

Portfolio Budget Statements 2022-23
Budget Related Paper No. 1.3A

Defence Portfolio

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

© Commonwealth of Australia 2022

ISSN 2652-7537 (Print)
ISSN 2652-7545 (Online)

ISBN 978-1-925890-53-2 (Print)
ISBN 978-1-925890-54-9 (Online)

This publication is available for your use under a [Creative Commons BY Attribution 3.0 Australia](http://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 the Department of Defence's material under a [Creative Commons BY Attribution 3.0 Australia](http://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 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.

Defence Housing Australia material used 'as supplied'

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

Source: The Australian Government Defence Housing Australia.

Derivative material

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

Based on The Australian Government Defence Housing Australia'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 / government / commonwealth-coat-arms](http://www.pmc.gov.au/government/commonwealth-coat-arms))

Other Uses

Enquiries 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) 5108 6162
Email: dfg.cbc@defence.gov.au

This page intentionally left blank.



THE HON PETER DUTTON MP
MINISTER FOR DEFENCE
FEDERAL MEMBER FOR DICKSON

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 Mr President
Dear Mr Speaker

I hereby submit Portfolio Budget Statements in support of the 2022-23 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

A handwritten signature in blue ink, appearing to read 'Peter Dutton'.

Peter Dutton

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) 5108 6162.

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

USER GUIDE

The purpose of the 2022-23 *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.

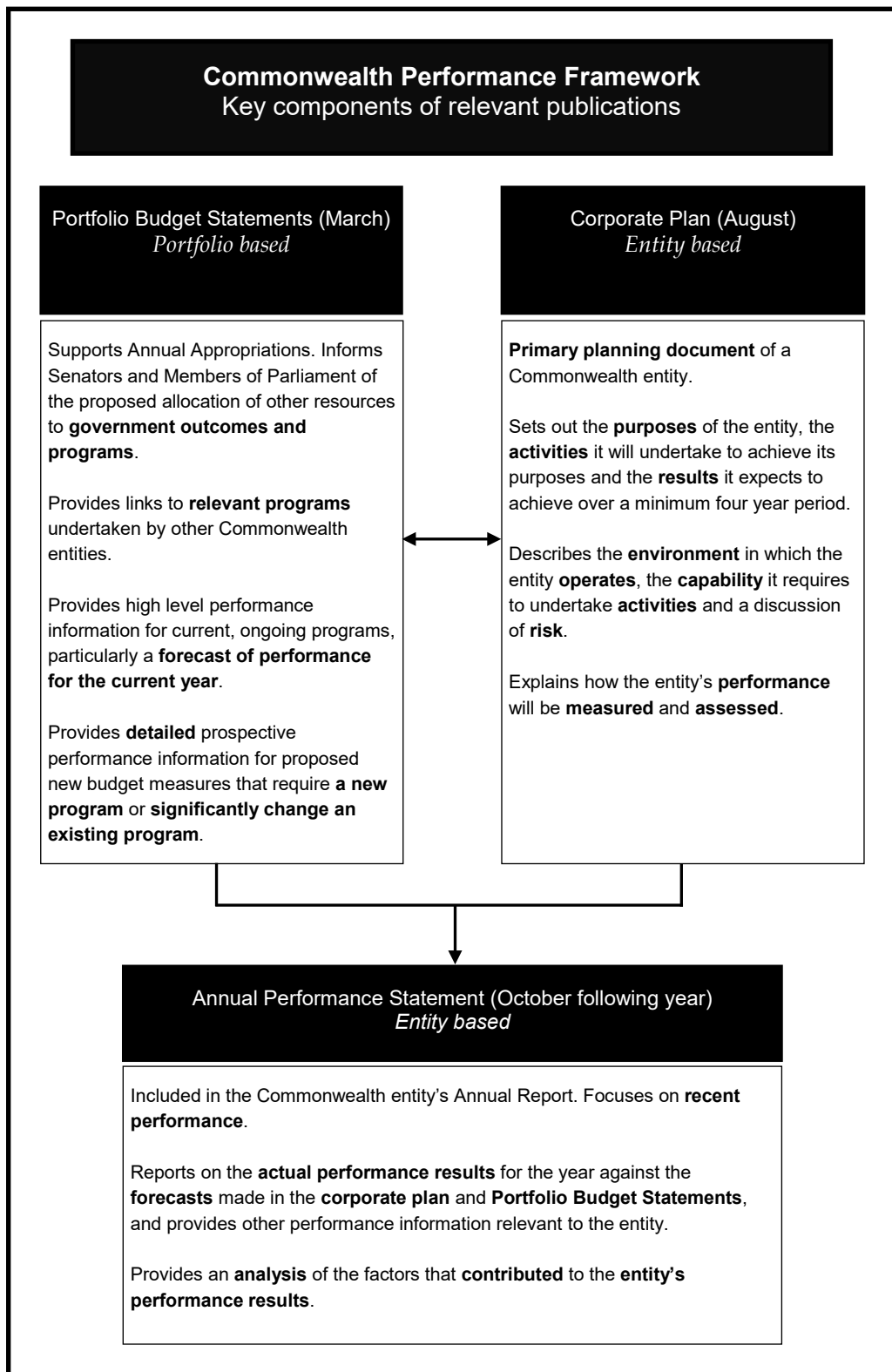
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022-23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022-23 for the Parliamentary Departments). In this sense, the PB Statements are Budget related 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.



CONTENTS

DEFENCE PORTFOLIO OVERVIEW	1
Ministers and their Portfolio Responsibilities	3
The Defence Portfolio	3
Portfolio Structure and Outcomes	4
DEPARTMENT OF DEFENCE	7
Section 1: Defence Overview and Resources	9
1.1 Strategic Direction Statement.....	9
1.2 Defence Resource Statement	12
1.3 Budget Measures	13
1.4 Key Cost Category Estimates	15
1.5 People	17
Section 2: Defence Outcomes and Planned Performance	22
2.1 Budget Expenses and Performance for Outcome 1	25
2.2 Budget Expenses and Performance for Outcome 2	34
Section 3: Defence Explanatory Tables and Budgeted Financial Statements	84
3.1 Explanatory Tables	84
3.2 Resource Summary	85
3.3 Budgeted Financial Statements	87
APPENDICES	97
Appendix A: Defence Cooperation Program	98
Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects	101
Appendix C: Top 30 Capability Sustainment Products	113
Appendix D: Enterprise Estate and Infrastructure Program	121
Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2022-23	134
Appendix F: Top 5 Information and Communication Technology Approved Projects.....	141
Appendix G: Australian Government Indigenous Expenditure	143

AUSTRALIAN SIGNALS DIRECTORATE.....	145
Section 1: ASD Overview and Resources.....	147
1.1 Strategic Direction Statement	147
1.2 ASD Resource Statement	151
1.3 Budget Measures	152
Section 2: ASD Outcomes and Planned Performance	153
2.1 Budgeted Expenses and Performance for Outcome 1	154
Section 3: ASD Explanatory Tables and Budgeted Financial Statements	157
3.1 Explanatory Tables.....	157
3.2 Budgeted Financial Statements	158
DEFENCE HOUSING AUSTRALIA	165
Section 1: DHA Overview and Resources	167
1.1 Strategic Direction Statement	167
1.2 DHA Resource Statement.....	170
1.3 Budget Measures	171
Section 2: DHA Outcomes and Planned Performance	172
2.1 Budgeted Expenses and Performance for Outcome 1	173
Section 3: DHA Explanatory Tables and Budgeted Financial Statements	175
3.1 Explanatory Tables.....	175
3.2 Budgeted Financial Statements	176
GLOSSARY	181
ACRONYMS	187

This page intentionally left blank.

PORTFOLIO OVERVIEW

This page intentionally left blank.

DEFENCE PORTFOLIO OVERVIEW

MINISTERS AND THEIR PORTFOLIO RESPONSIBILITIES

The Defence Portfolio (Portfolio) has four ministers:

- The Hon Peter Dutton MP, Minister for Defence.
- The Hon Melissa Price MP, Minister for Defence Industry and Minister for Science and Technology.
- The Hon Andrew Gee MP, Minister for Veterans' Affairs and Minister for Defence Personnel.
- The Hon Andrew Hastie, MP, Assistant Minister for Defence.

THE DEFENCE PORTFOLIO

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 including the three Services (Navy, Army and Air Force).

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'.

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.

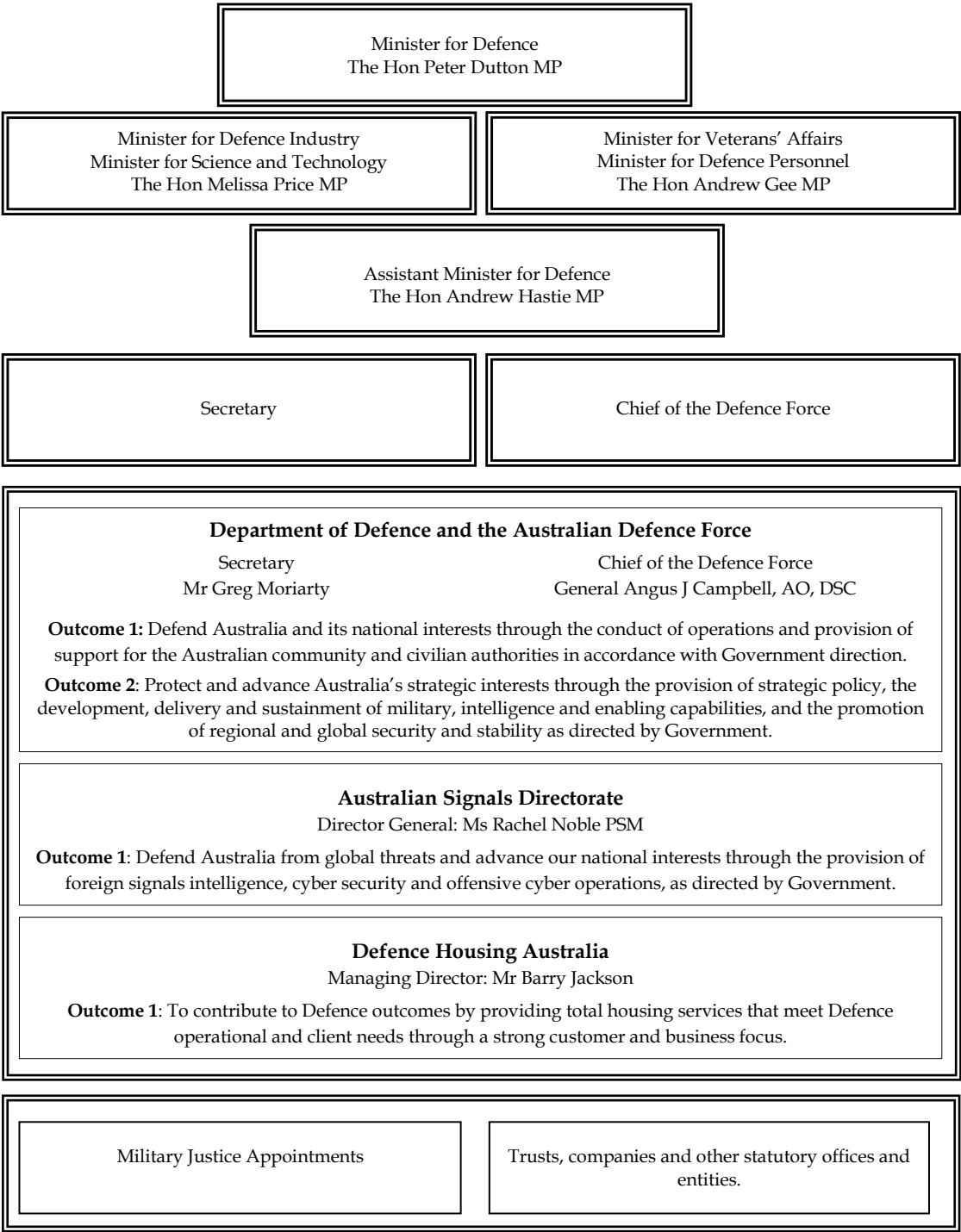
The Defence Portfolio includes the Australian Signals Directorate (ASD) and Defence Housing Australia (DHA). The Portfolio also contains some smaller entities, including a number of statutory offices, trusts and companies created by the *Public Governance, Performance and Accountability Act 2013*, *Defence 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.

For information on resourcing across the Portfolio, please refer to Part 1: Agency Financial Resourcing in *Budget Paper No. 4: Agency Resourcing*.

PORTFOLIO STRUCTURE AND OUTCOMES

Figure 1: Defence Portfolio Structure and Outcomes



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

Defence Portfolio Bodies

Army and Air Force Canteen Service

Chair: 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

Chair: Brigadier Matt Patching

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

Chair: Air Commodore (Ret'd) 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

Chair: Chaplain James Cox

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

Acting Chair: Commodore Nathan Robb, 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

Chair: 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: Colonel Kirsty Skinner

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

Chair: Lieutenant General (Ret'd) 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

Chair: Air Commodore Martin Smith

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

Section 1: Defence Overview and Resources	9
1.1 Strategic Direction Statement	9
1.2 Defence Resource Statement	12
1.3 Budget Measures	13
1.4 Key Cost Category Estimates	15
1.5 People	17
Section 2: Defence Outcomes and Planned Performance.....	22
2.1 Budget Expenses and Performance for Outcome 1	25
2.2 Budget Expenses and Performance for Outcome 2	34
Section 3: Defence Explanatory Tables and Budgeted Financial Statements.....	84
3.1 Explanatory Tables.....	84
3.2 Resource Summary.....	85
3.3 Budgeted Financial Statements	87

This page intentionally left blank.

Department of Defence

Section 1: Defence Overview and Resources

1.1 STRATEGIC DIRECTION STATEMENT

The *2020 Defence Strategic Update*, released on 1 July 2020, directs Defence to achieve three strategic objectives: **shape** Australia's strategic environment, **deter** actions against our interests and, when required, **respond** with credible force.

To implement these objectives, Defence is:

- prioritising our immediate region for the Australian Defence Force's geographical focus;
- growing the Australian Defence Force's self-reliance in delivering deterrent effects;
- expanding Defence's capability to respond to grey-zone activities, working closely with other arms of Government;
- enhancing the lethality of the Australian Defence Force for high-intensity operations that are the most likely and highest priority in relation to Australia's security;
- maintaining the Australian Defence Force's ability to deploy forces globally where the Government chooses to do so; and
- enhancing Defence's capacity to support civil authorities in response to natural disasters and crises.

The *2020 Defence Strategic Update* is supported by the *2020 Force Structure Plan* which details \$270 billion in new capability investment to implement this strategy over the decade through to 2030. This includes investments in the supporting infrastructure required to build and sustain military powers; including a robust, resilient and internationally competitive defence industrial base. The Plan reinforces Defence's sovereign industrial capability priorities and the Government's commitment to maximise opportunities for Australian defence industry to benefit from the significant investment in new capability over the decade through to 2030.

From 2022-23, the Government will make the largest ever investment in the Australian Signals Directorate's (ASD) cyber and intelligence capabilities through Project REDSPICE (Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers). Project REDSPICE will significantly expand ASD's offensive cyber capabilities, its ability to detect and respond to cyber attacks, and introduce new intelligence capabilities.

This investment will involve a substantial increase in the cyber, data science and intelligence workforce, with the creation of 1,900 ASD jobs over ten years, and additional jobs for Australian industry.

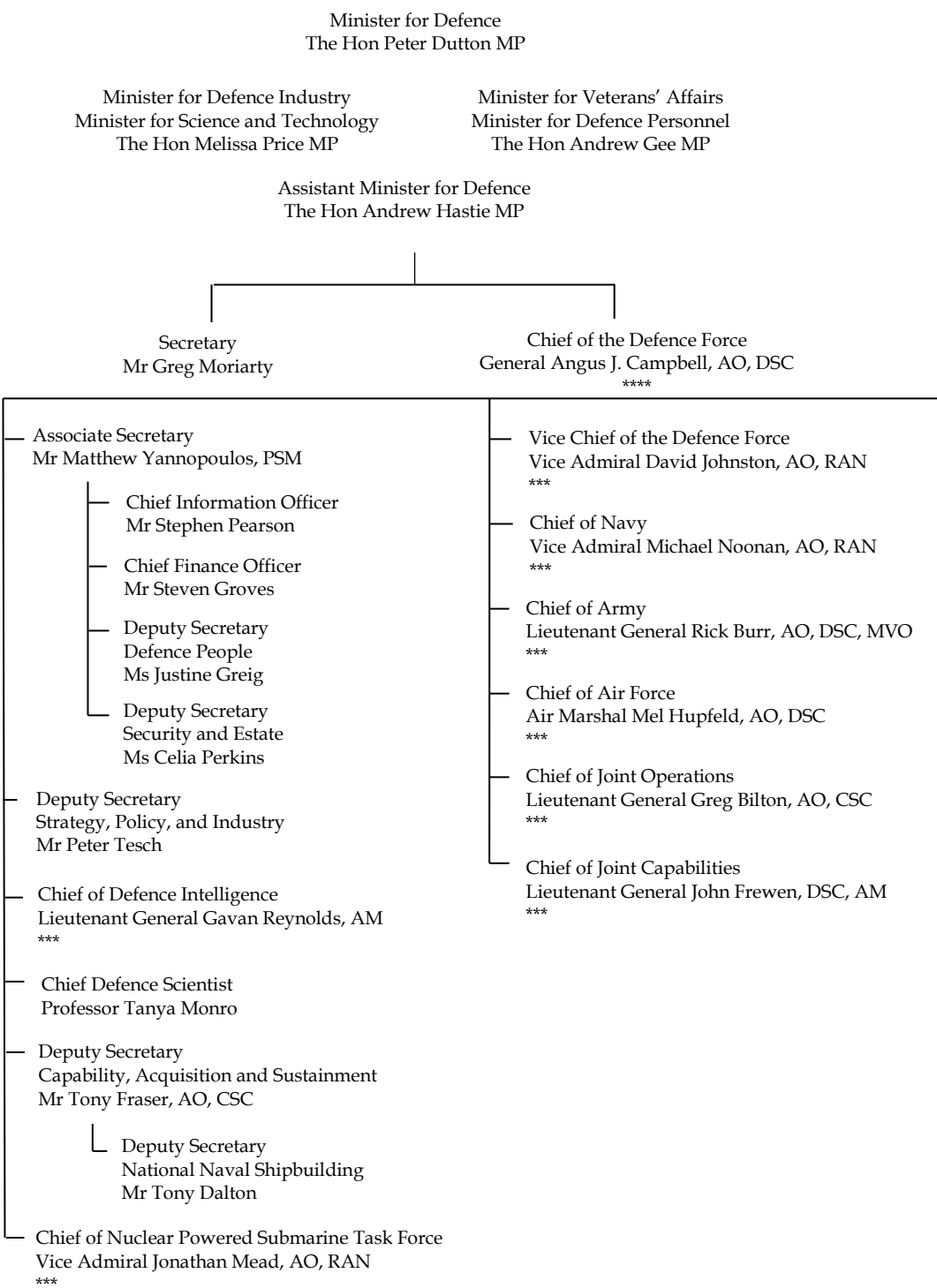
Another key part of our response to changes in the strategic environment is the trilateral security partnership announced between Australia, the United Kingdom and the United States (AUKUS) announced on 15 September 2021.

During 2022-23, AUKUS partners will progress trilaterally agreed programs of work and priority initiatives under each of the advanced capabilities streams announced in the *Joint Leaders' Statement on AUKUS*—cyber capabilities, artificial intelligence, quantum technologies, and additional undersea capabilities.

Through this partnership, we will enhance Defence's ability to protect Australians and contribute to continuing security and stability in our region by ensuring Defence is at the forefront of new technology.

Defence Organisational Chart

Figure 2: Defence Organisational Chart



Stars (*) refer to ADF Star Rank

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

Senior Executive Changes

No changes have taken place since the *Portfolio Additional Estimates Statements 2021-22*.

Organisational Structure

No changes have taken place since the *Portfolio Additional Estimates Statements 2021-22*.

1.2 DEFENCE RESOURCE STATEMENT

Table 1 shows the total funding from all sources available to the entity for its operations and to deliver programs and services on behalf of the Government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the Government or the public) and departmental (for the entity's operations) classification.

For more detailed information on special accounts and special appropriations, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (that is, appropriations/cash available) basis, whilst the Budgeted expenses by Outcome 1 and 2 tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1: Total Defence Resourcing

Serial No.	2021-22 Estimated Actual \$'000		2022-23 Previous Estimate \$'000	2022-23 Budget Estimate \$'000	Variation \$'000	Variation %	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
		Defence resourcing							
1	29,356,518	Appropriation for departmental outcomes	30,316,241	30,771,077	454,836	1.5	31,011,221	31,955,224	33,601,103
2	2,827,785	Departmental capital budget	2,986,567	2,943,566	-43,001	-1.4	2,873,718	2,976,336	2,733,953
3	11,902,139	Equity injection appropriation	14,411,035	13,236,368	-1,174,667	-8.2	15,442,695	16,242,475	17,128,871
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	44,086,442	Current year's appropriation (1 + 2 + 3 + 4) ^[a]	47,713,843	46,951,011	-762,832	-1.6	49,327,634	51,174,035	53,463,927
6	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account ^[b]	-	-	-	-	-	-	-
9	-	Funding from / to the OPA (6 + 7 + 8)	-	-	-	-	-	-	-
10	44,086,442	Funding from Government (5 + 9)	47,713,843	46,951,011	-762,832	-1.6	49,327,634	51,174,035	53,463,927
11	466,196	Net Capital receipts	477,831	477,887	56	0.0	352,975	322,876	331,019
12	585,287	Own source revenue (s74 receipts) ^[c]	549,310	550,388	1,078	0.2	562,608	563,007	652,176
13	-	Prior year receipts	-	-	-	-	-	-	-
14	1,051,483	Funding from other sources (11 + 12 + 13)	1,027,141	1,028,275	1,134	0.1	915,583	885,883	983,195
15	45,137,925	Total Defence funding (10 + 14)	48,740,984	47,979,286	-761,698	-1.6	50,243,217	52,059,918	54,447,122
		Administered ^[d]							
16	3,136,090	Administered special appropriations	3,337,013	3,343,569	6,556	0.2	3,553,571	3,777,988	4,011,354
17	1,192,389	Own source revenue ^[e]	1,188,271	1,191,323	3,052	0.3	1,128,741	1,063,515	1,004,725
18	-1,192,389	Returns to the Official Public Account	-1,188,271	-1,191,323	-3,052	0.3	-1,128,741	-1,063,515	-1,004,725
19	3,136,090	Total Administered funding (16 + 17 + 18)	3,337,013	3,343,569	6,556	0.2	3,553,571	3,777,988	4,011,354
20	48,274,015	Total Defence resourcing (15 + 19)	52,077,997	51,322,855	-755,142	-1.5	53,796,788	55,837,906	58,458,476
		Appropriation carried forward							
21	1,199,931	Appropriation receivable including previous year's outputs ^[f]	2,470,903	2,139,594	-331,309	-13.4	2,300,812	2,426,905	2,159,850
22	285,883	Cash in bank - Departmental	285,883	285,883	-	-	285,883	285,883	285,883
23	152,846	Cash in bank - Administered	152,846	181,578	28,732	18.8	181,578	181,578	181,578
24	1,638,660	Total appropriations carried forward (21 + 22 + 23)	2,909,632	2,607,055	-302,577	-10.4	2,768,273	2,894,366	2,627,311

Notes

a. The appropriations for 2021-22 as disclosed in Serial Nos. 1 to 3, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent. The amounts as disclosed in Table 2 for 2021-22 will be received as part of Bill 1 and Bill 2 in 2022-23.

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

c. All figures are net of GST.

d. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 48 shows estimates of total expenses for the Defence Superannuation Schemes.

e. Own Source Revenue received in cash is returned to the Official Public Account.

f. Includes the anticipated impact of appropriation handbacks for 2019-20 and 2020-21 in relation to Defence's No-Win-No-Loss arrangements mainly for Operations.

1.3 BUDGET MEASURES

2022-23 Budget Measures and Other Budget Adjustments

Table 2: Defence 2022-23 Budget Measures

		2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	Total Forward Estimates
	Program	\$m	\$m	\$m	\$m	\$m	\$m
Departmental Budget Measures							
Payment Measures							
Australian Defence Force deployment - Operation FLOOD ASSIST	1.3	126.4	-	-	-	-	-
Support for Defence Industry ^[a]	2.1	-	-	-	-	-	-
Honiara High Commission ^[b]	2.10	-	-	-	-	-	-
Digital Economy Strategy	2.11	-	0.8	-	-	-	0.8
Support for Veterans and their Wellbeing ^[c]	2.12	-	-	-	-	-	-
Comprehensive Strategic Partnership with India - new initiatives ^[b]	2.14	-	-	-	-	-	-
Support for the Australian Space Industry ^[d]	2.14	-	nfp	nfp	nfp	nfp	nfp
REDSPICE - Expanded cyber and intelligence capability	Various	-	-688.7	-983.6	-981.4	-974.9	-3,628.6
Assistance to Ukraine ^[e]	Various	70.0	-	-	-	-	-
Office of the Special Investigator - legal support	Various	-	-6.7	-	-	-	-6.7
Large Vessel Infrastructure and Submarine Basing ^[f]	Various	-	-	-	-	-	-
Total Departmental Budget Measures		196.4	-694.5	-983.6	-981.4	-974.9	-3,634.4
Other Budget Adjustments							
Foreign Exchange	Various	-122.0	-230.0	-249.1	-247.3	-385.0	-1,111.3
Operation ACCORDION ^[g]	1.2	-	68.2	-	0.0	-	68.2
Operation RESOLUTE	1.3	-	74.7	-	-	-	74.7
Operation COVID-19 ASSIST	1.3	4.2	-	-	-	-	-
Other Budget Adjustments ^[h]	Various	-	nfp	nfp	nfp	nfp	nfp
Total Other Departmental Budget Adjustments		-117.8	-87.1	-249.1	-247.2	-385.0	-968.4
Variation to Defence Departmental Funding		78.6	-781.6	-1,232.7	-1,228.6	-1,359.9	-4,602.8

Notes

- This measure provides \$151.6 million over the period 2021-22 to 2025-26 and is being absorbed by Defence.
- This measure is being absorbed by Defence.
- This measure provides \$2.1 million over the 2022-23 Budget and Forward Estimates and is being absorbed by Defence.
- This Budget measure is not for publication (nfp) due to commercial sensitivities.
- This excludes additional support to Ukraine of \$21.0 million in 2021-22 which is being absorbed by Defence.
- The Defence components of this measure are being absorbed by Defence and will be managed within the Defence Integrated Investment Program.
- Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.
- The expenditure under Other Budget Adjustments is not for publication (nfp) due to national security reasons.

Operations Summary

Table 3: Net Additional Cost of Current Major Operations to 2025-26 ^[a] ^[b] ^[c]

	2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	Total \$m
Operation ACCORDION	119.5	104.2	0.9	0.0	-	224.6
Operation HIGHROAD	28.3	0.5	0.4	-	-	29.2
Operation RESOLUTE	59.2	74.7	-	-	-	133.9
Operation OKRA	48.3	11.5	0.7	-	-	60.5
Operation FLOOD ASSIST	126.4	-	-	-	-	126.4
COVID-19 Response Package - Australian Defence Force deployment ^[d] ^[e]	131.5	-	-	-	-	131.5
Total Net Additional Costs	513.2	190.9	2.0	0.0	-	706.2
Sources of Funding for Major Operations						
Government Supplementation	477.9	190.9	2.0	0.0	-	670.9
Department of Defence (Absorbed)	35.3	-	-	-	-	35.3
Total Cost	513.2	190.9	2.0	0.0	-	706.2

Notes

- This table reflects on-going and new Major Operations funded under No Win/No Loss arrangements for 2021-22 and 2022-23.
- The Net Additional Cost of Major Operations include the budget adjustments shown under Table 2: Defence 2022-23 Budget Measures.
- Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.
- Operation COVID-19 Response Package is no longer an Operation funded under No Win/No Loss arrangements for 2022-23.
- Otherwise known as Defence Operation COVID-19 ASSIST.

1.4 KEY COST CATEGORY ESTIMATES

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

Serial No.		2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m
1	Defence	44,086.4	46,951.0	49,327.6	51,174.0	53,463.9
2	Australian Signals Directorate	1,165.2	1,664.0	2,277.5	2,284.7	2,061.9
3	Consolidated Defence and ASD Funding	45,251.6	48,615.0	51,605.1	53,458.7	55,525.8

Notes

- a. Provides a consolidated summary of Defence Portfolio funding as represented in the *2020 Defence Strategic Update*.
- b. These amounts refer to appropriations only.

Table 4b: Defence Planned Expenditure by Key Cost Category ^[a]

Serial No.		2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	Total \$m
1	Workforce	13,779.2	14,160.0	14,550.9	15,219.9	15,793.8	73,503.8
2	Operations	516.3	193.2	3.3	1.3	1.3	715.4
3	Capability Acquisition Program	14,904.4	16,263.5	18,028.5	18,424.1	19,401.5	87,022.0
4	Capability Sustainment Program	13,628.5	14,975.6	15,310.3	16,241.4	17,072.7	77,228.5
5	Operating	2,309.4	2,387.0	2,350.2	2,173.2	2,177.9	11,397.7
6	Total Defence Planned Expenditure	45,137.9	47,979.3	50,243.2	52,059.9	54,447.1	249,867.5

Note

- a. These categories are funded by appropriations and own source revenue.

Table 5: Capability Acquisition Program ^[a]

Serial No.		2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	Total \$m
1	Military Equipment Acquisition Program	11,174.5	11,673.4	13,262.2	13,954.1	14,912.4	64,976.7
2	Enterprise Estate and Infrastructure Program	2,796.2	3,337.8	3,640.1	3,605.2	3,698.0	17,077.2
3	ICT Acquisition Program	747.6	1,096.5	944.4	668.3	573.9	4,030.8
4	Minors Program	186.1	155.8	181.8	196.4	217.2	937.3
5	Total Capability Acquisition Program ^[b]	14,904.4	16,263.5	18,028.5	18,424.1	19,401.5	87,022.0

Notes

- a. These categories are funded by appropriations and own source revenue.
b. The Capability Acquisition Program includes unapproved and approved projects.

