Defence

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Defence

Section 1: Defence Overview and Resources

1.1 Strategic Direction Statement

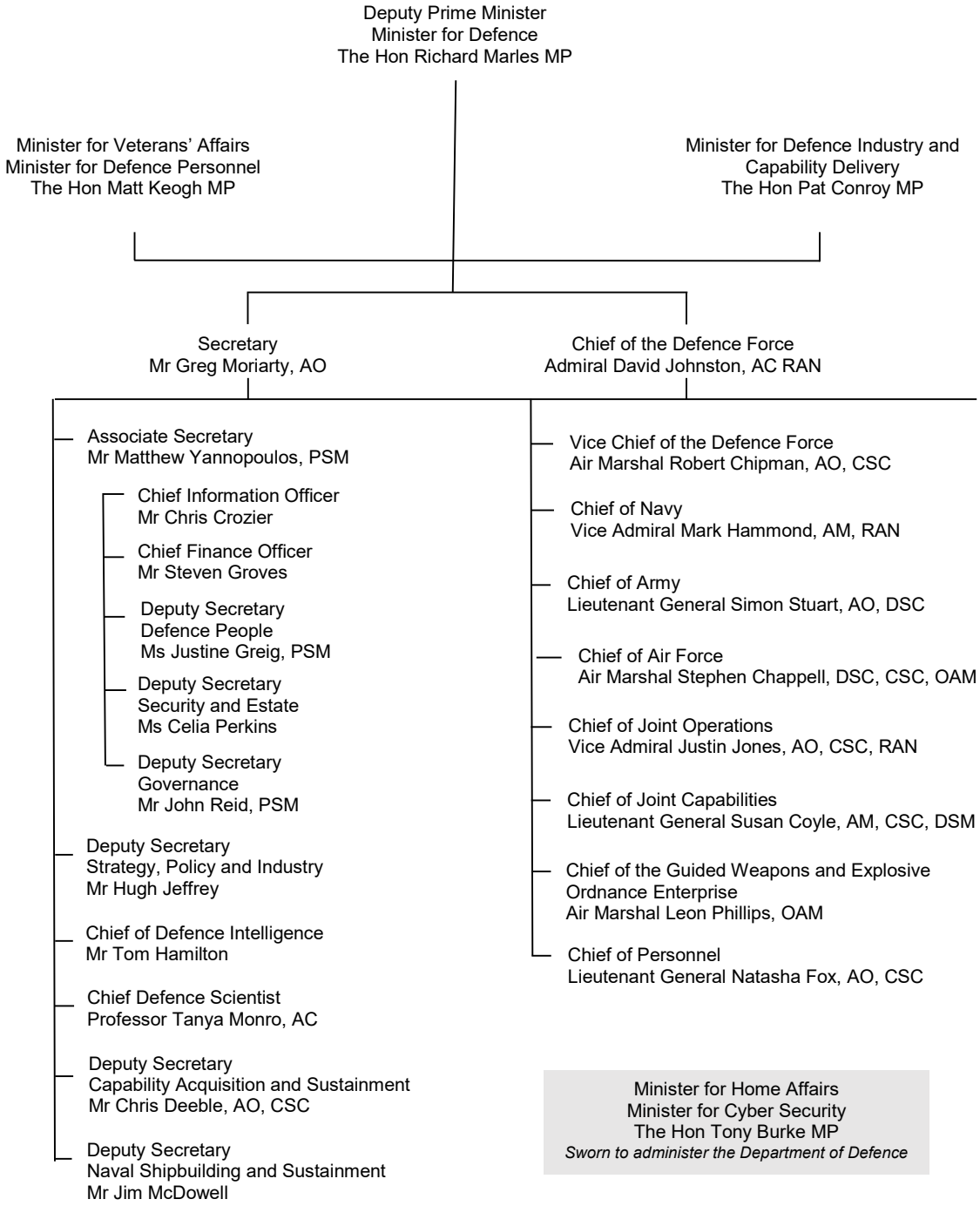
No changes have been made to the Defence Strategic Direction Statement since the *PBS 2024-25,* except for the addition of the following.

Defence is focused on implementing the Government Response to the Royal Commission Final Report, which was released on 2 December 2024.

On 5 November 2024, the Government released the *2024 Defence Workforce Plan*, which outlines the total Defence workforce required to deliver an integrated, focused force in line with the National Defence Strategy. The *2024 Defence Workforce Plan* outlines the strategic tasks required to recruit, retain and grow the workforce. ADF inflow is amongst the highest priorities of the Department.

Defence Organisational Chart

Figure 1: 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 2024-25:*

On 6 July 2024, Lieutenant General Susan Coyle, AM, CSC, DSM was appointed as the Chief of Joint Capabilities.

On 6 July 2024, Lieutenant General John Frewen, AO, DSC ceased his appointment as the Chief of Joint Capabilities.

On 6 July 2024, Vice Admiral Justin Jones, AO, CSC, Royal Australian Navy was appointed as the Chief of Joint Operations.

On 6 July 2024, Lieutenant General Greg Bilton, AO, CSC ceased his appointment as the Chief of Joint Operations.

On 6 July 2024, Mr Tom Hamilton was appointed as the Chief Defence Intelligence.

On 6 July 2024, Lieutenant General Gavan Reynolds, AO ceased his appointment as the Chief Defence Intelligence.

On 10 July 2024, Air Marshal Stephen Chappell, DSC, CSC, OAM was appointed as the Chief of the Air Force.

On 10 July 2024, Air Marshal Robert Chipman, AO, CSC was appointed as the Vice Chief of the Defence Force.

On 11 July 2024, Admiral David Johnston, AC, Royal Australian Navy was appointed as the Chief of the Defence Force.

On 11 July 2024, General Angus Campbell, AO, DSC ceased his appointment as the Chief of the Defence Force.

On 30 August 2024, Lieutenant General John Frewen, AO, DSC retired from the Australian Army.

On 30 August 2024, General Angus Campbell, AO, DSC retired from the Australian Army.

On 30 August 2024, Lieutenant General Gavan Reynolds, AO retired from the Australian Army.

On 30 August 2024, Lieutenant General Greg Bilton, AO, CSC retired from the Australian Army.

Organisational Structure

The following changes have taken place since the *PBS 2024-25:*

On 6 July 2024, the Deputy Secretary Defence Strategic Review Implementation position was abolished.

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 2024-25 Budget year, including variations through Appropriation Bills No. 3 and No. 4, Special Appropriations and Special Accounts.

Table 1: Total Defence Resourcing [a]

Serial No.	2023-24 Actual Result		2024-25 Budget Estimate	2024-25 Revised Estimate	Variation	Variation	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000		$'000	$'000	$'000	%	$'000	$'000	$'000
		Defence Resourcing							
1	35,840,570	Appropriation for departmental outcomes	38,784,076	38,810,303	26,227	0.1	40,202,425	40,928,661	44,462,051
2	2,806,296	Departmental capital budget	3,206,210	2,707,113	-499,097	-15.6	3,079,566	3,002,481	3,268,897
3	11,539,024	Equity injection appropriation	10,590,238	10,952,770	362,532	3.4	11,917,882	13,743,923	16,769,460
4	-	Prior year appropriation	-	-	-	-	-	-	-
5	**50,185,890**	**Current year's appropriation (1 + 2 + 3 + 4) [b]**	**52,580,524**	**52,470,186**	**-110,338**	**-0.2**	**55,199,873**	**57,675,065**	**64,500,408**
6	-	Draw down of appropriations carried forward	-	-	-	-	-	-	-
7	-	Other appropriation receivable movements	-	-	-	-	-	-	-
8	-	Return to the Official Public Account [c]	-	-	-	-	-	-	-
9	**-**	**Funding from / to the OPA (6 + 7 + 8)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10	**50,185,890**	**Funding from Government (5 + 9)**	**52,580,524**	**52,470,186**	**-110,338**	**-0.2**	**55,199,873**	**57,675,065**	**64,500,408**
11	41,945	Capital receipts [d]	140,541	95,855	-44,686	-31.8	37,608	4,811	5,070
12	1,299,822	Own source revenue (s74 receipts) [d]	686,220	1,036,569	350,349	51.1	950,623	828,869	856,463
13	-	Prior year receipts	-	-	-	-	-	-	-
14	**1,341,767**	**Funding from other sources (11 + 12 + 13)**	**826,761**	**1,132,424**	**305,663**	**37.0**	**988,231**	**833,680**	**861,533**
15	**51,527,657**	**Total Departmental funding excl. Defence Trusts and Joint Accounts (10 + 14)**	**53,407,285**	**53,602,610**	**195,325**	**0.4**	**56,188,104**	**58,508,745**	**65,361,941**
		Defence Trusts and Joint Accounts							
16	139,448	Revenue [d]	297,555	130,179	-167,376	-56.3	109,820	197,928	381,111
17	-109,973	Expenditure (Operating and Capital)	-305,192	-137,703	167,489	-54.9	-109,806	-197,906	-381,090
18	**29,475**	**Total Defence Trusts and Joint Accounts (16 + 17)**	**-7,637**	**-7,524**	**113**	**-1.5**	**14**	**22**	**21**
19	**51,557,132**	**Total Departmental funding (15 + 18)**	**53,399,648**	**53,595,086**	**195,438**	**0.4**	**56,188,118**	**58,508,767**	**65,361,962**
		Administered [e]							
20	4,271,830	Administered special appropriations	4,690,199	4,544,107	-146,092	-3.1	4,935,116	5,310,198	5,724,366
21	1,489,819	Own source revenue [f]	1,413,156	1,433,092	19,936	1.4	1,367,249	1,302,826	1,241,307
22	-1,489,819	Returns to the Official Public Account [f]	-1,413,156	-1,433,092	-19,936	1.4	-1,367,249	-1,302,826	-1,241,307
23	**4,271,830**	**Total Administered funding (20 + 21 + 22)**	**4,690,199**	**4,544,107**	**-146,092**	**-3.1**	**4,935,116**	**5,310,198**	**5,724,366**
24	**55,828,962**	**Total Defence resourcing (19 + 23)**	**58,089,847**	**58,139,193**	**49,346**	**0.1**	**61,123,234**	**63,818,965**	**71,086,328**
		Appropriation carried forward							
25	425,972	Appropriation receivable including previous year's outputs	1,434,165	667,645	-766,520	-53.4	932,179	1,197,715	980,418
26	332,349	Cash in bank - Departmental	302,213	285,307	-16,906	-5.6	285,327	285,332	285,359
27	-	Cash in bank - Administered	-	-	-	-	-	-	-
28	**758,321**	**Total appropriation carried forward (25 + 26 + 27)**	**1,736,378**	**952,952**	**-783,426**	**-59.0**	**1,217,506**	**1,483,047**	**1,265,777**

Notes

a. This table is prepared on an accrual basis, except for serials 6 to 9, 11, 13, 20 to 24, 26 and 27.
b. The appropriations for 2024-25 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. 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.
c. Represents net transfers to and from the Official Public Account.
d. All figures are net of GST.
e. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.
f. Own Source Revenue received in cash is returned to the Official Public Account.

Annual Appropriations

Table 2a: Appropriation Bill (No. 3) 2024-25

	2023-24 Actual Result	2024-25 Budget Estimate	Increases in Estimates	Decreases in Estimates	2024-25 Revised Estimate
	$'000	$'000	$'000	$'000	$'000
Departmental Outputs					
Appropriation for departmental outcomes	35,899,635	38,784,076	150,207	-109,358	38,824,925
Total [a] [b] [c]	**35,899,635**	**38,784,076**	**150,207**	**-109,358**	**38,824,925**

Notes
a. 2023-24 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
b. The Revised Estimate for 2024-25 includes $14.6 million of appropriations which were recognised as revenue from government (in relation to NWNL supplementation) in the Defence 2023-24 Financial Statements. Since Table 1 - Total Defence resourcing is prepared on an accrual basis, these amounts are reflected under 2023-24 Actual Result and not reflected in the 2024-25 Revised Estimate in Table 1.
c. Decrease in estimates of $109.4 million relates to reductions in estimates for Appropriation Act (No.1) 2024-2025 which has been withheld under s.51 arrangements against Appropriation Act (No.1) 2024-2025.

Table 2b: Appropriation Bill (No. 3 DCB) 2024-25

	2023-24 Actual Result	2024-25 Budget Estimate	Increases in Estimates	Decreases in Estimates	2024-25 Revised Estimate
	$'000	$'000	$'000	$'000	$'000
Non-operating					
Departmental capital budget	2,795,090	3,206,210	-	-499,097	2,707,113
Total non-operating [a] [b]	**2,795,090**	**3,206,210**	**-**	**-499,097**	**2,707,113**

Notes
a. 2023-24 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
b. Decrease in estimates of $499.1 million relates to reductions in estimates for Appropriation Act (No.1) 2024-2025 which has been withheld under s.51 arrangements against Appropriation Act (No.1) 2024-2025.

Table 3: Appropriation Bill (No. 4) 2024-25

	2023-24 Actual Result	2024-25 Budget Estimate	Increases in Estimates	Decreases in Estimates	2024-25 Revised Estimate
	$'000	$'000	$'000	$'000	$'000
Non-operating					
Equity injections	11,539,024	10,590,238	484,030	-121,498	10,952,770
Total non-operating [a] [b]	**11,539,024**	**10,590,238**	**484,030**	**-121,498**	**10,952,770**

Notes
a. 2023-24 Actual Result is included to allow a comparison of this year's appropriation with what was made available for use in the previous year.
b. Decrease in estimates of $121.5 million relates to reductions in estimates for Appropriation Act (No. 2) 2024-2025 which has been withheld under s.51 arrangements against Appropriation Act (No. 2) 2024-2025.

