

# Defence

## Entity Resources and Planned Performance

<b>Section 1: Defence Overview and Resources .....</b>	<b>9</b>
1.1 Strategic Direction Statement .....	9
1.2 Defence Resource Statement .....	13
1.3 Budget Measures .....	14
1.4 Key Cost Category Estimates .....	16
1.5 People .....	18
<b>Section 2: Defence Outcomes and Planned Performance .....</b>	<b>24</b>
2.1 Budget Expenses and Performance for Outcome 1 .....	27
2.2 Budget Expenses and Performance for Outcome 2 .....	37
<b>Section 3: Defence Budgeted Financial Statements .....</b>	<b>97</b>
3.1 Grants .....	97
3.2 Resource Summary .....	98
3.3 Budgeted Financial Statements .....	100

This page intentionally left blank.

# Defence

## Section 1: Defence Overview and Resources

### 1.1 Strategic Direction Statement

The Government has determined that Defence must have the capacity to:

- defend Australia and our immediate region;
- deter through denial any adversary's attempt to project power against Australia through our northern approaches;
- protect Australia's economic connection to our region and the world;
- contribute with our partners to the collective security of the Indo-Pacific region; and
- contribute with our partners to the maintenance of the global rules-based order.

The *Defence Strategic Review* considered whether Australia has the necessary defence capability, posture and preparedness to defend Australia and its interests in the strategic environment we now face. In response to the *Defence Strategic Review*, the Government will initially focus on six priorities:

- investing in conventionally-armed, nuclear-powered submarines through the AUKUS partnership;
- developing the ADF's ability to precisely strike targets at longer range and manufacture munitions in Australia;
- improving the ADF's ability to operate from Australia's northern bases;
- lifting our capacity to rapidly translate disruptive new technologies into ADF capability, in close partnership with Australian industry;
- investing in the growth and retention of a highly-skilled defence workforce; and
- deepening our diplomatic and defence partnerships with key partners in the Indo-Pacific.

Defence will bring forward the inaugural National Defence Strategy in 2024, which will encompass a comprehensive outline of Defence policy, planning, capabilities and resourcing, including reprioritisation of the Integrated Investment Program to align with the intent and recommendations of the *Defence Strategic Review*. The Government has included a spending provision in the Contingency Reserve for increased Defence funding over the medium term to implement the *Defence Strategic Review*.

Acquisition of a conventionally-armed, nuclear-powered submarine capability will give Australia a more capable and potent submarine force to enhance Australia's ability to deter threats to its security and contribute to the security and stability of the Indo-Pacific region. Through Australia, the United Kingdom and the United States (AUKUS) partnership, the nuclear-powered submarine pathway (Pillar I) will also bolster interoperability among the AUKUS partners, build the combined capabilities of the AUKUS partners and create a stronger, more resilient trilateral industrial base for submarine production and maintenance.

Acquiring conventionally-armed, nuclear-powered submarines will require a whole-of-nation effort across multiple decades. The nuclear-powered submarine program will require ongoing collaboration and partnerships with local, state and federal governments, departments and agencies, as well as international governments, industry partners, community-based groups, First Nation communities and education providers. In delivering this program, AUKUS partners have signaled their commitment to strengthening the global nuclear non-proliferation regime and to maintaining the highest standards of nuclear safety and security.

The Australian Submarine Agency (ASA) will be established to oversee and manage Australia's nuclear-powered submarine program, including acquisition, delivery, construction, technical governance, sustainment, and disposal of nuclear-powered submarines. The ASA will also enable the necessary policy, legal, non-proliferation, workforce, security and safety arrangements. The Royal Australian Navy will continue to be responsible for submarine operations.

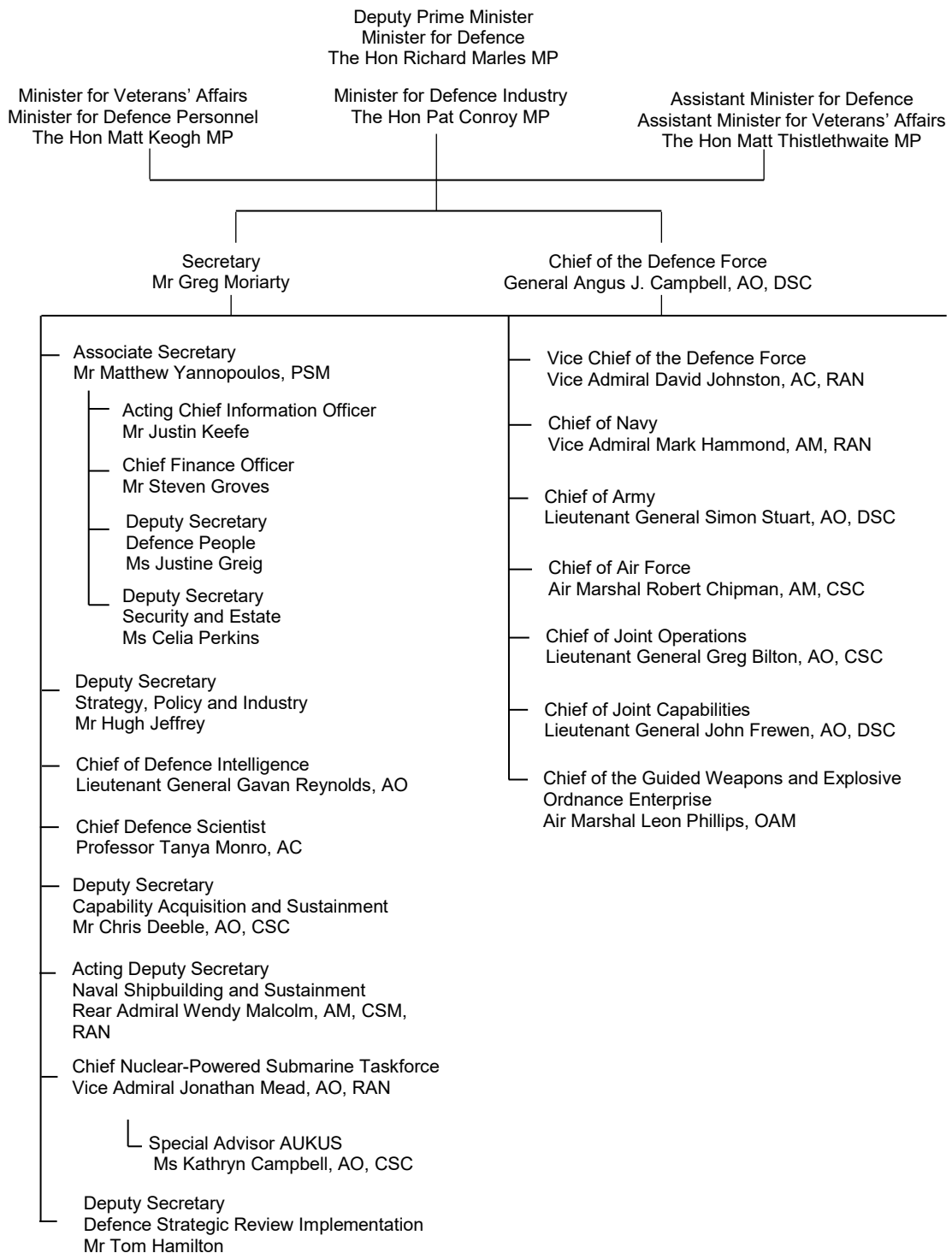
AUKUS Pillar II comprises collaboration across six advanced capabilities including advanced cyber, artificial intelligence and autonomy, quantum technologies, undersea warfare, electronic warfare, and hypersonic and counter-hypersonic. AUKUS partners will also continue to leverage our respective innovation and information sharing ecosystems to ensure the success of the AUKUS partnership.

The success of AUKUS Pillar II is essential for Australia in acquiring asymmetric capability. The ambition of the AUKUS partners is to support technological transfers as well as break down barriers for intellectual property transfer, domestic manufacturing, and domestic maintenance of key weapons, technology and capabilities.

The Government is also investing \$3.4 billion over the next decade in innovation through the establishment of the Advanced Strategic Capabilities Accelerator (ASCA). Through this investment Defence will continue to harness and grow the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities.

## Defence Organisational Chart

**Figure 2: Defence Organisational Chart**



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 October Portfolio Budget Statements 2022-23:

- On 31 January 2023, Mr Stephen Pearson retired from the Australian Public Service as the Chief Information Officer.
- On 31 January 2023, Mr Justin Keefe was appointed as Acting Chief Information Officer until the position is filled permanently.
- On 27 February 2023, Mr Tom Hamilton was appointed Acting Deputy Secretary Defence Strategic Review Implementation and was permanently appointed to the position on 9 March 2023.
- On 2 March 2023, Mr Hugh Jeffrey was permanently appointed as Deputy Secretary Strategy, Policy and Industry.
- On 27 April 2023, Mr Tony Dalton retired from the Australian Public Service as the Deputy Secretary Naval Shipbuilding and Sustainment.
- On 27 April 2023, Rear Admiral Wendy Malcolm, AM, CSM, RAN, was appointed Acting Deputy Secretary Naval Shipbuilding and Sustainment.
- On 8 May 2023, Air Marshal Leon Phillips, OAM, was appointed Chief of the Guided Weapons and Explosive Ordnance Enterprise.

## Organisational Structure

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

- On 27 February 2023, the Defence Strategic Review Implementation Taskforce was established.

## 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.	2022-23 Estimated Actual \$'000		2023-24 Previous Estimate \$'000	2023-24 Budget Estimate \$'000	Variation \$'000	Variation %	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Defence resourcing</b>									
1	32,753,202	Appropriation for departmental outcomes	31,258,896	34,828,325	3,569,429	11.4	35,925,964	39,884,899	38,501,405
2	2,833,844	Departmental capital budget	3,070,065	3,294,930	224,865	7.3	3,430,448	3,154,056	3,254,579
3	11,832,391	Equity injection appropriation	15,511,582	11,963,096	-3,548,486	-22.9	12,534,356	11,466,866	15,826,350
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	47,419,437	Current year's appropriation (1 + 2 + 3 + 4) <sup>(a)</sup>	49,840,543	50,086,351	245,808	0.5	51,890,768	54,505,821	57,582,334
6	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account <sup>(b)</sup>	-	-	-	-	-	-	-
9	-	Funding from / to the OPA (6 + 7 + 8)	-	-	-	-	-	-	-
10	47,419,437	Funding from Government (5 + 9)	49,840,543	50,086,351	245,808	0.5	51,890,768	54,505,821	57,582,334
11	511,701	Net Capital receipts	352,982	358,675	5,693	1.6	330,295	331,034	157,013
12	744,692	Own source revenue (s74 receipts) <sup>(c)</sup>	586,607	583,008	-3,599	-0.6	579,823	658,013	679,595
13	-	Prior year receipts	-	-	-	-	-	-	-
14	1,256,393	Funding from other sources (11 + 12 + 13)	939,589	941,683	2,094	0.2	910,118	989,047	836,608
15	48,675,830	Total Departmental funding excl. Defence Trusts and Joint Accounts (10 + 14)	50,780,132	51,028,034	247,902	0.5	52,800,886	55,494,868	58,418,942
<b>Defence Trusts and Joint Accounts</b>									
16	304,822	Revenue	411,070	327,736	-83,334	-20.3	260,810	316,626	324,806
17	-304,822	Expenditure	-411,070	-327,736	83,334	-20.3	-260,810	-316,626	-324,806
18	-	Total Defence Trusts and Joint Accounts (16 + 17) <sup>(d)</sup>	-	-	-	-	-	-	-
19	48,675,830	Total Departmental funding (15 + 18)	50,780,132	51,028,034	247,902	0.5	52,800,886	55,494,868	58,418,942
<b>Administered <sup>(e)</sup></b>									
20	3,671,366	Administered special appropriations	3,890,346	4,001,788	111,442	2.9	4,330,990	4,603,631	4,887,576
21	1,307,584	Own source revenue <sup>(f)</sup>	1,191,380	1,185,877	-5,503	-0.5	1,139,147	1,073,839	998,770
22	-1,307,584	Returns to the Official Public Account	-1,191,380	-1,185,877	5,503	-0.5	-1,139,147	-1,073,839	-998,770
23	3,671,366	Total Administered funding (20 + 21 + 22)	3,890,346	4,001,788	111,442	2.9	4,330,990	4,603,631	4,887,576
24	52,347,196	Total Defence resourcing (19 + 23)	54,670,478	55,029,822	359,344	0.7	57,131,876	60,098,499	63,306,518
<b>Appropriation carried forward</b>									
25	732,037	Appropriation receivable including previous year's outputs	1,222,249	985,976	-236,273	-19.3	1,227,227	1,449,710	1,713,365
26	666,582	Cash in bank - Departmental <sup>(d)</sup>	756,889	727,561	-29,328	-3.9	765,401	629,672	452,524
27	-	Cash in bank - Administered	-	-	-	-	-	-	-
28	1,398,619	Total appropriations carried forward (25 + 26 + 27)	1,979,138	1,713,537	-265,601	-13.4	1,992,628	2,079,382	2,165,889

### Notes

- The appropriations for 2022-23 as disclosed in Serial Nos. 1 to 3, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent.
- Represents net transfers to and from the Official Public Account.
- All figures are net of GST.
- 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.
- Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
- Own Source Revenue received in cash is returned to the Official Public Account.

### 1.3 Budget Measures

Budget Measures relating to Defence are detailed in Budget Paper No. 2 and are summarised below.

### 2023-24 Budget Measures and Other Budget Adjustments

**Table 2: Defence 2023-24 Budget Measures and Other Budget Adjustments**

		2023-24 Budget Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	Total \$m
<b>Budget Measures</b>						
<b>Payment Measures</b>						
Enhancing Pacific Engagement <sup>[a]</sup>	2.1	–	–	–	–	–
Cyber Security - additional funding	2.11	3.9	–	–	–	3.9
Advanced Strategic Capabilities Accelerator <sup>[b]</sup>	2.13	–	–	–	–	–
Adequate Funding for Oversight of our Intelligence Agencies <sup>[c]</sup>	2.14	-0.3	-0.5	-0.6	-0.6	-2.1
Extension of the Defence Industry Pathways Program <sup>[d]</sup>	2.15	–	–	–	–	–
Nuclear-Powered Submarine Program - initial implementation <sup>[e]</sup>	Various	nfp	nfp	nfp	nfp	nfp
Office of the Special Investigator Operations and Downstream Impacts Funding – extension <sup>[c]</sup>	Various	-63.0	-66.4	–	–	-129.4
Securing a Unique and Critical Defence Capability <sup>[f]</sup>	Various	nfp	nfp	nfp	nfp	nfp
Recognising the Australian Defence Force's Unique Service to the Nation <sup>[g]</sup>	Various	–	–	–	–	–
Additional Assistance to Ukraine <sup>[h]</sup>	Various	–	–	–	–	–
<b>Total Departmental Budget Measures</b>		<b>-59.4</b>	<b>-66.9</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-127.6</b>
<b>Other Departmental Budget Adjustments</b>						
Operation ACCORDION <sup>[i]</sup>	1.2	117.1	-0.0	–	–	117.1
Operation RESOLUTE	1.3	77.5	–	–	–	77.5
Transfer of projects to the Australian Signals Directorate	2.9	-158.2	-224.7	-260.2	-120.7	-763.8
Savings from External Labour, and savings from Advertising, Travel and Legal Expenses	Various	-154.3	-158.8	-163.7	-155.1	-631.9
Foreign Exchange	Various	491.3	541.4	528.9	503.7	2,065.4
Increased support for the Jawun Program <sup>[j]</sup>	Various	-0.1	-0.1	–	–	-0.2
Other Budget Adjustments <sup>[k]</sup>	Various	nfp	nfp	nfp	nfp	nfp
<b>Other Administered Budget Adjustments</b>						
Defence Home Ownership Assistance Scheme	2.22	17.3	26.8	39.1	53.8	137.1
<b>Total Other Departmental Budget Adjustments</b>		<b>373.3</b>	<b>157.7</b>	<b>105.0</b>	<b>227.9</b>	<b>863.9</b>
<b>Total Other Administered Budget Adjustments</b>		<b>17.3</b>	<b>26.8</b>	<b>39.1</b>	<b>53.8</b>	<b>137.1</b>
<b>Total Other Budget Adjustments</b>		<b>390.6</b>	<b>184.6</b>	<b>144.1</b>	<b>281.7</b>	<b>1,001.0</b>
<b>Total Departmental Funding</b>		<b>313.9</b>	<b>90.9</b>	<b>104.4</b>	<b>227.3</b>	<b>736.4</b>
<b>Total Administered Funding</b>		<b>17.3</b>	<b>26.8</b>	<b>39.1</b>	<b>53.8</b>	<b>137.1</b>
<b>Total Defence Funding</b>		<b>331.2</b>	<b>117.7</b>	<b>143.5</b>	<b>281.1</b>	<b>873.4</b>

#### Notes

- This measure provides \$923.9 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.
- This measure provides \$748.4 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.
- This measure is a transfer to the Attorney-General's Portfolio.
- This measure provides \$11.4 million over the period 2023-24 to 2025-26 which is being absorbed by Defence.
- This measure is a transfer to various agencies and is not for publication (nfp) due to commercial sensitivities.
- This measure is a transfer to the Department of Finance and is not for publication (nfp) due to commercial sensitivities.
- This measure provides \$397.4 million over the period 2023-24 to 2024-25 which is being absorbed by Defence.
- This measure provides \$189.6 million over the period 2022-23 to 2023-24 which is being absorbed by Defence.
- Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.
- This is a transfer to the National Indigenous Australians Agency and the Australian Public Service Commission.
- This budget adjustment is not for publication (nfp) due to national security.