Table 6: Capability Sustainment Program ^[a]

Serial No.		2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	Total \$m
1	Navy Sustainment	2,884.8	3,359.2	3,459.9	3,541.2	3,914.1	17,159.3
2	Army Sustainment	2,100.3	2,504.2	2,744.1	3,087.4	3,191.0	13,627.0
3	Air Force Sustainment	3,150.8	3,544.3	3,696.0	3,973.7	4,383.0	18,747.8
4	Chief Information Officer Sustainment ^[b]	1,496.0	1,496.7	1,613.3	1,714.2	1,634.6	7,954.8
5	Joint Capabilities Sustainment	389.1	515.6	565.5	647.2	685.3	2,802.6
6	Strategy, Policy and Industry Sustainment	29.4	37.7	88.4	100.4	124.6	380.5
7	Defence Intelligence Sustainment	115.4	122.4	151.4	175.2	239.9	804.2
8	Security and Estate Sustainment ^[c]	3,410.1	3,391.8	2,987.9	2,998.4	2,896.3	15,684.5
9	Other Minor Sustainment	52.5	3.8	3.8	3.8	3.8	67.6
10	Total Capability Sustainment Program ^[d]	13,628.5	14,975.6	15,310.3	16,241.4	17,072.7	77,228.5

Notes

- a. These categories are funded by appropriations and own source revenue.
b. Chief Information Officer Sustainment includes all ICT current and future sustainment for the Department.
c. Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department. Formerly known as Estate and Infrastructure Sustainment.
d. Total sustainment includes both current and future sustainment.

Table 7: Retained Capital Receipts

Serial No.		2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m
	Property Sales				
	Proceeds from the sale of land and buildings	90.3	99.3	144.7	144.7
	Proceeds from the sale of housing	15.4	16.0	16.6	17.8
	Total proceeds from the sale of property	105.7	115.3	161.3	162.5
	Costs from the sale of property ^[a]	-7.3	-5.7	-5.6	-5.4
1	Net property proceeds retained by Defence	98.4	109.7	155.8	157.1
2	Proceeds from sale of specialist military equipment	-	-	-	-
3	Proceeds from sale of infrastructure, plant and equipment	24.7	27.8	27.0	28.6
4	Retained Capital Receipts (1 + 2 + 3)	123.1	137.5	182.7	185.8

Note

- a. Costs from the sale of property include remediation works.

1.5 PEOPLE

Workforce Overview

Defence continues to shape its workforce to deliver capabilities identified in the *2016 Defence White Paper* and the *2020 Force Structure Plan*. Defence is building its workforce capacity to support more complex capabilities, new platforms, and emerging capabilities such as cyber, intelligence, electronic warfare, space, and to meet the emerging capabilities identified under AUKUS. This is being achieved via workforce growth, and the reshaping and reskilling of the existing workforce. Workforce growth will continue to keep Australians safe in an increasingly uncertain global environment and support the strategic priorities identified in the *2020 Defence Strategic Update* and the capabilities identified in the *2020 Force Structure Plan*.

As identified in the *2020 Force Structure Plan*, Defence has commenced implementing an initial increase in Australian Defence Force (ADF) and Australian Public Service (APS) personnel approved out to 2024-25. The Government announced on 10 March 2022 that the Defence workforce is to grow over the next two decades, to over 101,000, an increase of 18,500 over baseline growth already agreed in the *2020 Force Structure Plan*. A new *Defence Strategic Workforce Plan* has been developed to provide the overarching mechanism to achieve the growth. This workforce growth is critical to deliver and operate the capabilities Defence needs to secure Australia's strategic environment, protect Australia's interests, and build a credible military force.

The ADF Total Workforce System continues to be embedded across Defence to provide the workforce flexibility and agility needed to meet capability requirements and give members more flexibility in the way they can serve. While work is continuing to select a new recruiting provider to update the ADF enlistment approach, there are some areas that require improvement, including critical categories, and recruitment of women and Indigenous Australians.

A key aspect of Defence's Strategic Workforce Planning is to build the capability and capacity of its Science, Technology, Engineering and Mathematics (STEM) workforce. Work in this area is being 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.

Workforce Summary

The average full-time workforce is forecast to be 79,054 in 2022-23, comprising 62,063 permanent ADF (79 per cent) and 16,991 APS employees (21 per cent). The service breakdown of the ADF Permanent Force is:

- 15,748 Navy personnel
- 30,977 Army personnel
- 15,338 Air Force personnel

The forecast for service categories (SERCAT) 3, 4 and 5 in 2022-23 is 1,132,950 days of service performed by an estimated 21,640 members of the Reserve Forces. 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 2,424 from the forecast of 79,054 in 2022-23 to 81,478 in 2025-26.

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.

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. The reshaping of the Defence APS workforce across 2022-23 and the Forward Estimates will align with these strategic priorities.

Defence People

Pathway to Change: Evolving Defence Culture 2017-22, continues to drive and reinforce Defence's cultural intent and priorities which have been embodied in Group and Service Cultural Plans, including; Navy's *Next Generation Navy*; Army's *Good Soldiering*; and Air Force's *New Horizon*.

Pathway to Change: Evolving Defence Culture 2017-22 will nominally end in December 2022, however Defence will continue to focus on embedding the unified set of Values and Behaviours, to strengthen organisational alignment as a united integrated workforce enabling Defence to adapt and evolve to meet its cultural and strategic challenges. This will be done in partnership with external organisations and subject matter experts, including the Australian Human Rights Commission, to inform Defence's cultural change priorities. Continuing to ensure Defence has a diverse and inclusive workforce will be important to Defence capability and ensures the workforce reflects the Australian community we serve.

Defence recognises the unique nature of military service and is modernising and simplifying the ADF Employment Offer. A contemporary and competitive offer is key in securing the ADF workforce needed for Australia's Defence capability. The program has already delivered several initiatives and is scheduled to deliver more improvements over 2022-2023. A continuous improvement approach will ensure ADF pay and conditions are clear, relevant and recognise the unique nature of military service.

Defence will continue to make the health and safety of its people a priority, through an ongoing commitment to the objectives of *Defence Work Health and Safety Strategy 2017-2022* and the *Defence Mental Health and Wellbeing Strategy 2018-2023*. In 2022-23 Defence will continue to invest in the mental and physical health and wellbeing of all our people to help them through all phases of their careers and lives and ensure they are 'Fit to Fight, Fit for Work, Fit for Life'.

Since its establishment in October 2020, the Joint Transition Authority (JTA) has been partnering with the Department of Veterans' Affairs (DVA) and the Commonwealth Superannuation Corporation (CSC) to deliver a more connected transition journey for ADF members and their families. Based on the findings of a consultation process undertaken in 2021, Defence continues to make improvements to transition services, building on the work already undertaken across Defence, CSC and DVA to improve information sharing, clarify and strengthen handover points and close identified gaps in services. On 15 November 2021, the JTA published its Annual Progress Report outlining its key areas of progress.

Initiatives to support ADF members, and their families, transitioning from military to civilian life include:

- From 01 March 2022, transition support services for all SERCATs became fully operational, achieving Defence's objective of optimising the Total Workforce System to deliver transition support to all members that have a minimum of one day of service regardless of SERCAT.

- Adopting a needs-based model to prepare ADF members and their families throughout their military career to provide a foundation through which to deliver specialist support at the time of transition. The model provides appropriate links to DVA, broader government and community support, support to find civilian employment or meaningful engagement, and referrals to health and wellbeing services. Support to ADF members and their families continues for up to 24 months after leaving Defence.
- Introduction of additional measurements of transition preparedness to assess readiness to transition across human wellbeing factors of health and wellbeing, social connectivity, employment and meaningful engagement, education, housing, transport and finances. Understanding these personal wellbeing factors better positions a transition coach to tailor a member's and families' pre- and post-transition support package to their individual needs. Defence is continuing to embed this tool nationally and will continue to measure and monitor its development.

On 1 July 2021, the Defence Community Organisation (DCO) became the Defence Member and Family Support Branch (DMFS). It's important that Defence members and their families know about the services available to them. The name change overcomes any misconception that DMFS sits outside Defence and therefore services were not applicable to them.

Defence members and their families continue to be supported through a range of programs and services, including:

- Support to families when a Defence member is away from home for service reasons;
- Support to members and their families when relocating to a new posting location;
- Provision of education assistance for dependents;
- Assistance to Defence families with special needs;
- Providing partners of Defence members with assistance in improving employment outcomes on posting through the Partner Employment Assistance Program (PEAP); and
- Emergency and crisis support measures, enacted in situations of family and domestic violence or other domestic crisis, or when a member is injured, ill or deceased.

Defence community groups will also be provided with support and funding where required to employ coordinators, throughout Australia to support Defence children with school mentors. A Grants program will also continue to be administered to not-for-profit community based groups to deliver support programs and services of value to Defence families and the community in which they live.

Defence and DVA have progressed work to develop the Defence/DVA Data Sharing and Analytical Solution (DSAS), which is underpinned by a complementary Wellbeing Framework. The DSAS and Framework aim to reduce lifetime compensation and support costs by providing insights through an evidence-based (or data driven) feedback loop, to ensure Defence leadership receives consistent and timely information with regard to health, wellbeing and safety outcomes. The DSAS will combine Defence and DVA health, safety and workforce data for serving and ex-serving ADF members to support ADF injury prevention and management, and provide insights into current and future veteran support system. The DSAS is being developed in three stages, to be completed in 2023-24.

Table 8: Planned Workforce Allocation for the 2022-23 Budget and Forward Estimates - Average Full-time ^[a]

		2021-22 Estimated Actual	2022-23 Budget Estimate ^[b]	2023-24 Forward Estimate ^[b]	2024-25 Forward Estimate ^[b]	2025-26 Forward Estimate ^[b]
	ADF Permanent Force ^[c]					
	Navy	15,494	15,748	15,964	16,332	16,632
	Army	29,400	30,977	31,133	31,350	31,554
	Air Force	14,968	15,338	15,638	15,915	16,346
1	Total Permanent Force	59,862	62,063	62,735	63,597	64,532
	Civilian Employees					
	APS	16,001	16,991	16,466	16,735	16,946
2	Total Civilian Employees	16,001	16,991	16,466	16,735	16,946
	Total Workforce Strength (1 + 2)	75,863	79,054	79,201	80,332	81,478

Notes

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

Table 9: Planned Workforce Allocation for the 2022-23 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5) ^{[a] [b]}

		2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate
	Service Category 3 and 5					
	Navy	125,000 (1,800)	126,000 (1,900)	127,500 (1,950)	130,000 (2,000)	132,500 (2,000)
	Army	691,800 (15,250)	750,000 (15,900)	775,000 (16,000)	790,000 (16,100)	745,000 (16,750)
	Air Force	252,000 (3,691)	256,000 (3,800)	262,000 (3,900)	268,000 (4,000)	243,000 (3,800)
1	Sub-total Service Category 3 and 5	1,068,800 (20,741)	1,132,000 (21,600)	1,164,500 (21,850)	1,188,000 (22,100)	1,206,500 (22,400)
	Service Category 4 ^[c]					
	Air Force	940 (32)	950 (40)	950 (40)	950 (40)	950 (40)
2	Sub-total Service Category 4	940 (32)	950 (40)	950 (40)	950 (40)	950 (40)
	Total Reserves (1 + 2)	1,069,740 (20,773)	1,132,950 (21,640)	1,165,450 (21,890)	1,188,950 (22,140)	1,207,450 (22,440)

Notes

- a. 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.
- b. 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.
- c. Service Category 4 is available to all three Services. It is currently only used by Air Force.

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

	2021-22 Estimated Actual	2022-23 Budget Estimate
Navy^[a]		
One Star and above	60	60
Senior Officers ^[b]	782	797
Officers	3,366	3,280
Other Ranks	11,286	11,611
Total Navy	15,494	15,748
Army^[a]		
One Star and above	85	89
Senior Officers ^[b]	964	1,016
Officers	5,658	5,961
Other Ranks	22,693	23,911
Total Army	29,400	30,977
Air Force^[a]		
One Star and above	61	61
Senior Officers ^[b]	757	778
Officers	4,503	4,660
Other Ranks	9,647	9,839
Total Air Force	14,968	15,338
APS^[a]		
Senior Executives ^[c]	165	185
Senior Officers ^[b]	5,704	6,057
Other APS Staff	10,132	10,749
Total APS	16,001	16,991
Total Workforce	75,863	79,054

Notes

- Permanent Forces and APS numbers are forecasts of the average strength for 2021-22 and 2022-23.
- Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
- The figures for Senior Executives include the Secretary of the Department of Defence, Chiefs of Divisions and Medical Officers.

Section 2: Defence Outcomes and Planned Performance

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.

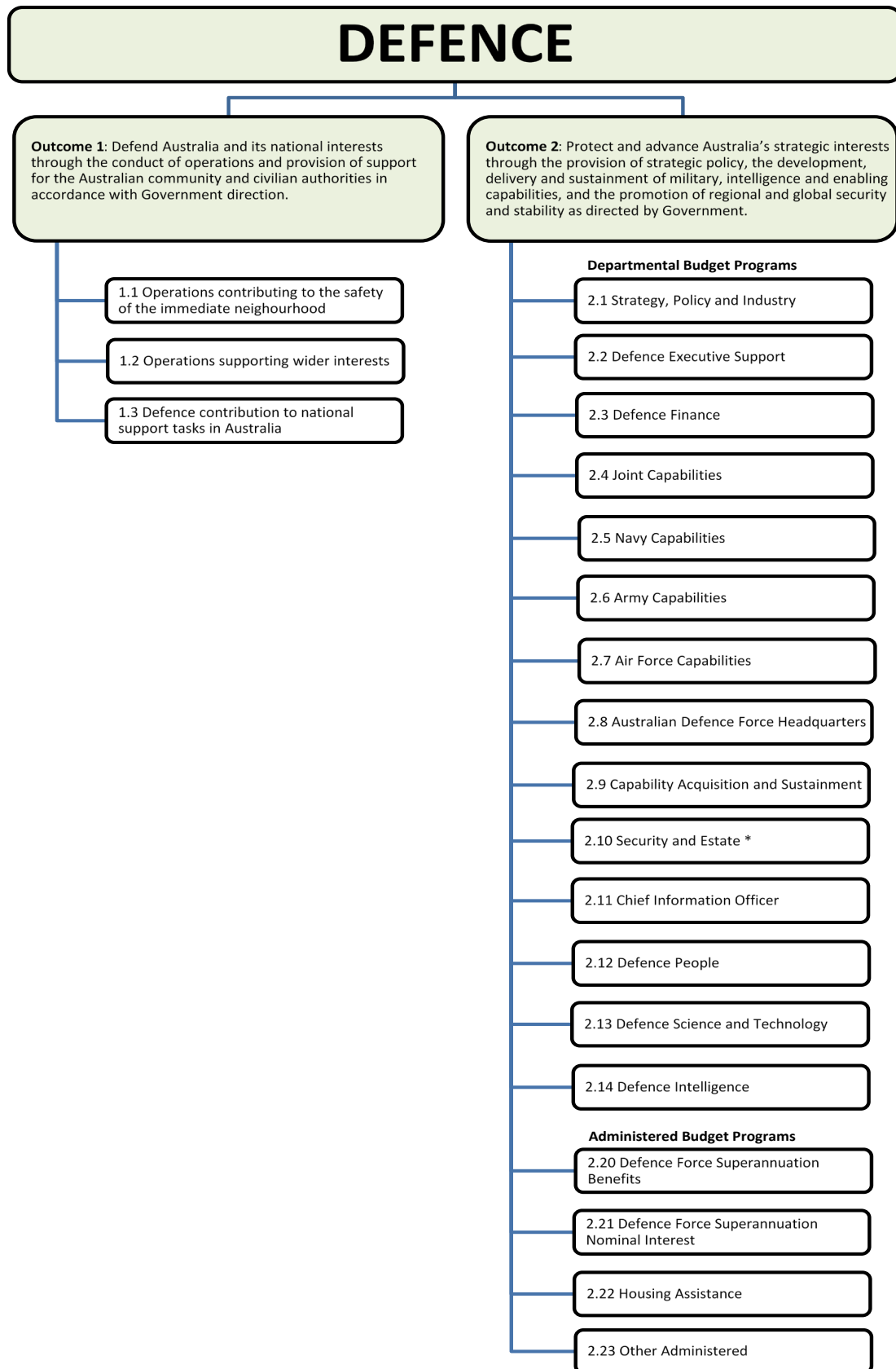
Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

Note:

Performance reporting requirements in the Portfolio Budget Statements are part of the Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance measures 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 2022-23 Estate and Infrastructure has been renamed Security and Estate.
For 2023-24 a new National Naval Shipbuilding Program will be created.

Table 11: Changes to the program structures since the last portfolio statement ^[a]

Program No.	Program title	Description of change
2.10	Security and Estate	Renamed program from Estate and Infrastructure.
2.20	Defence Force Superannuation Benefits	PBS program reference amended from 2.15.
2.21	Defence Force Superannuation Nominal Interest	PBS program reference amended from 2.16.
2.22	Housing Assistance	PBS program reference amended from 2.17.
2.23	Other Administered	PBS program reference amended from 2.18.

Note

- a. There is a deliberate gap between the numbering of Departmental Programs and Administered Programs to allow for any future potential expansion of Defence Departmental Programs.

2.1 BUDGET EXPENSES AND PERFORMANCE FOR OUTCOME 1

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.

Current Operations include:

- ACCORDION – Provide support to Operations 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 – GLOBAL – ADF support to the Whole of Government Counter Terrorism objectives.
- COVID-19 ASSIST – ADF support to the of the Whole of Government response to COVID-19 pandemic.
- DYURRA – ADF space operations and their integration into wider ADF and allied space domain operations.
- ENHANCED REGIONAL ENGAGEMENT – South West Pacific.
- FLOOD ASSIST 22-1 – Defence's contribution to the Whole of Government response to flood events across the east coast of Australia has provided Defence support to Queensland and NSW governments by assisting flood affected communities.
- INDO-PACIFIC ENDEAVOUR – Indo Pacific Region
- GATEWAY – Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- LILIA – ADF support to AFP and DFAT in the Solomon Islands.
- 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.

- PNG ASSIST 21-1 – ADF support to the DFAT led Whole of Australian Government response to the COVID-19 pandemic crisis in Papua New Guinea. PNG ASSIST 21-1 commenced 20 April 2021 and back dated to cover activities from 16 March 2021.
- 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.
- TONGA ASSIST 22 – ADF support to the Whole of Australian Government response for humanitarian assistance in Tonga.
- 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 Nullarbor improvements to the Defence High Frequency Communications System.

Department of Home Affairs
Program 3.4 - Border Enforcement
Contribution to Outcome 1 by linked programs
The Department of Defence (Defence) supports Home Affairs through tasks that include: planning and conduct of operations to provide security of Australia's maritime borders from unauthorised maritime arrivals, illegal exploitation of natural resources, and other maritime threats to Australian sovereignty, including counter-terrorism responses, as well as export controls on military and dual-use goods and technologies. Defence contributes to Maritime Border Command tasking through Operation Resolute, providing maritime surveillance and response assets that are tasked routinely in accordance with the Government's priorities. Defence also supports Commonwealth and State/Territory Governments with emergency and non-emergency tasks through the provision of capabilities and/or expertise.

Outcome 1 Resources**Table 12: Total Budgeted Resources Available for Outcome 1**

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	35	36	37	38	39
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	1,869	1,104	-	-	-
Expenditure funded by appropriations	197,315	117,342	3,217	1,261	1,216
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	317,112	74,754	22	22	22
Total resourcing					
Total Departmental revenue from other sources	1,869	1,104	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	504,765	157,630	3,276	1,321	1,277
Total capital expenditure funded by appropriation	-	-	-	-	-
Equity injection:					
- Bill 1 DCB	9,697	34,502	-	-	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	516,331	193,236	3,276	1,321	1,277

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.

Key Activities ^[a]	This program will be achieved by: <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. 	
Year	Performance measures	Expected Performance Results
Current Year 2021-22	Conduct operations and national security support tasks which achieve Government directed outcomes.	All Government-directed outcomes are met and expected outcomes achieved. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 13: Cost Summary for Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	-	-	-	-	-
Suppliers	35	36	37	38	39
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	35	36	37	38	39
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	35	36	37	38	39
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	-	-	-	-	-
Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure ^(a)	35	36	37	38	39

Note

a. 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.

Key Activities ^[a]	<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.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Conduct operations and national security support tasks which achieve Government directed outcomes.	All Government-directed outcomes are met and expected outcomes achieved. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 1.2 resulting from 2022-23 Budget Measures: Nil

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 14: Cost Summary for Program 1.2 Operations Supporting Wider Interests

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	8,275	1,180	-	-	-
Suppliers	185,476	113,961	3,217	1,261	1,216
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	193,751	115,141	3,217	1,261	1,216
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	193,751	115,141	3,217	1,261	1,216
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	5,433	3,305	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	5,433	3,305	-	-	-
Program 1.2 Operations Supporting Wider Interests Total funded expenditure ^[a]	199,184	118,446	3,217	1,261	1,216

Note

a. 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.

Key Activities ^[a]	This program will be achieved by: <ul style="list-style-type: none"> Contributing to national security and support tasks as directed by Government. Delivering intelligence services. 	
Year	Performance measures	Expected Performance Results
Current Year 2021-22	Conduct operations and national security support tasks which achieve Government directed outcomes.	All Government-directed outcomes are met and expected outcomes achieved. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 1.3 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 15: Cost Summary for Program 1.3 Defence Contribution to National Support Tasks in Australia

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	164,921	9,078	-	-	-
Suppliers	147,927	34,479	22	22	22
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	312,848	43,557	22	22	22
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	312,848	43,557	22	22	22
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	4,264	31,197	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	4,264	31,197	-	-	-
Program 1.3 Defence Contribution to National Support Tasks in Australia Total funded expenditure ^(a)	317,112	74,754	22	22	22

Note

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

2.2 BUDGET EXPENSES AND PERFORMANCE FOR OUTCOME 2

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

Defence's strategic policy and capabilities strengthen Australia's security and ability to shape the 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.

Defence ensures that its policy is agile and adaptive, and can respond flexibly to the identified strategic risks in a rapidly changing environment through the Department's highest-level classified planning document, the *Defence Planning Guidance*.

The *Defence Planning Guidance* provides the classified guidance and direction to Defence to implement the Government's direction, as updated through the *2020 Defence Strategic Update* and *2020 Force Structure Plan*.

The *Defence Planning Guidance* informs the context, preparation and alignment of subsidiary planning documents and processes across policy, enterprise planning, force employment, force generation and force design. The *Defence Planning Guidance* implements Cabinet decisions and updated government direction, identifies priorities and risk tolerance, and provides guidance on the Strategic Effects to be delivered by Defence to achieve the Strategic Defence Objectives set out in the *2020 Defence Strategic Update*. The Defence Strategic Policy Committee considers the proposed annual updates to the *Defence Planning Guidance*, and it is jointly authorised for release by the Secretary and Chief of the Defence Force.

In line with the strategic objectives of the *2020 Defence Strategic Update*, the Prime Minister, along with the Prime Minister of the United Kingdom and the President of the United States (AUKUS) announced the trilateral security partnership. AUKUS will enhance our collective efforts to ensure the Indo-Pacific remains stable, secure, prosperous, and free from coercion.

International engagement remains a core function of Defence. The Defence Cooperation Program, which focuses heavily on our immediate region, will be enhanced to build shared understanding and capability with our 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.

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, including through the Sovereign Industrial Capability Priorities, and is supporting defence industry to achieve export success through the continued implementation of the initiatives in the Defence Export Strategy. Through the Defence Innovation Hub, Defence is continuing to harness the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities for Defence.

Work on the implementation of the Sovereign Industrial Capability Priority Plans, including the additional Priorities announced on 26 August 2021 is progressing, providing information to defence industry on the focus and requirements of Defence for sovereign industrial capabilities to support the ADF.

Intelligence delivers decision-advantage to government, Defence leaders and operational commanders. It is a critical enabler for the integration and interoperability of our next-generation platforms, ensuring a capability edge through superior battlespace awareness. Defence Intelligence agencies continue to work closely with, and as members of the National Intelligence Community so that current and future national security challenges are met and Australia's interests are maintained and protected.

Linked Programs

Attorney General's Department
Program 1.2 - Attorney General's Department operating expenses - National Security, Integrity and International.
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 3.2 - Program International Police Assistance and External Territories
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. 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 Nuclear Science and Technology Organisation
Program 1 - Science and Technology Solutions
Contribution to Outcome 2 by linked program
The Australian Nuclear Science and Technology Organisation (ANSTO) contributes to Outcome 2 through the provision of expertise and advice in the support of the Nuclear-Powered Submarine Taskforce, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

Australian Security Intelligence Organisation
Program 1.1 - Security Intelligence
Contribution to Outcome 2 by linked program
Consistent with the <i>Australian Security Intelligence Organisation (ASIO) Act 1979</i> , ASIO provides advice to Defence on matters relevant to security. 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 *Intelligence Services Act 2001*, ASD provides foreign signals intelligence, cyber security advice, and offensive cyber operations, and utilises 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.

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 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 *Defence Housing Australia Act 1987*, DHA is to achieve the efficient provision of contemporary housing solutions for ADF Members and their families on behalf 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 environmental factors.

Department of Agriculture, Water and the Environment

Program 2.1 - Antarctica: Science, Policy and Presence

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 air and seallift capability to supplement existing arrangements in the delivery of cargo and contributing to aeromedical emergency responses in the region.

Department of Finance - 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.

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 Home Affairs
Program 1.7 - National Security and Criminal Justice
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding, the placement of Emergency Management Australia secondees 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 for national security and disaster management to promote regional and global security and stability.

Department of Industry, Science, Energy and Resources
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 (DISER) through the Office of Defence Industry Support (ODIS).</p> <p>The ODIS 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. The ODIS provides advice, guidance and mentoring to eligible businesses to better position them to support the Department of Defence.</p> <p>The ODIS also focuses on developing Australian industry involvement in major acquisition programs and building national science and technology capability to enable accelerated delivery of priority military capability. ODIS will continue to link with program opportunities for small and medium businesses in DISER.</p>

Department of Industry, Science, Energy and Resources

Program 1.2 – Australian Space Agency

Contribution to Outcome 2 by linked program

In November 2021, the Australian Space Agency announced a 10-year plan, known as The Earth Observation from Space Roadmap, to support growth in the Australian space sector. Defence contributes to the Roadmap by supporting the activities of a number of entities in the Industry Portfolio to deliver the National Space Mission for Earth Observation.

Department of Industry, Science, Energy and Resources

Program 2.2 - Developing clean energy technology

Program 3.1 - Supporting reliable, secure and affordable 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 Infrastructure, Transport, Regional Development and Communications

Program 1.1 - The Australian Transport Safety Bureau

Program 1.1 - The Civil Aviation Safety Authority

Contribution to Outcome 2 by linked programs

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.

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 airfields, 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.

Department of Social Services

Program 2.1 - Families and Communities

Contribution to Outcome 2 by linked programs

Defence works with the Department of Social Services on the implementation and management of the National Redress Scheme processes that will be required to ensure that all claims are processed as efficiently as possible.

Department of the Treasury
Program 1.9 - National Partnership Payments to the States.
Contribution to Outcome 2 by linked program
The Treasury, on behalf of the Government, provides financial support to the States and Territories to be spent on improving outcomes in the areas specified in each of the National Partnership agreements. These payments support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. Defence participates as a consult partner in Australia's Foreign Investment Framework, undertaking risk assessments in relation to Foreign Investment Review Board (FIRB) applications, where those applications have national security implications or affect Defence interests.

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
Administered Program 2.22 - Housing Assistance
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 Open Arms to ADF Personnel</i> (Agreement for Services).</p> <p>Under a Memorandum of Understanding, and in accordance with the <i>Defence Home Ownership Assistance Scheme Act 2008</i>, DVA administer the Defence Home Ownership Assistance Scheme (DHOAS). The scheme was established to support the Government's ADF recruitment and retention initiatives by incentivising ADF members to remain in the ADF beyond critical career points.</p>

Office of the Commonwealth Ombudsman - 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.

Office of the Inspector-General of Intelligence and Security

Program 1.1 - Office of the Inspector-General of Intelligence and Security

Contribution to Outcome 2 by linked program

Consistent with the Inspector-General of Intelligence and Security's functions as set out in the Inspector-General of Intelligence and Security Act 1986, the agency provides oversight and independent assurance that the Defence Intelligence Organisation and Australian Geospatial-Intelligence Organisation are acting legally and with propriety. This oversight and assurance is essential to support ongoing public trust in the activities of the Defence Intelligence Organisation and Australian Geospatial-Intelligence Organisation, and enables both agencies to continue producing intelligence in support of Australia's strategic interests.

Office of National Intelligence

Outcome 1 - Advancement of Australia's national interests through increased government awareness of international developments affecting Australia and integration, coordination and evaluation of Australia's national intelligence capabilities

Contribution to Outcome 2 by linked program

The Office of National Intelligence leads efforts to integrate and coordinate the activities of the national intelligence agencies to meet the operational requirements of the Australian Defence Force and the Department of Defence, as well as other priorities as set by Government.

