

PORTFOLIO ADDITIONAL ESTIMATES  
STATEMENTS 2023-24

**DEFENCE PORTFOLIO**

Explanations of Additional Estimates 2023-24

© Commonwealth of Australia 2024

ISBN 978-1-925890-73-0 (Print)

ISBN 978-1-925890-74-7 (Online)

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



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

#### **Department of Defence material used 'as supplied'**

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

*Source: The Australian Government Department of Defence.*

#### **Derivative material**

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

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

#### **Australian Signals Directorate material used 'as supplied'**

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

*Source: The Australian Government Australian Signals Directorate.*

#### **Derivative material**

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

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

### **Australian Submarine Agency material used 'as supplied'**

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

*Source: The Australian Government Australian Submarine Agency.*

### **Derivative material**

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

*Based on The Australian Government Australian Submarine Agency's data.*

### **Defence Housing Australia material used 'as supplied'**

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

*Source: The Australian Government Defence Housing Australia.*

### **Derivative material**

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

*Based on The Australian Government Defence Housing Australia's data.*

### **Use of the Coat of Arms**

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

### **Other Uses**

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

Assistant Secretary Budgeting and Reporting  
R1-2-B002  
Department of Defence  
PO Box 7901 Canberra BC ACT 2610

Telephone: (02) 5109 0552  
Email: [dfg.cbc@defence.gov.au](mailto:dfg.cbc@defence.gov.au)

This page intentionally left blank.



**THE HON RICHARD MARLES MP**  
**DEPUTY PRIME MINISTER**  
**MINISTER FOR DEFENCE**

**PARLIAMENT HOUSE**  
**CANBERRA 2600**

President of the Senate  
Australian Senate  
Parliament House  
CANBERRA ACT 2600

Speaker  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear President

Dear Speaker

I hereby submit Portfolio Additional Estimates Statements in support of the 2023-24 Additional Estimates for the Defence Portfolio.

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

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

Yours sincerely

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

**Richard Marles**

**Abbreviations and Conventions**

The following notations may be used:

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

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

**Enquiries**

Should you have any enquiries regarding this publication please contact Assistant Secretary Budgeting and Reporting, Defence Finance Group, Department of Defence on (02) 5109 0552.

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

# **User Guide to the Portfolio Additional Estimates Statements**

## User Guide

The purpose of the 2023-24 Portfolio Additional Estimates Statements (PAES), like that of the Portfolio Budget Statements (PB Statements), is to inform Senators and Members of Parliament of the proposed allocation of resources to Government outcomes by entities within the portfolio. The focus of the PAES differs from the PB Statements in one important aspect. While the PAES include an Entity Resource Statement to inform Parliament of the revised estimate of the total resources available to an entity, the focus of the PAES is on explaining the changes in resourcing by outcomes since the Budget. As such, the PAES provides information on new measures and their impact on the financial and/or non-financial planned performance of programs supporting those outcomes.

The PAES facilitate understanding of the proposed appropriations in Appropriation Bills (Nos. 3 and 4) and Appropriation (Parliamentary Departments) Bill (No. 2) 2023-24. In this sense, the PAES is declared by the Additional Estimates Appropriation Bills to be a 'relevant document' to the interpretation of the Bills according to section 15AB of the *Acts Interpretation Act 1901*.



# Structure of the Portfolio Additional Estimates Statements

The PAES are presented in three parts with subsections.

<b>User Guide</b>	
Provides a brief introduction explaining the purpose of the PAES.	
<b>Portfolio Overview</b>	
Provides an overview of the portfolio, including a chart that outlines the outcomes for entities in the portfolio.	
<b>Entity Additional Estimates Statements</b>	
A statement (under the name of the entity) for each entity affected by Additional Estimates.	
<b>Section 1: Entity overview and resources</b>	This section details the <b>changes</b> in total resources available to an entity and staffing levels, the impact of any measures since Budget, and impact of Appropriation Bills Nos. 3 and 4.
<b>Section 2: Revisions to outcomes and planned performance</b>	This section details <b>changes</b> to Government outcomes and/or <b>changes</b> to the planned performance of entity programs.
<b>Section 3: Special account flows and budgeted financial statements</b>	This section contains updated explanatory tables on special account flows and revisions to the budgeted financial statements.
<b>Portfolio Glossary</b>	
Explains key terms relevant to the Portfolio.	
<b>Portfolio Acronyms</b>	
Explains acronyms relevant to the Portfolio.	

# Contents

**PORTFOLIO OVERVIEW ..... 1**

Ministers and their Portfolio Responsibilities ..... 3

The Defence Portfolio ..... 3

Portfolio Structure and Outcomes ..... 4

**DEFENCE.....7**

**Section 1: Defence Overview and Resources .....9**

1.1 Strategic Direction Statement..... 9

1.2 Defence Resource Statement ..... 12

1.3 Budget Measures ..... 15

1.4 Key Cost Categories Estimates..... 17

1.5 People..... 20

**Section 2: Defence Revisions to Outcomes and Planned Performance .....24**

2.1 Changes to Outcome and Program Structures ..... 24

2.2 Budgeted Expenses and Performance For Outcome 1 ..... 25

2.3 Budgeted Expenses and Performance For Outcome 2 ..... 30

**Section 3: Defence Explanatory Tables and Budgeted Financial Statements .....59**

3.1 Explanatory Tables..... 59

3.2 Resource Summary ..... 60

3.3 Budgeted Financial Statements ..... 62

**APPENDICES .....83**

Appendix A: Defence Cooperation Program ..... 84

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects ..... 86

Appendix C: Top 30 Capability Sustainment Products Approved Projects ..... 97

Appendix D: Enterprise Estate and Infrastructure Program ..... 102

Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing  
Committee on Public Works Consideration in 2023-24..... 119

Appendix F: Top 5 Information and Communication Technology Approved Projects..... 123

Appendix G: Australian Government Indigenous Expenditure ..... 124

<b>AUSTRALIAN SIGNALS DIRECTORATE.....</b>	<b>125</b>
<b>Section 1: ASD Overview and Resources.....</b>	<b>127</b>
1.1 Strategic Direction Statement .....	127
1.2 ASD Resource Statement .....	129
1.3 Budget Measures .....	131
<b>Section 2: ASD Revisions to Outcomes and Planned Performance.....</b>	<b>132</b>
2.1 Budgeted Expenses and Performance for Outcome 1 .....	132
<b>Section 3: ASD Explanatory Tables and Budgeted Financial Statements .....</b>	<b>134</b>
3.1 Explanatory Tables.....	134
3.2 Budgeted Financial Statements .....	135
<b>AUSTRALIAN SUBMARINE AGENCY.....</b>	<b>143</b>
<b>Section 1: ASA Overview and Resources.....</b>	<b>145</b>
1.1 Strategic Direction Statement .....	145
1.2 ASA Resource Statement .....	148
1.3 Budget Measures .....	150
<b>Section 2: ASA Revisions to Outcomes and Planned Performance.....</b>	<b>151</b>
2.1 Budgeted Expenses and Performance for Outcome 1 .....	151
<b>Section 3: ASA Explanatory Tables and Budgeted Financial Statements .....</b>	<b>157</b>
3.1 Explanatory Tables.....	157
3.2 Budgeted Financial Statements .....	158
<b>DEFENCE HOUSING AUSTRALIA .....</b>	<b>165</b>
<b>Section 1: DHA Overview and Resources .....</b>	<b>167</b>
1.1 Strategic Direction Statement .....	167
1.2 DHA Resource Statement.....	169
1.3 Budget Measures .....	170
<b>Section 2: DHA Revisions to Outcomes and Planned Performance .....</b>	<b>171</b>
2.1 Outcome and Performance Information .....	171

**Section 3: DHA Explanatory Tables and Budgeted Financial Statements .....173**

3.1 Explanatory Tables..... 173

3.2 Budgeted Financial Statements ..... 174

**Glossary .....179**

**Acronyms .....185**

# Portfolio Overview

This page intentionally left blank.

## Defence Portfolio Overview

### Ministers and their Portfolio Responsibilities

The Defence Portfolio has four Ministers:

- the Hon Richard Marles MP, Deputy Prime Minister and Minister for Defence;
- the Hon Matt Keogh MP, Minister for Veterans' Affairs and Minister for Defence Personnel;
- the Hon Pat Conroy MP, Minister for Defence Industry and Minister for International Development and the Pacific; and
- the Hon Matt Thistlethwaite MP, Assistant Minister for Defence, Assistant Minister for Veterans' Affairs and Assistant Minister for the Republic.

In addition to these Ministers, the following Minister has been sworn in as a Minister involved in the administration of the Department of Defence:

- the Hon Clare O'Neil MP, Minister for Home Affairs and Minister for Cyber Security.

### The Defence Portfolio

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

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

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

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

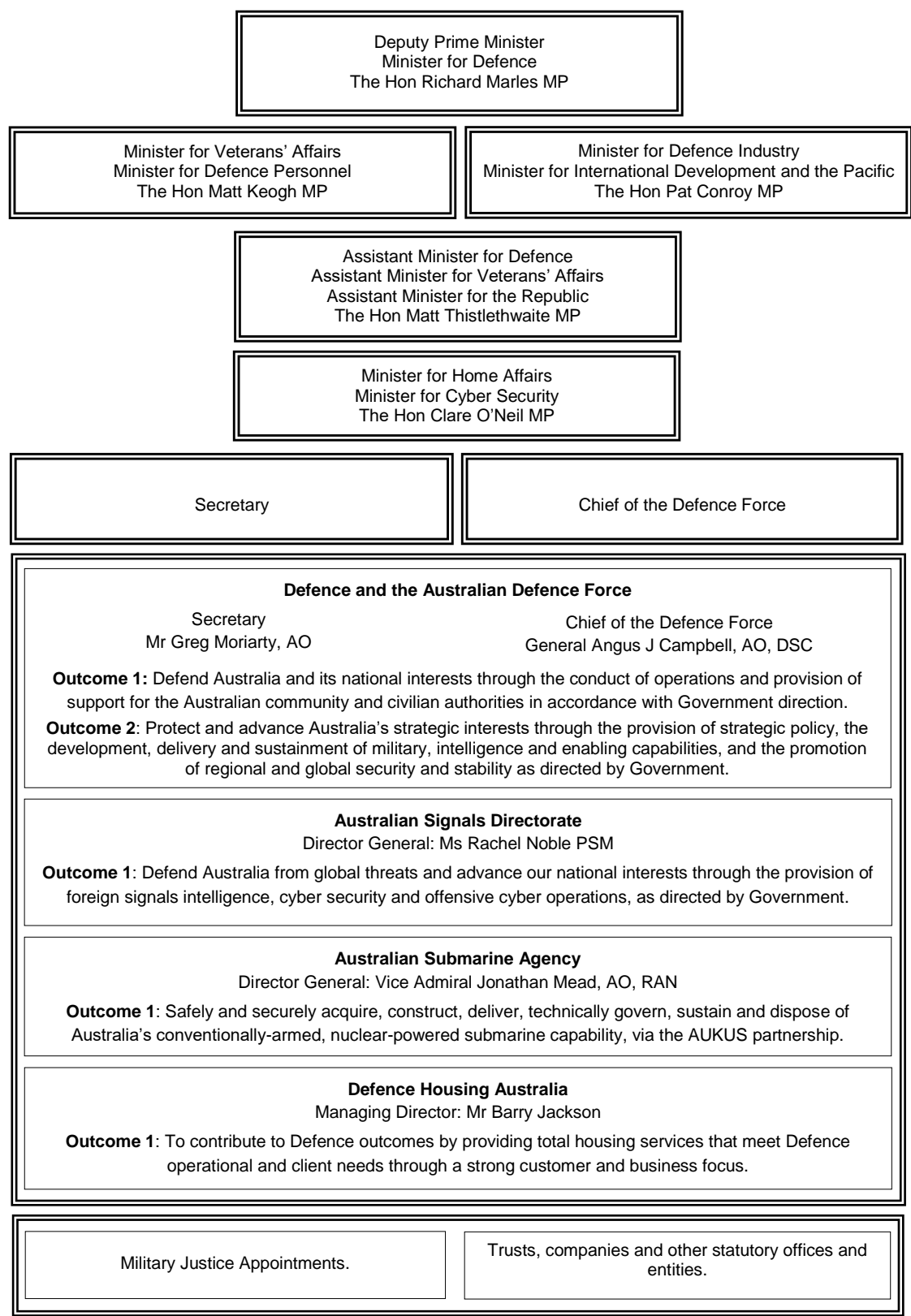
The Portfolio includes the Australian Signals Directorate (ASD), the Australian Submarine Agency (ASA) and Defence Housing Australia (DHA). The Portfolio also contains some smaller entities, including a number of statutory offices, trusts and companies created under the *Public Governance, Performance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

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

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

Portfolio Structure and Outcomes

Figure 1: Defence Portfolio Structure and Outcomes



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



## Defence Portfolio Bodies

The following changes have taken place since the *PBS 2023-24*:

### **AAF Company**

Chair: Brigadier Eamon Lenaghan, CSC

The AAF Company is a Commonwealth company under the *Public Governance, Performance and Accountability Act 2013*. It was incorporated in 1987 under the *Corporations ACT 2001*. The AAF Company undertakes the management and trusteeship of the two Army's trust funds known as the 'Army Amenities Fund' and the 'Messess Trust Fund'. The AAF Company promotes and supports the objectives of the two funds which provides amenities for members of the Australian Army.

### **Australian Military Forces Relief Trust Fund**

Chair: Major General Craig Dobson, AM, CSC

The Australian Military Forces Relief Trust Fund (AMFRTF) is a corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013*. It was a Commonwealth authority established under the *Services Trust Funds Act 1947*. The AMFRTF provides benefits to members of the ADF who have served in, or in association with the Australian Army and to the dependants of such members.

### **Australian Strategic Policy Institute Limited**

Chair: Ms Gai Brodtmann

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

### **Royal Australian Air Force Welfare Trust Fund**

Chair: Principal Air Chaplain James Cox

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

### **Royal Australian Navy Central Canteens Board**

Chair: Captain Steve Bowater, OAM, RAN

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

This page intentionally left blank.

# Defence

## Entity Additional Estimates Statements

**Section 1: Defence Overview and Resources.....9**

1.1 Strategic Direction Statement..... 9

1.2 Defence Resource Statement..... 12

1.3 Budget Measures..... 15

1.4 Key Cost Categories Estimates ..... 17

1.5 People..... 20

**Section 2: Defence Revisions to Outcomes and Planned Performance.....24**

2.1 Changes to Outcome and Program Structures ..... 24

2.2 Budgeted Expenses and Performance For Outcome 1 ..... 25

2.3 Budgeted Expenses and Performance For Outcome 2..... 30

**Section 3: Defence Explanatory Tables and Budgeted Financial Statements .....59**

3.1 Explanatory Tables ..... 59

3.2 Resource Summary ..... 60

3.3 Budgeted Financial Statements..... 62

This page intentionally left blank.

# Defence

## Section 1: Defence Overview and Resources

### 1.1 Strategic Direction Statement

Since the *PBS 2023-24* Defence continues to implement the Government's response to the *Defence Strategic Review* including the following six initial 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.

These priorities are supported through the establishment of the ASA on 1 July 2023 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 ASA is a non-corporate Commonwealth entity that operates within the Defence portfolio and has its own chapter in the *PAES 2023-24*. The Royal Australian Navy will continue to be responsible for submarine operations.

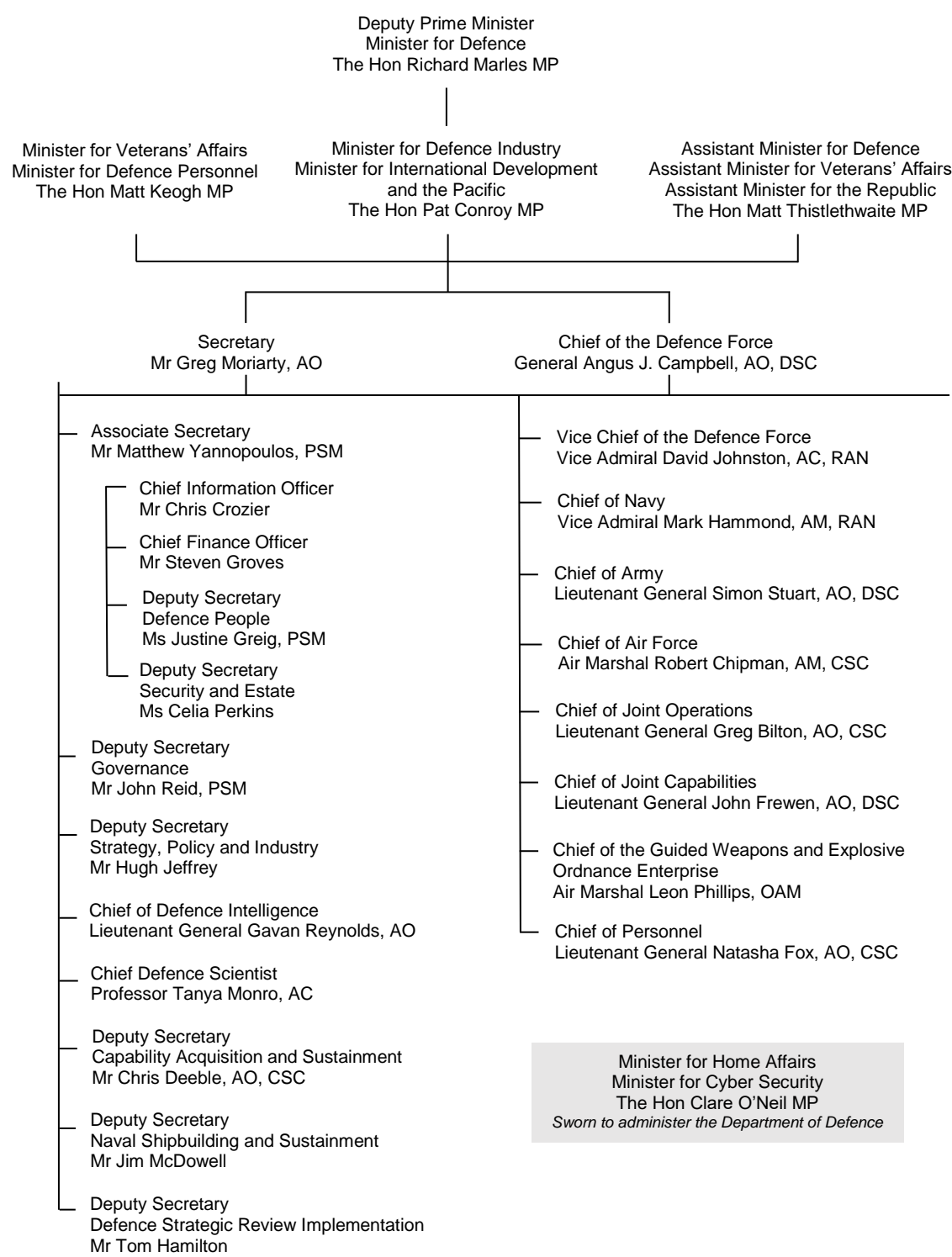
Acquisition of a conventionally-armed, nuclear-powered submarine capability will give Australia a more capable and potent submarine force to enhance Australia's ability to deter threats to its security and contribute to the security and stability of the Indo-Pacific region. Through the Australia, the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

AUKUS partners are substantially deepening cooperation on a range of security and defence capabilities, making sure that each nation has the capabilities needed to defend against rapidly evolving threats. Through these efforts, AUKUS contributes to integrated deterrence by pursuing layered and asymmetric capabilities that promote increased security and stability. AUKUS Pillar II is accelerating and deepening the development and delivery of advanced military capabilities. The strategic alignment of our national defence strategies, anchored by our shared values, is facilitating unprecedented collaboration in advanced technologies. In addition to work focused on dedicated AUKUS capabilities, AUKUS is providing a vehicle to break down barriers and improve cooperation in other areas.

The Government is investing \$558.0 million over ten years from 2024-25 (and \$50.5 million per year ongoing) to establish and support the ongoing operation of the independent Australian Naval Nuclear Power Safety Regulator (ANNPSR) within the Defence portfolio. ANNPSR will regulate nuclear safety across all aspects of the nuclear-powered submarine program. The Regulator will be funded through the Department of Defence pending formal establishment of the Regulator.

A full outline of Defence's Strategic Direction Statement can be found in the *PBS 2023-24*.

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 *PBS 2023-24*:

On 5 June 2023, Lieutenant General Natasha Fox, AO, CSC was appointed as the Chief of Personnel.

On 20 June 2023, Air Marshal Darren Goldie, AM, CSC was appointed as the National Cyber Security Coordinator on secondment to the Department of Home Affairs.

On 1 July 2023, Vice Admiral Jonathan Mead, AO, RAN was appointed as the Director-General of the Australian Submarine Agency.

On 21 July 2023, Ms Kathryn Campbell, AO, CSC resigned from the Australian Public Service.

On 31 July 2023, Mr Jim McDowell was appointed Deputy Secretary of Naval Shipbuilding and Sustainment.

On 1 August 2023, Mr Chris Crozier was appointed the Chief Information Officer.

On 14 November 2023, Air Marshal Darren Goldie, AM, CSC was recalled from his appointment as the National Cyber Security Coordinator.

On 8 January 2024, Mr John Reid, PSM was appointed Deputy Secretary Governance.

## Organisational Structure

The following changes have taken place since the *PBS 2023-24*:

On 5 June 2023, the position of Chief of Personnel was created. The Chief of Personnel will work in partnership with the Deputy Secretary Defence People.

On 1 July 2023, the Nuclear-Powered Submarine TaskForce transitioned to the Australian Submarine Agency, an executive agency established under the *Public Service Act 1999*.

On 9 October 2023, the position of Deputy Secretary Governance was created.

On 26 November 2023, the position of Special Advisor AUKUS was abolished.

Note: The Chief Information Officer Group will be changing to the Defence Digital Group in the Portfolio Budget Statements 2024-25.

## 1.2 Defence Resource Statement

The Defence Resource Statement details the resourcing for Defence at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2023-24 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1: Total Defence Resourcing <sup>[a]</sup>**

Serial No.	2022-23 Actual result \$'000		2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Defence resourcing</b>								
1	32,839,608	Appropriation for departmental outcomes	34,828,325	36,274,127	1,445,802	35,616,030	39,166,504	38,765,087
2	2,833,844	Departmental capital budget	3,294,930	2,792,238	-502,692	3,131,471	3,572,795	3,494,013
3	11,832,391	Equity injection appropriation	11,963,096	11,104,926	-858,170	13,363,770	12,108,596	15,163,319
4	-	- Prior year appropriation	-	-	-	-	-	-
5	<b>47,505,843</b>	<b>Current year's appropriation (1 + 2 + 3 + 4) <sup>[b]</sup></b>	<b>50,086,351</b>	<b>50,171,291</b>	<b>84,940</b>	<b>52,111,271</b>	<b>54,847,895</b>	<b>57,422,419</b>
6	-	- Draw down of appropriations carried forward	-	-	-	-	-	-
7	-	- Other appropriation receivable movements	-	-	-	-	-	-
8	-	- Return to the Official Public Account <sup>[c]</sup>	-	-	-	-	-	-
9	-	- Funding from / to the OPA (6 + 7 + 8)	-	-	-	-	-	-
10	<b>47,505,843</b>	<b>Funding from Government (5 + 9)</b>	<b>50,086,351</b>	<b>50,171,291</b>	<b>84,940</b>	<b>52,111,271</b>	<b>54,847,895</b>	<b>57,422,419</b>
11	74,865	Capital receipts <sup>[d]</sup>	358,675	160,741	-197,934	161,265	157,587	200
12	1,081,428	Own source revenue (s74 receipts) <sup>[e]</sup>	583,008	746,411	163,403	636,039	695,810	709,162
13	-	- Prior year receipts	-	-	-	-	-	-
14	<b>1,156,293</b>	<b>Funding from other sources (11 + 12 + 13)</b>	<b>941,683</b>	<b>907,152</b>	<b>-34,531</b>	<b>797,304</b>	<b>853,397</b>	<b>709,362</b>
<b>Total Departmental funding excl.</b>								
15	<b>48,662,136</b>	<b>Defence Trusts and Joint Accounts (10 + 14)</b>	<b>51,028,034</b>	<b>51,078,443</b>	<b>50,409</b>	<b>52,908,575</b>	<b>55,701,292</b>	<b>58,131,781</b>
<b>Defence Trusts and Joint Accounts</b>								
16	241,387	Revenue <sup>[d]</sup>	327,736	126,335	-201,401	300,490	280,285	380,402
17	-273,034	Expenditure (Operating and Capital)	-327,736	-135,478	192,258	-310,267	-280,276	-380,502
18	<b>-31,647</b>	<b>Total Defence Trusts and Joint Accounts (16 + 17)</b>	<b>-</b>	<b>-9,143</b>	<b>-9,143</b>	<b>-9,777</b>	<b>9</b>	<b>-100</b>
19	<b>48,630,489</b>	<b>Total Departmental funding (15 + 18)</b>	<b>51,028,034</b>	<b>51,069,300</b>	<b>41,266</b>	<b>52,898,798</b>	<b>55,701,301</b>	<b>58,131,681</b>
<b>Administered <sup>[f]</sup></b>								
20	3,841,551	Administered special appropriations	4,001,788	3,973,437	-28,351	4,275,297	4,603,650	4,941,892
21	1,570,138	Own source revenue <sup>[g]</sup>	1,185,877	1,172,911	-12,966	1,067,125	1,003,957	944,024
22	-1,570,138	Returns to the Official Public Account <sup>[g]</sup>	-1,185,877	-1,172,911	12,966	-1,067,125	-1,003,957	-944,024
23	<b>3,841,551</b>	<b>Total Administered funding (20 + 21 + 22)</b>	<b>4,001,788</b>	<b>3,973,437</b>	<b>-28,351</b>	<b>4,275,297</b>	<b>4,603,650</b>	<b>4,941,892</b>
24	<b>52,472,040</b>	<b>Total Defence resourcing (19 + 23)</b>	<b>55,029,822</b>	<b>55,042,737</b>	<b>12,915</b>	<b>57,174,095</b>	<b>60,304,951</b>	<b>63,073,573</b>
<b>Appropriation carried forward</b>								
25	843,048	Appropriation receivable including previous year's outputs	985,976	1,132,672	146,696	1,461,542	1,720,430	1,970,859
26	427,000	Cash in bank - Departmental	727,561	323,448	-404,113	295,547	295,556	295,457
27	-	Cash in bank - Administered	-	-	-	-	-	-
28	<b>1,270,048</b>	<b>Total appropriations carried forward (25 + 26 + 27)</b>	<b>1,713,537</b>	<b>1,456,120</b>	<b>-257,417</b>	<b>1,757,089</b>	<b>2,015,986</b>	<b>2,266,316</b>

### Notes

- This table is prepared on an accrual basis, except for serials 6 to 9, 11, 13, 20 to 24, 26 and 27.
- The appropriations for 2023-24 as disclosed in Serials 1 to 3, include amounts in Appropriation Bills 3 and 4 which are yet to receive royal assent. Further, since the appropriations disclosed are reported on an accrual basis, they do not include supplementation or handback relating to prior years which will be drawdown/quarantined in cash in 2023-24. Details of supplementation/handback in relation to prior years, mainly on account of No Win/No Loss (NWNL) arrangements, are provided in tables 2a, 2b and 3 where applicable.
- Represents net transfers to and from the Official Public Account.
- Capital Receipts as reported in the 2023-24 Budget Estimate predominantly related to the Australia Singapore Military Training Initiative (ASMTI) 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. Effective 1 July 2022, the funds received from Singapore and the assets being built under the ASMTI agreement are both within the Departmental Financial Statements, and as a result no 'Other gains' are recorded from 2022-23 onwards for the contributions made by Singapore.
- All figures are net of GST.
- Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.
- Own Source Revenue received in cash is returned to the Official Public Account.



## Annual Appropriations

**Table 2a: Appropriation Bill (No. 3) 2023-24**

	2022-23 Actual Result \$'000	2023-24 Budget Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000	2023-24 Revised Estimate \$'000
<b>Departmental Outputs</b>					
Appropriation for departmental outcomes	32,774,578	34,828,325	1,881,386	-370,554	36,339,157
<b>Total</b> <sup>[a] [b] [c]</sup>	<b>32,774,578</b>	<b>34,828,325</b>	<b>1,881,386</b>	<b>-370,554</b>	<b>36,339,157</b>

**Notes**

- 2022-23 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- Decrease in estimates of \$370.6 million relates to:
  - \$327.3 million for the transfer of appropriation to the ASA from *Appropriation Act (No. 1) 2023-2024*; and
  - \$43.2 million for the transfer of appropriation to the ASD from *Appropriation Act (No. 3) 2023-2024*.
- The Revised Estimate for 2023-24 includes \$65.0 million of appropriations which were recognised as revenue from government (in relation to NWNL supplementation) in the Defence 2022-23 Financial Statements. Since Table 1 - Total Defence Resourcing is prepared on an accrual basis, these amounts are reflected under 2022-23 Actual Result and not reflected in the 2023-24 Revised Estimate in Table 1.

**Table 2b: Appropriation Bill (No. 3 DCB) 2023-24**

	2022-23 Actual Result \$'000	2023-24 Budget Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000	2023-24 Revised Estimate \$'000
<b>Non-operating</b>					
Departmental capital budget	2,817,050	3,294,930	114,006	-179,123	3,229,813
<b>Total non-operating</b> <sup>[a] [b] [c]</sup>	<b>2,817,050</b>	<b>3,294,930</b>	<b>114,006</b>	<b>-179,123</b>	<b>3,229,813</b>

**Notes**

- 2022-23 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- Decrease in estimates of \$179.1 million relates to reductions in estimates for *Appropriation Act (No. 1) 2023-2024*. This does not include \$420.8 million of Departmental capital budget which is yet to be quarantined under s.51 against *Appropriation Act (No. 1) 2023-2024*.
- The Revised Estimate for 2023-24 includes \$16.8 million of Departmental capital budget which were recognised as equity injections from government (in relation to NWNL supplementation) in the Defence 2022-23 Financial Statements. Since Table 1 - Total Defence Resourcing is prepared on an accrual basis, these amounts are reflected under 2022-23 Actual Result and not reflected in the 2023-24 Revised Estimate in Table 1.

**Table 3: Appropriation Bill (No. 4) 2023-24**

	2022-23 Actual Result \$'000	2023-24 Budget Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000	2023-24 Revised Estimate \$'000
<b>Non-operating</b>					
Equity injections	11,832,391	11,963,096	306,866	-1,103,464	11,166,498
<b>Total non-operating</b> <sup>[a] [b]</sup>	<b>11,832,391</b>	<b>11,963,096</b>	<b>306,866</b>	<b>-1,103,464</b>	<b>11,166,498</b>

**Notes**

- 2022-23 available appropriation is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
- Decrease in estimates of \$1,103.5 million relates to:
  - \$62.8 million for the transfer of appropriation to the ASA from *Appropriation Act (No. 2) 2023-2024*;
  - \$923.2 million reduction in estimates for *Appropriation Act (No. 2) 2023-2024*. This does not include \$61.6 million of Equity injections yet to be quarantined under s.51 arrangements; and
  - \$117.5 million for the transfer of appropriation to the ASD from *Appropriation Bill (No. 4) 2023-2024*.

## Drawdown of Appropriations Carried Forward

Table 4: Revised Appropriation Receivable

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Portfolio Budget Statements 2023-24 Estimates</b>	985,976	1,227,227	1,449,710	1,713,365
Net movement	146,696	234,315	270,720	257,494
<b>Closing balance appropriation receivable</b>	<b>1,132,672</b>	<b>1,461,542</b>	<b>1,720,430</b>	<b>1,970,859</b>

## Funding from Other Sources

### Own Source Revenue

Table 5: Variation in Own Source Revenue

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Portfolio Budget Statements 2023-24 Estimates</b>	583,008	579,823	658,013	679,595
Variation in own source revenue	163,403	56,216	37,797	29,567
<b>Own source revenue revised estimates</b>	<b>746,411</b>	<b>636,039</b>	<b>695,810</b>	<b>709,162</b>
<b>Prior year receipts</b>	-	-	-	-
<b>Total</b>	<b>746,411</b>	<b>636,039</b>	<b>695,810</b>	<b>709,162</b>

## 1.3 Budget Measures

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

**Table 6: Variation to Defence Funding**

	Program	2023-24 Revised Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	Total \$m
<b>Departmental Budget Measures</b>						
<b>Payment Measures</b>						
Replacement of Bushmasters <sup>[a]</sup>	2.6	–	–	–	–	–
Additional support for Ukraine <sup>[b]</sup>	Various	22.6	11.0	–	–	33.6
Sale of Bushmasters to Fiji <sup>[c]</sup>	2.6	–	2.8	–	–	2.8
Nuclear-Powered Submarine Program - further implementation <sup>[d]</sup>	2.16	–	–	–	–	–
Space Program - reprioritisation <sup>[e]</sup>	2.3	nfp	nfp	nfp	nfp	nfp
Supporting Collaboration on Defence Research Priorities <sup>[f]</sup>	2.13	–	–	–	–	–
Operation LILIA - Expanded operation	1.1	60.8	–	–	–	60.8
<b>Total Departmental Budget Measures</b>		<b>83.4</b>	<b>13.8</b>	<b>–</b>	<b>–</b>	<b>97.2</b>
<b>Other Departmental Budget Adjustments</b>						
Operation RESOLUTE: Sri Lanka fuel	1.1	10.0	–	–	–	10.0
Other budget adjustments	Various	40.9	–	–	–	40.9
Foreign Exchange	Various	480.6	592.4	788.0	671.7	2,532.7
Transfer of projects to the Australian Signals Directorate	Various	-160.8	-105.9	-80.8	-339.5	-687.0
<b>Other Administered Budget Adjustments</b>						
Defence Home Ownership Assistance Scheme	2.22	45.8	45.8	45.8	45.8	183.3
<b>Total Other Departmental Budget Adjustments</b>		<b>370.7</b>	<b>486.5</b>	<b>707.2</b>	<b>332.2</b>	<b>1,896.6</b>
<b>Total Other Administered Budget Adjustments</b>		<b>45.8</b>	<b>45.8</b>	<b>45.8</b>	<b>45.8</b>	<b>183.3</b>
<b>Total Other Budget Adjustments</b>		<b>416.5</b>	<b>532.3</b>	<b>753.0</b>	<b>378.0</b>	<b>2,079.9</b>
<b>Variation to Defence Funding</b>		<b>499.9</b>	<b>546.2</b>	<b>753.0</b>	<b>378.0</b>	<b>2,177.1</b>

**Notes**

- This measure provides \$237.5 million over the period 2023-24 to 2025-26 which is being absorbed by Defence.
- This measure provides \$176.6 million over the period 2023-24 to 2024-25 with the balance being absorbed by Defence.
- This measure provides \$26.0 million over the period 2023-24 to 2026-27 with the balance being absorbed by Defence.
- This measure provides \$138.7 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.
- This budget adjustment is not for publication (nfp) due to commercial sensitivities.
- This measure provides \$0.4 million over the period 2023-24 to 2026-27 which is being absorbed by Defence.

## Operations Summary

**Table 7: Net Additional Cost of Current Major Operations to 2026-27** [a] [b] [c]

	2022-23 Actual result \$m	2023-24 Revised Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	Total \$m
Operation ACCORDION	102.4	118.0	-	-	-	220.4
Operation HIGHROAD	0.8	0.4	-	-	-	1.2
Operation RESOLUTE	118.9	87.5	-	-	-	206.4
Operation OKRA	12.2	0.7	-	-	-	12.9
Operation VANUATU	7.0	-	-	-	-	7.0
Operation KUDU	2.7	19.7	6.0	-	-	28.4
Operation LILIA	13.3	60.8	-	-	-	74.1
<b>Total Net Additional Costs</b>	<b>257.3</b>	<b>287.1</b>	<b>6.0</b>	<b>-</b>	<b>-</b>	<b>550.4</b>
<b>Sources of Funding for Major Operations</b>						
Government Supplementation	257.3	287.1	6.0	-	-	550.4
<b>Total Cost</b>	<b>257.3</b>	<b>287.1</b>	<b>6.0</b>	<b>-</b>	<b>-</b>	<b>550.4</b>

### Notes

- This table reflects ongoing and new Major Operations funded under No Win/No Loss arrangements for 2023-24.
- The Net Additional Cost of Major Operations include the budget adjustments shown under Table 6.
- Certain Operations are not for publication (nfp) due to national security reasons.

## 1.4 Key Cost Categories Estimates

**Table 8a: Defence, ASD and ASA Funding from Government** <sup>[a]</sup> <sup>[b]</sup>

Serial No.		2022-23 Actual result \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m
1	Defence	47,505.8	50,086.4	50,171.3	84.9
2	Australian Signals Directorate	1,762.6	2,472.4	2,856.6	384.2
3	Australian Submarine Agency	-	-	323.4	323.4
4	<b>Consolidated Defence, ASD and ASA Funding</b>	<b>49,268.4</b>	<b>52,558.8</b>	<b>53,351.3</b>	<b>792.5</b>

**Notes**

- a. Provides a consolidated summary of Defence Portfolio funding, excluding Defence Housing Australia and Department of Veterans' Affairs.
- b. These amounts refer to appropriations only. Refer Table 1 Serial 5.

**Table 8b: Defence Planned Expenditure by Key Cost Category** <sup>[a]</sup> <sup>[b]</sup>

Serial No.		2022-23 Actual result \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m
1	Workforce	14,300.4	14,851.2	15,778.9	927.7
2	Operations	306.2	228.9	326.4	97.5
3	Capability Acquisition Program	13,937.6	17,661.0	15,931.7	-1,729.3
4	Capability Sustainment Program	15,748.4	15,360.4	16,075.9	715.5
5	Operating	3,609.1	2,926.5	2,965.5	39.0
6	<b>Total Defence Planned Expenditure</b>	<b>47,901.7</b>	<b>51,028.0</b>	<b>51,078.4</b>	<b>50.4</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 Serials 16-18 and Table 42.

