.3 resulting from the following measures:

COVID-19 Response Package – Australian Defence Force deployment

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 14: Cost Summary for Program 1.3 Defence Contribution to National Support Tasks in Australia

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	55,071	41,488	-	-	-
Suppliers	141,967	89,737	22	22	22
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	197,038	131,225	22	22	22
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	8,459	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	8,459	-	-	-	-
Total operating expenses	205,497	131,225	22	22	22
Capital expenditure funded by appropriation					
Purchases of non-financial asset	98	380	-	-	-
Purchases of inventory	16,034	8,787	-	-	-
Total capital expenditure	16,132	9,167	-	-	-
Program 1.3 Defence Contribution to National Support Tasks in Australia Total funded expenditure⁽¹⁾	213,170	140,392	22	22	22

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

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

Outcome 2 Strategy

Australia's strategic defence policy and capabilities strengthen Australia's security and ability to shape its strategic environment, deter actions against our interests and to respond to current and future challenges, when required. A strong strategic centre ensures Defence is a strategy and policy-led organisation.

Australia's defence policy must be agile and adaptive to be responsive to the evolving strategic environment. Defence undertakes a strategic risk review cycle that continuously scans the strategic environment to inform risk mitigation including through the Department's highest level classified planning document, the *Defence Planning Guidance*. The risk review cycle ensures Defence can respond to identified strategic risks and keep our strategic guidance agile in a rapidly changing environment.

The *2020 Defence Strategic Update* and *2020 Force Structure Plan* update Defence's strategic policy and the capability investments to deliver it.

The *Defence Planning Guidance* provides the classified guidance and direction to Defence to implement the Government's direction, as updated in the *2020 Defence Strategic Update* and *2020 Force Structure Plan*. It informs strategy, policy, direction, business plans and strategic workforce plans. It also informs the implementation of the Integrated Investment Program and Defence Industry Policy Statement, and is a key input to contingency planning. The Defence Strategic Policy Committee endorses the *Defence Planning Guidance* annually.

Defence prioritises the preparedness of current capability to meet Government-directed requirements. Concurrently, Defence is focused on building a more potent, capable and agile future force to better meet and respond to future challenges. This includes using our current capability to shape and deter within our region, and ensure our investment decisions realise our capability needs.

International engagement is a core function of Defence. The Defence Cooperation Program, which currently provides defence assistance to 30 countries, will be enhanced to build the confidence and capacity of our regional partners in the South West Pacific and in South East Asia. The ADF will participate in multinational exercises to expand relations with a wide range of partners.

Defence designs the future force, and develops and integrates capability to provide the Government with options to mitigate strategic national security risks. It ensures Defence can provide responsive military options including civil aid and assistance in multiple domains as a joint force, bringing together the warfighting domains of land, air, sea, information and cyber, and space.

Defence is working as an integrated organisation that delivers cohesive strategic and operational effects across the full spectrum of warfighting domains. Ensuring the workforce is skilled, equipped and trained, ready to utilise integrated capability equipment and systems for joint effect, is paramount.

Intelligence is a critical enabler for Defence. It underpins the integration, interoperability and support to our next-generation platforms, ensuring a capability edge through superior battlespace awareness. Defence continues to work closely with the Australian Signals Directorate so that current and future national intelligence challenges are met and support the ADF.

All parts of Defence contribute to ensuring the ADF is prepared, ready and enabled to achieve Government-directed outcomes, today and into the future. Key enablers include estate, infrastructure, information (including cyber), logistics, health, education and training. Defence aims to provide a modern, secure, sustainable and scalable information environment to enable ADF Operations and support Defence business. Defence will continue to develop and manage its estate and infrastructure so it is fit-for-purpose. Enabling operational deployments, exercises and day-to-day operations in a safe, healthy and sustainable environment is a priority.

In 2020-21, Defence looks to enhance Australia's defence capability, deepen our international security partnerships and collaborate across government, as well as with defence industry and science and technology research partners, in support of our nation's security.

Defence conducts research into high priority areas for future Defence capability, anticipating advances in emerging science and technology that present threats, risks and opportunities. Defence's capability development options will continue to be enhanced through collaboration with research and industry partners, national and globally.

In line with *2020 Force Structure Plan*, the Integrated Investment Program will continue to prioritise investment decisions through Government to enhance Defence capability. A contestability function informs the risk assessment and decision support framework to ensure that investment proposals are aligned with strategy and resources.

A strong partnership with defence industry will be critical in delivering the *2020 Force Structure Plan*. Defence is working to maximise opportunities for Australian industry involvement in defence projects.

Defence will continue to implement the Government's priority agenda for the creation of a national naval shipbuilding enterprise and will progress program milestones as stated in the *2017 Naval Shipbuilding Plan*. Work on the development and implementation of the Sovereign Industrial Capability Priority Plans is progressing, providing information to Defence industry on the focus and requirements of Defence for sovereign industrial capabilities to support the ADF.

Defence will improve the resilience and self-reliance of Defence's space capabilities. This work includes continued investment to further improve space domain awareness capabilities, satellite communications systems and space-based intelligence, surveillance and reconnaissance sensors. Defence will upgrade its position, navigation and timing systems to assure access in a contested environment and develop options to counter emerging threats to Australia's free use of the space domain.

Defence and the Australian Signals Directorate will enhance offensive cyber capabilities, and the ability to deploy these capabilities on operations, to ensure Defence can play its part in deterring and responding to the cyber threats facing the ADF and Australia. The ADF continues to accelerate the development of its cyber workforce, and develop its cyber resilience across all warfighting domains.

Defence will continue to support and implement whole-of-government security reforms and the launch of a new Defence Industry Security Program will better support and protect Defence and defence industry against a range of threats including foreign espionage and interference.

Building a diverse, inclusive and integrated ADF, Australian Public Service and Defence industry workforce is the foundation for delivering organisational capability, ensuring Defence is fit-for-purpose and able to deliver its long-term strategy. To provide a strategic advantage for Defence, including for future ADF operations, Defence continues to implement the Defence Strategic Workforce Plan.

The modernisation of Australia's defence capability will rely on a diverse and flexible workforce both in Defence and defence industry, along with people possessing skills in Science, Technology, Engineering and Mathematics (STEM). Through the first Defence Industry Skilling and STEM Strategy, Defence will help Australian defence industry to meet their workforce skills requirements over the coming decade.

Defence priorities for 2020-21 include the continued improvement of health services to ensure Defence achieves its mission through the delivery of command-responsive, member-centred health care for ADF members. This includes the continued implementation of the ADF Health Services Contract, delivery of the first ADF Health Strategy, and expansion of the ADF Centre for Mental Health. Other health priorities include the improved mental health and wellbeing program through the Defence Mental Health and Wellbeing Strategy, for both ADF and APS personnel.

In 2020-21, Defence will continue to mature its control functions, financial management, internal audit, inspector-general and judge advocate, providing assurance to Defence senior committees that Government-directed outcomes are being delivered in accordance with legislative and policy requirements.

Defence will continue to evolve and adapt to meet Australia's changing strategic environment and maintain alignment of strategy, capability and resources.

Continuous transformational reform within Defence is essential to implementing the Government's objectives as set out in the *2020 Defence Strategic Update*, and to build Defence's capacity to shape, deter and respond in an increasingly uncertain environment. This is an enduring commitment to transformational reform that will be purposeful, outcomes orientated and prioritised to ensure Defence delivers outcomes effectively and efficiently into the future.

Defence is changing the way it conducts its business by enhancing integration and connectivity across the organisation. This will significantly increase efficiency. Key to this process are Defence's Enterprise Information Management and Enterprise Resource Planning projects. These projects are very ambitious and the largest such initiatives ever undertaken by the Australian Government. Successful implementation will fundamentally improve the administration of the entire Defence enterprise.

Linked Programs

Attorney General's
Program 1.2 - Attorney General's Department operating expenses – National Security and Criminal Justice
Contribution to Outcome 2 by linked programs
Under the Service Level Charter, Australian Government Service Vetting Agency (AGSVA) works collaboratively with Government agencies to provide the delivery of security vetting functions on behalf of the Commonwealth in line with Government requirements (excluding authorised vetting agencies).

Australian Federal Police
Program 1.1 - Federal Policing and National Security Program 1.2 - International Police Assistance
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding there is a framework for cooperation between the participants to strengthen and consolidate sharing of information to promote security and stability within Australia. The Australian Federal Police deliver security services for Defence, in accordance with the Memorandum of Understanding, between the Department of Defence and the Australian Federal Police for the Provision of Protective Services at Defence Sites, 2015-2020. Under a Memorandum of Understanding, the placement of Australian Federal Police advisors at the Australian Civil-Military Centre (ACMC) supports a high-priority Australian Government initiative to enhance the effectiveness of national and regional civil-military-police interaction in conflict and disaster management and promotes regional and global security.

Australian Security Intelligence Organisation
Program 1.1 - Security Intelligence
Contribution to Outcome 2 by linked program
Australian Security Intelligence Organisation exercises its foreign collection powers under warrant at the request of the Minister of Defence or the Minister for Foreign Affairs.

Australian Signals Directorate
Program 1.1 - Foreign Signals Intelligence, Cyber Security, Offensive Cyber Operations
Contribution to Outcome 2 by linked program
Consistent with the functions for the Australian Signals Directorate detailed in the <i>Intelligence Services Act 2001</i> , the agency provides foreign signals intelligence, cyber security advice, offensive cyber operations, and corporate shared services, in order to meet the operational needs of the Australian Defence Force and the requirements of the Department of Defence.

Bureau of Meteorology
Program 1.1 - Bureau of Meteorology
Contribution to Outcome 2 by linked program
The Bureau has a strategic partnering agreement for the provision of meteorological and oceanographic services to support the Department of Defence.

Comcover
Program 2.4 - Insurance and Risk Management
Contribution to Outcome 2 by linked program
Working with Department of Finance to ensure Commonwealth assets are adequately insured and where necessary claims are made in accordance with Commonwealth guidelines and policy.

Commonwealth Superannuation Corporation
Program 1.1 - Superannuation Scheme Governance
Contribution to Outcome 2 by linked programs
The Departments of Finance and Defence provide funding through third party access arrangements to Commonwealth Superannuation Corporation for the purpose of providing payments of retirement and death and invalidity benefits for scheme members and beneficiaries, including past, present and future employees of the Australian Government and other eligible employers and members of the Australian Defence Force.

Defence Force Ombudsman
Program 1.1 - Office of the Commonwealth Ombudsman
Contribution to Outcome 2 by linked programs
The Office of the Commonwealth Ombudsman ensures administrative action by Australian Government entities is fair and accountable by handling complaints, conducting investigations, performing audits and inspections, encouraging good administration, and discharging other specialist oversight tasks. The Commonwealth Ombudsman is also the Defence Force Ombudsman, who is able to accept complaints alleging that a member of Defence has perpetrated an act of sexual abuse or serious physical abuse bullying or harassment.

Defence Housing Australia
Program 1.1 - The provision of Defence housing and housing related services
Contribution to Outcome 2 by linked programs
Under a Services Agreement and in accordance with the <i>Defence Housing Australia Act 1987</i> , DHA provides suitable housing and housing related services in order to meet the operational needs of the Australian Defence Force and the requirements of the Department of Defence.

Department of Agriculture, Water and the Environment
Program 1.6 - Management of Hazardous Wastes, Substances and Pollutants
Contribution to Outcome 2 by linked programs
Defence actively participates in forums and initiatives led by the Department of Agriculture, Water and the Environment to ensure alignment with national approaches for the effective and efficient management of hazardous waste, substances and pollutants.

Department of Agriculture, Water and the Environment
Program 2.4.1 – Antarctic Support
Contribution to Outcome 2 by linked programs
The Department of Defence provides a range of logistics support services and advice to the Australian Antarctic program, including C130J and C-17 airlift capability to supplement existing flights in the delivery of cargo and contributing to aeromedical emergency responses in the region.

Department of Agriculture, Water and the Environment
Program 4.1 - Energy
Contribution to Outcome 2 by linked programs
Defence actively participates in forums relating to renewable energy and energy security and applies principles consistent with Australia's Paris Agreement commitments when considering energy options.

Department of Foreign Affairs and Trade
Program 1.1 - Foreign Affairs and Trade Operations
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding, the placement of Department of Foreign Affairs and Trade advisors at the Australian Civil-Military Centre (ACMC) supports a high-priority Australian Government initiative to enhance the effectiveness of national and regional civil-military-police interaction in conflict and disaster management and promotes regional and global security.

Department of Industry, Innovation and Science (through AusIndustry)
Program 1.1 - Supporting Science and Commercialisation
Contribution to Outcome 2 by linked programs
<p>The Department of Defence works collaboratively with the Department of Industry, Science, Energy and Resources through the Centre for Defence Industry Capability (CDIC).</p> <p>The CDIC is helping to grow the capability and capacity of Australia's defence industry, particularly small to medium enterprises, to support the delivery of the Australian Government's investment in defence capability over the next decade. The CDIC provides advice, assistance and grants to eligible businesses to be better positioned to support the Department of Defence. It also facilitates access to Defence's innovation programs for Australian industry, academia and research organisations, working closely with the Defence Innovation Hub and Next Generation Technologies Fund.</p> <p>The CDIC also focuses on maximising Australian industry involvement in major acquisition programs.</p>

Department of Infrastructure and Regional Development
Program 1.1 - The Australian Transport Safety Bureau
Program 1.1 - The Civil Aviation Safety Authority
Contribution to Outcome 2 by linked programs
<p>The Memorandum of Understanding between Defence and the Australian Transport Safety Bureau contribute to the outcome through the sharing of expertise, training opportunities, experience and equipment in transport safety investigations and supports the adoption of a systematic approach to aviation safety. The Australian Transport Safety Bureau support to Defence Aviation Safety investigations contribute to capability through the prevention of recurrence and the mutual adoption of a systemic approach to aviation safety enhances capability through the prevention of accident and series incidents.</p> <p>The Memorandum of Understanding between Defence and the Civil Aviation Safety Authority contributes to the outcome through a harmonisation of military and civil aviation regulation and management. This harmonisation reaches into areas such as shared use airfield, the provision of air traffic services through Airservices Australia to Defence and the use of civil registered aircraft and unmanned aerial systems (UAS) by the military. Agreement between civil and military regulators leads to cooperation and reduced duplication in Air Traffic Management, aviation landing and approach procedures, aviation rescue and fire-fighting services and airport infrastructure.</p>

Department of Social Services
Program 2.1 - Families and Communities
Contribution to Outcome 2 by linked programs
Defence and the Department of Social Services have worked collaboratively in the development of the legislation for the commencement of the National Redress Scheme, a recommendation of the Royal Commission into Institutional Child Sexual Abuse, which commenced on 1 July 2018. Defence has also been engaged with the Department of Human Services on the implementation and processes that will be required to ensure that all claims are processed as efficiently as possible.

Department of Veterans' Affairs
Program 1.1 - Veterans' Income Support and Allowances
Program 1.2 - Veterans' Disability Support
Program 1.6 - Military Rehabilitation and Compensation Acts Payment – Income Support and Compensation
Contribution to Outcome 2 by linked programs
<p>The Department of Veterans' Affairs (DVA) and Defence are committed to delivering the best possible outcomes to current and former members of the Australian Defence Force and their eligible family members.</p> <p>Under a Memorandum of Understanding, Defence and DVA work cooperatively to deliver care and support to current and former members of the permanent and reserve forces and their families.</p> <p>Close and ongoing cooperation between DVA and Defence under this Memorandum of Understanding, and ongoing DVA engagement with members starting as early as practical in their careers and continuing through their service and during and after their transition from permanent or continuous full time service, results in better outcomes for members and their families. Such cooperation and engagement is particularly important where a member suffers a serious injury or illness or where the member is identified for medical separation from the ADF.</p> <p>Defence and DVA work collaboratively on areas of research, mental health, rehabilitation and looking at medical aspects of transition. Defence is also engaged with the DVA for the future contracting of health care arrangements.</p> <p>This is supported through Schedule 6 of the <i>Agreement between Defence and Veterans' Affairs for the Provision of Mental Health Support Services by the Veterans and Veterans Families Counselling Service (VVCS) to ADF Personnel (Agreement for Services)</i>.</p>

Outcome 2 Resources

Table 15: Total Budgeted Resources Available for Outcome 2

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Program 2.1 Strategic Policy and Intelligence					
Revenues from other sources	5,206	4,519	4,639	4,768	4,899
Expenditure funded by appropriations	925,363	1,126,808	1,217,900	1,352,114	1,367,459
Program 2.2 Defence Executive Support					
Revenues from other sources	35,298	32,571	33,357	34,191	34,913
Expenditure funded by appropriations	426,719	433,632	637,727	668,100	618,708
Program 2.3 Defence Finance					
Revenues from other sources	116,993	6,699	6,877	7,056	7,237
Expenditure funded by appropriations	168,891	141,582	149,691	155,663	161,863
Program 2.4 Joint Capabilities Group					
Revenues from other sources	20,333	9,947	3,976	4,072	4,171
Expenditure funded by appropriations	1,467,607	2,005,316	2,312,704	2,930,804	3,441,561
Program 2.5 Navy Capabilities					
Revenues from other sources	126,823	54,336	55,777	57,181	58,738
Expenditure funded by appropriations	7,408,751	9,001,272	10,185,006	11,050,919	11,952,897
Program 2.6 Army Capabilities					
Revenues from other sources	26,723	18,093	24,080	17,888	18,414
Expenditure funded by appropriations	8,804,597	9,814,768	9,961,604	11,256,392	12,319,763
Program 2.7 Air Force Capabilities					
Revenues from other sources	51,435	43,809	44,863	46,012	47,189
Expenditure funded by appropriations	9,194,427	9,531,282	10,522,848	10,664,468	10,581,933
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	5,102	721	303	314	323
Expenditure funded by appropriations	186,085	259,569	271,229	318,710	342,474
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	40,751	7,252	1,063	1,079	1,095
Expenditure funded by appropriations	639,120	728,369	762,908	804,338	822,196
Program 2.10 Estate and Infrastructure					
Revenues from other sources	592,949	549,465	728,634	760,059	629,784
Expenditure funded by appropriations	5,099,640	5,011,708	5,305,662	5,821,114	6,560,666
Program 2.11 Chief Information Officer					
Revenues from other sources	36,120	38,797	39,710	40,645	41,604
Expenditure funded by appropriations	1,830,071	1,550,939	1,542,372	1,679,633	1,852,161
Program 2.12 Defence People					
Revenues from other sources	62	-	-	-	-
Expenditure funded by appropriations	516,041	558,576	573,671	593,595	610,923
Program 2.13 Defence Science and Technology					
Revenues from other sources	4,491	-	-	-	-
Expenditure funded by appropriations	533,628	520,797	519,046	535,763	530,172

Table 15: Total Budgeted Resources Available for Outcome 2 (continued)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Program 2.14 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>	100,026	162,568	46,555	37,576	32,116
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17⁽¹⁾</i>	1,112,392	724,413	416,329	420,145	430,060
<i>Australian Defence Force Cover Act 2015</i>	12,508	21,183	31,979	44,978	62,219
<i>Expenses not requiring appropriation</i>	5,104,940	5,428,167	1,828,377	1,833,531	1,807,078
Total Administered expenses⁽³⁾	6,329,866	6,336,331	2,323,240	2,336,230	2,331,473
Administered revenues from other sources	1,351,453	1,245,883	1,152,202	1,066,486	989,175
Total Program 2.14	4,978,413	5,090,448	1,171,038	1,269,744	1,342,298
Program 2.15 Defence Force Superannuation Nominal Interest					
<i>Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)</i>	38,375	35,000	34,475	31,817	30,434
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	1,608,370	1,477,432	1,701,552	1,682,046	1,719,594
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17⁽¹⁾</i>	-	315,587	726,273	811,650	930,244
<i>Australian Defence Force Cover Act 2015</i>	-	817	3,993	6,743	10,934
<i>Expenses not requiring appropriation</i>	1,841,355	1,396,590	2,358,046	2,496,141	2,546,007
Total Administered expenses	3,488,100	3,225,426	4,824,339	5,028,397	5,237,213
Administered revenues from other sources	-	-	-	-	-
Total Program 2.15	3,488,100	3,225,426	4,824,339	5,028,397	5,237,213
Program 2.16 Housing Assistance					
<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	207	312	252	203	163
<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	108,933	121,944	130,534	139,415	143,152
<i>Expenses not requiring appropriation</i>	1,508	-	-	-	-
Total Administered expenses	110,648	122,256	130,786	139,618	143,315
Administered revenues from other sources	17,384	16,852	17,444	18,015	18,465
Total Program 2.16	93,264	105,404	113,342	121,603	124,850
Program 2.17 Other Administered					
Administered revenues from other sources	101,325	75,306	68,804	86,259	87,058
Total Program 2.17	-101,325	-75,306	-68,804	-86,259	-87,058
Total resourcing					
Total operating expense funded by appropriation	25,797,792	26,440,898	27,194,074	28,770,297	30,088,814
Total capital expenditure funded by appropriation	7,388,118	-	-	-	-
Total Administered ⁽²⁾	2,980,811	2,859,256	3,091,942	3,174,573	3,358,916
Total Departmental revenue from other sources	1,062,287	766,208	943,279	973,265	848,367
Total Administered revenue from other sources	1,470,162	1,338,041	1,238,450	1,170,760	1,094,698
Prior year appropriation	-	-	-	-	-
Equity injection:					
- Bill 1 DCB	-	2,572,711	2,703,937	2,876,177	3,080,148
- Bill 2 Equity	4,015,029	11,671,009	14,064,357	16,185,138	17,993,813
Total resources for Outcome 2	42,714,199	45,648,123	49,236,039	53,150,210	56,464,757

Notes

1. 2019-20 Estimated Actuals also includes estimated resourcing used to meet payments for Defence Force Superannuation Nominal Interest under Military Superannuation and Benefits Act, 1991 Part V, s.17. The corresponding estimates for resourcing required to meet payments for 2020-21 onwards are disclosed under Program 2.15.

2. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 49 shows estimates of total expenses for the Defence Superannuation Schemes.

3. Figure for 2019-20 and 2020-21 have been calculated using the applicable AASB 119 interest rate, for following years the valuation discount rate is 5% per annum.

Contributions to Outcome 2

Program 2.1: Strategic Policy and Intelligence^[1]

Program 2.1 Objective

To deliver high-quality policy advice to Government, the Secretary and Chief of the Defence Force, to protect and advance Australia's strategic interests.

Delivery

The program will be achieved by:

- Providing the Minister with quality, relevant and timely strategic policy advice.
- Undertaking regular review of strategic risks and mitigations through Defence's strategic-level documents.
- Conducting international engagement to enhance Australia's strategic position as directed by Government in accordance with the 2016 Defence White Paper and to enhance Defence's engagement in the Southwest Pacific.
- Engaging with industry to enhance the Australian industrial base that supports Defence capability.
- Developing, delivering and sustaining intelligence capability to meet Government, Defence and partner requirements.

Performance information

Year	Performance criteria ^[2]	Targets
2019-20	Our strategic policy is regularly reviewed and updated.	Defence strategic policy and risk review informs decision making to ensure strategy, capability and resources are aligned to Government priorities. <i>Achieved.</i>
	Defence international engagement meets Defence International Engagement Policy objectives.	Australia's strategic position is enhanced through international engagement by Defence. <i>Achieved.</i>
	Defence industry engagement meets requirements of the Defence Industry Policy Statement.	Defence capability is enabled through industry and innovation <i>Achieved.</i>
	Defence intelligence outputs align with Government intelligence priorities.	Intelligence services and capabilities are delivered according to Government priorities. <i>Achieved.</i>

Year	Performance criteria ^[2]	Targets
2020-21	<i>Defence maintains future-focused strategic policy to guide Defence initiatives and address strategic risks.</i>	<i>Strategic policy reflects the evolving geostrategic environment and aligns with and shapes Government objectives.</i>
	<i>Defence protects and advances Australia's interests globally to address current and future challenges.</i>	<i>Defence international engagement priorities are met.</i>
	<i>Defence engages industry to enhance support of sovereign capability.</i>	<i>Defence Industry Policy Statement.</i>
	<i>Defence maintains intelligence analysis and capability to deliver Government and Defence strategic objectives.</i>	<i>Intelligence service and capabilities are delivered according to Government priorities.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.1 resulting from the following measures: Nil		

Notes

1. From 2021-22 Defence Intelligence will be a separate Budget Program, and Strategic Policy and Intelligence will be renamed Strategy, Policy and Industry.
2. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 16: Cost Summary for Program 2.1 Strategic Policy and Intelligence

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	181,992	172,230	181,186	184,743	189,004
Suppliers	540,905	566,364	595,230	587,546	654,079
Net losses from sale of assets ^[1]	-	-3	-3	-4	-4
Other expenses	143,574	67,065	63,067	36,268	36,270
	866,470	805,656	839,480	808,553	879,349
Expenses not requiring appropriation					
Depreciation and amortisation	14,487	16,234	33,762	60,455	93,532
Inventory consumption	42	18,723	18,425	18,095	17,569
Net write-down and net impairment of assets	1,768	1,862	2,543	3,383	3,735
	16,297	36,819	54,730	81,934	114,836
Total operating expenses	882,766	842,475	894,210	890,487	994,185
Capital expenditure funded by appropriation					
Purchases of non-financial asset	64,020	306,305	363,359	528,337	472,940
Purchases of inventory	79	19,365	19,700	19,992	20,069
Total capital expenditure	64,099	325,671	383,059	548,329	493,009
Program 2.1 Strategic Policy and Intelligence Total funded expenditure^{[2][3]}	930,569	1,131,327	1,222,539	1,356,881	1,372,358

Notes

1. Whilst the amounts shown in 2020-21, 2021-22, 2022-23 and 2023-24 represent a gain for this program, at the portfolio level, Defence has budgeted for a net loss from sale of assets in these years.
2. The change in estimates includes movements of functions and their associated budgets within Defence.
3. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Table 17: Strategic Policy and Intelligence Deliverables (Hydrographic Products and Services)

Deliverables	2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Year 1	2022-23 Forward Year 2	2023-24 Forward Year 3
Maritime Safety Updates ^[1]	100%	100%	100%	100%	100%
Charting Projects ^[2]	9	15	15	15	15
Nautical Publications ^[3]	30	29	30	29	29
Survey Projects ^[4]	13	13	14	15	15
Australian Hydrographic Office (AHO) Availability ^[5]	250	249	248	248	247

Notes

1. Maritime Safety Updates (MSU) are urgent safety-critical revisions to nautical charts and publications or other hydrographic products and services. All Priority 1 MSU will be applied to product and released within the agreed 20 day timeframe, with a PBS Target of 100 per cent achievement.
2. A Charting Project includes all charting activities involved in compiling and publishing all paper and electronic charts or other charting services, for a particular geographic area. When all affected products are updated through different charting activities a Charting Project is considered complete. In 2019-20, nine projects were completed, with a further five projects reaching 95% complete due to the impact of COVID-19 disruptions.
3. The Nautical Publications produced are 25 fortnightly Notices to Mariners, four annual publications, and selected additional publications in some years.
4. A Survey Project is a major hydrographic survey activity to support the national tasking within a particular geographic area. The Hydroscheme Industry Partnership Program (HIPP) commenced on 26 February 2020. Survey project rate of effort is still being refined for the outer years and is determined by staffing levels and industry capacity.
5. AHO Availability is those periods the AHO, as a Defence capability, is materially ready and its personnel state and level of competence enables the AHO to provide hydrographic products and services immediately in accordance with the *Navigation Act 2012* (Commonwealth). The AHO is open 0700-1830 Monday to Friday, closed for Public Holidays and the Christmas stand down period; availability outside these hours is upon request.

Program 2.2: Defence Executive Support

Program 2.2 Objective

To integrate parts of Defence to deliver more effective and efficient outcomes, particularly in the areas of service delivery. The Associate Secretary operates the One Defence business model on behalf of the Secretary and Chief of the Defence Force.

Delivery

This program will be achieved by:

- Delivering integrated, secure and fit-for-purpose enabling services.
- Resourcing, implementing and reviewing Defence's continuing enterprise reform program.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	The delivery of services by enabling Groups is progressively integrated.	Services are delivered in accordance with agreed measures. <i>Partially Achieved.</i>
	Defence's strategic centre sets priorities, manages resources and steers the organisation to implement Government policy and legislative requirements.	Defence senior committees and accountable officers undertake informed decision-making to ensure strategy, capability and resources are aligned to highest priorities. <i>Achieved.</i>
	Agreed reform programs, including legal services, enterprise resource management, security services, information management and strategic communications, are progressed as planned.	Reform implementation plan milestones are met. <i>Achieved.</i>
2020-21	<i>Agreed reform programs are progressed as planned.</i>	<i>Reform program milestones are met and benefits realised.</i>
	<i>An integrated service delivery system that enables Defence to achieve Australian Government outcomes.</i>	<i>Service Delivery enables Defence to meet Government outcomes.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.2 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 18: Cost Summary for Program 2.2 Defence Executive Support

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	104,808	104,119	105,105	107,213	109,238
Suppliers	353,344	247,621	343,391	335,388	332,527
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,797	-	-	-	-
	461,949	351,740	448,496	442,600	441,766
Expenses not requiring appropriation					
Depreciation and amortisation	508	3,546	14,612	31,584	48,032
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ⁽¹⁾	-638	10	8	5	1
	-130	3,555	14,620	31,589	48,033
Total operating expenses	461,819	355,295	463,116	474,189	489,799
Capital expenditure funded by appropriation					
Purchases of non-financial asset	68	114,464	222,588	259,691	211,856
Purchases of inventory	-	-	-	-	-
Total capital expenditure	68	114,464	222,588	259,691	211,856
Program 2.2 Defence Executive Support Total funded expenditure⁽²⁾⁽³⁾	462,017	466,203	671,084	702,291	653,621

Notes

1. Defence has a net reversal of write-downs and net reversal of impairment of assets in 2019-20.
2. The change in estimates includes movements of functions and their associated budgets within Defence.
3. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.3: Defence Finance

Program 2.3 Objective

To produce quality financial products to deliver Defence and Government-directed outcomes.

