

PORTFOLIO BUDGET STATEMENTS 2022-23
BUDGET RELATED PAPER No. 1.4A

DEFENCE PORTFOLIO

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

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THE HON RICHARD MARLES
DEPUTY PRIME MINISTER
MINISTER FOR DEFENCE

PARLIAMENT HOUSE
CANBERRA 2600

President of the Senate
Australian Senate
Parliament House
CANBERRA ACT 2600

Speaker
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Ms President

Dear Mr Speaker

I hereby submit the October Portfolio Budget Statements in support of the 2022-23 October 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 that reads "Richard Marles".

Richard Marles

Abbreviations and Conventions

The following notations may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$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) 6132 7038.

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 *October 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.

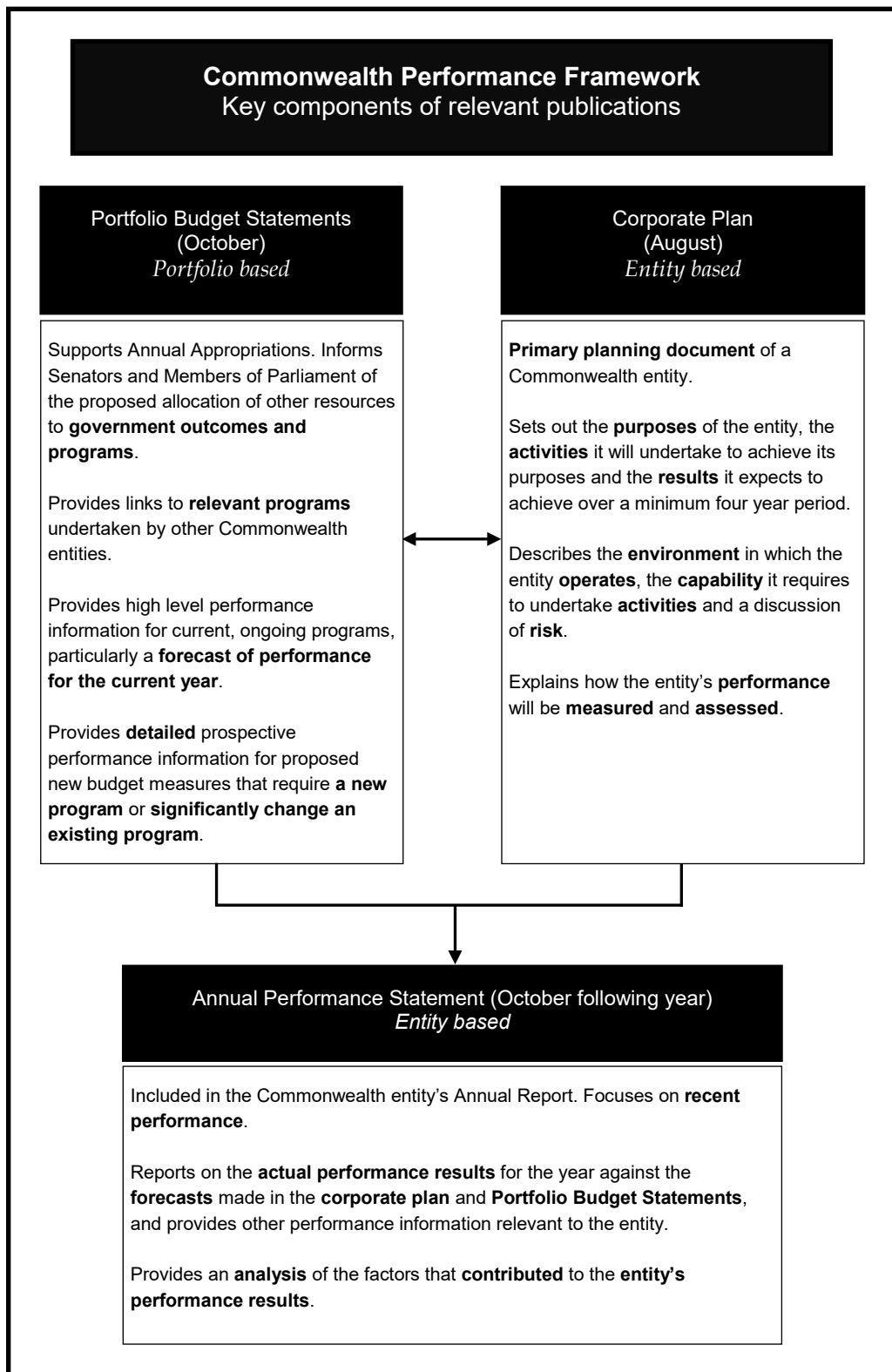
A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in Appropriation Bills (No. 1 and No. 2) 2022-23 (or Appropriation (Parliamentary Departments) Bill (No. 1) 2022-23 for the Parliamentary Departments). In this sense, the PB Statements are Budget related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

PORTFOLIO OVERVIEW	1
Ministers and their Portfolio Responsibilities	3
The Defence Portfolio	3
Portfolio Structure and Outcomes	4
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	87
3.1 Grants	87
3.2 Resource Summary	88
3.3 Budgeted Financial Statements	90
APPENDICES	103
Appendix A: Defence Cooperation Program	104
Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects	107
Appendix C: Top 30 Capability Sustainment Products	117
Appendix D: Enterprise Estate and Infrastructure Program	124
Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2022-23	135
Appendix F: Top 5 Information and Communication Technology Approved Projects.....	142
Appendix G: Australian Government Indigenous Expenditure	144

AUSTRALIAN SIGNALS DIRECTORATE.....	147
Section 1: ASD Overview and Resources.....	149
1.1 Strategic Direction Statement	149
1.2 ASD Resource Statement	153
1.3 Budget Measures	154
Section 2: ASD Outcomes and Planned Performance	155
2.1 Budgeted Expenses and Performance for Outcome 1	156
Section 3: ASD Explanatory Tables and Budgeted Financial Statements	159
3.1 Explanatory Tables.....	159
3.2 Budgeted Financial Statements	160
DEFENCE HOUSING AUSTRALIA	167
Section 1: DHA Overview and Resources	169
1.1 Strategic Direction Statement	169
1.2 DHA Resource Statement.....	172
1.3 Budget Measures	172
Section 2: DHA Outcomes and Planned Performance	173
2.1 Budgeted Expenses and Performance for Outcome 1	174
Section 3: DHA Explanatory Tables and Budgeted Financial Statements	176
3.1 Explanatory Tables.....	176
3.2 Budgeted Financial Statements	177
GLOSSARY	182
ACRONYMS	188

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Portfolio Overview

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Defence Portfolio Overview

Ministers and their Portfolio Responsibilities

The Defence Portfolio has four ministers:

- The Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence.
- The Hon Pat Conroy MP, Minister for Defence Industry.
- The Hon Matt Keogh MP, Minister for Veterans' Affairs and Minister for Defence Personnel.
- The Hon Matt Thistlethwaite MP, Assistant Minister for Defence and Assistant Minister for Veterans' Affairs.

The Hon Richard Marles MP was sworn in as Deputy Prime Minister and Minister for Defence on 23 May 2022.

The other Ministers were sworn in on 1 June 2022.

The Defence Portfolio

The Defence Portfolio (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.

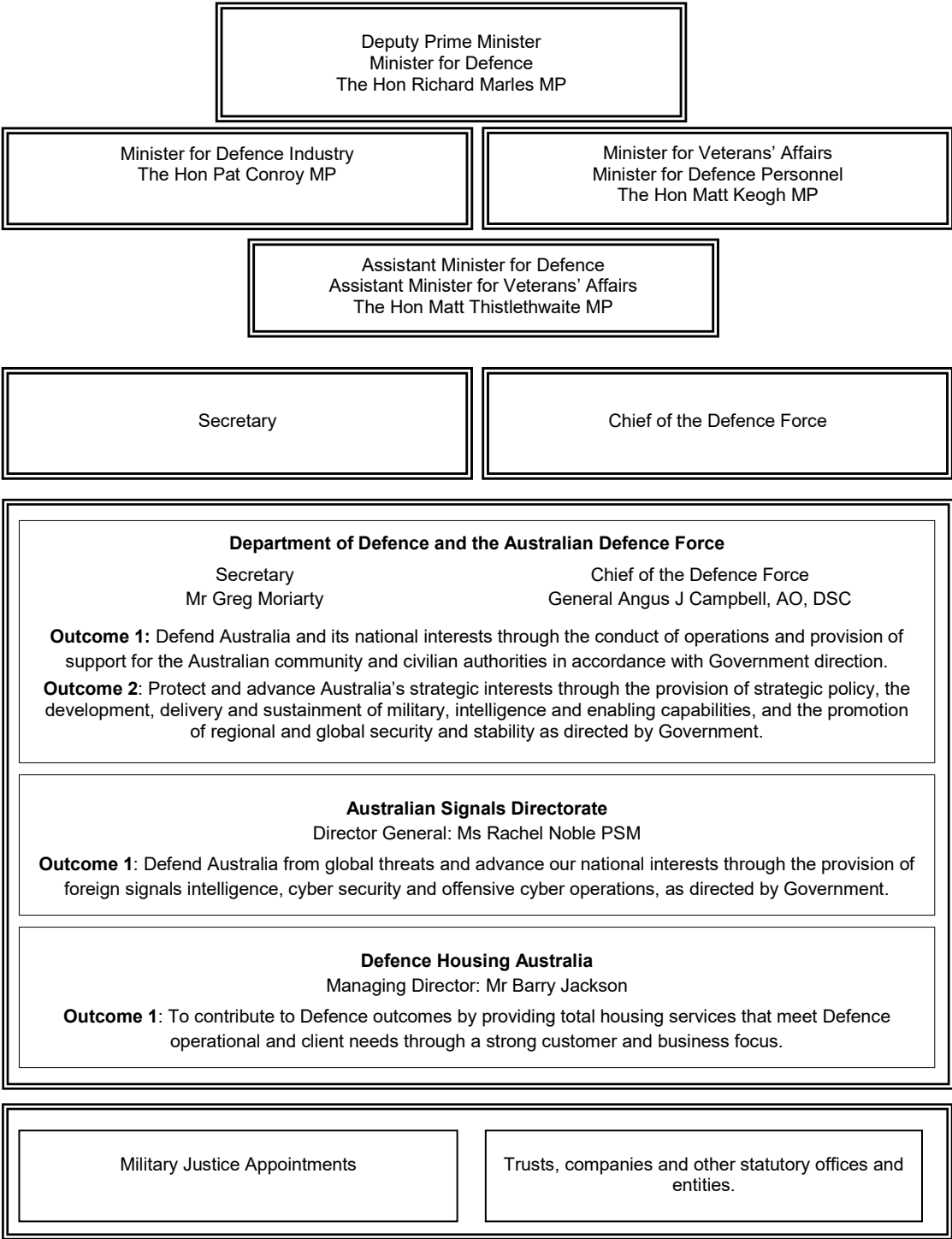
The Portfolio includes the Australian Signals Directorate (ASD) and Defence Housing Australia (DHA). The Portfolio also contains some smaller entities, including a number of statutory offices, trusts and companies created by the *Public Governance, Performance and Accountability Act 2013*, *Defence Force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

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.

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 Craig Dobson

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.

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 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 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.

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.

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	87
3.1 Grants	87
3.2 Resource Summary	88
3.3 Budgeted Financial Statements	90

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Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

Defence seeks 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.

These objectives are supported by \$270 billion in new capability investment to implement this strategy over the decade through to 2030. During 2022-23, the *Defence Strategic Review* will consider the priority of investment in Defence capabilities and assess the Australian Defence Force's structure, posture and preparedness in order to optimise Defence capability and posture to meet the nation's security challenges over the next decade and beyond.

The *Defence Strategic Review* will ensure that Defence's capability and force structure are fit for purpose, affordable and deliver the greatest return on investment. This will be a comprehensive review of how the ADF is positioned to deal with current and future strategic circumstances for Australia and the Indo-Pacific region.

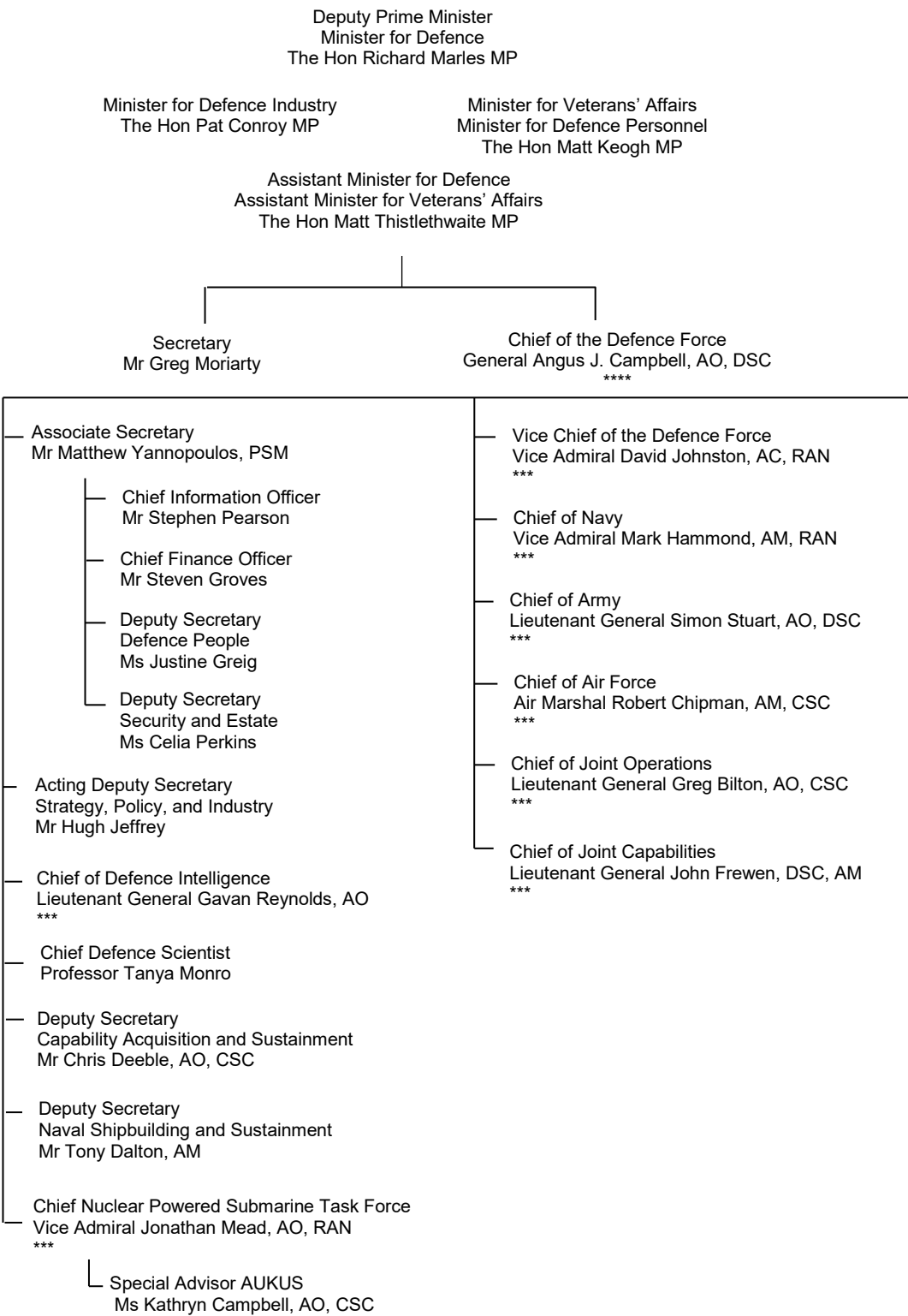
During 2022-23, the Australia, the United Kingdom and the United States (AUKUS) partners will aim to bolster our interoperability and joint capabilities to maintain and extend our capability edge by enabling Australia to acquire a Nuclear Powered Submarine capability, as well as pursuing other advanced capabilities — advanced cyber, artificial intelligence and autonomy, quantum technologies, undersea warfare, electronic warfare, and hypersonic and counter-hypersonic. AUKUS partners will also continue to leverage our respective innovation and information sharing ecosystems to underpin the success of the AUKUS partnership.

AUKUS will enhance Defence's ability to deter threats to our interests and enables Australia to be a more potent and capable contributor to the security and stability of our region.

During 2022-23 the Government will also introduce key measures to better manage Defence procurement and sustainment. These measures will strengthen and revitalise Defence's projects of concern process to ensure Defence delivers the capabilities ADF personnel need, when they need them.

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

The following changes have taken place since the last Portfolio Statement:

- On 11 June 2022, Mr Tony Fraser, AO, CSC retired from the Australian Public Service as the Deputy Secretary of Capability, Acquisition and Sustainment.
- On 11 June 2022, Mr Shane Fairweather was appointed as Acting Deputy Secretary Capability, Acquisition and Sustainment until 29 August 2022.
- On 1 July 2022, Ms Kathryn Campbell, AO, CSC was appointed as Special Advisor AUKUS.
- On 2 July 2022 Lieutenant General Rick Burr, AO, DSC, MVO completed his appointment as Chief of Army.
- On 3 July 2022 Air Marshal Mel Hupfeld, AO, DSC completed his appointment as Chief of Air Force.
- On 3 July 2022, Lieutenant General Simon Stuart, AO, DSC was appointed as Chief of Army.
- On 4 July 2022, Air Marshal Robert Chipman, AM, CSC was appointed as Chief of Air Force.
- On 6 July 2022, Vice Admiral Michael Noonan, AO, RAN completed his appointment as Chief of Navy.
- On 7 July 2022, Vice Admiral Mark Hammond, AM, RAN was appointed as Chief of Navy.
- On 19 August 2022, Mr Peter Tesch retired from the Australian Public Service as the Deputy Secretary Strategy, Policy and Industry.
- On 27 August 2022, Mr Hugh Jeffrey was appointed as Acting Deputy Secretary Strategy, Policy and Industry until the position is filled permanently.
- On 29 August 2022, Mr Chris Deeble, AO, CSC was appointed as Deputy Secretary Capability, Acquisition and Sustainment.
- On 4 October 2022, Mr Tony Dalton, AM was appointed as Deputy Secretary, Naval Shipbuilding and Sustainment.

Organisational Structure

The following change has taken place since the last Portfolio Statement:

- On 4 October 2022, Naval Shipbuilding and Sustainment Group (NSSG) was established to develop a national shipbuilding and sovereign sustainment industry and workforce. The NSSG will drive, inform and influence decision-making related to the acquisition and sustainment of Navy's current and future fleet and Army's watercraft.

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 Actual Result \$'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	29,592,034	Appropriation for departmental outcomes	30,771,077	31,337,876	566,799	1.8	31,258,896	32,127,031	33,803,553
2	2,827,786	Departmental capital budget	2,943,566	3,054,372	110,806	3.8	3,070,065	3,269,808	2,932,623
3	11,902,139	Equity injection appropriation	13,236,368	12,605,040	-631,328	-4.8	15,511,582	16,522,304	17,744,987
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	44,321,959	Current year's appropriation (1 + 2 + 3 + 4) ^(a)	46,951,011	46,997,288	46,277	0.1	49,840,543	51,919,143	54,481,163
6	1,807,767	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account ^(b)	-	-	-	-	-	-	-
9	1,807,767	Funding from / to the OPA (6 + 7 + 8)	-	-	-	-	-	-	-
10	46,129,726	Funding from Government (5 + 9)	46,951,011	46,997,288	46,277	0.1	49,840,543	51,919,143	54,481,163
11	277,929	Net Capital receipts	477,887	477,893	6	0.0	352,982	322,884	331,030
12	740,703	Own source revenue (s74 receipts) ^(c)	550,388	578,049	27,661	5.0	586,607	587,179	657,957
13	-	Prior year receipts	-	-	-	-	-	-	-
14	1,018,632	Funding from other sources (11 + 12 + 13)	1,028,275	1,055,942	27,667	2.7	939,589	910,063	988,987
15	47,148,358	Total Departmental funding excl. Defence Trusts and Joint Accounts (10 + 14)	47,979,286	48,053,230	73,944	0.2	50,780,132	52,829,206	55,470,150
Defence Trusts and Joint Accounts									
16	-	Revenue	-	399,097	399,097	-	411,070	423,402	436,104
17	-	Expenditure	-	-399,097	-399,097	-	-411,070	-423,402	-436,104
18	-	Total Defence Trusts and Joint Accounts (16 + 17) ^(d)	-	-	-	-	-	-	-
19	47,148,358	Total Departmental funding (15 + 18)	47,979,286	48,053,230	73,944	0.2	50,780,132	52,829,206	55,470,150
Administered ^(e)									
20	3,466,583	Administered special appropriations	3,343,569	3,650,913	307,344	9.2	3,890,346	4,153,245	4,423,573
21	1,523,834	Own source revenue ^(f)	1,191,323	1,266,682	75,359	6.3	1,191,380	1,138,888	1,073,206
22	-1,523,834	Returns to the Official Public Account	-1,191,323	-1,266,682	-75,359	6.3	-1,191,380	-1,138,888	-1,073,206
23	3,466,583	Total Administered funding (20 + 21 + 22)	3,343,569	3,650,913	307,344	9.2	3,890,346	4,153,245	4,423,573
24	50,614,941	Total Defence resourcing (19 + 23)	51,322,855	51,704,143	381,288	0.7	54,670,478	56,982,451	59,893,723
Appropriation carried forward									
25	188,678	Appropriation receivable including previous year's outputs ^(g)	2,139,594	1,095,584	-1,044,010	-48.8	1,222,249	1,385,409	1,145,964
26	316,916	Cash in bank - Departmental ^(d)	285,883	756,889	471,006	164.8	756,889	756,889	756,889
27	357,357	Cash in bank - Administered	181,578	-	-181,578	-100.0	-	-	-
28	862,951	Total appropriations carried forward (25 + 26 + 27)	2,607,055	1,852,473	-754,582	-29.0	1,979,138	2,142,298	1,902,853

Notes

a. The appropriations for 2022-23 as disclosed in Serial Nos. 1 to 3, include amounts in Appropriation Bill 1 and Bill 2 which are yet to receive Royal Assent. The amounts as disclosed in Serial Nos. 1 to 3 for 2021-22 include amounts which will be received as part of Bill 1 and Bill 2 in 2022-23. Serial No. 3 excludes transfer of assets from other agencies of \$9.3 million for 2021-22.

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

c. All figures are net of GST.

d. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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

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

g. Includes the impact of appropriation handbacks for 2019-20 and 2020-21 in relation to Defence's No-Win-No-Loss arrangements mainly for Operations. Further, this includes the impact of draw down of appropriations carried forward in 2021-22 as disclosed in Serial No. 6.

1.3 Budget Measures

Budget measures relating to Defence are detailed in the October Budget Paper No. 2 and are summarised below.

2022-23 Budget Measures and Other Budget Adjustments

Table 2: Defence 2022-23 October Budget Measures

		2022-23 Budget Estimate \$m	2023-24 Forward Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	Total \$m
Budget Measures						
Receipt Measures						
Improving Home Ownership for Defence Personnel and Veterans ^[a]						
Administered	2.22	1.0	2.1	2.4	2.6	8.1
Total Receipt Measures		1.0	2.1	2.4	2.6	8.1
Payment Measures						
Improving Home Ownership for Defence Personnel and Veterans ^[a]						
Departmental	Various	-4.8	-11.3	-13.9	-16.2	-46.2
Administered	2.22	5.8	13.5	16.3	18.8	54.3
Support for Defence and Manufacturing Industries ^[b]	Various	—	—	—	—	—
Support for Veterans ^[c]	2.12	—	—	—	—	—
Supporting Talent and Leadership in Australian Science and Technology ^[d]	2.13	-4.0	—	—	—	-4.0
Pacific Security and Engagement Initiatives ^[e]	2.1	—	—	—	—	—
Veterans' Wellbeing Package ^[f]	Various	-2.7	-5.0	-5.9	-6.9	-20.5
Additional Assistance to Ukraine ^[g]	Various	—	—	—	—	—
Outcomes of the Jobs and Skills Summit ^[h]	2.1	—	—	—	—	—
Cyber Hubs pilot - extension	2.11	7.1	—	—	—	7.1
Purpose-Built Quarantine Facilities - maintenance ^[i]	2.10	nfp	nfp	nfp	nfp	nfp
Savings from External Labour, and Savings from Advertising, Travel and Legal Expenses	Various	-144.6	—	—	—	-144.6
An Ambitious and Enduring APS Reform Plan	Various	-1.2	-3.5	-4.3	—	-8.9
Total Departmental Payment Measures		-150.1	-19.8	-24.0	-23.1	-217.1
Total Administered Payment Measures		5.8	13.5	16.3	18.8	54.3
Total Payment Measures		-144.4	-6.3	-7.8	-4.3	-162.8
Total Net Departmental Measures		-150.1	-19.8	-24.0	-23.1	-217.1
Total Net Administered Measures		4.8	11.3	13.9	16.2	46.2
Total Net Budget Measures		-145.4	-8.5	-10.1	-6.9	-170.9
Other Departmental Budget Adjustments						
Foreign Exchange	Various	382.3	574.6	795.6	1,049.4	2,801.9
Transfers of projects to Australian Signals Directorate	2.9	-27.3	-44.0	-28.6	-11.2	-111.1
Operation RESOLUTE	1.3	10.0	—	—	—	10.0
Schools Pathways Program State Payment	Various	-1.2	-1.3	-1.3	-1.3	-5.1
Total Other Departmental Budget Adjustments		363.8	529.3	765.7	1,036.9	2,695.7
Total Departmental Funding		213.6	509.5	741.7	1,013.8	2,478.6
Total Administered Funding		4.8	11.3	13.9	16.2	46.2
Total Defence Funding		218.4	520.8	755.6	1,030.0	2,524.8

Notes

- This measure is funded through the receipt of \$8.1 million and the reclassification of \$46.2 million from Departmental to Administered.
- This measure provides \$37.3 million over the period 2022-23 to 2024-25 and is being absorbed by Defence.
- This measure is led by the Department of Veterans' Affairs and provides \$4.7 million over the period 2022-23 to 2025-26 which is being absorbed by Defence.
- This measure is a transfer to the Department of Industry, Science and Resources.
- This measure is led by the Department of Foreign Affairs and Trade and provides \$37.3 million over the period 2022-23 to 2025-26 which is being absorbed by Defence.
- This measure transfers \$20.5 million to the Department of Veterans' Affairs with an additional \$3.5 million being absorbed by Defence.
- This measure provides \$98.0 million in 2022-23 and is being absorbed by Defence. This is in addition to \$87.6 million which was absorbed in 2021-22.
- This measure will have no financial impact for Defence.
- This measure is not for publication (nfp) due to commercial sensitivities.