Drawdown of Appropriations Carried Forward

Table 4: Revised Appropriation Receivable

	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000
Portfolio Budget Statements 2024-25 Estimates	**1,434,165**	**1,699,455**	**1,964,488**	**1,789,768**
Net movement	-766,520	-767,276	-766,773	-809,350
Closing balance appropriation receivable	**667,645**	**932,179**	**1,197,715**	**980,418**

Funding from Other Sources

Own Source Revenue

Table 5: Variation in Own Source Revenue

	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000
Portfolio Budget Statements 2024-25 Estimates	**686,220**	**756,084**	**776,845**	**804,390**
Variation in own source revenue	350,349	194,539	52,024	52,073
Own source revenue revised estimates	**1,036,569**	**950,623**	**828,869**	**856,463**
Prior year receipts	**-**	**-**	**-**	**-**
Total	**1,036,569**	**950,623**	**828,869**	**856,463**

1.3 Budget Measures

2024-25 Budget Measures and Other Budget Adjustments

Table 6: Variation to Defence Funding

	Program	2024-25 Revised Estimate $m	2025-26 Forward Estimate $m	2026-27 Forward Estimate $m	2027-28 Forward Estimate $m	Total $m
Departmental Budget Measures						
Payment Measures						
Further Defence Support to Ukraine [a]	**Various**	24.2	-	-	-	**24.2**
Defence Support to the Pacific and the Middle East [b]	**Various**	18.3	-	-	-	**18.3**
Defence Workforce Plan - investing in Defence's people [c]	**Various**	-	-	-	-	**-**
Nuclear-Powered Submarine Program - infrastructure and capacity investment [d]	**2.16**	nfp	nfp	nfp	nfp	**nfp**
Nuclear-Powered Submarine Program - security and industry growth [e]	**2.16**	-	14.5	-	-	**14.5**
Investing in Defence Naval Shipbuilding in Australia [f]	**2.15**	-	-	-	-	**-**
Royal Commission into Defence and Veteran Suicide - initial steps [g]	**Various**	-7.0	-2.5	-	-	**-9.5**
Additional Support for Australian Defence Force Members and Veterans [h]	**Various**	-	-	-	-	**-**
Civil Maritime Security Capabilities [i]	**2.5**	nfp	nfp	nfp	-	**nfp**
Supporting Education and Training for Defence Industry [j]	**2.1**	-1.0	-	-	-	**-1.0**
Support for Royal Solomon Islands Police Force Expansion - Defence component [k]	**2.1**	6.4	27.6	10.7	-	**44.7**
Re-opening Australia's Embassy in Kyiv - Defence component [l]	**2.1**	0.3	0.7	0.7	0.7	**2.4**
Parliamentary Joint Committee on Defence - reversal	**Various**	-	-	-	-	**-**
Total Departmental Budget Measures		**41.2**	**40.3**	**11.4**	**0.7**	**93.6**
Other Departmental Budget Adjustments						
Operation RESOLUTE	**1.3**	54.5	-	-	-	**54.5**
Operation ACCORDION	**1.2**	5.5	-	-	-	**5.5**
Foreign Exchange	**Various**	-239.3	-282.6	-266.0	-266.0	**-1,053.9**
Other Departmental Budget Adjustments	**Various**	30.0	-	-	-	**30.0**
Total Other Departmental Budget Adjustments		**-149.3**	**-282.6**	**-266.0**	**-266.0**	**-963.9**
Total Other Budget Adjustments		**-149.3**	**-282.6**	**-266.0**	**-266.0**	**-963.9**
Variation to Defence Funding		**-108.1**	**-242.3**	**-254.6**	**-265.3**	**-870.3**

Notes

a. This measure provides $545.5 million over the period 2024-25 to 2025-26, which is being primarily met from within the existing resourcing of the Department of Defence.
b. This measure provides $27.6 million over the period 2024-25 to 2034-35, which is being partially met from within the existing resourcing of the Department of Defence.
c. This measure provides $972.8 million over the period 2025-26 to 2034-35, which is being met from within the existing resourcing of the Department of Defence.
d. This measure is not for publication (nfp) due to commercial sensitivities, and is being met from within the existing resourcing of the Department of Defence.
e. This measure provides $269.0 million over the period 2024-25 to 2027-28, which is being met from within the existing resourcing of the Department of Defence and the Australian Submarine Agency.
f. This measure provides $127.0 million over the period 2024-25 to 2026-27, which is being met from within the existing resourcing of the Department of Defence.
g. This measure provides $9.5 million over the period 2024-25 to 2025-26, which is being met from within the existing resourcing of the Department of Defence.
h. This measure provides $0.4 million in 2025-26, which is being met from within the existing resourcing of the Department of Defence.
i. This measure is not for publication (nfp) due to commercial sensitivities.
j. This measure provides $1.0 million in the period 2024-25, which is being met from within the existing resourcing of the Department of Defence.
k. This measure provides $44.7 million over the period 2024-25 to 2026-27.
l. This measure provides $2.8 million over the period 2024-25 to 2028-29.

Operations Summary

Table 7: Net Additional Cost of Current Major Operations to 2027-28 [a] [b] [c]

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate	Total
	$m	$m	$m	$m	$m	$m
Operation ACCORDION	97.7	98.9	-	-	-	**196.5**
Operation HIGHROAD	0.4	-	-	-	-	**0.4**
Operation RESOLUTE	108.6	126.3	-	-	-	**234.9**
Operation OKRA	10.9	-	-	-	-	**10.9**
Operation KUDU	19.5	37.8	-	-	-	**57.3**
Operation LILIA	22.3	-	-	-	-	**22.3**
Operation BEECH	16.2	18.3	-	-	-	**34.5**
Total Net Additional Costs	**275.6**	**281.3**	**-**	**-**	**-**	**556.9**
Sources of Funding for Major Operations						
Government Supplementation	264.3	281.3	-	-	-	**545.6**
Department of Defence (absorbed)	11.3	-	-	-	-	**11.3**
Total Cost	**275.6**	**281.3**	**-**	**-**	**-**	**556.9**

Notes
a. This table reflects ongoing and new Major Operations funded under No Win/No Loss arrangements.
b. The Net Additional Cost of Major Operations include the budget adjustments shown under Table 6.
c. 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 [a]

Serial No.		2023-24 Actual Result $m	2024-25 Budget Estimate $m	2024-25 Revised Estimate $m	Variation $m
1	Defence [b]	50,185.9	52,580.5	52,470.2	-110.3
2	Australian Signals Directorate	2,856.6	2,723.5	2,740.4	16.9
3	Australian Submarine Agency	243.4	383.0	353.0	-30.0
4	**Consolidated Defence, ASD and ASA Funding**	**53,285.9**	**55,687.0**	**55,563.6**	**-123.4**

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 [a] [b]

Serial No.		2023-24 Actual Result $m	2024-25 Budget Estimate $m	2024-25 Revised Estimate $m	Variation $m
1	Workforce	15,506.5	16,694.7	16,204.9	-489.8
2	Operations	342.5	223.8	332.1	108.3
3	Capability Acquisition Program	16,627.0	16,674.3	17,423.1	748.8
4	Capability Sustainment Program	16,372.3	17,157.5	17,170.7	13.2
5	Operating	3,128.9	2,657.0	2,471.8	-185.2
6	**Total Defence Planned Expenditure**	**51,977.2**	**53,407.3**	**53,602.6**	**195.3**

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 [a]

Serial No.		2023-24 Actual Result $m	2024-25 Budget Estimate $m	2024-25 Revised Estimate $m	Variation $m
1	Military Equipment Acquisition Program	12,653.1	13,253.7	13,669.0	415.3
2	Enterprise Estate and Infrastructure Program	2,761.5	2,741.0	2,893.3	152.3
3	ICT Acquisition Program	901.4	431.9	412.9	-19.0
4	Minors Program	311.1	247.7	447.9	200.2
5	**Total Capability Acquisition Program [b]**	**16,627.0**	**16,674.3**	**17,423.1**	**748.8**

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 [a]

Serial No.		2023-24 Actual Result $m	2024-25 Budget Estimate $m	2024-25 Revised Estimate $m	Variation $m
1	Navy Sustainment	3,648.8	3,400.6	3,677.9	277.3
2	Army Sustainment	2,503.9	2,862.9	2,670.1	-192.8
3	Air Force Sustainment	3,645.3	3,874.1	3,792.3	-81.8
4	Defence Digital Sustainment [b]	1,840.3	2,069.5	2,013.5	-56.0
5	Joint Capabilities Sustainment	403.6	572.2	783.8	211.6
6	Strategy, Policy and Industry Sustainment	58.5	123.2	93.2	-30.0
7	Defence Intelligence Sustainment	145.1	204.0	184.4	-19.6
8	Security and Estate Sustainment [c]	3,859.7	3,740.6	3,650.3	-90.3
9	Nuclear-Powered Submarines Sustainment	2.4	12.7	6.2	-6.5
10	Guided Weapons & Explosive Ordnance Sustainment	130.0	154.5	147.8	-6.7
11	Other Minor Sustainment	134.8	143.2	151.2	8.0
12	**Total Capability Sustainment Program [d]**	**16,372.3**	**17,157.5**	**17,170.7**	**13.2**

Notes
a. These categories are funded by appropriations and own source revenue.
b. Defence Digital 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. Total sustainment includes both unapproved sustainment (relating to unapproved projects) and approved (current) sustainment.

Table 11: Retained Capital Receipts

Serial No.		2024-25 Budget Estimate	2024-25 Revised Estimate	Variation	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
		$m	$m	$m	$m	$m	$m
1	**Proceeds from sale of property**	**84.8**	**35.4**	**-49.4**	**37.6**	**4.8**	**5.1**
2	**Proceeds from sale of specialist military equipment**	**24.1**	**60.5**	**36.4**	**-**	**-**	**-**
3	**Proceeds from sale of infrastructure, plant and equipment**	**31.7**	**-**	**-31.7**	**-**	**-**	**-**
4	**Retained Capital Receipts (1 + 2 + 3)**	**140.5**	**95.9**	**-44.7**	**37.6**	**4.8**	**5.1**

Table 12: Variation in Estimates of Retained Capital Receipts

	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$m	$m	$m	$m
Portfolio Budget Statements 2024-25 Estimates	**140.5**	**160.6**	**0.2**	**4.9**
Movement in net proceeds from sales associated with the capital disposal program	-44.7	-123.0	4.6	0.2
Variation in Retained capital Receipts	**-44.7**	**-123.0**	**4.6**	**0.2**
Total Retained Capital Receipts	**95.9**	**37.6**	**4.8**	**5.1**

1.5 People

Workforce Overview

Since the *PBS 2024-25*, the Government released the *2024 Defence Workforce Plan*, which outlines the total Defence workforce required to deliver an integrated, focused force in line with the National Defence Strategy. Defence has previously reported the workforce over the forward estimates as the Government 'approved strength' for each year, based on the growth outlined in the *Defence White Paper 2016* and the *Force Structure Plan 2020*.

With the release of the *2024 Defence Workforce Plan*, Defence reports on the Government 'budgeted workforce requirements'. This is the funded workforce growth rates where the ADF will meet the required strength of the permanent force of 69,000 by the early 2030s. The growth trajectory is in line with the introduction of the *2024 National Defence Strategy* and the *2024 Integrated Investment Program's* priority capabilities. It is an achievable growth path, which will undergo review biennially as part of the *National Defence Strategy* cycle. This approach allows Defence to focus on stabilising the numbers of ADF members, increase the recruitment of personnel and remediate hollowness in the junior and middle ranks within the ADF.

Defence will continue to reduce reliance on the contractor workforce, ensuring that roles requiring core APS skills and capabilities are delivered by public servants while recognising there will continue to be a need for contracted support in specialist areas.

Workforce Summary

The planned growth path for the full-time equivalent workforce is 78,086 in 2024-25, comprising 58,850 permanent ADF (75 per cent) and 19,236 APS employees (25 per cent). The service breakdown of the permanent ADF is:

- 15,282 Navy personnel.
- 27,736 Army personnel.
- 15,832 Air Force personnel.

The workforce growth path across the forward estimates (Table 13) reflects the budgeted workforce requirement outlined in the *2024 Defence Workforce Plan*.

Modest growth is expected in the permanent ADF in 2024-25, with inflows now exceeding outflows at the whole of ADF level. In the coming years, the rate of growth in Navy and Army must increase.

The *2024 Defence Workforce Plan* outlines the strategic tasks required to recruit, retain and grow the workforce. ADF inflow is amongst the highest priorities of the Department. Defence will continue to transform its ADF recruitment and retention practices by:

- widening eligibility criteria to enable more people to join the ADF, including expanding the recruitment of eligible residents living in Australia;
- expanding the recruiting system to translate this wider pool of eligible applicants into an increase in the number of ADF recruits;
- improving processes to enable faster recruiting so that skills gaps can be identified and addressed quickly; and

- encouraging current personnel, who have built the skills and expertise the ADF needs, to stay and serve longer through retention initiatives, including increased investment in skilling and modernisation of employment conditions.

The APS workforce growth has stabilised during 2024-25 after a period of growth restoring APS to budgeted levels. Defence is focused on skilling, developing and professionalising the APS workforce to deliver the priorities outlined in the *2024 National Defence Strategy* and *2024 Integrated Investment Program*.

The forecast contribution from Service Categories (SERCAT) 3, 4 and 5 in 2024-25 is 1,126,950 days of service performed by an estimated 21,540 members of the Reserve Forces. Defence will enhance the Operational Reserve force by an additional 1,000 personnel by 2030; this will be reported in future iterations of the Portfolio Budget Statements.

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.

To achieve the required growth path over the Forward Estimates, the permanent ADF and APS workforce (excluding service categories 3, 4 and 5) is required to grow by 5,459 from 78,086 in 2024-25 to 83,545 in 2027-28.

Defence People

Since the Portfolio Budget Statements 2024-25 the Government released the *2024 Defence Workforce Plan* on 5 November 2024. It sets out how the Defence workforce will grow and pivot to support the delivery of the *2024 National Defence Strategy* and *2024 Integrated Investment Program*. Broadly, the Workforce Plan covers critical areas including:

- the growth and future needs of the integrated workforce, including our ADF Reserves;
- ADF recruitment and retention;
- organisational culture, wellbeing and support to ADF members and families;
- enhancing health services and readiness in direct support of ADF warfighting capabilities;
- education, training and skilling to deliver National Defence Strategy priorities; and
- prioritisation of APS recruitment and development against critical gaps.

Crucially, the Workforce Plan will work hand-in-hand with broader efforts, including implementation of the recommendations Defence is responsible for with regard to the Government's response to the Royal Commission into Defence and Veteran Suicide Final Report, to evolve Defence's culture as well as the health, safety and wellbeing of Defence people.

Table 13: Workforce Forecast for the 2024-25 Budget and Required Workforce Forward Estimates - Average Full-time equivalent

		2023-24 Actual	2024-25 Budget Estimate	2024-25 Revised Estimate [b]	2025-26 Forward Estimate [b]	2026-27 Forward Estimate [b]	2027-28 Forward Estimate [b]
	ADF Permanent Force [a]						
	Navy	15,047	16,331	15,282	15,392	16,053	16,709
	Army	28,047	31,339	27,736	27,773	28,588	29,905
	Air Force	15,217	15,927	15,832	16,208	16,408	16,658
1	**Total Permanent Force**	**58,311**	**63,597**	**58,850**	**59,373**	**61,049**	**63,272**
	Civilian Employees[a]						
	APS	18,009	19,127	19,236	19,862	20,260	20,273
2	**Total Civilian Employees**	**18,009**	**19,127**	**19,236**	**19,862**	**20,260**	**20,273**
	Total Workforce Strength (1 + 2)	**76,320**	**82,724**	**78,086**	**79,235**	**81,309**	**83,545**

Notes
a. All numbers for the full-time workforce elements represent average full-time equivalents.
b. Revised and Forward Estimates reflect the budgeted workforce requirements for ADF and approved Government budgeted allocations for APS.

Table 14: Planned Workforce Allocation for the 2024-25 Budget and Forward Estimates - Reserve (Service Categories 3, 4, and 5) [a] [b]

		2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	Service Category 3 and 5					
	Navy	118,000 (2,000)	118,000 (2,000)	120,500 (2,050)	123,000 (2,100)	125,500 (2,150)
	Army	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)	740,000 (15,500)
	Air Force	268,000 (4,000)	268,000 (4,000)	274,000 (4,100)	280,000 (4,200)	286,000 (4,300)
1	**Sub-total Service Category 3 and 5**	**1,126,000 (21,500)**	**1,126,000 (21,500)**	**1,134,500 (21,650)**	**1,143,000 (21,800)**	**1,151,500 (21,950)**
	Service Category 4 [c]					
	Air Force	950 (40)	950 (40)	950 (40)	950 (40)	950 (40)
2	**Sub-total Service Category 4**	**950 (40)**	**950 (40)**	**950 (40)**	**950 (40)**	**950 (40)**
	Total Reserves (1 + 2)	**1,126,950 (21,540)**	**1,126,950 (21,540)**	**1,135,450 (21,690)**	**1,143,950 (21,840)**	**1,152,450 (21,990)**

Notes
a. This table does not include Reservists undertaking continuous full-time service (Service Option C), these are captured in Table 13. It also does not include Reservists that are not currently rendering service (including Service Category 2).
b. As the number of days or hours worked by Reserve members can vary greatly, figures in Table 14 show the total number of days' service rendered, with a headcount of members rendering service within the year in brackets.
c. Service Category 4 is available to all three Services. It is currently only used by Air Force on an ongoing basis, however Navy are currently undertaking a trial.