## Operations Summary

**Table 3: Net Additional Cost of Current Major Operations to 2026-27** <sup>[a]</sup> <sup>[b]</sup>

	2022-23 Estimated Actual \$m	2023-24 Budget Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	Total \$m
Operation ACCORDION	109.4	118.0	-	-	-	227.4
Operation HIGHROAD	0.5	0.4	-	-	-	0.9
Operation RESOLUTE	84.7	77.5	-	-	-	162.2
Operation OKRA	11.5	0.7	-	-	-	12.2
Operation VANUATU ASSIST	11.4	-	-	-	-	11.4
Operation LILIA	13.8	-	-	-	-	13.8
Operation KUDU	12.2	-	-	-	-	12.2
<b>Total Net Additional Costs</b>	<b>243.5</b>	<b>196.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440.1</b>
<b>Sources of Funding for Major Operations</b>						
Government Supplementation	243.5	196.6	-	-	-	440.1
Department of Defence (Absorbed)	-	-	-	-	-	-
<b>Total Cost</b>	<b>243.5</b>	<b>196.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>440.1</b>

### Notes

- This table reflects ongoing and new Major Operations funded under no-win/no-loss arrangements for 2022-23 and 2023-24.
- The Net Additional Cost of Major Operations include the budget adjustments shown in Table 2 on page 14 and Table 1.1 in the Portfolio Additional Estimates Statements 2022-23.

## 1.4 Key Cost Category Estimates

**Table 4a: Defence and ASD Funding from Government** <sup>[a]</sup> <sup>[b]</sup>

Serial No.		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
		Estimated Actual \$m	Previous Estimate \$m	Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	
1	Defence	47,419.4	49,840.5	50,086.4	51,890.8	54,505.8	57,582.3	261,484.7
2	Australian Signals Directorate	1,711.8	2,321.5	2,472.4	2,523.3	2,304.4	2,233.7	11,245.6
3	<b>Consolidated Defence and ASD Funding</b>	<b>49,131.2</b>	<b>52,162.0</b>	<b>52,558.8</b>	<b>54,414.1</b>	<b>56,810.2</b>	<b>59,816.0</b>	<b>272,730.3</b>

**Notes**

- a. Provides a consolidated summary of Defence Portfolio funding.  
b. These amounts refer to appropriations only.

**Table 4b: Defence Planned Expenditure by Key Cost Category** <sup>[a]</sup> <sup>[b]</sup>

Serial No.		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
		Estimated Actual \$m	Previous Estimate \$m	Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	
1	Workforce	14,158.1	14,535.3	14,851.2	15,508.8	16,086.4	16,658.6	77,263.1
2	Operations	280.9	3.3	228.9	1.3	1.3	1.3	513.7
3	Capability Acquisition Program	16,530.4	18,438.8	17,661.0	18,157.2	18,978.4	19,568.9	90,895.9
4	Capability Sustainment Program	15,127.4	15,353.7	15,360.4	16,478.0	17,591.5	19,191.6	83,748.9
5	Operating	2,579.0	2,449.0	2,926.5	2,655.6	2,837.3	2,998.5	13,996.9
6	<b>Total Defence Planned Expenditure</b>	<b>48,675.8</b>	<b>50,780.1</b>	<b>51,028.0</b>	<b>52,800.9</b>	<b>55,494.9</b>	<b>58,418.9</b>	<b>266,418.5</b>

**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 38.

**Table 5: Capability Acquisition Program <sup>[a]</sup>**

Serial No.		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
		Estimated Actual \$m	Previous Estimate \$m	Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	
1	Military Equipment Acquisition Program	12,006.0	13,460.5	12,355.8	13,197.9	14,352.7	15,467.1	67,379.5
2	Enterprise Estate and Infrastructure Program	3,424.9	3,737.0	4,166.2	4,068.2	3,752.4	3,098.7	18,510.4
3	ICT Acquisition Program	938.8	1,038.3	927.5	693.6	656.1	771.6	3,987.6
4	Minors Program	160.7	203.0	211.5	197.5	217.2	231.5	1,018.4
5	<b>Total Capability Acquisition Program <sup>[b]</sup></b>	<b>16,530.4</b>	<b>18,438.8</b>	<b>17,661.0</b>	<b>18,157.2</b>	<b>18,978.4</b>	<b>19,568.9</b>	<b>90,895.9</b>

**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 <sup>[a]</sup>**

Serial No.		2022-23	2023-24	2023-24	2024-25	2025-26	2026-27	Total
		Estimated Actual \$m	Previous Estimate \$m	Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	
1	Navy Sustainment	3,331.2	3,442.3	3,535.5	3,551.7	3,932.2	4,432.9	18,783.5
2	Army Sustainment	2,154.9	2,719.0	2,586.6	3,037.1	3,125.2	3,510.6	14,414.4
3	Air Force Sustainment	3,563.2	3,849.7	3,864.1	4,201.8	4,558.6	4,952.8	21,140.5
4	Chief Information Officer Sustainment <sup>[b]</sup>	1,723.4	1,614.9	1,628.5	1,782.6	1,762.7	2,026.8	8,924.0
5	Joint Capabilities Sustainment	421.6	469.6	425.9	464.9	778.1	607.1	2,697.6
6	Strategy, Policy and Industry Sustainment	36.5	98.2	133.4	169.1	198.9	178.8	716.7
7	Defence Intelligence Sustainment	126.5	149.3	154.7	153.7	193.8	197.7	826.4
8	Security and Estate Sustainment <sup>[c]</sup>	3,766.3	3,006.9	2,956.1	2,982.4	2,884.9	3,117.0	15,706.7
9	Other Minor Sustainment	3.8	3.8	75.6	134.7	157.1	167.9	539.1
10	<b>Total Capability Sustainment Program <sup>[d]</sup></b>	<b>15,127.4</b>	<b>15,353.7</b>	<b>15,360.4</b>	<b>16,478.0</b>	<b>17,591.5</b>	<b>19,191.6</b>	<b>83,748.9</b>

**Notes**

- a. These categories are funded by appropriations and own source revenue.  
b. Chief Information Officer Sustainment includes all ICT approved and unapproved sustainment for the Department.  
c. Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department.  
d. The Capability Sustainment Program includes both approved and unapproved sustainment.

**Table 7: Retained Capital Receipts**

Serial No.		2023-24	2024-25	2025-26	2026-27
		Budget Estimate \$m	Forward Estimate \$m	Forward Estimate \$m	Forward Estimate \$m
	<b>Property Sales</b>				
	Proceeds from the sale of land and buildings	18.1	18.8	-	-
	Proceeds from the sale of housing	101.1	110.8	157.6	0.2
	<b>Total proceeds from the sale of property</b>	<b>119.2</b>	<b>129.6</b>	<b>157.6</b>	<b>0.2</b>
	Costs from the sale of property <sup>[a]</sup>	-	-	-	-
1	<b>Net property proceeds retained by Defence</b>	<b>119.2</b>	<b>129.6</b>	<b>157.6</b>	<b>0.2</b>
2	<b>Proceeds from sale of specialist military equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
3	<b>Proceeds from sale of infrastructure, plant and equipment</b>	<b>33.5</b>	<b>34.4</b>	<b>28.7</b>	<b>21.9</b>
4	<b>Retained Capital Receipts (1 + 2 + 3)</b>	<b>152.8</b>	<b>164.0</b>	<b>186.2</b>	<b>22.1</b>

**Note**

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

## 1.5 People

### Workforce Overview

Defence plans to grow its workforce to over 101,000, an increase of 18,500, by 2040. Defence continues to shape its workforce to be more capable, agile and resilient to align with the *Defence Strategic Review* outcomes. Implementation of the *Defence Strategic Review* will drive the priority of investment in Defence capabilities and assess the ADF structure, posture and preparedness to meet the nation's security challenges over the decade and beyond. To meet these requirements, there is a focus on growing and skilling the technical, intelligence, space and cyber security workforce segments to support significant transformation of Defence's capabilities, including through the AUKUS partnership.

The ability for Defence to recruit and retain its workforce is a critical element of managing workforce risk and ensuring achievement of required workforce growth. With historically low national unemployment, a competitive labour market, and the demands on the workforce for concurrent domestic and overseas commitments, Defence must create a compelling employee value proposition to attract new personnel and retain existing personnel.

To support these efforts, Defence established a Recruiting and Retention Tiger 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. The new Recruiting Services Contract (RSC) and the ADF Employment Offer Modernisation Program, have, and will, bolster recruiting and retention efforts.

Defence is also working with the Department of Veterans' Affairs to develop the *Veteran Family Strategy 2023-2027*, the *Defence Mental Health and Wellbeing Strategy*, and the *Joint Transition Strategy* to meet the needs of specific Defence workforce segments.

Defence will re-balance the workforce, to grow the capacity and capability of the ADF and APS, while reducing the reliance on the external workforce. The *Defence Contractor Strategy* will support this work and ensure that strong controls are in place to govern and manage the contractor workforce. Through this work Defence will ensure that it has the appropriate workforce mix to support the achievement of the Defence mission.

### Workforce Summary

The average full-time workforce is forecast to be 77,386 in 2023-24, comprising 59,673 permanent ADF (77 per cent) and 17,713 APS employees (23 per cent). The service breakdown of the permanent ADF is:

- 15,956 Navy personnel.
- 28,536 Army personnel.
- 15,181 Air Force personnel.

For 2023-24, the increase in separation rates and lower than expected achievement of recruitment targets has the ADF workforce forecasting to be below current guidance. The Government's ongoing investment will contribute significantly to stabilising, building and sustaining the ADF workforce over the medium term to 2040.

The forecast of contribution from Service Categories (SERCAT) 3, 4 and 5 in 2023-24 is 1,118,450 days of service performed by an estimated 21,390 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) is planned to increase by 7,519 from the forecast of 77,386 in 2023-24 to 84,905 in 2026-27.

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**

Defence personnel are the most important element of capability for the defence of Australia and its national interests. Defence will continue to deliver the required workforce and support to Defence personnel, veterans and families, while growing the workforce.

Defence is developing a more diverse and inclusive workforce, drawing from across all spectrums of the Australian community, to ensure we can attract and retain the critical skills needed to achieve our mission now and into the future.

Defence recognises that a positive, inclusive and productive culture will drive the organisation's workforce capabilities and achievements. Defence will launch its next enterprise culture strategy in 2023-24 with the Defence Values and Behaviours at its core. This new strategy will align with the *Defence Strategic Review*, building resilience and accelerating change to deliver capability through people. This strategy will build on the foundations laid by 10 years of Pathway to Change, driving and reinforcing Defence's cultural intent and priorities.

A Recruiting and Retention Tiger Team was established to determine how Defence should respond to challenges to recruit, retain and grow its workforce. The Tiger Team identified a number of initiatives for consideration, including changes to pay and conditions, housing, health and education assistance, as well as broader leadership programs and systemic change. Six immediate actions are being implemented over the 2023-24 period. Streamlining the process for official travel, increasing the allocation of Remote Locality Leave Travel and revising Higher Duties Allowance policy have been implemented. The remaining initiatives of improving and expanding access to the Defence Assisted Study Scheme and Study Bank programs, doubling the payment for the ADF Family Health Benefit and developing a clear Defence Employee Value Proposition framework will be finalised by the end of June 2023. As part of the 2023-24 Budget, the Government has agreed to support an ADF continuation bonus. To be introduced as a two-year pilot, the \$50,000 continuation bonus will address hollow structures within ADF middle ranks, where the workforce is now at greatest risk. The continuation bonus targets junior non-commissioned ranks (4-6 years of service) and junior officers (7-9 years of service) by encouraging them to stay and progress through to supervisor and manager levels.

The ADF Employment Offer Modernisation Program, which commenced in 2019, will 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 2023-24, including housing flexibility, improving the categorisation system used to determine ADF benefits and allowances and updating salary and allowances to make it easier for ADF members to understand what they are getting paid. This continuous improvement approach will ensure ADF pay and conditions are clear, relevant and recognise the unique nature of military service.

Following its pre-election commitment, the Government reformed the Defence Home Ownership Assistance Scheme (DHOAS). On 24 November 2022, the *Defence Home Ownership Assistance Scheme Amendment Bill 2022* passed both Houses of Parliament and came into force on 1 January 2023. This reform changed DHOAS by reducing the minimum service periods to access the three subsidy tiers and to allow veterans and their families to access DHOAS any time after they have completed their service. Additional amendments were also made to include the ability to reinstate the DHOAS subsidy if genuine error or mistake occurs and to include a recoverable payments mechanism in the *Defence Home Ownership Assistance Scheme Act 2008*.

The recruitment of the ADF workforce is facilitated by the RSC. Defence's new capability partner, Adecco Australia, became responsible for the delivery of recruiting services from 1 July 2023. The new RSC includes scalability to deliver the velocity and volume of recruiting outcomes required to meet the ADF's recruiting targets. The new RSC will also meet the evolving capability needs to support diversity, inclusion, science, technology, engineering and mathematics (STEM) and culturally and linguistically diverse initiatives.

Defence has worked closely with the Department of Veterans' Affairs (DVA) to implement the agreed recommendations of the Royal Commission into Defence and Veteran Suicide (Royal Commission) interim report, including simpler ways for Defence members and their families to access their records. Defence remains focused on responding to requests for information from the Royal Commission and coordinating support for Defence personnel and families who interact with the Royal Commission, with the final report due by 17 June 2024.