Operations Summary

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

	2021-22 Actual Result \$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	121.8	104.2	0.9	0.0	-	226.9
Operation HIGHROAD	31.6	0.5	0.4	-	-	32.5
Operation RESOLUTE	70.2	84.7	-	-	-	154.9
Operation OKRA	37.0	11.5	0.7	-	-	49.2
COVID-19 Response Package - Australian Defence Force deployment ^[d] ^[e]	116.2	-	-	-	-	116.2
Operation FLOOD ASSIST ^[d]	23.1	-	-	-	-	23.1
Total Net Additional Costs	399.9	200.9	2.0	0.0	-	602.8
Sources of Funding for Major Operations						
Government Supplementation	374.9	200.9	2.0	0.0	-	577.8
Department of Defence (Absorbed)	25.0	-	-	-	-	25.0
Total Cost	399.9	200.9	2.0	0.0	-	602.8

Notes

- a. This table reflects ongoing and new Major Operations funded under No Win/No Loss arrangements for 2021-22 and 2022-23.
- b. The Net Additional Cost of Major Operations include the budget adjustments shown under Table 2: Defence 2022-23 October Budget Measures.
- c. Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.
- d. This Operation was a Major Operation in 2021-22.
- e. 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	2022-23	2022-23	2023-24	2024-25	2025-26
		Actual	Previous	Budget	Forward	Forward	Forward
		Result	Estimate	Estimate	Estimate	Estimate	Estimate
		\$m	\$m	\$m	\$m	\$m	\$m
1	Defence	44,322.0	46,951.0	46,997.3	49,840.5	51,919.1	54,481.2
2	Australian Signals Directorate	1,165.2	1,664.0	1,702.4	2,321.5	2,313.3	2,073.0
3	Consolidated Defence and ASD Funding	45,487.2	48,615.0	48,699.7	52,162.0	54,232.4	56,554.2

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] ^[b]

Serial No.		2021-22	2022-23	2022-23	2023-24	2024-25	2025-26	Total
		Actual	Previous	Budget	Forward	Forward	Forward	
		Result	Estimate	Estimate	Estimate	Estimate	Estimate	
		\$m	\$m	\$m	\$m	\$m	\$m	\$m
1	Workforce	13,522.0	14,160.0	14,167.1	14,535.3	15,202.1	15,773.3	73,199.8
2	Operations	469.4	193.2	216.5	3.3	1.3	1.3	691.8
3	Capability Acquisition Program	14,389.8	16,263.5	16,215.3	18,438.8	18,986.6	20,240.1	88,270.6
4	Capability Sustainment Program	14,386.8	14,975.6	15,065.4	15,353.7	16,380.2	17,214.8	78,400.9
5	Operating	3,260.8	2,387.0	2,388.9	2,449.0	2,259.0	2,240.7	12,598.4
6	Total Defence Planned Expenditure	46,028.8	47,979.3	48,053.2	50,780.1	52,829.2	55,470.2	253,161.5

Notes

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

b. Does not include expenses in relation to Defence Trusts and Joint Accounts, as these expenses are incurred on behalf of such trusts and joint accounts and are offset by revenues. Refer Table 1 Serial Nos. 16-18 and Table 36.

Table 5: Capability Acquisition Program ^[a]

Serial No.		2021-22 Actual Result \$m	2022-23 Previous Estimate \$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	11,057.0	11,673.4	11,651.4	13,460.5	14,457.5	15,779.2	66,405.6
2	Enterprise Estate and Infrastructure Program	2,349.0	3,337.8	3,320.7	3,737.0	3,651.0	3,571.2	16,628.9
3	ICT Acquisition Program	789.8	1,096.5	1,065.5	1,038.3	680.8	672.5	4,246.9
4	Minors Program	194.0	155.8	177.7	203.0	197.3	217.2	989.2
5	Total Capability Acquisition Program ^[b]	14,389.8	16,263.5	16,215.3	18,438.8	18,986.6	20,240.1	88,270.6

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 Actual Result \$m	2022-23 Previous Estimate \$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	2,917.3	3,359.2	3,256.4	3,442.3	3,487.0	3,889.2	16,992.2
2	Army Sustainment	1,952.4	2,504.2	2,290.7	2,719.0	3,135.4	3,186.0	13,283.5
3	Air Force Sustainment	3,045.9	3,544.3	3,528.9	3,849.7	4,160.7	4,519.6	19,104.8
4	Chief Information Officer Sustainment ^[b]	1,763.4	1,496.7	1,714.6	1,614.9	1,747.1	1,688.1	8,528.1
5	Joint Capabilities Sustainment	383.1	515.6	414.0	469.6	542.2	624.5	2,433.4
6	Strategy, Policy and Industry Sustainment	34.1	37.7	23.3	98.2	109.3	127.5	392.4
7	Defence Intelligence Sustainment	110.3	122.4	124.2	149.3	175.4	263.5	822.7
8	Security and Estate Sustainment ^[c]	4,177.2	3,391.8	3,709.5	3,006.9	3,019.3	2,912.6	16,825.5
9	Other Minor Sustainment	3.1	3.8	3.8	3.8	3.8	3.8	18.2
10	Total Capability Sustainment Program ^[d]	14,386.8	14,975.6	15,065.4	15,353.7	16,380.2	17,214.8	78,400.9

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.

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	90.4	99.5	144.9	144.9
	Proceeds from the sale of housing	5.6	6.1	6.8	7.4
	Total proceeds from the sale of property	96.0	105.6	151.7	152.3
	Costs from the sale of property ^[a]	-0.1	-0.2	-0.2	-0.2
1	Net property proceeds retained by Defence	95.9	105.4	151.5	152.1
2	Proceeds from sale of specialist military equipment	-	-	-	-
3	Proceeds from sale of infrastructure, plant and equipment	24.7	27.9	27.0	28.7
4	Retained Capital Receipts (1 + 2 + 3)	120.6	133.3	178.5	180.8

Note

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

1.5 People

Workforce Overview

Defence continues to shape its workforce to be more capable, agile and resilient. Workforce capacity is being built to support new platforms and emerging complex capabilities such as cyber, intelligence, electronic warfare, space, and those required under AUKUS. This is being achieved via workforce growth, and the reshaping and reskilling of the existing workforce. This workforce growth will continue to support the strategic priorities identified in the *2020 Defence Strategic Update*, *2020 Force Structure Plan* and *Lead the Way: Defence Transformation Strategy*.

Defence has commenced efforts to grow its workforce 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*. The *Defence Strategic Workforce Plan 2021-2040* provides the overarching guidance to achieve this growth. This growth will enable the delivery and operation of the capabilities Defence needs to secure Australia's strategic environment, protect Australia's interests, and build a credible military force.

The ability for Defence to recruit and retain both its Australian Defence Force (ADF) and Australian Public Service (APS) workforce is a critical element of managing workforce risk and ensuring achievement of required workforce growth. On 12 April 2022, Defence established a Recruiting and Retention Team to examine the nature of the recruiting and retention challenge and identify ways to recruit, retain, grow and sustain the additional 18,500 APS and ADF workforce out to 2040. An ADF Star Rank Officer was appointed in August 2022 to the position of Head Recruitment and Retention Team for the purposes of implementing selected initiatives over the 2023-2024 period.

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 guided by the *More Together: Defence Science and Technology Strategy 2030* and *Defence's STEM strategy 2019-2030*. These strategies outline actions to 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:

- 15,753 Navy personnel
- 30,978 Army personnel
- 15,332 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.

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 cultural change priorities. Defence is committed to having a diverse and inclusive workforce, drawing from all spectrums of the Australian community, to ensure that we are able to attract and retain the critical skills needed to achieve our mission.

Defence established a Taskforce to support the functions of the *Royal Commission into Defence and Veteran Suicide* (the Royal Commission). The Taskforce is responsible for responding to requests for information from the Royal Commission and coordinating support for Defence personnel and families who interact with the Royal Commission; particularly Defence witnesses called before the Royal Commission. The Taskforce is establishing a Strategic Program Management Office to coordinate Defence's implementation of recommendations of the Royal Commission agreed by Government. The Taskforce will continue these functions until at least the conclusion of the Royal Commission which is required to hand down a final report by 17 June 2024.

Defence continues 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* and the *Australian Defence Force Health Strategy*. In 2022-23 Defence is prioritising the development of a new Work Health and Safety Strategy. Defence continues 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'. Defence is strengthening its approach to mental health, resilience and suicide prevention for Defence personnel and their families through the establishment of the Mental Health, Resilience and Suicide Prevention Branch. This centralised approach will better clarify roles and responsibilities for the strategic oversight of mental health, resilience and suicide prevention across the Defence enterprise, and better align and facilitate interaction with whole-of-government approaches.

Defence commenced the ADF Employment Offer Modernisation Program in 2019 to ensure a contemporary and competitive offer to attract and retain the ADF workforce. The program sought feedback from ADF members on how ADF pay and conditions could better support them and their families throughout their careers and in their future transition to civilian life. Based on the key themes highlighted in the members' feedback, and in collaboration with internal and external stakeholders, the program has delivered a number of initiatives to contemporise ADF remuneration and conditions of service benefits. Further improvements to the ADF employment offer will be implemented over 2022-2023. This continuous improvement approach will ensure ADF pay and conditions are clear, relevant and recognise the unique nature of military service.

The Government is also committed to reforming the Defence Home Ownership Assistance Scheme (DHOAS) by 1 January 2023. This reform includes reducing the minimum service periods to access the three subsidy tiers and allowing veterans and their families to access DHOAS any time after they have completed their service. Additional amendments are to include the ability to reinstate the DHOAS subsidy if genuine error or mistake occurs and include a recoverable payments mechanism in the *Defence Home Ownership Assistance Scheme Act 2008*.

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.

Defence initiatives supporting ADF members, and their families, to transition from military to civilian life include:

- Commitment to investing \$4.7 million in the Oasis Townsville to develop 'Op Navigator', a new online tool for ADF personnel to help better plan their transition to civilian life.
- From 1 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.
- Continued focus on a needs-based transition 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. This 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 approach nationally and will continue to measure and monitor its development.

Defence members and their families continue to be supported through a range of programs and services, administered by the Defence Member and Family Support Branch, 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 dependants;
- 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.

Defence and DVA continue to develop the Defence/DVA Data Sharing and Analytical Solution (DSAS), which is underpinned by a complementary Wellbeing Framework. The DSAS and Wellbeing Framework aim to reduce lifetime compensation and support costs by providing insights through evidence-based feedback, 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 Actual Result	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	15,442	15,753	15,968	16,332	16,632
	Army	29,321	30,978	31,138	31,349	31,553
	Air Force	15,040	15,332	15,629	15,916	16,347
1	Total Permanent Force	59,803	62,063	62,735	63,597	64,532
	Civilian Employees					
	APS	15,821	16,991	16,466	16,735	16,946
2	Total Civilian Employees	15,821	16,991	16,466	16,735	16,946
	Total Workforce Strength (1 + 2)	75,624	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 Actual Result	2022-23 Budget Estimate	2023-24 Forward Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate
	Service Category 3 and 5					
	Navy	121,887 (1,823)	126,000 (1,900)	127,500 (1,950)	130,000 (2,000)	132,500 (2,000)
	Army	737,698 (15,596)	750,000 (15,900)	760,000 (16,200)	775,000 (16,500)	800,000 (17,000)
	Air Force	253,155 (3,810)	256,000 (3,800)	262,000 (3,900)	268,000 (4,000)	274,000 (4,100)
1	Sub-total Service Category 3 and 5	1,112,740 (21,229)	1,132,000 (21,600)	1,149,500 (22,050)	1,173,000 (22,500)	1,206,500 (23,100)
	Service Category 4 ^[c]					
	Air Force	2,206 (42)	950 (40)	950 (40)	950 (40)	950 (40)
2	Sub-total Service Category 4	2,206 (42)	950 (40)	950 (40)	950 (40)	950 (40)
	Total Reserves (1 + 2)	1,114,946 (21,271)	1,132,950 (21,640)	1,150,450 (22,090)	1,173,950 (22,540)	1,207,450 (23,140)

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 Actual Result	2022-23 Budget Estimate
Navy^[a]		
One Star and above	61	61
Senior Officers ^[b]	794	796
Officers	3,256	3,575
Other Ranks	11,331	11,321
Total Navy	15,442	15,753
Army^[a]		
One Star and above	88	89
Senior Officers ^[b]	993	1,005
Officers	5,471	5,966
Other Ranks	22,769	23,918
Total Army	29,321	30,978
Air Force^[a]		
One Star and above	62	62
Senior Officers ^[b]	770	777
Officers	4,552	4,683
Other Ranks	9,656	9,810
Total Air Force	15,040	15,332
APS^[a]		
Senior Executives ^[c]	195	185
Senior Officers ^[b]	5,687	6,057
Other APS Staff	9,939	10,749
Total APS	15,821	16,991
Total Workforce	75,624	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.

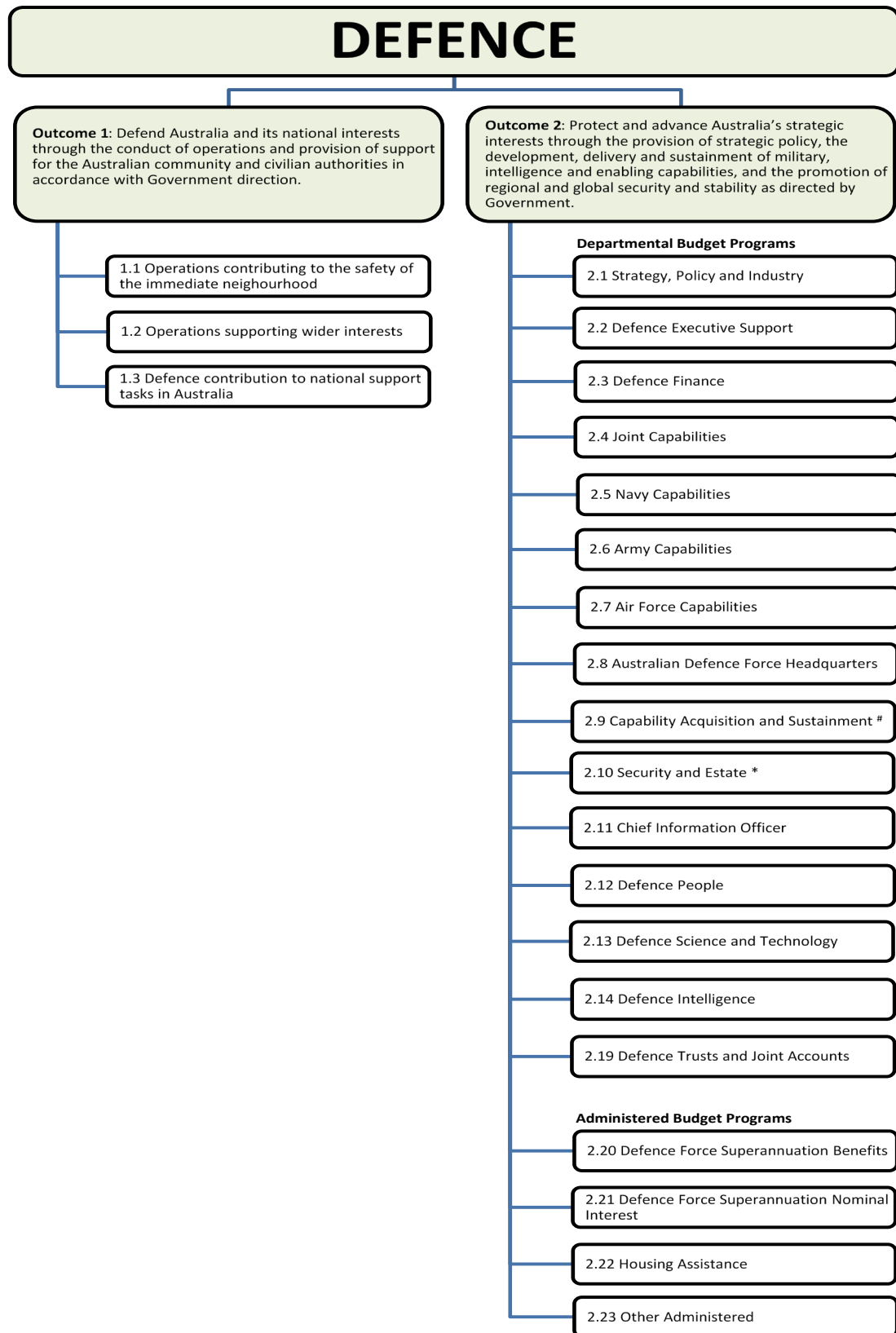
The most recent corporate plan for Defence can be found at:

<http://www.defence.gov.au/about/strategic-planning/defence-corporate-plan/>

The most recent annual performance statement can be found at:

<https://www.defence.gov.au/about/information-disclosures/annual-reports>

Figure 3: Structure of Defence's Outcomes



From 2023-24 Naval Shipbuilding and Sustainment will be a separate Budget Program to the Capability Acquisition and Sustainment Program.

* From 2022-23 Estate and Infrastructure has been renamed Security and Estate.

Table 11: Changes to the program structures since the last Portfolio Statement ^[a]

Program No.	Program title	Description of change
2.19	Defence Trusts and Joint Accounts	Reclassification of Special Accounts from administered items to departmental items.

Note

a. There is a deliberate gap between the numbering of Departmental 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 Government.

Current Operations and Support

- ACCORDION – Provide support to Operations STEADFAST, OKRA, MANITOU and other ADF activities from within the Middle East region.
- 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.
- BANNISTER – Deployment of planning teams to support Australian overseas missions or other activities as required.
- DYURRA – ADF space operations and their integration into wider ADF and allied space domain operations.
- ENHANCED REGIONAL ENGAGEMENT – South West Pacific.
- FLOOD ASSIST – Defence's contribution to the Whole of Government response to flood events across the east coast of Australia.
- GATEWAY – Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- INDO-PACIFIC ENDEAVOUR – Indo-Pacific Region.
- 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 including the Arabian Gulf, Gulf of Aden, the Red Sea and Indian Ocean.
- MAZURKA – Contribute to the Multinational Force and Observers in Sinai.
- OKRA – Contribute to the Coalition to defeat Daesh in Iraq and Syria.
- ORENDA – Contribute to the United Nations Multidimensional Integrated Stabilization Mission in Mali.
- PALADIN – Contribute to the United Nations Truce Supervision Organisation in the Middle East.

- RENDER SAFE – ADF led mission to safely dispose of Second World War Explosive Remnants of War from South Pacific island nations.
- RESOLUTE - Contribute to the whole-of-government maritime surveillance and response in the maritime approaches to Australia.
- SOLANIA – Contribute to maritime surveillance within the Pacific Region.
- SOUTHERN DISCOVERY - Provide ADF support to the Australian Antarctic Division.
- STEADFAST – Contribute to the NATO Mission in Iraq supporting continued capacity building of the Iraqi Security Forces.
- Defence Assistance to the Civil Community (DACC) – Contribute to Commonwealth and State/Territory Governments with emergency and non-emergency tasks as required. On a case by case basis, support events of national significance as requested by relevant authorities.

Ceased Operations

- COVID-19 ASSIST – ADF support to the of the Whole of Government response to COVID-19 pandemic which concluded 17 October 2022.
- KIMBA - ADF Support to the PNG Elections in 2022.
- 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 16 March 2021 and concluded 27 April 2022.
- TONGA ASSIST 22 – ADF support to the Whole of Australian Government response for humanitarian assistance in Tonga.

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
Defence supports the Department of 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. 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	35,187	36	37	38	39
Program 1.2 - Operations Supporting Wider Interests					
Revenues from other sources	1,211	1,104	-	-	-
Expenditure funded by appropriations	222,460	117,342	3,217	1,261	1,216
Program 1.3 - Defence Contribution to National Support Tasks in Australia					
Revenues from other sources	1,594	-	-	-	-
Expenditure funded by appropriations	209,570	98,065	22	22	22
Total resourcing					
Total Departmental revenue from other sources	2,805	1,104	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	461,404	180,941	3,276	1,321	1,277
Total capital expenditure funded by appropriation	-	-	-	-	-
Equity injection:					
- Bill 1 DCB	5,813	34,502	-	-	-
- Bill 2 Equity	-	-	-	-	-
Total resources for Outcome 1	470,022	216,547	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]	<p>This program will be achieved through the following activity:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests.</p> <p>The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1 Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Defence's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2 Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
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		

Notes

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	1,366	-	-	-	-
Suppliers	33,821	36	37	38	39
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	35,187	36	37	38	39
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
Total operating expenses	35,187	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]	35,187	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 through the following activity:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests.</p> <p>The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.</p>	
Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	22,502	1,180	-	-	-
Suppliers	199,424	113,961	3,217	1,261	1,216
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	221,926	115,141	3,217	1,261	1,216
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	805	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	805	-	-	-	-
Total operating expenses	222,731	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	1,745	3,305	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	1,745	3,305	-	-	-
Program 1.2 Operations Supporting Wider Interests Total funded expenditure ^[a]	223,671	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 through the following activity:

1. Conduct operations and deployments to defend and advance Australia's national interests.

The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disasters and emergencies at home and abroad.

Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian Government departments and agencies and whole-of-government task forces as directed. This will change year on year.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 1.3 resulting from 2022-23 Budget Measures: Nil		

Notes

- Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*.
- Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	47,953	11,596	-	-	-
Suppliers	159,140	55,272	22	22	22
Net losses from sale of assets	-	-	-	-	-
Other expenses	3	-	-	-	-
	207,096	66,868	22	22	22
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	8	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	8	-	-	-	-
Total operating expenses	207,104	66,868	22	22	22
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	4,068	31,197	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
Total capital expenditure	4,068	31,197	-	-	-
Program 1.3 Defence Contribution to National Support Tasks in Australia Total funded expenditure ^(a)	211,164	98,065	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* 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.

International engagement remains a core function of Defence. Defence works with allies and partners both within the Indo-Pacific and beyond to build a stable, secure and prosperous Indo-Pacific that is free from coercion. The Defence Cooperation Program builds shared understanding and capability with our partners in the South West Pacific and South-East Asia. Defence conducts operations and exercises in the region, including with allies and partners, to underpin the international rules-based order and maintain regional security and stability.

In line with the strategic objectives of the *2020 Defence Strategic Update*, the US alliance continues to grow and strengthen through enhanced force posture cooperation, announced at the Australia-US Ministerial Consultations (AUSMIN) 2021. The AUKUS trilateral security partnership has also been established to deepen defence capability and technological cooperation between Australia, the UK and the US. For Australia, AUKUS is a step-change that complements our efforts to build a network of international partnerships - such as with our South-East Asian partners, our Pacific family, Five Eyes partners and like-minded partners in the region like the Quad partners.

A strong partnership with defence industry will be critical in delivering Defence capabilities. A strong, sovereign, and sustainable Australian defence industry is critical to achieving Defence's mission and Australia's national security outcomes. Defence is optimising opportunities for Australian industry involvement in defence projects through the delivery of the Government's Defence Industry Development Strategy. The Defence Industry Development Strategy will set out the strategic rationale, framework, direction and principles underpinning the direction of defence industry policy and initiatives for the foreseeable future.

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.

