

PORTFOLIO ADDITIONAL ESTIMATES STATEMENTS 2022–23

APPROPRIATION BILL (NO. 3) 2022–23
AND
APPROPRIATION BILL (NO. 4) 2022–23

DEFENCE PORTFOLIO

Explanations of Additional Estimates 2022–23

© Commonwealth of Australia 2023

ISBN 978-1-925890-64-8 (Print)

ISBN 978-1-925890-65-5 (Online)

This publication is available for your use under a [Creative Commons BY Attribution 3.0 Australia](https://creativecommons.org/licenses/by/3.0/au/legalcode) licence, with the exception of the Commonwealth Coat of Arms, the Department of Defence, the Australian Signals Directorate and the Defence Housing Australia logo, photographs, images, signatures and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Department of Defence's material under a [Creative Commons BY Attribution 3.0 Australia](https://creativecommons.org/licenses/by/3.0/au/legalcode) licence requires you to attribute the work (but not in any way that suggests that the Department of Defence endorses you or your use of the work).

Department of Defence material used 'as supplied'

Provided you have not modified or transformed the Department of Defence material in any way including, for example, by changing the Department of Defence text; calculating percentage changes; graphing or charting data; or deriving new statistics from published the Department of Defence statistics – then the Department of Defence prefers the following attribution:

Source: The Australian Government Department of Defence.

Derivative material

If you have modified or transformed the Department of Defence's material, or derived new material from those of the Department of Defence in any way, then the Department of Defence prefers the following attribution:

Based on The Australian Government Department of Defence's data.

Australian Signals Directorate material used 'as supplied'

Provided you have not modified or transformed the Australian Signals Directorate material in any way including, for example, by changing the Australian Signals Directorate text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Australian Signals Directorate statistics – then the Australian Signals Directorate prefers the following attribution:

Source: The Australian Government Australian Signals Directorate.

Derivative material

If you have modified or transformed the Australian Signals Directorate's material, or derived new material from those of the Australian Signals Directorate in any way, then the Australian Signals Directorate prefers the following attribution:

Based on The Australian Government Australian Signals Directorate's data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/honours-and-symbols/commonwealth-coat-arms)

Other Uses

Inquiries regarding this licence and any other use of this document are welcome at:

Assistant Secretary Budgeting and Reporting

R1-2-B024

Department of Defence

PO Box 7901 Canberra BC ACT 2610

Telephone: (02) 6132 7038

Email: dfg.cbc@defence.gov.au

<p>Defence Portfolio acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present and extend that respects to all Aboriginal and Torres Strait Islander peoples today.</p>
--

This page intentionally left blank.



THE HON RICHARD MARLES
DEPUTY PRIME MINISTER
MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit these Portfolio Additional Estimates Statements in support of the additional appropriations sought for the Defence Portfolio, through Appropriation Bill (No. 3) 2022-23 and Appropriation Bill (No.4) 2022-23.

These statements have been developed, and are submitted to the Parliament, as a statement on the funding requirements being sought for the Portfolio.

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

Yours sincerely

A handwritten signature in blue ink that reads "Richard Marles".

Richard Marles

Abbreviations and Conventions

The following notations may be used:

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

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand.

Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance Group, Department of Defence on (02) 6132 7038.

A copy of this document can be located on the Australian Government Budget website at: www.budget.gov.au.

User Guide to the Portfolio Additional Estimates Statements

User Guide

The purpose of the Portfolio Additional Estimates Statements (PAES) 2022–23 is to inform Senators, Members of Parliament and the public of the proposed allocation of additional resources to government outcomes by entities within the portfolio.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bill (No. 3) 2022–23 and Appropriation Bill (No. 4) 2022–23. In this sense the PAES is declared by the Appropriation Acts to be a ‘relevant document’ to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

Appropriation Bill (No. 3) 2022–23, which follows on from *Appropriation Act (No. 1) 2022–23* tabled at Budget, will provide additional expenditure authority for the ordinary annual services of government in respect of the 2022–23 financial year.

Appropriation Bill (No. 4) 2022–23, which follows on from *Appropriation Act (No. 2) 2022–23* tabled at Budget, will provide additional expenditure authority in respect of the 2022–23 financial year for capital works and services, payments to or for the states, territories and local government authorities, and new administered outcomes not authorised in specific legislation.

Contents

DEPARTMENT OF DEFENCE	1
AUSTRALIAN SIGNALS DIRECTORATE.....	7
GLOSSARY	12

This page intentionally left blank.