Defence continues to drive a positive work health and safety culture through the prioritisation of actions from the *Defence Work Health and Safety Strategy* and the *Defence Mental Health and Wellbeing Strategy*. Defence invests in the mental and physical health and wellbeing of all our people, to help them through their personal and professional lives, ensuring our ADF members are 'Fit to Fight, Fit for Work, Fit for Life'. Defence is also focused on enhancing its approach to psychosocial risk, providing Defence personnel with guidance, tools and support to prioritise psychosocial risk and promote a safety culture to keep our people safe and maximise our capability. To support a life-span approach, Defence and DVA are co-designing the next *Defence and Veteran Mental Health and Wellbeing Strategy*. Defence continues to broaden its approach to mental health, wellbeing and suicide prevention, including through the creation of the Mental Health and Wellbeing Branch.

Defence and DVA continue to develop the Defence/DVA Data Sharing and Analytical Solution (DSAS), which is underpinned by a complementary Wellbeing Framework aimed at reducing lifetime compensation and support costs. 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 systems. This will ensure Defence leadership receives consistent and timely information with regard to health, wellbeing and safety outcomes.

Defence's Strategic Workforce Planning includes building the capability and capacity of the STEM workforce. Work in this area is guided by the *More Together: Defence Science and Technology Strategy 2030*. These strategies outline actions to be undertaken to develop a culture that supports STEM personnel, align workforce planning with STEM capability requirements, and build collaboration with stakeholders to produce mutually beneficial STEM workforce outcomes. For example, the NAVIGATE Program bolsters female representation and increases diversity to enable greater innovation to solve future challenges for Defence. The NAVIGATE Program provides tailored learning, mentoring and rotations aimed at deepening participant knowledge of working within the Defence context. NAVIGATE 2.0, the next iteration of this program will launch later in 2023.

Since its establishment in October 2020, the Joint Transition Authority (JTA) has been partnering with DVA and the Commonwealth Superannuation Corporation (CSC) to deliver a more connected transition journey for ADF members and their families. Defence, DVA and CSC continue to build on already embedded process, improve information sharing, clarify and strengthen handover points, and close identified gaps in the transition process.

Transition support to members is delivered through an extensive suite of job-readiness, meaningful engagement, cultural reintegration and social connectivity programs from which a bespoke curriculum is designed according to each member's individual circumstances and goals. In 2023, Defence is augmenting the Civilian Recognition Program, delivered by the Australian Defence College, to include micro-credentialing for ADF members. This assists ADF members to identify a broader set of skills and attributes, making them more competitive in the national civilian job-market.

**Table 8: Planned Workforce Allocation for the 2023-24 Budget and Forward Estimates - Average Full-time <sup>[a]</sup>**

		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Estimate <sup>[b]</sup>	2025-26 Forward Estimate <sup>[b]</sup>	2026-27 Forward Estimate <sup>[b]</sup>
	<b>ADF Permanent Force <sup>[c]</sup></b>					
	Navy	15,253	15,956	16,321	16,621	16,980
	Army	28,397	28,536	31,342	31,546	31,816
	Air Force	14,823	15,181	15,934	16,365	16,799
<b>1</b>	<b>Total Permanent Force</b>	<b>58,473</b>	<b>59,673</b>	<b>63,597</b>	<b>64,532</b>	<b>65,595</b>
	<b>Civilian Employees</b>					
	APS	16,991	17,713	18,669	19,045	19,310
<b>2</b>	<b>Total Civilian Employees</b>	<b>16,991</b>	<b>17,713</b>	<b>18,669</b>	<b>19,045</b>	<b>19,310</b>
	<b>Total Workforce Strength (1 + 2)</b>	<b>75,464</b>	<b>77,386</b>	<b>82,266</b>	<b>83,577</b>	<b>84,905</b>

**Notes**

- a. All numbers for the full-time workforce elements represent average full-time equivalents.  
b. 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 2023-24 Budget and Forward Estimates - Reserve (Service Categories 3, 4 and 5) <sup>[a] [b]</sup>**

		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
	<b>Service Category 3 and 5</b>					
	Navy	113,000 (1,900)	115,500 (1,950)	118,000 (2,000)	120,500 (2,050)	123,000 (2,100)
	Army	750,000 (15,600)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)
	Air Force	255,000 (3,900)	262,000 (3,900)	268,000 (4,000)	274,000 (4,100)	280,000 (4,200)
<b>1</b>	<b>Sub-total Service Category 3 and 5</b>	<b>1,118,000 (21,400)</b>	<b>1,117,500 (21,350)</b>	<b>1,126,000 (21,500)</b>	<b>1,134,500 (21,650)</b>	<b>1,143,000 (21,800)</b>
	<b>Service Category 4 <sup>[c]</sup></b>					
	Air Force	971 (30)	950 (40)	950 (40)	950 (40)	950 (40)
<b>2</b>	<b>Sub-total Service Category 4</b>	<b>971 (30)</b>	<b>950 (40)</b>	<b>950 (40)</b>	<b>950 (40)</b>	<b>950 (40)</b>
	<b>Total Reserves (1 + 2)</b>	<b>1,118,971 (21,430)</b>	<b>1,118,450 (21,390)</b>	<b>1,126,950 (21,540)</b>	<b>1,135,450 (21,690)</b>	<b>1,118,450 (21,840)</b>

**Notes**

- a. This table does not include Reservists undertaking continuous full-time service (Service Option C), as these are captured in Table 8, nor Reservists not currently rendering service (including Service Category 2).  
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 on an ongoing basis, however Navy are currently undertaking a trial of SERCAT 4.



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

	2022-23 Estimated Actual	2023-24 Budget Estimate
<b>Navy <sup>[a]</sup></b>		
One Star and above	72	72
Senior Officers <sup>[b]</sup>	830	834
Officers	3,501	3,501
Other Ranks	10,850	11,549
<b>Total Navy</b>	<b>15,253</b>	<b>15,956</b>
<b>Army <sup>[a]</sup></b>		
One Star and above	96	95
Senior Officers <sup>[b]</sup>	1,026	1,025
Officers	5,579	5,620
Other Ranks	21,696	21,796
<b>Total Army</b>	<b>28,397</b>	<b>28,536</b>
<b>Air Force <sup>[a]</sup></b>		
One Star and above	72	72
Senior Officers <sup>[b]</sup>	728	738
Officers	4,843	4,949
Other Ranks	9,180	9,422
<b>Total Air Force</b>	<b>14,823</b>	<b>15,181</b>
<b>APS <sup>[a]</sup></b>		
Senior Executives <sup>[c]</sup>	196	206
Senior Officers <sup>[b]</sup>	6,443	6,704
Other APS Staff	10,352	10,803
<b>Total APS</b>	<b>16,991</b>	<b>17,713</b>
<b>Total Workforce</b>	<b>75,464</b>	<b>77,386</b>

**Notes**

- Permanent Forces and APS numbers are forecasts of the average strength for 2022-23 and 2023-24.
- Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
- The figures for Senior Executives and One Star and above include the Secretary, Chiefs of Divisions and Medical Officers, and Chief of the Defence Force and Service Chiefs (respectively).

## 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.

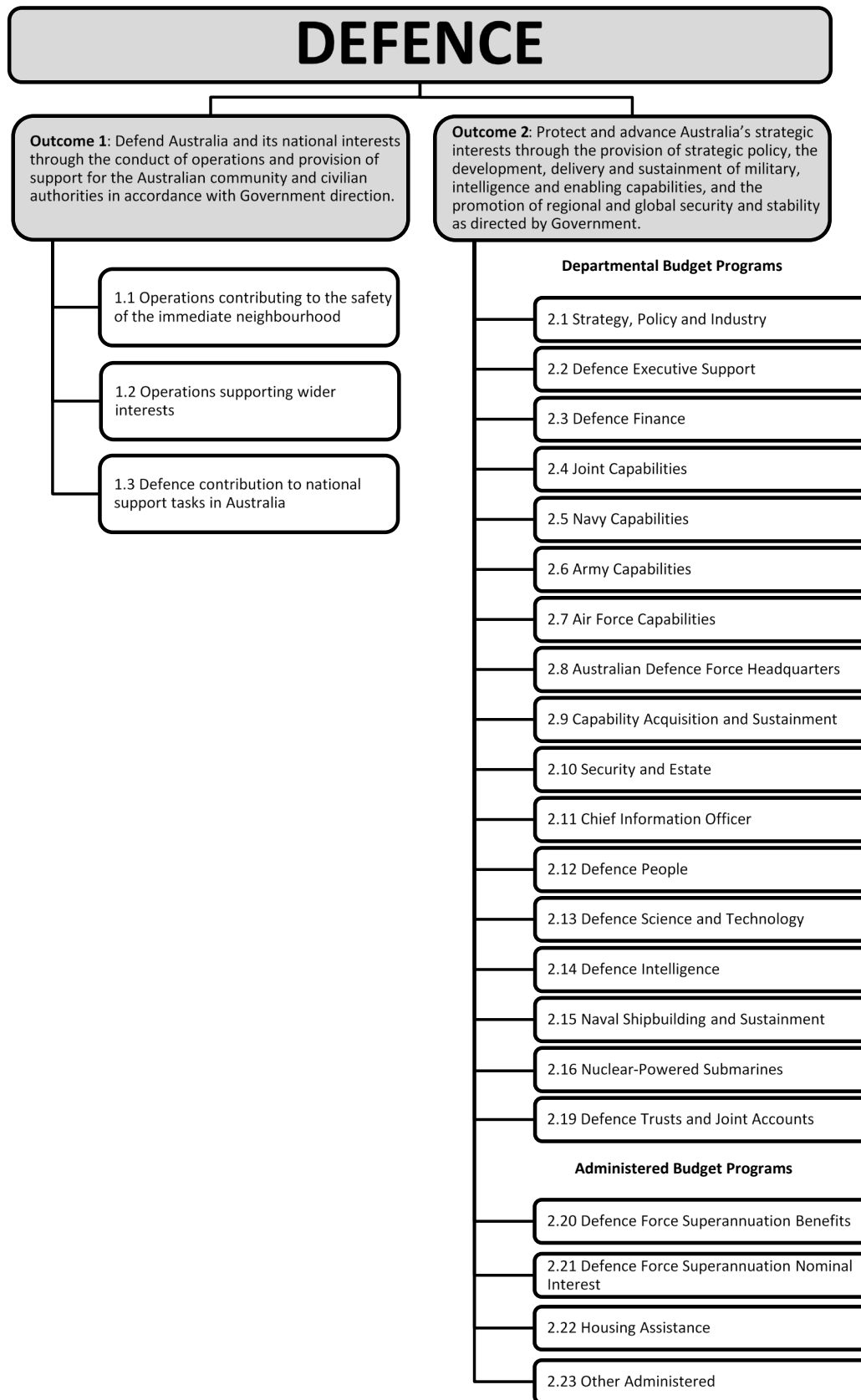
The most recent corporate plan for Defence can be found at:

<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



**Table 11: Changes to the program structures since the last Portfolio Budget Statements <sup>[a]</sup>**

Program No.	Program title	Description of change
2.15	Naval Shipbuilding and Sustainment	New Program.
2.16	Nuclear-Powered Submarines	A new program to support the acquisition of a conventionally-armed, nuclear-powered submarine capability as part of the Defence Integrated Investment Program. The Australian Submarine Agency will be established to oversee and manage Australia's nuclear-powered submarine program.

**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 regional disaster assistance and events of national significance as directed 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 – Pacific.
- FORTITUDE – contribution to the United Nations Disengagement Observer Force (UNDOF).
- GATEWAY – Conduct northern Indian Ocean and South China Sea maritime surveillance patrols.
- INDO-PACIFIC ENDEAVOUR – Indo-Pacific Region.
- KUDU – ADF commitment to the training of Armed Forces of Ukraine recruits in the United Kingdom (UK).
- 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 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 – 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**

- FLOOD ASSIST – Defence’s contribution to the whole-of-government response to flood events across the east coast of Australia.
- VANUATU ASSIST 23 – Contribute to the whole-of-government assistance to Vanuatu in the wake of tropical cyclones Judy and Kevin.

## Linked Programs

<b>Australian Communications and Media Authority</b>
Program 1.1 - Communications regulation, planning and licensing.
<b>Contribution to Outcome 1 by linked program</b>
Defence 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.

<b>Department of Home Affairs</b>
Program 3.4 - Border Enforcement.
<b>Contribution to Outcome 1 by linked program</b>
Defence supports the Department of Home Affairs (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. Defence further provides support to Home Affairs by regulating the export and supply of military and dual-use goods and technology. This includes export controls assessment of goods stopped at the border and engagement on export compliance activities.

## Outcome 1 Resources

Table 12: Total Budgeted Resources Available for Outcome 1

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood</b>					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	45,981	29,035	38	39	40
<b>Program 1.2 - Operations Supporting Wider Interests</b>					
Revenues from other sources	1,104	2,040	-	-	-
Expenditure funded by appropriations	135,771	120,298	1,213	1,216	1,218
<b>Program 1.3 - Defence Contribution to National Support Tasks in Australia</b>					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	98,043	77,553	22	22	22
<b>Total resourcing</b>					
Total Departmental revenue from other sources	1,104	2,040	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	223,519	172,508	1,273	1,277	1,280
Total capital expenditure funded by appropriation	-	-	-	-	-
Equity injection:					
- Bill 1 DCB	56,276	54,378	-	-	-
- Bill 2 Equity	-	-	-	-	-
<b>Total resources for Outcome 1</b>	<b>280,899</b>	<b>228,926</b>	<b>1,273</b>	<b>1,277</b>	<b>1,280</b>



## 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, Southeast Asian countries and the island countries of the Pacific.

<b>Key Activities <sup>[a]</sup></b>	<p>This program will be achieved through the following activity:</p> <p><b>1. Conduct operations and deployments to defend and advance Australia's national interests.</b></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>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current 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.
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	1.1 Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Defence's strategic objectives.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.1 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	3,557	-	-	-	-
Suppliers	25,881	5,885	38	39	40
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	29,438	5,885	38	39	40
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
<b>Total operating expenses</b>	<b>29,438</b>	<b>5,885</b>	<b>38</b>	<b>39</b>	<b>40</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	16,543	23,150	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
<b>Total capital expenditure</b>	<b>16,543</b>	<b>23,150</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure <sup>[a]</sup></b>	<b>45,981</b>	<b>29,035</b>	<b>38</b>	<b>39</b>	<b>40</b>

**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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>1. Conduct operations and deployments to defend and advance Australia's national interests.</b></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>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current 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.
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.2 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	2,959	327	-	-	-
Suppliers	125,380	111,756	1,213	1,216	1,218
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	128,339	112,083	1,213	1,216	1,218
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
<b>Total operating expenses</b>	<b>128,339</b>	<b>112,083</b>	<b>1,213</b>	<b>1,216</b>	<b>1,218</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	8,536	10,255	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
<b>Total capital expenditure</b>	<b>8,536</b>	<b>10,255</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.2 Operations Supporting Wider Interests Total funded expenditure <sup>[a]</sup></b>	<b>136,875</b>	<b>122,338</b>	<b>1,213</b>	<b>1,216</b>	<b>1,218</b>

**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 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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>1. Conduct operations and deployments to defend and advance Australia's national interests.</b></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>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current 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.
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 1.3 resulting from 2023-24 Budget Measures: Nil.		