Outcome 2 Resources

Table 16: Total Budgeted Resources Available for Outcome 2

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Program 2.1 Strategy, Policy and Industry					
Revenues from other sources	493	501	520	548	555
Expenditure funded by appropriations	760,823	739,354	859,967	937,219	953,818
Program 2.2 Defence Executive Support					
Revenues from other sources	733	978	1,002	1,271	1,302
Expenditure funded by appropriations	638,523	757,366	597,587	612,514	567,775
Program 2.3 Defence Finance					
Revenues from other sources	25,157	5,730	5,880	6,028	6,173
Expenditure funded by appropriations	159,028	158,797	156,280	160,178	162,883
Program 2.4 Joint Capabilities					
Revenues from other sources	9,923	10,171	10,423	10,685	10,951
Expenditure funded by appropriations	2,208,681	2,718,448	3,223,510	3,514,871	3,765,521
Program 2.5 Navy Capabilities					
Revenues from other sources	28,842	20,020	20,603	21,244	21,794
Expenditure funded by appropriations	9,230,102	9,268,308	10,330,524	11,147,696	12,424,176
Program 2.6 Army Capabilities					
Revenues from other sources	30,019	17,056	16,723	17,222	18,606
Expenditure funded by appropriations	9,875,299	11,085,338	12,195,451	11,991,136	12,941,177
Program 2.7 Air Force Capabilities					
Revenues from other sources	38,131	39,828	40,851	41,900	42,978
Expenditure funded by appropriations	9,704,119	10,661,908	10,383,734	10,811,918	10,759,675
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	216	212	201	192	175
Expenditure funded by appropriations	276,533	396,953	307,603	248,042	253,111
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	51,858	1,079	1,095	1,111	1,139
Expenditure funded by appropriations	922,956	1,066,955	1,085,152	942,575	938,990
Program 2.10 Security and Estate					
Revenues from other sources	727,552	769,712	620,791	635,988	652,139
Expenditure funded by appropriations	5,791,705	6,295,510	6,670,251	6,869,774	6,988,652
Program 2.11 Chief Information Officer					
Revenues from other sources	39,710	40,645	41,604	42,586	43,593
Expenditure funded by appropriations	1,595,524	1,780,450	1,832,893	1,749,714	1,678,335
Program 2.12 Defence People					
Revenues from other sources	1,426	1,469	1,511	1,552	1,591
Expenditure funded by appropriations	583,826	622,324	620,784	835,703	858,873
Program 2.13 Defence Science and Technology					
Revenues from other sources	4,206	4,311	4,451	4,497	4,643
Expenditure funded by appropriations	675,973	628,549	561,455	568,707	592,118
Program 2.14 Defence Intelligence					
Revenues from other sources	4,160	4,264	4,371	4,480	4,592
Expenditure funded by appropriations	1,235,871	689,656	644,559	879,078	750,339

Table 16: Total Budgeted Resources Available for Outcome 2 (continued)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest					
<i>Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)</i>	31,500	29,677	27,890	26,192	24,582
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	1,635,000	1,665,335	1,672,007	1,681,116	1,689,153
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17 ^[a]</i>	1,290,000	1,421,304	1,575,068	1,733,465	1,891,660
<i>Australian Defence Force Cover Act 2015</i>	54,000	92,706	135,159	189,842	254,590
<i>Expenses not requiring appropriation</i>	7,444,525	5,075,790	5,190,734	5,322,868	5,505,029
Total Administered expenses ^[b]	10,455,025	8,284,813	8,600,858	8,953,483	9,365,014
Administered revenues from other sources	1,115,962	1,080,261	1,013,225	952,241	896,127
Total Program 2.20 and 2.21	9,339,063	7,204,552	7,587,633	8,001,242	8,468,887
Program 2.22 Housing Assistance					
<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	292	236	198	159	128
<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	125,298	134,310	143,250	147,214	151,241
<i>Expenses not requiring appropriation</i>	-	-	-	-	-
Total Administered expenses	125,590	134,546	143,448	147,373	151,369
Administered revenues from other sources	17,444	18,015	18,465	18,927	19,400
Total Program 2.22	108,146	116,531	124,983	128,446	131,969
Program 2.23 Other Administered					
Administered revenues from other sources	91,274	94,325	95,862	87,618	94,322
Total Program 2.23	-91,274	-94,325	-95,862	-87,618	-94,322
Total resourcing					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	28,610,137	30,361,735	30,936,183	31,866,198	33,611,250
Total capital expenditure funded by appropriation	1	9,451	11,256	17,814	16,569
Total gifted assets included in budget estimates	328,600	353,300	205,900	166,300	144,800
Total Administered ^[c]	3,136,091	3,343,570	3,553,573	3,777,989	4,011,355
Total Departmental revenue from other sources	962,426	915,976	770,026	789,304	810,231
Total Administered revenue from other sources	1,224,680	1,192,601	1,127,552	1,058,786	1,009,849
Administered returns to the Official Public Account	-1,192,388	-1,191,323	-1,128,741	-1,063,515	-1,004,725
Prior year appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	2,818,087	2,909,064	2,873,718	2,976,336	2,733,953
- Bill 2 Equity	11,902,139	13,236,368	15,442,695	16,242,475	17,128,871
Total resources for Outcome 2	47,789,773	51,130,742	53,792,162	55,831,686	58,462,153

Notes

a. 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 total expenses is disclosed under Program 2.21.

b. Figure for 2021-22 has been calculated using the applicable AASB 119 interest rate. Forward years are estimated based on the discount rate determined by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports, being CPI plus 2.5 per cent.

c. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 48 shows estimates of total expenses for the Defence Superannuation Schemes.

Contributions to Outcome 2

Program 2.1: Strategy, Policy and Industry

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.

Key Activities ^[a]

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 *2020 Defence Strategic Update* and to enhance Defence's engagement in the immediate region.
- Engaging with industry to enhance the Australian industrial base that supports Defence capability.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence maintains future-focused strategic policy to guide Defence initiatives and address strategic risks.	Strategic policy reflects the evolving geostrategic environment and aligns with and shapes Government objectives. <i>Expected to be met.</i>
	Defence protects and advances Australia's interests globally to address current and future challenges.	Defence international engagement priorities are met. <i>Expected to be met</i>
	Defence engages industry to enhance support of sovereign capability.	Defence Industry Policy Statement. <i>Expected to be met</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.1 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 17: Cost Summary for Program 2.1 Strategy, Policy and Industry

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	73,436	77,898	79,910	84,110	84,506
Suppliers	384,212	349,538	461,376	505,962	543,154
Net losses from sale of assets	-	-	-	-	-
Other expenses	55,609	33,689	36,248	36,249	36,250
	513,257	461,125	577,534	626,321	663,910
Expenses not requiring appropriation					
Depreciation and amortisation	33,169	44,876	62,223	82,430	100,529
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	480	491	501	512	524
	33,649	45,367	62,724	82,942	101,053
Total operating expenses	546,906	506,492	640,258	709,263	764,963
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	241,874	272,435	276,546	304,925	283,826
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	6,185	6,295	6,407	6,521	6,637
Total capital expenditure	248,059	278,730	282,953	311,446	290,463
Program 2.1 Strategy, Policy and Industry Total funded expenditure ^{(a) (b)}	761,316	739,855	860,487	937,767	954,373

Notes

a. The change in estimates includes movements of functions and their associated budgets within Defence.

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

Program 2.2: 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.

Key Activities ^[a]

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.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Implement and embed an enduring transformation system to enable a high performing One Defence enterprise with a continuous improvement culture.	Delivery and operation of the Defence Business Transformation Cycle. Establishment and operation of the Defence Transformation Program. <i>Expected to be met.</i>
	An integrated service delivery system that enables Defence to achieve Australian Government outcomes.	Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching <i>Defence Transformation Strategy</i> Initiative 2.3. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 2.2 resulting from 2022-23 Budget Measures: Nil

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 18: Cost Summary for Program 2.2 Defence Executive Support

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	76,805	75,192	69,905	71,309	72,446
Suppliers	301,690	360,654	324,514	327,515	327,519
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,383	3,161	2,690	2,741	2,810
	381,878	439,007	397,109	401,565	402,775
Expenses not requiring appropriation					
Depreciation and amortisation	9,191	27,841	43,581	54,235	63,064
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	9,039	9,879	10,797	11,799	12,893
	18,230	37,720	54,378	66,034	75,957
Total operating expenses	400,108	476,727	451,487	467,599	478,732
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	257,369	319,328	201,471	212,211	166,293
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	9	9	9	9	9
Total capital expenditure	257,378	319,337	201,480	212,220	166,302
Program 2.2 Defence Executive Support Total funded expenditure ^{[a] [b]}	639,256	758,344	598,589	613,785	569,077

Notes

a. The change in estimates includes movements of functions and their associated budgets within Defence.

b. 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.

Key Activities ^[a]	<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.
--------------------------------------	---

Year	Performance measures	Expected Performance Results
Current Year 2021-22	An integrated service delivery system that enables Defence to achieve Australian Government outcomes.	Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching <i>Defence Transformation Strategy</i> Initiative 2.3. <i>Expected to be met.</i>
	Quality and timeliness of Defence's financial management, reporting and advice.	Defence meets legislated financial requirements and timeframes Financial advice meets stakeholder needs. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 2.3 resulting from 2022-23 Budget Measures: Nil

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees ^[b]	90,566	93,861	95,079	98,137	99,832
Suppliers	89,990	67,005	63,307	64,191	65,268
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,562	3,593	3,705	3,808	3,884
	184,118	164,459	162,091	166,136	168,984
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	184,118	164,459	162,091	166,136	168,984
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	67	68	69	70	72
Total capital expenditure	67	68	69	70	72
Program 2.3 Defence Finance Total funded expenditure ^[c]	184,185	164,527	162,160	166,206	169,056

Notes

a. The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other Programs.

b. Full-time equivalent staff and their associated employee expenses are held in this Program from time to time for future prioritisation.

c. 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, reserves and employer support, gender mainstreaming 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.

Key Activities ^[a]

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 Youth Protection policies and training, Defence Work Experience Program and other recognition and development youth programs to meet the requirements of the ADF and the community.
- Coordination and delivery of the ADF's requirements for reserve and employer support including the administration of the Defence Reserve Service (Protection) Act 2001 and the Employer Support Payment Scheme.
- 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 under UNSCR 1325 on WPS through 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.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.	Forces meet all of Government's requirements and are available for the conduct of operations and national support tasks. <i>Expected to be met.</i>
	Joint enabling elements are generated and sustained at the required rate and standardised to support the delivery of Defence capability.	Joint Health Services are provided to Australian Defence Force personnel to enable Defence preparedness. Delivery of Joint Logistics capability that provides comprehensive and assured support to Australian Defence Force operations. Delivery of military education and training programs that prepare Australian Defence Force personnel. Delivery of joint military policing effects that protect the Australian Defence Force's people, resources, values and reputation. <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.	Deliver the <i>2020 Force Structure Plan</i> and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope. <i>Expected to be met.</i>

Year	Performance measures	Expected Performance Results
Current Year 2021-22	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.	To transition Australian Defence Force personnel across the service spectrum with a focus on transition preparedness across personal security factors (using the human security framework). <i>Expected to be met.</i>
	Appropriate support and services are provided to Defence families.	Australian Defence Force families are supported through the delivery of wellbeing and support services with a focus on planning for their personal security using the human security framework. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.4 resulting from 2022-23 Budget Measures: Nil		

Notes

- a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.
- b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 20: Cost Summary for Program 2.4 Joint Capabilities

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	646,373	665,616	685,897	719,828	748,154
Suppliers	1,102,740	1,337,487	1,385,975	1,317,682	1,343,164
Net losses from sale of assets	-	-	-	-	-
Other expenses	1	1	1	1	1
	1,749,114	2,003,104	2,071,873	2,037,511	2,091,319
Expenses not requiring appropriation					
Depreciation and amortisation	20,949	50,039	100,992	174,217	264,178
Inventory consumption	31,209	31,441	33,765	31,675	44,745
Net write-down and net impairment of assets	278,572	290,487	302,924	315,907	329,460
	330,730	371,967	437,681	521,799	638,383
Total operating expenses	2,079,844	2,375,071	2,509,554	2,559,310	2,729,702
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	450,174	662,041	1,095,824	1,429,978	1,615,883
Purchases of inventory	19,295	63,452	66,214	58,045	69,247
Principal repayments of lease liabilities	21	22	22	22	23
Total capital expenditure	469,490	725,515	1,162,060	1,488,045	1,685,153
Program 2.4 Joint Capabilities Total funded expenditure ^[a]	2,218,604	2,728,619	3,233,933	3,525,556	3,776,472

Note

a. 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.

Key Activities ^[a]	<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.
--------------------------------------	---

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks. <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope. <i>Expected to be met.</i>
	Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan.	Deliver the naval shipbuilding enterprise in accordance with the Naval Shipbuilding Plan to schedule, budget and scope. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.5 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 21: Cost Summary for Program 2.5 Navy Capabilities

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,448,192	2,515,971	2,602,686	2,708,111	2,806,022
Suppliers	3,331,890	3,348,819	3,264,786	3,353,103	3,922,579
Net losses from sale of assets	-	-	-	-	-
Other expenses	7,308	6,817	6,330	5,826	5,370
	5,787,390	5,871,607	5,873,802	6,067,040	6,733,971
Expenses not requiring appropriation					
Depreciation and amortisation	1,546,263	1,712,418	1,946,925	2,111,482	2,361,742
Inventory consumption	311,111	268,450	301,758	269,696	215,863
Net write-down and net impairment of assets	80,825	84,936	89,275	93,855	98,692
	1,938,199	2,065,804	2,337,958	2,475,033	2,676,297
Total operating expenses	7,725,589	7,937,411	8,211,760	8,542,073	9,410,268
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,829,733	2,758,653	3,835,127	4,445,852	5,181,799
Purchases of inventory	617,346	632,624	620,181	633,516	507,775
Principal repayments of lease liabilities	24,475	25,444	22,017	22,532	22,425
Total capital expenditure	3,471,554	3,416,721	4,477,325	5,101,900	5,711,999
Program 2.5 Navy Capabilities Total funded expenditure ^[a]	9,258,944	9,288,328	10,351,127	11,168,940	12,445,970

Note

a. 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) ^[a]

Deliverables		2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
17	Major Combatants ^[b]	2,802	3,407	3,561	3,275	3,058
18	Minor Combatants ^[c]	3,406	4,184	4,412	3,463	3,460
5	Amphibious and Afloat Support ^[d]	860	1,186	1,191	1,170	1,086
10	Maritime Teams ^[e]	3,173	3,345	3,653	3,650	3,650
7	Hydrographic Force ^[f]	1,606	1,246	1,116	735	740

Notes

- 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.
- Major Combatants comprises eight Anzac Class Frigates (FFH), three Hobart Class Destroyers (DDG) and six Collins Class Submarines (CCSM). Decreased UAD for the Forward Estimates reflects FFH capability transition and DDG capability upgrade.
- Minor Combatants comprises eleven Armidale Class Patrol Boats (ACPB), two Cape Class Patrol Boats (CCPB), four Huon Class Coastal Minehunters (MHC) and one Arafura Class Offshore Patrol Vessel (OPV). Decrease in UAD from 2024-25 reflects transition from predominately Armidale Class to Cape and Arafura Class.
- Amphibious and Afloat Support comprises two Supply Class AOR, one Landing Ship Dock (LSD) and two Canberra Class Landing Helicopter Dock (LHD). Increased UAD reflects LSD completion of capability upgrade and maintenance.
- Maritime Teams comprises two Clearance Diving teams, four Deployable Geospatial Support (DGST) and four Mobile Meteorological and Oceanographic (METOC) teams. The estimates provided were based on 2 MMT and DGST 3 being Not Mission Capable.
- Hydrographic Force comprises two Hydrographic Ships (HS), four Survey Motor Launches (SML) and the Naval Air Station Weather and Oceanographic Centre. Decreased UAD relates to withdrawal of service of SML.

Table 23: Navy Deliverables (Flying Hours)

Deliverables		2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
23	MH-60R ^[a]	5,500	5,750	6,250	6,750	7,200
-	MRH90 Taipan ^[b]	-	-	-	-	-

Notes

- Flying hours reflects continued progress in remediation of workforce shortfalls.
- 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.

Key Activities ^[a]	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> 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.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks. <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.6 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 24: Cost Summary for Program 2.6 Army Capabilities

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	4,430,447	4,546,662	4,652,782	4,762,929	4,901,862
Suppliers	2,031,166	2,291,053	2,580,867	2,956,588	3,158,106
Net losses from sale of assets	-	-	-	-	-
Other expenses	109	112	114	118	121
	6,461,722	6,837,827	7,233,763	7,719,635	8,060,089
Expenses not requiring appropriation					
Depreciation and amortisation	1,273,747	1,339,252	1,520,945	1,606,248	1,744,190
Inventory consumption	357,884	378,718	381,325	410,824	461,444
Net write-down and net impairment of assets	72,032	75,415	78,971	82,711	86,645
	1,703,663	1,793,385	1,981,241	2,099,783	2,292,279
Total operating expenses	8,165,385	8,631,212	9,215,004	9,819,418	10,352,368
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,704,891	3,493,801	4,231,914	3,545,909	4,217,805
Purchases of inventory	736,367	768,387	744,076	740,350	679,381
Principal repayments of lease liabilities	2,338	2,379	2,421	2,464	2,508
Total capital expenditure	3,443,596	4,264,567	4,978,411	4,288,723	4,899,694
Program 2.6 Army Capabilities Total funded expenditure ^[a]	9,905,318	11,102,394	12,212,174	12,008,358	12,959,783

Note

a. 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	2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
10 CH-47F Chinook	2,600	2,600	2,800	3,000	3,000
34 S-70A-9 Black Hawk ^[a] ^[b]	600	-	-	-	-
22 ARH Tiger ^[c]	4,500	4,500	4,500	4,500	4,500
47 MRH90 Taipan ^[d]	5,200	6,750	7,500	7,500	7,500
- AH64E Apache	-	-	-	-	1,500

Notes

- a. The number of S-70A-9 Black Hawk will incrementally reduce as the aircraft approaches planned withdrawal date.
- b. The current fleet of S-70A-9 Black Hawk will be retired from service December 2022.
- c. In January 2021, the Government announced that the ARH Tiger would be replaced by the Boeing Apache Guardian from 2025.
- d. Future year forecasts will be subject to MRH transition planning.

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.

Key Activities ^[a]

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.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks. <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope. <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.7 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 26: Cost Summary for Program 2.7 Air Force Capabilities

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	2,447,493	2,513,635	2,603,715	2,687,801	2,802,919
Suppliers	2,785,527	3,518,991	3,684,736	3,822,807	4,346,662
Net losses from sale of assets	-	-	-	-	-
Other expenses	2,541	2,571	2,566	2,612	2,658
	5,235,561	6,035,197	6,291,017	6,513,220	7,152,239
Expenses not requiring appropriation					
Depreciation and amortisation	1,581,809	1,746,550	1,919,925	2,117,147	2,312,759
Inventory consumption	279,893	332,218	336,023	383,853	417,377
Net write-down and net impairment of assets	97,040	101,940	107,106	112,553	118,298
	1,958,742	2,180,708	2,363,054	2,613,553	2,848,434
Total operating expenses	7,194,303	8,215,905	8,654,071	9,126,773	10,000,673
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,944,267	3,997,354	3,485,384	3,639,863	3,021,318
Purchases of inventory	533,436	643,953	622,520	674,632	602,547
Principal repayments of lease liabilities	28,986	25,232	25,664	26,103	26,549
Total capital expenditure	4,506,689	4,666,539	4,133,568	4,340,598	3,650,414
Program 2.7 Air Force Capabilities Total funded expenditure ^[a]	9,742,250	10,701,736	10,424,585	10,853,818	10,802,653

Note

a. 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 ^[a]		2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
49	PC-21 ^[b]	21,102	23,652	23,652	23,652	23,652
12	KA350 King Air ^[c]	3,500	8,300	8,300	4,150	-
12	C-130J Hercules	6,000	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	5,000	6,200	6,200	6,200	6,200
10	C-27J Spartan	3,700	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,400	4,700	4,700	4,700	4,700
2	737 BBJ ^[d]	1,400	1,600	1,600	1,600	-
3	Falcon-7X	2,000	2,403	2,403	2,403	2,403
2	AP-3C Orion ^[e]	770	350	-	-	-
12	P-8A Poseidon ^[f]	5,200	6,600	6,600	7,200	7,200
6	E-7A Wedgetail	2,850	3,600	3,600	3,600	3,600
16	F/A-18A/B Hornet ^[g]	700	-	-	-	-
24	F/A-18F Super Hornet	4,500	4,050	4,050	4,050	4,050
33	Hawk 127	5,000	6,500	6,500	6,500	6,500
11	E/A-18G Growler	2,800	2,800	2,800	2,800	2,800
45	F-35A Lightning II ^[h]	8,773	12,000	12,500	13,000	13,500
-	MC-55A Peregrine ^[i]	-	450	1,500	2,440	3,000
-	MQ-4C Triton ^[j]	-	-	300	1,500	2,000

Notes

- a. Fleet sizes represent totals at commencement of 2022-23.
- b. PC-21 estimates reflect revised trainee throughput.
- c. KA350 forward estimates reflect the fleet's planned withdrawal from service.
- d. 737 BBJ hours reflect the fleet's planned withdrawal from service.
- e. AP-3C Orion forward estimates reflect the fleet's planned withdrawal from service.
- f. P-8A Poseidon forward estimates reflect the fleet's on-going introduction into service.
- g. F/A-18A/B Hornet hours reflect the fleet's withdrawal from service.
- h. F-35A forward estimate figures are based on maturing understanding of F-35A within the Air Combat Program.
- i. MC-55A Peregrine forward estimates reflect the fleet's planned introduction into service.
- j. MQ-4C Triton forward estimates reflect the fleet's planned introduction into service.

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.

Key Activities ^[a]	<p>This program will be achieved by:</p> <ul style="list-style-type: none"> Designing the future force through management of the <i>One Defence Capability System</i> and the Integrated Investment Program. Integrating and preparing capability elements, and planning for the effective conduct of joint, combined and interagency operations. Monitoring preparedness of the Australian Defence Force to meet Government-directed requirements through the preparedness management system. Assess the future force requirements to inform force design, preparedness and training needs.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence designs the future force to address strategic risks	Our future joint force is designed, integrated and developed through the analysis of strategic policy and risk <i>Expected to be met.</i>
	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.8 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	28,094	29,831	30,416	31,771	32,778
Suppliers	153,948	219,178	220,596	188,122	188,547
Net losses from sale of assets	-	-	-	-	-
Other expenses	17	17	17	17	18
	182,059	249,026	251,029	219,910	221,343
Expenses not requiring appropriation					
Depreciation and amortisation	2,175	5,662	9,640	12,646	15,300
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	534	548	563	577	593
	2,709	6,210	10,203	13,223	15,893
Total operating expenses	184,768	255,236	261,232	233,133	237,236
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	94,268	147,710	56,338	27,879	31,491
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	422	429	437	445	452
Total capital expenditure	94,690	148,139	56,775	28,324	31,943
Program 2.8 Australian Defence Force Headquarters Total funded expenditure ^(a)	276,749	397,165	307,804	248,234	253,286

Note

a. 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.		
Key Activities ^[a]	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. 	
Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks <i>Expected to be met.</i>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope <i>Expected to be met.</i>
	Progress to deliver a sustainable, sovereign shipbuilding enterprise, as detailed in the Naval Shipbuilding Plan	Deliver the naval shipbuilding enterprise in accordance with the Naval Shipbuilding Plan to schedule, budget and scope <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.9 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	497,193	508,042	518,963	541,194	564,347
Suppliers	468,224	559,979	567,271	402,479	375,768
Net losses from sale of assets	-	-	-	-	-
Other expenses	1	1	1	1	1
	965,418	1,068,022	1,086,235	943,674	940,116
Expenses not requiring appropriation					
Depreciation and amortisation	248	464	426	386	343
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	468	496	526	557	591
	716	960	952	943	934
Total operating expenses	966,134	1,068,982	1,087,187	944,617	941,050
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	9,384	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	12	12	12	12	13
Total capital expenditure	9,396	12	12	12	13
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure ^(a)	974,814	1,068,034	1,086,247	943,686	940,129

Note

a. 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: Security and Estate ^[a]**Program 2.10 Objective**

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

Key Activities ^[b]	<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 2022-23 Enterprise Estate and Infrastructure Program, a component of the Integrated Investment Program, is outlined at Appendix D.</p>
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope <i>Expected to be met.</i>
	An integrated service delivery system that enables Defence to achieve Australian Government outcomes	Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching Defence Transformation Strategy Initiative 2.3 <i>Expected to be met.</i>
Year	Performance measures ^[c]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 2.10 resulting from 2022-23 Budget Measures: Nil

Notes

- a. From 2022-23, the Estate and Infrastructure Program has been renamed to the Security and Estate Program.
- b. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.
- c. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 30: Cost Summary for Program 2.10 Security and Estate ^[a]

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	1,176,710	1,228,304	1,249,921	1,288,739	1,372,686
Suppliers	3,278,583	3,430,484	3,055,569	2,913,488	2,826,345
Net losses from sale of assets	-	-	-	-	-
Other expenses	93,282	91,371	89,649	87,791	85,230
	4,548,575	4,750,159	4,395,139	4,290,018	4,284,261
Expenses not requiring appropriation					
Depreciation and amortisation	1,332,750	1,423,145	1,522,006	1,612,580	1,730,476
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	22,600	23,313	24,056	24,830	25,636
	1,355,350	1,446,458	1,546,062	1,637,410	1,756,112
Total operating expenses	5,903,925	6,196,617	5,941,201	5,927,428	6,040,373
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,798,204	2,138,084	2,714,292	3,029,141	3,166,110
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	172,478	176,979	181,611	186,603	190,420
Total capital expenditure	1,970,682	2,315,063	2,895,903	3,215,744	3,356,530
Program 2.10 Security and Estate Total funded expenditure ^[b]	6,519,257	7,065,222	7,291,042	7,505,762	7,640,791

Notes

a. From 2022-23, the Estate and Infrastructure Program has been renamed to the Security and Estate Program.

b. 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.

Key Activities ^[a]	This program will be achieved by: <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. 	
Year	Performance measures	Expected Performance Results
Current Year 2021-22	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements	Deliver the 2020 Force Structure Plan and Integrated Investment Program, approved acquisition and sustainment projects, estate and ICT programs to budget, schedule and within agreed capability scope <i>Expected to be met.</i>
	An integrated service delivery system that enables Defence to achieve Australian Government outcomes	Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching Defence Transformation Strategy Initiative 2.3 <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.11 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 31: Cost Summary for Program 2.11 Chief Information Officer

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	110,969	113,299	115,692	121,407	124,947
Suppliers	1,428,237	1,396,562	1,459,181	1,492,634	1,434,052
Net losses from sale of assets	-	-	-	-	-
Other expenses	22	23	23	24	24
	1,539,228	1,509,884	1,574,896	1,614,065	1,559,023
Expenses not requiring appropriation					
Depreciation and amortisation	267,423	265,681	273,684	283,116	236,726
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	30,682	32,944	35,406	38,087	41,007
	298,105	298,625	309,090	321,203	277,733
Total operating expenses	1,837,333	1,808,509	1,883,986	1,935,268	1,836,756
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	94,175	309,347	297,704	176,304	160,940
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	1,831	1,864	1,897	1,931	1,965
Total capital expenditure	96,006	311,211	299,601	178,235	162,905
Program 2.11 Chief Information Officer Total funded expenditure ^(a)	1,635,234	1,821,095	1,874,497	1,792,300	1,721,928

Note

a. 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.

Key Activities ^[a]	<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. • Embedding 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.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence's integrated capabilities, including workforce, are generated, trained and sustained to meet Government requirements.	Forces meet all of Government requirements and are available for the conduct of operations and national support tasks. <i>Expected to be met.</i>
	An integrated service delivery system that enables Defence to achieve Australian Government outcomes.	Service Delivery reform has a programmatic approach and reform activities are harmonised with the overarching Defence Transformation Strategy Initiative 2.3. <i>Expected to be met.</i>
	Defence workforce has the agility, skills and culture to meet current and future demands to deliver capability.	Key workforce effects outlined in the Defence Strategic Workforce Plan and Total Workforce System are achieved, including critical skillset levels. Cultural reform priorities are implemented as set out in Pathway to Change: Evolving Defence Culture 2017-22. All Groups and Services maintain culture plans. Embed the Defence Values and Behaviours. <i>Expected to be met.</i>
	A compliant Work Health and Safety environment to ensure the wellbeing of the Defence workforce and the broader Australian community.	Minimise the exposure to unnecessary health, wellness and safety risk. <i>Expected to be met.</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.	To transition Australian Defence Force personnel across the service spectrum with a focus on transition preparedness across personal security factors (using the human security framework). <i>Expected to be met.</i>
	Appropriate support and services are provided to Defence families.	Australian Defence Force families are supported through the delivery of wellbeing and support services with a focus on planning for their personal security using the human security framework. <i>Expected to be met.</i>

Budget 2022-23 | Portfolio Budget Statements

Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23	As per 2022-23
Material changes to Program 2.12 resulting from 2022-23 Budget Measures: Nil		

Notes

- a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.
- b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 32: Cost Summary for Program 2.12 Defence People

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	184,818	218,808	223,188	228,265	232,923
Suppliers	382,535	376,310	382,684	592,338	610,657
Net losses from sale of assets	-	-	-	-	-
Other expenses	6,059	4,199	4,158	4,168	4,178
	573,412	599,317	610,030	824,771	847,758
Expenses not requiring appropriation					
Depreciation and amortisation	13,324	13,659	14,492	15,343	16,210
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	26	27	28	30	31
	13,350	13,686	14,520	15,373	16,241
Total operating expenses	586,762	613,003	624,550	840,144	863,999
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,169	13,619	1,218	1,244	1,270
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	10,671	10,857	11,047	11,240	11,436
Total capital expenditure	11,840	24,476	12,265	12,484	12,706
Program 2.12 Defence People Total funded expenditure ^(a)	585,252	623,793	622,295	837,255	860,464

Note

a. 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 develop innovative technologies that can be delivered by industry and transitioned into Defence capability, and to shape innovation, science and technology within Defence and across the nation.