Department of Defence

Entity Additional Estimates Statements

Overview of Additional Appropriations	2
Additional Estimates and Variations	4
Breakdown of Additional Estimates by Appropriation Bill	5

Department of Defence

Overview of Additional Appropriations

Since the October Portfolio Budget Statements 2022–23, Defence funding has been updated to reflect movements in foreign exchange and estimated expenditure for Major Operations which are funded on a no-win/no-loss basis.

Department of Defence Measures Table

Table 1.1 summarises new Government measures taken since the 2022–23 October Budget. The table is split into receipt and payment measures, with the affected program identified.

Table 1.1: Defence 2022–23 additional estimates measures ^[a]

		2022-23 Revised Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	Total Forward Estimates \$'000
Program						
Payment measures						
Australian Defence Force Deployments	Various	37,367	-	-	-	37,367
Total payment measures		37,367	-	-	-	37,367
Other Departmental budget adjustments						
Operation ACCORDION	1.2	5,231	-	-	-	5,231
Foreign Exchange	Various	358,781	-	-	-	358,781
Other Budget Adjustments ^[b]	Various	nfp	-	-	-	nfp
Total other Departmental budget adjustments		364,012	-	-	-	364,012
Variation to Defence Departmental funding		401,379	-	-	-	401,379

Notes

- a. Other Departmental budget adjustments for 2023-24 onwards are presented in the Portfolio Budget Statements 2023-24.
 b. This budget adjustment is not for publication (nfp) on national security grounds.

Additional Estimates and Variations

Table 1.2 details the changes to the resourcing for the Department of Defence at Additional Estimates, by outcome. The following table details the estimates and variations resulting from new measures and any other variations (if applicable) since the 2022–23 October Budget in Appropriation Bills (No. 3 and No. 4).

Table 1.2: Additional estimates and variations to outcomes from measures and other variations ^[a]

		2022-23 Revised Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	Total Forward Estimates \$'000
Program						
Outcome 1						
Increase in estimates (Departmental)						
Operation ACCORDION	1.2	5,231	-	-	-	5,231
Australian Defence Force Deployments	Various	37,367	-	-	-	37,367
Other Budget Adjustments ^[b]	Various	nfp	-	-	-	nfp
Net impact on estimates for Outcome 1 (Departmental)		42,598	-	-	-	42,598
Outcome 2						
Increase in estimates (Departmental)						
Foreign Exchange	Various	358,781	-	-	-	358,781
Net impact on estimates for Outcome 2 (Departmental)		358,781	-	-	-	358,781

Notes

- a. Impacts for 2023-24 onwards are presented in the 2023-24 Portfolio Budget Statements.
 b. This budget adjustment is not for publication (nfp) on national security grounds.

Breakdown of Additional Estimates by Appropriation Bill

The following tables detail the Additional Estimates sought for the Department of Defence through Appropriation Bills (No. 3 and No. 4).

Table 1.3: Appropriation Bill (No. 3) 2022–23

	2021-22 Available ^[a] \$'000	2022-23 Budget Estimate ^[b] \$'000	2022-23 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Departmental Outputs					
Outcome 1	461,404	180,941	222,534	41,593	-
Outcome 2	29,130,630	31,156,935	32,530,668	1,373,733	-
Total	29,592,034	31,337,876	32,753,202	1,415,326	-

Notes

- Represents Defence actual appropriation for 2021-22 as per Defence financial statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.

Table 1.4: Appropriation Bill (No. 3 DCB) 2022-23

	2021-22 Available ^[a] \$'000	2022-23 Budget Estimate ^[b] \$'000	2022-23 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Non-operating					
Departmental capital budget	2,827,786	3,054,372	2,833,844	-	220,528
Total non-operating ^[c]	2,827,786	3,054,372	2,833,844	-	220,528

Notes

- Represents Defence actual appropriation for 2021-22 as per Defence financial statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.
- No additional equity injection is provided in Appropriation Bill (No. 3 DCB) as the total funding change is negative. \$220.528 million will be extinguished against Appropriation Bill (No. 1 DCB).

Table 1.5: Appropriation Bill (No. 4) 2022–23

	2021-22 Available ^[a] \$'000	2022-23 Budget Estimate ^[b] \$'000	2022-23 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Non-operating					
Equity injections	11,902,139	12,605,040	11,832,391	-	772,649
Total non-operating ^[c]	11,902,139	12,605,040	11,832,391	-	772,649

Notes

- Represents Defence actual appropriation for 2021-22 as per Defence financial statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.
- No additional equity injection is provided in Appropriation Bill (No. 4) as the total funding change is negative. \$772.649 million will be extinguished against Appropriation Bill (No. 2).