#### Note

- a. Refers to updated key activities that are reflected in the 2022-26 Defence Corporate Plan. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	11,596	6,510	-	-	-
Suppliers	55,250	50,070	22	22	22
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	66,846	56,580	22	22	22
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
<b>Total operating expenses</b>	<b>66,846</b>	<b>56,580</b>	<b>22</b>	<b>22</b>	<b>22</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	31,197	20,973	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
<b>Total capital expenditure</b>	<b>31,197</b>	<b>20,973</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Program 1.3 Defence Contribution to National Support Tasks in Australia Total funded expenditure <sup>(a)</sup></b>	<b>98,043</b>	<b>77,553</b>	<b>22</b>	<b>22</b>	<b>22</b>

**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 provides guidance on the Strategic Effects to be delivered to achieve Defence's Strategic Defence Objectives. The Defence Strategic Policy Committee considers regular updates to the *Defence Planning Guidance*, which is jointly authorised for release by the Secretary and the 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 Pacific and Southeast 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. Australia has also committed over \$500 million in military assistance to support Ukraine's self-defence; demonstrating that our support for key principles of sovereignty and territorial integrity is not constrained by geography.

The US alliance continues to grow and strengthen through enhanced force posture cooperation, announced at the Australia-US Ministerial Consultations (AUSMIN) 2022. The AUKUS trilateral partnership continues to deepen defence capability and technological cooperation between Australia, the United Kingdom and the United States. For Australia, AUKUS complements Australia's commitment to our existing network of international partnerships, including with The Association of Southeast Asian Nations (ASEAN) and ASEAN-led security architecture, and our Pacific family, as well as with Five Eyes, the Five Power Defence Arrangements, the Quad, and like-minded partners in the region.

A strong partnership with defence industry will be critical in delivering Defence capabilities. A strong, sovereign, sustainable and globally competitive 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.

Regulating the export of military and dual-use goods and technologies (consistent with Australia's national interest) will continue to be vital for maintaining the security and capability edge of ADF personnel, preventing regional and international instability, ensuring Australia upholds international obligations, and preventing the illicit trade of conventional weapons or proliferation of weapons of mass destruction.

The Government is investing \$3.4 billion over the next decade to deliver the technologies needed for Australia's security through the establishment of the Advanced Strategic Capabilities Accelerator (ASCA). ASCA will leverage technology development and the Australian innovation ecosystem to transition disruptive solutions into addressing capability priorities at pace and scale. Through this ongoing investment in innovation, Defence is continuing to harness and grow the innovative potential of Australia's defence industry and innovation sector to deliver advanced capabilities.

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

<b>Australian Radiation Protection and Nuclear Safety Agency</b>
Outcome 1 Program – ARPANSA-Submarines.
<b>Contribution to Outcome 2 by linked program</b>
Support delivery of nuclear-powered submarines capabilities through radiation protection and nuclear safety research, policy, advice, codes, standards, services and regulation.

<b>Attorney-General's Department</b>
Program 1.2 – Attorney-General's Department operating expenses - National Security, Integrity and International.
Program 1.8 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 2 by linked programs</b>
Under the Service Level Charter, Australian Government Security 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).
The Attorney-General's Department provides policy and legal advice to the government on the legal risks of the Nuclear-Powered Submarine Program, and international and domestic regulatory frameworks.

<b>Australian Federal Police</b>
Program 1.1 – Federal Policing and National Security.
Program 3.2 – Program International Police Assistance and External Territories.
<b>Contribution to Outcome 2 by linked programs</b>
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 delivers 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.

<b>Australian Maritime Safety Authority</b>
Program 1.1 – Seafarer and ship safety, environment protection and search and rescue.
<b>Contribution to Outcome 2 by linked program</b>
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.

Program 2 – Nuclear-Powered Submarines.

**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 Act 1979*, ASIO provides advice to Defence on matters relevant to security. ASIO exercises its foreign collection powers under warrant at the request of the Minister for 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 of Meteorology 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 ADF.

**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 1.2 – Support reliable, secure and affordable energy.

Program 2.3 – Accelerate the transition to a circular economy, while safely managing pollutants and hazardous substances.

**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.

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.

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 Education**

Program 2.1 – Commonwealth Grant Scheme.

Program 2.8 – Nuclear-Powered Submarine Program.

**Contribution to Outcome 2 by linked program**

The linked programs contribute to Outcome 2 and support Australia's broader sovereign capabilities through strategic engagement across government, building education pipelines and supporting the nuclear workforce.

**Department of Employment and Workplace Relations**

Departmental Program 2.3 – DEWR – Nuclear-Powered Submarine

**Contribution to Outcome 2 by linked program**

The linked programs contribute to Outcome 2 and support Australia's broader sovereign capabilities through strategic engagement across government and supporting the nuclear workforce.

<b>Department of Finance</b>
Program 2.10 - Nuclear-Powered Submarine Program Advice.
<b>Contribution to Outcome 2 by linked program</b>
Contributes to Outcome 2 through the provision of budget and commercial advice for the delivery of nuclear-powered submarine capabilities.

<b>Department of Finance - Comcover</b>
Program 2.4 - Insurance and Risk Management.
<b>Contribution to Outcome 2 by linked program</b>
Defence continues to work collaboratively with the 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.

<b>Department of Foreign Affairs and Trade</b>
Program 1.1 - Foreign Affairs and Trade Operations.
Program 1.8 - Nuclear-Powered Submarine Program.
<b>Contribution to Outcome 2 by linked programs</b>
Under a Memorandum of Understanding, the placement of Department of Foreign Affairs and Trade advisors at the 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.
The Department of Foreign Affairs and Trade including the Australian Safeguards and Non-proliferation Office provides the legal, policy and diplomatic capability necessary to support Australia's acquisition of conventionally-armed nuclear-powered submarines.

<b>Department of Home Affairs</b>
Program 1.2 - National Security and Resilience.
<b>Contribution to Outcome 2 by linked programs</b>
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 – Growing innovative and competitive businesses, industries and regions.

Program 1.2 – Investing in science, technology and commercialisation.

Program 1.4 – Nuclear-Powered Submarines.

**Contribution to Outcome 2 by linked programs**

The Department of Industry, Science and Resource (DISR) works closely with the department on enterprise-level programs to ensure alignment with whole-of-government industry policy and to support the development of innovative and competitive businesses.

This includes supporting the development of defence industry policy and support programs, and facilitating links between Defence activities and industry initiatives including the National Reconstruction Fund, designing and implementing grants programs, and Australian Industry Participation policy.

DISR engages with the Office of Defence Industry Support to identify and support Australian businesses seeking to increase their capability and capacity to participate in supply chains for defence projects.

DISR collaborates with the department to ensure a complementary approach between civil space industry development and activity and Defence's space responsibilities and interests.

DISR, through the Australian Radioactive Waste Agency, is supporting the department's acquisition of conventionally-armed, nuclear-powered submarines.

**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 (MOU) between Defence and the Australian Transport Safety Bureau (ATSB) contributes 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 ATSB support to Defence Aviation Safety investigations contributes to capability through the prevention of recurrence and the mutual adoption of a systemic approach to aviation safety enhances capability through the prevention of accidents and serious incidents.

The MOU 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 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 applications, where those applications have national security implications or affect Defence interests.

**Department of Veterans' Affairs**

Program 1.1 – Veterans' Income Support and Allowances.

Program 1.2 – Veterans' Disability Support.

Program 1.6 – Military Rehabilitation and Compensation Acts Payment – Income Support and Compensation.

Administered Program 2.22 – Housing Assistance.

**Contribution to Outcome 2 by linked programs**

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.

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.

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.

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.

This is supported through Schedule 6 of the *Agreement between Defence and Veterans' Affairs for the Provision of Mental Health Support Services by the Open Arms to ADF Personnel (Agreement for Services)*.

**Department of Veterans' Affairs, continued**

Under a MOU, and in accordance with the *Defence Home Ownership Assistance Scheme Act 2008*, 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.

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.

**Geoscience Australia**

Program 1.1 – Geoscience Australia.

**Contributing to Outcome 2 by linked program**

Defence and Geoscience Australia are collaborating to develop the AusSeabed online platform.

**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 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 ADF and the Department of Defence, as well as other priorities as set by Government.

**The Australian Trade and Investment Commission (Austrade)**

Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy.

**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. 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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Program 2.1 Strategy, Policy and Industry</b>					
Revenues from other sources	501	537	566	577	600
Expenditure funded by appropriations	764,159	996,175	954,763	757,229	942,348
<b>Program 2.2 Defence Executive Support</b>					
Revenues from other sources	734	1,002	1,271	1,302	1,336
Expenditure funded by appropriations	569,897	902,369	980,339	1,267,247	1,331,536
<b>Program 2.3 Defence Finance <sup>(a)</sup></b>					
Revenues from other sources	170,185	24,464	24,760	6,373	6,372
Expenditure funded by appropriations	-28,001	157,235	161,152	163,875	167,168
<b>Program 2.4 Joint Capabilities</b>					
Revenues from other sources	10,236	10,423	10,685	10,951	11,225
Expenditure funded by appropriations	2,625,331	2,871,613	3,041,213	2,783,638	3,037,365
<b>Program 2.5 Navy Capabilities</b>					
Revenues from other sources	20,020	20,603	21,244	21,794	22,363
Expenditure funded by appropriations	10,099,003	9,899,724	10,330,030	10,868,252	11,862,934
<b>Program 2.6 Army Capabilities</b>					
Revenues from other sources	16,990	16,723	17,222	18,606	19,167
Expenditure funded by appropriations	11,048,826	11,958,756	12,647,488	12,308,192	13,488,613
<b>Program 2.7 Air Force Capabilities</b>					
Revenues from other sources	39,385	40,851	41,900	42,978	44,082
Expenditure funded by appropriations	10,356,053	11,059,835	11,359,563	10,474,837	13,189,881
<b>Program 2.8 Australian Defence Force Headquarters</b>					
Revenues from other sources	212	325	330	337	343
Expenditure funded by appropriations	327,404	373,042	378,077	380,563	326,900
<b>Program 2.9 Capability Acquisition and Sustainment</b>					
Revenues from other sources	35,104	1,095	1,111	1,139	1,167
Expenditure funded by appropriations	624,425	656,634	686,827	717,446	755,836
<b>Program 2.10 Security and Estate</b>					
Revenues from other sources	799,996	626,320	641,527	657,802	652,414
Expenditure funded by appropriations	6,556,122	6,313,394	6,489,524	6,674,185	6,655,831
<b>Program 2.11 Chief Information Officer</b>					
Revenues from other sources	40,645	41,604	42,586	43,593	44,626
Expenditure funded by appropriations	1,890,127	1,751,486	1,742,447	1,654,471	2,148,012
<b>Program 2.12 Defence People</b>					
Revenues from other sources	1,507	1,321	1,357	1,391	1,426
Expenditure funded by appropriations	681,932	733,597	905,732	933,045	894,030
<b>Program 2.13 Defence Science and Technology</b>					
Revenues from other sources	4,311	4,451	4,497	4,643	4,759
Expenditure funded by appropriations	661,689	628,695	657,849	746,894	775,351
<b>Program 2.14 Defence Intelligence</b>					
Revenues from other sources	4,264	4,371	4,480	4,592	4,707
Expenditure funded by appropriations	773,702	763,603	1,009,080	1,008,305	836,640
<b>Program 2.15 Naval Shipbuilding and Sustainment</b>					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	300,014	424,024	251,151	216,840	213,026
<b>Program 2.16 Nuclear-Powered Submarines</b>					
Revenues from other sources	-	-	-	-	-
Expenditure funded by appropriations	-	515,030	389,216	3,722,728	977,587



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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Program 2.19 Defence Trusts and Joint Accounts</b>					
Revenues from other sources	304,822	327,736	260,810	316,626	324,806
Total Expenditure	304,822	327,736	260,810	316,626	324,806
<b>Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest</b>					
Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)	30,612	28,636	27,253	25,919	24,633
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,740,000	1,832,577	1,871,668	1,888,012	1,904,604
Military Superannuation and Benefits Act, 1991 Part V, s.17 <sup>[b]</sup>	1,660,000	1,837,732	2,059,294	2,233,270	2,404,848
Australian Defence Force Cover Act 2015	80,000	128,641	182,312	247,142	323,507
Expenses not requiring appropriation	5,920,330	5,362,127	5,408,816	5,570,697	5,768,253
<b>Total Administered expenses <sup>[c]</sup></b>	<b>9,430,942</b>	<b>9,189,713</b>	<b>9,549,343</b>	<b>9,965,040</b>	<b>10,425,845</b>
Administered revenues from other sources	-1,123,864	-1,057,464	-995,434	-936,466	-881,867
<b>Total Program 2.20 and 2.21</b>	<b>8,307,078</b>	<b>8,132,249</b>	<b>8,553,909</b>	<b>9,028,574</b>	<b>9,543,978</b>
<b>Program 2.22 Housing Assistance</b>					
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	160,753	174,203	190,462	209,287	229,982
Expenses not requiring appropriation	-	-	-	-	-
<b>Total Administered expenses</b>	<b>160,753</b>	<b>174,203</b>	<b>190,462</b>	<b>209,287</b>	<b>229,982</b>
Administered revenues from other sources	-19,235	-21,375	-23,739	-26,334	-29,187
<b>Total Program 2.22</b>	<b>141,518</b>	<b>152,828</b>	<b>166,723</b>	<b>182,953</b>	<b>200,795</b>
<b>Program 2.23 Other Administered</b>					
Other expenses	-	-	-	-	-
<b>Total Administered expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Administered revenues from other sources	-103,759	-119,989	-109,931	-92,489	-95,461
<b>Total Program 2.23</b>	<b>-103,759</b>	<b>-119,989</b>	<b>-109,931</b>	<b>-92,489</b>	<b>-95,461</b>
<b>Total resourcing</b>					
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	32,287,424	34,595,663	35,853,346	39,912,026	38,387,232
Total capital expenditure funded by appropriation/ (capital surplus)	-	-	-	-	-
Capital Prepayment	-	-	-	-	-
Total gifted assets included in budget estimates	353,300	205,900	166,300	144,800	134,900
Total Administered <sup>[d]</sup>	3,671,366	4,001,788	4,330,990	4,603,631	4,887,576
Total Departmental revenue from other sources	1,144,090	794,090	813,536	816,078	814,587
Total Administered revenue from other sources	1,246,858	1,198,828	1,129,104	1,055,289	1,006,515
Administered returns to the Official Public Account	-1,307,584	-1,185,877	-1,139,147	-1,073,839	-998,770
Prior year appropriation	-	-	-	-	-
Total capital expenditure funded by Equity injection:					
- Bill 1 DCB	2,777,568	3,240,552	3,430,448	3,154,056	3,254,579
- Bill 2 Equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
<b>Total resources for Outcome 2</b>	<b>52,005,413</b>	<b>54,814,041</b>	<b>57,118,934</b>	<b>60,078,906</b>	<b>63,312,966</b>
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts <sup>[e]</sup>	-	-	-	-	-
<b>Total resources for Outcome 2 including Defence Trusts and Joint Accounts</b>	<b>52,005,413</b>	<b>54,814,041</b>	<b>57,118,934</b>	<b>60,078,906</b>	<b>63,312,966</b>

**Notes**

- The Defence Finance expenditure reduction in 2022-23 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 Defence Finance expenditure is approximately \$192.2 million excluding the whole-of-department actuarial adjustments. The Defence Finance revenue from other sources includes receipts/ refunds from other agencies that are managed centrally.
- 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 2.20.
- Figures for 2022-23 and 2023-24 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.
- Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 50 shows estimates of total expenses for the Defence Superannuation Schemes.
- 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 <sup>[a]</sup>

This program will be achieved through the following activities:

**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 *Defence Strategy Framework*, endorsed by the Secretary of Defence and the Chief of the Defence Force, informs how strategy cascades through the organisation. The classified *Defence Planning Guidance*, released annually, is the primary strategic guidance document within Defence. It helps the organisation translate Government direction into action.