**Table 9: Capability Acquisition Program <sup>[a]</sup>**

Serial No.		2022-23 Actual result \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m
1	Military Equipment Acquisition Program	10,481.6	12,355.8	12,057.1	-298.7
2	Enterprise Estate and Infrastructure Program	2,404.7	4,166.2	2,799.8	-1,366.4
3	ICT Acquisition Program	775.1	927.5	852.2	-75.3
4	Minors Program	276.2	211.5	222.6	11.1
<b>5</b>	<b>Total Capability Acquisition Program <sup>[b]</sup></b>	<b>13,937.6</b>	<b>17,661.0</b>	<b>15,931.7</b>	<b>-1,729.3</b>

**Notes**

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

**Table 10: Capability Sustainment Program <sup>[a]</sup>**

Serial No.		2022-23 Actual result \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m
1	Navy Sustainment	3,461.3	3,535.5	3,347.4	-188.1
2	Army Sustainment	2,147.4	2,586.6	2,556.2	-30.4
3	Air Force Sustainment	3,531.0	3,864.1	3,611.7	-252.4
4	Chief Information Officer Sustainment <sup>[b]</sup>	1,959.5	1,628.5	1,814.4	185.9
5	Joint Capabilities Sustainment	411.2	425.9	372.2	-53.7
6	Strategy, Policy and Industry Sustainment	32.4	133.4	99.9	-33.5
7	Defence Intelligence Sustainment	113.3	154.7	142.4	-12.3
8	Security and Estate Sustainment <sup>[c]</sup>	4,088.6	2,956.1	3,850.5	894.4
9	Other Minor Sustainment <sup>[d]</sup>	3.8	75.6	281.2	205.6
<b>10</b>	<b>Total Capability Sustainment Program <sup>[e]</sup></b>	<b>15,748.4</b>	<b>15,360.4</b>	<b>16,075.9</b>	<b>715.5</b>

**Notes**

- a. These categories are funded by appropriations and own source revenue.  
b. Chief Information Officer Sustainment includes all ICT sustainment for the Department.  
c. Security and Estate Sustainment includes all estate maintenance, garrison support and associated costs for the Department.  
d. Includes components relating to the Guided Weapons & Explosive Ordnance.  
e. Total sustainment includes both unapproved sustainment (relating to unapproved projects) and approved (current) sustainment.

**Table 11: Retained Capital Receipts**

Serial No.		2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m
	<b>Property Sales</b>						
1	Proceeds from the sale of land and buildings	18.1	18.1	-	18.8	-	-
2	Proceeds from the sale of housing	101.1	101.2	0.1	110.8	157.6	0.2
3	<b>Total proceeds from the sale of property (1 + 2)</b>	<b>119.2</b>	<b>119.2</b>	<b>0.1</b>	<b>129.6</b>	<b>157.6</b>	<b>0.2</b>
4	Costs from the sale of property <sup>[a]</sup>	-	-	-	-	-	-
5	<b>Net property proceeds retained by Defence (3 + 4)</b>	<b>119.2</b>	<b>119.2</b>	<b>-</b>	<b>129.6</b>	<b>157.6</b>	<b>0.2</b>
6	Proceeds from sale of specialist military equipment	-	9.9	9.9	0.0	0.0	0.0
7	Proceeds from sale of infrastructure, plant and equipment	33.5	31.7	-1.8	31.7	0.0	0.0
8	<b>Retained Capital Receipts (5 + 6 + 7)</b>	<b>152.8</b>	<b>160.7</b>	<b>7.9</b>	<b>161.3</b>	<b>157.6</b>	<b>0.2</b>

**Note**

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

**Table 12: Variation in Estimates of Retained Capital Receipts**

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Portfolio Budget Statements 2023-24 Estimates</b>	<b>152.8</b>	<b>164.0</b>	<b>186.2</b>	<b>22.1</b>
Movement in net proceeds from sales associated with the capital disposal program	7.9	-2.7	-28.6	-21.9
<b>Variation in Retained Capital Receipts</b>	<b>7.9</b>	<b>-2.7</b>	<b>-28.6</b>	<b>-21.9</b>
<b>Total Retained Capital Receipts</b>	<b>160.7</b>	<b>161.3</b>	<b>157.6</b>	<b>0.2</b>

## 1.5 People

### Workforce Overview

No changes have been made to the Workforce Overview since the *PBS 2023-24*, except for the following update.

### Workforce Summary

The full-time workforce is forecast to be 75,899 in 2023-24, comprising 58,454 permanent ADF (77 per cent) and 17,445 APS employees (23 per cent). The service breakdown of the permanent ADF is:

- 15,063 Navy personnel.
- 28,084 Army personnel.
- 15,307 Air Force personnel.

The required Defence workforce outlined in the forward estimates (Table 13) reflects Government approved allocations for 2024-25 and beyond based on the *2020 Defence Strategic Update* and *Force Structure Plan*. The required Defence workforce is being reviewed in the context of the *2023 Defence Strategic Review*, 2024 National Defence Strategy and the rebuild of Defence's Integrated Investment Program.

For 2023-24, high separation rates and lower than expected achievement of recruitment targets has the ADF workforce forecasting to be below the required full-time workforce. The Government's ongoing investment in recruitment and retention will contribute significantly to stabilising, building and sustaining the ADF workforce from 2023-24 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 required to grow by 8,997 from the forecast of 75,899 in 2023-24 to reach the workforce allocation of 84,896 in 2026-27.

### Defence People

In addition to the Defence People Strategies which Defence reported in the *PBS 2023-24*, Defence notes the following updates:

Since 2021, the Joint Transition Authority has published key areas of progress in its Annual Progress Reports, found on its public facing [website](#).

Defence remains focused on responding to requests for information from the Royal Commission, with the final report due by 9 September 2024.

Defence is facing significant challenges in growing the size of the ADF workforce. Initiatives to support the recruitment and retention of the ADF workforce have progressed since the *PBS 2023-24*, these include:



- In August 2023, the Veteran Transition Strategy was released to transform the transition ecosystem.
- In November 2023, ADF members received a four per cent pay increase following agreement to the Workplace Remuneration Arrangement 2023-26.
- In November 2023, the Defence Culture Blueprint was released as Defence's enterprise culture strategy.
- In November 2023, the Defence Strategy for Preventing and Responding to Family and Domestic Violence 2023-2028 was released, creating a more supportive and responsive workplace.
- In December 2023, the Defence Work Health and Safety Strategy was released, investing in the health and wellbeing of our people.
- In January 2024, payments of the \$50,000 ADF Continuation Bonus commenced for eligible ADF members.

Significant reform of ADF recruitment is underway. Reforms include:

- widening the aperture to increase the opportunity for potentially suitable applicants to join the ADF;
- streamlining the recruiting system to increase the number of people joining the ADF;
- improving the recruiting processes to enable faster recruiting; and
- encouraging our people to stay in the ADF and serve longer through retention initiatives.

These reforms will take time to have an effect.

**Table 13: Workforce Forecast for the 2023-24 Budget and Required Workforce Forward Estimates - Average Full-time equivalent**

	2023-24 Budget Estimate (Workforce Requirement)	2023-24 Revised Estimate (Workforce Supply) <sup>[c]</sup>	2024-25 Forward Estimate (Workforce Requirement) <sup>[c] [d]</sup>	2025-26 Forward Estimate (Workforce Requirement) <sup>[c] [d]</sup>	2026-27 Forward Estimate (Workforce Requirement) <sup>[c] [d]</sup>
<b>ADF Permanent Force <sup>[a]</sup></b>					
Navy	15,956	15,063	16,331	16,633	16,990
Army	28,536	28,084	31,339	31,542	31,813
Air Force	15,181	15,307	15,927	16,357	16,792
<b>1 Total Permanent Force</b>	<b>59,673 <sup>[b]</sup></b>	<b>58,454 <sup>[b]</sup></b>	<b>63,597</b>	<b>64,532</b>	<b>65,595</b>
<b>Civilian Employees</b>					
APS	17,713	17,445	18,669	19,036	19,301
<b>2 Total Civilian Employees</b>	<b>17,713</b>	<b>17,445</b>	<b>18,669</b>	<b>19,036</b>	<b>19,301</b>
<b>Total Workforce Strength (1 + 2)</b>	<b>77,386</b>	<b>75,899</b>	<b>82,266</b>	<b>83,568</b>	<b>84,896</b>

**Notes**

- ADF Permanent Force includes Service Categories 6 and 7, and Service Option C personnel.
- The 2023-24 Budget Estimate reflected the anticipated workforce supply. The correct requirement for ADF Permanent Force (demand) for 2023-24 is 62,735.
- The revised ADF estimate for 2023-24 provides the expected workforce supply. The Forward Estimates reflect the expected demand / requirement.
- Forward Estimates for the full-time workforce elements represent the Government approved strength for each year, including *White Paper 2016* and *Force Structure Plan 2020* requirements.

**Table 14: Planned Workforce Allocation for the 2023-24 Budget and Forward Estimates - Reserve (Service Categories 3, 4, and 5)** <sup>[a]</sup> <sup>[b]</sup>

		2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
	<b>Service Category 3 and 5</b>					
	Navy	115,500 (1,950)	115,500 (1,950)	118,000 (2,000)	120,500 (2,050)	123,000 (2,100)
	Army	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)
	Air Force	262,000 (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>1,117,500 (21,350)</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	950 (40)	950 (40)	950 (40)	950 (40)	950 (40)
<b>2</b>	<b>Sub-total Service Category 4</b>	<b>950 (40)</b>	<b>950 (40)</b>	<b>950 (40)</b>	<b>950 (40)</b>	<b>950 (40)</b>
	<b>Total Reserves (1 + 2)</b>	<b>1,118,450 (21,390)</b>	<b>1,118,450 (21,390)</b>	<b>1,126,950 (21,540)</b>	<b>1,135,450 (21,690)</b>	<b>1,143,950 (21,840)</b>

**Notes**

- This table does not include Reservists undertaking continuous full-time service (Service Option C), as these are captured in Table 15, nor Reservists not currently rendering service (including Service Category 2).
- As the number of days or hours worked by Reserve members can vary greatly, figures in Table 14 show the total number of days' service rendered, with a headcount of members rendering paid service in brackets.
- 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 Service Category 4.

**Table 15: Forecast Breakdown of Workforce by Service and Rank**

	2023-24 Budget Estimate	2023-24 Revised Estimate <sup>[d]</sup>
<b>Navy</b>		
One Star and above	72	72
Senior Officers <sup>[a]</sup>	834	834
Officers	3,501	3,408
Other Ranks	11,549	10,749
<b>Total Navy</b>	<b>15,956</b>	<b>15,063</b>
<b>Army</b>		
One Star and above	95	97
Senior Officers <sup>[a]</sup>	1,025	1,025
Officers	5,620	5,403
Other Ranks	21,796	21,559
<b>Total Army</b>	<b>28,536</b>	<b>28,084</b>
<b>Air Force</b>		
One Star and above	72	72
Senior Officers <sup>[a]</sup>	738	770
Officers	4,949	4,636
Other Ranks	9,422	9,829
<b>Total Air Force</b>	<b>15,181</b>	<b>15,307</b>
<b>APS</b>		
Senior Executives <sup>[b]</sup>	206	203 <sup>[e]</sup>
Senior Officers <sup>[a]</sup>	6,704	6,641
Other APS Staff	10,803	10,601
<b>Total APS</b>	<b>17,713</b>	<b>17,445 <sup>[c]</sup></b>
<b>Total Workforce</b>	<b>77,386</b>	<b>75,899</b>

**Notes**

- Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
- The figures for Senior Executives include SES Band One, Two and Three employees, the Secretary, Chiefs of Divisions and Medical Officers.
- 2023-24 Revised Estimates for Civilian Employees has been reduced by 268, to reflect the enduring ASL transfer of 268 to the ASA which has its own chapter.
- The forecast distribution by rank and service is based on a forecast workforce supply and the current workforce distribution. This is subject to review as the workforce is reset and grows to fill ADF requirements.
- The 2023-24 Revised Estimate for APS Senior Executive includes a transfer of 22 to the ASA, a reduction of 3 positions to Defence and a net increase of 22 in support of recent Government initiatives.

## Section 2: Defence Revisions to Outcomes and Planned Performance

### 2.1 Changes to Outcome and Program Structures

#### Program Structure

No significant changes have been made to the Defence Program Structure since the *PBS* 2023-24.

## 2.2 Budgeted 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

No changes have been made to the Outcome 1 Strategy since the *PBS 2023-24*.

### New Operations

Since the *PBS 2023-24*, the following updates have been made to New Operations:

- BEECH – Defence’s support to the Australian Government response to the Hamas-Israel conflict.
- CARNELIAN – Defence support to the evacuation of Australian citizens from Sudan.
- VANUATU ASSIST – Defence support to Vanuatu in response to Tropical Cyclones Judy and Kevin.

### Amended Operations

No changes have been made to Amended Operations since the *PBS 2023-24*.

### Ceased Operations

Since the *PBS 2023-24*, the following updates have been made to Ceased Operations:

- CARNELIAN – Defence support to the evacuation of Australian citizens from Sudan.
- VANUATU ASSIST – Defence support to Vanuatu in response to Tropical Cyclones Judy and Kevin.

### Linked Programs

No changes have been made to Linked Programs since the *PBS 2023-24*.

## Outcome 1 Resources

Table 16: Total Budgeted Resources Available for Outcome 1

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	47,630	29,035	92,706	38	39	40
<b>Program 1.2 - Operations Supporting Wider Interests</b>						
Revenues from other sources	1,909	2,040	2,040	-	-	-
Expenditure funded by appropriations	131,410	120,298	144,120	7,205	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	124,770	77,553	87,568	22	22	22
<b>Total resourcing</b>						
Total Departmental revenue from other sources	1,909	2,040	2,040	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	289,062	172,508	251,693	7,265	1,277	1,280
Total capital expenditure funded by appropriation	-	-	-	-	-	-
Equity injection:						
- Bill 1 DCB	14,748	54,378	72,701	-	-	-
- Bill 2 Equity	-	-	-	-	-	-
<b>Total resources for Outcome 1</b>	<b>305,719</b>	<b>228,926</b>	<b>326,434</b>	<b>7,265</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**

Performance information is as reported in the *PBS 2023-24*.

**Table 17: Cost Summary for Program 1.1 Operations Contributing to the Safety of the Immediate Neighbourhood**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	1,297	-	6,642	-	-	-
Suppliers	34,626	5,885	44,591	38	39	40
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	35,923	5,885	51,233	38	39	40
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	90	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	90	-	-	-	-	-
<b>Total operating expenses</b>	<b>36,013</b>	<b>5,885</b>	<b>51,233</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	11,707	23,150	41,473	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
<b>Total capital expenditure</b>	<b>11,707</b>	<b>23,150</b>	<b>41,473</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>47,630</b>	<b>29,035</b>	<b>92,706</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**

Performance information is as reported in the *PBS 2023-24*.

**Table 18: Cost Summary for Program 1.2 Operations Supporting Wider Interests**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	8,248	327	2,602	1,586	-	-
Suppliers	124,284	111,756	133,303	5,619	1,216	1,218
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	132,532	112,083	135,905	7,205	1,216	1,218
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	203	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	203	-	-	-	-	-
<b>Total operating expenses</b>	<b>132,735</b>	<b>112,083</b>	<b>135,905</b>	<b>7,205</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	787	10,255	10,255	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
<b>Total capital expenditure</b>	<b>787</b>	<b>10,255</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>133,319</b>	<b>122,338</b>	<b>146,160</b>	<b>7,205</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**

Performance information is as reported in the *PBS 2023-24*.

**Table 19: Cost Summary for Program 1.3 Defence Contribution to National Support Tasks in Australia**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	1,929	6,510	8,037	-	-	-
Suppliers	120,587	50,070	58,558	22	22	22
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	122,516	56,580	66,595	22	22	22
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	85	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	85	-	-	-	-	-
<b>Total operating expenses</b>	<b>122,601</b>	<b>56,580</b>	<b>66,595</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	2,254	20,973	20,973	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
<b>Total capital expenditure</b>	<b>2,254</b>	<b>20,973</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>124,770</b>	<b>77,553</b>	<b>87,568</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.

## 2.3 Budgeted 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

The following changes have been made to the Outcome 2 Strategy since the *PBS 2023-24*.

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.

On 24 April 2023, the Government released the public version of the *Defence Strategic Review* (the Review), the Government's response to the Review, and the *National Defence Statement 2023*. The Government's response to the Review calls for reform to Defence policy, strategy, posture and capability settings to meet the complex strategic environment and national security challenges Australia currently faces.

As directed by Government in the *National Defence Statement 2023*, Defence will move away from periodic white papers to produce a National Defence Strategy (NDS) on a biennial basis. The biennial NDS cycle will enable greater responsiveness to evolving strategic circumstances and updated government direction and priorities. The inaugural NDS will be delivered in 2024 and will present to Government a fundamental reform of Australia's defence strategy, planning, force generation, force posture, force structure, force preparedness, force employment, and international engagement, aligned with the intent and recommendations of the Review.

The Government also commissioned the Navy Surface Combatant Review to ensure the Navy's size, structure and composition complement the capabilities provided by the forthcoming conventionally-armed, nuclear-powered submarines. On 29 September 2023, the independent analysis of Navy's surface combatant fleet capability was submitted to the Government. The Independent Analysis Team engaged a range of government officials, ADF personnel, industry experts and partners to assess the capability requirements needed to meet our strategic circumstances. The report is being considered and the Deputy Prime Minister has indicated a response to the report will be provided in early 2024.

International engagement remains a critical function of Defence. Defence works with allies and partners from within the Indo-Pacific and beyond to build a stable, secure and prosperous region that is free from coercion. 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. The Defence Cooperation Program is a key part of our Defence engagement, enhancing shared understanding and capability with our partners in the Northeast Indian Ocean, South West Pacific and Southeast-East Asia. We are building on decades of Defence cooperation and interoperability, working together to meet regional security priorities, and investing to play our part in keeping and building peace in our region. Australia has also committed over \$730 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.

In line with the Government's response to the *Defence Strategic Review*, the US Alliance continues to evolve and strengthen, including through Enhanced Force Posture Cooperation, deepening strategic partnerships in the Indo-Pacific, enhancing cooperation on Australia's Guided Weapons and Explosive Ordnance Enterprise, and streamlining trade controls and information-sharing between the two nations. The AUKUS trilateral security and technology partnership continues to deepen defence capability and technological cooperation between Australia, the UK and the US. Enhanced cooperation with the US and the UK, including through AUKUS, complements Australia's commitment to our existing network of international partnerships, including the Pacific Islands Forum and Association of Southeast Asian Nations, as well as Five Eyes, the Five Power Defence Arrangements, and the Quad.

Defence is also strengthening our cooperation with key likeminded Indo-Pacific partners, including Japan, the Republic of Korea, India and France. Defence is enhancing operational cooperation with Japan under new or updated defence agreements; and developing an enduring and reciprocal framework to support increasingly sophisticated defence activities with the Republic of Korea. With India, Defence is enhancing maritime domain awareness cooperation and exercising with increased complexity and regularity. With France, Defence is facilitating a more sustained Australian and French presence in priority areas of operation by enhancing reciprocal access to each other's military facilities, and increasing dialogues, strategic exchanges, and intelligence sharing.

A strong partnership with defence industry is critical in delivering Defence capabilities. A strong, sovereign, sustainable and globally competitive Australian defence industry enables 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) is vital for maintaining the ADF's security and capability edge, 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.

## Linked Programs

The following changes have been made to Linked Programs since the *PBS 2023-24*.

<p><b>Australian Submarine Agency</b></p> <p>Program 1.1 – Nuclear-Powered Submarines.</p> <p><b>Contribution to Outcome 1 by linked programs</b></p> <p>The linked program contributes to Outcome 1 through the provision of managing Australia’s nuclear-powered submarine program, including acquisition, delivery, construction, technical governance, sustainment, and disposal of nuclear-powered submarines.</p>
<p><b>Department of Industry, Science and Resources</b></p> <p>Program 1.1 – Growing innovative and competitive businesses, industries and regions.</p> <p>Program 1.2 – Investing in science, technology and commercialisation.</p> <p>Program 1.4 – Nuclear-Powered Submarines.</p> <p><b>Contribution to Outcome 2 by linked programs</b></p> <p>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 the defence industry base.</p> <p>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 the Buy Australian Plan.</p> <p>The Office of Defence Industry Support engages with DISR to provide support to Australian businesses (including small and medium enterprises) seeking to increase their capability and capacity to participate in Defence supply chains.</p> <p>DISR collaborates with the department to ensure a complementary approach between civil space industry development and activity and Defence’s space responsibilities and interests.</p> <p>DISR, through the Australian Radioactive Waste Agency, is supporting the acquisition of conventionally-armed, nuclear-powered submarines.</p>
<p><b>The Australian Trade and Investment Commission (Austrade)</b></p> <p>Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy.</p> <p><b>Contribution to Outcome 1 by linked programs</b></p> <p>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 security priorities.</p>

## Outcome 2 Resources

Table 20: Total Budgeted Resources Available for Outcome 2

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	82	537	546	577	588	611
Expenditure funded by appropriations	776,091	996,175	880,409	779,293	652,888	585,087
<b>Program 2.2 Defence Executive Support</b>						
Revenues from other sources	594	1,002	669	1,271	1,302	1,336
Expenditure funded by appropriations	826,776	902,369	536,308	639,996	678,929	606,251
<b>Program 2.3 Defence Finance<sup>[a]</sup></b>						
Revenues from other sources	284,800	24,464	27,902	24,761	6,373	6,372
Expenditure funded by appropriations	-161,208	157,235	230,517	415,851	167,762	171,113
<b>Program 2.4 Joint Capabilities</b>						
Revenues from other sources	14,739	10,423	3,673	1,872	1,918	1,966
Expenditure funded by appropriations	2,678,753	2,871,613	2,142,406	2,368,455	1,197,359	3,033,626
<b>Program 2.5 Navy Capabilities</b>						
Revenues from other sources	38,350	20,603	75,171	59,015	22,844	23,440
Expenditure funded by appropriations	9,909,232	9,899,724	10,316,842	10,300,446	10,217,473	11,219,938
<b>Program 2.6 Army Capabilities</b>						
Revenues from other sources	14,434	16,723	17,679	16,619	14,174	14,542
Expenditure funded by appropriations	10,512,069	11,958,756	11,273,214	12,270,928	12,429,410	13,701,201
<b>Program 2.7 Air Force Capabilities</b>						
Revenues from other sources	66,627	40,851	40,851	41,899	42,976	44,081
Expenditure funded by appropriations	10,380,193	11,059,835	10,048,459	10,807,621	10,160,682	11,727,930
<b>Program 2.8 Australian Defence Force Headquarters</b>						
Revenues from other sources	5,280	325	13,140	13,379	9,455	7,972
Expenditure funded by appropriations	346,930	373,042	322,799	428,329	396,802	351,851
<b>Program 2.9 Capability Acquisition and Sustainment</b>						
Revenues from other sources	137,125	1,095	33,594	-	-	-
Expenditure funded by appropriations	603,282	656,634	1,152,084	1,108,856	2,025,388	1,359,494
<b>Program 2.10 Security and Estate</b>						
Revenues from other sources	486,837	626,320	484,922	475,227	513,002	517,514
Expenditure funded by appropriations	6,171,205	6,313,394	6,498,498	6,491,317	6,648,425	6,706,966
<b>Program 2.11 Chief Information Officer</b>						
Revenues from other sources	38,805	41,604	41,604	42,586	43,593	44,626
Expenditure funded by appropriations	2,098,984	1,751,486	1,790,266	1,793,384	1,707,237	2,201,763
<b>Program 2.12 Defence People</b>						
Revenues from other sources	1,347	1,321	10,983	14,541	14,971	15,414
Expenditure funded by appropriations	705,850	733,597	2,238,061	2,113,124	2,190,465	2,192,746
<b>Program 2.13 Defence Science and Technology</b>						
Revenues from other sources	5,939	4,451	4,451	4,497	4,643	4,759
Expenditure funded by appropriations	706,790	628,695	774,442	689,889	729,388	783,451
<b>Program 2.14 Defence Intelligence</b>						
Revenues from other sources	1,245	4,371	4,371	4,480	4,592	4,707
Expenditure funded by appropriations	688,140	763,603	726,245	983,425	1,018,110	1,019,013
<b>Program 2.15 Naval Shipbuilding and Sustainment</b>						
Revenues from other sources	48	-	-	-	-	-
Expenditure funded by appropriations	233,104	424,024	434,925	240,349	207,347	204,126
<b>Program 2.16 Nuclear-Powered Submarines</b>						
Revenues from other sources	-	-	-	-	-	-
Expenditure funded by appropriations	-	515,030	626,978	769,320	4,591,916	1,578,603

**Table 20: Total Budgeted Resources Available for Outcome 2 (Continued)**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	241,387	327,736	126,335	300,490	280,285	380,402
Total Expenditure	273,034	327,736	135,478	310,267	280,276	380,502
<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)	34,138	28,636	30,300	28,680	27,253	25,881
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,747,387	1,832,577	1,834,852	1,873,927	1,907,882	1,939,345
Military Superannuation and Benefits Act, 1991 Part V, s.17 <sup>[b]</sup>	1,983,000	1,837,732	1,773,270	1,946,697	2,158,493	2,367,553
Australian Defence Force Cover Act 2015	79,448	128,641	115,000	189,717	254,921	333,316
Expenses not requiring appropriation	5,905,026	5,362,127	5,995,192	5,786,543	5,913,608	6,077,312
<b>Total Administered expenses <sup>[c]</sup></b>	<b>9,748,999</b>	<b>9,189,713</b>	<b>9,748,614</b>	<b>9,825,564</b>	<b>10,262,157</b>	<b>10,743,407</b>
Administered revenues from other sources	-1,154,138	-1,057,464	-1,075,618	-1,003,846	-936,327	-872,513
<b>Total Program 2.20 and 2.21</b>	<b>8,594,861</b>	<b>8,132,249</b>	<b>8,672,996</b>	<b>8,821,718</b>	<b>9,325,830</b>	<b>9,870,894</b>
<b>Program 2.22 Housing Assistance</b>						
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	171,643	174,203	220,016	236,275	255,100	275,795
Expenses not requiring appropriation	-	-	-	-	-	-
<b>Total Administered expenses</b>	<b>171,643</b>	<b>174,203</b>	<b>220,016</b>	<b>236,275</b>	<b>255,100</b>	<b>275,795</b>
Administered revenues from other sources	-18,128	-21,375	-21,614	-23,978	-26,573	-29,426
<b>Total Program 2.22</b>	<b>153,515</b>	<b>152,828</b>	<b>198,402</b>	<b>212,297</b>	<b>228,527</b>	<b>246,369</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>	<b>-</b>
Administered revenues from other sources	-41,979	-119,989	-41,152	-41,877	-43,864	-45,150
<b>Total Program 2.23</b>	<b>-41,979</b>	<b>-119,989</b>	<b>-41,152</b>	<b>-41,877</b>	<b>-43,864</b>	<b>-45,150</b>
<b>Total resourcing</b>						
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	31,824,704	34,595,663	36,167,990	35,705,344	39,338,192	38,785,828
Total capital expenditure funded by appropriation / (capital surplus)	-1,250,841	-	-	-	-	-
Capital Prepayment	-	205,900	-	-	-	-
Total Gifted assets included in budget estimates	-	-	-	-	-	-
Total Administered <sup>[d]</sup>	4,015,616	4,001,788	3,973,437	4,275,297	4,603,650	4,941,892
Total Departmental revenue from other sources	1,096,204	794,090	759,556	700,724	680,431	687,340
Total Administered revenue from other sources	1,214,245	1,198,828	1,138,384	1,069,701	1,006,764	947,089
Administered returns to the Official Public Account	-1,570,138	-1,185,877	-1,172,911	-1,067,125	-1,003,957	-944,024
Prior year appropriation	-	-	-	-	-	-
Total capital expenditure funded by Equity injection:						
- Bill 1 DCB	2,819,096	3,240,552	2,719,537	3,131,471	3,572,795	3,494,013
- Bill 2 Equity	11,832,391	11,963,096	11,104,926	13,363,770	12,108,596	15,163,319
<b>Total resources for Outcome 2</b>	<b>49,981,277</b>	<b>54,814,040</b>	<b>54,690,920</b>	<b>57,179,182</b>	<b>60,306,471</b>	<b>63,075,456</b>
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts <sup>[e]</sup>	-31,647	-	-9,143	-9,777	9	-100
<b>Total resources for Outcome 2 including Defence Trusts and Joint Accounts</b>	<b>49,949,630</b>	<b>54,814,040</b>	<b>54,681,777</b>	<b>57,169,404</b>	<b>60,306,480</b>	<b>63,075,357</b>

**Notes**

- The Defence Finance expenditure reduction in 2022-23 is driven by the whole-of-department employees expense and net write down and impairment of assets adjustments that Defence Finance manage centrally, predominantly on behalf of the Services (Navy, Army and Air Force). 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 60 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

Performance information is as reported in the *PBS 2023-24*.

**Table 21: Cost Summary for Program 2.1 Strategy, Policy and Industry**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	84,640	86,865	94,190	90,888	92,919	101,786
Suppliers	632,518	537,380	658,751	600,851	510,242	433,187
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	46,608	36,298	38,716	38,884	38,891	38,897
	763,766	660,543	791,657	730,623	642,052	573,870
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	9,669	30,855	31,662	37,294	38,470	40,785
Inventory consumption	10,645	-	-	-	-	-
Net write-down and net impairment of assets	1,542	508	609	644	680	719
	21,856	31,363	32,271	37,938	39,150	41,504
<b>Total operating expenses</b>	<b>785,622</b>	<b>691,906</b>	<b>823,928</b>	<b>768,561</b>	<b>681,202</b>	<b>615,374</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	6,427	326,933	80,062	39,786	1,732	1,900
Purchases of inventory	5,980	-	-	-	-	-
Principal repayments of lease liabilities	-	9,236	9,236	9,461	9,692	9,928
<b>Total capital expenditure</b>	<b>12,407</b>	<b>336,169</b>	<b>89,298</b>	<b>49,247</b>	<b>11,424</b>	<b>11,828</b>
<b>Program 2.1 Strategy, Policy and Industry Total funded expenditure <sup>[a]</sup></b>	<b>776,173</b>	<b>996,712</b>	<b>880,955</b>	<b>779,870</b>	<b>653,476</b>	<b>585,698</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 2.2: Defence Executive Support

Performance information is as reported in the *PBS 2023-24*.

**Table 22: Cost Summary for Program 2.2 Defence Executive Support**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	94,078	72,832	84,986	74,792	75,998	77,530
Suppliers	561,677	643,394	311,592	333,067	341,862	314,954
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	1,670	2,690	3,382	2,741	2,810	2,880
	657,425	718,916	399,960	410,600	420,670	395,364
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	478	20,287	9,887	11,081	23,514	13,962
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	178	12,883	10,505	13,000	16,088	19,910
	656	33,170	20,392	24,081	39,602	33,872
<b>Total operating expenses</b>	<b>658,081</b>	<b>752,086</b>	<b>420,352</b>	<b>434,681</b>	<b>460,272</b>	<b>429,236</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	169,945	184,438	137,000	230,650	259,544	212,205
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	17	17	17	17	18
<b>Total capital expenditure</b>	<b>169,945</b>	<b>184,455</b>	<b>137,017</b>	<b>230,667</b>	<b>259,561</b>	<b>212,223</b>
<b>Program 2.2 Defence Executive Support Total funded expenditure</b> <sup>(a) (b) (c)</sup>	<b>827,370</b>	<b>903,371</b>	<b>536,977</b>	<b>641,267</b>	<b>680,231</b>	<b>607,587</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.
- The change in estimates includes movement of functions and their associated budgets within Defence.
- The reduction in the total funded expenditure (revised estimate v budget estimate) is on account of transfer of expenditure and appropriation to the ASA on 1 July 2023.



**Program 2.3: Defence Finance**

Performance information is as reported in the *PBS 2023-24*.

**Table 23: Cost Summary for Program 2.3 Defence Finance <sup>[a]</sup>**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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>	5,210	96,033	173,142	349,772	100,825	102,606
Suppliers	87,844	81,917	81,528	86,988	69,380	70,870
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	30,538	3,700	3,700	3,802	3,879	3,957
	123,592	181,650	258,370	440,562	174,084	177,433
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets <sup>[c]</sup>	63,174	-	-	-	-	-
	63,174	-	-	-	-	-
<b>Total operating expenses</b>	<b>186,766</b>	<b>181,650</b>	<b>258,370</b>	<b>440,562</b>	<b>174,084</b>	<b>177,433</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	-	49	49	50	51	52
<b>Total capital expenditure</b>	<b>-</b>	<b>49</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>
<b>Program 2.3 Defence Finance Total funded expenditure <sup>[d]</sup></b>	<b>123,592</b>	<b>181,699</b>	<b>258,419</b>	<b>440,612</b>	<b>174,135</b>	<b>177,485</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.
- Employees and Net write down and impairment of assets in 2022-23 includes adjustments made on behalf of whole of Defence.
- 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

Performance information is as reported in the *PBS 2023-24*.

**Table 24: Cost Summary for Program 2.4 Joint Capabilities**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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>[a]</sup>	731,020	753,697	150,921	173,955	182,376	190,647
Suppliers	1,312,461	1,273,996	1,357,026	1,270,964	840,879	1,407,134
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	25	21	21	22	26	27
	2,043,506	2,027,714	1,507,968	1,444,941	1,023,281	1,597,808
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	22,240	77,890	64,836	96,233	130,289	167,739
Inventory consumption	186,210	36,498	-	-	-	-
Net write-down and net impairment of assets	362,300	279,764	333,113	353,307	374,932	398,134
	570,750	394,152	397,949	449,540	505,221	565,873
<b>Total operating expenses</b>	<b>2,614,256</b>	<b>2,421,866</b>	<b>1,905,917</b>	<b>1,894,481</b>	<b>1,528,502</b>	<b>2,163,681</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	636,802	777,114	638,047	925,320	175,929	1,437,715
Purchases of inventory	13,184	77,144	-	-	-	-
Principal repayments of lease liabilities	-	64	64	66	67	69
<b>Total capital expenditure</b>	<b>649,986</b>	<b>854,322</b>	<b>638,111</b>	<b>925,386</b>	<b>175,996</b>	<b>1,437,784</b>
<b>Program 2.4 Joint Capabilities Total funded expenditure <sup>[b] [c]</sup></b>	<b>2,693,492</b>	<b>2,882,036</b>	<b>2,146,079</b>	<b>2,370,327</b>	<b>1,199,277</b>	<b>3,035,592</b>

#### Notes

- The reduction in Employees expenses is on account of transfer of funding in relation to Defence Military Health expenses from Joint Capabilities to the Chief of Personnel (reported under Program 2.12 Defence People).
- 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 2.5: Navy Capabilities**

Performance information is as reported in the *PBS 2023-24*.

**Table 25: Cost Summary for Program 2.5 Navy Capabilities**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	2,608,941	2,623,022	2,714,227	2,751,672	2,846,832	2,977,733
Suppliers	3,478,292	4,273,226	3,790,591	4,001,945	4,252,272	4,733,766
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	15,363	6,438	6,528	6,021	5,570	5,083
	6,102,596	6,902,686	6,511,346	6,759,638	7,104,674	7,716,582
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	1,353,491	1,481,447	1,266,774	1,419,903	1,433,902	1,406,299
Inventory consumption	224,479	303,436	396,919	356,729	357,617	329,585
Net write-down and net impairment of assets <sup>[a]</sup>	-134,890	25,563	58,392	62,122	66,184	70,630
	1,443,080	1,810,446	1,722,085	1,838,754	1,857,703	1,806,514
<b>Total operating expenses</b>	<b>7,545,676</b>	<b>8,713,132</b>	<b>8,233,431</b>	<b>8,598,392</b>	<b>8,962,377</b>	<b>9,523,096</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	3,139,072	2,374,727	3,351,852	3,131,688	2,575,420	3,011,173
Purchases of inventory	695,424	620,710	506,611	445,330	537,436	492,913
Principal repayments of lease liabilities	10,490	22,204	22,204	22,805	22,787	22,710
<b>Total capital expenditure</b>	<b>3,844,986</b>	<b>3,017,641</b>	<b>3,880,667</b>	<b>3,599,823</b>	<b>3,135,643</b>	<b>3,526,796</b>
<b>Program 2.5 Navy Capabilities Total funded expenditure <sup>[b] [c]</sup></b>	<b>9,947,582</b>	<b>9,920,327</b>	<b>10,392,013</b>	<b>10,359,461</b>	<b>10,240,317</b>	<b>11,243,378</b>

**Notes**

- Defence has a Net write-down and impairment of assets in 2022-23.
- 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.

**Table 26: Navy Deliverables (Unit Availability Days) <sup>[a]</sup>**

Deliverables		2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
17	Major Combatants <sup>[b]</sup>	3,303	2,843	3,554	2,944	3,377
14	Minor Combatants <sup>[c]</sup>	3,786	3,727	2,618	2,334	2,269
5	Amphibious and Afloat Support <sup>[d]</sup>	1,187	984	1,170	1,086	1,009
10	Maritime Teams <sup>[e]</sup>	3,302	3,320	3,302	3,302	3,302
5	Hydrographic Force <sup>[f]</sup>	1,265	917	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 changes to docking schedules.
- 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. There is nil significant change in UADs this financial year.
- 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 unscheduled docking and deployment to OP VANUATU ASSIST.
- 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 and the Naval Air Station Weather and Oceanographic Centre. Decreased UAD relates to withdrawal from service of the *Paluma* class survey motor launch.

**Table 27: Navy Deliverables (Flying Hours)**

Deliverables		2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
23	MH-60R	6,250	6,250	6,750	7,200	7,200

**Program 2.6: Army Capabilities**

Performance information is as reported in the *PBS 2023-24*.

**Table 28: Cost Summary for Program 2.6 Army Capabilities**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	4,399,215	4,722,344	4,714,017	4,826,787	4,965,021	5,132,807
Suppliers	2,481,732	2,739,957	2,602,852	2,734,044	3,053,866	3,173,342
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	1,554	121	3,057	124	127	131
	6,882,501	7,462,422	7,319,926	7,560,955	8,019,014	8,306,280
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	1,683,684	1,449,060	1,779,269	1,444,968	1,365,601	1,359,627
Inventory consumption	320,950	423,160	510,342	614,581	630,916	695,999
Net write-down and net impairment of assets	220,274	46,987	70,300	74,262	78,464	82,922
	2,224,908	1,919,207	2,359,911	2,133,811	2,074,981	2,138,548
<b>Total operating expenses</b>	<b>9,107,409</b>	<b>9,381,629</b>	<b>9,679,837</b>	<b>9,694,766</b>	<b>10,093,995</b>	<b>10,444,828</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	2,702,638	3,632,122	3,267,342	3,777,854	3,433,385	4,347,705
Purchases of inventory	941,364	875,502	698,192	943,173	985,484	1,055,918
Principal repayments of lease liabilities	-	5,433	5,433	5,565	5,701	5,840
<b>Total capital expenditure</b>	<b>3,644,002</b>	<b>4,513,057</b>	<b>3,970,967</b>	<b>4,726,592</b>	<b>4,424,570</b>	<b>5,409,463</b>
<b>Program 2.6 Army Capabilities Total funded expenditure <sup>[a] [b]</sup></b>	<b>10,526,503</b>	<b>11,975,479</b>	<b>11,290,893</b>	<b>12,287,547</b>	<b>12,443,584</b>	<b>13,715,743</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.
- The change in estimates includes movement of functions and their associated budgets within Defence.