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 Maritime Safety Authority
Program 1.1 – Seafarer and ship safety, environment protection and search and rescue
Contribution to Outcome 2 by linked program
Australian Maritime Safety Authority provides advice and direction on the provision of nautical charts and publications to best support maritime safety.

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 *Australian Security Intelligence Organisation (ASIO) Act 1979*, 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 (ASD) 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 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*, Defence Housing Australia is to achieve the efficient provision of contemporary housing solutions for ADF Members and their families on behalf of Defence.

Department of Climate Change, Energy, the Environment and Water

Program 2.6 - 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 Climate Change, Energy, the Environment and Water to ensure alignment with national approaches for the effective and efficient management of environmental factors.

Department of Climate Change, Energy, the Environment and Water
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 Climate Change, Energy, the Environment and Water
Program 3.1 - Antarctica: Science, Policy and Presence
Contribution to Outcome 3 by linked programs
Defence provides a range of logistics support services and advice to the Australian Antarctic program, including air and sealift 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
Defence continues to work collaboratively with Department of Finance to ensure that Commonwealth assets are comprehensively and 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 1.2 - National Security and Resilience
Contribution to Outcome 2 by linked programs
Under a Memorandum of Understanding, the placement of National Emergency Management Australia secondees at the 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 and Resources**Program 1.1 - Supporting Science and Commercialisation****Contribution to Outcome 1 by linked programs**

Defence works collaboratively with the Department of Industry, Science and Resources (DISR) through the Office of Defence Industry Support (ODIS) and the Defence Science and Technology Group (DSTG).

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 Defence.

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 DISR.

DSTG is seeking to grow the science and technology base in the national eco-system through the Next Generation Technologies Fund in critical Defence technologies. Two mechanisms used to invest in these critical technology areas are the Australia-US Multidisciplinary University Research Initiative (AUSMURI) and the Trusted Autonomous Systems (TAS) Defence Cooperative Research Centre. The AUSMURI and TAS grant process is administered on behalf of Defence by DISR.

Department of Industry, Science and Resources**Program 1.2 - Australian Space Agency****Contribution to Outcome 1 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 Infrastructure, Transport, Regional Development, Communications and the Arts

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
<p>Program 1.1 - Veterans' Income Support and Allowances</p> <p>Program 1.2 - Veterans' Disability Support</p> <p>Program 1.6 - Military Rehabilitation and Compensation Acts Payment – Income Support and Compensation</p> <p>Administered Program 2.22 - Housing Assistance</p>
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 (ADF) 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 occurs between DVA and Defence under this Memorandum of Understanding. 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 medical aspects of transition. Defence is also engaged with 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> <p>Under Schedule 20 of the Memorandum of Understanding, Defence and DVA collaboratively utilise system to system exchanges and/or direct access, to provide access to, or enable disclosure of, certain Personal Information held digitally in specified Departmental information systems. These information exchanges support the assessment and determination of claims, and the delivery of appropriate care and support to current and former members of the ADF and their families.</p>
Geoscience Australia
<p>Program 1.1 – Geoscience Australia</p>
Contributing to Outcome 2 by linked program
<p>Defence and Geoscience Australia are collaborating to develop the AusSeabed online platform.</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 offer an independent complaint-handling mechanism for service and former Defence members and is able to accept complaints where it is alleged that a Defence member 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.

The Australian Trade and Investment Commission (Austrade)
Program 1.1 - Promotion of Australia's export and their international economic interests
Contribution to Outcome 1 by linked programs
Implementation of the Government's Defence Export Strategy is led by Defence, through the Australian Defence Export Office. This is providing a whole-of-government coordinated approach to supporting Australian defence industry, and cooperation with Austrade is focused on growing exports to underpin sustainability and growth aligned with national priorities.

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	2,216	510	532	561	572
Expenditure funded by appropriations	756,699	704,948	809,194	895,503	937,802
Program 2.2 Defence Executive Support					
Revenues from other sources	724	978	1,002	1,271	1,302
Expenditure funded by appropriations	540,197	868,162	688,925	644,721	565,962
Program 2.3 Defence Finance					
Revenues from other sources	39,719	27,867	24,274	24,565	6,173
Expenditure funded by appropriations ^[a]	-72,015	159,204	157,234	161,151	163,875
Program 2.4 Joint Capabilities					
Revenues from other sources	12,870	10,236	10,423	10,685	10,951
Expenditure funded by appropriations	2,461,943	2,493,693	2,801,132	2,883,111	2,774,692
Program 2.5 Navy Capabilities					
Revenues from other sources	35,680	20,020	20,603	21,244	21,794
Expenditure funded by appropriations	9,499,675	9,061,574	10,708,614	11,612,057	13,001,078
Program 2.6 Army Capabilities					
Revenues from other sources	26,076	17,056	16,723	17,222	18,606
Expenditure funded by appropriations	9,656,031	10,908,936	12,263,316	12,286,830	13,788,662
Program 2.7 Air Force Capabilities					
Revenues from other sources	53,413	39,828	40,851	41,900	42,978
Expenditure funded by appropriations	9,664,870	10,848,560	11,045,664	11,689,265	11,550,385
Program 2.8 Australian Defence Force Headquarters					
Revenues from other sources	10,393	271	276	281	287
Expenditure funded by appropriations	249,832	327,232	259,235	240,974	242,898
Program 2.9 Capability Acquisition and Sustainment					
Revenues from other sources	88,374	1,079	1,095	1,111	1,139
Expenditure funded by appropriations	833,651	1,066,777	1,084,368	941,597	937,993
Program 2.10 Security and Estate					
Revenues from other sources	853,020	775,109	626,320	641,527	657,802
Expenditure funded by appropriations	6,434,731	6,417,489	6,446,842	6,591,419	6,745,375
Program 2.11 Chief Information Officer					
Revenues from other sources	37,940	40,645	41,604	42,586	43,593
Expenditure funded by appropriations	1,859,032	2,062,341	1,808,288	1,733,709	1,658,807
Program 2.12 Defence People					
Revenues from other sources	1,466	1,469	1,511	1,552	1,591
Expenditure funded by appropriations	553,959	622,945	621,972	836,700	859,940
Program 2.13 Defence Science and Technology					
Revenues from other sources	4,877	4,311	4,451	4,497	4,643
Expenditure funded by appropriations	767,896	624,177	560,602	569,488	613,448
Program 2.14 Defence Intelligence					
Revenues from other sources	1,323	4,264	4,371	4,480	4,592
Expenditure funded by appropriations	1,183,955	726,846	727,266	927,708	811,766

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 2.19 Defence Trusts and Joint Accounts					
Revenues from other sources	-	399,097	411,070	423,402	436,104
Total Expenditure	-	399,097	411,070	423,402	436,104
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>	36,800	30,612	28,994	27,572	26,204
<i>Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)</i>	1,764,000	1,740,000	1,736,829	1,767,828	1,797,924
<i>Military Superannuation and Benefits Act, 1991 Part V, s.17 ^[b]</i>	1,784,000	1,660,000	1,833,631	2,004,973	2,174,009
<i>Australian Defence Force Cover Act 2015</i>	51,000	80,000	133,993	189,239	255,240
<i>Expenses not requiring appropriation</i>	6,933,298	5,955,338	5,414,881	5,541,062	5,711,905
Total Administered expenses ^[c]	10,569,098	9,465,950	9,148,328	9,530,674	9,965,282
Administered revenues from other sources	-1,225,257	-1,123,864	-1,057,464	-995,434	-936,466
Total Program 2.20 and 2.21	9,343,841	8,342,086	8,090,864	8,535,240	9,028,816
Program 2.22 Housing Assistance					
<i>Defence Force (Home Loan Assistance) Act, 1990 Part IV, s.38</i>	-	236	198	159	128
<i>Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84</i>	94,918	140,064	156,702	163,473	170,067
<i>Expenses not requiring appropriation</i>	-	-	-	-	-
Total Administered expenses	94,918	140,300	156,900	163,632	170,195
Administered revenues from other sources	-17,761	-18,987	-20,606	-21,291	-21,995
Total Program 2.22	77,157	121,313	136,294	142,341	148,200
Program 2.23 Other Administered					
Other expenses	243,751	-	-	-	-
Total Administered expenses	243,751	-	-	-	-
Administered revenues from other sources	-407,869	-114,028	-121,437	-111,321	-93,600
Total Program 2.23	-164,118	-114,028	-121,437	-111,321	-93,600
Total resourcing					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	31,057,951	30,905,221	31,183,858	32,038,018	33,813,729
Total capital expenditure funded by appropriation/ (capital surplus)	-	9,452	11,247	17,801	16,545
Capital Prepayment	-	-	-	-	-
Total gifted assets included in budget estimates	-	353,300	205,900	166,300	144,800
Total Administered ^[d]	3,974,470	3,650,913	3,890,346	4,153,245	4,423,573
Total Departmental revenue from other sources	1,168,091	943,643	794,036	813,482	816,023
Total Administered revenue from other sources	1,650,887	1,256,879	1,199,507	1,128,046	1,052,061
Administered returns to the Official Public Account	-1,523,834	-1,266,682	-1,191,380	-1,138,888	-1,073,206
Prior year appropriation	1,807,767	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	1,752,244	3,019,870	3,070,065	3,269,808	2,932,623
- Bill 2 Equity	11,580,261	12,605,040	15,511,582	16,522,304	17,744,987
Total resources for Outcome 2	51,467,837	51,477,636	54,675,161	56,970,116	59,871,135
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts ^[e]	-	-	-	-	-
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	51,467,837	51,477,636	54,675,161	56,970,116	59,871,135

Notes

- a. The negative expenditure for 2021-22 is primarily driven by the whole-of-department long service leave actuarial adjustments that Defence Finance manage centrally on behalf of the Services (Navy, Army and Air Force).
- b. 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.
- c. Figures for 2021-22 and 2022-23 have 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.
- d. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits (including accruals of \$261.2 million for 2021-22). Table 48 shows estimates of total expenses for the Defence Superannuation Schemes.
- e. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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]	<p>This program will be achieved through the following activities:</p> <p>2. Be a Strategy-led Organisation. Defence is a strategy-led organisation. Australian Government endorsed direction sets the strategic objectives, informing how Defence defends Australia and its national interests. The <i>Defence Strategy Framework</i>, endorsed by the Secretary of Defence and the Chief of the Defence Force, informs how strategy cascades through the organisation. The classified <i>Defence Planning Guidance</i>, released annually, is the primary strategic guidance document within Defence. It helps the organisation translate Government direction into action.</p> <p>5. Promote regional and global security and stability. Defence contributes to the promotion of regional and global security and stability. Defence does this through steady and consistent international engagement anchored in our resolve to safeguard our national interests and support a rules-based order. Defence diplomacy and cooperation focuses on enhancing Australia's ability to work with partners in response to common security challenges, particularly in the Indo-Pacific region.</p> <p>7. Advance Australia's prosperity. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
	Defence protects and advances Australia's interests globally to address current and future challenges.	Defence international engagement priorities are met. <i>Achieved.</i>
	Defence engages industry to enhance support of sovereign capability.	Defence Industry Policy Statement. <i>Achieved.</i>

Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	2.1: Defence develops actionable internal policy guidance to implement the Strategic Objectives of Shape, Deter and Respond.	Defence Planning Guidance informs subsidiary documents across Defence.
	5.1: Defence fosters and maintains relationships with international partners that enable effective promotion of regional and global security and stability.	International engagement activities align with Defence strategic objectives and priorities and relationships are strengthened.
	5.2: Defence regional cooperation contributes to improving collective responses to common security challenges.	People-to-people links, professional relationships and bilateral, trilateral and multilateral partnerships are strengthened.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	71,443	78,799	81,240	84,855	85,307
Suppliers	603,297	390,575	503,325	549,221	589,713
Net losses from sale of assets	-	-	-	-	-
Other expenses	82,105	33,689	36,248	36,249	36,250
	756,845	503,063	620,813	670,325	711,270
Expenses not requiring appropriation					
Depreciation and amortisation	9,375	42,731	59,216	78,332	95,020
Inventory consumption	29	-	-	-	-
Net write-down and net impairment of assets	17	1,370	1,797	2,132	2,505
	9,421	44,101	61,013	80,464	97,525
Total operating expenses	766,266	547,164	681,826	750,789	808,795
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	489	196,100	182,506	219,218	220,467
Purchases of inventory	1,581	-	-	-	-
Principal repayments of lease liabilities	-	6,295	6,407	6,521	6,637
Total capital expenditure	2,070	202,395	188,913	225,739	227,104
Program 2.1 Strategy, Policy and Industry Total funded expenditure ^(a)	758,915	705,458	809,726	896,064	938,374

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 2.2: 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 through the following activities:

4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future defence and national security needs.

6. Deliver future capability. In the *2020 Force Structure Plan*, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	80,830	77,309	72,064	73,512	74,693
Suppliers	228,094	288,985	247,530	289,772	330,436
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,023	3,161	2,690	2,741	2,810
	311,947	369,455	322,284	366,025	407,939
Expenses not requiring appropriation					
Depreciation and amortisation	3,698	26,141	41,150	51,239	59,229
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^[a]	-44,615	15,418	18,719	21,327	23,948
	-40,917	41,559	59,869	72,566	83,177
Total operating expenses	271,030	411,014	382,153	438,591	491,116
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	228,974	499,676	367,634	279,958	159,316
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	9	9	9	9
Total capital expenditure	228,974	499,685	367,643	279,967	159,325
Program 2.2 Defence Executive Support Total funded expenditure ^[b]	540,921	869,140	689,927	645,992	567,264

Notes

a. Defence has a net write-down and impairment of assets in 2021-22.

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>This program will be achieved through the following activities:</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p> <p>7. Advance Australia's prosperity. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.</p>	
Year	Performance measures	Expected Performance Results
Prior 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>Substantially Achieved.</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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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] [c]}	-127,632	94,268	96,033	99,110	100,824
Suppliers	82,384	89,142	81,701	82,728	65,268
Net losses from sale of assets	-	-	-	-	-
Other expenses	12,952	3,593	3,705	3,808	3,884
	-32,296	187,003	181,439	185,646	169,976
Expenses not requiring appropriation					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets ^[d]	-5,661	-	-	-	-
	-5,661	-	-	-	-
Total operating expenses	-37,957	187,003	181,439	185,646	169,976
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	68	69	70	72
Total capital expenditure	-	68	69	70	72
Program 2.3 Defence Finance Total funded expenditure ^[e]	-32,296	187,071	181,508	185,716	170,048

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 headcount is held in this Program from time to time for future prioritisation.

c. The negative result for 2021-22 in Employees is driven by the whole-of-department long service leave actuarial adjustments that Defence Finance manage centrally on behalf of the Services (Navy, Army and Air Force). The Employees Expenses for Program 2.3 (Defence Finance) is approximately \$66.5m excluding the whole-of-department actuarial adjustments.

d. Defence has a net write-down and impairment of assets in 2021-22.

e. 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]	<p>This program will be achieved through the following activities:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
	Joint enabling elements are generated and sustained at the required rate and standardised to support the delivery of Defence capability.	<p>Joint Health Services are provided to Australian Defence Force personnel to enable Defence preparedness.</p> <p>Delivery of Joint Logistics capability that provides comprehensive and assured support to Australian Defence Force operations.</p> <p>Delivery of military education and training programs that prepare Australian Defence Force personnel.</p> <p>Delivery of joint military policing effects that protect the Australian Defence Force's people, resources, values and reputation. <i>Substantially Achieved.</i></p>
	Manage the investment, acquisition and sustainment of Defence equipment, supplies and services to meet Government and Defence requirements.	<p>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>Substantially Achieved.</i></p>
	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.	<p>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>Partially Achieved.</i></p>
	Appropriate support and services are provided to Defence families.	<p>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>Partially Achieved.</i></p>

Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 2022-26 *Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

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	681,616	733,613	753,233	785,058	816,877
Suppliers	1,295,591	1,210,436	1,223,726	1,167,742	1,215,211
Net losses from sale of assets	-	-	-	-	-
Other expenses	17	1	1	1	1
	1,977,224	1,944,050	1,976,960	1,952,801	2,032,089
Expenses not requiring appropriation					
Depreciation and amortisation	22,367	47,100	95,424	164,663	248,269
Inventory consumption	83,198	26,921	29,860	24,955	36,145
Net write-down and net impairment of assets ^[a]	630,946	287,214	263,998	244,858	228,551
	736,511	361,235	389,282	434,476	512,965
Total operating expenses	2,713,735	2,305,285	2,366,242	2,387,277	2,545,054
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	485,995	496,405	768,359	882,928	684,284
Purchases of inventory	11,594	63,452	66,214	58,045	69,247
Principal repayments of lease liabilities	-	22	22	22	23
Total capital expenditure	497,589	559,879	834,595	940,995	753,554
Program 2.4 Joint Capabilities Total funded expenditure ^[b]	2,474,813	2,503,929	2,811,555	2,893,796	2,785,643

Notes

a. The net write-down and net impairment of assets for 2021-22 primarily relates to the write-down of inventories (\$617.3 million).

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 2.5: 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 through the following activities:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</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>Partially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 2022-26 *Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

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	2,561,816	2,497,775	2,581,733	2,687,143	2,783,679
Suppliers ^[a]	3,885,120	3,315,670	3,373,114	3,395,288	3,948,937
Net losses from sale of assets	-	-	-	-	-
Other expenses	12,597	6,817	6,330	5,826	5,370
	6,459,533	5,820,262	5,961,177	6,088,257	6,737,986
Expenses not requiring appropriation					
Depreciation and amortisation	1,411,009	1,625,655	1,848,455	2,004,667	2,242,478
Inventory consumption	174,201	272,861	283,257	277,579	276,394
Net write-down and net impairment of assets ^[a]	2,079,695	73,895	89,036	105,189	117,918
	3,664,905	1,972,411	2,220,748	2,387,435	2,636,790
Total operating expenses	10,124,438	7,792,673	8,181,925	8,475,692	9,374,776
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,563,861	2,609,411	4,121,842	4,880,775	5,746,463
Purchases of inventory	501,928	626,477	624,181	641,737	515,998
Principal repayments of lease liabilities	10,033	25,444	22,017	22,532	22,425
Total capital expenditure	3,075,822	3,261,332	4,768,040	5,545,044	6,284,886
Program 2.5 Navy Capabilities Total funded expenditure ^[b]	9,535,355	9,081,594	10,729,217	11,633,301	13,022,872

Notes

a. On 16 September 2021, the then Prime Minister announced the Attack class submarine program (SEA1000 Phase 1B) would no longer proceed. 2021-22 includes net write down and net impairment of \$2,128.6 million in relation to the Attack class submarine program (SEA1000 Phase 1B), resulting from accumulated capital costs that will not be re-used or re-purposed for the construction of a future Defence asset. Further, the supplier expenses for 2021-22 includes termination expenses associated with the Attack class submarine program (SEA1000 Phase 1B), which were one off expenses in 2021-22.

b. 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 Actual Result	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. 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.
- b. Major Combatants comprises eight Anzac class frigates, three Hobart class destroyers and six Collins class submarines. Decreased UAD for the Forward Estimates reflects Anzac and Hobart class transition and capability upgrade programs.
- c. Minor Combatants comprises a decreasing number of Armidale class patrol boats, an increasing number of Cape class patrol boats, four Huon class coastal minehunters and an increasing number of Arafura class offshore patrol vessels. Decrease in UAD from 2024-25 reflects transition from predominately Armidale class to Cape and Arafura class.
- d. Amphibious and Afloat Support comprises two Supply class replenishment ships, two Canberra class amphibious ships and HMAS *Choules*. Increased UAD reflects HMAS *Choules* completion of capability upgrade and maintenance.
- e. Maritime Teams comprises two Clearance Diving teams, four Deployable Geospatial Support and four Mobile Meteorological and Oceanographic.
- f. Hydrographic Force comprises two Leeuwin class hydrographic ships, a decreasing number of Paluma class survey motor launches and the Naval Air Station Weather and Oceanographic Centre. Decreased UAD relates to withdrawal of service of the Paluma class.

Table 23: Navy Deliverables (Flying Hours)

Deliverables		2021-22 Actual Result	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

- a. Flying hours reflects continued progress in remediation of workforce shortfalls.
- b. Navy ceased flying operations with MRH90s in April 2022. 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]

This program will be achieved through the following activities:

1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.

6. Deliver future capability. In the *2020 Force Structure Plan*, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	4,303,305	4,509,449	4,611,816	4,721,603	4,857,470
Suppliers	2,263,176	2,139,916	2,425,594	2,718,667	2,998,473
Net losses from sale of assets	-	-	-	-	-
Other expenses	575	112	114	118	121
	6,567,056	6,649,477	7,037,524	7,440,388	7,856,064
Expenses not requiring appropriation					
Depreciation and amortisation	1,080,137	1,284,138	1,456,901	1,537,799	1,667,448
Inventory consumption	337,391	370,817	393,855	432,351	423,441
Net write-down and net impairment of assets	2,282	96,134	119,071	137,460	157,513
	1,419,810	1,751,089	1,969,827	2,107,610	2,248,402
Total operating expenses	7,986,866	8,400,566	9,007,351	9,547,998	10,104,466
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,399,598	3,399,597	4,364,476	3,854,636	5,144,671
Purchases of inventory	715,453	874,539	875,618	1,006,564	804,025
Principal repayments of lease liabilities	-	2,379	2,421	2,464	2,508
Total capital expenditure	3,115,051	4,276,515	5,242,515	4,863,664	5,951,204
Program 2.6 Army Capabilities Total funded expenditure ^[a]	9,682,107	10,925,992	12,280,039	12,304,052	13,807,268

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 Actual Result	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
10 CH-47F Chinook	2,375	2,600	2,800	3,000	3,000
34 S-70A-9 Black Hawk ^{[a] [b]}	312	-	-	-	-
22 ARH Tiger ^[c]	3,013	4,500	4,500	4,500	2,500
47 MRH90 Taipan ^[d]	4,746	6,000	6,000	6,000	6,000
- AH64E Apache ^[e]	-	-	-	-	1,500

Notes

- a. The number of S-70A-9 Black Hawk will incrementally reduce as the aircraft approaches planned withdrawal date.
- b. The fleet of S-70A-9 Black Hawk was retired from service in December 2022.
- c. In January 2021, the Government announced that the ARH Tiger would be replaced by the Boeing AH-64E Apache from 2025.
- d. Future year forecasts subject to ongoing MRH stabilisation planning. 6000 hours estimated to be the upper limit.
- e. AH-64E Apache forward estimates reflect the fleet's planned introduction into service as it replaces ARH Tiger. Aircraft deliveries are expected to commence in quarter 3 2025 and will progressively increase to a fleet of 29.

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 through the following activities:

1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.