Table 15: Forecast Breakdown of Workforce by Service and Rank

	2024-25 Budget Estimate	2024-25 Revised Estimate [d]
Navy		
One Star and above	82	83
Senior Officers [a]	830	867
Officers	3,987	3,550
Other Ranks	11,432	10,782
Total Navy	**16,331**	**15,282**
Army		
One Star and above	98	97
Senior Officers [a]	1,138	1,077
Officers	6,285	5,369
Other Ranks	23,818	21,193
Total Army	**31,339**	**27,736**
Air Force		
One Star and above	74	73
Senior Officers [a]	829	876
Officers	5,148	4,831
Other Ranks	9,876	10,052
Total Air Force	**15,927**	**15,832**
APS		
Senior Executives [b] [c]	203	206
Senior Officers [a]	7,264	7,393
Other APS Staff	11,660	11,637
Total APS	**19,127**	**19,236**
Total Workforce	**82,724**	**78,086**

Notes

a. Senior Officers are of Colonel or Lieutenant Colonel rank equivalent and APS Executive Level 1 and 2.
b. The figures for Senior Executives include the Secretary, SES Band One, Two and Three employees, Chiefs of Divisions and Medical Officers.
c. The 2024-25 Revised Estimate for APS Senior Executive includes a net increase of 3 positions in support of recent Government initiatives and approved Cabinet Submissions.
d. 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.

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 2024-25*.

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

Defence plans for, develops and maintains the capability to deny, deter and defeat armed attacks on Australia or on Australian interests. This includes planning for, conducting, controlling and evaluating Defence contributions to Government-directed operations.

Since the *PBS 2024-25* the word deny (consistent with National Defence Strategy terminology) has been added to the narrative.

New Operations

Since the *PBS 2024-25*, the following updates have been made to New Operations:

Operation REGAL – Defence support to the 2024 Royal Visit by Their Majesties, King Charles III and Queen Camilla, to Australia from 18 to 23 October 2024;

Operation VAEA – Defence contribution to support Samoa as the first Pacific island country to host the Commonwealth Heads of Government Meeting in 2024; and

Operation VANUATU ASSIST 24 – Defence contribution as part of the Australian Government support to Vanuatu following the 7.2 magnitude earthquake that struck on 17 December 2024.

Amended Operations

No changes have been made to Amended Operations since the *PBS 2024-25.*

Ceased Operations

Since the *PBS 2024-25*, the following updates have been made to Ceased Operations:

Operation REGAL - Defence supported the 2024 Royal Visit to Australia by Their Majesties The King and Queen under Operation REGAL, which encompassed a ceremonial welcome in Canberra, and a Royal Australian Navy Fleet Review with an Australian Defence Force fly past in Sydney;

Operation LILIA - ADF support to the whole-of-government response to the Solomon Islands. ADF personnel provided support, including logistical and health services, to the Australian Federal Police-led effort;

Operation OKRA - ADF contribution to the Combined Joint Task Force – Operation Inherent Resolve, the international coalition against Daesh in Iraq and Syria;

Operation VAEA - To coordinate support to Samoa's hosting of the Commonwealth Heads of Government Meeting 2024, Defence established Operation VAEA as part of a whole-of-government contribution to provide maritime security support to Samoa Police, Prisons and Corrections Services, surge accommodation for visiting police forces, and on-call contingency medical support; and

Operation VANUATU ASSIST 24 – Operation VANUATU ASSIST 24 was Defence's contribution to the Department of Foreign Affairs and Trade led whole-of-government response to Vanuatu. Defence provided strategic airlift flights to transport humanitarian assistance, disaster relief personnel and their equipment to Vanuatu.

Linked Programs

No changes have been made to Linked Programs since the *PBS 2024-25*.

Outcome 1 Resources

Table 16: Total Budgeted Resources Available for Outcome 1

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood						
Revenues from other sources	-	-	-	-	-	-
Expenditure funded by appropriations	59,985	41,887	42,985	39	40	41
Program 1.2 - Operations Supporting Wider Interests						
Revenues from other sources	650	1,908	1,908	-	-	-
Expenditure funded by appropriations	171,978	108,215	160,965	1,216	1,218	1,222
Program 1.3 - Defence Contribution to National Support Tasks in Australia						
Revenues from other sources	17	-	-	-	-	-
Expenditure funded by appropriations	109,882	71,751	126,265	22	22	22
Total resourcing						
Total Departmental revenue from other sources	667	1,908	1,908	-	-	-
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	311,972	156,734	261,275	1,277	1,280	1,285
Total capital expenditure funded by appropriation	-	-	-	-	-	-
Total capital expenditure funded by Equity injection:						
- Bill 1 DCB	29,873	65,119	68,940	-	-	-
- Bill 2 Equity	-	-	-	-	-	-
Total resources for Outcome 1	**342,512**	**223,761**	**332,123**	**1,277**	**1,280**	**1,285**

Contributions to Outcome 1

Program 1.1: Operations Contributing to the Safety of the Immediate Neighbourhood

Performance information is as reported in the *PBS 2024-25*.

NOTE: Defence is currently undertaking materiality assessments for significant Government announcements and/or decisions that occurred subsequent to the *2024-28 Defence Corporate Plan* being published on 30 August 2024. This may result in updated performance information, which will be addressed in accordance with the relevant Resource Management Guides issued by the Department of Finance. This note applies across all Defence Programs.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	7,532	-	-	-	-	-
Suppliers	27,704	14,911	16,009	39	40	41
Other expenses	-	-	-	-	-	-
	35,236	**14,911**	**16,009**	**39**	**40**	**41**
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	107	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	107	**-**	**-**	**-**	**-**	**-**
Total operating expenses	**35,343**	**14,911**	**16,009**	**39**	**40**	**41**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	24,749	26,976	26,976	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**24,749**	**26,976**	**26,976**	**-**	**-**	**-**
Program 1.1 - Operations Contributing to the Safety of the Immediate Neighbourhood Total funded expenditure [a]	**59,985**	**41,887**	**42,985**	**39**	**40**	**41**

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 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	8,957	1,802	1,686	-	-	-
Suppliers	159,677	100,392	150,499	1,216	1,218	1,222
Other expenses	-	-	-	-	-	-
	168,634	**102,194**	**152,185**	**1,216**	**1,218**	**1,222**
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	61	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	61	**-**	**-**	**-**	**-**	**-**
Total operating expenses	**168,695**	**102,194**	**152,185**	**1,216**	**1,218**	**1,222**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	590	-	-	-	-	-
Purchases of inventory	3,404	7,929	10,687	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**3,994**	**7,929**	**10,687**	**-**	**-**	**-**
Program 1.2 - Operations Supporting Wider Interests Total funded expenditure [a]	**172,628**	**110,123**	**162,873**	**1,216**	**1,218**	**1,222**

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 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	9,620	1,800	8,037	-	-	-
Suppliers	99,149	39,737	86,952	22	22	22
Other expenses	-	-	-	-	-	-
	108,769	**41,537**	**94,989**	**22**	**22**	**22**
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	85	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	85	**-**	**-**	**-**	**-**	**-**
Total operating expenses	**108,854**	**41,537**	**94,989**	**22**	**22**	**22**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	1,130	30,214	31,276	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**1,130**	**30,214**	**31,276**	**-**	**-**	**-**
Program 1.3 - Defence Contribution to National Support Tasks in Australia Total funded expenditure [a]	**109,899**	**71,751**	**126,265**	**22**	**22**	**22**

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

2.3 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

Defence continues to execute its Outcome 2 Strategy as disclosed in the *PBS 2024-25* as follows:

Defence ensures that its policy is agile and adaptive, and can flexibly respond to the identified strategic risks in a rapidly changing strategic environment through the biennial National Defence Strategy cycle. The Defence Strategy Framework, endorsed by the Secretary of Defence and the Chief of the Defence Force, outlines this cycle and the process by which strategy cascades throughout the organisation.

The biennial National Defence Strategy is Defence's highest-level classified planning document. It informs the context, preparation and alignment of subsidiary planning documents across policy, enterprise planning, force employment, force generation and force design. The National Defence Strategy implements Cabinet decisions and updated Government direction, identifies priorities and provides guidance on the tasks that need to be undertaken to achieve the Strategy of Denial.

The *2024 National Defence Strategy* re-weighted the three prevailing Strategic Defence Objectives: to shape Australia's strategic environment, deter actions against Australia's interests, and respond with credible military force, when required. While these objectives had previously been weighted equally in Australia's strategic settings, deterrence is now Australia's primary Strategic Defence Objective.

The Government has adopted the Strategy of Denial to become the cornerstone of Defence planning. This approach aims to deter any conflict before it begins, prevent any potential adversary from succeeding in coercing Australia through force, support regional security and prosperity and uphold a favourable strategic balance.

The *2024 National Defence Strategy* and the *2024 Integrated Investment Program* are designed to ensure the ADF has the capacity to:

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

The Government has committed to a biennial National Defence Strategy cycle to ensure Defence policy, strategy, capability and planning keep pace with the rapidly evolving strategic environment, respond to Australia's national security priorities and provide clarity of process and approach to defence industry. The next National Defence Strategy will be delivered in 2026.

International engagement remains a critical function of Defence. Defence works with the United States and key partners to build a stable, secure and prosperous region that is free from coercion. Defence conducts operations and exercises in the region – including with the United States and

key partners – to underpin the international rules-based order, maintain regional security and stability, and deter potential adversaries. The Defence Cooperation Program is a key part of our Defence engagement, enhancing shared understanding and capability with our partners in the Pacific, Southeast Asia and Northeast Indian Ocean. 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 remains committed to standing with Ukraine in its defence against Russia's illegal and immoral invasion. Australia has committed over $1.3 billion in military assistance to support Ukraine's self-defence. In addition to materiel and financial support, the Australian Defence Force continues to make an important contribution to multinational efforts in support of Ukraine under Operation Kudu. The Australian Defence Force is also providing personnel to support maritime security in the Middle East, including by supporting coalition efforts to protect international shipping transiting the Red Sea.

In line with *2024 National Defence Strategy*, the United States 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 United Kingdom and the United States. Enhanced cooperation with the United States and the United Kingdom, 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 strengthening our cooperation with key partners in the Indo-Pacific, including Japan, India, the Republic of Korea, and France. Defence is enhancing operational cooperation with Japan through the 2022 Joint Declaration on Security Cooperation and the Australia-Japan Reciprocal Access Agreement, both reflections of our strategic alignment. Defence is 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. Defence is also deepening operational cooperation with France in the Indo-Pacific.

A strong partnership with defence industry is critical in delivering Defence capabilities. A capable, resilient, competitive and innovative sovereign defence industrial base enables Defence's mission and Australia's national security outcomes. The Government has released the *2024 Defence Industry Development Strategy*, establishing the framework and principles for the direction of defence industry policy. The Strategy includes initiatives to develop the sovereign defence industrial base required to meet our national security needs. The next Defence Industry Development Strategy will be delivered in 2026 to align with the biennial National Defence Strategy cycle.

A focus in 2024-25 continues to be the implementation of the amendments to the *Defence Trade Control Act 2012* to create a trilateral export licence-free environment with the United States and the United Kingdom. Defence will also seek to strengthen industrial engagement with other priority partners in the region to bolster collective capability and resilience. 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.

Intelligence delivers decision advantage to the Government, Defence leaders and operational commanders. It is a critical enabler for the integration and interoperability of our next-generation

platforms, ensuring a capability edge through superior battlespace awareness. Defence Intelligence agencies continue to work closely with, and as, members of the National Intelligence Community so that current and future national security challenges are met and Australia's interests are maintained and protected.

Linked Programs

The following changes have been made to the Outcome 2 Strategy since the *PBS 2024-25:*

Department of Industry, Science and Resources
Program 1.1 – Growing innovative and competitive businesses, industries and regions. Program 1.2 – Investing in science and technology. Program 1.4 – Nuclear-Powered Submarines.
Contribution to Outcome 2 by linked programs
The Department of Industry, Science and Resources (DISR) works closely with the department on enterprise-level programs to ensure alignment with whole-of-government industry policy and to support the development of innovative and competitive businesses. This includes supporting the development of defence industry policy and related programs, and facilitating links between Defence activities and industry initiatives including the National Reconstruction Fund, Buy Australian Plan, designing and implementing grants programs, and Australian Industry Participation. DISR engages with the Office of Defence Industry Support to identify and support Australian businesses seeking to increase their capability and capacity to participate in supply chains for defence projects. DISR collaborates with Defence to ensure a complementary approach between civil space policy, industry development, regulation of space activities and Defence's space responsibilities and interests. DISR, through the Australian Radioactive Waste Agency and the Australian Nuclear Science and Technology Organisation, is supporting Defence's acquisition of conventionally-armed, nuclear-powered submarines. DISR engages with the department regarding Defence Export Controls to prevent the unwanted transfer of dual-use and critical technologies to harness the benefits while protecting Australia's research capability, innovation and comparative advantage. DISR works with Defence on initiatives to address critical workforce shortages in STEM by attracting and retaining Australians from diverse backgrounds in STEM education and careers.

Department of the Treasury
Program 1.1 – Department of the Treasury. Program 1.4 – Commonwealth-State Financial Relations.
Contribution to Outcome 2 by linked program
The Treasury, on behalf of the Government, provides financial support to the states and territories to support the delivery of specified outputs or projects, facilitate reforms or reward jurisdictions that deliver on nationally significant reforms. Defence participates as a consult partner in Australia's Foreign Investment Framework, undertaking risk assessments in relation to foreign investment applications, where those applications have national security implications or affect Defence interests.

The Australian Trade and Investment Commission (Austrade)
Program 1.1 – Support Australian exporters to expand internationally, attract productive international investment, and grow the visitor economy.
Contribution to Outcome 2 by linked programs
Implementation of the Government's Defence Export Strategy is led by Defence. 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.