**Table 29: Army Deliverables (Rate of Effort – Flying Hours)**

Deliverables		2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
10	CH-47F Chinook	2,800	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	3,870	2,995	1,315	450
46	MRH-90 Taipan <sup>[c]</sup>	6,000	-	-	-	-
29	AH-64E Apache <sup>[d]</sup>	-	-	-	1,000	3,250
40	UH-60M Black Hawk <sup>[e]</sup>	1,500	1,200	2,600	3,500	4,600
2	RQ-7B Shadow 200 – Tactical Uncrewed Aerial System (TUAS) <sup>[f]</sup>	1,000	1,000	500	-	-
6	RQ-21 Integrator – TUAS <sup>[g]</sup>	750	750	1,250	1,750	2,000

**Notes**

- The fleet of S-70A-9 Black Hawk was retired from service in December 2022. This is the final report for the S-70A-9.
- Reducing ARH Tiger Rate of Effort reflects transition of the workforce to the replacement Boeing AH-64E Apache.
- On Friday, 29 September 2023, the Government announced that the Australian Defence Force's MRH-90 Taipan helicopters will not return to flying operations before their planned withdrawal date of December 2024.
- 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.
- UH-60M Black Hawk Forward Estimates reflect the fleet's planned introduction into service as it replaces MRH90 Taipan. Aircraft deliveries commenced in quarter 2, 2023 and will progressively increase to a fleet of 40.
- Reducing Shadow 200 TUAS Rate of Effort reflects transition to the replacement RQ-21 Integrator TUAS.
- RQ-21 Integrator TUAS Forward Estimates reflect the fleet's planned introduction into service as it replaces Shadow 200 TUAS. System deliveries are expected to commence in quarter 1, 2024 and will progressively increase to a fleet of 6 systems.

**Program 2.7: Air Force Capabilities**

Performance information is as reported in the *PBS 2023-24*.

**Table 30: Cost Summary for Program 2.7 Air Force Capabilities**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	2,496,617	2,615,617	2,562,442	2,630,003	2,737,673	2,875,729
Suppliers	4,084,147	4,480,100	3,907,018	4,359,108	4,360,346	4,838,259
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	8,245	2,439	843	1,346	2,820	2,902
	6,589,009	7,098,156	6,470,303	6,990,457	7,100,839	7,716,890
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	1,720,286	1,854,068	1,601,400	1,710,388	1,692,843	1,637,113
Inventory consumption	480,862	287,942	374,076	341,370	377,148	407,534
Net write-down and net impairment of assets	129,109	28,633	63,840	67,575	71,589	75,915
	2,330,257	2,170,643	2,039,316	2,119,333	2,141,580	2,120,562
<b>Total operating expenses</b>	<b>8,919,266</b>	<b>9,268,799</b>	<b>8,509,619</b>	<b>9,109,790</b>	<b>9,242,419</b>	<b>9,837,452</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	3,160,968	3,383,872	3,117,404	3,409,722	2,500,754	3,412,745
Purchases of inventory	696,843	586,353	469,293	416,243	568,160	607,645
Principal repayments of lease liabilities	-	32,305	32,310	33,098	33,905	34,732
<b>Total capital expenditure</b>	<b>3,857,811</b>	<b>4,002,530</b>	<b>3,619,007</b>	<b>3,859,063</b>	<b>3,102,819</b>	<b>4,055,122</b>
<b>Program 2.7 Air Force Capabilities Total funded expenditure <sup>[a] [b]</sup></b>	<b>10,446,820</b>	<b>11,100,686</b>	<b>10,089,310</b>	<b>10,849,520</b>	<b>10,203,658</b>	<b>11,772,011</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.
- The change in estimates includes movement of functions and their associated budgets within Defence.

**Table 31: Air Force Deliverables (Flying Hours)**

Deliverables <sup>[a]</sup>		2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
49	PC-21 <sup>[b]</sup>	23,650	25,230	26,820	26,820	26,820
11	KA350 King Air <sup>[c]</sup>	8,300	3,800	3,800	3,800	3,800
12	C-130J Hercules	7,350	7,350	7,350	7,350	7,350
8	C-17A Globemaster III	6,200	6,200	6,200	6,200	6,200
10	C-27J Spartan	5,500	5,500	5,500	5,500	5,500
7	KC-30A MRTT	4,700	4,700	4,700	4,700	4,700
2	737 BBJ	1,600	1,600	1,600	1,600	1,600
3	Falcon-7X	2,400	2,400	2,400	2,400	2,400
2	AP-3C Orion <sup>[d]</sup>	350	350	-	-	-
12	P-8A Poseidon <sup>[e]</sup>	6,600	5,800	5,800	6,200	6,600
6	E-7A Wedgetail <sup>[f]</sup>	3,600	3,200	3,600	3,600	3,600
24	F/A-18F Super Hornet <sup>[g]</sup>	4,050	4,500	4,500	4,500	4,500
33	Hawk 127	6,500	6,500	6,500	6,500	6,500
12	EA-18G Growler	2,800	2,800	2,800	2,800	2,800
63	F-35A Lightning II <sup>[h]</sup>	12,500	10,500	10,500	11,000	12,000
-	MC-55A Peregrine <sup>[i]</sup>	450	-	450	1,500	2,440
-	MQ-4C Triton <sup>[j]</sup>	-	-	300	1,500	2,000

**Notes**

- Fleet sizes represent totals in service at commencement of 2023-24, noting F-35A and KA350 were incorrectly published as 72 and 12 in the *PBS 2023-24*, actual fleet sizes are 63 and 11 as published in the 2022-23 Defence Annual Report.
- PC-21 hours variation due to planned increase in pilot training.
- KA350 hours variation due to reduced tasking demand, workforce limitations and reduction of 1 aircraft from service.
- AP-3C Orion Forward Estimates reflect the fleet's planned withdrawal from service.
- P-8A Poseidon reduction reflects current workforce limitations, with projected increase aligned with workforce growth.
- E-7A hours variation due to reduction in tasking for 2023-24.
- F/A-18F hours variation due to increased training demand.
- F-35A phasing variation reflects current workforce limitations and projected workforce growth, with a new total of 12,000 due to maturing understanding of training demand and preparedness requirements.
- MC-55A Peregrine variation due to delayed introduction into service.
- MQ-4C Triton Forward Estimates reflect the fleet's planned introduction into service.



**Program 2.8: Australian Defence Force Headquarters**

Performance information is as reported in the *PBS 2023-24*.

**Table 32: Cost Summary for Program 2.8 Australian Defence Force Headquarters**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	26,698	30,416	33,210	31,175	32,168	33,550
Suppliers	317,243	248,049	301,088	362,482	317,702	292,752
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	14	15	78	17,212	87	89
	343,955	278,480	334,376	410,869	349,957	326,391
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	8,859	9,169	12,147	14,743	16,381	17,910
Inventory consumption	1,335	-	-	-	-	-
Net write-down and net impairment of assets	829	514	369	408	453	505
	11,023	9,683	12,516	15,151	16,834	18,415
<b>Total operating expenses</b>	<b>354,978</b>	<b>288,163</b>	<b>346,892</b>	<b>426,020</b>	<b>366,791</b>	<b>344,806</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	832	94,404	1,080	30,344	55,793	32,912
Purchases of inventory	7,423	-	-	-	-	-
Principal repayments of lease liabilities	-	483	483	495	507	520
<b>Total capital expenditure</b>	<b>8,255</b>	<b>94,887</b>	<b>1,563</b>	<b>30,839</b>	<b>56,300</b>	<b>33,432</b>
<b>Program 2.8 Australian Defence Force Headquarters Total funded expenditure <sup>(a) (b)</sup></b>	<b>352,210</b>	<b>373,367</b>	<b>335,939</b>	<b>441,708</b>	<b>406,257</b>	<b>359,823</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 2.9: Capability Acquisition and Sustainment**

Performance information is as reported in the *PBS 2023-24*.

**Table 33: Cost Summary for Program 2.9 Capability Acquisition and Sustainment**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	357,601	376,605	433,289	396,009	416,279	443,528
Suppliers	382,795	281,010	594,171	501,749	598,238	510,261
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	11	11	11	11	11	12
	740,407	657,626	1,027,471	897,769	1,014,528	953,801
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	576	403	85,015	196,969	328,938	452,357
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets <sup>[a]</sup>	1	-166	209	219	229	240
	577	237	85,224	197,188	329,167	452,597
<b>Total operating expenses</b>	<b>740,984</b>	<b>657,863</b>	<b>1,112,695</b>	<b>1,094,957</b>	<b>1,343,695</b>	<b>1,406,398</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	-	-	158,104	210,981	1,010,752	405,582
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	103	103	106	108	111
<b>Total capital expenditure</b>	<b>-</b>	<b>103</b>	<b>158,207</b>	<b>211,087</b>	<b>1,010,860</b>	<b>405,693</b>
<b>Program 2.9 Capability Acquisition and Sustainment Total funded expenditure <sup>[a] [c]</sup></b>	<b>740,407</b>	<b>657,729</b>	<b>1,185,678</b>	<b>1,108,856</b>	<b>2,025,388</b>	<b>1,359,494</b>

**Notes**

- Defence has a net write-down and impairment of assets in the 2023-24 Budget Estimate.
- 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. This includes the transfers from the Services (Navy, Army, and Air Force) towards the creation of the Guided Weapons and Explosive Ordnance Group, which is now reported under Program 2.9 Capability Acquisition and Sustainment.

**Program 2.10: Security and Estate**

Performance information is as reported in the *PBS 2023-24*.

**Table 34: Cost Summary for Program 2.10 Security and Estate**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	1,105,853	1,250,570	1,395,024	1,289,766	1,373,914	1,398,319
Suppliers	4,165,292	3,175,096	4,056,977	3,192,545	3,101,607	3,132,466
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	201,546	91,442	91,491	89,370	87,350	85,064
	5,472,691	4,517,108	5,543,492	4,571,681	4,562,871	4,615,849
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	1,552,053	1,463,877	1,422,337	1,415,428	1,436,714	1,495,009
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets <sup>[a]</sup>	-69,193	4,153	65,552	70,648	76,158	82,116
	1,482,860	1,468,030	1,487,889	1,486,076	1,512,872	1,577,125
<b>Total operating expenses</b>	<b>6,955,551</b>	<b>5,985,138</b>	<b>7,031,381</b>	<b>6,057,757</b>	<b>6,075,743</b>	<b>6,192,974</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	887,046	2,191,188	1,208,510	2,156,138	2,353,623	2,356,664
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	298,305	231,418	231,418	238,725	244,933	251,967
<b>Total capital expenditure</b>	<b>1,185,351</b>	<b>2,422,606</b>	<b>1,439,928</b>	<b>2,394,863</b>	<b>2,598,556</b>	<b>2,608,631</b>
<b>Program 2.10 Security and Estate Total funded expenditure <sup>[b]</sup></b>	<b>6,658,042</b>	<b>6,939,714</b>	<b>6,983,420</b>	<b>6,966,544</b>	<b>7,161,427</b>	<b>7,224,480</b>

**Notes**

- Defence has a Net write-down and impairment of assets in 2022-23.
- 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

Performance information is as reported in the *PBS 2023-24*.

**Table 35: Cost Summary for Program 2.11 Chief Information Officer**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	109,414	112,487	73,399	117,298	125,698	126,491
Suppliers	1,897,688	1,542,802	1,661,500	1,574,620	1,487,855	1,814,365
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	3,207	34	34	35	36	37
	2,010,309	1,655,323	1,734,933	1,691,953	1,613,589	1,940,893
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	236,592	261,762	279,894	284,049	224,458	182,241
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets <sup>[a]</sup>	-22,846	37,269	23,597	28,626	34,817	42,447
	213,746	299,031	303,491	312,675	259,275	224,688
<b>Total operating expenses</b>	<b>2,224,055</b>	<b>1,954,354</b>	<b>2,038,424</b>	<b>2,004,628</b>	<b>1,872,864</b>	<b>2,165,581</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	127,480	134,603	93,773	140,776	133,921	302,095
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	3,164	3,164	3,241	3,320	3,401
<b>Total capital expenditure</b>	<b>127,480</b>	<b>137,767</b>	<b>96,937</b>	<b>144,017</b>	<b>137,241</b>	<b>305,496</b>
<b>Program 2.11 Chief Information Officer Total funded expenditure <sup>[b] [c] [d]</sup></b>	<b>2,137,789</b>	<b>1,793,090</b>	<b>1,831,870</b>	<b>1,835,970</b>	<b>1,750,830</b>	<b>2,246,389</b>

**Notes**

- Defence has a Net write-down and impairment of assets in 2022-23.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
- From the 2024-25 Portfolio Budget Statements, Program 2.11 will be renamed to Defence Digital Group.
- The change in estimates includes movement of functions and their associated budgets within Defence.

**Program 2.12: Defence People (including Chief of Personnel)**

Performance information is as reported in the *PBS 2023-24*.

**Table 36: Cost Summary for Program 2.12 Defence People**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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>[a]</sup>	181,244	224,712	1,146,319	920,435	948,780	976,882
Suppliers <sup>[a]</sup>	518,407	494,096	1,076,299	1,117,719	1,156,961	1,132,389
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	7,546	4,076	2,798	5,054	4,106	4,118
	707,197	722,884	2,225,416	2,043,208	2,109,847	2,113,389
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	11,999	13,946	17,593	17,961	20,465	20,790
Inventory consumption	-	-	7,124	38,337	52,482	55,527
Net write-down and net impairment of assets	110	1,243	2,089	2,554	3,128	3,836
	12,109	15,189	26,806	58,852	76,075	80,153
<b>Total operating expenses</b>	<b>719,306</b>	<b>738,073</b>	<b>2,252,222</b>	<b>2,102,060</b>	<b>2,185,922</b>	<b>2,193,542</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	-	-	-	14	14	15
Purchases of inventory <sup>[a]</sup>	-	-	11,594	72,116	82,947	81,820
Principal repayments of lease liabilities	-	12,034	12,034	12,327	12,628	12,936
<b>Total capital expenditure</b>	<b>-</b>	<b>12,034</b>	<b>23,628</b>	<b>84,457</b>	<b>95,589</b>	<b>94,771</b>
<b>Program 2.12 Defence People Total funded expenditure <sup>[b] [c]</sup></b>	<b>707,197</b>	<b>734,918</b>	<b>2,249,044</b>	<b>2,127,665</b>	<b>2,205,436</b>	<b>2,208,160</b>

**Notes**

- The increase in Employees expenses is on account of transfer of funding in relation to Defence Military Health expenses from Joint Capabilities to the Chief of Personnel. Further, the Services (Navy, Army, and Air Force) have transferred funding in relation to other employee and supplier expenses (removals, training) to the Chief of Personnel (reported under Program 2.12 Defence People) on account of movements of functions and responsibilities.
- 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 2.13: Defence Science and Technology

Performance information is as reported in the *PBS 2023-24*.

**Table 37: Cost Summary for Program 2.13 Defence Science and Technology**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	330,165	330,571	369,774	345,061	358,573	371,342
Suppliers	354,442	292,655	398,655	336,815	353,694	402,628
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	15,147	1,111	2,128	1,122	1,133	1,145
	699,754	624,337	770,557	682,998	713,400	775,115
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	27,729	26,954	30,172	34,806	36,961	37,005
Inventory consumption	61	151	151	155	158	162
Net write-down and net impairment of assets	2,411	4,333	2,079	2,195	2,317	2,446
	30,201	31,438	32,402	37,156	39,436	39,613
<b>Total operating expenses</b>	<b>729,955</b>	<b>655,775</b>	<b>802,959</b>	<b>720,154</b>	<b>752,836</b>	<b>814,728</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	12,975	8,458	8,136	11,183	20,421	12,880
Purchases of inventory	-	151	-	-	-	-
Principal repayments of lease liabilities	-	200	200	205	210	215
<b>Total capital expenditure</b>	<b>12,975</b>	<b>8,809</b>	<b>8,336</b>	<b>11,388</b>	<b>20,631</b>	<b>13,095</b>
<b>Program 2.13 Defence Science and Technology Total funded expenditure <sup>(a)</sup></b>	<b>712,729</b>	<b>633,146</b>	<b>778,893</b>	<b>694,386</b>	<b>734,031</b>	<b>788,210</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 2.14: Defence Intelligence**

Performance information is as reported in the *PBS 2023-24*.

**Table 38: Cost Summary for Program 2.14 Defence Intelligence**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	112,649	115,850	141,070	120,287	126,184	130,957
Suppliers	385,670	511,562	550,262	638,615	590,359	544,058
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	12	12	12	12	12	12
	498,331	627,424	691,344	758,914	716,555	675,027
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	29,992	39,188	25,095	37,937	70,179	84,798
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	24,289	30,323	22,031	26,898	32,902	40,311
	54,281	69,511	47,126	64,835	103,081	125,109
<b>Total operating expenses</b>	<b>552,612</b>	<b>696,935</b>	<b>738,470</b>	<b>823,749</b>	<b>819,636</b>	<b>800,136</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	191,053	140,386	39,108	228,823	305,975	348,517
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	1	164	164	168	172	176
<b>Total capital expenditure</b>	<b>191,054</b>	<b>140,550</b>	<b>39,272</b>	<b>228,991</b>	<b>306,147</b>	<b>348,693</b>
<b>Program 2.14 Defence Intelligence Total funded expenditure <sup>[a]</sup></b>	<b>689,385</b>	<b>767,974</b>	<b>730,616</b>	<b>987,905</b>	<b>1,022,702</b>	<b>1,023,720</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 39: Defence Intelligence Deliverables (Hydrographic Products and Services)**

Deliverables	2023-24 Budget Estimate	2023-24 Revised Estimate	2024-25 Forward Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate
Maritime Safety Updates <sup>[a]</sup>	100%	100%	100%	100%	100%
Charting Projects <sup>[b]</sup>	14	14	15	15	15
Nautical Publications <sup>[c]</sup>	29	30	31	30	30
Survey Projects <sup>[d]</sup>	9	11	10	12	14
Australian Hydrographic Office Availability <sup>[e]</sup>	247	247	248	249	249

**Notes**

- Maritime Safety Updates (MSU) are urgent safety-critical revisions to nautical charts and publications or other hydrographic products and services. All Priority 1 MSU will be applied to product and released within the agreed 20 day timeframe, with a PB Statements Target of 100 per cent achievement.
- A Charting Project includes all charting activities involved in compiling and publishing all paper and electronic charts or other charting services, for a particular geographic area. When all affected products are updated through different charting activities a Charting Project is considered complete.
- The Nautical Publications produced are 25 fortnightly Notices to Mariners, five annual publications, and selected additional publications in some years. Variation of plus one due to inclusion of annual AusTides publication.
- 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 collection using commercial arrangements. The 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. Variation due to two 2022-23 activities being completed in 2023-24. HIPP Phase 1 funding expires at the end of 2023-24 and all Stage 1 contracts are planned to be completed by end of 2023-24.
- AHO Availability is those periods the AHO, as a Defence capability, is materially ready and its personnel state and level of competence enables the AHO to provide hydrographic products and services immediately in accordance with the *Navigation Act 2012*. The AHO is open 0700-1830 Monday to Friday, closed for Public Holidays and the Christmas stand down period; availability outside these hours is upon request.



**Program 2.15: Naval Shipbuilding and Sustainment**

Performance information is as reported in the *PBS 2023-24*.

**Table 40: Cost Summary for Program 2.15 Naval Shipbuilding and Sustainment**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	126,060	140,636	161,790	143,174	146,017	148,916
Suppliers	107,054	283,383	273,130	97,170	59,764	53,616
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	233,114	424,019	434,920	240,344	205,781	202,532
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	61	5	84	5	5	5
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	4	-	1	1	1	1
	65	5	85	6	6	6
<b>Total operating expenses</b>	<b>233,179</b>	<b>424,024</b>	<b>435,005</b>	<b>240,350</b>	<b>205,787</b>	<b>202,538</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	38	-	-	-	1,561	1,589
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	5	5	5	5	5
<b>Total capital expenditure</b>	<b>38</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>1,566</b>	<b>1,594</b>
<b>Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure <sup>(a)</sup></b>	<b>233,152</b>	<b>424,024</b>	<b>434,925</b>	<b>240,349</b>	<b>207,347</b>	<b>204,126</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 2.16: Nuclear-Powered Submarines

Performance information is as reported in the *PBS 2023-24*.

**Table 41: Cost Summary for Program 2.16 Nuclear-Powered Submarines**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	588,623	444,220	3,913,376	1,043,264
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-
	-	513,586	588,623	444,220	3,913,376	1,043,264
<b>Expenses not requiring appropriation</b>						
Depreciation and amortisation	-	-	49	202	421	2,114
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	-	-	49	202	421	2,114
<b>Total operating expenses</b>	-	<b>513,586</b>	<b>588,672</b>	<b>444,422</b>	<b>3,913,797</b>	<b>1,045,378</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	-	1,444	38,355	325,100	678,540	535,339
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
<b>Total capital expenditure</b>	-	<b>1,444</b>	<b>38,355</b>	<b>325,100</b>	<b>678,540</b>	<b>535,339</b>
<b>Program 2.16 Nuclear-Powered Submarines <sup>(a)</sup> <sup>(b)</sup></b>	-	<b>515,030</b>	<b>626,978</b>	<b>769,320</b>	<b>4,591,916</b>	<b>1,578,603</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 2.16 Nuclear-Powered Submarines was created on 27 March 2023 and reflects movement of functions and associated budget from other Defence Programs. This Program holds funding to be allocated to other agencies, including in relation to the final allocation of funding for the establishment of the Australian Naval Nuclear Power Safety Regulator to be created in 2024-25.

**Program 2.19: Defence Trusts and Joint Accounts**

Performance information is as reported in the *PBS 2023-24*.

**Table 42: Cost Summary for Program 2.19 Defence Trusts and Joint Accounts**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	19	-	-	-	-	-
Net losses from sale of assets	-	-	-	-	-	-
Other expenses	50,126	327,736	48,139	58,238	58,934	55,608
	50,145	327,736	48,139	58,238	58,934	55,608
<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>50,145</b>	<b>327,736</b>	<b>48,139</b>	<b>58,238</b>	<b>58,934</b>	<b>55,608</b>
<b>Capital expenditure funded by appropriation and own source revenue</b>						
Purchases of non-financial assets	222,889	-	87,339	252,029	221,342	324,894
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
<b>Total capital expenditure</b>	<b>222,889</b>	<b>-</b>	<b>87,339</b>	<b>252,029</b>	<b>221,342</b>	<b>324,894</b>
<b>Program 2.19 Defence Trusts and Joint Accounts <sup>[a]</sup></b>	<b>273,034</b>	<b>327,736</b>	<b>135,478</b>	<b>310,267</b>	<b>280,276</b>	<b>380,502</b>

**Note**

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

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

Performance information is as reported in the *PBS 2023-24*.

**Administered Program 2.21: Defence Force Superannuation Nominal Interest**

Performance information is as reported in the *PBS 2023-24*.

**Table 43: Cost Summary for Administered Program 2.20 Defence Force Superannuation Benefits and Cost Summary for Administered Program 2.21 Defence Force Superannuation Nominal Interest**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	52,326	36,669	46,970	11,250	-	-
Military superannuation benefits <sup>(a)</sup>						
- benefits	4,194,100	3,157,552	3,702,406	3,372,094	3,534,798	3,723,549
- interest	5,502,573	5,995,492	5,999,238	6,442,220	6,727,359	7,019,858
<b>Total expenses</b>	<b>9,748,999</b>	<b>9,189,713</b>	<b>9,748,614</b>	<b>9,825,564</b>	<b>10,262,157</b>	<b>10,743,407</b>
<b>Income</b>						
<b>Revenues <sup>(b)</sup></b>						
Net foreign exchange gains	-	-	-	-	-	-
Military superannuation contributions	-1,154,138	-1,057,464	-1,075,618	-1,003,846	-936,327	-872,513
<b>Total income</b>	<b>-1,154,138</b>	<b>-1,057,464</b>	<b>-1,075,618</b>	<b>-1,003,846</b>	<b>-936,327</b>	<b>-872,513</b>
<b>Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest</b>	<b>8,594,861</b>	<b>8,132,249</b>	<b>8,672,996</b>	<b>8,821,718</b>	<b>9,325,830</b>	<b>9,870,894</b>

**Notes**

- 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.
- Negative amounts denote revenues.

**Administered Program 2.22: Housing Assistance**

Performance information is as reported in the *PBS 2023-24*.

**Table 44: Cost Summary for Administered Program 2.22 Housing Assistance**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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	171,643	174,203	220,016	236,275	255,100	275,795
<b>Total expenses</b>	<b>171,643</b>	<b>174,203</b>	<b>220,016</b>	<b>236,275</b>	<b>255,100</b>	<b>275,795</b>
<b>Income</b>						
<b>Revenues <sup>[a]</sup></b>						
Net foreign exchange gains	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Licence fees <sup>[b]</sup>	-18,128	-21,375	-21,614	-23,978	-26,573	-29,426
Other	-	-	-	-	-	-
<b>Total income</b>	<b>-18,128</b>	<b>-21,375</b>	<b>-21,614</b>	<b>-23,978</b>	<b>-26,573</b>	<b>-29,426</b>
<b>Program 2.22 Housing Assistance</b>	<b>153,515</b>	<b>152,828</b>	<b>198,402</b>	<b>212,297</b>	<b>228,527</b>	<b>246,369</b>

**Notes**

- Negative amounts denote revenues.
- Licence fees are charged to home loan providers under the Defence Home Ownership Assistance Scheme. The home loan providers are required to remit a portion of home loan revenue to the Australian Government.

**Administered Program 2.23: Other Administered**

Performance information is as reported in the *PBS 2023-24*.

**Table 45: Cost Summary for Administered Program 2.23 Other Administered**

	2022-23 Actual result \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised 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>						
Dividends	-	-74,158	-	-	-	-
Other	-41,979	-45,831	-41,152	-41,877	-43,864	-45,150
<b>Total income</b>	<b>-41,979</b>	<b>-119,989</b>	<b>-41,152</b>	<b>-41,877</b>	<b>-43,864</b>	<b>-45,150</b>
<b>Program 2.23 Other Administered</b>	<b>-41,979</b>	<b>-119,989</b>	<b>-41,152</b>	<b>-41,877</b>	<b>-43,864</b>	<b>-45,150</b>

**Note**

a. Negative amounts denote revenues.

## Section 3: Defence Explanatory Tables and Budgeted Financial Statements

### 3.1 Explanatory Tables

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of Defence's finances for the 2023-24 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses, movements in administered funds, special accounts, grants and government indigenous expenditure.

#### 3.1.1 Grants

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

Commonwealth grant opportunities and their guidelines, including the Department of Defence grant opportunities, are published on the Government grants portal GrantConnect ([www.grants.gov.au](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 46: Defence Resource Statement – Additional Estimates for 2023-24 as at February 2024 <sup>[a]</sup>**

	Actual appropriation 2022-23 \$'000	Estimate as at Budget 2023-24 \$'000	Proposed Additional Estimates 2023-24 \$'000	Total estimate at Additional Estimates 2023-24 \$'000
<b>Departmental</b>				
Annual appropriations - ordinary annual services	32,839,608	34,828,325	1,445,802	36,274,127
Prior year appropriations available	843,048	985,976	146,696	1,132,672
Equity injection	11,832,391	11,963,096	-858,170	11,104,926
Departmental Capital Budget	2,833,844	3,294,930	-502,692	2,792,238
<b>Total departmental annual appropriations <sup>[b]</sup></b>	<b>48,348,891</b>	<b>51,072,327</b>	<b>231,636</b>	<b>51,303,963</b>
<b>Total departmental resourcing</b>	<b>48,348,891</b>	<b>51,072,327</b>	<b>231,636</b>	<b>51,303,963</b>
<b>Administered</b>				
Annual appropriations - ordinary annual services	3,841,551	4,001,788	-28,351	3,973,437
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
<b>Total administered annual appropriations</b>	<b>3,841,551</b>	<b>4,001,788</b>	<b>-28,351</b>	<b>3,973,437</b>
<i>Total administered special appropriations</i>				
Special accounts				
Opening balance	357,357	-	-	-
Non-appropriation receipts	-	-	-	-
Payments made	-	-	-	-
Reclassification to Departmental <sup>[c]</sup>	-357,357	-	-	-
<b>Total special accounts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total administered resourcing</b>	<b>3,841,551</b>	<b>4,001,788</b>	<b>-28,351</b>	<b>3,973,437</b>

**Notes**

- This table is prepared on the same basis as Table 1.
- Represents Defence actual appropriation for 2022-23 as per Defence financial statements and excludes appropriation amounts that are intended to be quarantined.
- 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 47: Third Party Payments to and from other Agencies <sup>[a]</sup>**

	<b>2023-24 Budget Estimate \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>
Receipts from Defence Housing Australia for interest on loans, dividends and competitive neutrality payments (Administered)	110,838	62,848
Payments made to Defence Housing Australia for the provision of services (Departmental)	732,324	745,086
Receipts from Australian Signals Directorate for the provision of services (Departmental)	100,502	100,502
Receipts from Australian Submarine Agency for the provision of services (Departmental)	-	28,688
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	24,071	24,071
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	38,079	38,079
Payments made to the Department of Finance for the provision of services (Departmental)	37,305	49,652
Payments made to Comcare for workers compensation premiums (Departmental)	12,887	12,887
Payments made to Bureau of Meteorology for the provision of services (Departmental)	26,779	26,779
Payments made to the Australian Federal Police for the provision of services (Departmental)	56,935	50,022

**Note**

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

### 3.3 Budgeted Financial Statements

#### 3.3.1 Departmental and Administered Budgeted Financial Statements

**Table 48: Variation in Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)**

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
<b>EXPENSES</b>			
Employee benefits	13,559,095	14,265,081	705,986
Supplier expenses	22,591,105	23,735,133	1,144,028
Grants	44,699	47,636	2,937
Depreciation and amortisation	6,728,912	6,626,214	-102,698
Finance costs	101,018	101,018	-
Write-down of assets and impairment of assets	1,353,455	1,524,637	171,182
Foreign exchange losses	-	-	-
Net losses from sale of assets	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	327,736	48,139	-279,597
Other	2,689	4,145	1,456
<b>Total expenses</b>	<b>44,708,709</b>	<b>46,352,003</b>	<b>1,643,294</b>
<b>LESS:</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sales of goods and rendering of services	317,894	417,527	99,633
Revenue in relation to Defence Trusts and Joint Accounts	327,736	126,335	-201,401
Other revenue	265,114	328,884	63,770
<b>Total own-source revenue</b>	<b>910,744</b>	<b>872,746</b>	<b>-37,998</b>
<b>Gains</b>			
Foreign exchange	-	-	-
Reversals of previous asset write-downs	881,449	871,950	-9,499
Net gains from sale of assets	7,219	15,185	7,966
Other gains <sup>[a]</sup>	205,900	-	-205,900
<b>Total gains</b>	<b>1,094,568</b>	<b>887,135</b>	<b>-207,433</b>
<b>Total own-source income</b>	<b>2,005,312</b>	<b>1,759,881</b>	<b>-245,431</b>
<b>Net cost of (contribution by) services</b>	<b>42,703,397</b>	<b>44,592,122</b>	<b>1,888,725</b>
Revenue from Government	34,828,325	36,274,127	1,445,802
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-7,875,072</b>	<b>-8,317,995</b>	<b>-442,923</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>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-7,875,072</b>	<b>-8,317,995</b>	<b>-442,923</b>

**Table 48: Variation in Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June) (Continued)**

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'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>60,157</b>	<b>-67,360</b>	<b>-127,517</b>
Less: Items previously included in revenue appropriation:			
Depreciation and amortisation	6,728,912	6,626,214	-102,698
Inventory consumption	1,051,187	1,288,612	237,425
Net write-down and net impairment of assets	472,006	652,687	180,681
Add: Repayment of lease liabilities funded through revenue appropriations	316,878	316,878	-
<b>Surplus (Deficit) attributable to the Australian Government as per above</b>	<b>-7,875,072</b>	<b>-8,317,995</b>	<b>-442,923</b>

**Note**

- a. Other gains predominantly relate to the ASMTI 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. Effective 1 July 2022, the funds received from Singapore and the assets being built under the ASMTI agreement are both within the Departmental Financial Statements, and as a result no 'Other gains' are recorded from 2022-23 onwards for the contributions made by Singapore.

Table 49: Variation in Budgeted Departmental Balance Sheet (as at 30 June)

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	727,561	323,448	-404,113
Trade and other receivables	167,021	176,250	9,229
Tax assets	392,067	413,952	21,885
Appropriation receivable	985,976	1,132,672	146,696
Other receivables	771,319	517,331	-253,988
<b>Total financial assets</b>	<b>3,043,944</b>	<b>2,563,653</b>	<b>-480,291</b>
<b>Non-financial assets</b>			
Land and buildings	26,524,163	25,091,270	-1,432,893
Infrastructure, plant and equipment	7,771,928	9,370,047	1,598,119
Specialist military equipment	92,116,795	89,059,996	-3,056,799
Intangibles	2,154,562	2,467,671	313,109
Heritage and cultural	377,385	412,480	35,095
Inventories	8,560,364	9,167,807	607,443
Prepayments	2,639,535	4,052,326	1,412,791
<b>Total non-financial assets</b>	<b>140,144,732</b>	<b>139,621,597</b>	<b>-523,135</b>
Assets held for sale	160,607	76,598	-84,009
<b>Total assets</b>	<b>143,349,283</b>	<b>142,261,848</b>	<b>-1,087,435</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	5,204,199	5,695,032	490,833
Other	1,091,629	638,015	-453,614
<b>Total payables</b>	<b>6,295,828</b>	<b>6,333,047</b>	<b>37,219</b>
<b>Interest bearing liabilities</b>			
Leases	2,900,177	3,088,256	188,079
<b>Total interest bearing liabilities</b>	<b>2,900,177</b>	<b>3,088,256</b>	<b>188,079</b>
<b>Provisions</b>			
Employee provisions	3,362,600	3,344,677	-17,923
Restoration, decontamination and decommissioning	1,009,050	1,087,208	78,158
Other	284,175	305,933	21,758
<b>Total provisions</b>	<b>4,655,825</b>	<b>4,737,818</b>	<b>81,993</b>
<b>Total liabilities</b>	<b>13,851,830</b>	<b>14,159,121</b>	<b>307,291</b>
<b>NET ASSETS</b>	<b>129,497,453</b>	<b>128,102,727</b>	<b>-1,394,726</b>
<b>EQUITY</b>			
Contributed equity	94,296,874	93,020,913	-1,275,961
Reserves	32,446,454	9,361,785	-23,084,669
Retained surplus (accumulated deficit)	2,754,125	25,720,029	22,965,904
<b>Total equity</b>	<b>129,497,453</b>	<b>128,102,727</b>	<b>-1,394,726</b>

**Table 50: Variation in Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	<b>2023-24 Budget Estimate \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>	<b>Variation \$'000</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations (current year)	34,574,386	36,062,508	1,488,122
Appropriations (prior year)	-	-	-
Goods and services	557,094	682,278	125,184
Net GST received	2,857,641	2,723,518	-134,123
Interest	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	388,714	50,014	-338,700
Other cash received	20,039	64,133	44,094
Cash transfer from the Official Public Account (receivables)	-	-	-
<b>Total cash received</b>	<b>38,397,874</b>	<b>39,582,451</b>	<b>1,184,577</b>
<b>Cash used</b>			
Employees	13,305,156	14,053,462	748,306
Suppliers	21,539,580	22,450,667	911,087
Net GST paid	2,857,641	2,723,518	-134,123
Grants	44,699	47,636	2,937
Payments in relation to Defence Trusts and Joint Accounts	327,736	153,565	-174,171
Other cash used	97,981	101,018	3,037
Cash transfer to the Official Public Account (receivables)	-	-	-
<b>Total cash used</b>	<b>38,172,793</b>	<b>39,529,866</b>	<b>1,357,073</b>
<b>Net cash from (used by) operating activities</b>	<b>225,082</b>	<b>52,585</b>	<b>-172,497</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of land and buildings	119,232	119,232	-
Proceeds from sales of infrastructure, plant and equipment	33,543	31,655	-1,888
Proceeds from sales of specialist military equipment	-	9,854	9,854
Proceeds from sales of heritage and cultural assets	-	-	-
Other cash received	-	-	-
<b>Total cash received</b>	<b>152,775</b>	<b>160,741</b>	<b>7,966</b>
<b>Cash used</b>			
Purchase of land and buildings	3,090,096	1,708,991	-1,381,105
Purchase of infrastructure, plant and equipment	65,319	104,313	38,994
Purchase of specialist military equipment	9,617,419	10,127,407	509,988
Purchase of heritage and cultural assets	-	-	-
Purchase of intangibles	270,953	198,062	-72,891
Purchase of inventory	2,214,239	1,758,391	-455,848
Selling costs on sale of assets	-	-	-
Finance costs	-	-	-
<b>Total cash used</b>	<b>15,258,026</b>	<b>13,897,164</b>	<b>-1,360,862</b>
<b>Net cash from (used by) investing activities</b>	<b>-15,105,251</b>	<b>-13,736,423</b>	<b>1,368,828</b>

**Table 50: Variation in Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) (Continued)**

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations - contributed equity	11,963,096	11,104,926	-858,170
Appropriations - departmental capital budget	3,294,930	2,792,238	-502,692
Prior year appropriation	-	-	-
<b>Total cash received</b>	<b>15,258,026</b>	<b>13,897,164</b>	<b>-1,360,862</b>
<b>Cash used</b>			
Principal repayments of lease liabilities	316,878	316,878	-
Cash to the Official Public Account	-	-	-
<b>Total cash used</b>	<b>316,878</b>	<b>316,878</b>	<b>-</b>
<b>Net cash from (used by) financing activities</b>	<b>14,941,148</b>	<b>13,580,286</b>	<b>-1,360,862</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>60,979</b>	<b>-103,552</b>	<b>-164,531</b>
Cash and cash equivalents at the beginning of the reporting period	666,582	427,000	-239,582
Transfer of cash from administered programs	-	-	-
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>727,561</b>	<b>323,448</b>	<b>-404,113</b>
Assets held in trust amounts	-	-	-
<b>Cash and cash equivalents at the end of the reporting period including assets held in trust amount</b>	<b>727,561</b>	<b>323,448</b>	<b>-404,113</b>

**Table 51: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>EXPENSES</b>					
Employee benefits	12,780,879	14,265,081	14,262,660	14,529,257	15,088,823
Supplier expenses	22,271,696	23,735,133	23,009,758	26,428,004	25,387,401
Grants	72,059	47,636	49,842	44,907	44,999
Depreciation and amortisation	6,657,711	6,626,214	6,721,968	6,819,140	6,917,753
Finance costs	148,035	101,018	98,470	96,075	93,380
Write-down of assets and impairment of assets	1,507,141	1,524,637	1,621,821	1,727,492	1,842,844
Foreign exchange losses	18,412	-	-	-	-
Net losses from sale of assets	-	-	-	15,379	21,822
Expenses in relation to Defence Trusts and Joint Accounts <sup>[a]</sup>	50,128	48,139	58,238	58,934	55,608
Other	111,392	4,145	17,446	5,878	5,975
<b>Total expenses</b>	<b>43,617,453</b>	<b>46,352,003</b>	<b>45,840,203</b>	<b>49,725,066</b>	<b>49,458,605</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sales of goods and rendering of services	443,560	417,527	366,178	362,021	360,896
Revenue in relation to Defence Trusts and Joint Accounts <sup>[a]</sup>	241,387	126,335	300,490	280,285	380,402
Other revenue	582,118	328,884	269,861	333,789	348,266
<b>Total own-source revenue</b>	<b>1,267,065</b>	<b>872,746</b>	<b>936,529</b>	<b>976,095</b>	<b>1,089,564</b>
<b>Gains</b>					
Foreign exchange	-	-	-	-	-
Reversals of previous asset write-downs	933,469	871,950	919,361	969,550	1,022,714
Net gains from sale of assets	16,730	15,185	64,685	-	-
Other gains <sup>[a]</sup>	55,750	-	-	-	-
<b>Total gains</b>	<b>1,005,949</b>	<b>887,135</b>	<b>984,046</b>	<b>969,550</b>	<b>1,022,714</b>
<b>Total own-source income</b>	<b>2,273,014</b>	<b>1,759,881</b>	<b>1,920,575</b>	<b>1,945,645</b>	<b>2,112,278</b>
<b>Net cost of (contribution by) services</b>	<b>41,344,439</b>	<b>44,592,122</b>	<b>43,919,628</b>	<b>47,779,421</b>	<b>47,346,327</b>
Revenue from Government	32,839,608	36,274,127	35,616,030	39,166,504	38,765,087
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-8,504,831</b>	<b>-8,317,995</b>	<b>-8,303,598</b>	<b>-8,612,917</b>	<b>-8,581,240</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not subject to subsequent reclassification to net cost of services</b>					
Changes in asset revaluation reserves	1,591,569	-	-	-	-
<b>Total other comprehensive income/(loss)</b>	<b>1,591,569</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-6,913,262</b>	<b>-8,317,995</b>	<b>-8,303,598</b>	<b>-8,612,917</b>	<b>-8,581,240</b>

**Table 51: Budgeted Departmental Comprehensive Income Statement (Showing Net Cost of Services) (for the period ended 30 June) (Continued)**

	2022-23 Actual result \$'000	2023-24 Revised 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>-357,325</b>	<b>-67,360</b>	<b>145,673</b>	<b>48,386</b>	<b>302,773</b>
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	6,657,711	6,626,214	6,721,968	6,819,140	6,917,753
Inventory consumption	1,224,918	1,288,612	1,351,172	1,418,322	1,488,808
Net write-down and net impairment of assets	573,672	652,687	702,460	757,942	820,130
Add: Repayment of lease liabilities funded through revenue appropriations	308,795	316,878	326,329	334,101	342,678
<b>Surplus (Deficit) attributable to the Australian Government as per above</b>	<b>-8,504,831</b>	<b>-8,317,995</b>	<b>-8,303,598</b>	<b>-8,612,917</b>	<b>-8,581,240</b>

**Note**

- a. Effective 1 July 2022, the funds received from Singapore and the assets being built under the ASMTI agreement are both within the Departmental Financial Statements, and as a result no 'Other gains' are recorded from 2022-23 onwards for the contributions made by Singapore.