6. Deliver future capability. In the *2020 Force Structure Plan*, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	2,434,381	2,494,637	2,582,777	2,666,623	2,780,060
Suppliers	3,289,361	3,659,306	4,041,567	4,223,323	4,674,133
Net losses from sale of assets	-	-	-	-	-
Other expenses	5,535	2,571	2,566	2,612	2,658
	5,729,277	6,156,514	6,626,910	6,892,558	7,456,851
Expenses not requiring appropriation					
Depreciation and amortisation	1,461,845	1,666,628	1,831,360	2,019,146	2,207,438
Inventory consumption	340,563	279,079	279,541	290,722	327,713
Net write-down and net impairment of assets	5,141	92,865	101,494	111,065	120,380
	1,807,549	2,038,572	2,212,395	2,420,933	2,655,531
Total operating expenses	7,536,826	8,195,086	8,839,305	9,313,491	10,112,382
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	3,467,477	4,061,191	3,815,683	4,135,162	3,492,807
Purchases of inventory	521,529	645,451	618,258	677,342	617,156
Principal repayments of lease liabilities	-	25,232	25,664	26,103	26,549
Total capital expenditure	3,989,006	4,731,874	4,459,605	4,838,607	4,136,512
Program 2.7 Air Force Capabilities Total funded expenditure ^[a]	9,718,283	10,888,388	11,086,515	11,731,165	11,593,363

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 Actual Result	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
49	PC-21 ^[b]	18,228	23,650	23,650	23,650	23,650
12	KA350 King Air ^[b]	3,580	8,300	8,300	4,150	4,150
12	C-130J Hercules	4,328	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	4,976	6,200	6,200	6,200	6,200
10	C-27J Spartan	3,395	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,200	4,700	4,700	4,700	4,700
2	737 BBJ ^[c]	1,203	1,600	1,600	1,600	1,600
3	Falcon-7X	1,646	2,400	2,400	2,400	2,400
2	AP-3C Orion ^[d]	697	700	350	-	-
12	P-8A Poseidon ^[e]	4,869	6,600	6,600	7,200	7,200
6	E-7A Wedgetail	2,479	3,600	3,600	3,600	3,600
	F/A-18A/B Hornet ^[f]	694	-	-	-	-
24	F/A-18F Super Hornet	4,628	4,050	4,050	4,050	4,050
33	Hawk 127	4,391	6,500	6,500	6,500	6,500
11	E/A-18G Growler	2,876	2,800	2,800	2,800	2,800
50	F-35A Lightning II ^[g]	6,854	12,000	12,500	13,000	13,500
-	MC-55A Peregrine ^[h]	-	-	450	1,500	2,440
-	MQ-4C Triton ^[i]	-	-	-	300	1,500

Notes

- Fleet sizes represent totals at commencement of 2022-23.
- KA350 forward estimates reflect the fleet's planned withdrawal from service.
- 737 BBJ hours reflect the replacement of existing aircraft with 2 new 737 BBJ.
- AP-3C Orion forward estimates reflect the fleet's planned withdrawal from service.
- P-8A Poseidon forward estimates reflect the fleet's on-going introduction into service.
- F/A-18A/B Hornet hours reflect the fleet's withdrawal from service during 2021-22.
- F-35A forward estimate figures are based on maturing understanding of F-35A within the Air Combat Program.
- MC-55A Peregrine forward estimates reflect the fleet's planned introduction into service.
- 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 through the following activities:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>	
Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 2022-26 *Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

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	26,510	29,831	30,416	31,771	32,778
Suppliers	232,711	177,292	180,813	187,537	187,681
Net losses from sale of assets	-	-	-	-	-
Other expenses	18	17	17	17	18
	259,239	207,140	211,246	219,325	220,477
Expenses not requiring appropriation					
Depreciation and amortisation	8,382	12,498	15,593	18,450	21,008
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	33	787	845	915	1,012
	8,415	13,285	16,438	19,365	22,020
Total operating expenses	267,654	220,425	227,684	238,690	242,497
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	975	119,934	47,828	21,485	22,256
Purchases of inventory	11	-	-	-	-
Principal repayments of lease liabilities	-	429	437	445	452
Total capital expenditure	986	120,363	48,265	21,930	22,708
Program 2.8 Australian Defence Force Headquarters Total funded expenditure ^(a)	260,225	327,503	259,511	241,255	243,185

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]	<p>This program will be achieved through the following activities:</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p> <p>7. Advance Australia's prosperity. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</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>Partially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	458,000	507,107	518,009	540,221	563,355
Suppliers	461,465	560,516	567,350	402,474	375,763
Net losses from sale of assets	-	-	-	-	-
Other expenses	25	1	1	1	1
	919,490	1,067,624	1,085,360	942,696	939,119
Expenses not requiring appropriation					
Depreciation and amortisation	534	1,568	1,197	880	651
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	16	231	211	193	176
	550	1,799	1,408	1,073	827
Total operating expenses	920,040	1,069,423	1,086,768	943,769	939,946
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	2,403	220	91	-	-
Purchases of inventory	132	-	-	-	-
Principal repayments of lease liabilities	-	12	12	12	13
Total capital expenditure	2,535	232	103	12	13
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure ^(a)	922,025	1,067,856	1,085,463	942,708	939,132

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**Program 2.10 Objective**

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

Key Activities ^[a]	<p>This program will be achieved through the following activity:</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>	
Year	Performance measures	Expected Performance Results
Prior Year 2021-22	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>Substantially Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
Material changes to Program 2.10 resulting from 2022-23 Budget Measures: Nil		

Notes

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	1,012,622	1,228,433	1,250,200	1,289,159	1,373,312
Suppliers	4,253,040	3,739,686	3,091,842	2,932,574	2,807,203
Net losses from sale of assets	-	-	-	-	-
Other expenses ^[a]	275,804	91,371	89,649	87,791	85,230
	5,541,466	5,059,490	4,431,691	4,309,524	4,265,745
Expenses not requiring appropriation					
Depreciation and amortisation	1,461,863	1,329,258	1,423,273	1,509,831	1,624,092
Inventory consumption	4,381	-	-	-	-
Net write-down and net impairment of assets	82,169	53,340	55,176	57,305	59,814
	1,548,413	1,382,598	1,478,449	1,567,136	1,683,906
Total operating expenses	7,089,879	6,442,088	5,910,140	5,876,660	5,949,651
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	1,551,956	1,956,129	2,459,860	2,736,819	2,947,012
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	194,329	176,979	181,611	186,603	190,420
Total capital expenditure	1,746,285	2,133,108	2,641,471	2,923,422	3,137,432
Program 2.10 Security and Estate Total funded expenditure ^[b]	7,287,751	7,192,598	7,073,162	7,232,946	7,403,177

Notes

a. Other expenses of \$275.8 million for 2021-22 primarily relates to the land decontamination expenses (\$174.3 million), which is primarily driven by the creation of new provisions relating to a number of military bases.

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]	<p>This program will be achieved through the following activity:</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>	
Year	Performance measures	Expected Performance Results
Prior Year 2021-22	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>Substantially Achieved.</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>Substantially Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	106,832	111,485	113,573	119,205	122,701
Suppliers	1,725,112	1,835,966	1,532,305	1,504,115	1,445,999
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	23	23	24	24
	1,831,944	1,947,474	1,645,901	1,623,344	1,568,724
Expenses not requiring appropriation					
Depreciation and amortisation	261,365	249,897	258,197	267,236	223,187
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	104,388	28,850	30,750	32,931	35,327
	365,753	278,747	288,947	300,167	258,514
Total operating expenses	2,197,697	2,226,221	1,934,848	1,923,511	1,827,238
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	65,028	153,648	202,094	151,020	131,711
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	1,864	1,897	1,931	1,965
Total capital expenditure	65,028	155,512	203,991	152,951	133,676
Program 2.11 Chief Information Officer Total funded expenditure ^(a)	1,896,972	2,102,986	1,849,892	1,776,295	1,702,400

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 through the following activities:</p> <p>1. Conduct operations and deployments to defend and advance Australia's national interests. The Australian Government deploys Defence personnel to operations overseas and within Australia to defend Australia's and its national interests. National and international security are whole-of-nation commitments. To deliver on Key Activity 1, Defence also works closely with international and whole-of-government partners and state and territory agencies to respond to disaster and emergencies at home and abroad.</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p>
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Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</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>Substantially Achieved.</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 <i>Pathway to Change: Evolving Defence Culture 2017-22</i> . All Groups and Services maintain culture plans. Embed the Defence Values and Behaviours. <i>Substantially Achieved.</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>Partially Achieved.</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>Partially Achieved.</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>Partially Achieved.</i>

Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.
	1.2: Defence deploys Australian Defence Force and Australian Public Service personnel to Australian Government departments and agencies and whole-of-government task forces to support national disaster and emergency response, as directed by Government.	A target is not appropriate for this measure. Defence responds to Australian Government requirements and deploys personnel to Australian government departments and agencies and whole-of-government task forces as directed. This will change year on year.
	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	166,476	218,952	223,488	228,569	233,231
Suppliers	384,308	376,787	383,572	593,031	611,416
Net losses from sale of assets	-	-	-	-	-
Other expenses	4,641	4,199	4,158	4,168	4,178
	555,425	599,938	611,218	825,768	848,825
Expenses not requiring appropriation					
Depreciation and amortisation	10,987	12,659	13,492	14,343	15,210
Inventory consumption	4	-	-	-	-
Net write-down and net impairment of assets	110	947	932	941	974
	11,101	13,606	14,424	15,284	16,184
Total operating expenses	566,526	613,544	625,642	841,052	865,009
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	-	13,619	1,218	1,244	1,270
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	10,857	11,047	11,240	11,436
Total capital expenditure	-	24,476	12,265	12,484	12,706
Program 2.12 Defence People Total funded expenditure ^(a)	555,425	624,414	623,483	838,252	861,531

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]

This program is achieved through the following activities:

6. Deliver future capability. In the *2020 Force Structure Plan*, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.

7. Advance Australia's prosperity. Defence will grow its military capability and, through this, contribute to the Australian economy. The significant investment the Australian Government is making in Defence has the potential to have positive impacts on Australia's prosperity, supporting new and existing industries.

Year	Performance measures	Expected Performance Results
Prior Year 2021-22	Defence anticipates and exploits advances in science and technology for future Defence capability.	Stakeholders are satisfied with the balance of investment in strategic research. Strategic research delivers benefit for Defence capability. Pathways are established to enable Defence innovation. <i>Substantially Achieved.</i>
	Delivery of science and technology supports Defence operations, sustainment and enhancement of current capability, and the development and acquisition of future capability.	Investments in science and technology activities are delivering outcomes in line with agreed Capability Manager priorities. <i>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
	7.1: Defence contributes to Australia's prosperity through the inclusion of Australian businesses and enterprises in supply chains for capability and services.	Defence contributes to the Australian economy, strengthens sovereign defence industry, invests in national science and technology in line with priorities and meets or exceeds indigenous procurement targets.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.

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

- Reduction in Next Generation Technology Fund to offset Support for Defence and Manufacturing Industries
- Reduction in Next Generation Technology Fund to offset Supporting Talent and Leadership in Australian Science and Technology

Notes

a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	302,274	317,368	323,073	332,059	341,144
Suppliers	384,307	254,092	197,341	199,815	255,716
Net losses from sale of assets	-	-	-	-	-
Other expenses	15,427	1,089	1,100	1,110	1,122
	702,008	572,549	521,514	532,984	597,982
Expenses not requiring appropriation					
Depreciation and amortisation	20,732	5,732	7,514	9,625	11,387
Inventory consumption	85	147	151	155	158
Net write-down and net impairment of assets ^[a]	-1,115	4,747	4,942	5,187	5,362
	19,702	10,626	12,607	14,967	16,907
Total operating expenses	721,710	583,175	534,121	547,951	614,889
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	70,765	55,644	43,238	40,693	19,795
Purchases of inventory	-	147	151	155	158
Principal repayments of lease liabilities	-	148	150	153	156
Total capital expenditure	70,765	55,939	43,539	41,001	20,109
Program 2.13 Defence Science and Technology Total funded expenditure ^[b]	772,773	628,488	565,053	573,985	618,091

Notes

a. Defence has a net write-down and impairment of assets in 2021-22.

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 2.14: Defence Intelligence**Program 2.14 Objective**

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

Key Activities ^[a]	<p>This program is achieved through the following activities:</p> <p>3. Enable intelligence-informed strategic policy and international operations. Classified intelligence assessments and products inform Defence strategic policy and international operations. This ensures that Defence's activities are grounded in an intelligence-based understanding of drivers, capabilities and likelihood.</p> <p>6. Deliver future capability. In the <i>2020 Force Structure Plan</i>, the Government provided Defence \$270 billion over the decade to 2029-30 to deliver capabilities across all domains, including Information and Cyber, Maritime, Air, Space and Land, supported by critical enabling capabilities. This capability will provide the Government with a flexible range of options to deliver on Defence's strategic objectives.</p>	
Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	3.1: Defence intelligence assessments and products inform the planning and conduct of international operations and the development of strategic policy.	Baseline percentage of international operations (planning and conduct) and strategic policy products that are informed by Defence intelligence assessments and products.
	6.1: Defence delivers the right capability at the right time within a balanced Integrated Investment Program to ensure it is equipped to respond to future security challenges.	Baseline percentage of Integrated Investment Program capability projects and programs across all domains on track to deliver the capability approved by Government within Government approved cost and schedule.
Forward Estimates 2023-26	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 *2022-26 Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new *2022-26 Defence Corporate Plan*.

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	100,316	113,610	115,850	120,387	126,284
Suppliers	342,194	401,396	376,161	423,283	427,671
Net losses from sale of assets	-	-	-	-	-
Other expenses	12	3	4	4	4
	442,522	515,009	492,015	543,674	553,959
Expenses not requiring appropriation					
Depreciation and amortisation	18,148	20,787	33,389	47,755	67,092
Inventory consumption	-	8,407	8,968	8,731	11,018
Net write-down and net impairment of assets	5,255	18,971	19,609	20,603	21,969
	23,403	48,165	61,966	77,088	100,079
Total operating expenses	465,925	563,174	553,981	620,762	654,038
Capital expenditure funded by appropriation and own source revenue					
Purchases of non-financial assets	742,740	196,209	219,656	368,126	241,210
Purchases of inventory	16	19,814	19,887	20,308	21,108
Principal repayments of lease liabilities	-	77	79	80	81
Total capital expenditure	742,756	216,100	239,622	388,514	262,400
Program 2.14 Defence Intelligence Total funded expenditure ^[a]	1,185,278	731,109	731,637	932,188	816,359

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 Actual Result	2022-23 Budget Estimate	2023-24 Forward Year 1	2024-25 Forward Year 2	2025-26 Forward Year 3
Maritime Safety Updates ^[a]	99%	100%	100%	100%	100%
Charting Projects ^[b]	14	19	15	15	15
Nautical Publications ^[c]	30	29	29	29	29
Survey Projects ^[d]	9	7	6	9	10
Australian Hydrographic Office Availability ^[e]	247	248	247	248	249

Notes

- a. 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. In 2021-22, 674 Priority 1 MSU were processed. Of these, 665 (99%) were processed within the expected 20 day timeframe. Nine were finalised outside of expected timeframes. Workflow controls have been updated in response.
- b. A Charting Project includes all charting activities involved in compiling and publishing all paper and electronic charts or other charting services, for a particular geographic area. When all affected products are updated through different charting activities a Charting Project is considered complete. In 2021-22, 14 Charting projects were completed. One project had two electronic navigational charts published in the first release of 2022-23. Following this, three remaining paper charts have been published. An additional three paper charts were identified to be published to complete the project.
- c. The Nautical Publications produced are 25 fortnightly Notices to Mariners, four annual publications, and selected additional publications in some years. In 2021-22, 26 fortnightly Notice to Mariners were published due to the publishing cycle falling across 26 fortnights within the financial year.
- d. A Survey Project is a major hydrographic survey contract executed to support the Australian Hydrographic Office (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. Defence portfolio funding has allowed additional Survey Projects to be undertaken in 2021-22 in Bass Strait. In 2021-22, 10 HIPP survey projects were in contract. Nine projects were completed within the financial year. The HIPP deeds had consumer price index escalation applied, resulting in a reduction of planned projects from eight to seven for 2022-23, and from eight to six for 2023-24. HIPP Phase 1 funding expires at the end of 2023-24. Forward Years 2-3 rate of effort will be reviewed once funding is confirmed.
- e. 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.

Program 2.19: Defence Trusts and Joint Accounts
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Table 36: Cost Summary for Program 2.19 Defence Trusts and Joint Accounts

	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					
Other expenses	-	399,097	411,070	423,402	436,104
Total operating expenses	-	399,097	411,070	423,402	436,104
Income					
Revenues					
Other revenue	-	399,097	411,070	423,402	436,104
Total revenue	-	399,097	411,070	423,402	436,104
Total income	-	399,097	411,070	423,402	436,104
Program 2.19 Defence Trusts and Joint Accounts ^[a]	-	-	-	-	-

Note

a. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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]	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p>	
Year	Performance measures	Expected Performance Results
Prior Year 2021-22	Timely and accurate administration of the Administered Programs.	Administration meets agreed requirements <i>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2023-26	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 2022-26 Defence Corporate Plan.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 Defence Corporate Plan.

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:</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p>	
Year	Performance measures	Expected Performance Results
Prior Year 2021-22	Timely and accurate administration of the Administered Programs.	Administration meets agreed requirements. <i>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2023-26	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 2022-26 *Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

Table 37: 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	77,398	63,929	36,669	9,889	-
Military superannuation benefits ^[a]					
- benefits	6,402,000	3,973,389	3,221,289	3,364,298	3,534,546
- interest	4,089,700	5,428,632	5,890,370	6,156,487	6,430,736
Total expenses	10,569,098	9,465,950	9,148,328	9,530,674	9,965,282
Income					
Revenues ^[b]					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	-1,225,257	-1,123,864	-1,057,464	-995,434	-936,466
Total income	-1,225,257	-1,123,864	-1,057,464	-995,434	-936,466
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	9,343,841	8,342,086	8,090,864	8,535,240	9,028,816

Notes

a. Figures for 2021-22 and 2022-23 have 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.

b. Negative amounts denote revenues.

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]	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p>	
Year	Performance measures	Expected Performance Results
Prior 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>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2023-26	As per 2022-23.	As per 2022-23.
<p>Material changes to Program 2.22 resulting from 2022-23 Budget Measures:</p> <ul style="list-style-type: none"> Improving Home Ownership for Defence Personnel and Veterans 		

Notes

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*.
- b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

Table 38: 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	94,918	140,300	156,900	163,632	170,195
Total expenses	94,918	140,300	156,900	163,632	170,195
Income					
Revenues ^(a)					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	-17,761	-18,987	-20,606	-21,291	-21,995
Other	-	-	-	-	-
Total income	-17,761	-18,987	-20,606	-21,291	-21,995
Program 2.22 Housing Assistance	77,157	121,313	136,294	142,341	148,200

Note

a. Negative amounts denote revenues.

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]	<p>This program will be achieved through the following activity:</p> <p>4. Invest in Defence People. Defence's integrated workforce brings together Australian Defence Force members, Australian Public Servants and contractors. Defence invests in building and maintaining an environment that attracts and retains a highly skilled, agile and resilient workforce with the necessary skills and capabilities to meet Australia's future Defence and national security needs.</p>
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Year	Performance measures	Expected Performance Results
Prior Year 2021-22	Timely and accurate administration of the Administered Programs.	Administration meets agreed requirements. <i>Achieved.</i>
Year	Performance measures ^[b]	Planned Performance Results
Budget Year 2022-23	4.1: Defence is an employer of choice, attracting and retaining talented and skilled people from across Australia to the Australian Defence Force and Australian Public Service.	Progress against recruitment and retention milestones to meet 2039-40 workforce growth requirements.
	4.2: Defence supports ADF members and their families by providing access to the right support, at the right time, enabling service personnel to be Fit to Fight, Fit for Work and Fit for Life.	Strengthened support for whole-of-life health, wellbeing and safety outcomes for current and former Australian Defence Force members and families.
Forward Estimates 2023-26	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 2022-26 *Defence Corporate Plan*.

b. Performance Measures for 2022-23 and beyond are new and have materially changed from previous years to align with the new 2022-26 *Defence Corporate Plan*.

Table 39: 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					
Supplier expenses	243,741	-	-	-	-
Impairment on trade and other receivables	10	-	-	-	-
Total expenses	243,751	-	-	-	-
Income					
Revenues ^(a)					
Interest	-	-	-	-	-
Dividends	-78,194	-66,617	-74,158	-61,539	-40,182
Other	-329,675	-47,411	-47,279	-49,782	-53,418
Total income	-407,869	-114,028	-121,437	-111,321	-93,600
Program 2.23 Other Administered	-164,118	-114,028	-121,437	-111,321	-93,600

Note

a. Negative amounts denote revenues.

Section 3: Defence 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 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 October Budget 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	29,592,034	-	31,337,876	31,337,876
Prior year appropriations available	-	-	-	-
Departmental appropriations	-	-	-	-
s74 External Revenue	-	-	-	-
Departmental capital budget - non-operating	-	-	-	-
Draw down of prior year appropriations	1,807,767	-	-	-
Prior year appropriations available	421,019	188,678	906,906	1,095,584
Equity injection	11,902,139	-	12,605,040	12,605,040
Departmental Capital Budget	2,827,786	-	3,054,372	3,054,372
Total departmental annual appropriations ^[a]	46,550,745	188,678	47,904,194	48,092,872
Total departmental resourcing	46,550,745	188,678	47,904,194	48,092,872
Administered				
Annual appropriations - ordinary annual services	3,466,583	-	3,650,913	3,650,913
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	3,466,583	-	3,650,913	3,650,913
<i>Total administered special appropriations</i>				
Special accounts				
Opening balance	277,148	357,357	-	357,357
Non-appropriation receipts	363,730	-	-	-
Payments made	-283,521	-	-	-
Reclassification to Departmental ^[b]	-	-357,357	-	-357,357
Total special accounts	357,357	-	-	-
Total administered resourcing	3,823,940	-	3,650,913	3,650,913

Notes

a. The appropriations for 2022-23, include amounts in Appropriation Bill 1 and Bill 2 which are yet to receive Royal Assent. The amounts as disclosed above for 2021-22 include amounts which will be received as part of Bill 1 and Bill 2 in 2022-23. Equity injection for 2021-22 excludes transfers from other agencies of \$9.3 million.

b. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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)	110,528	114,028
Payments made to Defence Housing Australia for the provision of services (Departmental)	648,600	692,549
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)	51,901	24,798
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	34,888	35,687
Payments made to the Department of Finance for the provision of services (Departmental)	47,363	37,305
Payments made to Comcare for workers compensation premiums (Departmental)	17,157	15,918
Payments made to the Australian Federal Police for the provision of services (Departmental)	41,292	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	12,250,609	13,025,413	13,353,506	13,779,276	14,291,714
Supplier expenses ^[a]	20,763,207	19,567,277	19,224,849	19,705,384	21,009,766
Grants	102,791	42,116	44,699	44,816	44,907
Depreciation and amortisation	5,770,444	6,324,791	7,085,162	7,723,965	8,482,509
Finance costs	119,495	101,370	99,218	96,513	93,955
Write-down of assets and impairment of assets ^[a]	3,643,241	1,277,420	1,340,987	1,408,028	1,478,745
Foreign exchange losses	11,618	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts ^[b]	-	399,097	411,070	423,402	436,104
Other	178,830	3,160	2,689	3,140	2,809
Total expenses	42,840,235	40,740,644	41,562,180	43,184,524	45,840,509
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	391,951	315,334	321,508	317,352	324,204
Revenue in relation to Defence Trusts and Joint Accounts ^[b]	-	399,097	411,070	423,402	436,104
Other revenue	348,752	262,715	265,099	269,827	333,753
Total own-source revenue	740,703	977,146	997,677	1,010,581	1,094,061
Gains					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	785,179	602,651	634,408	667,923	703,296
Net gains from sale of assets	4,456	13,398	1,526	60,004	13,263
Other gains ^[c]	425,737	353,300	205,900	166,300	144,800
Total gains	1,215,372	969,349	841,834	894,227	861,359
Total own-source income	1,956,075	1,946,495	1,839,511	1,904,808	1,955,420
Net cost of (contribution by) services	40,884,160	38,794,149	39,722,669	41,279,716	43,885,089
Revenue from Government	29,592,034	31,337,876	31,258,896	32,127,031	33,803,553
Surplus (Deficit) attributable to the Australian Government	-11,292,126	-7,456,273	-8,463,773	-9,152,685	-10,081,536
OTHER COMPREHENSIVE INCOME					
Items not subject to subsequent reclassification to net cost of services					
Changes in asset revaluation reserves ^[d]	5,255,741	-	-	-	-
Total other comprehensive income/(loss)	5,255,741	-	-	-	-
Total comprehensive income/(loss) attributable to the Australian Government	-6,036,385	-7,456,273	-8,463,773	-9,152,685	-10,081,536

Table 42: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June) (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
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	3,328,421	251,713	71,756	87,692	-11,455
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	5,770,444	6,324,791	7,085,162	7,723,965	8,482,509
Inventory consumption	940,662	958,232	995,632	1,034,493	1,074,870
Net write-down and net impairment of assets	2,858,062	674,769	706,579	740,105	775,449
Add: Repayment of lease liabilities funded through revenue appropriations	204,362	249,816	251,843	258,186	262,747
Surplus (Deficit) attributable to the Australian Government as per above	-6,036,385	-7,456,273	-8,463,773	-9,152,685	-10,081,536

Notes

- a. On 16 September 2021, the then Prime Minister announced the Attack class submarine program (SEA1000 Phase 1B) would no longer proceed. 2021-22 includes net write down and net impairment of \$2,128.6 million in relation to the Attack class submarine program (SEA1000 Phase 1B), resulting from accumulated capital costs that will not be re-used or re-purposed for the construction of a future Defence asset. Further, the supplier expenses for 2021-22 includes termination expenses associated with the Attack class submarine program (SEA1000 Phase 1B), which were one off expenses in 2021-22.
- b. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.
- c. 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.
- d. In 2021-22, Defence revised its valuation methodology used to estimate the fair values of Defence's Specialist Military Equipment (SME) asset class. This revised estimation approach for the SME asset class contributed to a \$4,087.9 million increment in the asset revaluation reserve, in addition to the valuation outcomes for Defence's other asset classes.