Key Activities ^[a]	<p>This program is achieved by:</p> <ul style="list-style-type: none"> Delivering science and technology that supports Defence operations, the sustainment and enhancement of current capability, and the development and acquisition of future capability. Enabling Defence to anticipate and exploit advances in science and technology for future Defence 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.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence anticipates and exploits advances in science and technology for future Defence capability	<p>Stakeholders are satisfied with the balance of investment in strategic research</p> <p>Strategic research delivers benefit for Defence capability</p> <p>Pathways are established to enable Defence innovation</p> <p><i>Expected to be met.</i></p>
	Delivery of science and technology supports Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability	<p>Investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities</p> <p><i>Expected to be met.</i></p>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 2.13 resulting from 2022-23 Budget Measures: Nil

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	309,329	317,368	323,073	332,059	341,144
Suppliers	259,629	244,230	186,586	193,502	253,148
Net losses from sale of assets	-	-	-	-	-
Other expenses	12,578	1,089	1,100	1,110	1,122
	581,536	562,687	510,759	526,671	595,414
Expenses not requiring appropriation					
Depreciation and amortisation	2,814	6,091	7,947	10,176	12,108
Inventory consumption	143	147	151	155	158
Net write-down and net impairment of assets	3,272	3,310	3,350	3,390	3,431
	6,229	9,548	11,448	13,721	15,697
Total operating expenses	587,765	572,235	522,207	540,392	611,111
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	98,354	69,878	54,846	46,225	1,033
Purchases of inventory	144	147	151	155	158
Principal repayments of lease liabilities	145	148	150	153	156
Total capital expenditure	98,643	70,173	55,147	46,533	1,347
Program 2.13 Defence Science and Technology Total funded expenditure ^(a)	680,179	632,860	565,906	573,204	596,761

Note

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

Program 2.14: Defence Intelligence

Program 2.14 Objective

Deliver high-quality and timely intelligence services that achieve Government intelligence priorities

Key Activities ^[a]	This program is achieved by: <ul style="list-style-type: none"> Developing, delivering and sustaining intelligence capability to meet Government, Defence and partner requirements. 	
Year	Performance measures	Expected Performance Results
Current Year 2021-22	Defence maintains intelligence analysis and capability to deliver Government and Defence strategic objectives	Intelligence service and capabilities are delivered according to Government priorities <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.14 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 34: Cost Summary for Program 2.14 Defence Intelligence

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses funded by appropriation and own source revenue					
Employees	110,646	113,610	115,850	120,387	126,284
Suppliers	510,929	362,861	303,236	326,389	311,245
Net losses from sale of assets	-	-	-	-	-
Other expenses	3	3	4	4	4
	621,579	476,475	419,090	446,780	437,533
Expenses not requiring appropriation					
Depreciation and amortisation	12,836	21,998	35,278	50,485	71,332
Inventory consumption	-	9,908	10,236	11,187	13,766
Net write-down and net impairment of assets	9,410	10,019	10,682	11,403	12,187
	22,246	41,925	56,196	73,075	97,284
Total operating expenses	643,825	518,400	475,286	519,854	534,817
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	618,376	197,554	209,875	416,391	296,208
Purchases of inventory	-	19,814	19,887	20,308	21,108
Principal repayments of lease liabilities	76	77	79	80	81
Total capital expenditure	618,451	217,446	229,840	436,779	317,398
Program 2.14 Defence Intelligence Total funded expenditure ^[a]	1,240,031	693,920	648,930	883,558	754,931

Note

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

Table 35: Defence Intelligence Deliverables (Hydrographic Products and Services)

Deliverables	2021-22 Estimated Actual	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
Maritime Safety Updates ^[a]	100%	100%	100%	100%	100%
Charting Projects ^[b]	15	15	15	15	15
Nautical Publications ^[c]	30	29	29	29	29
Survey Projects ^[d]	10	8	8	9	10
Australian Hydrographic Office (AHO) Availability ^[e]	247	248	247	248	249

Notes

- 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.
- 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.
- The Nautical Publications produced are 25 fortnightly Notices to Mariners, four annual publications, and selected additional publications in some years.
- A Survey Project is a major hydrographic survey contract executed to support the AHO national survey function under The Navigation Act 2012. The HydroScheme Industry Partnership Program (HIPP) enables the AHO to undertake focused hydrographic survey data collect using commercial arrangements. Survey Project rate of effort is aligned with the annual HIPP budget guidance and available personnel to manage the planning and oversight of scheduled survey projects. Defence portfolio funding has allowed additional Survey Projects to be undertaken in 2021-22 in Bass Strait.
- 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*. 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.

Administered Program 2.20: Defence Force Superannuation Benefits**Administered Program 2.20 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.

Key Activities ^[a]

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:

- 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.
- DFRDB commenced in 1973 and was closed to new members in 1991. On 30 June 2016 it closed to re-entered members
- MSBS commenced in 1991 and is available to re-entered members with a preserved employer benefit only. The MSBS closed to new members on 30 June 2016. Current MSBS members can elect to opt out of MSBS and join the current military superannuation arrangement (ADF Super and Choice).
- ADF Super is the current superannuation scheme for new ADF members. It commenced on 1 July 2016. Membership eligibility was extended with effect from 6 July 2020 allowing ADF Super members to choose to remain contributory members after they discharge from the ADF.
- ADF Cover is the statutory death and invalidity scheme that accompanies the military superannuation arrangement (ADF Super and Choice) which commenced on 1 July 2016 and applies to all new ADF members and DFRDB re-entered members.
- 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 joined on or after 6 October 2005.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Timely and accurate administration of the Administered Programs	Administration meets agreed requirements <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.20 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the 2021-25 *Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Administered Program 2.21: Defence Force Superannuation Nominal Interest

Administered Program 2.21 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.

Key Activities ^[a]	<p>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.</p> <p>Notes about this program:</p> <ul style="list-style-type: none"> • 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 commenced in 1973 and was closed to new ADF Members in 1991. Since 1 July 2016, DFRDB members who re-enter the ADF can no longer rejoin the DFRDB as contributing members. Instead they join the ADF's current superannuation arrangement and become either a member of the default scheme, ADF Super, or elect 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 30 June 2016. • ADF Cover is the statutory death and invalidity scheme that accompanies the military superannuation arrangement (ADF Super and Choice) members and DFRDB re-entered members. • All four schemes are managed on Defence's behalf by the Commonwealth Superannuation Corporation.
--------------------------------------	--

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Timely and accurate administration of the Administered Programs	Administration meets agreed requirements <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.

Material changes to Program 2.21 resulting from 2022-23 Budget Measures: Nil

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 36: Cost Summary for Administered Program 2.20 Defence Force Superannuation Benefits and Administered Program 2.21 Defence Force Superannuation Nominal Interest

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Military retention benefits	66,929	66,929	39,669	12,889	-
Military superannuation benefits					
- benefits ^[a]	6,297,000	2,990,428	3,085,899	3,210,128	3,370,747
- interest	4,091,096	5,227,456	5,475,290	5,730,466	5,994,267
Total expenses	10,455,025	8,284,813	8,600,858	8,953,483	9,365,014
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	1,115,962	1,080,261	1,013,225	952,241	896,127
Total income	1,115,962	1,080,261	1,013,225	952,241	896,127
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	9,339,063	7,204,552	7,587,633	8,001,242	8,468,887

Note

a. Figure for 2021-22 has been calculated using the applicable AASB 119 interest rate. Forward years are estimated based on the discount rate determined by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports, being CPI plus 2.5 per cent.

Administered Program 2.22: Housing Assistance

Administered Program 2.22 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.

Key Activities ^[a]

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.

Year	Performance measures	Expected Performance Results
Current Year 2021-22	Eligible Australian Defence Force members continue to access the Defence Home Ownership Assistance Scheme	The scheme is consistently identified in surveys as a contributor to the retention of Australian Defence Force personnel <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-24	As per 2022-23.	As per 2022-23.
Material changes to Program 2.22 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 37: Cost Summary for Administered Program 2.22 Housing Assistance

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses					
Net foreign exchange losses	-	-	-	-	-
Housing subsidies	125,590	134,546	143,448	147,373	151,369
Total expenses	125,590	134,546	143,448	147,373	151,369
Income					
Revenues					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	17,444	18,015	18,465	18,927	19,400
Other	-	-	-	-	-
Total income	17,444	18,015	18,465	18,927	19,400
Program 2.22 Housing Assistance	108,146	116,531	124,983	128,446	131,969

Administered Program 2.23: Other Administered

Administered Program 2.23 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.

Key Activities ^[a]	Report on interest and other receipts transferred to the Official Public Account.	
Year	Performance measures	Expected Performance Results
2021-22	Timely and accurate administration of the Administered Programs	Administration meets agreed requirements <i>Expected to be met.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	Timely and accurate administration of the Administered Programs	Administration meets agreed requirements
Forward Estimates 2023-24	As per 2022-23	As per 2022-23
Material changes to Program 2.23 resulting from 2022-23 Budget Measures: Nil		

Notes

- a. Refers to updated key activities that are reflected in the *2021-25 Defence Corporate Plan*.
- b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

Table 38: Cost Summary for Administered Program 2.23 Other Administered

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Expenses					
Total expenses	-	-	-	-	-
Income					
Revenues					
Interest	-	-	-	-	-
Dividends	47,043	47,745	45,970	39,464	44,376
Other	44,231	46,580	49,892	48,154	49,946
Total income	91,274	94,325	95,862	87,618	94,322
Program 2.23 Other Administered	-91,274	-94,325	-95,862	-87,618	-94,322

Section 3: Defence Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 EXPLANATORY TABLES

Table 39: Summary of Estimated Special Account Balances ^[a] ^[b] ^[c]

		Opening 2022-23 2021-22	Receipts 2022-23 2021-22	Payments 2022-23 2021-22	Adjustments 2022-23 2021-22	Closing Balance 2022-23 2021-22
Outcome		\$'000	\$'000	\$'000	\$'000	\$'000
Defence Endowments, Bequest and Other Trust						
Moneys Special Account – Public Governance,	2	152,846	169,105	-140,373	-	181,578
Performance and Accountability Act 2019	2	245,273	78,333	-170,760	-	152,846
Total Special Accounts 2022-23		152,846	169,105	-140,373	-	181,578
<i>2021-22 Estimated Actual</i>		<i>245,273</i>	<i>78,333</i>	<i>-170,760</i>	<i>-</i>	<i>152,846</i>

Notes

a. 2022-23 estimates in bold.

b. 2021-22 estimated actuals in italics.

c. These are all Special Public Monies.

3.1.1 Grants

The Department of Defence provides grants to support the achievement of Defence's strategic priorities to defend Australia and its national interests; and to protect and advance Australian strategic interests. The provision of funding by Defence is subject to meeting the Australian Government Policy Objectives associated with Defence and its outcomes.

Commonwealth grant opportunities and their guidelines, including the Department of Defence grant opportunities, are published on the Government grants portal GrantConnect (www.grants.gov.au). Further information on Defence grant programs are available on the Department's grants webpage ([Home: Grants: Department of Defence](#)).

3.2 RESOURCE SUMMARY

Table 40: Defence Resource Statement — Budget Estimates for 2022-23 as at Budget March 2022

	Estimated Actual available appropriation 2021-22 \$'000	Estimate of prior year amounts available in 2022-23 \$'000	Proposed at Budget 2022-23 \$'000	Total Estimate 2022-23 \$'000
Departmental				
Annual appropriations - ordinary annual services	29,356,518	-	30,771,077	30,771,077
Prior year appropriations available	-	-	-	-
Departmental appropriation	-	-	-	-
s74 External Revenue	-	-	-	-
Departmental capital budget - non-operating	-	-	-	-
Draw down of prior year appropriations	-	-	-	-
Prior year appropriations available	2,228,786	1,199,931	939,663	2,139,594
Equity injection	11,902,139	-	13,236,368	13,236,368
Departmental Capital Budget	2,827,785	-	2,943,566	2,943,566
Total departmental annual appropriations ^[a]	46,315,228	1,199,931	47,890,674	49,090,605
Total departmental resourcing	46,315,228	1,199,931	47,890,674	49,090,605
Administered				
Annual appropriations - ordinary annual services	3,136,090	-	3,343,569	3,343,569
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	3,136,090	-	3,343,569	3,343,569
<i>Total administered special appropriations</i>				
Special accounts				
Opening balance	245,273	152,846	-	152,846
Non-appropriation receipts	78,333	-	169,105	169,105
Payments made	-170,760	-	-140,373	-140,373
Adjustments	-	-	-	-
Total special accounts	152,846	152,846	28,732	181,578
Total administered resourcing	3,288,936	152,846	3,372,301	3,525,147

Note

a. The appropriations for 2021-22, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent. The amounts as disclosed in Table 2 for 2021-22 will be received as part of Bill 1 and Bill 2 in 2022-23.

Table 41: Third Party Payments to and from other Agencies ^[a]

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Receipts from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	36,129	82,816
Payments made to Defence Housing Australia for the provision of services (Departmental)	658,394	626,290
Receipts from Australian Signals Directorate for provision of services (Departmental)	94,908	97,426
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	17,352	24,798
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	34,621	34,548
Payments made to the Department of Finance for the provision of services (Departmental)	37,305	37,305
Payments made to Comcare for workers compensation premiums (Departmental)	11,684	15,918
Payments made to the Australian Federal Police for the provision of services (Departmental)	52,770	54,812

Note

a. 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 42: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
EXPENSES					
Employee benefits	12,804,267	13,028,356	13,367,076	13,796,046	14,310,851
Supplier expenses	17,822,983	19,032,510	19,007,215	19,565,511	20,860,846
Grants	77,378	42,116	44,699	44,816	44,907
Depreciation and amortisation	6,096,695	6,657,675	7,458,065	8,130,490	8,928,957
Finance costs	103,716	101,370	99,218	96,513	93,955
Write-down of assets and impairment of assets	1,114,606	1,168,614	1,225,501	1,285,433	1,348,585
Foreign exchange losses	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Other	3,382	3,160	2,689	3,140	2,809
Total expenses	38,023,027	40,033,801	41,204,463	42,921,949	45,590,910
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	330,924	309,830	315,926	311,749	318,461
Other revenue	254,363	240,558	246,682	251,258	333,715
Total own-source revenue	585,287	550,388	562,608	563,007	652,176
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	509,625	534,810	561,318	589,222	618,598
Net gains from sale of assets	50,406	13,392	1,519	59,996	13,253
Other gains ^[a]	328,600	353,300	205,900	166,300	144,800
Total gains	888,631	901,502	768,737	815,518	776,651
Total own-source income	1,473,918	1,451,890	1,331,345	1,378,525	1,428,827
Net cost of (contribution by) services	36,549,109	38,581,911	39,873,118	41,543,424	44,162,083
Revenue from Government	29,356,518	30,771,077	31,011,221	31,955,224	33,601,103
Surplus (Deficit) attributable to the Australian Government	-7,192,591	-7,810,834	-8,861,897	-9,588,200	-10,560,980
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-7,192,591	-7,810,834	-8,861,897	-9,588,200	-10,560,980
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	241,609	251,712	71,765	87,704	-11,429
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	6,096,695	6,657,675	7,458,065	8,130,490	8,928,957
Inventory consumption	980,240	1,020,883	1,063,257	1,107,389	1,153,354
Net write-down and net impairment of assets	604,981	633,804	664,183	696,211	729,987
Add: Repayment of lease liabilities funded through revenue appropriations	247,716	249,816	251,843	258,186	262,747
Surplus (Deficit) attributable to the Australian Government as per above	-7,192,591	-7,810,834	-8,861,897	-9,588,200	-10,560,980

Note

a. 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.

Table 43: Budgeted Departmental Balance Sheet (as at 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	285,883	285,883	285,883	285,883	285,883
Trade and other receivables	78,814	78,814	78,814	78,814	78,814
Tax assets	379,951	379,951	379,951	379,951	379,951
Appropriation receivable	1,199,931	2,139,594	2,300,812	2,426,905	2,159,850
Other receivables	306,071	306,069	306,067	306,065	306,063
Total financial assets	2,250,650	3,190,311	3,351,527	3,477,618	3,210,561
Non-financial assets					
Land and buildings	22,402,876	24,497,323	26,481,632	28,571,402	30,647,906
Infrastructure, plant and equipment	8,561,903	8,346,092	8,070,295	7,765,090	7,299,322
Specialist military equipment	80,151,093	85,728,256	92,843,792	100,067,347	107,120,021
Intangibles	1,401,765	1,870,445	2,169,411	2,325,117	2,453,390
Heritage and cultural	438,404	412,413	386,537	360,912	335,536
Inventories	8,197,236	8,668,681	9,029,039	9,522,484	10,058,961
Prepayments	2,268,994	1,884,528	2,252,224	2,507,502	2,774,928
Total non-financial assets	123,422,271	131,407,738	141,232,930	151,119,854	160,690,064
Assets held for sale	238,352	238,352	238,352	238,352	238,352
Total assets	125,911,273	134,836,401	144,822,809	154,835,824	164,138,977
LIABILITIES					
Payables					
Suppliers	4,190,515	4,606,094	4,973,779	5,229,053	5,496,480
Other	390,547	433,386	492,462	538,443	180,009
Total payables	4,581,062	5,039,480	5,466,241	5,767,495	5,676,489
Interest bearing liabilities					
Leases	2,941,530	2,942,331	2,945,336	2,946,386	2,947,337
Total interest bearing liabilities	2,941,530	2,942,331	2,945,336	2,946,386	2,947,337
Provisions					
Employee provisions	3,418,240	3,515,049	3,617,175	3,697,274	3,788,639
Restoration, decontamination and decommissioning	1,144,029	1,144,029	1,144,029	1,144,029	1,144,029
Other	296,562	296,562	296,562	296,562	296,562
Total provisions	4,858,831	4,955,640	5,057,766	5,137,865	5,229,230
Total liabilities	12,381,423	12,937,451	13,469,343	13,851,746	13,853,056
NET ASSETS	113,529,850	121,898,950	131,353,466	140,984,077	150,285,921
EQUITY					
Contributed equity	64,372,978	80,552,912	98,869,325	118,088,136	137,950,960
Reserves	27,190,713	27,190,713	27,190,713	27,190,713	27,190,713
Retained surplus (accumulated deficit)	21,966,159	14,155,325	5,293,428	-4,294,772	-14,855,752
Total equity	113,529,850	121,898,950	131,353,466	140,984,077	150,285,921

Table 44: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	29,125,531	30,631,414	30,850,003	31,829,131	33,868,158
Goods and services	552,423	536,956	548,973	548,974	637,613
Net GST received	2,372,532	2,615,576	2,812,428	2,950,089	3,115,594
Interest	-	-	-	-	-
Other cash received	27,227	7,704	7,757	8,007	8,393
Cash transfer from the Official Public Account (receivables)	-	-	-	-	-
Total cash received	32,077,713	33,791,650	34,219,161	35,336,201	37,629,758
Cash used					
Employees	12,574,248	12,888,692	13,205,858	13,669,954	14,577,906
Suppliers	16,836,336	18,006,056	17,938,245	18,452,266	19,701,490
Net GST paid	2,372,532	2,615,576	2,812,428	2,950,089	3,115,594
Grants	77,378	42,116	44,699	44,816	44,907
Other cash used	107,098	104,530	101,907	99,652	96,764
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Total cash used	31,967,592	33,656,970	34,103,137	35,216,777	37,536,661
Net cash from (used by) operating activities	110,121	134,680	116,024	119,424	93,097
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	50,528	105,704	115,323	161,323	162,508
Proceeds from sales of infrastructure, plant and equipment	19,765	24,736	27,843	26,971	28,641
Proceeds from sales of specialist military equipment	67,303	-	-	-	-
Other cash received	9,388	2,000	9,700	-	500
Total cash received	146,984	132,440	152,866	188,294	191,649
Cash used					
Purchase of land and buildings	2,166,163	2,788,752	2,945,762	3,147,764	3,357,965
Purchase of infrastructure, plant and equipment	396,792	356,610	341,976	309,814	150,375
Purchase of specialist military equipment	9,927,896	10,206,600	12,431,656	13,232,580	14,122,527
Purchase of intangibles	322,789	674,544	535,247	419,462	368,309
Purchase of inventory	1,916,285	2,162,879	2,073,028	2,127,005	1,880,217
Selling costs on sale of assets	9,388	7,853	5,791	31,718	5,430
Finance costs	-	-	-	-	-
Total cash used	14,739,313	16,197,238	18,333,460	19,268,342	19,884,823
Net cash from (used by) investing activities	-14,592,329	-16,064,798	-18,180,594	-19,080,049	-19,693,174
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,902,139	13,236,368	15,442,695	16,242,475	17,128,871
Appropriations - departmental capital budget	2,827,785	2,943,566	2,873,718	2,976,336	2,733,953
Prior year appropriation	-	-	-	-	-
Total cash received	14,729,924	16,179,934	18,316,413	19,218,811	19,862,824
Cash used					
Principal repayments of lease liabilities	247,716	249,816	251,843	258,186	262,747
Cash to the Official Public Account	-	-	-	-	-
Total cash used	247,716	249,816	251,843	258,186	262,747
Net cash from (used by) financing activities	14,482,208	15,930,118	18,064,570	18,960,625	19,600,077
Net increase (decrease) in cash and cash equivalents held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	285,883	285,883	285,883	285,883	285,883
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	285,883	285,883	285,883	285,883	285,883

Table 45: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2022-23)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	21,966,159	27,190,713	64,372,978	113,529,850
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	21,966,159	27,190,713	64,372,978	113,529,850
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-7,810,834	-	-	-7,810,834
directly in equity	-7,810,834	-	-	-7,810,834
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	13,236,368	13,236,368
Departmental Capital Budget	-	-	2,943,566	2,943,566
Other	-	-	-	-
Sub-total transaction with owners	-	-	16,179,934	16,179,934
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2023	14,155,325	27,190,713	80,552,912	121,898,950

Table 46: Departmental Capital Budget Statement (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,827,785	2,943,566	2,873,718	2,976,336	2,733,953
Bill 2 Equity	11,902,139	13,236,368	15,442,695	16,242,475	17,128,871
Total capital appropriations	14,729,924	16,179,934	18,316,413	19,218,811	19,862,824
Represented by:					
Purchase of non-financial assets	12,813,640	14,026,506	16,254,641	17,109,620	17,999,176
Purchase of inventory	1,916,285	2,162,879	2,073,028	2,127,005	1,880,217
Annual finance lease costs	-	-	-	-	-
Other items	-	-	-	-	-
Total Items	14,729,925	16,189,385	18,327,669	19,236,625	19,879,393
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	14,729,924	16,179,934	18,316,413	19,218,811	19,862,824
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Funded internally from departmental resources ^[a]	1	9,451	11,256	17,814	16,569
Total	14,729,925	16,189,385	18,327,669	19,236,625	19,879,393
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	15,058,525	16,542,685	18,533,569	19,402,925	20,024,193
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
less gifted assets	328,600	353,300	205,900	166,300	144,800
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	14,729,925	16,189,385	18,327,669	19,236,625	19,879,393

Note

a. Includes the following sources of funding:

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

Table 47: Statement of Departmental Asset Movements (Budget year 2022-23)

	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 2022								
Gross book value	5,929,690	15,565,601	85,307,556	8,944,196	2,899,945	473,985	238,352	119,359,325
Gross book value - ROU	61,784	2,714,140	321,985	742,110	-	-	-	3,840,019
Accumulated depreciation/amortisation and impairment	-	1,160,070	5,413,414	890,277	1,498,180	35,581	-	8,997,521
Accumulated depreciation/amortisation and impairment - ROU	-	708,270	65,033	234,126	-	-	-	1,007,429
Opening net book balance	5,991,475	16,411,401	80,151,093	8,561,903	1,401,765	438,404	238,352	113,194,393
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	310,222	2,478,530	10,206,600	356,610	674,544	-	-	14,026,506
By purchase - appropriation equity - ROU	-	218,735	-	75,824	-	-	-	294,559
By purchase - donated funds	147,897	105,273	-	100,130	-	-	-	353,300
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
Total additions	458,119	2,583,803	10,206,600	456,740	674,544	-	-	14,379,806
Total additions - ROU	-	218,735	-	75,824	-	-	-	294,559
Other movements								
Reclassifications ^[a]	-	-89,200	551,566	-13,494	346	-	-	449,219
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	805,749	4,740,820	584,969	155,941	25,991	-	6,313,470
Depreciation and amortisation - ROU	-	236,887	29,924	77,394	-	-	-	344,205
Other disposals ^[b]	-	34,375	410,259	72,518	50,269	-	-	567,421
Other disposals - ROU	-	-	-	-	-	-	-	-
Total other movements	-	-929,323	-4,599,513	-670,981	-205,864	-25,991	-	-6,431,672
Total other movements - ROU	-	-236,887	-29,924	-77,394	-	-	-	-344,205
As at 30 June 2023								
Gross book value	6,387,810	18,025,830	95,655,463	9,314,924	3,524,566	473,985	238,352	133,620,929
Gross book value - ROU	61,784	2,932,875	321,985	817,934	-	-	-	4,134,578
Accumulated depreciation/amortisation and impairment	-	1,965,819	10,154,234	1,475,246	1,654,121	61,572	-	15,310,991
Accumulated depreciation/amortisation and impairment - ROU	-	945,157	94,957	311,520	-	-	-	1,351,634
Closing net book value	6,449,594	18,047,729	85,728,257	8,346,092	1,870,445	412,413	238,352	121,092,881

Notes

a. Reclassifications include assets first found.

b. Other disposals includes write-offs.

Table 48: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Interest	-	-	-	-	-
Dividends	47,043	47,745	45,970	39,464	44,376
Military superannuation contributions	1,115,962	1,080,261	1,013,225	952,241	896,127
Fees	17,444	18,015	18,465	18,927	19,400
Other	44,231	46,580	49,892	48,154	49,946
Total non-taxation	1,224,680	1,192,601	1,127,552	1,058,786	1,009,849
Total revenues administered on behalf of Government	1,224,680	1,192,601	1,127,552	1,058,786	1,009,849
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	125,590	134,546	143,448	147,373	151,369
Military retention benefits	66,929	66,929	39,669	12,889	-
Military superannuation benefits	10,388,096	8,217,884	8,561,189	8,940,594	9,365,014
Total expenses administered on behalf of Government	10,580,615	8,419,359	8,744,306	9,100,856	9,516,383

Table 49: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	152,846	181,578	181,578	181,578	181,578
Trade and other receivables	113,779	114,845	113,444	108,503	113,415
Investments accounted for using the equity method	2,845,480	2,912,468	2,979,456	3,046,444	3,113,432
Loans	-	-	-	-	-
Total financial assets	3,112,105	3,208,891	3,274,478	3,336,525	3,408,425
Non-financial assets					
Prepayments	197,397	130,468	90,799	77,910	77,910
Total non-financial assets	197,397	130,468	90,799	77,910	77,910
Total assets administered on behalf of Government	3,309,502	3,339,359	3,365,277	3,414,435	3,486,335
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	188,760	188,760	188,760	188,760	188,760
Total payables	188,760	188,760	188,760	188,760	188,760
Provisions					
Superannuation - DFRB ^[a]	264,543	247,360	231,149	215,868	201,472
Superannuation - DFRDB ^[b]	29,681,459	29,496,384	29,287,834	29,053,829	28,794,937
Superannuation - MSBS ^[c]	72,277,880	76,200,117	80,037,287	83,801,336	87,501,406
Superannuation - ADF Cover ^[d]	2,433,198	3,722,081	5,260,737	7,055,954	9,134,202
Total provisions	104,657,080	109,665,942	114,817,008	120,126,987	125,632,016
Total liabilities administered on behalf of Government	104,845,840	109,854,702	115,005,768	120,315,747	125,820,776

Notes

- a. Defence Force Retirement Benefits.
- b. Defence Force Retirement and Death Benefits.
- c. Military Superannuation and Benefits Scheme.
- d. Australian Defence Force Cover.

Table 50: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,115,962	1,080,261	1,013,225	952,241	896,127
Fees	17,980	18,015	18,465	18,927	19,400
Other	11,318	46,004	49,306	46,377	49,734
Total cash received	1,145,260	1,144,280	1,080,996	1,017,545	965,261
Cash used					
Subsidies paid	125,590	134,546	143,448	147,373	151,369
Military benefits	3,010,500	3,209,023	3,410,123	3,630,615	3,859,985
Total cash used	3,136,090	3,343,569	3,553,571	3,777,988	4,011,354
Net cash from or (used by) operating activities	-1,990,830	-2,199,289	-2,472,575	-2,760,443	-3,046,093
INVESTING ACTIVITIES					
Cash received					
Dividends	47,129	47,043	47,745	45,970	39,464
Total cash received	47,129	47,043	47,745	45,970	39,464
Cash used					
Loans	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) investing activities	47,129	47,043	47,745	45,970	39,464
Net increase (decrease) in cash held	-1,943,701	-2,152,246	-2,424,830	-2,714,473	-3,006,629
Cash at the beginning of reporting period	245,273	152,846	181,578	181,578	181,578
Cash from the Official Public Account for appropriations	3,136,090	3,343,569	3,553,571	3,777,988	4,011,354
Cash to the Official Public Account	-1,192,389	-1,191,323	-1,128,741	-1,063,515	-1,004,725
Net increase (decrease) in Special Account	-92,427	28,732	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	152,846	181,578	181,578	181,578	181,578

3.3.2 Notes to the Budgeted Financial Statements

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

APPENDICES

Appendix A: Defence Cooperation Program	98
Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects	101
Appendix C: Top 30 Capability Sustainment Products	112
Appendix D: Enterprise Estate and Infrastructure Program.....	121
Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2022-23	134
Appendix F: Top 5 Information and Communication Technology Approved Projects	141
Appendix G: Australian Government Indigenous Expenditure.....	143

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 advances 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 defence 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. 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. 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), 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 51: Defence Cooperation Program Budget 2022-23

	2021-22 Revised Estimate \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate ^[a] \$'000
Papua New Guinea	54,136	54,136	49,612
South Pacific Region	115,935	125,645	125,832
South-East Asia	33,971	31,073	34,440
Other regional activities	24,953	24,953	16,641
Defence International Training Centre ^[b]	548	548	548
Total	229,543	236,355	227,073

Notes

a. The key area of growth in 2022-23 is in multilateral activities under the Pacific Patrol Boat Program / Pacific Maritime Security Program.

b. 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 52: South Pacific Region Budget 2022-23

	2021-22 Revised Estimate \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Timor Leste	10,612	10,600	9,708
Vanuatu	5,223	6,700	6,775
Solomon Islands	2,408	2,411	2,432
Tonga ^[a]	3,014	7,000	3,044
Samoa	610	105	616
Cook Islands ^[b]	322	1,117	325
Republic of the Marshall Islands	562	100	568
Federated States of Micronesia	570	150	576
Fiji	5,847	5,847	5,905
Tuvalu	555	300	561
Kiribati	378	247	382
Palau	495	270	500
DCP Scheduled Support	16,629	11,050	7,173
Pacific Patrol Boat Program / Pacific Maritime Security Program	68,710	79,748	87,267
Total	115,935	125,645	125,832

Notes

a. The increased spend in Tonga is a result of urgent expenditure in support of His Majesty's Armed Forces response to the volcanic eruption and tsunami in January 2022, as well as the cost of maintenance for Tonga's Australian-gifted Landing Craft Medium.

b. Increased spend in the Cook Islands relates to additional operational police funding, and upgrades to the Rarotonga Maritime Surveillance Centre.

Table 53: South-East Asia Region Budget 2022-23

	2021-22 Revised Estimate \$'000	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Philippines	9,561	6,561	9,785
Thailand	3,411	2,936	3,445
Malaysia	6,309	5,800	6,372
Indonesia	8,196	9,607	8,278
Vietnam	4,064	4,064	4,105
Cambodia	1,350	1,350	1,364
Laos	768	443	776
Brunei	312	312	315
Total	33,971	31,073	34,440

APPENDIX B: TOP 30 MILITARY EQUIPMENT ACQUISITION PROGRAM APPROVED PROJECTS

The Top 30 Military Equipment Acquisition Projects table includes other elements of acquisition that contribute to an overall capability (excluding workforce). The projects are also grouped in the revised domain structure introduced through Defence's Capability Program Architecture as detailed in the *2020 Force Structure Plan*.

The Military Equipment Acquisition line in the table corresponds to the historical presentation for this table, which would principally include the project elements relating to the acquisition of major systems, such as aircraft, ships or vehicles.