**Table 52: Budgeted Departmental Balance Sheet (as at 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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	427,000	323,448	295,547	295,556	295,457
Trade and other receivables	180,362	176,250	176,250	176,250	176,250
Tax assets	413,952	413,952	413,952	413,952	413,952
Appropriation receivable	843,048	1,132,672	1,461,542	1,720,430	1,970,859
Other receivables	628,250	517,331	510,349	511,091	510,818
<b>Total financial assets</b>	<b>2,492,612</b>	<b>2,563,653</b>	<b>2,857,640</b>	<b>3,117,279</b>	<b>3,367,336</b>
<b>Non-financial assets</b>					
Land and buildings	24,213,637	25,091,270	27,757,618	30,454,782	33,266,583
Infrastructure, plant and equipment	9,965,666	9,370,047	8,995,253	8,519,422	8,043,374
Specialist military equipment	84,271,967	89,059,996	94,356,783	98,572,480	105,631,229
Intangibles	2,445,166	2,467,671	2,627,131	2,781,217	2,954,362
Heritage and cultural	435,898	412,480	388,732	364,650	340,228
Inventories	8,658,044	9,167,807	9,631,980	10,121,990	10,642,576
Prepayments	3,699,494	4,052,326	4,454,465	4,807,340	5,148,665
<b>Total non-financial assets</b>	<b>133,689,872</b>	<b>139,621,597</b>	<b>148,211,962</b>	<b>155,621,881</b>	<b>166,027,017</b>
Assets held for sale	76,598	76,598	76,598	76,598	76,598
<b>Total assets</b>	<b>136,259,082</b>	<b>142,261,848</b>	<b>151,146,200</b>	<b>158,815,758</b>	<b>169,470,951</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	5,341,846	5,695,032	6,095,715	6,448,996	6,790,321
Other	740,115	638,015	666,311	724,915	785,789
<b>Total payables</b>	<b>6,081,961</b>	<b>6,333,047</b>	<b>6,762,026</b>	<b>7,173,911</b>	<b>7,576,110</b>
<b>Interest bearing liabilities</b>					
Leases	3,097,868	3,088,256	3,076,690	3,065,033	3,052,667
<b>Total interest bearing liabilities</b>	<b>3,097,868</b>	<b>3,088,256</b>	<b>3,076,690</b>	<b>3,065,033</b>	<b>3,052,667</b>
<b>Provisions</b>					
Employee provisions	3,135,622	3,344,677	3,619,974	3,820,831	4,010,100
Restoration, decontamination and decommissioning	1,087,208	1,087,208	1,087,208	1,087,208	1,087,208
Other	305,933	305,933	305,933	305,933	305,933
<b>Total provisions</b>	<b>4,528,763</b>	<b>4,737,818</b>	<b>5,013,115</b>	<b>5,213,972</b>	<b>5,403,241</b>
<b>Total liabilities</b>	<b>13,708,592</b>	<b>14,159,121</b>	<b>14,851,831</b>	<b>15,452,916</b>	<b>16,032,018</b>
<b>NET ASSETS</b>	<b>122,550,490</b>	<b>128,102,727</b>	<b>136,294,369</b>	<b>143,362,842</b>	<b>153,438,933</b>
<b>EQUITY</b>					
Contributed equity	79,150,682	93,020,913	109,516,154	125,197,545	143,854,877
Reserves	9,361,785	9,361,785	9,361,785	9,361,785	9,361,785
Retained surplus (accumulated deficit)	34,038,023	25,720,029	17,416,430	8,803,512	222,271
<b>Total equity</b>	<b>122,550,490</b>	<b>128,102,727</b>	<b>136,294,369</b>	<b>143,362,842</b>	<b>153,438,933</b>

**Table 53: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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)	32,498,142	36,062,508	35,285,730	38,906,645	38,514,819
Appropriations (prior year)	-	-	-	-	-
Goods and services	697,387	682,278	615,846	694,144	707,485
Net GST received	2,716,323	2,723,518	2,911,262	3,068,040	3,242,755
Interest	31,375	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	97,523	50,014	277,302	280,286	380,403
Other cash received	219,007	64,133	20,193	1,666	1,677
Cash transfer from the Official Public Account (receivables)	1,092,292	-	-	-	-
<b>Total cash received</b>	<b>37,352,049</b>	<b>39,582,451</b>	<b>39,110,333</b>	<b>42,950,781</b>	<b>42,847,139</b>
<b>Cash used</b>					
Employees	12,992,713	14,053,462	13,932,360	14,269,398	14,838,555
Suppliers	20,499,878	22,450,667	21,676,034	25,015,562	23,904,570
Net GST paid	2,654,420	2,723,518	2,911,262	3,068,040	3,242,755
Grants	64,161	47,636	49,842	44,907	44,999
Payments in relation to Defence Trusts and Joint Accounts	276,797	153,565	305,202	280,276	380,501
Other cash used	153,710	101,018	98,470	96,075	93,380
Cash transfer to the Official Public Account (receivables)	1,122,827	-	-	-	-
<b>Total cash used</b>	<b>37,764,506</b>	<b>39,529,866</b>	<b>38,973,170</b>	<b>42,774,258</b>	<b>42,504,760</b>
<b>Net cash from (used by) operating activities</b>	<b>-412,457</b>	<b>52,585</b>	<b>137,163</b>	<b>176,523</b>	<b>342,379</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of land and buildings	17,760	119,232	129,605	157,578	191
Proceeds from sales of infrastructure, plant and equipment	12,748	31,655	31,655	4	4
Proceeds from sales of specialist military equipment	37,380	9,854	5	5	5
Proceeds from sales of heritage and cultural assets	-	-	-	-	-
Other cash received	6,977	-	-	-	-
<b>Total cash received</b>	<b>74,865</b>	<b>160,741</b>	<b>161,265</b>	<b>157,587</b>	<b>200</b>
<b>Cash used</b>					
Purchase of land and buildings	939,665	1,708,991	3,497,638	3,646,263	3,527,730
Purchase of infrastructure, plant and equipment	1,097,500	104,313	137,065	51,555	57,052
Purchase of specialist military equipment	9,257,605	10,127,407	10,631,701	9,442,307	12,422,765
Purchase of heritage and cultural assets	99	-	-	-	-
Purchase of intangibles	500,398	198,062	351,975	367,239	411,489
Purchase of inventory	2,248,278	1,758,391	1,876,862	2,174,027	2,238,296
Selling costs on sale of assets	-	-	-	-	-
Finance costs	2	-	-	-	-
<b>Total cash used</b>	<b>14,043,547</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</b>
<b>Net cash from (used by) investing activities</b>	<b>-13,968,682</b>	<b>-13,736,423</b>	<b>-16,333,976</b>	<b>-15,523,804</b>	<b>-18,657,132</b>

**Table 53: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)  
(Continued)**

	2022-23 Actual result \$'000	2023-24 Revised 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	11,710,463	11,104,926	13,363,770	12,108,596	15,163,319
Appropriations - departmental capital budget	2,730,776	2,792,238	3,131,471	3,572,795	3,494,013
Prior year appropriation	-	-	-	-	-
<b>Total cash received</b>	<b>14,441,239</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</b>
<b>Cash used</b>					
Principal repayments of lease liabilities	308,795	316,878	326,329	334,101	342,678
Cash to the Official Public Account	-	-	-	-	-
<b>Total cash used</b>	<b>308,795</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>14,132,444</b>	<b>13,580,286</b>	<b>16,168,912</b>	<b>15,347,290</b>	<b>18,314,654</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>-248,695</b>	<b>-103,552</b>	<b>-27,901</b>	<b>9</b>	<b>-99</b>
Cash and cash equivalents at the beginning of the reporting period	316,916	427,000	323,448	295,547	295,556
Transfer of cash from administered programs	357,596	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	1,183	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>427,000</b>	<b>323,448</b>	<b>295,547</b>	<b>295,556</b>	<b>295,457</b>
Assets held in trust amounts	1,734	-	-	-	-
<b>Cash and cash equivalents at the end of the reporting period including assets held in trust amount</b>	<b>428,734</b>	<b>323,448</b>	<b>295,547</b>	<b>295,556</b>	<b>295,457</b>

**Table 54: 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	34,038,023	9,361,785	79,150,682	122,550,490
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	<b>34,038,023</b>	<b>9,361,785</b>	<b>79,150,682</b>	<b>122,550,490</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	-8,317,995	-	-	-8,317,995
<b>Total comprehensive income recognised directly in equity</b>	<b>-8,317,995</b>	<b>-</b>	<b>-</b>	<b>-8,317,995</b>
<b>Transactions with owners</b>				
<i>Distribution to owners</i>				
Returns on capital:				
Restructuring <sup>[a]</sup>	-	-	-26,933	-26,933
Other	-	-	-	-
<i>Contributions by owners</i>				
Appropriation (equity injection)	-	-	11,104,926	11,104,926
Departmental Capital Budget	-	-	2,792,238	2,792,238
Other	-	-	-	-
<b>Sub-total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>13,870,231</b>	<b>13,870,231</b>
Transfers between equity components	-	-	-	-
<b>Estimated closing balance as at 30 June 2024</b>	<b>25,720,029</b>	<b>9,361,785</b>	<b>93,020,913</b>	<b>128,102,727</b>

**Note**

a. Relates to transfer of balances to the ASA on 1 July 2023.

**Table 55: Departmental Capital Budget Statement (for the period ended 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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	2,792,238	3,131,471	3,572,795	3,494,013
Bill 2 Equity	11,832,391	11,104,926	13,363,770	12,108,596	15,163,319
<b>Total capital appropriations</b>	<b>14,666,235</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</b>
<b>Represented by:</b>					
Purchase of non-financial assets	11,795,267	12,138,773	14,618,379	13,507,364	16,419,036
Purchase of inventory	2,248,278	1,758,391	1,876,862	2,174,027	2,238,296
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-628,151	-	-	-	-
<b>Total Items</b>	<b>13,415,394</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	14,666,235	13,897,164	16,495,241	15,681,391	18,657,332
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Net capital (surplus) / deficit <sup>[a]</sup>	-1,250,841	-	-	-	-
<b>Total</b>	<b>13,415,394</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</b>
<b>Reconciliation of cash used to acquire assets to asset movement table</b>					
Total purchases	13,638,283	13,984,503	16,747,270	15,902,733	18,982,226
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	2	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	222,889	87,339	252,029	221,342	324,894
less s75/restructuring	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>13,415,396</b>	<b>13,897,164</b>	<b>16,495,241</b>	<b>15,681,391</b>	<b>18,657,332</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 56: 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	6,175,366	16,579,295	85,018,620	10,431,024	4,059,709	456,090	76,598	122,796,702
Gross book value - ROU	56,338	2,797,095	285,779	529,080	-	-	-	3,668,292
Accumulated depreciation/amortisation and impairment	-	606,489	993,014	741,380	1,614,543	20,192	-	3,975,618
Accumulated depreciation/amortisation and impairment - ROU	-	787,968	39,418	253,058	-	-	-	1,080,444
<b>Opening net book balance</b>	<b>6,231,704</b>	<b>17,981,933</b>	<b>84,271,967</b>	<b>9,965,666</b>	<b>2,445,166</b>	<b>435,898</b>	<b>76,598</b>	<b>121,408,932</b>
<b>CAPITAL ASSET ADDITIONS</b>								
<b>Estimated expenditure on new or replacement assets</b>								
By purchase - appropriation equity	84,302	1,624,688	10,127,407	104,313	198,062	-	-	12,138,772
By purchase - appropriation equity - ROU	-	236,616	-	70,650	-	-	-	307,266
By purchase - donated funds	28,040	19,958	-	39,341	-	-	-	87,339
By purchase - donated funds - ROU	-	-	-	-	-	-	-	-
By finance lease	-	-	-	-	-	-	-	-
By finance lease - ROU	-	-	-	-	-	-	-	-
<b>Total additions</b>	<b>112,342</b>	<b>1,644,646</b>	<b>10,127,407</b>	<b>143,654</b>	<b>198,062</b>	<b>-</b>	<b>-</b>	<b>12,226,111</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>	-	-161,969	61,855	126,447	3,735	-	-	30,068
Reclassifications - ROU	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	657,472	4,767,172	756,398	110,766	23,418	-	6,315,226
Depreciation and amortisation - ROU	-	213,911	30,852	66,225	-	-	-	310,988
Other disposals <sup>[b]</sup>	-	82,619	603,209	113,747	68,526	-	-	868,101
Other disposals - ROU	-	-	-	-	-	-	-	-
<b>Total other movements</b>	<b>-</b>	<b>-902,060</b>	<b>-5,308,526</b>	<b>-743,698</b>	<b>-175,557</b>	<b>-23,418</b>	<b>-</b>	<b>-7,153,259</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	6,287,708	17,979,353	94,604,673	10,587,378	4,192,980	456,090	76,598	134,184,780
Gross book value - ROU	56,338	3,033,711	285,779	599,730	-	-	-	3,975,558
Accumulated depreciation/amortisation and impairment	-	1,263,961	5,760,186	1,497,778	1,725,309	43,610	-	10,290,844
Accumulated depreciation/amortisation and impairment - ROU	-	1,001,879	70,270	319,283	-	-	-	1,391,432
<b>Closing net book value</b>	<b>6,344,046</b>	<b>18,747,224</b>	<b>89,059,996</b>	<b>9,370,047</b>	<b>2,467,671</b>	<b>412,480</b>	<b>76,598</b>	<b>126,478,062</b>

**Notes**

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

**Table 57: Variation in Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
<b>Revenue</b>			
<b>Non-taxation</b>			
Dividends	74,158	-	-74,158
Military superannuation contributions	1,057,464	1,075,618	18,154
Fees	21,375	21,614	239
Other	45,831	41,152	-4,679
<b>Total non-taxation</b>	<b>1,198,828</b>	<b>1,138,384</b>	<b>-60,444</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,198,828</b>	<b>1,138,384</b>	<b>-60,444</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
Subsidies	174,203	220,016	45,813
Military retention benefits	36,669	46,970	10,301
Military superannuation benefits	9,153,044	9,701,644	548,600
Other	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>9,363,916</b>	<b>9,968,630</b>	<b>604,714</b>

**Table 58: Variation in Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
<b>ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
<b>Financial assets</b>			
Cash and cash equivalents	-	-	-
Trade and other receivables	95,533	21,614	-73,919
Investments accounted for using the equity method	3,259,464	3,741,580	482,116
<b>Total financial assets</b>	<b>3,354,997</b>	<b>3,763,194</b>	<b>408,197</b>
<b>Non-financial assets</b>			
Prepayments	9,889	11,250	1,361
<b>Total non-financial assets</b>	<b>9,889</b>	<b>11,250</b>	<b>1,361</b>
<b>Total assets administered on behalf of Government</b>	<b>3,364,886</b>	<b>3,774,444</b>	<b>409,558</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>			
<b>Payables</b>			
Other	1,314	10,004	8,690
<b>Total payables</b>	<b>1,314</b>	<b>10,004</b>	<b>8,690</b>
<b>Provisions</b>			
Superannuation - DFRB <sup>[a]</sup>	245,251	257,086	11,835
Superannuation - DFRDB <sup>[b]</sup>	32,058,989	33,026,984	967,995
Superannuation - MSBS <sup>[c]</sup>	88,239,436	90,700,884	2,461,448
Superannuation - ADF Super <sup>[d]</sup>	5,022,543	5,188,839	166,296
<b>Total provisions</b>	<b>125,566,219</b>	<b>129,173,793</b>	<b>3,607,574</b>
<b>Total liabilities administered on behalf of Government</b>	<b>125,567,533</b>	<b>129,183,797</b>	<b>3,616,264</b>

**Notes**

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



**Table 59: Variation in Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	<b>2023-24 Budget Estimate \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>	<b>Variation \$'000</b>
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Military superannuation contributions	1,057,464	1,075,618	18,154
Fees	19,235	34,657	15,422
Other	45,619	62,636	17,017
<b>Total cash received</b>	<b>1,122,318</b>	<b>1,172,911</b>	<b>50,593</b>
<b>Cash used</b>			
Subsidies paid	174,203	220,016	45,813
Military benefits	3,827,585	3,753,421	-74,164
<b>Total cash used</b>	<b>4,001,788</b>	<b>3,973,437</b>	<b>-28,351</b>
<b>Net cash from or (used by) operating activities</b>	<b>-2,879,470</b>	<b>-2,800,526</b>	<b>78,944</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Dividends	63,559	-	-63,559
<b>Total cash received</b>	<b>63,559</b>	<b>-</b>	<b>-63,559</b>
<b>Net cash from (used by) investing activities</b>	<b>63,559</b>	<b>-</b>	<b>-63,559</b>
<b>Net increase (decrease) in cash held</b>	<b>-2,815,911</b>	<b>-2,800,526</b>	<b>15,385</b>
Cash at the beginning of reporting period	-	-	-
Cash from the Official Public Account for appropriations	4,001,788	3,973,437	-28,351
Cash to the Official Public Account	-1,185,877	-1,172,911	12,966
Net increase (decrease) in Special Account	-	-	-
Transfer to Departmental equivalents	-	-	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 60: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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>					
Dividends	-	-	-	-	-
Military superannuation contributions	1,154,138	1,075,618	1,003,846	936,327	872,513
Fees	18,128	21,614	23,978	26,573	29,426
Other	41,979	41,152	41,877	43,864	45,150
<b>Total non-taxation</b>	<b>1,214,245</b>	<b>1,138,384</b>	<b>1,069,701</b>	<b>1,006,764</b>	<b>947,089</b>
<b>Total revenues administered on behalf of Government</b>	<b>1,214,245</b>	<b>1,138,384</b>	<b>1,069,701</b>	<b>1,006,764</b>	<b>947,089</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Subsidies	171,643	220,016	236,275	255,100	275,795
Military retention benefits	52,326	46,970	11,250	-	-
Military superannuation benefits	9,696,673	9,701,644	9,814,314	10,262,157	10,743,407
Other	-	-	-	-	-
<b>Total expenses administered on behalf of Government</b>	<b>9,920,642</b>	<b>9,968,630</b>	<b>10,061,839</b>	<b>10,517,257</b>	<b>11,019,202</b>

**Table 61: Schedule of Budgeted Assets and Liabilities Administered on Behalf of Government (as at 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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	56,355	21,614	23,978	26,573	29,426
Investments accounted for using the equity method	3,664,308	3,741,580	3,918,405	4,119,094	4,313,147
<b>Total financial assets</b>	<b>3,720,663</b>	<b>3,763,194</b>	<b>3,942,383</b>	<b>4,145,667</b>	<b>4,342,573</b>
<b>Non-financial assets</b>					
Prepayments	58,220	11,250	-	-	-
<b>Total non-financial assets</b>	<b>58,220</b>	<b>11,250</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets administered on behalf of Government</b>	<b>3,778,883</b>	<b>3,774,444</b>	<b>3,942,383</b>	<b>4,145,667</b>	<b>4,342,573</b>
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Other	10,004	10,004	10,004	10,004	10,004
<b>Total payables</b>	<b>10,004</b>	<b>10,004</b>	<b>10,004</b>	<b>10,004</b>	<b>10,004</b>
<b>Provisions</b>					
Superannuation - DFRB <sup>[a]</sup>	278,700	257,086	240,552	224,653	209,366
Superannuation - DFRDB <sup>[b]</sup>	33,474,000	33,026,984	32,784,213	32,489,170	32,142,514
Superannuation - MSBS <sup>[c]</sup>	100,122,000	90,700,884	94,886,865	98,952,760	102,906,904
Superannuation - ADF Cover <sup>[d]</sup>	4,003,000	5,188,839	7,037,455	9,196,110	11,681,224
<b>Total provisions</b>	<b>137,877,700</b>	<b>129,173,793</b>	<b>134,949,085</b>	<b>140,862,693</b>	<b>146,940,008</b>
<b>Total liabilities administered on behalf of Government</b>	<b>137,887,704</b>	<b>129,183,797</b>	<b>134,959,089</b>	<b>140,872,697</b>	<b>146,950,012</b>

**Notes**

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

**Table 62: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)**

	2022-23 Actual result \$'000	2023-24 Revised 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>					
Military superannuation contributions	1,405,426	1,075,618	1,003,846	936,327	872,513
Fees	18,921	34,657	21,614	23,978	26,573
Other	55,814	62,636	41,665	43,652	44,938
<b>Total cash received</b>	<b>1,480,161</b>	<b>1,172,911</b>	<b>1,067,125</b>	<b>1,003,957</b>	<b>944,024</b>
<b>Cash used</b>					
Subsidies paid	165,162	220,016	236,275	255,100	275,795
Military benefits	3,676,389	3,753,421	4,039,022	4,348,550	4,666,097
<b>Total cash used</b>	<b>3,841,551</b>	<b>3,973,437</b>	<b>4,275,297</b>	<b>4,603,650</b>	<b>4,941,892</b>
<b>Net cash from or (used by) operating activities</b>	<b>-2,361,390</b>	<b>-2,800,526</b>	<b>-3,208,172</b>	<b>-3,599,693</b>	<b>-3,997,868</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Dividends	89,977	-	-	-	-
<b>Total cash received</b>	<b>89,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from (used by) investing activities</b>	<b>89,977</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>-2,271,413</b>	<b>-2,800,526</b>	<b>-3,208,172</b>	<b>-3,599,693</b>	<b>-3,997,868</b>
Cash at the beginning of reporting period	357,357	-	-	-	-
Cash from the Official Public Account for appropriations	3,841,551	3,973,437	4,275,297	4,603,650	4,941,892
Cash to the Official Public Account	-1,570,138	-1,172,911	-1,067,125	-1,003,957	-944,024
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 Financial Statements**

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

This page intentionally left blank.

# Appendices

Appendix A: Defence Cooperation Program ..... 84

Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects ..... 86

Appendix C: Top 30 Capability Sustainment Products Approved Projects ..... 97

Appendix D: Enterprise Estate and Infrastructure Program ..... 102

Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing  
Committee on Public Works Consideration in 2023-24 ..... 119

Appendix F: Top 5 Information and Communication Technology Approved Projects ..... 123

Appendix G: Australian Government Indigenous Expenditure..... 124

## Appendix A: Defence Cooperation Program

Changes have been made to the Defence Cooperation Program (DCP) since the *PBS 2023-24*.

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

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

In line with the *Defence Strategic Review 2023*, the DCP priority regions are the Pacific and Southeast Asia. The objective is to maximise Australia's security through developing close and enduring links with partners that support their capacity to protect their sovereignty, work effectively with the Australian Defence Force and contribute to regional resilience and security.

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

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

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

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



In the Pacific, a key element of the DCP, and the centrepiece of Australia's defence engagement, is the Pacific Maritime Security Program. The Pacific Maritime Security Program is the successor to the original Pacific Patrol Boat Program, through which Australia provided 22 Patrol Boats (with in-country advisory personnel, maintenance support, crew training and technical assistance) to 12 Pacific Island nations. Under the Pacific Maritime Security Program, Australia is replacing the existing fleet of Pacific Patrol Boats with new larger and more capable vessels. Austal Ships Pty Ltd is constructing 24 Guardian-class Patrol Boats for gifting to Pacific Island nations and Timor-Leste between 2018 and 2025. The Pacific Maritime Security Program expands the scope of the Pacific Patrol Boat Program by including a region-wide integrated aerial surveillance capability and support for enhancing regional coordination. The Program engages Pacific navies and police maritime wings and is designed to enhance the sovereign capability of partner Pacific Island nations to independently police their maritime zones.

The Australian Defence Force conducts exercises with other militaries in order to build our shared capacity to work together in response to regional security contingencies, including humanitarian assistance and disaster relief, peacekeeping, counter-terrorism, maritime security, and military governance and professionalism. These exercises are conducted in the air, land and maritime domains and take place both in Australia and across the region. Exercising together promotes interoperability and builds familiarity between our armed forces and those of our regional military partners.

Australia's DCP with Papua New Guinea (PNG) is our largest with any country. The PNG DCP supports the PNG Defence Force and Department of Defence to be a more capable, sustainable and professional regional security partner; and supports current and future leaders to build a strong and resilient Defence Force. The PNG DCP will continue to facilitate the conduct of bilateral exercises, mobile training teams, logistics support, capability development, governance, training support and information sharing.

**Table 63: Defence Cooperation Program Budget 2023-24 <sup>[a]</sup>**

	<b>2022-23 Actual Result \$'000</b>	<b>2023-24 Budget Estimate \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>
Pacific Region <sup>[b] [c]</sup>	189,658	248,261	245,261
Southeast Asia	38,619	34,915	33,719
Other regional activities	26,014	18,122	25,574
Defence International Training Centre	3,091	399	899
<b>Total</b>	<b>257,382</b>	<b>301,697</b>	<b>305,453</b>

**Notes**

- DCP funding does not include support provided through the Capability Acquisition Program.
- Per the *Defence Strategic Review* the investment in the Pacific Region has increased to help our Pacific partners respond to climate change and other non-traditional security threats and includes some one-off projects.
- The revised budget estimate for the Pacific Region illustrates a reallocation of funding to the delivering agent.

## Appendix B: Top 30 Military Equipment Acquisition Program Approved Projects

The Top 30 Military Equipment Acquisition Program Approved Projects table includes other elements of acquisition that contribute to an overall capability (excluding workforce). The table reflects the top 30 projects prior to the full implementation of decisions related to the *Defence Strategic Review* and the implementation of the National Defence Strategy 2024. The full range of adjustments are anticipated to be finalised for the Portfolio Budget Statements 2024-25. Projects are grouped in the revised domain structure introduced through Defence's Capability Program Architecture.

The Military Equipment Acquisition line in the table corresponds to the historical presentation for this table, which would principally include the project elements relating to the acquisition of major systems, such as aircraft, ships or vehicles. Where projects involve other elements that are not part of the major capability system, these have been included within the Other Project Inputs to Capability line. This could include facilities, information communications technology, and research and development.

**Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan)** <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Air Domain</b>									
New Air Combat Capability	<b>AIR 6000 Phase 2A/B</b>	Military Equipment Acquisition	16,590	11,833	1,090	870	564	-307	During 2023-24, the project continues to progress activities to deliver the remaining 9 of 72 aircraft and continued delivery of spares and support equipment.
		Other Project Inputs to Capability	1,726	1,539	9	0	1	1	The variation is due to approved acceleration of the planned procurement program in 2022-23, cost reductions in air vehicle and reprogramming contracts, and delays in spares, support equipment and weapons.
Multi-mission Unmanned Aircraft System	<b>AIR 7000 Phase 1B</b> <sup>[c]</sup>	Military Equipment Acquisition	2,448	926	266	315	329	14	During 2023-24, project activities continue in preparation for the arrival of the first aircraft and support systems due in 2024-25. The aircraft and systems are being procured through a cooperative program with the United States Navy.
		Other Project Inputs to Capability	647	109	48	182	114	-68	The variation is due to the new Government approval for the fourth MQ-4C Triton remotely piloted aircraft system and re-programming of some spares acquisition and facilities to future years. Further variation can be attributed to foreign exchange updates.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Air Domain (Continued)</b>									
Ground Based Air & Missile Defence Enhancement	<b>LAND 19 Phase 7B</b> <sup>[c]</sup>	Military Equipment Acquisition	1,243	822	190	190	226	36	During 2023-24, the project will complete integration, testing, operator training, and continue with the manufacture and delivery of equipment. The first National Advanced Surface to Air Missile System Troop was released to Army's 16 Regiment for the conduct of operational test and evaluation.  The variation is primarily due to a number of minor procurement activities, operating costs and foreign exchange movements.
		Other Project Inputs to Capability	286	23	9	157	85	-73	
Enhanced Maritime Strike for Air Combat Capability	<b>AIR 3023 Phase 1</b>	Military Equipment Acquisition	1,095	255	174	333	386	52	During 2023-24, the project has continued to progress acquisition activities for the Long Range Anti-Ship Missile and enabling systems for deliveries in 2024-25.  The variation is primarily due to the realignment of the delivery schedule based on contract negotiations with the prime (Lockheed Martin), resulting in additional capability and US led aircraft integration activities, including Test and Evaluation, and subsequently revised disbursement information provided by the United States Government for the Foreign Military Sale of these weapons.
		Other Project Inputs to Capability	5	4	0	3	0	-2	
Long Range ISREW Aircraft	<b>AIR 555 Phase 1</b> <sup>[c]</sup>	Military Equipment Acquisition	2,383	1,691	193	175	178	4	During 2023-24, flight and mission system testing, and initial pilot training will be conducted in the United States. Additionally, ground and support system deliveries will continue, ensuring that the operational support infrastructure and systems are installed, integrated and fully functional prior to aircraft delivery.  The variation is due to rescheduling of aircraft modification and flight testing activities.
		Other Project Inputs to Capability	510	306	104	116	90	-26	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Air Domain (Continued)</b>									
Advanced Growler Development	<b>AIR 5349 Phase 6</b>	Military Equipment Acquisition	3,223	482	90	206	244	38	During 2023-24, the project continues to develop and produce Next Generation Jammer capabilities through a cooperative program with the United States Navy, working with CEA Technologies to progress electronic warfare range design activities.
		Other Project Inputs to Capability	329	25	6	54	36	-18	The variation is due to earlier than forecast costs of electronic warfare range equipment and re-phasing expenditure for the Next Generation Jammer-Mid Band.
Multi Domain Joint Strike - Air Launch	<b>AIR 6004 Phase 2</b>	Military Equipment Acquisition	576	11	7	180	89	-90	During 2023-24, the project has continued to progress acquisition activities for the Joint Air to Surface Stand-off Missile – Extended Range and integration onto the F/A-18F Super Hornet.
		Other Project Inputs to Capability	0	0	0	-	-	-	The variation is primarily due to the realignment of the delivery schedule based on US led aircraft integration activities, including Test and Evaluation, and subsequently revised disbursement information provided by the United States Government for the Foreign Military Sale of these weapons.
Weapons & Countermeasures for Air Combat Capability	<b>AIR 6000 Phase 3</b>	Military Equipment Acquisition	831	211	17	172	114	-58	During 2023-24, the project has continued to accept deliveries for Small Diameter Bomb I and II, 500lb and 2000lb guided bombs, countermeasures and ammunition.
		Other Project Inputs to Capability	0	0	0	-	-	-	The variation is primarily due to Foreign Military Sales disbursements for the financial year being lower than originally forecast by the United States Government.
Lead-In Fighter Capability Assurance	<b>AIR 5438 Phase 2</b>	Military Equipment Acquisition	545	166	73	159	121	-38	During 2023-24, the engine flight test program was conducted and fleet embodiment commenced.
		Other Project Inputs to Capability	-	-	-	-	-	-	The variation is due to engine delivery delays resulting from capacity constraints with the manufacturer.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Air Domain (Continued)</b>									
MQ-28A Ghost Bat	<b>DEF 6014 Phase 2</b>	Military Equipment Acquisition	846	218	218	145	359	213	During 2023-24, the project continued to assess the MQ-28A through testing in both live and digital environments, including ongoing engagement with the United States under the Combat Collaborative Aircraft Project Arrangement.
		Other Project Inputs to Capability	12	0	0	0	5	4	The variation is due to continued MQ-28A program investment.
P-8A Maritime Patrol & Response Aircraft System	<b>AIR 7000 Phase 2 <sup>[c]</sup></b>	Military Equipment Acquisition	5,681	4,591	247	118	93	-26	During 2023-24, updates will continue across the Australian fleet to align the aircraft and training system configurations with the latest P-8A capability baseline.
		Other Project Inputs to Capability	943	813	52	27	16	-11	The variation is predominantly due to delays in Training System product delivery.
Growler Airborne Electronic Attack Capability	<b>AIR 5349 Phase 3</b>	Military Equipment Acquisition	3,526	2,903	60	135	98	-37	During 2023-24, the project continues to mature the Mobile Threat Training Emitter System in line with the revised Materiel Acquisition Agreement, after successful integration at the Delamere Air Training Area, providing Defence with large force electronic warfare training capability.
		Other Project Inputs to Capability	486	472	1	-	-	-	The variation is due to delayed delivery of Airborne Electronic Attack system spares and establishment of enhanced sovereign maintenance capability to support the AN/ALQ-99 Tactical Jamming System
Air to Air Weapons for Joint Strike Fighter	<b>AIR 6000 Phase 5</b>	Military Equipment Acquisition	921	387	85	135	100	-34	During 2023-24, the project has continued to progress acquisition activities and accept deliveries for AIM-9X Sidewinder and AIM-120D Advanced Medium Range Air to Air Missiles.
		Other Project Inputs to Capability	-	-	-	-	-	-	The variation is primarily due to Foreign Military Sales disbursements for the financial year being lower than forecast due to re-phasing of the AIM-120D delivery schedule. The re-phased delivery schedule is primarily driven by supply managed by the United States Government.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
Information and Cyber									
Enhanced HF Communications Re-Modernisation Program	JNT 9101 Phase 1	Military Equipment Acquisition	846	182	146	178	181	3	<p>During 2023-24, the project commenced the enhancement of the Defence High Frequency Communications System at Townsville, QLD and Riverina, NSW. The project is progressing with the design of the enhanced High Frequency Communications System and engaging with our coalition partners to ensure interoperability. The project also successfully transitioned the in-service support contract for the Defence High Frequency Communications Systems to the new prime contractor.</p> <p>The \$3 million variation is due to milestone delays in 2022-23 deferring work to this financial year.</p> <p>The \$80 million variation is due to re-phasing of the construction works by approximately six months to align with the schedule negotiated with the prime contractor and is in line with the cost estimates taken to the Parliamentary Works Committee. The project is on track to deliver Final Operational Capability by June 2030.</p>
		Other Project Inputs to Capability	407	27	5	106	26	-80	
Joint Data Networks	JNT 9347 Phase 1	Military Equipment Acquisition	575	103	61	131	116	-15	<p>During 2023-24, the project entered the prime contract to deliver upgrades to Defence's Integrated Broadcast Service capability. The project will be delivering, key tactical data link equipment and radios, supporting integration on Defence platforms, and progressing design and development for future Joint Data Network Systems.</p> <p>The variation is primarily due to ongoing negotiations for finalisation of the North Atlantic Treaty Organisation Improved Link Eleven Nation Memorandum of Understanding impacting budget, as well as an adjustment to the facilities upgrade delivery program.</p>
		Other Project Inputs to Capability	139	75	10	16	21	5	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Land Domain</b>									
Main Battle Tank Upgrade, Combat Engineering Vehicles	<b>LAND 907 Phase 2</b>	Military Equipment Acquisition	2,359	152	80	971	629	-342	During 2023-24, the Main Battle Tanks and Combat Engineering Vehicles commenced full rate production. The project has continued to undertake detailed preparation for the delivery of the vehicles in partnership with the United States Government. This includes planning for introduction into service and enduring support of the capabilities, and establishment of contracts with Australian industry for training systems and engineering and logistics support.
		Other Project Inputs to Capability	36	11	2	5	5	0	The variation is due to the timing of Foreign Military Sales disbursements related to the Combat Engineering Vehicles and Main Battle Tank Foreign Military cases, however the project remains on schedule to deliver all vehicles and training systems in line with Government approval.
Mounted Combat Reconnaissance Capability	<b>LAND 400 Phase 2</b>	Military Equipment Acquisition	5,790	2,421	570	812	612	-200	During 2023-24, the project is progressing various design reviews and testing activities for Joint Fires and Surveillance, Command, Repair and Recovery variants, while production activities for the Reconnaissance variant continues.
		Other Project Inputs to Capability	128	47	9	13	13	1	The variance is due to a combination of production and manufacturing delays in Europe, the impact of COVID-19 on supply chains in both Europe and Australia, and foreign exchange movements. The delays have resulted in the rescheduling of contract milestones, including integration activities, and deliveries for equipment and spares.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Land Domain (Continued)</b>									
MRH Rapid Replacement	<b>LAND 4507 Phase 1</b>	Military Equipment Acquisition	3,493	175	174	642	366	-276	During 2023-24, the project is focused on delivery, acceptance and flight operation of the first seven UH-60M aircraft through a Foreign Military Sales arrangement with the United States Government. The project will also deliver spares and support equipment and conduct test and evaluation activities.  The variation is associated with extended lead times for United States Government contracting and procurement and delayed Foreign Military Sales disbursements, when compared with the forecast developed prior to case acceptance.
		Other Project Inputs to Capability	379	8	7	34	30	-4	The variation is also contributed to by lower than expected expenditure on direct commercial sales procurements and project support costs, offset by foreign exchange updates.
Armed Reconnaissance Helicopter (ARH) Replacement	<b>LAND 4503 Phase 1</b>	Military Equipment Acquisition	4,562	94	51	285	114	-171	During 2023-24, the project is focused on delivery of initial material to the AH-64E Apache production line and consolidation point, initial provisioning of spares, conduct of overseas training, and initiation of United States expatriate Apache experts through the Foreign Military Sales arrangements with the United States Government. Additionally, the project is pursuing the acquisition of two surplus United Kingdom Ministry of Defence Apaches to be delivered to United States industry for the manufacture of ground training devices.
		Other Project Inputs to Capability	584	9	3	21	12	-9	The variation is due to revisions of anticipated spend profile against the Foreign Military Sales case based on contracts established. In addition, minor savings were forecast against project office operating and support costs.
Protected Mobile Fires	<b>LAND 8116 Phase 1</b>	Military Equipment Acquisition	1,334	438	256	228	249	22	During 2023-24, the project is progressing design, testing and integration activities, commenced vehicle production in the Republic of Korea and signed a Foreign Military Sales case with the United States Government for the integration of United States munitions.
		Other Project Inputs to Capability	42	5	3	10	13	2	The variation is primarily due to increased price escalation costs.



Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Land Domain (Continued)</b>									
Special Operations Capability Enhancement	<b>LAND 1508 Phase 1</b>	Military Equipment Acquisition	338	162	58	74	33	-41	During 2023-24, the project continued to engage with Special Operations Command regarding capability proposals to validate user requirements, expected acquisition costs and delivery schedules. The project also engaged with sustainment offices to prepare for the future transition to sustainment.
		Other Project Inputs to Capability	565	60	23	91	45	-45	The variation is primarily due to the early delivery of radios in 2022-23, adjustments to delivery schedules and price resulting from approach to market activities, and scope refinement in accordance with the Capability Manager.
ADF Small Arms Replacement	<b>LAND 159 Phase 1</b>	Military Equipment Acquisition	506	51	25	140	145	5	During 2023-24, the project is undertaking verification and validation and testing activities to prepare for delivery of Tranche 1. The scope and approach for Tranche 2 and 3 are currently under review.
		Other Project Inputs to Capability	32	15	3	22	9	-13	The variation is primarily due to foreign exchange updates, delays in contracted equipment deliveries, additional time taken to assess capability options not yet in contract and the timing of Tranche 2 decisions.
Tactical Training Vehicles	<b>LAND 121 Phase 5B <sup>[c]</sup></b>	Military Equipment Acquisition	1,180	830	189	133	128	-5	During 2023-24, the project has continued to work with Rheinmetall MAN Military Vehicle Australia Pty Ltd and Haulmark to progress scheduled milestone deliveries. The project continued to develop the industry solicitation documentation for the Land Mobility Tactical Training System and a number of trucks and trailers were gifted to Ukraine as part of the Australian Government's military assistance program.
		Other Project Inputs to Capability	230	156	78	23	29	6	The variation is due to the earlier than planned achievement of vehicle and module milestones in 2022-23.
ADF Deployable Health	<b>JNT 2060 Phase 3</b>	Military Equipment Acquisition	407	145	30	152	104	-47	During 2023-24, the project has continued to work with the prime contractor, Saab Australia, in rolling out equipment to units for the conduct of the operational test and evaluation activity and is scheduled to achieve Final Operational Capability.
		Other Project Inputs to Capability	12	7	2	3	2	-1	The variation is due to delays in the scheduled finalisation of contract deliverables.

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure	Cumulative Expenditure to 30 June 2023	Actual Expenditure 2022-23	Budget Estimate 2023-24	Revised Estimate 2023-24	Variation 2023-24	Project Performance Update and Explanation of Financial Variation
			\$m	\$m	\$m	\$m	\$m	\$m	
Land Domain (Continued)									
Tactical Unmanned Aerial Vehicles Upgrade	LAND 129 Phase 3 <sup>[c]</sup>	Military Equipment Acquisition	377	95	57	91	113	22	During 2023-24, the project is focused on the delivery of Uncrewed Aircraft Systems and other launch and recovery equipment along with the documentation, and operator and maintenance training required to achieve the Initial Materiel Release and Initial Operational Capability. Additionally, the project is executing initial support contract arrangements in preparation for formal introduction into service of the Integrator platforms.  The variation is due to the delays in delivery of Protected Mobility Vehicles and other materials from the previous financial year and the delay to the Initial Materiel Release milestone.
		Other Project Inputs to Capability	76	7	3	35	30	-6	
Joint Counter Improvised Explosive Device	LAND 154 Phase 4	Military Equipment Acquisition	615	284	95	118	96	-22	During 2023-24, the project is delivering remote positioning vehicles, as well as progressing mounted and dismounted force protection equipment, route clearance capability and facilities to support force protection electronic countermeasure capability.  The variation is due to lower than anticipated disbursements for Foreign Military Sales cases because of supply chain constraints and further work required by the vendor to achieve milestone acceptance criteria.
		Other Project Inputs to Capability	70	21	9	7	11	4	
Maritime Domain									
Hunter Class Frigate - Design and Construction	SEA 5000 Phase 1 <sup>[c]</sup>	Military Equipment Acquisition	6,252	2,570	742	780	1,191	411	The variance is a result of higher than forecast expenditure against the Head Contract with BAE Systems Maritime Australia due to establishing contracts for long lead items, and increase in forecast disbursements for combat systems elements being acquired via Foreign Military Sales.
		Other Project Inputs to Capability	1,011	498	234	110	59	-51	
Arafura Class Offshore Patrol Vessel	SEA 1180 Phase 1 <sup>[c]</sup>	Military Equipment Acquisition	3,711	1,337	292	414	419	5	Variation due to FOREX fluctuation.
		Other Project Inputs to Capability	984	338	190	220	166	-54	

Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued) <sup>[a]</sup> <sup>[b]</sup>

Domain/Project Name	Project Number/ Phase	Project Inputs to Capability	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
<b>Maritime Domain (Continued)</b>									
Navy Guided Weapons Sub-Program	<b>SEA 1300 Phase 1</b>	Military Equipment Acquisition	8,869	1,202	423	545	753	209	During 2023-24, the project has continued to progress development and acquisition activities related to long-range anti-ship missiles, extended range surface-to-air missiles, advanced lightweight torpedoes and advanced maritime land strike capabilities.  The variation is primarily due to the realignment of the delivery schedule on the latest Foreign Military Sales information and lower forecast disbursements controlled by the United States Government.
		Other Project Inputs to Capability	84	1	0	7	10	2	
Hobart Class Destroyer - Aegis Capability Upgrade	<b>SEA 4000 Phase 6</b>	Military Equipment Acquisition	2,334	232	130	232	499	267	This project will increase the ADF air and missile defence capability, which includes upgrading the three <i>Hobart class</i> destroyers'. All major contracts are in place and design activities are on track. The variation is a consequence of accelerating the delivery of enhanced lethality. In addition, other legacy engineering activities associated with SEA 4000 Phase 3 have been rolled into SEA 4000 Phase 6 from SEA 4000 Phase 3.
		Other Project Inputs to Capability	26	4	2	3	7	4	

**Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) (Continued)** <sup>[a]</sup> <sup>[b]</sup>

	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m
<b>Total Top 30 Projects (Gross Plan) - Total</b>	<b>93,208</b>	<b>39,546</b>	<b>6,899</b>	<b>10,323</b>	<b>9,486</b>	<b>-838</b>
<b>Total Top 30 Projects (Gross Plan) - Other Project Inputs to Capability</b>	<b>9,750</b>	<b>4,580</b>	<b>814</b>	<b>1,267</b>	<b>836</b>	<b>-431</b>
<b>Total Top 30 Projects (Gross Plan) - Military Equipment Acquisition</b>	<b>83,458</b>	<b>34,966</b>	<b>6,085</b>	<b>9,057</b>	<b>8,650</b>	<b>-407</b>
Other Approved Project Gross Plans - Military Equipment Acquisition	80,923	35,276	3,172	3,848	6,207	2,359
<b>Total Approved Projects (Gross Plan) - Military Equipment Acquisition</b>	<b>164,381</b>	<b>70,242</b>	<b>9,258</b>	<b>12,905</b>	<b>14,857</b>	<b>1,952</b>
Overprogramming - Military Equipment Acquisition				-3,491	-3,437	54
<b>Net Approved Program - Military Equipment Acquisition</b>				<b>9,414</b>	<b>11,421</b>	<b>2,006</b>

**Notes**

- a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2023, Budget Estimate 2023-24 and Revised Estimate 2023-24 are on an accrual basis, and funded by appropriation.
- b. Budget estimates shown as 0 are amounts greater than \$0 but less than \$500,000.
- c. Includes project referenced in Appendix D – Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate.

## Appendix C: Top 30 Capability Sustainment Products

The Top 30 Capability Sustainment products are grouped in the revised domain structure introduced through Defence's Capability Program Architecture.

**Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 <sup>[a]</sup>**

Domain/Product Name	Product Serial	Budget Estimate 2023-24 \$m <sup>[a]</sup>	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Product Performance Update and Explanation of Variation
<b>Air Domain</b>					
F/A18F Super Hornet & Growler Weapon System	CAF21	534	548	14	During 2023-24, F/A-18F and EA-18G aircraft are undergoing planned capability upgrades as a part of the United States Navy-managed Spiral Upgrade Program to ensure the platform's ongoing lethality and survivability in a contested air combat environment, and to maintain configuration alignment with United States Navy. The variation is primarily due to foreign exchange updates.
F-35 Joint Strike Fighter	CAF30	484	500	16	During 2023-24, Defence continues to mature the F-35A sustainment support system to meet the directed level of operational capability and Air Force pilot training throughput requirements. The variation is primarily due to foreign exchange updates.
Airborne Early Warning and Control System – AEWC	CAF20	279	284	5	During 2023-24, the focus remains on advancing multiple mission system obsolescence remediation activities, implementing safety and cybersecurity modifications, and maximising aircraft fleet availability to support international partner training. The variation is primarily due to foreign exchange updates and operational support costs.
P-8A Poseidon Maritime Patrol and Response	CAF35	182	187	4	During 2023-24, the focus remains on maturing sustainment relationships between the Through Life Support contractor and the United States Navy P-8A Cooperative Program, seeking increased opportunities regarding contractor improvements and optimisation, and Australian industry content. The variation is primarily due to foreign exchange updates.
KC-30A Weapon System Multi-role Tanker Transport	CAF22	171	176	5	During 2023-24, the focus remains on continued maturing of sustainment performance, supporting military operations, and expansion of aircraft types certified as capable of air-to-air refuelling from the KC-30A Multi-Role Tanker Transport. Mid-life upgrade activities on the KC-30A fleet also progressed. The variation is primarily due to foreign exchange updates.
C-17 Heavy Air Lift Weapons System	CAF19	169	174	5	During 2023-24, a number of minor upgrades to the fleet continue to be undertaken to address obsolescence, rectify minor deficiencies, and maintain configuration alignment with the United States Air Force. The upgrades included improved satellite connectivity, and treated obsolescence of the heads up display. The variation is primarily due to foreign exchange updates.

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued) <sup>[a]</sup>

Domain/Product Name	Product Serial	Budget Estimate 2023-24 \$m <sup>[a]</sup>	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Product Performance Update and Explanation of Variation
<b>Air Domain (Continued)</b>					
C130J-30 Weapon System	CAF06	141	144	3	During 2023-24, the focus remains on managing component obsolescence and aging aircraft structural repairs, whilst concurrently delivering six further C-130J Block Upgrade enhancements. Propulsions and training systems improvements included focus on improved service delivery and schedules from industry partners to manage cost and risk in the lead up to planned withdrawal. The variation is primarily due to foreign exchange updates.
Lead-In Fighter Hawk 127 Weapon System	CAF03	135	137	2	During 2023-24, the focus remains on generating required availability rates to support Air Force requirements, while supporting the embodiment of new engines delivered by the Lead-In Fighter Capability Assurance Program. The variation is primarily due to foreign exchange updates.
Pilot Training System	CAF37	123	129	6	During 2023-24, the focus remains on executing initiatives to improve throughput of ab-initio students. The variation is due to foreign exchange updates and delays to support contracts.
MC-55A Peregrine Airborne ISREW Capability	CAF40	115	88	-28	During 2023-24, the focus remains on the establishment of initial support arrangements to allow operation of the aircraft upon arrival in Australia. The variation is due to reprioritisation of funds based on performance levels and foreign exchange updates.
Wide Area Surveillance (OTHR)	CAF13	111	100	-11	During 2023-24, the focus remains on sustainment including obsolescence management and new enhancements and upgrades to the capability system. The variation is due to reprioritisation of funds.
Special Purpose Aircraft	CAF09	96	108	12	During 2023-24, the focus remains on disposal planning and execution of two Boeing Business Jet aircraft, and introducing into service two Boeing 737-8 'Max' aircraft. The variation was a result of the approval to acquire a software replacement used to manage the Special Purpose Aircraft fleet movements.
<b>Defence Enterprise Programs</b>					
Explosive Ordnance Manufacturing Facilities	CJC01	100	134	34	During 2023-24, the product has continued to deliver key sustainment activities that will provide enhanced domestic manufacturing capability and increased stock surety of supply. Additional funds have been provided through JP2087 Ph1 to provide an uplift of manufacturing capability and replacement of older manufacturing assets to align with the <i>Defence Strategic Review</i> recommendations. The product anticipates full achievement of budget.

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued) <sup>[a]</sup>

Domain/Product Name	Product Serial	Budget Estimate 2023-24 \$m <sup>[a]</sup>	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Product Performance Update and Explanation of Variation
<b>Land Domain</b>					
Multi Role Helicopter - TLH MRH90	CA48	285	183	-102	<p>During 2023-24, Defence continues to work with industry to facilitate the transition to the UH-60M. Defence commenced drawdown and end of service arrangements for MRH90 Taipan. A transition facility was established at Townsville airport to store aircraft in preparation for end of service.</p> <p>The variation is due to a reduction by the Capability Manager to support other sustainment priorities, given the aircraft will not return to flying operations.</p>
Explosive Ordnance - Army Munitions Branch	CA59	271	242	-29	<p>During 2023-24, the product has continued to enhance land explosive ordnance inventory with the refinement of through life management plans and transitioning to in-service support of new capabilities procured by major projects.</p> <p>The variation is due to delays in manufacturing munitions.</p>
Armed Reconnaissance Helicopter Weapons System	CA12	161	191	30	<p>During 2023-24, Defence continued to work with Airbus Australia Pacific to improve ARH Tiger armed reconnaissance helicopter availability and sustainability.</p> <p>The variation is due to annual funding of capability assurance program and foreign exchange.</p>
Battlespace Communication Systems	CA31	118	142	24	<p>During 2023-24, the product schedule continued to sustain communications systems across 14 major fleets. Key activities were capability enhancements to the integrated battlefield telecommunications network, acquisition of a new mobile retransmission system, working with industry partners to raise a sovereign software industry capability, and continued acquisition and integration support to other major platforms.</p> <p>The variation is due to the approval of additional funding for enhancements to specific fleets, notably: amplifiers and satellite dishes, the acquisition of kits to provide Land force trucks with communications, the continued rationalisation and improvement of Land force headset fleets, the bringing forward of spares acquisitions to improve supply chain assurance, and foreign exchange variations.</p>
Protected Mobility Fleet - Bushranger	CA04	115	125	10	<p>During 2023-24, the protected mobility fleet will continue with the establishment of the Hawkei support system, and supporting the gifting and sale of Bushmaster vehicles to foreign governments in accordance with government approval.</p> <p>The variation is due to the earlier than scheduled procurement of spares to compensate for increasing supply chain lead times.</p>
ADO Commercial Vehicles Fleet	CA19	96	72	-24	<p>During 2023-24, the commercial vehicles fleet will continue with the replacement of passenger and light-medium commercial vehicles and the procurement of low emission vehicles in accordance with the Australian Government's reduced carbon emissions target.</p> <p>The variation is primarily due to revised activity schedules.</p>

Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued) <sup>[a]</sup>

Domain/Product Name	Product Serial	Budget Estimate 2023-24 \$m <sup>[a]</sup>	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Product Performance Update and Explanation of Variation
<b>Maritime Domain</b>					
Collins Class Submarine	<b>CN10</b>	717	742	24	During 2023-24, the product continues to deliver as planned. Variation to the 2023-24 estimate is predominantly due to budget increases necessary to achieve performance targets.
Anzac Class Frigate	<b>CN02</b>	375	392	18	During 2023-24, the product is delivering as planned. The increase in the 2023-24 estimate is a result of additional support for maintenance.
Hobart Class Destroyer	<b>CN40</b>	249	239	-10	During 2023-24, the product is delivering as planned. Decrease in the 2023-24 estimate was a result of mid-year reallocation of funding to support other maritime products.
MH-60R Seahawk Romeo Helicopter	<b>CN35</b>	195	190	-4	During 2023-24, the focus continued to be on expanding current sustainment arrangements to support the additional helicopters delivered under the Improved Embarked Logistics Support Helicopter project (SEA 9100 Phase 1).  The variation is due to foreign exchange updates.
Canberra Class Amphibious Ship	<b>CN34</b>	173	187	14	During 2023-24, the product is delivering as planned. Increase in 2023-24 estimate was primarily due to additional funding for support services and procurement of inventory.
Collins Submarine Program Life of Type Extension	<b>CN62</b>	160	-	-160	Funding for Collins Submarine Program Life of Type Extension under product CN62 transitioned to an acquisition project (SEA 1450 Phase 1 Collins Life of Type Extension) at the end of November 2023.
Anzac Class Frigate Capability Assurance Program	<b>CN65</b>	133	172	38	During 2023-24, the product is delivering as planned. The variation to the 2023-24 estimate is due to an increase in funding to support additional engineering design and inventory requirements.
Navy Explosive Ordnance	<b>CN54</b>	119	123	5	During 2023-24, the product has continued to maintain existing inventories at funded readiness levels, incorporating new products into existing support systems, and preparing support systems to meet future inventory demand.  The product anticipates full achievement of revised budget guidance.
Aegis Combat System	<b>CN60</b>	114	117	3	This product covers the sustainment of the Aegis combat systems in the <i>Hobart class</i> Destroyers and its related shore-based test and training infrastructure, both in Australia and the United States. The 2023-24 focus is the implementation of updates to the Aegis combat system software and hardware. The financial variance between the original and revised estimates is predominately related to fluctuations in the foreign exchange rate.



**Table 65: Top 30 Capability Sustainment Products by End of Financial Year Outcome 2023-24 (Continued)** <sup>[a]</sup>

Domain/Product Name	Product Serial	Budget Estimate 2023-24 \$m <sup>[a]</sup>	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Product Performance Update and Explanation of Variation
<b>Maritime Domain (Continued)</b>					
Armidale Class Patrol Boat	<b>CN09</b>	107	104	-3	CN09 is tracking as planned to budget with minor adjustments.
Maritime Electronic Warfare and Radar Systems	<b>CN24</b>	96	112	16	During 2023-24, the activities continued to provide fleet wide support and sustainment of electromagnetic warfare and intelligence systems. The variation is due to the approval of additional funds to support procurement of critical spares, increased operational support to fleet units, and foreign exchange variations.
<b>Total Top 30 Capability Sustainment Products</b>		<b>6,124</b>	<b>6,042</b>	<b>-82</b>	
Other Sustainment Product Estimates		3,948	3,650	-298	
<b>Total Capability Sustainment Product Funds Available</b>		<b>10,072</b>	<b>9,692</b>	<b>-380</b>	
Support to Operations		67	103	36	
<b>Total Capability Sustainment including support to Operations</b>		<b>10,139</b>	<b>9,795</b>	<b>-344</b>	

**Note**

a. Budget Estimate 2023-24 and Revised Estimate 2023-24 is on an accrual basis, and funded by appropriation.

## Appendix D: Enterprise Estate and Infrastructure Program

The Enterprise Estate and Infrastructure Program component of the Integrated Investment Program comprises approved and yet to be approved major and medium capital facilities and infrastructure projects. These projects are providing new and refurbished facilities and infrastructure works to sustain the existing Defence Estate, support current and future capability requirements, support Government initiatives, and ensure compliance with legislative obligations. The upgrade and development of Australia's northern network of bases, ports and barracks are being prioritised to support implementation of the *Defence Strategic Review*.

Major capital facilities and infrastructure projects are defined as having expenditure of \$75 million and over (excluding GST) and are subject to Government and parliamentary approval. Medium capital facilities and infrastructure projects have expenditure between \$5 million and \$75 million (excluding GST), and are subject to Government approval and notification to the Parliamentary Standing Committee on Public Works. Details of approved major and medium Enterprise Estate and Infrastructure Program projects are provided in this Appendix, which reflects projects prior to the full implementation of decisions related to the *Defence Strategic Review*.

### Approved Major and Medium Enterprise Estate and Infrastructure Program Projects

The table below, and the following descriptions, provide details on the progress and expenditure of approved major and medium Enterprise Estate and Infrastructure Program projects for 2023-24.

**Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate**

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
RAAF Base Tindal Redevelopment Stage 6 and United States Force Posture Initiative (USFPI) Airfield Works and Associated Infrastructure								
RAAF Tindal	NT - Lingiari	1,582.0	537.5	560.3	317.5	246.5	-71.0	This financial variation is the result of several large subcontract packages not achieving forecast spend.

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Enhanced Land Force (ELF) Stage 2 <sup>[a]</sup></b>								
Lone Pine Barracks	NSW - Hunter		117.5	115.8	-	-	-	
Puckapunyal Training Area	VIC - Nicholls		11.8	11.7	-	-	-	
Simpson Barracks	VIC - Jagajaga		20.2	20.2	-	-	-	
RAAF Amberley	QLD - Blair		9.6	9.6	-	-	-	
Lavarack Barracks	QLD - Herbert		62.2	62.0	-	-	-	
Townsville Training Area	QLD - Kennedy		3.9	3.9	-	-	-	
Greenbank Training Area	QLD - Wright		120.7	120.7	-	-	-	
Gallipoli Barracks	QLD - Ryan		807.9	828.9	-	-	-	
Wide Bay Training Area	QLD - Wide Bay		78.3	78.3	-	-	-	
Kokoda Barracks	QLD - Wright		71.8	71.8	-	-	-	
Cultana Training Area	SA - Grey		69.9	69.0	33.2	5.9	-27.3	
RAAF Edinburgh	SA - Spence		34.5	34.7	-	-	-	This financial variation is the result of a change in construction works programming due to scope revalidation activities relating to works at the Cultana Training Area causing delays.
Majura Field Training Area	ACT - Canberra		13.4	13.4	-	-	-	
Royal Military College Canberra	ACT - Canberra		9.0	9.0	-	-	-	
Mount Stuart	QLD - Kennedy		4.1	4.1	-	-	-	
<b>Total</b>		<b>1,476.0</b>	<b>1,434.8</b>	<b>1,453.1</b>	<b>33.2</b>	<b>5.9</b>	<b>-27.3</b>	
<b>Navy Capability Infrastructure</b>								
<b>Sub-program: Offshore Patrol Vessel (OPV) Facilities (SEA 1180 Phase 1) <sup>[a] [b]</sup></b>								
HMAS <i>Coonawarra</i>	NT - Solomon		75.5	57.2	70.8	72.4	1.6	This financial variation is the result of a change in construction works programming due to requirements revalidation activities causing delays.
RAAF Darwin	NT - Solomon		8.2	7.5	2.5	2.6	0.1	
HMAS <i>Cairns</i>	QLD - Leichhardt		41.7	17.0	69.7	44.7	-25.0	
HMAS <i>Stirling</i>	WA - Brand		143.7	166.0	60.4	33.3	-27.1	
Henderson Maritime Precinct	WA - Fremantle		44.1	51.6	9.1	5.2	-3.9	
<b>Total</b>		<b>918.5</b>	<b>313.2</b>	<b>299.3</b>	<b>212.5</b>	<b>158.2</b>	<b>-54.3</b>	

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Navy Capability Infrastructure</b>								
<b>Sub-program: Hunter Class Frigate</b>								
<b>Program Facilities (SEA 5000 Phase 1)</b>								
[a] [b]								
HMAS <i>Watson</i>	NSW - Wentworth		-	-	-	-	-	
Garden Island Defence Precinct	NSW - Sydney		-	-	-	-	-	
St Kilda	SA - Spence		102.4	94.8	0.2	0.6	0.4	
Osborne Naval Shipyard	SA - Hindmarsh		25.9	24.2	49.2	21.6	-27.6	
HMAS <i>Stirling</i>	WA - Brand		196.6	212.7	39.1	18.4	-20.7	This financial variation is the result of a change in construction works programming due to scope revalidation activities causing delay.
Henderson Maritime Precinct	WA - Fremantle		68.3	92.6	16.9	6.7	-10.2	
<b>Total</b>		<b>915.5</b>	<b>393.2</b>	<b>424.3</b>	<b>105.4</b>	<b>47.3</b>	<b>-58.1</b>	
<b>Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B) [a] [b]</b>								
RAAF Edinburgh	SA - Spence		502.3	510.4	22.0	7.6	-14.4	
RAAF Darwin	NT - Solomon		155.3	158.6	-	0.6	0.6	
RAAF Townsville	QLD - Herbert		1.1	0.3	5.3	4.1	-1.2	This financial variation is the result of a change in construction works programming due to a slight delay in finalising design documentation for additional approved scope.
RAAF Pearce	WA - Pearce		100.9	104.2	-	4.0	4.0	
HMAS <i>Stirling</i>	WA - Brand		4.6	4.6	-	-	-	
<b>Total</b>		<b>896.9</b>	<b>764.2</b>	<b>778.2</b>	<b>27.3</b>	<b>16.3</b>	<b>-11.0</b>	
<b>USFPI Northern Territory Training Areas and Ranges Upgrades</b>								
Bradshaw Field Training Area	NT - Lingiari		97.5	101.7	106.7	46.6	-60.1	
Kangaroo Flats Training Area	NT - Lingiari		37.2	17.5	59.6	68.3	8.7	
Mount Bunday Training Area	NT - Lingiari		8.0	8.4	37.6	26.2	-11.4	This financial variation is the result of a change in construction works programming due to changes in market conditions.
Robertson Barracks Close Training Area	NT - Lingiari		54.5	59.7	59.4	23.9	-35.5	
<b>Total</b>		<b>747.0</b>	<b>197.2</b>	<b>187.2</b>	<b>263.3</b>	<b>165.0</b>	<b>-98.3</b>	
<b>Larrakeyah Defence Precinct Redevelopment Program</b>								
Larrakeyah Defence Precinct	NT - Solomon		601.7	434.9	77.0	60.0	-17.0	This financial variation is the result of a change in construction works programming due to changes in market conditions.

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Cocos (Keeling) Islands Airfield Upgrade</b>								This financial variation is the result of a change in construction works programming due to prolonged construction contractor negotiations.
Cocos (Keeling) Islands	NT - Lingiari	567.6	3.8	-	159.0	42.1	-116.9	
<b>HMAS Watson Redevelopment</b>								This financial variation is the result of a minor change in construction works programming.
HMAS Watson	NSW - Wentworth	430.5	185.8	197.1	55.7	47.0	-8.7	
<b>Airfield Capital Works P0010 (Amberley, Pearce, Richmond and Albatross)<sup>[a]</sup></b>								
HMAS Albatross	NSW - Gilmore		7.5	0.0	70.0	61.7	-8.3	
RAAF Richmond	NSW - Macquarie		-	0.0	-	56.0	56.0	This financial variation is the result of a change in construction works programming due to design revisions, which delayed construction.
RAAF Amberley	QLD - Blair		15.2	0.0	80.0	29.2	-50.8	
RAAF Pearce	WA - Pearce		15.2	0.0	98.1	50.2	-47.9	
<b>Total</b>		<b>427.9</b>	<b>37.9</b>	<b>0.2</b>	<b>248.1</b>	<b>197.1</b>	<b>-51.0</b>	
<b>Facilities to Support AIR 7000 Phase 1B Remotely Piloted Aircraft System<sup>[a] [b]</sup></b>								
RAAF Tindal	NT - Lingiari		11.5	27	117.8	27.9	-89.9	This financial variation is the result of a change in construction works programming due to latent site conditions and design revalidation activities.
Edinburgh Defence Precinct	SA - Spence		4.5	3.9	45.0	57.9	12.9	
<b>Total</b>		<b>427.2</b>	<b>16.0</b>	<b>30.9</b>	<b>162.8</b>	<b>85.8</b>	<b>-77.0</b>	
<b>Robertson Barracks Base Improvements Project</b>								This financial variation is the result of a change in construction works programming due to construction market challenges.
Robertson Barracks	NT - Lingiari	389.1	7.7	2.3	100.1	36.6	-63.5	
<b>Airfield Maintenance Works P0009 (RAAF Darwin and Mount Bunday)</b>								
RAAF Darwin	NT - Solomon		-	-	-	73.5	73.5	
Mount Bunday	NT - Lingiari		-	-	-	1.5	1.5	
<b>Total</b>		<b>351.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75.0</b>	<b>75.0</b>	This is a new project.
<b>Edinburgh Defence Precinct Mid-Term Refresh</b>								
RAAF Edinburgh	SA - Spence	311.9	-	-	-	112.7	112.7	This is a new project.

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
AIR 555 Phase 1 Airborne Intelligence Surveillance Reconnaissance Electronic Warfare Capability Facilities Works <sup>[a] [b] [d]</sup>								
Territory of Cocos (Keeling) Islands	NT - Lingiari		5.8	4.0	8.7	12.4	3.7	This financial variation is the result of a change in construction works programming with the delivery of a range of minor works behind schedule.
RAAF Darwin	NT - Solomon		0.7	1.1	0.0	-	-	
RAAF Townsville	QLD - Herbert		3.4	3.7	7.2	8.0	0.8	
RAAF Edinburgh	SA - Spence		166.6	164.6	76.9	47.7	-29.2	
Total		293.7	176.5	173.4	92.8	68.1	-24.7	
Garden Island (East) Critical Infrastructure Recovery Program (CIRP) Stage 2								
Garden Island Defence Precinct	NSW - Sydney	286.5	268.1	263.5	12.3	19.0	6.7	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
Facilities to Support JP 9101 Enhanced Defence Communications <sup>[a]</sup>								
Morundah	NSW - Farrer		-	-	-	6.5	6.5	This is a new project.
Shoal Bay Receiving Station	NT - Lingiari		-	-	-	-	-	
Bohle River	QLD - Herbert		-	-	-	14.6	14.6	
Exmouth	WA - Durack		-	-	-	-	-	
HMAS <i>Harman</i>	ACT - Bean		-	-	-	-	-	
Russell Offices	ACT - Canberra		-	-	-	-	-	
Total		280.3	-	-	-	21.1	21.1	
Facilities to Support LAND 19 Phase 7B Short Range Ground Based Air Defence <sup>[b] [c]</sup>								
RAAF Edinburgh	SA - Spence	266.1	31.5	9.3	116.2	84.3	-31.9	This financial variation is the result of a change in construction works programming due to latent site conditions and resequencing works package delivery.

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Joint Health Command Garrison Facilities Upgrades <sup>[a]</sup></b>								
Simpson Barracks	VIC - Jagajaga		19.7	19.9	-	-	-	
Puckapunyal Training Area	VIC - Nicholls		18.9	19.0	-	-	-	
Albury-Wodonga Military Area	VIC - Indi		17.3	17.3	-	-	-	
Royal Military College Canberra	ACT - Canberra		49.1	49.5	-	-	-	
Russell Offices	ACT - Canberra		-	-	-	-	-	
Holsworthy Barracks	NSW - Hughes		8.0	8.0	-	-	-	
Robertson Barracks	NT - Lingiari		5.1	5.1	-	-	-	
Larrakeyah Barracks	NT - Solomon		16.3	14.9	-	-	-	
Army Aviation Centre Oakey	QLD - Groom		18.4	18.6	-	-	-	
Gallipoli Barracks	QLD - Ryan		11.0	11.0	-	-	-	
Campbell Barracks	WA - Curtin		17.2	17.2	-	-	-	
RAAF Townsville	QLD - Herbert		15.3	15.4	-	-	-	
RAAF Pearce	WA - Pearce		5.7	5.7	-	-	-	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
RAAF Darwin	NT - Solomon		15.1	8.4	3.0	11.5	8.5	
<b>Total</b>		<b>251.8</b>	<b>217.1</b>	<b>210.2</b>	<b>3.0</b>	<b>11.5</b>	<b>8.5</b>	
<b>Armoured Fighting Vehicles Facilities Program Stage 1 <sup>[a]</sup></b>								
Lavarack Barracks	QLD - Herbert		33.6	31.5	-	1.2	1.2	This financial variation is the result of a change in construction works programming due to increased output which enabled earlier delivery of selected works.
Edinburgh Defence Precinct	SA - Spence		51.6	52.0	10.0	17.6	7.6	
Puckapunyal Military Area	VIC - Nicholls		98.8	89.4	4.8	13.2	8.4	
<b>Total</b>		<b>248.5</b>	<b>184.0</b>	<b>173.0</b>	<b>14.8</b>	<b>32.0</b>	<b>17.2</b>	

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Navy Capability Infrastructure</b>								
<b>Sub-program: Maritime Operational Support Capability Facilities (SEA 1654 Phase 3) <sup>[a]</sup></b>								
HMAS <i>Stirling</i>	WA - Brand		139.1	154.1	27.3	16.0	-11.3	
Randwick Barracks	NSW - Kingsford Smith		26.4	26.4	-	-	-	
Garden Island Defence Precinct	NSW - Sydney		-	-	-	-	-	This financial variation is the result of a forecast reduction in trade costs.
<b>Total</b>		<b>208.5</b>	<b>165.5</b>	<b>180.5</b>	<b>27.3</b>	<b>16.0</b>	<b>-11.3</b>	
<b>Land 121 Phase 5B Facilities Project <sup>[a] [b] [d]</sup></b>								
Lavarack Barracks	QLD - Herbert		7.0	7.0	-	-	-	
Robertson Barracks	NT - Lingiari		-	-	-	-	-	
Gallipoli Barracks	QLD - Ryan		83.6	89.7	16.3	16.6	0.3	
Derwent Barracks	TAS - Clark		16.5	16.9	0.0	0.1	0.1	
Puckapunyal Military Area	VIC - Nicholls		9.0	9.0	-	-	-	
Campbell Barracks	WA - Curtin		30.5	31.5	4.8	1.7	-3.1	
Porton Barracks	QLD - Kennedy		0.1	0.1	-	-	-	This financial variation is the result of a minor change in construction works programming.
<b>Total</b>		<b>183.3</b>	<b>146.7</b>	<b>154.2</b>	<b>21.1</b>	<b>18.4</b>	<b>-2.7</b>	
<b>Airfield Capital Works P0008 (RAAF Williamtown)</b>								
RAAF Williamtown	NSW - Paterson	<b>181.3</b>	<b>155.7</b>	<b>132.0</b>	<b>9.3</b>	<b>41.0</b>	<b>31.7</b>	This financial variation is the result of a change in construction works programming due to works acceleration to compensate for previous adverse weather.
<b>Fishermans Bend Redevelopment</b>								
Fishermans Bend	VIC - Macnamara	<b>160.9</b>	-	-	-	<b>12.4</b>	<b>12.4</b>	This is a new project.
<b>DEF101 Data Centre Upgrade</b>								
HMAS <i>Harman</i>	ACT - Bean	<b>131.5</b>	<b>111.2</b>	<b>117.0</b>	<b>8.3</b>	<b>8.5</b>	<b>0.2</b>	This financial variation is the result of a minor change in construction works programming.
<b>HMAS <i>Harman</i> Redevelopment</b>								
HMAS <i>Harman</i>	ACT - Bean	<b>116.4</b>	<b>33.2</b>	<b>0.9</b>	<b>67.9</b>	<b>19.5</b>	<b>-48.5</b>	This financial variation is the result of a change in construction works programming due scope revalidation activities delaying construction.



**Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)**

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Airfield Capital Works P0006 (Curtin, Tindal and Townsville) <sup>[a]</sup></b>								
RAAF Townsville	QLD - Herbert		0.9	1.0	13.0	12.4	-0.6	
RAAF Curtin	WA - Durack		15.2	15.2	-	-	-	
RAAF Tindal	NT - Lingiari		47.5	47.5	-	-	-	This financial variation is the result of a minor change in construction works programming.
<b>Total</b>		<b>95.3</b>	<b>63.6</b>	<b>63.7</b>	<b>13.0</b>	<b>12.4</b>	<b>-0.6</b>	
<b>Cultana Training Area Redevelopment Phase 2</b>								
Cultana Training Area	SA - Grey	<b>79.8</b>	<b>2.4</b>	-	<b>72.9</b>	<b>10.4</b>	<b>-62.5</b>	This financial variation is the result of a change in construction works programming due to delays in procuring a construction contractor.
<b>North Queensland Mid-Term Refresh Program: RAAF Townsville Mid-Term Refresh Project</b>								
RAAF Townsville	QLD - Herbert	<b>72.8</b>	<b>5.7</b>	<b>3.6</b>	<b>27.3</b>	<b>24.4</b>	<b>-2.9</b>	This financial variation is the result of a minor change in construction works programming.
<b>GWEO Program Accelerated Storage</b>								
Defence Establishment Myambat	NSW - Hunter	<b>62.4</b>	-	-	-	<b>31.1</b>	<b>31.1</b>	This is a new project.
<b>AIR 2025 Phase 6 Jindalee Operational Radar Networks (JORN) Facilities Project <sup>[a]</sup></b>								
Alice Springs	NT - Lingiari		52.3	52.4	-	0.4	0.4	
Murray Bridge Training Area	SA - Barker		1.0	1.4	-	0.0	0.0	
RAAF Learmonth	WA - Durack		3.4	-	-	0.0	0.0	
Geraldton	WA - Durack		1.2	3.2	0.1	0.0	-0.1	This financial variation is the result of a minor change in construction works programming.
<b>Total</b>		<b>61.9</b>	<b>57.9</b>	<b>57.0</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4</b>	

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Facilities to Support SEA 2273 Fleet Information Environment Modernisation Project <sup>[a]</sup></b>								
HMAS <i>Kuttabul</i>	NSW - Sydney		0.9	0.3	2.4	3.7	1.3	
HMAS <i>Cerberus</i>	VIC - Flinders		0.4	0.5	-	-	-	
HMAS <i>Stirling</i>	WA - Brand		10.7	8.8	9.0	10.0	1.0	
HMAS <i>Coonawarra</i>	NT - Solomon		1.2	1.7	0.9	2.9	2.0	
HMAS <i>Cairns</i>	QLD - Leichardt		0.3	0.3	-	-	-	This financial variation is the result of a minor change in construction works programming.
<b>Total</b>		<b>58.6</b>	<b>13.5</b>	<b>11.6</b>	<b>12.3</b>	<b>16.6</b>	<b>4.3</b>	
<b>Anglesea Paterson Project <sup>[a]</sup></b>								
Anglesea Barracks	TAS - Clark		10.3	1.4	9.9	16.6	6.7	
North Launceston	TAS - Bass		4.7	0.5	9.1	5.7	-3.4	This financial variation is the result of a minor change in construction works programming due to retendering.
Youngtown Depot	TAS - Bass		0.3	1.0	14.3	1.1	-13.2	
<b>Total</b>		<b>57.4</b>	<b>15.3</b>	<b>2.9</b>	<b>33.3</b>	<b>23.4</b>	<b>-9.9</b>	
<b>Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles <sup>[b]</sup></b>								
Gallipoli Barracks	QLD - Ryan	<b>51.7</b>	<b>4.8</b>	<b>1.1</b>	<b>30.1</b>	<b>20.8</b>	<b>-9.3</b>	This financial variation is the result of a minor change in construction works programming causing delay to commencement.
<b>LAND 4502 Phase 1 Additional CH-47F Chinook Facilities</b>								
RAAF Townsville	QLD - Herbert	<b>49.9</b>	<b>41.5</b>	<b>43.1</b>	<b>4.3</b>	<b>8.9</b>	<b>4.6</b>	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
<b>GWEO Program Accelerated Storage</b>								
Defence Establishment Jennings	NSW - Lismore	<b>47.3</b>	-	-	-	<b>25.9</b>	<b>25.9</b>	This is a new project.
<b>Puckapunyal Mid-Term Refresh</b>								
Puckapunyal Military Area	VIC - Nicholls	<b>45.8</b>	<b>41.5</b>	<b>35.5</b>	<b>0.1</b>	<b>4.4</b>	<b>4.3</b>	This financial variation is the result of a minor change in construction works programming.
<b>GWEO Storage Tranche 1 <sup>[a]</sup></b>								
RAAF Amberley	QLD - Blair		-	-	-	8.4	8.4	
HMAS <i>Stirling</i>	WA - Brand		-	-	-	7.0	7.0	
<b>Total</b>		<b>52.2</b>	-	-	-	<b>15.4</b>	<b>15.4</b>	This is a new project.

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>RAAF Base Amberley Sewage Treatment Plant</b>								
RAAF Amberley	QLD - Blair	41.7	11.3	5.5	13.2	22.2	9.0	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
<b>Relocation of Units from Elizabeth North Training Depot</b>								
Edinburgh Defence Precinct	SA - Spence	35.4	-	-	-	15.1	15.1	This is a new project.
<b>Facilities to Support LAND 3025 Phase 2 Deployable Special Operations Engineer Regiment</b>								
Holsworthy Barracks	NSW - Hughes	30.7	4.6	1.7	20.2	21.4	1.2	This financial variation is the result of a minor change in construction works programming.
<b>HMAS Creswell Mid-Term Refresh</b>								
HMAS Creswell	ACT - Fenner	30.7	0.5	0.0	6.7	16.5	9.8	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
<b>LAND 2110 Phase 1B - Chemical, Biological, Radiological and Nuclear Defence Facilities <sup>[a]</sup></b>								
HMAS Stirling	WA - Brand		1.1	0.8	-	-	-	
Bindoon Training Area	WA - Pearce		0.8	0.5	-	-	-	
Robertson Barracks	NT - Lingiari		0.9	0.6	-	-	-	
RAAF Edinburgh	SA - Spence		0.9	0.4	-	-	-	
Lavarack Barracks	QLD - Herbert		0.9	0.5	-	-	-	
Gallipoli Barracks	QLD - Ryan		0.9	0.3	-	-	-	
RAAF Amberley	QLD - Blair		0.8	0.4	-	-	-	
Holsworthy Barracks	NSW - Hughes		0.9	1.1	-	0.2	0.2	
Kapooka Military Area	NSW - Riverina		1.3	2.6	-	2.6	2.6	
RAAF Wagga	NSW - Riverina		1.0	0.5	-	0.1	0.1	
HMAS Creswell	ACT - Fenner		1.0	0.5	-	0.2	0.2	
Majura Range	ACT - Canberra		0.8	0.7	-	0.1	0.1	
HMAS Cerberus	VIC - Flinders		0.8	0.8	-	0.2	0.2	
Dutson Air Weapons Range	VIC - Gippsland		0.8	0.8	0.1	0.2	0.1	This financial variation is the result of a minor change in construction works programming which enabled earlier delivery of selected works.
<b>Total</b>		<b>23.1</b>	<b>12.9</b>	<b>10.6</b>	<b>0.1</b>	<b>3.6</b>	<b>3.5</b>	

Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>North Queensland Mid-Term Refresh Program: Townsville Field Training Area Mid-Term Refresh Project</b>								
Townsville Field Training Area	QLD - Kennedy	22.8	5.3	1.4	16.4	16.9	0.5	This financial variation is the result of a minor change in construction works programming.
<b>Facilities for A Company 41st Royal New South Wales Regiment Tweed Heads Region</b>								
Tweed Heads	NSW - Richmond	17.4	1.7	1.1	12.4	12.7	0.3	This financial variation is the result of a minor change in construction works programming.
<b>North Queensland Mid-Term Refresh Program: HMAS Cairns Mid-Term Refresh Project</b>								
HMAS Cairns	QLD - Leichardt	15.6	3.4	1.1	10.8	7.9	-2.9	This financial variation is the result of a minor change in construction works programming.
<b>Facilities to Support JP 8190 Phase 1 Deployable Bulk Fuel Distribution <sup>[a]</sup></b>								
Lavarack Barracks	QLD - Herbert		-	-	-	0.7	0.7	
RAAF Amberley	QLD - Blair		-	-	-	0.7	0.7	
Cowley Beach Training Area	QLD - Kennedy		-	-	-	0.7	0.7	
Greenbank Training Area	QLD - Wright		-	-	-	0.7	0.7	
<b>Total</b>		15.0	-	-	-	2.6	2.6	This is a new project.
<b>DEF 9358 Phase 1 Facilities</b>								
Borneo Barracks	QLD - Groom	8.1	-	-	-	8.1	8.1	This is a new project.
<b>RAAF Base Pearce Additional Flight Training Device</b>								
RAAF Pearce	WA - Durack	7.2	-	-	-	5.7	5.7	This is a new project.
<b>2nd Combat Engineer Regiment Compensatory Hardstand Project <sup>[d]</sup></b>								
Gallipoli Barracks	QLD - Ryan	6.5	6.0	2.3	0.0	0.5	0.5	This financial variation is the result of a minor change in construction works programming.

**Table 66: Approved Major and Medium Enterprise Estate and Infrastructure Program Projects by State and Federal Electorate (Continued)**

Project	State and Electorate	Total Estimated Expenditure \$m	Estimated Cumulative Expenditure to 30 June 2023 \$m	Cumulative Expenditure to 30 June 2023 (revised) \$m	2023-24 Budget Estimate \$m	2023-24 Revised Estimate \$m	Variation \$m	Project Performance Update and Explanation of Financial variation
<b>Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter Tranche 1</b>								
HMAS <i>Albatross</i>	NSW - Gilmore	5.1	-	-	-	2.4	2.4	This is a new project.
<b>Projects in or about to enter Defects Liability Period <sup>[c]</sup></b>								
		-	-	-	9.1	11.5	2.4	
<b>Total <sup>[d]</sup></b>					<b>2,417.2</b>	<b>1,988.6</b>	<b>-428.6</b>	

**Notes**

- The project crosses state and electorate boundaries.
- The project is referenced in Table 64: Top 30 Military Equipment Acquisition Program Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) of Appendix B.
- This amount represents the expenditure estimates for contract administration of various completed projects during their first year in-use.
- The sum of the individual figures may differ to the totals due to rounding. Budget estimates shown as 0.0 are amounts greater than \$0 but less than \$50,000.

## **Explanation of Projects**

Information is as reported in the *PBS 2023-24*, with the following updates:

### **Australian Capital Territory**

#### **DEF 101 Data Centre Upgrade**

This project is providing infrastructure to support and ensure ongoing communications capability at HMAS *Harman*, ACT through the expansion and fit-out of existing facilities. The majority of the works are complete with the exception of a minor engineering services component. This project is scheduled for completion in mid-2024.

#### **HMAS *Harman* Redevelopment**

This project will deliver fit-for-purpose facilities and infrastructure at HMAS *Harman*, ACT, including upgrading, replacing and providing new engineering services, command facility, entry precinct, office accommodation, and living-in accommodation. This project is scheduled to commence construction in early-2024 for completion in late-2025.

#### **HMAS *Creswell* Mid-Term Refresh**

This project will refurbish existing facilities and infrastructure at HMAS *Creswell*, Jervis Bay ACT, including engineering services, car parking, and the entry precinct. This project is scheduled to commence construction in late-2023, for completion in late-2024.

### **New South Wales**

#### **Guided Weapons Explosive Ordnance Enterprise Program Accelerated Storage Myambat**

This project will address explosive ordnance storage at Defence Establishment Myambat NSW. This project is scheduled to commence construction in early-2024 for completion in late-2024.

#### **Guided Weapons Explosive Ordnance Enterprise Program Accelerated Storage Jennings**

This project will address explosive ordnance storage requirements at Defence Establishment Jennings NSW. This project is scheduled to commence construction in early-2024 for completion in late-2024.

#### **Facilities to Support LAND 3025 Phase 2 Deployable Special Operations Engineer Regiment**

This project will deliver fit-for-purpose facilities and infrastructure to support deployable special operations engineer capability at Holsworthy Barracks NSW, including new storage, training and laboratory facilities as well as refurbishment of an existing office. This project is scheduled for completion early-2025.

#### **Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter Tranche 1**

This project will provide facilities to support improved embarked logistics support helicopters at HMAS *Albatross* NSW. This project is scheduled to commence construction in mid-2025 for completion in early-2027.

## Northern Territory

### USFPI Northern Territory Training Areas and Ranges Upgrades

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

### Larrakeyah Defence Precinct Redevelopment Program

This program is upgrading critical base infrastructure, improving the working environment, delivering new facilities, and supporting future growth on the Larrakeyah Defence Precinct NT. This program is also delivering a new wharf, fuel storage and refuelling capabilities to support Navy's major surface combatant ships operating in the north of Australia. This program of works is scheduled for completion in late-2025.

### Cocos (Keeling) Islands Airfield Upgrade

This project will upgrade the airfield and construct supporting infrastructure at Cocos (Keeling) Islands, including the runway, taxiway, and airfield lighting. This project is scheduled to commence construction in mid-2024, for completion early-2027.

### Robertson Barracks Base Improvements Project

This project is upgrading engineering services (such as potable water, electrical and fire water), providing additional living-in accommodation, and providing a new combined mess at Robertson Barracks NT. This project is scheduled for completion in early-2027.

### Airfield Capital Works P0009 (RAAF Darwin and Mount Bunday)

This project is providing major maintenance of aircraft pavements, aeronautical ground lighting and airfield drainage at RAAF Base Darwin NT and Mount Bunday NT. This project is scheduled for completion in late-2025.

## Queensland

### DEF 9358 Phase 1 Facilities

This project will provide facilities to support electronic warfare capability at Borneo Barracks QLD. This project is scheduled to commence construction in late-2024 for completion in mid-2027.

### Facilities to Support LAND 129 Phase 3 Tactical Unmanned Aerial Vehicles

This project is providing fit-for-purpose facilities and infrastructure to support replacement Tactical Unmanned Aerial Vehicle capability at Gallipoli Barracks QLD, including working accommodation, training, storage, and hardstand facilities as well as electrical and communications upgrades. This project is scheduled for completion in late-2024.

### 2nd Combat Engineer Regiment Compensatory Hardstand Project

This project is providing an appropriate hardstand area for the 2nd Combat Engineer Regiment at Gallipoli Barracks, QLD. This project is scheduled for completion in mid-2024.

### Facilities to Support JP 8190 Phase 1 Deployable Bulk Fuel Distribution

This project will provide new and refurbished training, maintenance and storage facilities to support training in both land and littoral environments at RAAF Base Amberley QLD, Lavarack Barracks QLD, Cowley Beach Training Area QLD, and Greenbank Training Area QLD. This project is scheduled to commence construction in late-2024 for completion in mid-2025.

## **South Australia**

### Edinburgh Defence Precinct Mid-Term Refresh

This project will remediate and upgrade base infrastructure to support Defence requirements and capabilities at the Edinburgh Defence Precinct, SA. This project is scheduled to commence construction in mid-2024 for completion in early-2027.

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

This project is providing new working accommodation, operational support, storage, training, and living-in accommodation facilities to support new air defence capability at RAAF Base Edinburgh, SA. This project is scheduled for completion in mid-2025.

### Relocation of Units from Elizabeth North Training Depot

This project will provide new facilities to allow the relocation of reserve and cadet units at Elizabeth North Training Depot to the Edinburgh Defence Precinct, SA. This project is scheduled to commence construction in early-2024 for completion in early-2025.

## **Tasmania**

### Anglesea Paterson Project

This project is upgrading engineering services and refurbish buildings at Anglesea Barracks and Youngtown Depot TAS, and construct new facilities in North Launceston TAS. This project is scheduled for completion in late-2024.

## **Victoria**

### Fishermans Bend Redevelopment

This project will address condition, capacity and compliance issues at Fishermans Bend VIC, including upgrading engineering services, refurbishing existing facilities and providing new working accommodation. This project is scheduled to commence construction in early-2024 for completion in late-2026.

### Puckapunyal Mid-Term Refresh

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

## **Western Australia**

### RAAF Base Pearce Additional Flight Training Device

This project will deliver a new facility for 2nd Flight Training School to support ongoing air capability training in an Flight Training Device simulated environment. This project is scheduled to commence construction in early-2024 for completion in mid-2024.



## Various Locations

### Enhanced Land Force (ELF) Stage 2

This project provided purpose-built facilities and supporting infrastructure to support ELF capabilities. This included the construction of new and refurbished accommodation, common use, and training facilities, and upgraded site infrastructure. The works are complete with the exception of an underpass at the Cultana Training Area SA, which is scheduled for completion in late-2025 having previously reported late-2024 in the *PBS 2023-24*.

### Navy Capability Infrastructure Sub-program

This program of works is providing new and upgraded facilities and infrastructure around Australia to support the introduction into service and sustainment of new frigates, offshore patrol vessels and replenishment ships.

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

This project is providing berthing, training, maintenance, logistics, and support facilities to support the introduction into service of the Arafura class OPVs at HMAS *Coonawarra* and RAAF Base Darwin in the NT, HMAS *Cairns* in QLD, and HMAS *Stirling* and Henderson Maritime Precinct in WA. This project is scheduled for completion in early-2029.

#### Maritime Patrol Aircraft Replacement (AIR 7000 Phase 2B)

This project is providing new and upgraded facilities and infrastructure to support the introduction of P-8A aircraft at RAAF Base Edinburgh in SA, RAAF Base Townsville in QLD, RAAF Base Pearce in WA, RAAF Base Darwin in NT and HMAS *Stirling* in WA. The works are progressively scheduled for completion at each base up to mid-2026.

#### Airfield Capital Works P0010 (Amberley, Pearce, Richmond and *Albatross*)

This project is maintaining aircraft pavements, aeronautical ground lighting, and drainage at HMAS *Albatross* and RAAF Base Richmond in NSW, RAAF Base Amberley in QLD and RAAF Base Pearce in WA. The works are scheduled for completion in early-2026.

#### Facilities to Support AIR 7000 Phase 1B Remotely Piloted Aircraft System

This project is providing facilities and infrastructure to support the introduction into service of the MQ-4C Triton aircraft system at RAAF Base Tindal NT and the Edinburgh Defence Precinct SA. The works include a control centre, training facilities, squadron headquarters, hangars, airfield pavements, aircraft wash point, and site-wide engineering services. The works are scheduled for completion in early-2026.

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

This project is providing facilities and infrastructure to support the introduction into service of MC-55A Peregrine Airborne Intelligence Surveillance Reconnaissance Electronic Warfare capability at RAAF Base Darwin NT, RAAF Base Townsville QLD, RAAF Base Edinburgh SA and Cocos (Keeling) Islands NT. This project is scheduled for completion in late-2024.

#### Facilities to Support JP 9101 Phase 1 Enhanced Communications Systems

This project will provide facilities and infrastructure to support the implementation of enhanced communications systems at various bases around Australia. This project is scheduled to commence construction in early-2024 for completion in early-2027.

#### Joint Health Command Garrison Facilities Upgrades

This project is providing contemporary Garrison Health Facilities at 14 bases around Australia. The majority of the works are complete except for those at RAAF Base Darwin, NT. These works are scheduled for completion in late-2024.

#### Airfield Capital Works P0006 (Curtin, Tindal and Townsville)

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

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

This project is providing new facilities and infrastructure to support the mid-life upgrade of the JORN capability at Mount Everard and Harts Range near Alice Springs NT, Murray Bridge Training Area SA, and RAAF Learmonth and Kojarena in WA. This project is scheduled for completion in early-2024.

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

This project is providing new and refurbished facilities, including training and storage facilities, at 14 bases around Australia. This project is scheduled for completion in early-2025.

#### Guided Weapons Explosive Ordnance Storage Project Tranche 1

This project will provide explosive ordnance storage facilities and infrastructure at various bases around Australia. These works are scheduled for completion in late-2024.

## Appendix E: Status of Projects Foreshadowed for Government and Parliamentary Standing Committee on Public Works Consideration in 2023-24

### Program of Works Foreshadowed for Consideration and Approval

During 2023-24, Defence expects to present a number of Enterprise Estate and Infrastructure Program capital facilities and infrastructure project proposals to the Parliamentary Standing Committee on Public Works (PWC). The following tables detail the proposed major capital facilities and infrastructure projects expected to be referred to the PWC, and medium capital facilities and infrastructure projects expected to be notified to the PWC, for the remainder of 2023-24.

**Table 67: Major Capital Facilities Projects Foreshadowed for PWC Consideration and Approval for the remainder of 2023-24**

Project Description	State/Electorate	Actual/Indicative PWC Referral Date <sup>[a]</sup>	Actual/Indicative PWC Hearing Date <sup>[a] [b]</sup>	Parliamentary Approval Date <sup>[a]</sup>
Canberra Defence Precinct Tranche 1 – Australian Defence Force Academy Living-in Accommodation	ACT - Canberra	Nov-2023	Early-2024	Early-2024
KC-30 Multi Role Tanker Airfield Upgrades	WA - Durack	Nov-2023	Early-2024	Early-2024
RAAF Darwin Mid-Term Refresh	NT - Solomon	Nov-2023	Early-2024	Early-2024
Albury-Wodonga Military Area Redevelopment	Various locations	Early-2024	Early-2024	Mid-2024
RAAF Base Wagga Redevelopment	NSW - Riverina	Early-2024	Early-2024	Mid-2024
Blamey Barracks Redevelopment	NSW - Riverina	Early-2024	Early-2024	Mid-2024
Facilities to Support AIR 5349 Phase 6 Advanced Growler	Various locations	Early-2024	Mid-2024	Mid-2024
Explosive Ordnance Facilities Northern New South Wales Redevelopment	NSW - Lindsay & Hunter	Mid-2024	Mid-2024	Late-2024
Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter (Tranche 2)	Various locations	Mid-2024	Mid-2024	Late-2024
Facilities to Support LAND 4507 Phase 1 Multi Role Helicopter Rapid Replacement Program	NSW - Hughes	Mid-2024	Mid-2024	Late-2024

#### Notes

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

**Table 68: Medium Capital Facilities Projects Foreshadowed for Consideration and Approval for the remainder of 2023-24**

Project Description	State/Electorate	Actual/Indicative PWC Notification Date <sup>[a]</sup>	Indicative PWC Approval Date <sup>[b]</sup>
Facilities to Support LAND 154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device	Various locations	Early-2024	Early-2024
RAAF Base Richmond Sewage Treatment Plant	NSW - Macquarie	Early-2024	Early-2024
Facilities to Support LAND 8180 Phase 1 Aviation and Field Fire Truck Capability	Various locations	Early-2024	Early-2024

**Notes**

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

## Explanation of Projects

Information is as reported in the *PBS 2023-24*, with the following updates:

### Major and Medium Project Narratives by State and Various Locations

#### Australian Capital Territory

##### Canberra Defence Precinct Tranche 1 - Australian Defence Force Academy Living-in Accommodation

This project proposes to provide living-in accommodation to address growth and condition issues at the Australian Defence Force Academy ACT. Subject to parliamentary approval, construction is scheduled to commence mid-2024 for completion late-2026.

#### New South Wales

##### RAAF Base Wagga Redevelopment

This project proposes to address condition, capacity and compliance issues at RAAF Base Wagga NSW, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to parliamentary approval, construction is scheduled to commence in mid-2024 for completion in late-2030.

##### Blamey Barracks Redevelopment

This project proposes to address condition, capacity and compliance issues at Blamey Barracks NSW, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to parliamentary approval, construction is scheduled to commence in mid-2024 for completion in mid-2030.

##### Explosive Ordnance Facilities Northern New South Wales Redevelopment

This project proposes to remediate existing facilities, and provide new facilities and infrastructure, to support training, storage and maintenance activities at Defence Establishment Orchard Hills and Myambat Explosive Ordnance Depot NSW. Subject to parliamentary approval, construction is scheduled to commence in late-2024 for completion in mid-2028.

##### Facilities to Support LAND 4507 Phase 1 Multi Role Helicopter Rapid Replacement Program

This project proposes to provide facilities and infrastructure to support the associated capability at Holsworthy Barracks. Subject to parliamentary approval, construction is scheduled to commence in early-2025 for completion in early-2028.

##### RAAF Base Richmond Sewage Treatment Plant

This project proposes to deliver a new Sewage Treatment Plant at RAAF Base Richmond NSW. Subject to Public Works Committee agreement, construction is scheduled to commence in early-2025 for completion in mid-2026.

#### Northern Territory

##### RAAF Darwin Mid-Term Refresh

This project proposes to address condition, capacity and compliance issues at RAAF Base Darwin NT, including upgrading engineering services. Subject to parliamentary approval, construction is scheduled to commence in late-2024 for completion in early-2027.

**Queensland**

Not applicable.

**South Australia**

Not applicable.

**Tasmania**

Not applicable.

**Victoria**

Not applicable.

**Western Australia**

**KC-30 Multi Role Tanker Airfield Upgrades**

This project proposes to improve the airfield at RAAF Base Learmonth. Subject to parliamentary approval, construction is scheduled to commence in mid-2024 for completion in mid-2028.

**Various Locations**

**Albury Wodonga Military Area Redevelopment**

This project proposes to address condition, capacity and compliance issues at the Albury-Wodonga Military Area in NSW and VIC, including upgrading engineering services, constructing new facilities and infrastructure, and demolishing aged facilities. Subject to parliamentary approval, construction is scheduled to commence in mid-2024 for completion in late-2030.

**Facilities to Support AIR 5349 Phase 6 Advanced Growler**

This project proposes to provide new facilities and infrastructure in support of the associated capability at various bases. Subject to parliamentary approval, construction is scheduled to commence in early-2025 for completion in late-2026.

**Facilities to Support SEA 9100 Phase 1 Improved Embarked Logistics Support Helicopter (Tranche 2)**

This project proposes to provide facilities in support of the associated capability at various bases. Subject to parliamentary approvals, construction is scheduled to commence in mid-2025 for completion in early-2027.

**Facilities to Support LAND 154 Phase 4 Tranche 2 Joint Counter Improvised Explosive Device**

This project proposes to provide testing, storage and training facilities to support the associated capability at various bases. Subject to Public Works Committee agreement, construction is scheduled to commence in mid-2025 for completion in mid-2026.

**Facilities to Support LAND 8180 Phase 1 Aviation and Field Fire Truck Capability**

This project proposes to deliver training, testing, maintenance, and storage facilities to support the associated capability at various bases. Subject to Public Works Committee agreement, construction is scheduled to commence in early-2025 for completion in early-2026.

## Appendix F: Top 5 Information and Communication Technology Approved Projects

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

**Table 69: Top 5 ICT Approved Projects by 2023-24 Forecast Expenditure (Gross Plan) <sup>[a]</sup>**

Project Name	Project Number/ Phase	Approved Project Expenditure \$m	Cumulative Expenditure to 30 June 2023 \$m	Actual Expenditure 2022-23 \$m	Budget Estimate 2023-24 \$m	Revised Estimate 2023-24 \$m	Variation 2023-24 \$m	Project Performance Update and Explanation of Financial Variation
Defence Enterprise Resource Planning (ERP) Program	<b>ICT 2283 Phase 1</b>	1,642	561	95	172	155	-17	During 2023-24, build and test activities have progressed with Tranche 1B (T1B) Force Element (FE) and Tranche 3 R1A Performance and Goals (P&G) achieving successful Go Live. The revised estimate is due to schedule slippages and a delay in the associated contractor payment milestones.
ADF - SATCOM	<b>ICT 09102 Phase 2A</b>	356	151	54	171	173	3	The revised estimate is in line with 2023-24 Budget Estimates with minor variation.
ADF Deployable Health Knowledge Management	<b>JNT 2060 Phase 4</b>	380	157	70	112	104	-8	During 2023-24, the integrated project team has continued systems development with the Prime Systems Integrator and progressed data migration preparedness and business transformation activities. The revised estimate is due to schedule slippages and a delay in associate contractor payment milestones.
Windows 10 Upgrade	<b>ICT 2222 Phase 2</b>	472	262	186	94	148	54	During 2023-24, key activities included upgrading the operating system to Windows 10, replacement of desktop hardware, implementation of Multi-Factor Authentication and smart-card based secure printing. The revised estimate is primarily due to the provision of early access funding for Tranche 2 activities.
Fleet Information Environment Modernisation	<b>NAV 2273 Phase 1</b>	563	281	72	90	90	1	During 2023-24, work progressed on the installation and commissioning of systems on major fleet units and at eastern Australian regional sites. The revised estimate is in line with 2023-24 Budget Estimates with minor variation.
<b>Total Top 5 ICT Projects (Gross Plan)</b>		<b>3,413</b>	<b>1,412</b>	<b>478</b>	<b>638</b>	<b>671</b>	<b>33</b>	

### Note

a. Approved Project Expenditure, Estimated Cumulative Expenditure to 30 June 2023, Budget Estimate 2023-24 and Revised Estimate 2023-24 are on an accrual basis and funded by appropriation.

## Appendix G: Australian Government Indigenous Expenditure

**Table 70: Australian Government Indigenous Expenditure**

	Program	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000
<b>Defence Indigenous Strategy</b>	2.12	6,051	7,218
<b>Army Aboriginal Community Assistance Program</b>	2.6	16,450	9,105
<b>Total Australian Government Indigenous Expenditure</b>		<b>22,501</b>	<b>16,323</b>

### Defence Indigenous Strategy

No changes have been made to the Defence Indigenous Strategy since the *PBS 2023-24*.

### Defence Indigenous Programs

No changes have been made to the Defence Indigenous Programs since the *PBS 2023-24*.

### Army Aboriginal Community Assistance Program

The following changes have been made to the Army Aboriginal Community Assistance Program (AACAP) since the *PBS 2023-24*.

The AACAP is a Commonwealth Government initiative between Defence (Army) and the National Indigenous Australians Agency. It aims to improve infrastructure, health, living and economic conditions within remote Indigenous communities. These aims support the *National Agreement on Closing the Gap* which brings Aboriginal and Torres Strait Islander peoples, governments and key stakeholders together, to address the inequality experienced by Aboriginal and Torres Strait Islander peoples. AACAP projects leverage the ability of Army to deliver a range of services in remote areas, providing infrastructure works, employability skills training, health promotion and community support in a holistic and highly effective manner. Army also benefits from the opportunities afforded by the conduct of AACAP projects to exercise various operational capabilities in a unique cultural and physical environment. AACAP projects are scheduled to be delivered in Baniyala, NT in 2023-24, Amata, SA in 2024 and the Torres Strait, QLD in 2025.

### Air Force Kummundoo Program (Health)

No changes have been made to the Air Force Kummundoo Program (Health) since the *PBS 2023-24*.



# Australian Signals Directorate

## Agency Resources and Planned Performance

<b>AUSTRALIAN SIGNALS DIRECTORATE.....</b>	<b>125</b>
<b>Section 1: ASD Overview and Resources.....</b>	<b>127</b>
1.1 Strategic Direction Statement .....	127
1.2 ASD Resource Statement .....	129
1.3 Budget Measures .....	131
<b>Section 2: ASD Revisions to Outcomes and Planned Performance.....</b>	<b>132</b>
2.1 Budgeted Expenses and Performance for Outcome 1 .....	132
<b>Section 3: ASD Explanatory Tables and Budgeted Financial Statements .....</b>	<b>134</b>
3.1 Explanatory Tables.....	134
3.2 Budgeted Financial Statements .....	135

This page intentionally left blank.

# Australian Signals Directorate

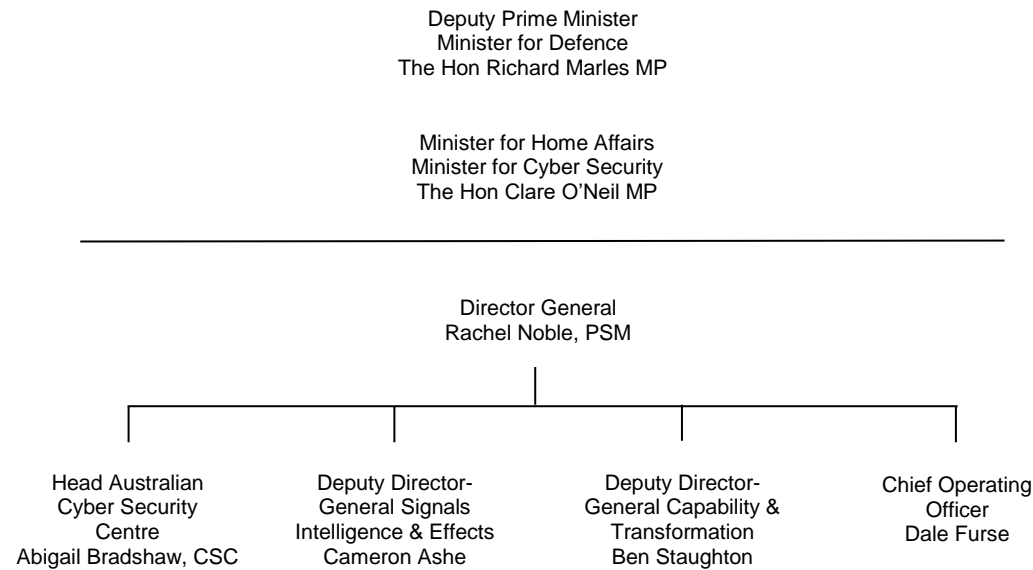
## Section 1: ASD Overview and Resources

### 1.1 Strategic Direction Statement

No changes have been made to the ASD Strategic Direction Statement since the *PBS 2023-24*.

### ASD Organisational Chart

**Figure 1: ASD Organisational Structure**



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

**Senior Executive Changes**

No changes have taken place since the *PBS 2023-24*.

**Organisational Structure**

No changes have taken place since the *PBS 2023-24*.

## 1.2 ASD Resource Statement

The ASD Resource Statement details the resourcing for the Australian Signals Directorate at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2023-24 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1: ASD Resource Statement – Budget Estimates for 2023-24 as at Additional Estimates February 2024**

	2022-23 Actual available appropriation \$'000	2023-24 Budget Estimate \$'000	2023-24 Proposed Additional Estimates \$'000	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Departmental</b>							
Annual appropriations - ordinary annual services							
Departmental appropriation	1,260,584	1,475,082	257,143	1,732,225	1,657,454	1,803,477	2,025,284
s74 External Revenue	3,303	2,918	-	2,918	2,994	3,064	3,141
Departmental Capital Budget	30,000	30,000	-	30,000	30,000	30,000	30,000
Annual appropriations - other services - non-operating							
Equity injection	472,014	967,339	127,028	1,094,367	923,922	532,298	493,574
<b>Total departmental resourcing</b>	<b>1,765,901</b>	<b>2,475,339</b>	<b>384,171</b>	<b>2,859,510</b>	<b>2,614,370</b>	<b>2,368,839</b>	<b>2,551,999</b>
<b>Total resourcing for ASD</b>	<b>1,765,901</b>	<b>2,475,339</b>	<b>384,171</b>	<b>2,859,510</b>	<b>2,614,370</b>	<b>2,368,839</b>	<b>2,551,999</b>

## Annual Appropriations

**Table 2: Appropriation Bill (No. 3) 2023-24**

	2022-23 Available \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
<b>Departmental Outputs</b>					
Departmental Outputs <sup>[a]</sup>	1,290,584	1,505,082	1,762,225	257,143	-
<b>Total</b>	<b>1,290,584</b>	<b>1,505,082</b>	<b>1,762,225</b>	<b>257,143</b>	<b>-</b>

**Note**

a. Additional appropriation is provided in *Appropriation Bill (No. 3)*.

**Table 3: Appropriation Bill (No. 4) 2023-24**

	2022-23 Available \$'000	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Increase in Estimates \$'000	Decrease in Estimates \$'000
<b>Non-operating</b>					
Equity injections <sup>[a]</sup>	472,014	967,339	1,094,367	127,028	-
<b>Total non-operating</b>	<b>472,014</b>	<b>967,339</b>	<b>1,094,367</b>	<b>127,028</b>	<b>-</b>

**Note**

a. Additional appropriation is provided in *Appropriation Bill (No. 4)*.

## 1.3 Budget Measures

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

Table 4: ASD 2023-24 Measures Since Budget

	2023-24 Revised Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m
<b>Other Budget Adjustments</b>				
Transfer of projects from Defence	160.8	105.9	80.8	339.5
Foreign Exchange	26.2	-	-	-
Other Budget Adjustments <sup>[a]</sup>	nfp	nfp	nfp	nfp
<b>Total Other Departmental Budget Adjustments</b>	<b>187.0</b>	<b>105.9</b>	<b>80.8</b>	<b>339.5</b>
<b>Variation to ASD Departmental Funding</b>	<b>187.0</b>	<b>105.9</b>	<b>80.8</b>	<b>339.5</b>

**Note**

a. The budget adjustment is not for publication (nfp).

## Section 2: ASD Revisions to Outcomes and Planned Performance

### 2.1 Budgeted Expenses and Performance for Outcome 1

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

#### Outcome Expense Statement

**Table 5: Budgeted Expenses for Outcome 1**

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Program 1.1 - Foreign Signals Intelligence, Cyber Security and Offensive Cyber Operations</b>					
<b>Expenses funded by appropriation and own source revenue <sup>[a]</sup></b>					
Employees	414,741	508,799	599,887	725,294	781,069
Suppliers	812,284	1,170,395	1,003,450	1,025,539	1,195,079
Other expenses	8,314	7,272	6,578	5,860	5,188
	1,235,339	1,686,466	1,609,915	1,756,693	1,981,336
<b>Expenses not requiring appropriation <sup>[b]</sup></b>					
Resources received free of charge (Auditor fees)	6,981	156	155	159	160
Depreciation and amortisation	334,715	388,265	532,090	603,311	662,886
Net write-down and net impairment of assets	22,062	-	-	-	-
	363,758	388,421	532,245	603,470	663,046
<b>Total Operating Expenses</b>	<b>1,599,097</b>	<b>2,074,887</b>	<b>2,142,160</b>	<b>2,360,163</b>	<b>2,644,382</b>
<b>Capital expenditure funded by appropriation</b>					
Purchases of non-financial assets	591,216	1,124,367	953,922	562,298	523,574
Principal repayments of lease liabilities	43,620	48,677	50,533	49,848	47,089
<b>Total capital expenditure</b>	<b>634,836</b>	<b>1,173,044</b>	<b>1,004,455</b>	<b>612,146</b>	<b>570,663</b>
<b>Total funded expenditure for Program 1.1 <sup>[c]</sup></b>	<b>1,870,175</b>	<b>2,859,510</b>	<b>2,614,370</b>	<b>2,368,839</b>	<b>2,551,999</b>

	2022-23	2023-24
<b>Average Staffing Level (number)</b>	nfp	nfp

#### Notes

- Section 74 external revenues contribution to expenditure.
- Expenses not requiring appropriation include depreciation, write down and impairment of assets, other resources received free of charge, and auditor fees.
- Total Program funded expenditure includes operating expenses and capital expenditure funded by Appropriation and own source revenue. This excludes expenses not requiring appropriation.



**Contributions to Outcome 1**

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

Performance information is as reported in the *PBS 2023-24*.