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	316,916	756,889	756,889	756,889	756,889
Trade and other receivables	167,129	167,119	167,119	167,119	167,119
Tax assets	392,067	392,067	392,067	392,067	392,067
Appropriation receivable	188,678	1,095,584	1,222,249	1,385,409	1,145,964
Other receivables	830,771	830,867	830,865	830,863	830,861
Total financial assets	1,895,561	3,242,526	3,369,189	3,532,347	3,292,900
Non-financial assets					
Land and buildings	22,355,173	24,134,216	26,089,351	28,103,781	30,165,059
Infrastructure, plant and equipment	8,987,656	8,811,003	8,593,606	8,328,551	7,890,893
Specialist military equipment	80,958,195	86,847,162	94,611,314	102,992,929	111,527,343
Intangibles	2,103,775	2,500,072	2,805,249	2,979,329	3,069,020
Heritage and cultural	430,768	406,013	381,377	356,954	332,600
Inventories	7,887,168	8,228,063	8,566,487	8,926,301	9,299,944
Prepayments	2,546,916	1,853,343	2,138,245	2,334,436	2,592,710
Total non-financial assets	125,269,651	132,779,872	143,185,629	154,022,281	164,877,569
Assets held for sale	160,606	160,606	160,606	160,606	160,607
Total assets	127,325,818	136,183,004	146,715,424	157,715,234	168,331,076
LIABILITIES					
Payables					
Suppliers	4,611,582	4,717,869	5,002,759	5,198,942	5,457,219
Other	684,339	1,118,925	1,177,103	1,226,582	869,786
Total payables	5,295,921	5,836,794	6,179,862	6,425,524	6,327,005
Interest bearing liabilities					
Leases	2,929,655	2,930,455	2,933,461	2,934,510	2,935,462
Total interest bearing liabilities	2,929,655	2,930,455	2,933,461	2,934,510	2,935,462
Provisions					
Employee provisions	3,121,325	3,233,699	3,302,171	3,415,843	3,533,178
Restoration, decontamination and decommissioning	1,009,049	1,009,049	1,009,049	1,009,049	1,009,049
Other	284,175	284,175	284,175	284,175	284,175
Total provisions	4,414,549	4,526,923	4,595,395	4,709,067	4,826,402
Total liabilities	12,640,125	13,294,172	13,708,718	14,069,101	14,088,869
NET ASSETS	114,685,693	122,888,832	133,006,706	143,646,133	154,242,207
EQUITY					
Contributed equity	64,372,613	80,032,025	98,613,672	118,405,784	139,083,394
Reserves	32,446,454	32,446,454	32,446,454	32,446,454	32,446,454
Retained surplus (accumulated deficit)	17,866,626	10,410,353	1,946,580	-7,206,105	-17,287,641
Total equity	114,685,693	122,888,832	133,006,706	143,646,133	154,242,207

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 (current year)	29,367,991	31,230,970	31,132,230	31,963,872	34,042,998
Appropriations (prior year)	792,497	-	-	-	-
Goods and services	589,623	542,477	554,577	554,602	643,388
Net GST received	2,491,713	2,599,570	2,754,944	2,862,219	3,003,230
Interest	1,282	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	-	399,097	411,070	423,402	436,104
Other cash received (receivables)	160,201	29,843	26,155	26,549	8,399
	-	-	-	-	-
Total cash received	33,403,307	34,801,957	34,878,976	35,830,644	38,134,119
Cash used					
Employees	12,484,432	12,918,507	13,226,840	13,616,116	14,531,159
Suppliers	18,953,878	18,609,052	18,229,232	18,670,908	19,934,911
Net GST paid	2,532,073	2,599,570	2,754,944	2,862,219	3,003,230
Grants	101,527	42,116	44,699	44,816	44,907
Payments in relation to Defence Trusts and Joint Accounts	-	316,481	411,070	423,402	436,104
Other cash used	263,453	98,940	96,183	93,780	90,746
Cash transfer to the Official Public Account (receivables)	1,343	-	-	-	-
Total cash used	34,336,706	34,584,666	34,762,968	35,711,241	38,041,057
Net cash from (used by) operating activities	-933,399	217,291	116,008	119,403	93,062
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of land and buildings	5,096	96,040	105,552	151,670	152,285
Proceeds from sales of infrastructure, plant and equipment	21,933	24,742	27,850	26,979	28,651
Proceeds from sales of specialist military equipment	42,164	-	-	-	-
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	4,906	3,911	13,880	-	5,494
Total cash received	74,099	124,693	147,282	178,649	186,430
Cash used					
Purchase of land and buildings	941,808	2,419,311	2,856,941	3,007,817	3,271,637
Purchase of infrastructure, plant and equipment	1,101,735	365,737	371,175	322,658	154,872
Purchase of specialist military equipment	9,592,391	10,015,256	12,617,340	13,635,940	14,907,163
Purchase of heritage and cultural assets	17	-	-	-	-
Purchase of intangibles	1,007,277	604,178	543,130	439,348	332,790
Purchase of inventory	1,990,336	2,264,382	2,204,308	2,404,150	2,027,693
Selling costs on sale of assets	14,406	100	200	22,065	200
Finance costs	-	-	-	-	-
Total cash used	14,647,970	15,668,964	18,593,095	19,831,977	20,694,355
Net cash from (used by) investing activities	-14,573,871	-15,544,271	-18,445,813	-19,653,329	-20,507,925

**Table 44 Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)
(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
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,902,139	12,605,040	15,511,582	16,522,304	17,744,987
Appropriations - departmental capital budget	2,827,786	3,054,372	3,070,065	3,269,808	2,932,623
Prior year appropriation	1,015,270	-	-	-	-
Total cash received	15,745,195	15,659,412	18,581,647	19,792,112	20,677,610
Cash used					
Principal repayments of lease liabilities	204,362	249,816	251,843	258,186	262,747
Cash to the Official Public Account	-	-	-	-	-
Total cash used	204,362	249,816	251,843	258,186	262,747
Net cash from (used by) financing activities	15,540,833	15,409,596	18,329,804	19,533,926	20,414,863
Net increase (decrease) in cash and cash equivalents held	33,563	82,616	-	-	-
Cash and cash equivalents at the beginning of the reporting period	285,883	316,916	756,889	756,889	756,889
Transfer of cash from administered programs	-	357,357	-	-	-
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-2,530	-	-	-	-
Cash and cash equivalents at the end of the reporting period	316,916	756,889	756,889	756,889	756,889

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	17,866,626	32,446,454	64,372,613	114,685,693
Adjustment for changes in accounting policies	-	-	-	-
Adjusted opening balance	17,866,626	32,446,454	64,372,613	114,685,693
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
Subtotal comprehensive income	-	-	-	-
Surplus (Deficit) for the period	-7,456,273	-	-	-7,456,273
Total comprehensive income recognised directly in equity	-7,456,273	-	-	-7,456,273
Transactions with owners				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	12,605,040	12,605,040
Departmental Capital Budget	-	-	3,054,372	3,054,372
Other	-	-	-	-
Sub-total transaction with owners	-	-	15,659,412	15,659,412
Transfers between equity components	-	-	-	-
Estimated closing balance as at 30 June 2023	10,410,353	32,446,454	80,032,025	122,888,832

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	2,827,786	3,054,372	3,070,065	3,269,808	2,932,623
Bill 2 Equity	11,902,139	12,605,040	15,511,582	16,522,304	17,744,987
Total capital appropriations	14,729,925	15,659,412	18,581,647	19,792,112	20,677,610
Represented by:					
Purchase of non-financial assets	11,580,260	13,404,482	16,388,586	17,405,763	18,666,462
Purchase of inventory	1,758,056	2,264,382	2,204,308	2,404,150	2,027,693
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	1,295,248	-	-	-	-
Total items	14,633,564	15,668,864	18,592,894	19,809,913	20,694,155
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	14,729,925	15,659,412	18,581,647	19,792,112	20,677,610
Funded by prior year appropriation	1,015,270	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Funded internally from departmental resources ^[a]	-1,111,631	9,452	11,247	17,801	16,545
[Net capital (surplus)/ deficit]					
Total	14,633,564	15,668,864	18,592,894	19,809,913	20,694,155
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	14,851,800	16,022,164	18,798,794	19,976,213	20,838,955
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	1,295,248	-	-	-	-
less gifted assets	218,236	353,300	205,900	166,300	144,800
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	15,928,812	15,668,864	18,592,894	19,809,913	20,694,155

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	6,052,037	14,728,640	80,930,527	8,963,728	3,568,771	445,325	160,606	114,849,633
Gross book value - ROU	60,492	2,422,123	285,779	699,049	-	-	-	3,467,444
Accumulated depreciation/amortisation and impairment	-	361,933	258,111	444,301	1,464,996	14,557	-	2,543,897
Accumulated depreciation/amortisation and impairment - ROU	-	546,186	-	230,820	-	-	-	777,007
Opening net book balance	6,112,529	16,242,644	80,958,195	8,987,656	2,103,775	430,768	160,606	114,996,173
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	67,963	2,351,347	10,015,256	365,737	604,178	-	-	13,404,482
By purchase - appropriation equity - ROU	-	222,701	-	63,612	-	-	-	286,313
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	215,860	2,456,620	10,015,256	465,867	604,178	-	-	13,757,782
Total additions - ROU	-	222,701	-	63,612	-	-	-	286,313
Other movements								
Reclassifications ^[a]	-	-98,272	932,811	-1,197	2,308	-	-	835,650
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	743,041	4,540,722	542,785	147,780	24,754	-	5,999,081
Depreciation and amortisation - ROU	-	224,158	28,316	73,235	-	-	-	325,710
Other disposals ^[b]	-	50,666	490,063	88,914	62,410	-	-	692,053
Other disposals - ROU	-	-	-	-	-	-	-	-
Total other movements	-	-891,980	-4,097,974	-632,897	-207,881	-24,754	-	-5,855,485
Total other movements - ROU	-	-224,158	-28,316	-73,235	-	-	-	-325,710
As at 30 June 2023								
Gross book value	6,267,898	17,036,322	91,388,531	9,339,483	4,112,848	445,325	160,606	128,751,012
Gross book value - ROU	60,492	2,644,824	285,779	762,661	-	-	-	3,753,757
Accumulated depreciation/amortisation and impairment	-	1,104,974	4,798,833	987,086	1,612,776	39,311	-	8,542,978
Accumulated depreciation/amortisation and impairment - ROU	-	770,345	28,316	304,056	-	-	-	1,102,717
Closing net book value	6,328,389	17,805,827	86,847,162	8,811,003	2,500,072	406,013	160,606	122,859,073

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	78,194	66,617	74,158	61,539	40,182
Military superannuation contributions	1,225,257	1,123,864	1,057,464	995,434	936,466
Fees	17,761	18,987	20,606	21,291	21,995
Other	329,675	47,411	47,279	49,782	53,418
Total non-taxation	1,650,887	1,256,879	1,199,507	1,128,046	1,052,061
Total revenues administered on behalf of Government	1,650,887	1,256,879	1,199,507	1,128,046	1,052,061
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	94,918	140,300	156,900	163,632	170,195
Military retention benefits	77,398	63,929	36,669	9,889	-
Military superannuation benefits	10,491,700	9,402,021	9,111,659	9,520,785	9,965,282
Other	243,751	-	-	-	-
Total expenses administered on behalf of Government	10,907,767	9,606,250	9,305,228	9,694,306	10,135,477

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	357,357	-	-	-	-
Trade and other receivables	155,331	133,717	141,632	130,578	109,221
Investments accounted for using the equity method	3,125,925	3,105,105	3,218,681	3,331,690	3,431,565
Loans	-	-	-	-	-
Total financial assets	3,638,613	3,238,822	3,360,313	3,462,268	3,540,786
Non-financial assets					
Prepayments	110,487	46,558	9,889	-	-
Total non-financial assets	110,487	46,558	9,889	-	-
Total assets administered on behalf of Government	3,749,100	3,285,380	3,370,202	3,462,268	3,540,786
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	311,884	1,314	1,314	1,314	1,314
Total payables	311,884	1,314	1,314	1,314	1,314
Provisions					
Superannuation - DFRB ^[a]	306,200	264,306	247,811	231,948	216,694
Superannuation - DFRDB ^[b]	35,797,000	31,545,429	31,373,816	31,155,964	30,891,245
Superannuation - MSBS ^[c]	101,602,000	82,276,402	86,195,534	90,035,279	93,804,448
Superannuation - ADF Cover ^[d]	3,068,900	3,974,230	5,621,419	7,546,562	9,769,271
Total provisions	140,774,100	118,060,367	123,438,579	128,969,753	134,681,659
Total liabilities administered on behalf of Government	141,085,984	118,061,681	123,439,893	128,971,067	134,682,973

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	1,466,679	1,123,864	1,057,464	995,434	936,466
Fees	16,798	18,987	20,606	21,291	21,995
Other	5,010	45,637	46,693	48,005	53,206
Total cash received	1,488,487	1,188,488	1,124,763	1,064,730	1,011,667
Cash used					
Subsidies paid	91,936	140,300	156,900	163,632	170,195
Military benefits	3,374,647	3,510,613	3,733,446	3,989,613	4,253,378
Total cash used	3,466,583	3,650,913	3,890,346	4,153,245	4,423,573
Net cash from or (used by) operating activities	-1,978,096	-2,462,425	-2,765,583	-3,088,515	-3,411,906
INVESTING ACTIVITIES					
Cash received					
Dividends	35,347	78,194	66,617	74,158	61,539
Total cash received	35,347	78,194	66,617	74,158	61,539
Cash used					
Loans	-	-	-	-	-
Total cash used	-	-	-	-	-
Net cash from (used by) investing activities	35,347	78,194	66,617	74,158	61,539
Net increase (decrease) in cash held	-1,942,749	-2,384,231	-2,698,966	-3,014,357	-3,350,367
Cash at the beginning of reporting period	277,148	357,357	-	-	-
Cash from the Official Public Account for appropriations	3,466,583	3,650,913	3,890,346	4,153,245	4,423,573
Cash to the Official Public Account	-1,523,834	-1,266,682	-1,191,380	-1,138,888	-1,073,206
Net increase (decrease) in Special Account ^[a]	80,209	-	-	-	-
Reclassification to Departmental ^[a]	-	-357,357	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	357,357	-	-	-	-

Note

a. Based on a change in Defence's accounting policy, revenue and expenses in relation to Defence Trusts and Joint Accounts are classified as Departmental activities with retrospective effect from 1 July 2022 based on approval from Minister for Finance on 20 September 2022.

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)*.

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Appendices

Appendix A: Defence Cooperation Program	104
Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects	107
Appendix C: Top 30 Capability Sustainment Products	117
Appendix D: Enterprise Estate and Infrastructure Program	124
Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2022-23	135
Appendix F: Top 5 Information and Communication Technology Approved Projects	142
Appendix G: Australian Government Indigenous Expenditure.....	144

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:

- enables cooperative development of capability;
- 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 (PNG), 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.

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 operate with in support of regional security and stability.

In the Pacific, a key element of the DCP, and the centrepiece of Australia's defence engagement, 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 22 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.

The Australian Defence Force conducts exercises with other militaries in order to build our shared capacity to work together in response to regional security contingencies, including humanitarian assistance and disaster relief, peacekeeping, counter-terrorism, maritime security, and military governance and professionalism. 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 to be a more capable, sustainable and professional regional security partner, supported by the PNG Department of Defence, 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 Actual Result \$'000	2022-23 Budget Estimate ^[a] \$'000
Papua New Guinea ^[b]	54,136	74,057	49,612
Pacific Region	115,935	117,127	125,832
South-East Asia	33,971	36,471	34,440
Other regional activities	24,953	8,776	16,641
Defence International Training Centre ^[c]	548	540	670
Total	229,543	236,972	227,195

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 2021-22 Estimated Actual outcome for Papua New Guinea included additional infrastructure and election support.

c. 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: Pacific Region Budget 2022-23

	2021-22 Revised Estimate \$'000	2021-22 Actual Result \$'000	2022-23 Budget Estimate \$'000
Timor Leste	10,612	10,319	9,708
Vanuatu	5,223	2,531	6,775
Solomon Islands	2,408	2,575	2,432
Tonga ^[a]	3,014	5,048	3,044
Samoa	610	223	616
Cook Islands ^[b]	322	689	325
Republic of the Marshall Islands	562	26	568
Federated States of Micronesia	570	86	576
Fiji	5,847	6,198	5,905
Tuvalu	555	156	561
Kiribati	378	155	382
Palau	495	302	500
DCP Scheduled Support	16,629	8,934	7,173
Pacific Patrol Boat Program / Pacific Maritime Security Program	68,710	79,886	87,267
Total	115,935	117,127	125,832

Notes

a. The increased spend in Tonga in 2021-22 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 Actual Result \$'000	2022-23 Budget Estimate \$'000
Philippines	9,561	5,314	9,785
Thailand	3,411	2,399	3,445
Malaysia	6,309	6,895	6,372
Indonesia	8,196	17,165	8,278
Vietnam	4,064	2,517	4,105
Cambodia	1,350	1,512	1,364
Laos	768	428	776
Brunei	312	241	315
Total	33,971	36,471	34,440

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects

The Top 30 Military Equipment Acquisition Program Approved 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.

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	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	16,244	10,743	976	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	1,726	1,530	2	During 2022-23, the project's focus is on delivery of the remaining aircraft, infrastructure and logistics support capacity for stand up of 75SQN, as well as finalisation of Australian F-35 training capabilities, in preparation for Australian Final Operational Capability which is scheduled for December 2023. Establishing and enhancing capacity will continue in F-35 reprogramming, weapons warehousing and depot repair under the United States Joint Project Office Global Support Solution.
P-8A Maritime Patrol & Response Aircraft System	AIR 7000 Phase 2 ^[c]	Military Equipment Acquisition	5,678	4,344	284	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	762	41	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.

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	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	2,285	1,498	181	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	559	202	119	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.
Multi-mission Unmanned Aircraft System	AIR 7000 Phase 1B	Military Equipment Acquisition	2,088	660	238	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. Additional tranches of aircraft and support systems will be considered in subsequent submissions to Government.
		Other Project Inputs to Capability	643	61	37	During 2022-23, the project will deliver additional capabilities to support network test and integration. The project will commence conversion of existing facilities at RAAF Base Tindal as an interim solution for receipt of the first aircraft and Forward Operating Base. Subject to Public Works Committee approval, construction of facilities will commence at both RAAF Base Edinburgh and RAAF Base Tindal.
Ground Based Air & Missile Defence Enhancement	LAND 19 Phase 7B ^[c]	Military Equipment Acquisition	1,225	632	158	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 United States-developed Sentinel radar in the system.
		Other Project Inputs to Capability	287	13	69	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.

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	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Air Domain (Continued)						
MQ-28A Ghost Bat	DEF 6014 Phase 2	Military Equipment Acquisition	452	-	220	This project (formerly referred to as Loyal Wingman) aims to deliver a low-cost uncrewed combat air system with fighter-like performance to contribute to the joint force. Phase 2 of the project will acquire an additional seven aircraft, bringing the total Defence fleet to 10, following on from the Phase 1 development of 3 prototypes.
		Other Project Inputs to Capability	-	-	-	During 2022-23, the project will continue to mature the Generation 2 MQ-28 design and begin manufacture.
Civil Military Air Traffic Management System (CMATS)	AIR 5431 Phase 3	Military Equipment Acquisition	1,010	519	131	This project will provide the Defence element of a single national Civil Military Air Traffic Management System, being progressed jointly under the OneSKY Australia program with Airservices Australia. Airservices 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 Air Traffic Management automation systems, communications infrastructure, training systems at 12 Defence airbases, communications infrastructure, training systems and Defence's share of a joint software support facility.
		Other Project Inputs to Capability	448	429	7	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	339	70	106	This project will provide a Joint Air Battle Management System, delivering sensing and C4I capability that will form the core architecture of the ADF's Integrated Air and Missile Defence program.
		Other Project Inputs to Capability	99	7	17	During 2022-23, the focus will be on tendering the selection of a strategic partner.
Airborne Early Warning and Control (AEWC) Capability Upgrade	AIR 5077 Phase 6	Military Equipment Acquisition	171	54	117	This project will upgrade the E-7A Wedgetail to maintain operational relevance, including security hardening and obsolescence treatments for its assigned roles in the operational environment through to 2035 and beyond.
		Other Project Inputs to Capability	8	3	4	During 2022-23, the project will continue risk reduction / technical studies, tender evaluation and offer definition and improvement activities.

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	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	AIR 5438 Phase 2	Military Equipment Acquisition	586	93	121	This 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 primary focus will be on progressing the engine replacement including initial design incorporation on two aircraft, Acceptance Testing under a Military Permit To Fly, and certification activities.
Enterprise Programs						
COMSEC Remediation	JNT 9141 Phase 1	Military Equipment Acquisition	741	264	117	This project will remediate selected ADF 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. During 2022-23, the project will focus on technical certification for platforms and delivery of the radios and ancillaries.
		Other Project Inputs to Capability	46	14	8	
Information and Cyber						
Multiple Tactical Data Link Network	JNT 9347 Phase 1	Military Equipment Acquisition	560	42	135	This project will deliver systems to assure Defence’s Joint Data Networks that enable the rapid exchange of sensor and Command and Control data between Defence’s maritime, air and land platforms and those of our partners.
		Other Project Inputs to Capability	138	64	19	During 2022-23, the project will continue risk reduction activities, plan and execute the purchases of long lead items and accept ongoing delivery of related network material. The project will work to progress the Preliminary Design Review and the Detailed Design Review for the Network Management System and Expanded Network Coverage.

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	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	5,601	1,851	686	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 combat reconnaissance vehicle capability, the Australian Light Armoured Vehicle. The primary role of the vehicles will be to perform ground-based reconnaissance and counter-reconnaissance activities.
		Other Project Inputs to Capability	128	38	10	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.
Protected Mobile Fires	LAND 8116 Phase 1	Military Equipment Acquisition	1,306	182	244	This project will deliver a Protected Mobile Fires artillery capability that includes two key mission systems: Self Propelled Howitzer/ Armoured Ammunition Resupply Vehicle and the Weapon Locating Radar.
		Other Project Inputs to Capability	42	2	5	During 2022-23, the project will focus on progressing Systems Requirements Review, Systems Definition Review, Preliminary Design Review and validate the contractors' Australian Industry Capability Plan.
Tactical Training Vehicles	LAND 121 Phase 5B [c]	Military Equipment Acquisition	1,167	641	165	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	78	82	During 2022-23, the project will continue to deliver production vehicles, modules and trailers.
Battlefield Command Systems (Tranche 2)	LAND 200 Phase 2-A	Military Equipment Acquisition	968	661	200	This project will provide Army with tactical digital radios and an integrated Battle Management System that transforms command and control of Land forces 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.
		Other Project Inputs to Capability	48	43	2	During 2022-23, the project is scoped to deliver future software releases for the Battle Management System, further develop the Tactical Communications Network and establish contracts for platform integration and installation work.

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	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Main Battle Tank Upgrade, Combat Engineering Vehicles	LAND 907 Phase 2 / LAND 8160 Phase 1	Military Equipment Acquisition	2,202	72	181	This project will deliver 75 M1A2 Abrams Main Battle Tanks to replace the in-service M1A1 variant, 52 Combat Engineering Vehicles and associated training and simulation systems. The upgraded Main Battle Tanks and Combat Engineering Vehicles will be acquired through the United States Government Foreign Military Sales program.
		Other Project Inputs to Capability	36	8	3	During 2022-23, Defence will undertake detailed preparation for the delivery of the vehicles in partnership with the United States Government, undertake planning for the introduction into service and enduring support of the capabilities including the establishment of contracts with Australian industry for training systems and engineering/logistics support.
Project Overlander - Protected Mobility Vehicle - Light	LAND 121 Phase 4 ^(b)	Military Equipment Acquisition	1,968	1,527	153	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.
		Other Project Inputs to Capability	0	0	-	During 2022-23, the project will complete Full Rate production of the vehicles. The program to 'uplift' vehicles to the final contracted baseline will continue. Introduction into service training and the rollout of Hawkei vehicles to Army and Air Force will continue.
Additional Chinook Helicopters	LAND 4502 Phase 2 ^(b) ^[c]	Military Equipment Acquisition	429	120	143	This project will acquire four additional CH-47F helicopters, through Foreign Military Sales and supporting equipment to expand the ADF's medium lift helicopter fleet from 10 to 14 aircraft. The four additional helicopters have been delivered. The supporting equipment will continue to be progressively delivered.
		Other Project Inputs to Capability	0	-	0	During 2022-23, this project will focus on incorporating aircraft modifications required to meet Australia's additional operational requirements.
Joint Counter Improvised Explosive Device	LAND 154 Phase 4	Military Equipment Acquisition	643	190	125	This project is delivering a Joint Counter Improvised Explosive Device Capability to protect against radio controlled improvised explosive devices, equipment for Explosive Ordnance Disposal teams and search, neutralisation and exploitation capabilities for the ADF.
		Other Project Inputs to Capability	40	12	7	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 ADF, including ongoing industry engagement for risk reduction activities in support 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	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Land Domain (Continued)						
Armed Reconnaissance Helicopter (ARH) Replacement	LAND 4503 Phase 1	Military Equipment Acquisition	4,225	44	120	This project will acquire the AH-64E Apache, as a proven, mature and off-the-shelf attack helicopter that replaces the current Tiger helicopter capability.
		Other Project Inputs to Capability	63	6	5	During 2022-23, the project will focus efforts on Foreign Military Sales arrangements with United States Army and completing a tender for an Initial Support Contract.
Tactical Unmanned Aerial Vehicles Upgrade	LAND 129 Phase 3	Military Equipment Acquisition	368	38	109	This project will replace and enhance the existing Tactical Unmanned Aerial System capability. It will grow the capability to provide a third Tactical Unmanned Aerial System sub-unit to enable training and support across Combat Brigades.
		Other Project Inputs to Capability	76	3	11	During 2022-23, the project will progress with Preliminary Design Review, Detailed Design Review and Acceptance Testing.
Multi-Role Helicopter (MRH)	AIR 9000 Phase 2	Military Equipment Acquisition	3,770	3,497	106	This project and AIR 9000 Phases 4 and 6 acquired 47 MRH90 [Taipan] helicopters and support systems for the Army and the Navy. Defence has sought advice and received in-principle approval from the United States Government for the acquisition of up to 40 UH-60M Black Hawk helicopters to replace the MRH90 helicopter fleet.
		Other Project Inputs to Capability	24	24	-	During 2022-23, the project is focused on the introduction into service of the remaining MRH capabilities required to ensure maximum availability and utility of the aircraft.
Maritime Domain						
Future Frigate - Design and Construction	SEA 5000 Phase 1 ^[c]	Military Equipment Acquisition	6,121	1,828	725	This project 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	1,020	264	218	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. The project is on track to commence Ship one construction in Quarter 2, 2024.