Where projects involve other elements that are not part of the major capability system, these have been included within the Other Project Inputs to Capability line. This could include facilities, information communications technology, and research and development. Where these projects are disclosed specifically within Appendices D and F, this has been noted in the table.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan) ^[a] ^[b]

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain						
New Air Combat Capability	AIR 6000 Phase 2A/B ^[c]	Military Equipment Acquisition	15,796	10,796	1,261	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 Cooperative Partnership.
		Other Project Inputs to Capability	1,727	1,534	0	During 2022-23, the project's focus is to establish the F-35 depot repair capacity under the US Joint Project Office Global Support Solution and the delivery of the remaining aircraft, infrastructure and logistics support capacity for stand up of 75SQN, as well as finalisation of Australian F-35A mission and training capabilities, in preparation for Australian Final Operational Capability which is scheduled for December 2023.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Long Range ISREW Aircraft	AIR 555 Phase 1 ^[c]	Military Equipment Acquisition	2,234	1,584	309	This project is approved to acquire four MC-55A Peregrine aircraft including mission, ground and support systems, and Australian based facilities. The project is primarily a developmental Foreign Military Sales acquisition through the United States Air Force.
		Other Project Inputs to Capability	558	207	129	During 2022-23, the focus is on aircraft modification and integration. The initial ground and support systems for the MC-55A capability will commence integration into the Initial Operating Facility in December 2022.
P-8A Maritime Patrol & Response Aircraft System	AIR 7000 Phase 2 ^[c]	Military Equipment Acquisition	5,639	4,331	305	This project is approved to acquire 14 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. This includes a suite of aircrew and maintenance training systems, three Mobile Tactical Operations Centres, and logistics support elements.
		Other Project Inputs to Capability	936	747	69	During 2022-23, updates will continue across the Australian fleet to align the aircraft and training system configurations with the latest P-8A capability baseline.
Multi-mission Unmanned Aircraft System	AIR 7000 Phase 1B	Military Equipment Acquisition	1,997	679	285	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.
		Other Project Inputs to Capability	500	57	24	During 2022-23, the project will deliver additional capabilities to support network test and integration. In addition, the project will take delivery of the Mission System Trainer which will be installed at RAAF Base Edinburgh. Subject to Public Works Committee approval, construction of facilities will commence at both RAAF Base Edinburgh and RAAF Base Tindal.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Ground Based Air & Missile Defence Enhancement	LAND 19 Phase 7B ^[c]	Military Equipment Acquisition	1,216	592	212	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 incorporates 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 be provided as Government Furnished Equipment to replace the US-developed Sentinel radar in the system.
		Other Project Inputs to Capability	287	15	23	During 2022-23, the project will complete whole-of-system testing, including a full system flight trial, and commence delivery and acceptance of the initial major systems.
Growler Airborne Electronic Attack Capability	AIR 5349 Phase 3 ^[c]	Military Equipment Acquisition	3,436	2,839	176	This project is approved to acquire an Airborne Electronic Attack Capability based on the EA-18G Growler platform. The systems are primarily being procured via Foreign Military Sales from the United States Navy.
		Other Project Inputs to Capability	366	352	0	During 2022-23, the project will continue integration works of the Mobile Threat Training Emitter System at the Delamere Air Training Area in the Northern Territory.
Future Air-to-Air Missiles for New Air Combat Capability and Super Hornet	AIR 6000 Phase 5	Military Equipment Acquisition	840	311	156	This project will acquire reserve stocks of air-to-air Within-Visual-Range and Beyond-Visual-Range missiles for the Air Combat Capability (F-35A Lightning II Joint Strike Fighter, F/A-18F Super Hornet and EA-18G Growler). Equipment is being acquired through the United States Government Foreign Military Sales process.
		Other Project Inputs to Capability	-	-	-	During 2022-23, the project will continue to focus on securing planned deliveries and ensuring the project is well placed to transition from acquisition to sustainment.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^[a] ^[b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Lead-In Fighter Capability Assurance Program	AIR 5438 Phase 2	Military Equipment Acquisition	590	100	148	The project is upgrading the Hawk 127 Lead-In Fighter Training System and replacing the aircraft engines, ensuring the training system is safe and fit for purpose through to the revised Hawk 127 planned withdrawal date of 2032.
		Other Project Inputs to Capability	-	-	-	During 2022-23, the project will focus on the engine replacement including design incorporation, acceptance testing and certification under the Military Supplementary Type Certificate.
Civil Military Air Traffic Management System (CMATS)	AIR 5431 Phase 3 ^[c]	Military Equipment Acquisition	993	536	123	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 Air services Australia. Airservices Australia is the lead agency for OneSKY and the joint project will provide operational benefits and efficiencies for both military and civil airspace users. 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.
		Other Project Inputs to Capability	466	433	8	During 2022-23, the project will work in partnership with Airservices Australia and Industry to progress design and review activities.
Joint Air Battle Management System	AIR 6500 Phase 1	Military Equipment Acquisition	352	70	115	The project will provide a Joint Air Battle Management System which will form the architecture at the core of the ADF's future Integrated Air and Missile Defence capability.
		Other Project Inputs to Capability	86	9	9	During 2022-23, the focus is in tendering for selection of a Strategic Partner. Evaluation outcomes will inform Government consideration of the project in late 2023.
Weapons & Countermeasures for Air Combat Capability	AIR 6000 Phase 3	Military Equipment Acquisition	750	216	108	This project will deliver weapons (excluding air-to-air missiles) and countermeasures for the New Air Combat Capability (F-35A Lightning II and F/A-18F Super Hornet) and is linked to project AIR 6000 Phase 2A/B.
		Other Project Inputs to Capability	0	0	-	Equipment will primarily be acquired through United States Government Foreign Military Sales with some items purchased via direct commercial sales, including supply of general purpose bombs through Australian Munitions. During 2022-23, the project will focus on continuing to accept deliveries and conducting the associated engineering and logistics work packages to support the equipment in service.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
Airborne Early Warning and Control (AEWC) Interoperability Compliance Upgrade	AIR 5077 Phase 5A	Military Equipment Acquisition	1,185	1,004	86	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.
		Other Project Inputs to Capability	49	30	7	During 2022-23 the project will progress wideband satellite communication upgrades and enhance the identification friend or foe capability, in conjunction with other in-service capability upgrades to enhance security and interoperability.
Jindalee Operational Radar Network (JORN)	AIR 2025 Phase 6 ^[c]	Military Equipment Acquisition	1,140	253	92	This project will deliver a major mid-life redesign and enhancement to the Jindalee Operational Radar Network. The redesign will provide a more contemporary system architecture, improve system performance and address obsolescence issues.
		Other Project Inputs to Capability	85	66	2	During 2022-23, the project will focus on risk reduction activities by means of subsystem trials. The project will continue incremental design effort, and is scheduled to complete Preliminary Design Review.
Defence Enterprise Programs						
COMSEC Remediation	JNT 9141 Phase 1	Military Equipment Acquisition	728	228	175	This project will remediate selected Australian Defence Force radios and encryption devices to meet upcoming algorithm obsolescence. This will ensure ongoing availability of secure communications in support of Defence operations, including through interoperability with key partner communications and intelligence networks.
		Other Project Inputs to Capability	46	15	16	During 2022-23, the project will focus on technical certification for vehicles and delivery of the radios and ancillaries.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^[a] ^[b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain						
Mounted Combat Reconnaissance Capability	LAND 400 Phase 2	Military Equipment Acquisition	5,606	1,851	509	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 rapidly re-role from one variant to another. 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.
		Other Project Inputs to Capability	121	44	11	During 2022-23, the project will focus on the progression of the designs of the Block II variants and the commencement of production activities in preparation for the first Australian assembled Boxer vehicle, scheduled for delivery in 2023-24.
Tactical Training Vehicles	LAND 121 Phase 5B ^[c]	Military Equipment Acquisition	1,173	634	201	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. The prime contractors are Rheinmetall MAN Military Vehicles Australia and Haulmark Trailers (Australia).
		Other Project Inputs to Capability	226	83	74	During 2022-23, the project will continue to deliver production vehicles, modules and trailers.
Joint Counter Improvised Explosive Device	LAND 154 Phase 4	Military Equipment Acquisition	631	157	180	This project is delivering a Joint Counter Improvised Explosive Device (IED) Capability to protect against radio controlled IEDs, equipment for Explosive Ordnance Disposal teams and Search, Neutralisation and Exploitation Capabilities for all three Services.
		Other Project Inputs to Capability	39	17	10	During 2022-23, the project intends to further examine the wider threat environment and the method to best achieve the necessary operational outcomes for the Australian Defence Force, including ongoing Industry engagement for risk reduction activities in support of the follow on tranches of the program.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Project Overlander - Protected Mobility Vehicle - Light	LAND 121 Phase 4	Military Equipment Acquisition	1,963	1,525	170	<p>This project will deliver 1,098 Protected Mobility Vehicles – Light ('Hawkei') for command, liaison, utility and reconnaissance roles. In addition, 1,058 companion trailers will be acquired to enhance payload carrying capacity.</p> <p>During 2022-23, the project will finalise the remediation of the Hawkei braking issue and continue to deliver Full Rate production vehicles, companion trailers and the Hawkei support system. Introduction Into Service Training and the rollout of Full-Rate Production mission systems to Army and Air Force will continue in support of the achievement of Final Operational Capability, scheduled to occur in 2023.</p>
		Other Project Inputs to Capability	0	0	-	
Battlefield Command Systems (Tranche 2)	LAND 200 Phase 2-A	Military Equipment Acquisition	966	698	164	<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. The project will integrate the Battlefield Command System into additional land platforms; enhance the Tranche 1 software to deliver a new Battle Management System; deliver a new Tactical Communications Network; and embed training into the Army's individual and collective training institutions.</p> <p>Defence continues to work with the supplier of the Battle Management System.</p> <p>During 2022-23, the project is scoped to deliver: further software releases for the Battle Management System; further development of the Tactical Communications Network and will establish contracts for platform integration and installation work.</p>
		Other Project Inputs to Capability	47	44	1	

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^[a] ^[b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Multi-Role Helicopter (MRH)	AIR 9000 Phase 2	Military Equipment Acquisition	3,771	3,522	116	AIR 9000 Phases 2, 4 and 6 acquired 47 MRH90 [Taipan] multi-role helicopters and support systems for the Army and the Navy. On 10 December 2021, the Minister for Defence announced that the government would request advice from the United States Government on the acquisition of up to 40 UH-60M Black Hawk helicopters to potentially replace the MRH90 helicopter fleet.
		Other Project Inputs to Capability	24	24	-	The MRH90 Taipans performed well during the recent devastating floods. During 2022-23, the project is focused on the introduction into service of the remaining capabilities required to enable achievement of outstanding operational milestones and to assure the MRH90 capability for the remainder of its life of type.
Special Operations Capability Enhancement	LAND 1508 Phase 1	Military Equipment Acquisition	257	112	89	This project will provide enhancements and continuous development to the ADF Special Operations capability, delivering prioritised equipment in multiple tranches over a twenty year period. The program will ensure ADF special forces have the leading edge capabilities to contribute to Australia's security, including: body armour; weapons; diving; parachuting; roping and climbing systems; medical and search and rescue; communications; human performance training; and support.
		Other Project Inputs to Capability	91	57	13	During 2022-23, the project will continue to deliver the first tranche of equipment to Special Operations, while continuing planning and delivery of the second tranche of capability.
Maritime Domain						
Future Frigate - Design and Construction	SEA 5000 Phase 1 ^[c]	Military Equipment Acquisition	6,056	1,750	600	As a foundation project in the Australian Government's Continuous Naval Shipbuilding Program, the Hunter Class frigates will introduce into service nine new Anti-Submarine Warfare frigates. Based on the Type 26 Global Combat Ship, the Hunter Class frigates will replace the existing fleet of eight Anzac Class frigates and form the next generation of major surface combatants.
		Other Project Inputs to Capability	1,010	260	220	During 2022-23, the project will continue to progress Design and Productionisation activities. This will include continuing the prototyping activities, supply of long lead items for production and progressing towards a whole of ship preliminary design review which is forecast to commence in Quarter 3, 2023. Work will also continue on maturing Australian Industry Capability.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Future Submarine Mobilisation and Design	SEA 1000 Phase 1B	Military Equipment Acquisition	4,896	2,918	425	The Government announced on 16 September 2021 it would not continue with the Attack Class Submarine Program due to changes in Australia's strategic circumstances, and intends to pursue the acquisition of a nuclear-powered submarine capability under the AUKUS arrangements with the United States and the United Kingdom.
		Other Project Inputs to Capability	540	292	69	During 2022-23, Defence is transitioning out of arrangements for the Attack Class Submarine Program in accordance with relevant contractual obligations. Budget has remained as programmed with a variation associated with foreign exchange movements until costs associated with termination and transition out of contractual arrangements are identified.
Offshore Patrol Vessel	SEA 1180 Phase 1 ^[c]	Military Equipment Acquisition	3,649	1,180	364	The project will acquire 12 new vessels based on an existing design, to replace and improve upon the capability delivered by the 13 Armidale Class Patrol Boats. The Offshore Patrol Vessel's primary role will be the maritime patrol and response operations in support of the National Civil Surveillance Program in order to contribute to protecting Australia's territory, territorial seas, and Economic Exclusion Zone. Build commenced on OPV 1 (Arafura) at Osborne, South Australia in November 2018. Construction of OPV 2 (Eyre) commenced in June 2019 at Osborne. OPV 3 (Pilbara) commenced construction at Civmec's facility at Henderson, Western Australia in March 2020. OPV 4 (Gippsland) commenced construction at Henderson in January 2021. OPV 5 (Illawarra) commenced construction also at Henderson in November 2021.
		Other Project Inputs to Capability	983	158	221	OPV 1 (Arafura) was launched on the 16 December 2021. During 2022-23, the project will continue to progress the build of five OPVs. OPV 1 is planned to be delivered in 2022 and launch of OPV2 (Eyre) is planned for late 2022. OPV 6 (Carpentaria) is due to commence build in late 2022.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^[a] ^[b]

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Navy Guided Weapons Sub-Program	SEA 1300 Phase 1	Military Equipment Acquisition	2,129	686	235	The project was established through the <i>Force Structure Plan 2020</i> , to introduce a programmatic approach in delivering Navy guided weapon capabilities. The programmatic approach will ensure alignment with the National Naval Shipbuilding Enterprise, the Sovereign Guided Weapons and Explosive Ordnance Enterprise and Navy's combat management systems.
		Other Project Inputs to Capability	37	4	4	Aligning with Navy's Surface Combatant Capability Transition Plan, the project will update Government periodically and seek decisions to support Navy's guided weapon capabilities. During 2022-23, the project will continue to progress development and acquisition activities related to long-range anti-ship missiles, extended range surface-to-air missiles, advanced light weight torpedos and maritime land strike capabilities.
Future Naval Aviation Combat System (FNACS)	AIR 9000 Phase 8	Military Equipment Acquisition	3,157	2,535	143	This project has delivered all 24 Seahawk Romeo aircraft, with the final delivery to Australia in September 2016.
		Other Project Inputs to Capability	206	204	-	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. During 2022-23, the project will continue to work towards achievement of final operational capability in December 2023.
AWD AEGIS Capability Upgrade	SEA 4000 Phase 6	Military Equipment Acquisition	891	152	140	The Hobart Class Destroyer Aegis Upgrade Project will increase the Australian Defence Force's air and missile defence capability. The project will upgrade the three destroyers' combat management system to Aegis Baseline 9 and replace the Kongsberg Australian Tactical Interface with a Saab Australia developed Australian Interface. The project achieved Interim First Pass approval in mid-2021.
		Other Project Inputs to Capability	10	7	3	During 2022-23, the project will continue to progress planning and development work in the lead up to Second Pass approval in mid-2023.

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^{[a] [b]}

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Evolved Cape Class Patrol Boats	SEA 1445 Phase 1	Military Equipment Acquisition	344	190	119	<p>The Evolved Cape Class Patrol Boat project will deliver 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.</p> <p>The contract with Austal Ships Pty Ltd was signed in April 2020. The first vessel is nearing completion and is currently undertaking sea trials and crew training. The remaining five vessels are at various stages of construction.</p>
		Other Project Inputs to Capability	-	-	-	<p>During 2022-23, Defence and Austal are focused on ensuring the revised delivery schedule remains on track and delays to Boats 4 to 6 are minimised. The first vessel is now scheduled for delivery in March 2022 (from September 2021) and the last in September 2023 (from March 2023).</p>
Pacific Support Vessel	SEA 3033 Phase 2	Military Equipment Acquisition	193	68	88	<p>This project will acquire a vessel to augment Australia’s maritime support to South West Pacific nations through engagement and capacity building as well as providing an initial humanitarian assistance and disaster response capability.</p>
		Other Project Inputs to Capability	1	0	-	<p>In August 2021 Government approved the purchase of a vessel from the commercial market, to be modified in Australia and brought into service as the Pacific support vessel. The Pacific Support Vessel was acquired in February 2022.</p> <p>During 2022-23, the project will introduce the Pacific Support Vessel into service under the operation and support of an Australian crew.</p>
Space Domain						
Protected Satellite Communications	JNT 9103 Phase 1	Military Equipment Acquisition	451	153	126	<p>The project will provide a secure and highly effective Protected Military Satellite Communications capability to maximise the combat effects of the Australian Defence Force. The project will leverage off the United States Protected SATCOM capability and will deliver sovereign ground stations and network integration in the East and West coasts of Australia. The project will also integrate selected high-priority platforms into the system.</p>
		Other Project Inputs to Capability	28	11	3	<p>During 2022-23, the project continues to progress plans to deliver Protected Satellite Ground Station West, management and control centre, and platform and Australian Defence Force network communications integration.</p>

Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan)(Continued) ^[a] ^[b]

	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m
Total Top 30 Projects (Gross Plan) – Total	81,496	46,343	8,137
Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability	8,469	4,671	914
Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition	73,027	41,672	7,222
Other Approved Project Gross Plans - Military Equipment Acquisition	45,132	35,978	2,786
Total Approved Projects (Gross Plan) - Military Equipment Acquisition	118,159	77,650	10,008
Management Margin: Slippage - Military Equipment Acquisition			-2,420
Payments Required for the Approved Programme - Military Equipment Acquisition			7,588

Notes

- a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2022 and Budget Estimate 2022-23 are on an accrual basis, and funded by appropriation.
- b. Budget estimates shown as 0 are amounts greater than \$0 but less than \$500,000.
- c. Includes project referenced in Appendix D – Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate.

APPENDIX C: TOP 30 CAPABILITY SUSTAINMENT PRODUCTS

The Top 30 Capability Sustainment products are grouped in the revised domain structure introduced through Defence's Capability Program Architecture as detailed in the *2020 Force Structure Plan*.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Air Domain			
F/A18F Super Hornet & Growler Weapon System	CAF21	532	<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, with Final Operational Capability due mid 2022. 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 2022-23, the focus will continue to be on maintaining fleet mission capability and availability, whilst continuing United States Navy aligned capability upgrades. Growler aircrew training will remain a priority with the ongoing introduction of the Mobile Threat Training Emitter System which will provide broad benefits across the Air Combat Program.</p>
F-35 Joint Strike Fighter	CAF30	328	<p>The F-35A Lightning II capability currently comprises 48 aircraft based at RAAF Base Williamtown NSW, and RAAF Base Tindal, NT and is planned to grow to 63 by June 2023. 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 2022-23, the focus will be on establishing and assuring support to 75SQN and the sub-fleet of F-35A aircraft at RAAF Base Tindal, and continuing to mature the Australian F-35A sustainment support system to meet the directed level of operational capability and the Air Force pilot training throughput requirements.</p>
Airborne Early Warning and Control System - AEWC	CAF20	268	<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, BAE Systems Australia, and Thales Australia, provide a performance-based support arrangement for maintenance, logistics, engineering, training and program management in order to support the capability.</p> <p>During 2022-23, the focus will be on maintaining fleet mission capability and availability throughout the introduction into service period while continuing to assess, prioritise and address emerging obsolescence and security requirements, and minor modifications to maintain the capability.</p>

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
P-8A Poseidon Maritime Patrol and Response	CAF35	197	<p>The Maritime Patrol and Response capability currently comprises 12 P-8A Poseidon aircraft and support elements operated from RAAF Base Edinburgh SA. Following recent Government approval, the fleet will grow to 14 in 2024-25. Support elements include 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 2022-23, focus will be on the Depot Maintenance contract (additional support element to the Through Life Support contract) achieving Operative Date by July 2022 and its overall integration to sustainment. The program will continue to adopt the latest P-8A capability baseline updates leveraging the United States Navy cooperative program.</p>
Lead-In Fighter Hawk 127 Weapon System	CAF03	186	<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 2022-23, the focus will be on improving and maintaining fleet mission capability and availability, and the delivery of project AIR 5438 Phase 2 upgrades, which includes a major modification program to replace the engine.</p>
KC-30A Weapon System Multi-role Tanker Transport	CAF22	162	<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 QLD. 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 (the prime contractor) 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 2022-23, 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>
C-17 Heavy Air Lift Weapons System	CAF19	132	<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 2022-23, the focus will be on the United States Air Force engine sustainment support contract and its capacity for increased repair throughput to meet the worldwide C-17 fleet availability requirements.</p>

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Air Domain (Continued)			
Wide Area Surveillance (OTHR)	CAF13	130	<p>The Wide Area and Space Surveillance Capability consists of High Frequency Radar and Space systems. The High Frequency Radar system, known as the Jindalee Operational Radar Network (JORN), comprises three Over-The-Horizon-Radars located in proximity to Longreach QLD; Laverton WA; and Alice Springs NT. The radars are maintained by BAE Systems Australia. The Space Surveillance capability includes access to Overhead Persistent Infrared sensors and a C-Band Radar surveillance system located near Exmouth WA. This provides data into the No 1 Remote Sensor Unit Battlespace Surveillance Centre at RAAF Base Edinburgh SA, 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 2022-23, BAE Systems Australia will be working to improve JORN Support Contract maturity and progressing multiple obsolescence remediation projects.</p>
C130J-30 Weapon System	CAF06	125	<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 Standard Aero Limited provides support for the propulsion system.</p> <p>During 2022-23, the focus will be on efficient delivery of concurrent deeper maintenance and five aircraft enhanced through the Block Upgrade Program. Engine program improvements will be focused on enhanced service delivery from industry partners to further reduce risks to propulsions over the remaining life of type.</p>
Pilot Training System	CAF37	101	<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 Lockheed Martin Australia (as the Prime Contractor) with Pilatus Defence and Jet Aviation Australia (previously known as 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 VIC, Pearce WA, Edinburgh SA and Williamtown NSW.</p> <p>During 2022-23, the focus will be on maturing the enterprise performance with increasing student throughput and system enhancements.</p>
MC-55A Peregrine Airborne ISREW Capability	CAF40	94	<p>The MC-55A Peregrine Airborne Intelligence Surveillance, Reconnaissance and Electronic Warfare Capability will sustain four MC-55 Peregrine aircraft and related support systems.</p> <p>During 2022-23, the focus will be on establishing the initial sustainment arrangements for the aircraft and ground support systems under the Initial In-Service Support Foreign Military Sales Case signed in late 2021.</p>
Air Battlespace Management System Capability	CAF14	91	<p>The Air Battlespace Management System capability enables effective surveillance and airspace control in the defence of Australia and its territories, or when Australian Defence Force elements are deployed on operations, in support of the joint force, allies, and partners. The Air Battlespace Management System is a complicated system-of-systems. Key platforms are the fixed site Wakulda (nee Vigilare) Command and Control System, deployable Mobile Control and Reporting Centres, and the deployable Tactical Air Defence Radar Systems. A considerable array of sensor and intelligence data and communication subsystems are also integrated into the capability system.</p> <p>During 2022-23, the focus will be on maturing the enterprise management framework, maintaining system serviceability and rate-of-effort, and supporting the transition to Integrated Air and Missile Defence capabilities.</p>

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Defence Enterprise Programs			
Explosive Ordnance Manufacturing Facilities	CJC01	97	<p>The objectives of Explosive Ordnance Manufacturing Factories are to provide safe, compliant, and sustainable operations of the Government Owned Contractor Operated munitions factories at Benalla and Mulwala, and the delivery of 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.</p> <p>During 2022-23, key product sustainment activities include:</p> <ul style="list-style-type: none"> • Focusing on realising and continuing to progress new opportunities for increased munitions manufacturing capabilities where it is practicable, sustainable and economically viable and where it provides a capability lift and increased surety of supply to the ADF. • Delivering an expansion of multi-tenancy opportunities at the Benalla and Mulwala facilities including the further transition of manufacturing buildings at the Benalla munitions factory. • Continue to Investigate opportunities for investment in the factories to ensure they remain capable of providing the capabilities required to support the ADF.
Land Domain			
Multi Role Helicopter - TLH MRH90	CA48	303	<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 December 2022. The multi-role helicopter fleet is located at the 5th Aviation Regiment (Townsville), 6th Aviation Regiment (Sydney), Army Aviation Training Centre and 808 Squadron (Nowra), with deeper maintenance being conducted at the Airbus Australia Pacific facility in Brisbane.</p> <p>During 2022-23, Defence will work with Airbus Australia Pacific and European Defence Industry to assure the capability whilst investigating options to acquire up to 40 UH-60 Black Hawk to potentially replace the MRH90 Taipan helicopter. This will include establishing renewed contractual support arrangements and collaborative efforts to retain skilled workforce within Defence Industry and Commonwealth organisations.</p>
Explosive Ordnance - Army Munitions Branch	CA59	246	<p>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, vehicle ammunition, direct fire 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. CA59 includes sustainment of inventory used by Navy and Air Force where Army is the lead Service.</p> <p>During 2022-23, key ongoing product sustainment activities include:</p> <ul style="list-style-type: none"> • Continuation of the rationalisation of Land Explosive Ordnance inventory, with a reduction of the number of explosive ordnance types where appropriate. • Maturing the 10 year Fleet Baseline Plan and Product Family Through Life Management Plans to improve inventory planning and budget management, and facilitate transition to new capabilities being procured through major projects; and • Continuing the development and prioritised implementation of plans to support the transition from overseas sourced Explosive Ordnance and munitions to domestic manufacture, where practicable, sustainable and economically viable.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Land Domain (Continued)			
Armed Reconnaissance Helicopter Weapons System	CA12	164	<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.</p> <p>During 2022-23, Defence will continue to work closely with Airbus Australia Pacific to improve Tiger armed reconnaissance helicopter serviceability and rate of effort achievement. Other key areas of activity are the management and treatment of technical obsolescence and improvements in spare parts availability to ensure continued capability through to the Tiger Planned Withdrawal Date in 2028.</p>
Battlespace Communication Systems	CA31	116	<p>The Battlespace Communications System comprises a range of deployable voice and data communications systems used for command and control.</p> <p>During 2022-23, key activities will include capability enhancements to the trunk system (the backbone of a deployed network), reduction and disposal of obsolete radio systems and support for design, acquisition, and sustainment to approximately 35 other projects.</p>
ADF Clothing	CA39	88	<p>ADF Clothing comprises over 16,000 uniform, footwear, accessories and ceremonial items supplied through a suite of commercial arrangements with numerous textile, clothing and footwear companies.</p> <p>During 2022-23, key clothing product sustainment activities will include:</p> <ul style="list-style-type: none"> • completion of the introduction into service of the new Maritime Multicam Pattern Uniform to Navy members • development and introduction of a female specific sizing range to supplement the existing unisex Standard Combat Uniform range • introduction of female specific flying clothing options for Air Force • development and introduction of a modernised range of sporting attire for Physical Training Instructors that will provide a foundation for new Physical Training attire for ADF members • continued engagement with Navy, Army and Air Force regarding the program of design and technical enhancements of combat and non-combat clothing items • ongoing procurement to meet clothing and footwear requirements for the ADF's operations and raise, train and sustain activities. <p>In mid-2022, Defence will approach the market for a managed service to supply ADF clothing products and associated services.</p>
Protected Mobility Fleet - Bushranger	CA04	86	<p>The Protected Mobility Product Schedule provides in-service support for the ADF's fleet of Protected Mobility Vehicle - Medium (Bushmaster) and the Protected Mobility Vehicle - Light (Hawkei). The product schedule provides funding to support the vehicles through Thales Australia (the vehicle manufacturer) and Regional Joint Logistics Units. The Through Life Support Contract with Thales Australia delivers engineering support, spare parts and heavy grade repair of the vehicles.</p> <p>During 2022-23, key sustainment activities include:</p> <ul style="list-style-type: none"> • Commencement of sustainment of the Protected Mobility Vehicle - Light (PMV-L) Hawkei. • Ongoing support for vehicles on deployed operations. • Ongoing modernisation of the Bushmaster fleet under the Protected Mobility Integrated Capability Assurance (PMICA) program.