## Section 3: ASD Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ASD’s finances for the 2023-24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Explanatory Tables

Table 6: Third Party Payments to and from Other Agencies <sup>[a]</sup>

	2023-24 Budget Estimate \$'000	2023-24 Revised Estimate \$'000	Variation \$'000
Payments made to Department of Defence for provision of services (Departmental)	100,502	100,502	-

**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.

## 3.2 Budgeted Financial Statements

### 3.2.1 Budgeted Financial Statements

**Table 7: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June**

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>EXPENSES</b>					
Employee benefits	414,741	508,799	599,887	725,294	781,069
Supplier expenses	819,265	1,170,551	1,003,605	1,025,698	1,195,239
Depreciation and amortisation	334,715	388,265	532,090	603,311	662,886
Write-down of assets and impairment of assets	22,062	-	-	-	-
Other	8,314	7,272	6,578	5,860	5,188
<b>Total expenses</b>	<b>1,599,097</b>	<b>2,074,887</b>	<b>2,142,160</b>	<b>2,360,163</b>	<b>2,644,382</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Own-source revenue</b>					
Sales of goods and rendering of services	3,303	2,918	2,994	3,064	3,141
<b>Total own-source revenue</b>	<b>3,303</b>	<b>2,918</b>	<b>2,994</b>	<b>3,064</b>	<b>3,141</b>
<b>Gains</b>					
Foreign exchange	5,033	-	-	-	-
Reversals of previous asset write-downs	1,309	-	-	-	-
Other gains	6,981	156	155	159	160
<b>Total gains</b>	<b>13,323</b>	<b>156</b>	<b>155</b>	<b>159</b>	<b>160</b>
<b>Total own-source income</b>	<b>16,626</b>	<b>3,074</b>	<b>3,149</b>	<b>3,223</b>	<b>3,301</b>
<b>Net cost of (contribution by) services</b>	<b>-1,582,471</b>	<b>-2,071,813</b>	<b>-2,139,011</b>	<b>-2,356,940</b>	<b>-2,641,081</b>
Revenue from Government	1,260,584	1,732,225	1,657,454	1,803,477	2,025,284
<b>Surplus (Deficit) attributable to the Australian Government</b>	<b>-321,887</b>	<b>-339,588</b>	<b>-481,557</b>	<b>-553,463</b>	<b>-615,797</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not subject to subsequent reclassification to net cost of services</b>					
Changes in asset revaluation reserves	1,942	-	-	-	-
<b>Total other comprehensive income/(loss)</b>	<b>1,942</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>-319,945</b>	<b>-339,588</b>	<b>-481,557</b>	<b>-553,463</b>	<b>-615,797</b>

**Note: Impact of net cash appropriation arrangements**

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments</b>	<b>-28,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
less: Depreciation/amortisation expenses previously funded through revenue appropriations	334,715	388,265	532,090	603,311	662,886
add: Principal repayments on leased assets	43,620	48,677	50,533	49,848	47,089
<b>Total comprehensive income/(loss) - as per the statement of comprehensive income</b>	<b>-319,945</b>	<b>-339,588</b>	<b>-481,557</b>	<b>-553,463</b>	<b>-615,797</b>

Table 8: Budgeted Departmental Balance Sheet (as at 30 June)

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'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	15,313	15,313	15,313	15,313	15,313
Trade and other receivables	127,310	127,310	127,310	127,310	127,310
<b>Total financial assets</b>	<b>142,623</b>	<b>142,623</b>	<b>142,623</b>	<b>142,623</b>	<b>142,623</b>
<b>Non-financial assets</b>					
Land and buildings	652,761	619,686	562,635	506,649	453,818
Property, plant and equipment	541,773	1,254,571	1,687,014	1,697,009	1,580,111
Intangibles	59,822	128,062	174,502	179,480	209,897
Other non-financial assets	129,208	129,208	129,208	129,208	129,208
Heritage assets	244	244	244	244	244
<b>Total non-financial assets</b>	<b>1,383,808</b>	<b>2,131,771</b>	<b>2,553,603</b>	<b>2,512,590</b>	<b>2,373,278</b>
<b>Total assets</b>	<b>1,526,431</b>	<b>2,274,394</b>	<b>2,696,226</b>	<b>2,655,213</b>	<b>2,515,901</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	245,628	245,628	245,628	245,628	245,628
Other	14,397	14,397	14,397	14,397	14,397
<b>Total payables</b>	<b>260,025</b>	<b>260,025</b>	<b>260,025</b>	<b>260,025</b>	<b>260,025</b>
<b>Interest bearing liabilities</b>					
Leases	540,695	503,879	453,346	403,498	356,409
<b>Total interest bearing liabilities</b>	<b>540,695</b>	<b>503,879</b>	<b>453,346</b>	<b>403,498</b>	<b>356,409</b>
<b>Provisions</b>					
Employee provisions	127,649	127,649	127,649	127,649	127,649
<b>Total provisions</b>	<b>127,649</b>	<b>127,649</b>	<b>127,649</b>	<b>127,649</b>	<b>127,649</b>
<b>Total liabilities</b>	<b>928,369</b>	<b>891,553</b>	<b>841,020</b>	<b>791,172</b>	<b>744,083</b>
<b>NET ASSETS</b>	<b>598,062</b>	<b>1,382,841</b>	<b>1,855,206</b>	<b>1,864,041</b>	<b>1,771,818</b>
<b>EQUITY</b>					
Contributed equity	1,420,499	2,544,866	3,498,788	4,061,086	4,584,660
Reserves	44,521	44,521	44,521	44,521	44,521
Retained surplus (accumulated deficit)	-866,958	-1,206,546	-1,688,103	-2,241,566	-2,857,363
<b>Total equity</b>	<b>598,062</b>	<b>1,382,841</b>	<b>1,855,206</b>	<b>1,864,041</b>	<b>1,771,818</b>

**Table 9: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)**

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'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	1,406,183	1,732,225	1,657,454	1,803,477	2,025,284
Goods and services	16,732	2,917	2,994	3,064	3,141
Net GST received	80,393	140,324	134,271	114,325	119,361
Other	6,357	-	-	-	-
<b>Total cash received</b>	<b>1,509,665</b>	<b>1,875,466</b>	<b>1,794,719</b>	<b>1,920,866</b>	<b>2,147,786</b>
<b>Cash used</b>					
Employees	388,909	508,892	599,887	725,294	781,069
Suppliers	794,497	1,170,234	1,003,450	1,025,539	1,195,079
Net GST paid	81,215	140,334	134,271	114,325	119,361
Cash transfer to the Official Public Account (receivables)	116,727	-	-	-	-
Interest payments on lease liabilities	8,314	7,272	6,578	5,860	5,188
Other	217	57	-	-	-
<b>Total cash used</b>	<b>1,389,879</b>	<b>1,826,789</b>	<b>1,744,186</b>	<b>1,871,018</b>	<b>2,100,697</b>
<b>Net cash from (used by) operating activities</b>	<b>119,786</b>	<b>48,677</b>	<b>50,533</b>	<b>49,848</b>	<b>47,089</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	-	-	-	-	-
Proceeds from sales of intangibles	-	-	-	-	-
Other cash received	-	-	-	-	-
<b>Total cash received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of assets	591,216	1,124,367	953,922	562,298	523,574
<b>Total cash used</b>	<b>591,216</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>
<b>Net cash from (used by) investing activities</b>	<b>-591,216</b>	<b>-1,124,367</b>	<b>-953,922</b>	<b>-562,298</b>	<b>-523,574</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations - contributed equity	502,014	1,124,367	953,922	562,298	523,574
Receipts from other entities on account of restructure	-	-	-	-	-
<b>Total cash received</b>	<b>502,014</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>
<b>Cash used</b>					
Principal repayments of lease liabilities	43,620	48,677	50,533	49,848	47,089
Cash to the Official Public Account	-	-	-	-	-
<b>Total cash used</b>	<b>43,620</b>	<b>48,677</b>	<b>50,533</b>	<b>49,848</b>	<b>47,089</b>
<b>Net cash from (used by) financing activities</b>	<b>458,394</b>	<b>1,075,690</b>	<b>903,389</b>	<b>512,450</b>	<b>476,485</b>
<b>Net increase (decrease) in cash and cash equivalents held</b>	<b>-13,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	28,349	15,313	15,313	15,313	15,313
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>15,313</b>	<b>15,313</b>	<b>15,313</b>	<b>15,313</b>	<b>15,313</b>

**Table 10: Departmental Statement of Changes in Equity – Summary of Movement (Budget Year 2023-24)**

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2023</b>					
Balance carried forward from previous period	-866,958	44,521	-	1,420,499	598,062
Adjustment for changes in accounting policies	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>-866,958</b>	<b>44,521</b>		<b>1,420,499</b>	<b>598,062</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>	<b>-</b>
Surplus (Deficit) for the period	-339,588	-	-	-	-339,588
<b>Total comprehensive income recognised directly in equity</b>	<b>-339,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-339,588</b>
<b>Transactions with owners</b>					
<i>Distribution to owners</i>					
Returns on capital:					
Restructuring	-	-	-	-	-
Other	-	-	-	-	-
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	1,094,367	1,094,367
Departmental Capital Budget (DCB)	-	-	-	30,000	30,000
Other	-	-	-	-	-
<b>Subtotal transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,124,367</b>	<b>1,124,367</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2024</b>	<b>-1,206,546</b>	<b>44,521</b>	<b>-</b>	<b>2,544,866</b>	<b>1,382,841</b>
<b>Closing balance attributable to the Australian Government</b>	<b>-1,206,546</b>	<b>44,521</b>	<b>-</b>	<b>2,544,866</b>	<b>1,382,841</b>

**Table 11: Statement of Departmental Asset Movements (Budget Year 2023-24)**

	Buildings \$'000	Other property, plant and equipment \$'000	Heritage & cultural \$'000	Computer software & intangibles \$'000	Total \$'000
<b>As at 1 July 2023</b>					
Gross book value	156,068	833,680	244	148,156	1,138,148
Gross book value - ROU assets	694,091	-	-	-	694,091
Accumulated depreciation/amortisation and impairment	-1,179	-291,907	-	-88,334	-381,420
Accumulated depreciation/amortisation and impairment - ROU assets	-196,219	-	-	-	-196,219
<b>Opening net book balance</b>	<b>652,761</b>	<b>541,773</b>	<b>244</b>	<b>59,822</b>	<b>1,254,600</b>
<b>Capital asset additions</b>					
<b>Estimated expenditure on new or replacement assets</b>					
By purchase - appropriation equity <sup>[a]</sup>	-	1,000,219	-	94,148	1,094,367
By purchase - appropriation equity - ROU assets	-	-	-	-	-
By purchase - appropriation ordinary annual services <sup>[b]</sup>	-	30,000	-	-	30,000
By purchase - appropriation ordinary annual services - ROU assets	11,861	-	-	-	11,861
By purchase - donated funds	-	-	-	-	-
By purchase - other	-	-	-	-	-
By purchase - other - ROU assets	-	-	-	-	-
Assets received as gifts/donations	-	-	-	-	-
From acquisition of entities or operations (including restructuring)	-	-	-	-	-
<b>Total additions</b>	<b>11,861</b>	<b>1,030,219</b>	<b>-</b>	<b>94,148</b>	<b>1,136,228</b>
<b>Other movements</b>					
Assets held for sale or in a disposal group held for sale	-	-	-	-	-
ROU assets held for sale or in a disposal group held for sale	-	-	-	-	-
Depreciation/amortisation expense	-2,219	-317,421	-	-25,908	-345,548
Depreciation/amortisation on ROU assets	-42,717	-	-	-	-42,717
Disposals <sup>[c]</sup>	-	-	-	-	-
From disposal of entities or operations (including restructuring)	-	-	-	-	-
From disposal of entities or operations (including restructuring) on ROU assets	-	-	-	-	-
Other- Reclassification	-	-	-	-	-
Other - ROU assets	-	-	-	-	-
<b>Total other movements</b>	<b>-44,936</b>	<b>-317,421</b>	<b>-</b>	<b>-25,908</b>	<b>-388,265</b>
<b>As at 30 June 2024</b>					
Gross book value	167,929	1,863,899	244	242,304	2,274,376
Gross book value - ROU assets	694,091	-	-	-	694,091
Accumulated depreciation/amortisation and impairment	-3,398	-609,328	-	-114,242	-726,968
Accumulated depreciation/amortisation and impairment - ROU assets	-238,936	-	-	-	-238,936
<b>Closing net book balance</b>	<b>619,686</b>	<b>1,254,571</b>	<b>244</b>	<b>128,062</b>	<b>2,002,563</b>

**Notes**

- "Appropriation equity" refers to equity injections or Administered Assets and Liabilities appropriations provided through *Appropriation Act (No. 2) 2023-24* and *Appropriation Bill (No. 4) 2023-24*, including Collection Development Acquisition Budget.
- "Appropriation ordinary annual services" refers to funding provided through *Appropriation Act (No. 1) 2023-24* and *Appropriation Bill (No. 3) 2023-24* for depreciation/amortisation expenses, Departmental Capital Budget or other operational expenses.
- Net Proceeds may be returned to the Official Public Account.

**Table 12: Departmental Capital Budget Statement (for the period ended 30 June)**

	2022-23 Actual Result \$'000	2023-24 Revised Budget \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>					
Capital budget - Bill 1 (DCB)	30,000	30,000	30,000	30,000	30,000
Equity injections - Bill 2	472,014	1,094,367	923,922	532,298	493,574
Loans - Bill 2	-	-	-	-	-
<b>Total new capital appropriations</b>	<b>502,014</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>
<b>Provided for:</b>					
Purchase of non-financial assets	591,216	1,124,367	953,922	562,298	523,574
Annual finance lease costs	-	-	-	-	-
Other Items	-	-	-	-	-
<b>Total items</b>	<b>591,216</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriations	561,216	1,094,367	923,922	532,298	493,574
Funded by capital appropriation -DCB	30,000	30,000	30,000	30,000	30,000
Funded by finance leases	-	-	-	-	-
Funded internally from departmental resources	-	-	-	-	-
Funded by special appropriations	-	-	-	-	-
<b>TOTAL</b>	<b>591,216</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>
<b>RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE</b>					
Total purchases	591,216	1,124,367	953,922	562,298	523,574
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus annual finance lease costs	-	-	-	-	-
less gifted assets	-	-	-	-	-
less s75 transfers/restructuring	-	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>591,216</b>	<b>1,124,367</b>	<b>953,922</b>	<b>562,298</b>	<b>523,574</b>



### **3.2.2 Notes to the Financial Statements**

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

This page intentionally left blank.

# Australian Submarine Agency

## Agency Resources and Planned Performance

<b>AUSTRALIAN SUBMARINE AGENCY.....</b>	<b>143</b>
<b>Section 1: ASA Overview and Resources.....</b>	<b>145</b>
1.1 Strategic Direction Statement .....	145
1.2 ASA Resource Statement .....	148
1.3 Budget Measures .....	150
<b>Section 2: ASA Revisions to Outcomes and Planned Performance.....</b>	<b>151</b>
2.1 Budgeted Expenses and Performance for Outcome 1 .....	151
<b>Section 3: ASA Explanatory Tables and Budgeted Financial Statements .....</b>	<b>157</b>
3.1 Explanatory Tables.....	157
3.2 Budgeted Financial Statements .....	158

This page intentionally left blank.

# Australian Submarine Agency

## Section 1: ASA Overview and Resources

### 1.1 Strategic Direction Statement

The *Defence Strategic Review* acknowledges Australia's region is being reshaped and the strategic environment is becoming more challenging. There is increasing competition economically, militarily, strategically and diplomatically, alongside a contest of values and narratives. In this context, Australia is pursuing enhanced capabilities to deter threats to its national security and to the stability of the region.

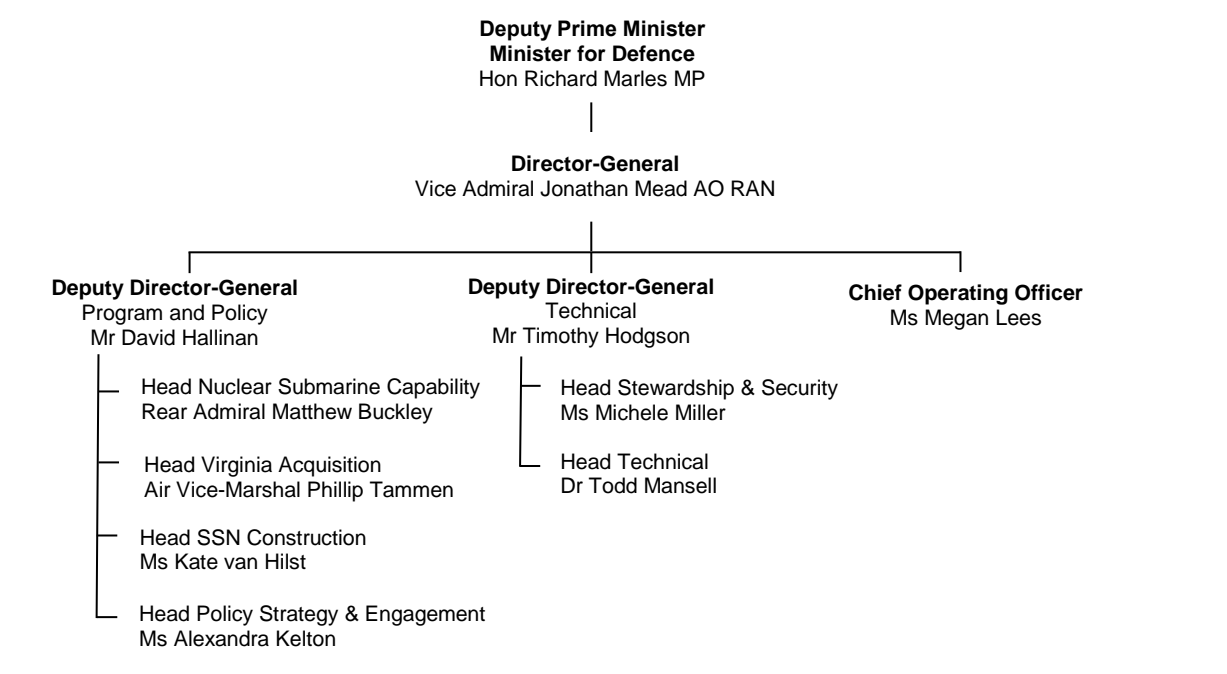
Acquisition of a conventionally-armed, nuclear-powered submarine capability will give Australia a more capable and potent submarine force to enhance Australia's ability to deter threats and contribute to the security and stability of the Indo-Pacific region. Through Australia, the United Kingdom and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

The establishment of the Australian Submarine Agency (ASA) on 1 July 2023 represents an enduring commitment to safely and securely deliver the nuclear-powered submarine program. Government decided that the nuclear-powered submarine program will continue to be funded through the Defence Integrated Investment Program, and its budget and expenditure is reflected in the Defence Program 2.16 Nuclear-Powered Submarines. The ASA is accountable for overseeing and managing 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.

In addition to AUKUS partners, ASA works in partnership with organisations within the Defence portfolio, and with Australian Government, state and territory departments and agencies to deliver this whole-of-nation endeavour. In delivering this program, AUKUS partners have signalled their commitment to strengthening the global nuclear non-proliferation regime and to maintaining the highest standards of nuclear safety and security.

ASA Organisational Structure

Figure 1: ASA Organisational Chart



Organisational Structure

ASA operates within the Defence portfolio, and brings together component organisations that are collectively responsible for the defence of Australia and its national interests in order to advance Australia’s security and prosperity. The Director-General ASA reports directly to the Deputy Prime Minister in his role as Minister for Defence, on the performance of the agency.

The ASA is led by the Director-General and consists of Australian Public Servants, Australian Defence Force members, and contracted subject matter experts. The ASA is responsible for leading trilateral engagement on the nuclear-powered submarine program and works collaboratively with Australian Government departments and agencies, including Defence, to ensure the nuclear-powered submarine program is aligned with related strategies and policies. The ASA also works with states and territories, industry, and education and skilling organisations to build the capabilities needed in Australia to deliver the nuclear-powered submarine program.

Senior Executive Changes

On 1 July 2023, the following appointments were made:

- Vice Admiral Jonathan Mead was appointed as Director-General of the ASA;
- Rear Admiral Matthew Buckley was appointed as Head Nuclear Submarine Capability;
- Ms Alexandra Kelton was appointed as Head Policy, Strategy and Engagement;
- Ms Megan Lees was appointed as Chief Operating Officer;
- Dr Todd Mansell was appointed Head Technical; and

- Ms Michele Miller was appointed as Head Stewardship and Security.

Since 1 July, the following appointments have been made:

- On 10 July 2023, Air Vice-Marshal Phillip Tammen was appointed Head Virginia Acquisition and Commercial;
- On 17 August 2023, Ms Kate van Hilst was appointed Head SSN Construction;
- On 6 November 2023, Mr David Hallinan was appointed Deputy Director-General Program and Policy; and
- On 22 January 2024, Mr Timothy Hodgson was appointed Deputy Director-General Technical.

## 1.2 ASA Resource Statement

The ASA Resource Statement details the resourcing for the Australian Submarine Agency at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2023-24 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

**Table 1: ASA Resource Statement – Budget Estimates for 2023-24 as at Additional Estimates February 2024**

	2023-24 Budget at creation of Agency \$'000	2023-24 Proposed Additional Estimates \$'000	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Departmental</b>						
Annual appropriations - ordinary annual services						
Departmental appropriation <sup>[a]</sup>	327,334	-12,000	315,334	331,654	425,236	522,739
s74 External Revenue	-	-	-	-	-	-
Annual appropriations - other services - non-operating						
Equity injection	62,759	-54,674	8,085	53,003	8,636	7,869
<b>Total departmental resourcing</b>	<b>390,093</b>	<b>-66,674</b>	<b>323,419</b>	<b>384,657</b>	<b>433,872</b>	<b>530,608</b>
<b>Total resourcing for ASA</b>	<b>390,093</b>	<b>-66,674</b>	<b>323,419</b>	<b>384,657</b>	<b>433,872</b>	<b>530,608</b>

**Note**

- a. The Agency has received \$390,093,362 from the Department of Defence under a section 75 determination due to machinery of government changes, with effect from 1 July 2023.



**Annual Appropriations****Table 2: Appropriation Bill (No. 3) 2023-24**

	<b>2023-24 Budget at creation of Agency \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>	<b>Additional Estimates \$'000</b>	<b>Reduced Estimates \$'000</b>
<b>Departmental Outputs</b>				
Departmental Outputs <sup>[a]</sup>	327,334	315,334	-	-12,000
<b>Total</b>	<b>327,334</b>	<b>315,334</b>	<b>-</b>	<b>-12,000</b>

**Note**a. Additional appropriation is provided in *Appropriation Bill (No.3)*.**Table 3: Appropriation Bill (No. 4) 2023-24**

	<b>2023-24 Budget at creation of Agency \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>	<b>Additional Estimates \$'000</b>	<b>Reduced Estimates \$'000</b>
<b>Non-operating</b>				
Equity injections <sup>[a]</sup>	62,759	8,085	-	-54,674
<b>Total non-operating</b>	<b>62,759</b>	<b>8,085</b>	<b>-</b>	<b>-54,674</b>

**Note**a. Additional appropriation is provided in *Appropriation Bill (No.4)*.

## 1.3 Budget Measures

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

Table 4: ASA 2023-24 Measures Since Budget

	2023-24 Revised Estimate \$m	2024-25 Forward Estimate \$m	2025-26 Forward Estimate \$m	2026-27 Forward Estimate \$m	Total Forward Estimates \$m
<b>Payment Measures</b>					
Nuclear-Powered Submarine Program - further implementation <sup>[a]</sup>	-	-	-	-	-
<b>Total Budget measures</b>	-	-	-	-	-
<b>Other Budget Adjustments</b>					
Movement of funds - reclassification from operating to equity injection	-66,674	50,955	7,850	7,869	-
Other Budget Adjustments	-	2,863	5,722	8,042	16,627
<b>Total Other Departmental Budget Adjustments</b>	<b>-66,674</b>	<b>53,818</b>	<b>13,572</b>	<b>15,911</b>	<b>16,627</b>
<b>Variation to ASA Departmental Funding</b>	<b>-66,674</b>	<b>53,818</b>	<b>13,572</b>	<b>15,911</b>	<b>16,627</b>

**Note**

a. This measure provides \$11.7 million over the period 2023-24 to 2025-26 which is being absorbed by ASA.

## Section 2: ASA Revisions to Outcomes and Planned Performance

### 2.1 Budgeted Expenses and Performance for Outcome 1

**Outcome 1: Safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally-armed nuclear-powered submarine capability, via the AUKUS partnership.**

#### Outcome 1 Strategy

The ASA was established on 1 July 2023 to manage and oversee the safe and secure delivery of Australia's nuclear-powered submarine program.

The ASA is a non-corporate Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the ASA functions are listed in Schedule 1 of the PGPA Rule (2014).

The ASA has two key activities that will ensure delivery of the nuclear-powered submarine program. These activities are:

1. Deliver nuclear-powered submarines in accordance with the Optimal Pathway and within government-approved costs in collaboration with AUKUS partners.
2. Exemplify best practice nuclear stewardship to build and maintain naval nuclear propulsion technology, in compliance with Australian and international obligations.

#### Linked Programs

<b>Australian Radiation Protection and Nuclear Safety Agency</b>
Program 1.2 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 1 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 1.8 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 1 by linked programs</b>
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 Nuclear Science and Technology Organisation</b>
Program 2 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 1 by linked program</b>
The Australian Nuclear Science and Technology Organisation (ANSTO) contributes to Outcome 1 through the provision of expertise and advice in the support of the Nuclear-Powered Submarine Program, with a focus on baselining and augmenting Australia's nuclear stewardship capabilities and credentials.

<b>Department of Climate Change, Energy, the Environment and Water</b>
Program 2.1 – Nuclear-Powered Submarine Program.
<b>Contribution to Outcome 1 by linked programs</b>
Conduct the environmental regulation and assessments required under relevant environmental legislation.

<b>Department of Defence</b>
Program 2.16 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 1 by linked programs</b>
The linked program contributes to Outcome 1 through the provision of expertise, advice and support in the delivery of Nuclear-Powered Submarines capabilities.

<b>Department of Education</b>
Program 2.8 – Nuclear-Powered Submarines.
<b>Contribution to Outcome 1 by linked program</b>
The linked program contributes to Outcome 1 through the provision of expertise, advice and support in the delivery of Nuclear-Powered Submarines capabilities.

<b>Department of Employment and Workplace Relations</b>
Program 2.3 – DEWR – Nuclear-Powered Submarine Program.
<b>Contribution to Outcome 1 by linked program</b>
The linked programs contribute to Outcome 1 and support Australia's broader sovereign capabilities through strategic engagement across government and supporting the nuclear workforce.

**Department of Finance**

Program 2.10 - Nuclear-Powered Submarine Program Advice.

**Contribution to Outcome 1 by linked program**

Contributes to Outcome 1 through the provision of budget and commercial advice for the delivery of nuclear-powered submarine capabilities.

**Department of Foreign Affairs and Trade**

Program 1.8 – Nuclear-Powered Submarine Program.

**Contribution to Outcome 1 by linked programs**

The Department of Foreign Affairs and Trade including the Australian Safeguards and Non-proliferation Office provides the legal, policy and diplomatic support for Australia's acquisition of conventionally-armed nuclear-powered submarines.

**Department of Industry, Science and Resources**

Program 1.4 – Nuclear-Powered Submarines.

**Contribution to Outcome 1 by linked programs**

The Department of Industry, Science and Resources (DISR), through the Australian Radioactive Waste Agency, is supporting the department's acquisition of conventionally-armed, nuclear-powered submarines.

## Outcome Expense Statement

Table 5: Budgeted Expenses for Outcome 1

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Program 1.1 - Nuclear-Powered Submarines</b>				
Departmental expenses				
Expenses funded by appropriation <sup>[a]</sup>	315,334	331,654	425,236	522,739
s74 External Revenue	-	-	-	-
<b>Departmental total</b>	<b>315,334</b>	<b>331,654</b>	<b>425,236</b>	<b>522,739</b>
<b>Total expenses for Program 1.1</b>	<b>315,334</b>	<b>331,654</b>	<b>425,236</b>	<b>522,739</b>

	2023-24	2024-25
<b>Average Staffing Level (number)</b>	477	662

**Note**

a. The Agency received \$315,334,203 from the Department of Defence under section 75 determination.

**Contributions to Outcome 1****Program 1.1: Nuclear-Powered Submarines****Program 1.1 Objective**

Safely and securely acquire, construct, deliver, technically govern, sustain and dispose of Australia's conventionally-armed nuclear-powered submarine capability, via the AUKUS partnership.

<b>Key Activities</b>	<p>This program is achieved through the following activities:</p> <ol style="list-style-type: none"> <li>1. Deliver nuclear-powered submarines in accordance with the Optimal Pathway and within government-approved costs in collaboration with AUKUS partners.</li> <li>2. Exemplify best practice nuclear stewardship to build and maintain naval nuclear propulsion technology, in compliance with Australian and international obligations.</li> </ol>
-----------------------	---

<b>Year</b>	<b>Performance measures</b>	<b>Expected Performance Results</b>
Previous Year 2022-23	N/A.	N/A.

<b>Year</b>	<b>Performance measures</b>	<b>Planned Performance Results</b>
Budget Year 2023-24	Phase 1: Establish infrastructure and capabilities to support increased visits of US and UK SSNs to Australia and a rotational presence of US and UK SSNs in Western Australia.	<ul style="list-style-type: none"> <li>• Manage and oversee the completion of upgrades to the submarine training systems centre and personnel accommodation at SRF-W (HMAS <i>Stirling</i>).</li> <li>• Commence planning and training placements to develop a qualified and experienced Naval and industrial workforce to undertake maintenance on visiting US SSNs.</li> </ul>
	Phase 2: Deliver three Virginia class submarines, pending approval from US Congress.	<ul style="list-style-type: none"> <li>• Develop the selection process for the Sovereign Submarine Partner - Sustainment.</li> <li>• Establish new arrangements with the US to enable access to nuclear technical capabilities.</li> <li>• Establish procurement arrangements for Virginia-specific training support systems.</li> </ul>
	Phase 3: Deliver Australian-built SSN AUKUS, including infrastructure development at Osborne shipyard.	<ul style="list-style-type: none"> <li>• Manage and oversee the commencement of preparatory infrastructure works at the nuclear-powered submarine construction yard in Adelaide, South Australia.</li> <li>• Deliver Skills and Training Academy interim operating capability.</li> <li>• Develop the selection process for the Sovereign Submarine Partner – Shipbuilder.</li> </ul>
	Establish or refine any international arrangements or agreements required to implement the nuclear-powered submarine program and sustain trilateral engagement.	<ul style="list-style-type: none"> <li>• Establish personnel exchange agreements with the UK and US for APS and ADF personnel.</li> </ul>
	Develop and implement safeguards arrangements as agreed between Australia and the International Atomic Energy Agency.	<ul style="list-style-type: none"> <li>• In consultation with ASNO, DFAT and AGD, engage with the IAEA on the development of Australia's non-proliferation and safeguards approach.</li> </ul>

Year	Performance measures	Planned Performance Results
Budget Year 2023-24	Set program and technical requirements and standards for nuclear-powered submarine capability across all capability life-cycle phases.	<ul style="list-style-type: none"> <li>• Embed ASA staff in US and UK nuclear submarine enterprises, which could include SSN AUKUS build program and technical authority organisations, and enrolment in education and training courses.</li> <li>• Define the Australian Technical Authority Plan that describes how Australia will exercise technical control over nuclear-powered submarine design, build, sustainment and operations.</li> </ul>
	Establish stewardship capabilities to support the introduction of naval nuclear technology to Australia.	<ul style="list-style-type: none"> <li>• Establish a licensing approach to meet legislative and regulatory requirements for Phase 1.</li> </ul>
Forward Estimates 2024-27	As per 2023-24.	As per 2023-24.



## Section 3: ASA Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of ASA's finances for the 2023-24 budget year, including the impact of budget measures and resourcing on financial statements.

### 3.1 Explanatory Tables

**Table 6: Third Party Payments to and from Other Agencies** <sup>[a]</sup>

	<b>2023-24 Budget at creation of Agency \$'000</b>	<b>2023-24 Revised Estimate \$'000</b>
Payments made to Department of Defence for provision of services (Departmental)	-	28,688

**Note**

- a. Third party payments to and from other Agencies include:
- Inter-agency transactions in excess of \$20 million per annum; and
  - Inter-agency transactions relating to Budget Measures as disclosed in Defence Budget Measures.

## 3.2 Budgeted Financial Statements

### 3.2.1 Budgeted Financial Statements

**Table 7: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June <sup>[a]</sup>**

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>EXPENSES</b>				
Employee benefits	86,563	132,160	176,190	205,089
Suppliers	228,771	199,494	249,046	317,650
Depreciation and amortisation	202	1,527	1,743	1,940
<b>Total expenses</b>	<b>315,536</b>	<b>333,181</b>	<b>426,979</b>	<b>524,679</b>
<b>LESS:</b>				
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Sales of goods and rendering of services	-	-	-	-
Rental income	-	-	-	-
<b>Total own-source revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gains	-	-	-	-
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cost of (contribution) by services</b>	<b>-315,536</b>	<b>-333,181</b>	<b>-426,979</b>	<b>-524,679</b>
Revenue from Government	315,334	331,654	425,236	522,739
<b>Surplus/(Deficit) attributable to the Australian Government</b>	<b>-202</b>	<b>-1,527</b>	<b>-1,743</b>	<b>-1,940</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>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-202</b>	<b>-1,527</b>	<b>-1,743</b>	<b>-1,940</b>
<b>Note: Impact of net cash appropriation arrangements</b>				
	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>Surplus/(Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments</b>	<b>-202</b>	<b>-1,527</b>	<b>-1,743</b>	<b>-1,940</b>
less: depreciation/amortisation expenses previously funded through revenue appropriations <sup>[b]</sup>	202	1,527	1,743	1,940
add: principal repayments on leased assets <sup>[c]</sup>	-	-	-	-
<b>Total comprehensive income/(loss) as per the statement of comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### Notes

- Prepared on Australian Accounting Standards basis.
- From 2010-11, the Government introduced net cash appropriation arrangements where *Appropriation Bill (No. 1)* revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the departmental capital budget, or DCB) provided through *Appropriation Bill (No. 1)* equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.
- Applies leases under AASB 16 Leases.

**Table 8: Budgeted Departmental Balance Sheet (as at 30 June) <sup>[a]</sup>**

	2023-24 Revised 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	-	-	-	-
Trade and other receivables	108,036	112,941	131,389	155,011
<b>Total financial assets</b>	<b>108,036</b>	<b>112,941</b>	<b>131,389</b>	<b>155,011</b>
<b>Non-financial assets</b>				
Property, plant and equipment	7,883	59,359	66,253	72,182
Intangibles	-	-	-	-
<b>Total non-financial assets</b>	<b>7,883</b>	<b>59,359</b>	<b>66,253</b>	<b>72,182</b>
Assets held for sale	-	-	-	-
<b>Total assets</b>	<b>115,919</b>	<b>172,300</b>	<b>197,642</b>	<b>227,193</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	51,119	43,063	53,500	68,103
Other payables	2,848	4,535	-	777
<b>Total payables</b>	<b>53,967</b>	<b>47,598</b>	<b>53,500</b>	<b>68,880</b>
<b>Provisions</b>				
Employee provisions	27,136	38,410	50,957	59,199
<b>Total provisions</b>	<b>27,136</b>	<b>38,410</b>	<b>50,957</b>	<b>59,199</b>
<b>Total liabilities</b>	<b>81,103</b>	<b>86,008</b>	<b>104,457</b>	<b>128,079</b>
<b>NET ASSETS</b>	<b>34,816</b>	<b>86,292</b>	<b>93,185</b>	<b>99,114</b>
<b>EQUITY</b>				
Contributed equity	8,085	61,088	69,724	77,593
Reserves	-	-	-	-
Retained surplus (accumulated deficit)	26,731	25,204	23,461	21,521
<b>Total equity</b>	<b>34,816</b>	<b>86,292</b>	<b>93,185</b>	<b>99,114</b>

**Note**

a. Prepared on Australian Accounting Standards basis.

**Table 9: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June) <sup>[a]</sup>**

	2023-24 Revised 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	207,298	326,749	406,788	499,117
Sales of goods and rendering of services	-	-	-	-
<b>Total cash received</b>	<b>207,298</b>	<b>326,749</b>	<b>406,788</b>	<b>499,117</b>
<b>Cash used</b>				
Employees	70,134	119,199	168,178	196,070
Suppliers	137,164	207,550	238,610	303,047
<b>Total cash used</b>	<b>207,298</b>	<b>326,749</b>	<b>406,788</b>	<b>499,117</b>
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment	8,085	53,003	8,636	7,869
<b>Total cash used</b>	<b>8,085</b>	<b>53,003</b>	<b>8,636</b>	<b>7,869</b>
<b>Net cash from (used by) investing activities</b>	<b>-8,085</b>	<b>-53,003</b>	<b>-8,636</b>	<b>-7,869</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash received</b>				
Contributed equity	8,085	53,003	8,636	7,869
<b>Total cash received</b>	<b>8,085</b>	<b>53,003</b>	<b>8,636</b>	<b>7,869</b>
<b>Net cash from (used by) financing activities</b>	<b>8,085</b>	<b>53,003</b>	<b>8,636</b>	<b>7,869</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>				
Cash and cash equivalents at the beginning of the reporting period	-	-	-	-
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>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note**

a. Prepared on Australian Accounting Standards basis.

**Table 10: Departmental Statement of Changes in Equity – Summary of Movement (Budget Year 2023-24)** <sup>[a]</sup>

	Retained Earnings \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2023</b>	26,933	-	-	-	26,933
<b>Comprehensive income</b>					
Comprehensive income recognised directly in equity	-	-	-	-	-
<b>Subtotal comprehensive income</b>	-	-	-	-	-
Surplus/(Deficit) for the period	-202	-	-	-	-202
<b>Total comprehensive income recognised directly in equity</b>	<b>-202</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-202</b>
<b>Transactions with owners</b>					
<i>Contributions by owners</i>					
Appropriation (equity injection)	-	-	-	8,085	8,085
<b>Subtotal transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,085</b>	<b>8,085</b>
Transfers between equity components	-	-	-	-	-
<b>Estimated closing balance as at 30 June 2024</b>	<b>26,731</b>	<b>-</b>	<b>-</b>	<b>8,085</b>	<b>34,816</b>
<b>Closing balance attributable to the Australian Government</b>	<b>26,731</b>	<b>-</b>	<b>-</b>	<b>8,085</b>	<b>34,816</b>

**Note**

a. Prepared on Australian Accounting Standards basis.