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	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
Offshore Patrol Vessel	SEA 1180 Phase 1 ^[c]	Military Equipment Acquisition	3,647	1,045	515	<p>This project will acquire 12 new vessels based on an existing design, to replace and improve upon the capability delivered by the Armidale class patrol boats. The Arafura class offshore patrol vessel's (OPV) 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.</p> <p>Build commenced on OPV 1 (<i>Arafura</i>) at Osborne, South Australia in November 2018. Construction of OPV 2 (<i>Eyre</i>) commenced in June 2019 at Osborne. Subsequent OPVs will all be built at Henderson, Western Australia. OPV 3 (<i>Pilbara</i>) commenced construction in March 2020, OPV 4 (<i>Gippsland</i>) commenced construction in January 2021. OPV 5 (<i>Illawarra</i>) commenced construction in November 2021 and OPV 6 (<i>Carpentaria</i>) commenced construction on 1 August 2022.</p> <p>OPV 1 was launched on 16 December 2021.</p> <p>During 2022-23, the project will continue to progress the build of six OPVs. OPV 1 is planned to be delivered in Quarter 2 2023 and launch of OPV 2 is planned for Quarter 1 2023.</p>
		Other Project Inputs to Capability	984	148	199	
Navy Guided Weapons Sub-Program	SEA 1300 Phase 1	Military Equipment Acquisition	4,039	779	246	<p>This project was established through the <i>2020 Force Structure Plan</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.</p> <p>The project will update Government periodically, primarily through the Navy's Surface Combatant Transition Plan, in order to seek decisions to support Navy's guided weapon capabilities.</p> <p>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.</p>
		Other Project Inputs to Capability	37	2	4	

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	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 30 Military Equipment Acquisition Project Descriptions
Maritime Domain (Continued)						
AWD AEGIS Capability Upgrade	SEA 4000 Phase 6	Military Equipment Acquisition	930	102	174	This project will increase the ADF air and missile defence capability. The project will upgrade the three destroyers' Aegis combat 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. During 2022-23, the project will continue to progress planning and development work in the lead up to Second Pass approval.
		Other Project Inputs to Capability	12	2	6	
Evolved Cape Class Patrol Boats	SEA 1445 Phase 1	Military Equipment Acquisition	468	201	158	This project will deliver eight vessels that will assist the Navy with transition from the existing Armidale class patrol boats to the new, more capable Arafura class offshore patrol vessels. The contract with Austal Ships Pty Ltd was signed in April 2020. The first two vessels (<i>Cape Otway</i> and <i>Cape Peron</i>) have been accepted, with the third vessel (<i>Cape Naturaliste</i>) nearing completion. The fourth vessel (<i>Cape Capricorn</i>) was launched on 27 September 2022. The remaining four vessels are at various stages of construction, with the last vessel due to commence production shortly. During 2022-23, the project will continue to focus on ensuring the revised delivery schedule remains on track. Delays to Boats 1-6 have been experienced due to non-compliant aluminium plate, and COVID-19 border restrictions and associated workforce shortages. Boats 7 and 8 remain on track, with Boat 8 to be delivered in June 2024 as contracted.
		Other Project Inputs to Capability	-	-	-	
Undersea Support Vessel	SEA 3033 Phase 5	Military Equipment Acquisition	155	-	155	This project seeks to deliver a Navy capability to support trials and integration of undersea warfare and surveillance systems. The vessel will also require the ability to host a variety of small teams and on-board and off-board systems, both optionally crewed and uncrewed remote and autonomous systems.
		Other Project Inputs to Capability	2	-	2	
Space Domain						
Protected Satellite Communications	JNT 9103 Phase 1	Military Equipment Acquisition	470	148	136	This project will provide a Protected Military Satellite Communications capability. The project will leverage off the United States Protected SATCOM capability and will deliver sovereign ground stations and network integration capabilities. The project will also integrate selected high-priority platforms into the system. During 2022-23, the project will continue to progress plans to deliver a Ground Station, the Management and Control Centre, and the integration of Australian Defence Force platforms and Network communications.
		Other Project Inputs to Capability	28	7	6	

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

	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m ^[a]
Total Top 30 Projects (Gross Plan) – Total	77,512	35,570	8,010
Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability	7,656	3,724	884
Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition	69,856	31,846	7,126
Other Approved Project Gross Plans - Military Equipment Acquisition	61,853	52,532	4,241
Total Approved Projects (Gross Plan) - Military Equipment Acquisition	131,709	84,378	11,367
Management Margin: Slippage - Military Equipment Acquisition			-1,584
Payments Required for the Approved Programme - Military Equipment Acquisition			9,783

Notes

a. Approved Project Expenditure, 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.

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	550	<p>The Air Combat and Airborne Electronic Attack capability comprises a fleet of 24 F/A-18F Super Hornet and 12 EA-18G Growler aircraft, with associated support elements. Defence received Government approval on 28 February 2022 to procure one additional Growler (under AIR5349 Phase3), restoring the fleet to 12 (following loss in 2018). 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 end 2023. In-service support arrangements are through prime contracts with Boeing Defence Australia (platform stewardship), Raytheon Australia (training support) and General Electric Aviation Systems Australia (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.</p>
F-35 Joint Strike Fighter	CAF30	367	<p>The F-35A Lightning II capability currently comprises 56 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	296	<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 while continuing to assess, prioritise and address emerging obsolescence and security 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)			
P-8A Poseidon Maritime Patrol and Response	CAF35	190	<p>The Maritime Patrol and Response capability currently comprises 12 P-8A Poseidon aircraft and support elements operated from RAAF Base Edinburgh SA. 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) 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	165	<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	165	<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.</p>
C-17 Heavy Air Lift Weapons System	CAF19	138	<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 US Air Force engine sustainment support contract and its capacity for increased repair throughput to meet the worldwide C-17 fleet availability requirements.</p>
C130J-30 Weapon System	CAF06	128	<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 over the life of type.</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)			
Pilot Training System	CAF37	108	<p>The Pilot Training System comprises of 49 turbo prop aircraft, seven flight training devices, six cockpit procedural trainers, mission pre-briefing and 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).</p> <p>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>
Wide Area Surveillance (OTHR)	CAF13	102	<p>The Wide Area and Space Surveillance Capability is delivered through the High Frequency Radar system, known as the Jindalee Operational Radar Network (JORN). The Network 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.</p> <p>During 2022-23, BAE Systems Australia will be working to improve JORN Support Contract maturity and progressing multiple obsolescence remediation projects.</p>
MC-55A Peregrine Airborne ISREW Capability	CAF40	98	<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	92	<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. 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>
Defence Enterprise Programs			
Explosive Ordnance Manufacturing Facilities	CJC01	97	<p>The objective of CJC01 is to ensure safe, compliant, and sustainable operations of the Government Owned Contractor Operated (GOCO) munitions factories at Benalla and Mulwala, in order to provide stock surety by maintaining a surge capability munitions, as well as delivering specified ADF domestic munitions. The munitions are acquired by Defence through separate Army, Navy and Air Force product schedules.</p> <p>During 2022-23, key product sustainment activities include 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.</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
Information and Cyber			
Multi Tactical Datalink Network Sustainment	CJC03	83	<p>The CJC03 product addresses the sustainment of the Joint Data Network capability, which enables the Australian Defence Force to securely distribute specific tactical information in near real time to provide situational awareness to platforms and commanders/staff. The Joint Data Network comprises of two key capabilities: The Multi-Tactical Data Link Network systems/components and the integrated broadcast service systems/components, initial common support infrastructure system both fixed sites and deployable systems, and integrated broadcast system radios and fixed installations.</p> <p>During 2022-23, Defence will work closely with Industry partners in the continuation of modernisation of identified Link systems, remediation of select system hardware components and facilities, and refreshing the current in-service support contracts.</p>
Land Domain			
Multi Role Helicopter - TLH MRH90	CA48	296	<p>The final MRH-90 [Taipan] helicopter production aircraft was accepted into service in July 2017. The in-service support is provided by a prime contract with Airbus Australia Pacific which expires in December 2023. The multi-role helicopter fleet is located at the 5th Aviation Regiment (Townsville), 6th Aviation Regiment (Sydney), and Army Aviation Training Centre (Oakey), 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 and seek to improve availability and sustainability.</p>
Explosive Ordnance - Army Munitions Branch	CA59	271	<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 activities include rationalisation of Land Explosive Ordnance inventory, improving inventory planning and budget management, and supporting the management of explosive ordnance and missiles being procured for new platforms. Defence will continue to develop and prioritise plans to increase the levels of domestic manufacture of munitions where practicable, sustainable and economically viable.</p>
Armed Reconnaissance Helicopter Weapons System	CA12	164	<p>The Armed Reconnaissance Helicopter Weapon System in-service support is provided under a prime contract with Airbus Australia Pacific. All 22 Tiger armed reconnaissance helicopters are in-service in their final mature configuration. An Award Term Extension to extend the Through Life Support Contract until 31 December 2025 was agreed on 4 September 2019. Chief of Army has declared Final Operational Capability (FOC) for ARH.</p> <p>During 2022-23, Defence will continue to work closely with Airbus Australia Pacific to improve Tiger armed reconnaissance helicopter availability and sustainability.</p>
Battlespace Communication Systems	CA31	153	<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 related systems.</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
Land Domain (Continued)			
ADF Clothing	CA39	89	<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 activities will include the procurement of clothing and footwear to meet the ADF's operations and raise, train and sustain requirements with development and introduction of a female specific sizing range to supplement the existing unisex Standard Combat Uniform range. Defence will also evaluate industry responses for the Future Clothing System, which seeks to introduce a contemporary supplier engagement model for the delivery of ADF Clothing.</p>
Protected Mobility Fleet – Bushranger (Bushmaster and Hawkei)	CA04	84	<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"> • Supporting the preparation and delivery of Bushmaster vehicles and support systems to Ukraine. • Commencement of sustainment of the Protected Mobility Vehicle - Light (PMV-L) Hawkei. • Ongoing modernisation of the Bushmaster fleet under the Protected Mobility Integrated Capability Assurance (PMICA) program.
Maritime Domain			
Collins Class Submarine	CN10	740	<p>The Collins class submarine product comprises support arrangements to safely maintain the materiel capability of six Collins class submarines and the present submarine escape and rescue capability. This work is conducted under enterprise arrangements with industry and through key contracts with ASC Pty Ltd, Raytheon Australia, Thales Australia, BAE Systems Australia, PMB Defence, James Fisher Defence and other providers.</p> <p>During 2022-23, the focus will continue to be on assuring Navy's submarine requirements are achieved as continual improvement and efficiency initiatives are implemented. Ongoing Collins class life-of-type extension work under CN62, alongside ongoing effective sustainment (CN10) and selected capability enhancements (most specifically (SEA 1439) will continue to inform materiel plans for the Collins class fleet.</p>
Anzac Class Frigate	CN02	372	<p>The Anzac class frigate product comprises 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 will also continue over this period. This program will progress upgrades to maritime communications under SEA 1442 Phase 4, and Air Search Radar Replacement under SEA 1448 Phase 4B. Planning for the future Transition Capability Assurance Program (TransCAP), the overarching program delivering a large number of discrete capability insertion projects for the Anzac class frigates, will commence in 2024. This program will carry the Anzac class frigates through the transition to the Hunter class frigates.</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)			
Destroyer Designated Guided (Air Warfare)	CN40	247	The Hobart class destroyer product comprises support arrangements to maintain the capability of three Hobart class destroyers through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2022-23, the focus will be on completing the scheduled Hobart class maintenance activities 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 the Tomahawk cruise missile into the class.
Navy Explosive Ordnance	CN54	201	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 and missile defence. During 2022-23, key sustainment activities include: prioritisation and planning with the Sovereign Guided Weapons & Explosive Ordnance Enterprise to provide opportunities for Australian industry across sustainment and related activities; and operationalising the newly constructed missile maintenance facility at Defence Establishment Orchard Hills.
Collins Class Submarine Program Life Of Type Extension (LOTE)	CN62	188	Planning, design and engineering activity is currently progressing to extend the life of all six Collins class submarines under CN62. This life-of-type extension related work, integrated with ongoing sustainment (under CN10) and select capability investments (most specifically under SEA 1439), will assure the Collins class remains potent and agile, able to shape, deter and respond to the strategic environment well into the 2040s. HMAS <i>Farncomb</i> will be the first Collins class submarine to be extended. First work package installation is planned to commence at Osborne, in South Australia, in 2026 and will extend the life of Farncomb until 2038. During 2022-23, Defence is working with ASC to progress design and procure long lead time items for the first work package installation, coordinated with ongoing sustainment and selected capability enhancements.
Canberra Class Landing Helicopter Dock	CN34	169	The Canberra class Landing Helicopter Dock (LHD) product comprises support arrangements to maintain the capability of the two Canberra class LHDs and 12 LHD landing craft, through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. 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 the Canberra class capability assurance program (SEA 2048 Phase 6).
MH-60R Seahawk Romeo Helicopter	CN35	167	The Seahawk Romeo capability is operated from HMAS <i>Albatross</i> in Nowra NSW and is supporting eight embarked flights in Navy ships. During 2022-23, the focus will be on expanding sustainment arrangements for the additional MH-60R Seahawk Romeo helicopters that will be delivered under SEA 9100 Improved Embarked Logistics Support Helicopter Project. The project will deliver a total of thirteen aircraft between 2025 and 2026 increasing the helicopter fleet to 36 aircraft in total.

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)			
Armidale Class Patrol Boat	CN09	114	The product comprises support arrangements to maintain the capability of the Armidale class patrol boats, Cape class patrol boats and evolved Cape class patrol boats through the provision of materiel support and ongoing maintenance of the ships and associated equipment, systems and operator training facilities. During 2022-23, the focus will be on supporting the program to achieve continued operational capability for the Patrol Boat Enterprise, whilst continuing phase-out activities for the remaining Armidale class patrol boats and the phase-in of evolved Cape class patrol boats currently being acquired, in conjunction with ongoing activities to remediate the deficiencies in the platform and support systems.
Auxiliary Oiler Replenishment (AOR)	CN50	102	The Supply class replenishment ship comprises support arrangements to maintain the capability of the two Supply class ships and support systems through the provision of materiel support, maintenance and engineering services. During 2022-23, the focus will be on finalising acceptance of the new replenishment at sea capability and achievement of the final operational capability milestone, while delivering the scheduled and corrective maintenance activities.
Aegis Combat System	CN60	85	The CN60 product covers the sustainment of Aegis Combat System products in the Hobart class destroyer and its related shore based test and training infrastructure, both in Australia and the United States. 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.

	Budget Estimate 2022-23 \$m ^[a]
Total – Top 30 Capability Sustainment Products	6,021
Other Sustainment Product Estimates	2,906
Total Capability Sustainment Product Funds Available	8,927
Support to Operations	71
Total Capability Sustainment including Support to Operations	8,998

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. 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	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		904.3	0.1
RAAF Tindal	NT - Lingiari		521.0	1.9
Defence Establishment Myambat	NSW - Hunter		8.5	0.0
Total		1,485.8	1,433.8	2.0
Enhanced Land Force (ELF) Stage 2 ^[a]				
Lone Pine Barracks	NSW - Hunter		115.8	0.0
Puckapunyal Training Area	VIC - Nicholls		11.7	0.0
Simpson Barracks, Watsonia	VIC - Jagajaga		20.2	0.0
RAAF Amberley	QLD - Blair		9.6	0.0
Lavarack Barracks, Townsville	QLD - Herbert		62.0	0.0
Townsville Training Area	QLD - Kennedy		3.9	0.0
Greenbank Training Area	QLD - Wright		120.7	0.0
Gallipoli Barracks, Enoggera	QLD - Ryan		828.9	0.0
Wide Bay Training Area	QLD - Wide Bay		78.3	0.0
Kokoda Barracks, Canungra	QLD - Wright		71.8	0.0
Cultana Training Area	SA - Grey		69.1	1.7
RAAF Edinburgh	SA - Spence		34.7	0.0
Majura Field Training Area	ACT - Canberra		13.4	0.0
RMC Canberra	ACT - Canberra		9.0	0.0
Mount Stuart	QLD - Kennedy		4.1	0.0
Total		1,457.8	1,453.2	1.7
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative Airfield Works and Associated Infrastructure				
RAAF Tindal	NT - Lingiari	1,173.9	267.8	186.8

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	Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Navy Capability Infrastructure				
Sub-program: Offshore Patrol Vessel (OPV)				
Facilities (SEA 1180 Phase 1) ^[a] ^[b]				
HMAS <i>Coonawarra</i>	NT - Solomon		18.1	60.2
RAAF Darwin	NT - Solomon		5.0	3.7
HMAS <i>Cairns</i>	QLD - Leichhardt		9.4	61.1
HMAS <i>Stirling</i>	WA - Brand		53.5	76.6
Henderson Maritime Precinct	WA - Fremantle		25.8	17.2
Total		918.5	111.8	218.8
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		75.4	32.4
Osborne Naval Shipyard	SA - Hindmarsh		9.2	44.5
HMAS <i>Stirling</i>	WA - Brand		95.1	95.0
Henderson Maritime Precinct	WA - Fremantle		21.6	48.0
Total		915.5	201.3	219.9
Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B) ^[a] ^[b]				
RAAF Edinburgh	SA - Spence		508.1	6.7
RAAF Darwin	NT - Solomon		151.2	19.2
RAAF Townsville	QLD - Herbert		0.2	12.0
RAAF Pearce	WA - Pearce		62.4	31.6
HMAS <i>Stirling</i>	WA - Brand		4.6	0.0
Total		896.9	726.5	69.5
USFPI Northern Territory Training Areas and Ranges Upgrades ^[a]				
Bradshaw Field Training Area	NT - Lingiari		0.0	55.3
Kangaroo Flats Training Area	NT - Lingiari		0.0	16.5
Mount Bunday Training Area	NT - Lingiari		0.0	0.0
Robertson Barracks Close Training Area	NT - Lingiari		43.1	45.3
Total		747.0	43.1	117.1
Larrakeyah Defence Precinct Redevelopment Program				
Larrakeyah Defence Precinct	NT - Solomon	506.9	343.3	60.1
HMAS <i>Cerberus</i> Redevelopment				
HMAS <i>Cerberus</i>	VIC - Flinders	465.6	422.9	41.3
HMAS <i>Watson</i> Redevelopment				
HMAS <i>Watson</i>	NSW - Wentworth	430.5	131.6	51.8
Battlefield Airlifter Facilities (AIR 8000 Phase 2)				
RAAF Amberley	QLD - Blair	370.4	366.3	1.1
HMAS <i>Stirling</i> Redevelopment Stage 3A				
HMAS <i>Stirling</i>	WA - Brand	366.8	352.1	0.0

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	Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works ^{[a] [b]}				
Territory of Cocos (Keeling) Islands	NT - Lingiari		0.5	7.0
RAAF Darwin	NT - Solomon		1.0	0.0
RAAF Townsville	QLD - Herbert		0.4	5.7
RAAF Edinburgh	SA - Spence		87.7	99.2
Total		293.7	89.6	111.9
Garden Island (East) Critical Infrastructure Recovery (CIRP) Stage 2				
Garden Island Defence Precinct	NSW - Sydney	286.5	227.1	41.8
Facilities to Support LAND 19 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	244.1	10.7
Joint Health Command Garrison Facilities Upgrades ^[a]				
Simpson Barracks, Watsonia	VIC - Jagajaga		19.7	0.0
Puckapunyal Training Area	VIC - Nicholls		18.8	0.0
Albury-Wodonga, South Bandiana	VIC - Indi		17.3	0.0
Royal Military College	ACT - Canberra		45.3	0.1
Russell Offices	ACT - Canberra		0.0	0.0
Holsworthy Barracks	NSW - Hughes		8.0	0.0
Robertson Barracks	NT - Lingiari		5.1	0.0
Larrakeyah Barracks	NT - Solomon		16.3	0.0
Army Aviation Centre Oakey	QLD - Groom		18.2	0.0
Gallipoli Barracks, Enoggera	QLD - Ryan		11.0	0.0
Campbell Barracks	WA - Curtin		17.2	0.0
RAAF Townsville	QLD - Herbert		15.1	0.0
RAAF Pearce	WA - Pearce		5.7	0.0
RAAF Darwin	NT - Solomon		0.0	12.3
Total		251.8	197.7	12.4
Armoured Fighting Vehicles Facilities Program Stage 1 ^[a]				
Lavarack Barracks	QLD - Herbert		18.7	10.9
Edinburgh Defence Precinct	SA - Spence		7.5	51.7
Puckapunyal Military Area	VIC - Nicholls		43.4	28.8
Total		248.5	69.7	91.4
Point Wilson Waterside Infrastructure Remediation Project				
Point Wilson	VIC - Corio	218.9	152.7	44.8
Navy Capability Infrastructure Sub-program: Maritime Operational Support Capability Facilities (SEA 1654 Phase 3) ^[a]				
HMAS <i>Stirling</i>	WA - Brand		113.3	20.4
Randwick Barracks	NSW - Kingsford Smith		26.4	0.0
Garden Island Defence Precinct	NSW - Sydney		0.0	0.0
Total		208.5	139.7	20.4

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	Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Land 121 Phase 5B Facilities Project ^{[a] [b]}				
Lavarack Barracks	QLD – Herbert		7.0	0.0
Robertson Barracks	NT - Lingiari		0.0	0.0
Gallipoli Barracks	QLD - Ryan		31.3	57.9
Derwent Barracks	TAS - Clarke		10.3	2.8
Puckapunyal Military Area	VIC - Nicholls		9.0	1.1
Campbell Barracks	WA - Curtin		18.5	11.9
Porton Barracks	QLD - Kennedy		0.1	0.0
Total		183.3	76.2	73.7
Airfield Capital Works P0008 (RAAF Williamtown)				
RAAF Williamtown	NSW - Paterson	181.3	35.6	102.6
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	100.2	27.5
Airfield Capital Works P0006 (Curtin, Tindal and Townsville) ^[a]				
RAAF Townsville	QLD - Herbert		0.8	0.0
RAAF Curtin	WA - Durack		15.2	0.0
RAAF Tindal	NT - Lingiari		47.5	0.0
Total		95.3	63.5	0.0
North Queensland Mid-Term Refresh Program: RAAF Townsville Mid-Term Refresh Project				
RAAF Townsville	QLD - Herbert	72.8	0.0	28.7
AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project ^[a]				
Alice Springs	NT - Lingiari		52.8	0.0
Murray Bridge Training Area	SA - Barker		1.4	0.0
RAAF Learmonth	WA - Durack		0.0	0.0
Kojarena	WA - Durack		0.0	0.1
Total		61.9	54.2	0.1
Facilities to Support SEA 2273 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		0.0	0.4
HMAS <i>Cairns</i>	QLD - Leichardt		0.0	22.8
Total		58.6	0.0	30.7
Anglesea Paterson Project ^[a]				
Anglesea Barracks	TAS - Clarke		0.3	11.4
North Launceston Multi-User Depot	TAS - Bass		1.1	11.4
Youngtown Depot	TAS - Bass		0.0	17.0
Total		57.4	1.4	39.8
LAND 4502 Phase 1 Additional CH-47F Chinook Facilities				
RAAF Townsville	QLD - Herbert	49.9	36.1	10.9

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	Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
Puckapunyal Mid-Term Refresh				
Puckapunyal Military Area	VIC - Nicholls	45.8	14.8	21.5
Puckapunyal Combined Arms Heritage and Learning Centre				
Puckapunyal Military Area	VIC - Nicholls	41.2	0.0	11.7
Puckapunyal Health and Wellbeing Centre				
Puckapunyal Military Area	VIC - Nicholls	39.8	15.3	18.0
SEA 1397 Phase 5D Nulka Assembly and Maintenance Facilities Project				
Defence Establishment Orchard Hills	NSW - Lindsay	31.6	22.4	0.1
Oakey Mid-Term Refresh				
Swartz Barracks	QLD - Groom	31.3	18.8	3.4
Holsworthy Mid-Term Refresh				
Holsworthy Barracks	NSW - Hughes	30.7	17.3	5.4
LAND 555 Phase 6 Force Level Electronic Warfare, Signals Intelligence and Vehicles				
Borneo Barracks	QLD - Groom	29.6	22.5	0.4
HMAS <i>Waterhen</i> Mid-Term Refresh				
HMAS <i>Waterhen</i>	NSW – Northern Sydney	23.4	1.3	12.9
North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project				
Townsville Field Training Area	QLD - Kennedy	22.8	0.0	17.3
LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence (CBRND) Facilities ^[a]				
HMAS <i>Stirling</i>	WA - Brand		0.4	0.0
Bindoon Training Area	WA - Pearce		0.4	0.2
Robertson Barracks	NT - Lingiari		0.5	0.0
RAAF Edinburgh	SA - Spence		0.4	0.2
Lavarack Barracks	QLD - Herbert		0.4	0.0
Gallipoli Barracks	QLD - Ryan		0.3	0.1
RAAF Amberley	QLD - Blair		0.4	0.0
Holsworthy Barracks	NSW - Hughes		0.3	0.3
Kapooka Military Area	NSW - Riverina		0.8	0.3
RAAF Base Wagga	NSW - Riverina		0.2	0.2
HMAS <i>Creswell</i>	ACT - Fenner		0.3	0.0
Majura Range	ACT - Canberra		0.4	0.2
HMAS <i>Cerberus</i>	VIC - Flinders		0.3	0.1
Dutson Air Weapons Range	VIC - Gippsland		0.3	0.2
Total		16.7	5.4	1.8
North Queensland Mid-Term Refresh Program: HMAS <i>Cairns</i> Mid-Term Refresh Project				
HMAS <i>Cairns</i>	QLD - Leichardt	15.6	0.0	11.1
Space Domain Awareness Project Mirror Recoating Facility				
Harold E Holt	WA - Durack	12.4	0.0	0.6
Military Working Dogs Kennel Facility Upgrade				
RAAF Tindal	NT - Lingiari	6.8	0.0	6.3

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	Cumulative Expenditure to 30 June 2022 \$m	2022-23 Budget Estimate \$m
2nd Combat Engineer Regiment Compensatory Hardstand Project				
Gallipoli Barracks	QLD - Ryan	6.5	2.0	2.5
Projects in or about to enter Defects Liability Period ^[c]				13.9
Total ^[d]		13,154.5	7,596.3	1,759.9

Notes

- The project crosses state and electoral boundaries. 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 eighteen 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 2023.