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Maritime Domain			
Collins Class Submarine	CN10	691	<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 2022-23, the program will continue to ensure Navy's submarine requirements are achieved as continual improvement and efficiency initiatives are implemented. Ongoing Collins life of type extension work will continue to inform sustainment plans for the Collins fleet.</p>
Anzac Class Frigate	CN02	372	<p>Support arrangements to maintain the capability of the eight Anzac Class Frigates and support systems through the provision of materiel support, maintenance and engineering services.</p> <p>During 2022-23, the focus will be on completing the scheduled Anzac Class maintenance activities. The Anzac Midlife Capability Assurance Program inclusive of Platform Systems Remediation will progress under projects: Maritime Communications Modernisation Project (SEA 1442 Phase 4), and Anzac Air Search Radar Replacement (SEA 1448 Phase 4B) and planning for the future TransCAP program that will commence in 2024.</p>
Destroyer Designated Guided (Air Warfare)	CN40	247	<p>Support arrangements to maintain the 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 2022-23, the focus will be on completing the scheduled Hobart Class maintenance activities for the three in-service ships to ensure Navy's requirements are achieved while examining opportunities for continual improvement and efficiency. Preparations will increase to support the intended Aegis Upgrade Program (SEA 4000 Phase 6), and direction to integrate Tomahawk Block IV into the class.</p>
Navy Explosive Ordnance	CN54	194	<p>The Navy Explosive Ordnance product schedule supports Navy's guided weapons and explosive ordnance including precision guided munitions, countermeasures, navigational outfits and Naval gunnery. Navy's Guided Weapons are categorised into three main streams: Maritime Strike and Munitions, Underwater Weapons and Air & Missile Defence.</p> <p>During 2022-23, key sustainment activities include:</p> <ul style="list-style-type: none"> • Work with the Sovereign Guided Weapons & Explosive Ordnance Enterprise to provide opportunities for Australian industry across sustainment and related activities; and • Operationalise the newly constructed missile maintenance facility at Defence Establishment Orchard Hills.
Canberra Class Landing Helicopter Dock	CN34	169	<p>Support arrangements to maintain the capability of the two Canberra Class Landing Helicopter Dock vessels and twelve 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.</p> <p>During 2022-23, the focus will be on delivering the scheduled maintenance activities, achieving a steady state for the in-service support arrangements, finalisation of platform and support system remediation activities, conducted under Amphibious Ships project (JP 2048 Phase 4A/B), and progression of design activities for Landing Helicopter Dock Capability Assurance Program (SEA 2048 Phase 6).</p>

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

Product Name	Product Serial	Budget Estimate 2022-23 \$m ^[a]	Top 30 Capability Sustainment Product Descriptions
Maritime Domain (Continued)			
MH-60R Seahawk Romeo Helicopter	CN35	166	<p>Support arrangements for 24 Sikorsky-Lockheed Martin built MH-60R Seahawk Romeo helicopters. 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 NSW and is supporting eight embarked flights in Navy ships.</p> <p>During 2022-23, the focus will continue to be on maintaining fleet mission capability and availability, while working to further align the Australian MH-60R capability with US Navy MH-60R Fleet through the Romeo Sustainment Alignment Program.</p>
Armidale Class Patrol Boat	CN09	114	<p>Support arrangements to maintain the capability of the twelve Armidale Class Patrol Boat vessels and two Cape Class vessels, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities.</p> <p>During 2022-23, 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 remaining Armidale Class vessels and the phase-in of the evolved Cape Class vessels eleven to sixteen, in conjunction with ongoing activities to remediate the deficiencies in the platform and support systems.</p>
Collins Submarine Program Life of Type Extension	CN62	104	<p>The Collins Submarine Program Life of Type Extension is the sustainment delivery platform for the Collins Class Submarine. The Life of Type Extension Program is responsible for the safe Upkeep, Update and Upgrade of the Collins Class.</p> <p>During 2022-23, Defence will continue to work with ASC to progress designs, as well as commencing the procurement of the first long lead items that are required for installation in 2026.</p>
Auxiliary Oiler Replenishment (AOR)	CN50	97	<p>Support arrangements to maintain the capability of the two new Auxiliary Oiler Replenishment vessels and support systems through the provision of materiel support, maintenance and engineering services.</p> <p>During 2022-23, the focus will be on finalising acceptance of the new Auxiliary Oiler Replenishment capability and future final operational capability into naval service, and delivering the scheduled and corrective maintenance activities.</p>
Aegis Combat System	CN60	81	<p>The sustainment of Aegis Combat System products in the Hobart Class Destroyer and shore based test and training infrastructure, both in Australia and the United States.</p> <p>During 2022-23, the focus will be: commencing the installation of combat system computer program major update; delivering software and hardware updates for Aegis Weapon System elements; designing and development of the next combat system computer program build and associated Aegis Weapon System element updates. There are design and development activities to support Standard Missile 6 Block I / Evolved Sea Sparrow Missile Block II and in collaboration with SEA 1300, commence design and development activities to support Tomahawk Block IV integration into the Hobart Class.</p>
Maritime Electronic Warfare and Radar Systems	CN24	81	<p>Maritime Electromagnetic Warfare and Radar Systems provides acquisition and support services for the Nulka active missile decoy capability; cross platform Electronic Warfare Support, Communications Electronic Support and Modelling and Simulation capabilities in support of Navy's Electromagnetic Warfare capability.</p> <p>During 2022-23 the focus will be implementing the Continuous Capability Development Systems approach to sustaining these critical systems and the consolidation of cross-platform product management.</p>

Table 55: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2022-23 (Continued)

	Budget Estimate 2022-23 \$m ^[a]
Total – Top 30 Capability Sustainment Products	5,763
Other Sustainment Product Estimates	3,619
Total Capability Sustainment Product Funds Available	9,382
Support to Operations	71
Total Capability Sustainment including Support to Operations	9,453

Note

a. Budget Estimate 2022-23 is on an accrual basis, and funded by appropriation.

APPENDIX D: ENTERPRISE ESTATE AND INFRASTRUCTURE PROGRAM

The Enterprise Estate and Infrastructure Program component of the Integrated Investment Program comprises approved and yet to be approved major and medium capital facilities projects. These projects provide new and refurbished facilities and infrastructure works to sustain the existing Defence Estate, support current and future capability requirements, support government initiatives, and ensure compliance with legislative obligations.

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 Enterprise Estate and Infrastructure projects are provided in this Appendix.

Approved Major and Medium Enterprise Estate and Infrastructure Program Projects

The table below, and the following descriptions, provide details on the progress and expenditure of approved major and medium Enterprise Estate and Infrastructure projects for 2022-23.

Where projects contribute to broader capability acquisitions within the Top 30 Military Equipment Acquisition Approved Projects, the value of these projects is included within the 'Other Project Inputs to Capability' lines in Table 54.

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
New Air Combat Capability Facilities				
Project (AIR 6000 Phase 2A/B) ^[a] ^[b]				
RAAF Williamtown	NSW - Paterson		906.0	0.1
RAAF Tindal	NT - Lingiari		521.9	1.9
Defence Establishment Myambat	NSW - Hunter		8.5	0.0
Total		1,485.8	1,436.4	2.0
Enhanced Land Force (ELF) Stage 2 ^[a]				
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		807.9	-
Wide Bay Training Area	QLD - Wide Bay		78.3	-
Kokoda Barracks, Canungra	QLD - Wright		71.8	-
Cultana Training Area	SA - Grey		69.6	16.6
RAAF Edinburgh	SA - Spence		34.7	-
Majura Field Training Area	ACT - Canberra		13.4	-
RMC Canberra	ACT - Canberra		9.0	-
Mount Stuart	QLD - Kennedy		4.1	-
Total		1,457.8	1,432.7	16.6
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative Airfield Works and Associated Infrastructure				
RAAF Tindal	NT - Lingiari	1,173.9	254.9	176.8

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Navy Capability Infrastructure				
Sub-program: Hunter Class Frigate				
Program Facilities (SEA 5000 Phase 1) ^{[a] [b]}				
HMAS <i>Watson</i>	NSW - Wentworth		0.0	0.0
Garden Island Defence Precinct	NSW - Sydney		0.0	0.0
St Kilda	SA - Spence		67.1	32.4
Osborne Naval Shipyard	SA - Hindmarsh		14.0	44.5
HMAS <i>Stirling</i>	WA - Brand		90.2	95.0
Henderson Maritime Precinct	WA - Fremantle		22.8	48.0
Total		918.8	194.1	219.9
Navy Capability Infrastructure				
Sub-program: Offshore Patrol Vessel				
(OPV) Facilities (SEA 1180 Phase 1) ^{[a] [b]}				
HMAS <i>Coonawarra</i>	NT - Solomon		27.5	60.2
RAAF Darwin	NT - Solomon		5.2	3.7
HMAS <i>Cairns</i>	QLD - Leichhardt		8.1	61.1
HMAS <i>Stirling</i>	WA - Brand		48.3	76.6
Henderson Maritime Precinct	WA - Freemantle		24.5	17.2
Total		918.5	113.6	218.8
Maritime Patrol Aircraft Replacement				
(AIR 7000 Phase 2B) ^{[a] [b]}				
RAAF Edinburgh	SA - Spence		508.0	6.7
RAAF Darwin	NT - Solomon		140.4	19.2
RAAF Townsville	QLD - Herbert		0.0	12.0
RAAF Pearce	WA - Pearce		56.2	19.7
HMAS <i>Stirling</i>	WA - Brand		4.6	-
Total		792.6	709.2	57.6
USFPI Northern Territory Training				
Areas and Ranges Upgrades ^[a]				
Bradshaw Field Training Area	NT - Lingiari		7.4	55.3
Kangaroo Flats Training Area	NT - Lingiari		3.1	16.5
Mount Bundey Training Area	NT - Lingiari		2.4	0.0
Robertson Barracks Close Training Area	NT - Lingiari		26.6	45.3
Total		747.0	39.5	117.1
Growler Airborne Electronic Attack				
Capabilities Facilities (AIR 5349				
Phase 3) ^{[a] [b]}				
RAAF Amberley	QLD - Blair		252.7	-
Delamere Air Weapons Range	NT - Lingiari		257.5	-
Total		515.1	510.2	-
Larrakeyah Defence Precinct				
Redevelopment Program				
Larrakeyah Defence Precinct	NT - Solomon	495.6	391.6	60.1
HMAS <i>Cerberus</i> Redevelopment				
HMAS <i>Cerberus</i>	VIC - Flinders	465.6	415.5	41.3
HMAS <i>Watson</i> Redevelopment				
HMAS <i>Watson</i>	NSW - Wentworth	430.5	125.4	51.8

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Air Traffic Control Complex Infrastructure Project and Fixed Base Defence Air Traffic Management and Control System (AIR 5431 Phases 2 & 3) ^{[a] [b]}				
RAAF Amberley	QLD - Blair		52.4	0.1
Army Aviation Centre Oakey	QLD - Groom		38.3	-
RAAF Townsville	QLD - Herbert		41.4	0.1
RAAF Richmond	NSW - Macquarie		30.4	-
HMAS <i>Albatross</i>	NSW - Gilmore		20.7	0.1
RAAF Williamtown	NSW - Paterson		45.7	-
RAAF East Sale	VIC - Gippsland		10.5	-
RAAF Woomera	SA - Grey		0.8	-
RAAF Edinburgh	SA - Spence		8.9	-
RAAF Gingin	WA - Pearce		8.5	-
RAAF Pearce	WA - Pearce		36.3	-
RAAF Darwin	NT - Solomon		50.9	0.1
RAAF Tindal	NT - Lingiari		48.2	0.1
Total		409.9	393.0	0.5
Battlefield Airlifter Facilities (AIR 8000 Phase 2)				
RAAF Amberley	QLD - Blair	370.4	369.3	1.1
HMAS <i>Stirling</i> Redevelopment Stage 3A				
HMAS <i>Stirling</i> , Rockingham	WA - Brand	366.8	353.0	0.0
AIR555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works ^{[a] [b]}				
Territory of Cocos (Keeling) Islands	NT - Lingiari		2.0	7.0
RAAF Darwin	NT - Solomon		1.0	0.0
RAAF Townsville	QLD - Herbert		0.4	5.7
RAAF Edinburgh	SA - Spence		82.4	92.5
Total		293.7	85.8	105.2
Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 2				
Garden Island Defence Precinct	NSW - Sydney	286.5	214.7	41.8
LAND 121 Stage 2A ^[a]				
Lavarack Barracks, Townsville	QLD - Herbert		128.5	-
Gallipoli Barracks, Enoggera	QLD - Ryan		54.1	-
RAAF Amberley	QLD - Blair		1.0	-
RAAF Townsville	QLD - Herbert		3.0	-
RAAF Williamtown	NSW - Paterson		12.9	-
Holsworthy Barracks, Holsworthy	NSW - Hughes		2.0	-
RAAF Richmond	NSW - Macquarie		2.1	-
Puckapunyal Training Area	VIC - Nicholls		35.1	-
Campbell Barracks	WA - Curtin		8.2	-
RAAF Edinburgh	SA - Spence		9.2	-
Robertson Barracks	NT - Lingiari		1.1	-
RAAF Darwin	NT - Solomon		4.9	-
Total		276.5	262.1	-

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Facilities to Support LAND19 Phase 7B Short Range Ground Based Air Defence ^[b]				
RAAF Edinburgh	SA - Spence	266.1	0.0	15.5
Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 1				
Garden Island Defence Precinct	NSW - Sydney	263.3	242.0	0.0
Joint Health Command Garrison Facilities Upgrades ^[a]				
Simpson Barracks, Watsonia	VIC - Jagajaga		20.1	-
Puckapunyal Training Area	VIC - Nicholls		19.3	-
Albury-Wodonga, South Bandiana	VIC - Indi		17.3	-
Royal Military College	ACT - Canberra		51.2	0.1
Russell Offices	ACT - Canberra		0.0	-
Holsworthy Barracks	NSW - Hughes		8.0	-
Robertson Barracks	NT - Lingiari		5.3	-
Larrakeyah Barracks	NT - Solomon		15.0	-
Army Aviation Centre Oakey	QLD - Groom		18.8	-
Gallipoli Barracks, Enoggera	QLD - Ryan		11.2	-
Campbell Barracks	WA - Curtin		17.2	-
RAAF Townsville	QLD - Herbert		14.5	-
RAAF Pearce	WA - Pearce		5.7	-
RAAF Darwin	NT - Solomon		2.7	19.5
Total		241.1	206.3	19.6
Armoured Fighting Vehicles Facilities Program Stage 1 ^[a]				
Lavarack Barracks	QLD - Herbert		27.0	10.9
Edinburgh Defence Precinct	SA - Spence		26.7	51.7
Puckapunyal Military Area	VIC - Nicholls		67.7	28.8
Total		235.1	121.4	91.4
Navy Capability Infrastructure Sub-program: Maritime Operational Support Capability Facilities (SEA 1654 Phase 3) ^[a]				
HMAS <i>Stirling</i>	WA - Brand		109.0	20.4
Randwick Barracks	NSW - Kingsford Smith		26.5	0.0
Garden Island Defence Precinct	NSW - Sydney		0.0	0.0
Total		220.5	135.5	20.4
Point Wilson Waterside Infrastructure Remediation Project				
Point Wilson	VIC - Corio	218.9	152.1	44.8
Land 121 Phase 5B Facilities Project ^{[a] [b]}				
Lavarack Barracks	QLD - Herbert		7.0	-
Robertson Barracks	NT - Lingiari		0.0	-
Gallipoli Barracks	QLD - Ryan		32.6	57.9
Derwent Barracks	TAS - Clarke		13.0	2.8
Puckapunyal Military Area	VIC - Nicholls		9.0	1.1
Campbell Barracks	WA - Curtin		19.9	11.9
Porton Barracks	QLD - Kennedy		0.0	-
Total		183.3	81.5	73.7
Airfield Capital Works P0008 (RAAF Williamtown)				
RAAF Williamtown	NSW - Paterson	181.3	46.8	102.6

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Shoalwater Bay Training Area Remediation Project				
Shoalwater Bay Training Area	QLD - Capricornia	135.4	135.4	0.0
DEF101 Data Centre Upgrade				
HMAS <i>Harman</i>	ACT - Bean	131.5	95.5	23.1
Naval Guided Weapons Maintenance Facilities Project				
Defence Establishment Orchard Hills	NSW - Lindsay	95.5	88.2	0.0
Airfield Capital Works P0006 (Curtin, Tindal and Townsville) ^[a]				
RAAF Townsville	QLD - Herbert		0.9	-
RAAF Curtin	WA - Durack		15.2	-
RAAF Tindal	NT - Lingiari		47.5	-
Total		95.3	63.6	-
North Queensland Mid-Term Refresh Program: RAAF Townsville Mid-Term Refresh Project				
RAAF Townsville	QLD - Herbert	72.8	6.3	28.7
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project ^{[a] [b]}				
Alice Springs	NT - Lingiari		49.6	-
Murray Bridge Training Area	SA - Barker		1.4	-
RAAF Learmonth	WA - Durack		2.3	-
Kojarena	WA - Durack		3.1	0.1
Total		60.3	56.4	0.1
Anglesea Paterson Project ^[a]				
Anglesea Barracks	TAS - Clarke		0.2	11.4
North Launceston Multi-User Depot	TAS - Bass		2.1	11.4
Youngtown Depot	TAS - Bass		1.2	17.0
Total		57.4	3.5	39.8
Facilities to Support SEA2273 Fleet Information Environment Modernisation Project ^[a]				
HMAS <i>Kuttabul</i>	NSW - Sydney		0.0	5.8
HMAS <i>Cerberus</i>	VIC - Flinders		0.0	0.0
HMAS <i>Stirling</i>	WA - Brand		0.0	1.7
HMAS <i>Coonawarra</i>	NT - Solomon		0.1	0.4
HMAS <i>Cairns</i>	QLD - Leichardt		0.2	22.8
Total		56.2	0.3	30.7
LAND 4502 Phase 1 Additional CH-47F Chinook Facilities				
RAAF Townsville	QLD - Herbert	49.9	36.8	10.9
Puckapunyal Mid-Term Refresh				
Puckapunyal Military Area	VIC - Nicholls	45.8	22.7	8.0
Singleton Mid-Term Refresh				
Singleton Military Area	NSW - Hunter	42.2	34.6	2.2
Puckapunyal Combined Arms Heritage and Learning Centre				
Puckapunyal Military Area	VIC - Nicholls	41.2	0.3	16.3
Puckapunyal Health and Wellbeing Centre				
Puckapunyal Military Area	VIC - Nicholls	39.8	16.6	18.0

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
SEA 1397 Phase 5D Nulka Assembly and Maintenance Facilities Project				
Defence Establishment Orchard Hills	NSW - Lindsay	31.6	26.3	0.1
Oakey Mid-Term Refresh				
Swartz Barracks	QLD - Groom	31.3	20.0	3.9
Holsworthy Mid-Term Refresh				
Holsworthy Barracks	NSW - Hughes	30.7	17.4	5.4
Land 555 Phase 6 Force Level Electronic Warfare, Signals Intelligence and Vehicles				
Borneo Barracks	QLD - Groom	29.6	23.0	0.0
HMAS Waterhen Mid-Term Refresh				
HMAS Waterhen	NSW – Northern Sydney	23.4	2.9	12.9
North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project				
Townsville Field Training Area	QLD - Kennedy	22.8	3.4	17.3
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence (CBRND) Facilities ^[a]				
HMAS Stirling	WA - Brand		0.5	0.0
Bindoon Training Area	WA - Pearce		0.3	0.2
Robertson Barracks	NT - Lingiari		1.8	0.0
RAAF Edinburgh	SA - Spence		1.0	0.2
Lavarack Barracks	QLD - Herbert		1.3	0.0
Gallipoli Barracks	QLD - Ryan		0.4	0.1
RAAF Amberley	QLD - Blair		1.6	0.0
Holsworthy Barracks	NSW - Hughes		0.6	0.3
Kapooka Military Area	NSW - Riverina		2.2	0.3
RAAF Base Wagga	NSW - Riverina		0.5	0.2
HMAS Creswell	ACT - Fenner		1.0	0.0
Majura Range	ACT - Canberra		0.8	0.2
HMAS Cerberus	VIC - Flinders		0.6	0.1
Dutson Air Weapons Range	VIC - Gippsland		0.5	0.2
Total		16.7	13.1	1.8
North Queensland Mid-Term Refresh Program: HMAS Cairns Mid-Term Refresh Project				
HMAS Cairns	QLD - Leichardt	15.6	2.4	11.1
Space Domain Awareness Project Mirror Recoating Facility				
Harold E Holt	WA - Durack	9.3	7.9	0.6
Robertson Barracks Close Training Area				
Robertson Barracks	NT - Lingiari	7.6	6.7	0.0
RAAF Pearce – Upgrade of Potable Water				
RAAF Pearce	WA - Pearce	7.5	7.1	0.0
2nd Combat Engineer Regiment Compensatory Hardstand Project				
Gallipoli Barracks	QLD - Ryan	6.5	3.8	2.2
High Performance Computing Centre Integration Works				
Edinburgh Defence Precinct	SA - Spence	5.5	5.2	0.1

Table 56: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Projects in or about to enter Defects Liability Period ^[c]				1.7
Total ^[d]		14,376.0	8,986.0	1,713.5

Notes

- The project crosses state and electoral boundaries. Estimated cumulative expenditure to 30 June 2022 and expenditure estimates for 2022-23 are provided in the table per location.
- Project referenced in Appendix B - Table 54: Top 30 Military Equipment Acquisition Program Approved Projects by 2022-23 Forecast Expenditure (Gross Plan).
- This amount represents the expenditure estimates for contract administration of four completed projects during their first year in-use.
- 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 the expansion and fit out of existing facilities. This project is scheduled for completion in mid 2022.

New South Wales

HMAS *Watson* Redevelopment

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

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

This project is addressing critical structural, condition and engineering services issues and risks on the Cruiser and Oil wharves at the Garden Island Defence Precinct, Sydney, NSW. The majority of the works are now complete with only some minor wharf remediation works remaining, which are scheduled for completion in mid 2023.

Garden Island (East) Critical Infrastructure Recovery Program (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 in early 2024.

Airfield Capital Works P0008 (RAAF Base Williamtown)

This project is maintaining aircraft pavements, aeronautical ground lighting and airfield drainage, and delivering associated airfield upgrade works at RAAF Base Williamtown, NSW. This project is scheduled for completion in late 2023.

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. The majority of the works are complete with final installation and commissioning activities underway, which are scheduled for completion in mid 2022.

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 in mid 2022.

SEA 1397 Phase 5D Nulka Assembly and Maintenance Facilities Project

This project is constructing new purpose-built facilities at Defence Establishment Orchard Hills, NSW to assemble, maintain, test and store decoy capability. This project is scheduled for completion in mid 2022.

Holsworthy Mid-Term Refresh

This project is addressing power supply reliability issues, serviceability of high voltage infrastructure, and serviceability of training living-in-accommodation at Holsworthy Barracks, NSW. This project is scheduled for completion in mid 2023.

HMAS *Waterhen* Mid-Term Refresh

This project is addressing condition, capacity and compliance issues with existing facilities and infrastructure at HMAS *Waterhen*, NSW including shore power, mechanical services, working accommodation, security and access. This project is scheduled for completion in mid 2023.

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

This program is delivering a range of enhanced facilities and infrastructure, including airfield improvements, at RAAF Base Tindal, NT. This program of works is scheduled for completion in late 2027.

USFPI Northern Territory Training Areas and Ranges Upgrades

This project is providing upgraded range facilities and associated infrastructure at the Bradshaw Field, Kangaroo Flats, Mount Bunday and Robertson Barracks Close training areas. This includes range control, training camp accommodation, small arms and ranges, roads, and supporting facilities and infrastructure. This project is scheduled for completion in late 2025.

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 program of works is scheduled for completion in mid 2023.

Robertson Barracks Close Training Area

This project is providing perimeter fencing, installing signage and fire breaks, clearing rubbish and removing asbestos to ensure the Robertson Barracks Close Training Area, NT is suitable for Defence use. The majority of the works are complete with some remaining decontamination works scheduled for completion in mid 2022.

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. This project is scheduled for completion in mid 2022.

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. This project is scheduled for completion in mid 2022.

North Queensland Mid-Term Refresh Program**RAAF Townsville Mid-Term Refresh**

This project will upgrade engineering services including potable water and power, refurbish working accommodation, and provide additional transit living-in accommodation at RAAF Townsville, QLD. This project is scheduled to commence construction in mid 2022 for completion in early 2024.

Townsville Field Training Area Mid-Term Refresh

This project will upgrade engineering services including power, sewerage, stormwater and ICT, and construct a new entry point at the Townsville Field Training Area, QLD. This project is scheduled to commence construction in mid 2022 for completion in early 2024.

HMAS *Cairns* Mid-Term Refresh

This project will upgrade engineering services including firefighting systems, potable water, sewerage and stormwater, and deliver minor building refurbishment works at HMAS *Cairns*, QLD. This project is scheduled to commence construction in mid 2022 for completion in early 2024.

LAND 4502 Phase 1 Additional CH-47F Chinook Facilities

This project is providing new facilities for 5 Aviation Regiment at RAAF Base Townsville, QLD to support the introduction and sustainment of new CH-47F Chinook Medium Lift Helicopters. This project is scheduled for completion in late 2022.

Oakey Mid-Term Refresh

This project is upgrading engineering services and demolishing redundant buildings at Swartz Barracks, QLD. This project is scheduled for completion in mid 2022.

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

This project is providing vehicle storage, extending a workshop and remediating vacated facilities to accept training modules at Borneo Barracks, QLD to support deployable electronic warfare capabilities. This project is scheduled for completion in mid 2022.

2nd Combat Engineer Regiment Compensatory Hardstand Project

This project is providing an appropriate hardstand area for the 2nd Combat Engineer Regiment at Gallipoli Barracks, QLD. This project is scheduled for completion in late 2022.

South Australia

Facilities to Support LAND 19 Phase 7B Short Range Ground Based Air Defence

This project will provide new working accommodation, operational support, storage, training and living-in-accommodation facilities to support new air defence capability. This project is scheduled to commence construction in early 2023 for completion in late 2024.

High Performance Computing Centre Integration Works

This project is providing works to support the integration of high performance computing capability. This project is scheduled for completion in mid 2022.

Tasmania

Anglesea Paterson Project

This project will upgrade engineering services and refurbish buildings at Anglesea Barracks and Youngtown Depot, TAS and construct new facilities in North Launceston, TAS. This project is scheduled to commence construction in mid 2022 for completion in late 2023.

Victoria

HMAS *Cerberus* Redevelopment

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

Point Wilson Waterside Infrastructure Remediation Project

This project is remediating waterside infrastructure at Point Wilson, VIC to enable the recommencement of bulk Explosive Ordnance importation operations. This includes refurbishing the existing jetty, and providing a new wharf, amenities building, landside infrastructure and engineering services. This project is scheduled for completion in early 2023.

Puckapunyal Combined Arms Heritage and Learning Centre

This project will provide exhibition space, storage, restoration and administration facilities to support heritage collections, and demolish existing redundant facilities. This project is scheduled to commence construction in mid 2022 for completion in mid 2024.

Puckapunyal Mid-Term Refresh

This project is addressing condition, capacity and compliance issues with existing infrastructure at the Puckapunyal Military Area, VIC including remediating and upgrading engineering services and constructing a new storage facility. This project is scheduled for completion in early 2023.

Puckapunyal Health and Wellbeing Centre

This project is providing a new fit-for-purpose health and wellbeing centre at the Puckapunyal Military Area, VIC. This project is scheduled for completion in early 2023.

Western Australia**HMAS *Stirling* Redevelopment Stage 3A**

This project upgraded and refurbished infrastructure and facilities at HMAS *Stirling*, WA. The works are complete except for undertaking a final commissioning activity, which is scheduled for completion in mid 2022.

Space Domain Awareness Project (Mirror Recoating Facility)

This project will construct a Mirror Recoating Facility to recoat Space Surveillance Telescope mirrors at Harold E Holt, WA. This project is scheduled to commence construction in mid 2022 for completion in late 2022.

RAAF Pearce Upgrade of Potable Water

This project is providing a compliant base-wide potable water system at RAAF Base Pearce, WA to address potable water supply and infrastructure issues. The majority of the works are complete with only minor building works remaining, which are scheduled for completion in mid 2022.

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

This project provided 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 final demolition works, which are scheduled for completion in early 2023.

Enhanced Land Force (ELF) Stage 2

This project provided purpose-built facilities and supporting infrastructure to support Enhanced Land Force capabilities. This included the construction of new and refurbished accommodation, common use and training facilities, and site infrastructure upgrades. The works are complete with the exception of an underpass at the Cultana Training Area, SA which is scheduled for completion in early 2024.

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 for completion in mid 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 new OPVs at HMAS *Coonawarra*, NT, RAAF Base Darwin, NT, HMAS *Cairns*, QLD, and HMAS *Stirling* and Henderson Maritime Precinct, WA. This project is scheduled for completion in mid 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 in mid 2023.

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, RAAF Base Darwin, NT and HMAS *Stirling*, WA. The majority of the works are scheduled for completion in mid 2022 while those at Townsville have been reprogrammed to align with similar works under related projects to minimise disruption to airfield operations, and are scheduled for completion in late 2025.

Growler Airborne Electronic Attack Capabilities Facilities (AIR 5349 Phase 3)

This project provided necessary working accommodation, maintenance, warehousing and training facilities at RAAF Base Amberley, QLD and the Delamere Air Weapons Range, NT to support the introduction of the Growler Airborne Electronic Attack Capability. The original works are complete, however, it was approved to deliver additional scope through the Government's Economic Stimulus, with completion scheduled in mid 2022.

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

This project is providing facilities in support of replacement Air Traffic Management Surveillance, Command and Control Systems under AIR5431 Phases 2 and 3, incorporating the replacement of aged and degraded Air Traffic Control Towers, at 13 bases. The majority of the works are complete with the exception of minor works at HMAS *Albatross*, NSW and RAAF Base Amberley, QLD, which are scheduled for completion in mid 2022.

AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works

This project is providing 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 Cocos (Keeling) Islands. This project is scheduled for completion in mid 2024.

LAND121 Stage 2A

This project is providing facilities across 12 bases to sustain the B-vehicle fleet. The facilities will maintain (workshops and repair parts storage), support (fuel points, loading ramps, wash points and weighbridges), and sustain (shelters and hardstand) the vehicles. This project is scheduled for completion in mid 2022.

Armoured Fighting Vehicles Facilities Program Stage 1

Stage 1 of this program is providing 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 the Puckapunyal Military Area, VIC. Stage 1 is scheduled for completion in mid 2023.

Joint Health Command Garrison Facilities Upgrades

This project is providing fit-for-purpose, contemporary Garrison Health Facilities at several bases around Australia. The majority of the works are complete except for those at the Royal Military College, ACT and those relating to the recent approval of a new facility at RAAF Darwin, NT, which are scheduled for completion in mid 2023.

LAND 121 Phase 5B Facilities Project

This project is providing fit-for-purpose facilities and infrastructure to support and sustain vehicles, modules and trailers at various bases around Australia. This project is scheduled for completion in early 2024.

Airfield Capital Works P0006 (RAAF Bases Curtin, Tindal and Townsville)

This project is maintaining aircraft pavements and airfield lighting at RAAF Bases Curtin, WA, Tindal, NT and Townsville, QLD. The works at Curtin and Tindal are complete while the works at Townsville have been reprogrammed to align with similar works under a related project to minimise disruption to airfield operations, and are scheduled for completion in late 2025.

Facilities to Support SEA 2273 Fleet Information Environment Modernisation

This project will provide an upgraded information system that supports maritime and naval operations at HMAS *Kuttabul*, NSW, HMAS *Cerberus*, VIC, HMAS *Stirling*, WA, HMAS *Coonawarra*, NT and HMAS *Cairns*, QLD. This project is scheduled to commence construction in mid 2022 for completion in late 2023.

AIR 2025 Phase 6 Jindalee Operational Radar Networks Facilities Project

This project is providing new facilities and infrastructure to support the mid-life upgrade of JORN capability at Mount Everard and Harts Range near Alice Springs, NT, Murray Bridge Training Area, SA and RAAF Learmonth and Kojarena, WA. This project is scheduled for completion in mid 2022.

LAND 2110 Phase 1B Chemical, Biological, Radiological and Nuclear Defence Facilities

This project is providing new and refurbished facilities, including training and storage facilities, at 14 bases around Australia to support Australian Defence Force CBRND activities. This project is scheduled for completion in late 2022.

APPENDIX E: STATUS OF PROJECTS FORESHADOWED FOR GOVERNMENT AND PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS CONSIDERATION IN 2022-23

Program of Works Foreshadowed for Consideration and Approval

During 2022-23, 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 2022-23.