This page intentionally left blank.

Australian Signals Directorate

Entity Additional Estimates Statements

Overview of Additional Appropriations	8
Australian Signals Directorate Measures Table.....	9
Additional Estimates and Variations.....	10
Breakdown of Additional Estimates by Appropriation Bill.....	11

Australian Signals Directorate

Overview of Additional Appropriations

Since the October Portfolio Budget Statements 2022–23, ASD funding has been updated to reflect movements in foreign exchange and a measure to offset funding for the Office of Cyber Security.

Australian Signals Directorate Measures Table

Table 1.1 summarises new Government measures taken since the 2022–23 October Budget. The table is split into receipt and payment measures, with the affected program identified.

Table 1.1: ASD 2022–23 additional estimates measures

		2022-23 Revised Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	Total Forward Estimates \$'000
	Program					
Departmental Budget Measures						
Payment Measures						
Cyber Security - Additional Funding	1.1	-245	-2,939	-3,013	-3,073	-9,270
Total Departmental Budget Measures		-245	-2,939	-3,013	-3,073	-9,270
Other Budget Adjustments						
Foreign Exchange	1.1	9,564	-	-	-	9,564
Total Other Departmental budget adjustments		9,564	-	-	-	9,564
Variation to ASD Departmental Funding		9,319	-2,939	-3,013	-3,073	294

Additional Estimates and Variations

Table 1.2 details the changes to the resourcing for the Australian Signals Directorate at Additional Estimates, by outcome. The following table details the estimates and variations resulting from new measures and any other variations (if applicable) since the 2022–23 October Budget in Appropriation Bills (No. 3 and No. 4).

Table 1.2: Additional estimates and variations to outcomes from measures and other variations

		2022-23 Revised Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	Total Forward Estimates \$'000
Program						
Outcome 1						
Increase in estimates (Departmental)						
Foreign Exchange	1.1	9,564	-	-	-	9,564
Decrease in estimates (Departmental)						
Cyber Security - Additional Funding	1.1	-245	-2,939	-3,013	-3,073	-9,270
Net impact on estimates for Outcome 1 (Departmental)		9,319	-2,939	-3,013	-3,073	294

Breakdown of Additional Estimates by Appropriation Bill

The following tables detail the Additional Estimates sought for the Australian Signals Directorate through Appropriation Bills (No. 3 and No. 4).

Table 1.3: Appropriation Bill (No. 3) 2022–23

	2021-22 Available ^[a] \$'000	2022-23 Budget ^[b] \$'000	2022-23 Revised \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Departmental programs ^[c]					
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.	927,259	1,209,988	1,260,584	50,596	-
Total	927,259	1,209,988	1,260,584	50,596	-

Notes

- Represents Departmental actual appropriation for 2021-22 as per the Departmental financial Statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.
- Additional appropriation is provided in Appropriation Bill (No. 3).

Table 1.4: Appropriation Bill (No. 3 DCB) 2022-23

	2021-22 Available ^[a] \$'000	2022-23 Budget ^[b] \$'000	2022-23 Revised \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Non-operating					
Departmental capital budget	45,000	30,000	30,000	-	-
Total non-operating	45,000	30,000	30,000	-	-

Notes

- Represents Departmental actual appropriation for 2021-22 as per the Departmental financial Statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.

Table 1.5: Appropriation Bill (No. 4) 2022–23

	2021-22 Available ^[a] \$'000	2022-23 Budget ^[b] \$'000	2022-23 Revised \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
Non-operating					
Equity injections ^[c]	192,908	462,450	421,173	-	41,277
Total non-operating	192,908	462,450	421,173	-	41,277

Notes

- Represents Departmental actual appropriation for 2021-22 as per the Departmental financial Statements and includes appropriation amounts that are intended to be quarantined.
- Represents the October Portfolio Budget Statements 2022-23.
- No additional equity injection is provided in Appropriation Bill (No. 4) as the total funding change is negative. \$41.277 million will be extinguished against Appropriation Bill (No. 2).

Glossary

For references to terminology please refer to the Defence Portfolio Budget Statements 2023-24.

This page intentionally left blank.

This page intentionally left blank.