**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.

**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
Current 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. <i>Expected to be met</i>
	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. <i>Expected to be met</i>
	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. <i>Expected to be met</i>
	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. <i>Expected to be met</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.1 resulting from 2023-24 Budget Measures:		
<ul style="list-style-type: none"> <li>Enhancing Pacific Engagement with \$923.9 million over the period 2023-24 to 2026-27 to be absorbed by Defence.</li> </ul>		

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	88,646	86,865	94,294	96,411	105,365
Suppliers	534,925	537,380	542,722	561,252	590,376
Net losses from sale of assets	-	-	-	-	-
Other expenses	33,095	36,298	36,300	36,303	36,305
	656,666	660,543	673,316	693,966	732,046
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	31,171	30,855	39,199	44,984	56,392
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	533	508	511	477	382
	31,704	31,363	39,710	45,461	56,774
<b>Total operating expenses</b>	<b>688,370</b>	<b>691,906</b>	<b>713,026</b>	<b>739,427</b>	<b>788,820</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	98,978	326,933	272,552	54,148	200,974
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	9,016	9,236	9,461	9,692	9,928
<b>Total capital expenditure</b>	<b>107,994</b>	<b>336,169</b>	<b>282,013</b>	<b>63,840</b>	<b>210,902</b>
<b>Program 2.1 Strategy, Policy and Industry Total funded expenditure <sup>(a) (b)</sup></b>	<b>764,660</b>	<b>996,712</b>	<b>955,329</b>	<b>757,806</b>	<b>942,948</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

## 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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activities:</p> <p><b>4. Invest in Defence People.</b> 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><b>6. Deliver future capability.</b> 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
Current 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.  <i>Expected to be partially met</i>
	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.  <i>Expected to be substantially met</i>
	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.  <i>Baseline will be set</i>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.2 resulting from 2023-24 Budget Measures: Nil.

### Note

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 18: Cost Summary for Program 2.2 Defence Executive Support**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	90,523	72,832	74,295	75,492	77,014
Suppliers	284,397	643,394	649,238	878,509	979,851
Net losses from sale of assets	-	-	-	-	-
Other expenses	2,754	2,690	2,741	2,810	2,880
	377,674	718,916	726,274	956,811	1,059,745
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	6,998	20,287	29,313	32,045	50,181
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	12,156	12,883	15,673	21,108	27,871
	19,154	33,170	44,986	53,153	78,052
<b>Total operating expenses</b>	<b>396,828</b>	<b>752,086</b>	<b>771,260</b>	<b>1,009,964</b>	<b>1,137,797</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	192,941	184,438	255,319	311,721	273,109
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	16	17	17	17	18
<b>Total capital expenditure</b>	<b>192,957</b>	<b>184,455</b>	<b>255,336</b>	<b>311,738</b>	<b>273,127</b>
<b>Program 2.2 Defence Executive Support Total funded expenditure <sup>(a)</sup> <sup>(b)</sup></b>	<b>570,631</b>	<b>903,371</b>	<b>981,610</b>	<b>1,268,549</b>	<b>1,332,872</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

### Program 2.3: Defence Finance

#### Program 2.3 Objective

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

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activities:</p> <p><b>6. Deliver future capability.</b> 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><b>7. Advance Australia's prosperity.</b> 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
Current Year 2023-24	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.  <i>Baseline will be set</i>
	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.  <i>Expected to be met</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.3 resulting from 2023-24 Budget Measures: Nil.		

#### Note

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 19: Cost Summary for Program 2.3 Defence Finance <sup>[a]</sup>**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees <sup>[b] [c]</sup>	43,444	96,033	99,110	100,824	102,606
Suppliers	95,104	81,917	82,949	65,494	66,925
Net losses from sale of assets	-	-	-	-	-
Other expenses	3,588	3,700	3,803	3,879	3,957
	142,136	181,650	185,862	170,197	173,488
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
<b>Total operating expenses</b>	<b>142,136</b>	<b>181,650</b>	<b>185,862</b>	<b>170,197</b>	<b>173,488</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	48	49	50	51	52
<b>Total capital expenditure</b>	<b>48</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>
<b>Program 2.3 Defence Finance Total funded expenditure <sup>[d] [e]</sup></b>	<b>142,184</b>	<b>181,699</b>	<b>185,912</b>	<b>170,248</b>	<b>173,540</b>

**Notes**

- The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs.
- Full-time equivalent headcount is held in this Program from time to time for future prioritisation.
- The Defence Finance Employees Expenses reduction in 2022-23 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 Defence Finance Employees Expenses in 2022-23 for Program 2.3 (Defence Finance) is approximately \$93.4 million excluding the whole-of-department actuarial adjustments.
- The Defence Finance revenue from other sources includes receipts/ refunds from other agencies that are managed centrally.
- 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 cyber warfare effects, logistics, health, military police, youth development, reserves and employer support, gender mainstreaming, civil-military cooperation 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 <sup>[a]</sup>

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 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.

**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
Current 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. <i>Expected to be partially met</i>
	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. <i>Expected to be substantially met</i>
	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. <i>Baseline will be set</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	Defence responds to Australian Government requirements and conducts campaigns and operations as directed. This will change year on year.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.4 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 20: Cost Summary for Program 2.4 Joint Capabilities**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	747,105	753,697	785,532	817,364	849,619
Suppliers	1,255,311	1,273,996	1,263,501	1,484,718	1,237,991
Net losses from sale of assets	-	-	-	-	-
Other expenses	21	21	22	22	23
	2,002,437	2,027,714	2,049,055	2,302,104	2,087,633
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	44,925	77,890	116,324	156,555	192,398
Inventory consumption	25,319	36,498	32,581	44,932	45,119
Net write-down and net impairment of assets	290,096	279,764	270,220	260,753	254,122
	360,340	394,152	419,125	462,240	491,639
<b>Total operating expenses</b>	<b>2,362,777</b>	<b>2,421,866</b>	<b>2,468,180</b>	<b>2,764,344</b>	<b>2,579,272</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	575,451	777,114	930,663	409,473	879,070
Purchases of inventory	57,616	77,144	72,114	82,945	81,818
Principal repayments of lease liabilities	63	64	66	67	69
<b>Total capital expenditure</b>	<b>633,130</b>	<b>854,322</b>	<b>1,002,843</b>	<b>492,485</b>	<b>960,957</b>
<b>Program 2.4 Joint Capabilities Total funded expenditure <sup>(a) (b)</sup></b>	<b>2,635,567</b>	<b>2,882,036</b>	<b>3,051,898</b>	<b>2,794,589</b>	<b>3,048,590</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

**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** <sup>[a]</sup>

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 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
Current 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. <i>Baseline will be set</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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.	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.

Year	Performance measures	Planned Performance Results
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.5 resulting from 2023-24 Budget Measures: <ul style="list-style-type: none"> <li>Activity to support delivery of nuclear-powered submarines as part of the Defence Integrated Investment Program is now included in Program 2.16: Nuclear-Powered Submarines.</li> </ul>		

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 21: Cost Summary for Program 2.5 Navy Capabilities**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	2,487,879	2,623,022	2,750,828	2,845,991	2,976,888
Suppliers	3,703,166	4,273,226	4,361,980	4,341,414	4,671,325
Net losses from sale of assets	-	-	-	-	-
Other expenses	6,921	6,438	5,937	5,485	4,998
	6,197,966	6,902,686	7,118,745	7,192,890	7,653,211
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	1,345,112	1,481,447	1,648,962	1,868,885	2,107,023
Inventory consumption	295,204	303,436	292,233	295,418	258,862
Net write-down and net impairment of assets	17,765	25,563	31,409	37,732	41,911
	1,658,081	1,810,446	1,972,604	2,202,035	2,407,796
<b>Total operating expenses</b>	<b>7,856,047</b>	<b>8,713,132</b>	<b>9,091,349</b>	<b>9,394,925</b>	<b>10,061,007</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	3,226,416	2,374,727	2,582,952	3,162,067	3,746,657
Purchases of inventory	669,092	620,710	626,772	512,302	462,719
Principal repayments of lease liabilities	25,549	22,204	22,805	22,787	22,710
<b>Total capital expenditure</b>	<b>3,921,057</b>	<b>3,017,641</b>	<b>3,232,529</b>	<b>3,697,156</b>	<b>4,232,086</b>
<b>Program 2.5 Navy Capabilities Total funded expenditure <sup>(a)</sup> <sup>(b)</sup></b>	<b>10,119,023</b>	<b>9,920,327</b>	<b>10,351,274</b>	<b>10,890,046</b>	<b>11,885,297</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

**Table 22: Navy Deliverables (Unit Availability Days) <sup>[a]</sup>**

Deliverables		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
17	Major Combatants <sup>[b]</sup>	3,407	3,303	3,554	2,944	3,377
14	Minor Combatants <sup>[c]</sup>	4,184	3,786	2,618	2,334	2,269
5	Amphibious and Afloat Support <sup>[d]</sup>	1,186	1,187	1,170	1,086	1,009
10	Maritime Teams <sup>[e]</sup>	3,345	3,302	3,302	3,302	3,302
5	Hydrographic Force <sup>[f]</sup>	1,246	1,265	921	565	365

**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 and four *Huon* class coastal minehunters. Decrease in UAD from 2024-25 reflects transition from predominately *Armidale* class to *Cape* class.
- d. Amphibious and Afloat Support comprises two *Supply* class replenishment ships, two *Canberra* class amphibious ships and HMAS *Choules*. Decreased UAD in the Forward Estimates is due to scheduled maintenance periods.
- e. Maritime Teams comprises two Clearance Diving teams, four Deployable Geospatial Support and four Deployable Meteorological teams.
- 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 *Leeuwin* and *Paluma* class.

**Table 23: Navy Deliverables (Flying Hours)**

Deliverables		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
23	MH-60R <sup>[a]</sup>	5,750	6,250	6,750	7,200	7,200

**Note**

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

## 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 <sup>[a]</sup>

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 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
Current 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.  <i>Baseline will be set</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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.	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.



<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.6 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 24: Cost Summary for Program 2.6 Army Capabilities**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	4,504,569	4,722,344	4,826,935	4,965,172	5,132,961
Suppliers	2,095,823	2,739,957	3,282,113	3,355,392	3,329,310
Net losses from sale of assets	-	-	-	-	-
Other expenses	13	121	124	127	131
	6,600,405	7,462,422	8,109,172	8,320,691	8,462,402
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	1,290,363	1,449,060	1,582,139	1,723,083	1,856,459
Inventory consumption	415,976	423,160	461,447	449,596	517,510
Net write-down and net impairment of assets	36,356	46,987	58,691	69,070	79,972
	1,742,695	1,919,207	2,102,277	2,241,749	2,453,941
<b>Total operating expenses</b>	<b>8,343,100</b>	<b>9,381,629</b>	<b>10,211,449</b>	<b>10,562,440</b>	<b>10,916,343</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	3,519,180	3,632,122	3,547,355	3,201,877	4,106,608
Purchases of inventory	940,928	875,502	1,002,618	798,529	932,930
Principal repayments of lease liabilities	5,303	5,433	5,565	5,701	5,840
<b>Total capital expenditure</b>	<b>4,465,411</b>	<b>4,513,057</b>	<b>4,555,538</b>	<b>4,006,107</b>	<b>5,045,378</b>
<b>Program 2.6 Army Capabilities Total funded expenditure <sup>[a] [b]</sup></b>	<b>11,065,816</b>	<b>11,975,479</b>	<b>12,664,710</b>	<b>12,326,798</b>	<b>13,507,780</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

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

Deliverables		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
10	CH-47F Chinook	2,600	2,800	3,000	3,000	3,000
34	S-70A-9 Black Hawk <sup>[a]</sup>	-	-	-	-	-
22	ARH Tiger <sup>[b]</sup>	4,500	4,500	4,500	2,500	1,400
47	MRH-90 Taipan <sup>[c]</sup>	4,850	6,000	6,000	6,000	6,000
29	AH-64E Apache <sup>[d]</sup>	-	-	-	1,500	3,000
40	UH-60M Black Hawk <sup>[e]</sup>	-	1,500	2,700	4,200	4,300

**Notes**

- a. The fleet of S-70A-9 Black Hawk was retired from service in December 2022.
- b. Reducing ARH Tiger Rate of Effort reflects transition of the workforce to the replacement Boeing AH-64E Apache.
- c. Future year forecasts are subject to ongoing MRH stabilisation and withdrawal from service planning. 6000 hours estimated to be the upper limit.
- d. 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.
- e. UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service as it replaces MRH90 Taipan. Aircraft deliveries are expected to commence in quarter 2, 2023 and will progressively increase to a fleet of 40.

## 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 <sup>[a]</sup>

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 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
Current 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.  <i>Baseline will be set</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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.	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.

Year	Performance measures	Planned Performance Results
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.7 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 26: Cost Summary for Program 2.7 Air Force Capabilities**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	2,492,338	2,615,617	2,707,930	2,815,828	2,954,117
Suppliers	4,290,690	4,480,100	4,819,278	4,644,360	4,982,459
Net losses from sale of assets	-	-	-	-	-
Other expenses	2,435	2,439	2,498	2,559	2,622
	6,785,463	7,098,156	7,529,706	7,462,747	7,939,198
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	1,779,423	1,854,068	1,972,431	2,134,512	2,312,750
Inventory consumption	275,052	287,942	302,509	337,914	346,862
Net write-down and net impairment of assets	21,825	28,633	35,785	44,749	50,810
	2,076,300	2,170,643	2,310,725	2,517,175	2,710,422
<b>Total operating expenses</b>	<b>8,861,763</b>	<b>9,268,799</b>	<b>9,840,431</b>	<b>9,979,922</b>	<b>10,649,620</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	2,968,914	3,383,872	3,190,349	2,431,331	4,638,352
Purchases of inventory	609,526	586,353	648,315	589,836	621,685
Principal repayments of lease liabilities	31,535	32,305	33,093	33,901	34,728
<b>Total capital expenditure</b>	<b>3,609,975</b>	<b>4,002,530</b>	<b>3,871,757</b>	<b>3,055,068</b>	<b>5,294,765</b>
<b>Program 2.7 Air Force Capabilities Total funded expenditure <sup>(a) (b)</sup></b>	<b>10,395,438</b>	<b>11,100,686</b>	<b>11,401,463</b>	<b>10,517,815</b>	<b>13,233,963</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

**Table 27: Air Force Deliverables (Flying Hours)**

Deliverables <sup>[a]</sup>		2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
49	PC-21	19,941	23,650	23,650	23,650	23,650
12	KA350 King Air <sup>[b]</sup>	4,091	8,300	4,150	4,150	4,150
12	C-130J Hercules	5,450	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	5,518	6,200	6,200	6,200	6,200
10	C-27J Spartan	4,750	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,183	4,700	4,700	4,700	4,700
2	737 BBJ <sup>[c]</sup>	1,442	1,600	1,600	1,600	1,600
3	Falcon-7X	1,756	2,400	2,400	2,400	2,400
2	AP-3C Orion <sup>[d]</sup>	808	350	-	-	-
12	P-8A Poseidon <sup>[e]</sup>	5,200	6,600	7,200	7,200	7,200
6	E-7A Wedgetail	3,045	3,600	3,600	3,600	3,600
24	F/A-18F Super Hornet	4,670	4,050	4,050	4,050	4,050
33	Hawk 127	4,989	6,500	6,500	6,500	6,500
12	E/A-18G Growler	2,474	2,800	2,800	2,800	2,800
72	F-35A Lightning II <sup>[f]</sup>	7,388	12,500	13,000	13,500	13,500
-	MC-55A Peregrine <sup>[g]</sup>	-	450	1,500	2,440	3,000
-	MQ-4C Triton <sup>[h]</sup>	-	-	300	1,500	2,000