Delivery	<p>The program is achieved by:</p> <ul style="list-style-type: none"> Delivering enterprise resource planning and budget management in accordance with Commonwealth legislation and policy frameworks. Strengthening Defence's financial management and improvement programs through uniform financial management approaches and a streamlined accountability structure. Working with all Services and Groups to identify costs drivers for all key business elements.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Production of Defence's Budget and annual Financial Statements.	Defence meets legislated financial requirements and timeframes. <i>Achieved.</i>
	Quality and timeliness of financial advice to the Minister, the Secretary and Chief of the Defence Force.	Financial advice meets the Minister, Secretary and Chief of the Defence Force's requirements. <i>Achieved.</i>
2020-21	<i>An integrated service delivery system that enables Defence to achieve Australian Government outcomes.</i>	<i>Service Delivery enables Defence to meet Government outcomes.</i>
	<i>Quality and timeliness of Defence's financial management, reporting and advice.</i>	<i>Defence meets legislated financial requirements and timeframes.</i> <i>Financial advice meets stakeholder needs.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.3 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 19: Cost Summary for Program 2.3 Defence Finance^[1]

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees ^[2]	86,629	80,177	84,013	86,930	91,788
Suppliers	34,602	64,531	68,774	71,830	73,200
Net losses from sale of assets	-	-	-	-	-
Other expenses	157,388	3,573	3,781	3,959	4,112
	278,619	148,281	156,568	162,719	169,100
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	3,766	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	3,766	-	-	-	-
Total operating expenses	282,385	148,281	156,568	162,719	169,100
Capital expenditure funded by appropriation					
Purchases of non-financial asset	126	-	-	-	-
Purchases of inventory	7,138	-	-	-	-
Total capital expenditure	7,264	-	-	-	-
Program 2.3 Defence Finance Total funded expenditure^[3]	285,883	148,281	156,568	162,719	169,100

Notes

1. The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
2. Full-time equivalent headcount is held in this Program from time to time for future prioritisation.
3. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.4: Joint Capabilities

Program 2.4 Objective

To provide joint capabilities and joint enabling elements, including information warfare effects, logistics, health, military police, youth development and education and training, that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Delivery

This program will be achieved through:

- Delivery of health services to ADF personnel and health support to families that meet the requirements of the ADF.
- Delivery of logistics support and services that meet the requirements of the ADF.
- Delivery of future-focused, joint professional military education and individual training that prepares ADF personnel for future warfare and meets the requirements of the ADF and wider Department of Defence.
- Coordination of a joint approach to Defence's Reserve and Youth Safety Policies, Youth development, experience and recognition programs to meet the requirements of the ADF and the community.
- Development of national and international civil-military partnerships and cooperation to meet the requirements of the ADF, the wider Department of Defence, and Whole of Government.
- Delivery of Information Warfare effects and support that meet the requirements of the ADF.
- Delivery of Defence's responsibilities in the Australian National Action Plan for Women, Peace and Security.
- Delivery of a joint military policing capability that meets the requirements of the ADF.
- Management of ADF participation in conventional and adaptive sports, both domestically and internationally, in support of member well-being and Defence's international objectives.
- Delivery of military legal advice and support.

Performance information		
Year	Performance criteria ^[1]	Targets
2019-20	Defence's integrated capabilities including workforce are generated, trained and sustained to meet preparedness requirements.	Forces meet preparedness requirements and are available for the conduct of operations and national support tasks. <i>Achieved.</i>
	Appropriate support and services are provided to Defence people and their families.	Delivery meets appropriate standards, including welfare support, transition services and health services. <i>Achieved.</i>
	Joint enabling elements are generated and sustained at the required rate and standard to support the delivery of Defence capability.	Joint enabling elements effectively support the delivery of Defence capability. <i>Achieved.</i>
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Joint enabling elements are generated and sustained at the required rate and standardised to support the delivery of Defence capability.</i>	<i>Joint Health Services are provided to Australian Defence Force personnel to enable Defence preparedness.</i> <i>Joint Logistics capability that provides comprehensive and assured support to Australian Defence Force operations.</i> <i>Delivery of military education and training programs that prepare Australian Defence Force personnel.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
	<i>Appropriate support and services are provided to Defence people, noting Defence has a responsibility to respect and support members of the Australian Defence Force having regard to their lifetime wellbeing.</i>	<i>To transition Australian Defence Force personnel across the service spectrum with a focus on planning for their personal security.</i>
	<i>Appropriate support and services are provided to Defence families.</i>	<i>Australian Defence Force families are supported through the delivery of wellbeing and support services with a focus on planning for their personal security.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.4 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 20: Cost Summary for Program 2.4 Joint Capabilities

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	626,312	623,111	643,262	665,537	684,741
Suppliers	474,923	976,576	1,076,711	1,228,401	1,217,232
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,445	1	2	2	2
	1,104,681	1,599,689	1,719,975	1,893,940	1,901,974
Expenses not requiring appropriation					
Depreciation and amortisation	39,324	27,122	45,291	99,186	183,038
Inventory consumption	54,346	41,914	49,173	50,958	52,120
Net write-down and net impairment of assets	335,437	247,917	230,517	214,321	199,279
	429,107	316,953	324,981	364,466	434,437
Total operating expenses	1,533,788	1,916,642	2,044,956	2,258,406	2,336,411
Capital expenditure funded by appropriation					
Purchases of non-financial asset	280,245	364,959	535,448	977,532	1,477,593
Purchases of inventory	103,015	50,615	61,257	63,404	66,165
Total capital expenditure	383,260	415,574	596,705	1,040,936	1,543,758
Program 2.4 Joint Capabilities Total funded expenditure⁽¹⁾	1,487,940	2,015,263	2,316,680	2,934,876	3,445,732

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.5: Navy Capabilities

Program 2.5 Objective

To provide maritime capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> • Conducting raise, train and sustain activities to ensure maritime forces are available to meet Government direction. • Contributing maritime forces to joint, combined and interagency operations as directed by Government. • Contributing to a single end-to-end capability development function within Defence to maximise the efficient, effective and professional delivery of maritime capability. • Conducting international engagement activities in support of the Defence International Engagement Strategy implementation.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Defence's integrated capabilities including workforce are generated, trained and sustained to meet preparedness requirements.	Forces meet preparedness requirements and are available for the conduct of operations and national support tasks. <i>Achieved.</i>
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.5 resulting from the following measures and adjustments: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 21: Cost Summary for Program 2.5 Navy Capabilities

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,395,511	2,428,522	2,538,509	2,510,590	2,590,202
Suppliers	2,493,910	2,817,013	2,849,939	3,202,328	3,427,715
Net losses from sale of assets ^[1]	-	-9,100	-4,685	3,698	196
Other expenses	14,056	7,832	7,367	6,877	6,392
	4,903,477	5,244,267	5,391,130	5,723,493	6,024,505
Expenses not requiring appropriation					
Depreciation and amortisation	1,374,997	1,584,772	1,820,303	1,923,253	2,196,965
Inventory consumption	321,856	431,621	428,853	440,794	489,160
Net write-down and net impairment of assets	4,831	8,916	25,534	42,444	60,855
	1,701,684	2,025,310	2,274,690	2,406,491	2,746,980
Total operating expenses	6,605,161	7,269,577	7,665,819	8,129,984	8,771,485
Capital expenditure funded by appropriation					
Purchases of non-financial asset	2,022,001	3,320,362	4,336,654	4,855,089	5,377,599
Purchases of inventory	610,095	490,979	512,999	529,518	609,531
Total capital expenditure	2,632,097	3,811,341	4,849,653	5,384,607	5,987,130
Program 2.5 Navy Capabilities Total funded expenditure^[2]	7,535,573	9,055,608	10,240,783	11,108,100	12,011,635

Notes

1. Whilst the amounts shown in 2020-21 and 2021-22 represent a gain for this program, at the portfolio level, Defence has budgeted for a net loss from sale of assets in these years.

2. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Table 22: Navy Deliverables (Unit Availability Days)^[1]

Deliverables		2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Year 1	2022-23 Forward Year 2	2023-24 Forward Year 3
17	Major Combatants ^[2]	2,833	3,141	3,154	3,534	3,736
19	Minor Combatants ^[3]	3,897	4,302	3,873	3,537	3,187
5	Amphibious and Afloat Support ^[4]	919	1,023	1,011	1,168	1,056
10	Maritime Teams ^[5]	3,637	2,988	2,988	3,466	3,650
7	Hydrographic Force ^[6]	1,670	1,972	1,785	1,755	1,526

Notes

1. A Unit Availability Day (UAD) is a day when a unit is materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
2. Major Combatants comprises Anzac Class Frigates (FFH), Hobart Class Air Warfare Destroyers (DDG) and Collins Class Submarines (CCSM). Increase in UAD over Forward Estimates period due to introduction into service of DDGs.
3. Minor Combatants comprises Armidale Class Patrol Boats (ACPB), Cape Class Patrol Boats (CCPB) and the Coastal Minehunters (MHC). UAD fluctuations due to remediation of extant issues reported in *Portfolio Additional Estimates Statements 2019-20*.
4. Amphibious and Afloat Support comprises the Oil Tanker, Replenishment Ships (AOR), Landing Ship Dock and Landing Helicopter Dock (LHD).
5. Maritime Teams comprises Clearance Diving, Deployable Geospatial Support and Mobile Meteorological and Oceanographic (METOC) teams. Fluctuations of UAD over the Forward Estimates period are due to anticipated staffing changes.
6. Hydrographic Force comprises the hydrographic ships, survey motor launches and meteorological and oceanographic centres. UAD decrease due to planned withdrawal from service of HMAS *Melville*.

Table 23: Navy Deliverables (Flying Hours)

Deliverables		2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Year 1	2022-23 Forward Year 2	2023-24 Forward Year 3
24	MH-60R	4,900	7,200	7,200	7,200	7,200
-	MRH90 Taipan ^[1]	-	-	-	-	-

Notes

1. Navy is operating MRH90s; however, their flying hours have been included under Army Aviation, as Army is joint capability manager for the aircraft.

Program 2.6: Army Capabilities
Program 2.6: Objective

To prepare land forces, including special operations forces, which contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment, and protect national interests.

Delivery

This program will be achieved by:

- Contributing land forces to joint, combined and interagency operations as directed by Government.
- Conducting international engagement activities.
- Balancing priorities during and beyond the forward estimates period to ensure that Army is ready now and future ready, to meet the needs of Government.
- Developing a sustainable and adaptive workforce.
- Ensuring land capability is sustained and modernised.
- Delivering outcomes in an efficient and effective manner.
- Contributing over 2,400 permanent Army members in support of other Defence programs.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet preparedness requirements.	Forces meet preparedness requirements and are available for the conduct of operations and national support tasks. <i>Achieved.</i>
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.5 resulting from the following measures and adjustments: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 24: Cost Summary for Program 2.6 Army Capabilities

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	4,337,364	4,351,231	4,430,183	4,577,327	4,682,855
Suppliers	1,864,487	2,019,337	2,188,114	2,461,830	2,765,115
Net losses from sale of assets ^[1]	-	-2,740	-7,437	116	956
Other expenses	1,654	114	116	120	122
	6,203,505	6,367,943	6,610,977	7,039,392	7,449,048
Expenses not requiring appropriation					
Depreciation and amortisation	1,516,290	1,546,201	1,796,969	1,457,199	1,666,847
Inventory consumption	281,989	554,477	503,676	558,596	543,098
Net write-down and net impairment of assets ^[2]	-66,080	19,589	39,677	61,255	81,689
	1,732,199	2,120,267	2,340,323	2,077,051	2,291,634
Total operating expenses	7,935,704	8,488,210	8,951,300	9,116,444	9,740,682
Capital expenditure funded by appropriation					
Purchases of non-financial asset	2,093,291	2,835,814	2,748,548	3,542,257	4,199,579
Purchases of inventory	534,524	629,104	626,158	692,630	689,550
Total capital expenditure	2,627,815	3,464,918	3,374,707	4,234,887	4,889,129
Program 2.6 Army Capabilities Total funded expenditure^[3]	8,831,320	9,832,861	9,985,684	11,274,280	12,338,177

Notes

1. Whilst the amounts shown in 2020-21 and 2021-22 represent a gain for this program, at the portfolio level, Defence has budgeted for a net loss from sale of assets in these years.
2. Defence has a net reversal of write-downs and net reversal of impairment of assets in 2019-20.
3. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Table 25: Army Deliverables (Rate of Effort – Flying Hours)

Deliverables		2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Year 1	2022-23 Forward Year 2	2023-24 Forward Year 3
10	CH-47F Chinook	2,307.3	2,600	2,600	2,600	2,600
34	S-70A-9 Black Hawk ^[1]	2,055.7	1,500	600 ^[2]	-	-
22	ARH Tiger	3,456.4	4,500	4,500	4,500	4,500
47	MRH90 Taipan	5,168.4	7,950	9,250	10,300	10,300

Notes

1. The number of S-70A-9 Black Hawk on the Defence Register will incrementally reduce as the aircraft approaches planned withdrawal date.
2. S-70A-9 Black Hawk will be retired from service December 2022.

Program 2.7: Air Force Capabilities

Program 2.7 Objective

To provide air and space power capabilities that contribute to the Australian Defence Force's capacity to defend Australia, contribute to regional security, support Australia's global interests, shape the strategic environment and protect national interests.

Delivery

This program will be achieved by:

- Delivering air and space power as part of the joint force.
- Developing an intelligent and skilled workforce.
- Evolving Air Force culture.
- Deepening relationships, strengthening engagement, and
- Agile and coherent governance.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet preparedness requirements.	Forces meet preparedness requirements and are available for the conduct of operations and national support tasks. <i>Achieved.</i>
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.5 resulting from the following measures and adjustments: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 26: Cost Summary for Program 2.7 Air Force Capabilities

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,367,125	2,349,350	2,388,897	2,491,166	2,579,551
Suppliers	2,788,945	3,121,986	3,247,176	3,552,245	3,751,917
Net losses from sale of assets	-	470	786	447	570
Other expenses	9,296	6,468	6,588	6,726	6,867
	5,165,366	5,478,274	5,643,448	6,050,584	6,338,905
Expenses not requiring appropriation					
Depreciation and amortisation	1,670,900	1,928,066	2,039,408	2,090,085	2,285,675
Inventory consumption	234,423	461,596	406,966	524,839	502,702
Net write-down and net impairment of assets	30,058	25,575	40,653	59,989	78,115
	1,935,380	2,415,237	2,487,028	2,674,914	2,866,492
Total operating expenses	7,100,746	7,893,511	8,130,475	8,725,498	9,205,397
Capital expenditure funded by appropriation					
Purchases of non-financial asset	3,636,135	3,584,642	4,413,776	4,008,601	3,650,856
Purchases of inventory	444,361	512,175	510,487	651,294	639,361
Total capital expenditure	4,080,496	4,096,817	4,924,263	4,659,896	4,290,217
Program 2.7 Air Force Capabilities Total funded expenditure⁽¹⁾	9,245,862	9,575,091	10,567,711	10,710,480	10,629,122

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Table 27: Air Force Deliverables (Flying Hours)

Deliverables ^[1]		2019-20 Estimated Actual	2020-21 Budget Estimate	2021-22 Forward Year 1	2022-23 Forward Year 2	2023-24 Forward Year 3
0	PC-9/A ^[2]	3,714	-	-	-	-
49	PC-21	12,873	23,652	23,652	23,652	23,652
12	KA350 King Air ^[3]	4,556	8,300	8,300	8,300	8,300
12	C-130J Hercules	6,948	7,350	7,350	7,350	7,350
8	C-17A Globemaster III ^[4]	5,350	6,200	6,200	6,200	6,200
10	C-27J Spartan ^[5]	3,014	7,500	7,500	7,500	7,500
7	KC-30A MRTT	4,674	4,700	4,700	4,700	4,700
2	737 BBJ ^[6]	995	1,600	1,600	1,600	1,600
0	CL-604 Challenger ^[7]	116	-	-	-	-
3	Falcon-7X ^[8]	1,102	2,403	2,403	2,403	2,403
2	AP-3C Orion	540	600	600	300	-
11	P-8A Poseidon ^[9]	4,847	5,775	6,325	6,600	6,600
6	E-7A Wedgetail	3,254	3,600	3,600	3,600	3,600
38	F/A-18A/B Hornet ^[10]	6,458	4,750	1,500	-	-
24	F/A-18F Super Hornet ^[11]	3,110	4,050	4,050	4,050	4,050
33	Hawk 127 ^[12]	4,488	6,500	6,500	6,500	6,500
11	E/A-18G Growler ^[13]	1,675	2,800	2,800	2,800	2,800
22	F-35A Lightning II ^[14]	3,096	8,204	11,831	14,519	14,900
0	MC-55A Peregrine ^[15]	-	-	-	300	900
0	MQ-4C Triton ^[16]	-	-	-	-	250

Notes

1. Fleet sizes represent totals at commencement of 2020-21.
2. Type withdrawal of PC-9/A aircraft was completed by 31 December 2019, following transition to the PC-21 aircraft.
3. Actual KA350 flying hours in 2019-20 has been impacted by COVID-19, changes in operational tasking and aircraft availability.
4. Actual C-17A flying hours in 2019-20 has been impacted by COVID-19, and a reduction in demand to support operations.
5. Actual C-27J flying hours in 2019-20 has been impacted by aircraft availability issues, a reduction in demand due to support operations and COVID-19.
6. Actual 737 BBJ flying hours in 2019-20 has been impacted by reduced demand to support Government.
7. CL-604 aircraft numbers reflects the phased Type withdrawal of the aircraft during 2019-20 due to transition to the Falcon FX.
8. Falcon 7X aircraft numbers reflects the introduction of the aircraft in 2019-20 as Air Force transitions from the CL-604. Actual Falcon FX flying hours in 2019-20 has been impacted by reduced demand to support Government.
9. Actual P-8A flying hours in 2019-20 has been impacted by COVID-19 and minor reduction in aircraft availability.
10. The F/A-18A/B aircraft numbers reflects the phased withdrawal of the aircraft due to transition to the F-35A. Actual flying hours has been impacted by COVID-19, aircraft availability and adverse weather conditions.
11. Actual F/A-18F flying hours in 2019-20 has been impacted by COVID-19 and aircraft availability.
12. Actual Hawk 127 flying hours in 2019-20 has been impacted by aircraft availability following a temporary suspension of operations for technical reasons.
13. Actual E/A-18G Growler flying hours in 2019-20 has been impacted by increased simulator usage and reduction in aircraft and aircrew availability.
14. The F-35A aircraft numbers reflects the phased delivery of the aircraft as Air Force transitions from the F/A-18A/B. Actual F-35A flying hours in 2019-20 has been impacted by reduced aircraft availability.
15. The MC-55A planned flying hours reflects the phased introduction of the aircraft from 2022-23.
16. The MQ-4C planned flying hours reflects the phased introduction of the aircraft from 2023-24.

Program 2.8: Australian Defence Force Headquarters

Program 2.8 Objective

To design, integrate and prepare military capability that meets the current and future requirements of Government, and conduct joint, combined and interagency operations as directed by Government.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> • Designing the future force through management of the capability lifecycle and the integrated investment program. • Integrating and preparing capability elements, and planning for the effective conduct of joint, combined and interagency operations. • Monitoring preparedness for Government-directed operations and national support tasks through the preparedness management system. • Assess the future force requirements to inform force design, preparedness and training needs.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Our Future Joint force is designed, integrated and developed through the analysis of the future operating environment, development of potential responses and Government direction.	The force-in-being and future force are designed, integrated and developed in accordance with strategic policy and risk. <i>Achieved.</i>
	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet preparedness requirements.	Forces meet preparedness requirements and are available for the conduct of operations and national support task. <i>Achieved.</i>
	Biannual Integrated Investment Program updates are agreed by Government.	The Integrated Investment Program is delivered as agreed with Government. <i>Achieved.</i>
2020-21	<i>Defence designs the future force to address strategic risks.</i>	<i>Our future joint force is designed, integrated and developed through the analysis of strategic policy and risk.</i>
	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.8 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 28: Cost Summary for Program 2.8 Australian Defence Force Headquarters

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	28,438	28,263	28,302	30,430	31,027
Suppliers	150,171	156,860	140,697	153,400	188,427
Net losses from sale of assets	-	-	-	-	-
Other expenses	743	21	22	22	23
	179,352	185,144	169,020	183,852	219,477
Expenses not requiring appropriation					
Depreciation and amortisation	3,077	5,220	10,208	17,066	24,738
Inventory consumption	11	-	-	-	-
Net write-down and net impairment of assets ^[1]	-925	112	102	90	79
	2,164	5,331	10,310	17,156	24,817
Total operating expenses	181,516	190,475	179,330	201,008	244,294
Capital expenditure funded by appropriation					
Purchases of non-financial asset	11,814	75,147	102,512	135,171	123,321
Purchases of inventory	21	-	-	-	-
Total capital expenditure	11,835	75,147	102,512	135,171	123,321
Program 2.8 Australian Defence Force Headquarters Total funded expenditure^[2]	191,187	260,290	271,532	319,024	342,797

Notes

1. Defence has a net reversal of write-downs and net reversal of impairment of assets in 2019-20.

2. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.9: Capability Acquisition and Sustainment

Program 2.9 Objective		
To acquire and sustain Defence equipment, including supplies and services, in the quantities and to the service levels required by Defence and approved by Government.		
Delivery	This program will be achieved by effectively partnering with Industry to: <ul style="list-style-type: none">• Manage the acquisition of Defence equipment, supplies and services to meet Government and Defence requirements.• Sustain agreed Defence equipment, supplies and services to meet Government and Defence requirements.	
Performance information		
Year	Performance criteria ^[1]	Targets
2019-20	Assessment of acquisition projects delivery to meet Government and Defence requirements	Deliver Government approved acquisition projects to budget, schedule and agreed capability scope. <i>Achieved.</i>
	Progress to deliver a sustainable, sovereign national naval shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan	The national naval shipbuilding enterprise is designed and delivered in accordance with the Naval Shipbuilding Plan and biannual updates to Government. <i>Achieved.</i>
	Assessment of sustainment products delivery to meet Capability Manager requirements.	Deliver sustainment products to meet Capability Manager requirement <i>Achieved.</i>
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
	<i>Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan.</i>	<i>Deliver the naval shipbuilding enterprise in accordance with the Naval Shipbuilding Plan to schedule, budget and scope.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.9 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 29: Cost Summary for Program 2.9 Capability Acquisition and Sustainment

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	451,536	485,291	497,024	507,089	517,325
Suppliers	227,505	271,115	266,948	298,328	305,966
Net losses from sale of assets ^[1]	-	-20,786	-	-	-
Other expenses ^[2]	-350	-	-	-	-
	678,690	735,620	763,971	805,417	823,291
Expenses not requiring appropriation					
Depreciation and amortisation	620	478	340	217	34
Inventory consumption	22	2	2	2	2
Net write-down and net impairment of assets ^[3]	16	-3	-4	-5	-6
	658	476	338	214	30
Total operating expenses	679,349	736,097	764,309	805,631	823,321
Capital expenditure funded by appropriation					
Purchases of non-financial asset	1,138	-	-	-	-
Purchases of inventory	42	-	-	-	-
Total capital expenditure	1,180	-	-	-	-
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure^[4]	679,871	735,620	763,971	805,417	823,291

Notes

1. Whilst the amount shown in 2020-21 represents a gain for this program, at the portfolio level, Defence has budgeted for a net loss from sale of assets in this year.
2. Whilst the amount shown in 2019-20 represents a gain for this program, at the portfolio level, Defence has a net foreign exchange loss in this year.
3. Defence has budgeted a net reversal of write-downs and net reversal of impairment of assets in 2020-21, 2021-22, 2022-23 and 2023-24.
4. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.10: Estate and Infrastructure

Program 2.10 Objective

To deliver integrated estate and infrastructure services to enable Defence Force Operations and to contribute to Defence outcomes.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> Managing and sustaining the Defence estate to meet Government and Defence requirements by developing and delivering major infrastructure, environmental and property programs. Delivering integrated estate and infrastructure services to enable Defence people, equipment and systems, including base support for the Australian Defence Force. <p>The approved 2020-21 Enterprise Estate and Infrastructure Program, a component of the Integrated Investment Program, is outlined at Appendix D.</p>
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	The delivery of services by enabling Groups is progressively integrated.	Services are delivered in accordance with agreed measures. <i>Partially Achieved.</i>
	The management and sustainment of the Estate meets the requirements of the Capability Managers.	The Defence Estate Strategy implementation plan is delivered as agreed. <i>Achieved.</i>
2020-21	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
	<i>An integrated service delivery system that enables Defence to achieve Australian Government outcomes</i>	<i>Service Delivery enables Defence to meet Government outcomes</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	

Material changes to Program 2.10 resulting from the following measures: Nil

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 30: Cost Summary for Program 2.10 Estate and Infrastructure

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	1,049,868	1,107,994	1,148,603	1,192,064	1,219,375
Suppliers	3,038,016	2,785,843	2,846,616	2,898,567	2,716,735
Net losses from sale of assets	-	47,125	21,516	3,973	15,676
Other expenses	307,508	98,972	96,858	95,062	93,459
	4,395,393	4,039,934	4,113,593	4,189,665	4,045,246
Expenses not requiring appropriation					
Depreciation and amortisation	1,221,781	1,256,857	1,267,948	1,297,305	1,341,614
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	1,539	35,251	37,515	40,564	44,652
	1,223,320	1,292,108	1,305,463	1,337,869	1,386,266
Total operating expenses	5,618,712	5,332,042	5,419,056	5,527,535	5,431,511
Capital expenditure funded by appropriation					
Purchases of non-financial asset	1,297,196	1,521,239	1,920,702	2,391,508	3,145,204
Purchases of inventory	1	-	-	-	-
Total capital expenditure	1,297,197	1,521,239	1,920,702	2,391,508	3,145,204
Program 2.10 Estate and Infrastructure Total funded expenditure⁽¹⁾	5,692,590	5,561,173	6,034,295	6,581,173	7,190,449

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.11: Chief Information Officer

Program 2.11 Objective

A modern, secure, sustainable and scalable information environment to enable Australian Defence Force Operations and support Defence business.

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> Planning and governing Defence ICT ensuring the appropriate networking and operation of ICT systems. Delivering ICT capabilities for Defence by: <ul style="list-style-type: none"> Working with stakeholders to shape business requirements and understand priorities; Partnering with industry to deliver outcomes; and Building the ICT organisation to shape and direct the future priorities.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	The delivery of services by enabling Groups is progressively integrated.	Services are delivered in accordance with agreed measures and within allocated resources. <i>Partially Achieved</i>
2020-21	<i>Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.</i>	<i>Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and agreed within capability scope.</i>
	<i>An integrated service delivery system that enables Defence to achieve Australian Government outcomes.</i>	<i>Service Delivery enables Defence to meet Government outcomes.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.11 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 31: Cost Summary for Program 2.11 Chief Information Officer

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	113,725	112,996	114,244	116,641	119,100
Suppliers	1,489,090	1,074,380	1,115,039	1,202,162	1,386,434
Net losses from sale of assets	-	-	-	-	-
Other expenses	479	-	-	-	-
	1,603,295	1,187,377	1,229,284	1,318,803	1,505,534
Expenses not requiring appropriation					
Depreciation and amortisation	367,037	277,366	279,358	277,079	282,755
Inventory consumption	86	-	-	-	-
Net write-down and net impairment of assets	6,749	5,049	5,378	5,332	5,301
	373,871	282,414	284,736	282,412	288,056
Total operating expenses	1,977,166	1,469,791	1,514,020	1,601,214	1,793,590
Capital expenditure funded by appropriation					
Purchases of non-financial asset	262,734	402,360	352,798	401,475	388,231
Purchases of inventory	162	-	-	-	-
Total capital expenditure	262,896	402,360	352,798	401,475	388,231
Program 2.11 Chief Information Officer Total funded expenditure⁽¹⁾	1,866,191	1,589,736	1,582,082	1,720,278	1,893,765

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.12: Defence People

Program 2.12 Objective

To deliver a program that enables the required people capability to operate and support Defence equipment and systems, and to manage the business of Defence.

Delivery	<p>The program will be achieved by:</p> <ul style="list-style-type: none"> • Providing timely, accurate and high-quality advice on key people issues to the Secretary, CDF and Government. • Produce a revised Defence Strategic Workforce Plan looking out to 2040, to attract, recruit, develop and retain a highly skilled workforce. • Implementing the ADF Total Workforce System to support individual and organisational flexibility. • Implementing, evaluating and embedding Defence's cultural reform strategy, Pathway to Change: Evolving Defence Culture 2017-22. • Driving a high performing culture where leadership, professionalism and corporate behaviour are rewarded and valued. • Delivering a compliant Workplace Health and Safety System that ensures Defence provides a safe work environment for its people. • Delivering welfare services to agreed standards, and implement initiatives to improve the delivery of welfare services to current and former members of the Australian Defence Force. • Deliver a new Recruiting Services Contract.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Defence's workforce has the agility and skills to meet current and future demand to deliver capability.	<p>Milestones within the Defence Strategic Workforce Plan, Total Workforce Model are implemented and critical skillset levels achieved.</p> <p><i>Partially Achieved.</i></p>
	Implementation of the six key cultural priorities.	<p>Cultural reform priorities are implemented as set out in the Pathway to Change: Evolving Defence Culture 2017-22 strategy.</p> <p><i>Partially Achieved.</i></p>
	The workforce is safe and supported.	<p>Defence is compliant with Work Health and Safety legislation, regulations and standards to ensure the wellbeing of its workforce and members of the broader Australian community.</p> <p><i>Partially Achieved.</i></p>
	Appropriate support and services are provided to Defence people and their families.	<p>Delivery meets appropriate standards, including welfare support, transition services and health services.</p> <p><i>Achieved.</i></p>
	The delivery of services by enabling Groups is progressively integrated.	<p>Services are delivered in accordance with agreed measures.</p> <p><i>Partially Achieved.</i></p>

Year	Performance criteria ^[1]	Targets
2020-21	<i>Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.</i>	<i>Forces meet all of Government requirements and are available for the conduct of operations and national support tasks.</i>
	<i>An integrated service delivery system that enables Defence to achieve Australian Government outcomes.</i>	<i>Service Delivery enables Defence to meet Government outcomes.</i>
	<i>Defence workforce has the agility, skills and culture to meet current and future demands to deliver capability.</i>	<i>Key workforce effects outlined in the Defence Strategic Workforce Plan and Total Workforce System are achieved, including critical skillset levels.</i> <i>Cultural reform priorities are implemented as set out in Pathway to Change: Evolving Defence Culture 2017-22.</i> <i>Embed the One Defence leadership behaviours.</i>
	<i>A compliant Work Health and Safety environment to ensure the wellbeing of the Defence workforce and the broader Australian community.</i>	<i>Minimise the exposure to unnecessary health, wellness and safety risk.</i>
	<i>Appropriate support and services are provided to Defence people, noting Defence has a responsibility to respect and support members of the Australian Defence Force having regard to their lifetime wellbeing.</i>	<i>To transition Australian Defence Force personnel across the service spectrum with a focus on planning for their personal security.</i>
	<i>Appropriate support and services are provided to Defence families</i>	<i>Australian Defence Force families are supported through the delivery of wellbeing and support services with a focus on planning for their personal security</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.12 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 32: Cost Summary for Program 2.12 Defence People

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	166,279	182,936	184,994	188,811	192,637
Suppliers	343,383	370,353	383,260	399,279	412,792
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,486	4,142	4,249	4,312	4,276
	513,147	557,431	572,502	592,402	609,705
Expenses not requiring appropriation					
Depreciation and amortisation	18,367	12,680	12,639	12,620	12,542
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	15,944	105	105	106	107
	34,312	12,785	12,744	12,727	12,649
Total operating expenses	547,459	570,216	585,246	605,128	622,354
Capital expenditure funded by appropriation					
Purchases of non-financial asset	2,956	1,145	1,169	1,193	1,218
Purchases of inventory	-	-	-	-	-
Total capital expenditure	2,956	1,145	1,169	1,193	1,218
Program 2.12 Defence People Total funded expenditure⁽¹⁾	516,103	558,576	573,671	593,595	610,923

Note

1. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.13: Defence Science and Technology
Program 2.13 Objective

To deliver scientific advice and innovative technology solutions for Defence and national security.