**Table 11: Statement of Departmental Asset Movements (Budget Year 2023-24) [a]**

	Buildings \$'000	Other property, plant and equipment \$'000	Other \$'000	Total \$'000
<b>Opening balance as at 1 July 2023</b>				
Gross book value	-	-	-	-
Accumulated depreciation/amortisation and impairment	-	-	-	-
<b>Opening net book balance</b>	-	-	-	-
<b>Capital asset additions</b>				
<b>Estimated expenditure on new or replacement assets</b>				
By purchase - appropriation equity	5,326	2,759	-	8,085
<b>Total additions</b>	<b>5,326</b>	<b>2,759</b>	<b>-</b>	<b>8,085</b>
<b>Other movements</b>				
Depreciation/amortisation expense	-133	-69	-	-202
<b>Total other movements</b>	<b>-133</b>	<b>-69</b>	<b>-</b>	<b>-202</b>
<b>Closing balance as at 30 June 2024</b>				
Gross book value	5,326	2,759	-	8,085
Accumulated depreciation/amortisation and impairment	-133	-69	-	-202
<b>Closing net book balance</b>	<b>5,193</b>	<b>2,690</b>	<b>-</b>	<b>7,883</b>

**Note**

a. Prepared on Australian Accounting Standards basis.

**Table 12: Departmental Capital Budget Statement (for the period ended 30 June)**

	2023-24 Revised Estimate \$'000	2024-25 Forward Estimate \$'000	2025-26 Forward Estimate \$'000	2026-27 Forward Estimate \$'000
<b>NEW CAPITAL APPROPRIATIONS</b>				
Equity injections - Bill 2	8,085	53,003	8,636	7,869
<b>Total new capital appropriations</b>	<b>8,085</b>	<b>53,003</b>	<b>8,636</b>	<b>7,869</b>
<b>Provided for:</b>				
Purchase of non-financial assets	8,085	53,003	8,637	7,869
Other Items	-	-	-	-
<b>Total items</b>	<b>8,085</b>	<b>53,003</b>	<b>8,637</b>	<b>7,869</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>				
Funded by capital appropriations	8,085	53,003	8,637	7,869
Funded by capital appropriation - DCB	-	-	-	-
Funded by finance leases	-	-	-	-
Funded internally from departmental resources	-	-	-	-
Funded by special appropriations	-	-	-	-
<b>TOTAL</b>	<b>8,085</b>	<b>53,003</b>	<b>8,637</b>	<b>7,869</b>
<b>Reconciliation of cash used to acquire assets to asset movement table</b>				
Total purchases	8,085	53,003	8,637	7,869
less additions by finance lease	-	-	-	-
less additions by creditors/borrowings	-	-	-	-
plus borrowing /finance costs	-	-	-	-
plus annual finance lease costs	-	-	-	-
less gifted assets	-	-	-	-
less s75 transfers/restructuring	-	-	-	-
<b>Total cash used to acquire assets</b>	<b>8,085</b>	<b>53,003</b>	<b>8,637</b>	<b>7,869</b>

### **3.2.2 Notes to the Financial Statements**

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



# Defence Housing Australia

## Agency Resources and Planned Performance

<b>DEFENCE HOUSING AUSTRALIA .....</b>	<b>165</b>
<b>Section 1: DHA Overview and Resources .....</b>	<b>167</b>
1.1 Strategic Direction Statement .....	167
1.2 DHA Resource Statement.....	169
1.3 Budget Measures .....	170
<b>Section 2: DHA Revisions to Outcomes and Planned Performance .....</b>	<b>171</b>
2.1 Outcome and Performance Information .....	171
<b>Section 3: DHA Explanatory Tables and Budgeted Financial Statements .....</b>	<b>173</b>
3.1 Explanatory Tables.....	173
3.2 Budgeted Financial Statements .....	174

This page intentionally left blank.

# Defence Housing Australia

## Section 1: DHA Overview and Resources

### 1.1 Strategic Direction Statement

No changes have been made to the DHA Strategic Direction Statement since the *PBS 2023-24*.

### DHA Organisational Structure

The composition of DHA's Board of Directors and associated committees is detailed below. As at 31 December 2023, the DHA Board members were:

Chairman	Hon J.A.L. (Sandy) Macdonald, AM
Managing Director	Mr Barry Jackson
Commercial Director	Ms Gai Brodtmann
Commercial Director	Mr Robert Fisher AM
Commercial Director	Ms Andrea Galloway
Commercial Director	Dr Robert Lang
Nominee Secretary of Defence	Ms Monique Hamilton
Nominee Chief of Defence Force	BRIG Leigh Wilton AM
Nominee Secretary of Finance	Mr Simon Lewis AO, PSM

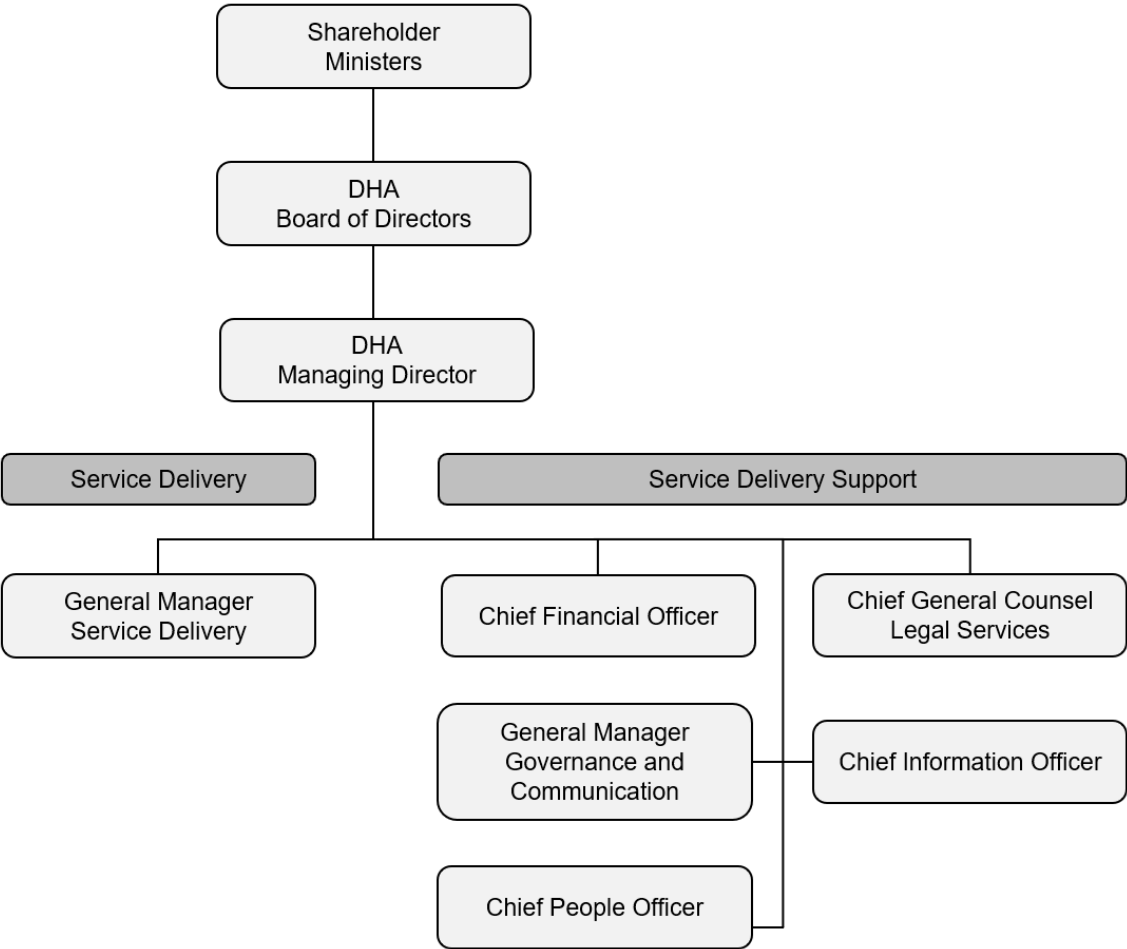
The DHA Board also has the following subcommittees: Board Audit and Risk Committee, Board Investment Committee, People and Culture Committee and Board Nomination and Remuneration Committee.

DHA also has an Advisory Committee in accordance with the DHA Act that had the following members as at 31 December 2023:

Chairperson	BRIG Leigh Wilton AM
Appointee of the Chief of the Defence Force	RADM Jonathan Earley CSC, RAN (Deputy Chief of Navy)
	MAJGEN Cheryl Pearce AM, CSC (Deputy Chief of Army)
	AVM Harvey Reynolds AM (Deputy Chief of Air Force)
Appointee of Defence Housing Australia	Mr Barry Jackson (Managing Director)

The chart below shows DHA’s Senior Executive.

Figure 1: DHA Organisational Structure (as at 31 December 2023)



## 1.2 DHA Resource Statement

The DHA Resource Statement details the resourcing for Defence Housing Australia at Additional Estimates. Table 1 outlines the total resourcing available from all sources for the 2023-24 Budget year.

**Table 1: DHA Resource Statement – Additional Estimates for 2023-24 as at February 2024** <sup>[a]</sup>

	Actual available appropriation	Estimate as at Budget	Proposed Additional Estimates	Total estimate at Additional Estimates
	2022-23 \$'000	2023-24 \$'000	2023-24 \$'000	2023-24 \$'000
<b>Opening balance/cash reserves at 1 July</b>	182,988	116,093	-18,562	97,531
<b>Funds from Government</b>	-	-	-	-
Amounts received from related entities	-	-	-	-
Amounts from portfolio department	693,571	736,825	29,284	766,109
Total amounts received from related entities	693,571	736,825	29,284	766,109
<b>Total funds from Government</b>	<b>693,571</b>	<b>736,825</b>	<b>29,284</b>	<b>766,109</b>
<b>Funds from other sources</b>				
Interest	4,576	128	1,374	1,502
Sale of goods and services	130,261	257,643	-180,690	76,953
<b>Total funds from other sources</b>	<b>134,837</b>	<b>257,771</b>	<b>-179,316</b>	<b>78,455</b>
<b>Total net resourcing for Entity</b>	<b>1,011,396</b>	<b>1,110,689</b>	<b>-168,594</b>	<b>942,095</b>

**Note**

- a. DHA is not directly appropriated. Appropriations are made to the Department of Defence which are then paid to DHA and are considered "Departmental" for all purposes. Prepared on Australian Accounting Standards basis.

**1.3 Budget Measures**

There are no budget measures relating to DHA for the 2023-24 Additional Estimates.

## Section 2: DHA Revisions to Outcomes and Planned Performance

### 2.1 Outcome and Performance Information

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

#### Outcome Expense Statement

**Table 2: Budgeted Expenses for Outcome 1**

	2022-23 Actual expenses \$'000	2023-24 Revised estimated expenses \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>Program 1.1 Other Departmental - DHA</b>					
Revenue from Government					
Payment from related entities	701,868	745,086	793,382	803,111	770,564
Revenues from other independent sources	153,908	82,142	143,094	118,181	105,710
<b>Total expenses for Program 1.1</b>	<b>855,776</b>	<b>827,228</b>	<b>936,476</b>	<b>921,292</b>	<b>876,274</b>
	<b>2022-23</b>	<b>2023-24</b>			
<b>Average staffing level (number)</b>	550	643			

**Contributions to Outcome 1**

Performance information is as reported in the *PBS 2023-24*.



# Section 3: DHA Explanatory Tables and Budgeted Financial Statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of DHA’s finances for the 2023-24 budget year, including the impact of resourcing on financial statements.

## 3.1 Explanatory Tables

Not applicable to DHA.

## 3.2 Budgeted Financial Statements

### 3.2.1 Budgeted Financial Statements

**Table 3: Comprehensive Income Statement (showing net cost of services) for the period ended 30 June** <sup>[a]</sup> <sup>[b]</sup> <sup>[c]</sup>

	2022-23 Actual Result \$'000	2023-24 Revised budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Sale of goods and rendering of services	825,776	825,726	934,785	919,616	874,102
Interest	4,593	1,502	1,691	1,676	2,172
<b>Total revenue</b>	<b>830,369</b>	<b>827,228</b>	<b>936,476</b>	<b>921,292</b>	<b>876,274</b>
<b>Gains</b>	-	-	-	-	-
Net reversals of previous asset write-downs and impairment	25,407	-	-	-	-
<b>Total gains</b>	<b>25,407</b>	-	-	-	-
<b>Total income</b>	<b>855,776</b>	<b>827,228</b>	<b>936,476</b>	<b>921,292</b>	<b>876,274</b>
<b>EXPENSES</b>					
Employee benefits	78,313	98,867	98,115	96,741	95,546
Suppliers	253,268	273,867	353,077	305,259	264,001
Depreciation and amortisation	349,450	354,410	349,233	356,530	367,598
Finance costs	43,374	53,292	56,060	59,914	65,187
Write-down and impairment of assets	7,395	-	-	-	-
Losses from asset sales	283	-	-	-	-
<b>Total expenses</b>	<b>732,083</b>	<b>780,436</b>	<b>856,485</b>	<b>818,444</b>	<b>792,332</b>
<b>Profit (Loss) before income tax</b>	<b>123,693</b>	<b>46,792</b>	<b>79,991</b>	<b>102,848</b>	<b>83,942</b>
Income tax expense	42,789	15,156	25,806	33,191	28,778
<b>Net profit/(loss)</b>	<b>80,904</b>	<b>31,636</b>	<b>54,185</b>	<b>69,657</b>	<b>55,164</b>
<b>Profit/(loss) attributable to the Australian Government</b>	<b>80,904</b>	<b>31,636</b>	<b>54,185</b>	<b>69,657</b>	<b>55,164</b>
<b>Total comprehensive income attributable to the Australian Government</b>	<b>80,904</b>	<b>31,636</b>	<b>54,185</b>	<b>69,657</b>	<b>55,164</b>
<b>Total comprehensive income/(loss) as per statement of Comprehensive Income</b>	<b>80,904</b>	<b>31,636</b>	<b>54,185</b>	<b>69,657</b>	<b>55,164</b>
plus: depreciation of ROU	307,970	312,818	303,874	307,618	315,071
less: principal repayments	306,358	310,067	302,892	306,727	310,410
<b>Net Cash Operating Surplus/ (Deficit)</b>	<b>82,516</b>	<b>34,387</b>	<b>55,167</b>	<b>70,548</b>	<b>59,825</b>

#### Notes

- Prepared on Australian Accounting Standards basis.
- The data in this table is based on DHA's 2023-24 Corporate Plan. The Corporate Plan are prepared on a For Profit basis, whilst the Budget Estimates submission has been prepared on a Not for Profit basis, in line with the PGPA Act Financial Reporting Rules.
- Impact of Net Cash Appropriation Arrangements - Included in accordance with RMG 125 Commonwealth Entities Financial Statements Guide. As DHA is not directly appropriated, the above information is presented for reporting purposes only and includes the depreciation and principal repayments of leases under AASB 16 Leases.

**Table 4: Budgeted Departmental Balance Sheet (as at 30 June)** <sup>[a]</sup> <sup>[b]</sup> <sup>[c]</sup>

	2022-23 Actual Result \$'000	2023-24 Revised budget \$'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	97,531	99,911	106,628	102,697	109,177
Trade and other receivables	45,344	24,300	24,524	25,025	25,384
Other financial assets	15,363	16,108	16,108	16,108	16,108
<b>Total financial assets</b>	<b>158,238</b>	<b>140,319</b>	<b>147,260</b>	<b>143,830</b>	<b>150,669</b>
<b>Non-financial assets</b>					
Land and buildings	4,913,236	4,944,306	5,132,088	5,335,908	5,565,240
Property, plant and equipment	9,629	13,217	12,525	11,806	12,487
Intangibles	39	20	9	9	9
Inventories	181,999	197,307	170,284	180,852	161,961
Tax assets	45,225	44,750	44,382	43,782	44,237
Other non-financial assets	4,570	4,685	4,803	4,924	5,047
<b>Total non-financial assets</b>	<b>5,154,698</b>	<b>5,205,285</b>	<b>5,364,091</b>	<b>5,577,281</b>	<b>5,788,981</b>
<b>Total assets</b>	<b>5,312,936</b>	<b>5,345,604</b>	<b>5,511,351</b>	<b>5,721,111</b>	<b>5,939,650</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	37,837	17,764	17,764	17,764	17,764
Other payables	57,020	57,184	48,272	38,975	35,635
<b>Total payables</b>	<b>94,857</b>	<b>74,948</b>	<b>66,036</b>	<b>56,739</b>	<b>53,399</b>
<b>Interest bearing liabilities</b>					
Loans	40,000	185,000	240,000	285,000	285,000
Leases	1,576,973	1,348,795	1,291,203	1,262,768	1,286,962
<b>Total interest bearing liabilities</b>	<b>1,616,973</b>	<b>1,533,795</b>	<b>1,531,203</b>	<b>1,547,768</b>	<b>1,571,962</b>
<b>Provisions</b>					
Employee provisions	14,836	19,782	26,387	33,149	40,136
Other provisions	113,937	105,718	105,732	107,082	110,084
<b>Total provisions</b>	<b>128,773</b>	<b>125,500</b>	<b>132,119</b>	<b>140,231</b>	<b>150,220</b>
<b>Total liabilities</b>	<b>1,840,603</b>	<b>1,734,243</b>	<b>1,729,358</b>	<b>1,744,738</b>	<b>1,775,581</b>
<b>Net assets</b>	<b>3,472,333</b>	<b>3,611,361</b>	<b>3,781,993</b>	<b>3,976,373</b>	<b>4,164,069</b>
<b>EQUITY <sup>[b]</sup></b>					
<b>Parent entity interest</b>					
Contributed equity	396,148	396,148	396,148	396,148	396,148
Reserves	3,000,004	3,107,396	3,223,843	3,348,566	3,481,098
Retained surplus / (accumulated deficit)	76,181	107,817	162,002	231,659	286,823
<b>Total parent entity interest</b>	<b>3,472,333</b>	<b>3,611,361</b>	<b>3,781,993</b>	<b>3,976,373</b>	<b>4,164,069</b>
<b>Total non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>3,472,333</b>	<b>3,611,361</b>	<b>3,781,993</b>	<b>3,976,373</b>	<b>4,164,069</b>

**Notes**

- Prepared on Australian Accounting Standards basis.
- Equity is the residual interest in assets after the deduction of liabilities.
- The data in this table is based on DHA's 2023-24 Corporate Plan. The Corporate Plan is prepared on a For Profit basis, whilst the Budget Estimates submission has been prepared on a Not for Profit basis, in line with the PGPA Act Financial Reporting Rules.

**Table 5: Budgeted Departmental Statement of Cash Flows (for the period ended 30 June)** <sup>[a] [b]</sup>

	2022-23 Actual Result \$'000	2023-24 Revised budget \$'000	2024-25 Forward estimate \$'000	2025-26 Forward estimate \$'000	2026-27 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Sale of goods and rendering of services	788,324	843,806	929,480	914,046	869,266
Interest	4,576	1,502	1,691	1,676	2,172
Net GST received	6,706	-	-	-	-
Other	35,508	-744	-	-	-
<b>Total cash received</b>	<b>835,114</b>	<b>844,564</b>	<b>931,171</b>	<b>915,722</b>	<b>871,438</b>
<b>Cash used</b>					
Employees	75,599	93,921	91,510	89,979	88,559
Suppliers	263,393	269,212	283,295	272,082	200,083
Borrowing costs	433	7,954	11,855	14,043	16,132
Net GST paid	6,706	-	-	-	-
Interest payments on lease liability	42,467	45,338	44,205	45,871	49,055
Other	86,988	52,706	71,146	80,683	73,246
<b>Total cash used</b>	<b>475,586</b>	<b>469,131</b>	<b>502,011</b>	<b>502,658</b>	<b>427,075</b>
<b>Net cash from / (used by) operating activities</b>	<b>359,528</b>	<b>375,433</b>	<b>429,160</b>	<b>413,064</b>	<b>444,363</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	3,355	-	-	-	-
<b>Total cash received</b>	<b>3,355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant, and equipment and intangibles	103,788	207,986	174,551	155,268	127,473
<b>Total cash used</b>	<b>103,788</b>	<b>207,986</b>	<b>174,551</b>	<b>155,268</b>	<b>127,473</b>
<b>Net cash from / (used by) investing activities</b>	<b>-100,433</b>	<b>-207,986</b>	<b>-174,551</b>	<b>-155,268</b>	<b>-127,473</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Cash received from borrowing	40,000	145,000	55,000	45,000	-
<b>Total cash received</b>	<b>40,000</b>	<b>145,000</b>	<b>55,000</b>	<b>45,000</b>	<b>-</b>
<b>Cash used</b>					
Repayments of borrowings	-	-	-	-	-
Principal payments on lease liability	306,358	310,067	302,892	306,727	310,410
Dividends paid	78,194	-	-	-	-
<b>Total cash used</b>	<b>384,552</b>	<b>310,067</b>	<b>302,892</b>	<b>306,727</b>	<b>310,410</b>
<b>Net cash from/(used by) financing activities</b>	<b>-344,552</b>	<b>-165,067</b>	<b>-247,892</b>	<b>-261,727</b>	<b>-310,410</b>
<b>Net increase/(decrease) in cash held</b>	<b>-85,457</b>	<b>2,380</b>	<b>6,717</b>	<b>-3,931</b>	<b>6,480</b>
Cash and cash equivalents at the beginning of the reporting period	182,988	97,531	99,911	106,628	102,697
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>97,531</b>	<b>99,911</b>	<b>106,628</b>	<b>102,697</b>	<b>109,177</b>

**Notes**

- a. Prepared on Australian Accounting Standards basis.
- b. The data in this table is based on DHA's 2023-24 Corporate Plan. The Corporate Plan are prepared on a For Profit basis, whilst the Budget Estimates submission has been prepared on a Not for Profit basis, in line with the PGPA Act Financial Reporting Rules.

**Table 6: Departmental Statement of Changes in Equity – Summary of Movement  
(Budget Year 2023-24)** <sup>[a]</sup> <sup>[b]</sup>

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity / capital \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2023</b>					
Balance carried forward from previous period	76,181	3,000,004	-	396,148	3,472,333
<b>Adjusted opening balance</b>	<b>76,181</b>	<b>3,000,004</b>	<b>-</b>	<b>396,148</b>	<b>3,472,333</b>
<b>Comprehensive income</b>					
Surplus/(deficit) for the period	31,636	-	-	-	31,636
<b>Total comprehensive income</b>	<b>31,636</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,636</b>
<b>Contributions by owners</b>					
Other	-	107,392	-	-	107,392
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>107,392</b>	<b>-</b>	<b>-</b>	<b>107,392</b>
<b>Estimated closing balance as at 30 June 2024</b>	<b>107,817</b>	<b>3,107,396</b>	<b>-</b>	<b>396,148</b>	<b>3,611,361</b>
<b>Closing balance attributable to the Australian Government</b>	<b>107,817</b>	<b>3,107,396</b>	<b>-</b>	<b>396,148</b>	<b>3,611,361</b>

**Notes**

- Prepared on Australian Accounting Standards basis.
- The data in this table is based on DHA's 2023-24 Corporate Plan. The Corporate Plan are prepared on a For Profit basis, whilst the Budget Estimates submission has been prepared on a Not for Profit basis, in line with the PGPA Act Financial Reporting Rules.

**Table 7: Statement of Departmental Asset Movements (Budget Year 2023-24)** [a] [b]

	Land	Buildings	Other property, plant and equipment	Computer software and intangibles	L&B, IP&E held for sale	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2023</b>						
Gross book value	1,765,121	1,601,983	23,008	21,676	722	<b>3,412,510</b>
Gross book value - ROU assets	-	2,659,961	1,103	-	-	<b>2,661,064</b>
Accumulated depreciation/ amortisation and impairment	-	-	-13,776	-21,637	-	<b>-35,413</b>
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,113,829	-706	-	-	<b>-1,114,535</b>
<b>Opening net book balance</b>	<b>1,765,121</b>	<b>3,148,115</b>	<b>9,629</b>	<b>39</b>	<b>722</b>	<b>4,923,626</b>
<b>CAPITAL ASSET ADDITIONS</b>						
<b>Estimated expenditure on new or replacement assets</b>						
By purchase - other	74,317	120,463	5,515	2	-	<b>200,297</b>
By purchase - other - ROU assets	-	81,360	-	-	-	<b>81,360</b>
<b>Total additions</b>	<b>74,317</b>	<b>201,823</b>	<b>5,515</b>	<b>2</b>	<b>-</b>	<b>281,657</b>
<b>Other movements</b>						
Depreciation/amortisation expense	-	-40,050	-1,521	-21	-	<b>-41,592</b>
Depreciation/amortisation on ROU assets	-	-312,412	-406	-	-	<b>-312,818</b>
Other	35,302	72,090	-	-	-	<b>107,392</b>
<b>Total other movements</b>	<b>35,302</b>	<b>-280,372</b>	<b>-1,927</b>	<b>-21</b>	<b>-</b>	<b>-247,018</b>
<b>As at 30 June 2024</b>						
Gross book value	1,874,740	1,794,536	28,523	21,678	722	<b>3,720,199</b>
Gross book value - ROU assets	-	2,741,321	1,103	-	-	<b>2,742,424</b>
Accumulated depreciation/ amortisation and impairment	-	-40,050	-15,297	-21,658	-	<b>-77,005</b>
Accumulated depreciation/amortisation and impairment - ROU assets	-	-1,426,241	-1,112	-	-	<b>-1,427,353</b>
<b>Closing net book balance</b>	<b>1,874,740</b>	<b>3,069,566</b>	<b>13,217</b>	<b>20</b>	<b>722</b>	<b>4,958,265</b>

**Notes**

- Prepared on Australian Accounting Standards basis.
- The data in this table is based on DHA's 2023-24 Corporate Plan. The Corporate Plan are prepared on a For Profit basis, whilst the Budget Estimates submission has been prepared on a Not for Profit basis, in line with the PGPA Act Financial Reporting Rules.

## Glossary

Term	Meaning
Accumulated depreciation	The aggregate depreciation recorded for a particular depreciating asset.
Additional estimates	Where amounts appropriated at Budget time are required to change, Parliament may make adjustments to portfolios through the Additional Estimates Acts.
Administered appropriation	Revenue, expenses, assets and liabilities administered by an agency for the Commonwealth (such as taxes, benefits payments and public debt) that are not concerned with running the agency or its commercial activities.
Administered items	Expenses, revenues, assets or liabilities managed by an agency on behalf of the Commonwealth. Agencies do not control administered items. Administered expenses include subsidies and benefits. In many cases, administered expenses fund the delivery of third party outputs.
Agency	Assets, liabilities, revenues and expenses that are controlled by Defence or a subsidiary. Includes officials allocated to the organisation.
Amortisation	A term used interchangeably with depreciation, except that it applies to a non-current physical asset under finance lease, or a non-current intangible asset, over its limited useful life.
Annual appropriation	Two Appropriation Bills are introduced into Parliament in May and comprise the Budget for the financial year beginning 1 July. Further Bills are introduced later in the financial year as part of the Additional Estimates.
Appropriation	An authorisation by Parliament to spend money from the Consolidated Revenue Fund (the principal working fund of the Commonwealth) for a particular purpose.
Asset	An asset is a resource: <ul style="list-style-type: none"> <li>• controlled by an entity as a result of a past event.</li> <li>• from which future economic benefits are expected to flow to the entity.</li> </ul>
Assets under construction	Assets under construction by Defence for Defence, or for the use of another entity, according to a construction contract where Defence controls the asset until completion, or assets under construction or otherwise being made ready by another entity for use by Defence.
Australian Accounting Standards	Specify techniques of accounting practice and the method of presenting financial information about a reporting entity.
Average funded strength	A budgetary measure used to count the average number of Australian Defence Force members paid on a full-time equivalent basis during a financial year.
Capability	The combination of military equipment, personnel, logistics support, training, resources, etc. that provides Defence with the ability to achieve its operational aims.
Capability Manager	A Capability Manager is responsible for raising, training and sustaining capabilities as directed by the Secretary and the Chief of the Defence Force. Capability Managers include the Vice Chief of the Defence Force, Associate Secretary, Director General Australian Signals Directorate, Chief Joint Capabilities, Chief of Defence Intelligence, the Service Chiefs, Chief Information Officer, Deputy Secretary Security and Estate, and Chief Defence Scientist.
Capital budget	All proposed capital expenditure funded by appropriation for outcomes, by equity injections or loans and/or appropriations for administered capital, or by other sources.

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



Term	Meaning
Fair value	The amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. The fair value can be affected by the conditions of the sale, market conditions and the intentions of the asset holder.
Force element	A component of a unit, a unit or an association of units having common prime objectives and activities.
Force element group	A grouping of force elements with an appropriate command and control structure for a specified role or roles (e.g. the Navy Submarine Group).
Forward Estimates	The level of proposed expenditure for future years, based on relevant demographic, economic and other future forecasting assumptions. The Government requires Forward Estimates for the following three financial years to be published in each annual Federal Budget paper.
Garrison Support Services	Includes a range of base support services such as ground maintenance, hospitality, training area management, base security, transport, air support and firefighting and rescue services.
Grant	<ul style="list-style-type: none"> <li>an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth;</li> <li>under which Commonwealth funds are to be paid to a grantee other than the Commonwealth.</li> <li>which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.</li> </ul>
Group	A high-level organisational grouping of functions and activities used by the Defence Executive as its primary management grouping (e.g. the Strategy, Policy & Industry Group).
Infrastructure	Items owned, leased or otherwise under the control of Defence in support of activities on land and within buildings. Infrastructure includes items such as runways, roads, car parks, parade grounds, ovals, lighting, water, sewerage and other general service related items. It does not include land upon which, or within which, it is constructed or those fixed items integral to, and under, buildings.
Integrated Investment Program	The Integrated Investment Program is a costed, detailed development plan for the Australian Defence capabilities to be delivered through implementation of the <i>Defence White Paper</i> . The program is reviewed regularly to take account of changing strategic circumstances, new technologies and changed priorities, in the context of the overall Defence budget.
Interoperability	The ability of systems, units or forces to provide the services to, and accept services from, other systems, units or forces and to use the services so exchanged to enable them to operate effectively together.
Inventory	Inventory is comprised of consumable stores and supplies, fuel and explosive ordnance used in the delivery of Defence services. These are items which are consumed in normal use, lose their identity during periods of use by incorporation into, or attachment upon, another assembly, as a result of wear and tear, cannot be reconditioned because their design does not make it possible, or their specific values do not justify it.
Joint exercise or operation	An exercise or operation involving two or more Services of the ADF.
Liabilities	Sacrifices of future economic benefits that Defence is presently obliged to make to other entities as a result of past transactions or other past events.

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

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

<b>Term</b>	<b>Meaning</b>
Special account	Special Accounts are an appropriation mechanism to draw money from the Consolidated Revenue Fund for particular purposes. They are not bank accounts.
Special Appropriations (including Standing Appropriations)	<p>An amount of money appropriated by a particular Act of Parliament for a specific purpose and number of years. For special appropriations the authority to withdraw funds from the Consolidated Revenue Fund does not generally cease at the end of the financial year.</p> <p>Standing appropriations are a sub-category consisting of ongoing special appropriations – the amount appropriated will depend on circumstances specified in the legislation.</p>
Specialist military equipment	Assets of a military nature used for a specific military purpose. This includes military equipment and commercial items that have had major modifications to convert/fit them for a military purpose.
SSN	SSN is the US Navy hull classification symbol for nuclear-powered general-purpose attack submarines.
System Program Office	The office of the Program Manager. It serves as the single point of contact with industry, government agencies, and other activities participating in the acquisition process of a given system.
Theatre	The area in which military operations and activities take place.
Two-pass approval process	The process by which major capital investment proposals are developed for consideration and approval by the Government.
Unit Availability Days	A Unit Availability Day is a day when a unit is materially ready and its personnel state and level of competence enables the unit to safely perform tasks in the unit's normal operating environment, immediately.
Weighted average cost	An inventory valuation method which considers the fluctuating prices and quantities of acquired goods in computing of the cost of inventory. The weighted average method takes the prices of units at the beginning inventory and the varying prices of purchases made and are weighted by the number of units to determine the weighted average cost per unit. It may be computed as the weighted average cost of all available goods present in a given period, or as a weighted moving average cost adjusted when new goods are delivered.
Write-downs	The reduction in the value of assets.

# Acronyms

## A

AACAP	Army Aboriginal Community Assistance Program
AAF	Army Amenities Fund
AAFCANS	Army and Air Force Canteen Service
AC	Companion of the Order of Australia
ACC	Air Combat Capability
ACMC	Australian Civil-Military Centre
ACPB	Armidale Class Patrol Boats
ACS	Aegis Combat System
ADF	Australian Defence Force
AEWC	Airborne Early Warning and Control
ADGE	Air Defence Ground Environment
AFV	Armoured Fighting Vehicle
AGSVA	Australian Government Security Vetting Agency
AHO	Australian Hydrographic Office
AM	Member of the Order of Australia
AMFRTF	Australian Military Forces Relief Trust Fund
AMSA	Australian Maritime Safety Authority
ANNPSR	Australian Naval Nuclear Power Safety Regulator
ANSTO	Australian Nuclear Science and Technology Organisation
AO	Officer of the Order of Australia
AOR	Auxiliary Oiler Replenishment
APS	Australian Public Service
ARH	Armed Reconnaissance Helicopter
ASA	Australian Submarine Agency
ASCA	Advanced Strategic Capabilities Accelerator
ASD	Australian Signals Directorate
ASEAN	Association of Southeast Asian Nations
ASIO	Australian Security Intelligence Organisation
ASMTI	Australia-Singapore Military Training Initiative
ASPI	Australian Strategic Policy Institute
ATSB	Australian Transport Safety Bureau
AUKUS	An enhanced security partnership between Australia, the United Kingdom and the United States
AUSMIN	Australia-US Ministerial Consultations

## **A**

AVM	Air Vice-Marshal
AWD	Air Warfare Destroyer

## **B**

BMS	Battlefield Management Systems
BRIG	Brigadier

## **C**

C4ISR	Command, Control, Communications, Computing, Intelligence, Surveillance, and Reconnaissance
CAF	Chief of Air Force
CBRND	Chemical Biological Radiological Nuclear Defence
CCPB	Cape Class Patrol Boat
CCSM	Collins Class Submarine
CSM	Conspicuous Service Medal
CDF	Chief of the Defence Force
CER	Combat Engineer Regiment
CERT	Computer Emergency Response Teams
CIRP	Critical Infrastructure Recovery Project
CMATS	Civil Military Air Traffic System
COMSEC	Communications Security
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
CSC	Commonwealth Superannuation Corporation / Conspicuous Service Cross

## **D**

DACC	Defence Assistance to the Civil Community
DCB	Defence Capital Budget
DCP	Defence Cooperation Program
DDG	Hobart Class Air Warfare Destroyers
DFRB	Defence Force Retirement Benefits
DFRDB	Defence Force Retirement and Death Benefits Scheme
DGST	Deployable Geospatial Support
DHA	Defence Housing Australia
DHOAS	Defence Home Ownership Assistance Scheme
DISR	Department of Industry, Science and Resources
DITC	Defence International Training Centre
DMFS	Defence Member and Family Support Branch

**D**

D-RAP	Defence Reconciliation Action Plan
DSAS	Data Sharing and Analytical Services
DSC	Distinguished Service Cross
DSM	Distinguished Service Medal
DSR	Defence Strategic Review
DSTG	Defence Science and Technology Group
DVA	Department of Veterans' Affairs

**E**

EDHFC	Enhanced Defence High-Frequency Communications
EEIP	Enterprise Estate and Infrastructure Program
ELF	Enhanced Land Force
ERP	Enterprise Resource Planning
EW	Electronic Warfare

**F**

FAICD	Fellow of the Australian Institute of Company Directors
FCA	Fellow Chartered Accountant
FFH	Fast Frigate Helicopter / Helicopter Capable Frigate - Anzac Class Frigate
FMS	Foreign Military Sales
FOC	Final Operational Capability
FTE	Full Time Equivalent

**G**

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

**H**

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

**I**

IAGDP	Indigenous Australian Government Development Program
ICT	Information and Communications Technology

## **I**

IED	Improvised Explosive Device
IOC	Initial Operational Capability
IPP	Indigenous Procurement Policy
ISREW	Intelligence Surveillance Reconnaissance and Electronic Warfare

## **J**

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

## **L**

LHD	Landing Helicopter Dock
LSD	Landing Ship Dock
LOTE	Life of Type Extension

## **M**

MAJGEN	Major General
METOC	Mobile Meteorological and Oceanographic
MHC	Mine Hunter Coastal – Coastal Mine Hunter / Medium Heavy Capability
MMT	Mobile Meteorological Team
MOU	Memorandum of Understanding
MP	Member of Parliament
MRH	Multi-Role Helicopter
MRTT	Multi-Role Tanker Transport
MSBS	Military Superannuation and Benefits Scheme
MSU	Maritime Safety Updates
MVO	Member of the Royal Victorian Order
MWD	Members with Dependents
MWOD	Members without Dependents
MWD(U)	Members with Dependents (Unaccompanied)
MYEFO	Mid-Year Economic and Fiscal Outlook

## **N**

NACC	New Air Combat Capability
NATO	North Atlantic Treaty Organization



**O**

ODIS Office of Defence Industry Support

OPV Offshore Patrol Vessel

OTHR Over the Horizon Radar

**P**

PAES Portfolio Additional Estimates Statements

PBS Portfolio Budget Statements

PEAP Partner Employment Assistance Program

PEFO Pre-election Economic and Fiscal Outlook

PGPA Public Governance, Performance and Accountability

PMICA Protected Mobility Integrated Capability Assurance

PMSP Pacific Maritime Security Program

PMV-L Protected Mobility Vehicle

PNG Papua New Guinea

PSM Public Service Medal

PWC Parliamentary Standing Committee on Public Works

**R**

RAAF Royal Australian Air Force

RADM Rear Admiral

RAN Royal Australian Navy

RANCCB Royal Australian Navy Central Canteens Board

RA Rent Allowance

REDSPICE Resilience, Effects, Defence, Space, Intelligence, Cyber, and Enablers

RMG Resource Management Guide

ROE Rate of Effort - Flying Hours

ROU Right of Use

RMC Royal Military College

RSC Recruiting Services Contract

**S**

SERCAT Service Category

SME Specialist Military Equipment / School of Military Engineering / Small Medium Enterprise

SML Survey Motor Launch

STEM Science, Technology, Engineering and Mathematics

**T**

TAS           Trusted Autonomous Systems / Tasmania

**U**

UAD           Unit Availability Days

UNDOF       United Nations Disengagement Observer Force

UNSCR       United Nations Security Council Resolutions

US            United States

USFPI        United States Force Posture Initiatives