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 electrical works remaining, which are scheduled for completion in early 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 late 2023.

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.

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 late 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 early 2024.

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, NT. This includes range control, training camp accommodation, small arms and ranges, roads, and supporting facilities and infrastructure. This project is scheduled for completion in mid 2026.

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 late 2023.

Military Working Dogs Kennel Facility Upgrade

This project is upgrading military working dogs kennel facilities at RAAF Base Tindal. This project is scheduled for completion in mid 2023.

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 late 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 late 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 early 2023 for completion in early 2025.

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 early 2023 for completion in early 2025.

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 early 2023 for completion in early 2025.

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 early 2024.

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 late 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 early 2023.

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 early 2023.

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 at RAAF Base Edinburgh, SA. This project is scheduled to commence construction in early 2023 for completion in late 2024.

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 early 2023 for completion in mid 2024.

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 at the Puckapunyal Military Area, VIC. This project is scheduled to commence construction in early 2023 for completion in late 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 late 2022.

Space Domain Awareness Project (Mirror Recoating Facility)

This project is constructing a Mirror Recoating Facility to recoat Space Surveillance Telescope mirrors at Harold E Holt, WA. This project is scheduled for completion in early 2023.

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 mid 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 Shipyards, SA, and HMAS *Stirling* and Henderson Maritime Precinct, WA. This project is scheduled for completion in mid 2027.

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 the Arafura class 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 late 2026.

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 replenishment ships at HMAS *Stirling*, WA, and Randwick Barracks and the Garden Island Defence Precinct, NSW. This project is scheduled for completion in early 2024.

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 works are progressively scheduled for completion at each base up to early 2026.

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.

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 late 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 RAAF Base Darwin, NT, which are scheduled for completion in mid 2024.

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 mid 2024.

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

This project is maintaining aircraft pavements and airfield lighting at RAAF Base Curtin, WA, RAAF Base Tindal, NT and RAAF Base Townsville, QLD. The works at Curtin and Tindal are complete while the works at Townsville have been reprogrammed to align with similar works being delivered under a related project to minimise disruption to airfield operations, and are scheduled for completion in early 2026.

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 early 2023.

Facilities to Support SEA 2273 Fleet Information Environment Modernisation

This project is providing 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 for completion in late 2023.

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

This project is providing new and refurbished facilities, including training and storage facilities, at 14 bases around Australia to support Australian Defence Force CBRND activities. This project is scheduled for completion in early 2023.

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 and infrastructure projects expected to be referred to the PWC, and medium capital facilities and infrastructure 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]
AIR7000 Phase 1B Remotely Piloted Aircraft System Facilities Project	Various locations	3 Aug 2022	19 Sep 2022	Late 2022
HMAS <i>Harman</i> Redevelopment Project	ACT - Bean	Late 2022	Late 2022	Late 2022
Robertson Barracks Base Improvements Project	NT - Lingsiari	Late 2022	Late 2022	Late 2022
RAAF Base Williams (Point Cook) Redevelopment	VIC - Lalor	Late 2022	Early 2023	Early 2023
Cultana Training Area Redevelopment Stage 2	SA - Grey	Late 2022	Early 2023	Early 2023
Cocos (Keeling) Islands Airfield Upgrade	Territory of Cocos (Keeling) Islands NT - Lingsiari	Late 2022	Early 2023	Early 2023
Explosive Ordnance Facilities Northern New South Wales Redevelopment	NSW - Lindsay	Early 2023	Mid 2022	Mid 2023
Defence Fuels Transformation Program Facilities Project (Tranche 2)	Various locations	Early 2023	Early 2023	Mid 2023
LAND 1508 Phase 1 Special Operations Capability Enhancements and Continuous Development Program Facilities	Various locations	Early 2023	Early 2023	Mid 2023
Facilities to Support JP 9101 Enhanced Defence High Frequency Communications System	Various locations	Early 2023	Mid 2023	Mid 2023
Facilities to Support AIR5077 Phase 6 Wedgetail Airborne Early Warning and Control	Various locations	Early 2023	Mid 2023	Mid 2023
Edinburgh Defence Precinct Mid-Term Refresh	SA - Spence	Mid 2023	Mid 2023	Mid 2023
General John Baker Complex Capability Assurance Project (Tranche 2)	NSW - Eden Monaro	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]
Fishermans Bend Redevelopment	VIC - Macnamara	Mid 2023	Mid 2023	Late 2023
AIR5349 Phase 6 Facilities to Support Advanced Growler	Various locations	Mid 2023	Mid 2023	Late 2023
Armoured Fighting Vehicle (AFV) Facilities Program Stage 2	Various locations	Mid 2023	Late 2023	Late 2023
Guided Weapons Explosive Ordnance Storage Program	Various locations	Mid 2023	Late 2023	Late 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.

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]
RAAF Amberley Sewerage Treatment Plant	QLD - Blair	19 Aug 2022	Mid 2022
Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region	NSW - Tweed	15 Aug 2022	Mid 2022
Facilities to Support Land129PH3 Tactical Unmanned Aerial Vehicle	QLD -Ryan	Late 2022	Late 2022
Maritime Security Training Centre	NT - Solomon	Late 2022	Late 2022
Facilities for LAND3025 Phase 2 Deployable Special Operations Engineer Regiment	NSW - Hughes	Late 2022	Late 2022
Facilities to Support Lethality Weapons Systems	Various locations	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
Office Accommodation Pilot Russell R2	ACT - Canberra	Late 2022	Late 2022
HMAS Creswell Mid Term Refresh	ACT - Fenner	Late 2022	Late 2022
Relocation of Units from Elizabeth North Training Depot	SA - Spence	Early 2023	Early 2023
Facilities to Support JP8190 Deployable Bulk Fuel Distribution	Various locations	Early 2023	Early 2023
Facilities to Support LAND8116 Phase 1 Protected Mobile Fires	Various locations	Early 2023	Early 2023
LAND8180 Phase 1 Aviation and Field Fire Truck capability	Various locations	Early 2023	Early 2023
Energy security project - 5 megawatt solar array with 2 megawatt battery energy storage system	NT – Lingiari	Late 2022	Late 2022
Energy security project – 30 megawatt solar array and 15 megawatt battery energy storage system	SA – Adelaide	Early 2023	Early 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

HMAS *Harman* Redevelopment Project

This major project proposes to provide infrastructure and facilities at HMAS *Harman* ACT, inclusive of power supply upgrades, office accommodation, a new gymnasium, and improved base entry precinct. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2025.

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 approval and Public Works Committee agreement, 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 approval and Capital Works Committee agreement, construction is planned to commence in late 2023 for completion in late 2024.

Office Accommodation Pilot Russell R2

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

HMAS *Creswell* Mid-Term Refresh

This medium project proposes to refurbish existing facilities and infrastructure at HMAS *Creswell*, Jervis Bay ACT. Subject to Government approval and Public Works Committee agreement, construction is planned to commence in mid 2023 for completion in mid 2024.

New South Wales

Explosive Ordnance Facilities Northern New South Wales Redevelopment

This major project proposes to remediate existing facilities, and provide new facilities and infrastructure to support training, storage, maintenance and distribution of explosive ordnance at Defence Establishment Orchard Hills and Myambat Explosive Ordnance Depot NSW. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2023 for completion in late 2025.

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 2023 for completion in late 2025.

Facilities for A Company 41st Royal New South Wales Regiment in the Tweed Heads region

This medium project proposes to provide new training facilities, working accommodation, storage and associated infrastructure within the Tweed Heads region NSW. Subject to Public Works Committee agreement, construction is planned to commence in mid 2023 for completion in mid 2024.

LAND3025 Phase 2 Deployable Special Operations Engineer Regiment Capability

This medium project proposes to provide refurbished working accommodation, storage and training facilities at Holsworthy NSW. Subject to Public Works Committee agreement, construction is planned to commence in early 2023 for completion in mid 2024.

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 early 2026.

Cocos (Keeling) Islands Airfield Upgrade

This major project proposes to undertake a major upgrade of the airfield and construct supporting infrastructure at Cocos (Keeling) Islands. Subject to Government and Parliamentary approval, construction is planned to commence in early 2023 for completion in mid 2026.

Maritime Security Training Centre

This medium project proposes to provide new and upgraded facilities to accommodate training simulators at Defence Estate Berrimah NT. Subject to Public Works Committee agreement, construction is planned to commence in mid 2023 for completion in mid 2024.

RAAF Tindal – Energy Security

This medium project aims to deliver a 5 megawatt solar photovoltaic array and 2 megawatt battery energy storage system at RAAF Tindal. This will provide an additional energy source, improve energy security, reduce reliance on grid supplied electricity and lower greenhouse gas emissions. Subject to Government and Parliamentary approval, construction is planned to commence mid 2023 for completion mid 2025.

Queensland**Facilities to Support LAND129PH3 Tactical Unmanned Aerial Vehicle**

This medium project proposes to provide minor refurbishments to existing facilities and construct new buildings at Gallipoli Barracks QLD. Subject to Public Works Committee agreement, construction is planned to commence in early 2023 for completion in mid 2024.

RAAF Base Amberley Sewerage Treatment Plant

This medium project proposes to construct a new Sewerage and Water Treatment Plant, and remove the existing facility at RAAF Base Amberley QLD. Subject to Public Works Committee agreement, construction is planned to commence in late 2022 for completion in late 2023.

South Australia**Cultana Training Area Redevelopment Stage 2**

This major project proposes to provide new facilities and infrastructure to develop the expanded training area into a training range at Cultana SA. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in early 2025.

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 mid 2025.

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 Public Works Committee agreement, construction is planned to commence in late 2023 for completion in early 2025.

Power Purchase Agreement – Edinburgh Defence Precinct

This medium project aims to deliver energy from a 30 megawatt solar photovoltaic array and 15 megawatt battery energy storage system into the high voltage network at the Edinburgh Defence Precinct. This energy will provide an additional energy source, improve energy security, reduce reliance on grid supplied electricity and lower greenhouse gas emissions. Subject to Government and Parliamentary approval, construction is planned to commence early 2024 for completion mid 2025.

Victoria

RAAF Base Williams (Point Cook) Redevelopment

This major project proposes to upgrade engineering services infrastructure base wide, refurbish existing facilities, and improve living-in-accommodation and mess facilities at RAAF Base Williams, Point Cook VIC. Subject to Government and Parliamentary approval, construction is planned to commence in mid 2023 for completion in late 2025.

Fishermans Bend Redevelopment

This major project proposes to upgrade engineering services infrastructure base wide, refurbish existing facilities, provide new working accommodation, and upgrade the front entrance at Fishermans Bend VIC. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in late 2025.

Various Locations

AIR7000 Phase 1B Remotely Piloted Aircraft System Facilities Project

This major project proposes to deliver new facilities and infrastructure to support the introduction of the Triton Remotely Piloted Aircraft System at RAAF Base Edinburgh SA and RAAF Base Tindal NT. Subject to Parliamentary approval, construction is planned to commence in late 2022 for completion in late 2025.

Defence Fuels Transformation Program Facilities Project (Tranche 2)

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 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 early 2024 for completion in late 2025.

Armoured Fighting Vehicle (AFV) Facilities Program Stage 2

This major project proposes to provide Brigade sustainment and support facilities at various Defence sites across Australia. Subject to Government and Parliamentary approval, construction is planned to commence in early 2024 for completion in late 2027.

Facilities to Support AIR5439 Phase 6 Advanced Growler

This major 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 2024 for completion in early 2026.

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 bases across Australia. Subject to Government and Parliamentary approval, construction is planned to commence in late 2023 for completion in early 2026.

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 early 2024 for completion in early 2026.

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 late 2025.

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 Public Works Committee agreement, construction is planned to commence in early 2024 for completion in early 2025.

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 approval and Public Works Committee agreement, construction is planned to commence in mid 2023 for completion in early 2025.

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 approval and Public Works Committee agreement, construction is planned to commence in late 2023 for completion in late 2025.

LAND8180 Phase 1 Aviation and Field Fire Truck Capability

This medium project proposes to deliver training, testing, maintenance, and storage facilities to support the associated capability at various sites across Australia. Subject to Government approval and Public Works Committee agreement, construction is planned to commence in mid 2024 for completion in mid 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.

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

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	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	1,642	466	157	<p>Defence 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>
Windows 10 Upgrade	ICT 2222 Phase 2	407	76	123	<p>The project will provide a contemporary operating system by upgrading the DSE desktop operating system and supporting hardware in locations within Australia and overseas.</p> <p>During 2022-23, key activities include upgrading the operating system to Windows 10, replacement of desktop hardware, implementation of Multi-Factor Authentication and smart-card based secure printing. Initial Operational Capability is scheduled for December 2022 (migration of 30% of the fleet) and Final Operating Capability in December 2023 (migration of 100% of the fleet).</p>
Core Simulation Capability	ICT 9711 Phase 1	319	142	99	<p>The project is scoped to deliver simulation-enabled collective training through a 'Core Simulation Capability'. This will support collective training outcomes as outlined in Chief of Defence Force Preparedness Directives.</p> <p>During 2022-23, key planned activities include ongoing provision of simulation services to ADF joint collective training and the commissioning of a purpose-built Joint Information Warfare Facility.</p>

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

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2022 \$m	Budget Estimate 2022-23 \$m	Top 5 ICT Project Descriptions
ADF Deployable Health Knowledge Management	JNT 2060 Phase 4	379	87	86	<p>The new Health Knowledge Management (HKM) System will replace the ADF's legacy electronic health record product (DeHS) with a modern, secure integrated patient-centric health solution that operates in Garrison on board, and for the deployed environments.</p> <p>This HKM System will record, store, aggregate and allow analysis of health data and information for the ADF population, unifying multidisciplinary primary and occupational care with emergency and hospital care, to enable better clinical decision-making.</p> <p>HKM will provide a longitudinal health record that will span the individual's entire career and integrate into other whole-of-government systems, including DVA, ComSuper and My Health Record.</p> <p>Over 2022-23 the integrated project team will continue to deliver data migration preparedness and business transformation activities to achieve initial material release. Initial Material Release, scheduled for June 2023, will deliver the new HKM system in the first Garrison Joint Health Unit (JHU) in Canberra, replacing Defence's legacy e-health record product (DeHS), migrating health records from DeHS and training staff. Subsequent delivery of the HKM system to all Garrison health facilities will occur between June 2023 and April 2024.</p>
Fleet Information Environment Modernisation	NAV 2273 Phase 1	562	209	76	<p>The project will modernise Navy IT systems by replacing the current Fleet Information Environment with a contemporary design and update capability that will refresh the IT platform, hardware and software to improve operations and enhance cyber security.</p> <p>During 2022-23, key activities will include installation and commissioning of systems on major fleet units and at Eastern Australian regional sites, as well as the achievement of Initial Operational Capability.</p>
Total Top 5 ICT Projects (Gross Plan)		3,310	981	542	

Note

a. Approved Project Expenditure, Cumulative Expenditure to 30 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 Actual Result \$'000	2022-23 Budget Estimate \$'000
	Program		
Defence Indigenous Strategy	2.12	4,761	6,505
Army Aboriginal Community Assistance Program	2.6	7,501	6,700
Total Australian Government Indigenous Expenditure		12,262	13,205

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 Strait 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 30 June 2022, the ADF participation rate was 3.5 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 2022, over \$6.7 billion of Commonwealth Government contracts have been awarded to Indigenous businesses since the introduction of the IPP. Of this, Defence has awarded over \$3.5 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 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 Defence (the Australian Army) and the National Indigenous Australians Agency. 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 in Gapuwiyak, NT was the 25th anniversary of the AACAP program. Future AACAPs are scheduled to be delivered in Baniyala, NT in 2023, Amata, SA in 2024 and proposed for the Torres Strait, QLD in 2025.

Air Force Kummundoo Program (Health)

Kummundoo initiative involves a partnership between Air Force and National Aboriginal Community Controlled Health Organisation, 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.

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AUSTRALIAN SIGNALS DIRECTORATE

Agency Resources and Planned Performance

Section 1: ASD Overview and Resources.....	149
1.1 Strategic Direction Statement	149
1.2 ASD Resource Statement	153
1.3 Budget Measures	154
Section 2: ASD Outcomes and Planned Performance	155
2.1 Budgeted Expenses and Performance for Outcome 1	156
Section 3: ASD Explanatory Tables and Budgeted Financial Statements	159
3.1 Explanatory Tables.....	159
3.2 Budgeted Financial Statements	160

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AUSTRALIAN SIGNALS DIRECTORATE

Section 1: ASD Overview and Resources

1.1 Strategic Direction Statement

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

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

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

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

The organisation'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.

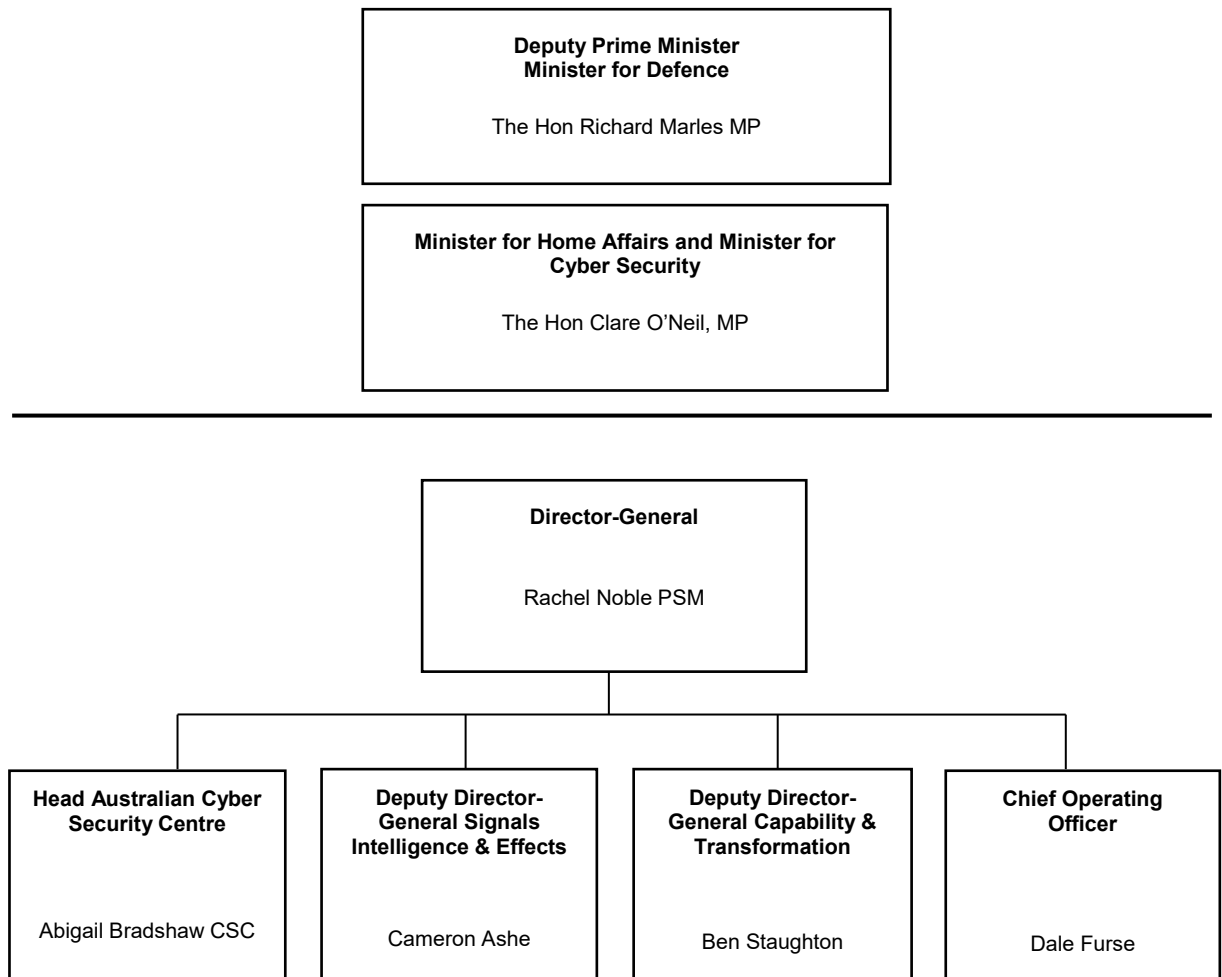
ASD's success is founded in the ingenuity of its workforce. The organisation seeks to recruit and develop a curious and imaginative workforce which is not deterred by difficult challenges. Recruiting the requisite specialist technological expertise has become increasingly challenging, given the high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

The 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.

The Government has made a significant investment in 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



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

Senior Executive Changes

The following changes have taken place since the last Portfolio Statement.

- On 2 May 2022, Cameron Ashe commenced as the Deputy Director-General Signals Intelligence and Effects.
- On 2 May 2022, Dale Furse commenced as the Chief Operating Officer.
- On 2 May 2022, Ben Staughton commenced as the Deputy Director-Capability and Transformation.

Organisational Structure

The following changes have taken place since the last Portfolio Statement.

- ASD's organisation transitioned to a four-Group structure.