Table 57: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2022-23

	State/Electorate	Actual/Indicative PWC Referral Date ^[a]	Actual/Indicative PWC Hearing Date ^{[a] [b]}	Parliamentary Approval Date ^[a]
General John Baker Complex Capability Assurance Project (Tranche 2)	NSW - Eden Monaro	Mid 2022	Late 2022	Late 2022
Point Cook Redevelopment	VIC - Lala	Mid 2022	Late 2022	Late 2022
Cocos (Keeling) Island Runway Upgrade and Refurbishment	Territory of Cocos (Keeling) Islands NT - Lingiari	Late 2022	Late 2022	Late 2022
Robertson Barracks Base Improvements Project	NT - Lingiari	Late 2022	Late 2022	Early 2023
Defence Fuels Transformation Program Facilities Project (Tranche 2)	Various locations	Late 2022	Early 2023	Early 2023
LAND 1508 Phase 1 Special Operations Capability Enhancements and Continuous Development Program Facilities	Various locations	Late 2022	Early 2023	Early 2023
LAND 2097 Phase 4 Special Operations Rotary Wing Facilities	Various locations	Late 2022	Early 2023	Early 2023
Facilities to Support JP 9101 Enhanced Defence High Frequency Communications System	Various locations	Early 2023	Early 2023	Mid 2023
Guided Weapons Explosive Ordnance Storage Program	Various locations	Early 2023	Early 2023	Mid 2023
Edinburgh Defence Precinct Mid-Term Refresh	SA - Spence	Early 2023	Mid 2023	Mid 2023
Facilities to Support JP 2289 Joint Information Environment	Various locations	Early 2023	Mid 2023	Mid 2023
Facilities to Support LAND 4503 Phase 1 Armed Reconnaissance Helicopter Replacement	Various locations	Early 2023	Mid 2023	Mid 2023
Other Sites and Groupings Redevelopments	Various locations	Early 2023	Mid 2023	Mid 2023
Borneo Barracks Redevelopment	QLD - Herbert	Mid 2023	Mid 2023	Mid 2023

Table 57: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval in 2022-23 (Continued)

	State/Electorate	Actual/Indicative PWC Referral Date ^[a]	Actual/Indicative PWC Hearing Date ^{[a] [b]}	Parliamentary Approval Date ^[a]
Facilities to Support AIR 3503 Phase 1 Distributed Ground Station	SA - Spence	Mid 2023	Mid 2023	Mid 2023
Facilities to Support AIR 7003 Phase 1 Medium Altitude Long Endurance Remotely Piloted Aircraft System	Various locations	Mid 2023	Mid 2023	Mid 2023
Blamey Barracks Redevelopment	NSW - Riverina	Mid 2023	Mid 2023	Late 2023
RAAF Base Wagga Redevelopment	NSW - Riverina	Mid 2023	Mid 2023	Late 2023
Albury/Wodonga Military Area Redevelopment	Various locations	Mid 2023	Mid 2023	Late 2023
RAAF Darwin Mid-Term Refresh	NT - Solomon	Late 2023	Early 2024	Early 2024

Notes

- a. Actual dates are shown in full. Forecast dates are shown as “Early”, “Mid”, “Late”.
- b. Hearing dates are subject to the PWC's consideration and agreement.

Table 58: Medium Capital Facilities Projects Foreshadowed for Consideration and Approval in 2022-23

	State/Electorate	Actual/Indicative PWC Notification Date ^[a]	Indicative PWC Approval Date ^[b]
Maritime Security Training Centre (North and South)	Various locations	Mid 2022	Mid 2022
Facilities to Support Land129PH3 Tactical Unmanned Aerial Vehicle	QLD -Ryan	Late 2022	Late 2022
Office Accommodation Pilot Fairbairn F2	ACT - Canberra	Late 2022	Late 2022
Office Accommodation Pilot Brindabella Park 33-35	ACT - Canberra	Late 2022	Late 2022
HMAS <i>Creswell</i> Mid Term Refresh	ACT - Fenner	Late 2022	Late 2022
Facilities to Support JP 8190 Deployable Bulk Fuel Distribution	Various locations	Late 2022	Late 2022
Facilities to Support LAND 8116 Phase 1 Protected Mobile Fires	Various locations	Late 2022	Late 2022
Facilities to Support Lethality Weapons Systems	Various locations	Late 2022	Late 2022
Facilities to Support AIR 5349 Phase 6 Advanced Growler	Various locations	Early 2023	Early 2023
Relocation of Units from Elizabeth North Training Depot	SA - Spence	Early 2023	Early 2023
Facilities to Support AIR 5077 Phase 6 Wedgetail Airborne Early Warning and Control	Various locations	Early 2023	Early 2023
Facilities to Support SEA 1350 Phase 2 Magnetic Treatment Facility and SEA 1350 Phase 3 Maritime Underwater Tracking Range	WA - Brand	Early 2023	Early 2023
Royal Military College Duntroon Redevelopment	ACT - Canberra	Early 2023	Early 2023
Facilities to Support LAND154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device	Various locations	Mid 2023	Mid 2023

Notes

- a. Actual dates are shown in full. Forecast dates are shown as “Early”, “Mid”, “Late”.
- b. Hearing dates are subject to the PWC’s consideration and agreement.

Explanation of Projects

Project Narratives by State and Various Locations

Australian Capital Territory

Office Accommodation Pilot Fairbairn F2

This medium project proposes to refurbish leased workplace environment for Defence personnel office accommodation at Fairbairn, ACT. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in late 2024.

Office Accommodation Pilot Brindabella Park 33-35

This medium project proposes to refurbish leased workplace environment for Defence personnel office accommodation at Pialligo, ACT. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2025.

HMAS *Creswell* Mid-Term Refresh

This medium project proposes to remediate existing facilities and infrastructure at HMAS *Creswell*, Jervis Bay, ACT. Subject to Government and Parliamentary approvals, construction is planned to commence in early 2023 for completion in late 2024.

Royal Military College Duntroon Redevelopment

This medium project proposes to redevelop elements of the Royal Military College Duntroon, ACT to address training needs. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2025.

New South Wales

General John Baker Complex Capability Assurance Project - Tranche 2

This major project proposes to deliver new and updated facilities at Headquarters Joint Operations Command, Bungendore, NSW. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in mid 2025.

Blamey Barracks Redevelopment

This major project proposes to remediate existing facilities and provide new facilities to support activities at Blamey Barracks, Kapooka, NSW. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2028.

RAAF Base Wagga Redevelopment

This major project proposes to remediate existing facilities and provide new facilities to support activities at RAAF Base Wagga, NSW. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2028.

Northern Territory

Robertson Barracks Base Improvements Project

This major project proposes to upgrade existing facilities, construct new facilities and address short term high priority requirements at Robertson Barracks, NT. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2023 for completion in mid 2025.

RAAF Darwin Mid-Term Refresh

This major project proposes to remediate and improve base support infrastructure at RAAF Base Darwin, NT. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2024 for completion in mid 2026.

Queensland

Borneo Barracks Redevelopment

This major project proposes to remediate and upgrade base facilities and infrastructure at Borneo Barracks, QLD. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in mid 2026.

Facilities to Support Land129PH3 Tactical Unmanned Aerial Vehicle

This medium project proposes to construct, refurbish and extend current and new Army 20Regt facilities at Gallipoli Barracks in QLD. Subject to Government and Parliamentary approval, construction is planned to commence in early 2023 for completion in mid-2024.

South Australia

Edinburgh Defence Precinct Mid-Term Refresh

This major project proposes to remediate and upgrade base infrastructure to support Defence requirements and capabilities at Edinburgh Defence Precinct, SA. Subject to Government and Parliamentary approvals, construction is planned to commence in mid 2023 for completion in early 2025.

Facilities to Support AIR 3503 Phase 1 Distributed Ground Station

This major project proposes to provide new facilities and infrastructure in support of a new capability at RAAF Base Edinburgh, SA. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2026.

Relocation of Units from Elizabeth North Training Depot

This medium project proposes to provide new facilities to allow the relocation of units to RAAF Base Edinburgh, SA. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in early 2025.

Victoria

RAAF Base Point Cook Redevelopment.

The aim of the Project is to upgrade engineering services infrastructure base wide, Living-In-Accommodation and mess facilities. Subject to Government and Parliamentary approval, construction is planned to commence in early 2023 for completion in early 2025.

Western Australia

Facilities to Support the SEA 1350 Phase 2 Magnetic Treatment Facility and SEA 1350 Phase 3 Maritime Underwater Tracking Range

This medium project proposes to provide new facilities and infrastructure in support of two capabilities at HMAS *Stirling*, WA. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in mid 2025.

Various Locations

Cocos (Keeling) Island Runway Upgrade and Refurbishment

This major project proposes to undertake airfield works at the Cocos (Keeling) Island airfield to meet Defence capability requirements. Subject to Government and Parliamentary approval, construction is planned to commence in early 2023 for completion in early 2026.

Defence Fuels Transformation Program Tranche 2 Facilities Project

This major project proposes to remediate and improve fuel supply infrastructure at various Defence sites across Australia. Subject to Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2026.

LAND 2097 Phase 4 Special Operations Rotary Wing Facilities

This major project proposes to provide new facilities at Holsworthy Barracks, NSW, and Campbell Barracks and Lancelin Training Area, WA, in support of the associated light helicopter capability. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2026.

LAND 1508 Phase 1 Special Operations Capability Enhancements and Continuous Development Program Facilities

This major project proposes to provide new and upgraded facilities at Holsworthy Barracks, NSW, and Campbell Barracks, WA in support of the associated capability. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in late 2025.

Guided Weapons Explosive Ordnance Storage Project

This major project proposes to provide new explosive ordnance storage facilities and infrastructure at RAAF Base Amberley, QLD, Defence Establishment Orchard Hills, NSW and HMAS *Stirling*, WA. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in mid 2025.

Facilities to Support JP 9101 Enhanced Defence High Frequency Communications System

This major project proposes to provide facilities and infrastructure to support the implementation of the Enhanced Defence High-Frequency Communications (EDHFC) System at various sites across Australia. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2026.

Other Sites and Groupings Redevelopments

This major project proposes to support capability and service delivery, ranging from food research to munitions-testing, at seven unique and specialised facilities in Queensland, Victoria, and Tasmania. The nominated facilities have experienced long-term underinvestment and propose to conduct works in order to maintain and sustain capabilities. Subject to Government and Parliamentary approval, construction is planned to commence in late 2024 for completion in early 2026.

Facilities for JP 2289 Joint Information Environment

This major project proposes to provide new facilities and infrastructure at RAAF Base Edinburgh, SA and Campbell Barracks, WA to support the joint information environment capability. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2026.

Facilities to support LAND 4503 Phase 1 Armed Reconnaissance Helicopter Replacement

This major project proposes to provide new facilities and infrastructure at various sites across Australia in support of the incoming capability. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2024 for completion in early 2026.

Facilities to Support AIR 7003 Phase 1 Medium Altitude Long Endurance Remotely Piloted Aircraft System

This major project proposes to provide new facilities and infrastructure in support of the Medium Altitude Long Endurance Remotely Piloted Aircraft System capability, at RAAF Base Edinburgh, SA. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2026.

Albury / Wodonga Military Area Redevelopment

This major project proposes to replace and upgrade existing services and facilities at Albury the Albury/Wodonga Military Area, NSW/VIC. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in mid 2028.

Maritime Security Training Centre (North and South)

This medium project proposes to provide new and upgraded facilities to accommodate training simulators at Larrakeyah Defence Precinct, NT and HMAS *Cerberus*, VIC. Subject to Government and Parliamentary approval, construction is planned to commence in late 2022 for completion in mid 2023.

Facilities for Lethality Weapons Systems

This medium project proposes to undertake refit works at multiple sites across Australia in support of associated capabilities. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in late 2024.

Facilities to Support LAND 8116 Phase 1 Protected Mobile Fires

This medium project proposes to provide facilities and infrastructure at Lavarack Barracks, QLD and Puckapunyal Military Area, VIC to support the maintenance of equipment and training of personnel. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2023 for completion in late 2024.

Facilities to Support JP8190 Deployable Bulk Fuel Distribution

This major project proposes to provide new and refurbished facilities to support training, maintenance and storage of the associated capability at various sites across Australia. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2023 for completion in early 2025.

Facilities to Support the AIR 5077 Phase 6 Wedgetail Airborne Early Warning and Control

This major project proposes to deliver new and refurbished facilities at RAAF Base Amberley, QLD and RAAF Base Williamtown, NSW in support of the associated capability. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in late 2025.

Facilities to Support AIR5439 Phase 6 Advanced Growler

This medium project proposes to provide new facilities and infrastructure in support of capability requirements at RAAF Base Amberley, QLD and Delamere Air Weapons Range, NT. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2025.

LAND154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device

This medium project proposes to deliver training, testing and storage facilities to support the associated capability at various sites across Australia. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in early 2025.

APPENDIX F: TOP 5 INFORMATION AND COMMUNICATION TECHNOLOGY APPROVED PROJECTS

The Information and Communication Technology (ICT) Program component of the Integrated Investment Program comprises approved and yet to be approved ICT projects. These projects support and sustain current and future capability requirements through the delivery of ICT to enable Command, Control, Communications, Computing, Intelligence, Surveillance, and Reconnaissance (C4ISR) and Defence's corporate functions.

Where projects contribute to broader capability acquisitions within the Top 30 Military Equipment Acquisition Approved Projects, the value of these projects are included within the 'Other Project Inputs to Capability' lines in Table 54.

Table 59: Top 5 ICT Approved Projects by 2022-23 Forecast Expenditure (Gross Plan) ^[a]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 5 ICT Project Descriptions
Defence Enterprise Resource Planning (ERP) Program	ICT 2283 Phase 1	609	446	112	<p>Defence Enterprise Resource Planning (ERP) is a transformation program that will eliminate hundreds of complicated structures, processes, systems and tools, and replace them with a single, trusted source of accurate, near real-time information. The new ERP will modernise, integrate and transform Defence's approach to managing its HR, finance, logistics, supply, engineering and maintenance functions.</p> <p>During 2022-23, key activities include introduction of new, foundational capabilities in the finance, logistics and land materiel maintenance, engineering and HR domains.</p>
Fleet Information Environment Modernisation	NAV 2273 Phase 1	562	191	76	<p>The project will modernise Navy IT systems by replacing the current Fleet Information Environment and delivering a continuous design and update capability that will refresh the IT platform, hardware and software to improve cyber security.</p> <p>During 2022-23, key activities will include install and commissioning of systems on major fleet units and at Eastern Australian regional sites, as well as the achievement of Initial Operational Capability.</p>
Vetting Transformation	ICT 2270	150	82	52	<p>The Vetting Transformation Project will deliver a transformed vetting capability through modernised business processes enabled by a secure, flexible and scalable ICT system that integrates new data sources to provide greater continuous assurance. The Whole of Government solution will improve the experience for applicants and for staff through a single system for appropriate personnel to apply, assess, decide and maintain security clearances. Resulting in easier, more efficient digital vetting experience that ensures defensible decisions and reduces operating costs and environmental impacts.</p> <p>During 2022-23, key activities will include Systems Integration Testing, User Acceptance Testing, and Blueprinting for the release of the Initial Operating Capability in late 2022.</p>

Table 59: Top 5 ICT Approved Projects by 2022-23 Forecast Expenditure (Gross Plan) ^[a]

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 5 ICT Project Descriptions
Intelligence, Surveillance and Reconnaissance Integration	ICT 2096 Phase 1	143	42	36	<p>Project JP2096 Phase 1 will deliver an Intelligence, Surveillance and Reconnaissance (ISR) information integration capability on the Defence Secret Network (DSN) and deployed DSN (DDSN) to both fixed and deployed users. The capability will provide the means to store, discover, access and manage the vast amounts of ISR data resident on the DSN/DDSN, and therefore contributing significantly to warfighter decision superiority.</p> <p>During 2022-23, JP2096 will achieve Tranche 1 Final Operating Capability (FOC), delivering 'on the fixed DSN to Defence. This includes achieving Systems Acceptance Audit (SAA), Final Material Release (FMR), Operational Test and Evaluation (OT&E) and System Security Accreditation and Certification (SSAC) prior to Final Operating Capability (FOC), expected in May 22. Tranche 2, delivered on the DDSN, will commence immediately after Tranche 1 FOC.</p>
Core Simulation Capability	ICT 9711 Phase 1	317	152	31	<p>The project will deliver simulation-enabled collective training through a 'Core Simulation Capability'. This will be used to support collective training outcomes as outlined in Chief of Defence Force Preparedness Directives.</p> <p>During 2022-23, key planned activities include commencing work toward a new, purpose-built, combined Joint Information Warfare Facility to meet the requirements of simulation-enabled collective training.</p>
Total Top 5 ICT Projects (Gross Plan)		1,780	912	307	

Note

a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30th June 2022 and Budget Estimate 2022-23 are on an accrual basis and funded by appropriation.

APPENDIX G: AUSTRALIAN GOVERNMENT INDIGENOUS EXPENDITURE**Table 60: Australian Government Indigenous Expenditure**

		2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
	Program		
Defence Indigenous Strategy	2.12	7,749	7,855
Army Aboriginal Community Assistance Program	2.6	8,240	6,700
Total Australian Government Indigenous Expenditure		15,989	14,555

Defence Indigenous Strategy

Defence remains committed to reconciliation and implementing the National Agreement on Closing the Gap. The *Defence Reconciliation Action Plan (D-RAP) 2019-2022* is the strategic roadmap for Defence to enhance its commitment to providing better socio-economic and employment outcomes for Aboriginal and Torres Strait Islander peoples. Each of the D-RAP actions align to one of the 17 targets in the National Agreement through the activities outlined in the *Commonwealth Closing the Gap Implementation Plan*.

The D-RAP 2019-2022 will nominally end in December 2022 and Defence will continue to undertake activities to drive and embed real, positive, change for Aboriginal and Torres Strait Islander peoples and support the National Agreement. Defence will continue to focus on the attraction and recruitment of Aboriginal and Torres Strait Islander people and empowering the Indigenous business sector to enhance Defence capability. Future activities will align directly to the *National Agreement on Closing the Gap* with a focus on Outcome Eight: 'Strong economic participation and development of Aboriginal and Torres Islander people communities'.

As articulated in the D-RAP, Defence has set Indigenous representation targets of three per cent for the Defence Australian Public Service (APS) workforce by 2022, and five per cent for the Australian Defence Force (ADF) by 2025. This is in addition to the Commonwealth Government's Indigenous participation target of three per cent, which was first met by Defence's total workforce (APS and ADF combined) in February 2021. As at 1 January 2022, the ADF participation rate was 3.3 per cent and the Defence APS participation rate was 2.2 per cent.

Defence continues to exceed Government targets under the Indigenous Procurement Policy (IPP) and is the Commonwealth's largest procurer of goods and services. Defence has taken a leading role in supporting the IPP and the Indigenous business sector, to enhance Defence industry. As at September 2021, over \$5.3 billion of Commonwealth Government contracts have been awarded to Indigenous businesses since the introduction of the IPP. Of this, Defence has awarded over \$2.7 billion in contract value to Indigenous businesses.

Defence Indigenous Programs

Defence offers a range of programs for Indigenous Australians interested in a career in the Australian Defence Force or Defence Australian Public Service workforce, and to support existing Indigenous members of Defence including:

The Australian Defence Force Indigenous Pathway Programs: the Navy and Army Indigenous Development Programs and Indigenous Pre-Recruit Program across Australia.

Implementing the Whole of Government Indigenous Graduate Pathway (IGP) program that supports the *Commonwealth Aboriginal and Torres Strait Islander Workforce Strategy 2020-24*. The program is aimed at increasing Indigenous graduates across Government agencies.

Participation in a number of Indigenous Australian Public Service programs that enable employment pathways into Defence through apprentice, trainee and graduate recruitment including the Indigenous Apprenticeship Program and the Australian Government Development Program.

Army Aboriginal Community Assistance Program

The Army Aboriginal Community Assistance Program (AACAP) is a Commonwealth Government initiative between The Department of Defence (the Australian Army) and the National Indigenous Australians Agency (NIAA). It aims to improve infrastructure, health, living and economic conditions within remote Indigenous communities. These aims support the National Agreement on Closing the Gap (the National Agreement) which brings Aboriginal and Torres Strait Islander peoples, governments and key stakeholders together, to address the inequality experienced by Aboriginal and Torres Strait Islander peoples. 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 highly effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP Projects to exercise and test various operational capabilities in a unique cultural and physical environment. AACAP 2022 will be delivered in Gapuwiyak (NT) and AACAP 2023 in Amata (SA).

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.

AUSTRALIAN SIGNALS DIRECTORATE

Agency Resources and Planned Performance

Section 1: ASD Overview and Resources.....	147
1.1 Strategic Direction Statement	147
1.2 ASD Resource Statement	151
1.3 Budget Measures	152
Section 2: ASD Outcomes and Planned Performance	153
2.1 Budgeted Expenses and Performance for Outcome 1	154
Section 3: ASD Explanatory Tables and Budgeted Financial Statements	157
3.1 Explanatory Tables.....	157
3.2 Budgeted Financial Statements	158

This page intentionally left blank.

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's strategic objectives include:

- 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 most secure 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.

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.

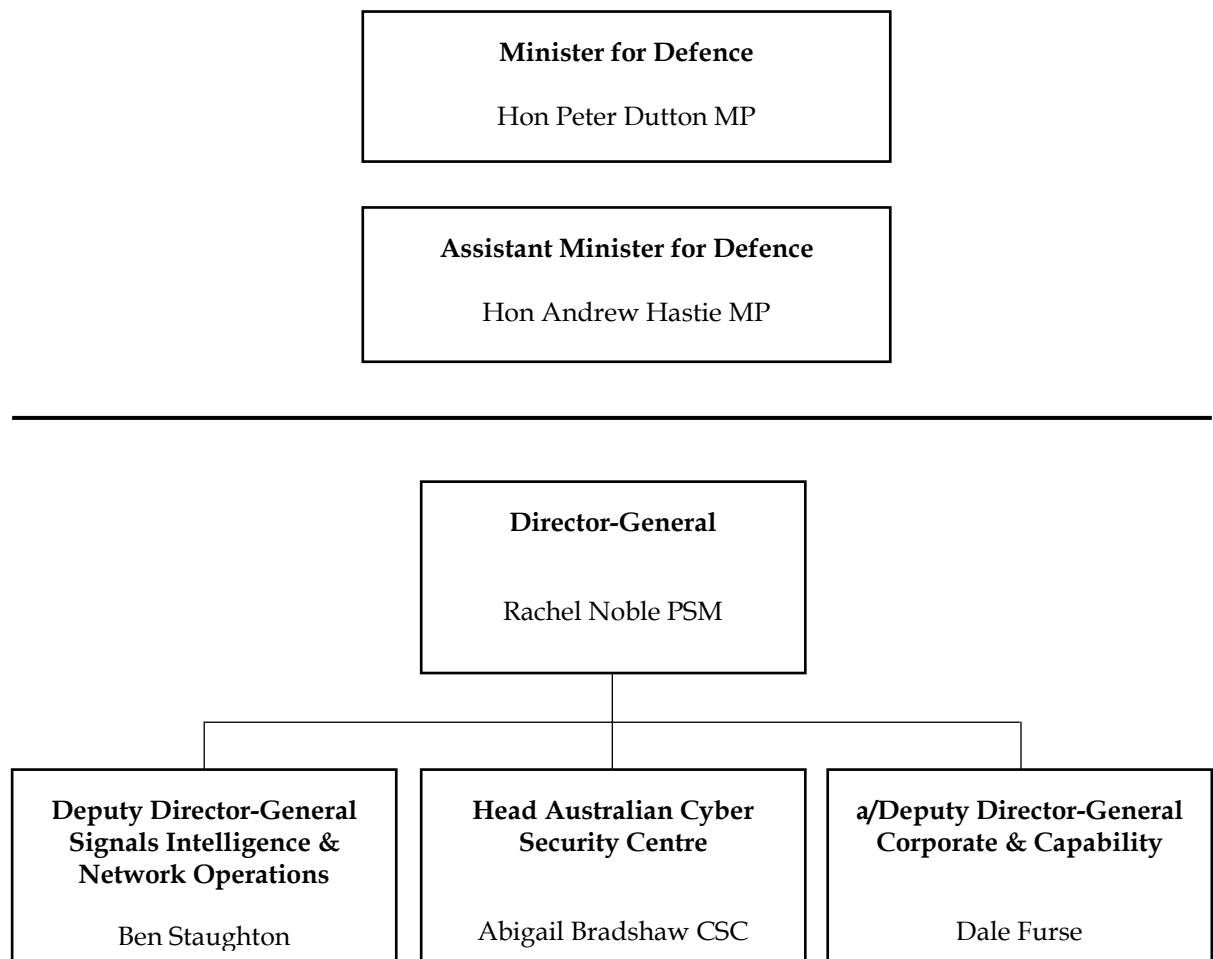
ASD's success is founded in the ingenuity of its workforce. The organisation seeks to recruit and develop a curious and imaginative workforce which is not deterred by difficult challenges. Recruiting the requisite specialist technological expertise has become increasingly challenging, given the high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

From 2022-23, the Government will make the largest ever investment in the ASD's cyber and intelligence capabilities through Project REDSPICE (Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers). Project REDSPICE will significantly expand ASD's offensive cyber capabilities, its ability to detect and respond to cyber attacks, and introduce new intelligence capabilities.

This investment will involve a substantial increase in the cyber, data science and intelligence workforce, with the creation of 1,900 ASD jobs over ten years, and additional jobs for Australian industry.

Figure 1: ASD Organisational Structure



Senior Executive Changes

No changes have taken place since the *Portfolio Additional Estimates Statements 2021-22*.

Organisational Structure

No changes have taken place since the *Portfolio Additional Estimates Statements 2021-22*.

1.2 ASD RESOURCE STATEMENT

Table 1: ASD Resource Statement – Budget Estimates for 2022-23 as at Budget March 2022

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services		
Departmental appropriation	927,259	1,193,149
s74 External Revenue	2,771	2,845
Departmental Capital Budget	45,000	30,000
Annual appropriations - other services - non-operating		
Equity injection	192,908	440,870
Total departmental annual appropriations	1,167,938	1,666,864
Total departmental resourcing	1,167,938	1,666,864
Total resourcing for ASD	1,167,938	1,666,864

1.3 BUDGET MEASURES

2022-23 Budget Measures and Other Budget Adjustments

Table 2: ASD 2022-23 Budget Measures

	2021-22 Estimated Actual \$m	2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m
Departmental Budget Measures					
Payment Measures					
REDSPICE - Expanded cyber and intelligence capability	-	680.0	1,243.6	1,260.6	1,033.1
Total Departmental Budget Measures	-	680.0	1,243.6	1,260.6	1,033.1
Other Budget Adjustments					
Foreign Exchange	11.2	-	-	-	-
Total Other Departmental Budget Adjustments	11.2	-	-	-	-
Variation to ASD Departmental Funding	11.2	680.0	1,243.6	1,260.6	1,033.1

Section 2: ASD Outcomes and Planned Performance

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 measures 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>.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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.

Budgeted Expenses for Outcome 1

Table 3: Budgeted Expenses for Outcome 1

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations					
Expenses funded by appropriation and own source revenue ^[a]					
Employees	309,745	382,309	491,791	582,489	632,180
Suppliers	580,347	772,713	918,471	996,954	1,082,970
Other expenses	4,502	4,077	3,642	3,197	2,740
	894,594	1,159,099	1,413,904	1,582,640	1,717,890
Expenses not requiring appropriation ^[b]					
Resources received free of charge (Auditor fees)	153	155	156	155	159
Depreciation and amortisation	180,934	258,437	385,448	487,280	520,725
	181,087	258,592	385,604	487,435	520,884
Total operating expenses	1,075,681	1,417,691	1,799,508	2,070,075	2,238,774
Capital expenditure funded by appropriation					
Purchases of non-financial assets	237,908	501,574	828,956	667,199	307,864
Principal repayments of lease liabilities	35,436	36,895	37,550	37,842	39,175
Total capital expenditure	273,344	538,469	866,506	705,041	347,039
Total funded expenditure Program 1.1 ^[c]	1,167,938	1,697,568	2,280,410	2,287,681	2,064,929

Notes

a. Section 74 external revenues contribution to expenditure.

b. Expenses not requiring appropriation include depreciation and auditor fees.

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

	2021-22	2022-23
Average Staffing Level (number)	nfp	nfp

Table 4: Performance Measures for Outcome 1

Table 4 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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.		
Program 1.1- Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations		
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.		
Key Activities	<ul style="list-style-type: none"> • Provide foreign signals intelligence • Provide cyber security services • Conduct offensive cyber operations • Sustain and secure future capabilities 	
Year	Performance measures	Expected Performance Results
Current year 2021-22	ASD meets Government expectations to deliver strategic advantage and enables National Intelligence Community operations.	Government expectations to deliver strategic advantage are met. <i>Expected to be met.</i>
		National Intelligence Community operational requirements are met. <i>Expected to be met.</i>
	ASD's foreign signals intelligence products and technical expertise provide effective support for military operations and activities.	ASD's foreign signals intelligence support the ADF's military operations and activities, technological advantage and capability development. <i>Expected to be met.</i>
	ASD provides quality, impactful cyber security services to government, critical infrastructure and services, business, families and individuals.	ASD's cyber security advice and assistance supports stakeholders to improve or maintain their cyber security posture. <i>Expected to be met.</i>
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders. <i>Expected to be met.</i>
		ASD's Top Secret network accreditation and key management services support stakeholders' requirements. <i>Expected to be met.</i>
	ASD delivers partnerships, programs and technical capability that strengthen national cyber security and resilience.	Cyber security information and expertise exchanges with partners help prevent, detect or remediate cyber threats to Australia. <i>Expected to be met.</i>
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia. <i>Expected to be met.</i>
	ASD's offensive cyber operations provide effective and timely support for military operations and activities.	Offensive cyber capabilities provide effective and timely support for ADF military operations and activities. <i>Expected to be met.</i>
	ASD offensive cyber activities meet whole-of-government security requirements to counter offshore cyber threats.	Offensive cyber operations that counter offshore cyber threats meet whole-of-government requirements. <i>Expected to be met.</i>

Year	Performance measures	Expected Performance Results
Current year 2021-22	ASD's corporate services, and technology platforms and products support the achievement of mission outcomes.	ICT infrastructure support mission operations and the delivery of corporate services. <i>Expected to be met.</i>
		ASD's workforce meets mission requirements. <i>Expected to be met.</i>
Year	Performance measures ^[a]	Planned Performance Results
Budget Year 2022-23	As per 2021-22.	As per 2021-22.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.1 resulting from 2022-23 Budget Measures: Nil.		