Outcome 2 Resources

Table 20: Total Budgeted Resources Available for Outcome 2

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Program 2.1 Strategy, Policy and Industry						
Revenues from other sources	33,709	575	564	575	598	625
Expenditure funded by appropriations	900,831	830,566	749,559	776,979	676,936	773,588
Program 2.2 Defence Executive Support						
Revenues from other sources	1,849	4,299	3,017	3,403	3,524	3,068
Expenditure funded by appropriations	587,760	502,198	682,329	614,815	660,877	776,125
Program 2.3 Defence Finance [a]						
Revenues from other sources	139,860	26,859	32,586	7,833	8,047	7,175
Expenditure funded by appropriations	89,290	255,590	166,187	177,398	182,523	181,230
Program 2.4 Joint Capabilities						
Revenues from other sources	59,926	1,872	15,081	15,429	15,840	16,210
Expenditure funded by appropriations	2,433,753	2,554,903	2,553,090	2,483,105	2,896,673	3,993,445
Program 2.5 Navy Capabilities						
Revenues from other sources	113,677	59,015	59,015	22,844	23,440	24,053
Expenditure funded by appropriations	10,618,561	10,705,000	11,225,042	11,808,413	12,784,280	12,760,869
Program 2.6 Army Capabilities						
Revenues from other sources	42,428	20,990	48,942	47,486	41,293	44,974
Expenditure funded by appropriations	11,361,321	11,751,745	11,785,410	12,949,222	13,767,834	14,442,777
Program 2.7 Air Force Capabilities						
Revenues from other sources	106,571	41,900	41,900	42,978	44,082	45,216
Expenditure funded by appropriations	10,856,220	9,469,480	9,579,569	9,818,611	10,671,027	10,856,019
Program 2.8 Australian Defence Force Headquarters						
Revenues from other sources	67,728	13,378	185,382	9,425	7,941	6,908
Expenditure funded by appropriations	294,291	231,705	228,413	213,746	200,047	210,373
Program 2.9 Capability Acquisition and Sustainment						
Revenues from other sources	33,817	26,353	2,397	2,000	2,000	2,000
Expenditure funded by appropriations	909,737	1,293,951	1,226,635	1,528,891	1,706,402	1,784,287
Program 2.10 Security and Estate						
Revenues from other sources	647,123	449,640	569,147	708,444	585,025	615,208
Expenditure funded by appropriations	6,322,939	6,156,935	6,363,857	6,124,513	6,484,365	6,668,822
Program 2.11 Defence Digital						
Revenues from other sources	42,905	57,892	57,189	65,791	72,240	66,712
Expenditure funded by appropriations	1,546,326	1,610,899	1,580,754	1,660,269	1,929,164	2,159,849
Program 2.12 Defence People						
Revenues from other sources	13,317	16,523	13,973	15,181	15,373	14,618
Expenditure funded by appropriations	2,158,454	2,341,105	1,912,075	2,057,822	2,162,427	2,279,981
Program 2.13 Defence Science and Technology						
Revenues from other sources	12,791	4,497	4,497	4,643	4,759	4,872
Expenditure funded by appropriations	798,245	673,139	669,883	736,851	790,349	954,960
Program 2.14 Defence Intelligence						
Revenues from other sources	1,794	4,480	972	4,592	4,707	4,825
Expenditure funded by appropriations	703,514	1,007,250	905,572	1,062,671	1,328,801	1,545,124
Program 2.15 Naval Shipbuilding and Sustainment						
Revenues from other sources	34	-	-	-	-	-
Expenditure funded by appropriations	271,958	263,584	284,348	246,036	239,288	247,090
Program 2.16 Nuclear-Powered Submarines						
Revenues from other sources	10	-	-	-	-	-
Expenditure funded by appropriations	463,947	2,807,197	2,323,100	2,976,861	1,197,603	4,869,652

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Program 2.19 Defence Trusts and Joint Accounts						
Revenues from other sources	139,448	297,555	130,179	109,820	197,928	381,111
Total Expenditure	109,973	305,192	137,703	109,806	197,906	381,090
Program 2.20 Defence Force Superannuation Benefits Program and Program 2.21 Defence Force Superannuation Nominal Interest						
Defence Force Retirement Benefits Act, 1948 Part 1, s.15D and VIC, s.82ZJ (1)	32,452	27,613	27,800	25,568	23,707	22,017
Defence Force Retirements and Death Benefits Act, 1973 Part XII, s.125 (3)	1,811,068	1,917,602	1,859,273	1,847,396	1,883,901	1,923,075
Military Superannuation and Benefits Act, 1991 Part V, s.17 [b]	2,230,000	2,325,519	2,230,760	2,551,277	2,807,438	3,070,905
Australian Defence Force Cover Act 2015	118,941	183,189	190,000	255,776	319,356	409,775
Expenses not requiring appropriation	5,723,586	5,338,408	5,365,608	5,386,429	5,616,401	5,875,013
Total Administered expenses [c]	**9,916,047**	**9,792,331**	**9,673,441**	**10,066,446**	**10,650,803**	**11,300,785**
Administered revenues from other sources	-1,129,955	-1,067,060	-1,100,849	-1,043,042	-986,327	-931,434
Total Program 2.20 and 2.21	**8,786,092**	**8,725,271**	**8,572,592**	**9,023,403**	**9,664,477**	**10,369,351**
Program 2.22 Housing Assistance						
Defence Home Ownership Assistance Scheme Act 2008 Part VI, s.84	366,025	236,275	236,275	255,100	275,795	298,595
Expenses not requiring appropriation	-	-	-	-	-	-
Total Administered expenses	**366,025**	**236,275**	**236,275**	**255,100**	**275,795**	**298,595**
Administered revenues from other sources	-20,964	-23,978	-23,978	-26,573	-29,426	-32,570
Total Program 2.22	**345,061**	**212,297**	**212,297**	**228,527**	**246,369**	**266,025**
Program 2.23 Other Administered						
Expenses not requiring appropriation	-	-	-	-	-	-
Total Administered expenses	**-**	**-**	**-**	**-**	**-**	**-**
Administered revenues from other sources	-44,015	-41,877	-41,908	-43,047	-44,232	-46,973
Total Program 2.23	**-44,015**	**-41,877**	**-41,908**	**-43,047**	**-44,232**	**-46,973**
Total resourcing						
Total operating expense (incl. repayment of lease liabilities) funded by appropriation	35,257,507	38,723,921	38,644,882	40,238,755	40,932,194	44,465,837
Net capital (surplus) / deficit	744,193	-	-	-	-	-
Capital Prepayment	-	-	-	-	-	-
Total Gifted assets included in budget estimates	-	-	-	-	-	-
Total Administered [d]	4,271,830	4,690,199	4,544,107	4,935,116	5,310,198	5,724,366
Total Departmental revenue from other sources	1,317,541	728,274	1,034,661	950,623	828,869	856,463
Total Administered revenue from other sources [e]	1,194,934	1,132,915	1,166,735	1,112,662	1,059,985	1,010,977
Administered returns to the Official Public Account [f]	-1,489,819	-1,413,156	-1,433,092	-1,367,249	-1,302,826	-1,241,307
Prior year appropriation	-	-	-	-	-	-
Total capital expenditure funded by Equity injection:						
- Bill 1 DCB	2,776,423	3,141,090	2,638,173	3,079,566	3,002,481	3,268,897
- Bill 2 Equity	11,539,024	10,590,238	10,952,770	11,917,882	13,743,923	16,769,460
Total resources for Outcome 2	**55,611,633**	**57,593,482**	**57,548,238**	**60,867,356**	**63,574,824**	**70,854,694**
Net revenue/ (expenditure) in relation to Defence Trusts and Joint Accounts	29,475	-7,637	-7,525	14	22	21
Total resources for Outcome 2 including Defence Trusts and Joint Accounts	**55,641,108**	**57,585,844**	**57,540,713**	**60,867,370**	**63,574,845**	**70,854,715**

Notes

a. The lower Defence Finance expenditure in 2023-24 is driven by the whole-of-department employees expenses and net write down and impairment of assets adjustments that Defence Finance manage centrally, on behalf of whole of Defence. The Defence Finance revenue from other sources includes receipts/ refunds from other agencies, that are managed centrally.

b. Includes estimated resourcing used to meet payments for Defence Force Superannuation Nominal Interest under Military Superannuation and Benefits Act, 1991 Part V, s.17. The corresponding estimates for total expenses is disclosed under Program 2.20.

c. Figures for 2023-24 and 2024-25 have been calculated using the applicable AASB 119 interest rate. Forward years are estimated based on the discount rate determined by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports, being CPI plus 2.5 per cent.

d. Includes estimated resourcing required to meet payments for the Defence Superannuation Benefits. Table 60 shows estimates of total expenses for the Defence Superannuation Schemes.

e. Total Administered revenue from other sources comprises of Military superannuation contributions, competitive neutrality revenue received from Defence Housing Australia and licence fees received under the Defence Home Ownership Assistance Scheme.

f. Administered returns to the Official Public Account (OPA) are in relation to Administered revenue from activities performed by Defence on behalf of the Australian Government including administered receipts passed through from Superannuation programs to the OPA.

Contributions to Outcome 2

Program 2.1: Strategy, Policy and Industry

Performance information is as reported in the *PBS 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	98,229	108,955	120,096	124,824	129,097	133,219
Suppliers	731,259	643,764	590,536	611,019	520,642	573,144
Other expenses	76,813	51,156	20,520	8,287	8,143	7,984
	906,301	**803,875**	**731,152**	**744,131**	**657,882**	**714,348**
Expenses not requiring appropriation						
Depreciation and amortisation	9,441	37,881	7,823	8,401	8,617	9,116
Inventory consumption	14,472	-	-	-	-	-
Net write-down and net impairment of assets [a] [b]	-323	644	-373	-394	-416	-438
	23,590	**38,525**	**7,450**	**8,007**	**8,202**	**8,678**
Total operating expenses	**929,891**	**842,400**	**738,602**	**752,138**	**666,084**	**723,025**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	27,582	18,070	11,557	25,897	12,032	52,287
Purchases of inventory	657	-	-	-	-	-
Principal repayments of lease liabilities	-	9,195	7,414	7,526	7,620	7,579
Total capital expenditure	**28,239**	**27,266**	**18,971**	**33,423**	**19,652**	**59,866**
Program 2.1 Strategy, Policy and Industry Total funded expenditure [c]	**934,540**	**831,141**	**750,123**	**777,554**	**677,534**	**774,213**

Notes
a. Defence has a Net write-down and impairment of assets in 2023-24.
b. Defence has a Net write-down and impairment of assets in 2024-25 Revised Estimate and the Forward Estimates.
c. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.2: Defence Executive Support

Performance information is as reported in the *PBS 2024-25*.

Table 22: Cost Summary for Program 2.2 Defence Executive Support

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	128,678	90,899	156,250	157,957	160,883	165,711
Suppliers	256,154	330,842	348,119	359,032	316,817	380,950
Other expenses	2,631	2,743	1,993	2,811	2,881	2,752
	387,463	**424,483**	**506,362**	**519,799**	**480,581**	**549,413**
Expenses not requiring appropriation						
Depreciation and amortisation	51,191	12,521	46,734	35,311	57,535	59,747
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	2,094	13,000	14,611	17,632	21,278	25,678
	53,285	**25,521**	**61,345**	**52,943**	**78,813**	**85,426**
Total operating expenses	**440,748**	**450,004**	**567,707**	**572,742**	**559,394**	**634,838**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	202,146	82,000	178,967	98,401	183,802	229,763
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	15	17	18	18	17
Total capital expenditure	**202,146**	**82,014**	**178,984**	**98,418**	**183,820**	**229,781**
Program 2.2 Defence Executive Support Total funded expenditure [a] [b]	**589,609**	**506,497**	**685,346**	**618,218**	**664,401**	**779,193**

Notes

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

b. The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.3: Defence Finance

Performance information is as reported in the *PBS 2024-25*.

Table 23: Cost Summary for Program 2.3 Defence Finance [a]

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees [b] [c]	72,931	190,254	107,738	111,395	115,215	112,712
Suppliers	73,581	88,361	87,233	69,957	71,399	71,641
Other expenses	82,638	3,834	3,801	3,878	3,956	4,052
	229,150	**282,449**	**198,773**	**185,231**	**190,570**	**188,405**
Expenses not requiring appropriation						
Depreciation and amortisation	-	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets [c]	27,588	-	-	-	-	-
	27,588	**-**	**-**	**-**	**-**	**-**
Total operating expenses	**256,738**	**282,449**	**198,773**	**185,231**	**190,570**	**188,405**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	-	-	-	-	-	-
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**-**	**-**	**-**	**-**	**-**	**-**
Program 2.3 Defence Finance Total funded expenditure [d]	**229,150**	**282,449**	**198,773**	**185,231**	**190,570**	**188,405**

Notes

a. The Defence Finance Program includes budget adjustments applied at the whole of Defence level, and not otherwise applied to other programs. The Revised Estimate for 2024-25 reflects changes to such whole of Defence budget adjustments.
b. Full-time equivalent headcount is held in this Program from time to time for future prioritisation.
c. Employees and Net write down and impairment of assets in 2023-24 includes adjustments made on behalf of whole of Defence. Employee expenses for Program 2.3 Defence Finance are lower in 2023-24 (compared to Revised and Forward Estimates) predominantly due to the gain associated with the actuarial assumptions, including from the increase in government bond rates as at 30 June 2024 compared to 30 June 2023.
d. 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 2024-25*.

Table 24: Cost Summary for Program 2.4 Joint Capabilities

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	168,804	167,310	168,575	177,168	183,026	188,563
Suppliers	1,582,104	1,655,208	1,633,186	1,480,817	1,797,200	2,091,028
Other expenses	2,481	24	21	21	21	21
	1,753,389	**1,822,542**	**1,801,782**	**1,658,005**	**1,980,247**	**2,279,612**
Expenses not requiring appropriation						
Depreciation and amortisation	122,484	100,594	126,322	123,127	134,664	139,842
Inventory consumption	210,254	-	-	-	-	-
Net write-down and net impairment of assets	77,070	353,307	446,068	475,227	506,317	539,469
	409,808	**453,901**	**572,389**	**598,353**	**640,981**	**679,311**
Total operating expenses	**2,163,197**	**2,276,443**	**2,374,171**	**2,256,358**	**2,621,228**	**2,958,922**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	719,859	734,165	766,333	840,471	932,209	1,729,986
Purchases of inventory	20,432	-	-	-	-	-
Principal repayments of lease liabilities	-	68	57	58	57	57
Total capital expenditure	**740,291**	**734,233**	**766,390**	**840,528**	**932,267**	**1,730,044**
Program 2.4 Joint Capabilities Total funded expenditure [a] [b]	**2,493,680**	**2,556,775**	**2,568,171**	**2,498,534**	**2,912,513**	**4,009,655**

Notes

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

b. The change in estimates includes movement of functions and their associated budgets within Defence.

Program 2.5: Navy Capabilities

Performance information is as reported in the *PBS 2024-25*.