1.2 ASD Resource Statement

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

	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
Departmental					
Annual appropriations - ordinary annual services					
Departmental appropriation	927,259	1,209,988	1,456,006	1,618,616	1,755,160
s74 External Revenue	3,340	2,845	2,918	2,994	3,064
Departmental Capital Budget	45,000	30,000	30,000	30,000	30,000
Annual appropriations - other services - non-operating					
Equity injection	192,908	462,450	835,446	664,706	287,884
Total departmental annual appropriations	1,168,507	1,705,283	2,324,370	2,316,316	2,076,108
Total departmental resourcing	1,168,507	1,705,283	2,324,370	2,316,316	2,076,108
Total resourcing for ASD	1,168,507	1,705,283	2,324,370	2,316,316	2,076,108

1.3 Budget Measures

2022-23 Budget Measures and Other Budget Adjustments

Table 2: ASD 2022-23 October 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
Other Budget Adjustments					
Transfer of Projects from Defence	-	27.3	44.0	28.6	11.2
Savings from External Labour, and Saving from Advertising, Travel and Legal Expense	-	-0.1	-	-	-
Total Other Departmental Budget Adjustments	-	27.2	44.0	28.6	11.2
Variation to ASD Departmental Funding	-	27.2	44.0	28.6	11.2

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	328,172	382,309	491,791	582,489	632,180
Suppliers	598,656	784,895	925,941	998,082	1,084,129
Other expenses	10,850	4,077	3,642	3,197	2,740
	937,678	1,171,281	1,421,374	1,583,768	1,719,049
Expenses not requiring appropriation ^[b]					
Resources received free of charge (Auditor fees)	155	155	156	155	159
Depreciation and amortisation	179,119	258,437	385,448	487,280	520,725
Net write-down and net impairment of assets	11,850	-	-	-	-
	191,124	258,592	385,604	487,435	520,884
Total operating expenses	1,128,802	1,429,873	1,806,978	2,071,203	2,239,933
Capital expenditure funded by appropriation					
Purchases of non-financial assets	190,106	516,631	865,446	694,706	317,884
Principal repayments of lease liabilities	42,771	36,895	37,550	37,842	39,175
	232,877	553,526	902,996	732,548	357,059
Capital expenditure not requiring appropriation					
Resources received free of charge	3,851	-	-	-	-
	3,851	-	-	-	-
Total capital expenditure	236,728	553,526	902,996	732,548	357,059
Total funded expenditure Program 1.1 ^[c]	1,170,555	1,724,807	2,324,370	2,316,316	2,076,108

Notes

a. Section 74 external revenues contribution to expenditure.

b. Expenses not requiring appropriation include depreciation, write down and impairment of assets, other resources received free of charge, 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
Prior 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>Met.</i>
		National Intelligence Community operational requirements are met. <i>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>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>Met.</i>
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders. <i>Met.</i>
		ASD's Top Secret network accreditation and key management services support stakeholders' requirements. <i>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>Met.</i>
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia. <i>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>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>Met.</i>

Year	Performance measures	Expected Performance Results
Prior 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>Met.</i>
		ASD's workforce meets mission requirements. <i>Met.</i>
Year	Performance measures ^[a]	Planned Performance Results
Budget Year 2022-23	ASD's foreign signals intelligence meets Government expectations to deliver strategic advantage and enables National Intelligence Community operations.	Government expectations to deliver strategic advantage are met.
		National Intelligence Community operational requirements are met.
	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.
	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.
		Systems to support assistance and technical advice are available for use by ASD and relevant stakeholders.
		ASD's Top Secret network accreditation and key management services support stakeholders' requirements.
	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.
		ASD supports emerging cyber security research that may help prevent, detect or remediate cyber threats to Australia.
	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.
	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.
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.	
	ASD's workforce meets mission requirements.	
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	328,172	382,309	491,791	582,489	632,180
Supplier expenses	598,811	785,050	926,097	998,237	1,084,288
Depreciation and amortisation	179,119	258,437	385,448	487,280	520,725
Write-down of assets and impairment of assets	11,850	-	-	-	-
Foreign exchange losses	2,552	-	-	-	-
Other	8,298	4,077	3,642	3,197	2,740
Total expenses	1,128,802	1,429,873	1,806,978	2,071,203	2,239,933
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	3,340	2,845	2,918	2,994	3,064
Total own-source revenue	3,340	2,845	2,918	2,994	3,064
Gains					
Reversals of previous asset write-downs	3,093	-	-	-	-
Other	4,006	155	156	155	159
Total gains	7,099	155	156	155	159
Total own-source income	10,439	3,000	3,074	3,149	3,223
Net cost of (contribution by) services	-1,118,363	-1,426,873	-1,803,904	-2,068,054	-2,236,710
Revenue from Government	927,259	1,209,988	1,456,006	1,618,616	1,755,160
Surplus (Deficit) attributable to the Australian Government	-191,104	-216,885	-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	18,916	-	-	-	-
Total other comprehensive income/(loss)	18,916	-	-	-	-
Total comprehensive income attributable to the Australian Government	-172,188	-216,885	-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	-35,840	4,657	-	-	-
less: Depreciation/amortisation expenses previously funded through revenue appropriations	-179,119	-258,437	-385,448	-487,280	-520,725
add: Principal repayments on leased assets	42,771	36,895	37,550	37,842	39,175
Total comprehensive income/(loss) - as per the statement of comprehensive income	-172,188	-216,885	-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	28,349	33,006	33,006	33,006	33,006
Trade and other receivables	178,707	154,521	154,521	154,521	154,521
Total financial assets	207,056	187,527	187,527	187,527	187,527
Non-financial assets					
Land and buildings	574,054	530,976	488,857	447,149	406,178
Property, plant and equipment	320,141	589,504	1,056,512	1,269,513	1,109,690
Intangibles	72,774	104,683	159,792	195,925	193,878
Heritage assets	244	244	244	244	244
Other non-financial assets	70,015	70,015	70,015	70,015	70,015
Total non-financial assets	1,037,228	1,295,422	1,775,420	1,982,846	1,780,005
Total assets	1,244,284	1,482,949	1,962,947	2,170,373	1,967,532
LIABILITIES					
Payables					
Suppliers	161,591	161,586	161,586	161,586	161,586
Other	9,399	9,399	9,399	9,399	9,399
Total payables	170,990	170,985	170,985	170,985	170,985
Interest bearing liabilities					
Leases	545,908	509,013	471,463	433,621	394,446
Total interest bearing liabilities	545,908	509,013	471,463	433,621	394,446
Provisions					
Employee provisions	104,976	104,976	104,976	104,976	104,976
Total provisions	104,976	104,976	104,976	104,976	104,976
Total liabilities	821,874	784,974	747,424	709,582	670,407
NET ASSETS	422,410	697,975	1,215,523	1,460,791	1,297,125
EQUITY					
Contributed equity	919,467	1,411,917	2,277,363	2,972,069	3,289,953
Reserves	42,578	42,578	42,578	42,578	42,578
Retained surplus (accumulated deficit)	-539,635	-756,520	-1,104,418	-1,553,856	-2,035,406
Total equity	422,410	697,975	1,215,523	1,460,791	1,297,125

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	1,032,705	1,209,988	1,456,006	1,618,616	1,755,160
Goods and services	5,171	2,845	2,918	2,994	3,064
Net GST received	45,687	47,193	46,548	42,443	44,535
Other	20	-	-	-	-
Total cash received	1,083,583	1,260,026	1,505,472	1,664,053	1,802,759
Cash used					
Employees	324,301	382,309	491,791	582,489	632,180
Suppliers	545,729	784,895	925,941	998,082	1,084,129
Net GST paid	49,963	47,193	46,548	42,443	44,535
Cash transfer to the Official Public Account (receivables)	132,369	-	-	-	-
Interest payments on lease liabilities	8,298	4,077	3,642	3,197	2,740
Total cash used	1,060,660	1,218,474	1,467,922	1,626,211	1,763,584
Net cash from (used by) operating activities	22,923	41,552	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 assets	193,957	516,631	865,446	694,706	317,884
Total cash used	193,957	516,631	865,446	694,706	317,884
Net cash from (used by) investing activities	-193,957	-516,631	-865,446	-694,706	-317,884
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	228,756	516,631	865,446	694,706	317,884
Receipts from other entities on account of restructure	-	-	-	-	-
Total cash received	228,756	516,631	865,446	694,706	317,884
Cash used					
Repayment of debt	42,771	36,895	37,550	37,842	39,175
Cash to the Official Public Account	-	-	-	-	-
Total cash used	42,771	36,895	37,550	37,842	39,175
Net cash from (used by) financing activities	185,985	479,736	827,896	656,864	278,709
Net increase (decrease) in cash and cash equivalents held	14,951	4,657	-	-	-
Cash and cash equivalents at the beginning of the reporting period	13,398	28,349	33,006	33,006	33,006
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	28,349	33,006	33,006	33,006	33,006

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	-539,635	42,578	-	919,467	422,410
Adjustment for changes in accounting policies	-	-	-	-	-
Adjusted opening balance	-539,635	42,578		919,467	422,410
Comprehensive income					
Comprehensive income recognised directly in equity:	-	-	-	-	-
Gain/loss on revaluation of property	-	-	-	-	-
Subtotal comprehensive income	-	-	-	-	-
Surplus (Deficit) for the period	-216,885	-	-	-	-216,885
Total comprehensive income recognised directly in equity	-216,885	-	-	-	-216,885
Transactions with owners					
<i>Distribution to owners</i>					
Returns on capital:					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	462,450	462,450
Departmental Capital Budget (DCB)	-	-	-	30,000	30,000
Other	-	-	-	-	-
Sub-total transaction with owners	-	-	-	492,450	492,450
Transfers between equity components	-	-	-	-	-
Estimated closing balance as at 30 June 2023	-756,520	42,578	-	1,411,917	697,975
Closing balance attributable to the Australian Government	-756,520	42,578	-	1,411,917	697,975

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	197,699	373,420	244	129,429	700,792
Gross book value - ROU assets	518,526	-	-	-	518,526
Accumulated depreciation/amortisation and impairment	-142,171	-53,278	-	-56,656	-252,105
Accumulated depreciation/amortisation and impairment - ROU assets	-	-	-	-	-
Opening net book balance	574,054	320,142	244	72,773	967,213
Capital asset additions					
Estimated expenditure on new or replacement assets					
By purchase - appropriation equity ^[a]	-	439,833	-	46,798	486,631
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	-	469,833	-	46,798	516,631
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	-200,471	-	-14,888	-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	-200,471	-	-14,888	-258,437
As at 30 June 2023					
Gross book value	197,699	843,253	244	176,227	1,217,423
Gross book value - ROU assets	518,526	-	-	-	518,526
Accumulated depreciation/amortisation and impairment	-144,390	-253,749	-	-71,544	-469,683
Accumulated depreciation/amortisation and impairment - ROU assets	-40,859	-	-	-	-40,859
Closing net book balance	530,976	589,504	244	104,683	1,225,407

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	455,927	835,446	664,706	287,884
Loans - Bill 2	-	-	-	-	-
Total new capital appropriations	237,908	485,927	865,446	694,706	317,884
Provided for:					
Purchase of non-financial assets	237,908	485,927	865,446	694,706	317,884
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
Total items	237,908	485,927	865,446	694,706	317,884
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	152,133	486,631	835,446	664,706	287,884
Funded by capital appropriation - DCB	41,824	30,000	30,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
TOTAL	193,957	516,631	865,446	694,706	317,884
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	193,957	516,631	865,446	694,706	317,884
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	193,957	516,631	865,446	694,706	317,884

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	169
1.1 Strategic Direction Statement	169
1.2 DHA Resource Statement.....	172
1.3 Budget Measures	172
Section 2: DHA Outcomes and Planned Performance	173
2.1 Budgeted Expenses and Performance for Outcome 1	174
Section 3: DHA Explanatory Tables and Budgeted Financial Statements	176
3.1 Explanatory Tables.....	176
3.2 Budgeted Financial Statements	177

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Defence Housing Australia

Section 1: DHA Overview and Resources

1.1 Strategic Direction Statement

The main function of Defence Housing Australia (DHA) is to provide adequate and suitable housing for, 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 16,955 properties in all states and territories of Australia¹ valued at about \$12.6 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 Finance and the Assistant Minister for Defence 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 2022 managed by DHA includes properties owned and leased by DHA, owned by Defence and annuity properties.

DHA Organisational Structure

The composition of DHA's Board of Directors and associated committees is detailed below. As at 30 June 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

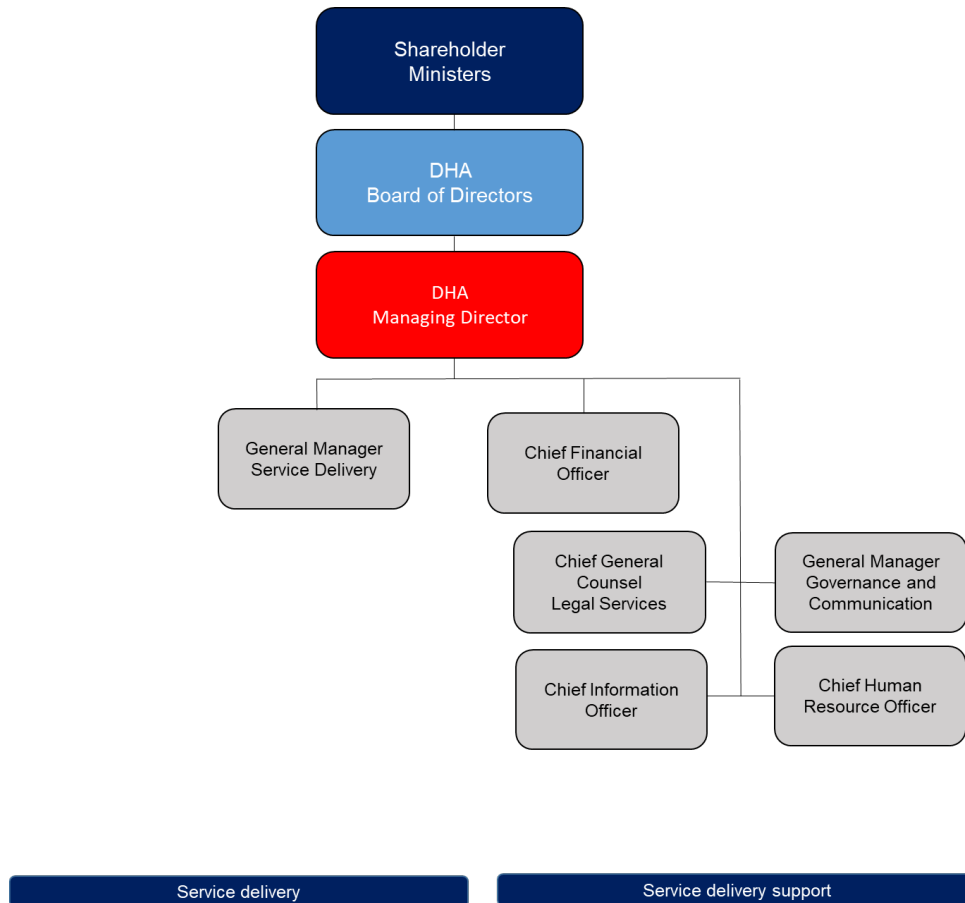
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Board Investment Committee, People and Culture Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 30 June 2022:

Chairperson	BRIG Leigh Wilton AM
Defence Family Advocate of Australia	Ms Sandi Laaksonen-Sherrin
Appointee of Chief of the Defence Force	RADM Christopher Smith CSM, RAN (Deputy Chief of Navy)
	MAJGEN Natasha Fox AM, CSC (Deputy Chief of Army)
	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 30 June 2022)



1.2 DHA Resource Statement

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

	2021-22 Estimated Actual \$'000	2022-23 Budget Estimate \$'000
Opening balance/cash reserves at 1 July	199,285	182,988
Funds from Government		
Amounts received from related entities		
Amounts from portfolio department	627,910	707,310
Total amounts received from related entities	627,910	707,310
Total funds from Government	627,910	707,310
Funds from other sources		
Interest	351	132
Sale of goods and services	276,942	235,257
Total funds from other sources	277,293	235,389
Total net resourcing for DHA	1,104,488	1,125,687

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 for 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	648,600	692,549	732,324	749,052	737,096
Revenues from other independent sources	265,806	229,835	247,662	390,074	266,565
Total expenses for Program 1.1	914,406	922,384	979,986	1,139,126	1,003,661
	2021-22	2022-23			
Average staffing level (number)	515	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
Prior Year 2021–22	Housing solutions supplied against provisioning schedule ADF Members satisfied with housing solutions Return on equity.	>99% >80% 8.5%
Year	Performance measures	Planned Performance Results
Budget Year 2022–23	Housing solutions supplied against provisioning schedule ADF Members satisfied with housing solutions Return on equity.	>99% >80% >3%
Forward estimates from 2023–24	Housing solutions supplied against provisioning schedule ADF Members satisfied with housing solutions Return on equity.	>99% >80% >3%

Notes

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

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 Estimate \$'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	879,195	922,252	979,858	1,138,873	1,003,446
Interest	346	132	128	253	215
Total revenue	879,541	922,384	979,986	1,139,126	1,003,661
Gains					
Reversals of previous asset write-downs and impairments	33,541	-	-	-	-
Sale of assets	1,324	-	-	-	-
Total gains	34,865	-	-	-	-
Total income	914,406	922,384	979,986	1,139,126	1,003,661
EXPENSES					
Employee benefits	69,882	83,972	83,938	84,136	82,115
Suppliers	327,347	334,332	360,516	531,394	442,690
Depreciation and amortisation	312,448	315,106	321,120	325,095	326,499
Finance costs	45,235	41,178	52,869	60,411	64,289
Total expenses	754,912	774,588	818,443	1,001,036	915,593
Profit/(loss) before income tax	159,494	147,796	161,543	138,090	88,068
Income tax expense	53,834	44,256	49,266	40,883	26,694
Net profit/(loss)	105,660	103,540	112,277	97,207	61,374
Profit/(loss) attributable to the Australian Government	105,660	103,540	112,277	97,207	61,374
Total comprehensive income attributable to the Australian Government	105,660	103,540	112,277	97,207	61,374

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	105,660	103,540	112,277	97,207	61,374
plus: depreciation of ROU	286,004	289,971	295,337	298,668	299,343
less: principal repayments	281,109	292,354	294,269	295,340	296,649
Net Cash Operating Surplus / (Deficit)	110,555	101,157	113,345	100,535	64,068

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 annual financial statements and for Outer Years the draft 2022-23 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 Estimate \$'000	2023-24 Forward Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	182,988	98,317	100,975	88,734	74,410
Trade and other receivables	26,689	10,320	10,491	11,117	11,695
Other financial assets	28,506	30,435	24,435	24,435	24,435
Total financial assets	238,183	139,072	135,901	124,286	110,540
Non-financial assets					
Land and buildings	3,924,036	3,972,579	4,044,487	4,108,792	4,141,323
Property, plant and equipment	10,652	15,341	15,130	14,532	13,789
Intangibles	1,706	600	-	870	1,832
Inventories	489,387	778,069	994,592	1,013,329	1,106,561
Tax assets	49,655	44,183	39,682	35,762	31,855
Other non-financial assets	2,442	2,515	2,590	2,668	2,748
Total non-financial assets	4,477,878	4,813,287	5,096,481	5,175,953	5,298,108
Assets held for sale	1,601	-	-	-	-
Total assets	4,717,662	4,952,359	5,232,382	5,300,239	5,408,648
LIABILITIES					
Payables					
Suppliers	28,399	28,225	28,223	28,222	28,223
Dividends	78,194	66,617	74,158	61,539	40,182
Other payables	70,859	63,868	69,082	52,351	40,414
Total payables	177,452	158,710	171,463	142,112	108,819
Interest bearing liabilities					
Loans	-	207,976	380,119	361,632	447,577
Leases	1,522,811	1,463,404	1,446,708	1,451,527	1,412,029
Total interest bearing liabilities	1,522,811	1,671,380	1,826,827	1,813,159	1,859,606
Provisions					
Employee provisions	13,535	14,297	14,740	15,195	15,661
Other provisions	102,282	97,469	95,273	92,685	87,598
Total provisions	115,817	111,766	110,013	107,880	103,259
Total liabilities	1,816,080	1,941,856	2,108,303	2,063,151	2,071,684
Net assets	2,901,582	3,010,503	3,124,079	3,237,088	3,336,964
EQUITY					
Parent entity interest					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	2,510,157	2,582,155	2,657,612	2,734,953	2,813,637
Retained surplus (accumulated deficit)	-4,723	32,200	70,319	105,987	127,179
Total parent entity interest	2,901,582	3,010,503	3,124,079	3,237,088	3,336,964
Total non-controlling interest	-	-	-	-	-
Total equity	2,901,582	3,010,503	3,124,079	3,237,088	3,336,964

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 draft 2021-22 annual financial statements and for Outer Years the draft 2022-23 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 Estimate \$'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	866,530	936,692	982,723	1,133,166	997,799
Interest	351	132	128	253	215
Total cash received	866,881	936,824	982,851	1,133,419	998,014
Cash used					
Employees	71,765	87,376	87,387	87,672	85,741
Suppliers	219,104	577,212	531,286	501,818	483,692
Borrowing costs	6,217	3,828	12,611	16,227	19,478
Interest payments on lease liability	39,018	37,350	40,258	44,184	44,811
Other	50,319	91,824	82,418	97,005	81,962
Total cash used	386,423	797,590	753,960	746,906	715,684
Net cash from/(used by) operating activities	480,458	139,234	228,891	386,513	282,330
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	38,322	5,875	11,745	38,160	28,653
Total cash received	38,322	5,875	11,745	38,160	28,653
Cash used					
Purchase of property, plant and equipment and intangibles	21,838	67,208	49,235	48,929	53,064
Total cash used	21,838	67,208	49,235	48,929	53,064
Net cash from/(used by) investing activities	16,484	-61,333	-37,490	-10,769	-24,411
FINANCING ACTIVITIES					
Cash received					
Cash received from borrowings	-	207,976	172,143	189,489	258,088
Total cash received	-	207,976	172,143	189,489	258,088
Cash used					
Repayments of borrowings	185,000	-	-	207,976	172,143
Principal payments on lease liability	281,109	292,354	294,269	295,340	296,649
Dividends paid	47,130	78,194	66,617	74,158	61,539
Total cash used	513,239	370,548	360,886	577,474	530,331
Net cash from/(used by) financing activities	-513,239	-162,572	-188,743	-387,985	-272,243
Net increase/(decrease) in cash held	-16,297	-84,671	2,658	-12,241	-14,324
Cash and cash equivalents at the beginning of the reporting period	199,285	182,988	98,317	100,975	88,734
Cash and cash equivalents at the end of the reporting period	182,988	98,317	100,975	88,734	74,410

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's draft 2021-22 annual financial statements and for Outer Years the draft 2022-23 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	-4,723	2,510,157	396,148	2,901,582
Adjusted opening balance	-4,723	2,510,157	396,148	2,901,582
Comprehensive income				
Surplus/(deficit) for the period	103,540	-	-	103,540
Total comprehensive income	103,540	-	-	103,540
Transactions with owners				
Distributions to owners				
Returns on capital:				
Dividends	-66,617	-	-	-66,617
Contributions by owners				
Other	-	71,998	-	71,998
Sub-total transactions with owners	-66,617	71,998	-	5,381
Estimated closing balance as at 30 June 2023	32,200	2,582,155	396,148	3,010,503
Closing balance attributable to the Australian Government	32,200	2,582,155	396,148	3,010,503

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's draft 2021-22 annual financial statements and for Outer Years the draft 2022-23 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	1,314,544	1,152,138	22,531	23,293	1,505	2,514,011
Gross book value - ROU assets	-	2,332,539	1,845	-	-	2,334,384
Accumulated depreciation/ amortisation and impairment	-	-96	-12,042	-21,587	96	-33,629
Accumulated depreciation/amortisation and impairment - ROU assets	-	-875,089	-1,682	-	-	-876,771
Opening net book balance	1,314,544	2,609,492	10,652	1,706	1,601	3,937,995
Capital asset additions						
Estimated expenditure on new or replacement assets						
By purchase - other	30,898	30,898	4,765	-	-	66,561
By purchase - other - ROU assets	-	231,308	1,638	-	-	232,946
Total additions	30,898	262,206	6,403	-	-	299,507
Other movements						
Assets held for sale or in a disposal group held for sale	-2,937	-2,937	-	-	5,874	-
Depreciation/amortisation expense	-	-22,715	-1,314	-1,106	-	-25,135
Depreciation/amortisation on ROU assets	-	-289,571	-400	-	-	-289,971
Disposals	-	1,601	-	-	-7,475	-5,874
Other	26,486	45,512	-	-	-	71,998
Total other movements	23,549	-268,110	-1,714	-1,106	-1,601	-248,982
As at 30 June 2023						
Gross book value	1,368,991	1,227,212	27,296	23,293	-96	2,646,696
Gross book value - ROU assets	-	2,563,847	3,483	-	-	2,567,330
Accumulated depreciation/ amortisation and impairment	-	-22,811	-13,356	-22,693	96	-58,764
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,164,660	-2,082	-	-	-1,166,742
Closing net book balance	1,368,991	2,603,588	15,341	600	-	3,988,520

Notes

a. Prepared on Australian Accounting Standards basis.

b. The 2021-22 Estimated Actual data in this table is based on DHA's draft 2021-22 annual financial statements and for Outer Years the draft 2022-23 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
ADGE	Air Defence Ground Environment
AFV	Armoured Fighting Vehicle
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AM	Member of the Order of Australia
AMSA	Australian Maritime Safety Authority
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 Helicopter
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
DISR	Department of Industry, Science 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

EDHFC	Enhanced Defence High-Frequency Communications
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
FOC	Final Operational Capability
FTE	Full Time Equivalent

G

GA	Geoscience Australia
GBE	Government Business Enterprise
GOCO	Government Owned Contractor Operated
GST	Good and Services Tax

H

HIPP	HydroScheme Industry Partnership Program
HKM	Health Knowledge Management
HS	Hydrographic ship
HMAS	Her Majesty's Australian Ship

I

ICT	Information and Communications Technology
IED	Improvised Explosive Device
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
LOTE	Life of Type Extension

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
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
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
RA	Rent Allowance
RMG	Resource Management Guide
ROE	Rate of Effort – Flying Hours
ROU	Right of Use
RMC	Royal Military College

S

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
US	United States
USFPI	United States Force Posture Initiatives