Delivery	<p>This program is achieved by:</p> <ul style="list-style-type: none"> • Undertaking science and technology activities to support Defence operations, the sustainment and enhancement of current capability, and the development and acquisition of future capability. • Undertaking strategic research to develop leap-ahead capabilities for Defence, investigate emerging and future technologies and build the Department's science and technology capability. • Engaging across the national and international science and technology enterprise to build the scale of expertise and innovation needed to solve the complex problems facing Defence.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Science and technology activities support Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability.	The balance of investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities. Achieved.
	Strategic research enables Defence to anticipate and exploit advances in science and technology for future Defence capability.	Strategic research investments (including the Next Generation Technologies Fund) are creating disruptive scientific and technological opportunities for Defence. Achieved.
	Defence capability is enhanced by outreach and partnerships with the broader community, including publicly funded research agencies, academia, industry and allied international research agencies.	Collaboration and outreach activities are delivering Defence capability in line with agreed Defence priorities. Achieved.
2020-21	<i>Strategic research and development enables Defence to anticipate and exploit advances in science and technology for future Defence capability.</i>	<i>Stakeholder satisfaction on delivering strategic research investments.</i> <i>Achieve performance standards set out in the Government agreed impact framework for the Defence Innovation System.</i>
	<i>Science and technology activities support Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability, enhanced by collaboration and strategic partnerships.</i>	<i>The balance of investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities.</i> <i>Collaboration and outreach activities support delivery of Defence capability in line with agreed Defence priorities.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.13 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 33: Cost Summary for Program 2.13 Defence Science and Technology

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	311,463	303,871	309,996	316,215	322,559
Suppliers	183,390	201,872	168,903	215,916	206,715
Net losses from sale of assets	-	-	-	-	-
Other expenses	11,282	9	9	10	10
	506,136	505,752	478,909	532,141	529,284
Expenses not requiring appropriation					
Depreciation and amortisation	30,777	21,668	20,485	17,610	13,416
Inventory consumption	2	-	-	-	-
Net write-down and net impairment of assets ⁽¹⁾	-396	1,829	2,000	1,932	1,860
	30,382	23,497	22,485	19,542	15,275
Total operating expenses	536,518	529,249	501,394	551,683	544,559
Capital expenditure funded by appropriation					
Purchases of non-financial asset	31,980	15,044	40,138	3,622	889
Purchases of inventory	3	-	-	-	-
Total capital expenditure	31,983	15,044	40,138	3,622	889
Program 2.13 Defence Science and Technology Total funded expenditure⁽²⁾	538,119	520,797	519,046	535,763	530,172

Notes

1. Defence has a net reversal of write-downs and net reversal of impairment of assets in 2019-20.

2. Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.

Administered Program 2.14: Defence Force Superannuation Benefits

Administered Program 2.14 Objective

To administer and report member and employer contributions paid during the year to the Defence Force Retirement and Death Benefits (DFRDB) scheme, the Military Superannuation and Benefits Scheme (MSBS) and ADF Super. It accounts for the liability for these schemes plus the Defence Forces Retirement Benefits (DFRB) scheme and the statutory death and invalidity scheme, ADF Cover. This program includes payment of the MSBS Retention Benefit.

Delivery

This program will be achieved by reporting on superannuation contributions and the movement in liabilities associated with the five military superannuation schemes.

Notes about this program:

- The DFRB commenced in 1948 and only covers members or their dependants who were in receipt of a pension at the time DFRDB commenced. This scheme does not have any contributing members.
- The DFRDB was closed to new participants in 1991. Since 1 July 2016, DFRDB members who re-enter the ADF no longer rejoin DFRDB as contributing members but instead join the ADF's current superannuation arrangement and become either a member of the default scheme, ADF Super, or elect to become a member of another fund of their choice.
- The MSBS commenced in 1991 and is available to re-entered members with a preserved employer benefit only. The MSBS closed to new participants on 1 July 2016.
- ADF Super is the current superannuation scheme for new ADF members. It commenced on 1 July 2016.
- ADF Cover is the statutory death and invalidity scheme and applies to all members of the ADF's current superannuation arrangement, regardless of whether they are a member of the default scheme, ADF Super, or have elected to become a member of another fund of their choice.
- All five schemes are managed on Defence's behalf by the Commonwealth Superannuation Corporation.
- Since 1991, Defence has paid the MSBS Retention Benefit to eligible MSBS members after 15 years of continuous eligible service. The purpose of the Retention Benefit is to encourage members to serve until they have completed 20 years of service. Due to legislative amendments passed in 2005, the Retention Benefit is not available to members who enlisted after 6 October 2005.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Timely and accurate administration of the Administered Programs.	<i>Administration meets agreed requirements.</i> <i>Achieved.</i>
2020-21	<i>Timely and accurate administration of the Administered Programs.</i>	<i>Administration meets agreed requirements.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.1 4 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 34: Cost Summary for Administered Program 2.14 Defence Force Superannuation Benefits

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Military retention benefits	99,566	75,231	75,231	75,231	47,971
Military superannuation benefits ⁽¹⁾	6,230,300	6,261,100	2,248,009	2,260,999	2,283,502
Total expenses	6,329,866	6,336,331	2,323,240	2,336,230	2,331,473
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	1,351,453	1,245,883	1,152,202	1,066,486	989,175
Total income	1,351,453	1,245,883	1,152,202	1,066,486	989,175
Program 2.14 Defence Force Superannuation Benefits	4,978,413	5,090,448	1,171,038	1,269,744	1,342,298

Note

1. Figure for 2019-20 and 2020-21 have been calculated using the applicable AASB 119 interest rate, for following years the valuation discount rate is 5% per annum.

Administered Program 2.15: Defence Force Superannuation Nominal Interest
Administered Program 2.15 Objective

To administer nominal interest for the three defined benefit military superannuation schemes: the Defence Forces Retirement Benefits (DFRB) scheme, the Defence Force Retirement and Death Benefits (DFRDB) scheme and the Military Superannuation and Benefits Scheme (MSBS), as well as the statutory death and invalidity scheme, ADF Cover.

Delivery

This program will be achieved by reporting on superannuation nominal interest associated with the three military superannuation schemes and the statutory death and invalidity scheme.

Notes about this program:

- The DFRB commenced in 1948 and only covers members or their dependants who were in receipt of a pension at the time DFRDB commenced. This scheme does not have any contributing members.
- The DFRDB was closed to new participants in 1991.
- The MSBS commenced in 1991 and is available to re-entered members with a preserved employer benefit only. The MSBS closed to new participants on 1 July 2016.
- ADF Cover is the statutory death and invalidity scheme that accompanies the new accumulation military superannuation scheme, ADF Super.
- All four schemes are managed on Defence's behalf by the Commonwealth Superannuation Corporation.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Timely and accurate administration of the Administered Programs.	Administration meets agreed requirements. <i>Achieved.</i>
2020-21	<i>Timely and accurate administration of the Administered Programs.</i>	<i>Administration meets agreed requirements.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	

Material changes to Program 2.15 resulting from the following measures: Nil

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 35: Cost Summary for Administered Program 2.15 Defence Force Superannuation Nominal Interest

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Retention benefits	-	-	-	-	-
Military superannuation benefits	3,488,100	3,225,426	4,824,339	5,028,397	5,237,213
Total expenses	3,488,100	3,225,426	4,824,339	5,028,397	5,237,213
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	-	-	-	-	-
Total income	-	-	-	-	-
Program 2.15 Defence Force Superannuation Nominal Interest	3,488,100	3,225,426	4,824,339	5,028,397	5,237,213

Administered Program 2.16: Housing Assistance

Administered Program 2.16 Objective

The Defence Home Ownership Assistance Scheme (DHOAS) was established in order to support the Government's retention and recruitment initiatives and influence ADF members' decision to stay beyond critical career points. The scheme came into effect on 1 July 2008.

Delivery

This program will be achieved by:

- Providing ADF members with assistance to achieve home ownership that reflects the contemporary housing and home finance markets.
- Providing progressively higher levels of assistance for eligible members serving beyond the critical career points of four, eight and twelve years of service.
- Providing quality services for the administration of the Scheme, including the accurate and timely processing of member applications and issuing of Subsidy Certificates.

Notes about this program:

- The Scheme provides eligible ADF members and ex-serving members with assistance to either purchase a home, purchase land for the purpose of building a home, or to renovate or extend an existing home.
- Following a competitive tendering process the Department of Veterans' Affairs was appointed Scheme Administrator and a panel of three Home Loan Providers was established: National Australia Bank (NAB), Australian Military Bank, and the Defence Bank.

Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Eligible ADF members continue to access the scheme.	The scheme is consistently identified in surveys as a contributor to the retention of ADF personnel <i>Achieved.</i>
2020-21	<i>Eligible Australian Defence Force members continue to access the Defence Home Ownership Assistance Scheme.</i>	<i>The scheme is consistently identified in surveys as a contributor to the retention of Australian Defence Force personnel.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	
Material changes to Program 2.16 resulting from the following measures: Nil		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 36: Cost Summary for Administered Program 2.16 Housing Assistance

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Housing subsidies	110,648	122,256	130,786	139,618	143,315
Total expenses	110,648	122,256	130,786	139,618	143,315
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	17,384	16,852	17,444	18,015	18,465
Other	-	-	-	-	-
Total income	17,384	16,852	17,444	18,015	18,465
Program 2.16 Housing Assistance	93,264	105,404	113,342	121,603	124,850

Administered Program 2.17: Other Administered

Administered Program 2.17 Objective

This program comprises three elements:

1. Interest earned on overdue accounts and on official bank accounts held to facilitate operational requirements.
2. Interest on Government loans to fund the building of new accommodation, dividends and tax equivalent payments received from the DHA.
3. Revenue received from science and technology royalties where the royalties offset Departmental cost of an activity, to the extent there was no appropriation for the activity.

Delivery	Report on interest and other receipts transferred to the Official Public Account.
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Performance information

Year	Performance criteria ^[1]	2019-20 Actual Achievement/Targets
2019-20	Timely and accurate administration of the Administered Programs.	Administration meets agreed requirements. <i>Achieved.</i>
2020-21	<i>Timely and accurate administration of the Administered Programs.</i>	<i>Administration meets agreed requirements.</i>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend and protect Australia and advance its strategic interests.	

Material changes to Program 2.17 resulting from the following measures: Nil

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Table 37: Cost Summary for Administered Program 2.17 Other Administered

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Expenses					
Total expenses	-	-	-	-	-
Income					
Revenues					
Interest	20,809	17,514	17,074	14,930	12,334
Dividends	25,604	17,272	16,623	17,542	20,851
Other	54,912	40,520	35,107	53,787	53,873
Total income	101,325	75,306	68,804	86,259	87,058
Program 2.17 Other Administered	-101,325	-75,306	-68,804	-86,259	-87,058

Section 3: Defence Explanatory Tables and Budgeted Financial Statements

3.1 EXPLANATORY TABLES

Section 3 presents explanatory tables and budgeted financial statements that provide a comprehensive overview of agency finances for the 2020-21 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and Program expenses, movements in administered funds, special accounts and government indigenous expenditure.

Table 38: Summary of Estimated Special Account Balances^{[1][2][3]}

		Opening 2020-21 2019-20	Receipts 2020-21 2019-20	Payments 2020-21 2019-20	Adjustments 2020-21 2019-20	Closing Balance 2020-21 2019-20
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Services for Other Entities and Trust Moneys - Defence Special Account – Public Governance, Performance and Accountability Act 2013	2	-	-	-	-	-
	2	<i>115,240</i>	<i>1,852</i>	-	<i>-117,092</i>	-
Defence Endow ments Special Account – Public Governance, Performance and Accountability Act 2013	2	-	-	-	-	-
	2	<i>51</i>	-	-	<i>-51</i>	-
Fedorczenko Legacy Special Account – Public Governance, Performance and Accountability Act 2013	2	-	-	-	-	-
	2	<i>167</i>	-	-	<i>-167</i>	-
Defence Endow ments, Bequest and Other Trust Moneys Special Account – Public Governance, Performance and Accountability Act 2019	2	153,085	206,878	-172,517	-	187,446
	2	-	<i>207,507</i>	<i>-171,732</i>	<i>117,310</i>	<i>153,085</i>
Total Special Accounts 2020-21		153,085	206,878	-172,517	-	187,446
<i>2019-20 estimated actual</i>		<i>115,458</i>	<i>209,359</i>	<i>-171,732</i>	-	<i>153,085</i>

Notes

1. 2020-21 estimates in bold.
2. 2019-20 estimated actuals in italics.
3. These are all Special Public Monies.

3.1.1 Australian Government Indigenous Expenditure

Table 39: Australian Government Indigenous Expenditure^[1]

	Program	Bill No. 1 \$'000
Defence Indigenous Employment Strategy	2.12	
Departmental 2020-21 Budget Estimate		8,593
<i>Departmental 2019-20 Estimated Actual</i>		9,088
Army Aboriginal Community Assistance Program	2.6	
Departmental 2020-21 Budget Estimate		6,700
<i>Departmental 2019-20 Estimated Actual</i>		4,474
Total 2020-21 Revised Estimates		15,293
<i>Total 2019-20 Budget Estimates</i>		13,562

Note

1. All amounts are GST exclusive.

Defence Indigenous Employment Strategy

Defence remains committed to Reconciliation and the National Agreement on *Closing the Gap*. The Defence Reconciliation Action Plan (D-RAP) 2019-2022 provides the strategic roadmap on how Defence will enhance its commitment to provide better socio-economic outcomes for Aboriginal and Torres Strait Islander Peoples. The D-RAP focus areas include:

- Building stronger relationships with Aboriginal and Torres Strait Islander Peoples and communities.
- Cultivating a deeper understanding and respect for Aboriginal and Torres Strait Islander culture, history and contemporary issues across the organisation.
- Increasing Aboriginal and Torres Strait Islander participation through employment and procurement opportunities.
- Improving the retention of Aboriginal and Torres Strait Islander personnel, and providing career development opportunities.

As at 30 June 2020, ADF Indigenous participation in Defence against the Australian Government target of 2.7 per cent, is at 3.2 per cent, with the APS Indigenous workforce reflecting 2.3 per cent.

Defence has set ambitious Indigenous representation targets of 3.0 per cent for the Defence Australian Public Service (APS) workforce by 2022, and 5.0 per cent for the Australian Defence Force (ADF) by 2025.

Defence continues to follow Australian Government targets under the Indigenous Procurement Policy (IPP). Since the introduction of the IPP in 2015, over \$2 billion of Commonwealth Government contracts have been awarded to Indigenous businesses. Of this, Defence has awarded over \$1 billion in contract value to Indigenous-owned businesses.

Defence will continue to partner with Indigenous communities to co-design initiatives that provide direct support and outcomes for Indigenous Australians. This includes:

- Dual-naming major Defence bases in Traditional language which acknowledges Indigenous culture and communities.
- Establishing an enhanced Indigenous Liaison Officer network, specialised Indigenous appointments and external promotion of Indigenous Affairs through the media.

- Appointing a fulltime Navy Indigenous Advisor and Army announced the appointment of their second Indigenous Elder. Air Force are strengthening their community relationship with the National Aboriginal Community Controlled Organisation, extending the Kummundoo Program for a further five years.
- The Defence Force Recruiting Specialist Recruitment Teams now including Indigenous and non-Indigenous Navy, Army and Air Force members who are responsible for mentoring and supporting the transition of Indigenous candidates into the ADF.

Defence Indigenous Programs

Defence continues to offer a range of programs for Indigenous Australians interested in a career in the Australian Defence Force or Defence Australian Public Service workforce and existing Indigenous members of Defence.

The Australian Defence Force continues to conduct the Navy and Army Indigenous Development Programs and Indigenous Pre-Recruit Program across Australia. Air Force creates individual Pathway Programs developed to suit the candidate's needs and growth areas. Indigenous Youth Programs are run on Air Force Bases as engagement and recruitment opportunities.

Defence participates in a number of Indigenous Australian Public Service programs that enable employment pathways into Defence through apprentice, trainee and graduate recruitment.

A number of programs are offered to existing personnel to support their career development and retention, including a mentoring program for Indigenous Australian Public Servants, Indigenous leadership training and a regional Defence Aboriginal and Torres Strait Islander Network.

Defence is ensuring a culturally inclusive and respectful workplace by incorporating Indigenous awareness sessions into existing leadership development programs and seeking the advice of Defence Indigenous cultural advisory groups.

Army Aboriginal Community Assistance Program

The Army Aboriginal Community Assistance Program (AACAP) is a joint initiative between Army and the National Indigenous Australians Agency (NIAA). The aim of AACAP is to improve the infrastructure, health and living conditions within remote aboriginal communities. This aim supports the federal government's commitment to 'closing the gap' between indigenous and non-indigenous Australians. One project is undertaken each calendar year. These AACAP projects leverage the ability of Army to deliver a range of services in remote areas, providing infrastructure works, employability skills training, health promotion and community support in a holistic and effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP Projects to exercise and test various operational capabilities. The planned 2020 Project in Pormpuraaw in Far North Queensland was postponed due to COVID-19 impacts and will be rescheduled for completion as the 2021 project.

Air Force Kummundoo Program (Health)

Kummundoo initiative involves a partnership between Air Force and National Aboriginal Community Controlled Health Organisation (NACCHO), as the national peak body for Aboriginal and Torres Strait Islander health, through which Air Force can contribute to enhancing primary health care outcomes in Aboriginal and Torres Strait Islander communities. It creates opportunities for Air Force people to deploy into unique environments to assist Aboriginal and Torres Strait Islander communities on mutually agreed projects.

3.1.2 Grants

The following are total approved grants (GST exclusive) for 2020-21.

Table 40: Approved Grants

	Total Approved 2019-20 Estimated Actual \$'000	Total Approved 2020-21 Budget Estimate \$'000
Grant Sub-Programs:		
ADF Long Tan Awards	1,688	1,800
ADF Future Innovator Awards ^[1]	-	1,800
Army History Research	82	94
Australia-US Multidisciplinary University Research Initiative (AUSMURI) ^[2]	3,000	3,000
Centre for Defence Industry Capability (CDIC)	17,613	22,822
Defence Cooperative Research Centre (DCRC)	7,427	8,909
Family Support Funding Program (FSFP)	1,377	1,552
Industry Skilling Program Enhancement (ISPE) through School Pathways Programs (SPP)	1,400	1,400
New Air Combat Capability (NACC)	2,560	809
Skilling Australia's Defence Industry (SADI) Grants Program	-	39,000
Strategic Policy Grants Program	5,822	5,899
	40,969	87,085
Other Grants:		
Australian Strategic Policy Institute (ASPI)	-	-
Australian Women's Pilots' Association	58	-
City of Parramatta RSL	9	-
Stand Tall for PTSD	350	-
War Widows' Guild of Australia NSW Limited	10	-
Williamstown Pre-School Inc.	73	-
Kapani Warrior	20	-
	520	-
Total Grants Approved^[2]	41,489	87,085

Notes

1. This is a new grant established in 2020-21 reporting period.
2. *Total Grants Approved* is the total financial impact of the grant program/sub-program approved, including any impacts of multi-year grants, for the reporting period.

Explanation of Grants

The following is a description of the approved grants expected to be undertaken in 2020-21:

ADF Long Tan Awards

The ADF Long Tan Youth Leadership and Teamwork Awards is an on-going grants sub-program that recognises students who demonstrate leadership and teamwork within both the school and the broader local community. At the same time, they recognise those who display strong values, such as doing one's best, respect for others and "mateship", characteristics that are integral to Australian society.

ADF Future Innovators Awards

The ADF Future Innovators Award is a newly established sub-program that encourages Year 10 and Year 12 high school students in their pursuit of Science, Technology, Engineering and Mathematics (STEM) studies, and recognises their innovative talents. STEM skills are integral to Australia's expertise, productivity and prosperity. As STEM skills are the foundation of more than 40 per cent of full-time ADF roles, Defence is looking for young innovators to join the ADF's STEM ranks and tackle the challenges of a fast evolving, technological world.

Army History Research Program

The Army History Research Program is an on-going grants program for individuals or entities who can promote the study and understanding of the Australian Army's history.

Australia-US Multidisciplinary University Research Initiative (AUSMURI)

AUSMURI is an on-going grants program that encourages Australian universities to collaborate with universities in the United States and explore opportunities in designated topics. It complements the Multidisciplinary University Research Initiative (MURI) grant program administered by the US Department of Defense. AUSMURI supports Australian universities which are part of successful bids in the US MURI process.

Centre for Defence Industry Capability

The Centre for Defence Industry Capability (CDIC) provides advisory and facilitation services to businesses nationwide, including business improvement, skills development and supply chain facilitation services:

- Capability Improvement Grants of up to \$250,000 to engage a consultant or expert to implement business improvements;
- Sovereign Industrial Capability Priority Grant of up to \$1 million to invest in projects that build capabilities aligned with Defence's stated Sovereign Industrial Capability Priorities; and
- Defence Global Competitiveness Grant of up to \$150,000 to invest in projects that overcome barriers to accessing export opportunities.

Defence Cooperative Research Centre

The Defence Cooperative Research Centre (DCRC) for Trusted Autonomous Systems is an on-going grants program that brings together a world-class team from across Australian academia, publicly funded research agencies and industry to engage in multi-disciplinary research and innovation.

Family Support Funding Program

The Family Support Funding Program (FSFP) is an on-going grants program that enables community organisations to deliver support and services of value to Defence families and their communities. The FSFP provides funding to not-for-profit organisations to facilitate the coming together of Defence families to support their overall wellbeing and engagement within their local communities and to empower them to thrive and contribute to community capacity building.

Industry Skilling Program Enhancement through School Pathways Programs

The Schools Pathways Program (SPP) is an on-going grants program that is aimed at reducing the skills shortage in Defence industry by increasing the pool of STEM educated students and informing Australia's youth about employment opportunities and pathways into the Defence industry.

Skilling Australia's Defence Industry

The Skilling Australia's Defence Industry Grants Program (SADI) is a grant program that will run over three years from 2019-20 to 2021-22. The program is a key initiative of the Defence Industry Skilling and STEM Strategy launched in February 2019.

SADI supports Defence Industry Small to Medium Enterprises to have a highly skilled workforce that can fulfil current and future Defence capability needs.

New Air Combat Capability

The New Air Combat Capability (NACC-ISP) is an on-going grant program that provides support to Australian industry and research organisations involved in the Joint Strike Fighter (JSF) program. The purpose of the program is to enable Australian companies and research organisations to support the development of new or improved capability to win work in the production, sustainment and follow-on development phases of the F-35 JSF program. The NACC-ISP is a grant program that is delivered with the assistance of Department of Industry, Science and Innovation through the CDIC and AusIndustry.

Strategic Policy Grants Program

The Strategic Policy Grants program is an on-going grant program that supports research, events and professional development activities that will improve Defence's strategic policy advice and enhance the public debate on Defence-focused national security issues.

Other Grants

Defence may also issue grants to individuals and entities who propose initiatives outside of the specified grant programs, these opportunities will be selected on merit and must meet the strategic policy objectives of the Department of Defence and the Australian Government.

3.2 RESOURCE SUMMARY

Table 41: Defence Resource Statement — Budget Estimates for 2020-21 as at Budget October 2020

	Actual available appropriation 2019-20 \$'000	Estimate of prior year amounts available in 2020-21 \$'000	Proposed at Budget 2020-21 \$'000	Total Estimate 2020-21 \$'000
Departmental				
Annual appropriations - ordinary annual services	34,334,948	-	27,325,191	27,325,191
Draw down of prior year appropriations	-	-	-	-
Prior year appropriations available	40,085	249,000	-	249,000
Equity injection	4,015,029	-	11,671,009	11,671,009
Departmental Capital Budget	-	-	2,718,949	2,718,949
Total departmental annual	38,390,062	249,000	41,715,149	41,964,149
Total departmental resourcing	38,390,062	249,000	41,715,149	41,964,149
Administered				
Annual appropriations - ordinary annual services	2,980,811	-	2,859,256	2,859,256
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual	2,980,811	-	2,859,256	2,859,256
<i>Total administered special appropriations</i>				
Special accounts				
Opening balance	115,458	153,085	-	153,085
Non-appropriation receipts	209,359	-	206,878	206,878
Payments made	-171,732	-	-172,517	-172,517
Adjustments	-	-	-	-
Total special accounts	153,085	153,085	34,361	187,446
Total administered resourcing	3,133,896	153,085	2,893,617	3,046,702

Table 42: Third Party Payments to and from other Agencies^[1]

	Estimated Actual 2019-20 \$'000	Budget Estimate 2020-21 \$'000
Receipts from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	97,995	63,234
Payments made to Defence Housing Australia for the provision of services (Departmental)	590,039	577,444
Receipts from Australian Signals Directorate for provision of services (Departmental)	89,276	92,559
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	105,196	24,723
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	33,641	33,978
Payments made to the Department of Finance for the provision of services (Departmental)	40,620	70,102
Payments made to Comcare for workers compensation premiums (Departmental)	19,346	20,393
Payments made to the Australian Federal Police for the provision of services (Departmental)	40,916	50,804

Note

1. Third party payments to and from other Agencies include:

- Inter-agency transactions in excess of \$20m per annum;
- Inter-agency transactions that were in excess of \$20m in the previous year's annual statements; and
- Inter-agency transactions relating to Budget Measures as disclosed in Defence Budget Measures.

3.3 BUDGETED FINANCIAL STATEMENTS

3.3.1 Departmental and Administered Budgeted Financial Statements

Table 43: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
EXPENSES					
Employee benefits	12,342,127	12,433,518	12,654,319	12,974,757	13,329,402
Supplier expenses	15,527,768	16,673,912	16,750,549	18,254,015	19,047,208
Grants	164,683	74,193	70,482	43,913	44,018
Depreciation and amortisation	6,258,163	6,680,208	7,341,323	7,283,662	8,149,187
Finance costs	125,639	113,430	111,577	109,446	107,514
Write-down of assets and impairment of assets	708,667	774,857	867,302	975,054	1,088,483
Foreign exchange losses	142,755	-	-	-	-
Net losses from sale of assets	-	14,966	10,176	8,230	17,394
Other	223,287	575	-	-	-
Total expenses	35,493,089	36,765,661	37,805,727	39,649,076	41,783,207
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	518,092	553,644	561,218	565,337	586,464
Other revenue	118,306	47,495	48,010	49,041	50,277
Total own-source revenue	636,397	601,139	609,228	614,378	636,741
Gains					
Foreign exchange	98,834	-	-	-	-
Reversals of previous asset write-downs	380,362	428,645	483,272	545,637	612,816
Net gains from sale of assets	100,647	-	-	-	-
Other gains ^[1]	236,653	174,418	334,051	358,887	211,626
Total gains	816,496	603,063	817,323	904,524	824,442
Total own-source income	1,452,893	1,204,203	1,426,551	1,518,902	1,461,183
Net cost of (contribution by) services	34,040,195	35,561,458	36,379,176	38,130,174	40,322,025
Revenue from Government	34,290,209	27,325,191	27,731,361	29,316,078	30,405,804
Surplus (Deficit) attributable to the Australian Government	250,014	-8,236,267	-8,647,815	-8,814,096	-9,916,221
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	105,836	-	-	-	-
Total other comprehensive income/(loss)	105,836	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	355,850	-8,236,267	-8,647,815	-8,814,096	-9,916,221
Note: Impact of Net Cash Appropriation Arrangements^[2]					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments^[2]	250,014	61,752	241,425	242,119	60,357
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	n.a.	6,680,208	7,341,323	7,283,662	8,149,187
Inventory consumption	n.a.	1,508,318	1,407,053	1,593,304	1,604,670
Net write-down and net impairment of assets	n.a.	346,212	384,030	429,417	475,668
Add: Repayment of lease liabilities funded through revenue appropriations	n.a.	236,719	243,166	250,168	252,947
Surplus (Deficit) attributable to the Australian Government as per above	250,014	-8,236,267	-8,647,815	-8,814,096	-9,916,221

Notes

- Other gains predominantly relate to the Australia Singapore Military Training Initiative Agreement. Under the agreement, the Republic of Singapore makes a contribution to Defence which will be used towards the cost of development of military training facilities. Once developed, these facilities will be used by the Defence forces of Australia and Singapore for the conduct of exercises and other training activities.
- Defence has adopted Net cash funding arrangements from 2020-21. The move aligns Defence's funding and reporting with other Commonwealth agencies. Refer table 1b and related disclosures in relation to Adoption of net cash funding presentation for further details.