**Notes**

- a. Fleet sizes represent totals at commencement of 2023-24.
- b. KA350 Forward Estimates reflect the fleet's planned withdrawal from service 2028-29.
- c. 737 BBJ hours reflect the replacement of existing aircraft with 2 new 737 BBJ.
- d. AP-3C Orion Forward Estimates reflect the fleet's planned withdrawal from service.
- e. P-8A Poseidon Forward Estimates reflect the fleet's on-going introduction into service.
- f. F-35A Forward Estimate figures are based on maturing understanding of F-35A within the Air Combat Program.
- g. MC-55A Peregrine Forward Estimates reflect the fleet's planned introduction into service.
- h. 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** <sup>[a]</sup>

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 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
Current 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. <i>Baseline will be set</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	1.1: Defence successfully maintains ready forces, plans and conducts operations, activities and actions as directed by Government to achieve Australia's strategic objectives.	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.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.8 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	42,361	30,416	31,771	32,778	33,551
Suppliers	275,934	248,049	306,812	291,845	260,287
Net losses from sale of assets	-	-	-	-	-
Other expenses	15	15	16	16	16
	318,310	278,480	338,599	324,639	293,854
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	9,943	9,169	12,147	14,800	16,912
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	583	514	502	483	450
	10,526	9,683	12,649	15,283	17,362
<b>Total operating expenses</b>	<b>328,836</b>	<b>288,163</b>	<b>351,248</b>	<b>339,922</b>	<b>311,216</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	8,834	94,404	39,313	55,754	32,869
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	472	483	495	507	520
<b>Total capital expenditure</b>	<b>9,306</b>	<b>94,887</b>	<b>39,808</b>	<b>56,261</b>	<b>33,389</b>
<b>Program 2.8 Australian Defence Force Headquarters Total funded expenditure <sup>[a]</sup></b>	<b>327,616</b>	<b>373,367</b>	<b>378,407</b>	<b>380,900</b>	<b>327,243</b>

**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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activities:</p> <p><b>6. Deliver future capability.</b> 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><b>7. Advance Australia's prosperity.</b> 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>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current 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. <i>Baseline will be set</i>
	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. <i>Expected to be met</i>
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.9 resulting from 2023-24 Budget Measures: Nil.		

### Note

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	368,456	376,605	396,009	416,279	443,528
Suppliers	290,961	281,010	291,812	302,187	313,352
Net losses from sale of assets	-	-	-	-	-
Other expenses	11	11	11	11	12
	659,428	657,626	687,832	718,477	756,892
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	447	403	214	146	129
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets <sup>[a]</sup>	-172	-166	-159	-153	-143
	275	237	55	-7	-14
<b>Total operating expenses</b>	<b>659,703</b>	<b>657,863</b>	<b>687,887</b>	<b>718,470</b>	<b>756,878</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	101	103	106	108	111
<b>Total capital expenditure</b>	<b>101</b>	<b>103</b>	<b>106</b>	<b>108</b>	<b>111</b>
<b>Program 2.9 Capability Acquisition and Sustainment Total funded expenditure <sup>[b] [c]</sup></b>	<b>659,529</b>	<b>657,729</b>	<b>687,938</b>	<b>718,585</b>	<b>757,003</b>

**Notes**

- Defence has a net write-down and impairment of assets.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- The change in estimates includes movement of functions and their associated budgets within Defence.

**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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>6. Deliver future capability.</b> 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
Current 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.  <i>Baseline will be set</i>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.10 resulting from 2023-24 Budget Measures: Nil.

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 30: Cost Summary for Program 2.10 Security and Estate**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	1,230,108	1,250,570	1,289,537	1,373,689	1,398,099
Suppliers	3,921,298	3,175,096	3,077,586	3,023,563	2,964,742
Net losses from sale of assets	-	-	-	-	-
Other expenses	93,035	91,442	89,717	87,296	85,009
	5,244,441	4,517,108	4,456,840	4,484,548	4,447,850
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	1,494,976	1,463,877	1,401,855	1,474,035	1,557,294
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	2,828	4,153	4,927	5,107	4,540
	1,497,804	1,468,030	1,406,782	1,479,142	1,561,834
<b>Total operating expenses</b>	<b>6,742,245</b>	<b>5,985,138</b>	<b>5,863,622</b>	<b>5,963,690</b>	<b>6,009,684</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	1,887,216	2,191,188	2,435,486	2,602,506	2,608,428
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	224,461	231,418	238,725	244,933	251,967
<b>Total capital expenditure</b>	<b>2,111,677</b>	<b>2,422,606</b>	<b>2,674,211</b>	<b>2,847,439</b>	<b>2,860,395</b>
<b>Program 2.10 Security and Estate Total funded expenditure <sup>[a]</sup></b>	<b>7,356,118</b>	<b>6,939,714</b>	<b>7,131,051</b>	<b>7,331,987</b>	<b>7,308,245</b>

**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 2.11: 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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>6. Deliver future capability.</b> 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
Current 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.  <i>Baseline will be set</i>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.11 resulting from 2023-24 Budget Measures: Nil.

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 31: Cost Summary for Program 2.11 Chief Information Officer**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	130,689	112,487	117,448	125,852	126,648
Suppliers	1,770,162	1,542,802	1,511,475	1,434,935	1,760,452
Net losses from sale of assets	-	-	-	-	-
Other expenses	33	34	35	36	37
	1,900,884	1,655,323	1,628,958	1,560,823	1,887,137
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	263,403	261,762	241,252	174,922	154,502
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	31,733	37,269	44,269	51,798	65,449
	295,136	299,031	285,521	226,720	219,951
<b>Total operating expenses</b>	<b>2,196,020</b>	<b>1,954,354</b>	<b>1,914,479</b>	<b>1,787,543</b>	<b>2,107,088</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	26,799	134,603	152,834	133,921	302,100
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	3,089	3,164	3,241	3,320	3,401
<b>Total capital expenditure</b>	<b>29,888</b>	<b>137,767</b>	<b>156,075</b>	<b>137,241</b>	<b>305,501</b>
<b>Program 2.11 Chief Information Officer Total funded expenditure <sup>[a]</sup></b>	<b>1,930,772</b>	<b>1,793,090</b>	<b>1,785,033</b>	<b>1,698,064</b>	<b>2,192,638</b>

**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.

<b>Key Activities</b> <sup>[a]</sup>	<p>The program will be achieved through the following activities:</p> <p><b>1. Conduct operations and deployments to defend and advance Australia's national interests.</b> 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 disaster and emergencies at home and abroad.</p> <p><b>4. Invest in Defence People.</b> 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
Current 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. <i>Expected to be partially met.</i>
	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. <i>Expected to be substantially met.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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.

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.12 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.



**Table 32: Cost Summary for Program 2.12 Defence People**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	175,868	224,712	229,820	234,494	238,978
Suppliers	490,992	494,096	660,854	683,214	639,430
Net losses from sale of assets	-	-	-	-	-
Other expenses	4,832	4,076	4,088	4,100	4,112
	671,692	722,884	894,762	921,808	882,520
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	13,152	13,946	14,766	15,558	16,434
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	1,127	1,243	1,351	1,465	1,574
	14,279	15,189	16,117	17,023	18,008
<b>Total operating expenses</b>	<b>685,971</b>	<b>738,073</b>	<b>910,879</b>	<b>938,831</b>	<b>900,528</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	11,747	12,034	12,327	12,628	12,936
<b>Total capital expenditure</b>	<b>11,747</b>	<b>12,034</b>	<b>12,327</b>	<b>12,628</b>	<b>12,936</b>
<b>Program 2.12 Defence People Total funded expenditure <sup>[a]</sup></b>	<b>683,439</b>	<b>734,918</b>	<b>907,089</b>	<b>934,436</b>	<b>895,456</b>

**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 <sup>[a]</sup>**

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
Current 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. <i>Baseline will be set</i>
	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. <i>Expected to be met.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.13 resulting from 2023-24 Budget Measures:		
<ul style="list-style-type: none"> <li>Establishment of the Advanced Strategic Capabilities Accelerator (ASCA) which includes activities previously undertaken by the Next Generation Technology Fund, Defence Innovation Hub, Capability Accelerator Fund and Rapid Prototyping Initiative.</li> </ul>		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

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

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	315,533	330,571	341,560	354,986	367,667
Suppliers	320,355	292,655	310,448	374,954	397,406
Net losses from sale of assets	-	-	-	-	-
Other expenses	17	1,111	1,122	1,134	1,145
	635,905	624,337	653,130	731,074	766,218
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	25,369	26,954	28,603	31,003	33,790
Inventory consumption	147	151	155	158	162
Net write-down and net impairment of assets	3,947	4,333	4,532	4,987	4,708
	29,463	31,438	33,290	36,148	38,660
<b>Total operating expenses</b>	<b>665,368</b>	<b>655,775</b>	<b>686,420</b>	<b>767,222</b>	<b>804,878</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	29,752	8,458	8,856	20,095	13,515
Purchases of inventory	147	151	155	158	162
Principal repayments of lease liabilities	196	200	205	210	215
<b>Total capital expenditure</b>	<b>30,095</b>	<b>8,809</b>	<b>9,216</b>	<b>20,463</b>	<b>13,892</b>
<b>Program 2.13 Defence Science and Technology Total funded expenditure <sup>[a] [b]</sup></b>	<b>666,000</b>	<b>633,146</b>	<b>662,346</b>	<b>751,537</b>	<b>780,110</b>

**Notes**

- a. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- b. The change in estimates includes movement of functions and their associated budgets within Defence.

**Program 2.14: Defence Intelligence****Program 2.14 Objective**

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

<b>Key Activities</b> <sup>[a]</sup>	<p>This program is achieved through the following activities:</p> <p><b>3. Enable intelligence-informed strategic policy and international operations.</b> 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><b>6. Deliver future capability.</b> 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>	
<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Current 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.  <i>Baseline will be set</i>
	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.  <i>Baseline will be set</i>
<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	3.1: Defence intelligence assessments and products inform the planning and conduct of international operations and the development of strategic policy.	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.	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.14 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 34: Cost Summary for Program 2.14 Defence Intelligence**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	112,426	115,850	120,387	126,284	130,957
Suppliers	513,900	511,562	529,505	489,875	472,388
Net losses from sale of assets	-	-	-	-	-
Other expenses	11	12	12	12	12
	626,337	627,424	649,904	616,171	603,357
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	27,985	39,188	53,324	69,258	81,348
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	27,698	30,323	32,799	34,857	36,671
	55,683	69,511	86,123	104,115	118,019
<b>Total operating expenses</b>	<b>682,020</b>	<b>696,935</b>	<b>736,027</b>	<b>720,286</b>	<b>721,376</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	151,469	140,386	363,488	396,554	237,814
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	160	164	168	172	176
<b>Total capital expenditure</b>	<b>151,629</b>	<b>140,550</b>	<b>363,656</b>	<b>396,726</b>	<b>237,990</b>
<b>Program 2.14 Defence Intelligence Total funded expenditure <sup>[a]</sup></b>	<b>777,966</b>	<b>767,974</b>	<b>1,013,560</b>	<b>1,012,897</b>	<b>841,347</b>

**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	2022-23 Estimated Actual	2023-24 Budget Estimate	2024-25 Forward Year 1	2025-26 Forward Year 2	2026-27 Forward Year 3
Maritime Safety Updates <sup>[a]</sup>	100%	100%	100%	100%	100%
Charting Projects <sup>[b]</sup>	16	14	15	15	15
Nautical Publications <sup>[c]</sup>	29	29	29	29	29
Survey Projects <sup>[d]</sup>	11	9	8	12	14
Australian Hydrographic Office Availability <sup>[e]</sup>	247	247	248	249	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 PB Statements Target of 100 per cent achievement.
- 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 2022-23, 16 Charting Projects are on track to be completed. For 2023-24, 14 Charting Projects are planned to be completed.
- c. The Nautical Publications produced are 25 fortnightly Notices to Mariners, four annual publications, and selected additional publications in some years.
- 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 HIPP budget guidance and available personnel to manage the planning and oversight of scheduled survey projects. In 2022-23, 11 Survey Projects are planned to be completed. HIPP Phase 1 funding expires at the end of 2023-24; all Stage 1 contracts to be completed by end of 2023-24.
- 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. In 2022-23 the AHO availability was reduced by one day, to 247 days, when Thursday 22 September 2022 was declared the National Day of Mourning for Her Majesty The Queen.

**Program 2.15: Naval Shipbuilding and Sustainment****Program 2.15 Objective**

To deliver maritime capability through the acquisition and sustainment of naval vessels for Navy and Army, while supporting the development of continuous naval shipbuilding key enablers in Australia, including the development of a secure, sovereign industrial base, infrastructure, and an appropriately skilled and experienced workforce.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program is achieved through the following activities:</p> <p><b>6. Deliver future capability.</b> 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
Current Year 2022-23	N/A.	N/A.
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.15 resulting from 2023-24 Budget Measures: Nil.

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 36: Cost Summary for Program 2.15 Naval Shipbuilding and Sustainment**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	138,300	140,636	143,429	146,277	149,181
Suppliers	161,709	283,383	107,717	70,558	63,840
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	300,009	424,019	251,146	216,835	213,021
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	5	5	5	5	5
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	5	5	5	5	5
<b>Total operating expenses</b>	<b>300,014</b>	<b>424,024</b>	<b>251,151</b>	<b>216,840</b>	<b>213,026</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	-	-	-	-
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	5	5	5	5	5
<b>Total capital expenditure</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure <sup>(a)</sup> <sup>(b)</sup></b>	<b>300,014</b>	<b>424,024</b>	<b>251,151</b>	<b>216,840</b>	<b>213,026</b>

**Notes**

- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- Program 2.15 Naval Shipbuilding and Sustainment was created on 4 January 2023 and reflects movement of functions and associated budget from other Defence Programs.



**Program 2.16: Nuclear-Powered Submarines****Program 2.16 Objective**

Protect and advance Australia's national interests through the acquisition, delivery, construction, technical governance, sustainment and disposal of Australia's nuclear-powered submarine capability, via the AUKUS partnership, as directed by Government.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program is achieved through the following activities:</p> <p><b>6. Deliver future capability.</b> 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
Current Year 2022-23	N/A.	N/A.
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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.	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 2024-27	As per 2023-24.	As per 2023-24.

Material changes to Program 2.16 resulting from 2023-24 Budget Measures:

- Activity to support delivery of nuclear-powered submarines as part of the Defence Integrated Investment Program.

**Note**

- a. Refers to updated key activities that are reflected in the *2022-26 Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 37: Cost Summary for Program 2.16 Nuclear-Powered Submarines** <sup>[a]</sup>

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Employees	-	-	-	-	-
Suppliers	-	513,586	387,252	3,720,224	900,571
Net losses from sale of assets	-	-	-	-	-
Other expenses	-	-	-	-	-
	-	513,586	387,252	3,720,224	900,571
<b>Expenses not requiring appropriation</b>					
Depreciation and amortisation	-	-	-	-	-
Inventory consumption	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-
	-	-	-	-	-
<b>Total operating expenses</b>					
<b>Capital expenditure funded by appropriation and own source revenue</b>					
Purchases of non-financial assets	-	1,444	1,964	2,504	77,016
Purchases of inventory	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-
<b>Total capital expenditure</b>	-	1,444	1,964	2,504	77,016
<b>Program 2.16 Nuclear-Powered Submarines Total funded expenditure</b> <sup>[b]</sup>					
<sup>[c]</sup>	-	515,030	389,216	3,722,728	977,587

**Notes**

- \$3.326 billion of the total costs of the Nuclear-Powered Submarines program over the Forward Estimates are reflected against other Defence Programs. The final allocation of funding for the nuclear-submarine capability will be finalised ahead of the establishment of the Australian Submarine Agency on 1 July 2023.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- Program 2.16 Nuclear-Powered Submarines was created on 27 March 2023 and reflects movement of functions and associated budget from other Defence Programs.