Note

a. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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 2022-23 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 EXPLANATORY TABLES

Table 5: Third Party Payments to and from Other Agencies ^[a]

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Payments made to Department of Defence for provision of services (Departmental)	94,908	97,426

Note

- a. 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 6: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
EXPENSES					
Employee benefits	309,745	382,309	491,791	582,489	632,180
Supplier expenses	580,500	772,868	918,627	997,109	1,083,129
Depreciation and amortisation	180,934	258,437	385,448	487,280	520,725
Write-down of assets and impairment of assets	-	-	-	-	-
Foreign exchange losses	-	-	-	-	-
Other	4,502	4,077	3,642	3,197	2,740
Total expenses	1,075,681	1,417,691	1,799,508	2,070,075	2,238,774
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	2,771	2,845	2,918	2,994	3,064
Total own-source revenue	2,771	2,845	2,918	2,994	3,064
Gains					
Reversals of previous asset write-downs	-	-	-	-	-
Other gains	153	155	156	155	159
Total gains	153	155	156	155	159
Total own-source income	2,924	3,000	3,074	3,149	3,223
Net cost of (contribution by) services	-1,072,757	-1,414,691	-1,796,434	-2,066,926	-2,235,551
Revenue from Government	927,259	1,193,149	1,448,536	1,617,488	1,754,001
Surplus (Deficit) attributable to the Australian Government	-145,498	-221,542	-347,898	-449,438	-481,550
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves	-	-	-	-	-
Total other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income attributable to the Australian Government	-145,498	-221,542	-347,898	-449,438	-481,550

Note: Impact of net cash appropriation arrangements

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	-	-	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations	-180,934	-258,437	-385,448	-487,280	-520,725
add: Principal repayments on leased assets	35,436	36,895	37,550	37,842	39,175
Total comprehensive income/(loss) - as per the statement of comprehensive income	-145,498	-221,542	-347,898	-449,438	-481,550

Table 7: Budgeted Departmental Balance Sheet (as at 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	13,398	13,398	13,398	13,398	13,398
Trade and other receivables	185,316	154,607	154,607	154,607	154,607
Total financial assets	198,714	168,005	168,005	168,005	168,005
Non-financial assets					
Land and buildings	324,446	281,368	239,249	197,541	156,570
Property, plant and equipment	409,675	663,981	1,094,499	1,279,993	1,110,150
Intangibles	68,086	99,995	155,104	191,237	189,190
Other non-financial assets	48,373	48,373	48,373	48,373	48,373
Total non-financial assets	850,580	1,093,717	1,537,225	1,717,144	1,504,283
Total assets	1,049,294	1,261,722	1,705,230	1,885,149	1,672,288
LIABILITIES					
Payables					
Suppliers	136,314	136,309	136,309	136,309	136,309
Other	14,489	14,489	14,489	14,489	14,489
Total payables	150,803	150,798	150,798	150,798	150,798
Interest bearing liabilities					
Leases	349,946	313,051	275,501	237,659	198,484
Total interest bearing liabilities	349,946	313,051	275,501	237,659	198,484
Provisions					
Employee provisions	100,309	100,309	100,309	100,309	100,309
Total provisions	100,309	100,309	100,309	100,309	100,309
Total liabilities	601,058	564,158	526,608	488,766	449,591
NET ASSETS	448,236	697,564	1,178,622	1,396,383	1,222,697
EQUITY					
Contributed equity	919,467	1,390,337	2,219,293	2,886,492	3,194,356
Reserves	23,663	23,663	23,663	23,663	23,663
Retained surplus (accumulated deficit)	-494,894	-716,436	-1,064,334	-1,513,772	-1,995,322
Total equity	448,236	697,564	1,178,622	1,396,383	1,222,697

Table 8: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	927,259	1,193,149	1,448,536	1,617,488	1,754,001
Goods and services	2,771	2,845	2,918	2,994	3,064
Net GST received	50,578	47,193	46,548	42,443	44,535
Other	-	-	-	-	-
Total cash received	980,608	1,243,187	1,498,002	1,662,925	1,801,600
Cash used					
Employees	309,745	382,309	491,791	582,489	632,180
Suppliers	580,347	772,713	918,471	996,954	1,082,970
Net GST paid	50,578	47,193	46,548	42,443	44,535
Other cash used	-	-	-	-	-
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
Interest payments on lease liabilities	4,502	4,077	3,642	3,197	2,740
Total cash used	945,172	1,206,292	1,460,452	1,625,083	1,762,425
Net cash from (used by) operating activities	35,436	36,895	37,550	37,842	39,175
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	237,908	501,574	828,956	667,199	307,864
Selling costs on sale of assets	-	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	237,908	501,574	828,956	667,199	307,864
Net cash from (used by) investing activities	-237,908	-501,574	-828,956	-667,199	-307,864
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	237,908	501,574	828,956	667,199	307,864
Receipts from other entities on account of restructure	-	-	-	-	-
Total cash received	237,908	501,574	828,956	667,199	307,864
Cash used					
Repayment of debt	35,436	36,895	37,550	37,842	39,175
Cash to the Official Public Account	-	-	-	-	-
Total cash used	35,436	36,895	37,550	37,842	39,175
Net cash from (used by) financing activities	202,472	464,679	791,406	629,357	268,689
Net increase (decrease) in cash and cash equivalents held	-	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,398	13,398	13,398	13,398	13,398
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	13,398	13,398	13,398	13,398	13,398

Table 9: Departmental Statement of Changes in Equity — Summary of Movement (Budget Year 2022-23)

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
Opening balance as at 1 July 2022					
Balance carried forward from previous period	-494,894	23,663	-	919,467	448,236
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	-494,894	23,663		919,467	448,236
Comprehensive income					
Comprehensive income recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
Subtotal comprehensive income	-	-	-	-	-
Surplus (Deficit) for the period	-221,542	-	-	-	-221,542
Total comprehensive income recognised directly in equity	-221,542	-	-	-	-221,542
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital:					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	440,870	440,870
Departmental Capital Budget (DCB)	-	-	-	30,000	30,000
Other	-	-	-	-	-
Sub-total transaction with owners	-	-	-	470,870	470,870
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2023	-716,436	23,663	-	1,390,337	697,564
Closing balance attributable to the Australian Government	-716,436	23,663	-	1,390,337	697,564

Table 10: Statement of Departmental Asset Movements (Budget year 2022-23)

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage & cultural \$'000	Computer software & intangibles \$'000	Total \$'000
As at 1 July 2022					
Gross book value	12,256	562,718	244	114,235	689,453
Gross book value - ROU assets	440,456	11,359	-	-	451,815
Accumulated depreciation/amortisation and impairment	-2,937	-164,646	-	-46,149	-213,732
Accumulated depreciation/amortisation and impairment - ROU assets	-125,329	-	-	-	-125,329
Opening net book balance	324,446	409,431	244	68,086	802,207
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ^[a]	-	424,776	-	46,798	471,574
By purchase - appropriation equity - ROU assets	-	-	-	-	-
By purchase - appropriation ordinary annual services ^[b]	-	30,000	-	-	30,000
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	-	454,776	-	46,798	501,574
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	-2,219	-200,470	-	-14,889	-217,578
Depreciation/amortisation on ROU assets	-40,859	-	-	-	-40,859
Disposals ^[c]	-	-	-	-	-
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	-43,078	-200,470	-	-14,889	-258,437
As at 30 June 2023					
Gross book value	12,256	1,017,494	244	161,033	1,191,027
Gross book value - ROU assets	440,456	11,359	-	-	451,815
Accumulated depreciation/amortisation and impairment	-5,156	-365,116	-	-61,038	-431,310
Accumulated depreciation/amortisation and impairment - ROU assets	-166,188	-	-	-	-166,188
Closing net book balance	281,368	663,737	244	99,995	1,045,344

Notes

a. 'Appropriation equity' refers to equity injections appropriations provided through Appropriation Bill (No. 2) 2022-23, including Collection Development Acquisition Budget.

b. 'Appropriation ordinary annual services' refers to funding provided through Appropriation Bill (No.1) 2022-23 for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.

c. Net proceeds may be returned to the Official Public Account.

Table 11: Departmental Capital Budget Statement (for the period ended 30 June)

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	45,000	30,000	30,000	30,000	30,000
Equity injections - Bill 2	192,908	440,870	798,956	637,199	277,864
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	237,908	470,870	828,956	667,199	307,864
Provided for:					
Purchase of non-financial assets	237,908	470,870	828,956	667,199	307,864
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
Total items	237,908	470,870	828,956	667,199	307,864
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	192,908	471,574	798,956	637,199	277,864
Funded by capital appropriation - DCB	45,000	30,000	30,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	237,908	501,574	828,956	667,199	307,864
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	237,908	501,574	828,956	667,199	307,864
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	237,908	501,574	828,956	667,199	307,864

3.2.2 Notes to the Budgeted Financial Statements

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

DEFENCE HOUSING AUSTRALIA

Agency Resources and Planned Performance

Section 1: DHA Overview and Resources	167
1.1 Strategic Direction Statement	167
1.2 DHA Resource Statement.....	170
1.3 Budget Measures	171
Section 2: DHA Outcomes and Planned Performance	172
2.1 Budgeted Expenses and Performance for Outcome 1	173
Section 3: DHA Explanatory Tables and Budgeted Financial Statements	175
3.1 Explanatory Tables.....	175
3.2 Budgeted Financial Statements	176

This page intentionally left blank.

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 administers Defence housing policy and services provided 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 17,503 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 42,853 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 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 2021 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 21 February 2022, the DHA Board members were:

Chairman	Hon J.A.L. (Sandy) Macdonald, AM
Managing Director	Mr Barry Jackson
Commercial Director	Ms Gai Brodtmann
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

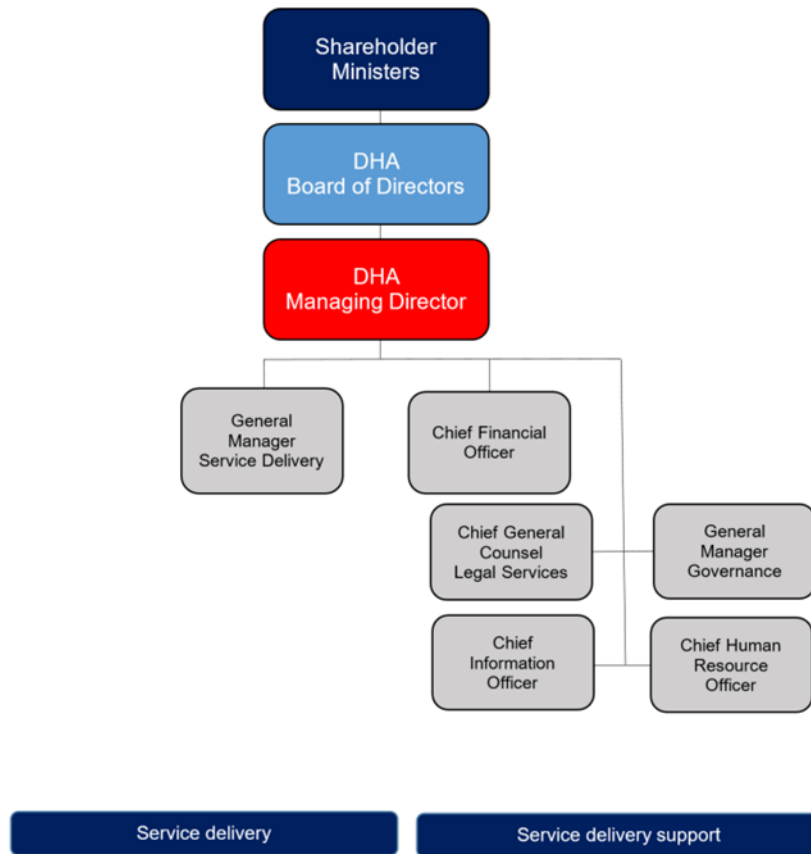
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Board Investment Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 21 February 2022:

Chairperson	BRIG Leigh Wilton AM
Defence Family Advocate of Australia	Ms Sandi Laaksonen-Sherrin
Appointee of Chief of Navy	RADM Christopher Smith CSM, RAN (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 1: DHA Organisational Structure (as at 21 February 2022)



1.2 DHA RESOURCE STATEMENT

Table 1: DHA Resource Statement – Budget Estimates for 2022-23 [a]

	2021-22 Estimated actual \$'000	2022-23 Budget Estimate \$'000
Opening balance/cash reserves at 1 July	199,285	250,080
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department	646,723	625,551
Total amounts received from related entities	646,723	625,551
Total funds from Government	646,723	625,551
Funds from other sources		
Interest	126	55
Sale of goods and services	301,419	288,527
Total funds from other sources	301,545	288,582
Total net resourcing for DHA	1,147,553	1,164,213

Note

a. 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 2022-23 Budget Estimates.

Section 2: DHA Outcomes and Planned Performance

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 measures 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: [Defence Housing Australia Annual Report 2020-21 | Transparency Portal](#)

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

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

Budgeted Expenses for Outcome 1

Table 2: Budgeted Expenses for Outcome 1

	2021-22 Estimated actual \$'000	2022-23 Budget Estimate \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Program 1.1 Other Departmental - DHA					
Revenue from Government					
Payment from related entities	658,394	626,290	666,569	676,761	657,161
Revenues from other independent sources	302,556	299,297	273,682	194,473	254,715
Total expenses for Program 1.1	960,950	925,587	940,251	871,234	911,876
	2021-22	2022-23			
Average staffing level (number)	513	643			

Table 3: Performance Measures for Outcome 1

Table 3 details the performance measures for each program associated with Outcome 1. It also provides the related key activities as expressed in the current corporate plan where further detail is provided about the delivery of the activities related to the program, the context in which these activities are delivered and how the performance of these activities will be measured. Where relevant, details of 2022-23 Budget measures that have created new programs or materially changed existing programs are provided.

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

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

Program 1.1 Objective

Provide adequate and suitable housing and related services; and

Provide value to shareholders.

Key Activities ^[a]	<ul style="list-style-type: none"> •Partner with Defence to shape and administer housing policy •Provide and manage a portfolio of housing solutions •Provide housing services to ADF members and their families •Operate effectively, efficiently and sustainably as a better practice Commonwealth entity. 	
Year	Performance measures	Expected Performance results
Current Year 2021–22	Housing solutions supplied against provisioning schedule	>99%
	ADF Members satisfied with housing solutions	>80%
	Return on equity	8.4%
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022–23	Housing solutions supplied against provisioning schedule	>99%
	ADF Members satisfied with housing solutions	>80%
	Return on equity	>3%
Forward estimates from 2023–24	Housing solutions supplied against provisioning schedule	>99%
	ADF Members satisfied with housing solutions	>80%
	Return on equity	>3%

Notes

a. Key activities have been updated since the *2021–22 Corporate Plan*.

b. New or modified performance measures that reflect new or materially changed programs are shown in *italics* and underlined.

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 2022-23 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 4: Budgeted Departmental Comprehensive Income Statement (for the period ended 30 June) ^[a] ^[b] ^[c]

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
INCOME					
Revenue					
Sale of goods and rendering of services	960,812	914,822	932,406	861,842	907,715
Interest	138	55	38	47	62
Total revenue	961,950	914,877	932,444	861,889	907,777
Gains					
Sale of assets	-	10,710	7,807	9,345	4,099
Total gains	-	10,710	7,807	9,345	4,099
Total income	961,950	925,587	940,251	871,234	911,876
EXPENSES					
Employee benefits	82,610	77,173	73,908	73,116	70,820
Suppliers	358,498	404,392	420,325	357,628	384,305
Depreciation and amortisation	311,425	306,038	311,538	314,810	317,168
Finance costs	41,507	40,169	41,666	44,819	45,931
Losses from asset sales	119	-	-	-	-
Total expenses	794,159	827,772	847,437	790,373	818,224
Profit/(loss) before income tax	166,791	97,815	92,814	80,861	93,652
Income tax expense	50,849	30,946	29,795	25,578	28,762
Net profit/(loss)	115,942	66,869	63,019	55,283	64,890
Profit/(loss) attributable to the Australian Government	115,942	66,869	63,019	55,283	64,890
Total comprehensive income attributable to the Australian Government	115,942	66,869	63,019	55,283	64,890

Note: Impact of Net Cash Appropriation Arrangements

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
Total comprehensive income/(loss) as per statement of Comprehensive Income	115,942	66,869	63,019	55,283	64,890
plus: depreciation of ROU	287,572	283,455	288,174	290,616	291,974
less: principal repayments	290,260	276,633	279,536	282,359	284,470
Net Cash Operating Surplus / (Deficit)	113,254	73,691	71,657	63,540	72,394

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's 2021-22 Quarter 2 Forecast and for Outer Years the 2021-22 Corporate Plan. The Forecast and Corporate Plan are 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.

c. Impact of Net Cash Appropriation Arrangements - Included in accordance with RMG 125 Commonwealth Entities Financial Statements Guide. As DHA is not directly appropriated, the above information is presented for reporting purposes only and includes the depreciation and principal repayments of leases under AASB 16 Leases.

Table 5: Budgeted Departmental Balance Sheet (as at 30 June) ^{[a] [b] [c]}

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	250,080	197,651	179,130	228,505	359,954
Trade and other receivables	7,884	8,813	10,018	10,747	11,223
Other financial assets	19,578	19,578	19,578	19,578	19,578
Total financial assets	277,542	226,042	208,726	258,830	390,755
Non-financial assets					
Land and buildings	3,937,617	3,970,765	3,994,333	4,011,034	4,015,417
Property, plant and equipment	13,963	14,984	13,661	14,010	13,703
Intangibles	2,051	1,929	1,578	1,351	1,325
Inventories	505,270	500,352	550,793	548,164	480,354
Tax assets	64,665	63,080	61,981	60,088	58,850
Other non-financial assets	6,273	6,319	6,366	6,414	6,463
Total non-financial assets	4,529,839	4,557,429	4,628,712	4,641,061	4,576,112
Assets held for sale	12,659	12,659	12,659	12,659	12,659
Total assets	4,820,040	4,796,130	4,850,097	4,912,550	4,979,526
LIABILITIES					
Payables					
Suppliers	22,251	22,251	22,251	21,006	21,006
Dividends	77,001	77,703	75,928	69,422	74,334
Other payables	44,484	47,004	44,254	42,518	43,046
Total payables	143,736	146,958	142,433	132,946	138,386
Interest bearing liabilities					
Loans	115,000	20,000	-	-	-
Leases	1,503,361	1,485,304	1,477,328	1,463,291	1,434,155
Total interest bearing liabilities	1,618,361	1,505,304	1,477,328	1,463,291	1,434,155
Provisions					
Employee provisions	13,864	14,297	14,740	15,195	15,661
Other provisions	107,330	108,939	110,842	111,810	110,296
Total provisions	121,194	123,236	125,582	127,005	125,957
Total liabilities	1,883,291	1,775,498	1,745,343	1,723,242	1,698,498
Net assets	2,936,749	3,020,632	3,104,754	3,189,308	3,281,028
EQUITY					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	2,533,849	2,598,608	2,665,681	2,734,416	2,805,622
Retained surplus (accumulated deficit)	6,752	25,876	42,925	58,744	79,258
Total parent entity interest	2,936,749	3,020,632	3,104,754	3,189,308	3,281,028
Total non-controlling interest	-	-	-	-	-
Total equity	2,936,749	3,020,632	3,104,754	3,189,308	3,281,028

Notes

a. Prepared on Australian Accounting Standards basis.

b. Equity is the residual interest in assets after the deduction of liabilities.

c. The 2021-22 Estimated Actual data in this table is based on DHA's 2021-22 Quarter 2 Forecast and for Outer Years the 2021-22 Corporate Plan. The Forecast and Corporate Plan are 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 6: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) ^[a] ^[b]

	2021-22 Estimated actual \$'000	2022-23 Budget \$'000	2023-24 Forward estimate \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Sale of goods and rendering of services	948,142	914,078	931,596	861,395	907,239
Interest	126	55	38	47	62
Net GST received	588	303	106	232	-
Total cash received	949,856	914,436	931,740	861,674	907,301
Cash used					
Employees	84,164	76,740	73,465	72,661	70,354
Suppliers	284,707	364,808	432,948	319,998	278,533
Borrowing costs	6,610	2,662	394	-	-
Interest payments on lease liability	34,897	37,507	41,272	44,819	45,931
Other	64,901	62,298	70,225	62,472	65,322
Total cash used	475,279	544,015	618,304	499,950	460,140
Net cash from/(used by) operating activities	473,577	370,421	313,436	361,724	447,161
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	6,577	36,198	49,065	35,314	30,038
Total cash received	6,577	36,198	49,065	35,314	30,038
Cash used					
Purchase of property, plant and equipment and intangibles	21,969	40,372	33,741	19,334	21,816
Total cash used	21,969	40,372	33,741	19,334	21,816
Net cash from/(used by) investing activities	-15,392	-4,174	15,324	15,980	8,222
FINANCING ACTIVITIES					
Cash used					
Repayments of borrowings	70,000	95,000	20,000	-	-
Principal payments on lease liability	290,260	276,633	279,536	282,359	284,470
Dividends paid	47,130	47,043	47,745	45,970	39,464
Total cash used	407,390	418,676	347,281	328,329	323,934
Net cash from/(used by) financing activities	-407,390	-418,676	-347,281	-328,329	-323,934
Net increase/(decrease) in cash held	50,795	-52,429	-18,521	49,375	131,449
Cash and cash equivalents at the beginning of the reporting period	199,285	250,080	197,651	179,130	228,505
Cash and cash equivalents at the end of the reporting period	250,080	197,651	179,130	228,505	359,954

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's 2021-22 Quarter 2 Forecast and for Outer Years the 2021-22 Corporate Plan. The Forecast and Corporate Plan are 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 7: Departmental Statement of Changes in Equity — Summary of Movement
(Budget Year 2022-23) ^[a] ^[b]

	Retained earnings \$'000	Asset revaluation reserve \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2022				
Balance carried forward from previous period	6,752	2,533,849	396,148	2,936,749
Adjusted opening balance	6,752	2,533,849	396,148	2,936,749
Comprehensive income				
Surplus/(deficit) for the period	66,869	-	-	66,869
Total comprehensive income	66,869	-	-	66,869
Transactions with owners				
Distributions to owners				
Returns on capital:				
Dividends	-47,745	-	-	-47,745
Contributions by owners				
Other	-	64,759	-	64,759
Sub-total transactions with owners	-47,745	64,759	-	17,014
Estimated closing balance as at 30 June 2023	25,876	2,598,608	396,148	3,020,632
Closing balance attributable to the Australian Government	25,876	2,598,608	396,148	3,020,632

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's 2021-22 Quarter 2 Forecast and for Outer Years the 2021-22 Corporate Plan. The Forecast and Corporate Plan are 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 8: Statement of Departmental Asset Movements (Budget Year 2022-23) ^{[a] [b]}

	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 2022						
Gross book value	1,348,139	1,162,783	34,197	22,655	12,563	2,580,337
Gross book value - ROU assets	-	2,372,082	1,926	-	-	2,374,008
Accumulated depreciation/ amortisation and impairment	-	-96	-20,267	-20,604	96	-40,871
Accumulated depreciation/amortisation and impairment - ROU assets	-	-945,291	-1,893	-	-	-947,184
Opening net book balance	1,348,139	2,589,478	13,963	2,051	12,659	3,966,290
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - other	19,695	19,696	1,960	630	-	41,981
By purchase - other - ROU assets	-	268,429	1,114	-	-	269,543
Total additions	19,695	288,125	3,074	630	-	311,524
Other movements						
Assets held for sale or in a disposal group held for sale	-18,099	-18,099	-	-	36,198	-
Depreciation/amortisation expense	-	-20,372	-1,459	-752	-	-22,583
Depreciation/amortisation on ROU assets	-	-282,861	-594	-	-	-283,455
Disposals	-	-	-	-	-36,198	-36,198
Other	23,685	41,074	-	-	-	64,759
Total other movements	5,586	-280,258	-2,053	-752	-	-277,477
As at 30 June 2023						
Gross book value	1,373,420	1,205,454	36,157	23,285	12,563	2,650,879
Gross book value - ROU assets	-	2,640,511	3,040	-	-	2,643,551
Accumulated depreciation/ amortisation and impairment	-	-20,468	-21,726	-21,356	96	-63,454
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,228,152	-2,487	-	-	-1,230,639
Closing net book balance	1,373,420	2,597,345	14,984	1,929	12,659	4,000,337

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's 2021-22 Quarter 2 Forecast and for Outer Years the 2021-22 Corporate Plan. The Forecast and Corporate Plan are 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.

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 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.
Asset	An asset is a resource: <ul style="list-style-type: none"> •controlled by an entity as a result of past event; and •from which future economic benefits are expected to flow to the entity.
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 capabilities as directed by the Secretary and the Chief of Defence Force. Capability Managers include the Vice Chief of the Defence Force, Associate Secretary, Director General Australian Signals Directorate, Chief Joint Capabilities, Chief of Defence Intelligence, the Service Chiefs, Chief Information Officer, Deputy Secretary Security and Estate, and Chief Defence Scientist.
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.
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.
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.

Term	Meaning
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.
Grant	An arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: <ul style="list-style-type: none"> •under which Commonwealth funds are to be paid to a grantee other than the Commonwealth; and •which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.
Group	A high-level organisational grouping of functions and activities used by the Defence Executive as its primary management grouping (e.g. the Strategy Policy & Industry 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	Special Accounts are an appropriation mechanism to draw money from the Consolidated Revenue Fund for particular purposes. They are not bank accounts.
Special Appropriations (including Standing Appropriations)	<p>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.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>
Specialist military equipment	Assets of a military nature used for a specific military purpose. This includes military equipment and commercial items that have had major modifications to convert/fit them for a military purpose.
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
ACC	Air Combat Capability
ACMC	Australian Civil-Military Centre
ACPB	Armidale Class Patrol Boats
ACS	Aegis Combat System
ADF	Australian Defence Force
AEWC	Airborne Early Warning and Control
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AM	Member of the Order of Australia
ANSTO	Australian Nuclear Science and Technology Organisation
AO	Officer of the Order of Australia
AOR	Auxiliary Oiler Replenishment
APS	Australian Public Service
ARH	Armed Reconnaissance Helicopters
ASD	Australian Signals Directorate
ASIO	Australian Security Intelligence Organisation
ASMTI	Australia-Singapore Military Training Initiative
ASPI	Australian Strategic Policy Institute
AUKUS	An enhanced security partnership between Australia, the United Kingdom and the United States
AVM	Air Vice Marshal
AWD	Air Warfare Destroyer

B

BMS	Battlefield Management Systems
BRIG	Brigadier

C

CAF	Chief of Air Force
CBRND	Chemical Biological Radiological Nuclear Defence
CCPB	Cape Class Patrol Boat
CCSM	Collins Class Submarine
CSM	Conspicuous Service Medal
CDF	Chief of the Defence Force
CER	Combat Engineer Regiment
CERT	Computer Emergency Response Teams
CIRP	Critical Infrastructure Recovery Project
CMATS	Civil Military Air Traffic System
COMSEC	Communications Security
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSC	Commonwealth Superannuation Corporation / Conspicuous Service Cross

D

DACC	Defence Assistance to the Civil Community
DCB	Defence Capital Budget
DCP	Defence Cooperation Program
DDG	Hobart Class Air Warfare Destroyers
DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DGST	Deployable Geospatial Support
DHA	Defence Housing Australia
DHOAS	Defence Home Ownership Assistance Scheme
DISER	Department of Industry, Science, Energy and Resources
DITC	Defence International Training Centre
DMFS	Defence Member and Family Support Branch
D-RAP	Defence Reconciliation Action Plan
DSAS	Data Sharing and Analytical Services
DSC	Distinguished Service Cross
DSM	Distinguished Service Medal
DVA	Department of Veterans' Affairs

E

ELF	Enhanced Land Force
ERP	Enterprise Resource Planning
EW	Electronic Warfare

F

FAICD	Fellow of the Australian Institute of Company Directors
FCA	Fellow Chartered Accountant
FIRB	Foreign Investment Review Board
FFH	Fast Frigate Helicopter / Helicopter Capable Frigate - Anzac Class Frigate
FMS	Foreign Military Sales
FNACS	Future Naval Aviation Combat System
FTE	Full Time Equivalent

G

GBE	Government Business Enterprise
GST	Good and Services Tax

H

HIPP	HydroScheme Industry Partnership Program
HS	Hydrographic ship
HMAS	Her Majesty's Australian Ship

I

ICT	Information and Communications Technology
IED	Improvised Explosive Device
IGADF	Inspector-General of the Australian Defence Force
IGP	Indigenous Graduate Pathway
IOC	Initial Operational Capability
IPP	Indigenous Procurement Policy
ISREW	Intelligence Surveillance Reconnaissance and Electronic Warfare

J

JORN	Jindalee Operational Radar Network
JTA	Joint Transition Authority
JP	Joint Project

L

LHD	Landing Helicopter Dock
LSD	Landing Ship Dock

M

MAJGEN	Major General
METOC	Mobile Meteorological and Oceanographic
MHC	Mine Hunter Coastal – Coastal Mine Hunter / Medium Heavy Capability
MMT	Mobile Meteorological Team
MOU	Memorandum of Understanding
MP	Member of Parliament
MRH	Multi-Role Helicopter
MRTT	Multi-Role Tanker Transport
MSBS	Military Superannuation and Benefits Scheme
MSU	Maritime Safety Updates
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

ODIS	Office of Defence Industry Support
OPV	Offshore Patrol Vessel
OTHR	Over the Horizon Radar

P

PAES	Portfolio Additional Estimates Statements
PBS	Portfolio Budget Statements
PEFO	Pre-election Economic and Fiscal Outlook
PGPA	Public Governance, Performance and Accountability
PMICA	Protected Mobility Integrated Capability Assurance
PMV-L	Protected Mobility Vehicle
PNG	Papua and New Guinea
PNGDF	Papua and New Guinea Defence Force
PSM	Public Service Medal
PWC	Parliamentary Standing Committee on Public Works

R

RAAF	Royal Australian Air Force
RADM	Rear Admiral
RAN	Royal Australian Navy
RANCCB	Royal Australian Navy Central Canteens Board
RMG	Resource Management Guide
ROE	Rate of Effort – Flying Hours
ROU	Right of Use
RMC	Royal Military College

S

SATCOM	Satellite Communications
SERCAT	Service Category
SME	Specialist Military Equipment / School of Military Engineering / Small Medium Enterprise
SML	Survey Motor Launch
STEM	Science, Technology, Engineering and Mathematics

U

UAD	Unit Availability Days
UAS	Unmanned Aerial System
UNSCR	United Nations Security Council Resolutions
USFPI	United States Force Posture Initiatives