Table 44: Budgeted Departmental Balance Sheet (as at 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	427,418	334,859	334,859	334,859	334,859
Trade and other receivables	60,545	60,545	60,545	60,545	60,545
Tax assets	229,965	229,965	229,965	229,965	229,965
Appropriation receivable	249,000	249,000	249,000	249,000	249,000
Other receivables	580,931	580,929	580,927	580,925	580,923
Total financial assets	1,547,859	1,455,298	1,455,296	1,455,294	1,455,292
Non-financial assets					
Land and buildings	19,965,134	20,850,951	22,226,188	24,335,984	26,694,869
Infrastructure, plant and equipment	8,223,375	8,355,429	8,732,098	8,812,800	8,682,397
Specialist military equipment	71,753,855	76,445,214	82,296,730	89,727,019	98,093,645
Intangibles	899,284	1,124,281	1,477,604	1,928,145	2,262,908
Heritage and cultural	474,107	449,227	424,348	399,581	374,946
Inventories	7,369,485	7,371,277	7,373,735	7,373,281	7,372,826
Prepayments	1,825,942	2,108,374	2,479,859	2,899,939	3,296,924
Total non-financial assets	110,511,182	116,704,753	125,010,562	135,476,749	146,778,515
Assets held for sale	215,822	215,822	215,822	215,822	215,822
Total assets	112,274,863	118,375,873	126,681,680	137,147,865	148,449,629
LIABILITIES					
Payables					
Suppliers	2,719,992	2,873,366	3,113,256	3,384,641	3,609,180
Other	704,903	638,223	681,784	726,849	791,220
Total payables	3,424,895	3,511,590	3,795,039	4,111,490	4,400,401
Interest bearing liabilities					
Leases	2,884,524	2,647,805	2,404,640	2,154,472	1,901,525
Total interest bearing liabilities	2,884,524	2,647,805	2,404,640	2,154,472	1,901,525
Provisions					
Employee provisions	3,412,595	3,509,937	3,593,941	3,697,557	3,805,617
Restoration, decontamination and decommissioning	1,414,034	1,414,034	1,414,034	1,414,034	1,414,034
Other	332,561	332,561	332,561	332,561	332,561
Total provisions	5,159,190	5,256,533	5,340,537	5,444,153	5,552,213
Total liabilities	11,468,609	11,415,928	11,540,216	11,710,114	11,854,138
NET ASSETS	100,806,254	106,959,946	115,141,464	125,437,751	136,595,491
EQUITY					
Contributed equity	35,794,975	50,184,933	67,014,267	86,124,649	107,198,610
Reserves	27,983,805	27,983,805	27,983,805	27,983,805	27,983,805
Retained surplus (accumulated deficit)	37,027,474	28,791,207	20,143,392	11,329,296	1,413,075
Total equity	100,806,254	106,959,946	115,141,464	125,437,751	136,595,491

Table 45: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	34,126,033	27,325,191	27,731,361	29,316,078	30,405,804
Goods and services	558,697	461,085	561,218	565,337	586,464
Net GST received	2,081,767	2,271,870	2,475,934	2,767,521	3,055,524
Interest	11,607	-	-	-	-
Other cash received	183,744	47,497	48,012	49,043	50,279
Cash transfer from the Official Public Account (receivables)	1,191,013	-	-	-	-
Total cash received	38,152,861	30,105,643	30,816,525	32,697,979	34,098,071
Cash used					
Employees	11,972,383	12,314,991	12,526,741	12,826,061	13,156,957
Suppliers	14,777,443	15,278,818	15,465,639	16,803,835	17,609,272
Net GST paid	2,046,281	2,271,870	2,475,934	2,767,521	3,055,524
Grants	166,141	74,193	70,482	43,913	44,018
Other cash used	216,485	575	-	-	-
Cash transfer to the Official Public Account (receivables)	1,191,013	-	-	-	-
Total cash used	30,369,746	29,940,448	30,538,796	32,441,330	33,865,772
Net cash from (used by) operating activities	7,783,115	165,195	277,729	256,649	232,299
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	66,473	56,381	54,865	89,372	106,366
Proceeds from sales of infrastructure, plant and equipment	12,848	19,167	20,207	24,862	28,811
Proceeds from sales of specialist military equipment	144,523	51,484	17,004	-	-
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	844	-	-	-	-
Total cash received	224,688	127,032	92,076	114,234	135,177
Cash used					
Purchase of land and buildings	804,995	1,713,513	2,083,465	2,870,509	3,330,681
Purchase of infrastructure, plant and equipment	1,003,918	727,532	954,989	679,294	522,114
Purchase of specialist military equipment	7,703,468	9,754,699	11,523,909	12,947,952	14,640,101
Purchase of intangibles	194,155	387,676	524,758	643,699	556,389
Purchase of inventory	1,803,661	1,806,539	1,742,211	1,968,929	2,024,676
Selling costs on sale of assets	20,495	34,637	15,063	11,269	7,015
Finance costs	91,924	113,430	111,577	109,446	107,514
Total cash used	11,622,616	14,538,026	16,955,973	19,231,098	21,188,490
Net cash from (used by) investing activities	-11,397,928	-14,410,993	-16,863,897	-19,116,863	-21,053,313
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	4,015,029	11,671,009	14,064,357	16,185,138	17,993,813
Appropriations - departmental capital budget	-	2,718,949	2,764,976	2,925,245	3,080,148
Prior year appropriation	-	-	-	-	-
Total cash received	4,015,029	14,389,958	16,829,333	19,110,383	21,073,961
Cash used					
Repayment of debt	259,927	236,719	243,166	250,168	252,947
Total cash used	259,927	236,719	243,166	250,168	252,947
Net cash from (used by) financing activities	3,755,102	14,153,239	16,586,168	18,860,215	20,821,014
Net increase (decrease) in cash and cash equivalents held	140,289	-92,559	-	-	-
Cash and cash equivalents at the beginning of the reporting period	286,961	427,418	334,859	334,859	334,859
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	168	-	-	-	-
Cash and cash equivalents at the end of the reporting period	427,418	334,859	334,859	334,859	334,859

Table 46: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2020-21)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2020				
Balance carried forward from previous period	37,027,474	27,983,805	35,794,975	100,806,254
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	37,027,474	27,983,805	35,794,975	100,806,254
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-8,236,267	-	-	-8,236,267
Total comprehensive income recognised directly in equity	-8,236,267	-	-	-8,236,267
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	11,671,009	11,671,009
Departmental Capital Budget	-	-	2,718,949	2,718,949
Other	-	-	-	-
Sub-total transaction with owners	-	-	14,389,958	14,389,958
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2021	28,791,207	27,983,805	50,184,933	106,959,946

Table 47: Departmental Capital Budget Statement (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	-	2,718,949	2,764,976	2,925,245	3,080,148
Bill 2 Equity	4,015,029	11,671,009	14,064,357	16,185,138	17,993,813
Total capital appropriations	4,015,029	14,389,958	16,829,333	19,110,383	21,073,961
Represented by:					
Purchase of non-financial assets	2,211,368	12,583,419	15,087,122	17,141,454	19,049,285
Purchase of inventory	1,803,661	1,806,539	1,742,211	1,968,929	2,024,676
Annual finance lease costs	-	-	-	-	-
Other items	-	-	-	-	-
Total Items	4,015,029	14,389,958	16,829,333	19,110,383	21,073,961
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	4,015,029	14,389,958	16,829,333	19,110,383	21,073,961
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Funded internally from departmental resources ^[1]	7,495,168	-	-	-	-
Total	11,510,197	14,389,958	16,829,333	19,110,383	21,073,961
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	11,642,898	14,559,058	17,157,933	19,463,683	21,279,861
plus borrow ing/finance costs	91,924	113,430	111,577	109,446	107,514
less gifted assets	132,701	169,100	328,600	353,300	205,900
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	11,602,121	14,503,388	16,940,910	19,219,828	21,181,475

Note

1. Includes the follow ing sources of funding:

- annual appropriations;
- donations and contributions;
- gifts;
- internally developed assets;
- s74 relevant agency receipts; and
- proceeds from the sale of assets.

Table 48: Statement of Departmental Asset Movements (Budget year 2020-21)

	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 2020								
Gross book value	5,482,190	13,351,900	73,520,674	8,311,325	2,198,881	495,429	231,357	103,591,756
Gross book value - ROU	61,809	2,085,879	296,548	592,563	-	-	-	3,036,799
Accumulated depreciation/amortisation and impairment	-	879,280	2,055,078	635,224	1,299,597	21,322	15,535	4,906,036
Accumulated depreciation/amortisation and impairment - ROU	-	137,364	8,289	45,289	-	-	-	190,942
Opening net book balance	5,543,999	14,421,135	71,753,855	8,223,375	899,284	474,107	215,822	101,531,577
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	8,315	1,705,198	9,754,699	727,532	387,676	-	-	12,583,419
By purchase - appropriation equity - ROU	-	24,550	-	17,611	-	-	-	42,161
By purchase - donated funds	70,788	50,387	-	47,925	-	-	-	169,100
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
Total additions	79,103	1,755,585	9,754,699	775,457	387,676	-	-	12,752,519
Total additions - ROU	-	24,550	-	17,611	-	-	-	42,161
Other movements								
Reclassifications ^[1]	-	-30,985	247,246	6,422	-	-	-	222,683
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	640,976	5,030,923	539,804	162,679	24,880	-	6,399,263
Depreciation and amortisation - ROU	-	187,553	31,476	61,916	-	-	-	280,945
Other disposals ^[2]	65,620	48,287	248,187	65,715	-	-	-	427,809
Other disposals - ROU	-	-	-	-	-	-	-	-
Total other movements	-65,620	-720,248	-5,031,864	-599,098	-162,679	-24,880	-	-6,604,388
Total other movements - ROU	-	-187,553	-31,476	-61,916	-	-	-	-280,945
As at 30 June 2021								
Gross book value	5,495,673	15,028,213	83,274,432	9,027,488	2,586,557	495,429	231,357	116,139,150
Gross book value - ROU	61,809	2,110,429	296,548	610,174	-	-	-	3,078,960
Accumulated depreciation/amortisation and impairment	-	1,520,256	7,086,001	1,175,029	1,462,276	46,202	15,535	11,305,298
Accumulated depreciation/amortisation and impairment - ROU	-	324,917	39,765	107,205	-	-	-	471,887
Closing net book value	5,557,482	15,293,469	76,445,214	8,355,429	1,124,281	449,227	215,822	107,440,925

Notes

1. Reclassifications include assets first found.

2. Other disposals includes write-offs.

Table 49: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	20,809	17,514	17,074	14,930	12,334
Dividends	25,604	17,272	16,623	17,542	20,851
Military superannuation contributions	1,351,453	1,245,883	1,152,202	1,066,486	989,175
Fees	17,384	16,852	17,444	18,015	18,465
Other	54,912	40,520	35,107	53,787	53,873
Total non-taxation	1,470,162	1,338,041	1,238,450	1,170,760	1,094,698
Total revenues administered on behalf of Government	1,470,162	1,338,041	1,238,450	1,170,760	1,094,698
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	110,648	122,256	130,786	139,618	143,315
Military retention benefits	99,566	75,231	75,231	75,231	47,971
Military superannuation benefits	9,718,400	9,486,526	7,072,348	7,289,396	7,520,715
Total expenses administered on behalf of Government	9,928,614	9,684,013	7,278,365	7,504,245	7,712,001

Table 50: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	146,014	180,375	180,375	180,375	180,375
Trade and other receivables	61,412	47,436	46,787	47,706	51,015
Investments accounted for using the equity method	2,711,504	2,778,492	2,845,480	2,912,468	2,979,456
Loans	509,580	509,580	509,580	509,580	509,580
Total financial assets	3,428,510	3,515,883	3,582,222	3,650,129	3,720,426
Non-financial assets					
Prepayments	250,157	219,626	144,395	69,164	21,193
Total non-financial assets	250,157	219,626	144,395	69,164	21,193
Total assets administered on behalf of Government	3,678,667	3,735,509	3,726,617	3,719,293	3,741,619
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	154,574	188,935	188,935	188,935	188,935
Total payables	154,574	188,935	188,935	188,935	188,935
Provisions					
Superannuation - DFRB ^[1]	460,300	323,883	304,751	287,386	270,570
Superannuation - DFRDB ^[2]	51,559,000	32,992,689	32,896,116	32,815,533	32,691,928
Superannuation - MSBS ^[3]	134,511,000	62,546,606	66,271,468	70,008,760	73,726,875
Superannuation - ADF Super ^[4]	1,620,900	975,817	1,477,852	2,092,949	2,820,369
Total provisions	188,151,200	96,838,995	100,950,187	105,204,628	109,509,742
Total liabilities administered on behalf of Government	188,305,774	97,027,930	101,139,122	105,393,563	109,698,677

Notes

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

Table 51: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	20,809	17,514	17,074	14,930	12,334
Military superannuation contributions	1,498,429	1,245,883	1,152,204	1,066,486	989,176
Fees	17,454	16,852	17,444	18,015	18,465
Other	54,210	40,520	35,105	53,787	53,872
Total cash received	1,590,902	1,320,769	1,221,827	1,153,218	1,073,847
Cash used					
Subsidies paid	109,140	122,256	130,786	139,618	143,315
Military benefits	2,871,671	2,737,000	2,961,156	3,034,955	3,215,601
Total cash used	2,980,811	2,859,256	3,091,942	3,174,573	3,358,916
Net cash from or (used by) operating activities	-1,389,909	-1,538,487	-1,870,115	-2,021,355	-2,285,069
INVESTING ACTIVITIES					
Cash received					
Dividends	24,545	25,604	17,272	16,623	17,542
Total cash received	24,545	25,604	17,272	16,623	17,542
Cash used					
Loans	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) investing activities	24,545	25,604	17,272	16,623	17,542
Net increase (decrease) in cash held	-1,365,364	-1,512,883	-1,852,843	-2,004,732	-2,267,527
Cash at the beginning of reporting period	114,576	146,014	180,375	180,375	180,375
Cash from the Official Public Account for appropriations	2,980,811	2,859,256	3,091,942	3,174,573	3,358,916
Cash to the Official Public Account	-1,615,447	-1,346,373	-1,239,099	-1,169,841	-1,091,389
Net increase (decrease) in Special Account	31,438	34,361	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	146,014	180,375	180,375	180,375	180,375

3.3.2 Notes to the Financial Statements

The financial statements have been prepared in accordance with the Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*.

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APPENDIX A: DEFENCE COOPERATION PROGRAM

The Defence Cooperation Program (DCP) has made a significant contribution to Australia's international defence engagement since the 1960s. The program:

- promotes the capacity of our international partners;
- improves Australia's capacity to work with partners in response to common security challenges; and
- builds strong people-to-people links with partner militaries at the tactical, operational and strategic levels.

The DCP supports Australia's strategic interests. In line with those interests, the DCP-priority countries and regions include Papua New Guinea, Indonesia, Timor-Leste, the South Pacific, South East Asia, Pakistan and the Middle East. The objective is to maximise Australia's security through developing close and enduring links with partners that support their capacity to protect their sovereignty, work effectively with the Australian Defence Force and contribute to regional security.

To achieve its objectives, the DCP suite of activities includes education courses, training, personnel exchanges, capacity building, military secondments, strategic dialogues, visits, infrastructure support, and exercises and operations.

The DCP supports the provision of education and training positions in Australia for international military personnel. Junior and senior officers from regional countries undertake short-and long-term courses at Australian military and civilian educational institutions. This training builds military professionalism by equipping participants with the skills they will use throughout their military careers. International military personnel also return home having developed a better understanding of Australia and having built networks with counterparts in the Australian Defence Force. These people-to-people links are further maintained through military alumni associations.

Australia maintains regular defence talks with regional countries in order to exchange views on regional security issues and to discuss defence cooperation priorities. The DCP also supports a program of visits by senior defence representatives to and from Australia. Through these visits, Australia gains an improved understanding of regional militaries and the strategic outlook of neighbouring countries.

Through capacity-building activities Defence seeks to develop the institutional and governance frameworks of regional defence organisations as well as the capabilities of their security forces. The DCP achieves these objectives through Australian Defence Force mobile training teams, support for logistics and infrastructure development, and the posting of Defence personnel as advisers to regional defence and security organisations. It is in Australia's interest to support professional and capable regional militaries that we can together operate with in support of regional security and stability.

A key element of the DCP, and the centrepiece of Australia's defence engagement in the South Pacific, is the Pacific Maritime Security Program. The Pacific Maritime Security Program is the successor to the original Pacific Patrol Boat Program, through which Australia provided 22 Patrol Boats (with in country advisory personnel, maintenance support, crew training and technical assistance) to 12 Pacific Island countries. Under the Pacific Maritime Security Program, Australia is replacing the existing fleet of Pacific Patrol Boats with new larger and more capable vessels. Austal Ships Pty Ltd is constructing 21 Guardian Class Patrol Boats for gifting to Pacific Island nations and Timor-Leste from 2018. Since 30 November 2018, Australia has handed over seven Guardian Class Patrol Boats to Papua New Guinea, Tuvalu, Tonga, Samoa, Solomon Islands, Fiji and Palau. The Pacific Maritime Security Program expands the scope of the Pacific Patrol Boat

Program by including a region-wide integrated aerial surveillance capability and support for enhancing regional coordination. The Program engages Pacific navies and police maritime wings and is designed to enhance Pacific island countries ability to independently police their maritime zones

Our DCP activities also enhance the Australian Defence Force's operational familiarity with different environments and on building partner capacity in humanitarian assistance and disaster relief, peacekeeping, counter-terrorism, maritime security, and military governance and professionalism.

The Australian Defence Force conducts exercises with other militaries in order to build partner capacity and enhance Australia's capacity to work with partners in response to regional security contingencies. These exercises are conducted in the air, land and maritime domains and take place both in Australia and across the region. Exercising together promotes interoperability and builds familiarity between our armed forces and those of our regional military partners.

Australia's DCP with PNG is our largest with any country, having significantly increased over recent years, with a budget of \$48.5 million for 2020-21. The PNG DCP supports the PNG Defence Force (PNGDF) to be a more capable, sustainable and professional regional security partner, supported by the PNG Department of Defence (DoD), with approximately 40 Australian Defence personnel currently posted to PNG in 2020-21.

Current areas of focus for the PNG DCP include supporting its role in PNG's COVID-19 response; building PNGDF capability, including military and aviation capability; expanding our maritime security partnership; developing an enhanced infrastructure investment program, alongside the Lombrum Naval Base in Manus Province; and continuing to work with future leaders as they build a strong and resilient Defence Force. The PNG DCP will continue to facilitate the conduct of bilateral exercises, mobile training teams, infrastructure and logistics support, capability development, governance, training support and information sharing, especially on border issues.

Table 52: Defence Cooperation Program Budget 2020-21

	2019-20 Revised Estimate \$'000	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000
Papua New Guinea	42,000	43,221	48,500
South Pacific Region	73,890	75,201	82,499
South-East Asia	28,048	21,244	30,565
Other regional activities ^[1]	10,901	7,603	11,473
Defence International Training Centre ^[2]	4,677	4,850	4,677
Total	159,516	152,120	177,714

Notes

1. Sri Lanka has been included as a Defence Cooperation Country from 2019-20.

2. The Defence International Training Centre (DITC) provides training in Australia to the defence forces of South-East Asia and South Pacific nations and to other selected overseas personnel. The DITC is managed by Joint Capabilities Group.

Table 53: South Pacific Region Budget 2020-21

	2019-20 Revised Estimate \$'000	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000
Timor Leste	7,320	7,348	6,945
Vanuatu	1,358	1,670	3,760
Solomon Islands	1,067	2,321	1,436
Tonga	3,511	3,558	2,909
Samoa	609	448	604
Cook Islands	200	187	224
Republic of the Marshall Islands	481	203	457
Federated States of Micronesia	242	202	441
Fiji	3,678	2,956	4,737
Tuvalu	350	601	445
Kiribati	475	353	478
Palau	437	139	448
DCP Scheduled Support	7,800	6,971	6,259
Pacific Patrol Boat Program / Pacific Maritime Security Program	46,362	48,244	53,358
Total	73,890	75,201	82,499

Table 54: South-East Asia Region Budget 2020-21

	2019-20 Revised Estimate \$'000	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000
Philippines	9,312	3,939	9,771
Thailand	3,151	2,982	3,404
Malaysia	4,620	5,210	4,528
Indonesia	5,700	3,954	7,104
Vietnam	3,245	3,264	3,563
Cambodia and Laos	1,426	1,389	1,525
Brunei	304	258	310
Myanmar	290	248	361
Total	28,048	21,244	30,565

APPENDIX B: TOP 30 ACQUISITION PROJECTS BY 2020-21 FORECAST EXPENDITURE

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Air Domain					
New Air Combat Capability	AIR 6000 Phase 2A/B	16,684	6,476	2,431	<p>This project is approved to acquire 72 F-35A Lightning II (Joint Strike Fighter) aircraft and supporting elements to form four squadrons: three squadrons for operations and one squadron for training. The Prime Contractor, Lockheed Martin, is contracted to the United States Government to develop and produce F-35A aircraft. Australia is procuring the aircraft through a government-to-government agreement.</p> <p>During 2020-21, pilot training will commence in Australia and the project will accept 15 additional aircraft, bringing the total fleet size to 41. The project is scheduled to achieve Initial Operational Capability in December 2020, although this will depend on the impacts of COVID-19.</p>
Multi-mission Unmanned Aircraft System	AIR 7000 Phase 1B	1,943	203	239	<p>This project is approved to acquire the MQ-4C Triton Remotely Piloted Aircraft System for maritime patrol and other intelligence, surveillance, and reconnaissance roles. The aircraft and systems are being procured through a cooperative program with the United States Navy. The approved scope includes the first three aircraft, associated operations and training systems, facilities, and integration into Defence networks. The next tranches of aircraft and support systems will be considered in subsequent submissions to Government.</p> <p>During 2020-21, Australia's approved aircraft and mission systems will begin production, a Network Integration Test Environment will begin development to support integration testing prior to aircraft delivery, spares purchased, and initial support arrangements developed.</p>
Maritime Patrol and Response Aircraft System	AIR 7000 Phase 2	5,365	4,116	195	<p>This project is approved to acquire the P-8A Poseidon aircraft and supporting elements for maritime patrol and other intelligence, surveillance, and reconnaissance roles. The aircraft and systems are being procured through a cooperative program with the United States Navy. The approved scope includes 12 aircraft, a suite of aircrew and maintenance training systems, three Mobile Tactical Operations Centres, and logistics support elements.</p> <p>During 2020-21, updates will be incorporated across the Australian fleet and associated facilities to align the aircraft and training system configurations with the latest P-8A capability baseline.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Air Domain (Continued)					
Airborne Early Warning & Control (AEW&C) Interoperability Compliance Upgrade	AIR 5077 Phase 5A	1,199	794	164	<p>This project is approved to deliver interoperability compliance upgrades to the E-7A Wedgetail airborne early warning and control aircraft and its associated support systems.</p> <p>During 2020-21, cryptographic modernisation upgrades for the radios and Link 16 tactical datalink will be integrated and tested on the first of two aircraft. The project will also finalise the design and progress the development of the final E-7A Wedgetail fleet configuration incorporating all remaining interoperability upgrades approved by Government.</p>
Future Naval Aviation Combat System (FNACS)	AIR 9000 Phase 8	3,227	2,335	142	<p>This project has delivered all 24 Seahawk Romeo aircraft, with the final delivery to Australia occurring in September 2016. Six minor Australian-led modifications are being progressively integrated in the aircraft.</p> <p>The MH-60R capability is operated from HMAS <i>Albatross</i> in Nowra and is currently supporting up to eight embarked flights in Navy ships</p> <p>Final Operational Capability is forecast for December 2023, when all eight ANZAC Class Frigates (FFHs) are modified for MH-60R embarked operations.</p>
Advanced Growler Development	AIR 5349 Phase 6-G2/A	546	114	133	<p>This project is approved to acquire a number of upgrades to the Airborne Electronic Attack capability, centred on the EA-18G Growler aircraft. The upgrades include the Next Generation Jammer being developed and procured through a cooperative program with the United States Navy. Other elements will be procured through a range of avenues and include: anti-radiation missiles, airborne decoys, aircraft system upgrades and training range enhancements.</p> <p>During 2020-21, the focus of the project will be preparation for submission to government in 2021-22 which will include a flexible execution strategy, informed by engagement with US Navy and Industry. Major elements of the Next Generation Jammer weapon system will progress through United States Government approvals. The Next Generation Jammer Mid-Band capability is expected to begin Full Rate Production. The Next Generation Jammer Low-Band capability is expected to progress from a technology demonstration phase into engineering and manufacturing development. Next Generation Jammer High Band capability will commence early requirements development activities. Delivery of the initial buy of anti-radiation missiles will continue, and data is expected to be received from the US Navy to inform plans for further acquisitions. The project will engage with Australian industry to study options for upgrading Electronic Warfare training ranges.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Air Domain (Continued)					
Multi-Role Helicopter (MRH)	AIR 9000 Phase 2	3,777	3,357	123	<p>Project AIR 9000 Phase 2, 4 and 6 acquired 47 MRH-90 [Taipan] multi-role helicopters and support systems for the Army and the Navy. Phase 2 acquired 12 aircraft for an additional Army air mobile squadron. Phase 4 will replace the Black Hawk fleet. Phase 6 replaced Navy Sea Kings helicopters.</p> <p>The 47th and final production aircraft was accepted into service in July 2017 and the fleet was modified to the latest production baseline.</p> <p>During 2020-21, the project is focused on the introduction of the MRH-90 [Taipan] multi-role helicopter into 6 Aviation Regiment, Holsworthy Barracks, in the aviation support to Special Operations role. Key capabilities to be delivered in 2020-21 for Army and Navy operations include replacement Enhanced Cargo Hook System, a Fast Roping Rappelling and Extraction System and a Gun Mount.</p> <p>The project will continue work on the capabilities required to enable achievement of the remaining operational milestones in the lead up to Final Operational Capability in 2021.</p>
Growler Airborne Electronic Attack Capability	AIR 5349 Phase 3	3,508	2,593	100	<p>This project is approved to acquire an Airborne Electronic Attack Capability based on the EA-18G Growler platform. The systems are being procured through a cooperative program with the United States Navy. The approved scope includes the ALQ-99 Tactical Jamming System, anti-radiation captive training missiles, additional air-to-air missiles, simulators and other training devices. Aircrew and maintenance training will also be delivered. All aircraft have been delivered.</p> <p>During 2020-21, major elements of the Mobile Threat Training Emitter System will be delivered to allow electronic warfare training at ranges west of Amberley in Queensland and at Delamere in the Northern Territory.</p>
Pilot Training System	AIR 5428 Phase 1	1,264	975	94	<p>This project has established a new, integrated fixed wing Pilot Training System for the Australian Defence Force, including advanced trainer aircraft, synthetic training systems as well as enhanced curriculum and training media.</p> <p>All key hardware has been delivered and training has commenced. During 2020-21, the final milestones and contractual acceptance will be achieved. Final Operational Capability is forecast for December 2021.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Air Domain (Continued)					
Civil Military Air Traffic System (CMATS)	AIR 5431 Phase 3	977	298	94	<p>This project will provide the Defence element of a single national Civil Military Air Traffic Management System, being progressed jointly under the OneSKY Australia program with Airservices Australia. Airservices is the lead agency for OneSKY. The joint project will provide operational benefits and efficiencies for military and civil airspace users, and reduced acquisition and support costs for Airservices and Defence. The Defence scope element includes 12 Air Traffic Management automation systems, communications infrastructure, training systems and Defence's share of a Joint Software Support Facility.</p> <p>During 2020-21, Defence expects to finalise the contract with Airservices to provide the alternate Tower solution for four of the Defence sites by October 2020. Critical Design Review is planned to complete November 2020. Site activity for the three Initial Operational Capability sites is expected to commence progressively from Q4 2020.</p>
Joint Domain					
Battlefield Command Systems (Tranche 2)	LAND 200 Phase 2-A	974	574	216	<p>The Battlefield Command System provides Army with tactical digital radios and an integrated Battle Management System that is transforming command and control of Land forces from a paper-based system to a modern digital system. LAND 200 Tranche 2 will integrate the Battlefield Command System into 540 new platforms (M1A1 Tank, M88 Armoured Recovery Vehicle, Medium Heavy Cargo Trucks, Protected Mobility Vehicle – Light, and Protected Mobility Vehicle – Medium (Gateway)); enhance the Tranche 1 software deliver a new Enterprise Battle Management System (BMS-C2) software license; deliver a new Tactical Communications Network; deliver a new Weapon Integrated Battle Management System; and embed training into the Army's individual and collective training institutions.</p> <p>During 2020-21, the project will deliver further software releases for the Battle Management System, complete the detailed design for the Tactical Communications Network and will establish integration and installation contracts for the vehicle modification work.</p>
Battlespace Communications System (Land)	JP 2072 Phase 2B	951	685	96	<p>This project is providing Army and Air Force with a modern deployable Integrated Battlefield Telecommunications Network (IBTN) delivered in three releases, each of increasing capability effect.</p> <p>An acquisition and a performance based support contract were signed together in 2015 with Boeing Defence Australia as the prime systems integrator. Release 1 achieved Initial Operational Capability in March 2018. Release 2 will complete introduction into service in December 2020. Release 3, currently in the verification and validation phase, will be delivered between April 2021 and July 2022. Final Operational Capability (for all three releases) is scheduled for September 2022. IBTN equipment delivered to date has been very well received by Army and Air Force units and has been successfully deployed on Operation APEC Assist 2018 and a number of major Defence exercises.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Land Domain					
Mounted Combat Reconnaissance Capability	LAND 400 Phase 2	5,777	1,066	566	<p>This project will deliver 211 Boxer 8x8 Combat Reconnaissance Vehicles for Reconnaissance, Joint Fires and Surveillance, Multi-Purpose, Command, Repair and Recovery roles. An additional 12 Mission Modules will be acquired providing the Army the ability to re-role Drive Modules. The vehicles will replace the ADF's current reconnaissance capability, the Australian Light Armoured Vehicle. The Combat Reconnaissance Vehicle will modernise Army's Armoured Fighting Vehicle capability, providing mounted support to Defence operations into the future. The primary role of the vehicles will be to perform ground-based reconnaissance and counter-reconnaissance activities.</p> <p>During 2020-21, Rheinmetall Defence Australia is expected to complete the delivery of the remaining 22 vehicles to the Commonwealth to fulfil the initial quantity of 25 vehicles (consisting of 13 reconnaissance and 12 multi-purpose role vehicles) required under the acquisition contract. This will enable the project to commence driver training on both vehicle variants and the conduct of other key activities to support Initial Operational Capability in 2022.</p>
Project Overlander - Protected Mobility Vehicle-Light	LAND 121 Phase 4	1,991	774	440	<p>This project will deliver 1,100 Protected Mobility Vehicles – Light ('Hawkei') for command, liaison, utility and reconnaissance roles. In addition, approximately 1,058 companion trailers will be acquired to enhance payload carrying capacity.</p> <p>The Hawkei balances requirements for survivability, mobility, payload, communications, useability and sustainability, providing a high level of protection against blast and ballistic threats, with the mobility to enable operations in high risk areas. The prime contractor is Thales Australia.</p> <p>During 2020-21, the Hawkei will enter Full-Rate Production. The Project will work with Thales to finalise the delivery of the Hawkei Support System. The rollout of Full-Rate Production vehicles and trailers to Army and Air Force will commence in Q2 2021.</p>
Medium and Heavy Capability (MHC), Field Vehicles, Modules and Trailers (FVMT)	LAND 121 Phase 3B	3,400	2,533	226	<p>This project is delivering modern medium weight (4x4), medium (6x6) and heavy (8x8 and 10x10) trucks in nine variants, in both protected and unprotected configurations, including: recovery trucks, integrated load-handling systems, modules (including stores, fuel and flatracks) and a variety of trailers ranging from medium weight cargo to heavy tank transporters.</p> <p>The prime contractors are Rheinmetall MAN Military Vehicles Australia, Haulmark Trailers (Australia), Thales Australia and Mercedes-Benz Australia-Pacific.</p> <p>During 2020-21, the project will continue to deliver production vehicles, modules, trailers and support systems.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Land Domain (Continued)					
Ground Based Air & Missile Defence Enhancement	LAND 19 Phase 7B-G2/A	1,251	276	174	<p>This project will deliver Army's new Short Range Ground Based Air Defence system. The capability delivered will be an enhanced version of the jointly developed Raytheon/Kongsberg National Advanced Surface to Air Missile System which is made up of guided missiles and missile launchers, command and control shelters, electro-optical sensors and radars, all mounted on current Army vehicles. Australian-developed radars from CEA Technologies will replace the US-developed Sentinel radar in the system.</p> <p>During 2020-21, the project will progress the design of the system to enable production to commence (Raytheon), and work with CEA Technologies to enable the manufacture the first-of-type radars for verification and integration into the system.</p>
Future Air to Air Weapons for the NACC	AIR 6000 Phase 5	911	143	149	<p>This project will deliver Air-to-Air Missiles for New Air Combat Capability Joint Strike Fighter (F35A) and Super Hornet through United States Government Foreign Military Sales arrangements. This project is linked to AIR06000PH2A/B, which is acquiring the Joint Strike Fighter (F35A).</p> <p>During 2020-21, the project will focus on Initial Materiel Release including delivery of AIM-9X Sidewinder Missiles including warstock and test and training variants, and AIM-120D AMRAAM missiles.</p>
Tactical Training Vehicles	LAND 121 Phase 5	1,197	169	143	<p>This project will complete the medium and heavy vehicle capability replacement program commenced under project Land 121 Phase 3B. It will acquire an additional 1,044 medium and heavy vehicles, 872 modules and 812 trailers.</p> <p>The prime contractors are Rheinmetall MAN Military Vehicles Australia and Haulmark Trailers (Australia).</p> <p>During 2020-21, the project will continue to deliver production vehicles, and modules and trailers, in conjunction with LAND 121 Phase 3B deliveries.</p>
Chem, Biol, Rad, Nuclear Defence	JP 2110 Phase 1B	256	59	140	<p>This project is delivering Defence a joint Chemical, Biological, Radiological and Nuclear Defence (CBRND) capability that is sustainable and responsive to changes in the threat environment. This capability comprises five system pillars that will enhance the Australian Defence Force's ability to detect, identify, monitor and warn about CBRN hazards; protect personnel from exposure; decontaminate affected personnel and equipment safely; and provide medical support to the treatment and evacuation of CBRN-caused and CBRN-exposed battle casualties.</p> <p>During 2020-21, this project will conduct sub-system acceptance, introduction into service activities and capability rollout involving three of the five planned Materiel Releases.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Land Domain (Continued)					
Weapons & Countermeasures for ACC	AIR 6000 Phase 3	822	46	112	<p>This project will deliver weapons (excluding Air-to Air-missiles) and countermeasures for the New Air Combat Capability Joint Strike Fighter and is linked to AIR06000PH2A/B, which is acquiring the Joint Strike Fighter (F35A).</p> <p>Equipment will primarily be acquired through United States Government Foreign Military Sales with some items purchased through direct commercial sales including through Australian Munitions.</p> <p>During 2020-21, the project will be focused on Initial Materiel Release including deliveries of Small Diameter Bombs, foreign and domestically sourced bomb warheads, and Joint Direct Attack Munition Guidance kits and fuses.</p>
Navy Guided Weapons	SEA 1300 Phase 1	1,177	421	95	<p>The <i>2020 Force Structure Plan</i> established this project to consolidate management and governance of Navy's Guided Weapons. The project approach is aligned with Navy's combat streams and will periodically update and adjust Government approvals. The project is assessing and developing missiles for Surface Combat, and assessing weapon options for Undersea Combat.</p> <p>During 2020-21, SEA 1300 will progress activities previously scoped under other Navy weapons projects, including the Enhanced Sea Sparrow Missile (ESSM) Block 2 as well as the future maritime strike weapons previously scoped under project SEA 4100 Phase 1. The project is developing a Government submission to continue these activities and amalgamate additional Navy weapons identified through the <i>2020 Force Structure Plan</i>.</p>
Maritime Domain					
Future Submarine Design and Construction	SEA 1000 Phase 1B	5,945	1,322	782	<p>This project will deliver Australia's regionally superior Attack Class Submarine with sovereignty over its operation and sustainment.</p> <p>During 2020-21, the Attack Class Submarine Program Office will continue working with Naval Group and Lockheed Martin Australia on the design of the submarine. Delivery of the infrastructure needed for the build of the 12 submarines in Adelaide will also continue.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Maritime Domain (Continued)					
Future Frigate - Design and Construction	SEA 5000 Phase 1	6,234	711	587	<p>The Future Frigate Program will replace Australia's existing fleet of eight Anzac Class frigates with a new fleet of nine Anti-Submarine Warfare frigates. The Future Frigate project will introduce into service the next generation of naval surface combatants.</p> <p>ASC Shipbuilding Head Contract was signed in December 2018. Prototyping will commence in December 2020 with the Prototyping Readiness Review planned to be conducted in September 2020. The Australian mandated government design changes to the Type 26 Reference Ship Design continue to be progressed and remain within the agreed weight and space envelopes of the Hunter class design. The next major technical review is the System Definition Review planned to be conducted late March 2021. The Integrated Baseline Review is also planned to be completed in September 2020. Under the current Design and Productionisation phase the Combat System design continues to be progressed. This includes the United States (US) Foreign Military Sales activities in order to integrate the Australian CEA Technologies phased array radar system with the Aegis Combat Management System. The land based facilities design activity will also continue to mature.</p>
Offshore Patrol Vessel	SEA 1180 Phase 1-A	3,712	609	285	<p>This project will replace and improve upon the capability delivered by the current 13 Armidale Class Patrol Boats by acquiring 12 new vessels based on an existing Off The Shelf design.</p> <p>Build commenced of the first Offshore Patrol Vessel on schedule at Osborne, South Australia in November 2018. Construction of vessel two commenced in June 2019 at Osborne and the third vessel commenced construction at the Cvmec facility at Henderson, Western Australia in March 2020.</p> <p>During 2020-21, the project will progress the build of the first three Offshore Patrol Vessels. The first and second in the Osborne Shipyard, South Australia and the third vessel at Henderson, Western Australia. The project will commence construction of the fourth vessel in 2nd quarter 2021.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Maritime Domain (Continued)					
Maritime Operational Support Capability	SEA 1654 Phase 3	1,091	668	231	<p>This project will replace the Royal Australian Navy's existing afloat support capability, with a single class of replenishment ships to sustain deployed maritime forces.</p> <p>In May 2016 the Commonwealth entered into contracts with Navantia S.A. for the acquisition and initial five-year sustainment of the two replacement replenishment ships. In November 2017 the Minister for Defence announced the replacement replenishment ships would be named HMAS <i>Supply</i> and HMAS <i>Stalwart</i>. In early 2020 the COVID-19 pandemic in Spain caused the shutdown of Navantia's shipyard, and delayed the delivery of the ships by up to 6 months respectively.</p> <p>During 2020-21, the project will complete the build of both replenishment ships, and is expected to achieve a number of key milestones including the delivery of both ships to Australia, achievement of ship acceptance for Supply, and completion of the Australian fit-out of <i>Stalwart</i>, plus completion of training, spares and commencement of the sustainment contract for both ships.</p>
Collins Sonar Capability Assurance Program	SEA 1439 Phase 6	673	340	134	<p>This project will provide a capability assurance program for the Collins class submarine sonar system to achieve a capability edge. Delivery of tranche 1 for all six submarines received second-pass approval in April 2018. First of Class installation was completed in HMAS <i>Waller</i> full cycle docking, which concluded in mid-2020.</p> <p>During 2020-21, first of class trials in HMAS <i>Waller</i> will be conducted and Tranche 1 installations will continue. The project will also continue to refine the scope for Tranche 2 and an ongoing sonar capability assurance activities.</p>
Air Warfare Destroyer Program	SEA 4000 Phase 3	9,110	8,085	105	<p>The Air Warfare Destroyer program is delivering three Hobart Class Air Warfare Destroyers and their support system to the Royal Australian Navy, under an alliance-based contracting arrangement between ASC Shipbuilder Pty Ltd, Raytheon Australia Pty Ltd and the Commonwealth represented by Defence.</p> <p>The prime contractor is the Air Warfare Destroyer Alliance, with support from shipbuild manager, Navantia.</p> <p>During 2020-21, this project is expected to declare Final Operational Capability in June 2021.</p>