Table 25: Cost Summary for Program 2.5 Navy Capabilities

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	2,693,461	2,928,118	2,830,368	3,015,870	3,227,776	3,390,229
Suppliers	3,777,416	3,638,349	4,278,556	4,394,291	4,437,967	4,295,498
Other expenses	16,168	5,778	9,288	6,276	5,841	5,448
	6,487,045	**6,572,245**	**7,118,212**	**7,416,436**	**7,671,584**	**7,691,176**
Expenses not requiring appropriation						
Depreciation and amortisation	1,623,277	1,461,471	1,721,870	1,694,019	1,807,201	1,876,644
Inventory consumption	201,155	356,729	366,693	367,939	345,363	386,796
Net write-down and net impairment of assets	45,517	62,122	26,171	27,776	29,480	31,289
	1,869,949	**1,880,322**	**2,114,733**	**2,089,735**	**2,182,043**	**2,294,729**
Total operating expenses	**8,356,994**	**8,452,567**	**9,232,946**	**9,506,171**	**9,853,628**	**9,985,904**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,687,992	3,723,328	3,555,162	3,818,798	4,618,602	4,478,422
Purchases of inventory	540,471	445,256	582,675	567,853	489,197	583,125
Principal repayments of lease liabilities	16,731	23,185	28,007	28,170	28,337	32,199
Total capital expenditure	**4,245,194**	**4,191,770**	**4,165,845**	**4,414,821**	**5,136,136**	**5,093,746**
Program 2.5 Navy Capabilities Total funded expenditure [a] [b]	**10,732,239**	**10,764,015**	**11,284,057**	**11,831,257**	**12,807,720**	**12,784,922**

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

Table 26: Navy Deliverables (Unit Availability Days) [a]

Deliverables		2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
16	Major Combatants [b]	3,294	2,420	2,944	3,377	3,191
17	Minor Combatants [c]	3,593	3,434	2,334	2,269	2,201
5	Amphibious and Afloat Support [d]	1,125	709	1,086	1,009	1,128
13	Maritime Teams [e]	3,941	3,941	3,302	3,302	4,748
3	Hydrographic Force [f]	526	591	565	365	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 seven *Anzac* class frigates, three *Hobart* class destroyers and six *Collins* class submarines. Reduction in UAD's is due to variation of maintenance activities across *Anzac* class frigates and delayed planned maintenance periods across *Collins* class submarines.
c. Minor Combatants comprises thirteen *Armidale* class patrol boats, two *Cape* class patrol boats and two *Huon* class coastal minehunters. Decreases UAD's due to HMAS *Gascoyne* decommissioning.
d. Amphibious and Afloat Support comprises two *Supply* class replenishment ships, two *Canberra* class amphibious ships and HMAS *Choules*. Propulsion shaft line defects for HMAS *Supply* and the HMAS *Stalwart* PDE defect have decreased UAD for both vessels.
e. Maritime Teams comprises two Clearance Diving teams, five Deployable Geospatial Support, four Deployable Meteorological teams and two Senior Deployable Meteorologist. Nil change.
f. Hydrographic Force comprises two *Leeuwin* class hydrographic ships and the Naval Air Station Weather and Oceanographic Centre. Increase in UAD's due to extension of HMAS *Melville's* decommissioning date.

Table 27: Navy Deliverables (Flying Hours)

Deliverables		2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
23	MH-60R [a]	6,250	6,250	7,200	7,200	7,200

Notes

a. Nil change.

Program 2.6: Army Capabilities

Performance information is as reported in the *PBS 2024-25*.

Table 28: Cost Summary for Program 2.6 Army Capabilities

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	4,692,653	5,010,716	4,886,218	5,260,196	5,620,486	5,906,961
Suppliers	2,461,875	2,596,229	2,940,053	3,144,229	3,404,685	3,190,565
Other expenses	2,985	124	4,356	4,427	4,499	4,572
	7,157,513	**7,607,069**	**7,830,626**	**8,408,853**	**9,029,670**	**9,102,098**
Expenses not requiring appropriation						
Depreciation and amortisation	1,659,291	1,494,655	1,780,544	1,703,313	1,858,096	1,930,365
Inventory consumption	327,225	614,581	553,736	624,890	724,976	770,163
Net write-down and net impairment of assets	260,542	74,262	222,560	236,293	250,874	266,355
	2,247,058	**2,183,498**	**2,556,841**	**2,564,495**	**2,833,945**	**2,966,884**
Total operating expenses	**9,404,571**	**9,790,567**	**10,387,468**	**10,973,348**	**11,863,616**	**12,068,982**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,444,639	3,211,550	3,097,686	3,620,332	3,750,806	4,292,332
Purchases of inventory	801,597	943,128	897,108	958,451	1,019,448	1,084,067
Principal repayments of lease liabilities	-	10,988	8,932	9,072	9,203	9,254
Total capital expenditure	**4,246,236**	**4,165,666**	**4,003,726**	**4,587,855**	**4,779,457**	**5,385,653**
Program 2.6 Army Capabilities Total funded expenditure [a] [b]	**11,403,749**	**11,772,735**	**11,834,352**	**12,996,708**	**13,809,127**	**14,487,751**

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

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

Deliverables		2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
14	CH-47F Chinook	3,000	2,450	3,000	3,000	3,000
22	ARH Tiger [a]	2,995	2,595	1,315	450	450
46	MRH-90 Taipan [b]	-	-	-	-	-
29	AH-64E Apache [c]	-	-	1,000	3,250	4,920
40	UH-60M Black Hawk [d]	2,900	2,900	4,100	4,500	5,400
2	RQ-7B Shadow 200 – Tactical Uncrewed Aerial System (TUAS) [e]	500	1,584	-	-	-
6	RQ-21 Integrator – TUAS [f]	1,250	1,250	2,750	2,000	2,000
3	AW139	1,500	1,500	-	-	-
5	H135 [g]	3,000	1,500	3,000	3,000	3,000

Notes

a. Reducing ARH Tiger Rate of Effort reflects transition of the capability to the replacement Boeing AH-64E Apache.
b. 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.
c. 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 4, 2025 and will progressively increase to a fleet of 29.
d. 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.
e. Increase in Shadow 200 TUAS Rate of Effort is reflective of operational support. Shadow 200 will be withdrawn from service in December 24.
f. RQ-21 Integrator TUAS Forward Estimates reflect the fleet's planned introduction into service as it replaces Shadow 200 TUAS. The increase in 2025-26 estimate is due to anticipated support to operations. System deliveries have commenced and will progressively increase to a fleet of 6 systems.
g. H135 revised ROE has reduced due to H135 flight operations commencing 6 months later than planned.

Program 2.7: Air Force Capabilities

Performance information is as reported in the *PBS 2024-25*.

Table 30: Cost Summary for Program 2.7 Air Force Capabilities

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	2,685,586	2,866,295	2,804,717	3,005,108	3,211,722	3,374,814
Suppliers	4,141,703	4,112,228	4,374,272	4,455,763	4,491,049	4,508,762
Other expenses	11,070	2,616	1,998	2,006	2,053	2,085
	6,838,359	**6,981,139**	**7,180,987**	**7,462,877**	**7,704,824**	**7,885,661**
Expenses not requiring appropriation						
Depreciation and amortisation	1,909,688	1,693,550	1,741,850	1,710,577	1,832,446	1,903,816
Inventory consumption	415,323	341,370	345,210	384,592	428,490	473,689
Net write-down and net impairment of assets	70,159	67,575	55,047	60,286	66,084	72,510
	2,395,170	**2,102,495**	**2,142,107**	**2,155,456**	**2,327,019**	**2,450,015**
Total operating expenses	**9,233,529**	**9,083,634**	**9,323,095**	**9,618,333**	**10,031,843**	**10,335,676**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,350,167	2,080,608	1,880,911	1,792,349	2,391,664	2,305,953
Purchases of inventory	774,265	416,286	546,561	593,168	605,310	696,667
Principal repayments of lease liabilities	-	33,347	13,010	13,195	13,311	12,954
Total capital expenditure	**4,124,432**	**2,530,241**	**2,440,482**	**2,398,712**	**3,010,285**	**3,015,574**
Program 2.7 Air Force Capabilities Total funded expenditure [a] [b]	**10,962,791**	**9,511,380**	**9,621,469**	**9,861,589**	**10,715,109**	**10,901,235**

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

Table 31: Air Force Deliverables (Flying Hours)

Air Force is expecting to under-fly its annual Rate of Effort by 12% spanning multiple aircraft types in Financial Year 2024-25. Generating flying hours for each platform is a complex relationship across the fundamental inputs to capability, managing increasing sustainment costs and deploying aircraft to provide effective response options to government that have resulted in a reduction of flying hours. Air Force and its partners continue to manage each platform to generate and deliver highly effective Air Power.

Deliverables [a]		2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
49	PC-21	26,820	24,700	26,820	26,820	26,820
11	KA350 King Air	3,800	3,800	3,800	3,800	3,800
12	C-130J Hercules	7,350	5,150	7,350	7,350	7,350
8	C-17A Globemaster III	6,200	5,000	6,200	6,200	6,200
10	C-27J Spartan	5,500	4,800	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	1,750	2,400	2,400	2,400
12	P-8A Poseidon[b]	5,800	5,800	6,200	6,600	7,000
6	E-7A Wedgetail	3,600	3,200	3,600	3,600	3,600
24	F/A-18F Super Hornet	4,500	3,520	4,500	4,500	4,500
33	Hawk 127	6,500	5,350	6,500	6,500	6,500
12	EA-18G Growler	2,800	2,400	2,800	2,800	2,800
72	F-35A Lightning II[c]	11,000	10,000	11,500	12,000	12,000
-	MC-55A Peregrine[d]	-	-	400	1,650	2,400
-[e]	MQ-4C Triton	300	300	1,500	2,000	2,600

Notes
a. Fleet sizes represent totals in service at 01 January 25.
b. P-8A Poseidon forward estimates reflects projected workforce growth.
c. F-35A Lightning II forward estimates reflects projected workforce growth.
d. MC-55A Peregrine forward estimates variation due to maturing understanding of the platform's employment.
e. First MQ-4C Triton arrived in Australia in June 2024 however, is undergoing testing prior to entering service with Air Force.

Program 2.8: Australian Defence Force Headquarters

Performance information is as reported in the *PBS 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	33,253	38,457	46,573	45,266	46,749	48,166
Suppliers	322,891	198,967	362,091	177,799	161,132	150,890
Other expenses	456	5,121	5,111	88	90	91
	356,600	**242,545**	**413,776**	**223,153**	**207,971**	**199,147**
Expenses not requiring appropriation						
Depreciation and amortisation	12,754	15,791	12,863	13,807	13,457	13,971
Inventory consumption	964	-	-	-	-	-
Net write-down and net impairment of assets	257	408	205	218	232	247
	13,975	**16,199**	**13,068**	**14,025**	**13,689**	**14,217**
Total operating expenses	**370,575**	**258,744**	**426,844**	**237,178**	**221,660**	**213,365**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	5,406	2,058	-	-	-	18,124
Purchases of inventory	13	-	-	-	-	-
Principal repayments of lease liabilities	-	480	19	18	17	10
Total capital expenditure	**5,419**	**2,538**	**19**	**18**	**17**	**18,134**
Program 2.8 Australian Defence Force Headquarters Total funded expenditure [a] [b]	**362,019**	**245,083**	**413,795**	**223,171**	**207,988**	**217,281**

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 (including Guided Weapons and Explosive Ordnance Group)

Performance information is as reported in the *PBS 2024-25*.

Table 33: Cost Summary for Program 2.9 Capability Acquisition and Sustainment (including Guided Weapons and Explosive Ordnance Group)

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	422,272	459,733	465,546	484,272	499,996	514,379
Suppliers	477,594	666,841	515,438	490,255	557,154	523,220
Other expenses	3	14	24,284	24,470	26,200	26,200
	899,869	**1,126,588**	**1,005,268**	**998,997**	**1,083,350**	**1,063,799**
Expenses not requiring appropriation						
Depreciation and amortisation	713	201,546	777	1,049	697	723
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets [a] [b]	-3,310	219	-2,672	-2,811	-2,958	-3,111
	-2,597	**201,765**	**-1,895**	**-1,762**	**-2,261**	**-2,389**
Total operating expenses	**897,272**	**1,328,353**	**1,003,373**	**997,236**	**1,081,089**	**1,061,410**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	43,685	193,614	223,763	531,894	625,052	722,488
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	102	-	-	-	-
Total capital expenditure	**43,685**	**193,716**	**223,763**	**531,894**	**625,052**	**722,488**
Program 2.9 Capability Acquisition and Sustainment Total funded expenditure [c]	**943,554**	**1,320,304**	**1,229,032**	**1,530,891**	**1,708,402**	**1,786,287**

Notes
a. Defence has a Net write-down and impairment of assets in 2023-24.
b. Defence has a Net write-down and impairment of assets in 2024-25 Revised Estimate and the Forward Estimates.
c. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.10: Security and Estate

Performance information is as reported in the *PBS 2024-25*.

Table 34: Cost Summary for Program 2.10 Security and Estate

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	1,192,467	1,407,979	1,467,493	1,555,093	1,636,970	1,722,061
Suppliers	3,901,734	3,673,648	3,542,914	3,529,632	3,901,487	4,287,543
Other expenses	181,313	114,360	111,961	110,263	108,312	106,263
	5,275,514	**5,195,986**	**5,122,367**	**5,194,988**	**5,646,769**	**6,115,867**
Expenses not requiring appropriation						
Depreciation and amortisation	1,569,807	1,523,624	1,626,823	1,688,284	1,751,593	1,809,522
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	12,477	70,648	6,214	6,578	6,955	7,346
	1,582,284	**1,594,272**	**1,633,037**	**1,694,862**	**1,758,549**	**1,816,868**
Total operating expenses	**6,857,798**	**6,790,258**	**6,755,404**	**6,889,850**	**7,405,318**	**7,932,735**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	1,315,442	1,226,974	1,496,317	1,317,181	1,094,851	835,996
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	379,106	183,615	314,320	320,787	327,769	332,167
Total capital expenditure	**1,694,548**	**1,410,589**	**1,810,637**	**1,637,969**	**1,422,621**	**1,168,162**
Program 2.10 Security and Estate Total funded expenditure [a]	**6,970,062**	**6,606,575**	**6,933,004**	**6,832,957**	**7,069,390**	**7,284,030**

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

Program 2.11: Defence Digital

Performance information is as reported in the *PBS 2024-25*.

Table 35: Cost Summary for Program 2.11 Defence Digital

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	87,026	68,629	87,807	91,441	94,406	97,213
Suppliers	1,493,851	1,554,170	1,500,066	1,604,638	1,659,616	1,883,395
Other expenses	23	35	26	27	27	27
	1,580,900	**1,622,834**	**1,587,899**	**1,696,105**	**1,754,049**	**1,980,636**
Expenses not requiring appropriation						
Depreciation and amortisation	184,059	304,922	189,422	213,336	193,695	201,259
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets [a] [b]	-3,103	28,626	-5,930	-6,255	-6,597	-6,959
	180,956	**333,548**	**183,492**	**207,081**	**187,097**	**194,300**
Total operating expenses	**1,761,856**	**1,956,382**	**1,771,391**	**1,903,186**	**1,941,146**	**2,174,936**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	8,332	32,000	32,000	11,871	229,242	227,825
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	13,957	18,045	18,083	18,114	18,100
Total capital expenditure	**8,332**	**45,957**	**50,045**	**29,955**	**247,355**	**245,925**
Program 2.11 Defence Digital Total funded expenditure [c] [d]	**1,589,232**	**1,668,791**	**1,637,943**	**1,726,060**	**2,001,404**	**2,226,561**

Notes
a. Defence has a Net write-down and impairment of assets in 2023-24.
b. Defence has a Net write-down and impairment of assets in 2024-25 Revised Estimate and the Forward Estimates.
c. Total Program funded expenditure includes operating expenses, capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.
d. 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 2024-25*.