**Program 2.19: Defence Trusts and Joint Accounts**
**Table 38: Cost Summary for Program 2.19 Defence Trusts and Joint Accounts**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses funded by appropriation and own source revenue</b>					
Other expenses	304,822	327,736	260,810	316,626	324,806
<b>Total operating expenses</b>	<b>304,822</b>	<b>327,736</b>	<b>260,810</b>	<b>316,626</b>	<b>324,806</b>
<b>Income</b>					
<b>Revenues</b>					
Other revenue	304,822	327,736	260,810	316,626	324,806
<b>Total revenue</b>	<b>304,822</b>	<b>327,736</b>	<b>260,810</b>	<b>316,626</b>	<b>324,806</b>
<b>Total income</b>	<b>304,822</b>	<b>327,736</b>	<b>260,810</b>	<b>316,626</b>	<b>324,806</b>
<b>Program 2.19 Defence Trusts and Joint Accounts <sup>[a]</sup></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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 <sup>[a]</sup>**

This program will be achieved through the following activity:

**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.

Year	Performance measures	Expected Performance Results
Current 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. <i>Expected to be partially met</i>
	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. <i>Expected to be substantially met</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.20 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

### 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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved by:</p> <p><b>4. Invest in Defence People.</b> 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
Current 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.  <i>Expected to be partially met</i>
	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.  <i>Expected to be substantially met</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.21 resulting from 2023-24 Budget Measures: Nil.		

#### Note

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 39: Cost Summary for Administered Program 2.20 Defence Force Superannuation Benefits and Administered Program 2.21 Defence Force Superannuation Nominal Interest**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses</b>					
Net foreign exchange losses	-	-	-	-	-
Military retention benefits	63,929	36,669	9,889	-	-
Military superannuation benefits <sup>[a]</sup>					
- benefits	3,868,388	3,157,552	3,282,335	3,440,342	3,624,564
- interest	5,498,625	5,995,492	6,257,119	6,524,698	6,801,281
<b>Total expenses</b>	<b>9,430,942</b>	<b>9,189,713</b>	<b>9,549,343</b>	<b>9,965,040</b>	<b>10,425,845</b>
<b>Income</b>					
<b>Revenues <sup>[b]</sup></b>					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Military superannuation contributions	-1,123,864	-1,057,464	-995,434	-936,466	-881,867
<b>Total income</b>	<b>-1,123,864</b>	<b>-1,057,464</b>	<b>-995,434</b>	<b>-936,466</b>	<b>-881,867</b>
<b>Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest</b>	<b>8,307,078</b>	<b>8,132,249</b>	<b>8,553,909</b>	<b>9,028,574</b>	<b>9,543,978</b>

**Notes**

- a. Figures for 2022-23 and 2023-24 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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>4. Invest in Defence People.</b> 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
Current 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. <i>Expected to be partially met.</i>
	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. <i>Expected to be substantially met.</i>
Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
Material changes to Program 2.22 resulting from 2023-24 Budget Measures: Nil.		

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 40: Cost Summary for Administered Program 2.22 Housing Assistance**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses</b>					
Net foreign exchange losses	-	-	-	-	-
Housing subsidies	160,753	174,203	190,462	209,287	229,982
<b>Total expenses</b>	<b>160,753</b>	<b>174,203</b>	<b>190,462</b>	<b>209,287</b>	<b>229,982</b>
<b>Income</b>					
<b>Revenues <sup>(a)</sup></b>					
Interest	-	-	-	-	-
Net foreign exchange gains	-	-	-	-	-
Dividends	-	-	-	-	-
License fees	-19,235	-21,375	-23,739	-26,334	-29,187
Other	-	-	-	-	-
<b>Total income</b>	<b>-19,235</b>	<b>-21,375</b>	<b>-23,739</b>	<b>-26,334</b>	<b>-29,187</b>
<b>Program 2.22 Housing Assistance</b>	<b>141,518</b>	<b>152,828</b>	<b>166,723</b>	<b>182,953</b>	<b>200,795</b>

**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.

<b>Key Activities</b> <sup>[a]</sup>	<p>This program will be achieved through the following activity:</p> <p><b>4. Invest in Defence People.</b> 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
Current 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.  <i>Expected to be partially met.</i>
	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.  <i>Expected to be substantially met.</i>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	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 2024-27	As per 2023-24.	As per 2023-24.
------------------------------	-----------------	-----------------

Material changes to Program 2.23 resulting from 2023-24 Budget Measures: Nil.

**Note**

- a. Refers to updated key activities that are reflected in the 2022-26 *Defence Corporate Plan*. Corporate Planning, including performance measures, key activities and targets will be reviewed in light of the release of the *Defence Strategic Review*.

**Table 41: Cost Summary for Administered Program 2.23 Other Administered**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Expenses</b>					
Supplier expenses	-	-	-	-	-
Impairment on trade and other receivables	-	-	-	-	-
<b>Total expenses</b>	-	-	-	-	-
<b>Income</b>					
<b>Revenues <sup>(a)</sup></b>					
Interest	-	-	-	-	-
Dividends	-63,559	-74,158	-61,539	-40,182	-44,862
Other	-40,200	-45,831	-48,392	-52,307	-50,599
<b>Total income</b>	<b>-103,759</b>	<b>-119,989</b>	<b>-109,931</b>	<b>-92,489</b>	<b>-95,461</b>
<b>Program 2.23 Other Administered</b>	<b>-103,759</b>	<b>-119,989</b>	<b>-109,931</b>	<b>-92,489</b>	<b>-95,461</b>

**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 2023-24 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](http://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 42: Defence Resource Statement — Budget Estimates for 2023-24 as at May Budget 2023**

	Estimated Actual available appropriation 2022-23 \$'000	Estimate of prior year amounts available in 2023-24 \$'000	Proposed at Budget 2023-24 \$'000	Total Estimate 2023-24 \$'000
<b>Departmental</b>				
Annual appropriations - ordinary annual services	32,753,202	-	34,828,325	34,828,325
Prior year appropriations available	-	-	-	-
Departmental appropriation	-	-	-	-
s74 External Revenue	-	-	-	-
Departmental capital budget - non-operating	-	-	-	-
Draw down of prior year appropriations	-	-	-	-
Prior year appropriations available	188,678	732,037	253,938	985,975
Equity injection	11,832,391	-	11,963,096	11,963,096
Departmental Capital Budget	2,833,844	-	3,294,930	3,294,930
<b>Total Departmental annual appropriations <sup>[a]</sup></b>	<b>47,608,115</b>	<b>732,037</b>	<b>50,340,289</b>	<b>51,072,326</b>
<b>Total Departmental resourcing</b>	<b>47,608,115</b>	<b>732,037</b>	<b>50,340,289</b>	<b>51,072,326</b>
<b>Administered</b>				
Annual appropriations - ordinary annual services	3,671,366	-	4,001,788	4,001,788
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
<b>Total Administered annual appropriations</b>	<b>3,671,366</b>	<b>-</b>	<b>4,001,788</b>	<b>4,001,788</b>
<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 <sup>[b]</sup>	-	-357,357	-	-357,357
<b>Total Special Accounts</b>	<b>357,357</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Administered resourcing</b>	<b>4,028,723</b>	<b>-</b>	<b>4,001,788</b>	<b>4,001,788</b>

**Notes**

- a. The appropriations for 2022-23, include amounts in Appropriation Bill 3 and Bill 4 which are yet to receive Royal Assent.
- 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 43: Third Party Payments to and from other Agencies <sup>[a]</sup>**

	<b>2022-23 Estimated Actual \$'000</b>	<b>2023-24 Budget Estimate \$'000</b>
Receipts from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	137,630	110,838
Payments made to Defence Housing Australia for the provision of services (Departmental)	700,471	732,324
Receipts from Australian Signals Directorate for provision of services (Departmental)	97,426	100,502
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	23,978	24,071
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	35,870	38,079
Payments made to the Department of Finance for the provision of services (Departmental)	37,305	37,305
Payments made to Comcare for workers compensation premiums (Departmental)	12,169	12,887
Payments made to the Australian Federal Police for the provision of services (Departmental)	54,812	56,935
Payments made to the Bureau of Meteorology for the provision of services (Departmental)	26,442	26,779

**Note**

- a. Third party payments to and from other Agencies include:
- Inter-agency transactions in excess of \$20 million per annum;
  - Inter-agency transactions that were in excess of \$20 million 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 44: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>EXPENSES</b>					
Employee benefits	12,986,359	13,559,095	14,008,886	14,527,721	15,087,180
Supplier expenses	21,222,937	22,591,105	23,275,439	26,851,790	24,800,502
Grants	41,004	44,699	44,816	44,907	44,999
Depreciation and amortisation	6,333,272	6,728,912	7,140,533	7,739,790	8,435,618
Finance costs	103,019	101,018	98,470	96,075	93,380
Write-down of assets and impairment of assets	1,287,195	1,353,455	1,424,922	1,502,178	1,585,893
Foreign exchange losses	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts <sup>[a]</sup>	304,822	327,736	260,810	316,626	324,806
Other	2,757	2,689	3,140	2,809	2,879
<b>Total expenses</b>	<b>42,281,365</b>	<b>44,708,709</b>	<b>46,257,016</b>	<b>51,081,895</b>	<b>50,375,257</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sales of goods and rendering of services	479,293	317,894	309,981	324,241	331,349
Revenue in relation to Defence Trusts and Joint Accounts <sup>[a]</sup>	304,822	327,736	260,810	316,626	324,806
Other revenue	265,399	265,114	269,842	333,772	348,246
<b>Total own-source revenue</b>	<b>1,049,514</b>	<b>910,744</b>	<b>840,633</b>	<b>974,639</b>	<b>1,004,401</b>
<b>Gains</b>					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	840,722	881,449	924,414	969,744	1,017,576
Net gains from sale of assets	47,206	7,219	67,415	13,268	91
Other gains <sup>[b]</sup>	353,300	205,900	166,300	144,800	134,900
<b>Total gains</b>	<b>1,241,228</b>	<b>1,094,568</b>	<b>1,158,129</b>	<b>1,127,812</b>	<b>1,152,567</b>
<b>Total own-source income</b>	<b>2,290,742</b>	<b>2,005,312</b>	<b>1,998,762</b>	<b>2,102,451</b>	<b>2,156,968</b>
<b>Net cost of (contribution by) services</b>	<b>39,990,623</b>	<b>42,703,397</b>	<b>44,258,254</b>	<b>48,979,445</b>	<b>48,218,289</b>
Revenue from Government	32,753,202	34,828,325	35,925,964	39,884,899	38,501,405
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-7,237,421</b>	<b>-7,875,072</b>	<b>-8,332,290</b>	<b>-9,094,546</b>	<b>-9,716,884</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not subject to subsequent reclassification to net cost of services</b>					
Changes in asset revaluation reserves	-	-	-	-	-
<b>Total other comprehensive income/(loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-7,237,421</b>	<b>-7,875,072</b>	<b>-8,332,290</b>	<b>-9,094,546</b>	<b>-9,716,884</b>

**Table 44: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June) (Continued)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Note: Impact of Net Cash Appropriation Arrangements</b>					
<b>Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments</b>	<b>242,264</b>	<b>60,157</b>	<b>71,348</b>	<b>-28,405</b>	<b>112,890</b>
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	6,333,272	6,728,912	7,140,533	7,739,790	8,435,618
Inventory consumption	1,011,699	1,051,187	1,088,925	1,128,019	1,168,516
Net write-down and net impairment of assets	446,473	472,006	500,508	532,434	568,317
Add: Repayment of lease liabilities funded through revenue appropriations	311,760	316,878	326,329	334,101	342,678
<b>Surplus (Deficit) attributable to the Australian Government as per above</b>	<b>-7,237,421</b>	<b>-7,875,072</b>	<b>-8,332,290</b>	<b>-9,094,546</b>	<b>-9,716,884</b>

**Notes**

- 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.
- b. Other gains predominantly relate to the Australia Singapore Military Training Initiative Agreement. Under the agreement, the Republic of Singapore makes a contribution to Defence which will be used towards the cost of development of military training facilities. Once developed, these facilities will be used by the Defence forces of Australia and Singapore for the conduct of exercises and other training activities.

Table 45: Budgeted Departmental Balance Sheet (as at 30 June)

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and cash equivalents	666,582	727,561	765,401	629,672	452,524
Trade and other receivables	167,021	167,021	167,021	167,021	167,021
Tax assets	392,067	392,067	392,067	392,067	392,067
Appropriation receivable	732,037	985,976	1,227,227	1,449,710	1,713,365
Other receivables	771,321	771,319	771,317	771,315	771,313
<b>Total financial assets</b>	<b>2,729,028</b>	<b>3,043,944</b>	<b>3,323,033</b>	<b>3,409,785</b>	<b>3,496,290</b>
<b>Non-financial assets</b>					
Land and buildings	24,100,395	26,524,163	29,154,255	31,358,920	33,325,436
Infrastructure, plant and equipment	8,392,190	7,771,928	7,283,972	6,835,128	6,432,242
Specialist military equipment	86,911,458	92,116,795	97,257,037	100,617,222	107,943,282
Intangibles	2,095,348	2,154,562	2,234,909	2,365,923	2,542,314
Heritage and cultural	404,050	377,385	350,980	324,825	299,351
Inventories	8,228,230	8,560,364	8,848,743	9,148,204	9,459,263
Prepayments	2,326,370	2,639,535	2,865,621	3,157,948	3,493,162
<b>Total non-financial assets</b>	<b>132,458,041</b>	<b>140,144,732</b>	<b>147,995,517</b>	<b>153,808,170</b>	<b>163,495,050</b>
Assets held for sale	160,607	160,607	160,607	160,607	160,607
<b>Total assets</b>	<b>135,347,676</b>	<b>143,349,283</b>	<b>151,479,157</b>	<b>157,378,562</b>	<b>167,151,947</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	4,891,037	5,204,199	5,430,288	5,722,615	6,057,830
Other	972,317	1,091,629	1,181,901	1,102,763	981,164
<b>Total payables</b>	<b>5,863,354</b>	<b>6,295,828</b>	<b>6,612,189</b>	<b>6,825,378</b>	<b>7,038,993</b>
<b>Interest bearing liabilities</b>					
Leases	2,909,789	2,900,177	2,888,611	2,876,954	2,864,588
<b>Total interest bearing liabilities</b>	<b>2,909,789</b>	<b>2,900,177</b>	<b>2,888,611</b>	<b>2,876,954</b>	<b>2,864,588</b>
<b>Provisions</b>					
Employee provisions	3,166,809	3,362,600	3,555,165	3,726,662	3,934,753
Restoration, decontamination and decommissioning	1,009,050	1,009,050	1,009,050	1,009,050	1,009,050
Other	284,175	284,175	284,175	284,175	284,175
<b>Total provisions</b>	<b>4,460,034</b>	<b>4,655,825</b>	<b>4,848,390</b>	<b>5,019,887</b>	<b>5,227,978</b>
<b>Total liabilities</b>	<b>13,233,177</b>	<b>13,851,830</b>	<b>14,349,190</b>	<b>14,722,219</b>	<b>15,131,559</b>
<b>NET ASSETS</b>	<b>122,114,499</b>	<b>129,497,453</b>	<b>137,129,967</b>	<b>142,656,343</b>	<b>152,020,388</b>
<b>EQUITY</b>					
Contributed equity	79,038,848	94,296,874	110,261,678	124,882,600	143,963,529
Reserves	32,446,454	32,446,454	32,446,454	32,446,454	32,446,454
Retained surplus (accumulated deficit)	10,629,197	2,754,125	-5,578,165	-14,672,711	-24,389,595
<b>Total equity</b>	<b>122,114,499</b>	<b>129,497,453</b>	<b>137,129,967</b>	<b>142,656,343</b>	<b>152,020,388</b>