Table 55: Top 30 Acquisition Projects by 2020-21 Forecast Expenditure (Gross Plan) (Continued)^[1]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	Budget Estimate 2020-21 \$m	Top 30 Major Project Descriptions
Maritime Domain (Continued)					
Evolved Cape Class Patrol Boats	SEA 1445 Phase 1	346	33	94	The Evolved Cape Class Patrol Boat project will construct six vessels that will assist the Navy with transition from the existing Armidale class patrol boats to the new, more capable Arafura class offshore patrol vessels. The contract with Austal Ships Pty Ltd was signed in April 2020. Two vessels are currently under construction, the third due to commence in November 2020. The first vessel is scheduled for delivery in September 2021 and the last in March 2023.
Submarine Escape Rescue and Abandonment Systems	SEA 1354 Phase 1	382	70	87	This project will provide a new sovereign deployable submarine rescue system that will support both the Collins and Attack class submarines, and also includes modifications to Collins class submarines to improve submarine escape and abandonment capability. Updated submarine escape suits and rafts have now been delivered to improve Collins class submarine escape and abandonment arrangements.
Pacific Patrol Boat Replacement	SEA 3036 Phase 1	505	179	85	The Pacific Patrol Boat Replacement project will replace existing Pacific Patrol vessels as part of the Pacific Maritime Security Program. This involves the construction of 21 vessels, 19 of which will be gifted to the 12 Pacific Island countries that currently operate Pacific Patrol vessels within the South Pacific and two of which will be gifted to Timor Leste. Construction of the 21 vessels commenced in 2017-18 and the first vessel was gifted to Papua New Guinea in November 2018. Delivery of boats is to continue at a rate of one every three or four months. Seven vessels have been delivered, with five vessels to be delivered in 2020-21 (pending COVID-19 travel restrictions), which the final vessels scheduled for delivery in late 2023.
Total Top 30 Projects (Gross Plan)		85,192	40,024	8,463	
Other Approved Project Gross Plans		36,833	24,256	1,965	
Total Approved Projects (Gross Plan)		122,025	64,280	10,427	
Management Margin Slippage				-1,204	
Approved Acquisition Budget				9,224	

Note

1. Approved Project Expenditure, Cumulative Expenditure to 30th June 2020 and Budget Estimate 2020-21 are on an accrual basis.

APPENDIX C: TOP 30 SUSTAINMENT PRODUCTS BY 2020-21 FORECAST EXPENDITURE

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Air Domain			
F/A18F Super Hornet & Growler Weapon System	CAF21	473	<p>The Air Combat and Airborne Electronic Attack capability comprises a fleet of 24 F/A-18F Super Hornet and 11 EA-18G Growler aircraft, with associated support elements. The F/A-18F Super Hornet delivers Air Combat capability. The EA-18G Growler is an electronic attack aircraft capable of disrupting, deceiving or denying a broad range of military electronic systems, including radars and communications. Both capabilities are operated from RAAF Base Amberley QLD.</p> <p>The Super Hornet achieved Final Operational Capability in December 2012. The Growler achieved Initial Operational Capability in April 2019. In-service support arrangements are through prime contracts with Boeing Defence Australia (platform stewardship), Raytheon Australia (training support) and GE II (engine support).</p> <p>During 2020-21, spiral capability upgrades will continue on both Super Hornet and Growler aircraft and associated support systems. Growler aircrew training will remain a priority with the ongoing introduction of the Mobile Threat Training Emitter System which will also provide broad benefit across the entire Air Combat Program.</p>
Multi Role Helicopter - TLH MRH90	CA48	285	<p>The final MRH-90 [Taipan] multi-role helicopter production aircraft was accepted into service in July 2017. In-Service Support is provided by a prime contract with Airbus Australia Pacific which expires in 2021. Work on the award term extension for support beyond 2021 is close to being finalised. The MRH-90 [Taipan] multi-role helicopter fleet is located at the 5th Aviation Regiment, 6th Aviation Regiment, Army Aviation Training Centre and 808 Squadron, with deeper maintenance being conducted at the Airbus Australia Pacific facility in Brisbane.</p> <p>Aircraft availability continues to be a key focus in 2020-21, in particular supply chain and deeper maintenance performance. The introduction of the MRH-90 [Taipan] multi-role helicopter into the 6th Aviation Regiment, to replace Black Hawk in the aviation support role to Special Operations, remains the sustainment program's current priority.</p>
F-35 Joint Strike Fighter	CAF30	267	<p>The F-35A Lightning II capability currently comprises 30 aircraft based at RAAF Base Williamtown NSW and Luke Air Force Base USA, which is planned to grow to 33 by December 2020 and 41 by June 2021. The aircraft and associated support elements are transitioning into service and will provide Australia with a fifth-generation Air Combat capability. In-service sustainment is primarily delivered through the F-35 Global Support Solution facilitated by the US-based F-35 Joint Program Office, and supplemented through local direct commercial arrangements.</p> <p>During 2020-21, a number of activities will be completed to support achievement of Initial Operational Capability in December 2020. These activities will be qualified through the sovereign Verification and Validation program which includes the expansion of F-35A pilot training at RAAF Base Williamtown. Long-term activities will be progressed to expand and mature the Australian F-35A sustainment support system in terms of deeper maintenance (covering air vehicle, propulsion and components), off-board information systems, reprogramming, aircrew and maintainer training, and local spares supply arrangements.</p>

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Air Domain (Continued)			
Airborne Early Warning and Control System - AEWC	CAF20	257	<p>The Airborne Early Warning and Control capability comprises six E-7A Wedgetail aircraft and associated support elements operated from RAAF Base Williamtown NSW. Boeing Defence Australia (as the prime contracting partner) together with Boeing Defence Systems, Northrop Grumman Systems Corporation, and BAE Systems Australia, provide a performance based support arrangement for maintenance, logistics, engineering, training and program management in order to support the capability.</p> <p>During 2020-21, the focus will be on maintaining fleet mission capability and availability throughout the AIR 5077 Phase 5A modification program while continuing to assess, prioritise and address emerging obsolescence requirements and minor modifications to maintain the capability.</p>
KC-30A Weapon System Multi-role Tanker Transport	CAF22	193	<p>The KC-30A Multi Role Tanker Transport capability comprises seven aircraft and associated support elements (including a flight simulator) operated from RAAF Base Amberley. All seven aircraft are capable of air-to-air refueling from pod and boom systems, and airlift logistics support. In 2019, the 7th aircraft was delivered with a government transport configuration.</p> <p>Northrop Grumman Australia (as the prime contracting partner) together with Airbus Defence and Space and CAE, provide a performance based support arrangement for maintenance, logistics, engineering, training and program management in order to support the capability.</p> <p>During 2020-21, the focus will be on continued maturation of sustainment performance, while supporting military operations and the expansion of additional aircraft types certified as capable of air-to-air refueling from the KC-30A Multi Role Tanker Transport.</p>
Armed Reconnaissance Helicopter Weapons System	CA12	174	<p>All 22 Tiger armed reconnaissance helicopters are in-service in their final mature configuration. In-Service Support is provided under a prime contract with Airbus Australia Pacific. An Award Term Extension to extend the Through Life Support Contract until 31 December 2025 was agreed on 4 September 2019. All caveats associated with the Tiger armed reconnaissance helicopter Final Operational Capability have been closed by Chief of Army who stated that "Tiger is now a mature system that is able to meet the needs of Defence".</p> <p>During 2020-21, Defence will continue to work closely with Airbus Australia Pacific to further improve Tiger armed reconnaissance helicopter serviceability and rate of effort achievement. Other key areas of activity are the management and treatment of technical obsolescence to ensure continued capability through to the Tiger Planned Withdrawal Date in 2028.</p>
Lead-In Fighter Hawk 127 Weapon System	CAF03	164	<p>The Lead-In Fighter Training capability comprises 33 Hawk 127 lead-in fighter aircraft and related support systems and is operated from RAAF Bases Williamtown and Pearce. The Hawk Lead-in Fighter Training System is supported by BAE Systems Australia Limited as the aircraft in-service support contractor and CAE as the simulator support contractor.</p> <p>During 2020-21, there will be a focus on finalising Hawk 127 planned withdrawal date extension proposals to align with the introduction of project AIR6002 Phase 1A – Future Lead-In Fighter Training System.</p>
MH-60R Seahawk Romeo Helicopter	CN35	151	<p>Project AIR 9000 Phase 8 was approved by government in June 2011 and has delivered 24 Sikorsky-Lockheed Martin built MH-60R Seahawk Romeo helicopter. The majority of the associated mission and support systems, training devices, and weapons have been delivered.</p> <p>The Seahawk Romeo capability is operated from HMAS <i>Albatross</i> in Nowra and is supporting eight embarked flights in Navy ships.</p>

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Air Domain (Continued)			
P-8A Poseidon Maritime Patrol and Response	CAF35	131	<p>The Maritime Patrol and Response capability comprises of 12 P-8A Poseidon aircraft and support elements operated from RAAF Base Edinburgh SA. The support elements are inclusive of three Mobile Tactical Operation Centres (including deployable flyaway kits), and various Training Support Systems (including two Operational Flight Trainers and Weapons Tactics Trainers).</p> <p>The capability is supported via a P-8A Cooperative Program with the United States Navy, and a Through Life Support contract with Boeing Defence Australia (and Airbus Australia Pacific as a principal sub-contractor).</p> <p>During 2020-21, the focus will be on maturing the Through Life Support contract arrangements (including establishing Depot Maintenance support) and upgrading the fleet to the latest P-8A capability baseline.</p>
C-17 Heavy Air Lift Weapons System	CAF19	122	<p>The Heavy Airlift capability comprises eight C-17A Globemaster III aircraft and associated support elements (including a flight simulator) operated from RAAF Base Amberley QLD. The majority of sustainment support for aircraft and training systems is provided via US Air Force Foreign Military Sales global support arrangements for the worldwide C-17A Globemaster fleet. These global sustainment arrangements are supplemented by a contract with Boeing Defence Australia for support services.</p> <p>During 2020-21, the focus will be on preparations associated with US Air Force support contract changes being implemented in early 2021-22.</p>
C130J-30 Weapon System	CAF06	117	<p>The Medium Airlift capability consists of 12 C-130J Hercules aircraft and associated support elements (including a flight simulator) operated from RAAF Base Richmond NSW. The capability is supported by two prime performance based contracts: Airbus Group Australia Pacific provides deeper level maintenance, logistics and engineering support for the aircraft, and StandardAero provides support for the propulsions system.</p> <p>During 2020-21, the focus will be on effectively managing the fleet's deeper maintenance, support to a modification program to enable enhanced air-land integration, and maintaining the improved engine availability and reliability.</p>
Pilot Training System	CAF37	99	<p>The Pilot Training system comprises of 49 turbo prop aircraft, 7 flight training devices, 6 cockpit procedural trainers, mission pre-briefing debriefing systems, personal learning devices, learning environment and courseware. The capability is supported by 3 commercial contractors; Lockheed Martin Australia as the Prime Contractor, Pilatus Defence and Hawker Pacific. This capability provides an integrated fixed wing pilot training system for ab-initio pilots and qualified flying instructors for Navy, Army and Air Force. Aircraft operate from RAAF Bases at East Sale, Pearce WA, Edinburgh SA and Williamtown NSW.</p> <p>During 2020-21, the final milestones and contractual acceptance will be achieved under AIR 5428 PH1. Final Operational Capability is forecast for December 2021.</p>
F/A-18 Hornet Weapon System	CAF02	93	<p>The Classic Hornet Air Combat capability comprises 35 F/A-18A/B aircraft and related support systems operated from RAAF Bases Williamtown and Tindal. The fleet size is progressively reducing as the platform approaches Planned Withdrawal Date of December 2021. The Classic Hornet is supported by Boeing Defence Australia as the weapon system support integrator, together with a broad range of other Defence Industry providers, including General Electric, BAE Systems Australia, Raytheon Australia, RUAG Australia, Northrop Grumman and Cubic Defense Applications.</p> <p>During 2020-21, the focus will be on the continued measured drawdown of the Classic Hornet capability while supporting the residual fleet.</p>

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Air Domain (Continued)			
Wide Area Surveillance (OTHR)	CAF13	88	<p>The Wide Area Surveillance Capability consists of Space and High Frequency Radar systems. The High Frequency Radar system comprises three Over-The-Horizon-Radars based in Longreach, Queensland; Laverton, Western Australia; and Alice Springs, Northern Territory and is known as the Jindalee Operational Radar Network. The radars are maintained by BAE Systems Australia. The Space Surveillance capability includes Overhead Persistent Infrared sensors and a C-Band Radar surveillance system located in Exmouth, Western Australia, which provides data into No 1 Remote Sensor Unit at RAAF Base Edinburgh along with the High Frequency Radar feeds. The C-Band radar is sustained by a combined support contract with Raytheon Australia and US Space Force partners.</p> <p>During 2020-21, BAE Systems Australia will continue to progress multiple obsolescence remediation projects to ensure the capability remains effective until the radar upgrade is conducted under project AIR2026 Phase 6.</p>
C27J Spartan Battlefield Airlifters	CAF34	84	<p>The Battlefield Airlift capability comprises 10 C-27J Spartan aircraft and related support systems operated from RAAF Base Amberley. The C-27J Spartan is supported by two prime performance based contracts. Northrop Grumman Australia Technology Services provides logistics and engineering support for the aircraft and Standard Aero Limited provides support for the propulsions system.</p> <p>During 2020-21, the focus will be on continued maturation of the C-27J Spartan sustainment system and the support contracts to deliver an increased flying rate of effort.</p>
Joint Domain			
Command Support Systems - Battlespace	CA33	100	<p>The Command Support Systems – Battlespace CA33 product schedule sustains the Battle Management System acquired from Elbit Systems and supported by Elbit Systems of Australia; and the Force XXI Battle Command Brigade and Below – Blue Force Tracker system acquired from the US Army and supported by FMS.</p> <p>During 2020-21, the focus will be on working with Elbit Systems of Australia to redefine the Battle Management System sustainment contract.</p>
Battlespace Communication Systems	CA31	99	<p>The Battlespace Communication Systems Comprises a range of deployable data and voice communication systems used for battlespace command and control. This includes radios (both carried by individuals - dismount and installed into vehicles - mounted) and associated ancillary equipment, such as vehicle intercom systems, batteries and chargers. Battlespace Communications Systems also includes a modern deployable integrated telecommunications network for the transfer of secure data, voice and video around the battlefield.</p>
Command and Intelligence Systems	CA40	70	<p>The Command and Intelligence Systems product schedule sustains deployable command and intelligence systems, including software applications, deployable hardware systems and specialist military equipment.</p> <p>CA40 have various industry partners engaged in the sustainment and maintenance of these critical capabilities for the ADF. Primary contractors are Thales Australia and Fujitsu.</p> <p>The key components of the Command and Intelligence Systems product schedule are:</p> <ul style="list-style-type: none"> - Deployable Wide Area Network - Psychological Operations Deployable System - Enhanced Deployable Local Area Network Middle East Region - Minor Systems - Deployable Geospatial and Intelligence Systems - Special Operations Command Support System

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Joint Domain (Continued)			
Air Component Command and Intelligence Systems	CAF16	65	The Air Component Command and Intelligence Systems consists of Air Command and Control (C2) systems, applications and information dissemination pathways to achieve Joint Combined battlespace effects and the asset composition is described in the CAF16 Product Schedule (CAF16 PdS). CAF16 underpins the operations of the Air 7 Space Centre; the ADF Intelligence and Targeting enterprise; the ADF Common Operating Picture; ADF Mission Planning enterprise; and a number of networks and C2 enablers for Air Force, the other Services, and Headquarters Joint Operational Command. These products and services are delivered by contractors including Sigma Bravo, BAE Systems Australia, Jeppesen, IDS and Ocean.
Land Domain			
Explosive Ordnance - Army Munitions Branch	CA59	223	The Army Munitions and Guided Weapons product schedule supports Army's explosive ordnance inventory which consists of small arms ammunition, pyrotechnics, mortar and artillery ammunition, special purpose ammunition, demolitions stores and Army guided weapons. Guided weapons are the Javelin anti-tank missile, RBS 70 Bolide Missile anti-aircraft missile and the AGM114 Air to Ground missile. Navy and Air Force also use some of these items, such as small arms ammunition and demolition stores. During 2020-21, key product sustainment activities include: <ul style="list-style-type: none"> • Review and rationalisation of Land Explosive Ordnance inventory, with a reduction of the number of explosive ordnance types where appropriate. • Consolidation of Life Cycle Management Plans for families of explosive ordnance to improve inventory planning and budget management, and facilitate transition to new capabilities being procured through major projects.
Navy Explosive Ordnance	CN54	139	The Navy Explosive Ordnance product schedule provides guided weapons and explosive ordnance including Guided Weapons, Navigational Outfits, Medium and Large Calibre Gunnery, Pyrotechnics and Cartridge Actuated Devices, Countermeasures, and Force Protection and demolition stores. Navy's Guided Weapons are categorised into four main streams: Missiles, Mine-warfare, Heavy Weight Torpedoes (including Encapsulated Harpoon Certification Training Vehicle) and Lightweight Torpedoes. CN54 includes sustainment of inventory used by Army and Air Force where Navy is the lead service. During 2020-21, key product sustainment activities include: <ul style="list-style-type: none"> • Close collaboration with Navy to prioritise procurement activities and funding to meet Navy's Raise, Train, Sustain requirements, the Navy Guided Weapon Load-out Plan and the Five Year Guided Weapon Firing Plan. • Strengthen the capacity to sustain the current Explosive Ordnance inventory with procurement planning for additional inventory and new test equipment.
Explosive Ordnance Manufacturing Facilities	CJC01	94	The objectives of Explosive Ordnance Manufacturing Factories are to provide safe, compliant, and sustainable operations and deliver specified ADF domestic munitions requirements. The munitions are acquired by Defence through separate Army, Navy and Air Force product schedules. Excess capacity provides future Defence manufacturing opportunities and commercial sales provides a latent surge capability when required by Defence. During 2020-21, key product sustainment activities include: <ul style="list-style-type: none"> • Focusing on investigating opportunities for increased manufacturing capabilities. • Enhancing multi tenancy opportunities at the facilities. • Investigation of further opportunities for domestic manufacture of explosive ordnance in support of the ADF.

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Land Domain (Continued)			
ADF Clothing	CA39	83	<p>ADF Clothing comprises over 16,000 line items of uniform, footwear and other items supplied by the textile, clothing and footwear industry.</p> <p>During 2020-21, key product sustainment activities will include:</p> <ul style="list-style-type: none"> • the ongoing enhancement of the Standard Combat Uniform, including development and introduction into service of the new Maritime Multicam Pattern Uniform to Navy; • continual development of the ADF Combat Boot range, including a new boot for Army aviators; • introduction of a new General Duties Dress to the range of service dress uniforms; • a program of works to refurbish and replace ceremonial items in preparation for the Air Force centenary in March 2021; • continued engagement with Navy, Army and Air Force regarding the program of design and technical enhancements of combat and non-combat clothing items; and • ongoing procurement to meet clothing and footwear requirements for the ADF's operations and raise, train and sustain activities.
Maritime Domain			
Collins Class Submarine	CN10	663	<p>The Collins Class Submarine Program manages the sustainment of Collins submarine materiel capability, ensuring availability requirements are met and submarines are materially prepared to undertake scheduled operational activities. This work is conducted under enterprise arrangements with industry and through key contracts with ASC Pty Ltd, Raytheon Australia, Thales Australia, BAE Systems, PMB Defence and other providers.</p> <p>During 2020-21, the Program will continue to ensure Navy's submarine materiel requirements are achieved while examining opportunities for continual improvement and efficiency. The progression and management of arrangements for Collins Life of Type Extension will also be assimilated into sustainment planning.</p>
Anzac Class Frigate	CN02	375	<p>The support objective is to maintain the materiel capability of the eight Anzac Class Frigates through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities.</p> <p>During 2020-21, the focus will be on completing the scheduled Anzac Class maintenance activities, along with the ongoing installation and integration activities associated with the Anzac Midlife Capability Assurance Programme inclusive of Platform Systems Remediation, project SEA 1442 Phase 4 (Maritime Communications Modernisation Project), and project SEA 1448 Phase 4B (Anzac Air Search Radar Replacement) on HMA Ships <i>Warramunga</i>, <i>Perth</i>, <i>Stuart</i> and <i>Toowoomba</i>.</p>
Destroyer Designated Guided (Air Warfare)	CN40	262	<p>The support objective is to maintain the materiel capability of the in-service Hobart Class Destroyers through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities.</p> <p>During 2020-21, the focus will be on completing the scheduled Hobart Class maintenance activities for the three in-service ships, and preparing HMAS <i>Sydney</i> for its Combat System Qualification Trials to be conducted in the first half of 2021.</p>

Table 56: Top 30 Sustainment Products by End of Financial Year Outcome 2020-21 (Continued)

Product Name	Product Serial	Budget Estimate 2020-21 \$m	Top 30 Sustainment Product Descriptions
Maritime Domain (Continued)			
Canberra Class Landing Helicopter Dock	CN34	158	The support objective is to maintain the materiel capability of the two Canberra Class Landing Helicopter Dock vessels and 12 Landing Helicopter Dock Landing Craft, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2020-21, the focus will be on the two major LHD docking maintenance periods in which the newly manufactured/upgraded pods and new propeller design will be fitted, as well as achieving a steady state for the in service support arrangements and finalisation of platform and support system remediation activities conducted under project JP2048 Phase 4A/B.
Armidale Class Patrol Boat	CN09	112	The support objective is to maintain the materiel capability of the 13 Armidale Class Patrol Boat vessels and 2 Cape Class vessels, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2020-21, the focus will be on supporting the program to achieve continued Operational Capability for the Patrol Boat Enterprise vessels, whilst commencing phase-out activities for the Armidale Class vessels, in conjunction with ongoing activities to remediate the deficiencies in the platform and support systems.
Maritime Cross Platform	CN49	80	The Maritime Cross Platform schedule is responsible for the provision of integrated cross class sustainment services and the delivery of seaworthy materiel that is common across multiple platforms, and for which Maritime Cross Platform Systems Program Office is the identified Designated Logistics Manager. The materiel includes common standardised items related to combat systems, platform and propulsion systems, and survivability systems e.g. safety and internal platform communications. During 2020-21, the focus will be continuing to deliver cross platform support to Maritime capability, improving asset management, expanding the portfolio and implementing a revised industry engagement strategy to best support expanded efforts across continuous Naval ship building and sustainment.
LSD Capability Assurance Program	CN56	66	The support objective is to deliver a Capability Assurance Program of upgrades and platform remediation activities for HMAS <i>Choules</i> , in order to assure the vessel's operations out to the Planned Withdrawal Date of 2031. The majority of the 50 discrete activities within the Program are incorporated in HMAS Choules' planned maintenance periods, the largest of which is the refit period commencing in 2021-22. During 2020-21, the focus will be on mitigating the extensive workload planned for this refit period by conducting early tasking, design, logistics support, procurement and installation activities.
Total – Top 30 Products			5,286
Other Approved Sustainment Product Estimates			2,151
Total Sustainment Product Funds Available			7,437
Support to Operations			232
Total Sustainment and Operations Funding			7,669

Note

1. Budget Estimate 2020-21 is on an accrual basis.

APPENDIX D: ENTERPRISE ESTATE AND INFRASTRUCTURE PROGRAM (FORMERLY FACILITIES AND INFRASTRUCTURE PROGRAM)

The Enterprise Estate and Infrastructure Program¹ component of the Integrated Investment Program comprises approved and yet to be approved major and medium capital facilities projects. These projects support and sustain current and future capability requirements and other government initiatives; meet legislative obligations; and provide engineering and infrastructure services and upgrades to existing facilities.

Major capital facilities projects are defined as having expenditure over \$75 million (excluding GST) and are subject to Government and Parliamentary approval. Medium capital facilities projects have expenditure between \$2 million and \$75 million (excluding GST), and are subject to Government approval and notification to the Parliamentary Standing Committee on Public Works (PWC). Details of approved major and medium capital facilities projects are provided in this Appendix.

Approved Capital Facilities Projects

The table below, and the following descriptions, provide details on the progress and expenditure for 2020-21 on approved major and medium capital facilities projects.