Table 36: Cost Summary for Program 2.12 Defence People (including Chief of Personnel)[a]

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees [b]	1,020,115	1,149,643	1,067,333	1,214,427	1,280,010	1,347,950
Suppliers [b]	1,130,408	1,121,640	817,483	818,203	857,638	905,924
Other expenses	7,381	7,779	4,243	5,106	5,131	5,155
	2,157,904	**2,279,062**	**1,889,059**	**2,037,736**	**2,142,779**	**2,259,028**
Expenses not requiring appropriation						
Depreciation and amortisation	30,541	15,840	30,425	29,390	32,476	33,431
Inventory consumption	282	38,337	11,680	12,309	13,204	14,453
Net write-down and net impairment of assets [c] [d]	-692	2,554	-846	-898	-953	-1,011
	30,131	**56,731**	**41,258**	**40,800**	**44,727**	**46,873**
Total operating expenses	**2,188,035**	**2,335,793**	**1,930,317**	**2,078,536**	**2,187,506**	**2,305,901**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,447	21	7,800	6,857	6,759	6,921
Purchases of inventory	10,421	70,466	19,635	18,711	18,444	18,886
Principal repayments of lease liabilities	-	8,079	9,553	9,699	9,818	9,763
Total capital expenditure	**13,868**	**78,566**	**36,989**	**35,267**	**35,021**	**35,570**
Program 2.12 Defence People Total funded expenditure [e]	**2,171,772**	**2,357,628**	**1,926,048**	**2,073,003**	**2,177,800**	**2,294,599**

Notes

a. The Defence People Group includes the funded expenditure for the Military Personnel Group and the People Strategy Group.
b. The change in estimates includes movement of functions and their associated budgets within Defence. The change between the budget estimate and the revised estimate relates to the transfer of responsibilities and costs associated with ADF Removals and the Employer Support Payment Scheme (ESPS) from the Military Personnel Group to the Services.
c. Defence has a Net write-down and impairment of assets in 2023-24.
d. Defence has a Net write-down and impairment of assets in 2024-25 Revised Estimate and the Forward Estimates.
e. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.13: Defence Science and Technology

Performance information is as reported in the *PBS 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	370,550	384,672	369,986	383,602	396,194	408,107
Suppliers	427,540	291,645	303,135	356,620	397,629	532,948
Other expenses	9,298	1,136	1,120	1,131	1,143	1,155
	807,388	**677,453**	**674,241**	**741,353**	**794,965**	**942,210**
Expenses not requiring appropriation						
Depreciation and amortisation	47,104	37,837	58,926	79,405	52,758	54,781
Inventory consumption	71	155	-	-	-	-
Net write-down and net impairment of assets [a] [b]	-3,522	2,195	-4,500	-4,739	-4,990	-5,254
	43,653	**40,186**	**54,426**	**74,666**	**47,768**	**49,526**
Total operating expenses	**851,041**	**717,639**	**728,668**	**816,018**	**842,733**	**991,736**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	3,648	-	-	-	-	17,481
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	183	139	141	143	142
Total capital expenditure	**3,648**	**183**	**139**	**141**	**143**	**17,623**
Program 2.13 Defence Science and Technology Total funded expenditure [c]	**811,036**	**677,636**	**674,380**	**741,494**	**795,108**	**959,832**

Notes
a. Defence has a Net write-down and impairment of assets in 2023-24.
b. Defence has a Net write-down and impairment of assets in 2024-25 Revised Estimate and the Forward Estimates.
c. Total Program funded expenditure includes operating expenses and capital expenditure funded by appropriation and own source revenue. This excludes expenses not requiring appropriation.

Program 2.14: Defence Intelligence

Performance information is as reported in the *PBS 2024-25*.

Table 38: Cost Summary for Program 2.14 Defence Intelligence

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	141,410	148,354	154,279	160,025	165,323	170,345
Suppliers	484,077	659,650	650,773	586,817	714,451	840,830
Other expenses	8	20	1,835	806	9	9
	625,495	**808,024**	**806,887**	**747,648**	**879,784**	**1,011,184**
Expenses not requiring appropriation						
Depreciation and amortisation	30,745	38,546	46,016	63,599	43,136	44,786
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	24,056	26,898	48,860	56,500	65,584	76,402
	54,801	**65,444**	**94,876**	**120,100**	**108,720**	**121,188**
Total operating expenses	**680,296**	**873,468**	**901,763**	**867,747**	**988,503**	**1,132,373**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	79,813	203,551	99,534	319,491	453,599	538,640
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	155	123	124	126	125
Total capital expenditure	**79,813**	**203,706**	**99,657**	**319,615**	**453,725**	**538,765**
Program 2.14 Defence Intelligence Total funded expenditure [a]	**705,308**	**1,011,730**	**906,544**	**1,067,263**	**1,333,508**	**1,549,949**

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	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
Maritime Safety Updates [a]	100%	100%	100%	100%	100%
Charting Projects [b]	15	15	15	15	15
Nautical Publications [c]	31	31	31	31	31
Survey Projects [d]	10	10	12	14	16
Australian Hydrographic Office Availability [e]	248	248	249	249	249

Notes

a. Maritime Safety Updates (MSU) are urgent safety-critical revisions to nautical charts and publications or other hydrographic products and services. All Priority 1 MSU will be applied to product and released within the agreed 20 day timeframe, with a PB Statements Target of 100 per cent achievement.

b. A Charting Project includes all charting activities involved in compiling and publishing all paper and electronic charts or other charting services, for a particular geographic area. When all affected products are updated through different charting activities a Charting Project is considered complete.

c. The Nautical Publications produced are 25 fortnightly Notices to Mariners, six annual publications. Variation to forward estimates of plus one, as the Mariner's Handbook for Australian Waters (AHP20) will be produced annually.

d. 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. HIPP Phase 2 commenced 1 July 2024 and is funded to 2033-34.

e. Australian Hydrographic Office (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 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	151,871	166,410	172,843	187,082	185,117	190,692
Suppliers	119,198	97,153	111,477	58,925	53,611	55,560
Other expenses	3	-	3	4	4	4
	271,072	**263,563**	**284,324**	**246,010**	**238,731**	**246,256**
Expenses not requiring appropriation						
Depreciation and amortisation	128	28	160	207	146	152
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	1	-	-	-	-
	128	**29**	**160**	**207**	**146**	**152**
Total operating expenses	**271,200**	**263,592**	**284,484**	**246,217**	**238,877**	**246,408**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	878	-	-	-	531	808
Purchases of inventory	42	-	-	-	-	-
Principal repayments of lease liabilities	-	21	24	25	25	26
Total capital expenditure	**920**	**21**	**24**	**25**	**557**	**834**
Program 2.15 Naval Shipbuilding and Sustainment Total funded expenditure [a]	**271,992**	**263,584**	**284,348**	**246,036**	**239,288**	**247,090**

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 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	728	-	-	-	-	-
Suppliers	444,523	2,222,182	2,128,168	2,501,139	882,748	2,671,068
Other expenses [a]	1	236,763	-	-	-	-
	445,252	**2,458,945**	**2,128,168**	**2,501,139**	**882,748**	**2,671,068**
Expenses not requiring appropriation						
Depreciation and amortisation	-	213	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	-	**213**	**-**	**-**	**-**	**-**
Total operating expenses	**445,252**	**2,459,158**	**2,128,168**	**2,501,139**	**882,748**	**2,671,068**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets	18,705	348,252	194,932	475,722	314,855	2,198,585
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**18,705**	**348,252**	**194,932**	**475,722**	**314,855**	**2,198,585**
Program 2.16 Nuclear-Powered Submarines Total funded expenditure [b]	**463,957**	**2,807,197**	**2,323,100**	**2,976,861**	**1,197,603**	**4,869,652**

Notes

a. The budget estimates for Other expenses have been reclassified to Suppliers expenses based on the expected nature of activities and spend.

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

Program 2.19: Defence Trusts and Joint Accounts

Performance information is as reported in the *PBS 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses funded by appropriation and own source revenue						
Employees	26	-	-	-	-	-
Suppliers	865	-	-	-	-	-
Other expenses	18,587	58,227	70,520	54,172	55,347	7,335
	19,478	**58,227**	**70,520**	**54,172**	**55,347**	**7,335**
Expenses not requiring appropriation						
Depreciation and amortisation	24,710	-	-	-	-	-
Inventory consumption	-	-	-	-	-	-
Net write-down and net impairment of assets	-	-	-	-	-	-
	24,710	**-**	**-**	**-**	**-**	**-**
Total operating expenses	**44,188**	**58,227**	**70,520**	**54,172**	**55,347**	**7,335**
Capital expenditure funded by appropriation and own source revenue						
Purchases of non-financial assets [a]	90,495	246,965	67,183	55,635	142,560	373,755
Purchases of inventory	-	-	-	-	-	-
Principal repayments of lease liabilities	-	-	-	-	-	-
Total capital expenditure	**90,495**	**246,965**	**67,183**	**55,635**	**142,560**	**373,755**
Program 2.19 Defence Trusts and Joint Accounts [b]	**109,973**	**305,192**	**137,703**	**109,806**	**197,906**	**381,090**

Notes

a. The change between the budget estimate and the revised estimate is due to a decision not to proceed with a prospective land acquisition and changes to the timing of the construction activity relating to the Australian-Singapore Military Training Initiative (ASMTI).

b. 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 2024-25*.

Administered Program 2.21: Defence Force Superannuation Nominal Interest

Performance information is as reported in the *PBS 2024-25*.

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

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses						
Military retention benefits	38,586	11,250	8,743	8,727	1,668	912
Military superannuation benefits [a]						
- benefits	3,877,000	3,154,190	3,145,662	3,243,167	3,554,185	3,913,002
- interest	6,000,461	6,626,891	6,519,036	6,814,551	7,094,951	7,386,872
Total expenses	**9,916,047**	**9,792,331**	**9,673,441**	**10,066,446**	**10,650,803**	**11,300,785**
Income						
Revenues [b]						
Military superannuation contributions	-1,129,955	-1,067,060	-1,100,849	-1,043,042	-986,327	-931,434
Total income	**-1,129,955**	**-1,067,060**	**-1,100,849**	**-1,043,042**	**-986,327**	**-931,434**
Program 2.20 Defence Force Superannuation Benefits and Program 2.21 Defence Force Superannuation Nominal Interest	**8,786,092**	**8,725,271**	**8,572,592**	**9,023,403**	**9,664,477**	**10,369,351**

Notes

a. Figures for 2023-24 and 2024-25 have been calculated using the applicable AASB 119 interest rate. Forward years are estimated based on the discount rate determined by the superannuation scheme actuaries in preparing the latest Long Term Cost Reports, being CPI plus 2.5 per cent.

b. Negative amounts denote revenue.

Administered Program 2.22: Housing Assistance

Performance information is as reported in the *PBS 2024-25*.

Table 44: Cost Summary for Administered Program 2.22 Housing Assistance

	2023-24 Actual Result $'000	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000	2027-28 Forward Estimate $'000
Expenses						
Housing subsidies	366,025	236,275	236,275	255,100	275,795	298,595
Total expenses	**366,025**	**236,275**	**236,275**	**255,100**	**275,795**	**298,595**
Income						
Revenues [a]						
Dividends	-	-	-	-	-	-
License fees [b]	-20,964	-23,978	-23,978	-26,573	-29,426	-32,570
Other	-	-	-	-	-	-
Total income	**-20,964**	**-23,978**	**-23,978**	**-26,573**	**-29,426**	**-32,570**
Program 2.22 Housing Assistance	**345,061**	**212,297**	**212,297**	**228,527**	**246,369**	**266,025**

Notes
a. Negative amounts denote revenue.
b. 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 2024-25*.

Table 45: Cost Summary for Administered Program 2.23 Other Administered

	2023-24 Actual Result	2024-25 Budget Estimate	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000	$'000
Expenses						
Supplier expenses	-	-	-	-	-	-
Total expenses	**-**	**-**	**-**	**-**	**-**	**-**
Income						
Revenues [a]						
Other [b]	-44,015	-41,877	-41,908	-43,047	-44,232	-46,973
Total income	**-44,015**	**-41,877**	**-41,908**	**-43,047**	**-44,232**	**-46,973**
Program 2.23 Other Administered	**-44,015**	**-41,877**	**-41,908**	**-43,047**	**-44,232**	**-46,973**

Notes
a. Negative amounts denote revenue.
b. Other revenue predominantly includes competitive neutrality revenue from Defence Housing Australia.

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 2024-25 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). 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 2024-25 as at February 2025 [a]

	Actual appropriation 2023-24	Estimate as at Budget 2024-25	Proposed Additional Estimates 2024-25	Total estimate at Additional Estimates 2024-25
	$'000	$'000	$'000	$'000
Departmental				
Annual appropriations - ordinary annual services	35,840,570	38,784,076	26,227	38,810,303
Prior year appropriations available	-	1,434,165	-766,520	667,645
Equity injection	11,539,024	10,590,238	362,532	10,952,770
Departmental Capital Budget	2,806,296	3,206,210	-499,097	2,707,113
Total departmental annual appropriations [b]	**50,185,890**	**54,014,689**	**-876,858**	**53,137,831**
Total departmental resourcing	**50,185,890**	**54,014,689**	**-876,858**	**53,137,831**
Administered				
Annual appropriations - ordinary annual services	4,271,830	4,690,199	-146,092	4,544,107
Prior year appropriations available	-	-	-	-
Equity injection	-	-	-	-
Total administered annual appropriations	**4,271,830**	**4,690,199**	**-146,092**	**4,544,107**
Total administered resourcing	**4,271,830**	**4,690,199**	**-146,092**	**4,544,107**

Notes
a. This table is prepared on the same basis as Table 1.
b. Represents Defence actual appropriation for 2023-24 as per Defence financial statements. 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.