**Table 46: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations (current year)	32,769,387	34,574,386	35,684,713	39,662,416	38,237,750
Appropriations (prior year)	-	-	-	-	-
Goods and services	709,591	557,094	553,603	650,173	671,754
Net GST received	2,685,566	2,857,641	2,982,733	3,143,235	3,327,285
Interest	-	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	297,131	388,714	298,650	180,896	147,657
Other cash received (receivables)	29,370	20,039	20,193	1,666	1,677
	-	-	-	-	-
<b>Total cash received</b>	<b>36,491,045</b>	<b>38,397,874</b>	<b>39,539,892</b>	<b>43,638,386</b>	<b>42,386,123</b>
<b>Cash used</b>					
Employees	13,002,544	13,305,156	13,767,635	14,305,238	14,823,524
Suppliers	20,211,251	21,539,580	22,187,984	25,723,375	23,632,000
Net GST paid	2,685,566	2,857,641	2,982,733	3,143,235	3,327,285
Grants	41,004	44,699	44,816	44,907	44,999
Payments in relation to Defence Trusts and Joint Accounts	304,822	327,736	260,810	316,626	324,806
Other cash used	100,190	97,981	95,740	92,868	90,092
Cash transfer to the Official Public Account (receivables)	-	-	-	-	-
	-	-	-	-	-
<b>Total cash used</b>	<b>36,345,376</b>	<b>38,172,793</b>	<b>39,339,718</b>	<b>43,626,249</b>	<b>42,242,706</b>
<b>Net cash from (used by) operating activities</b>	<b>145,669</b>	<b>225,082</b>	<b>200,174</b>	<b>12,137</b>	<b>143,417</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of land and buildings	99,851	119,232	129,605	157,578	191
Proceeds from sales of infrastructure, plant and equipment	24,745	33,543	34,390	28,656	21,922
Proceeds from sales of specialist military equipment	34,289	-	-	-	-
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	-	-	-	-	-
	-	-	-	-	-
<b>Total cash received</b>	<b>158,885</b>	<b>152,775</b>	<b>163,995</b>	<b>186,234</b>	<b>22,113</b>
<b>Cash used</b>					
Purchase of land and buildings	2,241,216	3,090,096	3,353,841	3,121,231	2,844,109
Purchase of infrastructure, plant and equipment	147,701	65,319	69,864	67,166	87,563
Purchase of specialist military equipment	9,751,129	9,617,419	9,880,892	9,115,653	13,647,621
Purchase of heritage and cultural assets	-	-	-	-	-
Purchase of intangibles	192,602	270,953	310,234	333,102	402,322
Purchase of inventory	2,333,587	2,214,239	2,349,973	1,983,770	2,099,314
Selling costs on sale of assets	484	-	-	-	-
Finance costs	-	-	-	-	-
	-	-	-	-	-
<b>Total cash used</b>	<b>14,666,719</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>
<b>Net cash from (used by) investing activities</b>	<b>-14,507,834</b>	<b>-15,105,251</b>	<b>-15,800,809</b>	<b>-14,434,688</b>	<b>-19,058,816</b>

**Table 46: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)  
(Continued)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
Appropriations - departmental capital budget	2,833,844	3,294,930	3,430,448	3,154,056	3,254,579
Prior year appropriation	-	-	-	-	-
<b>Total cash received</b>	<b>14,666,235</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>
<b>Cash used</b>					
Principal repayments of lease liabilities	311,760	316,878	326,329	334,101	342,678
Cash to the Official Public Account	-	-	-	-	-
<b>Total cash used</b>	<b>311,760</b>	<b>316,878</b>	<b>326,329</b>	<b>334,101</b>	<b>342,678</b>
<b>Net cash from (used by) financing activities</b>	<b>14,354,475</b>	<b>14,941,148</b>	<b>15,638,475</b>	<b>14,286,821</b>	<b>18,738,251</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	-7,691	60,979	37,840	-135,729	-177,148
Cash and cash equivalents at the beginning of the reporting period	316,916	666,582	727,561	765,401	629,672
Transfer of cash from administered programs	357,357	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>666,582</b>	<b>727,561</b>	<b>765,401</b>	<b>629,672</b>	<b>452,524</b>

**Table 47: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2023-24)**

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2023</b>				
Balance carried forward from previous period	10,629,197	32,446,454	79,038,848	122,114,499
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>10,629,197</b>	<b>32,446,454</b>	<b>79,038,848</b>	<b>122,114,499</b>
<b>Comprehensive income</b>				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	-
<b>Subtotal comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Surplus (Deficit) for the period	-7,875,072	-	-	-7,875,072
<b>Total comprehensive income recognised directly in equity</b>	<b>-7,875,072</b>	<b>-</b>	<b>-</b>	<b>-7,875,072</b>
<b>Transactions with owners</b>				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring	-	-	-	-
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	11,963,096	11,963,096
Departmental Capital Budget	-	-	3,294,930	3,294,930
Other	-	-	-	-
<b>Sub-total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>15,258,026</b>	<b>15,258,026</b>
Transfers between equity components	-	-	-	-
<b>Estimated closing balance as at 30 June 2024</b>	<b>2,754,125</b>	<b>32,446,454</b>	<b>94,296,874</b>	<b>129,497,453</b>

**Table 48: Departmental Capital Budget Statement (for the period ended 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>CAPITAL APPROPRIATIONS</b>					
<b>Departmental Capital</b>					
Departmental Capital Budget	2,833,844	3,294,930	3,430,448	3,154,056	3,254,579
Bill 2 Equity	11,832,391	11,963,096	12,534,356	11,466,866	15,826,350
<b>Total capital appropriations</b>	<b>14,666,235</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>
<b>Represented by:</b>					
Purchase of non-financial assets	12,332,648	13,043,787	13,614,831	12,637,152	16,981,615
Purchase of inventory	2,333,587	2,214,239	2,349,973	1,983,770	2,099,314
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
<b>Total items</b>	<b>14,666,235</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	14,666,235	15,258,026	15,964,804	14,620,922	19,080,929
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Funded internally from departmental resources <sup>[a]</sup>	-	-	-	-	-
[Net capital (surplus)/ deficit]					
<b>Total</b>	<b>14,666,235</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>
<b>Reconciliation of cash used to acquire assets to asset movement table</b>					
Total purchases	15,019,535	15,463,926	16,131,104	14,765,722	19,215,829
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	353,300	205,900	166,300	144,800	134,900
less s75/restructuring	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>14,666,235</b>	<b>15,258,026</b>	<b>15,964,804</b>	<b>14,620,922</b>	<b>19,080,929</b>

**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 49: Statement of Departmental Asset Movements (Budget year 2023-24)

	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
<b>As at 1 July 2023</b>								
Gross book value	6,142,259	16,590,695	90,985,225	9,023,649	3,680,086	445,324	160,607	127,027,846
Gross book value - ROU	60,492	2,651,930	626,730	766,425	-	-	-	4,105,576
Accumulated depreciation/amortisation and impairment	-	589,979	4,328,694	1,102,417	1,584,738	41,274	-	7,647,101
Accumulated depreciation/amortisation and impairment - ROU	-	755,002	371,803	295,467	-	-	-	1,422,273
<b>Opening net book balance</b>	<b>6,202,751</b>	<b>17,897,644</b>	<b>86,911,458</b>	<b>8,392,190</b>	<b>2,095,348</b>	<b>404,050</b>	<b>160,607</b>	<b>122,064,048</b>
<b>CAPITAL ASSET ADDITIONS</b>								
<b>Estimated expenditure on new or replacement assets</b>								
By purchase - appropriation equity	84,302	3,005,794	9,617,419	65,319	270,953	-	-	13,043,787
By purchase - appropriation equity - ROU	-	236,616	-	70,650	-	-	-	307,266
By purchase - donated funds	86,193	61,352	-	58,355	-	-	-	205,900
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
<b>Total additions</b>	<b>170,495</b>	<b>3,067,146</b>	<b>9,617,419</b>	<b>123,674</b>	<b>270,953</b>	<b>-</b>	<b>-</b>	<b>13,249,687</b>
<b>Total additions - ROU</b>	<b>-</b>	<b>236,616</b>	<b>-</b>	<b>70,650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>307,266</b>
<b>Other movements</b>								
Reclassifications <sup>[a]</sup>	-	-34,247	1,002,654	11,353	3,667	-	-	983,428
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	746,962	4,863,206	664,925	116,167	26,665	-	6,417,925
Depreciation and amortisation - ROU	-	213,911	30,852	66,225	-	-	-	310,988
Other disposals <sup>[b]</sup>	-	55,369	520,678	94,789	99,239	-	-	770,075
Other disposals - ROU	-	-	-	-	-	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>-836,578</b>	<b>-4,381,230</b>	<b>-748,361</b>	<b>-211,739</b>	<b>-26,665</b>	<b>-</b>	<b>-6,204,573</b>
<b>Total other movements - ROU</b>	<b>-</b>	<b>-213,911</b>	<b>-30,852</b>	<b>-66,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-310,988</b>
<b>As at 30 June 2024</b>								
Gross book value	6,312,754	19,568,225	101,084,620	9,063,887	3,855,467	445,324	160,607	140,490,884
Gross book value - ROU	60,492	2,888,546	626,730	837,075	-	-	-	4,412,843
Accumulated depreciation/amortisation and impairment	-	1,336,941	9,191,900	1,767,342	1,700,905	67,939	-	14,065,027
Accumulated depreciation/amortisation and impairment - ROU	-	968,913	402,655	361,692	-	-	-	1,733,260
<b>Closing net book value</b>	<b>6,373,246</b>	<b>20,150,917</b>	<b>92,116,795</b>	<b>7,771,928</b>	<b>2,154,562</b>	<b>377,385</b>	<b>160,607</b>	<b>129,105,440</b>

**Notes**

- a. Reclassifications include assets first found.  
b. Other disposals includes write-offs.

**Table 50: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Revenue</b>					
<b>Non-taxation</b>					
Interest	-	-	-	-	-
Dividends	63,559	74,158	61,539	40,182	44,862
Military superannuation contributions	1,123,864	1,057,464	995,434	936,466	881,867
Fees	19,235	21,375	23,739	26,334	29,187
Other	40,200	45,831	48,392	52,307	50,599
<b>Total non-taxation</b>	<b>1,246,858</b>	<b>1,198,828</b>	<b>1,129,104</b>	<b>1,055,289</b>	<b>1,006,515</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,246,858</b>	<b>1,198,828</b>	<b>1,129,104</b>	<b>1,055,289</b>	<b>1,006,515</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Subsidies	160,753	174,203	190,462	209,287	229,982
Military retention benefits	63,929	36,669	9,889	-	-
Military superannuation benefits	9,367,013	9,153,044	9,539,454	9,965,040	10,425,845
Other	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>9,591,695</b>	<b>9,363,916</b>	<b>9,739,805</b>	<b>10,174,327</b>	<b>10,655,827</b>

**Table 51: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	82,794	95,533	85,278	66,516	74,049
Investments accounted for using the equity method	3,143,801	3,259,464	3,375,530	3,478,580	3,593,601
Loans	-	-	-	-	-
<b>Total financial assets</b>	<b>3,226,595</b>	<b>3,354,997</b>	<b>3,460,808</b>	<b>3,545,096</b>	<b>3,667,650</b>
<b>Non-financial assets</b>					
Prepayments	46,558	9,889	-	-	-
<b>Total non-financial assets</b>	<b>46,558</b>	<b>9,889</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>	<b>3,273,153</b>	<b>3,364,886</b>	<b>3,460,808</b>	<b>3,545,096</b>	<b>3,667,650</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Other	1,315	1,314	1,314	1,314	1,314
<b>Total payables</b>	<b>1,315</b>	<b>1,314</b>	<b>1,314</b>	<b>1,314</b>	<b>1,314</b>
<b>Provisions</b>					
Superannuation - DFRB <sup>[a]</sup>	261,518	245,251	229,588	214,508	199,992
Superannuation - DFRDB <sup>[b]</sup>	32,290,907	32,058,989	31,769,534	31,443,641	31,079,936
Superannuation - MSBS <sup>[c]</sup>	84,184,106	88,239,436	92,141,074	95,949,479	99,674,540
Superannuation - ADF Cover <sup>[d]</sup>	3,504,230	5,022,543	6,824,950	8,928,215	11,349,628
<b>Total provisions</b>	<b>120,240,761</b>	<b>125,566,219</b>	<b>130,965,146</b>	<b>136,535,843</b>	<b>142,304,096</b>
<b>Total liabilities administered on behalf of Government</b>	<b>120,242,076</b>	<b>125,567,533</b>	<b>130,966,460</b>	<b>136,537,157</b>	<b>142,305,410</b>

**Notes**

- Defence Force Retirement Benefits.
- Defence Force Retirement and Death Benefits.
- Military Superannuation and Benefits Scheme.
- Australian Defence Force Cover.

**Table 52: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2022-23 Estimated Actual \$'000	2023-24 Budget Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest	-	-	-	-	-
Military superannuation contributions	1,123,864	1,057,464	995,434	936,466	881,867
Fees	30,164	19,235	21,375	23,739	26,334
Other	75,362	45,619	48,180	52,095	50,387
<b>Total cash received</b>	<b>1,229,390</b>	<b>1,122,318</b>	<b>1,064,989</b>	<b>1,012,300</b>	<b>958,588</b>
<b>Cash used</b>					
Subsidies paid	160,753	174,203	190,462	209,287	229,982
Military benefits	3,510,613	3,827,585	4,140,528	4,394,344	4,657,594
<b>Total cash used</b>	<b>3,671,366</b>	<b>4,001,788</b>	<b>4,330,990</b>	<b>4,603,631</b>	<b>4,887,576</b>
<b>Net cash from or (used by) operating activities</b>	<b>-2,441,976</b>	<b>-2,879,470</b>	<b>-3,266,001</b>	<b>-3,591,331</b>	<b>-3,928,988</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Dividends	78,194	63,559	74,158	61,539	40,182
<b>Total cash received</b>	<b>78,194</b>	<b>63,559</b>	<b>74,158</b>	<b>61,539</b>	<b>40,182</b>
<b>Cash used</b>					
Loans	-	-	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) investing activities</b>	<b>78,194</b>	<b>63,559</b>	<b>74,158</b>	<b>61,539</b>	<b>40,182</b>
<b>Net increase (decrease) in cash held</b>	<b>-2,363,782</b>	<b>-2,815,911</b>	<b>-3,191,843</b>	<b>-3,529,792</b>	<b>-3,888,806</b>
Cash at the beginning of reporting period	357,357	-	-	-	-
Cash from the Official Public Account for appropriations	3,671,366	4,001,788	4,330,990	4,603,631	4,887,576
Cash to the Official Public Account	-1,307,584	-1,185,877	-1,139,147	-1,073,839	-998,770
Reclassification to Departmental <sup>[a]</sup>	-357,357	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**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)*.