Table 57: Approved Capital Facilities Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
New Air Combat Capability Facilities Project (AIR 6000 Phase 2A/B)^[1]				
RAAF Williamtown	NSW - Paterson	-	885.8	14.6
RAAF Tindal	NT - Lingiari	-	512.2	9.8
Defence Establishment Myambat	NSW - Hunter	-	7.8	0.3
Total		1,485.8	1,405.8	24.7
Enhanced Land Force (ELF) Stage 2^[1]				
Lone Pine Barracks	NSW - Hunter	-	115.8	-
Puckapunyal Training Area	VIC - Nicholls	-	11.7	-
Simpson Barracks, Watsonia	VIC - Jagajaga	-	20.2	-
RAAF Amberley	QLD - Blair	-	9.6	-
Lavarack Barracks, Townsville	QLD - Herbert	-	62.0	-
Townsville Training Area	QLD - Kennedy	-	3.9	-
Greenbank Training Area	QLD - Wright	-	120.7	-
Gallipoli Barracks, Enoggera	QLD - Ryan	-	828.9	-
Wide Bay Training Area	QLD - Wide Bay	-	78.3	-
Kokoda Barracks, Canungra	QLD - Wright	-	71.8	-
Cultana Training Area	SA - Grey	-	63.3	6.1
RAAF Edinburgh	SA - Spence	-	34.7	0.2
Majura Field Training Area	ACT - Canberra	-	13.4	-
RMC Canberra	ACT - Canberra	-	9.0	-
Mount Stuart	QLD - Kennedy	-	4.1	-
Total		1,457.8	1,447.6	6.2
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative Airfield Works and Associated Infrastructure				
RAAF Tindal	NT - Lingiari	1,173.9	-	82.4

¹ Formerly the Facilities and Infrastructure Program

**Table 57: Approved Capital Facilities Projects by State and Federal Electorate
(Continued)**

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
Navy Capability Infrastructure				
Sub-program: Hunter Class Frigate				
Program Facilities				
(SEA 5000 Phase 1)^[1]				
HMAS <i>Watson</i>	NSW - Wentworth	-	-	-
Garden Island Defence Precinct	NSW - Sydney	-	-	-
St Kilda	SA - Spence	-	-	41.6
Osborne Naval Shipyard	SA - Hindmarsh	-	2.6	3.5
HMAS <i>Stirling</i>	WA - Brand	-	-	4.9
Henderson Maritime Precinct	WA - Fremantle	-	13.1	1.3
Total		918.8	15.7	51.3
Navy Capability Infrastructure				
Sub-program: Offshore Patrol Vessel				
(OPV) Facilities (SEA 1180 Phase 1)^[1]				
HMAS <i>Coonawarra</i>	NT - Solomon	-	-	4.4
HMAS <i>Cairns</i>	QLD - Leichhardt	-	-	3.0
HMAS <i>Stirling</i>	WA - Brand	-	-	11.3
Henderson Maritime Precinct	WA - Fremantle	-	3.3	4.9
Total		918.5	3.3	23.5
Maritime Patrol Aircraft Replacement				
(AIR 7000 Phase 2B)^[1]				
RAAF Edinburgh	SA - Spence	-	484.1	24.7
RAAF Darwin	NT - Solomon	-	14.4	72.8
RAAF Townsville	QLD - Herbert	-	-	5.4
RAAF Pearce	WA - Pearce	-	10.8	36.7
HMAS <i>Stirling</i>	WA - Brand	-	4.7	-
Total		767.8	513.9	139.6
Larrakeyah Defence Precinct				
Redevelopment Program				
Larrakeyah Defence Precinct	NT - Solomon	495.6	80.0	121.8
HMAS <i>Cerberus</i> Redevelopment				
HMAS <i>Cerberus</i>	VIC - Flinders	465.6	261.6	75.5
HMAS <i>Watson</i> Redevelopment				
HMAS <i>Watson</i>	NSW - Wentworth	430.5	12.2	30.7
Air Traffic Control Complex				
Infrastructure Project and Fixed Base				
Defence Air Traffic Management and				
Control System				
(AIR 5431 Phases 2 & 3)^[1]				
RAAF Amberley	QLD - Blair	-	51.5	0.6
Army Aviation Centre Oakey	QLD - Groom	-	37.5	0.3
RAAF Townsville	QLD - Herbert	-	40.5	0.3
RAAF Richmond	NSW - Macquarie	-	29.7	0.3
HMAS <i>Albatross</i>	NSW - Gilmore	-	19.1	1.0
RAAF Williamstown	NSW - Paterson	-	45.4	0.2
RAAF East Sale	VIC - Gippsland	-	10.3	0.2
RAAF Woomera	SA - Grey	-	0.9	-
RAAF Edinburgh	SA - Spence	-	8.7	0.2
RAAF Gingin	WA - Pearce	-	8.1	0.1
RAAF Pearce	WA - Pearce	-	35.6	0.3
RAAF Darwin	NT - Solomon	-	36.8	12.5
RAAF Tindal	NT - Lingiari	-	47.4	0.3
Total		409.9	371.5	16.3

**Table 57: Approved Capital Facilities Projects by State and Federal Electorate
(Continued)**

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
Battlefield Airlifter Facilities (AIR 8000 Phase 2)				
RAAF Amberley	QLD - Blair	370.4	353.0	14.2
HMAS Stirling Redevelopment Stage 3A				
HMAS Stirling, Rockingham	WA - Brand	366.8	346.0	2.9
AIR555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works				
Territory of Cocos (Keeling) Islands	NT - Lingiari	-	-	0.5
RAAF Darwin	NT - Solomon	-	-	0.5
RAAF Townsville	QLD - Herbert	-	-	0.4
RAAF Edinburgh	SA - Spence	-	-	34.0
Total		294.5	-	35.4
Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 2				
Garden Island Defence Precinct	NSW - Sydney	286.5	46.1	70.6
LAND 121 Stage 2A⁽¹⁾				
Lavarack Barracks, Townsville	QLD - Herbert	-	128.3	0.2
Gallipoli Barracks, Enoggera	QLD - Ryan	-	54.1	-
RAAF Amberley	QLD - Blair	-	0.4	0.8
RAAF Townsville	QLD - Herbert	-	0.7	2.4
RAAF Williamtown	NSW - Paterson	-	12.9	-
Holsworthy Barracks, Holsworthy	NSW - Hughes	-	2.0	-
RAAF Richmond	NSW - Macquarie	-	0.1	2.1
Puckapunyal Training Area	VIC - Nicholls	-	24.1	5.9
Campbell Barracks	WA - Curtin	-	8.2	-
RAAF Edinburgh	SA - Spence	-	9.2	-
Robertson Barracks	NT - Lingiari	-	1.1	-
RAAF Darwin	NT - Solomon	-	3.8	1.1
Total		276.5	244.9	12.5
RAAF Base Williamtown Redevelopment Stage 2				
RAAF Williamtown	NSW - Paterson	274.0	242.6	14.4
Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 1				
Garden Island Defence Precinct	NSW - Sydney	263.3	154.3	70.7
Armoured Fighting Vehicles Facilities Program Stage 1⁽¹⁾				
Lavarack Barracks	QLD - Herbert	-	-	23.3
Edinburgh Defence Precinct	SA - Spence	-	-	10.4
Puckapunyal Military Area	VIC - Nicholls	-	-	60.7
Total		235.1	-	94.4
Explosive Ordnance Logistics Reform Program⁽¹⁾				
RAAF Amberley	QLD - Blair	-	25.0	-
Mount Stuart	QLD - Kennedy	-	11.2	-
RAAF Darwin	NT - Solomon	-	20.3	0.1
Defence Establishment Myambat	NSW - Hunter	-	59.0	-
Twofold Bay	NSW - Eden-Monaro	-	9.9	-
HMAS Cerberus	VIC - Flinders	-	13.6	-
Mangalore	VIC - Nicholls	-	27.7	-

**Table 57: Approved Capital Facilities Projects by State and Federal Electorate
(Continued)**

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
Point Wilson	VIC - Corio	-	10.6	4.2
Fort Direction	TAS - Franklin	-	3.2	-
RAAF Edinburgh	SA - Spence	-	16.7	0.1
HMAS <i>Stirling</i>	WA - Brand	-	15.3	0.1
Total		230.9	212.5	4.5
Navy Capability Infrastructure				
Sub-program: Maritime Operational Support Capability Facilities (SEA 1654 Phase 3)^[1]				
HMAS <i>Stirling</i>	WA - Brand	-	39.7	26.4
Randwick Barracks	NSW - Kingsford Smith	-	25.5	0.8
Garden Island Defence Precinct	NSW - Sydney	-	-	-
Total		220.5	65.2	27.2
Point Wilson Waterside Infrastructure Remediation Project				
Point Wilson	VIC - Corio	218.9	11.8	68.6
Joint Health Command Garrison Facilities Upgrades^[1]				
Simpson Barracks, Watsonia	VIC - Jagajaga	-	7.0	11.2
Puckapunyal Training Area	VIC - Nicholls	-	8.3	10.1
Albury-Wodonga, South Bandiana	VIC - Indi	-	16.8	0.7
Royal Military College	ACT - Canberra	-	25.9	14.7
Holsworthy Barracks	NSW - Hughes	-	7.1	0.8
Robertson Barracks	NT - Lingiari	-	4.2	0.9
Larrakeyah Barracks	NT - Solomon	-	11.9	2.4
Army Aviation Centre Oakey	QLD - Groom	-	3.4	10.8
Gallipoli Barracks, Enoggera	QLD - Ryan	-	2.0	5.5
Campbell Barracks	WA - Curtin	-	14.6	2.4
RAAF Townsville	QLD - Herbert	-	3.8	8.7
RAAF Pearce	WA - Pearce	-	3.9	1.4
Total		212.5	108.9	69.6
Land 121 Phase 5B Facilities Project^[1]				
Larrakeyah Barracks	NT - Solomon	-	-	-
Robertson Barracks	NT - Lingiari	-	-	-
Gallipoli Barracks	QLD - Ryan	-	-	0.8
Derwent Barracks	TAS - Clarke	-	-	0.1
Puckapunyal Military Area	VIC - Nicholls	-	-	-
Campbell Barracks	WA - Curtin	-	-	0.2
Total		183.3	-	1.1
Airfield Capital Works P0007 (East Sale, Gingin and Oakey)^[1]				
RAAF East Sale	VIC - Gippsland	-	76.0	14.4
RAAF Gingin	WA - Pearce	-	-	1.9
Army Aviation Centre Oakey	QLD - Groom	-	30.7	11.8
Total		149.0	106.7	28.1
Shoalwater Bay Training Area Remediation Project				
Shoalwater Bay Training Area	QLD - Capricornia	135.4	10.7	64.6
DEF101 Data Centre Upgrade				
HMAS <i>Harman</i>	ACT - Bean	131.5	0.7	64.3
Naval Guided Weapons Maintenance Facilities Project				
Defence Establishment Orchard Hills	NSW - Lindsay	95.5	11.4	49.6

**Table 57: Approved Capital Facilities Projects by State and Federal Electorate
(Continued)**

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
Airfield Capital Works P0006 (Curtin, Tindal and Townsville)^[1]				
RAAF Townsville	QLD - Herbert	-	-	8.0
RAAF Curtin	WA - Durack	-	15.2	-
RAAF Tindal	NT - Lingiari	-	47.6	-
Total		95.3	63.0	8.0
Russell Office Precinct Upgrade R5 and R6 Midlife Upgrade				
Russell Offices	ACT - Canberra	75.4	68.5	3.6
Defence High Performance Computing Centre				
RAAF Edinburgh	SA - Spence	68.8	24.9	32.1
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project				
Alice Springs	NT - Lingiari	50.7	39.2	9.5
LAND 4502 Phase 1 Additional CH-47F Chinook Facilities				
RAAF Townsville	QLD - Herbert	49.9	16.9	16.1
Singleton Mid-Term Refresh				
Singleton Military Area	NSW - Hunter	42.2	-	17.1
Puckapunyal Health and Wellbeing Centre				
Puckapunyal Military Area	VIC - Nicholls	39.8	-	20.5
Oakey Mid-Term Refresh				
Swartz Barracks	QLD - Groom	31.3	-	3.9
Land 555 Phase 6 Force Level Electronic Warfare, Signals Intelligence and Vehicles				
Borneo Barracks	QLD - Groom	29.6	0.3	14.7
Holsworthy Mid-Term Refresh				
Holsworthy Barracks	NSW - Hughes	29.5	-	12.6
Facilities to support SEA 1442 Phase 6 Protected Satellite Communications^[1]				
HMAS <i>Harman</i>	ACT - Bean	-	0.2	2.6
HMAS <i>Stirling</i>	WA - Brand	-	0.4	2.5
Total		24.4	0.6	5.1
LAND 200 Tranche 2 Battlefield Communications Systems Facilities Project^[1]				
Robertson Barracks	NT - Lingiari	-	1.1	0.5
RAAF Edinburgh	SA - Spence	-	0.6	-
Lavarack Barracks	QLD - Herbert	-	3.8	0.9
Puckapunyal Training Area	VIC - Nicholls	-	3.7	0.4
Singleton Military Area	NSW - Hunter	-	3.6	1.1
Watsonia Barracks	VIC - Jagajaga	-	1.6	0.3
Bandiana	VIC - Indi	-	3.0	0.5
Total		24.3	17.4	3.7
SEA 1397 Phase 5D Nulka Assembly and Maintenance Facilities				
Defence Establishment Orchard Hills	NSW - Lindsay	21.2	-	9.7

**Table 57: Approved Capital Facilities Projects by State and Federal Electorate
(Continued)**

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2020 \$m	2020-21 Budget Estimate \$m
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence (CBRND) Facilities^[1]				
HMAS <i>Stirling</i>	WA - Brand	-	-	0.4
Bindoon Training Area	WA - Pearce	-	-	0.1
Robertson Barracks	NT - Lingiari	-	0.2	0.1
RAAF Edinburgh	SA - Spence	-	0.1	0.1
Lavarack Barracks	QLD - Herbert	-	0.1	0.8
Gallipoli Barracks	QLD - Ryan	-	-	0.2
RAAF Amberley	QLD - Blair	-	0.1	1.3
Holsworthy Barracks	NSW - Hughes	-	-	0.6
Kapooka Military Area	NSW - Riverina	-	0.1	3.2
RAAF Base Wagga	NSW - Riverina	-	-	0.3
HMAS <i>Creswell</i>	ACT - Fenner	-	-	0.7
Majura Range	ACT - Canberra	-	0.1	1.4
HMAS <i>Cerberus</i>	VIC - Flinders	-	-	0.5
Dutson Air Weapons Range	VIC - Gippsland	-	-	0.7
Total		16.7	0.9	10.4
Vibration Test Facility Port Wakefield				
Port Wakefield	SA - Grey	8.9	7.1	1.2
Robertson Barracks Close Training Area				
Robertson Barracks	NT - Lingiari	7.6	0.2	5.7
RAAF Pearce – Upgrade of Potable Water				
RAAF Pearce	WA - Pearce	7.5	3.5	3.5
Robertson Barracks Small Arms Range				
Robertson Barracks	NT - Lingiari	6.9	6.6	-
Facilities to Support the LAND 154 Phase 2 Weapons Technical Intelligence Capability^[1]				
Gallipoli Barracks	QLD - Ryan	-	-	2.4
Edinburgh Defence Precinct	SA - Spence	-	-	3.1
Total		5.9	-	5.5
Building 106 Extensions and Alterations, Environmental Test Facility, Proof and Experimental Establishment, Port Wakefield, SA				
Port Wakefield	SA - Grey	5.5	4.6	0.1
Projects in or about to enter Defects Liability Period^[2]				5.9
Total^[3]		13,110.2	6,279.9	1,453.6

Notes

1. The projects crosses state and electoral boundaries. Estimated cumulative expenditure to 30 June 2020 and expenditure estimates for 2020-21 are provided in the table per location.
2. This amount represents the expenditure estimates for contract administration of eight completed projects during their first year in-use.
3. Sum of the individual items may differ to the totals due to rounding. Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.

Explanation of Projects

Australian Capital Territory

DEF101 Data Centre Upgrade

This project is providing infrastructure to support and ensure ongoing communications capability at HMAS *Harman*, ACT through expansion and fit out of existing facilities. This project is scheduled for completion by early 2022.

Russell Office Precinct Upgrade R5 and R6 Midlife Upgrade

This project is providing essential building and engineering services upgrades to extend the life of buildings R5 and R6 at Russell Offices, ACT. The works are complete except for alarm installations, which are scheduled for completion by October 2020.

New South Wales

HMAS *Watson* Redevelopment

This project is addressing functionality deficiencies, capacity constraints, and non-compliances in facilities and infrastructure at HMAS *Watson*, Sydney, NSW. This project is scheduled for completion by early 2027.

Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 2

This project is providing upgraded wharves and engineering services to address condition, capacity and compliance issues at the Garden Island Defence Precinct, Sydney, NSW. This project is scheduled for completion by early 2024.

RAAF Base Williamtown Redevelopment Stage 2

This project is sustaining and improving the functionality and capability of RAAF Base Williamtown, NSW, including upgrading or replacing critical ageing infrastructure to meet future requirements. This project is scheduled for completion by late 2021.

Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 1

This project is addressing critical structural, condition and engineering services risks on the Cruiser and Oil wharves at the Garden Island Defence Precinct, Sydney, NSW. This project is scheduled for completion by mid 2021.

Naval Guided Weapons Maintenance Facilities Project

This project is delivering new facilities at Defence Establishment Orchard Hills, NSW to enhance the maintenance of existing and new guided weapons. This project is scheduled for completion by mid 2021.

Singleton Mid-Term Refresh

This project is remediating trunk infrastructure, and delivering new and refurbished buildings for base support and logistics in the Singleton Military Area, NSW. This project is scheduled for completion by late 2021.

Holsworthy Mid-Term Refresh

This project will address power supply reliability issues, serviceability of high voltage infrastructure, and serviceability of training living-in-accommodation at Holsworthy Barracks, NSW. This project is scheduled to commence construction by December 2020 for completion in late 2021.

SEA 1397 Phase 5D Nulka Assembly and Maintenance Facilities Project

This project will construct new purpose-built facilities at Defence Estate Orchard Hills, NSW to assemble, maintain, test and store decoy capability. This project is scheduled to commence construction in early 2021 for completion by late 2021.

Northern Territory

RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative Airfield Works and Associated Infrastructure

This program will address functional deficiencies, capacity constraints and non-compliances with facilities and infrastructure, and deliver airfield improvements at RAAF Base Tindal, NT. This project is scheduled to commence construction by September 2020 for completion in late 2027.

Larrakeyah Defence Precinct Redevelopment Program

This program is upgrading critical base infrastructure, improving the working environment, delivering new facilities, and supporting future growth on the Larrakeyah Defence Precinct, NT. This program is also delivering a new wharf, fuel storage and refueling capabilities to support Navy's major surface combatant ships operating in the north of Australia. This project is scheduled for completion by mid 2023.

AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project

This project is providing new facilities and infrastructure to support the mid-life upgrade of JORN capability, with priority works at the JORN Radar 3 Receive (Mount Everard) and Transmit (Harts Range) sites near Alice Springs, NT. This project is scheduled for completion by early 2021.

Robertson Barracks Close Training Area

This project is providing perimeter fencing, signage, fire break installations; clearing rubbish; and removing asbestos to ensure the Robertson Barracks Close Training Area, NT, is suitable for Defence use. This project is scheduled for completion by mid 2021.

Robertson Barracks Small Arms Range

This project is addressing issues that impact on Darwin-based units to maintain mandated levels of readiness through the construction of a 25m/100m small-arms range within the Robertson Barracks Close Training Area, NT. The works are complete except for a stop butt, which is scheduled for completion by November 2020.

Queensland

Battlefield Airlifter Facilities (AIR 8000 Phase 2)

This project is providing facilities at RAAF Base Amberley, QLD to accommodate and support the operation of the new C-27J Battlefield Airlifter aircraft. The works are complete except for in-ground infrastructure and demolition, which are scheduled for completion by October 2020.

Shoalwater Bay Training Area Remediation Project

This project is redeveloping the Shoalwater Bay Training Area, QLD to support the introduction of amphibious capability, and ensure sustainability into the future through airfield, road and creek crossing upgrades; and new camp, field hospital infrastructure, and training facilities. The project is scheduled for completion by late 2021.

LAND 4502 Phase 1 Additional CH-47F Chinook Facilities

This project is providing new facilities for 5 Aviation Regiment to support the introduction and sustainment of three new additional CH-47F Chinook Medium Lift Helicopters and associated integration systems at RAAF Base Townsville, QLD. This project is scheduled for completion by December 2020.

Land 555 Phase 6 Force Level Electronic Warfare, Signals Intelligence and Vehicles

This project is providing vehicle storage, workshop extension, heavy vehicle weighbridge, access gate automation, and remediation of vacated facilities to accept training modules at Borneo Barracks, QLD to support deployable electronic warfare capabilities. This project is scheduled for completion in late 2021.

Oakey Mid-Term Refresh

This project will upgrade engineering services and demolish redundant buildings at Swartz Barracks, QLD. This project is scheduled to commence construction in early 2021 for completion in mid 2023.

South Australia

Defence High Performance Computing Centre

This project is providing facilities to house high performance computing equipment as well as meeting, auditorium, and training facilities at RAAF Base Edinburgh, SA. This project is scheduled for completion by early 2021.

Vibration Test Facility Port Wakefield

This project is providing new facilities to house a dual shaker to meet the ongoing testing and evaluation needs of the Proof and Experimental Establishment, Port Wakefield, SA. This project is scheduled for completion by early 2021.

Building 106 Extensions and Alterations, Environmental Test Facility, Proof and Experimental Establishment, Port Wakefield, SA

This project is providing a new Environmental Test Facility control building at Port Wakefield, SA to improve working conditions, workplace efficiency, and access control. The works are complete except for ICT installation and demolition of the existing building, which are scheduled for completion by October 2020.

Victoria

HMAS *Cerberus* Redevelopment

This project is upgrading engineering services, refurbishing living-in-accommodation, constructing a new logistics precinct, upgrading the School of Survivability and Ship Safety, upgrading the gym, refurbishing training facilities and galley, and demolishing redundant buildings at HMAS *Cerberus*, VIC. This project is scheduled for completion by mid 2023.

Point Wilson Waterside Infrastructure Remediation Project

This project is remediating waterside infrastructure at the Point Wilson Explosive Area, VIC to enable the recommencement of bulk Explosive Ordnance importation operations. This project will refurbish the existing 2.4 km jetty, and provide an entirely new wharf, amenities building, landside infrastructure and engineering services. This project is scheduled for completion by late 2022.

Puckapunyal Health and Wellbeing Centre

This project will replace obsolete, unsafe and non-compliant training facilities with a new fit for purpose health and wellbeing centre at the Puckapunyal Military Area, VIC. This project is scheduled to commence construction by December 2020 for completion in mid 2022.

Western Australia

HMAS *Stirling* Redevelopment Stage 3A

This project is upgrading and refurbishing existing critical shortfalls to infrastructure and facilities at HMAS *Stirling*, WA. The works are complete except for undertaking minor legacy electrical compliance issues and commissioning activities, which are scheduled for completion by October 2020.

RAAF Pearce - Upgrade of Potable Water

This project is providing a compliant base-wide potable water system modification at RAAF Base Pearce, WA, to address potable water supply and infrastructure issues that are critical to the ongoing operations of the base. This project is scheduled for completion by early 2021.

Various Locations

New Air Combat Capability Facilities Project (AIR 6000 Phase 2A/B)

This project is providing new and upgraded facilities and infrastructure to support the introduction of the Joint Strike Fighter at RAAF Base Williamtown, NSW, and RAAF Base Tindal, NT with support facilities and infrastructure at Defence Establishment Myambat, NSW. The majority of the works are complete with the exception of constructing a warehouse, auxiliary runway works, and a second high voltage feeder. This project is scheduled for completion by early 2021.

Enhanced Land Force (ELF) Stage 2

This project provided modern purpose-built facilities and supporting infrastructure for the 8th/9th Battalion, the Royal Australian Regiment and supporting elements of the Army's 7th Brigade at Gallipoli Barracks in Enoggera, Brisbane, QLD. This project included the construction of new and refurbished accommodation and training facilities, as well as common use facilities and site infrastructure upgrades at Enoggera and other Defence sites across four States and both mainland Territories.

Facilities at Townsville, Singleton, Duntroon and Watsonia provide modern accommodation and supporting infrastructure for increased Army career training. In Sydney, at RAAF Bases Amberley and Edinburgh, and at nine other Defence Training Areas, new and refurbished facilities with site infrastructure upgrades have been provided for Army and joint enabling elements supporting the Enhanced Land Force capabilities.

All works are complete with the exception of works at Cultana Training Area, which includes the delivery of a wash point approved as part of the Hardened Networked Army facilities project. This project is scheduled for completion by December 2020.

Navy Capability Infrastructure Sub-program

This program of works is providing new and upgraded facilities and infrastructure around Australia to support the introduction into service and sustainment of new Frigate, Offshore Patrol, and Maritime Operational Support Capability vessels:

Hunter Class Frigate Program Facilities (SEA 5000 Phase 1)

This project is providing upgraded facilities and infrastructure to support the introduction of the new Hunter Class Frigates to replace the current Anzac Class Frigates at HMAS *Watson* and the Garden Island Defence Precinct, NSW; St Kilda and Osborne Naval Shipyard, SA; and HMAS *Stirling* and Henderson Maritime Precinct, WA. This project is scheduled to commence construction by mid 2021 for completion in late 2026.

Offshore Patrol Vessel (OPV) Facilities (SEA 1180 Phase 1)

This project is providing berthing, training, maintenance, logistics, and support facilities to support the introduction into service of 12 new OPVs at HMAS *Coonawarra*, NT; HMAS *Cairns*, QLD; and HMAS *Stirling* and Henderson Maritime Precinct, WA. This project is scheduled to commence construction by early 2021 for completion in early 2027.

Maritime Operational Support Capability Facilities (SEA 1654 Phase 3)

This project is providing new and upgraded facilities and infrastructure to support the introduction of the Supply Class Auxiliary Oiler Replenishment vessels at HMAS *Stirling*, WA, and Randwick Barracks and the Garden Island Defence Precinct, NSW. This project is scheduled for completion by late 2022.

Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)

This project is providing new and upgraded facilities and infrastructure to support the introduction of the P-8A aircraft at RAAF Base Edinburgh SA, RAAF Base Townsville QLD, RAAF Base Pearce WA, and RAAF Base Darwin NT, as well as additional explosive ordnance facilities at HMAS *Stirling*, WA. This project is scheduled for completion by late 2021.

Air Traffic Control Complex Infrastructure Project and Fixed Base Defence Air Traffic Management and Control System (AIR 5431 Phases 2 and 3)

This project is providing facilities in support of replacement Air Traffic Management Surveillance, Command and Control Systems under AIR 5431 Phases 2 and 3, incorporating the replacement of aged and degraded Air Traffic Control Towers, at 12 bases. All scope elements are complete, except for RAAF Base Darwin, which is scheduled for completion by early 2021, and demolition of redundant facilities, which is due for completion by mid 2024.

AIR555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works

This project will provide fit for purpose facilities and infrastructure to support the introduction into service of the MC-55A Peregrine Airborne Intelligence Surveillance Reconnaissance Electronic Warfare capability at RAAF Base Edinburgh, SA; RAAF Base Darwin, NT; RAAF Base Townsville, QLD; and Territory of Cocos (Keeling) Islands. This project is scheduled to commence construction by December 2020 for completion by mid 2024.

LAND 121 Stage 2A

This project is providing facilities across 12 bases to sustain the B-vehicle fleet in accordance with the Basis of Issue for Army, the Royal Australia Air Force, and Joint Logistics Command. These facilities will maintain (workshops and repair parts storage), support (fuel points, loading ramps, wash points and weighbridges), and sustain (shelters and hardstand) the LAND 121 vehicles. This project is scheduled for completion by mid 2021.

Armoured Fighting Vehicles Facilities Program Stage 1

Stage 1 of this program will provide fit for purpose facilities and infrastructure to support, sustain, and train Army personnel on, the next generation of Armoured Fighting Vehicles capability at Lavarack Barracks, QLD; Edinburgh Defence Precinct, SA; and Puckapunyal Military Area, VIC. Stage 1 is scheduled to commence construction by November 2020 for completion in late 2023.

Explosive Ordnance Logistics Reform Program

This project is addressing explosive ordnance storage capacity shortfalls through delivery of new and enhanced explosive ordnance facilities at 11 bases. This project is scheduled for completion by December 2020.

Joint Health Command Garrison Facilities Upgrades

This project is providing fit for purpose, contemporary Garrison Health Facilities at 12 bases around Australia. This project is scheduled for completion by mid 2021.

Land 121 Phase 5B Facilities Project

This project will provide fit for purpose facilities and infrastructure to support and sustain vehicles, modules, and trailers being procured. This project is scheduled to commence construction by mid 2021 for completion by mid 2024.

Airfield Capital Works P0007 (East Sale, Gingin and Oakey)

This project is providing major maintenance to aircraft pavements and airfield lighting at RAAF Bases East Sale VIC and Gingin WA, and Army Aviation Centre Oakey, QLD. This project is scheduled for completion by late 2021.

Airfield Capital Works P0006 (Curtin, Tindal and Townsville)

This project is providing major maintenance to aircraft pavements and airfield lighting at RAAF Bases Curtin WA, Tindal NT and Townsville QLD. This project is scheduled for completion by mid 2022.

Facilities to support SEA 1442 Phase 6 Protected Satellite Communications

This project is providing infrastructure works, namely footings and slabs; supporting services connections; and perimeter fencing at HMAS *Harman*, ACT and HMAS *Stirling*, WA. This project is scheduled for completion by December 2020.

LAND 200 Tranche 2 Battlefield Communications Systems Facilities Project

This project is providing training and storage infrastructure to support the rollout of Battlefield Management Systems at seven bases. The works are complete except for remaining ICT installation, which is scheduled for completion by December 2020.

LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence (CBRND) Facilities

This project is providing new and refurbished facilities, including training and storage facilities at 14 bases to support Australian Defence Force CBRND activities. This project is scheduled to commence construction by December 2020 for completion in mid 2021.

Facilities to Support the LAND 154 Phase 2 Weapons Technical Intelligence Capability

This project is providing infrastructure, including hardstands, services, amenities and security fencing, to support new capability at Gallipoli Barracks, QLD and Edinburgh Defence Precinct, SA. This project is scheduled for completion by early 2021.

APPENDIX E: STATUS OF PROJECTS FORESHADOWED FOR GOVERNMENT AND PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS CONSIDERATION IN 2020-21

Program of Works Foreshadowed for Consideration and Approval

During 2020-21, Defence expects to present a number of capital facilities project proposals to the Parliamentary Standing Committee on Public Works (PWC). The following tables detail the proposed major capital facilities projects expected to be referred to the PWC, and medium capital facilities projects expected to be notified to the PWC, in 2020-21.

Table 58: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2020-21

	State/Electorate	Actual / Indicative PWC Referral Date ^[1]	Actual/ Indicative PWC Hearing Date ^{[1][2]}	Parliamentary Approval Date ^[1]
Facilities to Support SEA 2773 Fleet Information Environment Modernisation	Multiple	Early 2021	Early 2021	Mid 2021
United States Force Posture Initiative (USFPI) Northern Territory Training Areas and Ranges Upgrades	NT - Lingiari	Early 2021	Mid 2021	Mid 2021
AIR 7000 Phase 1B Remotely Piloted Aircraft System Facilities Project	Multiple	Mid 2021	Mid 2021	Late 2021
Canberra Future Office Accommodation Project	ACT - Canberra	Mid 2021	Mid 2021	Late 2021
Explosive Ordnance Facilities Northern New South Wales Redevelopment	NSW - Lindsay	Mid 2021	Mid 2021	Late 2021
Facilities for LAND 19 Phase 7B Short Range Ground Base Air Defence	SA - Spence	Mid 2021	Mid 2021	Late 2021

Notes

1. Actual dates are shown in full. Forecast dates are shown as "Early", "Mid", "Late".
2. Hearing dates are subject to the PWC's consideration and agreement.

Table 59: Medium Capital Facilities Projects Foreshadowed for Consideration and Approval in 2020-21

	State/Electorate	Actual / Indicative PWC Notification Date ⁽¹⁾
General John Baker Complex Capability Assurance Project (Public Private Partnership) – Tranche 1	NSW - Eden-Monaro	Late 2020
Sydney Future Office Accommodation Project	Multiple	Late 2020
Melbourne Office Accommodation Project	VIC - Melbourne	Late 2020
50 Collie Street	ACT - Canberra	Late 2020
Level 1 Minter Ellison Building	ACT - Canberra	Late 2020
HMAS <i>Waterhen</i> Mid-Term Refresh	NSW - North Sydney	Late 2020
2CER Compensatory Hardstand	QLD - Ryan	Late 2020
RAAF Base Townsville Mid-Term Refresh	QLD - Herbert	Late 2020
Townsville Field Training Area Mid-Term Refresh	QLD - Kennedy	Late 2020
HMAS <i>Cairns</i> Mid-Term Refresh	QLD - Leichardt	Late 2020
Facilities for ACOY41 Royal New South Wales Regiment in the Tweed Heads	NSW - Tweed	Late 2020
Puckapunyal Military Area Mid-Term Refresh	VIC - Nicolls	Early 2021
BP26 Flexible Working Pilot	ACT - Bean	Early 2021
Anglesea Barracks Mid-Term Refresh	TAS - Clark	Mid 2021
Relocation of Patterson Barracks Units and New ADF Cadet Facilities Multi User Depot	Multiple	Mid 2021

Note

1. Actual dates are shown in full. Forecast dates are shown as “Early”, “Mid”, “Late”.

Explanation of Projects

Project Narratives by State and Various Locations

Australian Capital Territory

Canberra Future Office Accommodation Project

This major project proposes to fit out a fit-for-purpose workplace environment for Defence personnel operating within Canberra, ACT to support their associated capability. Subject to Parliamentary approval, construction is planned to commence by mid 2022 for completion by late 2025.