Table 47: Third Party Payments to and from other Agencies [a]

	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000
Receipts from Defence Housing Australia for competitive neutrality revenue (Administered)	41,877	41,908
Payments made to Defence Housing Australia for the provision of services (Departmental)	793,382	825,550
Payments made to CEA Technologies Pty Ltd for the provision of services (Departmental)	283,480	248,272
Receipts from Australian Signals Directorate for the provision of services (Departmental)	102,840	102,840
Receipts from Australian Submarine Agency for the provision of services (Departmental)	41,508	33,910
Payments made to Department of Foreign Affairs and Trade for the provision of services (Departmental)	24,165	24,165
Payments made to the Commonwealth Superannuation Corporation (CSC) for the provision of services (Departmental)	39,692	39,692
Payments made to the Department of Finance for the provision of services (Departmental)	49,652	49,652
Payments made to Comcare for workers compensation premiums (Departmental)	20,760	20,760
Payments made to Bureau of Meteorology for the provision of services (Departmental)	24,339	24,339
Payments made to the Australian Federal Police for the provision of services (Departmental)	51,730	51,499

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)

	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000	Variation $'000
EXPENSES			
Employee benefits	15,190,028	14,915,545	-274,483
Supplier expenses	25,057,086	25,714,279	657,193
Grants	49,842	49,842	-
Depreciation and amortisation	6,939,017	7,390,554	451,537
Finance costs	126,015	126,072	57
Write-down of assets and impairment of assets	1,621,821	1,730,682	108,861
Foreign exchange losses	-	-	-
Net losses from sale of assets	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	58,227	70,520	12,293
Other	255,645	14,646	-240,999
Total expenses	**49,297,681**	**50,012,140**	**714,459**
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sales of goods and rendering of services	368,382	586,492	218,110
Revenue in relation to Defence Trusts and Joint Accounts	297,555	130,179	-167,376
Other revenue	317,838	450,077	132,239
Total own-source revenue	**983,775**	**1,166,748**	**182,973**
Gains			
Foreign exchange	-	-	-
Reversals of previous asset write-downs	919,361	925,267	5,906
Net gains from sale of assets	43,961	-	-43,961
Other gains	-	-	-
Total gains	**963,322**	**925,267**	**-38,055**
Total own-source income	**1,947,097**	**2,092,015**	**144,918**
Net cost of (contribution by) services	**47,350,584**	**47,920,125**	**569,541**
Revenue from Government	38,784,076	38,810,303	26,227
Surplus/ (Deficit) attributable to the Australian Government	**-8,566,510**	**-9,109,823**	**-543,313**
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	-	-	-
Total other comprehensive income/(loss)	**-**	**-**	**-**
Total comprehensive income/(loss) attributable to the Australian Government	**-8,566,510**	**-9,109,823**	**-543,313**

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

	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000	Variation $'000
Note: Impact of Net Cash Appropriation Arrangements			
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**142,747**	**-36,196**	**-178,943**
Less: Items previously included in revenue appropriation:			
Depreciation and amortisation	6,939,017	7,390,554	451,537
Inventory consumption	1,351,172	1,277,319	-73,853
Net write-down and net impairment of assets	702,460	805,415	102,955
Add: Repayment of lease liabilities funded through revenue appropriations	283,392	399,661	116,269
Surplus/ (Deficit) attributable to the Australian Government as per above	**-8,566,510**	**-9,109,823**	**-543,313**

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

	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000	Variation $'000
ASSETS			
Financial assets			
Cash and cash equivalents	302,213	285,307	-16,906
Trade and other receivables	176,252	271,222	94,970
Tax assets	413,952	396,818	-17,134
Appropriation receivable	1,434,165	667,645	-766,520
Other receivables	555,396	840,503	285,107
Total financial assets	**2,881,978**	**2,461,494**	**-420,484**
Non-financial assets			
Land and buildings	26,730,494	26,800,510	70,016
Infrastructure, plant and equipment	9,792,170	11,407,299	1,615,129
Specialist military equipment	91,851,358	92,001,354	149,996
Intangibles	2,654,077	3,840,963	1,186,886
Heritage and cultural	404,289	385,993	-18,296
Inventories	9,664,481	10,285,645	621,164
Prepayments	4,243,307	4,773,439	530,132
Total non-financial assets	**145,340,176**	**149,495,203**	**4,155,027**
Assets held for sale	76,598	68,417	-8,181
Total assets	**148,298,752**	**152,025,114**	**3,726,362**
LIABILITIES			
Payables			
Suppliers	5,896,679	5,586,749	-309,930
Other	715,251	1,697,127	981,876
Total payables	**6,611,930**	**7,283,876**	**671,946**
Interest bearing liabilities			
Leases	3,362,436	3,268,483	-93,953
Total interest bearing liabilities	**3,362,436**	**3,268,483**	**-93,953**
Provisions			
Employee provisions	3,580,316	3,552,559	-27,757
Restoration, decontamination and decommissioning	1,087,208	1,056,201	-31,007
Other	305,933	266,891	-39,042
Total provisions	**4,973,457**	**4,875,651**	**-97,806**
Total liabilities	**14,947,823**	**15,428,010**	**480,187**
NET ASSETS	**133,350,929**	**136,597,104**	**3,246,175**
EQUITY			
Contributed equity	107,248,719	107,099,926	-148,793
Retained surplus (accumulated deficit)	-7,935,813	-7,908,399	27,414
Reserves	34,038,023	37,405,577	3,367,554
Total equity	**133,350,929**	**136,597,104**	**3,246,175**

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

	2024-25 Budget Estimate	2024-25 Revised Estimate	Variation
	$'000	$'000	$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations (current year)	38,470,706	38,489,557	18,851
Appropriations (prior year)	-	-	-
Goods and services	612,022	1,793,725	1,181,703
Net GST received	2,936,945	2,969,206	32,261
Interest	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	273,152	90,662	-182,490
Other cash received	74,198	216,532	142,334
Cash transfer from the Official Public Account (receivables)	-	-	-
Total cash received	**42,367,023**	**43,559,683**	**1,192,660**
Cash used			
Employees	14,876,659	14,609,425	-267,234
Suppliers	23,705,914	25,396,024	1,690,110
Net GST paid	2,936,945	2,969,206	32,261
Grants	49,842	49,842	-
Payments in relation to Defence Trusts and Joint Accounts	305,192	137,704	-167,488
Other cash used	381,660	140,718	-240,942
Cash transfer to the Official Public Account (receivables)	-	-	-
Total cash used	**42,256,212**	**43,302,918**	**1,046,706**
Net cash from (used by) operating activities	**110,811**	**256,765**	**145,954**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of non-financial assets	140,541	95,855	-44,686
Other cash received	-	-	-
Total cash received	**140,541**	**95,855**	**-44,686**
Cash used			
Purchase of non-financial assets	11,856,192	11,544,964	-311,228
Purchase of inventory	1,940,256	2,114,919	174,663
Selling costs on sale of assets	-	-	-
Finance costs	-	-	-
Total cash used	**13,796,448**	**13,659,883**	**-136,566**
Net cash from (used by) investing activities	**-13,655,907**	**-13,564,028**	**91,879**

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

	2024-25 Budget Estimate $'000	2024-25 Revised Estimate $'000	Variation $'000
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity	10,590,238	10,952,770	362,532
Appropriations - departmental capital budget	3,206,210	2,707,113	-499,097
Prior year appropriation	-	-	-
Total cash received	**13,796,448**	**13,659,883**	**-136,565**
Cash used			
Principal repayments of lease liabilities	283,392	399,661	116,269
Cash to the Official Public Account	-	-	-
Total cash used	**283,392**	**399,661**	**116,269**
Net cash from (used by) financing activities	**13,513,056**	**13,260,222**	**-252,834**
Net increase (decrease) in cash and cash equivalents held	**-32,040**	**-47,041**	**-15,001**
Cash and cash equivalents at the beginning of the reporting period	334,253	332,349	-1,904
Transfer of cash from administered programs	-	-	-
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-	-	-
Cash and cash equivalents at the end of the reporting period	**302,213**	**285,307**	**-16,906**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
EXPENSES					
Employee benefits	13,986,166	14,915,545	15,973,725	16,952,969	17,771,121
Supplier expenses	23,287,040	25,714,279	26,030,143	25,738,539	28,609,352
Grants	113,201	49,842	44,907	44,999	45,108
Depreciation and amortisation	7,275,933	7,390,554	7,363,825	7,786,515	8,078,153
Finance costs	167,928	126,072	124,156	121,894	119,578
Write-down of assets and impairment of assets	1,375,457	1,730,682	1,852,543	1,984,224	2,126,732
Net losses from sale of assets	-	-	-	-	-
Expenses in relation to Defence Trusts and Joint Accounts	18,634	70,520	54,172	55,347	7,335
Other	112,085	14,646	538	1,417	1,134
Total expenses	**46,336,444**	**50,012,140**	**51,444,008**	**52,685,903**	**56,758,513**
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sales of goods and rendering of services	570,491	586,492	411,613	410,405	419,815
Revenue in relation to Defence Trusts and Joint Accounts	139,448	130,179	109,820	197,928	381,111
Other revenue	529,056	450,077	539,010	418,465	436,648
Total own-source revenue	**1,238,995**	**1,166,748**	**1,060,444**	**1,026,797**	**1,237,574**
Gains					
Foreign exchange	30,556	-	-	-	-
Reversals of previous asset write-downs	866,648	925,267	987,130	1,053,334	1,124,210
Net gains from sale of assets	18,391	-	-	-	-
Other gains	169,719	-	-	-	-
Total gains	**1,085,314**	**925,267**	**987,130**	**1,053,334**	**1,124,210**
Total own-source income	**2,324,309**	**2,092,015**	**2,047,574**	**2,080,131**	**2,361,784**
Net cost of (contribution by) services	**44,012,135**	**47,920,125**	**49,396,434**	**50,605,772**	**54,396,729**
Revenue from Government	35,840,570	38,810,303	40,202,425	40,928,661	44,462,051
Surplus/ (Deficit) attributable to the Australian Government	**-8,171,565**	**-9,109,823**	**-9,194,009**	**-9,677,110**	**-9,934,678**
OTHER COMPREHENSIVE INCOME **Items not subject to subsequent reclassification to net cost of services**					
Changes in asset revaluation reserves	3,367,554	-	-	-	-
Total other comprehensive income/(loss)	**3,367,554**	**-**	**-**	**-**	**-**
Total comprehensive income/ (loss) attributable to the Australian Government	**-4,804,011**	**-9,109,823**	**-9,194,009**	**-9,677,110**	**-9,934,678**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
Note: Impact of Net Cash Appropriation Arrangements					
Surplus/ (Deficit) attributable to the Australian Government prior to Net Cash Appropriation Adjustments	**391,067**	**-36,196**	**18,041**	**137,770**	**368,706**
Less: Items previously included in revenue appropriation:					
Depreciation and amortisation	7,275,933	7,390,554	7,363,825	7,786,515	8,078,153
Inventory consumption	1,173,727	1,277,319	1,389,730	1,512,034	1,645,101
Net write-down and net impairment of assets	508,809	805,415	865,413	930,890	1,002,522
Add: Repayment of lease liabilities funded through revenue appropriations	395,837	399,661	406,918	414,558	422,393
Surplus/ (Deficit) attributable to the Australian Government as per above	**-8,171,565**	**-9,109,823**	**-9,194,009**	**-9,677,110**	**-9,934,678**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
ASSETS					
Financial assets					
Cash and cash equivalents	332,349	285,307	285,327	285,332	285,359
Trade and other receivables	271,222	271,222	271,222	271,222	271,222
Tax assets	396,818	396,818	396,818	396,818	396,818
Appropriation receivable	425,972	667,645	932,179	1,197,715	980,418
Other receivables	863,726	840,503	840,350	840,207	840,047
Total financial assets	**2,290,087**	**2,461,494**	**2,725,896**	**2,991,293**	**2,773,863**
Non-financial assets					
Land and buildings	26,699,021	26,800,510	27,180,263	27,684,915	28,501,591
Infrastructure, plant and equipment	11,088,083	11,407,299	12,173,062	12,783,241	13,520,708
Specialist military equipment	88,628,062	92,001,354	95,597,649	100,573,835	107,887,069
Intangibles	3,622,578	3,840,963	4,149,441	4,342,541	4,656,277
Heritage and cultural	401,671	385,993	369,519	351,536	332,861
Inventories	9,597,327	10,285,645	11,163,751	12,075,850	13,126,749
Prepayments	3,500,032	4,773,439	4,751,757	4,650,782	5,200,085
Total non-financial assets	**143,536,774**	**149,495,203**	**155,385,441**	**162,462,700**	**173,225,341**
Assets held for sale	68,417	68,417	68,417	68,417	68,417
Total assets	**145,895,278**	**152,025,114**	**158,179,754**	**165,522,410**	**176,067,621**
LIABILITIES					
Payables					
Suppliers	5,351,477	5,586,749	5,884,755	6,103,467	6,972,460
Other	748,909	1,697,127	1,451,482	1,205,478	495,309
Total payables	**6,100,386**	**7,283,876**	**7,336,236**	**7,308,945**	**7,467,769**
Interest bearing liabilities					
Leases	3,139,113	3,268,483	3,376,832	3,485,633	3,595,158
Total interest bearing liabilities	**3,139,113**	**3,268,483**	**3,376,832**	**3,485,633**	**3,595,158**
Provisions					
Employee provisions	3,285,642	3,552,559	3,743,051	3,934,902	4,108,086
Restoration, decontamination and decommissioning	1,056,201	1,056,201	1,056,201	1,056,201	1,056,201
Other	266,891	266,891	266,891	266,891	266,891
Total provisions	**4,608,734**	**4,875,651**	**5,066,143**	**5,257,994**	**5,431,178**
Total liabilities	**13,848,233**	**15,428,010**	**15,779,212**	**16,052,572**	**16,494,106**
NET ASSETS	**132,047,045**	**136,597,104**	**142,400,543**	**149,469,839**	**159,573,516**
EQUITY					
Contributed equity	93,451,248	107,099,926	122,097,374	138,843,780	158,882,136
Retained surplus (accumulated deficit)	1,190,220	-7,908,399	-17,102,408	-26,779,518	-36,714,196
Reserves	37,405,577	37,405,577	37,405,577	37,405,577	37,405,577
Total equity	**132,047,045**	**136,597,104**	**142,400,543**	**149,469,839**	**159,573,516**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations (current year)	36,350,327	38,489,557	39,937,891	40,663,126	44,679,348
Appropriations (prior year)	-	-	-	-	-
Goods and services	710,080	1,793,725	737,653	750,896	792,958
Net GST received	2,893,959	2,969,206	3,125,378	3,239,995	3,695,396
Interest	79,934	-	-	-	-
Receipts in relation to Defence Trusts and Joint Accounts	70,212	90,662	109,821	197,929	381,110
Other cash received	129,571	216,532	212,974	77,957	63,512
Cash transfer from the Official Public Account (receivables)	1,068,380	-	-	-	-
Total cash received	**41,302,463**	**43,559,683**	**44,123,716**	**44,929,904**	**49,612,323**
Cash used					
Employees	14,041,269	14,609,425	15,709,190	16,687,434	17,988,417
Suppliers	22,013,695	25,396,024	24,640,414	24,226,505	26,964,251
Net GST paid	2,899,834	2,969,206	3,125,378	3,239,995	3,695,396
Grants	119,727	49,842	44,907	44,999	45,108
Payments in relation to Defence Trusts and Joint Accounts	114,428	137,704	109,805	197,908	381,089
Other cash used	195,814	140,718	124,693	123,311	120,712
Cash transfer to the Official Public Account (receivables)	1,151,016	-	-	-	-
Total cash used	**40,535,783**	**43,302,918**	**43,754,387**	**44,520,152**	**49,194,973**
Net cash from (used by) operating activities	**766,680**	**256,765**	**369,329**	**409,752**	**417,350**
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of non-financial assets	41,857	95,855	37,608	4,811	5,070
Other cash received	88	-	-	-	-
Total cash received	**41,945**	**95,855**	**37,608**	**4,811**	**5,070**
Cash used					
Purchase of non-financial assets	12,470,798	11,544,964	12,859,265	14,614,006	17,655,612
Purchase of inventory	2,380,667	2,114,919	2,138,183	2,132,398	2,382,745
Selling costs on sale of assets	17,377	-	-	-	-
Finance costs	-	-	-	-	-
Total cash used	**14,868,842**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**
Net cash from (used by) investing activities	**-14,826,897**	**-13,564,028**	**-14,959,840**	**-16,741,593**	**-20,033,287**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
FINANCING ACTIVITIES					
Cash received					
Appropriations - contributed equity	11,600,499	10,952,770	11,917,882	13,743,923	16,769,460
Appropriations - departmental capital budget	2,761,249	2,707,113	3,079,566	3,002,481	3,268,897
Prior year appropriation	-	-	-	-	-
Total cash received	**14,361,748**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**
Cash used					
Principal repayments of lease liabilities	395,837	399,661	406,918	414,558	422,393
Cash to the Official Public Account	-	-	-	-	-
Total cash used	**395,837**	**399,661**	**406,918**	**414,558**	**422,393**
Net cash from (used by) financing activities	**13,965,911**	**13,260,222**	**14,590,530**	**16,331,846**	**19,615,964**
Net increase (decrease) in cash and cash equivalents held	**-94,306**	**-47,041**	**19**	**5**	**27**
Cash and cash equivalents at the beginning of the reporting period	427,000	332,349	285,307	285,327	285,332
Transfer of cash from administered programs	-	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents at beginning of the reporting period	-345	-	-	-	-
Cash and cash equivalents at the end of the reporting period	**332,349**	**285,307**	**285,327**	**285,332**	**285,359**