50 Collie Street

This medium project proposes to fit-out leased facilities in Canberra, ACT for Defence personnel office accommodation. Subject to Government approval and PWC notification, construction is planned to commence in early 2021 and be completed by mid 2021.

Level 1 Minter Ellison Building

This medium project proposes to fit-out leased facilities in Canberra, ACT for Defence personnel office accommodation. Subject to Government approval and PWC notification, construction is planned to commence in early 2021 for completion by mid 2021.

BP26 Flexible Working Pilot

This medium project proposes to provide an exemplar in Canberra, ACT of the new Defence office accommodation principles. Subject to Government approval and PWC notification, construction is planned to commence in mid 2021 for completion by late 2021.

New South Wales

General John Baker Complex Capability Assurance Project (Public Private Partnership) - Tranche 1

This medium project proposes to deliver infrastructure at Headquarters Joint Operations Command at Bungendore, NSW. Subject to Government approval and PWC notification, construction is planned to commence in late 2020 for completion by mid 2022.

Sydney Future Office Accommodation Project

This medium project proposes to provide fit for purpose workplace environment for Defence personnel operating within Sydney, NSW. Subject to PWC notification, construction is planned to commence in early 2021 for completion by early 2022.

Facilities for ACOY41 Royal New South Wales Regiment in the Tweed Heads

This medium project proposes to provide fit for purpose facilities and infrastructure for ACOY41 Royal New South Wales Regiment at a newly acquired greenfield site in Tweed Heads, NSW. Subject to Government approval and PWC notification, construction is planned to commence in early 2022 for completion by late 2022.

Explosive Ordnance Facilities Northern New South Wales Redevelopment

This major project proposes to remediate existing facilities and provide new facilities and infrastructure to support activities at Defence Establishment Orchard Hills and Myambat Explosive Ordnance Depot, NSW. Subject to Government and Parliamentary approvals, construction is planned to commence by late 2021 for completion by late 2023.

HMAS *Waterhen* Mid-Term Refresh

This medium project proposes to remediate and upgrade infrastructure and facilities at HMAS *Waterhen*, Sydney, NSW. Subject to Government approval and PWC notification, construction is planned to commence in late 2021 for completion by mid 2023.

Northern Territory

United States Force Posture Initiative (USFPI) Northern Territory Training Areas and Ranges Upgrades

This major program of works proposes to support Australian Defence Force and USFPI requirements with major upgrades at a number of training areas in the NT. Subject to Government and Parliamentary approvals, construction is planned to commence by late 2021 for completion by mid 2026.

Queensland

2CER Compensatory Hardstand

This medium project proposes to construct an appropriate hardstand area within Gallipoli Barracks, QLD, to compensate loss of storage areas resulting from constructing a new gate off Samford Road. Subject to PWC notification, construction is planned to commence in mid 2021 for completion by late 2021.

RAAF Base Townsville Mid-Term Refresh

This medium project proposes to provide mid life refurbishments to critical infrastructure at RAAF Base Townsville, QLD. Subject to Government approval and PWC notification, construction is planned to commence in early 2021 for completion by mid 2023.

Townsville Field Training Area Mid-Term Refresh

This medium project proposes to provide mid life refurbishments to critical infrastructure at the Townsville Field Training Area, QLD. Subject to Government approval and PWC notification, construction is planned to commence in early 2021 for completion by mid 2023.

HMAS *Cairns* Mid-Term Refresh

This medium project proposes to provide mid life refurbishments to critical infrastructure at HMAS *Cairns*, QLD. Subject to Government approval and PWC notification, construction is planned to commence in early 2021 for completion by mid 2023.

South Australia

Facilities for LAND 19 Phase 7B Short Range Ground Base Air Defence

This major project proposes to deliver new facilities at the Edinburgh Defence Precinct, SA to support the associated capability. Subject to Parliamentary approval, construction is planned to commence in mid 2023 for completion by mid 2025.

Tasmania

Anglesea Barracks Mid-Term Refresh

This medium project proposes to ensure Anglesea Barracks, TAS, remains fit for purpose. Subject to Government approval and PWC notification, construction is planned to commence in mid 2022 for completion by mid 2023.

Relocation of Patterson Barracks Units and New ADF Cadet Facilities Multi User Depot

This medium project proposes to provide a modern fit for purpose multi user depot in the North Launceston area, TAS. It also proposes to construct a new cadet multi-user depot at North Launceston on land to be acquired by Defence. Subject to Government approval and PWC notification, construction is planned to commence in mid 2022 for completion by mid 2023.

Victoria

Melbourne Office Accommodation Project

This medium project proposes to provide fit for purpose workplace environments for Defence personnel operating within Melbourne, VIC. Subject to PWC notification, construction is planned to commence in early 2021 for completion by late 2021.

Puckapunyal Military Area Mid-Term Refresh

This medium project proposes to address condition, capacity and compliance issues with existing infrastructure in the Puckapunyal Military Area, VIC. Subject to Government approval and PWC notification, construction is planned to commence in late 2021 for completion by late 2022.

Various Locations

Facilities to Support SEA 2773 Fleet Information Environment Modernisation

This major project proposes to provide facilities to support maritime and naval operations at Randwick Barracks, HMAS *Kuttabul*, and Banksmeadow Multi-user Depot, NSW; HMAS *Harman*, ACT; HMAS *Cerberus*, VIC; HMAS *Stirling*, WA; HMAS *Coonawarra*, NT, and HMAS *Cairns*, QLD. Subject to Government and Parliamentary approvals, construction is planned to commence by late 2021 for completion by early 2023.

AIR 7000 Phase 1B Remotely Piloted Aircraft System Facilities Project

This major project proposes to deliver new facilities and infrastructure at RAAF Bases Edinburgh, SA, and Tindal, NT, in support of the associated capability. Subject to Parliamentary approval, construction is planned to commence by early 2022 for completion by early 2025.

AUSTRALIAN SIGNALS DIRECTORATE

Agency Resources and Planned Performance

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AUSTRALIAN SIGNALS DIRECTORATE

Section 1: ASD Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The Australian Signals Directorate (ASD) defends Australia from global threats, and advances the national interest by providing foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.

ASD is a statutory agency within the Defence portfolio, reporting directly to the Minister for Defence. It operates under the *Public Governance, Performance and Accountability Act 2013* and the *Intelligence Services Act 2001*. All of ASD's activities are subject to oversight from the Inspector-General of Intelligence and Security. The Parliamentary Joint Committee on Intelligence and Security provides further oversight of ASD's administration, expenditure and enabling legislation. It also considers other matters within its scope that are referred by the Australian Senate, House of Representatives, or a Minister of the Australian Government.

The *Intelligence Services Act 2001* specifies that the organisation's functions are to:

- collect foreign signals intelligence;
- communicate foreign signals intelligence;
- prevent and disrupt offshore cyber-enabled crime;
- provide cyber security advice and assistance to Australian governments, businesses and individuals;
- support military operations;
- protect the specialised tools ASD uses to fulfil its functions; and
- cooperate with, and assist, the National Security Community's performance of its functions.

The organisation has five strategic objectives:

ASD **delivers strategic advantage** for Australia by providing foreign signals intelligence that protects and advances Australia's national interest. Foreign intelligence collection activities are guided by priorities set by Government.

ASD is the Australian Government's **leading cyber security agency**, and aims to make Australia the safest place to connect online and foster national cyber security resilience. ASD's Australian Cyber Security Centre monitors cyber threats targeting Australian interests, and provides advice and information, including through the international network of Computer Emergency Response Teams (CERT) to help protect Australians. When serious cyber incidents occur, ASD leads the Australian Government response to help mitigate the threat and strengthen defences.

ASD has a long history of **supporting Australian military operations**, with the organisation's heritage dating back to the Second World War. Today, ASD supports Australian Defence Force (ADF) operations around the globe, including by providing intelligence and offensive cyber capabilities to enable the warfighter and protect ADF personnel and assets. ASD also draws on its deep technical expertise to help the ADF stay ahead of technology advancements in the region, including the introduction of 5th generation weapons and cyber-warfare capabilities.

ASD capabilities play an important role in **countering cyber-enabled threats**. The organisation protects Australia and Australians by preventing and disrupting offshore cyber-enabled crime, including the activities of organised criminal groups using malware to target Australians, and terrorists who use the Internet to plan and incite attacks against Australian interests.

Finally, ASD **provides trusted advice and expertise** to government, business and the community. ASD draws on its deep technical understanding of communications technology to help the Australian Government and the public understand the nature of the cyber threat environment, how they might be vulnerable and what they can do to protect themselves.

To achieve these objectives, ASD needs to keep pace with the latest technology trends and invest in cutting-edge capabilities to gain asymmetric advantage. ASD's activities are enabled by innovative techniques, including specialist tools to detect threats in large volumes of data. ASD's mastery of technology also underpins the formulation of sound advice to protect Australia from sophisticated cyber threats.

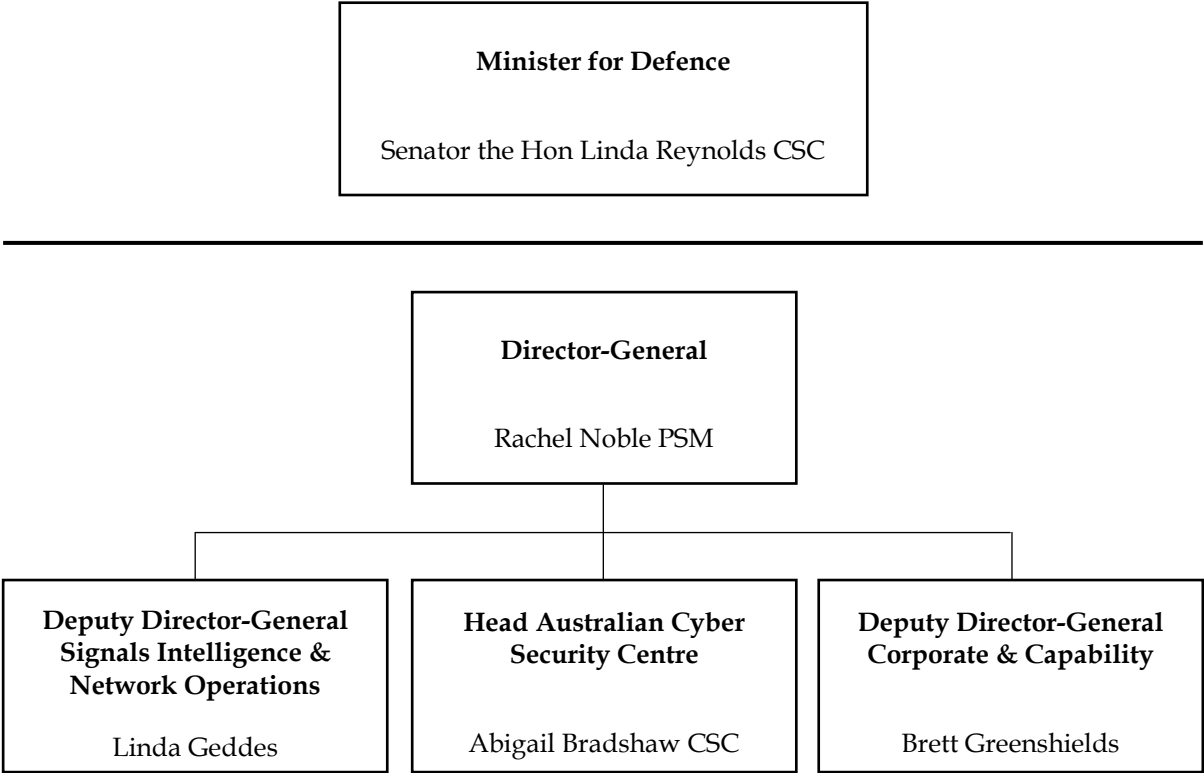
The new Cyber Enhanced Situational Awareness and Response (CESAR) package of \$1.35 billion will maintain and enhance the cyber security capabilities of ASD and the assistance provided to Australians over the next decade. Malicious cyber activity against Australia is increasing in frequency, scale and sophistication. The CESAR package will mean that ASD can identify more cyber threats, disrupt more foreign cybercriminals, build new partnerships with industry and government, and protect more Australians.

Partnerships are critical to the organisation's success. ASD works closely with the Australian national security community, overseas intelligence and cyber security partners, academia and industry. This level of collaboration is essential to comprehensively understand the threat environment and to stay at the leading edge of technology.

ASD's success is founded in the ingenuity of its workforce. The organisation seeks to recruit and develop a curious and imaginative workforce which is not deterred by difficult challenges. Recruiting the requisite specialist technological expertise has become increasingly challenging, given the high demand for staff with these skillsets.

This combination of a uniquely skilled workforce, empowered by innovative technology, enabled by responsible financial management, and leveraging partner capabilities, positions the organisation to deliver trusted intelligence, cyber security expertise and offensive cyber operations in support of Australia's national interest.

Figure 4: ASD Organisational Structure



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

Senior Executive Changes

The following changes have taken place since the *Portfolio Additional Estimates Statements 2019-20*:

- On 16 March 2020, Linda Geddes commenced as the Deputy Director-General Signals Intelligence and Network Operations.
- On 31 March 2020, Abigail Bradshaw commenced as the Head Australian Cyber Security Centre.
- On 4 May 2020, Brett Greenshields commenced as the Deputy Director-General Corporate and Capability.

Organisational Structure

The following changes have taken place since the *Portfolio Additional Estimates Statements 2019-20*:

- The 3-star role of Principal Deputy Director-General was removed in May 2020, following Lieutenant-General John Frewen's return to the Department of Defence to lead the COVID-19 Taskforce.

Program Structure

No changes have taken place since the *Portfolio Additional Estimates Statements 2019-20*.

1.2 ASD RESOURCE STATEMENT

Table 60: ASD Resource Statement – Budget Estimates for 2020-21 as at Budget October 2020

	Actual available appropriation 2019-20 \$'000	Estimate of prior year amounts available in 2020-21 \$'000	Proposed at Budget 2020-21 \$'000	Total Estimate 2020-21 \$'000
Departmental				
Annual appropriations - ordinary annual services				
Departmental appropriation	763,900	-	805,435	805,435
s74 External Revenue	3,031	-	2,704	2,704
Departmental Capital Budget	-	-	30,000	30,000
Annual appropriations - other services - non-operating				
Equity injection	176,836	-	195,459	195,459
Receipts from other entities on account of restructure	-	-	-	-
Total departmental resourcing	943,767	-	1,033,598	1,033,598
Total resourcing for ASD	943,767	-	1,033,598	1,033,598

1.3 BUDGET MEASURES

2020-21 Budget Measures and Other Budget Adjustments

Table 61: ASD 2020-21 Budget Measures

Measures announced after the Economic and Fiscal Update July 2020

	2020-21 Budget Estimate \$m	2021-22 Forward Estimate \$m	2022-23 Forward Estimate \$m	2023-24 Forward Estimate \$m	Total Forward Estimates \$m
Departmental Budget Measures					
Expenditure Measures					
Australia's Cyber Security Strategy 2020	-10.7	-10.8	-11.0	-	-32.5
Total Departmental Budget Measures	-10.7	-10.8	-11.0	-	-32.5
Other Budget Adjustments					
Foreign Exchange	-1.2	-4.1	-3.5	-3.5	-12.3
Capability Development Investment Funding ^[1]	7.7	-	-	-	7.7
Departmental Capital Budget ^[1]	30.0	45.0	30.0	30.0	135.0
Other Budget Adjustments ^[2]	nfp	nfp	nfp	nfp	nfp
Total Other Departmental Budget Adjustments	36.5	40.9	26.5	26.5	130.4
Variation to ASD Departmental Funding	25.8	30.1	15.5	26.5	97.9

Notes

1. Capability Development Investment Funding and Departmental Capital Budget transferred from Defence.
2. The expenditure for this budget adjustment is not for publication (nfp) due to national security reasons.

Section 2: ASD Outcomes and Planned Performance

2.1 OUTCOME 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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports - to provide a complete picture of an entity's planned and actual performance.

The most recent corporate plan and annual performance statement for ASD can be found at: <https://www.asd.gov.au/publications>.

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

Outcome Expense Statement

Table 62: Budgeted Expenses for Outcome 1

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations					
Employees	262,796	289,522	310,662	322,349	342,963
Suppliers	438,377	479,978	529,035	495,902	514,334
Other expenses	5,117	4,780	4,559	4,134	3,700
	706,290	774,280	844,256	822,385	860,997
Expenses not requiring appropriation					
Depreciation and amortisation	131,474	85,000	84,996	85,002	84,159
Net write-down and net impairment of assets	31,109	-	-	-	-
	162,583	85,000	84,996	85,002	84,159
Total expenses	868,873	859,280	929,252	907,387	945,156
Capital funded by appropriation					
Purchases of non-financial asset	153,357	225,459	172,838	124,235	92,862
Total capital purchases	153,357	225,459	172,838	124,235	92,862
Total expenses for Program 1.1	1,022,230	1,084,739	1,102,090	1,031,622	1,038,018

	2019-20	2020-21
Average Staffing Level (number)	nfp	nfp

Contributions to Outcome 1

Program 1.1: Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations
Program 1.1 Objective

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

Delivery	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> • Providing foreign signals intelligence • Providing cyber security services • Conducting offensive cyber operations • Sustaining and securing future capabilities.
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Performance information

Year	Performance criteria ^[1]	Targets
2019-20	Effective advice, reporting and services that assist Australian governments, government agencies, the Australian Defence Force and businesses to develop policy, manage security risks (including for individuals) and disrupt threats to Australia's security and interests.	<p>Our stakeholders value the unique insights and support ASD provides to their mission.</p> <p><i>Achieved</i></p>
2020-21	ASD's foreign signals intelligence informs strategic, operational and tactical decision-making.	<p>ASD's intelligence products, technical expertise and advice deliver strategic advantage to Australia and enable National Intelligence Community operations.</p> <p><i>Expected to be met.</i></p>
		<p>ASD's foreign signals intelligence and technical expertise effectively supports military operations.</p> <p><i>Expected to be met.</i></p>
	ASD's cyber security advice, assistance and operational responses prevent, detect and remediate cyber threats to Australia.	<p>ASD's Australian Cyber Security Centre provides high quality, impactful cyber security services to government, critical infrastructure and services, businesses, families and individuals.</p> <p><i>Expected to be met.</i></p>
		<p>ASD delivers international partnership programs and advanced technical capability that strengthen national cyber security and resilience.</p> <p><i>Expected to be met.</i></p>
	ASD's offensive cyber operations deliver real world impact, including providing advantage to military operations.	<p>ASD's offensive cyber operations provide effective and timely support for military operations in accordance with Australian Defence Force priorities and requirements.</p> <p><i>Expected to be met.</i></p>
		<p>ASD's offensive cyber operations provide effective measures to counter offshore cyber threats targeting Australians and Australia, consistent with whole-of-government security priorities and requirements.</p> <p><i>Expected to be met.</i></p>

Year	Performance criteria ^[1]	Targets
	ASD's capability needs are met and fiscal outcomes are delivered, while managing ASD's risk and maintaining a secure internal operating environment.	<p>ASD provides and sustains a suite of contemporary, integrated and optimized technology platforms, products and services that meet the needs of ASD's signals intelligence, cyber security and effects missions while ensuring interoperability with partners.</p> <p><i>Expected to be met.</i></p> <p>High-quality corporate support required to enable mission outcomes is provided to all parts of ASD and partners (including through Defence shared services arrangements).</p> <p><i>Expected to be met.</i></p>
2021-22 and beyond	As per 2020-21.	As per 2020-21.
Purposes	Defend Australia from global threats and advance our national interests through the provision of foreign signals intelligence, cyber security and offensive cyber operations, as directed by Government.	
Material changes to Program 1.1 resulting from the following measures: Nil.		

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: ASD Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 EXPLANATORY TABLES

Table 63: Third Party Payments to and from Other Agencies^[1]

	2019 -20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000
Payments made to Department of Defence for provision of services (Departmental)	89,276	92,559

Note

1. Third party payments to and from other Agencies include:
 - Inter-agency transactions in excess of \$20m per annum;
 - Inter-agency transactions that were in excess of \$20m in the previous year's annual statements; and
 - Inter-agency transactions relating to Budget Measures as disclosed in Defence Budget Measures.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Budgeted Financial Statements

Table 64: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
EXPENSES					
Employee benefits	262,796	289,522	310,662	322,349	342,963
Supplier expenses	438,377	479,978	529,035	495,902	514,334
Depreciation and amortisation	131,474	85,000	84,996	85,002	84,159
Finance costs	3	-	-	-	-
Write-down of assets and impairment of assets	31,109	-	-	-	-
Foreign exchange losses	28	-	-	-	-
Other	5,086	4,780	4,559	4,134	3,700
Total expenses	868,873	859,280	929,252	907,387	945,156
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	3,031	2,704	2,771	2,845	2,918
Total own-source revenue	3,031	2,704	2,771	2,845	2,918
Gains					
Reversals of previous asset write-downs	2,602	-	-	-	-
Other gains	158	153	153	155	156
Total gains	2,760	153	153	155	156
Total own-source income	5,791	2,857	2,924	3,000	3,074
Net cost of (contribution by) services	-863,082	-856,423	-926,328	-904,387	-942,082
Revenue from Government	763,900	805,435	876,389	855,626	894,649
Surplus (Deficit) attributable to the Australian Government	-99,182	-50,988	-49,939	-48,761	-47,433
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	18,084	-	-	-	-
Total other comprehensive income/(loss)	18,084	-	-	-	-
Total comprehensive income attributable to the Australian Government	-81,098	-50,988	-49,939	-48,761	-47,433

Table 64: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June) (Continued)

Note: Impact of net cash appropriation arrangements

	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	2022-23 \$'000	2023-24 \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation					
Adjustments	19,339	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations	-89,747	-85,000	-84,996	-85,002	-84,159
less: depreciation/amortisation expenses for ROU assets	-41,727	-	-	-	-
add: Principal repayments on leased assets	31,037	34,012	35,057	36,241	36,726
Total comprehensive income/(loss) - as per the statement of comprehensive income	-81,098	-50,988	-49,939	-48,761	-47,433

Table 65: Budgeted Departmental Balance Sheet (as at 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	35,630	37,946	39,188	36,492	36,488
Trade and other receivables	80,168	80,168	80,168	80,168	76,494
Total financial assets	115,798	118,114	119,356	116,660	112,982
Non-financial assets					
Land and buildings	414,978	414,978	414,977	414,973	418,141
Property, plant and equipment	342,212	476,020	564,771	602,066	608,414
Intangibles	26,006	32,657	31,749	33,678	38,273
Other non-financial assets	95,276	95,276	95,276	95,276	95,276
Total non-financial assets	878,472	1,018,931	1,106,773	1,145,993	1,160,104
Total assets	994,270	1,137,045	1,226,129	1,262,653	1,273,086
LIABILITIES					
Payables					
Suppliers	90,848	93,164	94,406	91,697	95,516
Other	10,635	10,635	10,635	10,635	6,959
Total payables	101,483	103,799	105,041	102,332	102,475
Interest bearing liabilities					
Leases	379,619	345,607	310,550	274,309	237,583
Total interest bearing liabilities	379,619	345,607	310,550	274,309	237,583
Provisions					
Employee provisions	93,223	93,223	93,223	93,223	94,816
Total provisions	93,223	93,223	93,223	93,223	94,816
Total liabilities	574,325	542,629	508,814	469,864	434,874
NET ASSETS	419,945	594,416	717,315	792,789	838,212
EQUITY					
Contributed equity	522,318	747,777	920,615	1,044,850	1,132,677
Reserves	29,386	29,386	29,386	29,386	34,415
Retained surplus (accumulated deficit)	-131,759	-182,747	-232,686	-281,447	-328,880
Total equity	419,945	594,416	717,315	792,789	838,212

Table 66: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2019-20 Estimated Actual \$'000	2020-21 Budget Estimate \$'000	2021-22 Forward Estimate \$'000	2022-23 Forward Estimate \$'000	2023-24 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	700,648	805,435	876,389	855,637	894,649
Goods and services	-	2,704	2,771	2,845	2,918
Net GST received	33,225	49,026	50,578	47,193	93,096
Other	401	-5	-5	-5	3,674
Total cash received	734,274	857,160	929,733	905,670	994,337
Cash used					
Employees	248,176	289,522	310,662	322,349	341,370
Suppliers	405,180	478,203	527,921	498,463	510,365
Net GST paid	32,575	49,026	50,578	47,193	93,096
Other cash used	-	-	-	-	3,676
Interest payments on lease liabilities	5,086	4,780	4,559	4,134	3,700
Total cash used	691,017	821,531	893,720	872,139	952,207
Net cash from (used by) operating activities	43,257	35,629	36,013	33,531	42,130
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of intangibles	-	-	-	-	-
Other cash received	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Purchase of infrastructure, plant and equipment	135,829	212,759	160,551	112,221	86,270
Purchase of intangibles	17,528	12,000	12,000	12,000	12,000
Selling costs on sale of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	153,357	224,759	172,551	124,221	98,270
Net cash from (used by) investing activities	-153,357	-224,759	-172,551	-124,221	-98,270
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	179,007	225,459	172,838	124,235	92,862
Receipts from other entities on account of restructure	-	-	-	-	-
Total cash received	179,007	225,459	172,838	124,235	92,862
Cash used					
Repayment of debt	31,037	34,012	35,057	36,241	36,726
Cash to the Official Public Account	-	-	-	-	-
Total cash used	31,037	34,012	35,057	36,241	36,726
Net cash from (used by) financing activities	147,970	191,447	137,781	87,994	56,136
Net increase (decrease) in cash and cash equivalents held	37,870	2,316	1,242	-2,696	-4
Cash and cash equivalents at the beginning of the reporting period	-2,245	35,630	37,946	39,188	36,492
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	5	-	-	-	-
Cash and cash equivalents at the end of the reporting period	35,630	37,946	39,188	36,492	36,488

Table 67: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2020-21)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	-131,759	29,386	-	522,318	419,945
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	-131,759	29,386		522,318	419,945
Comprehensive income					
Comprehensive income recognised directly in equity:	-50,988	-	-	-	-50,988
Gain/loss on revaluation of property	-	-	-	-	-
Subtotal comprehensive income	-50,988	-	-	-	-50,988
Surplus (Deficit) for the period	-	-	-	-	-
Total comprehensive income recognised directly in equity	-50,988	-	-	-	-50,988
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital:					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	195,459	195,459
Departmental Capital Budget (DCB)	-	-	-	30,000	30,000
Other	-	-	-	-	-
Sub-total transaction with owners	-	-	-	225,459	225,459
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2021	-182,747	29,386	-	747,777	594,416
Closing balance attributable to the Australian Government					
	-182,747	29,386	-	747,777	594,416

Table 68: Statement of Departmental Asset Movements (2020-21)

	Land and Buildings \$'000	Property, plant and equipment \$'000	Intangibles \$'000	Other \$'000	Total \$'000
As at 1 July 2020					
Gross book value	20,729	398,666	50,565	244	470,204
Gross book value - ROU assets	444,116	-	-	-	444,116
Accumulated depreciation/amortisation and impairment	8,140	56,698	24,559	-	89,397
Accumulated depreciation/amortisation and impairment - ROU assets	41,727	-	-	-	41,727
Opening net book balance	414,978	341,968	26,006	244	783,196
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity	-	213,458	12,000	-	225,458
By purchase - appropriation equity - ROU assets	-	-	-	-	-
By purchase - appropriation ordinary annual services	-	-	-	-	-
By purchase - appropriation ordinary annual services - ROU assets	-	-	-	-	-
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By purchase - other - ROU assets	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
Total additions	-	213,458	12,000	-	225,458
Other movements					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
ROU assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-	79,650	5,350	-	85,000
Depreciation/amortisation on ROU assets	-	-	-	-	-
Disposals	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	-	-	-	-
From disposal of entities or operations (including restructuring) on ROU assets	-	-	-	-	-
Other	-	-	-	-	-
Other - ROU assets	-	-	-	-	-
Total other movements	-	79,650	5,350	-	85,000
As at 30 June 2021					
Gross book value	20,729	612,124	62,565	244	695,662
Gross book value - ROU assets	444,116	-	-	-	444,116
Accumulated depreciation/amortisation and impairment	8,140	136,348	29,908	-	174,396
Accumulated depreciation/amortisation and impairment - ROU assets	41,727	-	-	-	41,727
Closing net book balance	414,978	475,776	32,657	244	923,655

Table 69: Departmental Capital Budget Statement (for the period ended 30 June)

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	-	30,000	45,000	30,000	30,000
Equity injections - Bill 2	176,836	195,459	127,838	94,235	62,862
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	176,836	225,459	172,838	124,235	92,862
Provided for:					
Purchase of non-financial assets	176,836	225,459	172,838	124,235	92,862
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
Total items	176,836	225,459	172,838	124,235	92,862
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	153,357	195,459	127,838	94,235	62,862
Funded by capital appropriation -DCB	-	30,000	45,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	153,357	225,459	172,838	124,235	92,862
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	153,357	224,759	172,551	124,221	98,270
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
Total cash used to acquire assets	153,357	224,759	172,551	124,221	98,270

3.2.2 Notes to the Financial Statements

The financial statements have been prepared in accordance with the Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*.

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DEFENCE HOUSING AUSTRALIA

Agency Resources and Planned Performance

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Defence HOUSING Australia

Section 1: DHA Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The main function of Defence Housing Australia (DHA) is to provide adequate and suitable housing and housing related services to members of the Australian Defence Force (ADF) and their families in response to Defence requirements. In fulfilling its role, DHA contributes to Defence capability and operational goals.

DHA provides a range of housing solutions to meet the needs of the ADF in a sustainable and financially prudent way, balancing leasing, acquisitions and developments to deliver the appropriate property types, in the right locations, at the right time. DHA takes an efficient and flexible approach to managing the portfolio to respond to changes in housing demand from Defence and reflecting the cyclical nature of the property markets.

DHA services include:

- Allocation of housing, primarily for ADF Members with Dependents (MWD) and their families, and Members with Dependents (Unaccompanied) (MWD(U)). DHA also houses eligible Members without Dependents (MWOD);
- Managing approximately 18,024 properties in all states and territories of Australia¹ valued at about \$11.0 billion, including providing tenancy and housing services such as managing maintenance requests;
- Administering the payment of Defence-funded Rent Allowance (RA) to eligible ADF members renting through the private market; and
- Online booking and allocation system for approximately 34,500 Defence-owned and maintained Living-in Accommodation beds across 53 Defence bases and establishments.

DHA is a Commonwealth corporate entity and Government Business Enterprise (GBE) operating under the provisions of the *Defence Housing Australia Act 1987* (DHA Act), the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and the PGPA Rule. DHA is required to maintain a strong balance sheet and to meet shareholder return obligations. DHA sits within the Defence portfolio and reports to the Minister for Defence Personnel and the Minister for Finance as joint Shareholder Ministers.

DHA is not directly funded from the Federal Budget. DHA is a full tax paying entity and contributes 60 per cent of Net Profit after Tax as an annual dividend to the Australian Government. DHA funds its operations through the receipt of commercial rent, fees and charges from Defence, and generates revenue from selling and leasing back dwellings through its property investment program, as well as selling land and properties that are surplus to requirements.