Table 54: Departmental Statement of Changes in Equity — Summary of Movement (Budget year 2024-25)

	Retained Earnings	Asset Revaluation Reserve	Contributed Equity/ Capital	Total Equity
	$'000	$'000	$'000	$'000
Opening balance as at 1 July 2024				
Balance carried forward from previous period	1,190,220	37,405,577	93,451,248	**132,047,045**
Adjustment for changes in accounting policies	-	-	-	**-**
Adjusted opening balance	**1,190,220**	**37,405,577**	**93,451,248**	**132,047,045**
Comprehensive income				
Comprehensive income recognised directly in equity:				
Gain/loss on revaluation of property	-	-	-	**-**
Subtotal comprehensive income	**-**	**-**	**-**	**-**
Surplus (Deficit) for the period	-9,109,823	-	-	**-9,109,823**
Total comprehensive income recognised directly in equity	**-9,109,823**	**-**	**-**	**-9,109,823**
Transactions with owners				
Distribution to owners				
Returns on capital:				
Restructuring	-	-	-	**-**
Other	-	-	-	**-**
Contributions by owners				
Appropriation (equity injection)	-	-	10,952,770	**10,952,770**
Departmental Capital Budget	-	-	2,707,113	**2,707,113**
Other	-	-	-	**-**
Sub-total transaction with owners	**-**	**-**	**13,659,883**	**13,659,883**
Transfers between equity components	11,204	-	-11,204	**-**
Estimated closing balance as at 30 June 2025	**-7,908,399**	**37,405,577**	**107,099,926**	**136,597,104**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
CAPITAL APPROPRIATIONS					
Departmental Capital					
Departmental Capital Budget	2,806,296	2,707,113	3,079,566	3,002,481	3,268,897
Bill 2 Equity	11,539,024	10,952,770	11,917,882	13,743,923	16,769,460
Total capital appropriations	**14,345,320**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**
Represented by:					
Purchase of non-financial assets	12,218,364	11,544,964	12,859,265	14,614,006	17,655,612
Purchase of inventory	2,871,149	2,114,919	2,138,183	2,132,398	2,382,745
Annual finance lease costs	-	-	-	-	-
Other items (including capital prepayments)	-	-	-	-	-
Total Items	**15,089,513**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations	14,345,320	13,659,883	14,997,448	16,746,404	20,038,357
Funded by prior year appropriation	-	-	-	-	-
Funded by finance lease costs	-	-	-	-	-
Net capital (surplus) / deficit [a]	744,193	-	-	-	-
Total	**15,089,513**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**
Reconciliation of cash used to acquire assets to asset movement table					
Total purchases	15,180,008	13,727,067	15,053,083	16,888,964	20,412,112
less additions by finance lease	-	-	-	-	-
less additions by creditors/borrowings	-	-	-	-	-
plus borrowing/finance costs	-	-	-	-	-
plus prepayments	-	-	-	-	-
less gifted assets	90,495	67,183	55,635	142,560	373,755
less s75/restructuring	-	-	-	-	-
Total cash used to acquire assets	**15,089,513**	**13,659,883**	**14,997,448**	**16,746,404**	**20,038,357**

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 2024-25)

	Land	Buildings	Specialist Military Equipment	Infrastructure, Plant and Equipment	Intangibles	Heritage and Cultural Assets	Assets Held for Sale	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
As at 1 July 2024								
Gross book value	6,979,557	18,325,404	89,137,202	11,276,911	5,565,014	416,580	68,417	**131,769,085**
Gross book value - ROU	53,923	3,041,663	285,779	697,245	-	-	-	**4,078,610**
Accumulated depreciation/amortisation and impairment	-	629,863	716,083	569,738	1,942,436	14,909	-	**3,873,029**
Accumulated depreciation/amortisation and impairment - ROU	-	1,071,663	78,836	316,335	-	-	-	**1,466,834**
Opening net book balance	**7,033,480**	**19,665,541**	**88,628,062**	**11,088,083**	**3,622,578**	**401,671**	**68,417**	**130,507,832**
CAPITAL ASSET ADDITIONS								
Estimated expenditure on new or replacement assets								
By purchase - appropriation equity	40,590	918,390	9,133,761	1,038,426	413,797	-	-	**11,544,964**
By purchase - appropriation equity - ROU	-	469,488	18,721	40,822	-	-	-	**529,032**
By purchase - donated funds	-	38,375	-	28,808	-	-	-	**67,183**
By purchase - donated funds - ROU	-	-	-	-	-	-	-	**-**
By finance lease	-	-	-	-	-	-	-	**-**
By finance lease - ROU	-	-	-	-	-	-	-	**-**
Total additions	**40,590**	**956,765**	**9,133,761**	**1,067,234**	**413,797**	**-**	**-**	**11,612,147**
Total additions - ROU	**-**	**469,488**	**18,721**	**40,822**	**-**	**-**	**-**	**529,032**
Other movements								
Reclassifications [a]	-	-194,047	232,645	318,406	4,125	-	-	**361,130**
Reclassifications - ROU	-	-	-	-	-	-	-	**-**
Depreciation and amortisation	-	714,657	5,164,216	945,046	144,078	15,678	-	**6,983,675**
Depreciation and amortisation - ROU	-	302,240	39,418	65,227	-	-	-	**406,885**
Disposal of entities or operations (including restructuring)	-	-	-	-	-	-	-	**-**
Disposal of entities or operations (including restructuring) - ROU	-	-	-	-	-	-	-	**-**
Other disposals [b]	-	154,409	808,202	96,975	55,460	-	-	**1,115,046**
Other disposals - ROU	-	-	-	-	-	-	-	**-**
Total other movements	**-**	**-1,063,113**	**-5,739,774**	**-723,614**	**-195,412**	**-15,678**	**-**	**-7,737,590**
Total other movements - ROU	**-**	**-302,240**	**-39,418**	**-65,227**	**-**	**-**	**-**	**-406,885**
As at 30 June 2025								
Gross book value	7,020,147	18,933,713	97,695,406	12,565,576	5,927,477	416,580	68,417	**142,627,316**
Gross book value - ROU	53,923	3,511,151	304,500	738,067	-	-	-	**4,607,642**
Accumulated depreciation/amortisation and impairment	-	1,344,520	5,880,299	1,514,784	2,086,514	30,587	-	**10,856,704**
Accumulated depreciation/amortisation and impairment - ROU	-	1,373,903	118,254	381,562	-	-	-	**1,873,719**
Closing net book value	**7,074,070**	**19,726,440**	**92,001,354**	**11,407,299**	**3,840,963**	**385,993**	**68,417**	**134,504,536**

Notes

a. Reclassifications includes 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)

	2024-25 Budget Estimate	2024-25 Revised Estimate	Variation
	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT			
Revenue			
Non-taxation			
Dividends	-	-	-
Military superannuation contributions	1,067,060	1,100,849	33,789
Fees	23,978	23,978	-
Other	41,877	41,908	31
Total non-taxation	**1,132,915**	**1,166,735**	**33,820**
Total revenues administered on behalf of Government	**1,132,915**	**1,166,735**	**33,820**
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT			
Subsidies	236,275	236,275	-
Military retention benefits	11,250	8,743	-2,507
Military superannuation benefits	9,781,081	9,664,698	-116,383
Other	-	-	-
Total expenses administered on behalf of Government	**10,028,606**	**9,909,716**	**-118,890**

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

	2024-25 Budget Estimate	2024-25 Revised Estimate	Variation
	$'000	$'000	$'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT			
Financial assets			
Cash and cash equivalents	-	-	-
Trade and other receivables	23,978	46,050	22,072
Investments accounted for using the equity method	3,915,985	3,942,774	26,789
Total financial assets	**3,939,963**	**3,988,824**	**48,861**
Non-financial assets			
Prepayments	-	12,086	12,086
Total non-financial assets	**-**	**12,086**	**12,086**
Total assets administered on behalf of Government	**3,939,963**	**4,000,910**	**60,947**
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT			
Payables			
Other	10,004	106,541	96,537
Total payables	**10,004**	**106,541**	**96,537**
Provisions			
Superannuation - DFRB	211,659	200,166	-11,493
Superannuation - DFRDB	31,020,895	29,210,769	-1,810,126
Superannuation - MSBS	100,934,413	101,265,584	331,171
Superannuation - ADF Cover	6,483,078	6,197,036	-286,042
Total provisions	**138,650,045**	**136,873,555**	**-1,776,490**
Total liabilities administered on behalf of Government	**138,660,049**	**136,980,096**	**-1,679,953**

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

	2024-25 Budget Estimate	2024-25 Revised Estimate	Variation
	$'000	$'000	$'000
OPERATING ACTIVITIES			
Cash received			
Interest	-	-	-
Military superannuation contributions	1,349,877	1,370,220	20,343
Fees	21,614	20,964	-650
Other	41,665	41,908	243
Total cash received	**1,413,156**	**1,433,092**	**19,936**
Cash used			
Subsidies paid	236,275	236,275	-
Military benefits	4,453,924	4,307,832	-146,092
Total cash used	**4,690,199**	**4,544,107**	**-146,092**
Net cash from or (used by) operating activities	**-3,277,043**	**-3,111,015**	**166,028**
INVESTING ACTIVITIES			
Cash received			
Dividends	-	-	-
Total cash received	**-**	**-**	**-**
Cash used			
Loans	-	-	-
Total cash used	**-**	**-**	**-**
Net cash from (used by) investing activities	**-**	**-**	**-**
Net increase (decrease) in cash held	**-3,277,043**	**-3,111,015**	**166,028**
Cash at the beginning of reporting period	-	-	-
Cash from the Official Public Account for appropriations	4,690,199	4,544,107	-146,092
Cash to the Official Public Account	-1,413,156	-1,433,092	-19,936
Net increase (decrease) in Special Account	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-
Cash and cash equivalents at the end of the reporting period	**-**	**-**	**-**

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

	2023-24 Actual Result	2024-25 Revised Estimate	2025-26 Forward Estimate	2026-27 Forward Estimate	2027-28 Forward Estimate
	$'000	$'000	$'000	$'000	$'000
INCOME ADMINISTERED ON BEHALF OF GOVERNMENT					
Revenue					
Non-taxation					
Dividends	-	-	-	-	-
Military superannuation contributions	1,129,955	1,100,849	1,043,042	986,327	931,434
Fees	20,964	23,978	26,573	29,426	32,570
Other	44,015	41,908	43,047	44,232	46,973
Total non-taxation	**1,194,934**	**1,166,735**	**1,112,662**	**1,059,985**	**1,010,977**
Total revenues administered on behalf of Government	**1,194,934**	**1,166,735**	**1,112,662**	**1,059,985**	**1,010,977**
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Subsidies	366,025	236,275	255,100	275,795	298,595
Military retention benefits	38,586	8,743	8,727	1,668	912
Military superannuation benefits	9,877,461	9,664,698	10,057,719	10,649,136	11,299,874
Other	-	-	-	-	-
Total expenses administered on behalf of Government	**10,282,073**	**9,909,716**	**10,321,546**	**10,926,599**	**11,599,381**

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

	2023-24 Actual Result $'000	2024-25 Revised Estimate $'000	2025-26 Forward Estimate $'000	2026-27 Forward Estimate $'000	2027-28 Forward Estimate $'000
ASSETS ADMINISTERED ON BEHALF OF GOVERNMENT					
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Trade and other receivables	43,685	46,050	48,645	51,498	54,642
Investments accounted for using the equity method	3,798,039	3,942,774	4,152,780	4,364,563	4,591,374
Total financial assets	**3,841,724**	**3,988,824**	**4,201,425**	**4,416,061**	**4,646,016**
Non-financial assets					
Prepayments	20,829	12,086	3,359	1,691	779
Total non-financial assets	**20,829**	**12,086**	**3,359**	**1,691**	**779**
Total assets administered on behalf of Government	**3,862,553**	**4,000,910**	**4,204,784**	**4,417,752**	**4,646,795**
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other	106,541	106,541	106,541	106,541	106,541
Total payables	**106,541**	**106,541**	**106,541**	**106,541**	**106,541**
Provisions					
Superannuation - DFRB	231,100	200,166	183,977	168,884	154,768
Superannuation - DFRDB	31,463,000	29,210,769	28,798,420	28,323,938	27,782,145
Superannuation - MSBS	101,205,000	101,265,584	105,569,173	109,695,750	113,638,320
Superannuation - ADF Cover	5,297,000	6,197,036	7,957,080	10,180,717	12,901,629
Total provisions	**138,196,100**	**136,873,555**	**142,508,650**	**148,369,289**	**154,476,862**
Total liabilities administered on behalf of Government	**138,302,641**	**136,980,096**	**142,615,191**	**148,475,830**	**154,583,403**

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

	2023-24	2024-25	2025-26	2026-27	2027-28
	Actual result	Revised Estimate	Forward Estimate	Forward Estimate	Forward Estimate
	$'000	$'000	$'000	$'000	$'000
OPERATING ACTIVITIES					
Cash received					
Interest	-	-	-	-	-
Military superannuation contributions	1,405,144	1,370,220	1,300,224	1,232,021	1,164,908
Fees	18,964	20,964	23,978	26,573	29,426
Other	65,711	41,908	43,047	44,232	46,973
Total cash received	**1,489,819**	**1,433,092**	**1,367,249**	**1,302,826**	**1,241,307**
Cash used					
Subsidies paid	270,683	236,275	255,100	275,795	298,595
Military benefits	4,001,147	4,307,832	4,680,016	5,034,403	5,425,771
Total cash used	**4,271,830**	**4,544,107**	**4,935,116**	**5,310,198**	**5,724,366**
Net cash from or (used by) operating activities	**-2,782,011**	**-3,111,015**	**-3,567,867**	**-4,007,372**	**-4,483,059**
INVESTING ACTIVITIES					
Cash received					
Dividends	-	-	-	-	-
Total cash received	**-**	**-**	**-**	**-**	**-**
Cash used					
Loans	-	-	-	-	-
Total cash used	**-**	**-**	**-**	**-**	**-**
Net cash from (used by) investing activities	**-**	**-**	**-**	**-**	**-**
Net increase (decrease) in cash held	**-2,782,011**	**-3,111,015**	**-3,567,867**	**-4,007,372**	**-4,483,059**
Cash at the beginning of reporting period	-	-	-	-	-
Cash from the Official Public Account for appropriations	4,271,830	4,544,107	4,935,116	5,310,198	5,724,366
Cash to the Official Public Account	-1,489,819	-1,433,092	-1,367,249	-1,302,826	-1,241,307
Net increase (decrease) in Special Account	-	-	-	-	-
Effect of exchange rate movements on cash and cash equivalents	-	-	-	-	-
Cash and cash equivalents at the end of the reporting period	**-**	**-**	**-**	**-**	**-**

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).

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