¹ Total portfolio as at 30 June 2020 managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.

DHA Organisational Structure

The composition of DHA's Board of Directors and associated committees is detailed below. As at 30 June 2020, the DHA Board members were:

Chairman	Hon J.A.L. (Sandy) Macdonald
Managing Director	Mr Barry Jackson
Commercial Director	Hon Alan Ferguson AM
Commercial Director	Mr Robert Fisher AM
Commercial Director	Ms Andrea Galloway
Commercial Director	Mr Ewen Jones
Nominee Secretary of Defence	Ms Kate Louis
Nominee Chief of Defence Force	BRIG Leigh Wilton AM
Nominee Secretary of Finance	Mr Simon Lewis AO, PSM

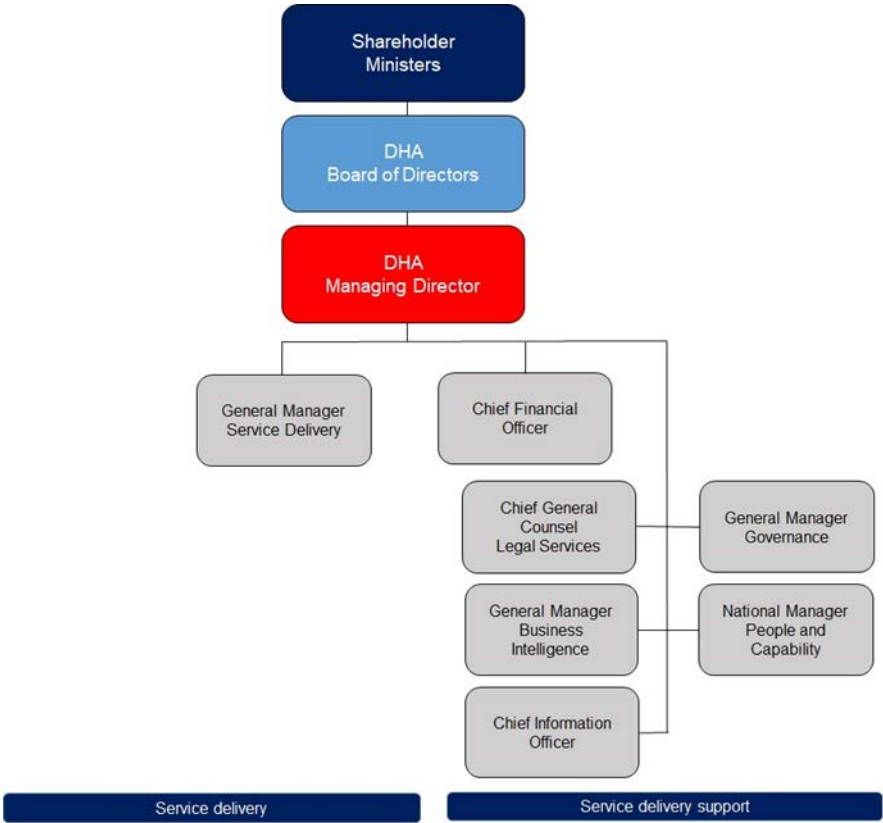
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Board Investment Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 30 June 2020:

Chairperson	BRIG Leigh Wilton AM
Convenor of Defence Families of Australia	Ms Maree Sirois
Appointee of Chief of Navy	RADM Mark Hammond AM (Deputy Chief of Navy)
Appointee of Chief of Army	MAJGEN Anthony Rawlins DSC, AM (Deputy Chief of Army)
Appointee of Chief of Air Force	AVM Stephen Meredith AM, DSM (Deputy Chief of Air Force)
Appointee of Defence Housing Australia	Mr Barry Jackson (Managing Director)

The chart below shows DHA's Senior Executive.

Figure 5: DHA Organisational Structure (as at 30 June 2020)



1.2 DHA RESOURCE STATEMENT

Table 70: DHA Resource Statement – Budget Estimates for 2020-21^[1]

	2019-20 Estimated actual \$'000	2020-21 Estimate \$'000
Opening balance/cash reserves at 1 July	212,924	379,143
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department	577,197	614,224
Amounts from other entities	-	-
Total amounts received from related entities	577,197	614,224
Total funds from Government	577,197	614,224
Funds from other sources		
Interest	3,477	2,746
Sale of goods and services	556,985	479,020
Total funds from other sources	560,462	481,766
Total net resourcing for Entity	1,137,659	1,095,990
	2019-20	2020-21
Average staffing level (number)	609	643

Note

1. DHA is not directly appropriated. Appropriations are made to Department of Defence which are then paid to DHA and are considered "departmental" for all purposes.

1.3 BUDGET MEASURES

There are no budget measures relating to DHA for the 2020-21 Budget Estimates.

Section 2: DHA Outcomes and Planned Performance

2.1 OUTCOME 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 entities achieve the intended results of their outcome statements. Entities 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. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide a complete picture of an entity's planned and actual performance.

The most recent Statement of Corporate Intent (DHA) can be found at:

<https://www.dha.gov.au/sci>

The most recent annual performance statement can be found at:

<https://www.transparency.gov.au/annual-reports/defence-housing-australia/reporting-year/2018-2019>

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

Outcome Expense Statement

Table 71: Budgeted Expenses for Outcome 1

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
Program 1.1: (Insert program name)					
Revenue from Government					
Payment from related entities	590,039	577,444	553,818	551,149	564,882
Revenues from other independent sources	378,401	308,869	339,419	283,312	286,643
Total expenses for Program 1.1	968,440	886,313	893,237	834,461	851,525
	2019-20	2020-21			
Average staffing level (number)	609	643			

Contributions to Outcome 1

Program 1.1: The provision of Defence housing and housing related services

Program 1.1 Objectives

Include:

- Provide quality housing and related services; and
- Provide value to shareholders.

Delivery

- Deliver housing provisioning schedule outcomes in line with Defence requirements.
- Deliver land development and acquisition/construction activities in key Defence locations to support provisioning requirements and generate revenue.
- Sustainably optimise revenue and profit.

Performance information^[1]

Year	Performance criteria	Targets
2019-20	<ul style="list-style-type: none"> • Houses supplied against provisioning schedule • Members satisfied with their service residence • Return on equity 	<ul style="list-style-type: none"> • > 99% (<i>met 99.26%</i>) • > 80% (<i>met 89%</i>) • 1.1% (<i>met 2.67%</i>)
2020-21	<ul style="list-style-type: none"> • Houses supplied against provisioning schedule • Members satisfied with their service residence • Return on equity 	<ul style="list-style-type: none"> • > 99% • > 80% • 1.9%
2021-22 and beyond	<ul style="list-style-type: none"> • Houses supplied against provisioning schedule • Members satisfied with their service residence • Return on equity 	<ul style="list-style-type: none"> • > 99% • > 80% • 1.9% <p>(2.3% for 2023-24)</p>

Note

1. New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2020-21 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 EXPLANATORY TABLES

Not applicable to DHA.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Budgeted Financial Statements

Table 72: Budgeted Departmental Comprehensive Income Statement (for the period ended 30 June)^{[1][2]}

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
INCOME					
Revenue					
Sale of goods and rendering of services	964,951	883,368	889,561	830,212	843,724
Interest	3,450	2,945	3,676	4,249	7,801
Total revenue	968,401	886,313	893,237	834,461	851,525
Gains					
Sale of assets	39	-	-	-	-
Total gains	39	-	-	-	-
Total income	968,440	886,313	893,237	834,461	851,525
EXPENSES					
Employee benefits	69,880	76,134	77,374	79,324	81,322
Suppliers	441,912	426,909	452,887	393,323	394,536
Depreciation and amortisation	303,898	277,421	265,014	265,305	273,154
Finance costs	53,109	48,983	45,937	43,761	43,858
Write-down and impairment of assets	38,873	19,000	16,930	14,950	14,950
Losses from asset sales	5,151	4,269	4,016	3,593	4,459
Total expenses	912,823	852,716	862,158	800,256	812,279
Profit/(loss) before income tax	55,617	33,597	31,079	34,205	39,246
Income tax expense	17,050	11,195	10,774	11,370	13,515
Net profit/(loss)	38,567	22,402	20,305	22,835	25,731
Profit/(loss) attributable to the Australian Government	38,567	22,402	20,305	22,835	25,731
Total comprehensive income attributable to the Australian Government	38,567	22,402	20,305	22,835	25,731

Notes

1. Prepared on Australian Accounting Standards basis.
2. The data in this table is based on DHA's 2020-21 Corporate Plan which is with our Shareholder Ministers for approval. The Corporate Plan is prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Table 73: Budgeted Departmental Balance Sheet (as at 30 June)^{[1][2][3]}

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	379,143	464,455	592,331	629,385	680,066
Trade and other receivables	5,901	8,882	8,761	8,963	9,394
Other financial assets	18,177	7,785	7,679	7,856	8,234
Total financial assets	403,221	481,122	608,771	646,204	697,694
Non-financial assets					
Land and buildings	3,642,031	3,492,360	3,404,584	3,500,123	3,588,071
Property, plant and equipment	5,350	12,705	11,308	10,415	8,265
Intangibles	4,526	3,533	3,394	2,850	2,226
Inventories	755,253	734,120	638,786	627,428	624,843
Tax assets	81,842	86,351	81,292	76,377	74,291
Other non-financial assets	2,206	4,503	4,593	4,685	4,779
Total non-financial assets	4,491,208	4,333,572	4,143,957	4,221,878	4,302,475
Assets held for sale	21,758	2,058	2,058	2,058	2,058
Total assets	4,916,187	4,816,752	4,754,786	4,870,140	5,002,227
LIABILITIES					
Payables					
Suppliers	39,781	28,909	29,632	30,373	31,132
Dividends	25,604	17,272	16,623	17,542	20,851
Other payables	46,369	76,338	69,208	72,100	78,105
Total payables	111,754	122,519	115,463	120,015	130,088
Interest bearing liabilities					
Loans	509,580	509,580	509,580	509,580	509,580
Leases	1,645,435	1,483,414	1,369,689	1,412,618	1,465,489
Total interest bearing liabilities	2,155,015	1,992,994	1,879,269	1,922,198	1,975,069
Provisions					
Employee provisions	16,465	23,311	22,868	23,574	24,649
Other provisions	144,252	122,588	115,669	114,646	113,855
Total provisions	160,717	145,899	138,537	138,220	138,504
Total liabilities	2,427,486	2,261,412	2,133,269	2,180,433	2,243,661
Net assets	2,488,701	2,555,340	2,621,517	2,689,707	2,758,566
EQUITY^[2]					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	2,139,243	2,200,752	2,263,247	2,326,144	2,390,123
Retained surplus (accumulated deficit)	(46,690)	(41,560)	(37,878)	(32,585)	(27,705)
Total parent entity interest	2,488,701	2,555,340	2,621,517	2,689,707	2,758,566
Total non-controlling interest	-	-	-	-	-
Total equity	2,488,701	2,555,340	2,621,517	2,689,707	2,758,566

Notes

1. Prepared on Australian Accounting Standards basis.
2. Equity is the residual interest in assets after the deduction of liabilities.
3. The data in this table is based on DHA's 2020-21 Corporate Plan which is with our Shareholder Ministers for approval. The Corporate Plan is prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Table 74: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)^{[1][2]}

	2019-20 Estimated actual \$'000	2020-21 Budget \$'000	2021-22 Forward estimate \$'000	2022-23 Forward estimate \$'000	2023-24 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	1,143,401	1,053,658	1,069,070	1,009,257	1,037,273
Interest	3,477	2,746	3,683	4,236	7,774
Net GST received	-	10,941	588	303	106
Other	(9,219)	39,586	1,300	1,071	912
Total cash received	1,137,659	1,106,931	1,074,641	1,014,867	1,046,065
Cash used					
Employees	70,044	69,288	77,817	78,618	80,247
Suppliers	526,017	607,137	543,889	551,809	579,812
Borrowing costs	20,809	17,514	17,074	14,930	12,334
Interest payments on lease liability	32,300	31,469	28,863	28,831	31,524
Other	50,331	35,127	14,523	5,286	7,188
Total cash used	699,501	760,535	682,166	679,474	711,105
Net cash from/(used by) operating activities	438,158	346,396	392,475	335,393	334,960
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	33,671	51,284	42,490	26,533	39,922
Total cash received	33,671	51,284	42,490	26,533	39,922
Cash used					
Purchase of property, plant and equipment and intangibles	1,181	39,188	25,384	23,732	27,164
Total cash used	1,181	39,188	25,384	23,732	27,164
Net cash from/(used by) investing activities	32,490	12,096	17,106	2,801	12,758
FINANCING ACTIVITIES					
Cash received					
Other	-	-	-	-	-
Total cash received	-	-	-	-	-
Cash used					
Principal payments on lease liability	279,884	247,576	264,433	284,517	279,495
Dividends paid	24,545	25,604	17,272	16,623	17,542
Total cash used	304,429	273,180	281,705	301,140	297,037
Net cash from/(used by) financing activities	(304,429)	(273,180)	(281,705)	(301,140)	(297,037)
Net increase/(decrease) in cash held	166,219	85,312	127,876	37,054	50,681
Cash and cash equivalents at the beginning of the reporting period	212,924	379,143	464,455	592,331	629,385
Cash and cash equivalents at the end of the reporting period	379,143	464,455	592,331	629,385	680,066

Notes

1. Prepared on Australian Accounting Standards basis.
2. The data in this table is based on DHA's 2020-21 Corporate Plan which is with our Shareholder Ministers for approval. The Corporate Plan is prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

**Table 75: Departmental Statement of Changes in Equity — Summary of Movement
(Budget Year 2020-21)**^{[1][2]}

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2020					
Balance carried forward from previous period	(46,690)	2,139,243	-	396,148	2,488,701
Adjusted opening balance	(46,690)	2,139,243	-	396,148	2,488,701
Comprehensive income					
Surplus/(deficit) for the period	22,402	-	-	-	22,402
Total comprehensive income	22,402	-	-	-	22,402
Transactions with owners					
Distributions to owners					
Returns on capital:					
Dividends	(17,272)	-	-	-	(17,272)
Contributions by owners					
Other	-	61,509	-	-	61,509
Sub-total transactions with owners	(17,272)	61,509	-	-	44,237
Estimated closing balance as at 30 June 2021	(41,560)	2,200,752	-	396,148	2,555,340
Closing balance attributable to the Australian Government	(41,560)	2,200,752	-	396,148	2,555,340

Notes

1. Prepared on Australian Accounting Standards basis.
2. The data in this table is based on DHA's 2020-21 Corporate Plan which is with our Shareholder Ministers for approval. The Corporate Plan is prepared on a cost basis, whilst the Budget Estimates submission has been prepared on a fair value basis, in line with the PGPA Act Financial Reporting Rules.

Table 76: Statement of Departmental Asset Movements (2020-21)^{[1][2]}

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2020						
Gross book value	1,133,744	970,859	27,320	23,294	21,385	2,176,602
Gross book value - ROU assets	-	1,969,789	1,618	-	-	1,971,407
Accumulated depreciation/ amortisation and impairment	-	(373)	(22,821)	(18,768)	373	(41,589)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(431,988)	(767)	-	-	(432,755)
Opening net book balance	1,133,744	2,508,287	5,350	4,526	21,758	3,673,665
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - other	11,728	11,728	10,399	400	-	34,255
By purchase - other - ROU assets	-	79,307	625	-	-	79,932
Total additions	11,728	91,035	11,024	400	-	114,187
Other movements						
Assets held for sale or in a disposal group held for sale	(15,792)	(15,792)	-	-	31,584	-
Depreciation/amortisation expense	-	-	(2,701)	(1,393)	-	(4,094)
Depreciation/amortisation and impairment on ROU assets	-	(262,942)	(968)	-	-	(263,910)
Disposals	-	-	-	-	(51,284)	(51,284)
Other	22,675	19,417	-	-	-	42,092
Total other movements	6,883	(259,317)	(3,669)	(1,393)	(19,700)	(277,196)
Gross book value	1,152,355	986,212	37,719	23,694	1,685	2,201,665
Gross book value - ROU assets	-	2,049,096	2,243	-	-	2,051,339
Accumulated depreciation/ amortisation and impairment	-	(373)	(25,522)	(20,161)	373	(45,683)
Accumulated depreciation/amortisation and impairment - ROU assets	-	(694,930)	(1,735)	-	-	(696,665)
Closing net book balance	1,152,355	2,340,005	12,705	3,533	2,058	3,510,656

Notes

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GLOSSARY

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

Term	Meaning
Capital expenditure	Expenditure by an agency on capital projects, for example purchasing a building.
Coalition	Countries including Australia who provide troops, logistical support or assistance in military operations, peacekeeping or reconstruction efforts.
Combined exercise or operation	An exercise or operation activity involving one or more Services of the ADF with the forces of other countries.
Consolidated Revenue Fund	Section 81 of the Constitution stipulates that all revenue raised or money received by the Commonwealth forms the one consolidated revenue fund. The fund is not a bank account. The Official Public Account reflects most of the operations of the fund.
Corporate governance	The process by which agencies are directed and controlled. It is generally understood to encompass authority, accountability, stewardship, leadership, direction and control.
Defence information environment	Encompasses all of Defence's computing and communication capabilities at all classification levels. It supports all Defence warfighting functions, including overseas deployed elements and connection to Coalition networks, as well as day-to-day business functions.
Defence Management and Finance Plan	The Defence Management and Finance Plan provides Ministers and central agencies with a clear oversight of Defence planning and financing strategies. It describes the strategies agreed through the 2016 Defence White Paper and other policy direction. As a compendium of information attached to Defence's annual Portfolio Budget Submission, it is intended to help Ministers make informed strategic and budgetary decisions on Defence, by bringing into one document the expected financial position of the portfolio taking into account existing commitments and proposed new investments. The Plan also provides the Government with the information necessary to ensure that its investment in Defence is both affordable and sustainable.
Departmental items	Assets, liabilities, revenues and expenses that are controlled by the agency in providing its outputs. Departmental items would generally include computers, plant and equipment assets used by agencies in providing goods and services and most employee expenses, supplier costs and other administrative expenses incurred.
Depreciation	Apportionment of an asset's capital value as an expense over its estimated useful life to take account of normal usage, obsolescence, or the passage of time.
Discretionary grants	Payments where the portfolio Minister and paying agency have discretion in determining whether or not a particular applicant should receive funding and may or may not impose conditions in return for the grant. There is a central discretionary grants register.
Employee	Any Defence official who receives a salary or wage, along with other benefits, for the provision of services whether on a full-time, part-time, permanent, casual or temporary basis.
Employee expenses	Include, but are not limited to, benefits provided to employees in the form of salaries and wages, performance pay, senior officers' allowances, leave, and superannuation, but does not include amounts paid or owed to employees as reimbursement of out-of-pocket expenses.
Equity injection	An additional contribution, over and above the cost of outputs. Equity injections form part of the Commonwealth's investment in Defence.

Term	Meaning
Expense	Total value of all of the resources consumed in producing goods and services or the loss of future economic benefits in the form of reductions in assets or increases in liabilities of an entity.
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Force element	A component of a unit, a unit or an association of units having common prime objectives and activities.
Force element group	A grouping of force elements with an appropriate command and control structure for a specified role or roles (e.g. the Navy Submarine Group).
Forward estimates	The level of proposed expenditure for future years, based on relevant demographic, economic and other future forecasting assumptions. The Government requires forward estimates for the following three financial years to be published in each annual Federal Budget paper.
Garrison Support Services	Includes a range of base support services such as ground maintenance, hospitality, training area management, base security, transport, air support and firefighting and rescue services.
Group	A high-level organisational grouping of functions and activities used by the Defence Executive as its primary management grouping (e.g. the Strategic Policy & Intelligence Group).
Infrastructure	Items owned, leased or otherwise under the control of Defence in support of activities on land and within buildings. Infrastructure includes items such as runways, roads, car parks, parade grounds, ovals, lighting, water, sewerage and other general service related items. It does not include land upon which, or within which, it is constructed or those fixed items integral to, and under, buildings.
Integrated Investment Program	The Integrated Investment Program is a costed, detailed development plan for the Australian Defence capabilities to be delivered through implementation of the Defence White Paper. The program is reviewed regularly to take account of changing strategic circumstances, new technologies and changed priorities, in the context of the overall Defence budget.
Interoperability	The ability of systems, units or forces to provide the services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.
Inventory	Inventory is comprised of consumable stores and supplies, fuel and explosive ordnance used in the delivery of Defence services. These are items which are consumed in normal use, lose their identity during periods of use by incorporation into, or attachment upon, another assembly, as a result of wear and tear, cannot be reconditioned because their design does not make it possible, or their specific values do not justify it.
Joint exercise or operation	An exercise or operation involving two or more Services of the ADF.
Liabilities	Sacrifices of future economic benefits that Defence is presently obliged to make to other entities as a result of past transactions or other past events.

Term	Meaning
Listed entity	An entity established by regulation under the <i>Public Governance, Performance and Accountability Act 2013</i> . The Act provides financial management authority to, and requires accountability by the Accountable Authority of an entity. This used to be called 'Prescribed agency' under the former <i>Financial Management and Accountability Act 1997</i> .
Materiel Acquisition Agreements	Materiel Acquisition Agreements cover the Capability Acquisition and Sustainment Group's (formerly known as Defence Materiel Organisation) acquisition services to Defence for both major and minor capital equipment.
Materiel Sustainment Agreements	Materiel Sustainment Agreements are between the Capability Managers and the Deputy Secretary Capability Acquisition and Sustainment. These agreements cover the sustainment of current capability, including good and services such as repairs, maintenance, fuel and explosive ordnance.
Military response options	A set of generic tasks that describe the range of military options the Government could consider as a basis for a response to a particular situation or contingency.
Net assets	See Equity.
Net Cash Funding	Under the net cash appropriation framework, Defence receives an operating appropriation to meet budgeted expenses (including repayment of lease liabilities and excluding asset depreciation, consumption and impairment) and equity injections to fund capital and inventory additions.
Operating result	Equals revenue less expense.
Operational tempo	The rate at which the Australian Defence Force is able to deliver its operations effects, for example, the rate at which forces are dispatched and the time in which they are turned around for their next task. At the local level, this might translate to the crew of an aircraft spending a very small amount of time on the ground before it is re-tasked for its next mission. At the organisational level, this translates to available fighting forces spending very little time at home before they are deployed again for their next operation.
Outcomes	The impact that Government seeks from Defence, and are achieved by the successful delivery of its outcomes, to the standards set in the Portfolio Budget Statements. For more information, see Section 2 – Planned Outcome Performance.
Permanent forces	The permanent Navy, the regular Army and the permanent Air Force.
Platforms	Refers to air, land, surface or sub-surface assets that are discrete and taskable elements within the Australian Defence Force.
Portfolio Additional Estimates Statements	Similar to the portfolio budget statements and prepared at Additional Estimates time to support and update on the Government's original annual budget for Defence.
Portfolio Budget Statements	The document presented by the Minister for Defence to Parliament to inform Senators and Members of the basis for the Defence budget appropriations in support of the provisions in Appropriations Bills 1 and 2. The statements summarise the Defence budget and provide detail of outcome performance forecasts and resources in order to justify expenditure for Defence.
Price	One of the three key efficiency indicators. The amount the Government or the community pays for the delivery of agreed outputs.

Term	Meaning
<i>Public Governance, Performance and Accountability Act 2013</i>	The <i>Public Governance, Performance and Accountability Act 2013</i> replaced the <i>Financial Management and Accountability Act 1997</i> and the <i>Commonwealth Authorities and Companies Act 1997</i> . The PGPA Act seeks to improve the standard of planning and performance reporting for all Commonwealth entities so that Parliament and the Australian community can better understand how public resources are being used to meet Government policy direction.
Purchaser-provider arrangements	Arrangements under which the outputs of one entity are purchased by another entity to contribute to outcomes. Purchaser-provider arrangements can occur between Commonwealth agencies and state/territory government or private sector bodies.
Quality	One of the three key efficiency indicators. Relates to the characteristics by which customers or stakeholders judge an organisation, product or service. Assessment of quality involves use of information gathered from interested parties to identify differences between user's expectations and experiences.
Quantity	One of the three key efficiency indicators. Examples include: the size of an output; count or volume measures; how many or how much.
Readiness	The readiness of forces to be committed to operations within a specified time, dependent on the availability and proficiency of personnel, equipment, facilities and consumables.
Reserves	The Naval Reserve, the Army Reserve and the Air Force Reserve.
Revenues	Inflows or other enhancements, or savings in outflows, of future economic benefits in the form of increases in assets or reductions in liabilities of Defence, other than those relating to contributions by the Commonwealth, that result in an increase in equity during the reporting period.
Risk management	At the highest level, involves the identification and mitigation of those risks that have the potential to adversely affect the achievement of agreed outcome performance at the agreed outcome price.
Service Category 2	Reserve members who do not render service, although retain a liability to be 'called out' in specific circumstances, should this be required.
Service Category 3	Reserve members who are available for voluntary service, or are rendering service. This category applies to Reservists who provide service to undertake a specified tasking, normally for short tenures and generally within a financial year.
Service Category 4	Reserve members who are available for voluntary service at short notice. This service category replaces the High Readiness Reserve.
Service Category 5	Reservists who are providing voluntary service characterised by stability in terms of a specific pattern of service and the number of days to be served.
Service Categories 7 and 6	Permanent Australian Defence Force personnel with Service Category 6 being a permanent part time service option.
Service Options	Group members who provide capabilities where differentiated service arrangements or conditions of service are required. For example, a Reservist undertaking continuous full time service under the Total Workforce Model now has their service in Service Category 3, 4 or 5 'modified' by Service Option C (rendering continuous full time service) and personnel undertaking the Australian Defence Force Gap Year program would have their service classified by Service Option G.

Term	Meaning
Special account	Balances existing within the Consolidated Revenue Fund, which are supported by standing appropriations (<i>Public Governance, Performance and Accountability Act 2013</i> , ss.78 and 80). Special accounts allow money in the Consolidated Revenue Fund to be acknowledged as set-aside (hypothecated) for a particular purpose. Amounts credited to a Special Account may only be spent for the purposes of the Special Account. Special Accounts can only be established by a written determination of the Finance Minister (s.78 of the <i>Public Governance, Performance and Accountability Act 2013</i>) or through an Act of Parliament (referred to in s.80 of the <i>Public Governance, Performance and Accountability Act 2013</i>).
Special Appropriations (including Standing Appropriations)	An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year. Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.
Specialist military equipment	Items of a specific military nature and that are not available through the normal external market in their current form to other than government military purchasers. It includes the prime military equipment plus the direct support items associated with the equipment.
System Program Office	The office of the Program Manager. It serves as the single point of contact with industry, government agencies, and other activities participating in the acquisition process of a given system.
Theatre	The area in which military operations and activities take place.
Two-pass approval process	The process by which major capital investment proposals are developed for consideration and approval by the Government.
Unit Availability Days	A Unit Availability Day (UAD) is a day when a unit is materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
Weighted average cost	An inventory valuation method which considers the fluctuating prices and quantities of acquired goods in computing of the cost of inventory. The weighted average method takes the prices of units at the beginning inventory and the varying prices of purchases made and are weighted by the number of units to determine the weighted average cost per unit. It may be computed as the weighted average cost of all available goods present in a given period, or as a weighted moving average cost adjusted when new goods are delivered.
Write-downs	The reduction in the value of assets.

ACRONYMS

A

AACAP	Army Aboriginal Community Assistance Program
AAF	Army Amenities Fund
AAFCANS	Army and Air Force Canteen Service
AC	Companion of the Order of Australia
ACPB	Armidale Class Patrol Boats
ADF	Australian Defence Force
AEWC	Airborne Early Warning and Control System
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
AO	Officer of the Order of Australia
AOR	Amphibious and Afloat Support – Replenishment Ship
APS	Australian Public Service
ARH	Armed Reconnaissance Helicopters
ASD	Australian Signals Directorate
ASMTI	Australia-Singapore Military Training Initiative
ASPI	Australian Strategic Policy Institute
AUSMURI	Australia-US Multidisciplinary University Research Initiative
AVM	Air Vice Marshal

B

BMS	Battlefield Management Systems
BRIG	Brigadier

C

CAF	Chief of Air Force
CBRN	Chemical Biological Radiological Nuclear
CBRND	Chemical Biological Radiological Nuclear Defence
CCPB	Cape Class Patrol Boat
CCSM	Collins Class Submarine
CDF	Chief of the Defence Force
CER	Combat Engineer Regiment
CIRP	Critical Infrastructure Recovery Project
CMATS	Civil Military Air Traffic System
CSC	Conspicuous Service Cross

D

DACC	Defence Assistance to the Civil Community
DCP	Defence Cooperation Program
DCRC	Defence Cooperative Research Centre
DDG	Hobart Class Air Warfare Destroyers
DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DHA	Defence Housing Australia
DITC	Defence International Training Centre
D-RAP	Defence Reconciliation Action Plan
DSC	Distinguished Service Cross
DVA	Department of Veterans' Affairs

E

ELF	Enhanced Land Force
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F

FAICD	Fellow of the Australian Institute of Company Directors
FCA	Fellow Chartered Accountant
FFH	Anzac Class Frigate
FMS	Foreign Military Sales
FNACS	Future Naval Aviation Combat System
FSFP	Family Support Funding Program
FVMT	Field Vehicles, Modules and Trailers

G

GBE Government Business Enterprise

H

HIPP Hydroscheme Industry Partnership Program

HMAS Her Majesty's Australian Ship

I

ICRA International Conference on Robotics and Automation

ICT Information and Communications Technology

IPP Indigenous Procurement Policy

ISPE Industry Skilling Program Enhancement

J

JORN Jindalee Operational Radar Network

JP Joint Project

L

LHD Landing Helicopter/Heavy Dock

LSD Landing Ship Dock

M

MAJGEN Major General

METOC Mobile Meteorological and Oceanographic

MHC Mine Hunter Coastal – Coastal Mine Hunter or Medium Heavy Capability

MP Member of Parliament

MRH Multi-Role Helicopter

MRTT Multi-Role Tanker Transport

MSBS Military Superannuation and Benefits Scheme

MSU Maritime Safety Updates

MURI Multidisciplinary University Research Initiative

MVO Member of the Royal Victorian Order

MWD Members with Dependents

MWOD Members without Dependents

MWD(U) Members with Dependents (Unaccompanied)

MYEFO Mid-Year Economic and Fiscal Outlook

N

NACC	New Air Combat Capability
NACCHO	National Aboriginal Community Controlled Health Organisation
NIAA	National Indigenous Australians Agency
NATO	North Atlantic Treaty Organization

O

OPV	Offshore Patrol Vessel
OTHR	Over the Horizon Radar

P

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PCEP	Personalised Career and Employment Program
PEFO	Pre-election Economic and Fiscal Outlook
PGPA	Public Governance, Performance and Accountability
PSM	Public Service Medal
PWC	Committee on Public Works

R

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RAN	Royal Australian Navy
RANCCB	Royal Australian Navy Central Canteens Board
ROU	Right of Use

S

SADI	Skilling Australia's Defence Industry
SATCOM	Satellite Communications
SGS	Satellite Ground Station
SME	Specialist Military Equipment, or School of Military Engineering
SML	Survey Motor Launch
SPP	School Pathways Program
STEM	Science, Technology, Engineering and Mathematics

U

UAD	Unit Availability Days
UAS	Unmanned Aerial System
USFPI	United States Force Posture Initiatives